

# MOBRUK

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**GOSPODARKA ODPADAMI**

zestawienie  
spalanie  
paliwa alternatywne  
składowanie  
remediacja  
transport ADR  
transgraniczny obrót  
badania laboratoryjne

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ISO 9001 · 14001 · 17025

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Papierów Wartościowych w Warszawie

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS PREPARED  
ACCORDING TO THE INTERNATIONAL FINANCIAL REPORTING STANDARDS  
OF THE Mo-BRUK GROUP**

**FOR THE PERIOD FROM 01 JANUARY 2019 TO 30 JUNE 2019**

Mo-BRUK Spółka Akcyjna, zarejestrowana  
w Sądzie Rejonowym dla Krakowa Śródmieścia  
w Krakowie, XII Wydział Gospodarczy Krajowego  
Rejestru Sądowego, pod nr KRS 0000357598.

NIP 734-329-42-52  
REGON 120652729

Kapitał zakładowy w wysokości  
36 113 850 zł w całości wpłacony.

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## **TABLE OF CONTENTS:**

<b><u>I. SELECTED CONSOLIDATED FINANCIAL DATA</u></b>	<b><u>4</u></b>
<b><u>II. INTRODUCTION TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS</u></b>	<b><u>6</u></b>
<b><u>III. INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCE POSITION</u></b>	<b><u>16</u></b>
<b><u>IV. INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND OTHER COMPREHENSIVE INCOME</u></b>	<b><u>17</u></b>
<b><u>V. INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT</u></b>	<b><u>19</u></b>
<b><u>VI. INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY</u></b>	<b><u>20</u></b>
<b><u>VII. ADDITIONAL EXPLANATORY NOTES</u></b>	<b><u>21</u></b>
1. PROPERTY, PLANT AND EQUIPMENT	<u>21</u>
2. INTANGIBLE ASSETS AND GOODWILL	<u>22</u>
3. LONG-TERM RECEIVABLES	<u>23</u>
4. DEFERRED AND CURRENT INCOME TAX	<u>23</u>
5. INVENTORIES	<u>25</u>
6. TRADE RECEIVABLES AND OTHER RECEIVABLES	<u>25</u>
7. CASH	<u>26</u>
8. TOTAL EQUITY	<u>27</u>
9. PROVISIONS	<u>27</u>
10. RECEIVED BORROWINGS	<u>28</u>
11. OTHER FINANCIAL LIABILITIES	<u>29</u>
12. OTHER LONG-TERM LIABILITIES	<u>30</u>
13. TRADE AND OTHER PAYABLES AND OTHER CURRENT LIABILITIES	<u>30</u>
14. DEFERRED REVENUES	<u>31</u>
15. FAIR VALUE OF FINANCIAL INSTRUMENTS	<u>31</u>
16. INCOME FROM SALES	<u>32</u>
17. OPERATING SEGMENTS	<u>32</u>
18. OPERATING EXPENSES	<u>34</u>
19. OTHER OPERATING REVENUES	<u>35</u>
20. OTHER OPERATING EXPENSES	<u>36</u>
21. FINANCIAL INCOME	<u>36</u>
22. FINANCIAL COSTS	<u>36</u>

23. TRANSACTIONS WITH RELATED PARTIES	<u>37</u>
24. EARNINGS PER SHARE	<u>37</u>
<b><u>VIII. SELECTED SEPARATE FINANCIAL DATA</u></b>	<b><u>38</u></b>
<b><u>IX. INTERIM CONDENSED SEPARATE STATEMENT OF FINANCE POSITION</u></b>	<b><u>39</u></b>
<b><u>X. INTERIM CONDENSED SEPARATE STATEMENT OF COMPREHENSIVE INCOME</u></b>	<b><u>40</u></b>
<b><u>XI. INTERIM CONDENSED SEPARATE CASH FLOW STATEMENT</u></b>	<b><u>42</u></b>
<b><u>XII. INTERIM CONDENSED SEPARATE STATEMENT OF CHANGES IN EQUITY</u></b>	<b><u>43</u></b>
<b><u>XIII. ADDITIONAL EXPLANATORY NOTES</u></b>	<b><u>44</u></b>
<b><u>1. PROPERTY, PLANT AND EQUIPMENT</u></b>	<b><u>44</u></b>

## I. SELECTED CONSOLIDATED FINANCIAL DATA

SPECIFICATION	PLN		EUR	
	01.01.2019-30.06.2019	01.01.2018-30.06.2018	01.01.2019-30.06.2019	01.01.2018-30.06.2018
I. Sales	54 770 892	36 892 566	12 772 963	8 702 206
II. Operating profit	17 219 153	6 644 049	4 015 629	1 567 196
III. Profit before income taxes	16 838 484	6 013 479	3 926 855	1 418 457
IV. Net profit	13 587 417	4 875 129	3 168 683	1 149 944
V. Net cash from operating activities	18 172 265	9 773 709	4 237 902	2 305 419
VI. Net cash from investing activities	(113 548)	(963 212)	(26 480)	(227 202)
VII. Net cash from financing activities	(4 473 382)	(6 815 764)	(1 043 225)	(1 607 700)
VIII. Net cash total	13 585 335	1 994 732	3 168 197	470 517
IX. No of shares	3 611 385	3 611 385	3 611 385	3 611 385
X. Earnings per share (in PLN / EUR)	3,8	1,3	0,88	0,32
SPECIFICATION	PLN		EUR	
	30.06.2019	31.12.2018	30.06.2019	31.12.2018
XI. Total assets	182 504 271	173 396 487	42 921 983	40 324 764
XII. Total liabilities and provisions	69 281 838	64 078 954	16 293 941	14 902 082
XIII. Non-current liabilities	41 252 996	45 254 958	9 702 022	10 524 409
<i>of which: Deferred revenues - grants</i>	23 685 259	24 920 934	5 570 381	5 795 566
XIV. Current liabilities	28 028 842	18 823 995	6 591 920	4 377 673
<i>of which: Deferred revenues - grants</i>	2 431 238	2 411 800	571 787	560 884
XV. Total equity	113 222 432	109 317 533	26 628 041	25 422 682
XVI. Share capital	36 113 850	36 113 850	8 493 380	8 398 570
XVII. No of shares	3 611 385	3 611 385	3 611 385	3 611 385
XVIII. Book value per share (in PLN / EUR)	31,4	30,3	7,4	7,0

The presented financial data for the six months ended 2019 and for the six months ended 2018 were calculated into EUR according with the following approach:

- elements of the statement of finance positions about:

- Six months ended 2019 – average exchange rate stated as of 28.06.2019 – 4,2520 PLN/EUR,

- 31.12.2018 – average exchange rate stated as of 31.12.2018 - 4,300 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 2019 to 30 June 2019 – 4,2880 PLN/EUR and 2018 (period: from 1 January 2018 to 30 June 2018) – 4,2395 PLN/EUR

The interim condensed consolidated financial statements for the period from 1 January 2019 to 30 June 2019 have been prepared in accordance with IAS 34 "Interim Financial Reporting".

Certain information and disclosures which, in accordance with International Financial Reporting Standards (IFRS) approved by the European Union (the EU), are usually presented together with the annual consolidated financial statements, have been in this financial statements, shortened or omitted in accordance with IAS 34, Interim Financial Reporting (IAS 34).

This statements were subject to review by a statutory auditor.

The fair value of assets and liabilities does not differ from their carrying amount.

The financial statements have been prepared in a manner ensuring their comparability with the published financial data for 2018 by applying uniform accounting principles (policy), in accordance with the form adopted in the published financial statements, taking into account accounting standards and principles and legal regulations applicable to such annual financial statements (for 2018).

## II. INTRODUCTION TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. General information

Name and registered office of the parent's company of the consolidated financial statements:

The reporting enterprise is Mo-BRUK, a joint-stock company with its registered office in Niecew 68, 33-322 Korzenna ('the parent undertaking').

The parent undertaking in the period from 1 January 2010 to 31 May 2010 operated as limited partnership „Mo-BRUK” J. Mokrzycki with its registered office in Niecew 68, 33-322 Korzenna. On 30 April 2010, partners of a limited partnership adopted a resolution to convert the company into a joint-stock company. Registration of the transformation by the registry court took place on 1 June 2010. The company was registered by the District Court for Kraków Śródmieście, XII Commercial Division of the National Court Register under KRS numer: 0000357598. The company was given the statistical number REGON 120652729 and tax identification number NIP 7343294252.

#### **The duration of the company:**

The duration of the company is not limited.

#### **Place of business:**

The Group operates in the Polish market, both at the headquarters of the parent company as well as its branches. Place of business of the parent undertaking:

- 33-322 Korzenna, Niecew 68,
- 58-303 Wałbrzych, ul. Górnicza 1,
- 58-3-3 Wałbrzych, ul. Górnicza 4,
- 27-530 Ożarów, Karsy 78,
- 33-322 Korzenna, Łęka 115,
- 58-300 Wałbrzych, ul. Moniuszki 99,
- 41-808 Zabrze, ul. Szybowa 7D,
- 49-318 Skarbimierz, ul. Smaków 21.

The subsidiary company Raf-Ekologia Sp. z o. o. operates at 38-460 Jedlicze, ul. Trzecieckiego 14.

The basic subject of activity:

- Waste management,
- Road construction,
- Production of alternative fuels,
- Hire,
- Retail sales of fuels,
- Other sales.

### Presented reporting periods:

These interim condensed consolidated financial statements have been prepared for the period from 01 January 2019 to 30 June 2019 and include comparable balance sheet data as at 31 December 2018, and in the data on the result and other comprehensive income, financial data for the period from 1 January 2018 to 30 June 2018.

### Level of rounding in the consolidated financial statements

The Group rounds off the figures in the interim condensed consolidated financial statements to the full PLN.

## 2. Composition of the issuer's Management Board and Supervisory Board

Composition of the Management Board of the parent undertaking as at the date of preparation of the interim condensed consolidated financial statements:

Józef Mokrzycki	President of the Management Board
Elżbieta Mokrzycka	Deputy President of the Management Board
Anna Mokrzycka-Nowak	Deputy President of the Management Board
Wiktor Mokrzycki	Deputy President of the Management Board
Tobiasz Mokrzycki	Deputy President of the Management Board

In the financial year covered by the report and the date of preparation of the interim condensed consolidated financial statements, there were no changes in the Management Board.

Until May 31, 2019, the Supervisory Board of the Issuer was:

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

On May 29, 2019, Mr. Adam Buchajski resigned as a member of the Supervisory Board on May 31, 2019. The reasons for the resignation have not been given.

On June 24, 2019, the Ordinary General Meeting of Mo-BRUK S.A. acting on the basis of Art. 385 § 1 k. s. h. and § 33. Paragraph. 1a point g of the Company's Articles of Association adopted resolution No. 22/2019 on the election of Mr. Łukasz Boronia as a Member of the Supervisory Board.

In connection with the aforementioned resolution on the date of the Report, the Supervisory Board of the Issuer shall operate in the composition of:

Kazimierz Janik	Chairperson of the Supervisory Board
Jan Basta	Member of the Supervisory Board
Łukasz Boroń	Member of the Supervisory Board
Piotr Pietrzak	Member of the Supervisory Board
Konrad Paweł Turzański	Member of the Supervisory Board

### 3. The related entities

The Issuer has one subsidiary - Raf-Ekologia Spółka z o.o. with its registered office in Jedlicze, at ul. Trzecieckiego 14.

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.	100	100	Full consolidation
	38-460 Jedlicze ul. Trzecieckiego 14			

The main area of activity of the Group's subsidiary is waste disposal by incineration.

### 4. Basis for the preparation of the financial statements

On 26 October 2011, the General Meeting of Shareholders of Mo-BRUK S.A., in connection with the intention to admit the Company's shares to trading on the market of the Warsaw Stock Exchange, adopted a resolution on preparing financial statements of the Company in accordance with IAS as statutory statements of the Company from 2011.

The date of transition to IAS by Mo-BRUK S.A. is 1 January 2009. The Group made agreements between the applied accounting principles and the previously applied accounting principles as at that date.

Therefore, these interim condensed consolidated financial statements for the period from 1 January 2017 to 30 June 2017 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" approved by the EU ("IAS 23").

IFRS is understood as the standards and interpretations adopted by the International Accounting Standard Board (IASB) in accordance with Article 2(3) of the Accounting Act and consisting of the following:

- International Financial Reporting Standards (IFRS),
- International Accounting Standards (IAS), and
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC)

International Accounting Standards, International Financial Reporting Standards and related interpretations adopted for application within the EEA, which have been published as Regulations of the European Commission and are binding for use in the preparation of consolidated financial statements of Companies whose shares are listed on a regulated market of the European Union (in accordance with 4 Directive RE 78/660/EEC as amended and 7 Directive RE 83/349/EEC as amended).

Pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (OJ of the European Union L of 2002, No. 243, item 1 as amended) for each financial year starting on or after 1 January 2005, consolidated financial statements of publicly traded companies should comply with International Accounting Standards/ International Financial Reporting Standards (hereinafter referred to as IFRS).

The Accounting Act made a reception of the regulation of Regulation 1606/2002 in Article 55(5) regarding the obligation to prepare consolidated financial statements of publicly traded companies in accordance with IFRS and in Article 45(1a-1b) regarding the option to apply IFRS by other Companies.

The date of transition to IFRS by the Mo-BRUK S.A. Capital Group is 1 January 2009.

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

### **Completion of landfilling at the Industrial Waste Landfill in Wałbrzych**

Due to the complete filling of the last headquarters of the Industrial Waste Landfill located in Wałbrzych at ul. On March 20, 2019, the Management Board of Mo-BRUK S.A. announced that the landfilling of waste in the landfill in question had finally been completed.

Accordingly, the Issuer sent an application to the Marshal's Office on 20 March 2019 for permission to close the last landfill.

The share of the site's activities in the results of the Capital Group has been negligible in recent times. Given that the reclamation of the landfill will be carried out using inert waste, its costs the Management Board considers it insignificant for the results of future periods. The closure of waste storage activities is the implementation of the Group's strategy of developing key waste management activities such as waste treatment in stabilisation processes, waste incineration and the production of alternative fuels.

After the performance of the obligations resulting from the decision to close the landfill, the Issuer will remove from the National Court Register of the Industrial Waste Landfill operating as a separate branch. Continue at ul. The Waste Recycling Plant producing alternative fuels will be operating in Wałbrzych.

### **Dividend payment for 2018 from the related unit Raf Ekologia Sp. z o.o.**

On 9 May 2019, the Ordinary General Meeting of the Shareholders of the subsidiary Raf-Ekologia Sp. z o.o. adopted a resolution to allocate in full the profit for the financial year from 1 January 2018 to 31 December 2018, amounting to PLN 1 153 664.96 in favor of sole partner, the parent company of Mo-BRUK S.A.

The dividend was paid on May 31, 2019.

The payment of the dividend affects the issuer's unit result, but does not affect the consolidated result.

### **Conclusion of a significant agreement with Krakow Municipal Holding S.A.**

On April 11, 2019, the Issuer received a mutually signed agreement with Kraków Municipal Holding S.A. to provide a service consisting in the successive reception (transport and management) of waste generated by the thermal disposal process municipal waste at the Thermal Waste Conversion Plant in Krakow.

The issuer's maximum remuneration for the performance of the contract in question may amount to PLN 4,269,580.00 net. The issuer's actual remuneration for the performance of the subject matter of the contract will be determined as the product of the unit price and the amount of waste actually received.

The contract was concluded as a result of a tender procedure under the Act of 29 January 2004 public procurement law and was signed for a limited period of 12 months.

## **6. Continuation of operations**

The interim condensed consolidated financial statements of the Group for the period from 1 January 2019 to 30 June 2019 have been prepared on the assumption that the Group will continue as a going concern in the foreseeable future, in a not significantly reduced scope.

According to all the information available as at the date of this report, there are full grounds for applying the going concern principle in the foreseeable future when preparing these interim condensed consolidated financial statements.

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

In accordance with IAS 10, events after the balance sheet date include all events that occurred from the balance sheet date to the date of approving the interim condensed consolidated financial statements for publication.

### **Profit allocation of Mo-BRUK S.A. for 2018**

On June 24, 2019, the Ordinary General Meeting of Shareholders of Mo-BRUK S.A. adopted resolution No. 7/2019 on the allocation of the profit of Mo-BRUK S.A. for the period from 1 January 2018 to 31 December 2018 in the amount of PLN 19,365,932.11. The distribution of profit was made as follows:

1. The amount of PLN 9,683,413.76 was allocated to increase the company's reserve,
2. The amount of PLN 9,682,518.35 was allocated to the payment of dividends to the Company's shareholders.

The Ordinary General Meeting of Shareholders of Mo-BRUK S.A. has set the dividend date (day D) on July 3, 2019 and the deadline for payment of the dividend (W day) as of July 10, 2019.

The dividend payment was not covered by the own shares acquired by the Company for redemption of 38,500 units.

The dividend per share was PLN 2.71.

The dividend was paid on July 10, 2019.

### **Buy back own shares**

On July 19, 2019, ownership was transferred and the purchase of own shares was transferred as part of the "Invitations to tender for the sale of shares of Mo-BRUK S.A.": on the basis of Resolution No. 20/2019 of the Ordinary General Meeting of Mo-BRUK S.A. The transfer of ownership of shares between the Shareholders and the Issuer was made outside the regulated market through the Brokerage House BOŚ S.A. The transfer of shares to the bearer to the Issuer was settled under the system depository settlement of the National Depository of Securities S.A., and the ownership of the named shares on the Issuer was settled by The Brokerage House BOŚ S.A.

On July 19, 2019, through BOŚ S.A., the Issuer acquired 60,000 own shares with a nominal value of PLN 10 each, PLN 125 per share. The shares that have been acquired represent 1.66% of the Issuer's capital and entitle to 72,090 votes at the Issuer's general meeting. The issuer shall not be entitled to exercise the voting rights of these shares.

### **Change of the Issuer's capital**

On September 21, 2018, ownership was transferred and the purchase of own shares was transferred as part of the "Invitations to tender for the sale of shares of Mo-BRUK S.A." announced on 7 September 2018: on the basis of Resolution No. 25 of the Ordinary General Assemblies of Mo-BRUK S.A.. The transfer of ownership of shares between the Shareholders and the Issuer was made outside the regulated market through the Brokerage House BOŚ S.A. The transfer of shares to the bearer to the Issuer has been settled under the deposit scheme national securities depository, and the ownership of the named shares on the Issuer was settled by the Brokerage House BOŚ S.A.

Transfer of ownership was made through the Brokerage House BOŚ S.A., the Issuer acquired in order to write off 38 500 own shares with a nominal value of PLN 10 each, PLN 51 per share. The shares that have been acquired represent 1.07% of the Issuer's capital and entitle to 0.89% of the total number of votes at the Issuer's general meeting. The issuer shall not be entitled to exercise the voting rights of these shares.

The change in the basic capital of Mo-BRUK S.A. in the KRS was made on July 31, 2019 by the District Court for Krakow - Downtown, 12th Commercial Division in Krakow.

After the entry, the basic capital of Mo-BRUK S.A. is PLN 35 728 850.

### **Conclusion of a significant agreement with the Municipality of Kielce.**

On July 15, 2019, the Issuer signed an agreement with the Municipality of Kielce to provide a service consisting in the removal, transport and management of hazardous and non-hazardous waste collected at ul. Krakowska 293 in Kielce in the amount of 1000 tons. The waste covered by this agreement comes from the storage of illegally collected waste of so-called waste. "ecological bomb".

The Issuer's remuneration for the performance of the contract in question will amount to approximately PLN 4,600,000.00 net. The issuer's actual remuneration for the performance of the subject matter of the contract will be determined as the product of the unit price and the amount of waste actually received.

The contract was concluded as a result of a tender procedure under the Act of 29 January 2004 Public Procurement Law and was signed for a limited period of 30 weeks from the transfer of the site of the work.

The contract is carried out in the framework of the replacement performance, carried out under the provisions of the Law on enforcement proceedings in the administration (i.e. OZ of 2018, item. 1314 as amended).

## **8. Important estimates and judgements**

The estimates of the Mo-BRUK S.A. Group, affecting the values disclosed in the interim condensed consolidated financial statements, concern:

- expected period of economic usefulness of fixed assets and intangible assets,
- residual value of fixed assets and intangible assets,
- revaluation write-offs for assets,
- discount, expected salary increase and actuarial assumptions used in the calculation of provisions for retirement benefits,
- future tax results taken into account when determining deferred income tax assets,

The estimation methodology applied is based on the best knowledge of the Management Board and complies with the requirements of IAS.

The estimation methodology is applied continuously over the last reporting period. It was not changed in the reporting period.

The following estimates were not changed in relation to the previous period:

- residual values of fixed assets and intangible assets,
- future tax results taken into account when determining deferred income tax assets.
- revaluation write-offs for assets,
- discount, expected salary increase and actuarial assumptions used in the calculation of provisions for retirement benefits.

In December 2018, the Group reviewed the useful lives of its fixed assets. As a result of the review, the useful lives of its fixed assets were verified.

In the opinion of the Management Board, the verification was reliable and correct.

## **9. Changes in the accounting policy and errors found in previous years and their impact on the financial result and equity**

In the period covered by these interim condensed consolidated financial statements, the Group did not make any changes to its accounting policy that would have a material impact on the financial result and equity.

Impact of the application of new and amended standards and interpretations:

The accounting rules used to draw up this interim condensed consolidated financial statements shall be consistent with those applied in the preparation of the consolidated financial statements of the Mo-BRUK Capital Group 2018. Additional information and explanations for the interim condensed consolidated financial

statements for 1 January 2019 to 30 June 2019 shall be drawn up in continuity, except for the use of the following new or amended standards and new interpretations applicable to the annual periods beginning on 1 January 2019:

IFRS 16 Leasing (published on 13 January 2016) The new standard establishes rules for the recognition, valuation, presentation and disclosure of leases. All lease transactions result in the lessee obtaining the right to use the asset and the obligation to pay. Thus, IFRS 16 abolishes the classification of operating leases and finance leases in accordance with IAS 17 and introduces a single model for the recognition of the leasing book by the lessee.

- KIMSF 23 Uncertainty related to income tax capture (published on 7 June 2017),
- Amendments to IAS 28 Long-term shares in associates and joint ventures (published on 12 October 2017),
- Amendments to IAS 19 Employee benefits by the date of approval of this financial statements not approved by the EU,
- Amendments to IFRS 9 Contracts with prepayment characteristics with negative compensation (published on 12 October 2017),
- Amendment to IAS 19 " Amendment, restriction and settlement of the program".

Entered all the above changes have been examined by the Management Board of the parent undertaking. In addition to making changes resulting from the use of IFRS 16 Leasing, which the Company has implemented since 1 January 2019 (as described in this note), the Management Board of the Company considers that the other mentioned the changes have no significant impact on the financial situation, performance of the Group's activities, nor on the scope of the information presented in this interim condensed consolidated financial statements.

### **Application of IFRS 16 Lease for the first time**

General information about the new standard for the Group.

The Group has implemented IFRS 16 Leasing since January 1, 2019. This standard lays down rules for the recognition, valuation, presentation and disclosure of leases. All lease transactions result in the lessee obtaining the right to use the asset and the obligation to pay. Thus, IFRS 16 abolishes the classification of operating leases and finance leases as previously defined by IFRS 17 and introduces a single model for the recognition of the leasing book by the lessee. Currently, the lessee is obliged to include:

- assets and liabilities for all lease transactions concluded for a period of more than 12 months, except where the asset is low; and
- depreciation of leased assets separately from interest on the lease liability in the profit and loss account.

As a result of the Management Board's analysis, at the date of application of IFRS 16 for the first time, the Group's balance sheet recognises new essential asset assets that meet the criteria of the new standard.

These are:

- perpetual land use rights.

### **How the Group implements IFRS 16 and the impact on the opening balance sheet**

The Group decided to implement IFRS 16 using a simplified approach, i.e. the implementation of the retrospective approach, with the cumulative effect of the first application of this Standard recognised on the date of first application. This allows the comparative data not to be transformed and the effect of applying this Standard as an adjustment to the opening balance of retained profits on the date of first application. As a result of the analysis, the Company's Management Board determined that the application of the new standard had no impact on the financial results presented so far by the Group and there was no need to adjust the opening balance of retained earnings as of January 1, 2019 Year.

### **How leases and presentations are valued and presented in the Group's financial statements**

As at 1 January 2019, the Group, as a lessee, included lease liabilities valued at the current value of the remaining discount-based lease payments and included the assets of the right of use in an amount equal to the lease obligations.

The issuer has decided to present assets under the right of use in the same item as the relevant underlying assets would be presented if they were owned by the Issuer (lessee). And so for:

- land use rights

Costs – costs associated with leasing perpetual land use rights are to be deducted from depreciation costs, The asset was shown in the balance sheet of PLN 1 239 124,

Commitment – The undertaking has been shown by:

- in short-term liabilities PLN 2 000,

- in long-term liabilities PLN 1,237,124.

The result of the application of IFRS 16 is the recognition of the perpetual use rights of land in the present value of the remaining perpetual use charges.

Under the new standard, the Group is obliged to discount all future payments resulting from the possession of the right to perpetual use, resulting from the period for which this right is granted for individual properties (period 71 years).

#### **9.1. Earlier application of IAS standards and interpretations**

The Group did not decide on early application of any other standard, interpretation or amendment, which was published but has not yet come into force.

#### **9.2. Standards published and approved by the EU but not yet in force**

In approving these interim condensed consolidated financial statements, the Company did not apply the following standards, amendments to standards and interpretations, which were published and approved for use in the EU, but which have not yet become effective.

#### **New IFRS 14 “Regulatory Deferral Accounts”**

The new standard applies only to entities that adopt IFRS and operate in industries where the state regulates the applied prices, such as gas, electricity or water supply. The standard allows for the continuation of the accounting policy concerning the recognition of revenues from such activities applied before the adoption of IFRS, both in the first statements prepared in accordance with IFRS and later. The new regulations will not affect the consolidated financial statements of the Group.

The standard is effective for annual periods beginning on or after 1 January 2016, however, the adoption process by EU countries has been suspended.

### **Amendment to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures”**

The previously binding rules governing the settlement of the loss of control over a subsidiary provided for the recognition of profit or loss at that moment. On the other hand, according to the principles of applying the equity method, the result of transactions with entities valued using the equity method is recognised only up to the amount of the share of other shareholders in these entities.

In a situation when the parent company sells or makes a contribution in kind of shares in a subsidiary to the entity valued using the equity method in such a way that it loses control over it, the above mentioned regulations would be contradictory. The amendment to IFRS 10 and IAS 28 removes this collision as follows:

- if the entity over which control is lost is an enterprise (business), the result on the transaction is recognised in full,
- if the entity for which control is lost is not an enterprise, the result is recognised only to the extent of the interest of other investors.

No date of entry into force due to the suspended process of adoption by EU countries.

### **New IFRS 17 “Insurance Contracts”**

The standard supersedes the existing regulations concerning insurance contracts, which are contained in IFRS 4.

The standard was published on 18 May 2017 and applies to annual periods beginning on or after 1 January 2021.

## **III. INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCE POSITION**

<b>Consolidated statement of finance position</b>			
<b>Specification</b>	<b>Note</b>	<b>As at 30.06.2019</b>	<b>As at 31.12.2018</b>
<b>NON- CURRENT ASSETS</b>		<b>138 903 857</b>	<b>142 535 169</b>
Property, plant and equipment	<a href="#">1.</a>	135 509 468	138 444 295
Intangible assets	<a href="#">2.</a>	602 198	609 841
Goodwill	<a href="#">2.</a>	832 348	832 348
Longterm receivables	<a href="#">3.</a>	278 742	251 586
Deferred tax assets	<a href="#">4.</a>	1 681 102	2 397 100

<b>CURRENT ASSETS</b>		<b>43 600 413</b>	<b>30 861 318</b>
Inventories	<a href="#">5.</a>	1 086 085	945 418
Accounts receivable and prepayments	<a href="#">6.</a>	11 892 506	12 826 323
Other receivables	<a href="#">6.</a>	1 090 532	1 137 410
Cash and cash equivalents	<a href="#">7.</a>	28 389 631	14 804 297
Accruals	-	217 579	208 027
<b>Non-current assets held for sale</b>		<b>924 080</b>	<b>939 843</b>
Property, plant and equipment held for sale	<a href="#">1.</a>	924 080	939 843
<b>Total assets:</b>		<b>182 504 271</b>	<b>173 396 487</b>

<b>Consolidated statement of finance position</b>			
<b>Specification</b>	<b>Note</b>	<b>As at 30.06.2019</b>	<b>As at 31.12.2018</b>
<b>TOTAL EQUITY</b>		<b>113 222 432</b>	<b>109 317 533</b>
Share capital	-	36 113 850	36 113 850
Share premium	-	25 573 479	25 573 479
Retained earnings	<a href="#">8.</a>	25 031 590	14 194 511
Other reserves	<a href="#">8.</a>	12 916 096	12 916 096
Net profit for the period		13 587 417	20 519 597
<b>NON-CURRENT LIABILITIES</b>		<b>41 252 996</b>	<b>45 254 958</b>
Deferred tax liabilities	<a href="#">4.</a>	7 589 618	7 293 506
Retirement severance provision	<a href="#">9.</a>	130 848	119 847
Longterm borrowings	<a href="#">10.</a>	8 585 858	12 896 383
Other financial liabilities	<a href="#">11.</a>	1 237 124	-
Other longterm liabilities	<a href="#">12.</a>	24 289	24 289
Deferred revenues - grants	<a href="#">14.</a>	23 685 259	24 920 934
<b>CURRENT LIABILITIES</b>		<b>28 028 842</b>	<b>18 823 995</b>
Shortterm borrowings	<a href="#">10.</a>	9 064 982	8 606 740
Other financial liabilities	-	10 159	108 209
Trade and other payables	<a href="#">13.</a>	3 712 536	3 467 014
Income tax liabilities	-	-	416 332
Retirement severance provision	<a href="#">9</a>	687 645	677 984
Other shortterm liabilities	-	-	7 000
Other provisions	<a href="#">13.</a>	12 122 283	3 128 916
Deferred revenues - grants	<a href="#">14.</a>	2 431 238	2 411 800
<b>Total equity and liabilities:</b>		<b>182 504 271</b>	<b>173 396 487</b>

**IV. INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND OTHER COMPREHENSIVE INCOME**

<b>Consolidated income statement</b>			
<b>Specification</b>	<b>Note</b>	<b>Period: 01.01.-30.06.2019</b>	<b>Period: 01.01.-30.06.2018</b>
Revenue	<a href="#">16.</a>	54 770 892	36 892 566
Cost of sales	<a href="#">18.</a>	32 998 634	27 420 831
<b>GROSS PROFIT</b>		<b>21 772 258</b>	<b>9 471 735</b>
Selling expenses	<a href="#">18.</a>	961 116	772 221
Administrative expenses	<a href="#">18.</a>	2 575 963	2 269 162
<b>Profit from sales</b>		<b>18 235 178</b>	<b>6 430 351</b>
Other operating income	<a href="#">19.</a>	212 007	325 694
Other operating expenses	<a href="#">20.</a>	1 228 032	111 997
<b>OPERATING PROFIT</b>		<b>17 219 153</b>	<b>6 644 049</b>
Finance income	<a href="#">21.</a>	115 411	100 146
Finance costs	<a href="#">22.</a>	496 080	730 715
<b>PROFIT BEFORE INCOME TAXES</b>		<b>16 838 484</b>	<b>6 013 479</b>
Income tax	<a href="#">4.</a>	3 251 067	1 138 350
<b>NET PROFIT</b>		<b>13 587 417</b>	<b>4 875 129</b>
Result from discontinued activity	-	-	-
<b>NET PROFIT</b>		<b>13 587 417</b>	<b>4 875 129</b>
<b>Total comprehensive income</b>		<b>13 587 417</b>	<b>4 875 129</b>

<b>Consolidated income statement</b>			
<b>Specification</b>	<b>Note</b>	<b>Period: 01.01.-30.06.2019</b>	<b>Period: 01.01.-30.06.2018</b>
Revenue	<a href="#">16.</a>	54 770 892	36 892 566
Change of work in progress	<a href="#">18.</a>	(11 380)	51 940
Depreciation	<a href="#">18.</a>	3 051 017	2 940 068
Energy and raw materials	<a href="#">18.</a>	5 754 847	5 036 240
Third parties services	<a href="#">18.</a>	12 793 681	8 411 662
Remunerations	<a href="#">18.</a>	8 232 649	7 293 908
Taxes and other duties	<a href="#">18.</a>	722 255	1 296 567
Other expenses	<a href="#">18.</a>	362 529	474 809

Cost of sold products	<a href="#">18.</a>	5 630 116	4 957 020
<b>Profit from sales</b>		<b>18 235 178</b>	<b>6 430 351</b>
Other operating income	<a href="#">19.</a>	212 007	325 694
Other operating expenses	<a href="#">20.</a>	1 228 032	111 997
<b>OPERATING PROFIT</b>		<b>17 219 153</b>	<b>6 644 049</b>
Finance income	<a href="#">21.</a>	115 411	100 146
Finance costs	<a href="#">22.</a>	496 080	730 715
<b>PROFIT BEFORE INCOME TAXES</b>		<b>16 838 484</b>	<b>6 013 479</b>
Income tax	<a href="#">4.</a>	3 251 067	1 138 350
<b>NET PROFIT</b>		<b>13 587 417</b>	<b>4 875 129</b>
<b>NET PROFIT</b>		<b>13 587 417</b>	<b>4 875 129</b>
<b>Total comprehensive income</b>		<b>13 587 417</b>	<b>4 875 129</b>

Earnings per share (in PLN per share)	Note <a href="#">24.</a>	Period: 01.01.-30.06.2019	Period: 01.01.-30.06.2018
<b>From continued and discontinued operations</b>			
Basic		3,8	1,3
Diluted		3,8	1,3
<b>From continued operations</b>			
Basic		3,8	1,3
Diluted		3,8	1,3
Profit from continued and discontinued operations		13 587 417	4 875 129
<b>NET PROFIT</b>		<b>13 587 417</b>	<b>4 875 129</b>
Weighted average number of ordinary shares		3 611 385	3 611 385
Weighted average diluted number of ordinary shares		3 611 385	3 611 385

## V. INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

<b>Consolidated cash flow statement</b>		
Specification	Period: 01.01.-30.06.2019	Period: 01.01.-30.06.2018
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before income taxes	16 838 484	6 013 479
Total adjustments	1 333 781	3 760 231
Depreciation	3 051 017	2 940 068
Depreciation – grant	1 216 238	1 205 929
Interests and share in profits	456 137	712 913
Profit on investing activities	21 580	(122 067)
Dividends received	-	-

Changes in working capital	(1 173 238)	(823 783)
Change in provisions	10 558	535 251
Change in inventories	(140 667)	34 761
Change in receivables	953 539	267 067
Change in trade payables	(772 979)	(555 127)
Change in deferred revenues and accruals	(1 223 690)	(1 105 735)
Income taxes paid	(2 237 953)	(25 322)
Paid income tax	-	(127 507)
<b>Net cash from operating activities</b>	<b>18 172 265</b>	<b>9 773 709</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(818 746)	(1 127 175)
Proceeds from sale of property, plant and equipment	118 705	163 963
Other adjustments	586 493	-
<b>Net cash from investing activities</b>	<b>(113 548)</b>	<b>(963 212)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayments of borrowings	(3 932 531)	(5 993 767)
Payment of Finance lease liabilities	(164 962)	(109 084)
Interest paid	(375 889)	(712 913)
<b>Net cash from financing activities</b>	<b>(4 473 382)</b>	<b>(6 815 764)</b>
<b>NET CASH TOTAL</b>	<b>13 585 335</b>	<b>1 994 733</b>
<b>NET CASH TOTAL</b>	<b>13 585 334</b>	<b>1 994 733</b>
	-	-
<b>Cash at start of period</b>	<b>14 804 297</b>	<b>2 683 026</b>
<b>Cash at end of period</b>	<b>28 389 632</b>	<b>4 677 759</b>

## VI. INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated statement of changes in equity for the period: 01.01.- 30.06.2019	Equity attributable to the owners of the parent company					Total equity
	Share capital	Share premium	Retained earnings	Other reserves	Not distributed profit	
<b>As at 01.01.2019</b>	<b>36 113 850</b>	<b>25 573 479</b>	<b>14 194 511</b>	<b>12 916 096</b>	<b>20 519 597</b>	<b>109 317 533</b>
<b>Balance after changes</b>	<b>36 113 850</b>	<b>25 573 479</b>	<b>14 194 511</b>	<b>12 916 096</b>	<b>20 519 597</b>	<b>109 317 533</b>
Transfer of the financial result	-	-	10 837 079	-	(10 837 079)	-
Transfer of the financial result to the payment of dividends	-	-	-	-	(9 682 518)	(9 682 518)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>10 837 079</b>	<b>-</b>	<b>(20 519 597)</b>	<b>(9 682 518)</b>
Net profit for the period	-	-	-	-	13 587 417	13 587 417
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13 587 417</b>	<b>13 587 417</b>
<b>As at 30.06.2019</b>	<b>36 113 850</b>	<b>25 573 479</b>	<b>25 031 590</b>	<b>12 916 096</b>	<b>13 587 417</b>	<b>113 222 432</b>

Consolidated statement of changes in equity for the period: 01.01.-30.06.2018	Equity attributable to the owners of the parent company					Total equity
	Share capital	Share premium	Retained earnings	Other reserves	Not distributed profit	
<b>As at 01.01.2018</b>	<b>36 113 850</b>	<b>25 573 479</b>	<b>9 295 706</b>	<b>12 916 096</b>	<b>6 890 362</b>	<b>90 789 493</b>
<b>Balance after changes</b>	<b>36 113 850</b>	<b>25 573 479</b>	<b>9 295 706</b>	<b>12 916 096</b>	<b>6 890 362</b>	<b>90 789 493</b>
Transfer of the financial result	-	-	6 890 362	-	(6 890 362)	-
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>6 890 362</b>	<b>-</b>	<b>(6 890 362)</b>	<b>-</b>
Net profit for the period	-	-	-	-	4 875 129	4 875 129
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4 875 129</b>	<b>4 875 129</b>
<b>As at 30.06.2018</b>	<b>36 113 850</b>	<b>25 573 479</b>	<b>16 186 068</b>	<b>12 916 096</b>	<b>4 875 129</b>	<b>95 664 622</b>

## VII. ADDITIONAL EXPLANATORY NOTES

### 1. Property, plant and equipment

1.1 – Property, plant and equipment	As at 30.06.2019	As at 31.12.2018
Land and perpetual usufruct of land	7 546 783	7 535 442
Buildings and structures	44 560 955	45 723 478
Technical equipment and machines	76 942 089	79 251 671
Machines and equipment for technological processes used for research and development	1 849 099	1 898 562
Means of transport	1 867 270	2 067 403
Other fixed assets	1 232 735	1 290 389
Perpetual land use rights	1 271 584	-
Fixed assets under construction	238 954	677 349
Advances for fixed assets	-	-
<b>Total property, plant and equipment:</b>	<b>135 509 468</b>	<b>138 444 295</b>

1.2 - Property, plant and equipment in the reporting period	Land and perpetual usufruct of land	Buildings and structures	Technical equipment and machines	Machines and equipment for technological processes used for research and development	Means of transport	Other fixed assets	Perpetual land use rights	Advances for fixed assets
<b>Gross value at the beginning of the period</b>	7 535 442	76 240 486	119 946 518	2 399 907	6 274 251	3 254 662	1 304 036	677 349
Transfer from fixed assets under construction	11 341	-	567 310	-	-	3 301	-	-581 949
Purchases	-	-	28 710	-	-	-	-	730 047
Reclassifications	-	-	-	-	-	-	-	-586 493
Disposal	-	-	-85 000	-	-198 486	-	-	-
Liquidation	-	-41 959	-728 067	-	-	-	-	-
<b>Gross value at the end of the period</b>	<b>7 546 783</b>	<b>76 198 527</b>	<b>119 729 471</b>	<b>2 399 907</b>	<b>6 075 765</b>	<b>3 257 963</b>	<b>1 304 036</b>	<b>238 954</b>
<b>Cumulated depreciation at the beginning of the period</b>	-	<b>30 517 008</b>	<b>40 694 847</b>	<b>501 345</b>	<b>4 206 848</b>	<b>1 964 274</b>	-	-
Depreciation charged for the period	-	1 160 224	2 787 560	49 463	146 086	60 955	32 451	-
Disposal	-	-	-19 198	-	-144 439	-	-	-
Liquidation	-	-39 659	-675 826	-	-	-	-	-
<b>Cumulated depreciation at the end of the period</b>	-	<b>31 637 572</b>	<b>42 787 383</b>	<b>550 808</b>	<b>4 208 495</b>	<b>2 025 229</b>	<b>32 451</b>	-
<b>Net value at the end of the period</b>	<b>7 546 783</b>	<b>44 560 955</b>	<b>76 942 089</b>	<b>1 849 099</b>	<b>1 867 269</b>	<b>1 232 735</b>	<b>1 271 584</b>	<b>238 954</b>

1.3 - Property, plant and equipment in the previous reporting period	Land and perpetual usufruct of land	Buildings and structures	Technical equipment and machines	Machines and equipment for technological processes used for research and development	Means of transport	Other fixed assets	Perpetual land use rights	Advances for fixed assets
<b>Gross value at the beginning of the period</b>	7 551 205	75 383 253	119 983 543	2 399 907	6 450 269	3 184 904	-	1 075 739
Transfer from fixed assets under construction	-	1 006 039	1 063 109	-	88 146	81 008	-	-2 238 304
Purchases	-	-	8 591	-	-	-	-	1 839 914
Reclassifications	-15 763	-	-	-	-	-	-	-
Sale	-	-148 806	-1 084 918	-	-264 164	-	-	-
Liquidation	-	-	-23 807	-	-	-11 250	-	-
<b>Gross value at the end of the period</b>	7 535 442	76 240 486	119 946 518	2 399 907	6 274 251	3 254 662	-	677 349
<b>Cumulated depreciation at the beginning of the period</b>	-	28 302 014	36 053 812	402 417	4 152 917	1 862 362	-	-
Depreciation charged for the period	-	2 266 299	5 432 053	98 928	264 823	106 676	-	-
Sale	-	-51 305	-769 274	-	-210 892	-	-	-
Liquidation	-	-	-21 744	-	-	-4 764	-	-
<b>Cumulated depreciation at the end of the period</b>	-	30 517 008	40 694 847	501 345	4 206 848	1 964 274	-	-
<b>Net value at the end of the period</b>	7 535 442	45 723 478	79 251 671	1 898 562	2 067 403	1 290 389	-	677 349

1.4 – Non current assets held for sale	30.06.2019			31.12.2018		
	Value	Impairment losses	Carrying amount	Value	Impairment losses	Carrying amount
Allotment - Górażdże	924 080	-	924 080	939 843	-	939 843
<b>Total</b>	<b>924 080</b>	<b>-</b>	<b>924 080</b>	<b>939 843</b>	<b>-</b>	<b>939 843</b>

The issuer classified the land in Górażdże for sale.

The durable asset for sale is presented in note 23 in the "Waste Management" segment.

## 2. Intangible assets and goodwill

2.1 – Intangible assets	As at 30.06.2019	As at 31.12.2018
Goodwill	832 348	832 348
Patents and licences	173 805	178 853
Other intangible assets, including intangible assets in the implementation	428 392	430 988
<b>Total Intangible and legal assets:</b>	<b>1 434 545</b>	<b>1 442 189</b>

2.2 - Intangible assets in the reporting period	Goodwill	Patents and licences	Costs of development	Other intangible assets, including intangible assets in the implementation
<b>Gross value at the beginning of the period</b>	832 348	202 912	-	1 159 145
Acquisition	-	-	-	22 873
<b>Gross value at the end of the period</b>	832 348	202 912	-	1 182 018
<b>Cumulated depreciation at the beginning of the period</b>	-	24 059	-	728 158
Depreciation charged for the period	-	5 048	-	25 468
<b>Gross value at the end of the period</b>	-	29 107	-	753 626
<b>Net value at the end of the period</b>	832 348	173 805	-	428 392

2.3 - Intangible assets in the previous reporting period	Goodwill	Patents and licences	Costs of development	Other intangible assets, including intangible assets in the implementation
<b>Gross value at the beginning of the period</b>	832 348	202 912	-	1 139 532
Acquisition	-	-	-	19 613
<b>Gross value at the end of the period</b>	832 348	202 912	-	1 159 145
<b>Cumulated depreciation at the beginning of the period</b>	-	13 963	-	626 469
Depreciation charged for the period	-	10 096	-	101 689
<b>Gross value at the end of the period</b>	-	24 059	-	728 158
<b>Net value at the end of the period</b>	832 348	178 853	-	430 988

### 3. Long-term receivables

3.1 - Long-term receivables	30.06.2019			31.12.2018		
	Value	Impairment	Carrying amount	Value	Impairment	Carrying amount
Receivables due within 2 years of the balance sheet date	150 886	-	150 886	81 745	-	81 745
Receivables due from 2 to 5 years from the balance sheet date	71 474	-	71 474	143 872	-	143 872
Receivables over 5 years from the balance sheet date	56 382	-	56 382	25 969	-	25 969
<b>Total</b>	<b>278 742</b>	<b>-</b>	<b>278 742</b>	<b>251 586</b>	<b>-</b>	<b>251 586</b>

### 4. Deferred and current income tax

4.1 – Income tax	For the period ended	For the period ended
	30.06.2019	30.06.2018
Current income tax	2 238 957	154 799
Deferred income tax	1 012 110	983 551
<b>Total income tax:</b>	<b>3 251 067</b>	<b>1 138 350</b>

4.1.1 - Income tax - explanation of differences between tax calculated according to the rate applicable to the tax indicated	For the period ended 30.06.2019	For the period ended 30.06.2018
<b>PROFIT BEFORE TAX</b>	<b>16 838 484</b>	<b>6 013 479</b>
Income tax at the rate in the period (19%)	3 199 312	1 142 561
<b>Tax from fixed differences (specification)</b>	<b>61 662</b>	<b>(2 241)</b>
<b>Related to revenues (-)</b>	<b>(22 862)</b>	<b>(25 697)</b>
Reversal of provisions	(7 020)	(8 491)
Positive FX differences	(15 828)	(15 589)
Reversal of impairment	(14)	(1 277)
Other	-	(340)
<b>Related to expenses (+)</b>	<b>84 524</b>	<b>23 456</b>
Impairment loss for receivables	53 521	1 456
Donations	1 904	2 004
National Fund for the Rehabilitation of Disabled (PFRON)	4 851	4 551
Negative FX differences VAT	6 455	(1 321)
Penalties, interests	19	9 032
Supervisory Board expenses, representation	1 558	2 520
Not taxable expenses	4 343	2 086
Depreciation	3 128	-
ZUS contribution	8 253	-
Other	492	3 128
<b>Tax from temporary differences</b>	<b>(9 908)</b>	<b>(1 970)</b>
Other	(8 904)	-
Pension	2 915	6 710
The Polish Social Insurance Institution (ZUS)	(216)	(9 257)
Audit expenses	1 330	-
Receivables at risk	(1 929)	-
Reversal of provisions	-	1 885
Depreciation, other	-	5 587
Leasing of fixed assets	-	(6 895)
Employee	(3 104)	-
<b>Tax presented in the financial statement</b>	<b>3 251 067</b>	<b>1 138 350</b>
Effective tax rate	0,19	0,19

4.1.2 - Deferred income tax - period	As at 30.06.2019	As at 31.12.2018	Impact on the result 30.06.2019	Impact on the result 31.12.2018
Aktywa z tytułu ODPD	Value	Value	Value	Value
Contributions of ZUS	79 611	74 710	4 901	18 355
Employee benefits	176 945	173 713	3 232	(15 208)
Audit expenses	-	1 330	-	-
Impairment on receivables	116 978	115 049	-	92 637
Not transferred expenses to the Employee Fund	5 348	-	5 348	(592)
Leasing	1 552	20 560	(19 008)	(39 758)
Grant	1 285 421	1 193 278	92 143	227 034
Interests and IRS	15 247	-	15 247	(24 193)
Tax losses	-	818 460	(818 460)	(1 614 134)
<b>DEFERRED INCOME TAX ASSETS TOTAL</b>	<b>1 681 102</b>	<b>2 397 100</b>	<b>(716 597)</b>	<b>(1 355 859)</b>
Deferred tax liabilities	Wartość	Wartość	Wartość	Wartość
Leasing of fixed assets	66 535	73 431	-	(16 408)
Valuation of fixed assets	7 523 083	7 220 075	(299 216)	862 737
<b>DEFERRED INCOME TAX LIABILITIES TOTAL</b>	<b>7 589 618</b>	<b>7 293 506</b>	<b>(299 216)</b>	<b>846 329</b>

## 5. Inventories

5.1 - Inventories	30.06.2019			31.12.2018		
	Value	Impairment losses	Carrying amount	Value	Impairment losses	Carrying amount
Raw materials	674 626	-	674 626	513 868	-	513 868
Work in progress	-	-	-	2 312	-	2 312
Finished goods	122 271	-	122 271	108 578	-	108 578
Goods for resale	289 189	-	289 189	320 661	-	320 661
<b>Total inventories:</b>	<b>1 086 085</b>	<b>-</b>	<b>1 086 085</b>	<b>945 418</b>	<b>-</b>	<b>945 418</b>

## 6. Trade receivables and other receivables

6.1 - Receivables	30.06.2019			31.12.2018		
	Value	Impairment losses	Carrying amount	Value	Impairment losses	Carrying amount
Trade receivables	13 003 716	1 111 210	11 892 506	13 814 996	988 673	12 826 323
Current income tax receivables	-	-	-	-	-	-
Receivables from other taxes, duties and social insurance	459 690	-	459 690	584 709	-	584 709
Other receivables	805 138	174 297	630 841	569 786	17 085	552 701
<b>Total receivables:</b>	<b>14 268 544</b>	<b>1 285 507</b>	<b>12 983 038</b>	<b>14 969 491</b>	<b>1 005 758</b>	<b>13 963 733</b>

6.2 - Impairment on receivables	As at 30.06.2019	As at 31.12.2018
Impairment at the beginning of the period	990 409	270 296
Creating	308 121	756 921
Reversal	12 023	9 417
Utilisation	1 000	12 042
<b>IMPAIRMENT AT THE END OF THE PERIOD</b>	<b>1 285 507</b>	<b>1 005 758</b>

6.3 - Receivables as at 30.06.2019 (net) – structure of the overdue	Current	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	Over a year	Total
Trade receivables	10 715 900	823 284	331 401	-	21 922	-	11 892 506
Current income tax receivables	-	-	-	-	-	-	-
Receivables from other taxes, duties and social insurance	459 690	-	-	-	-	-	459 690
Other receivables	630 841	-	-	-	-	-	630 841
<b>Total</b>	<b>11 806 432</b>	<b>823 284</b>	<b>331 401</b>	<b>-</b>	<b>21 922</b>	<b>-</b>	<b>12 983 038</b>

6.4 - Receivables as at 31.12.2018 (net) - structure of the overdue	Current	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	Over a year	Total
Trade receivables	9 037 950	2 858 267	490 341	333 107	105 092	1 566	12 826 323
Current income tax receivables	-	-	-	-	-	-	-
Receivables from other taxes, duties and social insurance	584 709	-	-	-	-	-	584 709
Other receivables	552 701	-	-	-	-	-	552 701
<b>Total</b>	<b>10 175 360</b>	<b>2 858 267</b>	<b>490 341</b>	<b>333 107</b>	<b>105 092</b>	<b>1 566</b>	<b>13 963 734</b>

## 7. Cash

7.1 - Cash	As at 30.06.2019	As at 31.12.2018
Cash in hand	141 469	78 520
Cash in the bank	4 224 373	5 569 598
Cash in transit	37 800	243 594
Short-term investments	23 985 990	8 912 585
<b>TOTAL CASH:</b>	<b>28 389 631</b>	<b>14 804 297</b>
- including cash with limited ability to dispose of	63 816	243 594

## 8. Total equity

8.1 - Total equity from retained profit	As at 30.06.2019	As at 31.12.2018
As at the beginning of the financial year	14 194 511	9 295 706
Increase	1 153 665	-
Decrease	-	1 991 557
Distribution of profit for the year 2018	9 683 414	-
Distribution of profit for the year 2017	-	6 890 362
<b>As at the end of the financial year</b>	<b>25 031 590</b>	<b>14 194 511</b>

8.2 - Other reserves	As at 30.06.2019	As at 31.12.2018
As at the beginning of the financial year	12 916 096	12 916 096
<b>As at the end of the financial year</b>	<b>12 916 096</b>	<b>12 916 096</b>

## 9. Provisions

9.1 - Non-current provisions	As at 30.06.2019	As at 31.12.2018
<b>Non-current</b>		
Retirement severance provisions	130 848	119 847
<b>Total non-current provisions:</b>	<b>130 848</b>	<b>119 847</b>
<b>Current</b>		
Retirement severance provisions	687 645	677 984
Other provisions	-	7 000
<b>Total current provisions:</b>	<b>687 645</b>	<b>684 984</b>

9.2 - Non-current provisions- increase / decrease	Employee benefits	Litigations	Economic risk	Restructuring
<b>Value of the provision at the beginning of the reporting period</b>	<b>119 847</b>	-	-	-
Creating	11 001	-	-	-
Utilisation	-	-	-	-
Reversal	-	-	-	-
<b>Value of the provision at the end of the reporting period</b>	<b>130 848</b>	-	-	-
<b>Value of the provision at the beginning of the previous reporting period</b>	<b>143 525</b>	-	-	-
Creating	21 827	-	-	-
Utilisation	-	-	-	-
Reversal	(45 505)	-	-	-
<b>Value of the provision at the end of the previous reporting period</b>	<b>119 847</b>	-	-	-

9.3 - Current provisions- increase / decrease	Employee benefits	Litigations	Economic risk	Restructuring
<b>Value of the provision at the beginning of the reporting period</b>	<b>677 984</b>	-	-	<b>7 000</b>
Creating	27 589	-	-	
Utilisation	-	-	-	-
Reversal	(17 928)	-	-	(7 000)
<b>Value of the provision at the end of the reporting period</b>	<b>687 645</b>	-	-	-
<b>Value of the provision at the beginning of the previous reporting period</b>	<b>736 774</b>	-	-	<b>4 000</b>
Creating	45 793	-	-	7 000
Utilisation	-	-	-	-
Reversal	(104 583)	-	-	(4 000)
<b>Value of the provision at the end of the previous reporting period</b>	<b>677 984</b>	-	-	<b>7 000</b>

## 10. Received borrowings

10.1 - Borrowings as at the end of the reporting period as at 30.06.2019	Value of the credit	Balance	Currency	Interest rate	Repayment date
<b>Non-current</b>					
Krakowski Bank Spółdzielczy w Krakowie – investment loan - project KARSY	11 508 000	1 022 896	PLN	WIBOR 3M + marża	31.12.2020
Krakowski Bank Spółdzielczy w Krakowie - investment loan - project Skarbimierz	6 200 000	580 758	PLN	WIBOR 3M + marża	31.12.2020
Krakowski Bank Spółdzielczy w Krakowie - investment loan - project Zabrze	5 200 000	486 870	PLN	WIBOR 3M + marża	31.12.2020
BOŚ S.A. - investment loan- bonds	30 000 000	6 495 334	PLN	WIBOR 3M + marża	31.12.2021
<b>Total non-current borrowings</b>		<b>8 585 858</b>	-	-	
<b>Current</b>					
Krakowski Bank Spółdzielczy w Krakowie – investment loan - project KARSY	11 508 000	2 045 793	PLN	WIBOR 3M + marża	31.12.2020
Krakowski Bank Spółdzielczy w Krakowie - investment loan - project Skarbimierz	6 200 000	1 161 516	PLN	WIBOR 3M + marża	31.12.2020
Krakowski Bank Spółdzielczy w Krakowie - investment loan - project Zabrze	5 200 000	973 740	PLN	WIBOR 3M + marża	31.12.2020
BOŚ S.A. - investment loan- bonds	30 000 000	4 883 933	PLN	WIBOR 3M + marża	31.12.2021
<b>Total current borrowings</b>		<b>9 064 982</b>	-	-	

Liabilities resulting from the concluded credit agreements are repaid in a timely manner.

In the reporting period, the collaterals on account of granted credits decreased insignificantly in relation to the collaterals disclosed in the Consolidated Financial Statements for 2018 in note 36.3 - List of collaterals to credit agreements of the Parent Company.

In the reporting period, the credit exposure decreased, the Company repaid the short-term part of its credit liabilities, while the long-term part, due to its classification, was correctly presented in the reporting period as a short-term liability.

As at 30 June 2019, the liability on account of credits and loans decreased by PLN 3,932,531 as compared to 31 December 2018 and currently amounts to PLN 17,570,591.

10.2 - Borrowings as at the end of the reporting period as at 31.12.2018	Value of the credit	Balance	Currency	Interest rate	Repayment date
<b>Non-current</b>					
Krakowski Bank Spółdzielczy w Krakowie – investment loan - project KARSY	11 508 000	2 045 793	PLN	WIBOR 3M + marża	31.12.2020
Krakowski Bank Spółdzielczy w Krakowie - investment loan - project Skarbimierz	6 200 000	1 161 516	PLN	WIBOR 3M + marża	31.12.2020
Krakowski Bank Spółdzielczy w Krakowie - investment loan - project Zabrze	5 200 000	973 740	PLN	WIBOR 3M + marża	31.12.2020
BOŚ S.A. - investment loan- bonds	30 000 000	8 715 334	PLN	WIBOR 3M + marża	31.12.2021
<b>Total non-current borrowings</b>		<b>12 896 383</b>	-	-	-
<b>Current</b>					
Krakowski Bank Spółdzielczy w Krakowie – investment loan - project KARSY	11 508 000	2 045 793	PLN	WIBOR 3M + marża	31.12.2020
Krakowski Bank Spółdzielczy w Krakowie - investment loan - project Skarbimierz	6 200 000	1 161 516	PLN	WIBOR 3M + marża	31.12.2020
Krakowski Bank Spółdzielczy w Krakowie - investment loan - project Zabrze	5 200 000	973 740	PLN	WIBOR 3M + marża	31.12.2020
BOŚ S.A. - investment loan- bonds	30 000 000	4 417 895	PLN	WIBOR 3M + marża	31.12.2021
Krakowski Bank Spółdzielczy w Krakowie - overdraft	3 300 000	7 797	PLN	WIBOR 1M + marża	21.03.2019
Bank Spółdzielczy w Rymanowej – overdraft	600 000	-	PLN	WIBOR 1M + marża	30.04.2019
<b>Total current borrowings</b>		<b>8 606 740</b>	-	-	-

## 11. Other financial liabilities

11.1 - Other financial liabilities	As at 30.06.2019	As at 31.12.2018
<b>Non-current</b>	<b>1 237 124</b>	-
Liabilities under finance leases	-	-
Obligations under the right to perpetual land use	1 237 124	-
<b>Current</b>	<b>10 159</b>	<b>108 209</b>
Liabilities under finance leases	8 159	108 209
Obligations under the right to perpetual land use	2 000	-

11.2 – Parcels with right to perpetual land use			
Lp.	Location	Number of parcels	Area [ha]
1	Wałbrzych ul. Górnicza	4	8,7871
2	Wałbrzych ul. Karkonoska	3	6,9769
3	Wałbrzych ul. Moniuszki	2	31,8138
4	Ożarów Karsy 78	1	1,1400
5	Zabrze ul. Szybowa	4	1,4501
6	Jedlicze ul. Trzecieckiego	10	0,7373
7	Góraźdże	1	3,0488

## 12. Other long-term liabilities

12.1 - Other long-term liabilities	As at 30.06.2019	As at 31.12.2018
Obligations for the proper performance of the construction service	780	780
Guarantees for the performance of the project	23 509	23 509
<b>Total</b>	<b>24 289</b>	<b>24 289</b>

## 13. Trade and other payables and other current liabilities

13.1 - Trade and other payables and other current liabilities	As at 30.06.2019	As at 31.12.2018
Trade and other payables	3 712 536	3 467 014
Current income tax liabilities	408 326	416 332
Employees	810 068	851 264
Other tax and social security	1 150 880	2 105 162
Investment	12 004	98 985
Accruals and other liabilities	9 741 006	73 505
<b>Total current liabilities:</b>	<b>15 834 820</b>	<b>7 012 262</b>

\*The "Accruals and Other Liabilities" item includes liabilities to shareholders for the payment of dividends of 9,682,518.35.

13.2- Liabilities as at 30.06.2019 - age structure	Current	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 year to 5 years	Total
Trade and other payables	3 642 778	20 886	-	48 872	-	3 712 536
Current income tax liabilities	408 326	-	-	-	-	408 326
Employees	810 068	-	-	-	-	810 068
Other tax and social security	1 150 880	-	-	-	-	1 150 880
Investment	12 004	-	-	-	-	12 004
Accruals and other liabilities	9 741 006	-	-	-	-	9 741 006
<b>Total</b>	<b>15 765 062</b>	<b>20 886</b>	<b>-</b>	<b>48 872</b>	<b>-</b>	<b>15 834 820</b>

13.3- Liabilities as at 31.12.2018 - age structure	Current	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 year to 5 years	Total
Trade and other payables	3 416 197	50 816	-	-	-	3 467 014
Current income tax liabilities	416 332	-	-	-	-	416 332
Employees	851 264	-	-	-	-	851 264
Other tax and social security	2 105 162	-	-	-	-	2 105 162
Investment	98 985	-	-	-	-	98 985
Accruals and other liabilities	73 505	-	-	-	-	73 505
<b>Total</b>	<b>6 961 445</b>	<b>50 816</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7 012 262</b>

#### 14. Deferred revenues

14.1 - Deferred revenues	As at 30.06.2019	As at 31.12.2018
Grants - non-current part	23 685 259	24 920 934
Grants - current part	2 431 238	2 411 800
<b>Total deferred revenues</b>	<b>26 116 497</b>	<b>27 332 734</b>

The maturity of the grant may change if the economic usefulness of fixed assets financed in part from the grant changes.

For 2019, there has been no change in the economic utility periods of fixed assets financed partly by grants.

#### 15. Fair value of financial instruments

The fair value of financial instruments, which are understood as receivables, cash and liabilities, including liabilities under concluded credit agreements, does not differ significantly from the values presented in the statement of financial position.

In the reporting period there were no significant transfers between the fair value levels of instruments.

## 16. Income from sales

16.1 - Income from sales (continued activity)	For the period ended 30.06.2019	For the period ended 30.06.2018
Sales of products	1 218 693	1 418 367
Sales of services	47 170 235	29 901 887
Sales of goods	6 381 964	5 572 312
<b>Total income from sales</b>	<b>54 770 892</b>	<b>36 892 566</b>

In the reporting period, sales revenues increased by 48,5% in relation to the corresponding period of the previous year. The significant increase in revenues resulted from the acquisition of new contractors in the waste management market, who provided new streams of waste delivered to the plant at the Group's facilities. Achieving such a significant increase in revenues with a slight increase in costs resulted in a 180% increase in gross profit. In the presented period, the Group's core business did not show seasonality.

## 17. Operating segments

Group distinguishes operating segments in accordance with IFRS 8 on the basis of the criterion of diversified products and services from which the business segment earns its revenues:

17.1. Operating segments - 01.01-30.06.2019	Segments				Other	Total
	Waste processing	Construction services	Fuel stations	Products after processing		
Financial results of operational segments						
<b>Total revenues</b>	<b>48 266 795</b>	<b>260 188</b>	<b>6 570 527</b>	<b>800</b>	<b>-</b>	<b>55 098 310</b>
Sales (externally)	47 939 958	260 188	6 569 946	800	-	54 770 892
<b>Costs of segments (-)</b>	<b>28 558 102</b>	<b>357 492</b>	<b>6 133 454</b>	<b>815 047</b>	<b>2 395 731</b>	<b>38 259 826</b>
Revenues from interests	115 411	-	-	-	-	115 411
Interests expenses (-)	351 878	-	-	104 705	-	456 583
Other sales	211 426	-	581	-	-	212 007
Other costs (-)	1 199 278	1 901	2 662	2 934	60 754	1 267 529
Income tax *	3 251 067	-	-	-	-	3 251 067
<b>Net result of the reporting segment – from continued and discontinued activity</b>	<b>16 457 626</b>	<b>(97 304)</b>	<b>437 074</b>	<b>(814 247)</b>	<b>(2 395 731)</b>	<b>13 587 417</b>
Depreciation of property, plant and equipment	2 253 274	13 545	44 256	464 571	249 731	3 025 377
Amortization of intangible assets	16 301	-	-	-	9 339	25 641
Other information about operating segments						
<b>Assets of the reporting segment</b>	<b>145 778 097</b>	<b>880 260</b>	<b>3 294 983</b>	<b>23 452 168</b>	<b>9 098 762</b>	<b>182 504 271</b>
<b>Capital expenditure</b>	<b>185 743</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>185 743</b>
- Property, plant and equipment	181 193	-	-	-	-	181 193
- intangible assets	4 550	-	-	-	-	4 550
<b>Liabilities of the reporting segment</b>	<b>53 525 955</b>	<b>89 480</b>	<b>624 062</b>	<b>4 182 100</b>	<b>10 860 241</b>	<b>69 281 838</b>

17.2. Operating segments - 01.01-30.06.2018	Segments				Other	Total
	Waste processing	Construction services	Fuel stations	Products after processing		
Financial results of operational segments						
<b>Total revenues</b>	<b>29 801 889</b>	<b>852 376</b>	<b>5 776 485</b>	<b>823 331</b>	<b>64 324</b>	<b>37 318 405</b>
Sales (externally)	29 507 917	733 464	5 769 933	822 514	58 738	36 892 566
<b>Costs of segments (-)</b>	<b>22 305 502</b>	<b>857 188</b>	<b>5 418 471</b>	<b>759 973</b>	<b>1 963 792</b>	<b>31 304 926</b>
Revenues from interests	8 056	-	-	-		8 056
Interests expenses (-)	567 008	-		146 003	-	713 011
Other sales	285 916	118 912	6 552	817	5 586	417 783
Other costs (-)	206 603	679	784	4 924	9 363	222 352
Income tax *	1 138 350	-	-	-	-	1 138 350
<b>Net result of the reporting segment – from continued and discontinued activity</b>	<b>6 358 037</b>	<b>(4 812)</b>	<b>358 014</b>	<b>63 358</b>	<b>(1 899 468)</b>	<b>4 875 129</b>
Depreciation of property, plant and equipment	2 200 784	13 660	40 950	465 136	172 075	<b>2 892 605</b>
Amortization of intangible assets	17 088	-	-	-	30 375	<b>47 463</b>
Other information about operating segments						
<b>Assets of the reporting segment</b>	<b>125 087 157</b>	<b>1 603 365</b>	<b>3 215 950</b>	<b>24 892 068</b>	<b>9 127 995</b>	<b>163 926 535</b>
<b>Capital expenditure</b>	<b>1 025 431</b>	-	-	-	-	<b>1 025 431</b>
- Property, plant and equipment	1 020 881	-	-	-	-	<b>1 020 881</b>
- intangible assets	4 550	-	-	-	-	<b>4 550</b>
<b>Liabilities of the reporting segment</b>	<b>61 199 010</b>	<b>295 243</b>	<b>521 457</b>	<b>5 232 088</b>	<b>1 014 115</b>	<b>68 261 913</b>

17.3 Information on revenues	For the period ended 30.06.2019	For the period ended 30.06.2018
Waste processing	46 938 369	28 545 998
Construction services	256 274	733 464
Other car services	174 527	184 481
Sales of fuel and other finished good	6 381 964	5 572 312
Sales of technological steam	601 502	606 434
Products after processing	-	679
Other	418 256	1 249 198
<b>Total revenues</b>	<b>54 770 892</b>	<b>36 892 566</b>

During the comparative period, the value of sales of alternative fuels was included in the value of sales from waste management.

Information about major customers during the period 01.01.-30.06.2019		
Specification	Revenues	% total sales revenue of the Group
Customer no 1	4 038 661	7,37%
Customer no 2	3 545 611	6,47%
Customer no 3	2 366 079	4,32%
Customer no 4	1 531 588	2,80%
Customer no 5	1 494 038	2,73%
<b>Total</b>	<b>12 975 977</b>	

Information about major customers during the period 01.01.-30.06.2018		
Specification	Revenues	% total sales revenue of the Group
Customer no 1	2 423 555	6,57%
Customer no 2	1 862 324	5,05%
Customer no 3	1 436 628	3,89%
Customer no 4	1 177 708	3,19%
Customer no 5	1 094 588	2,97%
<b>Total</b>	<b>7 994 804</b>	

## 18. Operating expenses

18.1 – Expenses by type	For the period ended 30.06.2019	For the period ended 30.06.2018
Depreciation	3 051 017	2 940 068
Energy and raw materials	5 754 847	5 036 240
Third parties services	12 793 681	8 411 662
Taxes and other duties	722 255	1 296 567
Remuneration	6 736 215	6 035 338
Remunerations	1 496 434	1 258 570
Other expenses	362 529	474 810
Cost of sold products	5 630 116	4 957 020
<b>Total expenses by type</b>	<b>36 547 094</b>	<b>30 410 275</b>
<b>Adjustments:</b>		
Change of work in progress	(11 380)	51 940
Selling expenses	(961 116)	(772 221)
Administrative expenses	(2 575 963)	(2 269 162)
<b>Total operating expenses</b>	<b>32 998 634</b>	<b>27 420 831</b>

The decrease in tax and fee costs between 1 June 2019 and June 30, 2019 compared to the comparative period was influenced by the fact that in March 2019 the acceptance of waste in the Industrial Waste Landfill was completed. The fee for storage during the comparative period was PLN 644 000.

The increase in the cost of foreign services, including, in particular, transport and equipment services is the result of an increase in the amount of waste accepted during the reporting period by 30% compared to the same period last year.

<b>18.2 – Cost of sales</b>	<b>For the period ended 30.06.2019</b>	<b>For the period ended 30.06.2018</b>
Cost of produced goods and services	27 368 519	22 463 811
Value of finished goods sold	5 630 116	4 957 020
<b>Total operating expenses</b>	<b>32 998 634</b>	<b>27 420 831</b>

## 19. Other operating revenues

<b>19.1 – Other operating revenues</b>	<b>For the period ended 30.06.2019</b>	<b>For the period ended 30.06.2018</b>
Result from disposal of non-financial assets	-	122 067
Reversal of provisions	12 023	2 371
Reversal of impairment incl.	1 003	6 723
- trade receivables	1 003	6 723
Penalties and fines and compensation	44 554	65 483
Other	78 305	129 050
Relief for bad debts	76 123	-
<b>Total other operating revenues</b>	<b>212 007</b>	<b>325 694</b>

## 20. Other operating expenses

20.1 – Other operating expenses	For the period ended 30.06.2019	For the period ended 30.06.2018
Loss on the disposal of non-financial fixed assets	21 580	-
Provisioning	48 055	7 669
Create write-offs, including:	280 805	6 953
- <i>supply and service receivables</i>	280 805	6 953
Cost of decommissioning and scrapping	54 540	-
Cost of abandoned investments	586 493	-
Donations made	13 439	11 782
Cost of random events	21 131	15 523
Court and bailiff fees	127 110	41 860
Other	74 880	28 210
<b>Total</b>	<b>1 228 033</b>	<b>111 997</b>

By decision of the Management Board, the three investment projects considered, for which expenditure was incurred in 2008 to 2015, was not carried out as preliminary costs. The cost of these investments is included in the heading " cost of abandoned investments".

## 21. Financial income

21.1 – Financial income	For the period ended 30.06.2019	For the period ended 30.06.2018
Interest	115 411	8 056
Excess of positive exchange differences over negative ones	-	91 920
Other	-	169
<b>Total financial income</b>	<b>115 411</b>	<b>100 146</b>

Financial income comes mainly from interest received on bank deposits.

## 22. Financial costs

22.1 – Financial costs	For the period ended 30.06.2019	For the period ended 30.06.2018
Interest	456 583	713 011
Excess of negative exchange differences over positive ones	31 836	-
Other	7 661	17 704
<b>Total financial costs</b>	<b>496 080</b>	<b>730 715</b>

Financial costs, especially interest on loans, decreased significantly due to the fact that the debt on account of the loans taken out is gradually decreasing.

### 23. Transactions with related parties

23.1 - Transakcje i salda z podmiotami powiązanymi za okres 01.01-30.06.2019	Consolidated			Not consolidated		
	Subsidiaries	Associates	Joint ventures	Subsidiaries	Associates	Key management
Sales	2 185 996	-	-	-	-	-
Expenses	8 221	-	-	-	-	-
Short-term receivables	452 440	-	-	-	-	-

23.2 - Transakcje i salda z podmiotami powiązanymi za okres 01.01-30.06.2018	Consolidated			Not consolidated		
	Subsidiaries	Associates	Joint ventures	Subsidiaries	Associates	Key management
Sales	2 580 976	-	-	-	-	-
Expenses	8 221	-	-	-	-	-
Short-term receivables	682 805	-	-	-	-	-

### 24. Earnings per share

24.1 Basic earnings per share	For the period ended 01.01.-30.06.2019	For the period ended 01.01.-30.06.2018
Profit for the financial year attributable to shareholders of the parent	13 587 417	4 875 129
<b>Profit used to calculate basic earnings per share in total</b>	13 587 417	4 875 129
Profit per one share	3,8	1,3
<b>Profit used to calculate basic earnings per share from continuing operations</b>	13 587 413	4 875 128

24.2 Diluted earnings per share	For the period ended 01.01.-30.06.2019	For the period ended 01.01.-30.06.2018
Profit for the financial year attributable to shareholders of the parent	13 587 417	4 875 129
<b>Profit disclosed for the purpose of calculating the value of diluted profit per share</b>		
<b>The weighted average number of shares used to calculate diluted earnings per share is agreed to the average used to calculate the normal ratio as follows:</b>		
Weighted average number of ordinary shares used to calculate basic profit per share	3 611 385	3 611 385
<b>Weighted average number of ordinary shares (for the purpose of calculating the value of diluted profit per share)</b>	3 611 385	3 611 385

## INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

### General Information

General information concerning MO-BRUK S.A., the basis for preparing the interim condensed separate financial statements, the continuation of the Company's operations and the accounting principles applied is included in the introduction to the interim condensed consolidated financial statements and also refers to the interim condensed separate financial statements.

### VIII. SELECTED SEPARATE FINANCIAL DATA

SPECIFICATION	PLN		EUR	
	01.01.2019-30.06.2019	01.01.2018-30.06.2018	01.01.2019-30.06.2019	01.01.2018-30.06.2018
I. Sales	48 701 178	31 748 974	11 357 463	7 488 937
II. Operating profit	16 166 213	5 881 389	3 770 076	1 387 300
III. Profit before income taxes	16 950 820	5 173 295	3 953 052	1 220 275
IV. Net profit	13 912 531	4 187 774	3 244 502	987 811
V. Net cash from operating activities	17 588 270	8 860 155	4 101 710	2 089 930
VI. Net cash from investing activities	(31 627)	(513 301)	(7 376)	(121 077)
VII. Net cash from financing activities	(3 318 336)	(6 691 512)	(773 860)	(1 578 392)
VIII. Net cash total	14 238 306	1 655 343	3 320 475	390 462
IX. No of shares	3 611 385	3 611 385	3 611 385	3 611 385
X. Earnings per share (in PLN / EUR)	3,9	1,2	0,90	0,27
SPECIFICATION	PLN		EUR	
	30.06.2019	31.12.2018	30.06.2019	31.12.2018
XI. Total assets	176 440 473	166 887 608	41 495 878	38 811 072
XII. Total liabilities and provisions	68 041 800	62 718 947	16 002 305	14 585 802
XIII. Non-current liabilities	41 027 419	45 028 864	9 648 970	10 471 829
<i>of which: Deferred revenues - grants</i>	23 685 259	24 920 934	5 570 381	5 795 566
XIV. Current liabilities	27 014 381	17 690 083	6 353 335	4 113 973
<i>of which: Deferred revenues - grants</i>	2 431 238	2 411 800	571 787	560 884
XV. Total equity	108 398 673	104 168 660	25 493 573	24 225 270
XVI. Share capital	36 113 850	36 113 850	8 493 380	8 398 570
XVII. No of shares	3 611 385	3 611 385	3 611 385	3 611 385
XVIII. Book value per share (in PLN / EUR)	30,0	28,8	7,1	6,7

The presented financial data for the six months ended 2019 and for the six months ended 2018 were calculated into EUR according with the following approach:

- elements of the statement of finance positions about:

- Six months ended 2019 – average exchange rate stated as of 28.06.2019 – 4,2520 PLN / EUR,

- 2018 – average exchange rate stated as of 31.12.2018 - 4,300 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 2019 to 30 June 2019 – 4,2880 PLN/EUR and 2018 (period: from 1 January 2018 to 30 June 2018) – 4,2395 PLN/EUR

**IX . INTERIM CONDENSED SEPARATE STATEMENT OF FINANCE POSITION**

<b>Statement of finance position</b>			
<b>Specification</b>	<b>Note</b>	<b>As at 30.06.2019</b>	<b>As at 31.12.2018</b>
<b>NON- CURRENT ASSETS</b>		<b>136 974 081</b>	<b>140 516 338</b>
Property, plant and equipment	<a href="#">1.</a>	132 881 095	135 734 663
Intangible assets		585 107	587 054
Longterm financial assets		1 628 599	1 628 599
Longterm receivables		278 742	251 586
Deferred tax assets		1 600 538	2 314 436
<b>CURRENT ASSETS</b>		<b>39 466 391</b>	<b>26 371 269</b>
Inventories		1 032 009	936 719
Accounts receivable and prepayments		9 632 947	10 899 594
Current income tax receivable		-	-
Other receivables		846 276	789 456
Cash and cash equivalents		26 865 880	12 627 574
Accruals		165 200	178 084
<b>Non-current assets held for sale</b>		<b>924 080</b>	<b>939 843</b>
Property, plant and equipment held for sale		924 080	939 843
<b>Total assets:</b>		<b>176 440 473</b>	<b>166 887 608</b>

<b>Statement of finance position</b>			
<b>Specification</b>	<b>Note</b>	<b>As at 30.06.2019</b>	<b>As at 31.12.2018</b>
<b>TOTAL EQUITY</b>		<b>108 398 673</b>	<b>104 168 660</b>
Share capital		36 113 850	36 113 850
Share premium		25 573 479	25 573 479
Retained earnings		19 882 717	10 199 303
Other reserves		12 916 096	12 916 096
Net profit for the period		13 912 531	19 365 932
<b>NON-CURRENT LIABILITIES</b>		<b>41 027 419</b>	<b>45 028 864</b>
Deferred tax liabilities		7 444 399	7 145 183
Retirement severance provision		73 999	65 585
Longterm borrowings		8 585 858	12 896 383
Other financial liabilities		1 237 124	-
Other longterm liabilities		780	780
Deferred revenues – grants		23 685 259	24 920 934
<b>CURRENT LIABILITIES</b>		<b>27 014 381</b>	<b>17 690 083</b>

Shortterm borrowings		9 064 982	8 606 740
Other financial liabilities		10 159	108 209
Trade and other payables		3 275 621	2 944 419
Income tax liabilities		355 414	386 673
Retirement severance provision		513 700	486 111
Other shortterm liabilities		-	-
Other provisions		11 363 269	2 746 131
Deferred revenues – grants		2 431 238	2 411 800
<b>Total equity and liabilities:</b>		<b>176 440 473</b>	<b>166 887 608</b>

**X. INTERIM CONDENSED SEPARATE STATEMENT OF COMPREHENSIVE INCOME**

<i>Income statement</i>			
Specification	Note	For the period: 01.01.-30.06.2019	For the period: 01.01.-30.06.2018
Revenue		48 701 178	31 748 974
Cost of sales		28 423 909	23 475 714
<b>GROSS PROFIT</b>		<b>20 277 269</b>	<b>8 273 260</b>
Selling expenses		961 116	780 443
Administrative expenses		2 129 205	1 797 871
<b>Profit from sales</b>		<b>17 186 948</b>	<b>5 694 946</b>
Other operating income		186 006	276 594
Other operating expenses		1 206 741	90 151
<b>OPERATING PROFIT</b>		<b>16 166 213</b>	<b>5 881 389</b>
Finance income		1 268 563	10 907
Finance costs		483 956	719 001
<b>PROFIT BEFORE INCOME TAXES</b>		<b>16 950 820</b>	<b>5 173 295</b>
Income tax		3 038 289	985 521
<b>NET PROFIT</b>		<b>13 912 531</b>	<b>4 187 774</b>
Result from discontinued activity		-	-
<b>NET PROFIT</b>		<b>13 912 531</b>	<b>4 187 774</b>
<b>Total comprehensive income</b>		<b>13 912 531</b>	<b>4 187 774</b>

<b>Income statement</b>			
<b>Specification</b>	<b>Note</b>	<b>For the period: 01.01.-30.06.2019</b>	<b>For the period: 01.01.-30.06.2018</b>
Revenue		48 701 178	31 748 974
Change of work in progress		(11 380)	51 940
Depreciation		2 882 141	2 775 720
Energy and raw materials		5 243 730	4 548 993
Third parties services		10 124 378	6 205 835
Remunerations		6 690 374	5 860 878
Taxes and other duties		690 703	1 268 455
Other expenses		264 169	385 187
Cost of sold products		5 630 116	4 957 020
<b>Profit from sales</b>		<b>17 186 948</b>	<b>5 694 946</b>
Other operating income		186 006	276 594
Other operating expenses		1 206 741	90 151
<b>OPERATING PROFIT</b>		<b>16 166 213</b>	<b>5 881 389</b>
Finance income		1 268 563	10 907
Finance costs		483 956	719 001
<b>PROFIT BEFORE INCOME TAXES</b>		<b>16 950 820</b>	<b>5 173 295</b>
Income tax		3 038 289	985 521
<b>NET PROFIT</b>		<b>13 912 531</b>	<b>4 187 774</b>
<b>NET PROFIT</b>		<b>13 912 531</b>	<b>4 187 774</b>
<b>Total comprehensive income</b>		<b>13 912 531</b>	<b>4 187 774</b>

<b>Earnings per share (in PLN per share)</b>	<b>For the period: 01.01.-30.06.2019</b>	<b>For the period: 01.01.-30.06.2018</b>
<b>From continued and discontinued operations</b>		
Basic	3,9	1,2
Diluted	3,9	1,2
<b>From continued operations</b>		
Basic	3,9	1,2
Diluted	3,9	1,2
Profit from continued and discontinued operations	13 912 531	4 187 774
<b>NET PROFIT</b>	<b>13 912 531</b>	<b>4 187 774</b>
Weighted average number of ordinary shares	3 611 385	3 611 385
Weighted average diluted number of ordinary shares	3 611 385	3 611 385

**XI. INTERIM CONDENSED SEPARATE CASH FLOW STATEMENT**

<b>Cash flow statement</b>		
Specification	For the period: 01.01.-30.06.2019	For the period: 01.01.-30.06.2018
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before income taxes	16 950 820	5 173 295
Total adjustments	637 450	3 686 861
Depreciation	2 882 141	2 775 720
Depreciation – grants	1 216 238	1 205 929
Interests and share in profits	454 757	704 299
Profit on investing activities	21 580	(122 067)
Dividend received	(1 153 665)	-
Changes in working capital	(758 425)	(877 020)
Change in provisions	36 003	578 879
Change in inventories	(95 290)	35 691
Change in receivables	1 182 672	(103 982)
Change in trade payables	(678 456)	(284 010)
Change in deferred revenues and accruals	(1 203 354)	(1 103 597)
Income taxes paid	(2 025 175)	-
Paid income tax	-	-
<b>Net cash from operating activities</b>	<b>17 588 270</b>	<b>8 860 155</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(736 825)	(677 264)
Proceeds from sale of property, plant and equipment	118 705	163 963
Other adjustments	586 493	-
	-	-
<b>Net cash from investing activities</b>	<b>(31 627)</b>	<b>(513 301)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Other financial receipts - dividend	1 153 665	-
Repayments of borrowings	(3 932 531)	(5 878 129)
Payment of Finance lease liabilities	(164 962)	(109 084)
Dividends paid	-	-
Interes paid	(374 508)	(704 299)
<b>Net cash from financing activities</b>	<b>(3 318 336)</b>	<b>(6 691 512)</b>
<b>NET CASH TOTAL</b>	<b>14 238 306</b>	<b>1 655 343</b>
<b>NET CASH TOTAL</b>	<b>14 238 306</b>	<b>1 655 343</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>26 865 879</b>	<b>2 842 813</b>

**XII. INTERIM CONDENSED SEPARATE STATEMENT OF CHANGES IN EQUITY**

Statement of changes in equity for the period: 01.01-30.06.2019	Equity attributable to the owners of the parent company					Total equity
	Share capital	Share premium	Retained earnings	Other reserves	Not distributed profit	
<b>As at 01.01.2019</b>	36 113 850	25 573 479	10 199 303	12 916 096	19 365 932	104 168 660
<b>Balance after changes</b>	36 113 850	25 573 479	10 199 303	12 916 096	19 365 932	104 168 660
Transfer of the financial result	-	-	9 683 414	-	(9 683 414)	-
Transfer of the financial result to the payment of dividends	-	-	-	-	(9 682 518)	(9 682 518)
<b>Total transactions with owners</b>	-	-	9 683 414	-	(19 365 932)	(9 682 518)
Net profit for the period	-	-	-	-	13 912 531	13 912 531
<b>Total comprehensive income</b>	-	-	-	-	13 912 531	13 912 531
<b>As at 30.06.2019</b>	36 113 850	25 573 479	19 882 717	12 916 096	13 912 531	108 398 673

Statement of changes in equity for the period: 01.01-30.06.2018	Equity attributable to the owners of the parent company					Total equity
	Share capital	Share premium	Retained earnings	Other reserves	Not distributed profit	
<b>As at 01.01.2018</b>	36 113 850	25 573 479	6 515 748	12 916 096	5 675 113	86 794 286
<b>Balance after changes</b>	36 113 850	25 573 479	6 515 748	12 916 096	5 675 113	86 794 286
Transfer of the financial result	-	-	5 675 113	-	(5 675 113)	-
<b>Total transactions with owners</b>	-	-	5 675 113	-	(5 675 113)	-
Net profit for the period	-	-	-	-	4 187 774	4 187 774
<b>Total comprehensive income</b>	-	-	-	-	4 187 774	4 187 774
<b>As at 30.06.2018</b>	36 113 850	25 573 479	12 190 861	12 916 096	4 187 774	90 982 060

**XIII. ADDITIONAL EXPLANATORY NOTES**
**1. Property, plant and equipment**

1.1 - Property, plant and equipment	As at 30.06.2019	As at 31.12.2018
Land and perpetual usufruct of land	7 546 783	7 535 442
Buildings and structures	42 717 333	43 821 855
Technical equipment and machines	76 738 837	79 046 824
Machines and equipment for technological processes used for research and development	1 849 099	1 898 562
Means of transport	1 338 980	1 464 242
Other fixed assets	1 232 735	1 290 389
Perpetual land use rights	1 271 584	-
Fixed assets under construction	185 744	677 349
Advances for fixed assets	-	-
<b>Total property, plant and equipment:</b>	<b>132 881 095</b>	<b>135 734 663</b>

1.2 - Property, plant and equipment in the reporting period	Land and perpetual usufruct of land	Buildings and structures	Technical equipment and machines	Machines and equipment for technological processes used for research and development	Means of transport	Other fixed assets	Perpetual land use rights	Fixed assets under construction, Advances
<b>Gross value at the beginning of the period</b>	7 535 442	73 420 896	118 504 683	2 399 907	4 817 088	3 233 193	1 304 036	677 349
Transfer from fixed assets under construction	11 341	-	567 310	-	-	3 301	-	-581 949
Purchases	-	-	-	-	-	-	-	676 837
Reclassifications	-	-	-	-	-	-	-	-586 493
Disposal	-	-	-85 000	-	-198 486	-	-	-
Liquidation	-	-41 959	-728 067	-	-	-	-	-
<b>Gross value at the end of the period</b>	<b>7 546 783</b>	<b>73 378 937</b>	<b>118 258 925</b>	<b>2 399 907</b>	<b>4 618 602</b>	<b>3 236 494</b>	<b>1 304 036</b>	<b>185 744</b>
<b>Cumulated depreciation at the beginning of the period</b>	<b>-</b>	<b>29 599 041</b>	<b>39 457 859</b>	<b>501 345</b>	<b>3 352 846</b>	<b>1 942 804</b>	<b>-</b>	<b>-</b>
Depreciation charged for the period	-	1 102 222	2 757 254	49 463	71 215	60 955	32 451	-
Disposal	-	-	-19 198	-	-144 439	-	-	-
Liquidation	-	-39 659	-675 826	-	-	-	-	-
<b>Cumulated depreciation at the end of the period</b>	<b>-</b>	<b>30 661 604</b>	<b>41 520 089</b>	<b>550 808</b>	<b>3 279 622</b>	<b>2 003 759</b>	<b>32 451</b>	<b>-</b>
<b>Net value at the end of the period</b>	<b>7 546 783</b>	<b>42 717 333</b>	<b>76 738 837</b>	<b>1 849 099</b>	<b>1 338 980</b>	<b>1 232 735</b>	<b>1 271 584</b>	<b>185 744</b>

1.3 - Property, plant and equipment in the previous reporting period	Land and perpetual usufruct of land	Buildings and structures	Technical equipment and machines	Machines and equipment for technological processes used for research and development	Means of transport	Other fixed assets	Perpetual land use rights	Fixed assets under construction, Advances
<b>Gross value at the beginning of the period</b>	7 551 205	73 388 715	118 662 614	2 399 907	4 993 106	3 163 435	-	1 036 322
Transfer from fixed assets under construction	-	180 987	931 302	-	88 146	81 008	-	-1 281 444
Purchases	-	-	-	-	-	-	-	922 471
Reclassifications	-15 763	-	-	-	-	-	-	-
Sale	-	-148 806	-1 084 918	-	-264 164	-	-	-
Liquidation	-	-	-4 315	-	-	-11 250	-	-
<b>Gross value at the end of the period</b>	7 535 442	73 420 896	118 504 683	2 399 907	4 817 088	3 233 193	-	677 349
<b>Cumulated depreciation at the beginning of the period</b>	-	27 484 372	34 850 417	402 417	3 448 657	1 841 758	-	-
Depreciation charge for the period	-	2 165 974	5 378 968	98 928	115 081	105 810	-	-
Sale	-	-51 305	-769 274	-	-210 892	-	-	-
Liquidation	-	-	-2 252	-	-	-4 764	-	-
<b>Cumulated depreciation at the end of the period</b>	-	29 599 041	39 457 859	501 345	3 352 846	1 942 804	-	-
<b>Net value at the end of the period</b>	7 535 442	43 821 855	79 046 824	1 898 562	1 464 242	1 290 389	-	677 349

Niecew, August 20, 2019

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Date

Ewa Kłusek - Chief Accountant

Signed on the Polish original

Józef Mokrzycki – President of the Management Board

Signed on the Polish original

Elżbieta Mokrzycka – Deputy President of the Management Board

Signed on the Polish original

Anna Mokrzycka – Nowak – Deputy President of the Management Board

Signed on the Polish original

Wiktor Mokrzycki – Deputy President of the Management Board

Signed on the Polish original

Tobiasz Mokrzycki – Deputy President of the Management Board

Signed on the Polish original