



Mo-BRUK GROUP
CONSOLIDATED QUARTERLY REPORT
FOR Q1 2023

Niecow, 11 May 2023

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1. Mo-BRUK Group's condensed consolidated financial statements for the first quarter of 2023

1.1. Selected financial data

ITEM	PLN		EUR	
	01.01.2023-31.03.2023	01.01.2022-31.03.2022	01.01.2023-31.03.2023	01.01.2022-31.03.2022
I. Net revenue from sale of products, goods and materials	55 133 470	49 578 854	11 729 278	10 668 543
II. Operating profit (loss)	23 942 236	23 327 349	5 093 551	5 019 657
III. Gross profit (loss)	24 413 959	23 385 381	5 193 907	5 032 144
IV. Net profit (loss)	19 606 219	18 916 315	4 171 092	4 070 476
V. Net cash flows from operating activities	21 122 369	19 507 210	4 493 643	4 197 627
VI. Net cash flows from investing activities	-25 339 460	-1 517 589	-5 390 801	-326 560
VII. Net cash flows from financial activities	-858 768	-131 665	-182 697	-28 332
VIII. Total net cash flows	-5 075 859	17 857 957	-1 079 855	3 842 735
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)	5.58	5.38	1.19	1.16
ITEM	PLN		EUR	
	31.03.2023	31.12.2022	31.03.2023	31.12.2022
XI. Total assets	258 806 169	271 394 503	55 353 688	57 867 866
XII. Liabilities and provisions for liabilities	50 930 581	83 125 133	10 893 077	17 724 287
XIII. Non-current liabilities	23 128 023	22 892 779	4 946 642	4 881 294
<i>including deferred income - grant</i>	13 212 453	14 687 864	2 825 891	3 131 807
XIV. Current liabilities	27 802 558	60 232 355	5 946 435	12 842 993
<i>including deferred income - grant</i>	2 825 704	2 128 199	604 364	453 784
XV. Equity	207 875 588	188 269 369	44 460 611	40 143 579
XVI. Share capital	35 128 850	35 128 850	7 513 389	7 490 320
XVII. Number of shares	3 512 885	3 512 885	3 512 885	3 512 885
XVIII. Book value per share (in PLN/EUR)	59.18	53.59	12.66	11.43

The above data for the first quarter of 2023 and 2022 was converted into EUR in accordance with the following rules:

- items of assets and equity and liabilities - at the average exchange rate published by the National Bank of Poland as at 31 March 2023 - EURPLN 4.6755, as at 31 December 2022 - EURPLN 4.6899
- 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 31 March 2023 - EURPLN 4.7005, and from 1 January to 31 March 2022 - EURPLN 4.6472

1.2. Consolidated statement of financial position

Consolidated statement of financial position			
Item	as at 31-03-2023	as at 31-12-2022	as at 31-03-2022
NON-CURRENT ASSETS	144 619 139	145 979 590	115 325 245
Property, plant and equipment	142 006 969	143 348 619	111 526 121
Goodwill	832 348	832 348	832 348
Other intangible assets	588 452	607 253	644 025
Non-current receivables	1 191 370	1 191 370	2 322 751
CURRENT ASSETS	114 187 030	125 414 913	159 602 128
Inventory	1 201 087	1 091 853	1 939 777
Trade receivables	22 619 038	23 404 759	20 106 621
Other receivables	6 351 871	13 210 164	4 116 338
Cash and equivalents	81 711 225	86 787 084	131 985 119
Prepayments	2 303 809	921 053	1 454 273
Total assets:	258 806 169	271 394 503	274 927 373

Consolidated statement of financial position			
Item	as at 31-03-2023	as at 31-12-2022	as at 31-03-2022
Equity	207 875 588	188 269 369	225 687 089
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	21 511 471	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)	111 760 692	92 154 473	133 903 197
Equity attributable to shareholders of the parent	207 875 588	188 269 369	225 687 089
Equity attributable to non-controlling interests	-	-	-
Non-current liabilities	23 128 023	22 892 779	29 396 805
Deferred income tax provision	6 628 945	6 396 652	5 530 448
Provision for pension benefits and similar	161 644	171 604	118 432
Other provisions	-	-	5 855 000

Credit and loans	-	-	3 857
Other financial liabilities	3 124 981	1 636 659	1 463 531
Other non-current liabilities	-	-	32 730
Deferred income - grant	13 212 453	14 687 864	16 392 807
Current liabilities	27 802 558	60 232 355	19 843 479
Credit and loans	3 961	15 730	46 350
Other financial liabilities	546 401	319 258	363 297
Trade liabilities	11 157 269	12 686 847	7 318 999
Current income tax liabilities	1 490 202	1 264 965	1 503 754
Provision for pension benefits and similar	814 038	771 224	741 409
Other current provisions	6 069 401	6 160 401	3 913 161
Other liabilities	4 895 582	36 885 731	3 812 658
Deferred income - grant	2 825 704	2 128 199	2 143 851
Total equity and liabilities:	258 806 169	271 394 503	274 927 373

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

Consolidated statement of profit and loss		
Item	For the period: 01.01.2023-31.03.2023	For the period: 01.01.2022-31.03.2022
Continuing operations		
Revenue from sales	55 133 470	49 578 854
Cost of sales	27 677 388	22 831 164
GROSS PROFIT (LOSS) ON SALES	27 456 082	26 747 690
Selling costs	747 567	573 784
General administrative expenses	2 299 480	1 722 214
Other operating revenue	304 062	108 453
Other operating costs	770 861	1 232 796
OPERATING PROFIT (LOSS)	23 942 236	23 327 349
Finance income	543 643	114 881
Finance costs	71 920	56 849
PROFIT (LOSS) BEFORE TAX	24 413 959	23 385 381

Income tax	4 807 740	4 469 066
NET PROFIT (LOSS) ON CONTINUING OPERATIONS	19 606 219	18 916 315
Net profit (loss) on discontinued operations	-	-
NET PROFIT (LOSS)	19 606 219	18 916 315
Net profit attributable to:		
Shareholders of the parent	19 606 219	18 916 315
Non-controlling interests	-	-

Consolidated statement of profit and loss and other comprehensive income		
Item	For the period: 01.01.2023-31.03.2023	For the period: 01.01.2022-31.03.2022
NET PROFIT (LOSS)	19 606 219	18 916 315
Other comprehensive income	-	-
Total comprehensive income	19 606 219	18 916 315
Total comprehensive income attributable to:		
Shareholders of the parent	19 606 219	18 916 315
Non-controlling interests	-	-

1.4. Consolidated statement of cash flows

Consolidated statement of cash flows (indirect approach)		
Item	For the period: 01.01.2023-31.03.2023	For the period: 01.01.2022-31.03.2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before tax	24 413 959	23 385 381
Total adjustments	1 058 619	573 771
Depreciation / amortisation	1 810 233	1 318 783
Interest income	-543 348	-
Interest cost	28 434	7 592
Gain (loss) on sale of non-current assets	27 054	-15 273
Changes in working capital	-1 041 659	-1 273 294
Changes in provisions	-58 146	264 796
Changes in inventories	-109 234	-1 123 352
Changes in receivables	7 644 014	4 218 077
Changes in current liabilities, except for financial liabilities	-6 357 632	-2 838 341
Change in prepayments and accruals	-1 382 756	-1 258 511
Changes in deferred revenue - subsidy	-777 906	-535 963
Other adjustments	777 906	535 963
Cash generated from operating activities	25 472 579	23 959 152
Income tax on profit before tax	-4 350 210	-4 451 941
Net cash flows from operating activities	21 122 369	19 507 210
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenses on the acquisition of property, plant and equipment	-27 047 052	-1 548 196
Proceeds from sale of property, plant and equipment	1 164 244	30 607
Interest received	543 348	-
Net cash flows from investing activities	-25 339 460	-1 517 589
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of credit and loans	-11 769	-11 507
Repayment of lease liabilities	-818 564	-112 565
Interest paid	-28 435	-7 593
Net cash flows from financing activities	-858 768	-131 665
Increase / decrease in cash and equivalents before effects of changes in exchange rates	-5 075 859	17 857 957

Change in cash due to exchange differences	-	-
Balance sheet change in cash and equivalents	-5 075 859	17 857 957
Cash and equivalents at the beginning of period	86 787 084	114 127 162
Cash and equivalents at the end of period	81 711 225	131 985 119
- including restricted cash	4 365 233	3 928 945

1.5. Consolidated statement of changes in equity

Consolidated statement of changes in equity for the period: 01.01.2023-31.03.2023	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 01.01.2023	35 128 850	25 573 479	21 511 471	985 000	12 916 096	92 154 473	188 269 369	-	188 269 369
Transactions with the owners	-	-	-	-	-	-	-	-	-
Total transactions with the owners	-	-	-	-	-	-	-	-	-
Net profit (loss) in the period:	-	-	-	-	-	19 606 219	19 606 219	-	19 606 219
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	19 606 219	19 606 219	-	19 606 219
Increase (decrease) in equity	-	-	-	-	-	19 606 219	19 606 219	-	19 606 219
Balance as at 31.03.2023	35 128 850	25 573 479	21 511 471	985 000	12 916 096	111 760 692	207 875 588	-	207 875 588

Consolidated statement of changes in equity for the period: 01.01.2022-31.03.2022	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
Transactions with the owners	-	-	-	-	-	-	-	-	-
Total transactions with the owners	-	-	-	-	-	-	-	-	-
Net profit (loss) in the period:	-	-	-	-	-	18 916 315	18 916 315	-	18 916 315
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	18 916 315	18 916 315	-	18 916 315
Increase (decrease) in equity	-	-	-	-	-	18 916 315	18 916 315	-	18 916 315
Balance as at 31.03.2022	35 128 850	25 573 479	17 180 467	985 000	12 916 096	133 903 197	225 687 089	-	225 687 089

2. Mo-BRUK S.A.'s condensed separate financial statements for the first quarter of 2023

2.1. Selected financial data

ITEM	PLN		EUR	
	01.01.2023-31.03.2023	01.01.2022-31.03.2022	01.01.2023-31.03.2023	01.01.2022-31.03.2022
I. Net revenue from sale of products, goods and materials	47 113 832	41 322 960	10 023 153	8 892 012
II. Operating profit (loss)	18 804 787	18 121 383	4 000 593	3 899 420
III. Gross profit (loss)	19 251 808	18 179 754	4 095 694	3 911 980
IV. Net profit (loss)	15 436 297	14 715 653	3 283 969	3 166 563
V. Net cash flows from operating activities	17 690 058	16 330 382	3 763 442	3 514 026
VI. Net cash flows from investing activities	-25 312 870	-1 228 303	-5 385 144	-264 310
VII. Net cash flows from financial activities	-819 504	-83 280	-174 344	-17 920
VIII. Total net cash flows	-8 442 316	15 018 799	-1 796 046	3 231 795
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)	4.39	4.19	0.93	0.90
ITEM	PLN		EUR	
	31.03.2023	31.12.2022	31.03.2023	31.12.2022
XI. Total assets	234 421 944	250 753 610	50 138 369	53 466 729
XII. Liabilities and provisions for liabilities	48 406 659	80 174 622	10 353 258	17 095 167
XIII. Non-current liabilities	22 569 601	22 308 205	4 827 206	4 756 648
<i>including deferred income - grant</i>	13 212 453	14 687 864	2 825 891	3 131 807
XIV. Current liabilities	25 837 058	57 866 417	5 526 053	12 338 518
<i>including deferred income - grant</i>	2 825 704	2 128 199	604 364	453 784
XV. Equity	186 015 285	170 578 988	39 785 111	36 371 562
XVI. Share capital	35 128 850	35 128 850	7 513 389	7 490 320
XVII. Number of shares	3 512 885	3 512 885	3 512 885	3 512 885
XVIII. Book value per share (in PLN/EUR)	52.95	48.56	11.33	10.35

The above data for the first quarter of 2023 and 2022 was converted into EUR in accordance with the following rules:

- items of assets and equity and liabilities - at the average exchange rate published by the National Bank of Poland as at 31 March 2023 - EURPLN 4.6755, as at 31 December 2022 - EURPLN 4.6899
- 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 31 March 2023 - EURPLN 4.7005, and from 1 January to 31 March 2022 - EURPLN 4.6472

2.2. Separate statement of financial position

Separate statement of financial position			
Item	as at 31-03-2023	as at 31-12-2022	as at 31-03-2022
Non-current assets	136 741 611	138 018 948	112 246 151
Property, plant and equipment	133 333 190	134 591 726	107 650 776
Other intangible assets	588 452	607 253	644 025
Shares	1 628 599	1 628 599	1 628 599
Non-current receivables	1 191 370	1 191 370	2 322 751
Current assets	97 680 333	112 734 662	137 806 594
Inventory	1 181 451	1 073 791	1 184 358
Trade receivables	17 341 459	19 071 495	15 208 718
Other receivables	6 057 605	12 385 625	3 828 769
Cash and equivalents	70 878 940	79 321 256	116 198 950
Prepayments	2 220 878	882 495	1 385 799
Total assets:	234 421 944	250 753 610	250 052 745

Separate statement of financial position			
Item	as at 31-03-2023	as at 31-12-2022	as at 31-03-2022
Equity	186 015 285	170 578 988	203 463 759
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	3 488 803	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)	107 923 057	92 486 760	125 442 207
Equity attributable to shareholders of the parent	186 015 285	170 578 988	203 463 759
Equity attributable to non-controlling interests	-	-	-
Non-current liabilities	22 569 601	22 308 205	28 717 357
Deferred income tax provision	6 478 851	6 251 498	5 402 786
Provision for pension benefits and similar	102 647	112 607	64 774
Other provisions	-	-	5 855 000

Credit and loans	-	-	3 857
Other financial liabilities	2 775 650	1 256 236	998 133
Deferred income - grant	13 212 453	14 687 864	16 392 807
Current liabilities	25 837 058	57 866 417	17 871 629
Credit and loans	3 961	15 730	46 350
Other financial liabilities	426 281	201 835	224 591
Trade liabilities	10 752 845	11 636 224	6 618 964
Current income tax liabilities	988 779	963 104	1 111 237
Provision for pension benefits and similar	556 844	514 030	486 246
Other current provisions	6 069 401	6 134 401	3 913 161
Other liabilities	4 213 243	36 272 894	3 327 229
Deferred income - grant	2 825 704	2 128 199	2 143 851
Total equity and liabilities:	234 421 944	250 753 610	250 052 745

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

<i>Statement of profit and loss</i>		
Item	For the period: 01.01.2023-31.03.2023	For the period: 01.01.2022-31.03.2022
Continuing operations		
Revenue from sales	47 113 832	41 322 960
Cost of sales	25 164 862	20 116 840
GROSS PROFIT (LOSS) ON SALES	21 948 970	21 206 120
Selling costs	747 567	573 784
General administrative expenses	1 939 454	1 409 679
Other operating revenue	278 062	90 452
Other operating costs	735 224	1 191 726
OPERATING PROFIT (LOSS)	18 804 787	18 121 383
Finance income	508 072	107 772
Finance costs	61 051	49 401
PROFIT (LOSS) BEFORE TAX	19 251 808	18 179 754
Income tax	3 815 511	3 464 101

NET PROFIT (LOSS) ON CONTINUING OPERATIONS	15 436 297	14 715 653
Net profit (loss) on discontinued operations	-	-
NET PROFIT (LOSS)	15 436 297	14 715 653

Statement of profit and loss and other comprehensive income		
Item	For the period: 01.01.2023-31.03.2023	For the period: 01.01.2022-31.03.2022
NET PROFIT (LOSS)	15 436 297	14 715 653
Other comprehensive income		-
Total comprehensive income	15 436 297	14 715 653

2.4. Separate statement of cash flows

Separate statement of cash flows (indirect approach)		
Item	For the period: 01.01.2023-31.03.2023	For the period: 01.01.2022-31.03.2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before tax	19 251 808	18 179 754
Total adjustments	2 000 733	1 601 024
Depreciation / amortisation	1 664 958	1 237 806
Interest income	-507 777	-
Interest cost	17 566	145
Gain (loss) on sale of non-current assets	27 055	-15 273
Changes in working capital	21 025	-157 617
Changes in provisions	-32 146	282 796
Changes in inventories	-107 659	-376 316
Changes in receivables	8 058 056	4 763 670
Changes in current liabilities, except for financial liabilities	-5 780 937	-3 067 417
Change in prepayments and accruals	-1 338 383	-1 224 387
Changes in deferred revenue - subsidy	-777 906	-535 963
Other adjustments	777 906	535 963

Cash generated from operating activities	21 252 541	19 780 778
Income tax on profit before tax	-3 562 483	-3 450 396
Net cash flows from operating activities	17 690 058	16 330 382
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenses on the acquisition of property, plant and equipment	-26 984 891	-1 258 910
Proceeds from sale of property, plant and equipment	1 164 244	30 607
Interest received	507 777	-
Net cash flows from investing activities	-25 312 870	-1 228 303
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of credit and loans	-11 769	-11 507
Repayment of lease liabilities	-790 169	-71 628
Interest paid	-17 566	-145
Net cash flows from financing activities	-819 504	-83 280
Increase / decrease in cash and equivalents before effects of changes in exchange rates	-8 442 316	15 018 799
Change in cash due to exchange differences	-	-
BALANCE SHEET CHANGE IN CASH AND EQUIVALENTS	-8 442 316	15 018 799
CASH AND EQUIVALENTS AT THE BEGINNING OF PERIOD	79 321 256	101 180 151
CASH AND EQUIVALENTS AT THE END OF PERIOD	70 878 940	116 198 950
- including restricted cash	4 249 458	3 877 275

2.5. Separate statement of changes in equity

Separate statement of changes in equity for the period: 01.01.2023-31.03.2023	Share capital	Supplementary capital - share premium	Retained earnings	Share redemption	Reserve capital - restatement of assets	Retained earnings	Total equity
Balance as at 01.01.2023	35 128 850	25 573 479	3 488 803	985 000	12 916 096	92 486 760	170 578 988
Transactions with the owners	-	-	-	-	-	-	-
Total transactions with the owners	-	-	-	-	-	-	-
Net profit (loss) in the period:	-	-	-	-	-	15 436 297	15 436 297
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	15 436 297	15 436 297
Increase (decrease) in equity	-	-	-	-	-	15 436 297	15 436 297
Balance as at 31.03.2023	35 128 850	25 573 479	3 488 803	985 000	12 916 096	107 923 057	186 015 285

Separate statement of changes in equity for the period: 01.01.2022-31.03.2022	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
Transactions with the owners	-	-	-	-	-	-	-
Total transactions with the owners	-	-	-	-	-	-	-
Net profit (loss) in the period:	-	-	-	-	-	14 715 653	14 715 653
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	14 715 653	14 715 653
Increase (decrease) in equity	-	-	-	-	-	14 715 653	14 715 653
Balance as at 31.03.2022	35 128 850	25 573 479	3 418 127	985 000	12 916 096	125 442 207	203 463 759

3. Additional information to the condensed interim report for Q1 2023

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.

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 2023 to 31 March 2023.

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
- Wiktor Mokrzycki Vice-President of the Management Board
- Tobiasz Mokrzycki Vice-President of the Management Board
- Rafał Michalczuk Vice-President of the Management Board
- Andrzej Rytko 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 8 March 2023, **Elżbieta Mokrzycka** resigned as **Vice-President of the Management Board of Mo-BRUK S.A.** with effect from 31 March 2023. In a letter sent to the Chairperson of the Supervisory Board, Elżbieta Mokrzycka said that after years of working for the Company and having reached retirement age a few years ago, she wanted to devote herself to pursuing private goals. At the same time, Elżbieta Mokrzycka declared her readiness to help and support the Company's Management Board and its employees.

- The Supervisory Board of the Company at its meeting on 23 March 2023 **appointed Rafał Michalczuk as Vice-President of the Management Board of Mo-BRUK S.A. as of 1 April 2023**. The joint term of office of the Management Board ends on 30 April 2025. Rafał Michalczuk serves as the Company's CFO. He has been professionally involved with Mo-BRUK S.A. since November 2022. Rafał Michalczuk graduated from the Poznań University of Economics with a master's degree in International Economic and Political Relations, specialising in international trade. He has held membership status in ACCA since 2002. He has over 15 years of professional experience in the following areas: audit of IFRS financial statements of both companies and groups, day-to-day management of the financial area of companies and groups, implementation of budgeting, reporting and controlling systems, implementation of profitability improvement programs for products/business segments, participation in numerous successful M&As.
- The Supervisory Board of the Company at its meeting on 23 March 2023 **appointed Andrzej Rytka as Vice-President of the Management Board of Mo-BRUK S.A.** The joint term of office of the Management Board ends on 30 April 2025. Andrzej Rytka has been professionally involved with Mo-BRUK S.A. since 2014 as Director of the Alternative Fuels Production Facility in Karsy, and has held the position of Director of Operations since November 2022. Andrzej Rytka graduated from the Faculty of Electrical Engineering at the Warsaw University of Technology with a degree in Industrial Energy Engineering. He also completed an Executive MBA at the Leon Koźmiński School of Management and Administration. Andrzej Rytka has held senior managerial positions in international waste companies, where he was responsible for performance, planning and budgeting, personnel management and maintaining business relationships with partners.

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 composition of the Issuer's Supervisory Board did not change in the reporting period.

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 composition of the Issuer's Audit Committee did not change in the reporting period.

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.

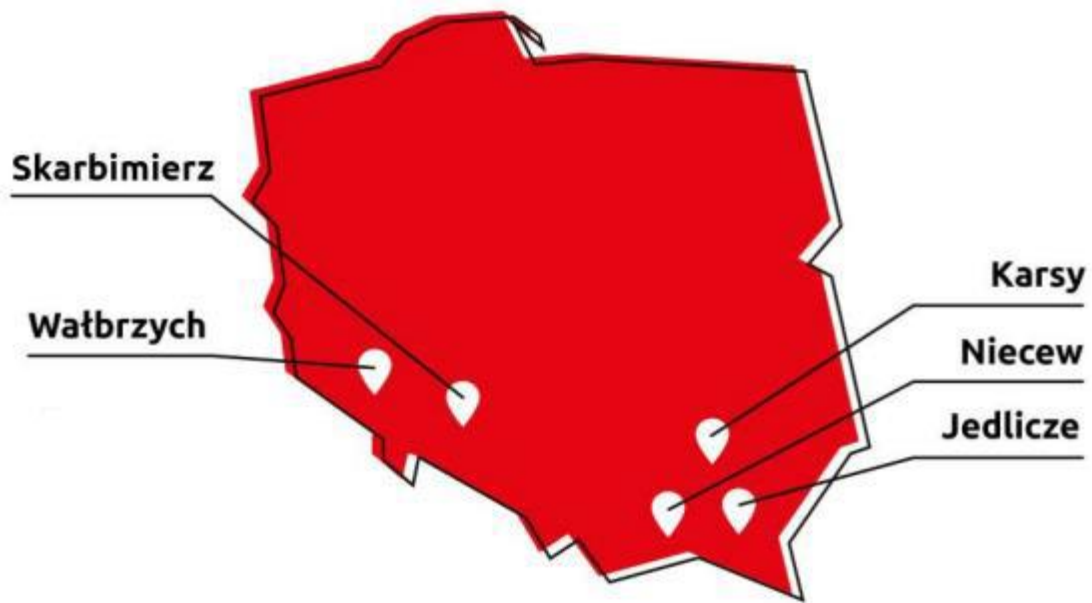
The firm had been operating since 1985 as a sole proprietorship under the name "Mo-BRUK" Józef Mokrzycki. Until 1996, it manufactured products from terrazzo (tiles, window sills, stairs) and catered predominately to retail customers. From 1996, the firm has been in the widely-defined waste management business, encompassing: 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 facilities in Niecew, Karsy, Skarbimierz and Wałbrzych and a subsidiary in Jedlicze. A Waste Recovery Facility is located at the Company's headquarters in Niecew in the Małopolskie Voivodeship, where inorganic waste is solidified and stabilised, along with a filling station. In Wałbrzych, there is a Waste Recycling Facility where alternative fuels are produced, a Coal Sludge Recovery Facility and an Industrial Waste Landfill which is currently in the reclamation phase (as of 20 March 2019, landfilling has been completed).

An alternative fuels production facility has been operating in Karsy (municipality of Ożarów, Świętokrzyskie Voivodeship) since 2008, with an industrial waste incineration unit launched in 2014. In the town of Skarbimierz in the Opolskie Voivodeship, an Inorganic Waste Recovery Facility has been in operation since 2014, using waste solidification and stabilisation technology for waste processing, similar to the facility located in Niecew. Mo-BRUK S.A. also has a filling station and a diagnostic station in Łęka in the Małopolskie Voivodeship.

Mo-BRUK also owns a 100% stake in subsidiary Raf-Ekologia Sp. z o.o., based in Jedlicze in the Podkarpackie Voivodeship. 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 Podkarpackie 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 2023 to 31 March 2023. The comparative data covers the period from 1 January 2022 to 31 March 2022 as regards the statement of profit and loss and statement of cash flows, and for carrying amounts as at 31 December 2022.

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 quarter of 2023 and comparative data for the first quarter of 2022 are prepared in accordance with IFRS.

3.2.5. Presentation changes

The Group did not record any presentation changes in the reporting period ended on 31 March 2023.

3.2.6. Correction of errors

The condensed consolidated financial statements for Q1 2023, 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 31 March 2023.

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 31.12.2022	Changes in provisions	At 31.03.2023
Provision for pension benefits and similar	942 828	32 854	975 682
Other provisions	6 160 401	-91 000	6 069 401
Total provisions	7 103 229	-58 146	7 045 083

Separate data

Provisions	At 31.12.2022	Changes in provisions	At 31.03.2023
Provision for pension benefits and similar	626 637	32 854	659 491
Other provisions	6 134 401	-65 000	6 069 401
Total provisions	6 761 038	-32 146	6 728 892

3.5. Information on deferred income tax provisions and assets

Consolidated data

Deferred income tax - reporting period	Balance as at 31.12.2022	Recognised in result 01.01.2023-31.03.2023	Balance as at 31.03.2023
Deferred income tax assets			
Social security contributions	108 211	-80 845	27 366
Employee benefits	695 832	4 164	699 996
Provision for receivables	234 703	-2 090	232 613
Contribution to Company Social Benefits Fund not yet made	-	8 362	8 362
Leases	277 033	331 334	608 367
Grant	1 742 673	-162 318	1 580 355
Penalties and compensation	1 596	-1 596	-
Balance sheet audit, other	15 200	-15 200	-

Total deferred income tax assets:	3 075 248	81 811	3 157 059
Deferred income tax provision			
Interest	52 338	52 338	-
Difference between carrying amount and tax value of property, plant and equipment and intangible assets	9 198 448	-462 249	9 660 697
Leased tangible assets	221 114	95 807	125 307
Total deferred income tax provision:	9 471 900	-314 104	9 786 004

Separate data

Deferred income tax - reporting period	Balance as at 31.12.2022	Recognised in result 01.01.2023- 31.03.2023	Balance as at 31.03.2023
Deferred income tax assets			
Social security contributions	80 845	-80 845	-
Employee benefits	635 755	4 164	639 919
Provision for receivables	218 801	-	218 801
Contribution to Company Social Benefits Fund not yet made	-	8 362	8 362
Leases	277 033	331 334	608 367
Grant	1 742 673	-162 318	1 580 355
Penalties and compensation	1 596	-1 596	-
Balance sheet audit	12 350	-12 350	-
Total deferred income tax assets:	2 969 053	86 751	3 055 804
Deferred income tax provision			
Interest	52 338	52 338	-
Difference between carrying amount and tax value of property, plant and equipment and intangible assets	9 072 406	-462 249	9 534 655
Leased tangible assets	95 807	95 807	-
Total deferred income tax provision:	9 220 551	-314 104	9 534 655

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

The Group did not record any transactions to purchase or sell property, plant and equipment in the reporting period ended on 31 March 2023.

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 31 March 2023, 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 over PLN 55 million in consolidated revenue from sales in the first quarter of 2023. The revenue figure is satisfactory, with an 11% rise in comparison to the same period of 2022. The growth in revenue was due to the considerable increase in sales that the Group recorded in the inorganic waste solidification and stabilisation segment, which amounted to 34%. The other segments included in waste management saw lower revenue, i.e. the alternative fuel production segment down 11% and the hazardous and medical waste incineration segment down 3%, compared to the revenue generated in the first quarter of 2022. In the filling station segment, the Group recorded a 7% increase in sales versus the comparative period.

The current situation in the world and in the country that has caused a very strong rise in inflation also has had an indirect impact on growth in the Company's operating costs, which was 22% vs. the comparative period. The increase in operating costs was primarily due to growth in the following:

- the cost of material and energy consumption by 49% (PLN 1.9 million), which was mainly driven by an 81% (PLN 0.7 million) increase in the cost of electricity and a 103% (PLN 1.0 million) rise in the cost of raw material used in the production of cement granulate,

- the costs of third-party services by 19% (PLN 2.0 million), mostly driven by a 22% (PLN 1.0 million) increase in the cost of transport services.

A noticeable increase of 37% (PLN 0.5 million) was also recorded on depreciation and amortisation costs. This change was due to an update of the depreciation rates made at the end of 2022 during a review of the rates and economic useful lives of tangible assets. The Issuer has revised the economic useful lives of the tangible assets involved in its on-going project entitled "Modernisation and expansion of the thermal waste conversion line in Karsy." The increase in the cost of employee benefits, in the period under review, was 12% (PLN 0.6 million). Other cost items, despite widespread inflation, did not change significantly compared to last year's period.

The rise in sales revenue and the moderate increase in operating costs made it possible to maintain a profit on sales comparable with the profit generated in the first quarter of last year, i.e. PLN 24.4 million.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS (comparative format)

Item	For the period: 01.01.2023-31.03.2023	For the period: 01.01.2022-31.03.2022	Change
Revenue from sales	55 133 470	49 578 854	11.2%
Total costs:	30 724 435	25 127 162	22.3%
Changes in products	35 811	-17 673	302.6%
Depreciation / amortisation	1 810 233	1 318 783	37.3%
Use of raw materials and materials	5 697 747	3 824 014	49.0%
Third-party services	12 613 778	10 591 236	19.1%
Cost of employee benefits	5 763 273	5 146 899	12.0%
Taxes and fees	357 224	342 492	4.3%
Other costs	472 533	279 255	69.2%
Value of goods and materials sold	3 973 837	3 642 156	9.1%
PROFIT (LOSS) ON SALES	24 409 035	24 451 692	-0.2%
Other operating revenue	304 062	108 453	180.4%
Other operating costs	770 861	1 232 796	-37.5%
EBITDA (operating profit + depreciation / amortisation)*	25 752 468	24 646 131	4.5%
EBIT (operating profit)**	23 942 236	23 327 349	2.6%
Finance income	543 643	114 881	373.2%
Finance costs	71 920	56 849	26.5%

PROFIT (LOSS) BEFORE TAX	24 413 959	23 385 381	4.4%
Income tax	4 807 740	4 469 066	7.6%
NET PROFIT (LOSS)	19 606 219	18 916 315	3.6%

*/ 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 quarter of 2023, Mo-BRUK Group posted satisfactory financial results that confirm the Group's solid standing. The results achieved in the first half of 2023 were an improvement compared to the comparative period, i.e. by 4.5% EBITDA, by 2.6% operating profit, by 4.4% gross profit and by 3.7% net profit.

Mo-BRUK Group's profit

Item, data in PLN	Q1 2023	Q1 2022	Change
Profit (loss) on sales	24 409 035	24 451 692	-0.2%
EBITDA (operating profit + depreciation / amortisation)	25 752 468	24 646 131	4.5%
EBIT (operating profit)	23 942 236	23 327 349	2.6%
Gross profit (loss)	24 413 959	23 385 381	4.4%
Net profit (loss)	19 606 219	18 916 315	3.7%

In the first quarter of 2023, the Issuer's Group recorded high profitability ratios: 44% profit on sales, 43% operating profit, 36% net profit and 47% EBITDA, which after adjusting for the revenue and costs of the petrol station segment are as follows: 48% profit on sales, 47% operating profit, 47% net profit and 51% 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.

Profitability analysis for Issuer's Group

Item	Q1 2023	Q1 2022
Sales margin	44.3%	49.3%
EBITDA margin	46.7%	49.7%
EBIT margin	43.4%	47.1%

Net margin	35.6%	38.2%
Return on assets*	35.9%	38.5%
Return on equity*	44.7%	46.9%

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 31.03.2022 net results for past 12 months covers the period from 01.04.2021 to 31.03.2022.

for the ratio as of 31.03.2023 net results for past 12 months covers the period from 01.04.2022 to 31.03.2023.

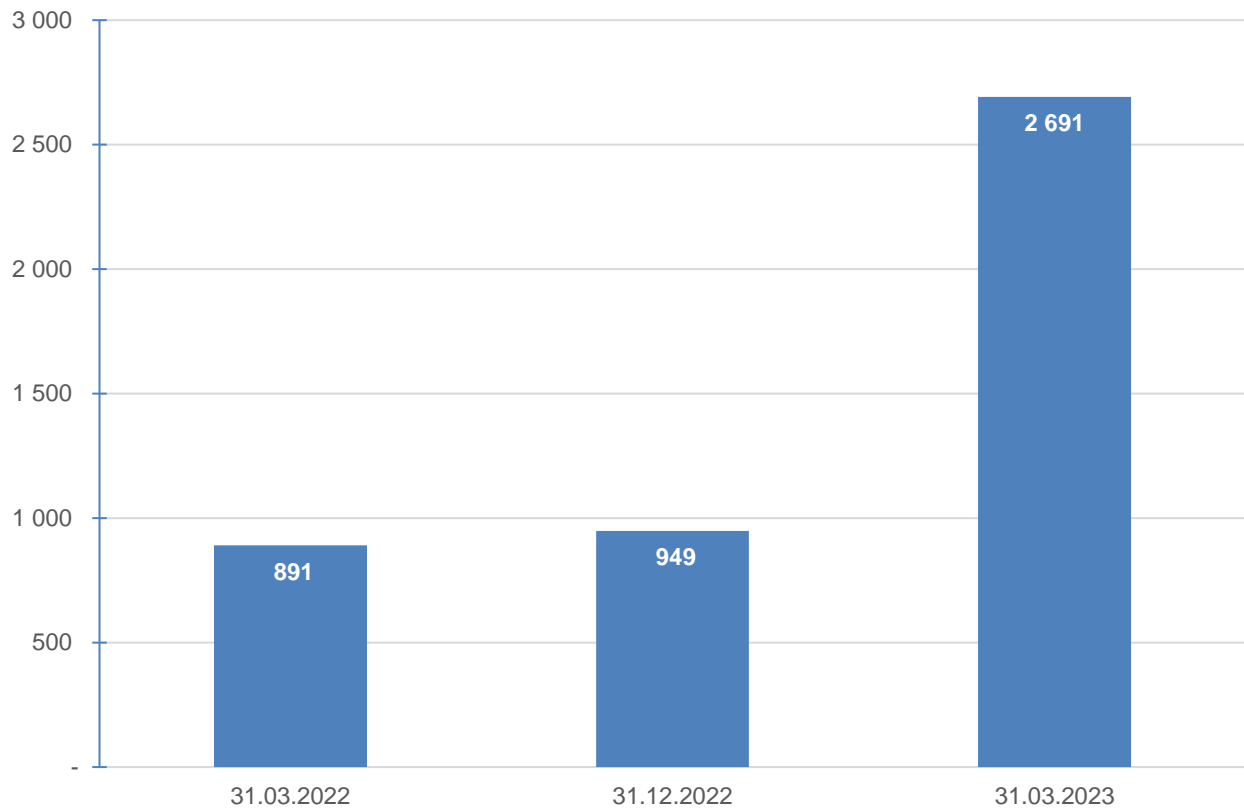
Mo-BRUK Group has very low financial debt, which at the end of Q1 2023 amounted to just PLN 2.7 million. The Group currently has no liabilities related to bank credit; financial liabilities primarily concern leases. With more than PLN 200 million in planned capital expenditures to the end of 2024 and 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]			
	31.03.2023	31.12.2022	31.03.2022
Financial debt¹⁾	2 691	949	891
<i>including:</i>			
<i>loans</i>	4	16	50
<i>leases</i>	2 687	933	841
Net financial debt¹⁾	-79 020	-85 838	-131 094
Cash and other financial assets	81 711	86 787	131 985

¹⁾ 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]



In Q1 2023, Mo-BRUK Group demonstrated full capacity to meet its obligations. The Group's cash holdings and the external financing it has obtained ensure that liquidity is maintained and that investment intentions can be implemented.

As at 31 March 2023, the Group had PLN 81.7 million in cash (including PLN 4.2 million in restricted cash).

In connection with the launch of the project entitled "Modernisation and expansion of the thermal waste conversion line in Karsy" and "Modernisation and expansion of the waste recovery facility in Niecew", the Company has applied to the National Fund for Environmental Protection and Water Management for: a grant of PLN 30 million, a loan on preferential terms of PLN 48 million and a loan on market terms of PLN 26 million.

In 2023, the Group continues its efforts to maintain long-term financial stability and optimise short-term funding sources.

The Group is maintaining very good debt ratios, including 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.

Mo-BRUK Group's net financial debt to EBITDA ratio		
31.03.2023 ¹⁾	31.12.2022	31.03.2022 ²⁾
-0.7	-0.7	-0.9

Algorithms for calculating the ratio:

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

¹⁾for the ratio at 31.03.2023 EBITDA is calculated for the period from 01.04.2022 to 31.03.2023

²⁾for the ratio at 31.03.2022 EBITDA is calculated for the period from 01.04.2021 to 31.03.2022

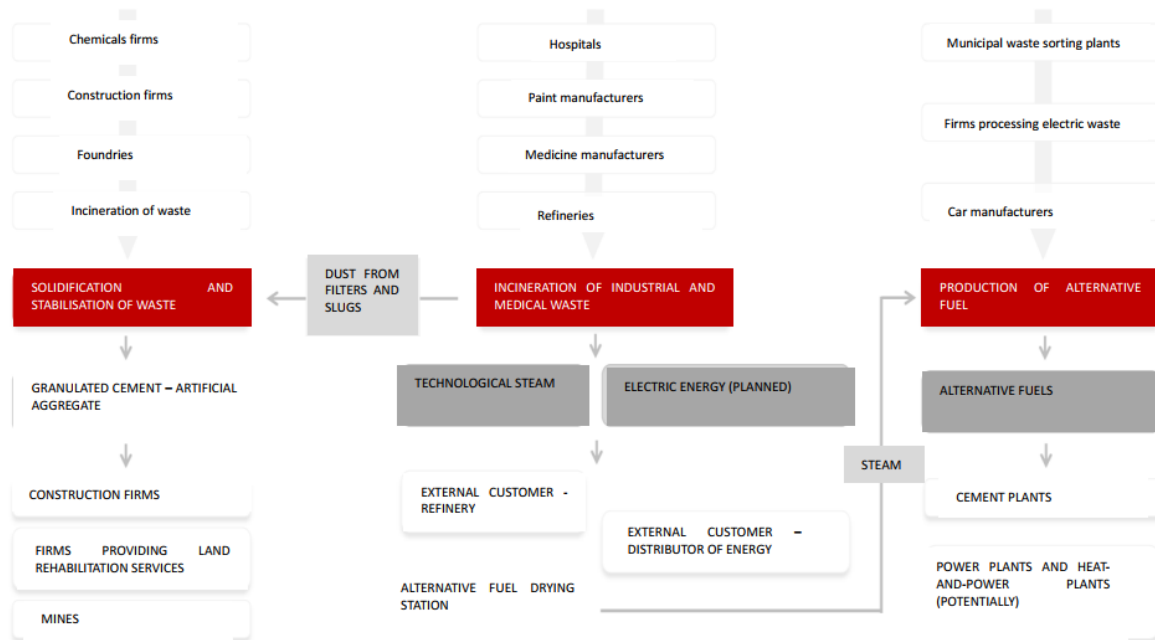
³⁾ the financial debt taken into account in calculating this ratio does not include a liability related to the perpetual usufruct of land

In Q1 2023, 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. 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.

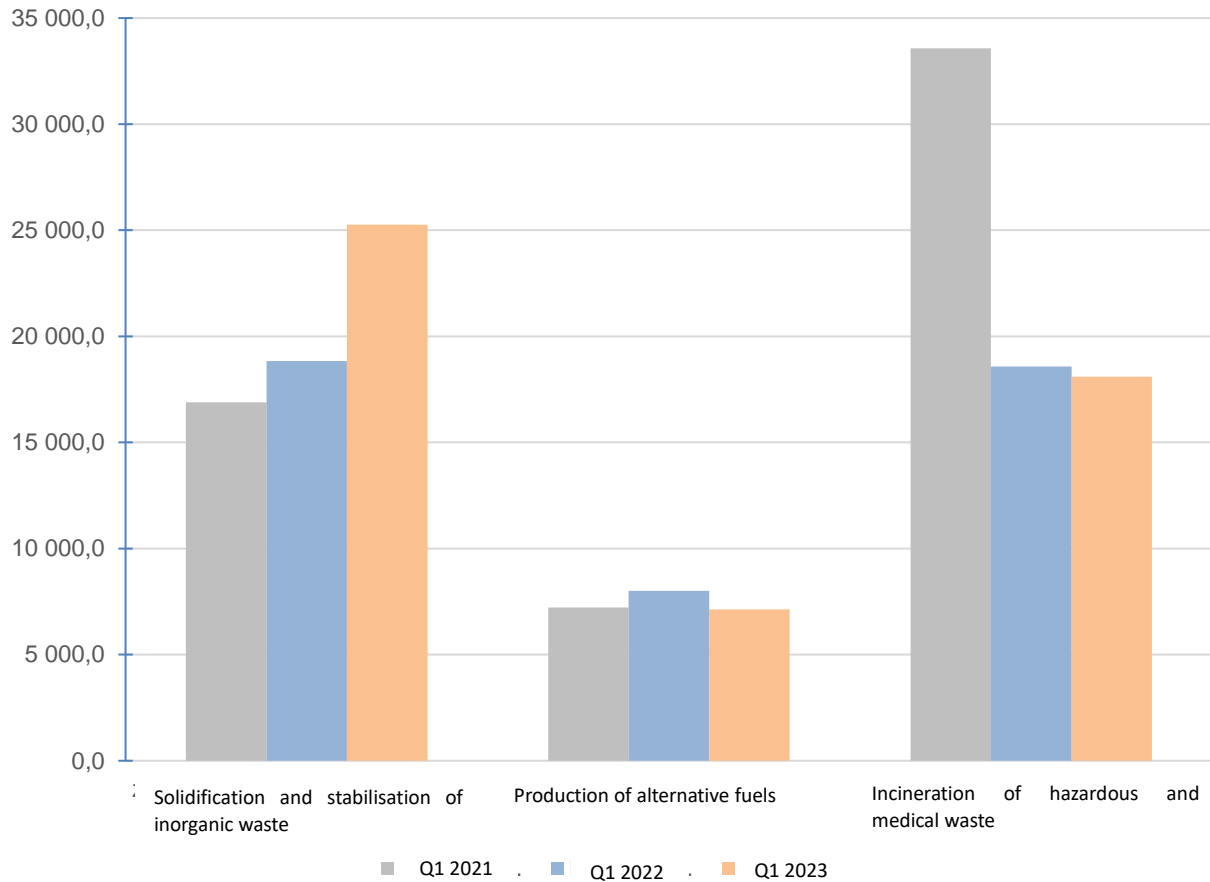
The alternative fuel produced at Mo-BRUK S.A.'s sites is made of combustible municipal waste provided by waste collection companies. Combustible industrial waste supplied directly by industrial plants and waste collection companies is also used in the manufacture of alternative fuels. Waste received 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]	2023 Q1	2022 Q1	2021 Q1
solidification and stabilisation of inorganic waste	25 266.8	18 839.4	16 898.1
production of alternative fuels	7 132.5	8 008.6	7 223.5
incineration of hazardous and medical waste	18 099.6	18 581.0	33 577.7
Total:	50 498.9	45 428.9	57 699.2

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

Changes in Management Board composition

Events took place during the reporting period that resulted in changes to the composition of the Issuer's Management Board as of 1 April 2023. A detailed description is available in point 3.1. of these financial statements, i.e.: "*Description of Mo-BRUK Group.*"

Receipt of the decision of the Local Board of Appeals

- On 16 January 2023, the Issuer received a decision of the Local Board of Appeals in Wrocław dated 22 December 2022 on revoking the appealed decision of the Marshal of the Lower Silesian Voivodship of 2 November 2021 in its entirety and referring the case for reconsideration to the body of first instance. In the repealed decision of the Marshal of the Lower Silesian Voivodship, an increased fee was imposed on the Issuer's Company for the storage of waste in 2016 at a landfill site for waste other than hazardous and inert waste, with a separate section for the storage of hazardous waste containing asbestos at ul. Górnicza 1 in Wałbrzych,
- On 21 February 2023, the Issuer received a decision from the Marshal of the Lower Silesian Voivodship in Wrocław dated 03 February 2023 on imposing an increased fee on the Issuer's Company for the storage of waste in 2016 at the landfill site for waste other than hazardous and inert waste, with a separate section for the storage of hazardous waste containing asbestos at ul. Górnicza 1 in Wałbrzych.

For a detailed description of the above-mentioned administrative matters, please refer to point 3.20 in this Report: "*Material proceedings before a court, arbitration authority or public administration authority, concerning the liabilities or debts of the Issuer or its subsidiary*"

3.10. Events after the reporting period

Dividend for 2022 from related party Raf Ekologia Sp. z o.o.

Description in point 3.14 of this Report: "*Information on paid (or declared) dividend, in the aggregate and per share, by ordinary and preference shares*"

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

In the reporting period ended on 31 March 2023, no atypical events took place that could have a material impact on financial results.

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

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

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

In the reporting period ended on 31 March 2023, 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 for 2022 from related party Raf Ekologia Sp. z o.o.

On 26 April 2023, 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 2022 to 31 December 2022, amounting to PLN 13 695 173.58, as a dividend to its sole shareholder and parent company Mo-BRUK S.A.

The dividend will be paid in two parts:

- PLN 6 000 000.00 by the end of June 2023
- and PLN 7 695 173.58 by the end of 2023.

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 31 March 2023.

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 2023.

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

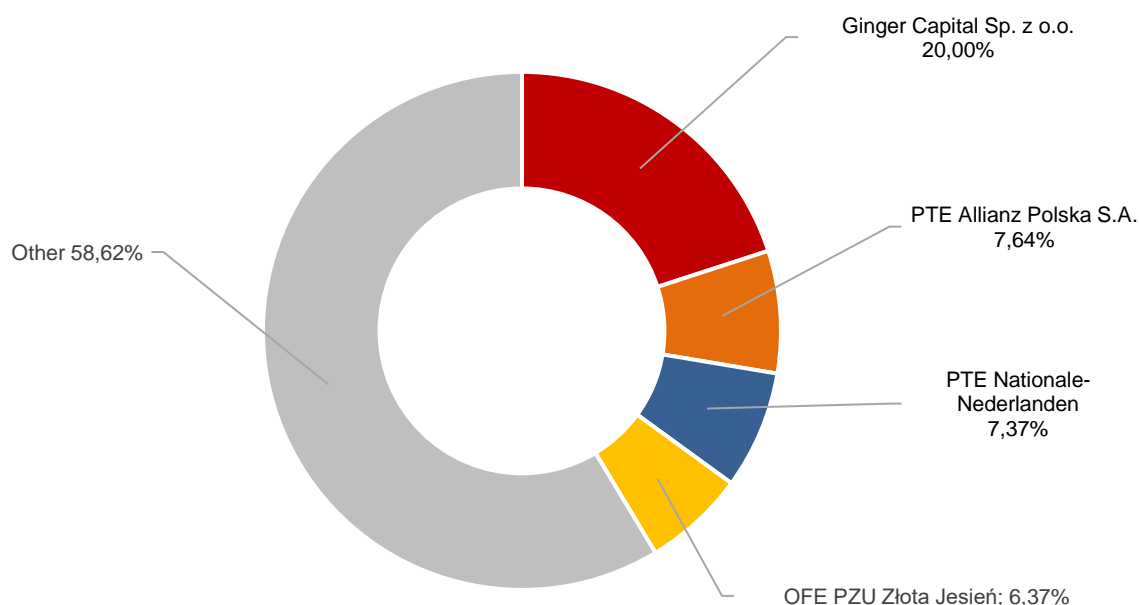
At the date of this report, Mo-BRUK S.A.'s registered share capital amounted to PLN 35 128 850.00 (in words: thirty five million one hundred twenty eight thousand eight hundred fifty zlotys 00/100) and was divided into 3 512 885 (in words: three million five hundred twelve thousand eight hundred eighty 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 C (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.	702 642	20.00%	1 405 284	33.34%	33.34%
PTE Allianz Polska S.A.	268 400	7.64%	268 400	6.37%	6.37%
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	2 059 225	58.62%	2 059 225	48.85%	48.85%
TOTAL:	3 512 885	100%	4 215 527	100%	100%

Source: Issuer (own calculations, based on information known to the Issuer).

- On 12 April 2023, the Issuer received from Powszechnie Towarzystwo Emerytalne Allianz Polska S.A., which manages: Allianz Polska Otwarty Fundusz Emerytalny (hereinafter: Allianz OFE), Allianz Polska Dobrowolny Fundusz Emerytalny (hereinafter: Allianz DFE) and Drugi Allianz Polska Otwarty Fundusz Emerytalny (hereinafter: Drugi Allianz OFE), information stating that as a result of the purchase on 5 April 2023 of the Company's shares (hereinafter: "Transaction"), the share in the share capital and the total number of votes of Mo-BRUK S.A. on the accounts of Allianz OFE, Allianz DFE and Drugi Allianz OFE is above 5%. It follows from the content of the notice that, prior to the Transaction, the total balance in the accounts of Allianz OFE and Allianz DFE amounted to 175 500 shares of the Company, which represented a total of 4.99% of the Company's share capital and gave the right to exercise 175 500 votes representing 4.16% of the total number of votes at the Company's General Meeting. Following the Transaction, the total balance in the accounts of Allianz OFE, Allianz DFE and Drugi Allianz OFE amounts to 268 400 shares, representing 7.64% of the Company's share capital, which gives the right to exercise 268 400 votes representing 6.37% of the total number of votes at the Company's General Meeting.

- On 6 April 2023, the Issuer received a notification from Ginger Capital sp. z o.o., based in Korzenna ("Shareholder"), pursuant to art. 69 sec. 2 point 2 of the Act on Public Offerings, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of 29 July 2005 (i.e. Polish Journal of Laws of 2021, item 1983) ("Act on Offerings") on a change in the Shareholder's previously held share in the total number of votes in the Company in relation to the status indicated in the last notification submitted by the Shareholder pursuant to the Act on Offerings, i.e. in the notification of 4 December 2020.

The reduction in the Shareholder's shareholding in the total number of votes of the Company occurred as a result of the sale of 527 196 shares of the Company entered into on 5 April 2023 as part of an accelerated bookbuilding process ("Transaction").

Prior to the Transaction, the Shareholder had held a total of 1 229 838 shares of the Company, representing in total approx. 35% of the Company's share capital and entitling to 1 932 480 votes at the Company's general meeting, which represented approx. 45.8% of the total votes at the Company's general meeting.

Immediately after the Transaction, the Shareholder holds a total of 702 642 shares in the Company not admitted to trading on the regulated market (main market) operated by the Warsaw Stock Exchange, representing a total of approx. 20% of the Company's share

capital and entitling to 1 405 284 votes at the Company's general meeting, which represented approx. 33.3% of the total votes at the Company's general meeting.

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

At the date on which this report was published, members of the Issuer's management board and supervisory board held no shares of the Issuers, and the shareholdings of obligated persons did not change in the period since the publication of the previous periodic report.

Vice-President of the Management Board Wiktor Mokrzycki and Vice-President of the Management Board Tobiasz Mokrzycki hold indirectly, through Ginger Capital, 702 642 shares, constituting 20.00% of share capital and representing 1 405 284 votes at the Company's General Meeting, which constituted 33.34% 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 Voivodship 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. On 29 September 2022, the Company presented its position on the complaint attaching legal opinions by, among others, professor Marek Górski, indicating that it is not possible to impose sanctions on the Company in a situation where decisions authorising the closure of individual quarters have been issued.

In a letter dated 24 November 2022, the Company submitted an order of the Lower Silesian Marshal to suspend the proceedings on the deferral of increased fees for 2015-2020.

The case is pending before the Supreme Administrative Court in Warsaw, case file III OSK 2216/22.

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. 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 infringement of procedural regulations and substantive law, the Company filed an appeal against the aforementioned decision. The Local Board of Appeals in Wrocław, having considered the case, issued a decision of 22 December 2022, in which it revoked the appealed decision in its entirety and referred the case for reconsideration to the authority, providing guidelines to be followed by the authority of first instance in issuing a new decision:

1. Waste from a fire should therefore be classified as waste under code 16 81 02 (Wastes arising from accidents and incidents, wastes other than those mentioned in 16 81 01 - In this respect, the Board agrees with the pleas of the appeal).
2. Identification of formal or technical deficiencies in the operation of a landfill site should result in ex officio action by the voivodeship marshal to draw up an expert opinion on the closure of the landfill site and then issue a decision to close the site and a decision approving a new instruction to operate the landfill site.
3. Despite the knowledge of irregularities concerning the operation of the landfill (based on an inspection on 25 August 2015 - 22 September 2015 finding numerous deficiencies in the operation of the landfill) by decision of 6 November 2015 no. I 141/2015 (ref.: DOW-S-V.7241.11.2015.MC.AP) refused to approve the Company's waste management instructions on

the grounds of adverse environmental effects and damage indicating numerous technical deficiencies, both the results of the inspection and the records of the decision indicate the fulfilment of the second of the indications in art. 148 sec. 1 point 1 of the Act on Waste, for the Marshal to take ex officio actions intending to close the landfill - he did not take any actions to which he was obligated by the norms contained in art. 148 of the Act on Waste, which would make it possible to eliminate the state of non-compliance with the law as regards the operation of the waste disposal site by the Company without the required consent.

4. Since it has been established that an increased charge may be levied until the closure of a landfill site or individual plots on which waste is stored, it is necessary to establish clearly, firstly, when the individual plots were closed and, secondly, where (on which plots) the waste accepted was stored in each year. This data is not apparent from the individual waste transfer sheets on file. It is also possible that the Company could have stored the waste accepted on sections not intended for this purpose (for which it obtained a permission to close them), which could cause a change in the legal basis for calculating the fee, or used some waste in the process of rehabilitation of the closed sections - in this case, it would require an examination of the provisions of the decisions on giving consent to close individual sections, since, in the absence of a decision by the marshal to approve a new instruction to operate the landfill site in the event of successive collection of waste, it is in these decisions that the source of the Company's obligations concerning the handling of the waste accepted should be seen. The use of waste (e.g. to make a reclamation cover) could no longer be the basis for an increased charge, since the storage of waste for this purpose took place after a decision was taken to close down a specific part of the landfill.

On 3 February 2023, the Marshal of the Lower Silesian Voivodship in Wrocław issued a decision imposing an increased fee on the Company for the storage of waste in 2016 at the landfill site for waste other than hazardous and inert waste, with a separate section for the storage of hazardous waste containing asbestos at ul. Górnicza 1 in Wałbrzych, in the amount of PLN 17 484 597. Given this decision, the statute of limitations for the 2016 increased landfill fee expired on 22 February 2023.

The Company's Management Board disagreed with the position of the Marshal of the Lower Silesian Voivodship and decided to lodge an appeal with the Local Court of Appeals in Wrocław, despite the fact that the liability in question was time-barred on 22 February 2023.

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. 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). However, given the decision of the Local Appeals Board in Wrocław regarding 2016 and the guidelines contained therein, it is highly likely that they will be accepted in this proceeding.

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. 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). However, given the decision of the Local Appeals Board in Wrocław regarding 2016 and the guidelines contained therein, it is highly likely that they will be accepted in this proceeding.

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. 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). However, given the decision of the Local Appeals Board in Wrocław regarding 2016 and the guidelines contained therein, it is highly likely that they will be accepted in this proceeding.

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. 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). However, given the decision of the Local Appeals Board in Wrocław regarding 2016 and the guidelines contained therein, it is highly likely that they will be accepted in this proceeding.

It should also be noted that a case similar to the above (in points I to VI) 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).

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 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."

Decision issued by the Local Board of Appeals in Wrocław regarding the increased fee for 2016 - is also relevant for the increased fee proceedings for 2017 - 2020. Firstly, the appeals authority confirmed that the decisions to close the quarters confirm the fact that the landfill has ended and therefore that no further charges can be levied. In the cases in question, opinions were obtained from authorities in the field of environmental protection, confirming the correctness of the assumptions of the Local Board of Appeals in Wrocław as to the final moment of calculating the fees. The company has closure decisions where the final date for waste disposal has been set at 19 March 2019. In addition, the decisions issued cure the irregularity of the Company's failure to have a landfill operation manual. Further, the Local Board of Appeals in Wrocław pointed to still other circumstances to be established:

1. how the landfilled waste was managed, because if it was used for reclamation of the landfill site within the framework of the decisions on the closure of the plots, the prerequisite for charging an increased fee has not been met,
2. explanation of the inaction of the Marshal of the Lower Silesian Voivodship who, having knowledge of the operation of the landfill site without instructions, did not act ex officio to close the site and therefore did not exercise his statutory prerogatives,
3. verification of the link how the inaction of the Marshal of the Lower Silesian Voivodship in accepting the operation of the landfill site without instructions and then issuing a decision to close individual sections, despite the lack of instructions - translates into proceedings on increased fees (i.e. clarification of the issue of the Marshal's liability). Two more circumstances are of no small importance in the cases: the statute of limitations and the remedial action taken by the Company in the form of a project application submitted by the Company to level the reason for the levy - i.e. the final closure of the landfill in accordance with the Marshal's decisions from 2012 to 2019. (as for section I - Marshal's decision No. 3/2012 dated 16 March 2012 as amended, giving consent to close section I, the completion date was set as 30 June 2023; as for section II - Marshal's decision No. 102 dated 15 May 2017 as amended, giving consent to close section II, the completion date for reclamation was set as 31 December 2023; as for section III - Marshal's decision No. 125/2019 dated 23 July 2019 (as amended, consenting to the closure of section III, the deadline for the completion of reclamation was set at 31 December 2022; as for section IV, Marshal's Decision No. 96 of 20 January 2017 consenting to the closure of section IV, the deadline for the completion of reclamation was set at 31 December 2022).

According to the Company's Management Board, the decision of the Local Board of Appeals in Wrocław of 22 December 2022 concerning the increased fee for 2016 will in all probability affect the content of subsequent decisions concerning increased fees for 2017 - 2020. The Local Board of Appeals broadly agreed with the Company's arguments, which promises a positive final outcome for the Company in this case. With regard to the pending proceedings, i.e. those described in points II to VI, in the Management Board's opinion there is a greater likelihood of a positive outcome than a negative one.

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

In the reporting period ended on 31 March 2023, Mo-BRUK S.A. and subsidiaries did not execute

any material transactions on conditions other than market conditions.

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

During the reporting period ended 31 March 2023, 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 difficult 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 longer 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. It can nevertheless be stated that the war in Ukraine has led to lower pace of economic growth and higher 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.

- 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 Climate 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 were approved for publication by the Management Board of Mo-BRUK S.A.

Henryk Siodmok – President of the Management Board
Wiktor Mokrzycki – Vice-President of the Management Board
Tobiasz Mokrzycki – Vice-President of the Management Board
Rafał Michalczuk – Vice-President of the Management Board
Andrzej Rytka – Vice-President of the Management Board

Person responsible for drawing up the consolidated financial statements

Jarosław Martiszek – Chief Accountant

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Company registered by the District Court for Kraków-Śródmieście in Kraków, 12th Commercial Division of the National Court Register, under KRS number: 0000357598.
The Company's share capital amounts to PLN 35 128 850.00 and is fully paid-up.