



**Mo-BRUK GROUP**  
**CONSOLIDATED QUARTERLY REPORT**  
**FOR Q1 2021**

Niecow, 13 May 2021

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## 1. Mo-BRUK Group's condensed consolidated interim financial statements for the first quarter of 2021

### 1.1. Selected financial data

ITEM	PLN		EUR	
	01.01.2021-31.03.2021	01.01.2020-31.03.2020	01.01.2021-31.03.2021	01.01.2020-31.03.2020
I. Net revenue from sale of products, goods and materials	60 410 795	38 360 535	13 212 921	8 725 707
II. Operating profit (loss)	35 823 644	19 410 902	7 835 271	4 415 315
III. Gross profit (loss)	35 664 017	19 464 740	7 800 358	4 427 561
IV. Net profit (loss)	28 000 255	15 758 632	6 124 156	3 584 549
V. Net cash flows from operating activities	21 864 338	25 595 322	4 782 122	5 822 059
VI. Net cash flows from investing activities	4 711 516	-370 626	1 030 493	-84 305
VII. Net cash flows from financial activities	-4 365 154	-14 656 938	-954 737	-3 333 951
VIII. Total net cash flows	22 210 701	10 567 758	4 857 877	2 403 803
IX. Weighted average number of shares	3 512 885	3 572 885	3 512 885	3 572 885
X. Profit (loss) per ordinary share (in PLN/EUR)	7.97	4.41	1.74	1.00
ITEM	PLN		EUR	
	31.03.2021	31.12.2020	31.03.2021	31.12.2020
XI. Total assets	239 108 857	209 068 433	51 307 610	45 303 899
XII. Liabilities and provisions for liabilities	48 540 078	46 499 909	10 415 655	10 076 257
XIII. Non-current liabilities	27 051 450	26 791 403	5 804 658	5 805 539
<i>including deferred income - grant</i>	18 650 710	19 189 922	4 002 041	4 158 343
XIV. Current liabilities	21 488 628	19 708 506	4 610 997	4 270 717
<i>including deferred income - grant</i>	2 178 743	2 202 906	467 511	477 357
XV. Equity	190 568 779	162 568 524	40 891 955	35 227 642
XVI. Share capital	35 128 850	35 128 850	7 537 895	7 612 215
XVII. Number of shares	3 512 885	3 512 885	3 512 885	3 512 885
XVIII. Book value per share (in PLN/EUR)	54.25	46.28	11.64	10.03

The above data for the first quarter of 2021 and 2020 was converted into EUR in accordance with the following rules:

- items of assets and equity and liabilities - at the average exchange rate published by the National Bank of Poland as at 31 March 2021 - EURPLN 4.6603, as at 31 December 2020 - EURPLN 4.6148
- items in the statement of comprehensive income and statement of cash flows - according to an exchange rate being the arithmetic mean of the average exchange rates published by the National Bank of Poland for the last day of each month in the reporting period: from 1 January 2020 to 31 March 2021 - EURPLN 4.5721, and from 1 January to 31 March 2020 - EURPLN 4.3963

## 1.2. Consolidated statement of financial position

<b>Consolidated statement of financial position</b>			
<b>Item</b>	<b>as at 31-03-2021</b>	<b>as at 31-12-2020</b>	<b>as at 31-03-2020</b>
<b>NON-CURRENT ASSETS</b>	<b>119 192 709</b>	<b>119 822 907</b>	<b>132 277 015</b>
Property, plant and equipment	115 288 553	115 984 088	130 606 119
Goodwill	832 348	832 348	832 348
Other intangible assets	626 344	637 656	568 035
Non-current receivables	2 445 465	2 368 815	270 513
<b>CURRENT ASSETS</b>	<b>119 916 148</b>	<b>89 245 526</b>	<b>56 048 666</b>
Inventory	1 050 471	724 964	890 118
Trade receivables	35 888 710	20 836 084	15 295 222
Other receivables	10 683 583	12 210 050	699 842
Other financial assets	-	4 995 200	-
Cash and equivalents	71 553 493	49 342 782	37 986 114
Prepayments	739 890	212 366	253 290
Non-current held for sale	-	924 080	924 080
<b>Total assets:</b>	<b>239 108 857</b>	<b>209 068 433</b>	<b>188 325 681</b>

<b>Consolidated statement of financial position</b>			
<b>Item</b>	<b>as at 31-03-2021</b>	<b>as at 31-12-2020</b>	<b>as at 31-03-2020</b>
<b>Equity</b>	<b>190 568 779</b>	<b>162 568 524</b>	<b>135 612 969</b>
Share capital	35 128 850	35 128 850	35 728 850
Share premium	25 573 479	25 573 479	25 573 479
Retained earnings	9 239 841	9 239 841	7 000 218
Share redemption	985 000	985 000	385 000
Reserve capital - restatement of assets	12 916 096	12 916 096	12 916 096
Retained earnings (uncovered losses)	106 725 513	78 725 258	54 009 327
<i>including current-period profit/loss</i>	<i>28 000 255</i>	<i>78 725 258</i>	<i>15 758 632</i>
<b>Equity attributable to shareholders of the parent</b>	<b>190 568 779</b>	<b>162 568 524</b>	<b>135 612 969</b>
<b>Equity attributable to non-controlling interests</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-current liabilities</b>	<b>27 051 450</b>	<b>26 791 403</b>	<b>32 972 063</b>
Deferred income tax provision	6 170 246	6 182 976	6 378 959

Provision for pension benefits and similar	124 717	118 620	221 825
Other provisions	900 000	-	-
Credit and loans	50 143	61 714	3 165 334
Other financial liabilities	1 141 634	1 209 662	1 326 082
Other non-current liabilities	14 000	28 509	23 509
Deferred income - grant	18 650 710	19 189 922	21 856 353
<b>Current liabilities</b>	<b>21 488 628</b>	<b>19 708 506</b>	<b>19 740 649</b>
Credit and loans	46 286	4 321 620	7 575 786
Other financial liabilities	186 007	187 899	50 165
Trade liabilities	5 229 643	5 947 918	3 968 060
Current income tax liabilities	4 570 917	2 992 919	1 035 987
Provision for pension benefits and similar	674 750	710 043	650 749
Other current provisions	4 427 550	69 000	-
Other liabilities	4 174 733	3 276 201	4 024 777
Deferred income - grant	2 178 743	2 202 906	2 435 125
<b>Total equity and liabilities:</b>	<b>239 108 857</b>	<b>209 068 433</b>	<b>188 325 681</b>

### 1.3. Consolidated statement of profit and loss and other comprehensive income

<b>Statement of profit and loss</b>		
<b>Item</b>	<b>For the period: 01.01.2021-31.03.2021</b>	<b>For the period: 01.01.2020-31.03.2020</b>
<b>Continuing operations</b>		
Revenue from sales	60 410 795	38 360 535
Cost of sales	21 593 006	16 860 884
<b>GROSS PROFIT (LOSS) ON SALES</b>	<b>38 817 789</b>	<b>21 499 651</b>
Selling costs	505 455	419 861
General administrative expenses	1 629 540	1 630 260
Other operating revenue	113 853	77 240
Other operating costs	973 004	115 868
<b>OPERATING PROFIT (LOSS)</b>	<b>35 823 644</b>	<b>19 410 902</b>
Finance income	102	184 473
Finance costs	159 729	130 634

<b>PROFIT (LOSS) BEFORE TAX</b>	<b>35 664 017</b>	<b>19 464 740</b>
Income tax	7 663 762	3 706 108
<b>NET PROFIT (LOSS) ON CONTINUING OPERATIONS</b>	<b>28 000 255</b>	<b>15 758 632</b>
Net profit (loss) on discontinued operations	-	-
<b>NET PROFIT (LOSS)</b>	<b>28 000 255</b>	<b>15 758 632</b>
<b>Net profit attributable to:</b>		
Shareholders of the parent	28 000 255	15 758 632
Non-controlling interests	-	-

<b>Statement of profit and loss and other comprehensive income</b>		
<b>Item</b>	<b>For the period: 01.01.2021-31.03.2021</b>	<b>For the period: 01.01.2020-31.03.2020</b>
NET PROFIT (LOSS)	28 000 255	15 758 632
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>28 000 255</b>	<b>15 758 632</b>
<b>Total comprehensive income attributable to:</b>		
Shareholders of the parent	28 000 255	15 758 632
Non-controlling interests	-	-

#### 1.4. Consolidated statement of cash flows

<b>Consolidated statement of cash flows (indirect approach)</b>		
<b>Item</b>	<b>For the period: 01.01.2021-31.03.2021</b>	<b>For the period: 01.01.2020-31.03.2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit (loss) before tax</b>	<b>35 664 017</b>	<b>19 464 740</b>
<b>Total adjustments</b>	<b>-6 123 188</b>	<b>9 836 690</b>
Depreciation / amortisation	1 335 277	1 497 875
Interest	3 529	110 651
Gain (loss) on sale of non-current assets	34 877	25 325
Changes in working capital	-8 060 245	7 594 058
Changes in provisions	5 229 353	134 801
Changes in inventories	-325 508	94 505
Changes in receivables	-13 849 994	10 004 728



Changes in current liabilities, except for financial liabilities	1 976 802	-1 970 549
Changes in deferred income - grant	-1 090 899	-669 428
Other adjustments	563 375	608 781
<b>Cash generated from operating activities</b>	<b>29 540 829</b>	<b>29 301 430</b>
Income tax on profit before tax	-7 676 491	-3 706 108
<b>Net cash flows from operating activities</b>	<b>21 864 338</b>	<b>25 595 322</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from bond buy-back	5 000 000	-
Expenses on the acquisition of property, plant and equipment	-303 724	-388 166
Proceeds from sale of property, plant and equipment	15 240	17 540
<b>Net cash flows from investing activities</b>	<b>4 711 516</b>	<b>-370 626</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of credit and loans	-4 286 905	-2 155 262
Repayment of lease liabilities	-69 920	-60 799
Dividends paid out	-	-12 330 226
Interest paid	-8 328	-110 651
<b>Net cash flows from financing activities</b>	<b>-4 365 154</b>	<b>-14 656 938</b>
<b>Increase / decrease in cash and equivalents before effects of changes in exchange rates</b>	<b>22 210 701</b>	<b>10 567 758</b>
Change in cash due to exchange differences	-	-
<b>Balance sheet change in cash and equivalents</b>	<b>22 210 701</b>	<b>10 567 758</b>
<b>Cash and equivalents at the beginning of period</b>	<b>49 342 782</b>	<b>27 418 356</b>
<b>Cash and equivalents at the end of period</b>	<b>71 553 483</b>	<b>37 986 114</b>
- including restricted cash	248 004	171 718

## 1.5. Consolidated statement of changes in equity

Consolidated statement of changes in equity for the period: 01.01.2021-31.03.2021	Share capital	Supplementary capital - share premium	Retained earnings	Share redemption	Reserve capital - restatement of assets	Retained earnings	Total equity attributable to shareholders of the parent	Equity attributable to non-controlling interests	Total equity
Balance as at 01.01.2021	35 128 850	25 573 479	9 239 841	985 000	12 916 096	78 725 258	162 568 524	-	162 568 524
Transactions with the owners	-	-	-	-	-	-	-	-	-
<b>Total transactions with the owners</b>	-	-	-	-	-	-	-	-	-
Net profit (loss) in the period:	-	-	-	-	-	28 000 255	28 000 255	-	28 000 255
Other comprehensive income	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	-	-	28 000 255	28 000 255	-	28 000 255
<b>Increase (decrease) in equity</b>	-	-	-	-	-	28 000 255	28 000 255	-	28 000 255
Balance as at 31.03.2021	35 128 850	25 573 479	9 239 841	985 000	12 916 096	106 725 513	190 568 780	-	190 568 780

Consolidated statement of changes in equity for the period: 01.01.2020-31.03.2020	Share capital	Supplementary capital - share premium	Retained earnings	Share redemption	Reserve capital - restatement of assets	Retained earnings	Total equity attributable to shareholders of the parent	Equity attributable to non-controlling interests	Total equity
Balance as at 01.01.2020	35 728 850	25 573 479	17 492 890	385 000	12 916 096	40 088 249	132 184 565	-	132 184 565
Transfer of financial result to capital	-	-	1 837 555	-	-	-1 837 555	-	-	-
Dividends paid out	-	-	-12 330 228	-	-	-	-12 330 228	-	-12 330 228
<b>Total transactions with the owners</b>	-	-	-10 492 674	-	-	-1 837 555	-12 330 228	-	-12 330 228
Net profit (loss) in the period:	-	-	-	-	-	15 758 632	15 758 632	-	15 758 632
Other comprehensive income	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	-	-	15 758 632	15 758 632	-	15 758 632
<b>Increase (decrease) in equity</b>	-	-	-10 492 674	-	-	13 921 077	3 428 403	-	3 428 403
Balance as at 31.03.2020	35 728 850	25 573 479	7 000 216	385 000	12 916 096	54 009 326	135 612 969	-	135 612 969

## 2. Mo-BRUK S.A.'s condensed separate interim financial statements for the first quarter of 2021

### 2.1. Selected financial data

ITEM	PLN		EUR	
	01.01.2021-31.03.2021	01.01.2020-31.03.2020	01.01.2021-31.03.2021	01.01.2020-31.03.2020
I. Net revenue from sale of products, goods and materials	54 097 705	34 568 393	11 832 135	7 863 125
II. Operating profit (loss)	32 424 109	18 145 100	7 091 732	4 127 388
III. Gross profit (loss)	32 265 440	20 033 223	7 057 028	4 556 872
IV. Net profit (loss)	25 264 057	16 589 392	5 525 701	3 773 518
V. Net cash flows from operating activities	19 804 934	24 176 226	4 331 693	5 499 263
VI. Net cash flows from investing activities	4 718 596	-370 626	1 032 041	-84 305
VII. Net cash flows from financial activities	-4 351 820	-14 643 624	-951 821	-3 330 923
VIII. Total net cash flows	20 171 711	9 161 976	4 411 914	2 084 036
IX. Weighted average number of shares	3 512 885	3 572 885	3 512 885	3 572 885
X. Profit (loss) per ordinary share (in PLN/EUR)	7.19	4.64	1.57	1.06
ITEM	PLN		EUR	
	31.03.2021	31.12.2020	31.03.2021	31.12.2020
XI. Total assets	220 800 379	193 562 407	47 379 005	41 943 835
XII. Liabilities and provisions for liabilities	46 730 138	44 756 223	10 027 281	9 698 410
XIII. Non-current liabilities	26 904 132	26 632 996	5 773 047	5 771 213
<i>including deferred income - grant</i>	18 650 710	19 189 922	4 002 041	4 158 343
XIV. Current liabilities	19 826 006	18 123 227	4 254 234	3 927 197
<i>including deferred income - grant</i>	2 178 743	2 202 906	467 511	477 357
XV. Equity	174 070 241	148 806 184	37 351 724	32 245 424
XVI. Share capital	35 128 850	35 128 850	7 537 895	7 612 215
XVII. Number of shares	3 512 885	3 512 885	3 512 885	3 512 885
XVIII. Book value per share (in PLN/EUR)	49.55	42.36	10.63	9.18

The above data for the first quarter of 2021 and 2020 was converted into EUR in accordance with the following rules:

- items of assets and equity and liabilities - at the average exchange rate published by the National Bank of Poland as at 31 March 2021 - EURPLN 4.6603, as at 31 December 2020 - EURPLN 4.6148
- items in the statement of comprehensive income and statement of cash flows - according to an exchange rate being the arithmetic mean of the average exchange rates published by the National Bank of Poland for the last day of each month in the reporting period: from 1 January 2020 to 31 March 2021 - EURPLN 4.5721, and from 1 January to 31 March 2020 - EURPLN 4.3963

**2.2. Separate statement of financial position**

<b>Separate statement of financial position</b>			
<b>Item</b>	<b>as at 31-03-2021</b>	<b>as at 31-12-2020</b>	<b>as at 31-03-2020</b>
<b>Non-current assets</b>	<b>117 170 537</b>	<b>117 715 189</b>	<b>130 297 769</b>
Property, plant and equipment	112 470 130	113 080 120	127 839 167
Other intangible assets	626 344	637 656	559 490
Shares	1 628 599	1 628 599	1 628 599
Non-current receivables	2 445 465	2 368 815	270 513
<b>Current assets</b>	<b>103 629 841</b>	<b>75 847 218</b>	<b>51 575 152</b>
Inventory	980 845	719 797	886 601
Trade receivables	31 007 883	16 672 070	13 257 137
Other receivables	10 467 235	12 046 317	2 450 375
Other financial assets	-	4 995 200	-
Cash and equivalents	60 487 069	40 315 528	33 844 272
Prepayments	686 809	174 227	212 687
Non-current held for sale	-	924 080	924 080
<b>Total assets:</b>	<b>220 800 379</b>	<b>193 562 407</b>	<b>181 872 921</b>

<b>Separate statement of financial position</b>			
<b>Item</b>	<b>as at 31-03-2021</b>	<b>as at 31-12-2020</b>	<b>as at 31-03-2020</b>
<b>Equity</b>	<b>174 070 241</b>	<b>148 806 184</b>	<b>130 610 967</b>
Share capital	35 128 850	35 128 850	35 728 850
Share premium	25 573 479	25 573 479	25 573 479
Retained earnings	3 407 079	3 407 079	13 791
Share redemption	985 000	985 000	385 000
Reserve capital - restatement of assets	12 916 096	12 916 096	12 916 096
Retained earnings (uncovered losses)	96 059 737	70 795 680	55 993 751
<i>including current-period profit/loss</i>	<i>25 264 057</i>	<i>70 795 680</i>	<i>16 589 392</i>
<b>Equity attributable to shareholders of the parent</b>	<b>174 070 241</b>	<b>148 806 184</b>	<b>130 610 967</b>
<b>Equity attributable to non-controlling interests</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-current liabilities</b>	<b>26 904 132</b>	<b>26 632 996</b>	<b>32 997 673</b>

Deferred income tax provision	6 127 069	6 143 218	6 290 883
Provision for pension benefits and similar	75 810	69 712	450 378
Other provisions	900 000	-	-
Credit and loans	50 143	61 714	3 165 334
Other financial liabilities	1 100 401	1 168 430	1 234 725
Deferred income - grant	18 650 710	19 189 922	21 856 353
<b>Current liabilities</b>	<b>19 826 006</b>	<b>18 123 227</b>	<b>18 264 280</b>
Credit and loans	46 286	4 321 620	7 575 786
Other financial liabilities	152 343	141 858	18 005
Trade liabilities	4 681 839	5 518 424	3 623 137
Current income tax liabilities	4 302 790	2 628 546	974 722
Provision for pension benefits and similar	427 035	462 329	107 774
Other current provisions	4 427 550	51 000	-
Other liabilities	3 609 420	2 796 546	3 529 730
Deferred income - grant	2 178 743	2 202 906	2 435 125
<b>Total equity and liabilities:</b>	<b>220 800 379</b>	<b>193 562 407</b>	<b>181 872 921</b>

### 2.3. Separate statement of profit and loss and other comprehensive income

<i>Statement of profit and loss</i>		
Item	For the period: 01.01.2021-31.03.2021	For the period: 01.01.2020-31.03.2020
<b>Continuing operations</b>		
Revenue from sales	54 097 705	34 568 393
Cost of sales	19 026 134	14 632 295
<b>GROSS PROFIT (LOSS) ON SALES</b>	<b>35 071 571</b>	<b>19 936 098</b>
Selling costs	511 530	423 971
General administrative expenses	1 272 039	1 309 280
Other operating revenue	95 850	33 834
Other operating costs	959 743	91 581
<b>OPERATING PROFIT (LOSS)</b>	<b>32 424 109</b>	<b>18 145 100</b>
Finance income	102	2 013 430
Finance costs	158 772	125 307

<b>PROFIT (LOSS) BEFORE TAX</b>	<b>32 265 440</b>	<b>20 033 223</b>
Income tax	7 001 383	3 443 831
<b>NET PROFIT (LOSS) ON CONTINUING OPERATIONS</b>	<b>25 264 057</b>	<b>16 589 392</b>
Net profit (loss) on discontinued operations	-	-
<b>NET PROFIT (LOSS)</b>	<b>25 264 057</b>	<b>16 589 392</b>
<b>Net profit attributable to:</b>		
Shareholders of the parent	25 264 057	16 589 392
Non-controlling interests	-	-

<b>Statement of profit and loss and other comprehensive income</b>		
<b>Item</b>	<b>For the period: 01.01.2021-31.03.2021</b>	<b>For the period: 01.01.2020-31.03.2020</b>
NET PROFIT (LOSS)	25 264 057	16 589 392
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>25 264 057</b>	<b>16 589 392</b>
<b>Total comprehensive income attributable to:</b>		
Shareholders of the parent	25 264 057	16 589 392
Non-controlling interests	-	-

## 2.4. Separate statement of cash flows

<b>Separate statement of cash flows (indirect method)</b>		
<b>Item</b>	<b>For the period: 01.01.2021-31.03.2021</b>	<b>For the period: 01.01.2020-31.03.2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit (loss) before tax	32 265 440	20 033 223
<b>Total adjustments</b>	<b>-5 442 973</b>	<b>7 481 215</b>
Depreciation / amortisation	1 242 831	1 407 626
Interest	2 571	109 154
Gain (loss) on sale of non-current assets	34 877	25 325
<b>Changes in working capital</b>	<b>-7 286 628</b>	<b>5 330 329</b>
Changes in provisions	5 247 353	-9 843
Changes in inventories	-261 048	88 099

Changes in receivables	-12 833 382	7 952 034
Changes in current liabilities, except for financial liabilities	1 636 406	-2 073 801
Changes in deferred revenue - subsidy	-1 075 957	-626 159
Other adjustments	563 375	608 781
<b>Cash generated from operating activities</b>	<b>26 822 466</b>	<b>27 514 438</b>
Income tax on profit before tax	-7 017 532	-3 338 212
<b>Net cash flows from operating activities</b>	<b>19 804 934</b>	<b>24 176 226</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from bond buy-back	5 000 000	-
Expenses on the acquisition of property, plant and equipment	-296 824	-388 166
Proceeds from sale of property, plant and equipment	15 420	17 540
<b>Net cash flows from investing activities</b>	<b>4 718 596</b>	<b>-370 626</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of credit and loans	-4 286 905	-2 155 262
Repayment of lease liabilities	-57 543	-48 981
Dividends paid out	-	-12 330 226
Interest paid	-7 371	-109 154
<b>Net cash flows from financing activities</b>	<b>-4 351 820</b>	<b>-14 643 624</b>
<b>Increase / decrease in cash and equivalents before effects of changes in exchange rates</b>	<b>20 171 711</b>	<b>9 161 976</b>
Change in cash due to exchange differences	-	-
<b>BALANCE SHEET CHANGE IN CASH AND EQUIVALENTS</b>	<b>20 171 711</b>	<b>9 161 976</b>
<b>CASH AND EQUIVALENTS AT THE BEGINNING OF PERIOD</b>	<b>40 315 528</b>	<b>24 682 296</b>
<b>CASH AND EQUIVALENTS AT THE END OF PERIOD</b>	<b>60 487 239</b>	<b>33 844 272</b>
- including restricted cash	207 633	140 448

## 2.5. Separate statement of changes in equity

Separate statement of changes in equity for the period: 01.01.2021-31.03.2021	Share capital	Supplementary capital - share premium	Retained earnings	Share redemption	Reserve capital - restatement of assets	Retained earnings	Total equity attributable to shareholders of the parent	Equity attributable to non-controlling interests	Total equity
Balance as at 01.01.2021	35 128 850	25 573 479	3 407 079	985 000	12 916 096	70 795 680	148 806 184	-	148 806 184
Transactions with the owners	-	-	-	-	-	-	-	-	-
<b>Total transactions with the owners</b>	-	-	-	-	-	-	-	-	-
Net profit (loss) in the period:	-	-	-	-	-	25 264 057	25 264 057	-	25 264 057
Other comprehensive income	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	-	-	25 264 057	25 264 057	-	25 264 057
<b>Increase (decrease) in equity</b>	-	-	-	-	-	25 264 057	25 264 057	-	25 264 057
Balance as at 31.03.2021	35 128 850	25 573 479	3 407 079	985 000	12 916 096	96 059 737	174 070 241	-	174 070 241

Separate statement of changes in equity for the period: 01.01.2020-31.03.2020	Share capital	Supplementary capital - share premium	Retained earnings	Share redemption	Reserve capital - restatement of assets	Retained earnings	Total equity attributable to shareholders of the parent	Equity attributable to non-controlling interests	Total equity
Balance as at 01.01.2020	35 728 850	25 573 479	12 344 017	385 000	12 916 096	39 404 360	126 351 802	-	126 351 802
Dividends paid out	-	-	-12 330 226	-	-	-	-12 330 226	-	-12 330 226
<b>Total transactions with the owners</b>	-	-	-12 330 226	-	-	-	-12 330 226	-	-12 330 226
Net profit (loss) in the period:	-	-	-	-	-	16 589 392	16 589 392	-	16 589 392
Other comprehensive income	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	-	-	16 589 392	16 589 392	-	16 589 392
<b>Increase (decrease) in equity</b>	-	-	-12 330 226	-	-	16 589 392	4 259 165	-	4 259 165
Balance as at 31.03.2020	35 728 850	25 573 479	13 791	385 000	12 916 096	55 993 752	130 610 967	-	130 610 967



## 3. Additional information to the condensed interim report for Q1 2021

### 3.1. Description of Mo-BRUK Group

Mo-BRUK S.A. is part of a group comprising Mo-BRUK S.A. - the parent company, and Raf-Ekologia sp. z o.o. - a wholly owned subsidiary of Mo-BRUK S.A.

LIST OF COMPANIES IN WHICH THE GROUP HOLDS AT LEAST 20%				
OF SHARES OR VOTES AT THE GENERAL MEETING AT THE BALANCE SHEET DATE				
Item	Entity name and registered office	% stake in capital	% stake in general meeting	Type of link and method of consolidation
1.	"RAF-EKOLOGIA" Spółka z o.o. 38-460 Jedlicze ul. Trzeciejskiego 14	100	100	Fully consolidated

The Group's structure did not change in the period from 1 January 2021 to 31 March 2021.

#### Key data on the Parent

Name:	Mo-BRUK Spółka Akcyjna
Issuer's registered office:	Niecew
Issuer's legal form:	joint stock company
Legislation:	Polish and EU
Country of Issuer's registered office:	Poland
Issuer's address:	Niecew 68, 33-322 Korzenna
Telephone number:	+48 (18) 441 70 48
Fax number:	+48 (18) 441 70 99
Email:	mobruk@mobruk.pl
Website:	www.mobruk.pl
KRS number:	0000357598
NIP number:	7343294252
REGON number:	120652729

#### Key data on the subsidiary

Name:	Raf-Ekologia Spółka z ograniczoną odpowiedzialnością
Registered office:	Jedlicze
Legal form:	limited liability company
Legislation:	Polish and EU
Country of incorporation:	Poland
Address:	ul. Trzeciejskiego 14, 38-460 Jedlicze

Telephone number: +48 13 43 84 362  
Fax number: +48 13 43 84 166  
Email: rafekologia@rafekologia.pl  
Website: www.rafekologia.pl  
KRS number: 0000069313  
NIP number: 6842198750  
REGON number: 370484149

### **Issuer's Management Board**

During the reporting period (and until the date this report was prepared) the composition of the Issuer's Management Board did not change and was as follows:

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

### **Issuer's Supervisory Board**

During the reporting period (and until the date this report was prepared) the composition of the Issuer's Supervisory Board did not change and was as follows:

Kazimierz Janik	Chairperson of the Supervisory Board
Jan Basta	Member of the Supervisory Board
Piotr Pietrzak	Member of the Supervisory Board
Piotr Skrzyński	Member of the Supervisory Board
Konrad Turzański	Member of the Supervisory Board

### **Audit Committee**

At the date on which this report was prepared, the Audit Committee was composed as follows:

Piotr Pietrzak	Chairperson of the Audit Committee,
Jan Basta	Member of the Audit Committee,
Kazimierz Janik	Member of the Audit Committee.

**Mo-BRUK Spółka Akcyjna**, based in Niecew (Niecew 68, 33-322 Korzenna), is a capital company with legal personality registered at the District Court in Kraków, 12th Commercial Division, entered in the National Court Register under KRS number 0000357598.

The Company has been established for an indefinite period and operates pursuant to the provisions of Polish law.

The firm had been operating since 1985 as a sole proprietorship under the name "Mo-BRUK" Józef Mokrzycki. Until 1996, it manufactured products from terrazzo (tiles, window sills, stairs) and catered predominately to retail customers. From 1996, the firm has been in the widely-defined waste management business, encompassing storage, disposal and recycling. As the firm developed, on 1 April 2008 its legal form was changed from a sole proprietorship (Mo-BRUK Józef Mokrzycki) to a limited partnership. On 1 June 2010, the Company's legal form was changed to a joint stock company.

Mo-BRUK S.A. has seven branches and one subsidiary. A waste recovery facility and a concrete surface construction facility are located next to the Company's registered office in Niecew.

Three of the Company's branches are located in Wałbrzych: waste recycling facility, where alternative fuels are produced, industrial waste landfill (waste is no longer being landfilled here since 20 March 2020) and coal slug recovery facility.

An alternative fuel production facility has been operating in Karsy (municipality of Ożarów) since 2008, with an industrial waste incineration unit launched in 2014.

An inorganic waste recovery facility was launched in Skarbimierz in 2014.

Mo-BRUK S.A. also has a branch in Łęka (fuelling station and diagnostics station).

Mo-BRUK holds a 100% stake in Raf-Ekologia Sp. z o.o.

The subsidiary's principal business is the thermal treatment of industrial and medical waste.

**Raf-Ekologia Sp. z o.o.** was founded on 1 December 1999 in Krosno (notary's deed of 1 December 1999, notary's register A no. 9397/99). Its share capital amounts to PLN 686 000.00 (six hundred eighty-six thousand zlotys) and is divided into 6860 shares with a nominal value of PLN 100.00 each. The Company is engaged in the thermal treatment of hazardous and non-hazardous waste, including medical and veterinary, of a wide variety, pursuant to integrated permit no. ŚR.IV-6618-23/1/06 issued by the Podkarpackie Voivode.

## 3.2. Significant accounting principles

### 3.2.1 Basis for preparing the financial statements

The presented condensed consolidated financial statements were prepared for the period from 1 January 2021 to 31 March 2021. The comparative data covers the period from 1 January 2020 to 31 March 2020 as regards the statement of profit and loss and statement of cash flows, and for carrying amounts as at 31 December 2020.

The Group's financial year is the calendar year.

The data presented in the condensed consolidated interim financial statements is presented in Polish zloty (PLN) and rounded to full zloty.

The condensed consolidated financial statements have been prepared on the assumption that the Group's companies would continue as a going concern in the foreseeable future. At the date

on which these consolidated financial statements were prepared, no circumstances were identified that would threaten the Group's going concern.

### **3.2.2 Statement of compliance**

The Company prepares financial statements in accordance with its accounting principles (policy) resulting from International Accounting Standards, International Financial Reporting Standards and associated interpretations, published in the form of European Commission regulations, and if not addressed in these Standards - appropriately to the requirements of the Accounting Act of 29 September 1994 and secondary legislation issued on its basis. The same accounting principles (policy) and calculation methods were applied in these financial statements as in the previous financial statements. The Management Board of Mo-BRUK S.A., based in Niecew, declares that the financial results were drawn up by the Chief Accountant of Mo-BRUK S.A. Further, the Management Board declares that the Management Board report on Mo-BRUK S.A.'s activities contains a true depiction of the Group's development, achievements and a fair and clear view of its asset and financial situation.

### **3.2.3 Measurement currency and currency of the financial statements**

The Group's measurement currency and reporting currency for these condensed financial statements is the Polish zloty.

### **3.2.4 Rules applied in preparing the report, in particular information on changes in applied accounting principles (policy)**

These condensed consolidated financial statements for the first quarter of 2021 and comparative data for the first quarter of 2020 are prepared in accordance with IFRS.

### **3.2.5 Presentation changes**

The Group did not record any presentation changes in the reporting period ended on 31 March 2021.

### **3.2.6 Correction of error**

The condensed consolidated financial statements for Q1 2021, including comparative data, do not contain differences.

No errors concerning previous periods were identified.

### 3.2.7 Consolidation rules

Mo-BRUK Group comprises the parent, Mo-BRUK S.A., and subsidiary Raf-Ekologia Sp. z o.o., based in Jedlicze.

The subsidiary's financial statements have the same reporting period as the parent's financial statements, consistent accounting rules, based on consistent accounting rules applied to similar economic transactions and events.

The parent fully consolidates the entities over which it has control.

### 3.2.8 Conversion of financial statements of subsidiaries in foreign currencies

Mo-BRUK Group does not have any subsidiaries whose financial statements would be in foreign currencies.

### 3.3. Amount and type of items having impact on assets, liabilities, equity, net result or cash flows that are atypical due to their type, value or frequency

In the reporting period ended 31 March 2021, the Group did not record any items having an impact on assets, liabilities, equity, net result or cash flows that are atypical due to their type, value or frequency.

### 3.4. Information on recognition, increase or release of provisions

Changes in deferred income tax provisions are disclosed in point 3.5.

#### Consolidated data

Changes in provisions	Period from 01.01.2021 to 31.03.2021
<b>At the beginning of period</b>	<b>897 663</b>
increases	5 258 550
<i>other provisions</i>	5 258 550
decreases	-29 196
<i>employee benefits provisions</i>	-29 196
<b>At the end of period</b>	<b>6 127 017</b>

## Separate data

Changes in provisions	Period from 01.01.2021 to 31.03.2021
<b>At the beginning of period</b>	<b>583 041</b>
increases	5 276 550
<i>other provisions</i>	5 276 550
decreases	-29 196
<i>employee benefits provisions</i>	-29 196
<b>At the end of period</b>	<b>5 830 395</b>

## 3.5. Information on deferred income tax provisions and assets

### Consolidated data

Deferred income tax - reporting period	Balance as at 31-12-2020	Recognised in result 01.01.2021-31.03.2021	Balance as at 31-03-2021
<b>Deferred income tax assets</b>			
Social security contributions	88 931	129	89 060
Employee benefits	197 801	165 862	363 663
Provision for receivables	68 602	-	68 602
Leases	248 955	-10 934	238 021
Grant	1 516 120	36 769	1 552 889
Balance sheet audit, other	15 149	-12 625	2 524
<b>Total deferred income tax assets:</b>	<b>2 135 558</b>	<b>179 201</b>	<b>2 314 759</b>
<b>Deferred income tax provision</b>			
Leased tangible assets	87 607	-	87 607
Interest on bonds	2 016	-2 016	-
Measurement of tangible assets	8 228 910	168 488	8 397 398
<b>Total deferred income tax provision:</b>	<b>8 318 533</b>	<b>166 472</b>	<b>8 485 005</b>

## Separate data

Deferred income tax - reporting period	Balance as at 31-12-2020	Recognised in result 01.01.2021-31.03.2021	Balance as at 31-03-2021
<b>Deferred income tax assets</b>			
Social security contributions	66 536	129	66 665
Employee benefits	141 442	165 862	307 304
Provision for receivables	5 141		5 141
Leases	248 955	-10 934	238 021
Grant	1 516 120	36 769	1 552 889
Balance sheet audit	17 239	-9 205	8 034
<b>Total deferred income tax assets:</b>	<b>1 995 433</b>	<b>182 621</b>	<b>2 178 054</b>
<b>Deferred income tax provision</b>			
Interest on bonds	2 016	-2 016	-
Measurement of tangible assets	8 136 635	168 488	8 305 123
<b>Total deferred income tax provision:</b>	<b>8 138 651</b>	<b>166 472</b>	<b>8 305 123</b>

### 3.6. Information on material transactions to purchase and sell property, plant and equipment

The Group did not record any transactions to purchase or sell property, plant and equipment in the reporting period ended on 31 March 2021.

### 3.7. Information on failure to repay credit or loan or breach of material provisions of credit or loan agreement

In the reporting period ended on 31 March 2021, the Group did not record any delays in the repayment of credit facilities and loans or breaches of material provisions of credit and loan agreements.

### 3.8. Discussion of key economic and financial figures disclosed in the condensed consolidated financial statements, in particular description of factors and events, including atypical in nature, having material impact on the Issuer's business and profit or loss in the financial year, along with discussion of development perspectives for the Issuer's business at least in the next financial year

The Group recorded a 57.5% increase in revenue from sales in the first quarter of 2021, along with 25.4% growth in operating costs, compared to the same period of 2020, which translated into a nearly double increase in profit on sales, to PLN 36.7 million from PLN 19.5 million in the

preceding year. The Issuer's Group is successively growing its revenue from the sale of products and services, with the largest impact coming from the most dynamically developing segment, i.e. waste management, which in the first quarter of 2021 accounted for 95% of the Issuer's consolidated revenue. The improvement in Group revenue was driven by the acquisition of new customers on the waste management market, which provided new streams of waste for the Group's installations, in particular contracts for the removal of the so-called ecological bombs. Another factor of revenue growth was an increase in the prices and fees for waste processing, resulting from changes in regulations pertaining to waste management that reduced the shadow economy.

## CONSOLIDATE STATEMENT OF PROFIT AND LOSS (comparative format)

Item	For the period: 01.01.2021-31.03.2021	For the period: 01.01.2020-31.03.2020	Change
Revenue from sales	60 410 795	38 364 645	57.5%
<b>Total costs:</b>	<b>23 728 001</b>	<b>18 915 115</b>	<b>25.4%</b>
Changes in products	-6 232	-20 248	69.2%
Depreciation / amortisation	1 335 277	1 497 875	-10.9%
Use of raw materials and materials	2 827 376	2 954 205	-4.3%
Third-party services	11 790 688	6 456 995	82.6%
Cost of employee benefits	4 981 920	5 159 855	-3.4%
Taxes and fees	359 948	338 667	6.3%
Other costs	181 930	163 285	11.4%
Value of goods and materials sold	2 257 094	2 364 481	-4.5%
<b>PROFIT (LOSS) ON SALES</b>	<b>36 682 795</b>	<b>19 449 531</b>	<b>88.6%</b>
Other operating revenue	113 853	77 240	47.4%
Other operating costs	973 004	115 868	739.7%
<b>EBITDA (operating profit + depreciation / amortisation)*</b>	<b>37 158 921</b>	<b>20 908 777</b>	<b>77.7%</b>
<b>EBIT (operating profit)**</b>	<b>35 823 644</b>	<b>19 410 902</b>	<b>84.6%</b>
Finance income	102	180 642	-99.9%
Finance costs	159 729	126 804	26.0%
<b>PROFIT (LOSS) BEFORE TAX</b>	<b>35 664 017</b>	<b>19 464 740</b>	<b>83.2%</b>
Income tax	<b>7 663 762</b>	<b>3 706 108</b>	<b>106.8%</b>
<b>NET PROFIT (LOSS)</b>	<b>28 000 255</b>	<b>15 758 632</b>	<b>77.7%</b>



\*/ EBITDA is an economic value that is not reflected in the existing IASs/IFRSs and is not applied in financial reporting. In connection with this, according to the Issuer it constitutes an alternative performance measure (APM). The presented and calculated EBITDA constitutes the sum of operating result (profit / loss) and amortisation / depreciation. The APM applies to the reporting periods indicated in the table header.

\*\*/ EBIT is an economic value that is not reflected in the existing IASs/IFRSs and is not applied in financial reporting. In connection with this, according to the Issuer it constitutes an alternative performance measure (APM). The presented and calculated EBIT is identical to operating profit. The APM applies to the reporting periods indicated in the table header.

In the first quarter of 2021, Mo-BRUK Group recorded considerable growth in comparison with the same period of 2020 in operating profit, EBITDA, profit before tax and net profit (PLN 28 million, which is 77.7% higher than the Group's result in Q1 2020).

### Mo-BRUK Group's profit

Item, data in PLN	Q1 2021	Q1 2020	Change
<b>Profit (loss) on sales</b>	<b>36 682 795</b>	<b>19 449 531</b>	88.6%
EBITDA (operating profit + depreciation / amortisation)	37 158 921	20 908 777	77.7%
EBIT (operating profit)	35 823 644	19 410 902	84.6%
Gross profit (loss)	35 664 017	19 464 740	83.2%
<b>Net profit (loss)</b>	<b>28 000 255</b>	<b>15 758 632</b>	77.7%

The growth in revenue along with cost reductions in core operating activities is reflected in other improved indicators, including EBITDA. In the first quarter of 2021, Mo-BRUK Group recorded 77.7% growth in EBITDA to PLN 37.2 million vs. PLN 20.9 million in Q1 2020.

### Profitability analysis for Issuer's Group

Item	Q1 2021	Q1 2020
Sales margin	60.7%	50.7%
EBITDA margin	61.5%	54.5%
EBIT margin	59.3%	50.6%
Net margin	46.3%	41.1%

#### Algorithms for calculating the ratios:

Margin on sales = result on sales / net revenue from sales

EBITDA margin = operating result + amortisation/depreciation / revenue from sales

Operating margin = operating result / net revenue from sales

Net margin = net financial result / net revenue from sales

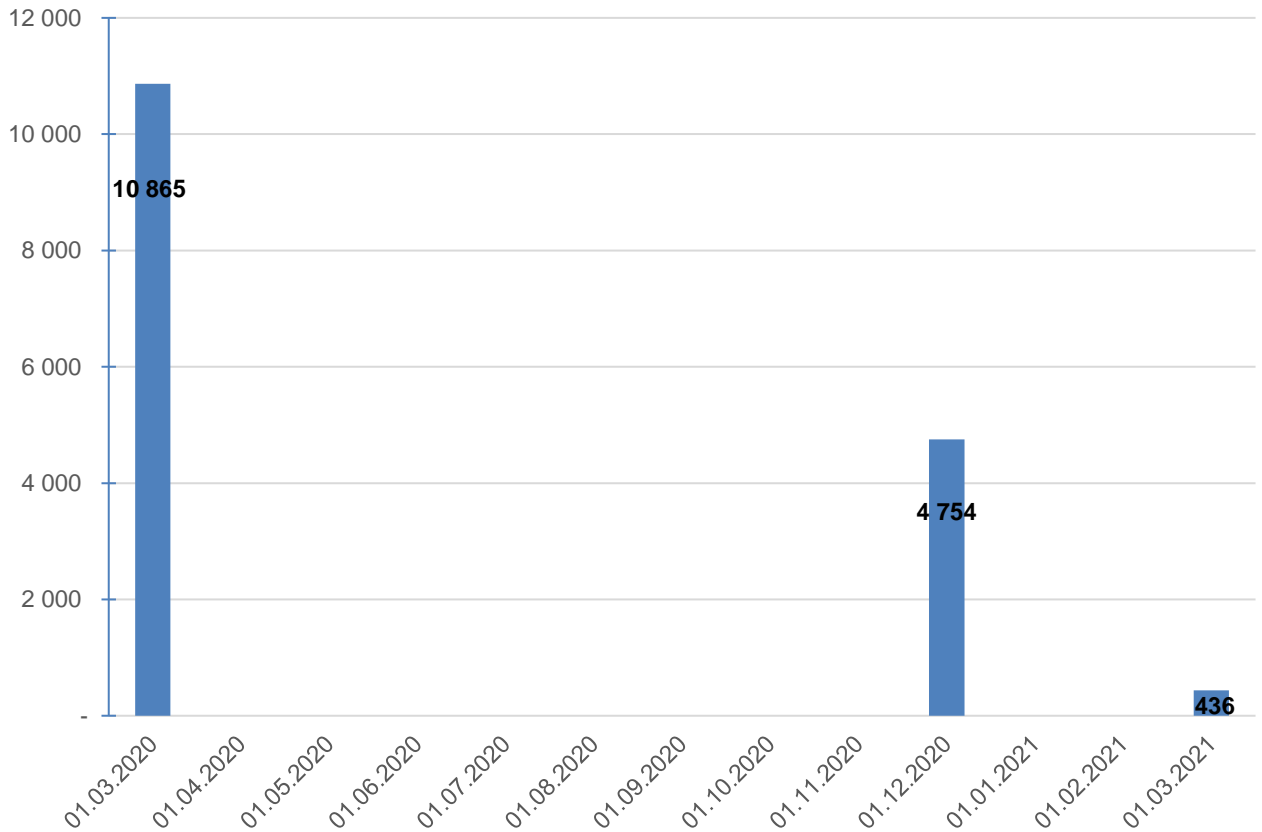
The Issuer's Group also recorded improvements in profitability ratios in Q1 2021, comparing to the same period of 2020. Margin on sales increased from 50.7% to 60.7%, while operating margin went up from 50.6% to 59.3%. In the periods being compared, net margin grew from 41.1% to 46.3%, while EBITDA margin increased from 54.5% to 61.5%.

Mo-BRUK Group is repaying its financial debt on schedule, managing to significantly reduce its liabilities arising from financial contracts. In the 12 months to the presentation date for the financial data in these financial statements, i.e. in the period from 1 April 2020 to 31 March 2021, the Group's financial debt declined by 96%.

<b>Mo-BRUK Group's financial debt and cash [PLNk]</b>			
	<b>31.03.2020</b>	<b>31.12.2020</b>	<b>31.03.2021</b>
<b>Financial debt<sup>1)</sup></b>	<b>10 864.6</b>	<b>4 754.3</b>	<b>436.3</b>
<i>including:</i>			
<i>credit and loan debt</i>	<i>10 741.1</i>	<i>4 383.3</i>	<i>96.4</i>
<i>lease debt</i>	<i>123.5</i>	<i>370.9</i>	<i>339.9</i>
<b>Cash</b>	<b>37 986.1</b>	<b>49 342.8</b>	<b>71 553.5</b>

<sup>1)</sup> the financial debt in this table does not include a liability related to the perpetual usufruct of land

## Mo-BRUK Group's financial debt [PLNk]



By systematically repaying financial liabilities, the Group is improving its debt ratios, with a very good level of net financial debt to EBITDA.

In the presented periods, the Group had higher cash than financial debt, which is why the following ratios are with a negative sign.

Mo-BRUK Group's net financial debt to EBITDA ratio		
31.03.2020 <sup>1)</sup>	31.12.2020	31.03.2021 <sup>2)</sup>
-0.4	-0.4	-0.6

Algorithms for calculating the ratio:

financial debt<sup>3)</sup> - cash and other financial assets / 12-month operating profit + 12-month depreciation/amortisation

<sup>1)</sup>for the ratio at 31.03.2020 EBITDA is calculated for the period from 01.04.2019 to 31.03.2020

<sup>2)</sup> for the ratio at 31.03.2021 EBITDA is calculated for the period from 01.04.2020 to 31.03.2021

<sup>3)</sup> the financial debt taken into account in calculating this ratio does not include a liability related to the perpetual usufruct of land

In the first quarter of 2021, the Issuer continued its efforts to secure an appropriate volume of waste supply to the Group's installations. In the reporting period, the Group's facilities recorded better sales results than in the preceding periods. A higher exposure to the inorganic waste

management sector is contributing to a considerable improvement in the Group's profitability. Given the fact that the waste management market in Poland is at a stage of intensive growth and is very promising, the Management Board of Mo-BRUK S.A. is expecting considerable growth in revenue in the coming periods.

The Management Board is making every effort to secure an appropriate stream of waste for processing at Mo-BRUK Group's installations. Commercial activities are being undertaken on an on-going basis, with the aim of acquiring new customers, which should translate into better financial results for the Issuer.

In its flagship segment, waste management, Mo-BRUK Group reports three business lines related to the processing and treatment of waste:

### **Solidification and stabilisation of inorganic waste**

The Issuer possesses competences and experience in the treatment of inorganic waste and producing granulated cement from this waste. Mo-BRUK S.A. has been processing a variety of waste since 1996, using its own unique technology. The hazardous waste that the Issuer receives is subject to cementation at a further treatment stage. The Issuer collects a fee for waste received for cementation from entities providing waste for disposal. As a result of reactions taking place during this process, the hazardous substances contained in this waste are neutralised. The end result of the process is granulated cement, which is a substitute for aggregate and is sold to end customers. The following types of hazardous and non-hazardous inorganic wastes are accepted for the solidification and stabilisation process: slags and ashes from waste incineration plants, sludges from chemical wastewater treatment plants, post-galvanic waste, other waste containing heavy metals.

Based on proprietary waste cementation technology, the Issuer operates two sites: waste processing facility in Niecew and inorganic waste recovery facility in Skarbimierz.

### **Production of alternative fuels**

Mo-BRUK S.A. was one of the first companies in the country to gain competence in the manufacture of alternative fuels. In 2004, the Issuer launched its first alternative fuel production facility in Wałbrzych. In 2008, the Issuer launched a second site in Karsy near Ożarów (next to the Ożarów cement plant). As a result of further investments with the use of EU funding, a second production line was built at the alternative fuels production facility in Karsy. This business line includes the separation of ferrous and non-ferrous metals, which until the end of Q3 2020 had been performed at the ferrous and non-ferrous metals recovery plant in Zabrze. As part of an effort to streamline its business lines, on 30 September 2020 Mo-BRUK Group sold its facility in Zabrze as an organised part of enterprise. This business line included the storage of non-hazardous industrial waste. The storage of waste at the Issuer's landfill was ended on 20 March 2019, and rehabilitation work is currently under-way.

Mo-BRUK S.A. produces alternative fuel from combustible municipal waste provided by waste collection companies. Combustible industrial waste supplied directly by industrial plants and

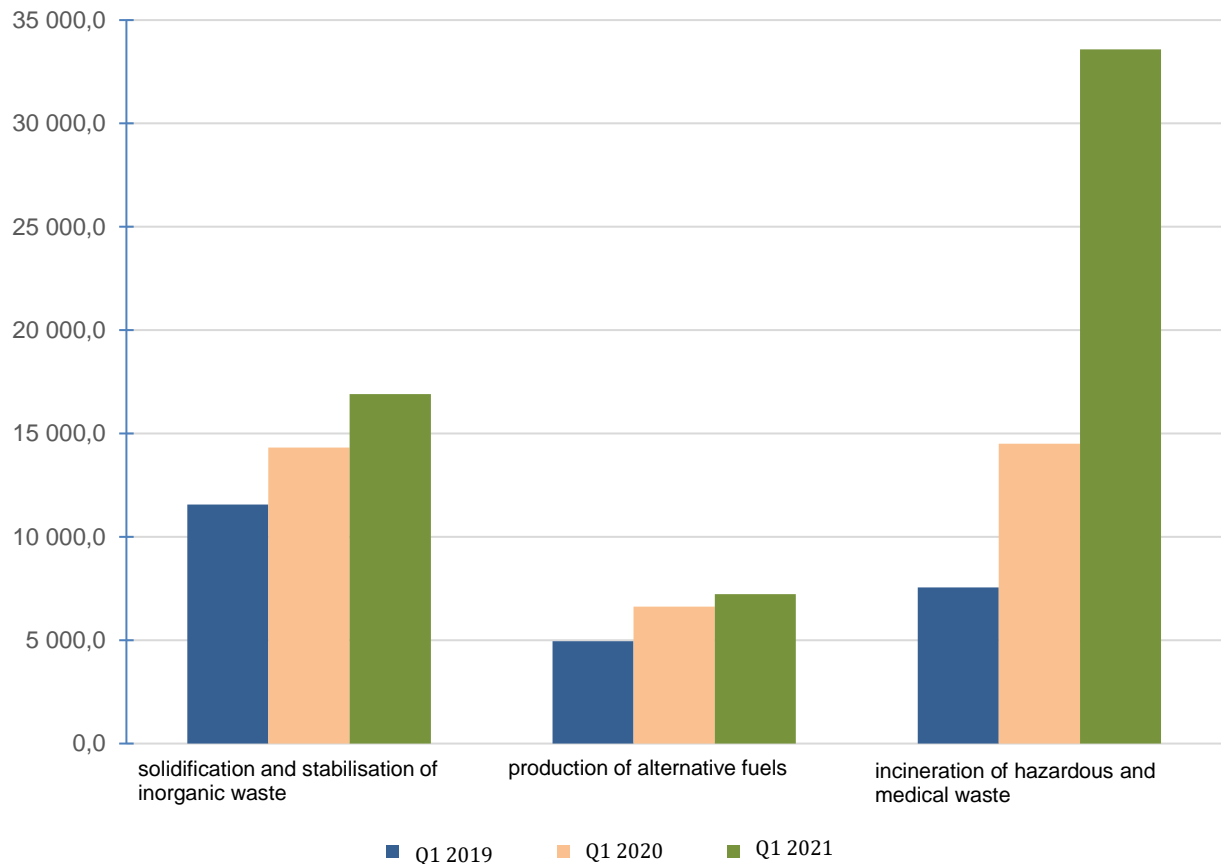
waste collection companies is also used in the manufacture of alternative fuels. Waste is received and then subjected to mechanical processing, as a result of which alternative fuel is created.

## Incineration of hazardous and medical waste

In 2008, Mo-BRUK J. Mokrzycki spółka komandytowa (the Issuer's legal predecessor) purchased the industrial and medical waste incineration plant Raf-Ekologia Sp. z o.o., which conducts thermal treatment of industrial and medical / veterinary waste in an environmentally safe manner. As a result of incinerating specific waste groups, Raf-Ekologia Sp. z o.o. produces energy in the form of technological steam, which it sells to Rafineria Nafty Jedlicze S.A. In 2014, the Issuer launched its second industrial waste incineration plant, located at the alternative fuels production facility in Karsy. The investment was delivered as part of the project "Implementation of innovative technology for production of high-calorie fuel mixture" for which the Issuer secured EU funding. The incineration plant is a source of warm air used to dry alternative fuel. The following types of waste are treated or recovered at the incineration plants: paints, adhesives, solvents, refinery waste, waste from oil and gas exploration, medical and veterinary waste, out-of-date agrochemicals, laboratory and analytical reagents.

Consolidated revenue [PLNk]	2019 Q1	2020 Q1	2021 Q1
solidification and stabilisation of inorganic waste	11 563.2	14 326.1	16 898.1
production of alternative fuels	4 945.8	6 630.6	7 223.5
incineration of hazardous and medical waste	7 548.6	14 502.3	33 577.7
<b>Total:</b>	<b>24 057.6</b>	<b>35 459.0</b>	<b>57 699.2</b>

## Consolidated revenue from waste management [PLNk]



Waste management is Mo-BRUK Group's most dynamically developing segment, accounting for 95% of the Issuer's consolidated revenue, with several investment projects co-funded by the EU completed by the Issuer in this segment over the past decade.

The principal source of the Group's revenue are fees for receiving waste for management, mainly at the Group's installations. Mo-BRUK Group serves as an important link in the waste management chain in Poland as it is an alternative to landfills. Companies collecting municipal waste or holders of waste are interested in working with Mo-BRUK Group as it allows them to reduce waste storage at landfills. On the other hand, the Issuer's Group is interested in receiving waste for further management because it possesses the relevant technology and experience in waste processing to produce alternative fuels, granulated cement and energy.

The Issuer's Group is competent and authorised for the processing of more than 80% of the types of waste listed in the Regulation of the Minister of the Environment dated 9 December 2014 on the waste catalogue (Polish Journal of Laws of 2014, item 1923). According to Polish law, waste disposal is paid for by the entity generating the waste rather than a "cleaning firm" or "disposal firm" such as the Issuer. This is why Mo-BRUK Group is able to collect fees for accepting waste at a level similar to or higher than the fees collected by landfill sites. The amount of fees collected by the Issuer's Group depends on the waste category, physical and chemical category, location and, lastly, the negotiated terms.

### **3.9. Other material events at the Group in the reporting period**

#### **Early complete repayment of investment loan at Bank Ochrony Środowiska S.A.**

On 29 January 2021, the Issuer made an early, complete repayment of an investment loan from Bank Ochrony Środowiska S.A. The total amount repaid ahead of schedule was PLN 4 275 334.00. The planned repayment date was 31 December 2021.

### **3.10. Events after the reporting period**

In the period after the balance sheet date, the Group did not record any events that could materially affect the Group's financial results in the future.

### **3.11. Description of factors and events, especially atypical ones, having material impact on financial results**

In the reporting period ended on 31 March 2021, no atypical events took place that could have a material impact on financial results.

### **3.12. Explanations regarding seasonality or cyclicity of the Issuer's business in the reporting period**

The Group's business is not characterised by significant seasonality or cyclicity that could materially impact the periodic results of the Issuer or its subsidiary.

### **3.13. Information on issue, buy-back and repayment of debt and equity securities**

In the reporting period ended on 31 March 2021, the Issuer and subsidiary did not record debt or equity issue or redemption transactions.

### **3.14. Information on paid (or declared) dividend, in the aggregate and per share, by ordinary and preference shares**

#### **Dividend policy**

On 22 September 2020, pursuant to §37 point d of the Company's Articles of Association, the Management Board of Mo-BRUK S.A. adopted resolution 79/2020 regarding amendment of the dividend policy introduced through Management Board resolution no. 67/2019 of 15 April 2019.

In line with the dividend policy, the Management Board is expected to recommend to the General Meeting that between 50% and 100% of Mo-BRUK S.A.'s net profit be allocated to a dividend on

the condition that the net debt to EBITDA ratio is maintained at an expected level at the end of the financial year that the profit allocation concerns.

In its recommendation on the allocation of Mo-BRUK S.A.'s profit, the Company's Management Board will take into account investment plans, including acquisitions, the Company's financial and liquidity situation, existing and future liabilities (including potential restrictions related to credit agreements and the issue of debt instruments) and assessment of Mo-BRUK S.A.'s perspective under specific market and macroeconomic conditions.

The net debt to EBITDA ratio at the end of the financial year that the profit allocation concerns may not exceed 2.5.

The dividend policy is set for an indefinite time and will be subject to periodic reviews.

The dividend policy entered into force on the date it was adopted and is effective starting with the Company's net profit for the financial year ended 31 December 2020.

### **Dividend payment for 2020 from related party**

On 1 April 2021, the Ordinary General Meeting of subsidiary Raf-Ekologia Sp. z o.o. adopted a resolution to allocate the entire profit for the financial year from 1 January 2020 to 31 December 2020, amounting to PLN 9 767 132.09, to a dividend for its sole shareholder, Mo-BRUK S.A.

The dividend payment was made on 16 April 2021.

### **Management Board recommendation on allocation of Mo-BRUK S.A.'s profit for 2020 and dividend payment**

On 6 May 2021, the Management Board of Mo-BRUK S.A. adopted a resolution to recommend to the General Meeting to allocate the profit generated in the period from 1 January 2020 to 31 December 2020, amounting to PLN 70 795 680.33, as follows:

1. dividend for shareholders, amounting to PLN 70 784 632.75,
2. supplementary capital, amounting to PLN 11 047.58.

The Management Board recommends to set the record date as 16 June 2021 and the payment date as 30 June 2021.

The dividend per share being recommended amounts to PLN 20.15.

The Management Board will request that the Supervisory Board assess the proposal and present it, along with its recommendation, to the General Meeting.



### **3.15. Events taking place after the date of these condensed quarterly financial statements that are not included in the financial statements but could have material impact on the Issuer's future financial results**

According to the Management Board, no events took place after date of these condensed quarterly financial statements that could have a material impact on the Issuer's future financial results.

### **3.16. Effects of changes in the economic entity's structure, including as a result of business combinations, acquisition or disposal of Group entities, long-term investments, division, restructuring and discontinued operations**

No changes in the structure of the Group or economic entity took place in the reporting period ended on 31 March 2021.

### **3.17. Management Board position on probability of achieving previously published forecasts for the year in light of results presented in quarterly report vs. forecast results**

The Management Board did not publish results forecasts for 2021.

### **3.18. Shareholders directly or indirectly through subsidiaries holding at least 5% of total votes at the Issuer's General Meeting at the quarterly report publication date, along with indication of the number of shares held by these entities, their percentage share in capital, number of votes and percentage share in total votes at the Company's General Meeting, indication of changes in ownership of major stakes in the Issuer since the publication of the previous quarterly report**

At the date of this report, Mo-BRUK S.A.'s registered share capital amounted to PLN 35 128 850.00 (in words: thirty-five million one hundred twenty-eight thousand eight hundred fifty zlotys 00/110) and was divided into 3 512 885 (in words: three million five hundred twelve thousand eight hundred eighty-five) shares with a nominal value of PLN 10.00 (in words: ten zlotys 00/100) each. The Company's shares are as follows:

- 702 642 registered shares series A (1 405 284 votes) - series A shares are preference shares in terms of votes - one series A share entitles to two votes,
- 1 227 936 bearer shares series B (1 227 936 votes) - series B shares are not preference shares,
- 1 582 307 bearer shares series B (1 582 307 votes) - series C shares are not preference shares.

Acting pursuant to §8 sec. 1 of the Company's Articles of Association in connection with art. 334 § 2 of the Polish Commercial Companies Code, on 6 October 2020 the Management Board of Mo-BRUK S.A. adopted a resolution to exchange 1 227 936 ordinary registered shares series B, with a nominal value of PLN 10.00 each, for 1 227 936 ordinary bearer shares series B, with a nominal value of PLN 10.00 each.

All of the shares have been fully paid up. Since 2010, the Company's shares have been listed in the alternative trading system NewConnect, and from 25 April 2012 the Issuer's series C ordinary bearer shares were introduced to a parallel market operated by the Warsaw Stock Exchange based on decisions no. 369/2012, 370/2012, 371/2012 of the WSE's Board. On 30 March 2017, shares from a further issue were introduced to trade on the parallel market pursuant to resolution no. 301/2017 of the WSE's Board dated 27 March 2017. On 23 November 2020, series B shares were introduced to trading on the WSE's parallel market pursuant to resolution no. 896/2020 of the WSE's Board.

The shareholding structure at the date on which this report was published was as follows:

Shareholder	Number of shares	Share of capital	Number of general meeting votes	Share of general meeting votes	Share of total number of votes
Ginger Capital Sp. z o.o.	1 229 838	35.01%	1 932 480	45.84%	45.84%
Value FIZ	836 206*	23.80%	836 206	19.84%	19.84%
Other	1 446 841	41.19%	1 446 841	34.32%	34.32%
<b>TOTAL:</b>	<b>3 512 885</b>	<b>100.00%</b>	<b>4 215 527</b>	<b>100.00%</b>	<b>100.00%</b>

Source: Issuer

\* own calculations, based on information known to the Issuer.

On 23 February 2021, the Issuer received a notification from Nederlanden Otwarty Fundusz Emerytalny stating that Nederlanden Otwarty Fundusz Emerytalny had decreased its stake in the Company to below 5% of votes at the Company's General Meeting.

### **3.19. Issuer's shares held by management and supervisory personnel at the quarterly report publication date, along with changes in shareholdings according to information known to the Issuer since the publication of the previous quarterly report**

At the date on which this quarterly report was published, the Issuer's management and supervisory personnel held no shares in the Issuer, and in the period from the publication of the previous periodic report, i.e. the financial statements for 2020, no changes took place in the shareholdings of obligated persons.

**3.20. Material proceedings on-going before a court, arbitration authority or public administration authority, concerning liabilities or debts of the issuer or its subsidiary****I.**

In a notice dated 2 December 2019, the Marshal of the Dolnośląskie Voivodeship informed the Issuer about the initiation of a procedure on the assessment of a fee in an amount constituting the difference between the fee due and the fee resulting from the list for storing waste in 2015 at a landfill for non-hazardous and inert waste with a separate facility for the storage of hazardous waste containing asbestos at ul. Górnicza 1 in Wałbrzych (file no.: DOW-S-I.7253.105.2019.AH). In this case, a law firm drafted a response which was filed by the Company, in response to which the Marshal of the Dolnośląskie Voivodship sent a letter dated 31 December 2019 and indicated new deadlines for the provision by the Company of the documents referred to in the aforementioned notice. In a letter dated 26 June 2020, the law firm asked the Marshal to push back the deadline for responding to 10 July 2020. On 29 June 2020, the Marshal of the Dolnośląskie Voivodeship issued a decision (file no. DOW-S-I.7253.105.2019.AH) on an increased fee, amounting to PLN 17 642 176.00. An appeal was lodged against this decision on 16 July 2020 (file no. SKO-4133/27/20); the decision was repealed and the case was referred for re-examination by the first-instance organ. Through a decision of 15 January 2021 (ref. DOW-S-I.7253.105.2019.AH) the law firm appealed this decision. The appeal not only included substantive arguments (i.e. concerning the lack of justification for the higher fee) but also pointed out procedural errors - which also can lead to the decision by the Marshal of the Dolnośląskie Voivodeship being repealed. In particular, it should be pointed out the flaws in the conduct of the proceedings by the Marshal of the Dolnośląskie Voivodeship, consisting of a sort of premature re-examination of the case (i.e. before the decision of the Local Appeals Court in Wrocław dated 13 October 2020 became final), along with irregularities relating to the selective conduct of evidentiary proceedings (including omitting the Company's position), led to the incorrect imposition of the increased fee. This case will be comprehensively verified by the Local Appeals Court in Wrocław. It should also be noted that a similar case already took place. Through a decision of 15 July 2016 (ref. DOW-S-I.7253.11.2015.PŁ.NK), the Marshal of the Dolnośląskie Voivodeship imposed on the Company a fee of PLN 6 084 016.00 for 2013. After the Company lodged an appeal, which indicated (as will be the case in the current matter) a number of violations of the law, the Local Appeals Court in Wrocław, in its decision dated 8 September 2016, repealed the appealed decision in its entirety and referred the case for re-examination by the Marshal of the Dolnośląskie Voivodeship. Through a decision of 30 November 2016 (ref. DOW-S-I.7253.11.2015.NK), the Marshal of the Dolnośląskie Voivodeship once again imposed on the Company a higher fee, however as a result of another appeal (i.e. against a decision dated 30 November 2016), the Local Appeals Court in Wrocław, through a decision of 28 March 2017, repealed the above decision issued by the Marshal of the Dolnośląskie Voivodeship and changed the fee to PLN 807.00 (final and binding decision).

**II.**

Administrative proceedings regarding alleged violations in waste management against Mo-BRUK are under-way in a second-instance court. The penalties for these violations, amounting to PLN 26 thousand in total, if they become final, could give rise to negative effects for the Company that

are provided for in other provisions of the law. According to the Management Board, the aforementioned fees were imposed unjustifiably, and for this reason an appeal proceeding is under-way.

**3.21. Information on one or more transactions executed by the issuer or its subsidiary with related parties, if individually or in the aggregate they are material and were executed on terms other than market terms**

In the reporting period ended on 31 March 2021, Mo-BRUK S.A. and subsidiaries did not execute any material transactions on conditions other than market conditions.

**3.22. Information on credit or loan sureties or guarantees issued by the Issuer or its subsidiary - in aggregate to one entity or a subsidiary of that entity, if the total value of the existing sureties or guarantees is material**

During the reporting period ended 31 March 2021, Mo-BRUK S.A. or subsidiaries did not issue credit or loan sureties or guarantees the aggregate value of which would be material.

**3.23. Other information that the Issuer considers to be material for assessing its personnel, asset and financial situation, financial results and changes thereto, along with information that are material to assessing the Issuer's capacity to fulfil liabilities**

At the date on which this periodic report was published, Mo-BRUK Group did not record any material events that could have a material impact on assessing the Issuer's personnel, asset and financial situation and its capacity for fulfilling liabilities.

**3.24. Factors that, according to the Issuer, will have an impact on its results over at least the next quarter**

The following items should be taken into account in analysing the factors that will have an impact on the Issuer's results over at least the next quarter:

**external factors:**

- risk associated with COVID-19,

The Group has so far not seen negative impact on sales or supply chain, but it is unable to predict future impact.

The Issuer is carrying out educational activities for employees, customers and suppliers to reduce the risk of spreading COVID-19. The Management Board is continuously monitoring the situation with the Company's customers and is ready to respond to any potential threats on an on-going basis.

The Management Board sees potential risk in the introduction of a quarantine at the Group's facilities or at key suppliers. A quarantine could potentially disrupt waste supplies to the Group's branches and ultimately have a negative impact on financial results.

In a way, Mo-BRUK Group is benefiting from the current epidemic. This concerns medical waste that is generated due to the pandemic, which the Group is managing on an on-going basis in its industrial and medical waste incineration segment.

- situation on the waste management market,
- economic situation in the country,
- situation in financial markets,
- legal regulations related to the Issuer's business, in particular:
  - Regulation of the Minister of the Environment on waste management,
  - Act on waste and other acts on environmental protection and waste management.

The above changes in legal regulations are seen by the Issuer as an opportunity to limit the shadow economy, which by using legal loopholes is disposing of waste illegally and generating huge profit by doing so. These legal changes should in the future have a positive impact on the Issuer's financial results by eliminating unfair competition and thus stabilising the prices on the waste market.

**internal factors:**

- possibility of higher fees for waste processing,
- acquisition of new customers for the Issuer's services.

**These condensed consolidated interim financial statements were approved for publication by the Management Board of Mo-BRUK S.A.**

Józef Mokrzycki – President of the Management Board

Elżbieta Mokrzycka – Vice-President of the Management Board for Administrative Affairs

Anna Mokrzycka-Nowak – Vice-President of the Management Board for Research and Development

Wiktor Mokrzycki – Vice-President of the Management Board for Trade

Tobiasz Mokrzycki – Vice-President of the Management Board for Construction

**Person responsible for drawing up the consolidated financial statements**

Jarosław Martiszek – Chief Accountant

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

Company registered by the District Court for Kraków-Śródmieście in Kraków, 12th Commercial Division of the National Court Register, under KRS number: 0000357598.

The Company's share capital amounts to PLN 35 128 850.00 and is fully paid-up.