



**Mo-BRUK GROUP**  
**CONSOLIDATED QUARTERLY REPORT**  
**FOR Q1-Q3 2022**

Niecew, 8 November 2022

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Błąd! Nie można odnaleźć źródła odwołania.. **Błąd! Nie można odnaleźć źródła odwołania.** .... Błąd! Nie zdefiniowano zakładki.

## 1. Mo-BRUK Group's condensed consolidated financial statements for the three quarters of 2022

### 1.1. Selected financial data

ITEM	PLN		EUR	
	01.01.2022-30.09.2022	01.01.2021-30.09.2021	01.01.2022-30.09.2022	01.01.2021-30.09.2021
I. Net revenue from sale of products, goods and materials	172 826 813	198 666 211	36 865 788	43 581 488
II. Operating profit (loss)	83 279 128	110 755 378	17 764 319	24 296 452
III. Gross profit (loss)	84 148 071	108 639 008	17 949 674	23 832 183
IV. Net profit (loss)	68 082 205	86 517 658	14 522 655	18 979 414
V. Net cash flows from operating activities	70 034 375	95 431 582	14 939 073	20 934 865
VI. Net cash flows from investing activities	-3 635 484	3 790 594	-775 487	831 544
VII. Net cash flows from financial activities	-110 963 856	-75 449 589	-23 669 764	-16 551 407
VIII. Total net cash flows	-44 564 965	23 772 587	-9 506 179	5 215 002
IX. Weighted average number of shares	3 512 885	3 512 885	3 512 885	3 512 885
X. Profit (loss) per ordinary share (in PLN/EUR)	19.38	24.63	4.13	5.40
ITEM	PLN		EUR	
	30.09.2022	31.12.2021	30.09.2022	31.12.2021
XI. Total assets	212 708 252	259 564 076	43 679 053	56 434 334
XII. Liabilities and provisions for liabilities	48 511 151	52 793 302	9 961 631	11 478 302
XIII. Non-current liabilities	23 055 481	28 876 640	4 734 379	6 278 349
<i>including deferred income - grant</i>	15 219 914	16 928 770	3 125 367	3 680 647
XIV. Current liabilities	25 455 670	23 916 662	5 227 252	5 199 953
<i>including deferred income - grant</i>	2 128 199	2 143 851	437 020	466 115
XV. Equity	164 197 101	206 770 774	33 717 422	44 956 032
XVI. Share capital	35 128 850	35 128 850	7 213 612	7 637 703
XVII. Number of shares	3 512 885	3 512 885	3 512 885	3 512 885
XVIII. Book value per share (in PLN/EUR)	46.74	58.86	9.60	12.80

The above data for the three quarters of 2022 and 2021 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 2022 - EURPLN 4.8698, as at 31 December 2021 - EURPLN 4.5994
- 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 to 30 September 2022 - EURPLN 4.6880, and from 1 January to 30 September 2021 - EURPLN 4.5585

**1.2. Consolidated statement of financial position**

<b>Consolidated statement of financial position</b>			
<b>Item</b>	<b>as at 30-09-2022</b>	<b>as at 31-12-2021</b>	<b>as at 30-09-2021</b>
<b>NON-CURRENT ASSETS</b>	<b>115 290 981</b>	<b>116 466 829</b>	<b>116 988 146</b>
Property, plant and equipment	111 597 668	112 078 114	113 544 670
Goodwill	832 348	832 348	832 348
Other intangible assets	619 510	613 190	624 771
Non-current receivables	2 241 455	2 943 177	1 986 357
<b>CURRENT ASSETS</b>	<b>97 417 271</b>	<b>143 097 247</b>	<b>120 541 555</b>
Inventory	1 278 080	816 424	988 128
Trade receivables	21 444 495	23 886 875	37 298 980
Other receivables	4 316 237	4 071 024	8 507 553
Cash and equivalents	69 562 197	114 127 162	73 115 369
Prepayments	816 262	195 762	631 525
<b>Total assets:</b>	<b>212 708 252</b>	<b>259 564 076</b>	<b>237 529 701</b>

<b>Consolidated statement of financial position</b>			
<b>Item</b>	<b>as at 30-09-2022</b>	<b>as at 31-12-2021</b>	<b>as at 30-09-2021</b>
<b>Equity</b>	<b>164 197 101</b>	<b>206 770 774</b>	<b>178 301 550</b>
Share capital	35 128 850	35 128 850	35 128 850
Share premium	25 573 479	25 573 479	25 573 479
Retained earnings	21 511 471	17 180 467	17 180 467
Share redemption	985 000	985 000	985 000
Reserve capital - restatement of assets	12 916 096	12 916 096	12 916 096
Retained earnings (uncovered losses)	68 082 205	114 986 882	86 517 658
<b>Equity attributable to shareholders of the parent</b>	<b>164 197 101</b>	<b>206 770 774</b>	<b>178 301 550</b>
<b>Equity attributable to non-controlling interests</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-current liabilities</b>	<b>23 055 481</b>	<b>28 876 640</b>	<b>27 383 834</b>
Deferred income tax provision	6 280 535	5 513 323	4 565 085
Provision for pension benefits and similar	129 711	117 525	136 014

Other provisions	-	4 684 000	3 513 000
Credit and loans	-	15 429	27 000
Other financial liabilities	1 425 321	1 584 863	1 645 272
Other non-current liabilities	-	32 730	32 730
Deferred income - grant	15 219 914	16 928 770	17 464 733
<b>Current liabilities</b>	<b>25 455 670</b>	<b>23 916 662</b>	<b>31 844 317</b>
Credit and loans	27 325	46 286	46 286
Other financial liabilities	271 514	354 530	350 806
Trade liabilities	8 517 383	10 831 099	10 831 327
Current income tax liabilities	3 923 729	1 615 139	3 438 539
Provision for pension benefits and similar	692 607	737 754	688 404
Other current provisions	5 859 401	4 823 927	10 617 660
Other liabilities	4 035 512	3 364 076	3 722 178
Deferred income - grant	2 128 199	2 143 851	2 149 117
<b>Total equity and liabilities:</b>	<b>212 708 252</b>	<b>259 564 076</b>	<b>237 529 701</b>

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

<i>Consolidated statement of profit and loss</i>				
Item	For the period: 01.07.2022- 30.09.2022	For the period: 01.01.2022- 30.09.2022	For the period: 01.07.2021- 30.09.2021	For the period: 01.01.2021- 30.09.2021
<b>Continuing operations</b>				
Revenue from sales	61 214 410	172 826 813	67 153 611	198 666 211
Cost of sales	32 343 794	82 839 913	24 881 863	72 245 442
<b>GROSS PROFIT (LOSS) ON SALES</b>	<b>28 870 616</b>	<b>89 986 900</b>	<b>42 271 748</b>	<b>126 420 769</b>
Selling costs	598 367	1 767 798	548 187	1 550 380
General administrative expenses	1 892 346	5 579 399	1 537 790	5 044 570
Other operating revenue	2 176 076	4 153 274	472 573	762 894
Other operating costs	1 273 269	3 513 849	1 307 351	9 833 335
<b>OPERATING PROFIT (LOSS)</b>	<b>27 282 710</b>	<b>83 279 128</b>	<b>39 350 993</b>	<b>110 755 378</b>
Finance income	547 324	1 297 039	33 005	40 313
Finance costs	51 766	428 096	58 052	2 156 683

<b>PROFIT (LOSS) BEFORE TAX</b>	<b>27 778 268</b>	<b>84 148 071</b>	<b>39 325 946</b>	<b>108 639 008</b>
Income tax	5 297 458	16 065 866	8 571 843	22 121 350
<b>NET PROFIT (LOSS) ON CONTINUING OPERATIONS</b>	<b>22 480 810</b>	<b>68 082 205</b>	<b>30 754 103</b>	<b>86 517 658</b>
Net profit (loss) on discontinued operations	-	-	-	-
<b>NET PROFIT (LOSS)</b>	<b>22 480 810</b>	<b>68 082 205</b>	<b>30 754 103</b>	<b>86 517 658</b>
<b>Net profit attributable to:</b>				
Shareholders of the parent	22 480 810	68 082 205	30 754 103	86 517 658
Non-controlling interests	-	-	-	-

<b>Consolidated statement of profit and loss and other comprehensive income</b>				
<b>Item</b>	<b>For the period: 01.07.2022- 30.09.2022</b>	<b>For the period: 01.01.2022- 30.09.2022</b>	<b>For the period: 01.07.2021- 30.09.2021</b>	<b>For the period: 01.01.2021- 30.09.2021</b>
NET PROFIT (LOSS)	22 480 810	68 082 205	30 754 103	86 517 658
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>22 480 810</b>	<b>68 082 205</b>	<b>30 754 103</b>	<b>86 517 658</b>
<b>Total comprehensive income attributable to:</b>				
Shareholders of the parent	22 480 810	68 082 205	30 754 103	86 517 658
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: 01.01.2022-30.09.2022</b>	<b>For the period: 01.01.2021-30.09.2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit (loss) before tax</b>	<b>84 148 071</b>	<b>108 639 008</b>
<b>Total adjustments</b>	<b>-1 123 632</b>	<b>10 086 194</b>
Depreciation / amortisation	3 990 582	4 011 851
Interest	-1 249 347	15 385
Gain (loss) on sale of non-current assets	-204 149	-95 756
<b>Changes in working capital</b>	<b>-5 264 504</b>	<b>4 496 286</b>
Changes in provisions	-3 681 487	14 057 414
Changes in inventories	-461 656	-263 164
Changes in receivables	2 898 889	-12 583 304
Changes in current liabilities, except for financial liabilities	-1 675 241	5 483 477
Changes in deferred revenue	-2 345 009	-2 198 137
Other adjustments	1 603 786	1 658 428
<b>Cash generated from operating activities</b>	<b>83 024 439</b>	<b>118 725 202</b>
Income tax paid	-12 990 064	-23 293 620
<b>Net cash flows from operating activities</b>	<b>70 034 375</b>	<b>95 431 582</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	-5 376 883	-1 599 767
Proceeds from sale of property, plant and equipment	461 022	390 361
Interest received	1 280 377	-
<b>Net cash flows from investing activities</b>	<b>-3 635 484</b>	<b>3 790 594</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of credit and loans	-34 390	-4 310 048
Repayment of lease liabilities	-242 558	-334 724
Dividends paid out	-110 655 878	-70 784 633
Interest paid	-31 030	-20 184
<b>Net cash flows from financing activities</b>	<b>-110 963 856</b>	<b>-75 449 589</b>
<b>Increase / decrease in cash and equivalents before effects of changes in exchange rates</b>	<b>-44 564 965</b>	<b>23 772 587</b>
Change in cash due to exchange differences	-	-
<b>Balance sheet change in cash and equivalents</b>	<b>-44 564 965</b>	<b>23 772 587</b>
<b>Cash and equivalents at the beginning of period</b>	<b>114 127 162</b>	<b>49 342 782</b>
<b>Cash and equivalents at the end of period</b>	<b>69 562 197</b>	<b>73 115 369</b>
- including restricted cash	4 903 719	3 757 008

## 1.5. Consolidated statement of changes in equity

Consolidated statement of changes in equity for the period: 01.01.2022-30.09.2022	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 01.01.2022	35 128 850	25 573 479	17 180 467	985 000	12 916 096	114 986 882	206 770 774	-	206 770 774
Transfer of financial result to capital	-	-	4 331 004	-	-	-4 331 004	-	-	-
Dividends paid out	-	-	-	-	-	-110 655 878	-110 655 878	-	-110 655 878
<b>Total transactions with the owners</b>	-	-	4 331 004	-	-	-114 986 882	-110 655 878	-	-110 655 878
Net profit (loss) in the period:	-	-	-	-	-	68 082 205	68 082 205	-	68 082 205
Other comprehensive income	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	-	-	68 082 205	68 082 205	-	68 082 205
<b>Increase (decrease) in equity</b>	-	-	4 331 004	-	-	-46 904 677	-42 573 673	-	-42 573 673
Balance as at 30.09.2022	35 128 850	25 573 479	21 511 471	985 000	12 916 096	68 082 205	164 197 101	-	164 197 101

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	-	-	7 940 626	-	-	-7 940 626	-	-	-
Dividends paid out	-	-	-	-	-	-70 784 632	-70 784 632	-	-70 784 632
<b>Total transactions with the owners</b>	-	-	7 940 626	-	-	-78 725 258	-70 784 632	-	-70 784 632
Net profit (loss) in the period:	-	-	-	-	-	86 517 658	86 517 658	-	86 517 658
Other comprehensive income	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	-	-	86 517 658	86 517 658	-	86 517 658
<b>Increase (decrease) in equity</b>	-	-	7 940 626	-	-	7 792 400	15 733 026	-	15 733 026
Balance as at 30.09.2021	35 128 850	25 573 479	17 180 467	985 000	12 916 096	86 517 658	178 301 550	-	178 301 550

## 2. Mo-BRUK S.A.'s condensed separate financial statements for the three quarters of 2022

### 2.1. Selected financial data

ITEM	PLN		EUR	
	01.01.2022- 30.09.2022	01.01.2021- 30.09.2021	01.01.2022- 30.09.2022	01.01.2021- 30.09.2021
I. Net revenue from sale of products, goods and materials	149 356 107	178 508 615	31 859 238	39 159 507
II. Operating profit (loss)	69 358 037	100 064 779	14 794 803	21 951 251
III. Gross profit (loss)	84 277 384	107 689 935	17 977 258	23 623 985
IV. Net profit (loss)	70 881 340	87 629 159	15 119 740	19 223 244
V. Net cash flows from operating activities	57 861 776	86 559 829	12 342 529	18 988 665
VI. Net cash flows from investing activities	13 021 861	13 808 848	2 777 701	3 029 253
VII. Net cash flows from financial activities	-110 816 427	-75 185 051	-23 638 316	-16 493 375
VIII. Total net cash flows	-39 932 790	25 183 626	-8 518 087	5 524 542
IX. Weighted average number of shares	3 512 885	3 512 885	3 512 885	3 512 885
X. Profit (loss) per ordinary share (in PLN/EUR)	20.18	24.95	4.30	5.47
ITEM	PLN		EUR	
	30.09.2022	31.12.2021	30.09.2022	31.12.2021
XI. Total assets	194 009 895	238 926 496	39 839 397	51 947 318
XII. Liabilities and provisions for liabilities	45 036 327	50 178 390	9 248 086	10 909 769
XIII. Non-current liabilities	22 441 863	28 172 467	4 608 375	6 125 248
<i>including deferred income - grant</i>	15 219 914	16 928 770	3 125 367	3 680 647
XIV. Current liabilities	22 594 464	22 005 923	4 639 711	4 784 520
<i>including deferred income - grant</i>	2 128 199	2 143 851	437 020	466 115
XV. Equity	148 973 568	188 748 106	30 591 311	41 037 550
XVI. Share capital	35 128 850	35 128 850	7 213 612	7 637 703
XVII. Number of shares	3 512 885	3 512 885	3 512 885	3 512 885
XVIII. Book value per share (in PLN/EUR)	42.41	53.73	8.71	11.68

The above data for the three quarters of 2022 and 2021 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 2022 - EURPLN 4.8698, as at 31 December 2021 - EURPLN 4.5994
- 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 to 30 September 2022 - EURPLN 4.6880, and from 1 January to 30 September 2021 - EURPLN 4.5585

## 2.2. Separate statement of financial position

<i>Separate statement of financial position</i>			
Item	as at 30-09-2022	as at 31-12-2021	as at 30-09-2021
<b>Non-current assets</b>	<b>110 029 217</b>	<b>113 596 044</b>	<b>114 062 176</b>
Property, plant and equipment	105 539 653	108 411 078	109 822 449
Other intangible assets	619 510	613 190	624 771
Shares	1 628 599	1 628 599	1 628 599
Non-current receivables	2 241 455	2 943 177	1 986 357
<b>Current assets</b>	<b>83 980 678</b>	<b>125 330 452</b>	<b>108 048 359</b>
Inventory	1 256 425	808 042	976 659
Trade receivables	16 734 203	19 351 569	33 053 200
Other receivables	3 985 172	3 829 278	8 274 392
Cash and equivalents	61 247 361	101 180 151	65 499 154
Prepayments	757 517	161 412	244 954
<b>Total assets:</b>	<b>194 009 895</b>	<b>238 926 496</b>	<b>222 110 535</b>

<i>Separate statement of financial position</i>			
Item	as at 30-09-2022	as at 31-12-2021	as at 30-09-2021
<b>Equity</b>	<b>148 973 568</b>	<b>188 748 106</b>	<b>165 650 711</b>
Share capital	35 128 850	35 128 850	35 128 850
Share premium	25 573 479	25 573 479	25 573 479
Retained earnings	3 488 803	3 418 127	3 418 127
Share redemption	985 000	985 000	985 000
Reserve capital - restatement of assets	12 916 096	12 916 096	12 916 096
Retained earnings (uncovered losses)	70 881 340	110 726 554	87 629 159
<b>Equity attributable to shareholders of the parent</b>	<b>148 973 568</b>	<b>188 748 106</b>	<b>165 650 711</b>
<b>Equity attributable to non-controlling interests</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-current liabilities</b>	<b>22 441 863</b>	<b>28 172 467</b>	<b>26 648 378</b>
Deferred income tax provision	6 140 378	5 389 081	4 438 929
Provision for pension benefits and similar	67 060	63 867	79 494
Other provisions	-	4 684 000	3 513 000

Credit and loans	-	15 429	27 000
Other financial liabilities	1 014 511	1 091 320	1 125 222
Deferred income - grant	15 219 914	16 928 770	17 464 733
<b>Current liabilities</b>	<b>22 594 464</b>	<b>22 005 923</b>	<b>29 811 446</b>
Credit and loans	27 325	46 286	46 286
Other financial liabilities	154 658	203 031	184 416
Trade liabilities	6 824 150	10 342 249	10 047 570
Current income tax liabilities	3 660 481	1 277 956	3 204 060
Provision for pension benefits and similar	420 870	482 591	456 548
Other current provisions	5 859 401	4 805 927	10 617 660
Other liabilities	3 519 380	2 704 032	3 105 789
Deferred income - grant	2 128 199	2 143 851	2 149 117
<b>Total equity and liabilities:</b>	<b>194 009 895</b>	<b>238 926 496</b>	<b>222 110 535</b>

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

<b>Separate statement of profit and loss</b>				
<b>Item</b>	<b>For the period: 01.07.2022- 30.09.2022</b>	<b>For the period: 01.01.2022- 30.09.2022</b>	<b>For the period: 01.07.2021- 30.09.2021</b>	<b>For the period: 01.01.2021- 30.09.2021</b>
<b>Continuing operations</b>				
Revenue from sales	53 456 898	149 356 107	59 659 001	178 508 615
Cost of sales	29 571 843	74 356 657	21 849 093	63 482 350
<b>GROSS PROFIT (LOSS) ON SALES</b>	<b>23 885 055</b>	<b>74 999 450</b>	<b>37 809 908</b>	<b>115 026 265</b>
Selling costs	598 367	1 767 798	538 001	1 550 380
General administrative expenses	1 575 392	4 597 046	1 256 529	4 130 091
Other operating revenue	2 176 075	4 135 052	472 571	501 975
Other operating costs	1 257 158	3 411 621	1 288 850	9 782 990
<b>OPERATING PROFIT (LOSS)</b>	<b>22 630 213</b>	<b>69 358 037</b>	<b>35 199 099</b>	<b>100 064 779</b>
Finance income	547 324	15 317 390	33 005	9 773 826
Finance costs	39 679	398 043	54 018	2 148 670
<b>PROFIT (LOSS) BEFORE TAX</b>	<b>23 137 858</b>	<b>84 277 384</b>	<b>35 178 086</b>	<b>107 689 935</b>
Income tax	4 414 147	13 396 044	7 779 713	20 060 776

<b>NET PROFIT (LOSS) ON CONTINUING OPERATIONS</b>	<b>18 723 711</b>	<b>70 881 340</b>	<b>27 398 373</b>	<b>87 629 159</b>
Net profit (loss) on discontinued operations	-	-	-	-
<b>NET PROFIT (LOSS)</b>	<b>18 723 711</b>	<b>70 881 340</b>	<b>27 398 373</b>	<b>87 629 159</b>
<b>Net profit attributable to:</b>				
Shareholders of the parent	18 723 711	70 881 340	27 398 373	87 629 159
Non-controlling interests	-	-	-	-

<b>Separate statement of profit and loss and other comprehensive income</b>				
<b>Item</b>	<b>For the period: 01.07.2022- 30.09.2022</b>	<b>For the period: 01.01.2022- 30.09.2022</b>	<b>For the period: 01.07.2021- 30.09.2021</b>	<b>For the period: 01.01.2021- 30.09.2021</b>
NET PROFIT (LOSS)	18 723 711	70 881 340	27 398 373	87 629 159
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>18 723 711</b>	<b>70 881 340</b>	<b>27 398 373</b>	<b>87 629 159</b>
<b>Total comprehensive income attributable to:</b>				
Shareholders of the parent	18 723 711	70 881 340	27 398 373	87 629 159
Non-controlling interests	-	-	-	-

**2.4. Separate statement of cash flows**

<b>Separate statement of cash flows (indirect approach)</b>		
<b>Item</b>	<b>For the period: 01.01.2022-30.09.2022</b>	<b>For the period: 01.01.2021-30.09.2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit (loss) before tax</b>	<b>84 277 384</b>	<b>107 689 935</b>
<b>Total adjustments</b>	<b>-16 153 386</b>	<b>59 445</b>
Depreciation / amortisation	3 751 676	3 723 292
Interest	-1 279 400	7 371
Share of profit (dividends)	-14 027 460	-9 767 132
Gain (loss) on sale of non-current assets	-204 150	-95 757
<b>Changes in working capital</b>	<b>-5 997 838</b>	<b>4 533 243</b>
Changes in provisions	-3 689 054	14 083 661
Changes in inventories	-448 383	-256 862
Changes in receivables	3 163 193	-12 226 748
Changes in current liabilities, except for financial liabilities	-2 702 981	4 782 897
Changes in deferred revenue - subsidy	-2 320 613	-1 849 705
Other adjustments	1 603 786	1 658 428
<b>Cash generated from operating activities</b>	<b>68 123 998</b>	<b>107 749 380</b>
Income tax paid	-10 262 222	-21 189 551
<b>Net cash flows from operating activities</b>	<b>57 861 776</b>	<b>86 559 829</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Financial inflows - dividend	14 027 460	9 767 132
Proceeds from bond buy-back		5 000 000
Expenses on the acquisition of property, plant and equipment	-2 746 999	-1 348 645
Proceeds from sale of property, plant and equipment	461 022	390 361
Interest received	1 280 378	-
<b>Net cash flows from investing activities</b>	<b>13 021 861</b>	<b>13 808 848</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of credit and loans	-34 390	-4 310 048
Repayment of lease liabilities	-125 182	-78 200
Dividends paid out	-110 655 878	-70 784 633
Interest paid	-977	-12 170
<b>Net cash flows from financing activities</b>	<b>-110 816 427</b>	<b>-75 185 051</b>
<b>Increase / decrease in cash and equivalents before effects of changes in exchange rates</b>	<b>-39 932 790</b>	<b>25 183 626</b>
Change in cash due to exchange differences	-	-
<b>Balance sheet change in cash and equivalents</b>	<b>-39 932 790</b>	<b>25 183 626</b>
<b>Cash and equivalents at the beginning of period</b>	<b>101 180 151</b>	<b>40 315 528</b>
<b>Cash and equivalents at the end of period</b>	<b>61 247 361</b>	<b>65 499 154</b>
- including restricted cash	4 886 350	3 716 637

## 2.5. Separate statement of changes in equity

Separate statement of changes in equity for the period: 01.01.2022-30.09.2022	Share capital	Supplementary capital - share premium	Retained earnings	Share redemption	Reserve capital - restatement of assets	Retained earnings	Total equity
Balance as at 01.01.2022	35 128 850	25 573 479	3 418 127	985 000	12 916 096	110 726 554	188 748 106
Transfer of financial result to capital	-	-	70 676	-	-	-70 676	-
Dividends paid out	-	-	-	-	-	-110 655 878	-110 655 878
<b>Total transactions with the owners</b>	-	-	<b>70 676</b>	-	-	<b>-110 726 554</b>	<b>-110 655 878</b>
Net profit (loss) in the period:	-	-	-	-	-	70 881 340	70 881 340
Other comprehensive income	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	-	-	<b>70 881 340</b>	<b>70 881 340</b>
<b>Increase (decrease) in equity</b>	-	-	<b>70 676</b>	-	-	<b>-39 845 214</b>	<b>-39 774 538</b>
Balance as at 30.09.2022	35 128 850	25 573 479	3 488 803	985 000	12 916 096	70 881 340	148 973 568

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
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
Transfer of financial result to capital	-	-	11 048	-	-	-11 048	-
Dividends paid out	-	-	-	-	-	-70 784 632	-70 784 632
<b>Total transactions with the owners</b>	-	-	<b>11 048</b>	-	-	<b>-70 795 680</b>	<b>-70 784 632</b>
Net profit (loss) in the period:	-	-	-	-	-	87 629 159	87 629 159
Other comprehensive income	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	-	-	<b>87 629 159</b>	<b>87 629 159</b>
<b>Increase (decrease) in equity</b>	-	-	<b>11 048</b>	-	-	<b>16 833 479</b>	<b>16 844 527</b>
Balance as at 30.09.2021	35 128 850	25 573 479	3 418 127	985 000	12 916 096	87 629 159	165 650 711



### 3. Additional information to the condensed interim report for Q3 2022

#### 3.1. Description of Mo-BRUK Group

The Issuer forms a Group that comprises the Issuer and subsidiary Raf-Ekologia Sp. z o.o., based in Jedlicze. The Issuer is the parent company for this subsidiary. The Issuer holds a 100% stake in the subsidiary. The stake gives the Issuer 100% of votes at its general meeting. The Issuer's parent company is Ginger Capital sp. z o.o., based in Korzenna, which at the date of this report held 1 229 838 shares with a nominal value of PLN 10.00 each and total nominal value of PLN 12 298 380.00, which constituted 35.01% of share capital and entitled to 1 932 480 votes at the general meeting, or 45.84% of total votes at the general meeting.

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 2022 to 30 September 2022.

#### 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 30 61 404, 13 30 61 405  
Fax number: +48 13 30 61 406  
Email: rafekologia@rafekologia.pl  
Website: www.rafekologia.pl  
KRS number: 0000069313  
NIP number: 6842198750  
REGON number: 370484149

**Issuer's Management Board**

Composition of the Parent's Management Board at the date on which this report was prepared:

- Henryk Siodmok 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 2 June 2022, Mr. Józef Mokrzycki resigned from the position of President of the Management Board of Mo-BRUK S.A. with effect from 9 July 2022. In a letter submitted to

the Chairperson of the Supervisory Board, Mr. Józef Mokrzycki stated that after 37 years of managing the company, he considers it to be fully prepared to function as an entity managed by professional managers. The resignation was justified by further professional plans involving other projects. Mr. Józef Mokrzycki stated that he will not seek a Supervisory Board membership. He underlined that he is ready to support the Management Board of Mo-BRUK S.A. in further strategic and operational activities.

- At a meeting on 9 June 2022, the Company's Supervisory Board appointed Dr. Henryk Siodmok as President of the Management Board of Mo-BRUK S.A., effective from 10 July 2022. The Management Board's joint term ends on 30 April 2025. Dr. Henryk Siodmok previously served as Advisor and Managing Director at the Company. He has extensive managerial experience and the right credentials to lead the Company with ambitions to continue organic growth, planning M&A transactions and operating in the growing industrial waste management market.

## Issuer's Supervisory Board

At the date on which this report was prepared, the Supervisory Board was composed as follows:

- Kazimierz Janik                      Chairperson of the Supervisory Board
- Arkadiusz Semczak                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

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

- On 5 January 2022, Mr. Jan Basta tendered his resignation as member of the Supervisory Board of Mo-BRUK S.A. effective from 5 January 2022, citing serious personal considerations.
- Mr. Arkadiusz Semczak was added to the Supervisory Board, replacing Mr. Jan Basta, who resigned.

## Audit Committee

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

- Piotr Skrzyński Chairperson of the Audit Committee
- Piotr Pietrzak Member of the Audit Committee
- Kazimierz Janik Member of the Audit Committee

The following changes in the composition of the Issuer's Audit Committee took place in the reporting period:

- On 1 June 2022, the Issuer's Supervisory Board adopted a resolution to appoint Mr. Piotr Skrzyński as Chairperson of the Audit Committee. Mr. Piotr Skrzyński fulfils the condition of independence required to act as Chairperson of the Audit Committee.
- On 31 May 2022, the Company received a statement from Mr. Piotr Pietrzak resigning as Chairperson of the Audit Committee. The reason given for the resignation is that as of 1 June 2022 Mr. Piotr Pietrzak has been a member of the Issuer's Supervisory Board for more than 12 years and therefore will not meet the independence condition required to hold the position of Chairperson of the Audit Committee pursuant to art. 129 sec. 3 point 9 of the act of 11 May 2017 on statutory auditors, audit firms and public oversight. Mr. Piotr Pietrzak remains a member of the Audit Committee,
- Due to the resignation from the Supervisory Board submitted on 5 January 2022 by Supervisory Board Member Mr. Jan Basta and the consequent termination of his mandate in the Audit Committee, the Supervisory Board, acting on the basis of an authorisation resulting from the Company's Articles of Association, appointed Mr. Piotr Skrzyński to 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, amended through integrated permit OS-I.7222.9.10.2019.RD of 7 February 2020 issued by Podkarpacie Voivodeship Marshal, as amended.

## **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 2022 to 30 September 2022. The comparative data covers the period from 1 January 2021 to 30 September 2021 as regards the statement of profit and loss and statement of cash flows, and for carrying amounts as at 31 December 2021.

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 are identified that would indicate a threat to the Group's going concern.

### **3.2.2. Statement on 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 in 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 2022 and comparative data for the first three quarters of 2021 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 30 September 2022.

### **3.2.6. Correction of errors**

The condensed consolidated financial statements for Q1-Q3 2022, 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 principles 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**

There were no items having an impact on assets, liabilities, equity, net result or cash flows that are atypical due to their type, value or frequency, at the Group in the reporting period ended 30 September 2022.

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

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

## Consolidated data

Provisions	At 31.12.2021	Changes in provisions	At 30.09.2022
Provision for pension benefits and similar	855 279	-32 961	822 318
Other provisions	9 507 927	-3 648 526	5 859 401
<b>Total provisions</b>	<b>10 363 206</b>	<b>-3 681 487</b>	<b>6 681 719</b>

## Separate data

Provisions	At 31.12.2022	Changes in provisions	At 30.09.2022
Provision for pension benefits and similar	546 458	-58 528	487 930
Other provisions	9 489 927	-3 630 526	5 859 401
<b>Total provisions</b>	<b>10 036 385</b>	<b>-3 689 054</b>	<b>6 347 331</b>

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

### Consolidated data

Deferred income tax - reporting period	Balance as at 31-12-2021	Recognised in result 01.01.2022-30.09.2022	Balance as at 30-09-2022
<b>Deferred income tax assets</b>			
Social security contributions	97 279	4 715	101 994
Employee benefits	1 082 826	-453 984	628 842
Provision for receivables	20 362	185 446	205 808
Contribution to Company Social Benefits Fund not yet made	146	-146	-
Leases	245 927	-23 785	222 142
Grant	1 654 668	66 549	1 721 217
Provision for future transport and processing costs	228 480	-228 480	-
Penalties and compensation	-	1 558	1 558
Balance sheet audit, other	12 350	-12 350	-
<b>Total deferred income tax assets:</b>	<b>3 342 039</b>	<b>-460 477</b>	<b>2 881 561</b>



<b>Deferred income tax provision</b>			
Interest	7 690	7 690	-
Leased tangible assets	119 945	-3 871	123 816
Revenue	-	-38 790	38 790
Difference between carrying amount and tax value of property, plant and equipment and intangible assets	8 727 727	-271 764	8 999 491
<b>Total deferred income tax provision:</b>	<b>8 855 362</b>	<b>-306 735</b>	<b>9 162 097</b>

## Separate data

Deferred income tax - reporting period	Balance as at 31-12-2021	Recognised in result 01.01.2022-30.09.2022	Balance as at 30-09-2022
<b>Deferred income tax assets</b>			
Social security contributions	72 580	7 818	80 398
Employee benefits	1 024 151	-458 842	565 309
Provision for receivables	5 141	186 815	191 956
Contribution to Company Social Benefits Fund not yet made	146	-146	-
Leases	245 927	-23 785	222 142
Grant	1 654 668	66 549	1 721 217
Provision for future transport and processing costs	228 480	-228 480	-
Penalties and compensation	-	1 558	1 558
Balance sheet audit	10 260	-10 260	-
<b>Total deferred income tax assets:</b>	<b>3 241 353</b>	<b>-458 773</b>	<b>2 782 580</b>
<b>Deferred income tax provision</b>			
Revenue	-	-38 790	38 790
Interest	7 690	7 690	-
Difference between carrying amount and tax value of property, plant and equipment and intangible assets	8 622 744	-261 424	8 884 168
<b>Total deferred income tax provision:</b>	<b>8 630 434</b>	<b>-292 524</b>	<b>8 922 958</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 30 September 2022.

### **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 2022, 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**

Mo-BRUK Group generated nearly PLN 173 million in consolidated revenue from sales in the first three quarters of 2022. The revenue figure is satisfactory despite a 13% decline in comparison to the same period of 2021. It should be noted that the Group's revenue from sales and results in the previous financial year were at record highs. The decline in revenue mainly results from lower sales in the hazardous and medical waste incineration segment. In the comparative period, the Group generated nearly PLN 25 million more in revenue, largely due to a project to liquidate "ecological bombs" in the Zgierz Poviast and the City of Gorlice. The Group's revenue from the removal of "ecological bombs" in the first three quarters of 2022 reached pLN 17.6 million and was PLN 24.0 million lower than in the same period of last year. The lower revenue from these "ecological bombs" in 2022 is driven by a lack of this revenue in Q1 2022 due to a waste management project in Gorlice being suspended due to the scheduling of the National Fund for Environmental Protection and Water Management (NFOŚiGW). The Group is currently implementing one "ecological bomb" project and further tenders are being prepared, which should be reflected in revenue in the coming periods. In other segments within waste management, there was an increase in sales of 5.4% in the segment for solidification and stabilisation of inorganic waste and a decrease in sales of 13.6% in the segment for production of alternative fuels, from the comparative period (table on page 35). In the petrol station segment, the Group recorded a close to 50% increase in sales versus the comparative period. The current situation in the world

and in the country that has caused a very strong increase in inflation has had an insignificant impact on growth in the Group's operating costs, which was 14.4% vs. the comparative period. The increase in operating costs mainly resulted from higher costs to purchase products for petrol stations, which were PLN 5.3 million, or 57%, higher than in Q1-Q3 2021. Moreover, the cost of transport services grew by 30% (or PLN 3.4 million) in comparison to the same period last year. Despite the prevalent inflation, other cost items remained at previous year's levels. The decline in revenue from sales and moderate rise in operating costs translated into a 31% decline in profit on sales vs. the result posted in the same period of 2021.

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

Item	For the period: 01.01.2022-30.09.2022	For the period: 01.01.2021-30.09.2021	Change
Revenue from sales	172 826 813	198 666 211	-13.0%
<b>Total costs:</b>	<b>90 187 110</b>	<b>78 840 392</b>	<b>14.4%</b>
Changes in products	-14 892	-19 918	25.2%
Depreciation / amortisation	3 990 582	4 011 851	-0.5%
Use of raw materials and materials	11 966 082	10 869 326	10.1%
Third-party services	41 743 976	37 649 252	10.9%
Cost of employee benefits	16 028 096	15 493 250	3.5%
Taxes and fees	978 700	1 012 785	-3.4%
Other costs	979 126	591 159	65.6%
Value of goods and materials sold	14 515 440	9 232 687	57.2%
<b>PROFIT (LOSS) ON SALES</b>	<b>82 639 703</b>	<b>119 825 819</b>	<b>-31.0%</b>
Other operating revenue	4 153 274	762 894	444.4%
Other operating costs	3 513 849	9 833 335	-64.3%
<b>EBITDA (operating profit + depreciation / amortisation)*</b>	<b>87 269 710</b>	<b>114 767 230</b>	<b>-24.0%</b>
<b>EBIT (operating profit)**</b>	<b>83 279 128</b>	<b>110 755 378</b>	<b>-24.8%</b>
Finance income	1 297 039	40 313	3117.4%
Finance costs	428 096	2 156 683	-80.2%
<b>PROFIT (LOSS) BEFORE TAX</b>	<b>84 148 071</b>	<b>108 639 008</b>	<b>-22.5%</b>
Income tax	16 065 866	22 121 350	-27.4%
<b>NET PROFIT (LOSS)</b>	<b>68 082 205</b>	<b>86 517 658</b>	<b>-21.3%</b>

\*/ 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 2022, Mo-BRUK Group posted satisfactory financial results that confirm the Group's solid standing. Due to the historically high levels that the Group had recorded in the previous financial year and the above-described factors in the first three quarters of 2022, compared to the corresponding period of 2021, the Group recorded declines in financial results compared to the corresponding period of 2021: operating profit, EBITDA, profit before tax and net profit.

### Mo-BRUK Group's profit

Item, data in PLN	Q1-Q3 2022	Q1-Q3 2021	Change
<b>Profit (loss) on sales</b>	<b>82 639 703</b>	<b>119 825 819</b>	-31.0%
EBITDA (operating profit + depreciation / amortisation)	87 269 710	114 767 230	-24.0%
EBIT (operating profit)	83 279 128	110 755 378	-24.8%
Gross profit (loss)	84 148 071	108 639 008	-22.5%
<b>Net profit (loss)</b>	<b>68 082 205</b>	<b>86 517 658</b>	-21.3%

The lower revenues is due to the postponement of the "ecological bomb" decommissioning projects being reflected in the EBITDA generated for the three quarters of 2022. In the first three quarters of 2022, the Group's EBITDA reached PLN 87.3 million, down by 24.0% from Q1-Q3 2021.

### Profitability analysis for Issuer's Group

Item	Q1-Q3 2022	Q1-Q3 2021
Sales margin	47.8%	60.3%
EBITDA margin	50.5%	57.8%
EBIT margin	48.2%	55.7%
Net margin	39.4%	43.5%
Return on assets*	45.4%	47.3%
Return on equity*	58.8%	63.0%

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

Return on assets = net results for past 12 months / total assets

Return on equity = net result for past 12 months / equity

\*for the ratio as of 30.09.2022 net results for past 12 months covers the period from 01.10.2021 to 30.09.2022.

for the ratio as of 30.09.2021 net results for past 12 months covers the period from 01.10.2020 to 30.09.2021.

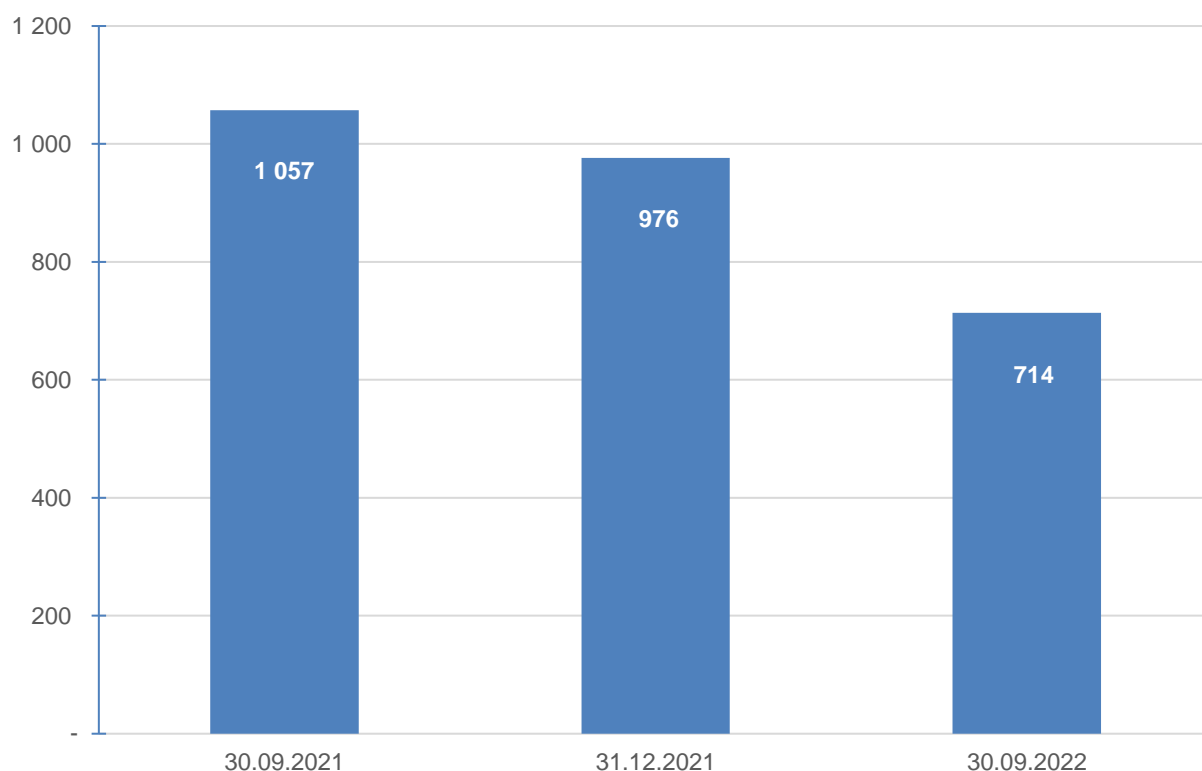
In the first three quarters of 2022, the Issuer's Group recorded high profitability ratios: 47.8% profit on sales, 48.2% operating profit, 39.4% net profit and over 50% EBITDA, which after adjusting for the revenue and costs of the petrol station segment are as follows: 52.4% profit on sales, 52.8% operating profit, 43.1% net profit and 55.3% EBITDA. The above profitability ratios represent mainly the efficiency of the Group's core business of waste management with a minor effect of extraordinary items, i.e. the disposal of environmental bombs, which accounted for 10% of the Group's total sales revenue for the three quarters of 2022.

Mo-BRUK Group has very low financial debt, which at the end of Q3 2022 amounted to just PLN 0.7 million. The Group currently has no liabilities related to bank credit; financial liabilities primarily concern leases. With more than PLN 200 million in planned capital expenditures to the end of 2024 and the Group's planned growth through potential acquisitions and organic growth, in the future the Group plans to take out new bank credit facilities, grants and own funds to finance these investments. Mo-BRUK Group plans to expand its production capacities - in the industrial waste incineration segment from 23 thousand tonnes to approx. 40 thousand tonnes per year, and in the solidification and stabilisation segment from 170 thousand tonnes to 280 thousand tonnes per year.

Mo-BRUK Group's financial debt and cash [PLNk]			
	30.09.2022	31.12.2021	30.09.2021
<b>Financial debt<sup>1)</sup></b>	<b>714</b>	<b>976</b>	<b>1 057</b>
<i>including:</i>			
<i>loans</i>	27	62	73
<i>leases</i>	687	914	984
<b>Net financial debt<sup>1)</sup></b>	<b>-68 848</b>	<b>-113 151</b>	<b>-72 058</b>
<b>Cash and other financial assets</b>	<b>69 562</b>	<b>114 127</b>	<b>73 115</b>

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

net financial debt = financial debt - cash and equivalents

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


Thanks to the systematic repayment of financial liabilities, the Group is enjoying very good debt ratios, with a very strong 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.

<b>Mo-BRUK Group's net financial debt to EBITDA ratio</b>		
<b>30.09.2022<sup>1)</sup></b>	<b>31.12.2021</b>	<b>30.09.2021<sup>2)</sup></b>
<b>-0.6</b>	<b>-0.7</b>	<b>-0.5</b>

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 30.09.2022 EBITDA is calculated for the period from 01.10.2021 to 30.09.2022

<sup>2)</sup>for the ratio at 30.09.2021 EBITDA is calculated for the period from 01.10.2020 to 30.09.2021

<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

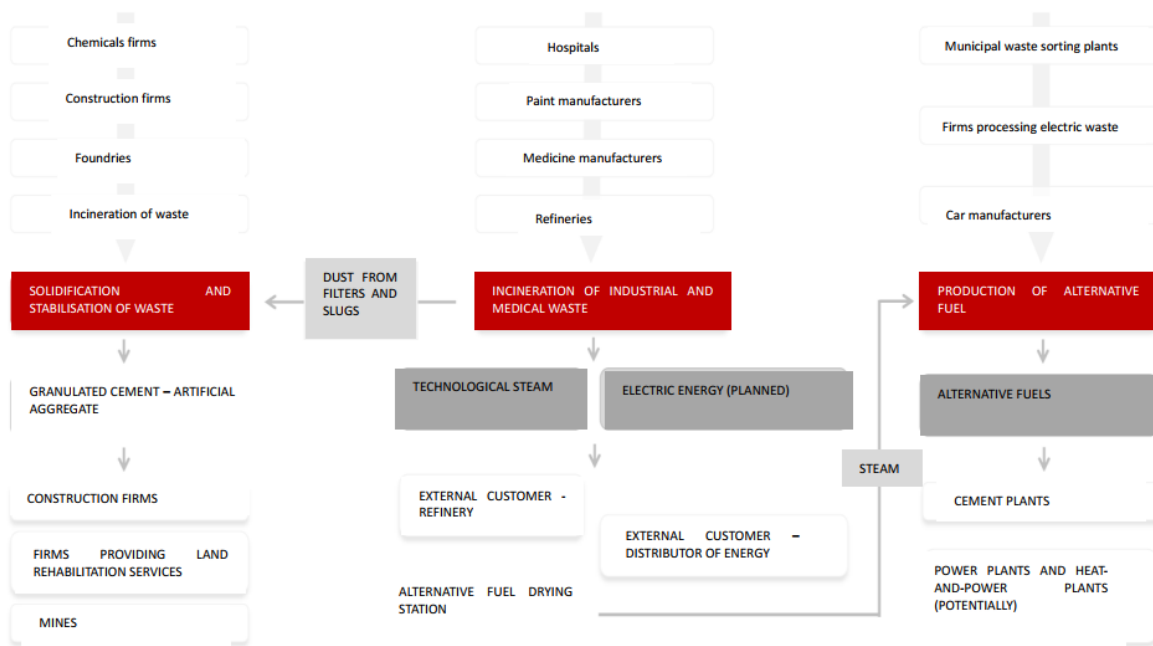
In Q1-Q3 2022, Mo-BRUK Group continued its efforts to secure an appropriate volume of waste supply to the installations located in the Group's facilities. In the reporting period, Mo-BRUK

Group's facilities maintained good sales performance in comparison to the preceding periods. A higher exposure to the inorganic waste management sector is helping to maintain the Group's high 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 further growth in revenue in the coming periods. The Management Board makes every effort to secure an appropriate stream of waste for processing at Mo-BRUK Group's installations. Commercial activities are also being undertaken on an on-going basis, with the aim of acquiring new customers, which should translate into better financial results for the Issuer's Group.

Thanks to its efficient business model, Mo-BRUK Group remains the industry leader in the processing of industrial waste in Poland. With investments in waste disposal lines, the Group is able to dispose of the vast majority of the types of waste generated in Poland.

The industry in which the Issuer operates features exceptionally dynamic growth. This mainly results from changes in environmental legislation and waste regulations (both in Polish and European legislation), which enforce the disposal of harmful waste, materials and substances in a certain way. A further growth aspect is the growing ecological awareness of the society, which results in higher demand for waste disposal services. This creates an opportunity for businesses such as Mo-BRUK for dynamic growth.

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.



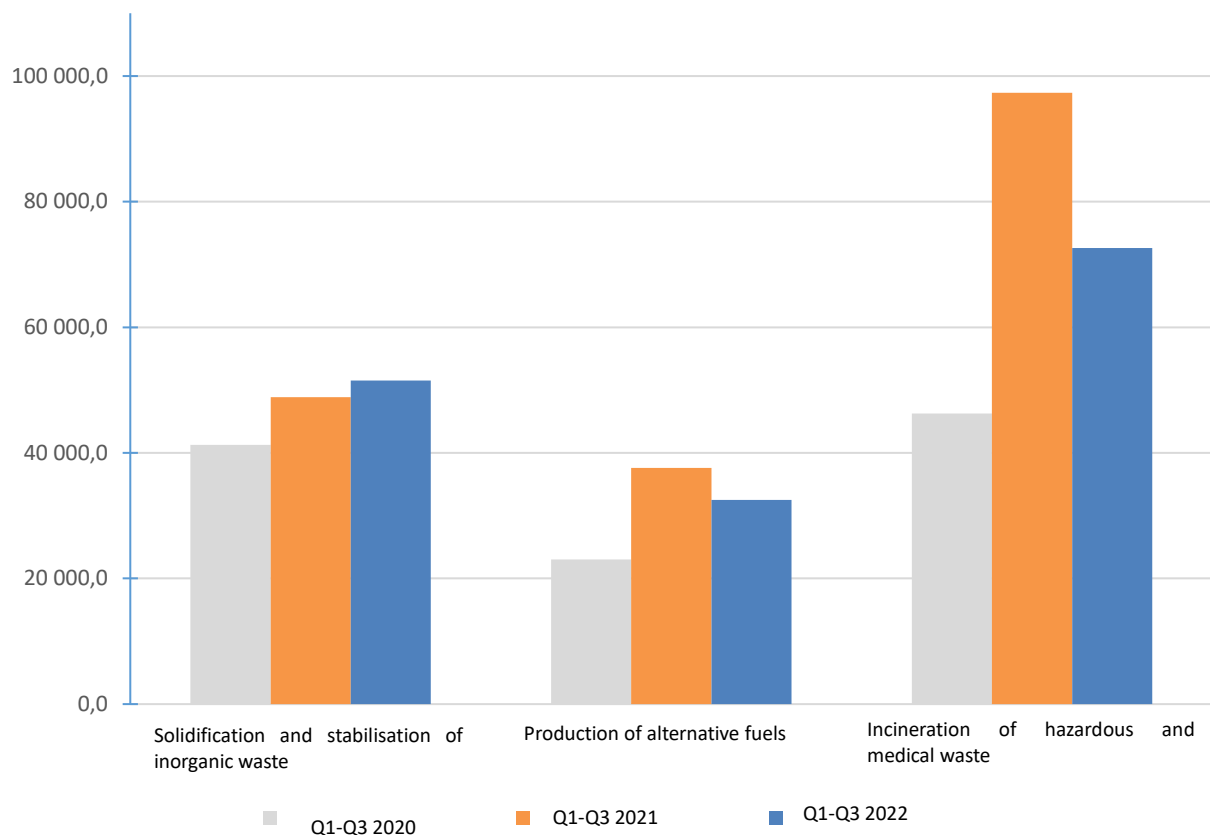
The alternative fuel produced at Mo-BRUK S.A.'s sites is made of combustible municipal waste provided by waste collection companies. Combustible industrial waste supplied directly by industrial plants and waste collection companies is also used in the manufacture of alternative fuels. Waste received 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. Through the incineration of certain groups of waste, Raf-Ekologia Sp. z o.o. produces energy in the form of technological steam, which it sells to Rafineria Jedlicze. In 2014, the Issuer launched an industrial waste incineration plan at the alternative fuel 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 from waste management [PLNk]	2022 Q1-Q3	2021 Q1-Q3	2020 Q1-Q3
<b>solidification and stabilisation of inorganic waste</b>	51 528.6	48 869.3	41 292.8
<i>including "environmental bomb" decommissioning</i>	426.1	2 037.2	-
<b>production of alternative fuels</b>	32 486.1	37 604.0	23 041.3
<b>incineration of hazardous and medical waste</b>	72 618.4	97 354.4	46 270.5
<i>including "environmental bomb" decommissioning</i>	2 037.2	6 052.5	5 220.00
<b>Total:</b>	<b>156 633.1</b>	<b>183 827.7</b>	<b>110 604.6</b>

## Consolidated revenue from waste management [PLNk]



Waste management is Mo-BRUK Group's most dynamically developing segment, accounting for more than 90% 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 of the types of waste listed in the Regulation of the Minister of the Environment dated 2 January 2020) on the waste

catalogue (Polish Journal of Laws of 2020 item 10). 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**

#### *Mo-BRUK S.A.'s entry into Warsaw Stock Exchange's mWIG40 index*

Mo-BRUK entered the mWIG40 index as a result of an annual review of index portfolios after the trading session on 18 March 2022. This means that Mo-BRUK is part of an elite group of index constituents listed on the Warsaw Stock Exchange. This is the result of a considerable growth in the Company's operational scale in recent years, manifested in a major increase in revenue and profitability, which have strengthened our position on the capital market.

#### *Selection of statutory auditor to audit financial statements for 2022-2024*

On 22 April 2022, the Issuer's Supervisory Board adopted a resolution on the appointment of an auditor to audit the Company's separate financial statements for the financial years 2022-2024 and to audit the consolidated financial statements of the Issuer's Group for 2022-2024, as well as to review the semi-annual financial statements for 2022-2024 of the Company and the subsidiary Raf-Ekologia Sp. z o.o. for the corresponding periods.

Pursuant to the adopted resolution, the Company's Supervisory Board decided to appoint Mazars Audyt Sp. z o.o., having its registered office in Warsaw, to audit the separate and consolidated financial statements of the Issuer and its subsidiary to the extent described above.

Mazars Audyt Sp. z o.o. is entered onto the list of entities authorised to audit financial statements maintained by the Polish Chamber of Statutory Auditors under no. 186.

The statutory auditor was selected by the Company's Supervisory Board in accordance with the applicable laws and professional standards based on par. 23 sec. 2 point i) of the Company's Articles of Association.

#### *Annex to material agreement with the City of Gorlice*

On 3 June 2022, Mo-BRUK S.A. signed an annex to an agreement with the City of Gorlice for the performance of a service consisting of the removal of all hazardous waste illegally stored in 2016-2017 on a property at ul. Wyszyńskiego 2 in Gorlice, as communicated by the Issuer in current report 41/2020 of 27 October 2020. Pursuant to the annex, the contractor's total remuneration was increased to PLN 75 183 700.00 gross and the deadline for waste removal was extended to 15 November 2022 and the deadline for waste treatment to 30 June 2023.

Based on this annex, the Company will remove and treat approx. 2700 tonnes of waste located at the former Glimar refinery in Gorlice. The estimated revenue from this will amount to PLN 24 million net.

#### Material agreement signed with Wodociągi Miasta Krakowa S.A.

On 30 August 2022, the Issuer signed, on behalf of a consortium: Mo-BRUK S.A. and Usługi Transportowe "REGAL" Alicja Reguła, an agreement with Wodociągi Miasta Krakowa S.A., based in Kraków, the subject of which is the successive collection (take away and management) of waste left over after the thermal disposal of wastewater sludge from the Thermal Waste Disposal Station operated by Wodociągi Miasta Krakowa S.A. for a total amount of PLN 20 384 400.00 net.

The amount of remuneration due to the Issuer may change in the event of a change in the prices of materials or costs affecting the performance of the Agreement, based on the average annual consumer price increase index announced by the President of the Central Statistical Office.

The Agreement was executed following a tender conducted pursuant to the Act of 11 September 2019 - the Public Procurement Law, and was signed for the period from 11 September 2022 to 10 September 2025.

#### Other material events 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"*
- War in Ukraine - 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 2021 - 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**

#### *Environmental decision secured for expansion of facility in the city of Niecew*

On 20 October 2022, the Mayor of the Municipality of Korzenna confirmed the validity of the decision of 20 September 2022 issued by the authority to Mo-BRUK granting it an environmental permit for the expansion of its facility in the City of Niecew.

The planned project will consist of the expansion and redevelopment of hazardous and non-hazardous waste treatment and storage areas at the existing facility at the Niecew Waste Recovery Facility. The installation is used to produce synthetic aggregate - a construction product. The expansion and redevelopment include the construction of new facilities and essential infrastructure, adaptation and modernisation of existing facilities or equipment. The installation's processing capacity will also change - from 100 thousand tonnes to 140 thousand tonnes per year.

According to the Management Board, the decision obtained is important for the implementation of tasks resulting from the Company's long-term development strategy and its aim of strengthening its market position.

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

In the reporting period ended on 30 September 2022, 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 2022, the Issuer and subsidiary did not record debt or equity issue or redemption transactions.

### **3.14. Information on paid (or declared) dividend, in 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 2021 from related party Raf Ekologia Sp. z o.o.**

On 11 April 2022, 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 2021 to 31 December 2021, amounting to PLN 14 027 460.42, as a dividend to its sole shareholder and parent company Mo-BRUK S.A.

The dividend payment was made on 19 April 2022.

#### **Allocation of Mo-BRUK S.A.'s profit for 2021 and dividend payment**

On 25 April 2021, the Ordinary General Meeting of Mo-BRUK S.A. adopted resolution no. 6/2022 on the allocation of Mo-BRUK S.A.'s profit for the period from 1 January 2021 to 31 December 2021, amounting to PLN PLN 110 726 554.01. The profit was allocated as follows:

1. PLN 70 676.51 was allocated to increase the Company's supplementary capital,
2. PLN 110 655 877.50 was allocated to a dividend for the Company's shareholders.

Mo-BRUK S.A.'s Ordinary General Meeting set the record date as 4 May 2022 and the payment date on 6 May 2022.

The dividend per share amounted to PLN 31.50.

The dividend payment was made on 5 May 2022.

### **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 2022.

### **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 2022.

**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**

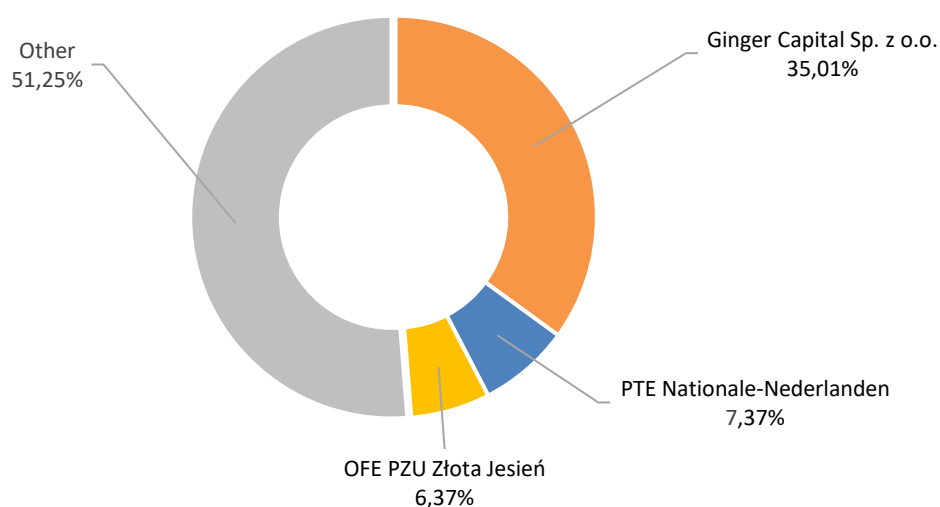
At the date of this report, Mo-BRUK S.A.'s registered share capital amounted to PLN 35 128 850.00 (in words: thirty five million one hundred twenty eight thousand eight hundred fifty zlotys 00/110) and was divided into 3 512 885 (in words: three million five hundred twelve thousand eight hundred eighty 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%
<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).

### 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.

Vice-President of the Management Board Elżbieta Mokrzycka, Vice-President of the Management Board Wiktor Mokrzycki and Vice-President of the Management Board Tobiasz Mokrzycki hold indirectly, 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 before a court, arbitration authority or public administration authority, concerning the 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, the law firm representing the Issuer drafted a response, which was then 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, rewording the revoked part of the decision as follows: "in the amount of PLN 5 821 806.00." 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. The Voivodeship Administrative Court in

Wrocław (ref. II SA/Wr 390/21) dismissed the Company's complaint in a judgement of 26 April 2022. A cassation appeal was filed on 5 July 2022. The case is pending before the Supreme Administrative Court in Warsaw.

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 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 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). 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.

## 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, in the amount of PLN 61 230 674.00. 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. Through a decision of 2 November 2021 (ref. DOW-S-I.7253.67.2020.AH), the Marshal of the Dolnośląskie Voivodeship ruled to impose an increased fee of PLN 17 484 597.00 on the Company. Due to the Marshal's breach of the provisions of procedure and substantive law, the Company filed an appeal against the aforementioned decision. This case is pending before 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 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 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). 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 Voivodeship 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.**

On 23 June 2021, the Company received from the Marshal of the Dolnośląskie Voivodeship notification dated 17 June 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 2017 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.7253.50.2021.AH). Through letters of 24 June 2021 and 7 July 2021, in exercising the summons, the Company provided a register of waste documents for 2017 to the Marshal of the Dolnośląskie Voivodeship. In a decision of 2 November 2021, the Marshal of the Dolnośląskie Voivodeship ruled to impose an increased fee of PLN 19 044 933.00 on the Company. Due to the Marshal's breach of the provisions of procedure and substantive law, the Company filed an appeal against the aforementioned decision. This case is pending before 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 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 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). 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 Voivodeship 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).

**IV.**

On 20 August 2021 the Company received from the Marshal of the Dolnośląskie Voivodeship notification dated 16 August 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 2018 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.7253.68.2021.AH). Through a letter of 15 September 2021, in exercising the summons, the Issuer provided a register of waste documents for 2018 to the Marshal of the Dolnośląskie Voivodeship. In a decision of 2 November 2021, the Marshal of the Dolnośląskie Voivodeship ruled to impose an increased fee of PLN 39 716 198.00 on the Company. Due to the Marshal's breach of the provisions of procedure and substantive law, the Company filed an appeal against the aforementioned decision. This case is pending before 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 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 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). 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).

## **V.**

On 20 December 2021, the Company received from the Marshal of the Dolnośląskie Voivodeship notification dated 13 December 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 2019 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.7253.69.2021.AH). Through letters of 31 December 2021 and 26 January 2022, the Company indicated a lack of grounds for imposing the higher fee on the Company. Through a decision of 16 March 2022 (ref.: DOW-S-I.7253.69.2021.AH) the Marshal of the Dolnośląskie Voivodeship imposed on the Company a higher fee for storing waste in 2019 without a decision approving the landfill manual for waste other than hazardous waste and inert waste with a separate facility for the storage of hazardous waste containing asbestos at ul. Górnicza 1 in Wałbrzych, in the amount of PLN 69 377 154.00. The decision was appealed on 6 April 2022. This case is pending before 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 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 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). 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).

## **VI.**

On 20 December 2021, the Company received from the Marshal of the Dolnośląskie Voivodeship notification dated 13 December 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 2020 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.7253.95.2021.AH). Through letters of 31 December 2021 and 26 January 2022, the Company indicated a lack of grounds for imposing the higher fee on the Company. Through a decision of 16 March 2022 (ref.: DOW-S-I.7253.95.2021.AH) the Marshal of the Dolnośląskie Voivodeship imposed on the Company a higher fee for storing waste in 2020 without a decision approving the landfill manual for waste other than hazardous waste and inert waste with a separate facility for the storage of hazardous waste containing asbestos at ul. Górnicza 1 in Wałbrzych, in the amount of PLN 104 699 553.00. The decision was appealed on 6 April 2022. This case is pending before 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 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 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). 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).

It should be noted that the cases described in points I - VI are precedent-setting, particularly in light of the fact that it was the many years of passivity on the part of the Marshal of the Dolnośląskie Voivodeship and his acceptance of the operation of the Waste Landfill in question in Wałbrzych that led to a situation in which the above-mentioned sanctions were imposed on the Company almost simultaneously. The above circumstance therefore means that these cases must also be viewed through the prism of abuse of administrative authority. Irregularities in the functioning of administrative bodies (abuse of the law) have been repeatedly considered by the



Supreme Administrative Court in Warsaw, among which one can point to the Resolution no. 7 of the Judges of the Supreme Administrative Court of 24 May 2021 (ref. I FPS 1/21), in which it was stated that "Assuming in such exemplarily described factual situations that by the mere issuance of a decision to initiate proceedings for a fiscal offence or fiscal misdemeanour (in the presence of the other prerequisites listed above) the effect provided for in art. 70 § 6 point 1 in connection with art. 70c of the Tax Ordinance took place, would constitute an abuse of this institution, which would be detrimental to the principle of trust in state authorities, as well as the principle of the rule of law, resulting from art. 2 and art. 7 of the 7 of the Constitution (cf. B. Brzeziński, "On the phenomenon of abuse of tax law by the tax administration," Tax Law Quarterly 2014. No. 1 pages 9-16). (...) If, in the jurisprudential practice of the tax authorities, there is a disturbing tendency to instrumentally apply regulations, contrary to the purpose for which they were introduced by the legislator, nullifying at the same time their essence, anchored in the principles of law stemming from the Constitution, then it is necessary to correct the hitherto view of the manner of controlling this phenomenon and to opt for that line of jurisprudence in which constitutional values are implemented to a greater extent." Therefore, it is not possible to determine unequivocally whether the aforementioned decisions sanctioning the Company with an increased fee will remain in force.

With regard to the proceedings described in point I, the Issuer recognised in the books in 2021 the effects of the decision issued by the Local Appeals Board in Wrocław on 26 May 2021 imposing on the Company an increased fee in the amount of PLN 5.82 million plus interest in the amount of PLN 1.95 million - a total of PLN 7.77 million. With regard to the amount of PLN 4.27 million, which was subject to an enforcement order in 2021 and is shown under Other receivables, a full impairment loss was created. With regard to the remaining value of the increased fee of PLN 3.57 million, a provision (Other current provisions) was made in 2021.

For all pending proceedings, i.e. those described in items I to VI, in the opinion of the Management Board, there is a risk of negative outcome of these proceedings, however, for the proceedings described in items II to VI (2016-2020), the Issuer is unable to reliably estimate the financial impact of a possible negative outcome due to the early stage of these proceedings. As at the date of these condensed financial statements, the Company's appeals are pending before the Local Appeals Board in Wrocław, which has not addressed the amounts of the increased fees charged by the Marshal of the Dolnośląskie Voivodeship. Moreover, in the opinion of the Issuer's Management Board, the fees charged by the Marshal of the Dolnośląskie Voivodeship were calculated at abnormally high amounts and are disputed by the Issuer.

## **VII.**

Administrative proceedings regarding alleged violations in waste management against the Issuer are also under-way in a second-instance court. The penalties for these violations, if they become final, could give rise to negative effects for the Issuer 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 appeal proceedings are 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 2022, 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 2022, 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:****• War in Ukraine**

Russia's invasion of Ukraine on 24 February 2022 is the most important factor that shapes and will shape the economic situation in the country and globally. It is currently not possible to estimate the impact of the war in Ukraine on prices and economic growth and the behaviour of domestic and foreign financial markets in the long term. This impact will depend on how long the war lasts, what the political solution to the conflict will be, what additional sanctions will be imposed on Russia and what Russia's response to them will be. The war in Ukraine can nevertheless be expected to lower the pace of economic growth and increase inflation relative to scenarios assumed before the outbreak of the war. It should also be assumed that state expenditure on defence and humanitarian aid to refugees from Ukraine will increase, and consequently so will the deficit of the public finance sector. The central bank's response and monetary policy this year and next year remain an unknown and will depend on the combination of economic growth, inflation and the PLN exchange rate.

**• 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.

**• 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,
- winning tender contracts for "environmental bomb" decommissioning
- acquiring new customers by the Issuer.

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

Henryk Siodmok – 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

**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.