

# MOBRUK

## Mo-BRUK S.A.

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### GOSPODARKA ODPADAMI

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

### NAWIERZCHNIE BETONOWE

drogi i parkingi  
lotniska  
plac przemysłowy  
stabilizacja gruntów

ISO 9001 · 14001 · 17025

Spółka publiczna notowana na Gieldzie  
Papierów Wartościowych w Warszawie

### KBS I Oddział w Krakowie

38 8591 0007 0020 0054 2063 0001

### BOŚ SA O/O w Tarnowie

50 1540 1203 2053 8121 1766 0001

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  
35 728 850 zł w całości wpłacony.

## Mo-BRUK S.A. Capital Group

### CONSOLIDATED FINANCIAL STATEMENT

### ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

FOR THE PERIOD 01.01.2019 to 31.12.2019

#### JEDNOSTKI ORGANIZACYJNE:

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**ZAKŁAD ODZYSKU ODPADÓW NIEORGANICZNYCH** ul. Smaków 21 · 49-318 Skarbimierz · telefon 77 541 74 00  
**ZAKŁAD RECYKLINGU METALI ŻELAZNYCH I KOLOROWYCH** ul. Szybowa 7D · 41-808 Zabrze · telefon 32 661 01 20  
**STACJA PALIW · DIAGNOSTYKA POJAZDÓW** Łeka 115 · 33-322 Korzenna · telefon/faks 18 440 98 36

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I. SELECTED FINANCIAL DATA

ITEM	PLN		EUR	
	01.01.2019- 31.12.2019	01.01.2018- 31.12.2018	01.01.2019- 31.12.2019	01.01.2018- 31.12.2018
I. Net income from sales of products, goods and materials	130 566 823	92 667 415	30 351 966	21 717 653
II. Profit (loss) on operations	50 192 112	26 567 316	11 667 813	6 226 350
III. Gross profit (loss)	49 626 222	25 339 266	11 536 264	5 938 542
IV. Net profit (loss)	40 088 249	20 519 597	9 319 038	4 808 999
V. Net cash flows from operations	40 336 654	27 535 244	9 376 783	6 453 195
VI. Net cash flows from investments	-980 306	-1 078 262	-227 885	-252 703
VII. Net cash flows from operations	-26 742 289	-14 335 711	-6 216 595	-3 359 735
VIII. Total net cash flows	12 614 060	12 121 271	2 932 303	2 840 756
IX. Number of shares	3 595 141	3 611 385	3 595 141	3 611 385
X. Profit (loss) per regular share (in PLN/EUR)	11,15	5,68	2,59	1,33
ITEM	PLN		EUR	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
XI. Total assets	189 791 289	170 999 387	44 567 639	39 767 299
XII. Liabilities and reserves for liabilities	57 606 725	61 681 854	13 527 468	14 344 617
XIII. Long-term liabilities	34 584 421	42 857 858	8 121 268	9 966 944
<i>Including deferred income - grants</i>	22 470 258	24 920 934	5 276 566	5 795 566
XIV. Short-term liabilities	23 022 304	18 823 995	5 406 200	4 377 673
<i>Including deferred income - grants</i>	2 430 001	2 411 800	570 624	560 884
XV. Own capital	132 184 565	109 317 533	31 040 170	25 422 682
XVI. Company capital	35 728 850	36 113 850	8 390 008	8 398 570
XVII. Number of shares	3 595 141	3 611 385	3 595 141	3 611 385
XVIII. Accounting value per share (in PLN/EUR)	36,77	30,27	8,63	7,04

The above financial data for 2019 and 2018 have been converted into EUR according to the following rules:

- individual asset and liabilities items relating to:

2019 - at the average rate announced on 31 December 2019 - 4.2585 PLN/EUR,

2018 – at the average rate announced as of December 31, 2018 – 4.3000 PLN/EUR,

- individual data from total income and data on cash flow reports at the rate representing the arithmetic average of the average rates set by the National Bank of Poland for the last day of each month of the financial period (from 1 January 2019 to 31 December 2019) – 4,3018 PLN/EUR and year 2018 (from 1 January 2018 to 31 December 2018) – 4,2669 PLN/EUR.

## **II. INTRODUCTION TO CONSOLIDATED FINANCIAL STATEMENTS**

### **1. General information**

#### **1.1. Name and registered office of the consolidated financial statements:**

The consolidated financial statement unit is Mo-BRUK Joint Stock Company  
68, 33-322 Korzenna, hereinafter referred to as the parent company, is based in Niecwi.

The parent company conducted business as a Limited Partnership "Mo-BRUK" J. Mokrzycki with its registered office in Korzenna, 33-322 Korzenna between 01 April 2018 and 31 May 2010.

On 30 April 2010, the partners of the limited partnership adopted a resolution to convert the company into a joint stock company. Registration of the conversion by the registry court took place on June 1, 2010 by the District Court for Krakow-Downtown in Krakow, 12th Commercial Division of the National Court Register under the number KRS 0000357598. The company was given the statistical number REGON 120652729 and tax identification number Tax Identification Tax Identification Tax Identification 7343294252.

#### **1.2. Group duration:**

The duration of the Group is unlimited.

#### **1.3. Place of business:**

The parent company operates in Poland both at its headquarters and in branches:

- 33-322 Korzenna, Niecew 68,
- 58-303 Wałbrzych, ul. Górnicza 1,
- 58-303 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,
- 48-318 Skarbimierz – Osiedle, ul. Smaków 21.

A subsidiary of Raf-Ekologia Sp. z o.o. conducts business at  
38-460 Jedlicze, ul. Trzecieckiego 14.

#### **1.4. The Group's core business:**

- Waste management,
- Road construction,
- Production of alternative fuels,
- Rental,
- Retail sales of fuels,

- Secondary products,
- Other sales including diagnostic services.

#### **1.5. Reporting periods presented:**

This consolidated financial statements were drawn up for the period from 01 January 2019. 31 December 2019 and contains comparable financial data for the period 01 January 2018. To 31 December 2018

#### **1.6. Level of rounding in consolidated financial statements**

The group rounds the numbers in the consolidated financial statements to the full Polish zlotys.

#### **1.7. Registry Court, register no.**

Between January 1, 2010 and May 31, 2010, the company conducted a business as a Limited Partnership "Mo-BRUK" J. Mokrzycki with its registered office in Korzenna, 33-322 Korzenna.

On 30 April 2010, the partners of the limited partnership adopted a resolution to convert the company into a joint stock company. Registration of the conversion by the registry court took place on June 1, 2010 by the District Court for Krakow-Downtown in Krakow, 12th Commercial Division of the National Court Register under the number KRS 0000357598. The company was given the statistical number REGON 120652729 and tax identification number Tax Identification Tax Identification Tax Identification 7343294252.

## **2. Composition of the board, supervisory board and audit committee of the Parent Company**

Personal composition of the Management Board on the date of preparation of the consolidated financial statements:

- Józef Mokrzycki – President of the Board
- Elżbieta Mokrzycka – Vice-President of the Board
- Anna Mokrzycka-Nowak – Vice-President of the Board
- Wiktor Mokrzycki – Vice-President of the Board
- Tobiasz Mokrzycki – Vice-President of the Board

In the financial year covered by the consolidated report and until the date of the consolidated financial statements, no changes were made to the composition of the Management Board of the parent company.

On 25 February 2020 The Supervisory Board adopted a resolution on the appointment of the Chairman and Vice-Presidents of the Management Board of the parent company in an unchanged composition for a new joint term, which will begin on 1 May 2020 and will last for a period of 5 years.

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

- Kazimierz Janik – President of the Supervisory Board
- Jan Basta – Supervisory Board Member
- Adam Buchajski – Supervisory Board Member
- Piotr Pietrzak – Supervisory Board Member
- Konrad Turzański – Supervisory Board Member

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 paragraph. g of the Articles of Association adopted resolution No. 22/2019 on the election of Mr. Łukasz Boronia as a Member of the Supervisory Board.

On 12 December 2019 Mr. Łukasz Boroń resigned as a Member of the Supervisory Board. Important personal reasons were given as the reason for the resignation.

At its meeting of 13 December 2019, The Supervisory Board co-opted mr Norbert Nowak.

On 3 March 2020, the Extraordinary General Meeting of Shareholders of Mo-BUK S.A. At the meeting, pursuant to §19 of the Company's Articles of Association, resolution No. 4/2020 was held on the appointment of Mr. Piotr Skrzyński as a Member of the Supervisory Board of the parent company.

Upon appointment to the Supervisory Board of Mr Piotr Skrzyński, he ceased to serve as co-opted member of the Supervisory Board, Mr. Norbert Nowak.

At the date of this consolidated financial statements, the Supervisory Board shall operate in the following composition:

- Kazimierz Janik – President of the Supervisory Board
- Jan Basta – Supervisory Board Member
- Piotr Pietrzak – Supervisory Board Member
- Piotr Skrzyński – Supervisory Board Member
- Konrad Turzański – Supervisory Board Member

Until 31 May 2019 The Audit Committee of the Issuer was operational in the composition;

- Piotr Pietrzak – Chairman of the Audit Committee
- Adam Buchajski – Audit Committee Member
- Kazimierz Janik – Audit Committee Member

On 4 October 2019 The Supervisory Board elected from among its members one Member of the Audit Committee, Mr. Łukasz Boronia, in place of Mr. Adam Buchajski.

Following the resignation of Mr. Łukasz Boronia from a member of the Supervisory Board, on 20 December 2019. The Council adopted a resolution on the election of Mr Jan Basta as a member of the Audit Committee.

At the date of this consolidated financial statements, the composition of the Audit Committee shall be as follows:

- Piotr Pietrzak – Chairman of the Audit Committee
- Jan Basta – Audit Committee Member
- Kazimierz Janik – Audit Committee Member

### **3. Affiliated entities**

Mo-BRUK S.A. is the parent company in the Mo-BRUK S.A. Capital Group (top-level unit).

A detailed list of related entities is set out in the table below.

<b>No.</b>	<b>Name and address of the company</b>	<b>% of capital share held</b>	<b>% of votes in the decision-making body of the company</b>	<b>Relation type and consolidation method</b>
1	"RAF-EKOLOGIA" Spółka z o.o. 38-460 Jedlicze ul. Trzecieckiego 14	100	100	Full consolidation

### **4. Legal basis for drawing up consolidated financial statements**

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

The day of the transition to MSR GK Mo-BRUK S.A. is January 1, 2009. The issuer has agreed between the applicable rules and the previously applicable accounting rules as of that date.

Therefore, this consolidated financial statements for the period from 1 January 2019 to 31 December 2019 were prepared in accordance with International Accounting Standards, International Financial Reporting Standards, in a period approved by the European Union (EU MSDF).

IFRS is understood, in accordance with Article 2(10) of the basic Regulation, that the Whereas article 2 (2) of Regulation (EEC) 3 of the Accounting Act, the standards and interpretations adopted by the International Accounting Standard Board (IASB), which consist of:

1. International Financial Reporting Standards (IFRS),
2. International Accounting Standards (IAS) and
3. The interpretations of the Committee for Medicinal Products for Human Use shall be interpreted by the Committee on The Internal Market and The International Financial Reporting Committee (IFRIC) or the existing Standing Committee on Financial Reporting (FSA) has not yet been established. Interpretation (SIC)

International Accounting Standards, International Financial Reporting Standards and related interpretations adopted for application in the EEG area, which have been announced in the form of European Commission Regulations and are valid for application in the preparation of consolidated reports of Companies whose



shares are listed on the regulated market of the European Union (in accordance with 4 Directive RE 78/660/EEC as amended and 7 of Directive RE 83/349/EEC as amended).

In accordance with 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 C 1988, 11.12.2002, p. 1). UEL from 2002, No. 243, item. For each financial year beginning 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 has made a reception for Regulation 1606/2002 in Article 10 of regulation(1) of regulation (EC) No 1782/2003. Whereas Article 55 (2) of Regulation (EEC) No 2 Article 5 as regards the obligation to draw up consolidated accounts of publicly traded companies in accordance with IFRS and In Article 10( 1) of Regulation (EC) No 1782/2003, the commission shall, in accordance with the procedure laid down in Article 18, adopt measures for the implementation of this Regulation. Whereas Article 45 (2) of Regulation (EEC) No 2 1a-1b as regards the option of using IFRS by other Companies.

The report was drawn up on the basis of the principle of accruals.

#### **5. Date of approval of consolidated financial statements for publication**

On the date of signature of the consolidated financial statements, the Management Board of Mo-BRUK S.A. shall approve this report.

#### **6. Functional currency and reporting currency**

The data contained in the consolidated financial statements were presented in Polish Zlotys (PLN). Polish zlotys are the functional currency and reporting currency in the Group.

#### **7. Continuation of activities**

The Group's consolidated financial statements for 2019 were prepared on the assumption that the economic activity continued in the foreseeable future.

According to the Management Board, there are no circumstances indicating the risk of continuing to operate in the foreseeable future.

#### **8. Events after balance sheet date**

According to IAS 10, events following the balance sheet date shall include all events which occurred from the balance sheet date to the date of approval of the consolidated financial statements to a publication the main purpose of which is to maximise the long-term value.

#### **Risk of covid-19 corona effects**

At the end of 2019, china's corona virus news came for the first time. In the first months of 2020, the virus spread worldwide and its negative impact gained momentum. The Management Board considers this situation to be an event that does not result in corrections in the 2019 financial statements, but as an event after the balance sheet date requiring additional disclosures.

The Management Board shall take continuous action to protect against the effects of Covid 19. Educational activities are being carried out among crews, customers and suppliers to reduce the risk of Covid-19 spread.

At the moment, there has been no Covid-19 infection among the Group's employees. None of the employees are also quarantined.

The Management Board recognises the potential risks associated with the possible introduction of quarantine at individual group facilities or at significant suppliers. The introduction of such quarantine could disrupt the implementation of waste supplies to our branches and ultimately have a negative impact on the financial performance.

Although this situation continues to change at the time of the publication of this financial statements, the Management Board has not yet recorded a negative impact on the unit's sales or supply chain, but future effects cannot be predicted.

The board monitors the situation continuously and has its impact on the economy. It is ready to take action on an ongoing basis to mitigate any negative effects on the Group.

#### **Signing of an agreement with the Municipal Waste Management Department Sp. z o.o. with its registered office in Konin**

On January 2, 2020, the Issuer signed an agreement with the Municipal Waste Management Department Sp. z o.o. with its registered office in Konin to provide a service consisting in the collection, transport and final management of post-process waste from the Municipal Waste Thermal Disposal Plant.

The issuer's maximum remuneration for the performance of the contract in question may be PLN 10,178,000.00 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 actual weight of the waste received. The estimated amount of waste to be collected during the contract is 14 000 tonnes.

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 the period from 2 January 2020 to 31 December 2021.

#### **Adoption of a resolution on the payment of dividends**

On 3 March 2020, by Resolution No. 6/2020, the Extraordinary General Meeting of Mo-BRUK S.A. decided to allocate from the reserve an amount of PLN 12 330 226.65 for the payment of dividends.

The date of payment of the dividend (day D) i.e. the date of acquisition of the dividend was set at 12 March 2020, while the deadline for payment of the dividend (W date) was set at 19 March 2020.

The payment of dividends shall not be subject to own shares acquired by the parent company in redemptions of 60 000 pcs.

The dividend per share is PLN 3.51.

## **9. Rules for the valuation of assets and liabilities and the measurement of the financial result, adopted in the preparation of consolidated financial statements**

In drawing up this consolidated financial statements, the Group assumed a materiality of 1 % of the balance sheet total.

### **9.1. Intangible assets (IA)**

The definition of the IA component is set out in Paragraph 12 of IAS 38, "Intangible assets" and the criteria for enshrined in §21 IAS 38.

The Group initially acquires IA acquired in separate transactions at acquisition prices and IA produced on its own at cost.

In the case of the acquisition of software licenses or similar assets, the initial value of IA shall be the costs of implementing the software incurred up to the date of the software being brought into the intended utility specified by the Management Board. Implementation costs do not include the costs of training of employees, which charge the result on the date of the incurred.

Expenditure incurred during the period of research and expenditure not meeting the above mentioned conditions shall be recognised as costs in the profit and loss account on the date of their incurred.

After initial recognition, the Group shall measure the IA at the cost of acquisition or cost of production less the write-offs made and any impairment losses, in accordance with the model set out in § 74 IAS 38.

For each IA, the Group shall determine the period of economic utility. The period of economic utility may be indefinite. The period of economic utility resulting from legal titles may not be longer than the duration of those titles.

IA shall be evenly depreciating during the period of economic utility from the date when the component is ready for use until the date of exclusion from the capture or the date of destination for sale.

The group uses a linear IA depreciation method.

The depreciation period and depreciation method shall be subject to periodic verification at least at the end of each financial year. If a significant change is found in relation to previous estimates, the Group shall amend the rates and/or depreciation method from the first day of the reporting period.

unspecified life is not depreciating, but are subject to for permanent impairment at the end of each financial year and where there are indications that there has been a permanent impairment of IA value. In addition, the correct assumption that the IA has an unlimited economic utility period and, if necessary, the IA shall be retrained to the IA depreciated.

The Group applies annual depreciation rates for intangible assets of up to 50%.

At the balance sheet date, intangible assets shall be valued at cost after deduction of depreciation and possible impairment losses.

### **9.2. Property, plant and equipment**

The valuation rules for property, plant and equipment, are primarily contained in IAS 16, "Property, plant and equipment".

Property, plant and equipment, shall be initially taken at the cost of acquisition or cost of production with the exception of tangible assets acquired under a business combination or received in the form of a non-monetary contribution that shall be measured at fair value.

The purchase price or production costs shall be increased by the estimated costs of dismantling and removing the asset and renovating the place of use of the fixed assets if the Group is required to do so.

The purchase price or production costs shall not be adjusted for differences in exchange rate on the liabilities that finance the acquisition of an asset accrued until the date of transfer of the asset to use, unless they relate to the interest adjustment or is due to the collateral accounting policy adopted.

The purchase price or production costs shall be increased by interest expense seizing on the liabilities financing the acquisition of the asset accrued up to the date of transfer of the asset to use (using an effective interest rate).

After initial recognition, the Group shall measure property, plant and equipment at the cost of acquisition or cost of production less the write-offs made, in accordance with the model set out in § 30 IAS 16, with the exception of an identified group of property, plant and equipment shown at the revalued value in accordance with the model set out in § 31 IAS 16.

A separate group to be valued at the overestimated value includes a separate class of property, plant and equipment "Machinery and equipment for technological processes for R&D activities" of a similar type and application. This group is linked to R&D activities and tangible fixed assets within that group are characterised by different parameters and their functionality and purpose is closely linked to new separate activities. An estimate of their market value has been made for a separate group of property, plant and equipment.

For each asset, property, plant and equipment, the Group shall determine the period of economic utility. Where different periods of economic utility and depreciation rates and methods are justified for essential components of a fixed asset. The group applies different depreciation rates/methods for each significant component.

Tangible assets shall be systematically depreciating during the period of economic utility from the date on which the component is ready for use until the date of exclusion from the capture or the date of sale.

Own land is not depreciable.

The group uses a linear method of depreciation of property, plant and equipment, unless other methods (degressive, based on units of production) better reflect the consumption of the economic benefits of the item.

For depreciation purposes, the Group shall apply the following periods:

- buildings and buildings - up to 40 years
- technical equipment and machinery- up to 25 years
- means of transport - up to 20 years
- other fixed assets up to 20 years

The depreciation period, depreciation method and residual value (if established) shall be periodically verified at least at the end of each financial year. If a significant change is found in relation to previous

estimates, the Group shall amend the rates and/or depreciation method from the first day of the reporting period.

Fixed assets with an initial value not exceeding PLN 3,500.00 are written off in costs in the month of commissioning. 3

The costs of ongoing renovations and reviews of property, plant and equipment, shall be included as the costs of the period during which they were incurred, unless they lead to an extension of the economic useful life of the originally assumed.

### **9.3. Leasing**

As of January 1, 2019, according to IFRS 16, a single leasing model has been introduced for lessors. The Group has decided to implement IFRS 16 Leasing from January 1, 2019.

IFRS 16 sets out the rules for the capture, measurement, presentation and disclosure of contracts meeting the criteria for leasing contracts. All leasing contracts give rise to the lessee's right to use the asset and the lease liability. As a result, IFRS 16 introduces one model for the accounting recognition of the lease by the lessee. The lessee will be obliged to:

- include in the accounts assets and liabilities for all leasing contracts concluded for a period of more than 12 months, except where the subject matter of the contract is a low-value asset,
- include the depreciation of an asset for rights of use in the profit and loss account (unless depreciation is eligible for recognition as an input in the initial value of another asset), - recognise the financial costs for the valuation of the liability.

As a result of the Group's analysis, at the date of application of IFRS 16 for the first time, new relevant asset assets were demonstrated in the Group's balance sheet meeting the criteria of the new standard, i.e. the criteria of the new standard. the right to perpetual land use.

For that right, the Group, as a lessee, will include a lease liability valued at the value of current charges, taking into account the discount and will include an asset for the right of use equal to the lease obligations.

The Group decided to implement IFRS 16 using a simplified approach, i.e. the implementation of IFRS 16 retrospectively 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 the standard as an opening balance adjustment is taken into account.

The Group assessed that the application of the new standard did not affect the financial results presented by the Group, so it was considered that there was no need to correct the opening balance of retained profits as at 1 January 2019.

Assets under the right of use will be presented in this consolidated financial statements under the heading "Tangible fixed assets" – in note No. 1, the heading "Right of use of assets". A lease liability has also been established, broken down into long and short-term.

#### **9.4. Financial instruments**

##### Classification of financial instruments

The classification of financial instruments shall be based on the business model of the management of financial asset groups and the characteristics of contractual cash flows for the asset and financial liabilities. The classification shall be made at the time of initial recognition, with the exception of items shown at the initial application of IFRS 9. The classification of derivatives depends on their purpose and the requirements of IFRS 9.

Following the implementation of IFRS 9, the Group has classified financial instruments in the following categories:

##### ***Financial assets valued at amortised cost.***

Financial assets valued at amortised cost shall be classified commercial receivables (supply and service receivables), loans granted, other receivables and cash and equivalents. These items shall be valued at the balance sheet date at the amount of the amortised cost using an effective interest rate. Financial assets valued at amortised cost shall be valued taking into account expected credit losses.

##### ***Financial assets measured at fair value by profit or loss***

This group includes assets and financial assets intended for trading, investments in active-market equity instruments and financial assets that are not included in assets valued at amortised cost or fair value by total income. The financial result shall include changes in the fair value of financial assets (which are classified in this category) during their period of inception. The financial result also includes interest income and dividends received from equity-traded instruments listed on the active market.

##### ***Financial assets valuing at fair value by other total income***

This group includes investments in equity instruments that are valued at fair value (other than those relating to investments in subsidiaries and associates) that have not been invested in an active market and debt financial assets that meet the criteria of the underlying loan agreement received in accordance with the business model for cash flows or sales. The result of the valuation of investments in equity instruments and debt instruments classified in this category shall be included in the remaining total income. Interest income on investments in debt instruments is included in the financial result. Dividends from equity instruments measured at fair value by total income are recorded as income in profit or loss. In the case of disposal of equity instruments included in fair value measurement by other total income, revaluations recognised in capital shall be accounted for under the capital (they do not affect the financial result of the period). In the event of disposal of debt financial assets included in fair value measurement by other total income, gains or losses accumulated in capital shall be recognised (reclassified) in financial results.

##### ***Financial liabilities priced at amortised cost***

The group to be valued at amortised cost shall classify loans received, borrowing, liabilities for securities, trade liabilities and other liabilities subject to IFRS 9. Interest expenses shall be recognised by the Group as a financial result except where they are eligible for recognition in the initial value of assets.

Financial liabilities are at a depreciated cost at an effective interest rate.

### ***Impairment of financial assets***

The Group shall fix impairment losses in accordance with the expected credit loss model for items subject to IFRS 9 in terms of write-downs.

The expected loss model applies to financial assets valued at amortised cost and to debt financial assets measured at fair value by other total income, as well as to financial guarantees and loan liabilities (except measured at fair value).

In the case of commercial receivables (supply and service receivables), the Group shall apply a simplified approach to determining the write-off for expected credit losses – defined in an amount equal to the expected credit losses over the life of receivables in accordance with the arrangements presented section 9.5.

For other financial assets, the Group shall measure the write-down on expected credit losses equal to the 12 cm expected to be credit losses, unless there has been a significant deterioration in the credit risk or default. If the credit risk associated with a financial instrument has increased significantly since the initial recognition, the Group shall measure the write-off on expected credit losses from a financial instrument equal to the expected credit losses over the life. For each reporting date, the Group examines whether there are indications that there is a significant increase in the credit risk of the financial assets held.

### **9.5. Receivables**

Commercial receivables (supply and service receivables) are initially recorded at the transaction price resulting from the contract and are then valued at an efficient interest rate method, reducing them by write-offs for expected credit losses (including impairments). An impairment loss on trade receivables shall be based on the calculation of expected losses.

The Group calculates the expected credit losses for commercial receivables on historical basis for the repayment of receivables by counterparties adjusted in applicable cases about the impact of forward-looking information and macroeconomic expectations. The impairment loss shall be analysed for each reporting day.

Serious financial problems of the debtor, the likelihood that the debtor will declare bankruptcy or request settlement proceedings, significant delays in repayments are indications that the commercial receivables have lost value. The amount of the impairment loss shall be recorded in the profit or loss of the current period in the remaining operating expenses. In the event of irrecoverability of a commercial receivable, a write-off shall be made by showing them in the remaining operating costs in the profit account and losses.

### **9.6. Stocks**

The inventory capture and valuation policy is contained in IAS 2, "Stocks". At the initial shot, the inventory is recognised at the purchase price or cost of production.

At the balance sheet date, inventories shall be valued at acquisition prices or cost of production, not higher than the net value obtainable:

- materials at acquisition prices, not higher than the net value obtainable.

- finished products , at the cost of direct materials and labour or at standard prices not higher than their selling prices at the balance sheet date.

Inventory issue is valued according to the weighted average method.

The main activity of the Group is waste management. The waste stock was priced at zero. Therefore, these stocks are not subject to impairment losses. Furthermore, according to the Management Board of the parent company, the cost of a possible provision for processing/disposal due to the amount of waste collected is negligible.

### **9.7. Cash and cash flow report**

The Group qualifies cash at the box office and deposits payable on demand. In the case of deposits the payment of which is subject to certain conditions (letters of credit, blockages), they shall be included as cash with limited capacity.

Cash equivalents the Group includes bank deposits, treasury vouchers and high-quality credit commercial vouchers for which the maturity date does not exceed 3 months from the date of recognition of the financial assets (also applies to bank deposits).

Cash and cash equivalents shall be reported in the statement on the financial situation at a depreciated cost which does not deviate from their fair value.

Overdrafts are presented in the statement of financial position as part of short-term loans, loans and debt securities under short-term liabilities.

The Group shall draw up a consolidated statement of cash flows by indirect method. The following types of cash flow are distinguished:

- from operating activities;
- from investment activities;
- from financial activities.

Income tax cash flows shall be disclosed separately and shall be included in the cash flows from operating activities.

### **9.8. Other assets**

The group shall account for the costs incurred over time, which relate to future reporting periods. In particular, items meeting the definition of assets, such as:

- insurance costs;
- subscription and subscription costs;
- paid in advance for the costs of media and other services provided,

The costs of acquiring an investment loan shall adjust the value of the loan and shall be progressively settled into financial costs in connection with the valuation of liabilities at amortised cost.

The costs incurred to acquire the loan before it is started shall be shown as assets and correct the value of the loan at the time of its acquisition.



### **9.9. Equity**

The group includes equity:

- the equivalent of equity instruments issued (shares),
- capital from the sale of shares above their nominal value,
- retained profits – depending on the shareholders' decision presented as reserves or reserves.
- reserves arising from the recognition of other total income,
- undivided result from previous years.

Capital shall be valued at face value.

### **9.10. Liabilities reserves**

The Group shall include provisions for liabilities in accordance with IAS 19," employee benefits and IAS 37, "Reserves, contingent liabilities and contingent assets"

other reserves.

Provisions shall be made where the Group has an ongoing contractual, legal or constructive obligation resulting from past events and where it is likely that the fulfilment of the obligation will necessitate an outflow and a reliable estimate of the amount of that obligation, the amount of that obligation or the maturity of which is uncertain.

The group creates provisions for employee benefits, that is, on severance pay and unused leave. Provisions for pension payments are created by actuarial method.

### **9.11. Obligations**

For the valuation of financial liabilities, the Group shall apply the principles set out in IFRS 9 financial instruments. The group shall measure financial liabilities using the amortised cost method:

- liabilities arising from loans, bonds, loans and finance leases The Group shall using the amortised cost method.
- supply and service obligations are valued using the amortised cost method, without discounting liabilities if the due date does not exceed 180 days.

### **9.12. State subsidies and aid**

The Group shall include grants in respect of which the purpose is to produce or acquire certain fixed assets (grants to assets), shall be recognised in the statement of financial position in the revenue position of future periods and relates to the profit or loss systematically over the period of economic use of those assets. The settled part of the grant shall be presented as income at the same level of the profit and loss account at which the costs relating to the subsidised asset component are recognised.

### **9.13. Revenue**

The rules for the capture of revenues other than those derived from the sale of financial instruments are set out in IFRS 15, "Revenue".

The income shall be valued at the transaction price, i.e. the amount of remuneration which, as expected by the Group, will be entitled to it in exchange for the transfer of the pledged goods or services to the client, excluding amounts collected on behalf of third parties (for example, certain sales taxes). The remuneration specified in the contract with the client may include fixed amounts, variable amounts or both. The amount of remuneration is usually reflected by the amount received or due, after deduction of anticipated discounts, customer returns and similar reductions, including goods and services tax and other sales taxes with the exception of excise duty.

Where the due date is deferred, an assessment shall be made whether the contract provides for an essential element of financing. Where a material element of funding is identified, revenue shall be captured on the date of creation of the discounted amount. The discount value is interest (financial) income at an effective interest rate over the deferred payment period. Revenue shall not be discounted if the due date does not exceed 1 year.

The group values services not completed at the balance sheet date as time-made services. For such transactions, revenue shall be determined if its amount can be reliably estimated and it is likely that Group will obtain economic benefits for the transaction and if the costs incurred can be measured reliably. These revenues shall be measured on the basis of the degree of progress of the execution of the transaction at the balance sheet date.

If separate benefits are identified for the customer under the contract, the remuneration shall be accounted for on those benefits and the time when the revenue is recognised is determined separately.

The revenues and expenses derived from the sale of financial instruments shall be reported on the date of exclusion of the transferred financial instrument from the balance sheet in accordance with IFRS 9.

#### **9.14. Costs**

The costs shall be borne by the result on the date of their incurred, i.e. the costs incurred. the date of exclusion of assets or recognition of the liabilities to which they correspond.

The costs of employee benefits shall be included in the period during which the employees have provided their work.

Borrowing costs shall be included as the costs of the period in which they are incurred, with the exception of costs which can be directly attributed to the acquisition, construction or manufacture of an adjusted asset. They should then be activated as part of the cost of the acquisition or cost of the asset, in accordance with IAS 23, borrowing costs.

The Group is responsible for research and development.

#### **9.15. Income tax**

Taxable income (tax loss) constitutes income (loss) for a given period, determined in accordance with the rules established by the Polish tax authorities on the basis of which income tax is payable (refundable).

Current income tax liabilities and receivables for the current period and previous periods shall be valued at the amount of the expected payment to the tax authorities (reimbursable from the tax authorities) using tax rates and tax rules that were legally or in fact valid at the balance sheet date.

Deferred tax assets shall be the amounts provided for in future periods to be deducted from income tax on the basis of:

- negative temporary differences,
- transfer to the next period of unsettled tax losses and,
- transfer to the next period of unused tax credits.

The tax burden (tax revenue) consists of the current tax burden (current tax revenue) and deferred tax burden (deferred tax revenue).

The Group shall create a deferred tax liability (recognised by the deferred tax asset) in all cases where the performance or settlement of the carrying amount of the asset or liabilities would increase (decrease) the amount of future tax payments compared to the amount that would have been appropriate if that implementation or settlement had no tax effects.

The current valuation of tax receivables and liabilities shall take into account amounts requiring payment at rates legally or in fact at the balance sheet date.

On the basis of the forecasts for the financial results made in the following years, the Group assesses whether there are conditions (planned taxable income) to create deferred tax assets or to adjust its value.

The group does not discount deferred tax assets and reserves.

Assets and reserves from temporary differences, the effects of which have been directly on equity, are included directly in equity. In accordance with IAS 12, the Group compensates for current income tax liabilities and receivables and deferred tax liability and assets.

Compensation is allowed only if the Group:

- has an enforceable legal title to compensate for the amounts taken,
- intends to pay tax in the net amount or at the same time to pay the receivables and settle the obligation.
- assets and reserves relate to income tax imposed on one taxable person or multiple taxpayers under several conditions.

Receivables and current income tax liabilities shall be disclosed separately in the consolidated financial statements.

The Group has changed its approach to presentation in consolidated financial statements assets and deferred tax provisions. In the financial activity report, deferred income tax is shown in liabilities, in value representing an excess of the deferred income tax reserve in accordance with IAS 12. Data for the comparative period were also corrected accordingly.

#### **9.16. Financial risk management**

The following types of financial risks are important in the activities of GK Mo-BRUK S.A.

- interest rate risk

As of 31.12.2019, the parent company has debt from investment loans at a nominal amount up to repayment of PLN 12,896,382.52, they are interest-bearing on the basis of a variable interest rate. There is a risk of a negative change in interest rates in the Polish economy, which may increase the cost of servicing loans, which will ultimately reduce the performance of the business.

In order to minimize the risk of the interest rate as collateral, an additional IRS contract was concluded for the long-term investment loan taken out by the Environmental Protection Bank S.A., whose debt at PLN 31.12.2019 was PLN 8 715,334.00. The IRS agreement was closely linked to the BOŚ bank credit agreement and involved the exchange of interest streams calculated on the basis of WIBOR at a fixed interest rate. As the contract was concluded for a limited period, its validity expired on 12.08.2019.

Quantitative data on risk exposure are available in Note 29.

- currency risk

According to the Management Board, the Group's core activities generate negligible currency risks.

Rotation

with foreign counterparties at the moment represents a minimum percentage of the Group's revenues, which even in the event of a significant decrease in the exchange rate will not affect the Group's performance. Due to discussions with foreign counterparties, foreign exchange risk may increase future periods.

- credit risk

The group sells its products and services with a delayed payment deadline. In the event of liquidity problems with counterparties, it is possible to exceed the contractual due date and to create overdue receivables, which, in accordance with the accounting policy, should be covered by the impairment loss.

Quantitative data on risk exposure are available in Note 29.

- liquidity risk

The Management Board of the Parent Company shall indicate the risk of liquidity loss by the Group, in the event that the trading activities carried out by the Group do not produce the expected results. In the event of a negative scenario of events referred to in the preceding sentence, it is possible to withhold payment of commitments or to suspend payments of the Group's liabilities on a periodic basis. Macroeconomic, social and legal factors in the country observed in recent years and forecast for subsequent years increase in expenditure in the waste treatment industry in which the Group operates, which in the Issuer's opinion will eliminate the risk of loss of liquidity.

As of 31.12.2019	Note	Short-term			Long-term	Total obligations
		Up to 1 month	1-3 months	3 months to 1 year	1-5 years	
Investment loans	16.4	718 421	2 155 262	5 747 366	4 275 334	12 896 383
Leasing-related liabilities	17.2	3 898	76 730	28 261	1 328 157	1 437 045
Liabilities related to deliveries of goods and services, and other liabilities	19.2	11 145 190	-	48 872	-	11 194 062
<b>Total exposure to liquidity risk</b>		<b>11 867 509</b>	<b>2 231 992</b>	<b>5 824 499</b>	<b>5 603 491</b>	<b>25 527 490</b>

As of 31.12.2018	Note	Short-term			Long-term	Total obligations
		Up to 1 month	1-3 months	3 months to 1 year	1-5 years	
Loans on current account	16.5	-	7 797	-	-	7 797
Investment loans	16.5	715 263	2 145 788	5 737 893	12 896 383	21 495 326
Leasing-related liabilities	17.3	16 508	49 936	41 764	-	108 209
Liabilities related to deliveries of goods and services, and other liabilities	19.3	7 012 262	-	-	-	7 012 262
<b>Total exposure to liquidity risk</b>		<b>7 744 033</b>	<b>2 203 521</b>	<b>5 779 657</b>	<b>12 896 383</b>	<b>28 623 594</b>

The Group aims to minimise the impact of these risks by applying an internal risk management policy. It amounts to ongoing monitoring of possible risks and to the development of remedial plans.

The issuer shall check compliance with the rules and limits of engagement on an ongoing basis.

The degree of exposure of the Group to the different types of risks is also presented in additional explanatory notes: 29.2, 29.3

#### 9.17. Capital management

Capital management aims to maintain the ability to continue operating

taking into account the planned investments and ensuring the profitability of the invested capital.

The issuer shall monitor equity by means of indicators:

- capital structure,
- foreign capital ratio to equity,
- the ratio of equity participation in the financing of assets.

Funding structure indices	2019	2018
Capital structure ratio	9,2%	16,4%
Foreign capital to equity ratio	30,4%	36,1%
Equity share ratio in financing assets	24,7%	31,4%

Index calculation algorithm:

- *capital structure ratio – long-term debt ratio (long-term liabilities) less income for future periods to equity,*
- *foreign capital to equity ratio – ratio of total debt less the income of future periods to equity capital,*
- *equity share ratio in financing assets – ratio of equity to value of assets/liabilities.*

#### 9.18. Important estimates and judgments

The estimates of the Management Board of Mo-BRUK S.A., affecting the values shown in the consolidated financial statements, concern:

- the expected economic usefulness of fixed assets and intangible assets,
- residual value of fixed assets and intangible assets,

- assumptions made to estimate write-downs of assets,
- discount, projected wage increases and actuarial assumptions used in the calculation of pension provisions,
- future tax results, taken into account in determining deferred tax assets,
- expected tax rate.

The methodology used for determining estimates is based on the best knowledge of the Management Board and complies with IAS requirements.

The methodology for determining estimates shall be applied continuously compared to the last reporting period. And it was not changed during the reporting period.

The following estimates have not been changed compared to the previous period:

- residual fixed assets and intangible assets,
- future tax results, taken into account in determining deferred tax assets,
- write-downs of assets,
- discount of the projected increase in wages and actuarial assumptions used in the calculation of pension provisions.

In December 2019, the useful life of all fixed assets was reviewed.

The review reviewed the economic usefulness periods of certain fixed assets. According to the Issuer, the verification carried out was reliable and appropriate.

During the period covered by the consolidated financial statements, the Issuer did not change its accounting policy, which would have a significant impact on the financial result and equity, with the exception of changes in accordance with IAS 12 concerning the netting of assets and the deferred tax reserve.

### **Previous application of IAS standards and interpretations**

The issuer has not opted for the earlier application of any other standard, interpretation or amendment which has been published but has not yet entered into force.

#### **10.1. New standards and interpretations.**

As of 1 January 2019, new or amended standards and interpretations issued by the International Accounting Standards Board (IASB) or the Committee on International Accounting Standards (IASC) or the Committee on The Prevention of Pollution from Ships (IAS) shall apply. Interpretation of International Financial Reporting.

**New standards and interpretations applicable at the balance sheet date.**

### **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 issuer's analysis, at the date of application of IFRS 16 for the first time, new, significant asset assets meeting the criteria of the new standard were identified in the Group's balance sheet. These are:

- the right of perpetual land use.

How the Issuer implements IFRS 16 and the impact on the opening balance sheet.

The issuer decided to implement IFRS 16 using a simplified approach, i.e. a simplified approach. 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 balance of opening of retained profits on the date of first application. As a result of the analysis, the Management Board of the parent company determined that the application of the new standard did not affect the financial results presented so far by the Group and there was no need to adjust the opening balance of retained profits as of January 1, 2019.

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 1 301 711.51,

In this consolidated report, the undertaking is shown by:

- in short-term liabilities PLN 64 912.23,
- in long-term liabilities PLN 1,236,799.28.

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).

### **Changes in IAS 28 Long-term shares in associates and joint ventures"**

The change in IAS 28 was published on 12 October 2017. Its purpose is to indicate the valuation rules for shares in associates and joint ventures where they are not valued the method of ownership.

Changes published on 12 October 2017 and apply for annual periods beginning on or after 1 January 2019. According to the Management Board, the change does not have a significant impact on the consolidated financial statements.

### **Change OF THE KIMSF 23 "Uncertainty in income tax capture"**

The purpose of the new interpretation is to indicate how income tax is recognised in the financial statements in cases where existing tax rules may leave room for interpretation and disagreement between the group and the tax authorities.

The amendment was published on 12 October 2017 and applies to periods beginning on or after 1 January 2019.

Deferred income tax shall be determined using rates and tax rules which are expected to apply when the asset is realised and the liability settled, taking on the basis of rates and tax provisions that were legally in force or actually at the end of the reporting period. Deferred tax liabilities and assets are created from the temporary differences between the tax value of assets and liabilities and their carrying amount in the financial statements, except for the temporary differences resulting from the initial recognition of assets or liabilities in a non-merger transaction.

Deferred tax assets shall be encompassed if it is likely that taxable income will be achieved in the future, which will allow temporary differences to be deducted or tax losses are used.

Deferred tax assets and liabilities shall be compensated when the Group has a enforceable title to compensate for current income tax receivables and liabilities and where deferred tax assets and liabilities relate to income tax imposed by the same tax authority.

The probability of realising deferred tax assets with future tax returns is based on budgets. The group included deferred tax assets in the accounts up to the amount to which it is likely to make a taxable gain that will allow negative temporary differences to be deducted.

### *Assessment of uncertainty about tax settlements*

In the Group's view, it is likely that the approach to tax or group tax issues will be accepted by the tax authority, the Group determines the taxable income (tax loss), tax base, unused tax losses, unused tax credits and tax rates taking into account the approach to taxation planned or applied in its tax return.

### **IAS Amendment 19 "Program change, limitation and settlement"**



The changes concern how defined benefit plans are revalued when they change. This means that when revaluing the net asset/liability for a given programme, updated assumptions should be applied to determine the current cost of employment and interest costs for the period after the programme change.

The changes were published on 7 February 2018 and will apply from 1 January 2019 and beyond.

According to the Management Board, the change does not have a significant impact on the consolidated financial statements.

#### **Change in IFRS 9 " Income with negative compensation "**

The amendment concerns valuation rules for financial assets that may be repaid earlier on the basis of contractual terms and could not formally meet the requirements of the 'payment only of capital and interest' test, which would exclude their valuation at amortised cost or fair value by their total income.

The change was published on October 12, 2017 and is in effect from 1 January 2019 or later.

In the Management Board's view, the change does not have a material impact on this consolidated financial statements.

#### **Annual revision programme 2015-2017:**

1. Amendments to IFRS3 "Unit combinations" – valuation of shares in joint business at the time of taking control,
2. Amendments to IFRS 11 " Joint Contractual Arrangements" – no valuation in joint business at the time of co-control,
3. Amendments to IAS 12 income tax – recognition of the tax consequences for the payment of dividends,
4. Amendments to IAS 23 " Borrowing costs" – qualification of liabilities specifically entered into to acquire an adjustable asset where the measures necessary to prepare the asset for use or sale are terminated

In the Issuer's opinion, the change does not have a significant impact on the consolidated financial statements.

#### **10.2. Standards published and approved by the EU but which have not yet entered into force**

By approving this consolidated financial statements, the Issuer did not apply the following standards, changes to standards and interpretations that have been published and approved for use in the EU but which have not yet entered into force.

#### **New IFRS 14 Regulatory Accruals**

The new standard applies only to entities that switch to IFRs and operate in industries where the State regulates applicable prices, such as the supply of gas, electricity or water. The Standard allows the accounting policy to continue to recognise the revenue from such activities used prior to the transition to IFRs both in the first IFRS report and beyond. The new regulations will not affect the Group's consolidated financial statements.

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

**Amendment of IFRS 10 Consolidated Financial Statements and IAS 28 " Investments associates and joint ventures"**

The rules governing the settlement of loss of control of the subsidiary so far provided that a profit or loss would be taken into account at that time. On the other hand, the principle of the application of the equity method was that the outcome of the transaction with entities valued by the equity method was recognised only up to the share of the other shareholders of those entities.

Where a parent undertaking sells or contributes shares in a subsidiary to the entity valued to MPW in such a way that it loses control, the abovementioned provisions would be contradictory. If you change IFRS 10 and IAS 28 eliminates this collision as follows:

1. if the entity over which control has been lost is the enterprise (business), the result per transaction is included in its entirety,
2. if the entity over which control has been lost does not constitute an undertaking, the result shall be recorded only up to the share of other investors.

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

**New IFRS 17 "Insurance Contracts"**

The Standard replaces the existing regulations on 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.

**Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 Accounting Policies, Changes in Estimates and Error Cover**

Definition of material applicable to annual periods beginning or after 1 January 2020

**Changes to IFRS Conceptual References**

Not approved in the EU; applicable to annual periods beginning or after 1 January 2020.

**Amendments to IFRS 9, IAS 39 and IFRS 7: Reform of non-EU interest rate benchmarks** applicable to annual periods beginning or after 1 January 2020.

**However, changes to the above standards should not affect the financial situation or performance of the Group's activities.**

### Declaration of conformity

This consolidated financial statements are prepared in accordance with International Accounting Standards, International Financial Reporting Standards and related interpretations published in the form of Regulations of the European Commission.

### III. CONSOLIDATED REPORT ON FINANCIAL SITUATION

<i>Statement on financial situation</i>			
List	Note	As of 31.12.2019	As of 31.12.2018
<b>FIXED ASSETS</b>		<b>134 229 678</b>	<b>140 138 070</b>
Tangible fixed assets	<a href="#">1.</a>	132 547 019	138 444 295
Goodwill	<a href="#">3.</a>	832 348	832 348
Intangible fixed assets	<a href="#">3.</a>	583 180	609 841
Long-term receivables	<a href="#">5.</a>	267 131	251 586
Assets from deferred income tax	<a href="#">7.</a>	-	-
<b>CURRENT ASSETS</b>		<b>55 561 611</b>	<b>30 861 318</b>
Inventories	<a href="#">9.</a>	984 625	945 418
Receivables from deliveries and services	<a href="#">10.</a>	24 738 953	12 826 323
Other receivables	<a href="#">10.</a>	1 264 221	1 137 410
Cash and cash equivalents	<a href="#">12.</a>	27 418 356	14 804 297
Accruals	<a href="#">13.</a>	231 377	208 027
Non-current assets for sale	<a href="#">21.</a>	924 080	939 843
<b>Assets total:</b>		<b>189 791 289</b>	<b>170 999 387</b>

<i>Statement on financial situation</i>			
List	Note	As of 31.12.2019	As of 31.12.2018
<b>OWN CAPITAL (FUNDS)</b>		<b>132 184 565</b>	<b>109 317 533</b>
Basic capital	<a href="#">14.</a>	35 728 850	36 113 850
Reserve capital from issued shares	<a href="#">14.</a>	25 573 479	25 573 479
Reserve capital as withhold profits and merger transactions under shared control	<a href="#">14.</a>	17 492 891	14 194 511
Reserve capital from redemption of shares	<a href="#">14.</a>	385 000	-
Undistributed profit from previous years	<a href="#">14.</a>	12 916 096	12 916 096
Net profit (loss) during the fiscal year		40 088 249	20 519 597
		-	-

<b>LONG-TERM LIABILITIES</b>		<b>34 584 421</b>	<b>42 857 858</b>
Deferred income tax liability	<a href="#">7.</a>	6 266 048	4 896 406
Provisions for pensions and similar benefits	<a href="#">15.</a>	221 114	119 847
Loans	<a href="#">16.</a>	4 275 334	12 896 383
Other financial liabilities	<a href="#">17.</a>	1 328 157	-
Other long-term liabilities	<a href="#">18.</a>	23 509	24 289
Deferred income – grants	<a href="#">20.</a>	22 470 258	24 920 934
<b>SHORT-TERM OBLIGATIONS</b>		<b>23 022 304</b>	<b>18 823 995</b>
Loans	<a href="#">16.</a>	8 621 049	8 606 740
Other financial liabilities	<a href="#">17.</a>	108 889	108 209
Trade liabilities	<a href="#">19.</a>	5 707 738	3 467 014
Liabilities from current income tax	<a href="#">19.</a>	1 926 059	416 332
Provisions for pensions and similar benefits	<a href="#">15.</a>	629 302	677 984
Other short-term provisions	<a href="#">15.</a>	39 000	7 000
Other liabilities	<a href="#">19.</a>	3 560 265	3 128 916
Deferred income – grants	<a href="#">20.</a>	2 430 001	2 411 800
<b>Total equity and liabilities:</b>		<b>189 791 289</b>	<b>170 999 387</b>

#### IV. CONSOLIDATED REPORT FROM TOTAL INCOME

<i>Consolidated report from total income (calculation variant)</i>			
List	Note	For the period: 01.01.2019-31.12.2019	For the period: 01.01.2018-31.12.2018
<b>Continued operation</b>			
Income from sales	<a href="#">22.</a>	130 566 823	92 667 415
Own cost of sales	<a href="#">24.</a>	70 823 160	59 821 154
<b>GROSS PROFIT (LOSS) FROM SALES</b>		<b>59 743 663</b>	<b>32 846 261</b>
Sales costs	<a href="#">24.</a>	1 959 788	1 705 890
General management costs	<a href="#">24.</a>	6 378 455	4 583 352
<b>PROFIL (LOSS) FROM SALES</b>		<b>51 405 420</b>	<b>26 557 019</b>
Other operational income	<a href="#">25.</a>	364 105	1 301 529
Other operational costs	<a href="#">26.</a>	1 577 413	1 291 232
<b>PROFIT (LOSS) FROM OPERATIONAL ACTIVITY</b>		<b>50 192 112</b>	<b>26 567 316</b>
Financial income	<a href="#">27.</a>	300 548	99 369
Financial costs	<a href="#">28.</a>	866 438	1 327 419
<b>PROFIT (LOSS) BEFORE TAX</b>		<b>49 626 222</b>	<b>25 339 266</b>

Income tax	<a href="#">7.</a>	9 537 972	4 819 669
<b>PROFIT (LOSS) FROM CONTINUED OPERATION</b>		<b>40 088 249</b>	<b>20 519 597</b>
<b>NET PROFIT (LOSS)</b>	<a href="#">21.</a>	-	-
<b>PROFIT (LOSS) FROM OPERATIONAL ACTIVITY</b>		<b>40 088 249</b>	<b>20 519 597</b>
Other total income		-	-
<b>Overall total income</b>		<b>40 088 249</b>	<b>20 519 597</b>

<i>Consolidated report from total income</i>			
Wyszczególnienie	Note	For the period: 01.01.2019-31.12.2019	For the period: 01.01.2018-31.12.2018
<b>Continued operation</b>			
Income from sales	<a href="#">22.</a>	130 566 823	92 667 415
Product level change	<a href="#">24.</a>	4 871	91 261
Amortisation	<a href="#">24.</a>	6 062 566	5 868 705
Use of raw materials and other materials	<a href="#">24.</a>	11 541 523	10 807 332
External services	<a href="#">24.</a>	28 535 455	19 859 228
Cost of staff benefits	<a href="#">24.</a>	18 643 555	15 234 988
Taxes and fees	<a href="#">24.</a>	1 349 363	2 370 429
Other costs	<a href="#">24.</a>	852 515	874 303
Value of sold products and services	<a href="#">24.</a>	12 171 554	11 004 149
<b>PROFIL (LOSS) FROM SALES</b>		<b>51 405 420</b>	<b>26 557 019</b>
Other operational income	<a href="#">25.</a>	364 105	1 301 529
Other operational costs	<a href="#">26.</a>	1 577 413	1 291 232
<b>PROFIT (LOSS) FROM OPERATIONAL ACTIVITY</b>		<b>50 192 112</b>	<b>26 567 316</b>
Financial income	<a href="#">27.</a>	300 548	99 369
Financial costs	<a href="#">28.</a>	866 438	1 327 419
<b>PROFIT (LOSS) BEFORE TAX</b>		<b>49 626 222</b>	<b>25 339 266</b>
Income tax	<a href="#">7.</a>	9 537 972	4 819 669
<b>PROFIT (LOSS) FROM CONTINUED OPERATION</b>		<b>40 088 249</b>	<b>20 519 597</b>
<b>NET PROFIT (LOSS)</b>		<b>40 088 249</b>	<b>20 519 597</b>
		-	-
Other total income		-	-
<b>Overall total income</b>		<b>40 088 249</b>	<b>20 519 597</b>

Profit per share (in PLN/gr per share)	Note <a href="#">33.</a>	For the period: 01.01.2019-31.12.2019	For the period: 01.01.2018-31.12.2018
<b>From continued and abandoned operation</b>			
Regular		11,15	5,68
Diluted		11,15	5,68
<b>From continued operation</b>			
Regular		11,15	5,68
Diluted		11,15	5,68
Net profit (loss) from continued and abandoned operation		40 088 249	20 519 597
Net profit (loss) from continued operation		40 088 249	20 519 597
Weighted average number of regular shares		3 595 141	3 611 385
Weighted average diluted number of regular shares		3 595 141	3 611 385

## V. CONSOLIDATED REPORT ON CASH FLOWS

<b>Consolidated report on cash flows (indirect method)</b>			
List	Note <a href="#">30.</a>	01.01.2019- 31.12.2019	01.01.2018- 31.12.2018
<b>CASH FLOW FROM OPERATIONAL ACTIVITIES</b>			
Profit (loss), pre-tax		49 626 222	25 339 266
Total corrections		-9 289 568	2 195 978
Amortisation		6 062 566	5 868 705
Amortisation – grants		2 432 475	2 411 858
Interest rates and shares in profits (dividends)		729 132	1 300 114
Profit (loss) from investment activity		55 321	-243 279
Change in working capital		-10 385 606	-4 540 042
Change in provision levels		99 712	-98 571
Change in inventory levels		-39 206	-65 919
Change in receivable levels		-12 054 987	-3 637 498
Change in short-term liability levels, excluding fin. liabilities		4 064 700	1 532 487
Change in accruals levels		-2 455 824	-2 270 541
Income tax on pre-tax profit		-8 183 456	-2 601 379
		-	-
<b>Net cash flows from operational activity</b>		<b>40 336 654</b>	<b>27 535 244</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITY</b>			
Purchase of tangible fixed assets		-1 738 624	-1 791 499
Income from sales of tangible fixed assets		171 825	713 237
Other		586 493	-
<b>Net cash flows from investment activity</b>		<b>-980 306</b>	<b>-1 078 262</b>

CASH FLOW FROM FINANCIAL ACTIVITY			
Own share purchases		-7 538 700	-1 991 557
Loan re-payments		-8 606 740	-10 834 787
Re-payment of financial leasing liabilities		-185 199	-209 254
Dividend paid		-9 682 518	-
Interest paid		-729 131	-1 300 114
<b>Net cash flow from financial activity</b>		<b>-26 742 289</b>	<b>-14 335 711</b>
<b>TOTAL NET CASH FLOW</b>		<b>12 614 060</b>	<b>12 121 271</b>
<b>BALANCE CHANGE OF CASH LEVELS, INCLUDING</b>		<b>12 614 060</b>	<b>12 121 271</b>
		-	-
<b>CASH AT THE BEGINNING OF THE PERIOD</b>		<b>14 804 297</b>	<b>2 683 026</b>
<b>CASH AT THE END OF THE PERIOD</b>		<b>27 418 356</b>	<b>14 804 297</b>

## VI. CONSOLIDATED REPORT ON CHANGES TO OWN CAPITAL

CONSOLIDATED REPORT ON CHANGES TO OWN CAPITAL for the period 01/01/2019 – 31/12/2019  Note 14.	Own capital assigned to owners of the dominating entity						Total own capital
	Basic capital	Reserve capital from share issue above their nominal value	Reserve capital from withheld profit and merger transaction under shared control	Reserve capital from redemption of shares	Undistributed profit from previous years	Retained profit	
<b>Balance as of 01/01/2019</b>	36 113 850	25 573 479	14 194 511	-	12 916 096	20 519 597	109 317 533
	-385 000	-	-	385 000	-	-	-
<b>Balance after changes</b>	<b>35 728 850</b>	<b>25 573 479</b>	<b>14 194 511</b>	<b>385 000</b>	<b>12 916 096</b>	<b>20 519 597</b>	<b>109 317 533</b>
Own share purchase	-	-	-7 538 700	-	-	-	-7 538 700
Financial result transferred to capital	-	-	10 837 079	-	-	-10 837 079	-
Dividend paid	-	-	-	-	-	-9 682 518	-9 682 518
Net profit (loss) during the period:	-	-	3 298 379	-	-	-20 519 597	-17 221 218
<b>Overall total income</b>	-	-	-	-	-	40 088 249	40 088 249
<b>Balance as of 31/12/2019</b>	-	-	-	-	-	<b>40 088 249</b>	<b>40 088 249</b>
Net profit (loss) during the period:	35 728 850	25 573 479	17 492 890	385 000	12 916 096	40 088 249	132 184 564

CONSOLIDATED REPORT ON CHANGES TO OWN CAPITAL for the period 01/01/2018 – 31/12/2018 Note 14.	Own capital assigned to owners of the dominating entity						Total own capital
	Basic capital	Reserve capital from share issue above their nominal value	Reserve capital from withheld profit and merger transaction under shared control	Reserve capital from redemption of shares	Undistributed profit from previous years	Retained profit	
<b>Balance as of 01/01/2018</b>	36 113 850	25 573 479	9 295 706	-	12 916 096	6 890 362	90 789 493
	-	-	-	-	-	-	-
<b>Balance after changes</b>	36 113 850	25 573 479	9 295 706	-	12 916 096	6 890 362	90 789 493
Financial result transferred to capital	-	-	6 890 362	-	-	-6 890 362	-
Own share purchase	-	-	-1 991 557	-	-	-	-1 991 557
<b>Total transactions with owners</b>	-	-	4 898 805	-	-	-6 890 362	-1 991 557
Net profit (loss) during the period:	-	-	-	-	-	20 519 597	20 519 597
<b>Overall total income</b>	-	-	-	-	-	20 519 597	20 519 597
<b>Balance as of 31/12/2018</b>	36 113 850	25 573 479	14 194 511	-	12 916 096	20 519 597	109 317 533



## VII. ADDITIONAL EXPLANATORY NOTES

### 1. Tangible fixed assets

The existence and amount of restrictions on the legal title and the lien of property, plant and equipment in respect of liabilities, are set out in note No 36.3.

1.1 – Tangible fixed assets	As of 31.12.2019	As of 31.12.2018
Land and right to perpetual use of land	7 546 783	7 535 442
Buildings and structures	43 402 632	45 723 478
Technical equipment and machinery	74 790 465	79 251 671
Machinery and equipment for technological processes used in research and development activity	1 799 635	1 898 562
Means of transportation	1 883 727	2 067 403
Other fixed assets	1 435 430	1 290 389
Perpetual usufruct right - assets	1 492 169	-
Fixed assets under construction	126 159	677 349
Pre-payments for fixed assets	70 019	-
<b>TANGIBLE FIXED ASSETS TOTAL:</b>	<b>132 547 019</b>	<b>138 444 295</b>

In December 2019, periods of economic usefulness of fixed assets were reviewed on the basis of a specialized analysis of a commission appointed for this purpose. As a result of the verification, the periods of economic usability of fixed assets were changed.

1.2 – Tangible fixed assets during the reporting period	Land	Buildings and structures	Technical equipment and machinery	Machinery and equipment for technological processes used in research and development activity	Means of transportation	Other fixed assets	Perpetual usufruct right - assets	Fixed assets under construction, pre-payments
<b>Gross balance value at the beginning of the period</b>	<b>7 535 442</b>	<b>76 240 486</b>	<b>119 946 518</b>	<b>2 399 907</b>	<b>6 274 251</b>	<b>3 254 662</b>	<b>1 304 036</b>	<b>677 349</b>
Received from fixed assets under construction	11 341	-	1 144 655	-	165 853	186 943	-	-1 427 484
Direct purchase	-	-	178 018	-	-	82 100	210 000	1 532 806
Re-classification	-	-	-	-	-	-	-	-586 493
Decrease from sales	-	-	-248 717	-	-263 786	-	-	-
Decrease from liquidation	-	-41 960	-738 305	-	-	-	-	-
<b>Gross balance value at the end of the period</b>	<b>7 546 783</b>	<b>76 198 526</b>	<b>120 282 169</b>	<b>2 399 907</b>	<b>6 176 319</b>	<b>3 523 705</b>	<b>1 514 036</b>	<b>196 178</b>

<b>Cancelled value 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>	-	-
Amortisation increase for the period	-	2 318 546	5 575 136	98 927	295 482	124 002	21 867	-
Decrease from sales	-	-	-97 642	-	-209 739	-	-	-
Decrease from liquidation	-	-39 660	-680 637	-	-	-	-	-
<b>Cancelled value at the end of the period</b>	-	<b>32 795 894</b>	<b>45 491 705</b>	<b>600 272</b>	<b>4 292 591</b>	<b>2 088 275</b>	<b>21 867</b>	-
<b>Net value at the end of the period</b>	<b>7 546 783</b>	<b>43 402 632</b>	<b>74 790 464</b>	<b>1 799 635</b>	<b>1 883 727</b>	<b>1 435 429</b>	<b>1 492 169</b>	<b>196 178</b>

<b>1.3 – Tangible fixed assets during the reporting period</b>	Land	Buildings and structures	Technical equipment and machinery	Machinery and equipment for technological processes used in research and development activity	Means of transportation	Other fixed assets	Perpetual usufruct right - assets	Fixed assets under construction, pre-payments
<b>Gross balance value at the beginning of the period</b>	<b>7 551 205</b>	<b>75 383 253</b>	<b>119 983 543</b>	<b>2 399 907</b>	<b>6 450 269</b>	<b>3 184 904</b>	-	<b>1 075 739</b>
Received from fixed assets under construction	-	1 006 039	1 063 109	-	88 146	81 008	-	-2 238 304
Direct purchase	-	-	8 591	-	-	-	-	1 839 914
Re-classification	-15 763	-	-	-	-	-	-	-
Decrease from sales	-	-148 806	-1 084 918	-	-264 164	-	-	-
Decrease from liquidation	-	-	-23 807	-	-	-11 250	-	-
<b>Gross balance value at the end of the period</b>	<b>7 535 442</b>	<b>76 240 486</b>	<b>119 946 518</b>	<b>2 399 907</b>	<b>6 274 251</b>	<b>3 254 662</b>	-	<b>677 349</b>
<b>Cancelled value at the beginning of the period</b>	-	<b>28 302 014</b>	<b>36 053 812</b>	<b>402 417</b>	<b>4 152 917</b>	<b>1 862 362</b>	-	-
Amortisation increase for the period	-	2 266 299	5 432 053	98 928	264 823	106 676	-	-
Decrease from sales	-	-51 305	-769 274	-	-210 892	-	-	-
Decrease from liquidation	-	-	-21 744	-	-	-4 764	-	-
<b>Cancelled value at the end 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>	-	-
<b>Net value at the end of the period</b>	<b>7 535 442</b>	<b>45 723 478</b>	<b>79 251 671</b>	<b>1 898 562</b>	<b>2 067 403</b>	<b>1 290 389</b>	-	<b>677 349</b>

## 2. Investment real estate

Mo-BRUK S.A. Group does not have investment properties.

### 3. Goodwill and other intangible assets

3.1 - Intangible assets	As of 31.12.2019	As of 31.12.2018
Goodwill	832 348	832 348
Patents and licences	180 304	178 853
Other intangible assets, including intangible assets being executed	402 876	430 988
<b>TOTAL INTANGIBLE FIXED ASSETS</b>	<b>1 415 528</b>	<b>1 442 189</b>

3.2 – Intangible assets during the reporting period	Goodwill	Patents and licences	Other intangible assets, including intangible assets being executed
Gross balance value at the beginning of the period	832 348	202 912	1 159 145
Purchase	-	11 547	22 873
Gross balance value at the end of the period	832 348	214 459	1 182 019
Cancellation at the beginning of the period	-	24 059	728 158
Amortisation increase for the period	-	10 096	50 986
Gross balance value at the end of the period	-	34 155	779 144
Net value at the end of the period	832 348	180 304	402 876

3.2 – Intangible assets during the reporting period	Goodwill	Patents and licences	Other intangible assets, including intangible assets being executed
Gross balance value at the beginning of the period	832 348	202 912	1 139 532
Purchase	-	-	19 613
Gross balance value at the end of the period	832 348	202 912	1 159 145
Cancellation at the beginning of the period	-	13 963	626 469
Amortisation increase for the period	-	10 096	101 689
Gross balance value at the end of the period	-	24 059	728 158
Net value at the end of the period	832 348	178 853	430 988

### 4. Shares

Mo-BRUK S.A. Capital Group does not own any shares.

## 5. Long-term receivables

5.1 – Long-term receivables	31.12.2019			31.12.2018		
	Value	Write-offs	Balance value	Value	Write-offs	Balance value
Receivables due within 2 years after the balance date	135 772		135 772	81 745	-	81 745
Receivables due within 2-5 years after the balance date	84 278		84 278	143 872	-	143 872
Receivables due more than 5 years after the balance date	47 081		47 081	25 969		25 969
<b>Total:</b>			<b>267 131</b>			<b>251 586</b>

## 6. Other long-term financial assets

The Group does not have any other long-term financial assets.

## 7. Deferred and current income tax

7.1 – Income tax	For the period ended on	For the period ended on
	31.12.2019	31.12.2018
Current income tax	8 168 330	2 617 481
Deferred income tax	1 369 642	2 202 188
<b>Income tax total</b>	<b>9 537 972</b>	<b>4 819 669</b>

The law in force in Poland regarding corporate income tax, personal income tax, value added tax or social security contributions is subject to frequent changes, which results in a lack of well-established practice and unclear and inconsistent regulations. This situation causes the possibility of differences in the interpretation of tax regulations by state authorities and taxpayers. Tax settlements and other settlements (e.g. customs) may be subject to control for a period of up to 6 years. The relevant control authorities are entitled to impose significant fines together with interest. There is a risk that the controlling bodies will take a different position from the position of the Group and regarding the interpretation of regulations, which could significantly affect the amount of public law liabilities disclosed in the consolidated financial statements

7.2 - Income tax – explanation of differences between the tax calculated according to the effective rate and the listed tax	For the period ended on 31.12.2019	For the period ended on 31.12.2018
<b>PRE-TAX PROFIT</b>	<b>49 626 222</b>	<b>25 339 266</b>
Income tax according to the rate effective during the period (19%)	9 428 982	4 814 461
<b>Tax on fixed differences between the balance profit and the taxation basis (specification)</b>	<b>122 886</b>	<b>21 310</b>
<b>Related to income (-)</b>		
Terminated updating deductions	-40	-10 380
Terminated provisions	-2 284	-2 364
Other	-19 200	-2 557
Positive exchange rate differences	-3 837	-15 196
<b>Related to costs (+)</b>		
PFRON	9 865	9 173
Deductions of receivables	57 927	1 456
Grants	6 730	3 898
Provisions	-11 475	9 143
Negative currency rates, VAT	22 159	8 316
Tax interest	44	213
Penalties and other	-	218
Other costs	-	5 431
Other	33 286	2 207
RN, representation costs	4 092	3 079
Social Insurance Contribution	8 315	8 673
Depreciation	6 920	-
Leasing	10 385	-
<b>Tax from temporary differences excluded from deferred income tax calculations</b>	<b>-13 895</b>	<b>-16 102</b>
<b>Excluded assets for deferred income tax</b>	<b>-1 562</b>	<b>-</b>
Pensions and disability benefits	-	2 895
Social Insurance Contribution	-	-11 015
Exposed receivables	-	-1 704
Leased fixed assets	-	-16 408
<b>Excluded supplements</b>	<b>-12 333</b>	<b>-</b>
Fixed assets valuation	-	10 130
<b>Income tax listed in the financial report</b>	<b>9 537 973</b>	<b>4 819 669</b>
Effective interest rate	0,19	0,19

7.3 – Deferred income tax – reporting period	As of 31.12.2018	Included in the result 01.01.2019- 31.12.2019	As of 31.12.2019
<b>DIT-related assets</b>			
Social Insurance Contribution premiums	74 710	5 796	80 506
Staff benefits	173 713	26 672	200 385
Allowances for receivables	115 049	-89 329	25 720
Leasing	20 560	226 765	247 325
Grants	1 193 278	181 339	1 374 617
Tax loss	818 460	-818 460	-
Audit expenses	1 330	13 629	14 959
<b>TOTAL DIT-RELATED ASSETS</b>	<b>2 397 100</b>	<b>-453 588</b>	<b>1 943 512</b>
<b>DIT supplement</b>			
Interests	-	8 009	8 009
Leased fixed assets	73 431	24 571	98 002
Fixed assets valuation	7 220 075	883 474	8 103 549
<b>TOTAL DIT-RELATED SUPPLEMENT</b>	<b>7 293 506</b>	<b>916 054</b>	<b>8 209 560</b>

The Group has changed the approach to presenting assets and provisions for deferred income tax in the financial statements. In the consolidated report on financial activity, the deferred income tax was disclosed in liabilities, in the value constituting the excess of the reserve over the deferred income tax asset in accordance with IAS 12. The data for the comparative period were also adjusted accordingly.

7.4 - - Deferred income tax - previous reporting period	As of 31.12.2017	Included in the result 01.01.2018- 31.12.2018	As of 31.12.2018
<b>DIT-related assets</b>			
Social Insurance Contribution premiums	56 355	18 355	74 710
Staff benefits	188 921	-15 208	173 713
Allowances for receivables	22 412	92 637	115 049
Deduction for Staff Benefit Fund, not transferred	592	-592	-
Leasing	60 318	-39 758	20 560
Grants	966 244	227 034	1 193 278
Interest	24 193	-24 193	-
Tax loss	2 432 594	-1 614 134	818 460
Audit expenses	1 330	-	1 330
<b>TOTAL DIT-RELATED ASSETS</b>	<b>3 752 959</b>	<b>-1 355 859</b>	<b>2 397 100</b>
<b>DIT supplement</b>			
Leased fixed assets	89 839	-16 408	73 431
Fixed assets valuation	6 357 338	862 737	7 220 075
<b>TOTAL DIT-RELATED SUPPLEMENT</b>	<b>6 447 177</b>	<b>846 329</b>	<b>7 293 506</b>

## 8. Other fixed assets

Mo-BRUK S.A. Group does not have any other fixed assets.

## 9. Inventories

The main subject of the Group's activity is waste management. The waste inventory was valued at zero, however, in the Group's assessment, the cost of any provision for treatment / utilization due to the amount of collected waste is insignificant. Therefore, these inventories are not, to a significant extent, subject to traditional premises for making a write-down, such as the period of retention or the value below the obtainable sale price. In the presented period, there was no need to update the value of inventories, which would be recognized as costs.

In the costs of the period, inventories are recognized as part of the cost price of goods and services sold.

9.1 - – Inventory	31.12.2019			31.12.2018		
	Value	Write-offs	Balance value	Value	Write-offs	Balance value
Materials	574 730	-	574 730	513 868	-	513 868
Semi-ready products and current production	583	-	583	2 312	-	2 312
Ready products	105 436	-	105 436	108 578	-	108 578
Goods	303 875	-	303 875	320 661	-	320 661
<b>Total</b>	<b>984 625</b>	<b>-</b>	<b>984 625</b>	<b>945 418</b>	<b>-</b>	<b>945 418</b>

During the reporting period ended December 31, 2019, the Group's costs included inventories worth PLN 16,549,070, while in the comparative period the value of these inventories was PLN 15,930,430.

## 10. Receivables from deliveries, services and other receivables

10.1 - Receivables	31.12.2019			31.12.2018		
	Value	Write-offs	Balance value	Value	Write-offs	Balance value
Receivables from deliveries and services	25 872 391	1 133 437	24 738 953	13 814 996	988 673	12 826 323
Receivables from other taxes, customs and social insurances	626 063	-	626 063	584 709	-	584 709
Other receivables	812 455	174 297	638 158	569 786	17 085	552 701
<b>Total:</b>	<b>27 310 908</b>	<b>1 307 734</b>	<b>26 003 174</b>	<b>14 969 491</b>	<b>1 005 758</b>	<b>13 963 733</b>

10.2 - Receivable impairment allowances	As of 31.12.2019	As of 31.12.2018
At the beginning of the period	1 005 758	270 296
Creation	309 469	756 921
Termination caused by payment	5 646	9 417
Use	1 847	12 042
<b>AT THE END OF THE PERIOD:</b>	<b>1 307 734</b>	<b>1 005 758</b>

10.3 - Receivables as of 31/12/2019 (net) – overdue structure after decrease by the impairment allowances	Current	Up to 1 month	1-3 months	3-6 months	6 months – 1 year	Over one year	Total
Receivables from deliveries and services	19 523 978	4 892 822	322 153	-	-	-	24 738 953
Receivables from other taxes, customs and social insurances	626 063	-	-	-	-	-	626 063
Other receivables	638 158	-	-	-	-	-	638 158
<b>Total</b>	<b>20 788 199</b>	<b>4 892 822</b>	<b>322 153</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26 003 174</b>

10.4 - Receivables as of 31/12/2018 (net) – overdue structure after decrease by the impairment allowances	Current	Up to 1 month	1-3 months	3-6 months	6 months – 1 year	Over one year	Total
Receivables from deliveries and services	9 037 950	2 858 267	490 341	333 107	105 092	1 566	12 826 323
Receivables from other taxes, customs and social insurances	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>13 963 733</b>

10.5 Receivables by due date	31.12.2019		31.12.2018	
	Up to 12 months after the balance date	Over 12 months after the balance date	Up to 12 months after the balance date	Over 12 months after the balance date
Receivables from deliveries and services	24 738 953	-	12 824 757	1 566
Receivables from other taxes, customs and social insurances	626 063	-	584 709	-
Other receivables	638 158	-	552 701	-
<b>Total</b>	<b>26 003 174</b>	<b>-</b>	<b>13 962 167</b>	<b>1 566</b>

10.6 Receivables from deliveries and services and other receivables, currency structure (foreign currencies)	31.12.2019		31.12.2018	
	In the currency	After re-calculation	In the currency	After re-calculation
Foreign partners (EUR)	119 997	511 008	234 621	1 008 872
<b>Total</b>	<b>119 997</b>	<b>511 008</b>	<b>234 621</b>	<b>1 008 872</b>

## 11. Other short-term financial assets

Grupa Mo-BRUK S.A. does not have short-term financial assets



## 12. Cash

12.1 - Cash	As of 31.12.2019	As of 31.12.2018
Cash on the site	53 764	78 520
Cash in bank account	6 354 310	5 569 598
VAT cash	157 639	243 594
Short-term deposits	20 852 643	8 912 585
<b>Total</b>	<b>27 418 356</b>	<b>14 804 297</b>
- including cash with limited disposability	168 394	243 594

## 13. Other assets

13 - Accruals	As of 31.12.2019	As of 31.12.2018
Insurance policies and guarantees	136 470	127 294
Energy costs	2 153	-
Telecommunication services	5 448	-
BOŚ loan costs	30 645	45 968
Other	53 718	28 759
Press subscriptions, Inforlex	2 943	6 007
<b>Total</b>	<b>231 377</b>	<b>208 027</b>

## 14. Own capital

14.1 - Own capital	Number of shares issued as of: 31.12.2019	Number of shares issued as of 31.12.2018
Registered shares, privileged, series A	714 732	714 732
Registered shares, series B	1 249 092	1 270 635
Bearer shares, series C	1 609 061	356 018
Bearer shares, series D	-	1 270 000
<b>Total</b>	<b>3 572 885</b>	<b>3 611 385</b>

On July 31, 2019, in the National Court Register, a change in the designation of all existing shares in Mo-BRUK S.A. was registered. bearer series C and D, registered by the National Depository for Securities S.A. under the code: PLMOBRK00013, as series C shares. The changes were made on the basis of resolution No. 19/2019 of June 24, 2019 of the Ordinary General Meeting of Shareholders regarding the reduction of the Company's share capital, creation of the reserve capital, change in the designation of the series of shares and amendment of the Company's Statute .

14.2 - The biggest shareholders	Number of shares	Number of votes	Nominal value of shares	Share in basic capital
VALUE FIZ	1 511 000 <sup>1)</sup>	1 511 000	15 110 000	42,29%
Józef Mokrzycki	704 479 <sup>2)</sup>	1 407 121	7 044 790	19,72%
Elżbieta Mokrzycka	370 833	370 833	3 708 330	10,38%
Wiktor Mokrzycki	285 701	285 701	2 857 010	8,00%
Anna Mokrzycka - Nowak	285 701	285 701	2 857 010	8,00%
Tobiasz Mokrzycki	285 701	285 701	2 857 010	8,00%
Other investors	69 470 <sup>1)</sup>	69 470	694 700	1,94%
Mo-BRUK S.A.	60 000 <sup>3)</sup>	-	600 000	1,68%
<b>Total:</b>	<b>3 572 885</b>	<b>4 215 527</b>	<b>35 728 850</b>	<b>100%</b>

<sup>1)</sup> own calculations based on information available to the Issuer.

<sup>2)</sup> including 702,642 series A shares with preference voting rights, 2 votes per share.

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

On July 19, 2019, through the Brokerage House of BOŚ S.A., the Issuer acquired for the purpose of redemption a total of 60,000 own shares with a nominal value of PLN 10, at a price of 125 per share. The shares that were acquired represent 1.66% of the Issuer's share capital and entitle to 72,090 votes at the Issuer's General Meeting, constituting 1.68% of the total number of votes, provided that the Issuer is not entitled to exercise voting rights from its own shares.

14.3 - Share capital	As of 31.12.2019	As of 31.12.2018
Basic capital	35 728 850	36 113 850
Excess from share sales	25 573 479	25 573 479
<b>Total</b>	<b>61 302 329</b>	<b>61 687 329</b>

14.4 COMPANY CAPITAL (STRUCTURE) as 31.12.2019 r.				
List	in PLN			
Series / issue	A	B	C	Razem
Share type	Registered, privileged	Registered	Bearer	-
Share privilege type	Double vote number	-	-	-
Limitation of rights to shares	-	-	-	-
Number of shares	714 732	1 249 092	1 609 061	3 572 885
Series / issue value according to the nominal value	7 147 320	12 490 920	16 090 610	35 728 850
Capital coverage type	Contribution (of the company – limited partnership)	Contribution (of the company – limited partnership)	Cash payment	-
Statute change registration	01.06.2010	31.07.2019	31.07.2019	-

<b>14.5 - Reserve capital from withheld profit</b>	<b>As of 31.12.2019</b>	<b>As of 31.12.2018</b>
Status at the beginning of the fiscal year	14 194 511	9 295 706
Decreases	7 538 700	1 991 557
Profit division for 2017	-	6 890 362
Profit division for 2018	10 837 079	-
<b>Status at the end of the fiscal year</b>	<b>17 492 890</b>	<b>14 194 511</b>

On July 31, 2019, in the National Court Register, a change in the share capital of Mo-BRUK S.A. was registered. by the District Court for Kraków - Śródmieście, 12th Commercial Department in Kraków. The changes were made as a result of the purchase of own shares carried out on September 21, 2018 in the amount of 38,500 shares with a nominal value of PLN 10 each and adopted by the Ordinary General Meeting of Shareholders Resolution No. 18/2019 of June 24, 2019 regarding redemption of the Company's own shares. As at the date of the Report, the registered share capital of Mo-BRUK S.A. amounts to PLN 35,728,850.00 and is divided into 3,572,885 shares with a nominal value of PLN 10.00 each.

<b>14.6 - Undistributed profit from previous years</b>	<b>As of 31.12.2019</b>	<b>As of 31.12.2018</b>
Status at the beginning of the fiscal year	12 916 096	12 916 096
Status at the end of the fiscal year	<b>12 916 096</b>	<b>12 916 096</b>

<b>14.7 - Proposed division of the financial result</b>	<b>Wartość</b>
<b>Net profit at the end of the fiscal year</b>	<b>40 088 249</b>
Profit is proposed to be transferred to reserve capital	
<b>Undistributed financial result from previous years at the end of the fiscal year</b>	<b>12 916 096</b>

## 15. Provisions

<b>15.1 - Provisions</b>	<b>As of 31.12.2019</b>	<b>As of 31.12.2018</b>
<b>Long-term</b>		
Provisions for pension severance pay and other staff benefits	221 114	119 847
<b>TOTAL LONG-TERM PROVISIONS:</b>	<b>221 114</b>	<b>119 847</b>
<b>Short-term</b>		
Provisions for pension severance pay and other staff benefits	629 302	677 984
Other provisions	39 000	7 000
<b>TOTAL SHORT-TERM PROVISIONS:</b>	<b>668 302</b>	<b>684 984</b>

15.2 - Long-term provisions – level changes	Staff benefits	Other
<b>Provisions at the beginning of the reporting period</b>	<b>119 847</b>	<b>-</b>
Creation	102 072	-
Termination	-805	-
<b>Provisions at the end of the reporting period</b>	<b>221 115</b>	<b>-</b>
<b>Provisions at the beginning of the previous reporting period</b>	<b>143 525</b>	<b>-</b>
Creation	21 827	-
Termination	-45 505	-
<b>Reserve at the end of the previous reporting period</b>	<b>119 847</b>	<b>-</b>

15.3 - Short-term provisions – level changes	Staff benefits	Other
<b>Provisions at the beginning of the reporting period</b>	<b>677 984</b>	<b>7 000</b>
Creation	36 087	32 000
Termination	-84 768	-
<b>Provisions at the end of the reporting period</b>	<b>629 302</b>	<b>39 000</b>
<b>Provisions at the beginning of the previous reporting period</b>	<b>736 775</b>	<b>4 000</b>
Creation	45 793	7 000
Termination	-104 583	-4 000
<b>Reserve at the end of the previous reporting period</b>	<b>677 984</b>	<b>7 000</b>

## 16. Received loans

16.1 - -- Loans at the end of the reporting period as of 31.12.2019	Loan value	Balance	Currency	Interest rate	Re-payment date
<b>Long-term</b>					
Krakowski Bank Spółdzielczy w Krakowie – investment – Karsy project	11 508 000	-	PLN	WIBOR 3M + margin	31.12.2020
Krakowski Bank Spółdzielczy w Krakowie – investment – Skarbimierz project	6 200 000	-	PLN	WIBOR 3M + margin	31.12.2020
Krakowski Bank Spółdzielczy w Krakowie – investment – Zabrze project	5 200 000	-	PLN	WIBOR 3M + margin	31.12.2020
BOŚ S.A. – investment – bonds	30 000 000	4 275 334	PLN	WIBOR 3M + margin	31.12.2021
<b>Long-term loans total</b>		<b>4 275 334</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Short-term</b>					
Krakowski Bank Spółdzielczy w Krakowie - inwestycyjny -projekt Karsy	11 508 000	2 045 793	PLN	WIBOR 3M + margin	31.12.2020
Krakowski Bank Spółdzielczy w Krakowie - inwestycyjny -projekt Skarbimierz	6 200 000	1 161 516	PLN	WIBOR 3M + margin	31.12.2020
Krakowski Bank Spółdzielczy w Krakowie - inwestycyjny -projekt Zabrze	5 200 000	973 740	PLN	WIBOR 3M + margin	31.12.2020
BOŚ S.A. -inwestycyjny - obligacje	30 000 000	4 440 000	PLN	WIBOR 3M + margin	31.12.2021
<b>Short-term loans total</b>		<b>8 621 049</b>	<b>-</b>	<b>-</b>	<b>-</b>

Liabilities arising from concluded credit agreements are repaid on time.

The current list of collaterals for the parent company's loan agreements is presented in note 36.3

16.2 - -- Loans at the end of the reporting period as of 31.12.2018	Loan value	Balance	Currency	Interest rate	Re-payment date
<b>Long-term</b>					
Krakowski Bank Spółdzielczy w Krakowie – investment – Karsy project	11 508 000	2 045 793	PLN	WIBOR 3M + margin	31.12.2020
Krakowski Bank Spółdzielczy w Krakowie – investment – Skarbimierz project	6 200 000	1 161 516	PLN	WIBOR 3M + margin	31.12.2020
Krakowski Bank Spółdzielczy w Krakowie – investment – Zabrze project	5 200 000	973 740	PLN	WIBOR 3M + margin	31.12.2020
BOŚ S.A. – investment – bonds	30 000 000	8 715 334	PLN	WIBOR 3M + margin	31.12.2021
<b>Long-term loans total</b>		<b>12 896 383</b>			
<b>Short-term</b>					
Krakowski Bank Spółdzielczy w Krakowie – investment – Karsy project	11 508 000	2 045 793	PLN	WIBOR 3M + margin	31.12.2020
Krakowski Bank Spółdzielczy w Krakowie – investment – Skarbimierz project	6 200 000	1 161 516	PLN	WIBOR 3M + margin	31.12.2020
Krakowski Bank Spółdzielczy w Krakowie – investment – Zabrze project	5 200 000	973 740	PLN	WIBOR 3M + margin	31.12.2020
BOŚ S.A. – investment – bonds	30 000 000	4 417 895	PLN	WIBOR 3M + margin	31.12.2021
Krakowski Bank Spółdzielczy w Krakowie – current account	3 300 000	7 797	PLN	WIBOR 1M + margin	21.03.2019
Bank Spółdzielczy w Rymanowie – agreement on loan in the current account	600 000	-	PLN	WIBOR 1M + margin	30.04.2019
<b>Short-term loans total</b>		<b>8 606 740</b>	-	-	

16.3 - Loans – additional information	As of 31.12.2019	As of 31.12.2018
Debt limit in the current account – KBS I O/Kraków	-	3 300 000
Debt limit in the current account – BS Rymanów	-	600 000

16.4 - Contractual due dates for loans as of 31.12.2019	Up to 1 month	1-3 months	3 months – 1 year	1-5 years	Total
Krakowski Bank Spółdzielczy w Krakowie – investment – Karsy project	170 483	511 448	1 363 862	-	2 045 793
Krakowski Bank Spółdzielczy w Krakowie – investment – Skarbimierz project	96 793	290 379	774 344	-	1 161 516
Krakowski Bank Spółdzielczy w Krakowie – investment – Zabrze project	81 145	243 435	649 160	-	973 740
BOŚ S.A. – investment – bonds	370 000	1 110 000	2 960 000	4 275 334	8 715 334
<b>Total:</b>	<b>718 421</b>	<b>2 155 262</b>	<b>5 747 366</b>	<b>4 275 334</b>	<b>12 896 383</b>

\*The note presents the maturity of capital, excluding interest, due to the variable interest rate

16.5 - Contractual due dates for loans as of 31.12.2018	Up to 1 month	1-3 months	3 months – 1 year	1-5 years	Total
Krakowski Bank Spółdzielczy w Krakowie – investment – Karsy project	170 483	511 448	1 363 862	2 045 793	4 091 586
Krakowski Bank Spółdzielczy w Krakowie – investment – Skarbimierz project	96 793	290 379	774 344	1 161 516	2 323 032
Krakowski Bank Spółdzielczy w Krakowie – investment – Zabrze project	81 145	243 435	649 160	973 740	1 947 480
BOŚ S.A. – investment – bonds	366 842	1 100 526	2 950 527	8 715 334	13 133 229
Krakowski Bank Spółdzielczy w Krakowie – current account	-	7 797	-	-	7 797
<b>Total:</b>	<b>715 263</b>	<b>2 153 585</b>	<b>5 737 893</b>	<b>12 896 383</b>	<b>21 503 123</b>

\*The note presents the maturity of capital, excluding interest, due to the variable interest rate

## 17. Other financial liabilities

17.1 - Other financial liabilities	As of 31.12.2019	As of 31.12.2018
<b>Long-term</b>	<b>1 328 157</b>	<b>-</b>
Liabilities due to perpetual usufruct of assets	1 236 799	-
Liabilities from financial leasing agreements	91 357	-
<b>Short-term</b>	<b>108 889</b>	<b>108 209</b>
Liabilities due to perpetual usufruct of assets	64 912	108 209
Liabilities from financial leasing agreements	43 977	-
<b>Total:</b>	<b>1 437 045</b>	<b>108 209</b>

17.2 - Contractual due dates for financial liabilities as of 31.12.2019	Up to 1 month	1-3 months	3 months – 1 year	1-5 years	Over 5 years	Total
Liabilities due to perpetual usufruct of assets	-	64 912	-	259 649	977 151	1 301 712
Liabilities from financial leasing agreements	3 898	11 817	28 261	91 357	-	135 334
<b>Total:</b>	<b>3 898</b>	<b>76 730</b>	<b>28 261</b>	<b>351 006</b>	<b>977 151</b>	<b>1 437 045</b>

17.3 - Contractual due dates for financial liabilities as of 31.12.2018	Up to 1 month	1-3 months	3 months – 1 year	1-5 years	Over 5 years	Total
Liabilities from financial leasing agreements	16 508	49 936	41 764	-	-	108 209
<b>Total:</b>	<b>16 508</b>	<b>49 936</b>	<b>41 764</b>	<b>-</b>	<b>-</b>	<b>108 209</b>

17.4 Leasing agreement specification 31.12.2019	Funding party	Agreement no.	Initial value	Initial value (currency)	Currency	Contractual end date
Perpetual usufruct right to land	District office Krapkowice	-	245 665	PLN	05.12.2089	245 228
Perpetual usufruct right to land	District office Opatów	-	36 414	PLN	05.12.2089	36 349
Perpetual usufruct right to land	District office Zabrze	-	273 930	PLN	05.12.2089	273 441
Perpetual usufruct right to land	District office Wałbrzych	-	696 679	PLN	05.12.2089	695 437
Perpetual usufruct right to land	District office Krosno	-	51 348	PLN	05.12.2089	51 257
Truck with isothermal body contract of 25-09-2019	EFL Grupa Credit Agricole	43236/RZ	210 000	PLN	01.10.2022	135 334
<b>Razem:</b>	-	-	<b>1 304 036</b>	-	-	<b>1 437 045</b>

### 18. Other long-term liabilities

18.1 - Other long-term liabilities	As of 31.12.2019	As of 31.12.2018
Liabilities from due provision of a construction service	-	780
Liabilities from due provision of services	23 509	23 509
<b>Total</b>	<b>23 509</b>	<b>24 289</b>

### 19. Liabilities related to deliveries and services and other short-term liabilities

19.1 - Liabilities related to deliveries and services and other short-term liabilities	As of 31.12.2019	As of 31.12.2018
Liabilities related to deliveries and services	5 707 738	3 467 014
Liabilities related to current income tax	1 926 059	416 332
Liabilities related to salaries	997 230	851 264
Liabilities related to other taxes, customs and social insurances	2 264 458	2 105 162
Investment liabilities	215 306	98 985
Accruals and other liabilities	83 271	73 505
<b>Total</b>	<b>11 194 062</b>	<b>7 012 262</b>

19.2- Liabilities as of 31.12.2019- maturity structure	Current	Up to 1 month	1-3 months	3 months – 1 year	1-5 years	Total
Liabilities from deliveries and services	5 606 924	51 942	-	48 872	-	5 707 738
Liabilities from current income tax	1 926 059	-	-	-	-	1 926 059
Liabilities from salaries	997 230	-	-	-	-	997 230
Liabilities from other taxes, customs and social insurances	2 264 458	-	-	-	-	2 264 458
Investment liabilities	215 306	-	-	-	-	215 306
Other liabilities	83 271	-	-	-	-	83 271
<b>Total</b>	<b>11 093 248</b>	<b>51 942</b>	<b>-</b>	<b>48 872</b>	<b>-</b>	<b>11 194 062</b>

19.3- Liabilities as of 31.12.2018 - maturity structure	Current	Up to 1 month	1-3 months	3 months – 1 year	1-5 years	Total
Liabilities from deliveries and services	3 416 197	50 816	-	-	-	3 467 014
Liabilities from current income tax	416 332	-	-	-	-	416 332
Liabilities from salaries	851 264	-	-	-	-	851 264
Liabilities from other taxes, customs and social insurances	2 105 162	-	-	-	-	2 105 162
Investment liabilities	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>

19.4 Liabilities by due dates	31.12.2019		31.12.2018	
	Up to 12 months after the balance date	Over 12 months after the balance date	Up to 12 months after the balance date	Over 12 months after the balance date
Liabilities from deliveries and services	5 707 738	-	3 467 014	-
Liabilities from current income tax	1 926 059	-	416 332	-
Liabilities from salaries	997 230	-	851 264	-
Liabilities from other taxes, customs and social insurances	2 264 458	-	2 105 162	-
Investment liabilities	215 306	-	98 985	-
Accruals and other liabilities	83 271	-	73 505	-
<b>Total</b>	<b>11 194 062</b>	<b>-</b>	<b>7 012 262</b>	<b>-</b>

19.5 Liabilities – currency structure	31.12.2019		31.12.2018	
	in the currency	in PLN, after re- calculation	in the currency	in PLN, after re- calculation
EUR	10 084	47 202	313	1 345
<b>Total:</b>	<b>-</b>	<b>47 202</b>	<b>-</b>	<b>1 345</b>



## 20. Deferred income - grants

20.1 - Deferred income	As of 31.12.2019	As of 31.12.2018
Grants – long-term part	22 470 258	24 920 934
Grants – short-term part	2 430 001	2 411 800
<b>Total</b>	<b>24 900 260</b>	<b>27 332 734</b>

Additional information on grant agreements is presented in the table below.

No.	Project title	Location	Agreement no.	Subsidiary settlement date*
1	Creation of a R&D centre of pro-environmental waste processing technologies	Niecew	POIG.04.05.02-00-006/10	March 2033
2	Implementation of an innovative production technology for highly caloric fuel mix	Karsy	POIG.04.04.00-26-003/09	January 2030
3	Innovative method – hydraulic flooring production	Zabrze, Skarbimierz	POIG.04.04.00-24-008/08	December 2038
4	Purchase of innovative advisory services by Mo-BRUK	Niecew	POIG.03.03.02-00-074/09	December 2020
5	Innovative and safe, pro-environmental methods of dust, slag and ash neutralisation for materials from communal waste incineration stations and other thermal processes	Niecew	GEKON1/05/213240/35/2015	March 2037
6	Improving competitiveness of the company through investment in new concrete production technologies	Niecew		December 2024

*\*The subsidy settlement date may change if the periods of economic usability of the fixed assets partly financed from the subsidy change*

## 21. Non-current assets for sale

21.1 - Non-current assets for sale	31.12.2019			31.12.2018		
Specification	Value	Updating deductions	Balance value	Value	Updating deductions	Balance value
Land parcels	924 080	-	924 080	939 843	-	939 843
<b>Non-current assets for sale</b>	<b>924 080</b>	<b>-</b>	<b>924 080</b>	<b>939 843</b>	<b>-</b>	<b>939 843</b>

The parent company classified the plot in Górażdże as assets for sale. Non-current asset held for sale is presented in note 23 in the "Waste management" segment.

## 22. Income from sales

22.1 - Income from sales (continued activity)	For the period ended on 31.12.2019	For the period ended on 31.12.2018
Income from product sales	2 075 054	3 069 660
Income from service sales	114 838 839	77 328 183
Income from material sales	-	-
Income from goods sales	13 652 929	12 269 573
<b>Total</b>	<b>130 566 823</b>	<b>92 667 415</b>

In 2019, the Group recorded an increase in revenues of 37.9 million compared to the comparative period. Such a significant improvement in sales revenues was influenced by the acquisition of new contractors on the waste management market who provided new streams of waste supplied to installations at the Group's plants

## 23. Operational segments

For management purposes, the Group has separated operating segments in accordance with IFRS 8 based on the criterion of diversified products and services, from which the economic segment generates its revenues. The distinguished segments are: waste management (collection and processing as well as utilization of organic and inorganic waste); construction services (construction of roads and concrete squares); gas stations (including diagnostic services); and the secondary product segment.

23.1 List	Operational segments				Other	Total
	Waste management	Construction services	Petrol stations	Recycled products		
Financial results of operational segments 01.01.2019-31.12.2019						
<b>Total income</b>	<b>115 376 373</b>	<b>1 729 099</b>	<b>14 019 043</b>	<b>2 472</b>	<b>104 488</b>	<b>131 231 475</b>
External sales	114 731 126	1 724 740	14 011 645	1 600	97 712	130 566 823
<b>Segment costs (-)</b>	<b>59 031 376</b>	<b>1 734 172</b>	<b>13 279 448</b>	<b>1 604 716</b>	<b>5 955 540</b>	<b>81 605 254</b>
Income from interest	296 547	-	-	-	-	296 547
Costs from interest (-)	587 246	-	-	183 291	21 781	792 317
Other income	348 699	4 360	7 398	872	6 776	368 105
Other costs (-)	1 203 703	276 802	46 727	5 820	118 481	1 651 534
Income tax*	9 537 972	-	-	-	-	9 537 972
<b>Net result of the reporting segment – from continued and abandoned activity</b>	<b>46 807 024</b>	<b>-5 073</b>	<b>739 595</b>	<b>-1 602 244</b>	<b>-5 851 053</b>	<b>40 088 249</b>
Amortisation of tangible fixed assets	4 513 358	27 246	94 620	915 182	460 831	6 011 237

Amortisation of intangible fixed assets	32 603	-	-	-	18 726	51 329
Other information on operational segments 01.01.2019-31.12.2019						
<b>Reporting segment assets</b>	<b>154 158 125</b>	<b>1 107 289</b>	<b>3 127 972</b>	<b>22 995 216</b>	<b>8 402 686</b>	<b>189 791 289</b>
<b>Investment expenses</b>	<b>98 449</b>	<b>-</b>	<b>21 850</b>	<b>-</b>	<b>75 879</b>	<b>196 178</b>
- tangible fixed assets	93 899	-	13 030	-	9 589	116 518
- intangible fixed assets	4 550	-	8 820	-	66 290	79 660
<b>Reporting segment liabilities</b>	<b>52 165 147</b>	<b>142 832</b>	<b>454 575</b>	<b>3 324 995</b>	<b>1 519 175</b>	<b>57 606 725</b>

In the reporting period, the Group did not make revaluation write-offs for impairment recognized in the profit and loss account, nor did it reverse the write-offs on this account.

23.2 List	Operational segments				Other	Total
	Waste management	Construction services	Petrol stations	Recycled products		
Financial results of operational segments 01.01.2018-31.12.2018						
<b>Total income</b>	<b>78 155 797</b>	<b>1 785 982</b>	<b>12 654 675</b>	<b>1 158 961</b>	<b>312 898</b>	<b>94 068 313</b>
External sales	76 781 348	1 779 662	12 646 620	1 154 452	305 333	92 667 415
<b>Segment costs (-)</b>	<b>49 767 691</b>	<b>1 425 879</b>	<b>12 015 292</b>	<b>1 489 456</b>	<b>4 030 728</b>	<b>68 729 047</b>
Income from interest	44 455	-	-	-	-	44 455
Costs from interest (-)	1 029 919	-	-	270 295	-	1 300 214
Other income	1 329 995	6 320	8 055	4 508	7 565	1 356 443
Other costs (-)	1 258 335	2 057	28 782	11 539	17 723	1 318 437
Income tax*	279 312	-	-	-	4 540 357	4 819 669
<b>Net result of the reporting segment – from continued and abandoned activity</b>	<b>28 108 794</b>	<b>360 102</b>	<b>639 383</b>	<b>-330 496</b>	<b>-8 258 187</b>	<b>20 519 597</b>
Amortisation of tangible fixed assets	4 395 365	27 215	82 514	925 123	346 274	5 776 491
Amortisation of intangible fixed assets	31 339	-	-	-	60 875	92 214
Other information on operational segments 01.01.2018-31.12.2018						
<b>Reporting segment assets</b>	<b>134 421 939</b>	<b>1 635 572</b>	<b>3 127 653</b>	<b>23 537 680</b>	<b>8 276 542</b>	<b>170 999 387</b>
<b>Investment expenses</b>	<b>641 446</b>	<b>-</b>	<b>13 030</b>	<b>22 873</b>	<b>-</b>	<b>677 349</b>
- tangible fixed assets	636 896	-	13 030	22 873	-	672 799
- intangible fixed assets	4 550	-	-	-	-	4 550
<b>Reporting segment liabilities</b>	<b>55 803 639</b>	<b>117 692</b>	<b>418 755</b>	<b>4 388 563</b>	<b>953 205</b>	<b>61 681 853</b>

23.3 List	For the period ended on 31.12.2019	For the period ended on 31.12.2018
Alternative fuel sales	-	992 348
Waste management	112 965 004	73 673 046
Sales of steam generated during waste disposal at high temperature	1 129 854	1 207 330
Construction services	1 691 545	1 775 064
Diagnostic services	358 716	377 047
Fuel retail sales and other retail sales	13 652 929	12 269 573
Recycled products	-	1 214
Other	768 774	2 371 794
<b>Total</b>	<b>130 566 823</b>	<b>92 667 415</b>

Information about geographic areas in the period 01.01.2019-31.12.2019		
23.4 List	Income	Fixed assets
POLAND	120 731 799	134 229 678
GERMANY	2 077 915	-
ITALY	4 518 599	-
DENMARK	1 603 641	-
LITHUANIA	1 634 869	-
<b>Total</b>	<b>130 566 823</b>	<b>134 229 678</b>

Information about geographic areas in the period 01.01.2018-31.12.2018		
23.5 List	Income	Fixed assets
POLAND	86 826 152	140 138 070
GERMANY	1 129 671	-
ITALY	3 179 594	-
DENMARK	1 214 348	-
NETHERLANDS	14 842	-
LITHUANIA	297 049	-
GREAT BRITAIN	5 759	-
<b>Total</b>	<b>92 667 415</b>	<b>140 138 070</b>

Information about the main customers in the period 01.01.2019-31.12.2019		
23.6 List	Income	% of total Group income
Customer 1	12 622 126	10%
Customer 2	7 560 374	6%
Customer 3	4 749 638	4%
Customer 4	4 611 142	4%
Customer 5	4 145 605	3%
Customer 6	3 846 478	3%
Customer 7	3 389 565	3%
Customer 8	3 171 068	2%
<b>Total</b>	<b>44 095 996</b>	<b>-</b>

Information about the main customers in the period 01.01.2018-31.12.2018		
23.7 List	Income	% of total Group income
Customer 1	7 253 525	8%
Customer 2	5 807 462	6%
Customer 3	3 277 988	4%
Customer 4	3 159 748	3%
Customer 5	3 146 500	3%
Customer 6	2 508 870	3%
Customer 7	2 347 334	3%
Customer 8	2 226 082	2%
<b>Total</b>	<b>29 727 509</b>	<b>-</b>

## 24. Costs of operational activities

24.1 - Costs by type	For the period ended on 31.12.2019	For the period ended on 31.12.2018
Amortisation	6 062 566	5 868 705
Consumption of materials and energy	11 541 524	10 807 332
External services	28 535 454	19 859 228
Taxes and fees	1 349 363	2 370 429
Salaries	15 477 614	12 558 659
Staff benefits	3 165 942	2 676 329
Other type costs	852 516	874 303
Value of sold goods and materials	12 171 554	11 004 149
<b>TOTAL COSTS BY TYPE</b>	<b>79 156 532</b>	<b>66 019 135</b>
<b>Corrections:</b>		
Change of product levels	4 871	91 261
Sales costs	-1 959 788	-1 705 890
General management costs	-6 378 455	-4 583 352
<b>TOTAL OPERATIONAL COSTS</b>	<b>70 823 160</b>	<b>59 821 154</b>

24.2 - Own costs of sales	For the period ended on 31.12.2019	For the period ended on 31.12.2018
Production costs of sold products and services	58 651 605	48 817 005
Value of sold goods	12 171 554	11 004 149
<b>TOTAL OPERATIONAL COSTS</b>	<b>70 823 160</b>	<b>59 821 154</b>

## 25. Other operational income

25.1 - Other operational income	For the period ended on 31.12.2019	For the period ended on 31.12.2018
Profit from disposal of non-financial fixed assets	5 000	243 279
Income from fixed asset and IA liquidation	8 340	3 402
Provisions termination	122 523	159 233
Reversal of updating deductions, including:	2 847	-
- receivables from deliveries and services	2 847	-
Received fees, penalties and compensations	50 986	785 213
Return of court, bailiff and other fees	76 390	97 814
Other	83 608	9 228
Stock taking excess	14 410	3 360
<b>Total</b>	<b>364 105</b>	<b>1 301 529</b>

## 26. Other operational costs

26.1 - Other operational costs	For the period ended on 31.12.2019	For the period ended on 31.12.2018
Loss from sales of non-financial fixed assets	60 321	-
Creation of provisions	227 820	76 595
Creation of updating deductions, including:	323 846	756 921
- receivables from deliveries and services	323 846	756 921
- other assets	60 007	8 549
Liquidation and scrapping costs	40 940	33 399
Stock taking deficits	47 539	24 498
Cost of abandoned investments	586 493	-
Fire costs	27 166	71 233
Court and bailiff fees	135 109	227 076
Other	68 171	92 960
<b>Total</b>	<b>1 577 413</b>	<b>1 291 232</b>

## 27. Financial income

27.1 - Financial income	For the period ended on 31.12.2019	For the period ended on 31.12.2018
Bank interests	276 681	36 675
Interests from partners	18 545	7 780
Other	1 321	561
Surplus from positive over negative currency rate differences	4 001	54 353
<b>Total</b>	<b>300 548</b>	<b>99 369</b>

## 28. Financial costs

28.1 - Financial costs	For the period ended on 31.12.2019	For the period ended on 31.12.2018
Interests	728 245	1 290 132
Surplus from positive over negative currency rate differences	58 798	1 840
Other	15 323	25 366
Leasing interest	64 073	10 082
<b>Total</b>	<b>866 438</b>	<b>1 327 419</b>

## 29. Financial instruments

29.1 - Financial instruments by category	As of 31.12.2019		As of 31.12.2018	
	Balance value	Fair value	Balance value	Fair value
<b>Financial assets</b>	<b>53 688 661</b>	<b>-</b>	<b>29 019 615</b>	<b>-</b>
Shares and shares in subsidiaries valued at their sale price	-	-	-	-
Own receivables valued at nominal value	26 270 305	-	14 215 318	-
Cash	27 418 356	-	14 804 297	-
<b>Financial liabilities</b>	<b>23 624 941</b>	<b>-</b>	<b>28 231 551</b>	<b>-</b>
Liabilities valued in amortised cost	14 333 428	-	21 611 332	-
Liabilities valued at their nominal value	9 291 513	-	6 620 219	-

The Group carried out an analysis as a result of which it was found that the value of financial instruments disclosed in the statement of financial position does not differ significantly from their fair value due to the fact that the majority of these instruments bear interest based on a variable rate.

29.2 - Financial instrument – interest rate risk	31.12.2019			31.12.2018		
	Due within 1 year	Due between 1 and 5 years	Due over 5 years	Due within 1 year	Due between 1 and 5 years	Due over 5 years
<b>Fixed rate (average weighted)</b>	<b>3,46%</b>	<b>3,46%</b>	<b>-</b>	<b>3,47%</b>	<b>3,47%</b>	<b>-</b>
Loans taken	8 621 049	4 275 334	-	8 606 740	12 896 383	-

29.3 - Financial instruments – credit risk	31.12.2019			31.12.2018		
	Exposures <3% of the balance	3% < exposures <20% of the balance	exposures > 20% of the balance	Exposures <3% of the balance	3% < exposures <20% of the balance	exposures > 20% of the balance
Own receivables	10 608 632	9 000 712	5 129 609	7 911 094	4 915 229	-

29.4 - Profits and income related to financial instruments	For the period ended on	For the period ended on
	31.12.2019	31.12.2018
<b>Total income from interests</b>	295 227	44 455

29.5 - Losses and costs related to financial instruments	For the period ended on	For the period ended on
	31.12.2019	31.12.2018
<b>Total costs of interests</b>	792 317	1 300 214



### 30. Explanation of non-conformities between balance changes and values listed in the report on cash flows

30.1 - Explanation of non-conformities between balance changes and values listed in the report on cash flow balance	For the period ended on	For the period ended on
	31.12.2019	31.12.2018
Balance change of provisions levels	99 712	-98 571
Change of provision levels in CFS	99 712	-98 571
Balance change of supplement levels	-39 206	-65 919
Change of inventories levels in CFS	-39 206	-65 919
Balance change of receivable levels	-12 054 987	-3 637 498
Change of receivable levels in CFS	-12 054 987	-3 637 498
Balance change of short-term liability levels, excluding financial liabilities	4 181 021	1 604 097
Change of investment liability levels	116 321	71 610
Change of short-term liability levels, excluding financial liabilities in RPP	4 064 700	1 532 487
Balance change of accruals levels	-2 455 824	-2 270 541
Change of accruals levels in CFS	-2 455 824	-2 270 541

### 31. Transactions with affiliated entities and salaries of the key staff of the dominating Company

31.1 - Transactions and balances with affiliated entities during the fiscal year	Included in the consolidation		Excluded from the consolidation	
	Dominating entity	Subsidiaries	Dominating entity	Subsidiaries
Net sales (excl. VAT)	4 308 544	16 442	-	-
Net purchases (excl. VAT)	16 442	4 308 544	-	-
Short-term receivables	389 941	-	-	-
Short-term liabilities	-	389 941	-	-

Transactions between related entities took place on conditions equivalent to those applicable to transactions concluded on market terms.

31.2 - Salaries of key staff of the domination Company without the Supervisory Board, received within the Company	31.12.2019			31.12.2018		
	Basic salary	Bonuses	Other	Basic salary	Bonuses	Other
<b>Board members (names)</b>						
Mokrzycki Józef	440 200	328 625	5 220	420 000		5 220
Mokrzycka Elżbieta	233 000	219 083	5 220	216 000		5 220
Mokrzycka-Nowak Anna	233 000	219 083	12 540	216 000		13 150
Mokrzycki Wiktor	233 000	219 083	14 049	216 000		13 316
Mokrzycki Tobiasz	233 000	219 083	12 693	216 000		15 683

31.3 - Salaries of Supervisory Board members received within the dominating Company	For the period ended on 31.12.2019	For the period ended on 31.12.2018
Supervisory Board members (names)	-	-
Janik Kazimierz	16 800	12 600
Basta Jan	14 000	10 500
Boroń Łukasz	3 500	-
Buchajski Adam	3 500	10 500
Nowak Norbert	3 500	-
Pietrzak Piotr	16 100	11 900
Turzański Konrad	14 000	10 500

In the period covered by the audited historical financial information, in 2019 the Issuer was a party to the following transactions with related persons:

1. On July 1, 2010, the Issuer concluded an employment contract of indefinite duration with Ms Magdalena Mokrzycka. The remuneration for the aforementioned contract in 2019 amounted to PLN 58,050.98,
2. On May 2, 2012, an employment contract of indefinite duration was concluded with Mr. Norbert Nowak. The contract was terminated on August 31, 2019 by agreement of the parties. On December 16, 2019, another employment contract was concluded with Mr. Norbert Nowak for the period up to June 30, 2020.

The remuneration for the abovementioned contracts in 2019 amounted to PLN 53,238.65, On December 20, 2019, the Supervisory Board adopted a resolution on co-opting Mr. Norbert Nowak into its composition.

The remuneration for the abovementioned title in 2019 amounted to PLN 3,500.00.

### 32. Conditional liabilities and assets

32.1 - Guarantees and warranties granted	As of 31.12.2019	As of 31.12.2018
<b>For affiliated entities</b>	-	600 000
Loan guarantee for a current account loan in the form of a blank promissory note with a promissory note declaration	-	600 000
<b>For other entities</b>	-	-
<b>Total</b>	-	600 000

\* The table contains information about the value of loan agreements concluded by the subsidiary

The table below contains information on the value of guarantees received by the parent company. The subsidiary has not received a guarantee.

32.2 - Received guarantees and warranties	As of 31.12.2019	As of 31.12.2018
From affiliated entities	-	-
From other entities	1 680 732	984 486
Securities of duly contract execution	1 680 732	984 486
<b>Total</b>	<b>1 680 732</b>	<b>984 486</b>

32.3 Conditional liabilities related to received warranties and guarantees – detailed specification	Guarantee / warranty from	For	Currency	As of 31/12/2019
Bank warranty issued by PKO BP S.A.	03.12.2018	Guarantee of duly contract execution for Beneficiary 1	PLN	85 968
Bank warranty issued by PKO BP S.A.	31.12.2018	Guarantee of duly contract execution for Beneficiary 2	PLN	183 222
Bank warranty issued by PKO BP S.A.	16.01.2019	Guarantee of duly contract execution for Beneficiary 3	PLN	166 860
Bank warranty issued by PKO BP S.A.	08.04.2019	Guarantee of duly contract execution for Beneficiary 4	PLN	138 334
Bank warranty issued by PKO BP S.A.	17.04.2019	Guarantee of duly contract execution for Beneficiary 5	PLN	156 600
Bank warranty issued by PKO BP S.A.	01.07.2019	Guarantee of duly contract execution for Beneficiary 6	PLN	413 208
Bank warranty issued by PKO BP S.A.	30.07.2019	Guarantee of duly contract execution for Beneficiary 7	PLN	149 040
Bank warranty issued by PKO BP S.A.	04.10.2019	Guarantee of duly contract execution for Beneficiary 8	PLN	88 965
Bank warranty issued by PKO BP S.A.	19.12.2019	Deposit guarantee granted to Beneficiary 9	PLN	70 000
Bank warranty issued by PZU S.A.	25.11.2019	Deposit guarantee granted to Beneficiary 10	PLN	51 535
Bank warranty issued by PZU S.A.	25.11.2019	Deposit guarantee granted to Beneficiary 11	PLN	84 000
Bank warranty issued by PZU S.A.	16.12.2019	Deposit guarantee granted to Beneficiary 12	PLN	93 000
<b>Total</b>	-	-	-	<b>1 680 732</b>

32.4 Conditional liabilities related to received warranties and guarantees – detailed specification	Guarantee / warranty from	For	Currency	As of 31/12/2018
Bank warranty issued by PKO BP S.A.	20.11.2017	Guarantee of duly contract execution for Beneficiary 1	PLN	324 000
Bank warranty issued by PKO BP S.A.	24.11.2017	Guarantee of duly contract execution for Beneficiary 2	PLN	83 592
Bank warranty issued by PKO BP S.A.	26.03.2018	Guarantee of duly contract execution for Beneficiary 3	PLN	313 860
Bank warranty issued by PKO BP S.A.	19.02.2018	Guarantee of duly contract execution for Beneficiary 4	PLN	102 708
Bank warranty issued by PKO BP S.A.	02.08.2018	Guarantee of duly contract execution for Beneficiary 5	PLN	74 358
Bank warranty issued by PKO BP S.A.	03.12.2018	Guarantee of duly contract execution for Beneficiary 6	PLN	85 968
<b>Total</b>	-	-	-	<b>984 486</b>

### 33. Profit per share

33. 1 Basic profit per share	For the period ended on 31.12.2019	For the period ended on 31.12.2018
Profit for fiscal year due to shareholders of the dominating entity	40 088 249	20 519 597
Profit per share (in PLN/gr per share)	11,15	5,68
<b>Profit used to calculate basic overall profit per share</b>	<b>40 088 249</b>	<b>20 519 597</b>
<b>Profit used to calculate basic profit per share from continued operation</b>	<b>40 088 249</b>	<b>20 519 597</b>

33. 2 Diluted profit per share	For the period ended on 31.12.2019	For the period ended on 31.12.2018
Profit for fiscal year due to shareholders of the dominating entity	40 088 249	20 519 597
Profit per share (in PLN/gr per share)	11,15	5,68
<b>Profit listed for calculation of diluted profit per share</b>	<b>40 088 249</b>	<b>20 519 597</b>

*The weighted average number of shares used to calculate the diluted profit per share is reduced to the average used to calculate the regular index as follows:*

Weighted average number of regular shares used to calculate the base profit per share	3 595 141	3 611 385
<b>Weighted average number of regular shares (used to calculate the diluted profit per share)</b>	<b>3 595 141</b>	<b>3 611 385</b>

### 34. Mergers of business units

In the period covered by this report, there were no business combinations in the Group.

### 35. Net accounting value of sold assets

35.1 Net accounting value of sold assets	For the period ended on 31.12.2019	For the period ended on 31.12.2018
<b>Fixed assets</b>	<b>205 122</b>	<b>466 418</b>
Tangible fixed assets	205 122	466 418
<b>Sold assets, net</b>	<b>205 122</b>	<b>466 418</b>

35.2 Payment	For the period ended on 31.12.2019	For the period ended on 31.12.2018
Paid as cash and cash equivalents	171 825	713 237
<b>Total</b>	<b>171 825</b>	<b>713 237</b>

35.3 Profit from sales	For the period ended on 31.12.2019	For the period ended on 31.12.2018
Received payment	176 825	713 237
Sold assets, net	-205 122	-466 418
<b>Total</b>	<b>-28 297</b>	<b>246 819</b>

### 36. Other information

36.1 - Remuneration of entities entitled to audit financial reports	For the period ended on 31.12.2019	For the period ended on 31.12.2018
For review and audit of financial reports	58 000	58 000
<b>Total</b>	<b>58 000</b>	<b>58 000</b>

36.2 - Average employment, in FTE	For the period ended on 31.12.2019	For the period ended on 31.12.2018
Blue-collar workers	169	157
White-collar workers	61	60
<b>Total average number of FTE</b>	<b>230</b>	<b>217</b>

36.3 - Summary of securities to loan agreements of the dominating entity			
Basis	Security	Security amount	Land and mortgage registry no.
Loan agreement with BOŚ S.A. – S/86/03/2014/1023/K/INW/EKO of 16/07/2014, as amended, according to the certificate of BOŚ S.A. on loan granting, of 01/10/2014	1. Total mortgage created on:	45 000 000,00	
	a) Industrial properties covering the area of carbon silt recovery site in Wałbrzych, ul. Moniuszki		SW1W/00028332/7, SW1W/00028333/4
	b) industrial properties covering the Waste Recycling Site with an alternative fuel production site and the Waste Landfill located in Wałbrzych, at ul. Górnicza		SW1W/00033850/2, SW1W/00051411/5, SW1W/00033849/2, SW1W/00082294/4, SW1W/00056032/9, SW1W/00052549/8, SW1W/00082293/7
	2. Register bond on the organised part of company including the Carbon Silt Recovery Site in Wałbrzych	39 855 978,00	
	3. Register bond on mobile assets – fixed assets (machinery and equipment) located at the Carbon Silt Recovery Site in Wałbrzych	48 655 902,00	
	5. Mortgage created on the right to perpetual use (leasehold) of a property in Karsy and on buildings and equipment introduced onto the property	45 000 000,00	KI1S/00062925/5
6. Transfer of a debt from lease of fixed assets, entered into with Raf-Ekologia Sp. z o.o.			

Investment loan agreement no. 036/14/3 KBS, as amended – funding investment expenses at Zabrze branch	Total contractual mortgage based on a framework agreement on creation of a mortgage securing re-payment of four credit exposures, on properties located in Niecew	23 040 000,00	NS1S/00057490/8; NS1S/00057516/7; NS1S/00101298/6; NS1S/00077465/0; NS1S/00087838/9; NS1S/00087839/6; NS1S/00087840/6; NS1S/00087841/3; NS1S/00087842/0; NS1S/00127801/4.
Investment loan agreement no. 036/12/2 KBS, as amended – funding the hot air generating installation, Karsy branch	1. Total contractual mortgage based on a framework agreement on creation of a mortgage securing re-payment of four credit exposures, on properties located in Niecew	23 040 000,00	NS1S/00057490/8; NS1S/00057516/7; NS1S/00101298/6; NS1S/00077465/0; NS1S/00087838/9; NS1S/00087839/6; NS1S/00087840/6; NS1S/00087841/3; NS1S/00087842/0; NS1S/00127801/4.
Investment loan agreement no. 036/14/4, as amended – re-funding investment expenses, Skarbimierz branch	1. Total contractual mortgage based on a framework agreement on creation of a mortgage securing re-payment of four credit exposures, on properties located in Niecew	23 040 000,00	NS1S/00057490/8; NS1S/00057516/7; NS1S/00101298/6; NS1S/00077465/0; NS1S/00087838/9; NS1S/00087839/6; NS1S/00087840/6; NS1S/00087841/3; NS1S/00087842/0; NS1S/00127801/4.
Framework agreement on granting bank guarantees of 16 <sup>th</sup> October 2017, as amended, entered into with PKO BP S.A.	Register bond on a prototype technological waste processing line located in Niecew	1 500 000,00	



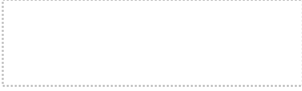


\* *Additional security for loan agreements concluded by Mo-BRUK S.A. is:*

- *assignment of rights from insurance policies,*
- *declaration of submission to enforcement,*
- *power of attorney to dispose of current and future receipts to the bank account,*
- *bills of exchange with a bill of exchange declaration.*


The net value of property, plant and equipment as at 31/12/2019 to which the Company has limited ownership due to a registered pledge amounted to PLN 19,193 thousand.

This report has been approved for publication by the Board of Mo-BRUK S.A.

### Board Member Signatures

<u>18th March 2020</u> <i>Date</i>	<u><b>Józef Mokrzycki</b></u> <i>President of the Board</i>	
<u>18th March 2020</u> <i>Date</i>	<u><b>Elżbieta Mokrzycka</b></u> <i>Vice-President of the Board</i>	
<u>18th March 2020</u> <i>Date</i>	<u><b>Anna Mokrzycka – Nowak</b></u> <i>Vice-President of the Board</i>	
<u>18th March 2020</u> <i>Date</i>	<u><b>Wiktor Mokrzycki</b></u> <i>Vice-President of the Board</i>	
<u>18th March 2020</u> <i>Date</i>	<u><b>Tobiasz Mokrzycki</b></u> <i>Vice-President of the Board</i>	

### Signature of the person entrusted with ledger management:

<u>18th March 2020</u> <i>Date</i>	<u><b>Ewa Klusek</b></u> <i>Chief Accountant</i>	
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