



**CONSOLIDATED QUARTERLY REPORT  
OF THE Mo-BRUK GROUP  
FOR THE FIRST QUARTER 2019**

**Niecew,  
25 April 2019**

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**1. Condensed and consolidated financial statements of MoBRUK S.A. Capital Group for the first quarter of 2019**
**1.1. Selected financial data**

SPECIFICATION	PLN		EUR	
	01.01.2019 - 31.03.2019	01.01.2018- 31.03.2018	01.01.2019 - 31.03.2019	01.01.2018- 31.03.2018
I. Sales	26 981 240	16 163 478	6 277 870	3 868 341
II. Operating profit	8 876 018	1 775 788	2 065 231	424 992
III. Profit before income taxes	8 663 078	1 392 023	2 015 685	333 147
IV. Net profit	7 017 525	1 126 986	1 632 805	269 717
V. Net cash from operating activities	11 558 410	4 695 240	2 689 357	1 123 693
VI. Net cash from investing activities	(165 199)	(320 707)	(38 438)	(76 753)
VII. Net cash from financial activities	(2 144 883)	(4 016 227)	(499 061)	(961 188)
VIII. Net cash total	9 248 327	358 307	2 151 858	85 752
IX. Net profit per share (in PLN / EUR)	1,9	0,3	0,5	0,1
SPECIFICATION	PLN		EUR	
	31.03.2019	31.12.2018	31.03.2019	31.12.2018
X. Total assets	182 969 528	173 396 488	42 538 193	40 324 765
XI. Total liabilities and provisions	66 634 470	64 078 954	15 491 705	14 902 082
XII. Non-current liabilities	47 113 144	45 254 959	10 953 234	10 524 409
<i>of which: Deferred revenues - grants</i>	24 292 759	24 920 934	5 647 771	5 795 566
XIII. Current liabilities	19 521 326	18 823 995	4 538 471	4 377 673
<i>of which: Deferred revenues - grants</i>	2 431 856	2 411 800	565 377	560 884
XIV. Total equity	116 335 058	109 317 533	27 046 488	25 422 682
XV. Share capital	36 113 850	36 113 850	8 396 031	8 398 570
XVI. No of shares	3 611 385	3 611 385	3 611 385	3 611 385
XVII. Book value per share (in PLN / EUR)	32,2	30,3	7,5	7,0

The presented financial data for the first quarter 2019 and 2018 were calculated into EUR according with the following approach:  
- elements of the statement of finance positions – average exchange rate stated by the Polish Central Bank as of 29.09.2019 – 4,3013 PLN/EUR, as of 31.12.2018 – 4,3000 PLN/EUR  
- elements of the statements of comprehensive income and cash flow – average exchange rate based on average exchange rates stated by the Polish Central Bank as of every last day of the every month in the reporting period: from 1 January to 29 March 2019 – 4,2978 PLN/EUR, from 1 January to 30 March 2018 – 4,1784 PLN/EUR

**1.2. Consolidated statement of finance position**

<b>Consolidated statement of finance position</b>			
<b>Specification</b>	<b>As of 31-03-2019</b>	<b>As of 31-12-2018</b>	<b>As of 31-03-2018</b>
<b>NON- CURRENT ASSETS</b>	<b>144 754 367</b>	<b>142 535 169</b>	<b>149 206 265</b>
Property, plant and equipment	141 404 650	138 444 295	143 623 912
of which: the right of perpetual use of land	4 592 543	-	-
Intangible assets	617 480	609 841	678 574
Goodwill	832 348	832 348	832 348
Longterm receivables	266 720	251 586	264 973
Deferred tax assets	1 633 169	2 397 100	3 806 458
<b>CURRENT ASSETS</b>	<b>38 215 162</b>	<b>30 861 318</b>	<b>13 479 163</b>
Inventories	815 099	945 418	955 934
Accounts receivable and prepayments	10 942 465	12 826 323	7 455 204
Other receivables	1 231 019	1 137 410	802 527
Cash and cash equivalents	24 058 335	14 804 297	3 041 333
Other assets	244 164	208 027	300 085
<b>Non-current assets held for sale</b>	<b>924 080</b>	<b>939 843</b>	<b>924 080</b>
<b>Total assets:</b>	<b>182 969 528</b>	<b>173 396 487</b>	<b>162 685 428</b>

<b>Consolidated statement of finance position</b>			
<b>Specification</b>	<b>As of 31-03-2019</b>	<b>As of 31-12-2018</b>	<b>As of 31-03-2018</b>
<b>TOTAL EQUITY</b>	<b>116 335 058</b>	<b>109 317 533</b>	<b>91 916 479</b>
Share capital	36 113 850	36 113 850	36 113 850
Share premium	25 573 479	25 573 479	25 573 479
Retained earnings	14 194 511	14 194 511	9 295 706
Other reserves	12 916 096	12 916 096	12 916 096
Not distributed profit	27 537 122	20 519 597	8 017 348
including: Net profit in the period	7 017 525	20 519 597	1 126 986
<b>NON-CURRENT LIABILITIES</b>	<b>47 113 144</b>	<b>45 254 959</b>	<b>52 956 190</b>
Deferred tax liabilities	7 447 685	7 293 506	6 673 679
Retirement severance provision	128 346	119 847	143 958
Longterm borrowings	10 741 120	12 896 383	19 349 538

Other financial liabilities	4 478 944	-	58 465
of which: liabilities from the right of perpetual use of land	4 478 944	-	-
Other longterm liabilities	24 289	24 289	780
Deferred revenues - grants	24 292 759	24 920 934	26 729 770
<b>CURRENT LIABILITIES</b>	<b>19 521 326</b>	<b>18 823 995</b>	<b>17 812 759</b>
Shortterm borrowings	8 975 259	8 606 740	9 354 066
Other financial liabilities	123 377	108 209	204 734
of which: liabilities from the right of perpetual use of land	64 913	-	-
Trade and other payables	4 445 751	3 467 014	2 838 349
Income tax liabilities	475 447	416 332	29 281
Retirement severance provision	680 405	677 984	743 617
Other shortterm liabilities	7 000	7 000	349 929
Other provisions	2 382 231	3 128 916	1 880 924
Deferred revenues - grants	2 431 856	2 411 800	2 411 858
<b>Total equity and liabilities:</b>	<b>182 969 528</b>	<b>173 396 487</b>	<b>162 685 428</b>

### 1.3. Consolidated income statement

<b>Consolidated statement of comprehensive income</b>		
<b>Specification</b>	<b>Period: 01.01.2019-31.03.2019</b>	<b>Period: 01.01.2018-31.03.2018</b>
Sales	26 981 240	16 163 478
<b>Total expenses:</b>	<b>18 051 512</b>	<b>14 370 481</b>
Change of work in progress	(14 089)	65 009
Depreciation	1 523 200	1 465 004
Energy and raw materials	2 967 399	2 544 803
Third parties services	6 648 298	3 776 883
Remunerations	3 966 862	3 595 050
Taxes and other duties	407 395	668 701
Other expenses	174 381	269 849
Cost of sold products	2 378 064	1 985 183
<b>PROFIT FROM SALES</b>	<b>8 929 728</b>	<b>1 792 996</b>
Other operating income	178 276	140 169
Oter operating expenses	231 987	157 377
<b>OPERATING PROFIT</b>	<b>8 876 018</b>	<b>1 775 788</b>
Finance income	34 400	7 124
Finance costs	247 340	390 889

<b>PROFIT BEFORE INCOME TAXES</b>	<b>8 663 078</b>	<b>1 392 023</b>
Income tax	1 645 553	265 037
<b>NET PROFIT</b>	<b>7 017 525</b>	<b>1 126 986</b>
<b>Total comprehensive income</b>	<b>7 017 525</b>	<b>1 126 986</b>

## 1.4. Consolidated cash flow statement

<b>Consolidated cash flow statement</b>		
<b>Specification</b>	<b>Period: 01.01.2019-31.03.2019</b>	<b>Period: 01.01.2018-31.03.2018</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit (loss) before tax	8 663 078	1 392 023
Total adjustments	2 895 332	3 303 217
Depreciation	1 523 200	1 465 004
Depreciation - grants	608 119	602 965
Interests and share in profits	243 483	377 068
Profit on investing activities	(37 729)	(119 812)
Changes in working capital	1 285 701	1 070 026
Change in provisions	10 920	350 205
Change in inventories	130 319	(76 435)
Change in receivables	1 775 114	2 055 116
Change in trade payables	13 604	(705 155)
Change in deferred revenues and accruals	(644 256)	(553 705)
Income taxes paid	(727 443)	(92 034)
<b>Net cash from operating activities</b>	<b>11 558 410</b>	<b>4 695 240</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment and intangibles	79 705	138 963
Purchase of property, plant and equipment	(244 904)	(459 670)
<b>Net cash from investing activities</b>	<b>(165 199)</b>	<b>(320 707)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayments of borrowings	(1 786 743)	(3 584 895)
Payment of Finance lease liabilities	(114 657)	(54 264)
Interest paid	(243 483)	(377 068)
<b>Net cash from financing activities</b>	<b>(2 144 883)</b>	<b>(4 016 227)</b>
<b>NET CASH TOTAL</b>	<b>9 248 327</b>	<b>358 307</b>
<b>Cash at start of period</b>	<b>14 810 007</b>	<b>2 683 026</b>
<b>Cash at end of period</b>	<b>24 058 334</b>	<b>3 041 333</b>

## 1.5. Consolidated statement of changes in equity

Consolidated statement of changes in equity	Share capital	Share premium	Retained earnings	Other reserves	Not distributed profit	Total equity
As of 01.01.2019	36 113 850	25 573 479	14 194 511	12 916 096	20 519 597	109 317 533
Balance after changes	36 113 850	25 573 479	14 194 511	12 916 096	20 519 597	109 317 533
Net profit in the period:	-	-	-	-	7 017 525	7 017 525
Total comprehensive income	-	-	-	-	7 017 525	7 017 525
As of 31.03.2019	36 113 850	25 573 479	14 194 511	12 916 096	27 537 122	116 335 058

Consolidated statement of changes in equity	Share capital	Share premium	Retained earnings	Other reserves	Not distributed profit	Total equity
As of 01.01.2018	36 113 850	25 573 479	9 295 706	12 916 096	6 890 362	90 789 493
Balance after changes	36 113 850	25 573 479	9 295 706	12 916 096	6 890 362	90 789 493
Net profit in the period:	-	-	-	-	1 126 986	1 126 986
Total comprehensive income	-	-	-	-	1 126 986	1 126 986
As of 31.03.2018	36 113 850	25 573 479	9 295 706	12 916 096	8 017 348	91 916 479



## 2. Condensed unconsolidated financial statements of Mo-BRUK S.A. for the first quarter of 2019

### 2.1. Selected financial data

SPECIFICATION	PLN		EUR	
	01.01.2019 - 31.03.2019	01.01.2018- 31.03.2018	01.01.2019 - 31.03.2019	01.01.2018- 31.03.2018
I. Sales	24 145 552	13 667 499	5 618 076	3 270 989
II. Operating profit	8 464 588	1 371 072	1 969 501	328 133
III. Profit before income taxes	8 246 448	989 584	1 918 745	236 833
IV. Net profit	6 691 389	800 614	1 556 921	191 608
V. Net cash from operating activities	11 207 083	3 844 947	2 607 612	920 196
VI. Net cash from investing activities	(165 199)	(316 266)	(38 438)	(75 691)
VII. Net cash from financial activities	(2 143 847)	(3 953 631)	(498 820)	(946 207)
VIII. Net cash total	8 898 036	(424 950)	2 070 354	(101 702)
IX. Net profit per share (in PLN / EUR)	1,9	0,2	0,4	0,1
SPECIFICATION	PLN		EUR	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
X. Total assets	176 449 435	166 887 608	41 022 350	38 811 072
XI. Total liabilities and provisions	65 589 386	62 718 948	15 248 736	14 585 802
XII. Non-current liabilities	46 887 050	45 028 865	10 900 669	10 471 829
<i>of which: Deferred revenues - grants</i>	24 292 759	24 920 934	5 647 771	5 795 566
XIII. Current liabilities	18 702 336	17 690 083	4 348 066	4 113 973
<i>of which: Deferred revenues - grants</i>	2 431 856	2 411 800	565 377	560 884
XIV. Total equity	110 860 049	104 168 660	25 773 615	24 225 270
XV. Share capital	36 113 850	36 113 850	8 396 031	8 398 570
XVI. No of shares	3 611 385	3 611 385	3 611 385	3 611 385
XVII. Book value per share (in PLN / EUR)	30,7	28,8	7,1	6,7

The presented financial data for the first quarter 2019 and 2018 were calculated into EUR according with the following approach:  
- elements of the statement of finance positions – average exchange rate stated by the Polish Central Bank as of 29.09.2019 – 4,3013 PLN/EUR, as of 31.12.2018 – 4,3000 PLN/EUR  
- elements of the statements of comprehensive income and cash flow – average exchange rate based on average exchange rates stated by the Polish Central Bank as of every last day of the every month in the reporting period: from 1 January to 29 March 2019 – 4,2978 PLN/EUR, from 1 January to 30 March 2018 – 4,1784 PLN/EUR

**2.2. Unconsolidated statement of finance position**

<b>Unconsolidated statement of finance position</b>			
<b>Specification</b>	<b>As of 31-03-2019</b>	<b>As of 31-12-2018</b>	<b>As of 31-03-2018</b>
<b>NON- CURRENT ASSETS</b>	<b>142 820 116</b>	<b>140 516 338</b>	<b>147 869 444</b>
Property, plant and equipment	138 776 751	135 734 663	141 610 979
of which: the right of perpetual use of land	4 592 543	-	-
Intangible assets	597 541	587 054	647 242
Longterm financial assets	1 628 599	1 628 599	1 628 599
Longterm receivables	266 720	251 586	264 973
Deferred tax assets	1 550 505	2 314 436	3 717 651
<b>CURRENT ASSETS</b>	<b>33 629 319</b>	<b>26 371 270</b>	<b>9 286 002</b>
Inventories	808 010	936 719	954 630
Accounts receivable and prepayments	9 101 598	10 899 594	5 746 882
Other receivables	1 071 212	789 456	629 535
Cash and cash equivalents	21 525 610	12 627 574	762 519
Other assets	198 809	178 084	268 355
<b>Non-current assets held for sale</b>	<b>924 080</b>	<b>939 843</b>	<b>924 080</b>
<b>Total assets:</b>	<b>176 449 435</b>	<b>166 887 608</b>	<b>157 155 447</b>

<b>Unconsolidated statement of finance position</b>			
<b>Specification</b>	<b>As of 31-03-2019</b>	<b>As of 31-12-2018</b>	<b>As of 31-03-2018</b>
<b>TOTAL EQUITY</b>	<b>110 860 049</b>	<b>104 168 660</b>	<b>87 594 899</b>
Share capital	36 113 850	36 113 850	36 113 850
Share premium	25 573 479	25 573 479	25 573 479
Retained earnings	10 199 303	10 199 303	6 515 747
Other reserves	12 916 096	12 916 096	12 916 096
Not distributed profit	26 057 321	19 365 932	6 475 727
including: Net profit in the period	6 691 389	19 365 932	800 614
<b>NON-CURRENT LIABILITIES</b>	<b>46 887 050</b>	<b>45 028 865</b>	<b>52 701 823</b>
Deferred tax liabilities	7 299 362	7 145 183	6 519 078
Retirement severance provision	74 084	65 585	44 192
Longterm borrowings	10 741 120	12 896 383	19 349 538

Other financial liabilities	4 478 944	-	58 465
including: liabilities from the right of perpetual use of land	4 478 944	-	-
Other longterm liabilities	780	780	780
Deferred revenues - grants	24 292 759	24 920 934	26 729 770
<b>CURRENT LIABILITIES</b>	<b>18 702 336</b>	<b>17 690 083</b>	<b>16 858 726</b>
Shortterm borrowings	8 975 259	8 606 740	9 219 170
Other financial liabilities	123 377	108 209	204 734
including: liabilities from the right of perpetual use of land	64 913	-	-
Trade and other payables	4 208 679	2 944 419	2 522 884
Income tax liabilities	444 647	386 673	-
Retirement severance provision	488 532	486 111	582 005
Other shortterm liabilities	-	-	342 929
Other provisions	2 029 986	2 746 131	1 575 146
Deferred revenues - grants	2 431 856	2 411 800	2 411 858
<b>Total equity and liabilities:</b>	<b>176 449 435</b>	<b>166 887 608</b>	<b>157 155 447</b>

### 2.3. Unconsolidated income statement

<i>Unconsolidated statement of comprehensive income</i>		
Specification	Period: 01.01.2019-31.03.2019	Period: 01.01.2018-31.03.2018
Sales	24 145 552	13 667 499
<b>Total expenses:</b>	<b>15 629 491</b>	<b>12 381 736</b>
Change of work in progress	(14 089)	65 009
Depreciation	1 438 619	1 383 033
Energy and raw materials	2 701 707	2 289 157
Third parties services	5 377 756	2 901 584
Remunerations	3 225 169	2 875 021
Taxes and other duties	390 582	653 572
Other expenses	131 683	229 176
Cost of sold products	2 378 064	1 985 183
<b>PROFIT FROM SALES</b>	<b>8 516 061</b>	<b>1 285 763</b>
Other operating income	178 206	140 168
Other operating expenses	229 679	54 860
<b>OPERATING PROFIT</b>	<b>8 464 588</b>	<b>1 371 072</b>

Finance income	28 164	4 525
Finance costs	246 304	386 013
<b>PROFIT BEFORE INCOME TAXES</b>	<b>8 246 448</b>	<b>989 584</b>
Income tax	1 555 059	188 970
<b>NET PROFIT</b>	<b>6 691 389</b>	<b>800 614</b>
<b>Total comprehensive income</b>	<b>6 691 389</b>	<b>800 614</b>

## 2.4. Unconsolidated cash flow statement

<i>Unconsolidated cash flow statement</i>		
Specification	Period: 01.01.2019- 31.03.2019	Period: 01.01.2018- 31.03.2018
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit (loss) before tax	8 246 448	989 584
Total adjustments	2 960 635	2 855 363
Depreciation	1 438 619	1 383 033
Depreciation - grants	608 119	602 965
Interests and share in profits	242 448	372 291
Profit on investing activities	(37 729)	(119 812)
Changes in working capital	1 346 127	616 886
Change in provisions	10 920	350 205
Change in inventories	128 708	(76 308)
Change in receivables	1 501 106	1 288 031
Change in trade payables	334 236	(400 571)
Change in deferred revenues and accruals	(628 844)	(544 470)
Income taxes paid	(636 949)	
<b>Net cash from operating activities</b>	<b>11 207 083</b>	<b>3 844 947</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment and intangibles	79 705	138 963
Purchase of property, plant and equipment	(244 904)	(455 229)
<b>Net cash from investing activities</b>	<b>(165 199)</b>	<b>(316 266)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayments of borrowings	(1 786 743)	(3 527 076)

Payment of Finance lease liabilities	(114 657)	(54 264)
Interes paid	(242 448)	(372 291)
<b>Net cash from financing activities</b>	<b>(2 143 847)</b>	<b>(3 953 631)</b>
<b>NET CASH TOTAL</b>	<b>8 898 036</b>	<b>(424 950)</b>
<b>Cash at start of period</b>	<b>12 627 574</b>	<b>1 187 469</b>
<b>Cash at end of period</b>	<b>21 525 610</b>	<b>762 519</b>

## 2.5. Unconsolidated statement of changes in equity

Unconsolidated statement of changes in equity	Share capital	Share premium	Retained earnings	Other reserves	Not distributed profit	Total equity
<b>As of 01.01.2019</b>	<b>36 113 850</b>	<b>25 573 479</b>	<b>10 199 303</b>	<b>12 916 096</b>	<b>19 365 932</b>	<b>104 168 660</b>
<b>Balance after changes</b>	<b>36 113 850</b>	<b>25 573 479</b>	<b>10 199 303</b>	<b>12 916 096</b>	<b>19 365 932</b>	<b>104 168 660</b>
Net profit in the period:	-	-	-	-	6 691 389	<b>6 691 389</b>
<b>Total comprehensive income</b>	-	-	-	-	<b>6 691 389</b>	<b>6 691 389</b>
<b>As of 31.03.2019</b>	<b>36 113 850</b>	<b>25 573 479</b>	<b>10 199 303</b>	<b>12 916 096</b>	<b>26 057 321</b>	<b>110 860 049</b>

Unconsolidated statement of changes in equity	Share capital	Share premium	Retained earnings	Other reserves	Not distributed profit	Total equity
<b>As of 01.01.2018</b>	<b>36 113 850</b>	<b>25 573 479</b>	<b>6 515 747</b>	<b>12 916 096</b>	<b>5 675 113</b>	<b>86 794 285</b>
<b>Balance after changes</b>	<b>36 113 850</b>	<b>25 573 479</b>	<b>6 515 747</b>	<b>12 916 096</b>	<b>5 675 113</b>	<b>86 794 285</b>
Net profit in the period:	-	-	-	-	800 614	<b>800 614</b>
<b>Total comprehensive income</b>	-	-	-	-	<b>800 614</b>	<b>800 614</b>
<b>As of 31.03.2018</b>	<b>36 113 850</b>	<b>25 573 479</b>	<b>6 515 747</b>	<b>12 916 096</b>	<b>6 475 727</b>	<b>87 594 899</b>

## 3. Notes to the condensed interim quarterly report for the first quarter of 2019

### 3.1. Description of Mo-BRUK S.A. Capital Group

Mo-BRUK S.A. forms a capital group composed of Mo-BRUK S.A. – the parent undertaking in the capital group, and Raf-Ekologia sp. z o.o. – a wholly-owned subsidiary of Mo-BRUK S.A.

LIST OF COMPANIES IN WHICH THE GROUP HAS AT LEAST 20% OF SHARES IN THE EQUITY OR THE TOTAL NUMBER OF VOTES IN THE DECISION-MAKING BODY OF THE COMPANY AS AT THE BALANCE SHEET DATE				
Item	Name and registered office of company	% of shares held in the equity	% of votes in the decision-making body of the company	Type of relationship and consolidation method
1.	"RAF-EKOLOGIA" Spółka z o.o. 38-460 Jedlicze ul. Trzecieckiego 14	100	100	Full consolidation

In the period from 1 January 2019 to 31 March 2019, there were no changes in the organisation of the Capital Group.

#### Basic data of parent undertaking

(Business) name:	Mo-BRUK Spółka Akcyjna
Issuer's registered office:	Niecew
Issuer's legal form:	joint-stock company
Governing law:	the law of Poland and the law of the European Union
Country of Issuer's registered office:	the Republic of Poland
Issuer's address:	Niecew 68, 33-322 Korzenna
Telephone number:	+48 (18) 441 70 48
Fax number:	+48 (18) 441 70 99
E-mail:	mobruk@mobruk.pl
Website:	www.mobruk.pl
Number of entry into the National Court Register (KRS):	0000357598
NIP (Tax Identification Number):	734-32-94-252
REGON (Company Number):	120652729

#### Basic data of subsidiary

(Business) name:	Raf-Ekologia Spółka z ograniczoną odpowiedzialnością
Registered office:	Jedlicze
Legal form:	limited liability company
Governing law:	the law of Poland and the law of the European Union
Country of registered office:	the Republic of Poland
Address:	ul. Trzecieckiego 14, 38-460 Jedlicze
Telephone number:	+48 13 43 84 362
Fax number:	+48 13 43 84 166
E-mail:	rafekologia@rafekologia.pl
Website:	www.rafekologia.pl
Number of entry into the National Court Register (KRS):	0000069313
NIP (Tax Identification Number):	6842198750
REGON (Company Number):	370484149

**The Issuer's Management Board is composed of:**

Józef Tadeusz Mokrzycki	President of the Management Board
Elżbieta Maria Mokrzycka	Deputy President of the Management Board
Anna Magdalena Mokrzycka-Nowak	Deputy President of the Management Board
Wiktor Jakub Mokrzycki	Deputy President of the Management Board
Tobiasz Jan Mokrzycki	Deputy President of the Management Board

**The Issuer's Supervisory Board is composed of:**

Kazimierz Janik	Chairperson of the Supervisory Board
Jan Basta	Member of the Supervisory Board
Adam Buchajski	Member of the Supervisory Board
Piotr Pietrzak	Member of the Supervisory Board
Konrad Paweł Turzański	Member of the Supervisory Board

Mo-BRUK Spółka Akcyjna, a joint-stock company with its registered office in Niecew (Niecew 68, 33-322 Korzenna), is a company with legal personality, registered in the District Court in Kraków, the 12th Commercial Division, entered into the National Court Register under number 0000357598.

The duration of the Company is unlimited and it operates pursuant to the law of Poland. From 1985, the Company operated as a sole proprietorship trading as "Mo-BRUK" Józef Mokrzycki. Up to 1996, the business objective was the production of terrazzo goods (tiles, window sills, stairs) and the main clients for the products were individual customers. In 1996, the Company expanded its business activity with broadly interpreted waste management including storage, treatment and recycling. Given the progressing development of the Company, its legal form

was transformed on 1 April 2008 from sole proprietorship trading as Mo-BRUK Józef Mokrzycki into a limited partnership. On 1 June 2010, the Company was transformed into a joint-stock company.

Mo-BRUK S.A. has eight branches and one subsidiary. Next to the headquarters of the Company in Niecew, there is its Waste Recovery Plant and Concrete Pavement Construction Plant.

Three branches of the Company are located in Wałbrzych: Waste Recycling Plant that produces alternative fuels, Industrial Waste Dump and Coal Mud Recovery Plant. The Alternative Fuel Production Plant started its operation in 2008 in Karsy (gmina of Ożarów) with industrial waste incineration plant commissioned in 2014.

In 2014, two more plants were opened: Non-Organic Waste Recovery Plant in Skarbimierz and Ferrous and Non-Ferrous Metal Recycling Plant in Zabrze.

Mo-BRUK SA also has its branch in Łęka (fuel station and diagnostic station).

Mo-BRUK holds 100% of shares in Raf-Ekologia Sp. z o. o. Raf-Ekologia Sp. z o.o. was formed on 1 December 1999 in Krosno (Notarial Deed dated 1 December 1999, Register A No. 9397/99). The initial capital is equal to PLN 686,000.00 (six hundred and eighty-six thousand) and is divided into 6860 shares of nominal value equal to PLN 100.00 each. The Company has the following business objectives: thermal neutralisation of hazardous and non-hazardous waste, of which also medical and veterinary waste, with the extended list of types of waste, pursuant to the integrated permit No. ŚR.IV-6618-23/1/06 issued by the Voivode of Podkarpackie Voivodeship.

## **3.2. Significant accounting principles.**

### **3.2.1. Basis for preparation of financial statements.**

The condensed consolidated financial statements were prepared for the period from January 1, 2019 to March 31, 2019. Comparative data covers the period from January 1, 2018 to March 31, 2018 in the scope of the income statement and statement of cash flows, and for balance sheet values as at December 31, 2018.

The financial year of the Group is the calendar year.

The condensed consolidated financial statements are presented in Polish zlotys ("PLN").

The condensed consolidated financial statements were drawn up on the assumption of the companies belonging to the Group being a going concern in the foreseeable future. As at the date of drawing up these consolidated financial statements, there are no known circumstances indicating any threat to the continuation of the operations by the Group.

### **3.2.2. Statement of compliance.**



The Company draws up the financial statements in compliance with the adopted accounting principles (policy) arising from the International Accounting Standards, International Financial Reporting Standards and their related interpretations published as the implementing regulations of the European Commission, and in the scope which is not regulated by those Standards – according to the requirements of the Accounting Act dated 29 September 1994 and the executive acts issued on the basis thereof. The Management Board of Mo-BRUK S.A. with its registered office in Niecew hereby represents that the financial results were prepared by the Chief Accountant of Mo-BRUK S.A. Furthermore, the Management Board states that the Management Board Report concerning the activities of Mo-BRUK S.A. gives the true description of the development and achievements as well as fairly and clearly presents the material and financial situation of the Company.

### **3.2.3. Currency of measurements and of financial statements.**

The measurement currency of the Group and the reporting currency of these condensed financial statements is the Polish zloty.

### **3.2.4. The rules adopted in the preparation of the report, in particular information on changes in the accounting principles (policy) applied.**

These condensed consolidated financial statements for the first quarter of 2019 and the comparable data for the first quarter of 2018 were drawn up in compliance with the IFRS.

### **3.2.5. Amendments to presentation.**

In the condensed consolidated financial statements and condensed separate financial statements for the first quarter of 2019, no changes were made to the presentation of financial data.

### **3.2.6. Error adjustment.**

No error adjustments were made in the condensed consolidated financial statements for the first quarter of 2019.

### **3.2.7. Consolidation principles.**

The Mo-BRUK S.A. Capital Group is composed of the parent undertaking being Mo-BRUK S.A. and its subsidiary, that is Raf-Ekologia Sp. z o.o. with its registered office in Jedlicze.

The financial statements of the subsidiary are drawn up for the same reporting period that the financial statements of the parent undertaking, with the use of the consistent accounting principles, based on uniform accounting principles applied for transactions and business events of similar character. The Company performs full consolidation of the undertaking controlled by it.

### **3.2.8. Conversion of financial statements of subsidiaries presented in foreign currencies.**

Within the Mo-BRUK S.A. Capital Group, there are no subsidiaries with their financial statements presented in foreign currencies.

### **3.3. The amount and type of items affecting assets, liabilities, equity, net result or cash flows that are unusual due to their type, value or frequency..**

In connection with the application of the new IFRS 16 for the first time since January 1, 2019, in the statement of financial position of the Capital Group Mo-BRUK S.A. there are new, significant asset contributions that meet the standard criteria, ie the right to perpetual usufruct of land. As at 01.01.2019, the value of property, plant and equipment due to the right to perpetual usufruct of land was recognized at PLN 4,608,768. Short-term liabilities due to the right of perpetual usufruct of land as at 01/01/2019 amounted to PLN 66,912, and long-term liability due to the right to perpetual usufruct of land PLN 4,533,856.

The Issuer did not make the above presentation changes in comparable periods.

### **3.4. Information on creating, increasing and dissolving provisions.**

In the presented period, the provision for employee benefits increased by PLN 10,920. Changes in provisions for deferred income tax are disclosed in item 3.5.

### **3.5. Information on deferred income tax reserves and assets.**

## **Consolidated data**

Deferred tax income tax	As of 31-12-2018	Recognised in the profit 01.01.2019-31.03.2019	As of 31-03-2019
<b>DIT-related assets</b>			
Social Insurance Contribution premiums	74 710	(421)	74 289
Staff benefits	173 713	1 598	175 311
Allowances for receivables	115 049	-	115 049
Leasing	20 560	(9 452)	11 108
Grants	1 193 278	46 101	1 239 379
Interest and IRS	-	16 703	16 703
Tax loss	818 460	(818 460)	-
Audit expenses	1 330	-	1 330
<b>TOTAL DIT- RELATED ASSETS</b>	<b>2 397 100</b>	<b>(763 931)</b>	<b>1 633 169</b>
<b>Deferred income tax</b>			
Fixed assets valuation	7 220 075	154 179	7 374 254
Leased fixed assets	73 431	-	73 431
<b>TOTAL DEFERRED INCOME TAX</b>	<b>7 293 506</b>	<b>154 179</b>	<b>7 447 685</b>

## Unconsolidated data

Deferred tax income tax	As of 31-12-2018	Recognised in the profit 01.01.2019-31.03.2019	As of 31-03-2019
<b>DIT-related assets</b>			
Social Insurance Contribution premiums	59 118	(421)	58 697
Staff benefits	126 946	1 598	128 544
Allowances for receivables	96 074	-	96 074
Leasing	20 560	(9 452)	11 108
Grants	1 193 278	46 101	1 239 379
Interest and IRS	-	16 703	16 703
Tax loss	818 460	(818 460)	-
<b>TOTAL DIT- RELATED ASSETS</b>	<b>2 314 436</b>	<b>(763 931)</b>	<b>1 550 505</b>
<b>Deferred income tax</b>			
Fixed assets valuation	7 145 183	154 179	7 299 362
<b>TOTAL DEFERRED INCOME TAX</b>	<b>7 145 183</b>	<b>154 179</b>	<b>7 299 362</b>

### 3.6. Information on non-repayment of a loan or breach of significant provisions of a loan agreement.

As at 31 March 2019, the Group did not have any arrears in repayment of loans and advances, nor were significant provisions of loan and loan agreements violated.

**3.7. Description of basic economic and financial values shown in the condensed consolidated financial statements, in particular the description of factors and events, including those of extraordinary nature having a significant impact on the issuer's operations and profits gained or losses incurred in the accounting year and also the overview of prospects of the issuer's development at least in the coming accounting year.**

The increase in the revenues from sales of the Capital Group by 67% in the first quarter of 2019 with lower dynamics of growth of operating costs equal to 26% in comparison with the same period in 2018 was translated in the achievement of the profit on sales equal to PLN 8,9 million which is fivefold the profit on sales in the same period in 2018 which was equal to PLN 1,8 million. The Issuer's Capital Group successively aims at the increase in the generated revenues from the sales of products and services which is most influenced by the most dynamically developing segment being the waste management that is the source of more than 90% of the Issuer's consolidated revenues. The improved situation of the Issuer's Capital Group in the scope of revenues from sales resulted from the acquisition of new business partners in the waste management market who ensured new flows of supplied waste to installations in the plants of the Issuer's Group, as well as an increase in fees for waste treatment resulting, among others, from the change of regulations in the field of waste management.

## CONSOLIDATED INCOME STATEMENTS

Specification	Period: 01.01.2019-31.03.2019	Period: 01.01.2018-31.03.2018
Sales	26 981 240	16 163 478
<b>Total expenses:</b>	<b>18 051 512</b>	<b>14 370 481</b>
Change of work in progress	(14 089)	65 009
Depreciation	1 523 200	1 465 004
Energy and raw materials	2 967 399	2 544 803
Third parties services	6 648 298	3 776 883
Remunerations	3 966 862	3 595 050
Taxes and other duties	407 395	668 701
Other expenses	174 381	269 849
Cost of sold products	2 378 064	1 985 183
<b>Profit from sales</b>	<b>8 929 728</b>	<b>1 792 996</b>
Other operating income	178 276	140 169
Other operating expenses	231 987	157 377
<b>EBITDA (Operating income + depreciation)*</b>	<b>10 399 218</b>	<b>3 240 792</b>

<b>EBIT (Operating income)**</b>	<b>8 876 018</b>	<b>1 775 788</b>
Finance income	34 400	7 124
Finance costs	247 340	390 889
<b>PROFIT BEFORE INCOME TAXES</b>	<b>8 663 078</b>	<b>1 392 023</b>
Income tax	<b>1 645 553</b>	<b>265 037</b>
<b>NET PROFIT</b>	<b>7 017 525</b>	<b>1 126 986</b>

\*/ EBITDA is an accounting measure that is not reflected in the effective IAS/IFRS and is not applied within the financial reporting. Therefore, in the Issuer's opinion, it is the so called Alternative Performance Measure (APM). The presented and calculated EBITDA is the total of the result (profit/loss) on operating activities and depreciation and amortisation. The APM refers to the reporting period specified in the heading of the table.

\*\*/ EBIT is an accounting measure that is not reflected in the effective IAS/IFRS and is not applied within the financial reporting. Therefore, in the Issuer's opinion, it is the so called Alternative Performance Measure (APM). The presented and calculated EBIT is identical to the profit/loss on operating activities. The APM refers to the reporting period specified in the heading of the table.

In the period of the first quarter of 2019, the Mo-BRUK S.A. Capital Group recognised the growth in comparison with the same period in 2018, in the scope of the profit on operating activities, the EBITDA, the profit before tax, and the net profit which was generated at the level of PLN 7,0 million in comparison to PLN 1,1 million for the first quarter of 2018.

### Profit the Mo-BRUK Group

Specification (in PLN)	I quarter 2019	I quarter 2018	Change
<b>Profit from sales</b>	<b>8 929 728</b>	<b>1 792 996</b>	398,0%
EBITDA (Operating income + depreciation)	10 399 218	3 240 792	220,9%
EBIT (Operating income)	8 876 018	1 775 789	399,8%
Profit before income taxes	8 663 078	1 392 023	522,3%
<b>Net profit</b>	<b>7 017 525</b>	<b>1 126 986</b>	522,7%

The increase in the revenues from sales with the reduction of incurred costs of basic operating activities was reflected in the improvement of other indicators/ratios, of which also the EBITDA. After the first quarter of 2019, the Mo-BRUK S.A. Capital Group generated the EBITDA equal to PLN 10,4 million in comparison to PLN 3,2 million for the first quarter of 2018, which means the increase by 220,9%.

### Profitability analysis of the Mo-BRUK Group

Specification	I quarter 2019	I quarter 2018

Profit from sales margin	33,1%	11,1%
EBITDA margin	38,5%	20,1%
Operating profit margin (EBIT)	32,9%	11,0%
Net margin	26,0%	7,0%

Ratio calculation algorithms:

Profit from sales margin = result from sales / net revenues from sales

EBITDA margin = result on operating activities + depreciation and amortisation / revenues from sales

Operating profit margin = result on operating activities / net revenues from sales

Net margin = net financial result / net revenues from sales

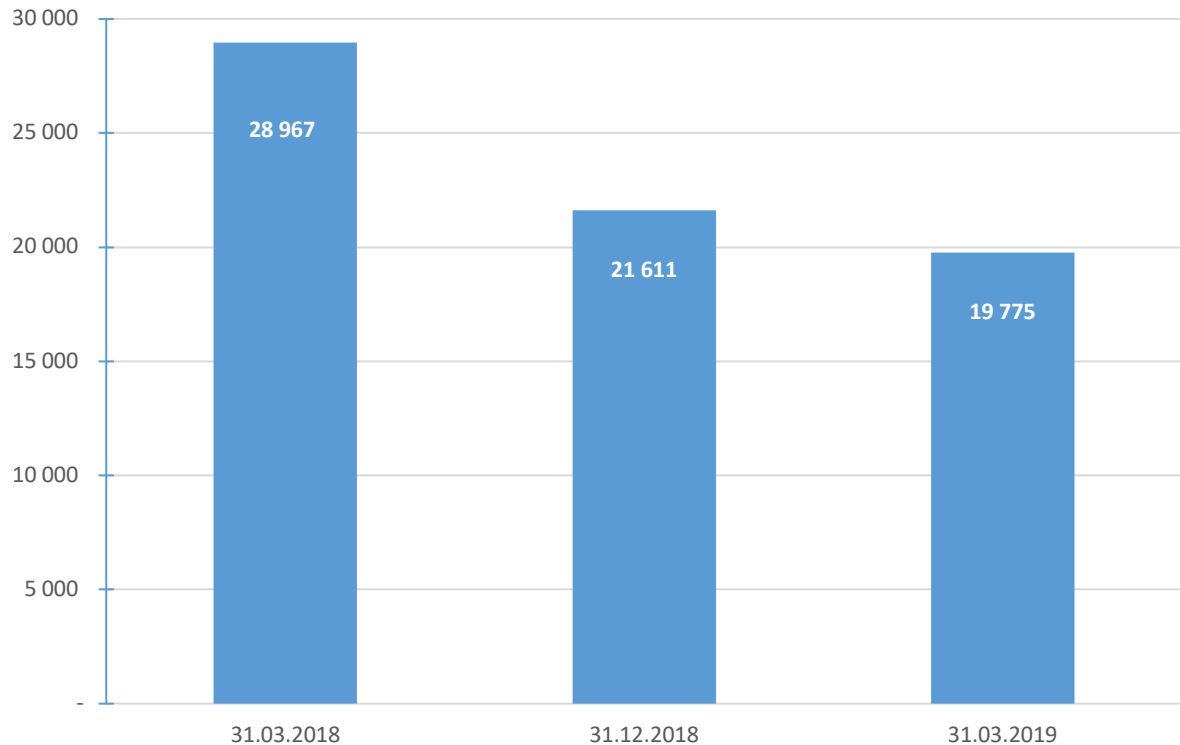
The Issuer's Capital Group also recorded the improvement in profitability ratios for the first quarter of 2019 in comparison with the same period in 2018. The sales profit margin increased from 11,1% to 33,1%, and the operating profit margin increased from 11,0% to 32,9%. In compared periods, a significant increase was also recorded for the net margin that increased from 7,0% to 26,0%, while the EBITDA margin increased to 38,5% from 20,1%.

The Mo-BRUK S.A. Capital Group repays the instalments of the financial debt in accordance with the schedule and therefore it significantly reduced its liabilities arising from financial agreements. Within twelve months before the date of presentation of the financial data of this statements, that is in the period from 1 April 2018 to 31 March 2019, the financial debt of the Group dropped by 31%.

<b>Financial debt of the Mo-BRUK Group [in PLN]</b>			
	<b>31.03.2018</b>	<b>31.12.2018</b>	<b>31.03.2019</b>
<b>Financial debt<sup>1)</sup></b>	<b>28 966 803</b>	<b>21 611 332</b>	<b>19 774 844</b>
<i>of which:</i>			
<i>Borrowings</i>	<i>28 703 604</i>	<i>21 503 123</i>	<i>19 716 380</i>
<i>Finance lease</i>	<i>263 199</i>	<i>108 209</i>	<i>58 464</i>
<b>Cash</b>	<b>3 041 333</b>	<b>14 804 297</b>	<b>24 058 335</b>

<sup>1)</sup> financial debt in the above table does not include liabilities due to perpetual usufruct of land

## Financial debt the GK Mo-BRUK Group [in PLN]



The regular repayment of the financial liabilities caused that the Capital Group improved its debt ratios, among them - the ratio of net financial debt to EBITDA was significantly improved.

At the end of the first quarter of 2019, the Group achieved a higher level of cash than financial debt, therefore the value of the following indicator was presented with a negative sign.

Ratio of net financial debt to EBITDA of the Mo-BRUK Group		
31.03.2018 <sup>1)</sup>	31.12.2018	31.03.2019 <sup>2)</sup>
1,5	0,2	-0,1

Ratio calculation algorithm:

financial debt<sup>3)</sup> - cash / profit on operating activities for the last 12 months + amortisation and depreciation for the last 12 months

<sup>1)</sup>for the ratio as at 31.03.2018, the EBITDA is calculated for the period from 01.04.2017 do 31.03.2018

<sup>2)</sup> for the ratio as at 31.03.2019, the EBITDA is calculated for the period from od 01.04.2018 do 31.03.2019

<sup>3)</sup> financial debt calculated in the ratio above does not include liabilities due to perpetual usufruct of land

In the period of the first quarter of 2019, the Issuer continued the activities related to ensuring the relevant volume of supplies of waste to new installations. In that period, each plant of the Capital Group recorded better sales results in comparison with the results achieved in the preceding periods. The increase in the involvement in the sector of non-organic waste

management (processed in Skarbimierz and Niecew) has contributed to the significant increase in the profitability of the Issuer's business activity. Given the fact that the waste management market in Poland is in the phase of intensive development and is very prospective, the Management Board of Mo-BRUK S.A. assumes significant growths in revenues in the next periods.

The Management Board makes every effort to ensure a relevant supply of waste for processing in the installations of the Mo-BRUK S.A. Capital Group. Business activities aimed at winning new clients are also undertaken continuously in foreign markets, which should translate into better financial results of the Issuer's Group.

The Mo-BRUK S.A. Capital Group with its leading segment being the waste management, defines therein three business lines connected with processing and neutralisation of waste:

### **Solidification / stabilisation of non-organic waste**

The Issuer holds competence and experience in the scope of neutralising non-organic waste and producing the cement granules from such waste. Mo-BRUK S.A. has been processing a number of waste types since 1996 based on its own unique technology. Hazardous waste which is accepted by the Issuer is subject to cementation process at further stage of its processing. The entities giving their waste for treatment are charged a fee by the Issuer for the waste accepted for cementation. As a result of the reactions occurring during the aforementioned process, hazardous substances present in such waste are neutralised. The final result of the process are cement granules which constitute the substitute of the aggregate that the Issuer sells to final clients. The types of non-organic, hazardous and non-hazardous waste accepted for solidification and stabilisation process include but are not limited to the following: slag and ash from waste incineration plants, sludge from chemical sewage treatment plants, electroplating waste, other waste including heavy metals.

The developed waste cementation technology is the basis for the operation of two Issuer's plants, that are the Waste Processing Plant in Niecew and the Non-Organic Waste Recovery Plant in Skarbimierz.

### **Production of alternative fuels**

Mo-BRUK S.A. acquired the competence in the scope of alternative fuel production as one of the first enterprises in the country. In 2004, the Issuer started its first alternative fuel production plant in Wałbrzych. In 2008, the Issuer started the second such plant in Karsy near Ożarów (at the Cement Plant in Ożarów). As a result of further investments funded with the participation of the means from the European Union, the Alternative Fuel Production Plant in Karsy was expanded with the second production line. Separation of ferrous and non-ferrous metals as well as landfilling of non-hazardous industrial waste is also a part of this business line.

The alternative fuel offered by Mo-BRUK S.A. is produced from the selected combustible municipal waste which is supplied by waste collection enterprises. Furthermore, the production



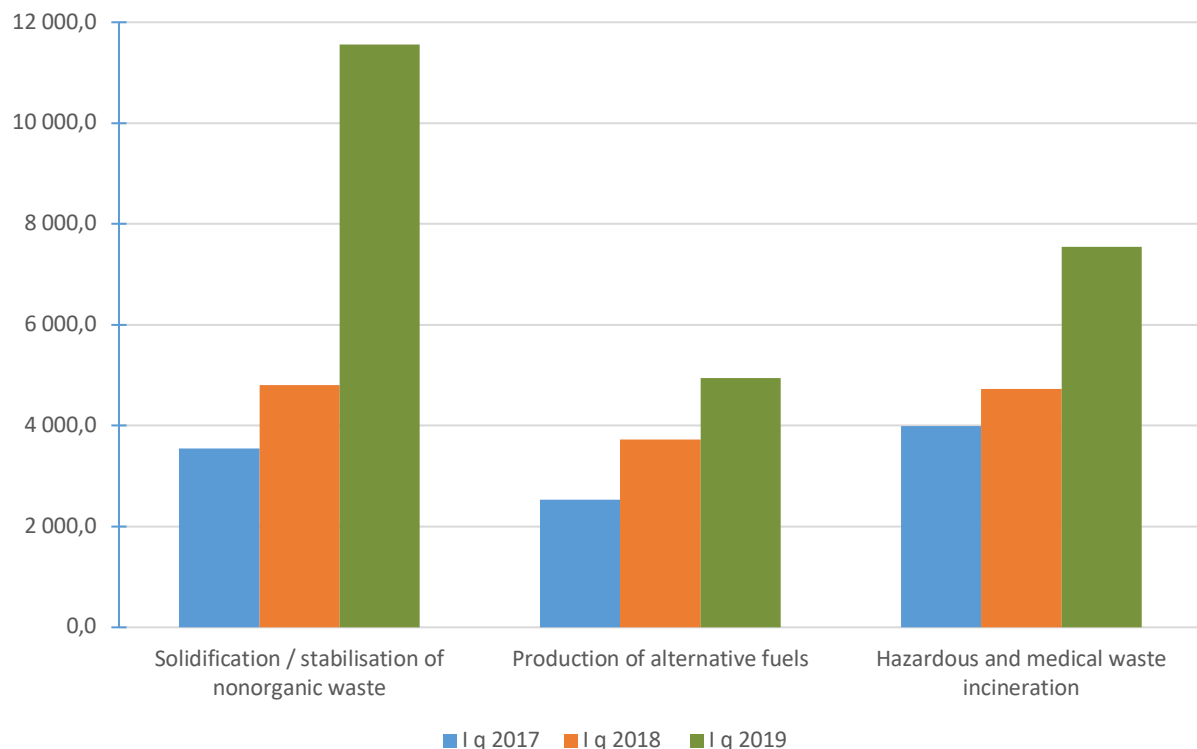
of alternative fuel also uses combustible industrial waste supplied directly by industrial plants, e.g. automotive, furniture plants, and by waste collection companies. The accepted waste is then mechanically processed, which results in the production of alternative fuel.

## Hazardous and medical waste incineration

In 2008, Mo-BRUK J. Mokrzycki spółka komandytowa (the legal predecessor of the Issuer) bought the industrial and medical waste incineration plant of Raf-Ekologia Sp. z o.o. The incineration plant of Raf-Ekologia Sp. z o.o. runs business activity in the scope of thermal neutralisation of industrial, medical and veterinary waste in a manner safe to the environment. As a result of incineration of specific groups of waste, Raf-Ekologia Sp. z o.o. produces energy in the form of process steam which is sold to Rafineria Nafty Jedlicze S.A. In 2014, the Issuer started the second industrial waste incineration plant located at the Alternative Fuel Production Plant in Karsy. The investment was completed within the project entitled "Implementation of innovative technology for production of heating blend with high calorific value" that was financed with the means from the European Union obtained by the Issuer. The established incineration plant is the source of warm air used to initially dry the alternative fuel. The types of waste undergoing the processes of neutralisation or recovery in the incineration plants include but are not limited to the following: paints, glues, solvents, post-refining waste, kerosene and gas exploration waste, medical and veterinary waste, agrochemicals, laboratory and analytical reagents.

Consolidated revenues [in PLN]	I quarter 2017	I quarter 2018	I quarter 2019
Solidification / stabilisation of non-organic waste	3 541,1	4 801,4	11 563,2
Production of alternative fuels	2 527,8	3 721,1	4 945,8
Hazardous and medical waste incineration	3 985,3	4 726,6	7 548,6
<b>Total:</b>	<b>10 054,3</b>	<b>13 249,2</b>	<b>24 057,6</b>

**Consolidated revenues from waste management**  
[in PLN]



The waste management in the Mo-BRUK Capital Group is the most dynamically developing segment which is the source of more than 90% of consolidated revenues of the Issuer, and the segment in which the Issuer implemented - in the recent years - several investment projects which received financing from the European Union Funds.

The main source of the Issuer's income are fees for acceptance of waste for its further treatment or other processing. In that scope, Mo-BRUK S.A. has the function of an important element in the waste management chain in Poland as it is an alternative to waste dumping grounds. The companies collecting municipal waste or the holders of waste are interested in the cooperation with the Mo-BRUK Capital group as it makes it possible for them to limit the storage of waste in waste dumping grounds. On the other hand, the Issuer is interested in collection of waste for its further management and processing as the Issuer has technology and experience in the scope of processing of waste into full-value products (alternative fuel, cement granules, and energy).

The Issuer has the competence and permit for the treatment of almost the whole range of waste listed in the Regulation of the Minister of the Environment dated 9 December 2014 on waste catalogue (Journal of Laws of 2014, item 1923). The regulations prevailing in Poland provide that the treatment of waste is paid for by its generator and not the "cleaning company" or "treatment company" such as the Issuer. Therefore, Mo-BRUK S.A. is able to collect fees for the acceptance of waste at the level similar to or higher than the fees collected by waste dumping grounds. The amount of the remuneration paid to the Issuer depends on the category

of waste, its physical and chemical category, location, and finally the negotiated terms and conditions.

### **3.8. Significant events in the Group in the reporting period.**

#### Conclusion of significant agreements with Municipal Cleaning Company in the capital city of Warsaw sp. o.o. with headquarters at the Obozowa str.

On January 3, 2019, the Issuer signed four agreements with Municipal Cleaning Company in the capital city of Warsaw sp. o.o. with headquarters at 43, the Obozowa str. for "Collection, including transport and management of waste resulting from the treatment of bulky waste" in the total estimated amount of 15,000 tons.

The maximum remuneration of the Issuer due to the performance of the agreements in question may amount to PLN 6,104,400.00 gross. The actual remuneration for the performance of the subject of the contracts will be determined as the product of the unit price and the actual amount of waste collected.

The contracts were concluded as a result of the tender procedure under the Act of 29 January 2004 on Public Procurement Law and were signed for a definite period until December 31, 2019.

#### Annex to the contract with Synthos Dwory 7 spółka z o.o. general partnership with its registered office in Oświęcim

On 13/02/2019, the Issuer signed annex No. 1 to the agreement with Synthos Dwory 7 spółka z o.o. general partnership with its registered office in Oświęcim extending the subject of the contract for the service of collection, transport and waste management of debris containing mercury from demolition of the former electrolysis facility D-2028 code 170106 \* in the estimated amount of 20,000 tons.

The total estimated remuneration of the Issuer for the service covered by the subject of the annex to the contract is PLN 9,600,000 net. The actual remuneration for the subject of the annex will be the product of the unit price specified in the annex and the amount of waste actually received.

According to the annex, the contract was extended until December 31, 2019.

#### Completion of the operation of Industrial Waste Landfill in Wałbrzych

Due to the full filling of the last site of the Industrial Waste Landfill located in Wałbrzych at ul. Górnicza 1, the Management Board of Mo-BRUK S.A. informed that the landfill of the landfill concerned was finally completed. In connection with the above, the Issuer sent on March 20, 2019 to the Marshal's Office, an application for permission to close the last landfill site.

The share of the landfill activity in the Capital Group's results in the recent period was negligible. Bearing in mind that landfill reclamation will be carried out using inert waste, its

costs are assessed by the Management Board as insignificant for the results of future periods. The end of waste storage activities is the implementation of the Group's strategy of developing key activities in waste management such as waste treatment in stabilization processes, hazardous and medical waste incineration and the production of alternative fuels.

After performing the duties resulting from the decision to close the landfill, the Issuer shall delete from the National Court Register an Industrial Landfill operating as a separate branch. Still the plant in Wałbrzych at ul. Górnicza will operate as Waste Recycling Facility producing alternative fuels.

### **3.9. Events after the balance sheet date.**

#### *Conclusion of a significant agreement with Krakowski Holding Komunalny S.A*

On April 11, 2019, the Issuer received a mutually signed contract with Krakowskie Komunalne Holding SA. for the service consisting in the successive collection (transport and development) of waste generated in the process of thermal treatment of municipal waste in the Department of Thermal Waste Transformation in Krakow.

The Issuer's maximum remuneration for the performance of the contract may amount to PLN 4,269,580 net. The actual remuneration of the Issuer for the performance of the subject of the contract will be determined as the product of the unit price and the actually collected quantity of waste.

The contract was concluded as a result of the tender procedure under the Act of 29 January 2004 on Public Procurement Law and was signed for a definite period of 12 months.

In addition to the above, there were no events in the Group that could significantly affect the future financial results of the Issuer.

### **3.10. Description of factors and events, especially of extraordinary nature, having significant effect on the achieved financial results.**

In the reporting period ended 31 March 2019, there were no events of extraordinary nature.

### **3.11. Information on seasonal or cyclical changes in activities of the issuer in the presented period.**

The Group's operations do not show any significant seasonality or cyclicity that would significantly affect the periodic performance of the Issuer and the subsidiary.

### **3.12. Information on issue, buy out and repayment of debt and capital securities.**

In the reporting period ended 31 March 2019, there were no transactions of issue or buy out of debt or capital securities by the Issuer or the subsidiary.

### **3.13. Information on paid-out (or declared ) dividend, aggregate and per one share, separately for ordinary and preference shares.**

In the reporting period ended 31 March 2019, the parent undertaking and the subsidiary did not pay dividend.

On April 15, 2019, the Management Board of Mo-BRUK S.A. (The Issuer) informed that it has adopted a resolution regarding the adoption of a dividend policy with the following content:

The Management Board of Mo-BRUK S.A. intends to recommend to the General Meeting of Stockholders not less than 33% of net profit Mo-BRUK S.A. for the dividend provided that the assumed net debt level is maintained to EBITDA at the end of the financial year to which the profit distribution will relate.

On the recommendation of distribution of profit generated in Mo-BRUK SA, the Management Board of the Company will take into consideration investment plans including acquisition, financial and liquidity position of the Group, existing and future liabilities (including potential restrictions related to loan agreements and issue of debt instruments) and prospects assessment Capital Group Mo-BRUK SA in specific market and macroeconomic conditions. The ratio of the Company's net debt to EBITDA at the end of the financial year to which the profit distribution will relate may not exceed 3.0.

The Dividend Policy has been established for an indefinite period of time and will be subject to periodic verification.

The adopted Dividend Policy is applicable starting from the Company's net profit for the financial year ended on December 31, 2018.

### **3.14. Information on events subsequent to the date of the condensed quarterly financial statements which have not been accounted for in these statements but may have a significant effect on the Issuer's future financial results.**

Pursuant to the Management Board, there were no events subsequent to the date of the condensed quarterly financial statement which may have a significant effect on the Issuer's future financial results.

**3.15. Information on consequences of changes to the structure of the business undertaking, including as a result of business combination, acquisition or sale of undertakings within the capital group, long-term investments, split, restructuring and discontinuing of the activities.**

In the reporting period ended 31 March 2019, there were no changes to the structure of the capital group or business undertaking.

**3.16. Position of the Management Board with respect to the possibility of delivery of forecast results published earlier for a given year, in the light of the results presented in these quarterly financial statements in relation to the forecast results.**

The Management Board did not publish forecasts for 2019.

**3.17. Information on shareholders holding at least 5% of the total number of votes at the Issuer's general meeting of shareholders, directly or indirectly through subsidiaries, as at the date of submitting the quarterly report, with the specification of the number of shares held by those undertakings, their percentage share in the initial capital, number of votes arising therefrom and their percentage share in the total number of votes at the general meeting, and the specification of changes to the ownership structure of significant blocks of shares of the Issuer in the period from submitting the preceding quarterly report.**

The registered initial capital of Mo-BRUK S.A. is equal to PLN 36,113,850.00 (say: thirty-six million, one hundred and thirteen thousand, eight hundred and fifty zlotys and 00/100 grosz) and is divided into 3,611,385 (say: three million, six hundred and eleven thousand, three hundred and eighty-five) shares of nominal value of PLN 10.00 (say: ten zlotys and 00/100 grosz) each. The shares of the Company are as follows:

- 714,732 registered shares of series A (1,429,464 votes) - series A shares have seniority as to the voting right - 1 series A share carries 2 votes,
- 1,270,635 registered shares of series B (1,270,635 votes) – series B shares are not preference shares,
- 356,018 bearer shares of series C (356,018 votes) – series C shares are not preference shares,
- 1,270,000 bearer shares of series D (1,270,000 votes) – series D shares are not preference shares.

All shares in the initial capital were fully paid -up. Since 25 April 2012 and pursuant to the Resolutions of the Management Board of Giełda Papierów Wartościowych w Warszawie S.A. (the Warsaw Stock Exchange) Nos. 369/2012, 370/2012, 371/2012 dated 12 April 2012, 356,018 ordinary bearer shares of series C of the Issuer are listed on the parallel market run by Giełda Papierów Wartościowych S.A. in Warsaw. Series D shares in the number of 1,270,000 of nominal value of PLN 10.00 each were listed on the parallel market on 30 March 2017 pursuant to the Resolution of the Management Board of Giełda Papierów Wartościowych w Warszawie S.A. (the Warsaw Stock Exchange) No. 301/2017 dated 27 March 2017. The remaining registered shares of series A and series B in the number of 1,985,367 of nominal value of PLN 10.00 each are not dematerialised.

As at the date of publishing this report, the shareholding structure was as follows:

Shareholders	No of shares	Type of shares	Share in equity	No of votes at AGM	Share in votes at AGM
Value FIZ	1.537.120 <sup>1)</sup>	ordinary C,D shares	42,56%	1.537.120	35,85%
Józef Mokrzycki	714.732	registered A shares <sup>2)</sup>	19,84%	1.431.301	33,38%
	1.837	ordinary C shares			
Elżbieta Mokrzycka	377.220	registered B shares	10,45%	377.220	8,80%
Anna Mokrzycka-Nowak	290.624	registered B shares	8,05%	290.624	6,78%
Wiktor Mokrzycki	290.624	registered B shares	8,05%	290.624	6,78%
Tobiasz Mokrzycki	290.624	registered B shares	8,05%	290.624	6,78%
Others	108.604 <sup>3)</sup>	ordinary C,D shares	3,01%	70.104	1,64%
<b>TOTAL:</b>	<b>3.611.385</b>	-	<b>100,00%</b>	<b>4 287 617</b>	<b>100,00%</b>

Source: The issuer

<sup>1)</sup> own calculations, based on information in hands of the Issuer.

<sup>2)</sup> series A shares have seniority as to the voting right - 1 series A share carries 2 votes.

<sup>3)</sup> including shares without voting rights acquired by the Issuer as part of the buyback of own shares.

As a result of the purchase of own shares in September 2018, the Issuer purchased 38,500 own shares constituting 1.07% of the Issuer's share capital and giving 0.89% of votes at the General Meeting of the Company, however, the Company is not entitled to exercise voting rights from own shares. The own shares purchased by the Issuer are intended for redemption, which will reduce the overall number of votes and increase proportionally the percentage share of individual shareholders.

**3.18. List of the issuer's shares held by persons managing and supervising the issuer as at the day of submitting the quarterly report, along with an indication of changes in the status of holding, in accordance with the information possessed by the issuer in the period from the submission of the previous periodic report.**

The following table shows the number of shares of Mo-BRUK S.A. held by the members of the management bodies, in accordance with the Issuer's knowledge based on the information provided by the obliged persons.

Shareholder	Function	No of shares held as of the date of the report submission	Change in possession	No of shares held as of the report for 2018
Józef Mokrzycki	President of the Management Board	716 569	no changes	716 569
Ełżbieta Mokrzycka	Deputy President of the Management Board	377 220	no changes	377 220
Anna Mokrzycka - Nowak	Deputy President of the Management Board	290 624	no changes	290 624
Wiktoria Mokrzycki	Deputy President of the Management Board	290 624	no changes	290 624
Tobiasz Mokrzycki	Deputy President of the Management Board	290 624	no changes	290 624

**3.19. Information about pending significant proceedings before courts, arbitration bodies or public administration bodies with regard to liabilities or receivables of the Issuer or the Issuer's subsidiary.**

There are no significant proceedings against the Issuer and the Issuer's subsidiary pending before courts, arbitration bodies or public administration bodies.

**3.20. Information on related-party transaction(s) concluded by the issuer or its subsidiary which is (jointly are) material and was (were) concluded pursuant to non-arm's length conditions.**

In the reporting period ended 31 March 2019, Mo-BRUK S.A. and its subsidiaries did not conclude any significant transactions pursuant to non-arm's length conditions.

**3.21. Information on the issuer or its subsidiary granting a surety for credits or loans, or granting a guarantee - in total to one undertaking or the subsidiary of the said undertaking if total value of the existing sureties or guarantees is significant.**

In the reporting period ended 31 March 2019, Mo-BRUK S.A. or its subsidiaries did not grant any sureties for credits and loans or did not grant any guarantees the total value of which is significant.



**3.22. Other information, important in the Issuer's opinion for the evaluation of its personnel, property and financial condition, financial result and changes therein, as well as information important for evaluation of the Issuer's capacity for performing the obligations.**

As at the date of publication of this periodic report in the Capital Group Mo-BRUK S.A. there were no significant events that could significantly affect the assessment of the personnel, property, financial situation and the Issuer's obligations.

**3.23. Information on factors that - in the opinion of the Issuer - would impact its results in the perspective of at least next quarter.**

When analysing the factors which will have the impact on the Issuer's results in the perspective of at least next quarter, it is necessary to draw attention to the following of them:

**external factors:**

- situation in the waste management industries,
- economic situation in the country,
- situation in financial markets,
- possibility of amendments to the legal regulations related to the Issuer's business activity, in particular:
  - the expected ordinance of the Minister of the Environment regarding video monitoring of waste storage locations,
  - amendment to the Act on waste and other laws in the field of environmental protection and waste.

In the above change in legal regulations, the Issuer sees a chance to limit the activities of the gray zone, which, using the loopholes in the regulations, illegally disposes of waste, gathering powerful profits. The above legal changes should in future have a positive impact on the Issuer's financial results by eliminating unfair competition and thus by stabilizing prices on the waste market.

**internal factors:**

- the possibility of increased fees for waste treatment,
- acquisition of new clients for the services offered thus far by the Issuer.

**Management Board:**

Józef Mokrzycki – President

Elżbieta Mokrzycka – Deputy President (Administration)

Anna Mokrzycka - Nowak – Deputy President (R&D)

Wiktor Mokrzycki – Deputy President (Sales&Marketing)

Tobiasz Mokrzycki – Deputy President (Construction)

**Responsible for preparation of the consolidated financial statement:**

Ewa Klusek – Chief Accountant

**Mo-BRUK S.A.**  
**Niecew 68, 33-322 Korzenna**  
**Phone: +48 18 441 70 48**  
**Fax: +48 18 441 70 99**  
**[mobruk@mobruk.pl](mailto:mobruk@mobruk.pl)**  
**[www.mobruk.pl](http://www.mobruk.pl)**

The company was registered by the District Court for Kraków Śródmieście, XII Commercial Division of the National Court Register under KRS number: 0000357598.  
The share capital of the company is PLN 36,113,850.00 and is paid in full.