

PRELIMINARY ESTIMATES OF SELECTED FINANCIAL AND OPERATIONAL DATA OF THE ULMA CONSTRUCCION POLSKA S.A. CAPITAL GROUP FOR THE FIRST HALF-YEAR OF 2020

Current Report No. 15/2020

The Management Board of ULMA Construcccion Polska S.A. (Issuer) communicates to the public the preliminary estimates of chosen financial and operational data of the Ulma Construcccion Polska S.A. Capital Group (Capital Group) for the first half-year of 2020 [in parenthesis we present data for the analogous period in 2019].

Preliminary financial and operational results of the Capital Group for the first half-year of 2020:

Total consolidated revenue on sales: PLN93,822,000 [PLN107,933,000], drop of -13.1%

of which:

- Consolidated revenue in the “construction support” segment: PLN74,953,000 [PLN86,400,000], drop of -13.2%,
- Consolidated revenue in the “sales of building materials” segment: PLN18,869,000 [PLN21,533,000], drop of -12.4%,
- ✓ Consolidated EBITDA: PLN32,574,000 [PLN46,052,000], drop of -29.3%
- ✓ Consolidated net revenue: PLN8,703,000 [PLN19,624,000], drop of -55.7%
- ✓ Net cash position (cash reduced by credits and increased by granted loans): PLN58,387,000 [PLN44,275,000], increase of 20.6%.

The analysed period of the first half-year of 2020 was a difficult period for the operations of the Capital Group, both in the country and on export markets, in relations to the ongoing COVID-19 pandemic. In the face of the financial and economic crisis caused by the pandemic, the Capital Group was unable to maintain the positive sales trends recorded in 2019.

The second quarter of 2020 brought about an economic slowdown in the construction industry, especially in the industrial buildings sector. As a result, the Capital Group was unable to sign contracts for new orders at a level similar to that recorded in the analogous period of the previous year, which had a negative impact on the amount of total revenue acquired in the “construction support” segment, which is the main driving force behind the economic activity of the Capital Group. However, the Management Board of the Capital Group wishes to point to the fact that the aforementioned predicted revenue on sales are higher than the preliminary predictions published in the Current Report No. 07/2020, which described the predicted impact of the COVID-19 pandemic on the situation of the Capital Group. Those predictions were encumbered with an assumption that a significant number of currently conducted construction works could have been halted as a result of the outbreak of the pandemic. It turned out, however, that despite the implementation of a number of sanitary restrictions, construction works on the domestic market were effectively continued and actual stoppage of construction works in individual cases on export markets did not have a significant bearing on the final sales result of the Capital Group.

The Management Board of the Capital Group is still undertaking many initiatives aimed at, on the one hand, further strengthening of acquisition and trade processes and, on the other hand, constant monitoring of the level of costs and adjustment of individual cost positions to the lower level of sales. Among the most important cost-related initiatives there were, i.a.: voluntary reduction of the Board’s emoluments and change in working time of some employee groups, which was a condition for receiving financial support from the state anti-crisis funds.

Legal foundation: *Art. 17 (1) of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.*

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Signatures: *Andrzej Sterczyński – Member of the Management Board*
Krzysztof Orzełowski – Member of the Management Board