

PRELIMINARY ESTIMATES OF SELECTED FINANCIAL AND OPERATIONAL DATA OF THE ULMA CONSTRUCCION POLSKA S.A. CAPITAL GROUP FOR THE THREE QUARTERS OF 2020.

Current report no. 19/2020

The Management Board of the ULMA Construcción Polska S.A. (Issuer) makes available to the public preliminary estimates of selected financial and operational data of the Ulma Construcción Polska S.A. Capital Group (Capital Group) for the three quarters of 2020 [the data for the corresponding period of 2019 are presented in parentheses].

Initial financial and operating results of the Capital Group for the three quarters of 2020:

Total consolidated sales revenue: PLN 144 797 thousand [PLN 164 298 thousand] decrease by -11.9% including:

- Consolidated revenues from the "service to the construction" segment: PLN 111 001 thousand [PLN 126 072 thousand] decrease by -12.0%,
- Consolidated revenues from the "sales of construction materials" segment: PLN 33 797 thousand [PLN 38 226 thousand] decrease by -11.6%,
- ✓ Consolidated EBITDA: PLN 53 067 thousand [PLN 70 641 thousand], decrease by -24.9%
- ✓ Consolidated net profit: PLN 15 905 thousand [PLN 29 919 thousand], decrease by -46.8%
- ✓ Net cash position (cash reduced by credits and increased by granted loans): PLN 68 720 thousand [PLN 63 850 thousand], increase by 7.6%.

The analysed period of the three quarters of 2020 is the time when the development of the construction segment was adversely affected by difficulties resulting from the development of the COVID-19 pandemic. In the context of the economic crisis caused by this pandemic, the Capital Group was not able to maintain the positive sales trends observed in 2019, which translated into financial results presented this year.

The greatest challenge for the Capital Group is still to maintain the levels of contracting in the "service to the construction" segment, and within this segment particularly in the residential, office and industrial construction. Decreases in the number and value of new orders in this segment of the market, recorded in the current year, had a significant impact on the creation of the aforementioned sales gap in comparison with the corresponding period of the previous year. On the other hand, the third quarter of 2020 brought some stabilisation of the Capital Group's revenues and even positive dynamics, compared to the second quarter of 2020, have been recorded. As a result, the sales gap after three quarters of 2020 (decrease by -11.9% YOY) slightly decreased compared to the data after two quarters of 2020 (decrease by -13.1% YOY).

The Management Board of the Capital Group continues to take many initiatives aimed at, on the one hand, further strengthening the acquisition and sales processes and, on the other hand, constant monitoring of cost levels and adjusting individual cost items to lower sales levels.

Legal basis: Art. 17(1) of Regulation (EU) No. 596/2014 of the European Parliament on of the Council of 16 April 2014 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 (Official Journal of the European Commission L No. 173)

Date: 14.10.2019.

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