



**Mo-BRUK GROUP CONSOLIDATED
QUARTERLY REPORT
FOR Q1-Q3 2021**

Niecew, 9 November 2021

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1. Mo-BRUK Group's interim consolidated financial statements for the first three quarters of 2021

1.1. Selected financial data

ITEM	PLN		EUR	
	01.01.2021-30.09.2021	01.01.2020-30.09.2020	01.01.2021-30.09.2021	01.01.2020-30.09.2020
I. Net revenue from sale of products, goods and materials	198 666 211	122 582 559	43 581 594	27 595 978
II. Operating profit (loss)	110 755 378	65 266 137	24 296 512	14 692 815
III. Gross profit (loss)	108 639 008	65 213 186	23 832 241	14 680 894
IV. Net profit (loss)	86 517 658	52 947 682	18 979 460	11 919 665
V. Net cash flows from operating activities	95 431 582	41 543 458	20 934 916	9 352 328
VI. Net cash flows from investing activities	3 790 594	6 198 193	831 546	1 395 347
VII. Net cash flows from financial activities	-75 449 589	-55 263 383	-16 551 447	-12 440 979
VIII. Total net cash flows	23 772 587	-7 521 733	5 215 015	-1 693 304
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)	24.63	14.82	5.40	3.34
ITEM	PLN		EUR	
	30.09.2021	31.12.2020	30.09.2021	31.12.2020
XI. Total assets	237 529 701	209 068 433	51 270 198	45 303 899
XII. Liabilities and provisions for liabilities	59 228 152	46 499 909	12 784 250	10 076 257
XIII. Non-current liabilities	27 383 834	26 791 403	5 910 733	5 805 539
<i>including deferred income - grant</i>	17 464 733	19 189 922	3 769 719	4 158 343
XIV. Current liabilities	31 844 318	19 708 506	6 873 517	4 270 717
<i>including deferred income - grant</i>	2 149 117	2 202 906	463 882	477 357
XV. Equity	178 301 549	162 568 524	38 485 948	35 227 642
XVI. Share capital	35 128 850	35 128 850	7 582 475	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)	50.76	46.28	10.96	10.03

The above data for the third 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 30 September 2021 - EURPLN 4.6329, 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 2021 to 30 September 2021 - EURPLN 4.5585, and from 1 January to 30 September 2020 - EURPLN 4.4420

1.2. Consolidated statement of financial position

Consolidated statement of financial position			
Item	as at 30-09-2021	as at 31-12-2020	as at 30-09-2020
NON-CURRENT ASSETS	116 988 146	119 822 907	121 877 980
Property, plant and equipment	113 544 670	115 984 088	117 129 157
Goodwill	832 348	832 348	832 348
Other intangible assets	624 771	637 656	638 545
Non-current receivables	1 986 357	2 368 815	3 277 931
CURRENT ASSETS	120 541 555	89 245 526	63 313 608
Inventory	988 128	724 964	778 624
Trade receivables	37 298 980	20 836 084	22 214 560
Other receivables	8 507 553	12 210 050	14 071 470
Other financial assets	-	4 995 200	4 984 590
Cash and equivalents	73 115 369	49 342 782	19 896 623
Prepayments	631 525	212 366	443 661
Non-current held for sale	-	924 080	924 080
Total assets:	237 529 701	209 068 433	185 191 588

Consolidated statement of financial position			
Item	as at 30-09-2021	as at 31-12-2020	as at 30-09-2020
Equity	178 301 549	162 568 524	136 794 948
Share capital	35 128 850	35 128 850	35 728 850
Share premium	25 573 479	25 573 479	25 573 479
Retained earnings	17 180 466	9 239 841	9 243 841
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)	86 517 658	78 725 258	52 947 682
Equity attributable to shareholders of the parent	178 301 549	162 568 524	136 794 948
Equity attributable to non-controlling interests	-	-	-
Non-current liabilities	27 383 834	26 791 403	28 140 233
Deferred income tax provision	4 565 085	6 182 976	5 997 423

Provision for pension benefits and similar	136 014	118 620	180 659
Other provisions	3 513 000	-	-
Credit and loans	27 000	61 714	1 018 620
Other financial liabilities	1 645 272	1 209 662	1 260 871
Other non-current liabilities	32 730	28 509	23 509
Deferred income - grant	17 464 733	19 189 922	19 659 150
Current liabilities	31 844 318	19 708 506	20 256 407
Credit and loans	46 286	4 321 620	5 531 548
Other financial liabilities	350 806	187 899	153 101
Trade liabilities	10 831 328	5 947 918	4 471 096
Current income tax liabilities	3 438 539	2 992 919	3 692 727
Provision for pension benefits and similar	688 404	710 043	603 877
Other current provisions	10 617 660	69 000	259 000
Other liabilities	3 722 178	3 276 201	3 223 325
Deferred income - grant	2 149 117	2 202 906	2 321 734
Total equity and liabilities:	237 529 701	209 068 433	185 191 588

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

<i>Consolidated statement of profit and loss</i>				
Item	For the period: 01.07.2021- 30.09.2021	For the period: 01.01.2021- 30.09.2021	For the period: 01.07.2020- 30.09.2020	For the period: 01.01.2020- 30.09.2020
Continuing operations				
Revenue from sales	67 153 611	198 666 211	50 896 845	122 582 559
Cost of sales	24 881 863	72 245 442	19 493 731	54 436 051
GROSS PROFIT (LOSS) ON SALES	42 271 748	126 420 769	31 403 114	68 146 508
Selling costs	548 187	1 550 380	458 251	1 300 855
General administrative expenses	1 537 790	5 044 570	1 545 951	4 769 802
Other operating revenue	472 573	762 894	3 276 487	3 415 349
Other operating costs	1 307 351	9 833 335	17 969	225 062
OPERATING PROFIT (LOSS)	39 350 993	110 755 378	32 657 430	65 266 138
Finance income	33 005	40 313	36 159	295 737
Finance costs	58 052	2 156 683	98 855	348 689

PROFIT (LOSS) BEFORE TAX	39 325 946	108 639 008	32 594 734	65 213 186
Income tax	8 571 843	22 121 350	6 104 240	12 265 504
NET PROFIT (LOSS) ON CONTINUING OPERATIONS	30 754 103	86 517 658	26 490 494	52 947 682
Net profit (loss) on discontinued operations	-	-	-	-
NET PROFIT (LOSS)	30 754 103	86 517 658	26 490 494	52 947 682
Net profit attributable to:				
Shareholders of the parent	30 754 103	86 517 658	26 490 494	52 947 682
Non-controlling interests	-	-	-	-

Consolidated statement of profit and loss and other comprehensive income				
Item	For the period: 01.07.2021- 30.09.2021	For the period: 01.01.2021- 30.09.2021	For the period: 01.07.2020- 30.09.2020	For the period: 01.01.2020- 30.09.2020
NET PROFIT (LOSS)	30 754 103	86 517 658	26 490 494	52 947 682
Other comprehensive income	-	-	-	-
Total comprehensive income	30 754 103	86 517 658	26 490 494	52 947 682
Total comprehensive income attributable to:				
Shareholders of the parent	30 754 103	86 517 658	26 490 494	52 947 682
Non-controlling interests	-	-	-	-

1.4. Consolidated statement of cash flows

Consolidated statement of cash flows (indirect approach)		
Item	For the period: 01.01.2021-30.09.2021	For the period: 01.01.2020-30.09.2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before tax	108 639 008	65 213 186
Total adjustments	10 531 814	-11 135 599
Depreciation / amortisation	4 011 851	4 496 899
Interest	15 384	231 947
Gain (loss) on sale of non-current assets	-95 757	-2 012 460
Changes in working capital	4 941 906	-15 678 329
Changes in provisions	14 057 414	154 119
Changes in inventories	-263 164	206 001
Changes in receivables	-12 583 304	-13 293 656

Changes in current liabilities, except for financial liabilities	5 929 097	386 867
Changes in deferred revenue - subsidy	-2 198 137	-3 131 660
Other adjustments	1 658 428	1 826 344
Cash generated from operating activities	119 170 822	54 077 587
Income tax on profit before tax	-23 739 240	-12 534 129
Net cash flows from operating activities	95 431 582	41 543 458
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from bond buy-back	5 000 000	-
Expenses on the acquisition of property, plant and equipment	-1 599 767	-912 545
Proceeds from sale of property, plant and equipment	390 361	12 095 328
Expenses on the buy-back of bonds	-	-4 984 590
Net cash flows from investing activities	3 790 594	6 198 193
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from credit and loans received	-	176 400
Repayment of credit and loans	-4 310 048	-6 522 615
Repayment of lease liabilities	-334 724	-347 923
Dividends paid out	-70 784 633	-48 337 298
Interest paid	-20 184	-231 947
Net cash flows from financing activities	-75 449 589	-55 263 383
Change in cash due to exchange differences	-	-
Balance sheet change in cash and equivalents	23 772 587	-7 521 733
Cash and equivalents at the beginning of period	49 342 782	27 418 356
Cash and equivalents at the end of period	73 115 369	19 896 623
- including restricted cash	3 757 008	134 041

1.5. Consolidated statement of changes in equity

Consolidated statement of changes in equity for the period: 01.01.2021-30.09.2021	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
Transfer of financial result to capital	-	-	7 940 625	-	-	-7 940 625	-	-	-
Dividends paid out	-	-	-	-	-	-70 784 633	-70 784 633	-	-70 784 633
Total transactions with the owners	-	-	7 940 625	-	-	-78 725 258	-70 784 633	-	-70 784 633
Net profit (loss) in the period:	-	-	-	-	-	86 517 658	86 517 658	-	86 517 658
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	86 517 658	86 517 658	-	86 517 658
Increase (decrease) in equity	-	-	7 940 625	-	-	7 792 400	15 733 025	-	15 733 025
Balance as at 30.09.2021	35 128 850	25 573 479	17 180 466	985 000	12 916 096	86 517 658	178 301 549	-	178 301 549

Consolidated statement of changes in equity for the period: 01.01.2020-30.09.2020	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	132 184 564	-	132 184 564
Transfer of financial result to capital	-	-	40 088 249	-	-	-40 088 249	-	-	-
Dividends paid out	-	-	-48 337 298	-	-	-	-48 337 298	-	-48 337 298
Total transactions with the owners	-	-	-8 249 049	-	-	-40 088 249	-48 337 298	-	-48 337 298
Net profit (loss) in the period:	-	-	-	-	-	52 947 682	52 947 682	-	52 947 682
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	52 947 682	52 947 682	-	52 947 682
Increase (decrease) in equity	-	-	-8 249 049	-	-	12 859 433	4 610 384	-	4 610 384
Balance as at 30.09.2020	35 728 850	25 573 479	9 243 841	385 000	12 916 096	52 947 682	136 794 948	-	136 794 948

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

2.1. Selected financial data

ITEM	PLN		EUR	
	01.01.2021-30.09.2021	01.01.2020-30.09.2020	01.01.2021-30.09.2021	01.01.2020-30.09.2020
I. Net revenue from sale of products, goods and materials	178 508 615	107 377 184	39 159 603	24 172 920
II. Operating profit (loss)	100 064 779	57 263 476	21 951 305	12 891 243
III. Gross profit (loss)	107 689 935	59 046 933	23 624 042	13 292 738
IV. Net profit (loss)	87 629 159	48 327 793	19 223 291	10 879 628
V. Net cash flows from operating activities	86 559 829	37 306 203	18 988 711	8 398 431
VI. Net cash flows from investing activities	13 808 848	8 047 532	3 029 260	1 811 673
VII. Net cash flows from financial activities	-75 185 051	-55 224 027	-16 493 416	-12 432 119
VIII. Total net cash flows	25 183 626	-9 870 292	5 524 556	-2 222 016
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)	24.95	13.53	5.47	3.05
ITEM	PLN		EUR	
	30.09.2021	31.12.2020	30.09.2021	31.12.2020
XI. Total assets	222 110 535	193 562 407	47 942 009	41 943 835
XII. Liabilities and provisions for liabilities	56 459 825	44 756 223	12 186 713	9 698 410
XIII. Non-current liabilities	26 648 378	26 632 996	5 751 986	5 771 213
<i>including deferred income - grant</i>	17 464 733	19 189 922	3 769 719	4 158 343
XIV. Current liabilities	29 811 446	18 123 227	6 434 727	3 927 197
<i>including deferred income - grant</i>	2 149 117	2 202 906	463 882	477 357
XV. Equity	165 650 710	148 806 184	35 755 296	32 245 424
XVI. Share capital	35 128 850	35 128 850	7 582 475	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)	47.16	42.36	10.18	9.18

The above data for the third 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 30 September 2021 - EURPLN 4.6329, 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 2021 to 30 September 2021 - EURPLN 4.5585, and from 1 January to 30 September 2020 - EURPLN 4.4420

2.2. Separate statement of financial position

Separate statement of financial position			
Item	as at 30-09-2021	as at 31-12-2020	as at 30-09-2020
Non-current assets	114 062 176	117 715 189	120 102 330
Property, plant and equipment	109 822 449	113 080 120	114 560 104
Other intangible assets	624 771	637 656	635 696
Shares	1 628 599	1 628 599	1 628 599
Non-current receivables	1 986 357	2 368 815	3 277 931
Current assets	108 048 359	75 847 218	52 822 123
Inventory	976 659	719 797	774 305
Trade receivables	33 053 199	16 672 070	16 981 635
Other receivables	8 274 392	12 046 317	13 967 498
Other financial assets	-	4 995 200	4 984 590
Cash and equivalents	65 499 154	40 315 528	14 812 004
Prepayments	244 954	174 227	378 012
Non-current held for sale	-	924 080	924 080
Total assets:	222 110 535	193 562 407	172 924 453

Separate statement of financial position			
Item	as at 30-09-2021	as at 31-12-2020	as at 30-09-2020
Equity	165 650 710	148 806 184	126 342 296
Share capital	35 128 850	35 128 850	35 728 850
Share premium	25 573 479	25 573 479	25 573 479
Retained earnings	3 418 127	3 407 079	3 411 078
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)	87 629 159	70 795 680	48 327 793
Equity attributable to shareholders of the parent	165 650 710	148 806 184	126 342 296
Equity attributable to non-controlling interests	-	-	-
Non-current liabilities	26 648 378	26 632 996	27 849 019
Deferred income tax provision	4 438 929	6 143 218	5 904 778

Provision for pension benefits and similar	79 494	69 712	96 958
Other provisions	3 513 000	-	-
Credit and loans	27 000	61 714	1 018 620
Other financial liabilities	1 125 222	1 168 430	1 169 514
Deferred income - grant	17 464 733	19 189 922	19 659 150
Current liabilities	29 811 446	18 123 227	18 733 137
Credit and loans	46 286	4 321 620	5 531 548
Other financial liabilities	184 416	141 858	144 969
Trade liabilities	10 047 571	5 518 424	4 035 412
Current income tax liabilities	3 204 060	2 628 546	3 298 109
Provision for pension benefits and similar	456 548	462 329	403 506
Other current provisions	10 617 660	51 000	259 000
Other liabilities	3 105 789	2 796 546	2 738 859
Deferred income - grant	2 149 117	2 202 906	2 321 734
Total equity and liabilities:	222 110 535	193 562 407	172 924 453

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

Consolidated statement of profit and loss				
Item	For the period: 01.07.2021- 30.09.2021	For the period: 01.01.2021- 30.09.2021	For the period: 01.07.2020- 30.09.2020	For the period: 01.01.2020- 30.09.2020
Continuing operations				
Revenue from sales	59 659 001	178 508 615	43 558 331	107 377 184
Cost of sales	21 849 093	63 482 350	17 300 564	48 068 745
GROSS PROFIT (LOSS) ON SALES	37 809 908	115 026 264	26 257 767	59 308 439
Selling costs	538 001	1 550 380	458 251	1 300 855
General administrative expenses	1 256 529	4 130 091	1 288 601	3 920 402
Other operating revenue	472 571	501 975	3 240 008	3 333 389
Other operating costs	1 288 850	9 782 990	9 546	157 095
OPERATING PROFIT (LOSS)	35 199 099	100 064 779	27 741 378	57 263 476
Finance income	33 005	9 773 826	36 159	2 128 634
Finance costs	54 018	2 148 670	97 997	345 177
PROFIT (LOSS) BEFORE TAX	35 178 086	107 689 935	27 679 540	59 046 933

Income tax	7 779 713	20 060 776	5 166 432	10 719 140
NET PROFIT (LOSS) ON CONTINUING OPERATIONS	27 398 373	87 629 159	22 513 108	48 327 793
Net profit (loss) on discontinued operations	-	-	-	-
NET PROFIT (LOSS)	27 398 373	87 629 159	22 513 108	48 327 793
Net profit attributable to:				
Shareholders of the parent	27 398 373	87 629 159	22 513 108	48 327 793
Non-controlling interests	-	-	-	-

Consolidated statement of profit and loss and other comprehensive income				
Item	For the period: 01.07.2021- 30.09.2021	For the period: 01.01.2021- 30.09.2021	For the period: 01.07.2020- 30.09.2020	For the period: 01.01.2020- 30.09.2020
NET PROFIT (LOSS)	27 398 373	87 629 159	22 513 108	48 327 793
Other comprehensive income	-	-	-	-
Total comprehensive income	27 398 373	87 629 159	22 513 108	48 327 793
Total comprehensive income attributable to:				
Shareholders of the parent	27 398 373	87 629 159	22 513 108	48 327 793
Non-controlling interests	-	-	-	-

2.4. Separate statement of cash flows

Separate statement of cash flows (indirect approach)		
Item	For the period: 01.01.2021-30.09.2021	For the period: 01.01.2020-30.09.2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before tax	107 689 935	59 046 933
Total adjustments	634 960	-10 741 103
Depreciation / amortisation	3 723 292	4 223 123
Interest	7 371	228 436
Share of profit (dividends)	-9 767 132	-1 837 555
Gain (loss) on sale of non-current assets	-95 757	-2 044 313
Changes in working capital	5 108 757	-13 137 138
Changes in provisions	14 083 661	191 468
Changes in inventories	-256 862	200 396
Changes in receivables	-12 226 748	-10 297 004

Changes in current liabilities, except for financial liabilities	5 358 411	-129 919
Changes in deferred revenue - subsidy	-1 849 705	-3 102 079
Other adjustments	1 658 428	1 826 344
Cash generated from operating activities	108 324 894	48 305 830
Income tax on profit before tax	-21 765 065	-10 999 626
Net cash flows from operating activities	86 559 829	37 306 203
CASH FLOWS FROM INVESTING ACTIVITIES		
Financial inflows - dividend	9 767 132	1 837 555
Proceeds from bond buy-back	5 000 000	-
Expenses on the acquisition of property, plant and equipment	-1 348 645	-900 761
Proceeds from sale of property, plant and equipment	390 361	12 095 328
Expenses on the buy-back of bonds	-	-4 984 590
Net cash flows from investing activities	13 808 848	8 047 532
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from credit and loans received	-	176 400
Repayment of credit and loans	-4 310 048	-6 522 614
Repayment of lease liabilities	-78 200	-312 079
Dividends paid out	-70 784 633	-48 337 298
Interest paid	-12 171	-228 436
Net cash flows from financing activities	-75 185 051	-55 224 027
Increase / decrease in cash and equivalents before effects of changes in exchange rates	25 183 626	-9 870 292
Change in cash due to exchange differences	-	-
BALANCE SHEET CHANGE IN CASH AND EQUIVALENTS	25 183 626	-9 870 292
CASH AND EQUIVALENTS AT THE BEGINNING OF PERIOD	40 315 528	24 682 296
CASH AND EQUIVALENTS AT THE END OF PERIOD	65 499 154	14 812 004
- including restricted cash	3 716 637	102 671

2.5. Separate statement of changes in equity

Separate statement of changes in equity for the period: 01.01.2021-30.09.2021	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
Transfer of financial result to capital	-	-	11 048	-	-	-11 048	-	-	-
Dividends paid out	-	-	-	-	-	-70 784 633	-70 784 633	-	-70 784 633
Total transactions with the owners	-	-	11 048	-	-	-70 795 680	-70 784 633	-	-70 784 633
Net profit (loss) in the period:	-	-	-	-	-	87 629 159	87 629 159	-	87 629 159
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	87 629 159	87 629 159	-	87 629 159
Increase (decrease) in equity	-	-	11 048	-	-	16 833 478	16 844 526	-	16 844 526
Balance as at 30.09.2021	35 128 850	25 573 479	3 418 127	985 000	12 916 096	87 629 159	165 650 710	-	165 650 710

Separate statement of changes in equity for the period: 01.01.2020-30.09.2020	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
Transfer of financial result to capital	-	-	39 404 360	-	-	-39 404 360	-	-	-
Dividends paid out	-	-	-48 337 298	-	-	-	-48 337 298	-	-48 337 298
Total transactions with the owners	-	-	-8 932 938	-	-	-39 404 360	-48 337 298	-	-48 337 298
Net profit (loss) in the period:	-	-	-	-	-	48 327 793	48 327 793	-	48 327 793
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	48 327 793	48 327 793	-	48 327 793
Increase (decrease) in equity	-	-	-8 932 938	-	-	8 923 433	-9 505	-	-9 505
Balance as at 30.09.2020	35 728 850	25 573 479	3 411 079	385 000	12 916 096	48 327 793	126 342 297	-	126 342 297

3. Additional information to the condensed interim report for Q1-Q3 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. Trzecieckiego 14	100	100	Fully consolidated

The Group's structure did not change in the period from 1 January 2021 to 30 September 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: 734-32-94-252
 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. Trzecieckiego 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

Composition of the Issuer's Management Board:

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

The following changes in the composition of the Issuer's Management Board took place in the reporting period:

- On 12 May 2021, Mrs. Anna Mokrzycka-Nowak resigned as Vice-President of the Management Board of Mo-BRUK S.A. effective from 15 June 2021, citing family reasons.

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 fuels 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 Podkarpacie 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 30 September 2021. The comparative data covers the period from 1 January 2020 to 30 September 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 the 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 three quarters of 2021 and comparative data for the first three quarters of 2020 are prepared in accordance with IFRS.

3.2.5. Presentation changes

In the reporting period ended 30 September 2021, the Group did not change its accounting policy in a way that would have a material impact on its financial results and equity. No errors were identified that would require to be corrected.

To enhance the transparency of the consolidated and separate financial statements and make it easier for readers to analyse them, the Group decided to change the structure of the statement of cash flows.

Adjustments in the consolidated statement of cash flows (indirect method)

Item	for the period: 01.01.2020- 30.09.2020 before change	presenta- tion change	Item	for the period: 01.01.2020- 30.09.2020 after change
CASH FLOWS FROM OPERATING ACTIVITIES			CASH FLOWS FROM OPERATING ACTIVITIES	
Profit (loss) before tax	65 213 186	-	Profit (loss) before tax	65 213 186
Total adjustments	-23 669 728	12 534 129	Total adjustments	-11 135 599
Depreciation / amortisation	4 496 899	-	Depreciation / amortisation	4 496 899
Depreciation / amortisation - subsidy	1 826 344	-1 826 344	-	-
Interest and shares of profit (dividends)	231 947	-	Interest	231 947
Gain (loss) on investing activities	-2 012 460	-	Gain (loss) on sale of non-current assets	-2 012 460
Changes in working capital	-15 678 330	-	Changes in working capital	-15 678 330
Changes in provisions	154 119	-	Changes in provisions	154 119
Changes in inventories	206 001	-	Changes in inventories	206 001
Changes in receivables	-13 293 656	-	Changes in receivables	-13 293 656
Changes in current liabilities, except for financial liabilities	386 867	-	Changes in current liabilities, except for financial liabilities	386 867
Changes in prepayments and accruals	-3 131 660	-	Changes in prepayments and accruals	-3 131 660
-	-	1 826 344	Other adjustments	1 826 344
-	-	54 077 587	Cash generated from operating activities	54 077 587
Income tax on profit before tax	-12 534 129	-	Income tax on profit before tax	-12 534 129

Net cash flows from operating activities	41 543 458	-	Net cash flows from operating activities	41 543 458
CASH FLOWS FROM INVESTING ACTIVITIES			CASH FLOWS FROM INVESTING ACTIVITIES	
Expenses on the acquisition of property, plant and equipment	-912 545	-	Expenses on the acquisition of property, plant and equipment	-912 545
Proceeds from sale of property, plant and equipment	12 095 328	-	Proceeds from sale of property, plant and equipment	12 095 328
Expenses on the buy-back of bonds	-4 984 590	-	Expenses on the buy-back of bonds	-4 984 590
Net cash flows from investing activities	-680 890	-	Net cash flows from investing activities	-680 890
CASH FLOWS FROM FINANCING ACTIVITIES			CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from credit and loans received	176 400	-	Proceeds from credit and loans received	176 400
Repayment of credit and loans	-6 522 615	-	Repayment of credit and loans	-6 522 615
Repayment of lease liabilities	-347 923	-	Repayment of finance lease liabilities	-347 923
Dividends paid out	-48 337 298	-	Dividends paid out	-48 337 298
Net cash flows from financing activities	-55 263 383	-	Net cash flows from financing activities	-55 263 383
TOTAL NET CASH FLOWS	-7 521 733	-	INCREASE / DECREASE IN CASH AND EQUIVALENTS BEFORE EFFECTS OF CHANGES IN EXCHANGE RATES	-7 521 733
-	-	-	- change in cash due to exchange differences	-
BALANCE SHEET CHANGE IN CASH, INCLUDING	-7 521 733	-	BALANCE SHEET CHANGE IN CASH AND EQUIVALENTS	-7 521 733
- change in cash due to exchange differences	-	-	-	-
CASH AT THE BEGINNING OF PERIOD	27 418 356	-	CASH AND EQUIVALENTS AT THE BEGINNING OF PERIOD	27 418 356
CASH AT THE END OF PERIOD	19 896 623	-	CASH AND EQUIVALENTS AT THE END OF PERIOD	19 896 623

Adjustments in the separate statement of cash flows (indirect method)

Item	for the period: 01.01.2020- 30.09.2020 before change	presenta- tion change	Item	for the period: 01.01.2020- 30.09.2020 after change

CASH FLOWS FROM OPERATING ACTIVITIES			CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before tax	59 046 933	-	Profit (loss) before tax		59 046 933
Total adjustments	-21 740 729	10 999 626	Total adjustments		-10 741 103
Depreciation / amortisation	4 223 123	-	Depreciation / amortisation		4 223 123
Depreciation / amortisation - subsidy	1 826 344	-1 826 344	-		-
Interest and shares of profit (dividends)	228 436	-	Interest		228 436
Dividend received	-1 837 555	-	Share of profit (dividends)		-1 837 555
Gain (loss) on investing activities	-2 044 313	-	Gain (loss) on sale of non-current assets		-2 044 313
Changes in working capital	-13 137 138	-	Changes in working capital		-13 137 138
Changes in provisions	191 468	-	Changes in provisions		191 468
Changes in inventories	200 396	-	Changes in inventories		200 396
Changes in receivables	-10 297 004	-	Changes in receivables		-10 297 004
Changes in current liabilities, except for financial liabilities	-129 919	-	Changes in current liabilities, except for financial liabilities		-129 919
Changes in prepayments and accruals	-3 102 079	-	Changes in prepayments and accruals		-3 102 079
-	-	1 826 344	Other adjustments		1 826 344
-	-	48 305 830	Cash generated from operating activities		48 305 830
Income tax on profit before tax	-10 999 626	-	Income tax on profit before tax		-10 999 626
Net cash flows from operating activities	37 306 203	-	Net cash flows from operating activities		37 306 203
CASH FLOWS FROM INVESTING ACTIVITIES			CASH FLOWS FROM INVESTING ACTIVITIES		
Expenses on the acquisition of property, plant and equipment	-900 761	-	Expenses on the acquisition of property, plant and equipment		-900 761
Proceeds from sale of property, plant and equipment	12 095 328	-	Proceeds from sale of property, plant and equipment		12 095 328
Expenses on the buy-back of bonds	-4 984 590	-	Expenses on the buy-back of bonds		-4 984 590
-	-	1 837 555	Financial inflows - dividend		1 837 555
Net cash flows from investing activities	6 209 977	1 837 555	Net cash flows from investing activities		8 047 532
CASH FLOWS FROM FINANCING ACTIVITIES			CASH FLOWS FROM FINANCING ACTIVITIES		
Other financial inflows - dividend	1 837 555	-1 837 555	-		-
Proceeds from credit and loans received	176 400	-	Proceeds from credit and loans received		176 400

Repayment of credit and loans	-6 522 614	-	Repayment of credit and loans	-6 522 614
Repayment of lease liabilities	-312 079	-	Repayment of finance lease liabilities	-312 079
Dividends paid out	-48 337 298	-	Dividends paid out	-48 337 298
Interest paid	-228 436	-	Interest paid	-228 436
Net cash flows from financing activities	-53 386 473	-1 837 555	Net cash flows from financing activities	-55 224 027
TOTAL NET CASH FLOWS	-9 870 292	-	INCREASE / DECREASE IN CASH AND EQUIVALENTS BEFORE EFFECTS OF CHANGES IN EXCHANGE RATES	-9 870 292
-	-	-	- change in cash due to exchange differences	-
BALANCE SHEET CHANGE IN CASH, INCLUDING	-9 870 292	-	BALANCE SHEET CHANGE IN CASH AND EQUIVALENTS	-9 870 292
- change in cash due to exchange differences	-	-	-	-
CASH AT THE BEGINNING OF PERIOD	24 682 296	-	CASH AND EQUIVALENTS AT THE BEGINNING OF PERIOD	24 682 296
CASH AT THE END OF PERIOD	14 812 004	-	CASH AND EQUIVALENTS AT THE END OF PERIOD	14 812 004

3.2.6. Correction of error

The condensed consolidated financial statements for Q1-Q3 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 include subsidiaries whose financial statements are 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 30 September 2021, the Group recognised other provisions amounting to PLN 14.1 million; the recognition of provisions had a material impact on net result. A detailed description of these provisions is available in point 3.4. of these financial statements.

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 30.09.2021
At the beginning of period	897 663
increases	14 079 660
<i>other provisions</i>	14 079 660
decreases	-22 246
<i>other provisions</i>	-18 000
<i>employee benefits provisions</i>	-4 246
At the end of period	14 955 078

Separate data

Changes in provisions	Period from 01.01.2021 to 30.09.2021
At the beginning of period	583 041
increases	14 083 661
<i>other provisions</i>	14 079 660
<i>employee benefits provisions</i>	4 001
decreases	-
At the end of period	14 666 702

Other current provisions grew significantly in the first three quarters of 2021. In connection with an on-going administrative proceeding, the Issuer recognised a provision as of the end of the previous reporting period, i.e. H1 2021, for a higher fee for use of environment, together with interest, amounting to PLN 7.82 million. As a result of a ruling issued by the Local Appeals Board in Wrocław regarding the suspension of the obligation to pay the aforementioned fee for the duration of the court and administrative proceeding, the Company as of the end of the reporting

period ended 30 September 2021 updated these provisions to PLN 3.55 million, and recognised an impairment loss on the remaining part, amounting to PLN 4.27 million. Detailed information on the on-going proceeding is presented in point 3.20. of these financial statements.

Other provisions also include future costs related to performing a material agreement for waste management (PLN 1.82 million) and the costs of management services concerning alternative fuel supplied to a cement plant (PLN 5.25 million).

The increase in other non-current provisions resulted from the recognition of a provision for future bonuses for Management Board members (PLN 3.51 million).

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 01.01.2021-30.09.2021	Balance as at 30-09-2021
Deferred income tax assets			
Social security contributions	88 931	5 149	94 080
Employee benefits	197 801	659 278	857 079
Provision for receivables	66 512	-47 481	19 031
Leases	248 955	-124	248 831
Grant	1 516 120	113 314	1 629 434
Provision for future transport and processing costs	-	1 342 969	1 342 969
Balance sheet audit, other	17 239	-9 690	7 549
Total deferred income tax assets:	2 135 558	2 063 415	4 198 973
Deferred income tax provision			
Interest on bonds	2 016	2 016	-
Leased tangible assets	87 607	-30 431	118 038
Measurement of tangible assets	8 228 910	-417 110	8 646 020
Total deferred income tax provision:	8 318 533	-445 525	8 764 058

Separate data

Deferred income tax - reporting period	Balance as at 31-12-2020	Recognised in result 01.01.2021-30.09.2021	Balance as at 30-09-2021
Deferred income tax assets			
Social security contributions	66 536	6 462	72 998

Employee benefits	141 442	660 845	802 287
Provision for receivables	5 141	-	5 141
Leases	248 955	-124	248 831
Grant	1 516 120	113 314	1 629 434
Provision for future transport and processing costs	-	1 342 969	1 342 969
Balance sheet audit	17 239	-9 690	7 549
Total deferred income tax assets:	1 995 433	2 113 776	4 109 209
Deferred income tax provision			
Interest on bonds	2 016	2 016	-
Measurement of tangible assets	8 136 635	-411 503	8 548 138
Total deferred income tax provision:	8 138 651	-409 487	8 548 138

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 30 September 2021.

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

In the reporting period ended on 30 September 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, including in particular description of factors and events, including atypical in nature, having material impact on the issuer's business and profit or losses 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 62.1% increase in revenue from sales in the first three quarters of 2021, along with a lower rate of growth (30.3%) in operating costs, compared to the same period of 2020, which translated into a nearly double increase in profit on sales, to PLN 119.8 million from PLN 62.1 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 its most dynamically developing segment, i.e. waste management, which in the first three quarters of 2021 accounted for 93% of the Issuer's consolidated revenue. The improvement in the Group's revenue was driven by the acquisition of new customers on the waste management market, which provided new streams of waste for installations at the Group's facilities, 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.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS (comparative format)

Item	For the period: 01.01.2021-30.09.2021	For the period: 01.01.2020-30.09.2020	Change
Revenue from sales	198 666 211	122 582 559	62.1%
Total costs:	78 840 392	60 506 706	30.3%
Changes in products	-19 918	-22 910	13.1%
Depreciation / amortisation	4 011 851	4 496 899	-10.8%
Use of raw materials and materials	10 869 326	8 541 601	27.3%
Third-party services	37 649 252	23 192 665	62.3%
Cost of employee benefits	15 493 250	15 107 000	2.6%
Taxes and fees	1 012 785	1 000 608	1.2%
Other costs	591 159	514 941	14.8%
Value of goods and materials sold	9 232 687	7 675 903	20.3%
PROFIT (LOSS) ON SALES	119 825 819	62 075 851	93.0%
Other operating revenue	762 894	3 415 349	-77.7%
Other operating costs	9 833 335	225 062	4269.2%
EBITDA (operating profit + depreciation / amortisation)*	114 767 230	69 763 037	64.5%
EBIT (operating profit)**	110 755 378	65 266 138	69.7%
Finance income	40 313	295 737	-86.4%
Finance costs	2 156 683	348 689	518.5%
PROFIT (LOSS) BEFORE TAX	108 639 008	65 213 186	66.6%
Income tax	22 121 350	12 265 504	80.4%
NET PROFIT (LOSS)	86 517 658	52 947 682	63.4%

*/ EBITDA is an economic value that is not reflected in the existing IASs/IFRSs and does not apply to 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. 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 does not apply to 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. APM applies to the reporting periods indicated in the table header.

In the first three quarters 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 87 million, which is 63.4% higher than the Group's result in Q1-Q3 2020).

Mo-BRUK Group's profit

Item, data in PLN	Q1-Q3 2021	Q1-Q3 2020	Change
Profit (loss) on sales	119 825 819	62 075 851	93.0%
EBITDA (operating profit + depreciation / amortisation)	114 767 230	69 763 037	64.5%
EBIT (operating profit)	110 755 378	65 266 138	69.7%
Gross profit (loss)	108 639 008	65 213 186	66.6%
Net profit (loss)	86 517 658	52 947 682	63.4%

The growth in revenue along with cost reductions in core operating activities is reflected in other improved indicators, including EBITDA. In the first three quarters of 2021, Mo-BRUK Group recorded 64.5% growth in EBITDA to PLN 114.8 million vs. PLN 69.8 million in Q1-Q3 2020.

Profitability analysis for Issuer's Group

Item	Q1-Q3 2021	Q1-Q3 2020
Sales margin	60.3%	50.6%
EBITDA margin	57.8%	56.9%
EBIT margin	55.7%	53.2%
Net margin	43.5%	43.2%

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

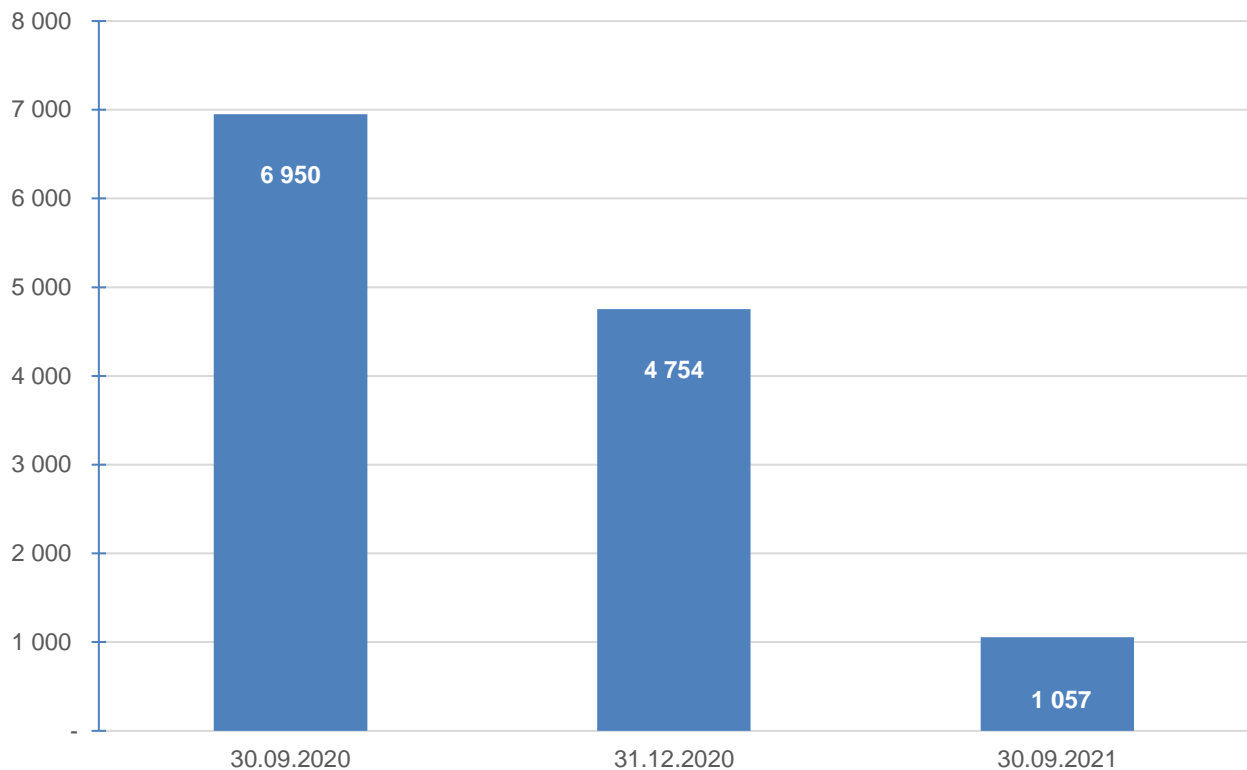
Net margin = net financial result / net revenue from sales

The Issuer's Group also recorded improvements in profitability ratios in Q1-Q3 2021, comparing to the same period of 2020. Margin on sales increased from 50.6% to 60.3%, while operating margin went up from 53.2% to 55.7%. In the periods being compared, net margin remained high, reaching 43.5%, while EBITDA margin increased from 56.9% to 57.8%.

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 October 2020 to 30 September 2021, the Group's financial debt declined by 90%.

Mo-BRUK Group's financial debt and cash [PLNk]			
	30.09.2020	31.12.2020	30.09.2021
Financial debt¹⁾	6 949.8	4 754.3	1 057.1
<i>including:</i>			
<i>credit and loan debt</i>	<i>6 550.2</i>	<i>4 383.3</i>	<i>73.3</i>
<i>lease debt</i>	<i>399.6</i>	<i>370.9</i>	<i>983.8</i>
Cash and other financial assets	24 881.2	54 338.0	73 115.4

¹⁾ 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]


Thanks to systematic repayment of 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		
30.09.2020¹⁾	31.12.2020	30.09.2021²⁾
-0.20	-0.48	-0.49

Algorithms for calculating the ratio:

financial debt³⁾ - cash and other financial assets / 12-month operating profit + 12-month depreciation amortisation

¹⁾for the ratio at 30.09.2020 EBITDA is calculated for the period from 01.10.2019 to 30.09.2020

²⁾for the ratio at 30.09.2021 EBITDA is calculated for the period from 01.10.2020 to 30.09.2021

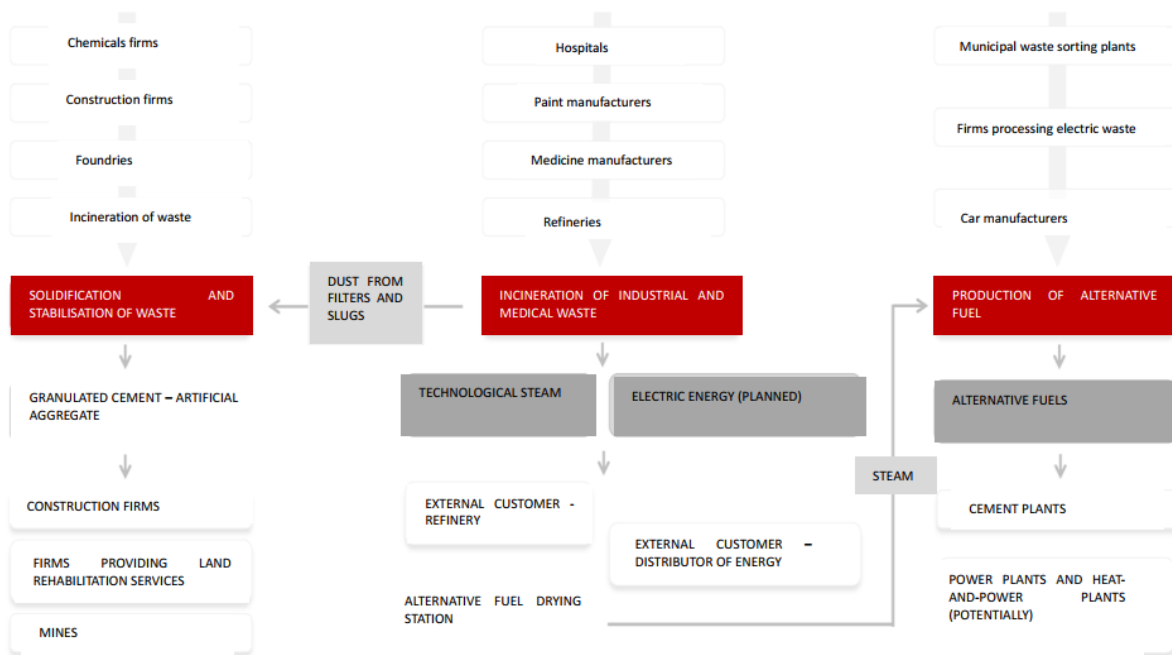
³⁾ the financial debt taken into account in calculating this ratio does not include a liability related to the perpetual usufruct of land

In the first three quarters of 2021, the Issuer continued its efforts to secure an appropriate volume of waste supply to the installations located in the Group's facilities. 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, which is 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 are 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. The Company classifies activity consisting of the separation of ferrous and non-ferrous metals in this business line, 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.

The alternative fuel produced at Mo-BRUK S.A.'s sites is made of 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 received is then subjected to mechanical processing, as a result of which alternative fuel is created.

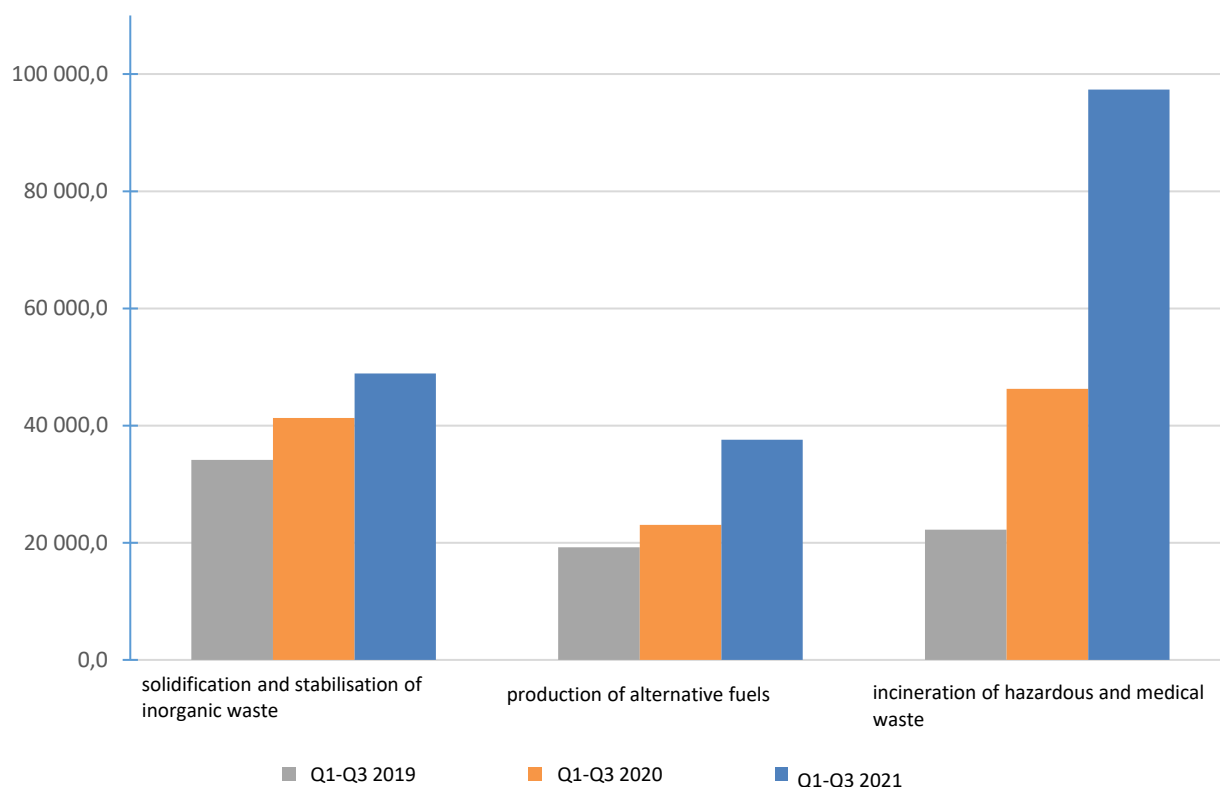
Incineration of hazardous and medical waste

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. Raf-Ekologia Sp. z o.o.'s waste incineration plant 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-Q3	2020 Q1-Q3	2021 Q1-Q3
solidification and stabilisation of inorganic waste	34 114.5	41 292.8	48 869.3
production of alternative fuels	19 198.2	23 041.3	37 604.0

incineration of hazardous and medical waste	22 250.0	46 270.5	97 354.4
Total:	75 562.7	110 604.6	183 827.7

Consolidated revenue from waste management
[PLNk]



Waste management is Mo-BRUK Group's most dynamically developing segment, accounting for 93% of the Issuer's consolidated revenue. In this segment over the last decade the Issuer completed several investment projects co-funded by the EU.

The principal source of the Group's revenue are fees for the receipt of 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 because they can 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 disposal of nearly all 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 paid ahead of schedule was PLN 4 275 334.00. The planned repayment date was 31 December 2021.

Positive decision by Chief Inspectorate of Environmental Protection on export of refuse derived fuel (RDF) to Ukraine

On 19 July 2021, the Issuer received permission from the Chief Inspectorate of Environmental Protection to export alternative fuel to Ukraine. The Company has signed a contract to supply up to 10 000 tonnes of RDF to a heat-and-power plant in Ukraine by 10 February 2022 (the permission is issued for a definite period of time).

This positive administrative decision from the Polish authority was preceded by a proceeding carried out by Ukraine's Ministry of Ecology and Natural Resources.

Material agreement with Krakowski Holding Komunalny S.A.

On 20 July 2021, the Issuer signed an agreement with Krakowski Holding Komunalny S.A. for the performance of a service consisting of successive collection (transport and management) of waste generated in the process of thermal treatment of municipal waste at the Municipal Waste Thermal Treatment Plant in Kraków.

The Issuer's maximum remuneration for the performance of the agreement may reach PLN 6 762 000.00 net. The Issuer's actual remuneration for the performance of the agreement will be determined as the product of the unit price and the actual weight of the waste collected.

The agreement was executed following a tender conducted pursuant to the Act of 29 January 2004 - the Public Procurement Law, and was signed for a 12-month period.

Other material events at the Group in the reporting period

Other material events taking place at the Group in the course of the reporting period are described in the following items of this report:

- Impact of Covid-19 on Mo-BRUK Group's business - description in point 3.24. *"Factors that, according to the Issuer, will have an impact on its results over at least the next quarter"*

- Dividend payment and profit allocation 2020 - description in point 3.14 *"Information on paid (or declared) dividend, in the aggregate and per share, by ordinary and preference shares"*

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 30 September 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 30 September 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, as a dividend to its sole shareholder and parent company Mo-BRUK S.A.

The dividend payment was made on 16 April 2021.

Allocation of Mo-BRUK S.A.'s profit for 2020 and dividend payment

On 8 June 2021, the Ordinary General Meeting of Mo-BRUK S.A. adopted resolution no. 6/2021 on the allocation of Mo-BRUK S.A.'s profit for the period from 1 January 2020 to 31 December 2020, amounting to PLN 70 795 680.33. The profit was allocated as follows:

1. PLN 11 047.58 was allocated to increase the Company's supplementary capital,
2. PLN 70 784 632.75 was allocated to a dividend for the Company's shareholders.

Mo-BRUK S.A.'s Ordinary General Meeting set the record date on 16 June 2021 and the payment date on 30 June 2021.

The dividend per share amounted to PLN 20.15.

The dividend payment was made on 30 June 2021.

3.15. Events taking place after date of the 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 the condensed quarterly financial statements that could have 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 30 September 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.

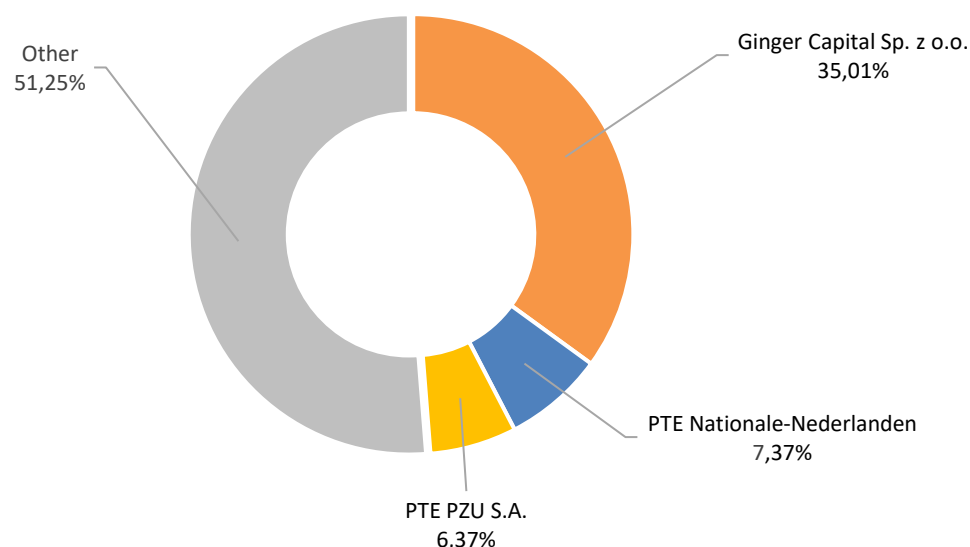
3.18. Shareholders directly or indirectly through subsidiaries holding at least 5% of total votes at the Issuer's General Meeting at the quarterly report publication date, along with indication of the number of shares held by these entities, their percentage share in capital, number of votes and their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

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 Board of the Warsaw Stock Exchange. 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 Board of the Warsaw Stock Exchange 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 Board of the Warsaw Stock Exchange.

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 in total number of votes
Ginger Capital Sp. z o.o.	1 229 838	35.01%	1 932 480	45.84%	45.84%
PTE Nationale-Nederlanden	258 938	7.37%	258 938	6.14%	6.14%
OFE PZU „Złota Jesień“	223 680	6.37%	223 680	5.31%	5.31%
Other	1 800 429	51.25%	1 800 429	42.71%	42.71%
TOTAL:	3 512 885	100.00%	4 215 527	100.00%	100.00%

Source: Issuer

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

On 12 October 2021, the Issuer received a notification from Powszechne Towarzystwo Emerytalne PZU S.A. ("PTE") stating that as a result of settlement of a transaction to purchase 67 925 shares of Mo-BRUK S.A., executed on 7 October 2021, in a block (off-market) transaction on the Warsaw Stock Exchange, Otwarty Fundusz Emerytalny PZU "Złota Jesień" ("OFE") reached and surpassed the 5% threshold of votes at the Company's General Meeting.

Prior to settling the transaction, the Fund directly held 155 755 shares of the Company, representing 4.43% of the Company's share capital and carrying 155 755 votes at the General Meeting, which constituted 3.69% of total votes at the Company's General Meeting.

As a result of settling the transaction, the Fund directly holds 223 680 shares of the Company, representing 6.37% of the Company's share capital and carrying 223 680 votes at the General Meeting, which constituted 5.31% of total votes at the Company's General Meeting.

On 11 October 2021, the Issuer received a notification from Nationale-Nederlanden Powszechne Towarzystwo Emerytalne ("PTE") stating that as a result of a purchase of Mo-BRUK S.A. shares in a transaction on the WSE on 7 October 2021, OFE increased its stake in the Company to over 5% of votes at the Company's General Meeting.

At the same time, PTE announced that as a result of this transaction funds managed by Nationale-Nederlanden Powszechne Towarzystwo Emerytalne SA increased their shareholding in the Company to over 5% of votes at the Company's General Meeting.

Prior to settling the transaction, OFE held 97 938 shares of the Company, representing 2.79% of the Company's share capital and carrying 97 938 votes at the General Meeting, which constituted 2.32% of total votes at the Company's General Meeting.

Prior to settling the transaction, the Funds held 97 938 shares of the Company, representing 2.79% of the Company's share capital and carrying 97 938 votes at the General Meeting, which constituted 2.32% of total votes at the Company's General Meeting.

As a result of settling the transaction, OFE holds 245 229 shares of the Company, representing 6.98% of the Company's share capital and carrying 245 229 votes at the General Meeting, which constituted 5.82% of total votes at the Company's General Meeting.

As a result of settling the transaction, the Funds hold 258 938 shares of the Company, representing 7.37% of the Company's share capital and carrying 258 938 votes at the General Meeting, which constituted 6.14% of total 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 report was published, members of the Issuer's management board and supervisory board held no shares of the Issuers, and the shareholdings of obligated persons did not change in the period since the publication of the previous periodic report.

President of the Management Board Józef Mokrzycki does not directly hold any shares of the Issuer but at the publication date of this report he indirectly held, through Ginger Capital 1 229 838 shares, constituting 35.01% of share capital and representing 1 932 480 votes at the Company's General Meeting, which constituted 45.84% of total votes.

Vice-President of the Management Board Elżbieta Mokrzycka does not directly hold any shares of the Issuer but at the publication date of this report he indirectly held, through Ginger Capital 1 229 838 shares, constituting 35.01% of share capital and representing 1 932 480 votes at the Company's General Meeting, which constituted 45.84% of total votes.

Vice-President of the Management Board Wiktor Mokrzycki does not directly hold any shares of the Issuer but at the publication date of this report he indirectly held, through Ginger Capital 1

229 838 shares, constituting 35.01% of share capital and representing 1 932 480 votes at the Company's General Meeting, which constituted 45.84% of total votes.

Vice-President of the Management Board Tobiasz Mokrzycki does not directly hold any shares of the Issuer but at the publication date of this report he indirectly held, through Ginger Capital 1 229 838 shares, constituting 35.01% of share capital and representing 1 932 480 votes at the Company's General Meeting, which constituted 45.84% of total votes.

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 waste storage 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 Voivodeship 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 a response 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. The Local Appeals Board in Wrocław, through a decision of 13 October 2020 (file no. SKO-4133/27/20) repealed that decision and referred the case for re-examination by the first-instance organ. Through a decision of 15 January 2021 (ref. DOW-S-I.7253.105.2019.AH) the Marshal of the Dolnośląskie Voivodeship ruled to impose an increased fee of PLN 18 969 576.00 on the Company. Following an appeal of this decision by the Company, the Local Appeals Board in Wrocław, through a decision of 26 May 2021 (ref. SKO 4133/12/21), revoked a part of the contested decision and ruled as to the merits of the case, re-wording the revoked part of the decision as follows: "in the amount of PLN 5 821 806.00 (in words: five million eight hundred twenty one thousand eight hundred six zlotys and 00/100)." This means that the Local Appeals Board in Wrocław reduced the amount of the increased fee imposed on the Company. On 22 July 2021, a complaint was lodged against the decision made by the Local Appeals Board, containing a range of arguments as to a lack of grounds for imposing an increased fee and procedural errors - which also may lead to the Board's decision being revoked and the decision by the Marshal of the Dolnośląskie Voivodeship being revoked. In particular, it should be pointed out the flaws in the conduct of the proceedings, consisting of selective conduct of evidentiary proceedings (including omitting the Company's position), which led to the incorrect imposition of the increased fee. This case - due to a complaint having been lodged - will be subject to a comprehensive verification by the Voivodeship Administrative Court in Wrocław. On 4 August 2021 the Local Appeals Board in Wrocław issued a ruling (ref. SKO 4133/26/11) suspending the performance of the aforementioned decision by the Local Appeals Board in Wrocław of 26 May 2021. This means

that the obligation to pay the aforementioned higher fee is suspended for the duration of the court and administrative proceedings, at least until the case is examined by the Voivodship Administrative 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 more than PLN 6 084 016.00 for 2013. After the Company lodged an appeal, which indicated a number of violations of the law, the Local Appeals Board 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 Board 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). In effect - at the date of this report and due to the improper handling of the proceeding by the Marshal of the Dolnośląskie Voivodeship and the Local Appeals Board in Wrocław - it is not possible to acknowledge with complete certainty that the decision to impose a higher fee on the Company is correct (i.e. the Voivodship Administrative Court in Wrocław may agree that these decisions are incorrect). Depending on the ruling that will be issued by the Voivodship Administrative Court in Wrocław, a cassation appeal may be lodged (i.e. it will be possible to lodge a cassation appeal with the Supreme Administrative Court in Warsaw).

II.

On 8 February 2021, the Company received from the Marshal of the Dolnośląskie Voivodeship notification dated 3 February 2021 on 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 waste storage in 2016 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.7253.67.2020.AH). Through a decision of 18 May 2021, (ref.: DOW-S-I.7253.67.2020.AH) the Marshal of the Dolnośląskie Voivodeship imposed on the Company a fee in an amount constituting the difference between the fee due and the fee resulting from the list for waste storage in 2016 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, amounting to PLN 61 230 674.00 (in words: sixty one million two hundred thirty thousand six hundred seventy four 00/100). The law firm representing the Issuer appealed this decision on 1 June 2021. 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, flaws in the conduct of the proceedings, consisting of selective conduct of evidentiary proceedings (including omitting the Company's position), which led to the incorrect imposition of the increased fee, should be pointed out. On 13 August 2021 the Company's attorney received a decision from the Local Appeals Board in Wrocław dated 6 July 2021 (ref.: SKO 4135/1/21) revoking the contested decision and referring the case for re-examination by the first-instance organ. This means that the case will be once again examined by the Marshal of the Dolnośląskie Voivodeship. 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 more than PLN 6 084 016.00 for 2013. After the Company lodged an appeal, which indicated a number of violations of the law, the Local Appeals Board 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 Board 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). In effect - at the date of this report and due to the improper handling of the proceeding by the Marshal of the Dolnośląskie Voivodeship and the Local Appeals Board in Wrocław - it is not possible to acknowledge with complete certainty that the decision to impose a higher fee on the Company is correct (i.e. the Local Appeals Board in Wrocław may agree that this decision is incorrect). Depending on the ruling that will be issued by the Local Appeals Board in Wrocław, the ruling may be appealed in a court and administrative procedure (i.e. it will be possible to lodge an appeal with the Voivodship Administrative Court in Wrocław, and if this court rules unfavourable, then the Company will be allowed to lodge a cassation appeal with the Supreme Administrative Court in Warsaw).

III.

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 30 September 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 30 September 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 are material, according to the Issuer, 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 not seen negative impact on sales or supply chain thus far, 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. The introduction of 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

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

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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.