EXTENDED CONSOLIDATED REPORT

OF THE ULMA
Construccion Polska S.A. CAPITAL GROUP

for the third quarter of 2018

Construccion Polska S.A.
CAPITAL GROUP
GENERAL INFORMATION

All amounts expressed in thousands of PLN, unless indicated otherwise

The subject of operations

The subject of operations of the ULMA Construccion Polska SA Capital Group.
(hereinafter referred to as the Group) are:

- renting and sale of scaffolding and construction formwork,
- custom-made projects for application of formwork and scaffolding,
- export of construction services provided by Group companies,
- sale of building materials and raw materials as well as concrete accessories,
- transport, equipment and repair activities, including the sale and rent of construction equipment.

The parent company ULMA Construccion Polska S.A. is a joint-stock company (Company). The company commenced operations on February 14, 1989 under the name Bauma Sp. z o.o., as a limited liability company (z o.o.) and was registered under the rep number of A.II – 2791. On September 15, 1995, it was transformed into a joint-stock company established by means of a notary deed before a notary public Robert Dorem at the Notary's Office in Warsaw and registered in Rep. No. A 5500/95. On October 29, 2001, the District Court in Warsaw, XX Commercial Division of the National Court Register, entered the Company in the Register of Entrepreneurs under the number KRS 0000055818. On November 6, 2006, the Extraordinary General Meeting of Shareholders, in Resolution No. 1, resolved to change the name of the Company from the previous name BAUMA S.A. to ULMA Construccion Polska S.A. The relevant entry in the National Court Register was made on November 14, 2006.

Registered Seat

ULMA Construccion Polska S.A.
(parent company of the ULMA Construccion Polska SA Capital Group)
Koszajec 50
05-840 Brwinów

Composition of supervisory and management bodies as at 30/09/2018 and as at the date of approval of the report for publication

Supervisory Board

Aitor Ayastuy Ayastuy President of the Supervisory Board
Rafael Anduaga Lazcanoituburu Vice-President of the Council
Iñaki Irizar Moyua Member of the Supervisory Board
Andrzej Kozłowski Member of the Supervisory Board
Michał Markowski Member of the Supervisory Board

Audit Committee

Michał Markowski Chairman of the Committee
Aitor Ayastuy Ayastuy Member of the Committee
Rafael Anduaga Lazcanoituburu Member of the Committee

Management Board

Rodolfo Carlos Muñiz Urdampilleta President of the Board
Krzysztof Orzełowski Member of the Management Board
Ander Ollo Odriozola Member of the Board
Andrzej Sterczyński Member of the Management Board

The auditor

Ernst &Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp. k.
Rondo ONZ 1
00-124 Warszawa
The company is entered in the list of entities authorized to audit financial statements under item 130.

Banks

mBank S.A.,
PEKAO S.A.,
BGŻ BNP PARIBAS S.A.
PKO Bank Polski S.A.
Sabadell Bank (Spain)

Stock exchange listing

The company is listed on the Warsaw Stock Exchange ("WSE").
GPW Symbol: ULM.

Construccion Polska S.A.

ULMA Construccion Polska S.A.

CONSOLIDATED FINANCIAL STATEMENT
for the third quarter of 2018

All amounts expressed in thousands of PLN, unless indicated otherwise

Consolidated profit and loss account and other comprehensive income

	for the third quarter of	3 quarters of 2018	for the third quarter of	3 quarters of 2017
Sales revenues	57,653	164,870	53,658	143,331
Costs of products, goods and materials sold	(34,899)	(104,135)	(39,364)	(113,361)
I. Gross profit on sales	**22,754**	**60,735**	**14,294**	**29,970**
Selling and marketing costs	(572)	(1,980)	(1,168)	(2,451)
General administration and management costs	(4,329)	(12,572)	(3,843)	(10,954)
Other operating income	55	483	(259)	438
Other operating costs	(1,672)	(5,653)	(751)	(2,440)
Including: impairment losses on receivables	*(1,672)*	*(5,653)*	*(797)*	*(2,316)*
II. Profit (loss) at the operational level	**16,236**	**41,013**	**8,273**	**14,563**
Financial income	290	1,523	251	900
Financial costs	(462)	(506)	33	(505)
Net financial income (costs)	*(172)*	*1,017*	*284*	*(395)*
Share in profits (losses) in associated companies	170	310	(50)	(258)
III. Profit (loss) before tax	**16,234**	**42,340**	**8,507**	**14,700**
Current income tax	(2,637)	(7,707)	(2,234)	(5,574)
Deferred income tax	(397)	(361)	322	1,933
IV. Net profit (loss) for the financial period	**13,200**	**34,272**	**6,595**	**11,059**
Other comprehensive income to be reclassified to profit / (loss) in subsequent reporting periods				
Exchange differences on the translation of financial statements of foreign subsidiaries	(1,323)	283	(440)	(1,638)
Exchange differences regarding net investments in subsidiaries	(396)	276		
Income tax related to items of other comprehensive income	-	-	194	447
V. Total income for the financial period	**11,481**	**34,831**	**6,349**	**9,868**
Net profit attributable to equity holders of the parent	13,200	34,272	6,595	11,059
Net profit attributable to non-controlling interests	-	-	-	-
The total income of the financial period attributable to the shareholders of the parent company	11,481	34,831	6,595	11,059
The total income of the financial period attributable to non-controlling interests	-	-	-	-
Weighted average number of ordinary shares	5 255 632	5 255 632	5 255 632	5 255 632
Basic and diluted profit (loss) per share in the financial period (in PLN per share)	2.51	6,52	1.25	2.10

All amounts expressed in thousands of PLN, unless indicated otherwise

Consolidated statement of financial position

	Status per day:			
	30/09/2018	**30/06/2018**	**31/12/2017**	**30/09/2017**
ASSETS				
I. Tangible assets (long-term)				
1 Property, plant and equipment	229,293	225,053	210,073	209,493
2 Intangible assets	255	303	400	129
3 Shares in affiliates	1,465	1,295	1,155	796
4 Assets due to deferred tax	2,860	2,379	1,347	1,416
5 Other fixed assets	3,916	3,930	3,957	3,971
Fixed assets (long-term) together	**237,789**	**232,960**	**216,932**	**215,805**
II. Current assets (short-term)				
1 Inventory	6,146	5,668	5,710	6,181
2 Trade receivables and other receivables	76,776	76,990	86,532	87,284
3 Receivables due to income tax	489	422	1,220	754
4 Derivative financial instruments	-	-	-	45
5 Cash and cash equivalents	37,161	31,145	25,802	19,054
Current assets (short-term) together	**120,572**	**114,225**	**119,264**	**113,318**
Total assets	**358,361**	**347,185**	**336,196**	**329,123**
EQUITY CAPITAL AND LIABILITIES				
I. Equity				
1 Basic capital	10,511	10,511	10,511	10,511
2 Supplementary capital - surplus from the sale of shares above par value	114,990	114,990	114,990	114,990
3 Exchange differences from consolidation	(15,897)	(14,179)	(16,456)	(15,162)
4 Retained earnings, including:	199,813	186,613	186,780	173,614
a) Net profit (loss) for the financial period	*34,272*	*21,072*	*24,225*	*11,059*
Total equity	**309,417**	**297,935**	**295,825**	**283,953**
II. Liabilities				
1 Long-term liabilities				
a. Deferred income tax liabilities	4,092	3,199	2,448	907
b. Long-term liabilities due to retirement benefits	173	173	173	144
Long-term liabilities in total	**4,265**	**3,372**	**2,621**	**1,051**
2 Short-term liabilities				
a. Credits and loans	108	-	410	596
b. Short-term liabilities due to retirement benefits	51	51	51	41
c. Short-term liabilities due to factoring of trade liabilities	2,506	2,406	2,936	3,244
d. Current income tax liabilities	977	567	365	208
e. Derivative financial instruments	-	-	64	-
f. Trade payables and other liabilities	41,037	42,854	33,924	40,030
Short-term liabilities in total	**44,679**	**45,878**	**37,750**	**44,119**
Total liabilities	**48,944**	**49,250**	**40,371**	**45,170**
Total equity and liabilities	**358,361**	**347,185**	**336,196**	**329,123**

All amounts expressed in thousands of PLN, unless indicated otherwise

Report on changes in consolidated equity

Detailed list	Share capital at par value	Surplus from the sale of shares above par value	Exchange differences from consolidation	Retained profits	Total Equity
As at1st January 2017	**10,511**	**114,990**	**(13,971)**	**190,935**	**302,465**
Total income in 2017	-	-	(2,485)	24,225	21,740
Payment of the dividend			-	(28,380)	(28,380)
As at 31st December 2017 (reported data)	**10,511**	**114,990**	**(16,456)**	**186,780**	**295,825**
Correction for the implementation of IFRS 9	-	-	-	(1,215)	(1,215)
As at 1st January 2018 (reported data)	**10,511**	**114,990**	**(16,456)**	**185,565**	**294,610**
Total income in 3 quarters of 2018	-	-	559	34,272	34,831
Payment of the dividend from the retained income	-	-	-	(20,024)	(20,024)
As at 30th September 2018	**10,511**	**114,990**	**(15,897)**	**199,813**	**309,417**

Detailed list	Share capital at par value	Surplus from the sale of shares above par value	Exchange differences from consolidation	Retained profits	Total Equity
As at 31th December 2016	**10,511**	**114,990**	**(13,971)**	**190,935**	**302,465**
Total income in 3 quarters of 2017	-	-	(1,191)	11,059	9,868
Payment of the dividend from the retained income	-	-	-	(28,380)	(28,380)
As at 30th September 2017	**10,511**	**114,990**	**(15,162)**	**173,614**	**283,953**

All amounts expressed in thousands of PLN, unless indicated otherwise

Consolidated cash flow statement

	for the third quarter of 2018	3 quarters of 2018	for the third quarter of 2017	3 quarters of 2017
Net profit for the financial period	**13,200**	**34,272**	**6,595**	**11,059**
Corrections:				
- Income tax	3,034	8,068	2,297	4,026
- Depreciation of fixed assets	9,312	25,721	12,491	36,396
- Depreciation of intangible assets	50	164	23	72
Net value of formwork sold and liquidated - fixed assets	1,242	5,424	84	1,677
- (Profits) / losses due to changes in the fair value of financial instruments	-	(64)	(24)	(59)
- Change in the value of shares in the associated entities	(169)	(310)	53	263
- Interest received	(258)	(904)	(251)	(900)
- Interest costs	18	61	-	-
- (Profits) / Losses due to foreign exchange losses	922	600	(546)	(922)
Changes in working capital:				
- Acquisition of formworks -fixed assets	(16,141)	(48,306)	(12,261)	(41,504)
- Inventory	(478)	(437)	(1,338)	(2,551)
- Trade receivables and other receivables	214	(2,681)	(2,709)	(4,670)
- Trade payables and other liabilities	(1,718)	6,683	(7,440)	13,050
	9,228	**28,291**	**(3,026)**	**15,937**
Income tax paid	(2,293)	(6,362)	(2,609)	(5,499)
Net cash flow from operating activities	**6,935**	**21,929**	**(5,635)**	**10,438**
Purchase of property, plant and equipment	(340)	(1,452)	(814)	(1,348)
Proceeds from the sale of property, plant and equipment	1	10	-	2
Acquisition of intangible assets	(6)	(11)	-	-
Purchase of shares in an associated company	-	-	-	1,059
Repayment of loans granted	-	11,000	-	879
Interest received	258	904	251	900
Net cash flow from investment activities	**(87)**	**10,451**	**(563)**	**(628)**
Credits and loans received	108	108	49	596
Repayment of credits and loans	-	(410)	-	-
Dividends paid	-	(20,024)	-	(28,380)
Interest paid	(18)	(61)	-	-
Net cash flow from financial activities	**90**	**(20,387)**	**49**	**(27,784)**
Increase / (decrease) in net cash and overdraft in the current account	**6,938**	**11,993**	**(6,149)**	**(17,974)**
Cash and overdraft in the current account at the beginning of the period	31,145	25,802	24,990	36,948
Foreign exchange loss/gains on the valuation of cash and overdraft in the current account	(922)	(634)	213	80
Cash and overdraft in the current account at the end of the period	37,161	37,161	19,054	19,054

All amounts expressed in thousands of PLN, unless indicated otherwise

Construccion Polska S.A.

ULMA Construccion Polska S.A.

ADDITIONAL INFORMATION TO THE CONSOLIDATED

FINANCIAL STATEMENT

All amounts expressed in thousands of PLN, unless indicated otherwise

Notes to the consolidated financial statement

Declaration of conformity and general principles of document preparation

Interim condensed consolidated financial statements of the ULMA Construccion Polska S.A. Capital Group, for which the parent entity is ULMA Construccion Polska S.A., cover the period of 9 months ended on 30 September 2018 and includes comparative data for the nine months ended on 30 September 2017 and as at 31 December 2017.

Duration of the Parent Entity and entities included in the ULMA Construccion Polska S.A. Capital Group. it is unlimited.

These interim condensed consolidated financial statements for the 9-month period ended on 30 September 2018 have been prepared in accordance with the requirements of IAS 34 "Interim financial reporting" approved by the EU ("IAS 34") and present the financial position of the ULMA Construccion Polska S.A. as at 30 September, 2018, its results and cash flows for the nine months ended 30 September 2018.

The interim financial statements as at September 30, 2018 do not include all information and disclosures required in the annual financial statements and should be read together with the audited consolidated financial statements as at 31 December 2017, published on 27 March 2018.

These interim condensed consolidated financial statement are presented in Polish zloty ("PLN"), and all values, unless indicated otherwise, are given in thousands of PLN.

These interim condensed consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern in the foreseeable future. As of the date of approval of these financial statements, there are no circumstances indicating a threat to the Group Companies continuing as a going concern.

The interim financial result may not fully reflect the achievable financial result for the financial year.

These interim condensed consolidated financial statements have been prepared on the historical cost basis, with the exception of financial assets and liabilities (derivative financial instruments) measured at fair value through profit or loss account.

These interim consolidated financial statements of the ULMA Construccion Polska SA Capital Group for the 9-month period ended on 30 September 2018, were approved for publication by the Management Board of the parent company on 14 November 2018.

Changes in applied accounting principles

When preparing the interim condensed consolidated financial statements, the Group applied the same accounting principles (except for those listed below), as described in the audited consolidated financial statements as at 31 December 2017.

The Group applied for the first time IFRS 15 Revenue from contracts with customers ("IFRS 15") and IFRS 9 Financial Instruments ("IFRS 9"). In accordance with the requirements of IAS 34 Interim Financial Reporting, the Group disclosed a description of the nature and effect of changes in accounting principles (policies) later in this note.

Other new or amended standards and interpretations that apply for the first time in 2018 have no material impact on the interim condensed consolidated financial statements of the Group.

Impact of IFRS 9 on the consolidated statement of financial position as at the date of first application, ie 1 January 2018:

Detailed list	31 December 2017 (reported data)	Impact od IFRS application	01 January 2018
Trade receivables and other receivables	86,532	(1,437)	85,095
Total assets	**336,196**	**(1,437)**	**334,759**
Provision for deferred income tax	2,448	(222)	2,226
Retained profits	186,780	(1,215)	185,565
Total equity and liabilities	**336,196**	**(1,437)**	**334,759**

Other new or amended standards and interpretations that apply for the first time in 2018 have no material impact on the interim condensed consolidated financial statements of the Group.

- Amendments to IFRS 2 - Classification and valuation of share-based payment transactions;
- Amendments to IFRS 4 - Application of IFRS 9 Financial Instruments, including IFRS 4 Insurance Contracts;
- Amendments resulting from the review of IFRS for the 2014-2016 cycle - amendments to IFRS 1, IAS 28;
- Amendments to IAS 40 - property classification, ie transfer of investment properties to other groups of assets;
- Amendments to IFRIC 22 - the change concerns the method of determining the date of the transaction, and therefore the SPOT exchange rate, which should be used in the situation when an advance payment is made or received in a foreign currency.

IFRS 9

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement and is effective for annual periods beginning on 1 January 2018 or later. IFRS 9 addresses three areas related to financial instruments: classification and measurement, impairment and hedge accounting.

The Group has applied IFRS 9 from the effective date of the standard, without transforming the comparative data.

a) Classification and valuation

In accordance with IFRS 9, with the exception of certain trade receivables, at the time of initial recognition, an entity measures a financial asset at its fair value which, in the case of financial assets not measured at fair value through profit or loss, is increased by transaction costs that can be directly attributed to the purchase of these financial assets.

After initial recognition, an entity measures a financial asset at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss. An entity classifies a financial asset based on the entity's business model for the management of financial assets and characteristics of the cash flows resulting from a cash flow contract for an element of the financial assets (the so-called "SPPI")

All amounts expressed in thousands of PLN, unless indicated otherwise

The classification and valuation of the Group's financial assets in accordance with IFRS 9 is as follows:

- Debt instruments are valuated at amortized cost, maintained in accordance with the business model, whose purpose is to maintain financial assets to obtain cash flows arising from the contract, being only repayment of the principal and interest on the principal amount still to be repaid. The Group includes trade receivables, loans granted as well as cash and cash equivalents to this category of financial assets.
- Debt instruments are valuated at fair value through other comprehensive income, for which accumulated profits or losses previously recognized in other total income are subject to reclassification to the financial result at the moment of cessation of recognition. The Group does not have any financial assets that would be subject to classification in this category of financial assets
- Capital instruments are valuated at fair value through other comprehensive income, for which accumulated profits or losses previously recognized in other total income are not subject to reclassification to the financial result at the moment of cessation of recognition. The Group does not have any financial assets that would be subject to classification in this category of financial assets
- Financial assets are valuated at fair value through trough financial results. The Group includes derivative instruments in this category

The Group assessed the business model as at the date of the first application of IFRS 9, i.e. 1 January 2018, and then applied retrospectively regardless of what was the business model in previous reporting periods for those financial assets for which recognition was not terminated before 1 January 2018 year.

IFRS 9 does not introduce significant changes to the classification and measurement of financial liabilities, except for modifications that do not result in the cessation of the recognition of an existing financial liability. The new standard requires the entity to recognize the adjustment to the amortized cost of a financial liability as income or expense in the financial result at the time of modification.

b) Impairment

The application of IFRS 9 fundamentally changes the approach to impairment of financial assets by departing from the concept of loss incurred in favour of expected loss, where the entire expected credit loss is recognized ex-ante.

In the case of trade receivables, the Group applies a simplified approach and measures the write-off for expected credit losses in the amount equal to the expected credit losses over the whole life using the reserve matrix. The Group uses its historical data on credit losses, adjusted, where applicable, for the impact of future information.

In the case of other financial assets, the Group valuates the write-off for expected credit losses in the amount equal to 12-month expected credit losses. If credit risk related

with a given financial instrument has significantly increased since the initial recognition, the Group valuates the write-off for expected credit losses from a financial instrument in the amount equal to expected credit losses throughout the credit’s whole life.

The Group estimates that the credit risk associated with a given financial instrument has significantly increased since the date of its initial recognition in case the delay in repayment exceeds 30 days.

At the same time, the Group estimates that the debtor's default occurs when the delay in repayment exceeds 90 days.

As a result of the application of IFRS 9, an impairment loss as at 1 January 2018 increased by PLN 1 417 thousand in correspondence with retained earnings and amounts to PLN 34,154 thousand as at that day.

The application of IFRS 9 did not affect the valuation of the Group's financial instruments as at the date of its first application. The classification of financial instruments in accordance with IFRS 9 is presented in Note 7.

IFRS 15

IFRS 15 cancels IAS 11 Construction Contracts, IAS 18 Income and related interpretations are effective for annual periods beginning on 1 January 2018 or later. The standard applies to all contracts with clients, except for those that fall within the scope of other standards.

The new standard establishes the so-called Five Steps Model for recognizing revenues resulting from contracts with clients. In accordance with IFRS 15, revenues are recognized in the amount of remuneration which, according to the entity's expectation, is due in exchange for the transfer of promised goods or services to the client.

The application of IFRS 15 requires the Parent's Management Board to make judgements on each of the five steps of the established model.

The Group has applied IFRS 15 from the effective date of the standard, using the retrospective method with the combined effect of the first application recognized on the first application date.

The Group operates in the area of:

a) Sales of commercial goods and formwork

   Contracts contain only one obligation to perform the service - sale of goods, revenue is recognized at a specific moment, i.e. when the customer obtains control over the goods (as a rule at the time of delivery). Consequently, the impact of adopting IFRS 15 at the moment of recognizing revenue from such contracts is not material

b) Sale of a package of goods and services or a package of several services provided over a different period

   The subject of multi-element contracts are, among others, rental services, assembly and disassembly, preparation of individual forms, transportation from / to construction site, repairs, settlement of lost and damaged formwork, as well as rebates and discounts.

   The analysis of contracts with clients has shown that in the case of the Group only revenue from rental of shuttering and scaffolding can be considered as recognized in time. The Group recognizes the aforementioned revenues on a monthly basis, therefore the implementation of IFRS 15 does not affect the Group's current practice in this area. Revenue from other services is recognized at one time.

c) Advances received from customers

   So far, the Group has listed advances received from customers in the item "Other non-financial liabilities". In accordance with the existing accounting policy (principles), the Group did not recognize interest costs on advances received, including the long-term ones.

   In accordance with IFRS 15, the Group assesses whether the contract contains a significant element of financing. The Group decided to use the practical solution, according to which it does not adjust the promised amount of remuneration for the impact of a significant element of financing, if at the time of the contract expects that the period from the transfer of the promised good or service to the client until payment for the good or service by the client will not more than one year. Therefore, for short-term advances, the Group did not allocate a significant element of financing.

   The Group has no material contracts for which the period between handing over the promised good or service to the client and the moment of payment for the good or service exceeds one year.

Correction of comparative data

The Group restated the comparative data for the nine months of 2017. The correction applies to:

- Reclassification of impairment losses on receivables (creation and dissolution) and value of written off receivables for deliveries and services in the total amount of PLN 2,316,000 previously recognized in the item "Costs of sales and marketing" to the item "Other operating costs",
- Compensation for the value of some closely related movements of fixed assets in the formwork group previously outlined separately in the items "Other operating income" and "Other operating costs" in order to show the total effect of managing the Group's fixed assets. The compensation amount is PLN 693 thousand.

The above adjustments did not affect the Group's operating result for the nine months of 2017.

Significant estimates

In the fourth quarter of 2017 (from 1 October 2017), based on current estimates, the Parent Company verified the adopted periods of economic usefulness of fixed assets included in the formwork systems group and, as a result, reduced depreciation rates. The changes introduced in the 9-month period ended 30 September 2018 led to a reduction of depreciation costs for this group by PLN 11,802 thousand in relation to the calculation if the rate change had not occurred

Currency exchange rates and inflation

	Average zloty exchange rates published by the National Bank of Poland				Change in the price index of consumer goods and services published by the Central Statistical Office
	UAH (Hryvnia - Ukraine)	RON (Leu - Romania)	KZT (Tenge - Kazakhstan)	EUR (Euro)	
30 September 2018	0.1301	0.9157	0.010117	4.2714	1,7%
30 June 2018	0.1423	0.9361	0.010950	4.3616	1,6%
31 December 2017	0.1236	0.8953	0.010633	4.1709	2,0%
30 September 2017	0.1373	0.9368	0.010762	4.3091	1,9%

Definition of the presented financial periods

This report presents the following financial periods:

- The third quarter of 2018 - the period from 1 July to 30 September 2018
- Three quarters of 2018 - the period from 1 January to 30 September 2018
- The third quarter of 2017 - the period from 1 July to 30 September 2017
- Three quarters of 2017 - the period from 1 January to 30 September 2017

All amounts expressed in thousands of PLN, unless indicated otherwise

Additional information for the quarterly report

A concise description of the issuer's significant achievements or failures in the period covered by the report, including a list of the most important related events and a description of factors and events, in particular of unusual nature, having a significant impact on the financial results.

Market environment in Poland

Macroeconomic data for industry and construction published for the third quarter of 2018 indicate continuation of upward trends in Polish construction, although the development dynamics for some sectors - especially residential and industrial - are starting to slow down.

In September this year sold production of industry was higher by 2.8% compared to September last year, and construction and assembly production - were higher by 16.4%. In the period January - September this year sold production of the industry was 6.0% higher compared to the same period last year, for which a 6.0% growth had been recorded, while construction and assembly production was higher by 19.8% than the year before, a 12,9% increase had been recorded (source Central Statistical Office).

In the third quarter of 2018, as compared to the corresponding period of the previous year, individual segments of the construction market recorded the following dynamics:

- It seems that the biggest gains in housing are already behind us, and the housing market is slowly saturating. The situation in this sector is stabilizing and in the third quarter of 2018 we recorded an increase in production by only 0.6% compared to the third quarter of 2017, and by comparing this result to the second quarter of 2018, we can see a 5% drop in the construction and assembly production.
- In non-residential construction, growth is still recorded, although its growth has slightly decreased (increase by 13.2% year on year). The largest increase in production can be observed in the case of sports and recreational buildings (increase by 195.1% y on y). Due to large investments in the infrastructure sector, a very high dynamics in the construction of transport and communication facilities was recorded - by 58.9% (y on y). The next segment that recorded a significant increase are cultural, educational and medical buildings (increase by 53% y on y). The decreases in construction and assembly production were recorded in two segments - hotels and tourist accommodation buildings (-2% y on y) and office buildings (-10.2% y on y).
- The growing number of investments carried out in the infrastructure sector resulted in further increases in this construction segment (27.8% compared to the same period of the previous year). They are particularly visible in the most interesting segment from the Company's point of view, including the construction of bridges, viaducts and trestles, which recorded an increase of 50.9% y on y. In the case of road construction, the increase in production is 24.5% (y on y), while in railway construction - 28.4% y on y. The number of expressways and motorways under construction at the end of September 2018 amounted to 1,372 km and was 18.7% higher than in the same period in 2017. In comparison with the second quarter of 2018, the number of roads under construction increased by 5.3%.
- In industrial construction, we can see an increase compared to the same period of the previous year (increase by 3.9% y on y in the segment covering industrial and warehouse buildings, and 3.7%

y o y in the case of complex buildings in industrial areas). Only in the case of water constructions there was a decrease of -35.2% y on y.

Production in sectors important from the Company's point of view is presented in the table below:

Analysis of market data in the field of ULMA (PLN m) - CSO / Spectis			
Sector	**for the third quarter of 2018**	**for the third quarter of 2017**	**% year on year**
Housing sector	4,023	3,998	0,6%
Non-residential sector	6,003	4,816	24,7%
Engineering sector (bridges, viaducts, flyovers, tunnels)	601	398	50,9%
Industrial sector	4,710	4,674	0,8%
Sectors operated by ULMA CONCTRUCCION POLSKA S. A. in total	15,337	13,886	10,5%

The data presented above indicate continuation of upward trends in each construction segment.

Market environment abroad

Ukraine

The basic indices characterizing the construction market in Ukraine in the third quarter of 2018 are presented in the table below

Construction market in Ukraine - PMR		
Sector	**for the third quarter of 2018 (y on y)**	**for the third quarter of 2017 (y on y)**
The dynamics of industrial production	3,9%	-0,2%
Dynamics of construction and industry production	5,0%	22,7%
Dynamics of construction and assembly production in the engineering sector.	6,3%	28,5%
Dynamics of construction and assembly production. in housing sector	2,6%	27,1%
Dynamics of construction and assembly production in the housing sector	5,2%	6,8%
GDP dynamics	3,6%	2,1%
Inflation rate	11,0%	16,1%

The Management Board of the Capital Group looks with optimism at the further development of the construction market of Ukraine. Major projects in non-residential construction (shopping centres) are under construction, including three shopping centres in Kiev. Facts that will have a positive impact on profitability ratios by the end of 2018.

All amounts expressed in thousands of PLN, unless indicated otherwise

Kazakhstan

The basic indices characterizing the construction market in Kazakhstan in the third quarter of 2018 are presented in the table below

Construction market in Kazakhstan - PMR		
Sector	**for the third quarter of 2018 (y on y)**	**for the second quarter of 2017 (y on y)**
The dynamics of industrial production	3,%	9,3%
Dynamics of construction and industry production	2,4%	1,2%
Dynamics of construction and assembly production. in the engineering sector	0,0%	16,7%
Dynamics of construction and assembly production in the non-residential construction sector	5,2%	-19,7%
Dynamics of construction and assembly production in the housing sector	3,5%	-6,8%
GDP dynamics	3,9%	4,3%
Inflation rate	6,1%	7,0%

Kazakhstan still has a large share of Russian companies among formwork suppliers, especially when it comes to simple and repeatable building structures. The growing price of oil and gas translates into increased government budget revenues, which allows us to be optimistic about the launch of further investments, including in particular infrastructural ones, which have their impact on the demand for formwork and scaffolding technology offered especially by the Capital Group.

Lithuania

The basic indices characterizing the construction market in Lithuania in the third quarter of 2018 are presented in the table below

Construction market in Lithuania - PMR		
Sector	**for the third quarter of 2018 (y on y)**	**for the third quarter of 2017 (y on y)**
The dynamics of industrial production	6,5%	7,4%
Dynamics of construction and industry production	3,0%	10,0%
Dynamics of construction and assembly production in the engineering construction sector	5,1%	16,9%
Dynamics of construction and assembly production in the non-residential construction sector	-4,0%	11,6%
Dynamics of construction and assembly production in the housing sector	1,3%	-9,4%
GDP dynamics	3,3%	3,2%
Inflation rate	2,1%	4,4%

The Lithuanian market remains stable, and the position of the Subsidiary operating on this market seems to be fairly well-established. Currently, several infrastructure projects are under preparation, which will increase the demand for formwork offered by the Capital Group in the near future.

(source: PMR data, own observations)

All amounts expressed in thousands of PLN, unless indicated otherwise

Sales revenues

In the three quarters of 2018, the Capital Group reached PLN 164,870 thousand of total sales revenues to PLN 143 331 thousand in the corresponding period of the previous year (increase by 15.0%).

The increase in sales revenues was recorded in both business segments distinguished in the Group.

	9 months 2018	9 months 2017
Sales revenue from construction site support	142,969	125,170
Revenues from sales of goods and construction materials	21,901	18,161
Sales revenue in total	**164,870**	**143,331**

Operating profitability

In the three quarters of 2018, the Capital Group obtained a positive result on operating activities, which amounted to PLN 41,013 thousand to a positive result of PLN 14 563 thousand achieved in the corresponding period of the previous year (increase by PLN 26,450 thousand).

The key figures related to EBIT (operating profit) and EBITDA (operating profit + depreciation) in the analysed periods were as follows:

	for the first quarter of 2018	for the second quarter of 2018	for the third quarter of 2018	3 quarters of 2018	2017	3 quarters of 2017
Sales	49,746	57,471	57,653	164,870	201,294	143,331
EBIT	**11,251**	**13,526**	**16,236**	**41,013**	**30,980**	**14,563**
% for sale	22.62	23.54	28.16	24.88	15.39	10.16
Depreciation	7,967	8,556	9,362	25,885	44,396	36,468
EBITDA	**19,218**	**22,082**	**25,598**	**66,898**	**75,376**	**51,031**
% for sale	38.63	38.42	44.40	40.58	37.45	35.60

In the three quarters of 2018, total depreciation write-offs amounted to PLN 25,885 thousand compared to PLN 36 468 thousand in the same period of the previous year. In the total amount of depreciation write-offs indicated above, the largest item is depreciation write-offs for the existing formwork and scaffolding park. Their amount depends primarily on the estimated period of economic usefulness of the equipment.

In the fourth quarter of 2017 (from 1 October 2017), based on current estimates, the Parent Company verified the adopted periods of economic usefulness of fixed assets included in the formwork systems group and, as a result, reduced depreciation rates. The changes introduced in the 9-month period ended 30

All amounts expressed in thousands of PLN, unless indicated otherwise

September 2018 led to a reduction of depreciation costs for this group by PLN 11,802 thousand in relation to the calculation if the rate change had not occurred

In the three quarters of 2018, the Capital Group recorded an increase in EBITDA in absolute terms by PLN 15 867 thousand in relation to the level achieved in the first three quarters of 2017.

The improvement in EBITDA in absolute and percentage terms was mainly influenced by the significant improvement in the sales structure of the Capital Group in the wake of growing revenues from rental of shuttering systems and scaffolding together with the final settlement of contracts compared to the same period of the previous year. In addition, this year shows an upward trend in the prices of services offered by the Capital Group, which was launched in the first quarter of 2018.
Moreover, in the current year, the financial results showed positive results of cost optimization initiated in the Capital Group in previous periods, which cause an additional positive result impulse.

Definition of the Capital Group's exposure to foreign exchange risk

The Capital Group companies are exposed to exchange rate risk in terms of actual cash flows, which the Group attempts to limit in the following manner:

- by mutual neutralization of liabilities and receivables denominated in the same foreign currency and for the same maturities,
- through activity on the currency market (purchase or sale of foreign currencies being settled in parallel to arising liabilities or receivables denominated in a foreign currency),
- through the activity on the futures market and concluding non-delivery forward contracts (NDFs).

All NDFs held by the Capital Group are concluded only for the purpose of hedging against currency risk and do not have the signs of asymmetry.

The Capital Group does not apply the so-called "Hedge accounting", as a result of which the results from the realization and valuation of hedging transactions (positive and negative) are recognized in the period's result.

The results of hedging transactions achieved to a high degree neutralize the exchange rate risk to which the Capital Group is exposed.

Other operating revenues

In addition to the economic effects related to the settlement and valuation of contracts hedging against exchange rate risk (NDF), the remaining operating activities include economic effects related to the processing of formwork system components according to individual customer needs and general management effects of assets (negative and positive inventory differences and provisions for permanent loss inventory values).

Starting from the report for 2017, the Group discloses, in the remaining operating costs, the value of impairment losses on receivables (creation and dissolution) as well as the value of written off receivables from deliveries and services - previously reported under "Sales and marketing expenses". In the 9-month period ended 30 September 2018, these costs amounted to PLN 5,653 thousand. (in the 9-month period ended 30 September 2017 - PLN 2 316 thousand).

Financial costs and other comprehensive income

The Group's financial expenses are mainly foreign exchange differences arising from the valuation and repayment of financial liabilities and receivables.

The amount shown in "other comprehensive income" is mainly due to the conversion of financial statements of subsidiaries into the functional currency of the Capital Group resulting from the devaluation of local currencies in Ukraine and Kazakhstan against PLN.

Net financial result

After accounting for income tax, the Capital Group obtained a positive net financial result in the amount of PLN 34,272 thousand in the three quarters of 2018 compared to PLN 11,059 thousand a positive net financial result achieved in the corresponding period of the previous year.

Cash flow

The Group's shortened cash flow statement in the analysed periods is presented in the table below:

	3 quarters of 2018	3 quarters of 2017
Net profit (loss)	34,272	11,059
Depreciation	25,885	36,468
Total financial surplus	**60,157**	**47,527**
Other elements of net flows from operating activities	(38,228)	(37,089)
Net cash flow from operating activities	**21,929**	**10,438**
Net cash flow from investment activities	10,451	(628)
Net cash flow from financial activities	(20,387)	(27,784)
Net cash flow	**11,993**	**(17,974)**

Cash flow from operating activities

During the three quarters of 2018, the Capital Group achieved a positive financial surplus (net profit + depreciation), which amounted to PLN 60 157 thousand.

In the same period, cash flows from operating activities amounted to PLN 21,929,000 against 10,438 thousand PLN in the corresponding period of the previous year (increase by PLN 11,491,000).

Cash flow from investment activities

All amounts expressed in thousands of PLN, unless indicated otherwise

During the three quarters of 2018, the Capital Group performed investment activities related to the purchase of machinery and equipment as well as computer hardware, as a result of which investment outlays of PLN 1 452 thousand were made. PLN 1 348 thousand in the same period of the previous year.
The flows from investing activities were also affected by changes in the balance of loans granted to related entities. On 21/05/2018, the mother company of ULMA CyE S. Coop. repaid the first tranche of a loan contracted from the Capital Group in the amount of PLN 11,000 thousand according to the loan agreement with annexes.

Cash flow from financial activities

The main item in financial expenses in the three quarters of 2018 is the payment of a dividend of PLN 20 024 thousand (during 3 quarters of 2017 - PLN 28 380 thousand)

As a result of the above phenomena, in the three quarters of 2018, the Group recorded an increase by PLN 11,993 thousand. cash and overdrafts in the amount of PLN 37 161 thousand as at 30 September 2018.

Explanations regarding the seasonality or cyclicality of the issuer's activities in the presented period

Performing construction works is characterized by significant seasonality, which translates directly into revenues generated from the sale of products and services of the Capital Group. Particularly unfavourable weather conditions and frequent delays in the implementation of government investments usually occur in the first quarter of the year. The improvement of discussed factors is usually in the following quarters, and the peak of the construction season usually falls on the third quarter of the calendar year.

The above phenomena also cause seasonal effect in the process of repairs of products owned by the Capital Group (formwork systems and scaffoldings). The largest part of this work falls on the construction season, i.e. the second and third quarter of the year.

Information regarding the issue, redemption and repayment of debt and capital securities

During the three quarters of 2018, there were no such operations.

Information on the paid (or declared) dividend, in total and per one share, broken down into ordinary and preference shares.

Pursuant to Resolution No. 7, AGM of ULMA Construccion Polska S.A. of 27 April 2018, net profit for the fiscal year 2017 in the amount of PLN 18.350.994.77 and part of the undivided profit from previous years in the amount of PLN 1,672,936.15, in the total amount of PLN 20,023.957.92, were designated for distribution shareholders in the form of a dividend, i.e. in the amount of PLN 3.81 gross per share.

The dividend record date is 10 May 2018 and the dividend payment date is 17 May 2018.

Indication of events that occurred after the day the abridged quarterly financial report was drawn up, not included in this report, which could have a significant impact on the future financial results of the ULMA Construccion Polska S.A.

Despite the high degree of effectiveness of measures taken to hedge against exchange rate risk that can be achieved for imports from the European Union, the total net result from these transactions is influenced by exchange rate volatility, in particular hedging transactions resulting from the balance of internal loans granted by ULMA Construccion Poland SA to "daughter" companies.

As a result, the volatility of the EUR and USD exchange rates against PLN, UAH (Hryvnia in Ukraine) and KZT (Tenge in Kazakhstan) continues to affect the Total Revenue obtained by the Capital Group.

Information on changes in contingent liabilities or contingent assets that have occurred since the end of the last financial year

Since the end of the last financial year, there have been no changes in contingent liabilities and contingent assets.

Information on revenues and results for particular industry or geographic segments, determined in accordance with IAS, depending on which segmentation is the basic division

Capital Group ULMA Construccion Polska S.A. distinguishes two basic segments in its business operations:

- construction site service - a segment that includes the rental of formwork and scaffolding systems along with broadly understood logistics service and construction settlement at the end of the contract,
- sales of building materials - a segment that includes the sale of formwork systems that are components of fixed assets (fixed assets) and turnover (products and goods) of the Capital Group and other building materials.

The segment results were as follows:

The third quarter of 2018 - the 3-month period ending on 30 September 2018.

Description of the item	Construction site services	Sales of building materials	Capital Group
Sales revenue in total	49,650	14,987	64,637
Internal sale	(2,404)	(4,580)	(6,984)
Sales revenues	**47,246**	**10,407**	**57,653**
Operating costs without depreciation	(26,835)	(9,466)	(36,301)
Internal turnover costs	(178)	4,424	4,246
Consolidated operating costs without depreciation	**(27,013)**	**(5,042)**	**(32,055)**
EBITDA	**20,233**	**5,365**	**25,598**

Three quarters of 2018 - the 9-month period ending on 30 September 2018.

Description of the item	Construction	Sales of building	Capital Group

All amounts expressed in thousands of PLN, unless indicated otherwise

	site services	materials	
Sales revenue in total	145,927	34,877	180,804
Internal sale	(2,958)	(12,976)	(15,934)
Sales revenues	**142,969**	**21,901**	**164,870**
Operating costs without depreciation	(82,400)	(23,843)	(106,243)
Internal turnover costs	107	8,164	8,271
Consolidated operating costs without depreciation	**(82,293)**	**(15,679)**	**(97,972)**
EBITDA	**60,676**	**6,222**	**66,898**

The third quarter of 2017 - the 3-month period ending on 30 September 2017.

Description of the item	Construction site services	Sales of building materials	Capital Group
Sales revenue in total	46,654	8,900	55,554
Internal sale	169	(2,066)	(1,897)
Sales revenues	**46,823**	**6,834**	**53,657**
Operating costs without depreciation	(26,764)	(6,802)	(33,476)
Internal turnover costs	(62)	757	695
Consolidated operating costs without depreciation	**(26,826)**	**(6,045)**	**(32,871)**
EBITDA	**19,997**	**789**	**20,786**

Three quarters of 2017 - the 9-month period ending on 30 September 2017.

Description of the item	Construction site services	Sales of building materials	Capital Group
Sales revenue in total	125,307	27,281	152,588
Internal sale	(137)	(9,120)	(9,257)
Sales revenues	**125,170**	**18,161**	**143,331**
Operating costs without depreciation	(75,215)	(22,946)	(98,161)
Internal turnover costs	175	5,686	5,861
Consolidated operating costs without depreciation	**(75,040)**	**(17,260)**	**(92,300)**
EBITDA	**50,130**	**901**	**51,031**

The reconciliation of profit (loss) at the operating level to the Group's net financial result is presented below.

	for the third quarter of	**3 quarters of 2018**	**for the third quarter of**	**3 quarters of 2017**
Profit (loss) at the EBITDA level	**25,598**	**66,898**	**20,786**	**51,031**

All amounts expressed in thousands of PLN, unless indicated otherwise

Depreciation	(9,362)	(25,885)	(12,514)	(36,468)
Interest income	258	904	251	900
Other financial income	32	619	-	-
Interest related costs	(18)	(61)	(23)	(93)
Other financial costs	(444)	(445)	56	(412)
Participation in the results of affiliates	170	310	(49)	(258)
Profit (loss) before tax	**16,234**	**42,340**	**8,507**	**14,700**
Income tax	(3,034)	(8,068)	(1,912)	(3,641)
Net profit (loss)	**13,200**	**34,272**	**6,595**	**11,059**

Conversion of selected financial data into the Euro

	In thousands PLN		**In thousands EUR**	
DETAILED LIST	**3 quarters of 2018**	**3 quarters of 2017**	**3 quarters of 2018**	**3 quarters of 2017**
Net revenues from sales of products, goods and materials	164,870	143,331	38,796	33,598
Result from operating activities	41,013	14,563	9,651	3,414
Result before tax	42,340	14,700	9,963	3,446
Net result	34,272	11,059	8,065	2,592
Net cash flow from operating activities	21,929	10,438	5,160	2,447
Net cash flow from investment activities	10,451	(628)	2,459	(147)
Net cash flow from financial activities	(20,387)	(27,784)	(4,797)	(6,513)
Net cash flow	11,993	(17,974)	2,822	(4,213)
Diluted earnings per ordinary share (in PLN / EUR)	6.52	2.10	1.53	0.49
Basic earnings per ordinary share (in PLN / EUR)	6.52	2.10	1.53	0.49
	30/09/2018	**31/12/2017**	**30/09/2018**	**31/12/2017**
Total assets	358,361	336,196	83,898	80,605
Liabilities	48,944	40,371	11,459	9,679
Long-term liabilities	4,265	2,621	999	628
Short-term liabilities	44,679	37,750	10,460	9,051
Equity	309,417	295,825	72,439	70,926
Basic capital	10,511	10,511	2,461	2,520
Weighted average number of shares	5 255 632	5,255,632	5 255 632	5 255 632
Number of shares as at the balance sheet date	5 255 632	5 255 632	5 255 632	5 255 632
Book value per ordinary share (in PLN / EUR)	58.87	56.29	13.78	13.50

Individual items of assets and equity and liabilities have been converted into EUR using average exchange rates published by the President of the National Bank of Poland, effective as at the balance sheet date. The average EUR exchange rate as at 30 September 2018 amounted to PLN 4.2714, and as at 31 December 2017 to PLN 4,1709.

When converting the items of the statement of comprehensive income and cash flow statement items, a rate being the arithmetic mean of the exchange rates in force in the given period was applied, i.e. data for the period 1.01. 30/09/2018 were converted according to the exchange rate = 4.2497 PLN / EUR, data for the analogous period of 2017 were converted according to the exchange rate = 4.2691 PLN / EUR.

Description of the organization of the ULMA Construccion Polska S.A. Capital Group, with the indication of entities subject to consolidation

The control over the Group is exercised by ULMA C y E, S. Coop. with its registered office in Spain, which as at 30 September 2018 owns 75.49% of the Company's shares. The remaining 24.51% of shares are held by many shareholders.

The ULMA Construccion Polska SA Capital Group. the following companies are included:

The parent entity:

- ULMA Construccion Polska S.A. a commercial law company with its registered office in Koszajec 50, 05-840 Brwinów. On 15 September 1995, pursuant to a resolution of the Extraordinary General Meeting of Shareholders, it was transformed from a limited liability company into a joint-stock company (Notarial Deed of 15 September 1995, Rep. A No. 5500/95). It was entered into the Register of Entrepreneurs by the District Court for the capital city of of Warsaw, XX Commercial Division of the National Court Register under the number KRS 0000055818.

Subsidiaries:

- ULMA Opałubka Ukraina Sp. z.o.o. with its registered office in Kiev at ul. Gnata Juri 9, established on 18 July 2001. It was registered in the Swiatoszynski Department of State Administration for the city of Kiev under number 5878/01 and received the identification code 31563803. The company's business is the sale and lease of formwork, sales of building materials. The share of the issuer in the capital and in the total number of votes is 100%.
- ULMA Opałubka Kazakhstan Sp. z.o.o. with its registered office in Astana Astana, 101 st., area 55, office 201 Its strategic goal is to develop the core business of the Capital Group, i.e. renting formwork and scaffolding systems, and the education of how to use of formwork technology in the construction process in Kazakhstan. The share of the issuer in the capital and in the total number of votes is 100%.
- ULMA Construccion BALTIC sp. z.o.o. with its registered office in Vilnius, ul. Justiniškių g. 126 • LT-05268 VILNIUS. The company's business is the rental of scaffolding and formwork, wholesale and retail sale of scaffolding and formwork, sale and lease of other construction equipment and other commercial activities. The share of the issuer in the capital and in the total number of votes is 100%.

Affiliate:

- ULMA Cofraje SRL with its registered office in Bragadir at ul. Soseaua de Centura No. 2-8 Corp C20 (Romania), established on 9 October 2007. Registered at the National Commercial Register Office in

Bucharest under the number of 22679140. The object of the Company's activity is the rental and sale of scaffolding and construction formwork, also on the basis of leasing. The share of the issuer in the capital and in the total number of votes is 30%.

Subsidiaries are subject to consolidation by the full method, the associated entity is consolidated by means of the equity method.

Indication of the effects of changes in the business unit structure, including as a result of business combinations, acquisitions or sales of Capital Group entities, long-term investments, division, restructuring and discontinued operations

In the period covered by this report, there were no changes in the structure of the ULMA Construccion Polska SA Capital Group.

The position of the Management Board regarding the possibility of implementing previously published forecasts of results for a given year in the light of the results presented in the quarterly report in relation to forecasted results

Capital Group ULMA Construccion Polska S.A. does not publish forecasts of results.

Indication of shareholders holding, directly or indirectly through subsidiaries, at least 5% of the total number of votes at the general meeting of ULMA Construccion Polska S.A. as at the date of publication of the quarterly report together with an indication of the number of shares held by these entities, their percentage share in the share capital, the number of votes at the general meeting and an indication of changes in the ownership structure of significant blocks of shares of ULMA Construccion Polska S.A. in the period from the submission of the previous quarterly report.

As at the date of forwarding this quarterly report, shareholders holding more than 5% of the total number of votes are:

	Number of	%	Number of votes	%
ULMA CyE, S. Coop	3,967 290	75.49	3,967 290	75.49

All amounts expressed in thousands of PLN, unless indicated otherwise

TFI Quercus S.A.	264,893	5.04	264,893	5.04
OFE Aviva BZ WBK	263,404	5.01	263,404	5.01
Dispersed shareholders	760,045	14.46	760,045	14.46

Statement of changes in the ownership of shares of ULMA Construccion Polska S.A. or rights to them (options) by persons managing and supervising the issuer, in accordance with ULMA Construccion Polska S.A. information, in the period from the forwarding of the previous report

According to ULMA Construccion Polska S.A. information, in the period from the submission of the previous report, there were no changes in the ownership of shares of ULMA Construccion Polska S.A. or rights to them (options) by the above-mentioned persons. None of the managers and supervisors of ULMA Construccion Polska S.A. does not have issuer's shares.

Indication of proceedings pending before a court, a competent arbitration authority or a public administration body, including information on:

- the proceedings regarding liabilities or receivables of ULMA Construccion Polska S.A. or its subsidiary, whose value constitutes at least 10% of ULMA Construccion Polska S.A.'s equity, specifying: the subject of the proceedings, the value of the subject of the dispute, the date of initiation of the proceedings, parties to the proceedings and the position of the Company
- two or more proceedings regarding liabilities and receivables, the total value of which is respectively at least 10% of ULMA Construccion Polska SA equity, specifying the total value of proceedings separately in the group of liabilities and claims together with the position of the Company in this case and, in relation to the largest proceedings in the group of liabilities and the group of claims - with an indication of their subject, the value of the subject of the dispute, the date of initiation of the proceedings and parties to the proceedings.

Neither ULMA Construccion Polska S.A. Nor any of its subsidiaries is a party to the proceedings regarding liabilities or receivables of the Company, the value of which would be at least 10% of the Company's equity.

There are also no two or more proceedings regarding liabilities, the total value of which would be at least 10% of the Company's equity.

Proceedings regarding receivables of ULMA Construccion Polska S.A .:

ULMA Construccion Polska S.A. conducts 50 court proceedings, which include receivables (according to the balance as at September 30, 2018) in the total amount of PLN 22,993 thousand. These cases include court proceedings that have not yet ended with the court issuing a final enforcement order in the case and claims against debtors in relation to which the court issued a decision on the declaration of bankruptcy, arrangement or restructuring.
None of the court cases conducted by ULMA Construccion Polska S.A. exceeds10% of the equity capital of ULMA Construccion Polska

All amounts expressed in thousands of PLN, unless indicated otherwise

The table showing individual groups of court proceedings is presented in the table below:

All amounts expressed in thousands of PLN, unless indicated otherwise

Detailed list	Number of the proceedings	Balance as at 30 -09 -2018	Status of the case
Court proceedings	**2**	**1,104**	
Including major cases:			
Firma H.P.U. "ROTOS" Ryszard Dominik		872	The company is awaiting the validation of the payment order issued. Both Debtor and guarantor (natural person) are obligated towards the Company.
NEXTBUD Sp. z o.o. Limited partnership		232	The company is awaiting the validation of the payment order issued. Both Debtor and guarantor (natural person) are obligated towards the Company. As a security for its claims, the Company has a contractual mortgage on the property of Debtor.
Total listed		**1,104**	**100% of the total**

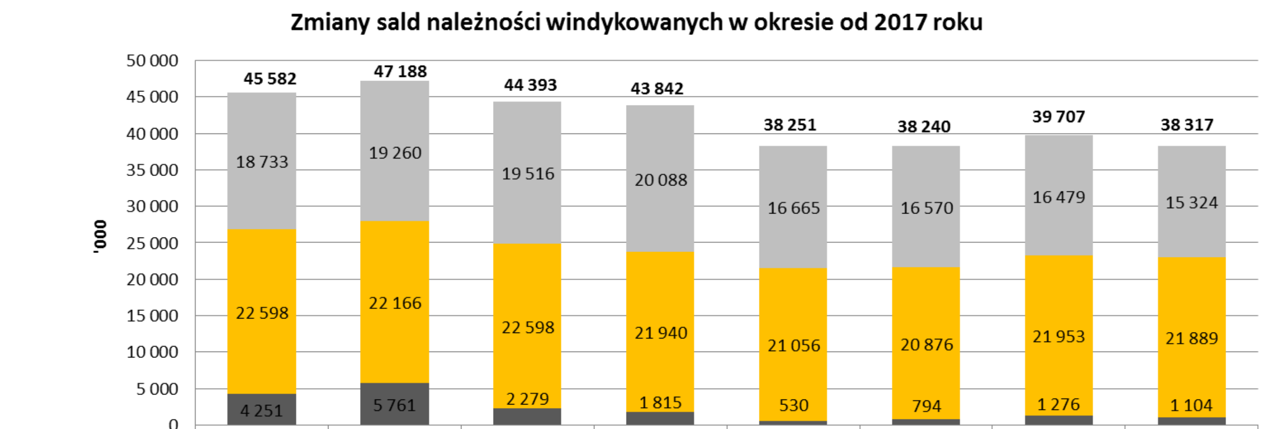
Detailed list	Number of the proceedings	Balance as at 30 -09 -2018	Status of the case
Bankruptcy proceedings	**48**	**21,889**	
including the 5 largest items:			
HYDROBUDOWA POLSKA SA		6,602	The receivable has been filed to the bankruptcy receiver.
RADKO Sp. z o.o.		4,104	On 20/01/2016, the Court transformed the hitherto existing systemic bankruptcy into bankruptcy involving the liquidation of the bankrupt's assets. Regardless of the receivables filed in the bankruptcy proceedings, the Company conducts several different proceedings in parallel. They include: • enforcement proceedings against guarantors (former members of the Debtor's board). In relation to one of the guarantors, land property executions are carried out. After monetizing one of the properties, the Company expects to set the date of the auction to sell the next one, • The company is also a participant in criminal proceedings against former members of the Debtor's board in relation to art. 300 KK (deliberate divestment of the company's assets). In September 2018, the District Court in Oświęcim acquitted the accused. The company is in the process of analysing and the legitimacy of a possible appeal against the issued judgement. • The company also applied to the District Court in Krakow for a ban on running business activity by one of the former members of the Debtor's management board and sitting in the bodies of commercial law companies. On 17 July 2018, the court issued a decision in accordance with the Company's motion.

All amounts expressed in thousands of PLN, unless indicated otherwise

AEDES S.A.		1,155	On 11 February ,2016, the District Court in Kraków issued a decision to open the arrangement proceedings of the Debtor. The receivable was filed with the Restructuring Advisor Chancellor appointed by the Court. On 22 February 2017, the creditors voted on the following arrangement proposals regarding the Company's receivables: 50% reduction and payment in 17 quarterly instalments. The decision approving the arrangement became final. On 15/03/2018, the Court issued a decision to discontinue the arrangement proceedings.
Firma Gotowski – Budownictwo Komunikacyjne i Przemysłowe sp. z o. o		1,044	On 22 June ,2018, the District Court in Kraków issued a decision to open the remedial proceedings of the Debtor. As at the day of preparing the report, the list of receivables in this proceeding is not yet available. Regardless of the ongoing restructuring proceedings, the Company called for direct payments of Investors (the Company is a qualified service provider notified to Investors in accordance with the provisions of Public Procurement Law).
HENPOL Sp. z o.o.		1,010	The receivable has been filed to the bankruptcy receiver.
Total listed		**13,915**	**64% of the total**
Total number of the proceedings conducted	**50**	**22,993**	

Apart from court cases, including incomplete court and bankruptcy proceedings (including restructuring proceedings), the Company conducts a number of debt collection proceedings. These are in particular pre-litigation and enforcement proceedings. Currently, the Company conducts 153 proceedings in these categories with a total value of PLN 15 324 thousand.

All amounts expressed in thousands of PLN, unless indicated otherwise



	2016_12	2017_03	2017_06	2017_09	2017_12	2018_03	2018_06	2018_09
egzekucje	18 733	19 260	19 516	20 088	16 665	16 570	16 479	15 324
upadłości	22 598	22 166	22 598	21 940	21 056	20 876	21 953	21 889
sprawy w sądzie	4 251	5 761	2 279	1 815	530	794	1 276	1 104

Proceedings regarding receivables of the Subsidiaries as at 30 September 2018:

As at the balance sheet date, the Company's subsidiaries recorded a total of 14 court cases with a joint value of PLN 3,279,000 including:

a) 7 cases for the amount of PLN 793 thousand are at the stage of court proceedings,
b) 7 cases for the amount of PLN 2,486 thousand are restructuring and bankruptcy proceedings.

The largest of court cases in Subsidiaries, amounting to PLN 2,004,000 is the restructuring proceedings of one of the debtors of Ulma Baltic. The debtor, despite the schedule agreed in the restructuring proceedings, did not make any payments due. In connection with the above, the proceedings are being converted into liquidation proceedings. In connection with this in the analysed period of the third quarter of 2018, the Capital Group included all due receivables within appropriate provisions.

Similarly to the Company, in the balance sheets of Subsidiaries, in addition to court fees described above, there remain also balances of 17 receivables, whose total value is PLN 1,829,000.

The above amounts are shown after conversion into PLN according to the exchange rates of individual currencies effective as at the balance sheet date.

The Group creates write-offs updating the level of receivables for all doubtful debts and receivables covered by court proceedings. The amounts of such write-offs are included in the item "Sales and marketing costs", and their amount corresponds to the estimates as to the possibility of recovering debts as part of the court and debt collection process.

Information on the conclusion by ULMA Construccion Polska S.A. or a subsidiary of one or more transactions with affiliates, if individually or jointly they are

All amounts expressed in thousands of PLN, unless indicated otherwise

significant and have been concluded on other terms than market conditions, along with an indication of their value along with the presentation of:

1. information about the entity with which the transaction was concluded,
2. information about the connections of ULMA Construccion Polska S.A. or a subsidiary with an entity being a party to the transaction,
3. information about the subject of the transaction,
4. significant terms of the transaction, with particular regard to financial conditions and an indication of specific conditions specific to the parties, characteristic of this contract, in particular, departing from the terms commonly used for this type of contracts,
5. other information regarding these transactions, if necessary to understand the property, financial situation and financial result of the issuer,
6. any changes to transactions with affiliates described in the last annual report, which could have a significant impact on the financial position and financial performance of the issuer.

Transactions concluded during the three quarters of 2018 by ULMA Construccion Polska S.A. and its subsidiaries with related entities were typical and routine, were concluded on an market terms, and their nature and terms resulted from running ongoing operations.

The most important transactions were purchases, mainly of formwork and scaffoldings, and rental services related to formwork systems made by ULMA Construccion Polska S.A. from ULMA C y E, S. Coop. worth PLN 32,022,000. In the last 12 months (from 1/10/2017 to 30/09/2018), the value of the above transactions totaled PLN 37,693 thousand. These transactions were mainly related to reproduction or supplementary activities in the product portfolio of the Capital Group.

In addition to commercial transactions, ULMA Construccion Polska S.A. in the previous periods granted long-term and short-term loans to affiliates. The list of loans granted according to the balance of debt as at the balance sheet date and as at 30/06/2018, 31/12/2017 and 30/09/2017 is presented in the table below.

Affiliate	Loan amount 30/09/2018	Loan amount 30/06/2018	Loan amount 31/12/2017	Loan amount 30/09/2017
ULMA Opałubka Ukraina (thousands. USD)	1,300	1,300	1,300	1,300
ULMA Construccion BALTIC (thousands. EUR)	2,250	2,250	2,500	2,500
ULMA Kazakhstan (thousands USD)	-	-	-	115
ULMA Spain (thousands PLN)	21,000	21,000	32,000	32,000

The above loans granted to the subsidiaries of the Capital Group are treated as net investments in the subsidiary as a result of which unrealized exchange differences arising from the valuation of the above loans (except for loans to ULMA Cofraje Romania and loans to ULMA Kazakhstan) are posted directly to the equity of the Capital Group.

Information on granting by ULMA Construccion Polska S.A. or a subsidiary of credit or loan guarantees or guarantees - in total to one entity or a subsidiary of that entity, if the total value of existing sureties or guarantees is equivalent to at least 10% of the equity of ULMA Construccion Polska S.A., specifying:

All amounts expressed in thousands of PLN, unless indicated otherwise

1. the name (company) of the entity to which sureties or guarantees have been granted,
2. the total amount of credits or loans, which has been properly guaranteed or guaranteed in whole or in part,
3. the period for which sureties or guarantees were granted,
4. the financial conditions under which sureties or guarantees were granted, specifying the remuneration of ULMA Construccion Polska S.A. or a subsidiary of the company for providing sureties or guarantees,
5. the nature of connections existing between ULMA Construccion Polska S.A. and the entity that took out loans or credits.

At the request of ULMA Construccion Polska S.A. mBANK granted one of the Company's clients a bank guarantee of good performance of the lease agreement, of which it was informed in previous periods. The bank guarantee expires on 30 September 2019 and its amount will change during the period of validity. The guarantee is related to securing a long-term lease of the Logistics Centre in Gdańsk, which was taken over for use in the first quarter of 2015.
As at the balance sheet date, the amount of the bank guarantee granted is PLN 3,303 thousand.

ULMA Construccion Polska S.A. granted its subsidiary ULMA Opałubka Ukraina Sp. z o.o. the surety of up to EUR 150,000. in connection with the introduction of a credit line on the current account. The validity of this line expires on 31 December 2019.

Other information that, according to the ULMA Construccion Polska S.A. Group is important for the assessment of its personnel, property and financial situation, financial result and their changes, as well as information which is significant for the assessment of the ability of the Capital Group companies to meet their obligations.

During the three quarters of 2018, there were no significant events other than those described earlier. The Management Board of ULMA Construccion Polska S.A. knows of no other information which would be significant for the assessment of the personnel, property, financial situation, financial result and their changes as well as for the assessment of the ability of the Capital Group companies to meet their obligations.

Indication of factors that according ULMA Construccion Polska S.A. will affect the ULMA Construccion Polska S.A. Capital Group's results in the perspective of at least the next quarter

Polish market

In the third quarter of 2018, the construction industry still has a big problem with the increase in prices of construction materials and finding employees. From the second quarter of 2018, these facts began to translate into financial problems of large construction companies. In the second quarter of 2018, 22 construction groups listed on the Warsaw Stock Exchange showed net losses, whose aggregate values amounted to PLN 101 million (a year earlier they had a net profit of PLN 52 million). However, the aggregate net loss of all entities in the period from July 2017 to June 2018 is PLN 289 million and this is the worst result since the third quarter of 2013.

Erbud has announced that after the second quarter of 2018 it will record a net loss of PLN 30 million. A year earlier, in the same period, the company recorded a profit of PLN7 million.

Much is also said about the problems of the Italian company Astaldi, which left two construction sites - the railway line - No. 7 (Lublin-Dęblin) and E59 (from the border of the Lower Silesia province to Czempinia near Poznan), and also does not pay liabilities to its subcontractors.

Budimex also pointed to a similar problem on the occasion of the results. This largest Polish construction company announced in July this year that its net profit for the second quarter of 2018 decreased by 40%, which is a result of a drop in profitability in the construction segment as a result of the increase in prices of materials, subcontractor services in the absence of appropriate indexation of prices of contracts signed by contracting parties, as well as a significant increase in logistics costs for infrastructure contracts.

According to the Polish Association of Construction Employers, all contracts offered in the second half of 2016 and at the beginning of 2017 are contracts on a slight minus or just even.

This negative market situation is a very high risk of payment gridlocks and even bankruptcy, although the amount of bankruptcies recorded among construction companies is comparable to the same period of the previous year (in the third quarter of 2018, the number of bankruptcies in the construction sector was 31, and from the beginning of the year -104) . In addition, despite many government assurances about understanding the difficult situation on the construction market in Poland and about the formation of a special working team, no specific tools were introduced that could heal the situation on the construction market.

In residential construction, we are seeing some slowdown, contracting of flats of leading developers is also falling. The housing mortgage market records very good results. Both the volume of mortgages and the number of people planning to take out a mortgage for housing in the coming months are growing. In 2019, further increases in residential construction are being forecast, although not as spectacular as in previous periods, by at least 4% for the full population and 2-3% for large enterprises. Although data on building permits for 2017 indicate a potentially higher rate of growth, a slight correction in construction permits is expected for the entire 2018, which will translate into smaller processing at construction sites as early as in 2019. In addition, rising prices of land, construction and building materials will increase housing prices, which will hinder the demand for housing, especially in the area of investment.

One of the challenges of this sector are large slab blocks in which about 12 million people are estimated to live. According to experts, some of these buildings require a thorough and costly modernization, and the oldest ones should even be demolished. Their age is sixty years, while the lifespan of these buildings was planned for 50-70 years. According to the Polish Association of Developers, to replace large slab blocks of flats, in the next 80 years, approximately 60,000 new flats a year would have to be built.

Non-residential construction is still very good. Of the most important sub-segments, the third quarter of 2018 was particularly successful for sports buildings (increase by 195.1% y on y), cultural, educational and medical facilities (53% y on y) as well as transport and communication Good data on permits for non-residential projects from the first half of the year 2018 caused that some voivodships recorded an increase in investment potential for the upcoming quarters.

Analysis of building permits in building construction indicates the expected investment recovery in the less developed regions of Eastern Poland, i.e. Świętokrzyskie, Podkarpackie and Podlasie. The least favourable prospects are for the West Pomeranian and Mazovian voivodships.

In the area of engineering construction, stabilization of dynamics is at a relatively high level. In the third quarter of 2018, the upward trend is still visible (increase by 27.8% y on y), especially in the segment of bridges, viaducts and roads, where there was an increase by 50.9% compared to the same period of the previous year.

Road and rail construction are those market segments in which currently the largest investment outlays are the highest. GDDKiA has announced that it is planning to issue tenders for 138 km of roads (9 sections) worth PLN 2.6 billion by the end of the year. In total, as part of the current Program, GDDKiA is planning the construction of nearly 3.3 thousand. km of roads for PLN 135 billion. Over 2.6 thousand expressways will be built, and over 250 km of motorways. In addition, 35 bypasses with a length of almost 370 km are to be built. In addition, in mid-September this year. the draft Act on the Local Roads Authority (FDS) was adopted, which will be used to finance the construction of local roads. In 2019, PLN 6 billion will be allotted for the construction of municipal and local roads. The task of FDS will be to finance the construction, reconstruction and renovation of poviat and municipal roads. The financing will also cover the construction, reconstruction and renovation of voivodship, poviat and municipal roads of defensive importance. The support will also cover the construction of new bridges located in the voivodship, poviat and municipal roads.

It is forecasted that after a very good year 2017 (an increase of 20%), in 2018 the dynamics of the road segment will accelerate to around 25%. Also in 2019, the market may continue to record double-digit growth (by approx. 11%). Nevertheless, in the following years, it will be difficult to achieve such dynamics.

The current distribution of expenses for the implementation of PBDK (version from July 2017) looks much more stable compared to earlier versions of the program, especially when it comes to road expenses after 2018. There are good chances for a steady inflow of new large projects to the market up to 2021, when the value of construction output may approach PLN 27 billion. Such a forecast is also confirmed by a clear revival in GDDKiA activity in recent months in the scope of tenders and contracts signed. As of mid-2018, the network of motorways built is already close to 1 650 km, and expressways about 1,700 km. The network of motorways is already implemented in 80%, however, there is still a shortage to the target expressway network. Therefore, investment needs in the area of high-speed routes remain significant and their implementation goes beyond the current EU budget.

In the case of industrial construction, investment in coal blocks remains the main driving force. Although this situation will not last too long, currently investments in power plants are under way in: Opole, Jaworzno, Turów. The biggest investment in the preparation phase is the C block in the Ostrołęka Power Plant (1,000 MW). In July 2018, Ostrołęka Power Plant signed a contract with the consortium of GE Power and Alstom Power Systems for the construction of a new power unit. The actual start of this investment is not yet sure.

Despite the large number of announced investments, little is happening in the cogeneration segment. The significant gas investments currently under way are the construction of a new source at Elektrociepłownia Zabrze, by the Fortum group, and the construction of a gas unit at EC Żerań (497 MW, PLN 1.6 billion). The 449 MW gas and steam unit at Elektrociepłownia Stalowa Wola (85% of advancement) also remains to be completed. In addition, Tauron is again considering building a gas block at the Łagisza Power Plant. The other planned construction projects are small, local investments, which are not too many. In 2015-2017, municipal waste incineration plants were an important part of power engineering, and six such facilities were established. However, since 2015, the rate of investment in incinerators has clearly slowed down. Only the contractor of the plant in Gdańsk was selected and the offers for the modernization and extension of the incineration plant in Warsaw were opened.

Preparatory works for the implementation of a nuclear power plant have also been under way for over a decade. Three blocks with a capacity of around 10 GW would be built in Poland. The latest estimates of the government side talk about the cost of PLN 70-75 billion and the deadline for the first of three blocks by 2030.

Preparations are also under way for the construction of the first offshore wind farms in the Baltic. The closest to the implementation is Polenergia, which in March 2018 signed a preliminary agreement with Equinor. Initial preparatory activities for investment in offshore wind farms were also started by PGE, Enea and PKN Orlen.

Foreign markets

Among the factors that in the nearest future may have an impact on the economic situation and revenues of the Capital Group, implemented on foreign markets should be mentioned:

UKRAINE

- The risk of the escalation of the conflict with Russia in our opinion is diminishing.
- The risk related to exchange rate volatility is still significant.
- There is still a risk of internal unrest associated with poorly perceived improvement in the living conditions of the population.

KAZAKHSTAN

- There is still a risk of a significant change in the Tenge exchange rate, although we expect it to diminish.
- The risk related to the possibility of destabilization of the political system of Kazakhstan continues to be associated with growing uncertainty about the health and ability to conduct affairs by the 78-year-old president of the country.

LITHUANIA

There is still a risk associated with a shortage of means of production in construction, payment gridlocks and even insolvency of construction companies that run contracts signed at a time when prices of means of production were significantly lower than current ones.

Construccion Polska S.A.

ULMA Construccion Polska S.A.

SINGLE SHORTENED FINANCIAL STATEMENT

for the third quarter of 2018

All amounts expressed in thousands of PLN, unless indicated otherwise

Profit and loss account and other comprehensive income

	for the third quarter of 2018	3 quarters of 2018	for the third quarter of 2017	3 quarters of 2017
Sales revenues	50,593	148,504	47,473	129,320
Costs of products, goods and materials sold	(31,320)	(95,093)	(36,761)	(107,268)
I. Gross profit on sales	**19,273**	**53,411**	**10,712**	**22,052**
Selling and marketing costs	(556)	(1,932)	(625)	(1,884)
General administration and management costs	(3,153)	(10,139)	(3,072)	(9,322)
Other operating income	21	400	(496)	138
Other operating costs	(640)	(2,486)	(407)	(2,019)
Including: impairment losses on receivables	*(633)*	*(2,473)*	*(406)*	*(1,848)*
II. Profit (loss) at the operational level	**14,945**	**39,254**	**6,112**	**8,965**
Financial income	3	2,116	3,515	4,495
Financial costs	(18)	(62)	(93)	(2,407)
Net financial costs	*(15)*	*2,054*	*3,422*	*2,088*
III. Profit (loss) before tax	**14,930**	**41,308**	**9,534**	**11,053**
Current income tax	(1,960)	(6,033)	(1,480)	(4,064)
Deferred income tax	(893)	(1,867)	173	2,028
IV. Net profit (loss) for the financial period	**12,077**	**33,408**	**8,227**	**9,017**
Other comprehensive income:	-	-	-	-
V. Total income for the financial period	**12,077**	**33,408**	**8,227**	**9,017**
Net profit (loss) for the financial period	**12,077**	**33,408**	**8,227**	**9,017**
Weighted average number of ordinary shares	5,255 632	5,255 632	5,255 632	5,255 632
Basic and diluted profit (loss) per share in the financial period (in PLN per share)	2.30	6.36	1.57	1.72

All amounts expressed in thousands of PLN, unless indicated otherwise

Statement of financial position

	Status per day			
	30/09/2018	30/06/2018	31/12/2017	30/09/2017
ASSETS				
I. Tangible assets (long-term)				
1 Property, plant and equipment	217,190	211,309	199,268	197,962
2 Intangible assets	220	263	368	91
3 Shares in affiliates	7,458	7,458	7,458	7,908
4 Other fixed assets	3,916	3,930	3,957	3,971
5 Long-term receivables	14,389	14,681	15,032	16,135
Fixed assets (long-term) in total	**243,173**	**237,641**	**226,083**	**226,067**
II. Current assets (short-term)				
1 Inventory	5,441	3,941	4,496	4,908
2 Trade receivables and other receivables	70,669	71,424	80,432	79,961
3 Receivables due to income tax	-	-	811	315
4 Derivative financial instruments	-	-	-	46
5 Cash and cash equivalents	32,557	28,377	22,305	16,073
Current assets (short-term) in total	**108,667**	**103,742**	**108,044**	**101,303**
Total assets	**351,840**	**341,383**	**334,127**	**327,370**
EQUITY CAPITAL AND LIABILITIES				
I. Equity				
1 Basic capital	10,511	10,511	10,511	10,511
2 Supplementary capital - surplus from the sale of shares above par value	114,990	114,990	114,990	114,990
3 Retained earnings, including:	183,508	171,431	171,339	162,005
a) Net profit (loss) for the financial period	*33,408*	*21,331*	*18,351*	*9,017*
Total equity	**309,009**	**296,932**	**296,840**	**287,506**
II. Liabilities				
1 Long-term liabilities				
a. Deferred income tax liabilities	4,092	3,199	2,447	907
b. Long-term liabilities due to retirement benefits	173	173	173	145
Long-term liabilities in total	**4,265**	**3,372**	**2,620**	**1,052**
2 Short-term liabilities				
a. b. Short-term liabilities due to retirement benefits	51	51	51	41
B. Short-term liabilities due to factoring of trade liabilities	2,506	2,406	2,936	3,244
c. Current income tax liabilities	547	291	-	-
d. Derivative financial instruments	-	-	64	-
e. Trade payables and other liabilities	35,462	38,331	31,616	35,527
Short-term liabilities in total	**38,566**	**41,079**	**34,667**	**38,812**
Total liabilities	**42,831**	**44,451**	**37,287**	**39,864**
Total equity and liabilities	**351,840**	**341,383**	**334,127**	**327,370**

All amounts expressed in thousands of PLN, unless indicated otherwise

All amounts expressed in thousands of PLN, unless indicated otherwise

Change in equity account

Detailed list	Share capital at par value	Surplus from the sale of shares above par value	Retained profits	Total Equity
As at1st January 2017	**10,511**	**114,990**	**181,368**	**306,869**
Total net income in 2017	-	-	18,351	**18,351**
Payment of the dividend from the retained income	-	-	(28,380)	**(28,380)**
As at 31st December 2017 (reported data)	**10,511**	**114,990**	**171,339**	**296,840**
Correction for the implementation of IFRS 9	**-**	**-**	(1,215)	**(1,215)**
As at 1st January 2018 (reported data)	**10,511**	**114,990**	**170,124**	**295,625**
Total net income in the three quarters of 2018.	-	-	33,408	**33,408**
Payment of the dividend from the retained income	-	-	(20,024)	**(20,024)**
Status as at 30 September 2018	**10,511**	**114,990**	**183,508**	**309,009**

Detailed list	Share capital at par value	Surplus from the sale of shares above par value	Retained profits	Total Equity
Status as at 31 December 2017.	**10,511**	**114,990**	**181,368**	**306,869**
Total net income in the three quarters of 2018	-	-	9,017	**9,017**
Payment of the dividend from the retained income			(28,380)	**(28,380)**
Status as at 30 September 2018	**10,511**	**114,990**	**162,005**	**287,506**

All amounts expressed in thousands of PLN, unless indicated otherwise

Cash Flow account

	for the third quarter of 2018	3 quarters of 2018	for the third quarter of 2017	3 quarters of 2017
Net profit for the financial period	**12,077**	**33,408**	**8,227**	**9,017**
Corrections:				
- Income tax	2,853	7,900	1,307	2,036
- Depreciation of fixed assets	8,067	22,431	11,629	34,052
- Depreciation of intangible assets	48	158	20	61
Net value of formwork sold - fixed assets	257	1,849	158	952
- (Profits) / losses due to changes in the fair value of financial instruments	-	(64)	426	1,291
- Interest and dividends received	(413)	(1,373)	(3,515)	(4,495)
- Interest costs	18	61	-	-
- (Profits) / Losses due to foreign exchange losses	409	(701)	(384)	1,216
- Acquisition of formworks -fixed assets	(13,881)	(40,797)	(11,722)	(37,854)
Changes in working capital:				
- Inventory	(1,500)	(945)	(1,436)	(2,534)
- Trade receivables and other receivables	755	(2,674)	(2,645)	(2,349)
- Trade payables and other liabilities	(2,769)	3,416	(8,656)	10,457
	5,921	**22,669**	**(6,591)**	**11,850**
Income tax paid	(1,703)	(4,676)	(2,111)	(4,286)
Net cash flow from operating activities	**4,218**	**17,993**	**(8,702)**	**7,564**
Purchase of property, plant and equipment	(311)	(1,373)	(591)	(1,010)
Proceeds from the sale of property, plant and equipment	1	10	-	2
Acquisition of intangible assets	(6)	(12)	-	-
Loans granted	-	-	-	-
Repayment of loans granted	-	12,030	-	1,624
Dividends received	-	-	3,107	3,107
Interest received	413	1,452	449	1,355
Purchase of shares in an associated company	-	-	-	(1,059)
Net cash flow from investment activities	**97**	**12,107**	**2,965**	**4,019**
Repayment of credits and loans	-	-	-	-
Payments related to financial leasing	-	-	-	-
Interest paid	(18)	(61)	-	-
Payment of the dividend	-	(20,024)	-	(28,380)
Net cash flow from financial activities	**(18)**	**(20,085)**	**-**	**(28,380)**
Increase / (decrease) in net cash and overdraft in the current account	**4,297**	**10,015**	**(5,737)**	**(16,797)**
Cash and overdraft in the current account at the beginning of the period	28,377	22,305	21,556	32,717
Foreign exchange loss/gains on the valuation of cash and overdraft in the current account	(117)	237	254	153
Cash and overdraft in the current account at the end of the period	**32,557**	**32,557**	**16,073**	**16,073**

All amounts expressed in thousands of PLN, unless indicated otherwise

Description of the most important applied accounting principles

The basic accounting principles applied in the preparation of these financial statements have been presented in the audited financial statements for 2017. The described principles have been applied in all presented periods in a continuous manner.

Investments in subsidiaries and affiliates

Investments in subsidiaries and associates are recognized at historical cost adjusted for write-offs updating their values. The effects of changes in write-offs updating the value of investments in subsidiaries are included in financial income or expenses in the reporting period in which the change occurred.

Conversion of selected financial data into the Euro

The conversion of selected financial data into Euro is presented in the table below:

DETAILED LIST	In thousands PLN		In thousands EUR	
	3 quarters of 2018.	3 quarters of 2017	3 quarters of 2018	3 quarters of 2017
Net revenues from sales of products, goods and materials	148,504	129,320	34,944	30,313
Result from operating activities	39,254	8,965	9,237	2,101
Gross result	41,308	11,053	9,720	2,591
Net result	33,408	9,017	7,861	2,114
Net cash flow from operating activities	17,993	7,564	4,234	1,773
Net cash flow from investment activities	12,107	4,019	2,849	942
Net cash flow from financial activities	(20,085)	(28,380)	(4,726)	(6,653)
Net cash flow	10,015	(16,797)	2,357	(3,937)
Basic earnings per ordinary share (in PLN / EUR)	6.36	1.72	1.50	0.40
Diluted earnings per ordinary share (in PLN / EUR)	6.36	1.72	1.50	0.40
	30.09.2018	**31/12/2017**	**30.09.2018**	**31/12/2017**
Total assets	351,840	334,127	82,371	80,109
Liabilities	42,831	37,287	10,027	8,940
Long-term liabilities	4,265	2,620	998	628
Short-term liabilities	38,566	34,667	9,029	8,312
Equity	309,009	296,840	72,344	71,169
Basic capital	10,511	10,511	2,461	2,520
Weighted average number of shares	5,255 632	5,255 632	5,255 632	5,255 632
Number of shares as at the balance sheet date	5,255 632	5,255 632	5,255 632	5,255 632
Book value per ordinary share (in PLN / EUR)	58.80	56.48	13.76	13.54

Individual items of assets and equity and liabilities have been converted into EUR using average exchange rates published by the President of the National Bank of Poland, effective as at the balance sheet date. The average EUR exchange rate as at 30 September 2018 amounted to PLN 4.2714, and as at 31 December 2017 to PLN 4,1709.

When converting the items of the statement of comprehensive income and cash flow statement items, a rate being the arithmetic mean of the exchange rates in force in the given period was applied, i.e. data for the period 1.01. 30/09/2018 were converted according to the exchange rate = 4.2497 PLN / EUR, data for the analogous period of 2017 were converted according to the exchange rate = 4.2691 PLN / EUR.