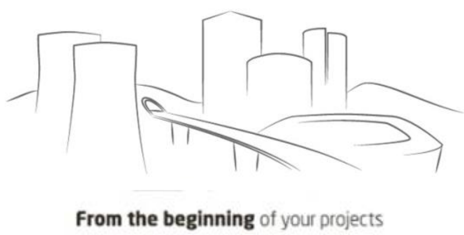
ULMA

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

of the Capital Group ULMA Construccion Polska S.A.

FOR THE PERIOD OF 6 MONTHS ENDED ON 30 JUNE 2018

(including the auditor's report on the review)



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Capital Group
ULMA Construccion Polska S.A.

GENERAL INFORMATION

The Group's business

The business of the Capital Group ULMA Construccion Polska S.A.
(hereinafter referred to as the Group) consists in the following:

- lease and sale of scaffolding and formwork used in construction,
- preparation of commissioned designs related to the application of formwork and scaffolding,
- export of construction services performed by the Group's companies,
- sale of construction raw materials and other materials and of accessories for concrete,
- transport, equipment and overhaul services, including sale and lease of construction equipment.

The parent company ULMA Construccion Polska S.A. is a joint-stock company (the Company). The Company started its operation on 14 February 1989 under the name Bauma Sp. z o.o. as a limited liability company and was registered in Reg. No. A.II – 2791. On 15 September 1995 it was transformed into a joint stock company incorporated by way of notarial deed before the civil-law notary Robert Dor at the Notary's Office in Warsaw and registered in Reg. A No. 5500/95. On 29 October 2001 the Company was entered into the Register of Businesses under KRS Number 0000055818 by the District Court in Warsaw, 14th Commercial Division of the National Court Register. On 6 November 2006 the Extraordinary General Meeting of Shareholders, in its Resolution No. 1, decided to change the name of the Company from BAUMA S.A. to ULMA Construccion Polska S.A. A respective entry in the National Court Register was made on 14 November 2006.

Registered office

ULMA Construccion Polska S.A.
Koszajec 50
05-840 Brwinów

Parent company and members of the Group

Control over the Group ULMA Construccion Polska S.A. is exercised by ULMA C y E, S. Coop. with its registered office in Spain, which holds 75.49% of the Company's shares. The remaining 24.51% of the shares are held by more than one shareholder.

The following companies are members of ULMA Construccion Polska S.A. Group:

- ULMA Construccion Polska S.A. – the **parent company** of the Capital Group ULMA Construccion Polska S.A., which takes care of management and administration for the entire Capital Group and is responsible for commercial activities related to the products and services offered by the Group on the domestic market and on selected foreign markets;

- ULMA Opalubka Ukraine sp. z o.o. - **subsidiary** responsible for commercial activities related to the products and services offered by the Group on the Ukrainian market;

- ULMA Opalubka Kazakhstan sp. z o.o. – **subsidiary** responsible for commercial activities related to the products and services offered by the Group on the Kazakh market;

- ULMA Construccion BALTIC sp. z o.o. – **subsidiary** responsible for commercial activities related to the products and services offered by the Capital Group in the Baltic states (Lithuania and Latvia).

In addition, the Group holds interest in an associate ULMA Cofraje S.R.L. – **associate** responsible for commercial activities related to the products and services offered by the Capital Group in the Romanian market.

In the period of 6 months ended on 30 June 2018 no changes in the structure of the Capital Group occurred.

Composition of supervisory and management authorities as at 30.06.2018 and as at the date of approval of the statements for publication

Supervisory Board

Aitor Ayastuy Ayastuy	Chairman of the Supervisory Board
Iñaki Irizar Moyua	Vice-Chairman of the Supervisory Board
Rafael Anduaga Lazcanoiturburu	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 Lazcanoiturburu	Member of the Committee

Management Board

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

Statutory Auditor

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

Banks

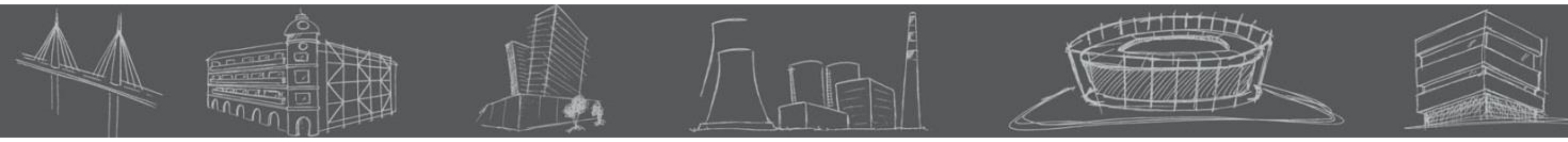
mBank S.A.,
PEKAO S.A.,
BGŻ BNP PARIBAS S.A.
PKO Bank Polski S.A.
Banko de Sabadell (Spain)

Stock market quotations

The parent company is listed on the Warsaw Stock Exchange (“WSE”).
Ticker symbol on WSE: ULM.

Business period

- 6 months of 2018 - a period of 6 months ended on 30 June 2018
- 6 months of 2017 - a period of 6 months ended on 30 June 2017



Capital Group
ULMA Construccion Polska S.A.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS for the period of 6 months ended on 30 June 2018

Condensed interim consolidated profit and loss account and other comprehensive income

	Note	Period of 6 months ended on 30 June 2018		Period of 6 months ended on 30 June 2017 (converted data)
Revenues from sales	20.	107,217		89,674
Costs of sold goods, products and materials	21.	(69,236)		(73,997)
I. Gross profit from sales		**37,981**		**15,677**
Sales and marketing costs	21.	(1,409)		(1,283)
General and administrative expenses	21.	(8,243)		(7,111)
Other operating revenues	22.	429		697
Other operating costs	22.	(3,981)		(1,689)
Of which: impairment of receivables		*3,981*		*1,519*
II. Profit (Loss) at operating level		**24,777**		**6,291**
Financial revenues	23.	1,233		649
Financial costs	23.	(44)		(538)
Net financial revenues/(Costs)		*1,189*		*111*
Share in profits (losses) of associates		140		(209)
III. Profit/(Loss) before tax		**26,106**		**6,193**
Income tax	24.	(5,034)		(1,729)
IV. Profit/(loss) after tax in the business period		**21,072**		**4,464**
Other net comprehensive income subject to reclassification as profit/(loss) in subsequent reporting periods				
Currency translation adjustments related to financial statements of foreign subsidiaries		1,606		(922)
Currency translation adjustments related to net investments in a subsidiary		671		(276)
Income tax related to other comprehensive income items		-		253
V. Comprehensive income for the accounting period		**23,349**		**3,519**
Net profit attributable to the shareholders of the parent company	32.	21,072		4,464
Net profit attributable to non-controlling shareholders		-		-
Comprehensive income for the accounting period attributable to shareholders of the parent company		23,349		3,519
Comprehensive income for the accounting period attributable to non-controlling shareholders		-		-
Weighted average number of ordinary shares		5,255,632		5,255,632
Basic and diluted profit (loss) per share in the business period (in PLN per share)		4.01		0.85

Condensed interim consolidated statement of financial position

	Note	As at		
		30 June 2018	31 December 2017	30 June 2017
ASSETS				
I. Fixed assets				
1. Tangible fixed assets	5.	225,053	210,073	209,471
2. Intangible fixed assets	6.	303	400	154
3. Interests in associates	8.	1,295	1,155	848
4. Other fixed assets	9.	3,930	3,957	3,985
5. Non-current receivables	10.	-	-	-
6. Deferred income tax assets	18.	2,379	1,347	1,072
Total fixed assets		**232,960**	**216,932**	**215,530**
II. Current assets				
1. Inventories	11.	5,668	5,710	4,842
2. Trade receivables and other receivables	10.	76,990	86,532	84,575
3. Current income tax receivables		422	1,220	486
4. Derivative instruments	7.	-	-	22
5. Cash and cash equivalents	12.	31,145	25,802	24,990
Total current assets		**114,225**	**119,264**	**114,915**
Total assets		**347,185**	**336,196**	**330,445**

	Note	As at		
		30 June 2018	31 December 2017	30 June 2017
SHAREHOLDERS' EQUITY AND PAYABLES				
I. Shareholders' equity				
1. Share capital	13.	10,511	10,511	10,511
2. Supplementary capital – surplus from the sale of shares at premium	13.	114,990	114,990	114,990
3. Foreign exchange differences from consolidation		(14,179)	(16,456)	(14,916)
4. Retained earnings, of which:		186,613	186,780	167,019
a. Profit (loss) after tax in the business period		*21,072*	*24,225*	*4,464*
Total shareholders' equity		**297,935**	**295,825**	**277,604**
II. Payables				
1. Non-current payables				
a. Deferred income tax liabilities	18.	3,199	2,448	1,080
b. Non-current payables related to retirement benefits	19.	173	173	144
Total non-current payables		**3,372**	**2,621**	**1,224**
2. Current payables				
a. Loans and borrowings	14.	-	410	547
b. Current payables related to retirement benefits	19.	51	51	41
c. Trade payables - factoring	16.	2,406	2,936	3,011
d. Current income tax liabilities		567	365	315
e. Derivative instruments	7.	-	64	-
f. Trade payables and other payables	15.	42,854	33,924	47,703
Total current payables		**45,878**	**37,750**	**51,617**
Total payables		**49,250**	**40,371**	**52,841**
Total shareholders' equity and payables		**347,185**	**336,196**	**330,445**

Condensed interim statement of changes in consolidated equity

Specification	Share capital – nominal value	Surplus from the issue of shares at premium	Currency translation adjustments related to foreign companies	Retained earnings	Total shareholders' equity
As at 01 January 2017	**10,511**	**114,990**	**(13,971)**	**190,935**	**302,465**
Comprehensive income in 2017	-	-	(2,485)	24,225	21,740
Dividend payment			-	(28,380)	(28,380)
As at 31 December 2017 (reported data)	**10,511**	**114,990**	**(16,456)**	**186,780**	**295,825**
Adjustment due to IFRS 9	**-**	**-**	**-**	**(1,215)**	**(1,215)**
As at 1 January 2018 (converted data)	**10,511**	**114,990**	**(16,456)**	**185,565**	**294,610**
Comprehensive income in the 1st half of 2018	-	-	2,277	21,072	23,349
Dividend payment	-	-	-	(20,024)	(20,024)
As at 30 June 2018	**10,511**	**114,990**	**(14,179)**	**186,613**	**297,935**

Specification	Share capital – nominal value	Surplus from the issue of shares at premium	Currency translation adjustments related to foreign companies	Retained earnings	Total shareholders' equity
As at 01 January 2017	**10,511**	**114,990**	**(13,971)**	**190,935**	**302,465**
Comprehensive income in the 1st half of 2017	-	-	(945)	4,464	3,519
Dividend payment	-	-	-	(28,380)	(28,380)
As at 30 June 2017	**10,511**	**114,990**	**(14,916)**	**167,019**	**277,604**

Condensed interim consolidated cash flow statement

	Note	Period of 6 months ended on 30 June 2018	Period of 6 months ended on 30 June 2017
Cash flow from operating activities			
Profit after tax in the business period		**21,072**	**4,464**
Adjustments:			
- Income tax	23.	5,034	1,729
- Depreciation of property, plant & equipment	5.	16,410	23,906
- Amortization of intangible fixed assets	6.	113	48
- Net value of fixed assets sold and liquidated		4,182	1,593
- Interest revenue		(646)	(649)
- Interest expense		43	-
- Change in the value of shares in affiliates		(140)	211
- (Profit)/loss on changes in the fair value of financial instruments		(64)	(35)
- (Profit)/loss on foreign exchange differences		(321)	(376)
- Acquisition of fixed assets - formwork		(32,165)	(29,243)
Change in the balance of current assets:			
- Inventories		42	(1,212)
- Trade receivables and other receivables		(2,895)	(1,962)
- Trade payables and other payables		8,400	20,489
		19,065	**18,963**
Income tax paid		(4,070)	(2,890)
Net cash flow from operating activities		**14,995**	**16,073**
Cash flow from investment activities			
Acquisition of tangible fixed assets		(1,112)	(535)
Revenue from the sale of tangible fixed assets		8	2
Acquisition of intangible fixed assets		(5)	-
Acquisition of financial assets		-	(1,059)
Repayment of borrowings		11,000	878
Interest received		646	649
Net cash used for investing activities		**10,537**	**(65)**
Cash flow from financial activities			
Loans and borrowings received		-	547
Repayment of loans and borrowings		(410)	
Dividends paid		(20,024)	(28,380)
Interest paid		(43)	-
Net cash used for financing activities		**(20,477)**	**(27,833)**
Net increase/(decrease) in cash		**5,055**	**(11,825)**
Cash at the beginning of the period		25,802	36,948
Foreign exchange (loss)/profit due to valuation of cash		288	(133)
Cash and overdraft facility at end of period	12.	**31,145**	**24,990**

ADDITIONAL INFORMATION TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Notes to condensed interim consolidated financial statements

1. Declaration of compliance and general principles of preparation

The condensed interim consolidated financial statements of the Capital Group ULMA Construccion Polska S.A. with ULMA Construccion Polska S.A. being the parent company cover a period of 6 months ended on 30 June 2018 and contain comparative data for a period of 6 months ended on 30 June 2017 and as at 31 December 2017.

The duration of the activities of the parent company and other companies forming the Capital Group ULMA Construccion Polska S.A. is not specified.

These condensed interim consolidated financial statements for the period of 6 months ended on 30 June 2018 were prepared in compliance with the requirements of IAS 34 "Interim financial reporting" as adopted by the EU ("IAS 34") and they present the financial standing of the Capital Group ULMA Construccion Polska S.A. as at 30 June 2018, its profit and loss and cash flow statement for the period of 6 months ended on 30 June 2018.

The interim financial statements as at 30 June 2018 are not inclusive of all information and disclosures required in the annual financial statements and they should be read together with the audited audited consolidated financial statements prepared as at 31 December 2017 and published on 27 March 2018.

These condensed interim consolidated financial statements are presented in zlotys ("PLN"), and all values are given in thousands of PLN unless specified otherwise.

These condensed interim consolidated financial statements have been prepared on a going-concern basis for the foreseeable future. As at the date of approval of these financial statements no circumstances indicating any risk to going concern were found for the Group's companies.

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

These condensed interim consolidated financial statements were prepared in accordance with the historical cost principle, with the exception of assets and financial payables (derivative financial instruments) measured at fair value through profit and loss.

These interim consolidated financial statements of the Capital Group ULMA Construccion Polska S.A. for the period of 6 months ended on 30 June 2018 were approved for publication by the Management Board of the parent company on 13 September 2018.

Changes of accounting principles applied

While preparing the condensed interim consolidated financial statements, the Group applied accounting principles (except as mentioned below) identical to those described in the audited consolidated financial statements as at 31 December 2017.

The Group applied IFRS 15 *Revenue from contracts with customers* ("IFRS 15") and IFRS 9 *Financial instruments* ("IFRS 9") for the first time. According to the requirements of IAS 34 *Interim financial reporting,* the Group gives a description of the type and effects of changes in accounting principles (policy) further in this note.

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

Effect of IFRS 9 on the consolidated statement of financial position as at the date of the first application, i.e. 1 January 2018:

Specification	31 December 2017 (reported data)	Effect of IFRS 9	01 January 2018
Trade receivables and other receivables	86,532	(1,437)	85,095
Total assets	**336,196**	**(1,437)**	**334,759**
Deferred income tax reserves	2,448	(222)	2,226
Retained earnings	186,780	(1,215)	185,565
Total shareholders' equity and payables	**336,196**	**(1,437)**	**334,759**

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

- Amendments to IFRS 2 – Classification and measurement of share-based payment transactions;
- Amendments to IFRS 4 – Application of IFRS 9 Financial instruments in combination with IFRS 4 Insurance contracts;
- Amendments following from the review of IFRS cycle 2014-2016 – amendments to IFRS 1, IAS 28;
- Amendments to IAS 40 – qualification of real property, i.e. transferring investment property to other groups of assets;
- Amendments to do IFRIC 22 – amendments refer to the method of determination of the transaction date and thus the SPOT exchange rate when advance payments are made or received in foreign currency.

IFRS 9

IFRS 9 replaced IAS 39 *Financial instruments: recognition and measurement* and it is applicable to annual periods starting on 1 January 2018 or later. IFRS 9 addresses three areas related to financial instruments: classification and measurement, impairment and hedge accounting.

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

a) Classification and measurement

According to IFRS 9, except some trade receivables, upon initial recognition the company measures financial assets at fair value which, in the case of financial assets not measured at fair value through profit or loss is not increased by transaction costs that can be directly attributed to acquisition of these financial assets.

Upon initial recognition, the company measures financial assets at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss. The company classifies financial assets according to the business model adopted by the company with regard to management of financial assets and characteristics of contractual cash flow statements for a financial asset (so called "SPPI criterion").

The classification and measurement of the Group's financial assets according to IFRS 9 is as follows:

- Debt instruments measured at amortised cost, maintained according to the business model in which financial assets are maintained for the purposes of generating contractual cash flows solely from payments of the principal amount and interest on the principal amount. This category of financial assets includes trade receivables, loans granted and cash and cash equivalents.
- Debt instruments measured at fair value through other comprehensive income for which accumulated profit or loss previously recognised in other comprehensive income is subject to reclassification upon discontinuation of recognition. The Group has no financial assets subject to qualification to this category of financial assets.
- Capital instruments measured at fair value through other comprehensive income for which accumulated profit or loss previously recognised in other comprehensive income is not subject to reclassification upon discontinuation of recognition. The Group has no financial assets subject to qualification to this category of financial assets.
- Financial assets measured at fair value through profit or loss The Group classifies derivative instruments in this category.

The Group evaluated the business model as at the day of the first application of IFRS 9, i.e. 1 January 2018, and then regardless of the business model adopted in previous reporting periods for financial assets the recognition of which was not discontinued before 1 January 2018.

IFRS 9 does not introduce significant changes in the classification and measurement of financing payables, except modifications as a result of which the existing financial liability is no longer recognised. The new standard puts the company under the obligation to recognise the adjusted cost of the financial liability as revenue or cost in the profit and loss account upon modification.

b) Impairment

The application of IFRS 9 considerably changes the approach to impairment of financial assets by getting away from the concept of the *loss incurred* and assuming the concept of the *expected loss*, where the entire expected credit loss is recognised *ex-ante*.

In case of trade receivables the Group uses a simplified approach and measures the write down to expected credit losses at the amount equivalent to expected credit losses throughout the economic life using the reserve matrix. The Group uses its historical data referring to credit losses, adjusted in respective cases with the effect of information regarding the future.

In case of other financial assets, the Group measures the write down to expected credit losses at the amount equivalent to credit losses expected in the period of 12 months. If the credit risk connected with the specific financial instrument significantly increased from the moment of initial recognition, the Group measures the write down to expected credit losses at the amount equivalent to credit losses expected throughout the economic life.

The Group evaluates that credit risk connected with the specific financial instrument has significantly increased since the date of its initial recognition if the delay in repayment exceeds 30 days.

At the same time, the Group evaluates that the debtor's default is considered a delay in repayment exceeding 90 days.

As a result of applying IFRS 9, the impairment loss as at 1 January 2018 increased by PLN 1,417 thousand in correspondence to retained earnings and is PLN 34,154 thousand as at the above-mentioned date.

The application of IFRS 9 had no impact on the valuation of the Group's financial instruments as at the date of its first application. The classification of financial instruments pursuant to IFRS 9 is presented in note 7.

IFRS 15

IFRS 15 repeals IAS 11 Construction contracts, IAS 18 Revenue and related interpretations. It is applicable to annual periods starting on 1 January 2018 or later. The standard is applicable to all contracts with customers except those covered by other standards.

The new standard establishes the so-called Five Step Model in recognizing revenues from contracts with customers. Pursuant to IFRS 15 revenues are recognized at the amount of remuneration which – according to the expectations of the company – is payable to the same in exchange for supplying goods or services promised to the customer.

The application of IFRS 15 requires that the Management Board of the parent company makes judgements at each of the five steps of the model.

The Group has applied IFRS 15 since its effective date, using the retrospective method with the total effect of the first application recognized at the date of the first application.

The Group operates in the area of:

a) Sale of commodities and formwork

   The contracts contain only one obligation to performance – i.e. sale of the goods. Revenues are recognized at the specific moment, i.e. when the customer acquires control over the goods (as a rule upon delivery). As a consequence, the impact of adopting IFRS 15 on the moment of recognizing revenues from such contracts is not significant.

b) Sale of a package of goods and services or a package of several services provided at different times

   The subject of multi-component agreements are, among other things, lease, assembly and disassembly, preparation of individual forms, transportation from/to construction sites, repairs, settlement of accounts for lost and damaged formwork as well as rebates and discounts.

   Analysis of contracts with customers showed that for the Group only revenues from the lease of formwork and scaffolding can be deemed as recognized in time. The Group recognizes the above-mentioned revenues in monthly periods, thus the implementation of IFRS 15 has no effect on the Group's previous practices in this area. Revenues from other services are recognized simultaneously.

c) Advances received from customers

   So far the Group presented advance payments from customers under "Other non-financial liabilities". According to the previous accounting policy (principles) the Group did not recognize the costs by virtue of interest on advances received, including long-term ones.

According to IFRS 15, the Group evaluates whether the contract contains the material financing element. The Group decided to apply a practical solution according to which it does not adjust the promised amount of remuneration with regard to the effect of the material financing element if, upon the conclusion of the contract, it anticipates that the period from the transfer of the promised good or service to the customer until the payment for such a good or service by the customer will not be longer than one year. Therefore, the Group did not separate the material financing element for short-term advance payments.

The Group has no significant contracts where the period from the transfer of the promised good or service until the payment for such a good or service is longer than one year.

Conversion of comparative data

The Group converted comparative data for the period of 6 months of 2017. The adjustment refers to:

- Reclassification of impairment losses on receivables (creation and reversal) and of trade receivables written down totalling PLN 1,519 thousand, previously recognised under "Sales and marketing costs", into "Other operating expenses",
- Offsetting certain closely related movements in fixed assets in the formwork group previously disclosed separately under "Other operating income" and "Other operating expenses" in order to illustrate the overall effect of management of the Group's fixed assets. The offsetting amount is PLN 693 thousand.

The aforementioned adjustments had no influence on the Group's operating result for the period of 6 months of 2017.

Material estimates

In Q4 of 2017 (from 1 October 2017), on the grounds of the current estimates, the parent company verified the adopted economic life of fixed assets from the formwork systems group and as a result decreased the rates of depreciation. Changes introduced in the first six months of 2018 resulted in the decrease in the costs of amortization for this group by PLN 8,830 thousand in relation to the calculation where such a change in rate was absent.

Foreign exchange rates and inflation

	The average Polish zloty exchange rates published by the National Bank of Poland.				Change in the consumer goods and services index published by the Central Statistical Office of Poland
	UAH (Ukrainian hryvnia)	RON (Romanian leu)	KZT (Kazakhstan tenge)	EUR (Euro)	
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 June 2017	0.1424	0.9269	0.011506	4.2265	1.9%

2. Financial risk management

The Group's activity is exposed to various kinds of financial risk: foreign exchange risk, risk of change in cash flows and fair value as a result of interest rate changes, credit risk and liquidity risk.

By means of its risk management programme, the Group seeks to minimize the effects of financial risks which have a negative impact on the Group's financial results. The Group uses forward contracts in order to secure itself against certain risks.

Foreign exchange risk

The Group conducts activity internationally and is exposed to the risk of changing exchange rates of various currencies, including in particular the Euro. Foreign exchange risk concerns future commercial transactions (sale of goods and products and purchase of goods and services) as well as the assets and liabilities recognized. Foreign exchange risk arises when future commercial transactions and the assets and liabilities recognized are expressed in a currency different than the functional currency of the companies which are part of the Group.
The Group hedges net positions using external forward currency contracts.

The analyses do not indicate that the Group is significantly exposed to the risk of the change in the exchange rate with reference to financial instruments. This is mainly due to the fact that the Group's currency exposure is highly balanced in that respect.

In addition, within the Capital Group, the parent company granted long-term loans to its subsidiaries. The total amount of such loans as at the balance sheet date is EUR 2,250 thousand and USD 1,300 thousand . The loans form a part of net investments of the parent company in a company operating abroad and are expressed in currency other than the functional currency of the parent company (that is, Polish zloty) or of the subsidiary operating abroad (that is Ukrainian hryvnia). Pursuant to IAS 21 exchange differences from the translation of such loans disclosed in the separate financial statements of the parent company (translation of the loan from EUR and USD into PLN), as well as exchange differences from the translation of such loans disclosed in the separate financial statements of the subsidiary operating abroad (translation of the loan from USD to Ukrainian hryvnia) in the Group's consolidated financial statements are transferred to a separate item under shareholder's equity and are disclosed under other comprehensive income.

If the Polish zloty got weaker/stronger by 10% in comparison to EUR and USD, while other parameters remained unchanged, exchange differences disclosed as a separate item under shareholder's equity in connection with the above-mentioned loans would increase/decrease the consolidated capital by PLN 487 thousand.

Risk of change in cash flows and fair value as a result of interest rate changes

In connection with the complete repayment of banking loans by the parent company in Q1 2015, now the revenues and cash flows from the Group's financing activity are not significantly exposed to the risk of changing interest rates.
The Group settles its trade payables in due time and, consequently, revenues and cash flows from the Group's operating activities are not significantly exposed to the interest rate change risk.

Credit risk

The item exposed to credit risk is the trade receivables item (Note no. 10).

The Group is not exposed to significant concentration of risk related to credit sale. There is no concentration of credit sales due to the relatively high number of recipients of the Group's services and goods. The Group also applies a policy which significantly reduces the sale of services and goods to customers with an inappropriate history of debt repayment. The internal control procedures in place which consist, among other things, in setting credit limits for individual customers depending on an assessment of their financial condition, and the procedures of acceptance of new customers allow the Group to reduce the level of its credit risk to a significant extent.

Trade receivables in whose case no impairment was found as at 30 June 2018 account for 58.3% of the gross value of financial assets in that group, where 67.4% of the value of that group corresponds to trade receivables which are not outstanding (as at 30 June 2017, the figures were respectively 61.9% and 42.2% and as at 30 June 2017 respectively 56.1% and 62.9%).
No financial assets exist for which repayment conditions were renegotiated and with regard to which impairment would have to be determined if there were no renegotiations.
Analysis of financial assets according to age: (in '000 PLN)

30 June 2018	Outstanding by <0	Outstanding by up to 30 days	Outstanding by 31 to 90 days	Outstanding by 91 to 180 days	Outstanding by 181 to 360 days	Outstanding by more than 360 days	Total
Trade receivables – gross	36,998	4,008	5,251	3,940	2,773	38,271	**91,241**
Impairment losses	(1,170)	(210)	(867)	(1,717)	(1,364)	(32,751)	**(38,079)**
Trade receivables – net	**35,828**	**3,798**	**4,384**	**2,223**	**1,409**	**5,520**	**53,162**

31 December 2017	Outstanding by <0	Outstanding by up to 30 days	Outstanding by 31 to 90 days	Outstanding by 91 to 180 days	Outstanding by 181 to 360 days	Outstanding by more than 360 days	Total
Trade receivables – gross	22,461	17,236	3,824	1,849	3,005	37,588	**85,963**
Impairment losses				(137)	(875)	(31,705)	**(32,717)**
Trade receivables – net	**22,461**	**17,236**	**3,824**	**1,712**	**2,130**	**5,883**	**53,246**

Impairment was determined in the case of financial assets in the trade receivables and other receivables group with a value of PLN 38,079,000, and they were written-down. During determination of the impairment of individual financial assets, the Group evaluates each customer individually, looking mainly at their financial standing and the security they have in place. The Group uses mainly blank promissory notes and insurance of foreign receivables connected with the Eastern markets as the fundamental means of securing the recovery of receivables.

As regards the financial assets presented in the table above, overdue more than 150 days, as at the balance sheet date the Capital Group recovered PLN 3,878 thousand of VAT using the so-called VAT bad debt relief, presented under trade and other payables.

Liquidity risk

Liquidity risk management assumes that a suitable level of cash will be maintained, as well as availability of financing owing to a sufficient amount of credit instruments granted and the ability to close market positions. The Group holds sufficient cash resources to pay its liabilities which are due and guarantees potential financing on the basis of the credit facilities granted.
Over 90% of the Group's trade payables are due within 2 months of the balance sheet date.

Working capital management

Working capital of the individual companies within the Capital Group ULMA Construccion Polska S.A. is managed at the Capital Group level. The main goals of capital management are to guarantee a suitable level of operational liquidity and the possibility of implementing investment plans of the individual Group companies in accordance with the approved budgets.

Dividend policy

The dividend policy adopted at the Group is also subordinated to the goals indicated above. Decisions on the payment of dividend are preceded each time by an analysis of the current needs and of needs related to development of each of the companies and of the Capital Group as a whole.

3. New accounting standards and interpretations of the International Financial Reporting Interpretations Committee (IFRIC)

The following standards and interpretations have been issued by the International Accounting Standards Committee or the International Financial Reporting Interpretations Committee, but have not yet come into effect:

Standard	Description of changes	Effective date
IFRS 14 *Regulatory deferral accounts*	Principles of accounting and disclosures for regulatory deferral accounts	Until the date of approval of these statements not adopted by the EU – 1 January 2016
Amendments to IFRS 10 and IAS 28	Contain guidelines concerning the sale or contribution of assets by the investor to an associated company or a joint venture	The effective date was postponed by IASB for an unspecified period of time.
IFRS 16 Leases	The standard eliminates the distinction between operating leases and finance leases for lessees. All contracts meeting the new definition of lease will be recognized, as a rule, likewise the present finance leases.	01 January 2019
IFRS 17	Insurance contracts	Until the date of approval of these statements not adopted by the EU – 1 January 2021
IFRIC 23	Uncertainty linked to recognition of income tax	Until the date of approval of these statements not adopted by the EU – 01 January 2019
Amendments to IFRS 9	Contracts with prepayment features with negative compensation	01 January 2019
Amendments to IAS 28	Long-term interest in associates and joint ventures	Until the date of approval of these statements not adopted by the EU – 01 January 2019
Amendments to IAS 19	Change, limitation or accounting for pension scheme	Until the date of approval of these statements not adopted by the EU – 01 January 2019
Amendments resulting from the review of IFRS 2015-2017		Until the date of approval of these statements not adopted by the EU – 01 January 2019
Amendments to the References to the Conceptual Framework included in IFRS		Until the date of approval of these statements not adopted by the EU – 01 January 2020

The Group intends to adopt the above-mentioned new standards and interpretations to IFRS published by the International Accounting Standards Board (IASB) but not in force as at the reporting date according to their effective dates.

IFRS 16

IFRS 16 Leases will be applicable to annual periods starting on or after 1 January 2019, with optional earlier applications under the condition of earlier or simultaneous application of IFRS 15. This standard alters the model of recognizing lease contracts in financial statements. According to the new model, all lease contracts (from the point of view of the lessee), with small exceptions, will be recognized as lease payables and assets due to the right of usufruct, which can affect, e.g. the presentation of assets, liabilities, profit and loss and selected ratios.

IFRS 16 introduces a uniform accounting model for the lessee and requires that the lessee must recognize assets and liabilities following from every lease with the period exceeding 12 months unless the base asset has a low value.

At the date of commencement the lessee recognizes the base usufruct asset and the lease payable reflecting the lessee's obligation to make lease payments. The lessee separately recognizes depreciation of the usufruct asset and interest on the lease payable.

The lessee updates the valuation of the lease payable after the occurrence of specific events (e.g. changes with reference to the term of lease, changes to future lease payments following from a change in the index or rate used to calculate the amount of such payments). As a rule, the lessee recognizes revaluation of the lease payable as an adjustment of the value of the usufruct asset.

The Group is the lessee mainly in the case of lease of the fleet of passenger cars and forklift trucks, lease of the Logistics Centre in Gdańsk, the depot in Warsaw at Klasyków Street and perpetual usufruct of land in Jaworzno.

IFRS 16 requires that both the lessee and the lessor made broader disclosures than indicated in IAS 17.

The lessee has the right to choose a full or modified retrospective approach and the transition rules contain some practical solutions.

In the Group's opinion the implementation of the standard will have the following effect:

- in the statement of financial position: increase in the value of non-financial fixed assets and financial liabilities,
- in the statement of comprehensive income: decrease in operating expenses (other than depreciation), increase in the cost of depreciation and amortization and financial costs.

The Group did not decide to apply IFRS 16 earlier. As at the date of approval of these consolidated financial statements, the Management Board did not complete the works on the evaluation of the effect of IFRS 16 on the accompanying consolidated financial statements. The final result will be preceded by further detailed analysis of standards, explanatory notes and additional information issued by the International Accounting Standards Board.

4. Information concerning segments of activity

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

- construction site services – a segment comprising lease of formwork systems and scaffolding together with broadly understood logistic service and financial settlement of the construction site at the end of the contract,
- sale of construction materials – a segment comprising the sale of formwork systems, constituting tangible fixed assets (fixed assets) as well as current assets (goods and materials) of the Group, as well as of other construction materials.

The accounting principles used in operational segments are consistent with the Group's accounting policy described in note 1. Organisation and management of ULMA Group is split into segments taking into account the type of products and services offered. ULMA Group, as a rule, accounts for transactions between segments as if they referred to non-affiliated companies - at arm's length. Analysing the results of respective segments, the management of ULMA Group pays attention in particular to EBITDA result (net earnings at operational level plus depreciation and amortization).

The construction industry with which the activities of the Capital Group are associated is of seasonal nature. In addition, decreased activity of construction companies can be observed in winter and increased activity is characteristic of summer and autumn. Weather in the specific year is also very important.

No cases of customer concentration occur within the Group.

The results of the individual segments are as follows:

Period of 6 months ended on 30 June 2018

Item description	Construction site services	Sale of construction materials	Capital Group
Total revenues from sales	96,277	19,890	116,167
Inside sales	(554)	(8,396)	(8,950)
Revenues from sales	**95,723**	**11,494**	**107,217**
Operating costs without depreciation	(55,565)	(14,377)	(69,942)
Inside turnover costs	285	3,740	4,025
Consolidated operating costs less depreciation and amortization	(55,280)	(10,637)	(65,917)
EBITDA	**40,443**	**857**	**41,300**

Period of 6 months ended on 30 June 2017

Item description	Construction site services	Sale of construction materials	Capital Group
Total revenues from sales	78,653	18,381	97,034
Inside sales	(306)	(7,054)	(7,360)
Revenues from sales	**78,347**	**11,327**	**89,674**
Operating costs without depreciation	(48,451)	(16,144)	(64,595)
Inside turnover costs	237	4,929	5,166
Consolidated operating costs less depreciation and amortization	(48,214)	(11,215)	(59,429)
EBITDA	**30,133**	**112**	**30,245**

Reconciliation of profit (loss) at operational level [EBIT] to the Group's net financial result is presented below.

	6 months of 2018	6 months of 2017
Profit (loss) from segments at EBITDA level	**41,300**	**30,245**
Depreciation	(16,523)	(23,954)
Interest revenue	646	649
Other financial revenues	587	-
Interest expenses	(43)	(70)
Other financial costs	(1)	(468)
Share in the results of associates	140	(209)
Profit (loss) before tax	**26,106**	**6,193**
Income tax	(5,034)	(1,729)
Profit (loss) after tax	**21,072**	**4,464**

The assets allocated to the individual segments are presented in the table below.

Item description	Construction site services	Sale of construction materials	Unallocated items	Capital Group
As at 30 June 2018	186,963	8,786	151,436	347,185
As at 30 December 2017	169,248	10,452	156,496	336,196
As at 30 June 2017	164,694	8,855	156,896	330,445

Reconciliation of the segment assets to the Group's total assets is presented below.
The Group does not allocate liabilities to individual segments. Tangible fixed assets not allocated to segments comprise other fixed assets except formwork amounting to PLN 88,135 thousand.
Other receivables not allocated to segments comprise mainly receivables from loans granted to affiliates amounting to PLN 21,000 thousand.

Item description	30 June 2018	31 December 2017	30 June 2017
Segment assets	195,749	179,700	173,549
Unallocated tangible fixed assets	88,135	89,328	90,557
Unallocated intangible fixed assets	303	400	154
Investments in associate	1,295	1,155	848
Deferred tax assets	2,379	1,347	1,072
Other fixed assets	3,930	3,957	3,985
Non-current receivables	-	-	-
Tax receivables and other receivables	24,249	34,507	35,268
Derivative instruments	-		22

Cash and cash equivalents	31,145	25,802	24,990
Total assets	**347,185**	**336,196**	**330,445**

The Group's revenues and fixed assets (except non-current receivables and interest in associates and deferred tax assets) according to territory:

Item description	30 June 2018	31 December 2017	30 June 2017
Domestic sales	82,524	161,328	72,519
Foreign sales	24,693	39,966	17,155
Total revenues from sales	**107,217**	**201,294**	**89,674**
Domestic fixed assets	215,502	203,593	201,518
Foreign fixed assets	13,784	10,837	12,092
Total non-current assets	**229,286**	**214,430**	**213,610**

5. Tangible fixed assets

Table of movements in tangible fixed assets between 01 January 2018 and 30 June 2018

	Land, buildings and structures	Plant, machinery and vehicles	Formwork systems	Other property, plant & equipment	PP&E under construction	Total tangible fixed assets
GROSS VALUE						
As at 1 January 2018	**106,242**	**11,672**	**528,036**	**3,062**	**203**	**649,215**
Increase due to purchase	280	399	28,432	72	361	29,544
Increase – inventory surplus, reclassification	-	-	3,733	-		3,733
Decrease – sale	-	(23)	(8,204)	-	-	(8,227)
Decrease – liquidation, shortage and reclassification	-	(319)	(11,441)	(35)	(203)	(11,998)
Foreign exchange differences	9	95	3,528	37	-	3,669
As at 30 June 2018	**106,531**	**11,824**	**544,084**	**3,136**	**361**	**665,936**
As at 1 January 2018	**21,671**	**7,413**	**407,291**	**2,767**	**-**	**439,142**
Depreciation for the period	1,443	619	14,263	85	-	16,410
Decrease – sale	-	(11)	(7,298)	-	-	(7,309)
Decrease – liquidation, reclassification	-	(303)	(8,415)	(35)	-	(8,753)
Foreign exchange differences	4	38	1,324	27	-	1,393
As at 30 June 2018	**23,118**	**7,756**	**407,165**	**2,844**	**-**	**440,883**
NET VALUE:						
As at 1 January 2018	**84,571**	**4,259**	**120,745**	**295**	**203**	**210,073**
As at 30 June 2018	**83,413**	**4,068**	**136,919**	**292**	**361**	**225,053**

Table of movements in tangible fixed assets between 01 January 2017 and 31 December 2017

	Land, buildings and structures	Plant, machinery and vehicles	Formwork systems	Other property, plant & equipment	PP&E under construction	Total tangible fixed assets
GROSS VALUE						
As at 1 January 2017	**106,077**	**11,261**	**504,269**	**3,024**	**59**	**624,690**
Increase due to purchase	208	1,060	50,979	162	202	52,611
Increase – inventory surplus, reclassification	-	-	6,467	-	(47)	6,420
Decrease – sale	-	(140)	(7,721)	-	-	(7,861)
Decrease – liquidation, shortage and reclassification	(29)	(327)	(22,578)	(72)	-	(23,006)
Foreign exchange differences	(14)	(182)	(3,380)	(52)	(11)	(3,639)
As at 31 December 2017	**106,242**	**11,672**	**528,036**	**3,062**	**203**	**649,215**
ACCUMULATED DEPRECIATION						
As at 01 January 2017	**18,814**	**6,641**	**390,786**	**2,703**	**-**	**418,944**
Depreciation for the period	2,877	1,230	39,992	177	-	44,276
Decrease – sale	-	(70)	(6,673)	(2)	-	(6,745)
Decrease – liquidation, reclassification	(14)	(316)	(15,156)	(74)	-	(15,560)
Foreign exchange differences	(6)	(72)	(1,658)	(37)	-	(1,773)
As at 31 December 2017	**21,671**	**7,413**	**407,291**	**2,767**	**-**	**439,142**
NET VALUE:						
As at 01 January 2017	**87,263**	**4,620**	**113,483**	**321**	**59**	**205,746**
As at 31 December 2017	**84,571**	**4,259**	**120,745**	**295**	**203**	**210,073**

Table of movements in tangible fixed assets between 1 January and 30 June 2017

	Land, buildings and structures	Plant, machinery and vehicles	Formwork systems	Other property, plant & equipment	PP&E under construction	Total tangible fixed assets
GROSS VALUE						
As at 01 January 2017	**106,077**	**11,261**	**504,269**	**3,024**	**59**	**624,690**
Increase due to purchase	35	307	29,243	74	118	29,777
Increase – inventory surplus,	-	-	4,451	-	(48)	4,403
Decrease – sale	-	(13)	(3,919)	-	-	(3,932)
Decrease – liquidation, shortage and reclassification	(30)	(258)	(12,616)	(32)	-	(12,936)
Foreign exchange differences	(5)	(76)	(1,210)	(26)	(11)	(1,328)
As at 30 June 2017	**106,077**	**11,221**	**520,218**	**3,040**	**118**	**640,674**
ACCUMULATED DEPRECIATION						
As at 01 January 2017	**18,814**	**6,641**	**390,786**	**2,703**	**-**	**418,944**
Depreciation for the period	1,437	588	21,799	82	-	23,906
Decrease – sale	-	(13)	(3,276)	(2)	-	(3,291)
Decrease – liquidation, reclassification	(14)	(251)	(7,308)	(35)	-	(7,608)
Foreign exchange differences	(1)	(32)	(697)	(18)	-	(748)
As at 30 June 2017	**20,236**	**6,933**	**401,304**	**2,730**	**-**	**431,203**
NET VALUE:						
As at 01 January 2017	**87,263**	**4,620**	**113,483**	**321**	**59**	**205,746**
As at 30 June 2017	**85,841**	**4,288**	**118,914**	**310**	**118**	**209,471**

The depreciation charge on tangible fixed assets increased:

Specification	6 months of 2018	12 months of 2017	6 months of 2017
Costs of goods, products and materials sold	14,822	41,247	22,409
Sales and marketing costs	1	4	3
General and administrative expenses	1,587	3,025	1,494
Total	**16,410**	**44,276**	**23,906**

6. Intangible fixed assets

Table of movements in intangible fixed assets between 01 January 2018 and 30 June 2018

	Licences and software	Other	Total intangible assets
GROSS VALUE			
As at 1 January 2018	**4,915**	**37**	**4,952**
Increase	5	-	5
Foreign exchange differences	16	-	16
As at 30 June 2018	**4,936**	**37**	**4,973**
ACCUMULATED DEPRECIATION			
As at 1 January 2018	**4,515**	**37**	**4,552**
Depreciation for the period	113	-	113
Foreign exchange differences	5	-	5
As at 30 June 2018	**4,633**	**37**	**4,670**
NET VALUE:			
As at 1 January 2018	**400**	**0**	**400**
As at 30 June 2018	**303**	**0**	**303**

Table of movements in intangible fixed assets between 01 January 2017 and 31 December 2017

	Licences and software	Other	Total intangible assets
GROSS VALUE			
As at 01 January 2017	**4,708**	**40**	**4,748**
Increase	322	-	322
Decrease – disposal	(108)	-	(108)
Foreign exchange differences	(7)	(3)	(10)
As at 31 December 2017	**4,915**	**37**	**4,952**
ACCUMULATED DEPRECIATION			
As at 01 January 2017	**4,508**	**39**	**4,547**
Depreciation for the period	120	-	120
Decrease – disposal	(108)	-	(108)
Foreign exchange differences	(5)	(2)	(7)
As at 31 December 2017	**4,515**	**37**	**4,552**
NET VALUE:			
As at 01 January 2017	**200**	**1**	**201**
As at 31 December 2017	**400**	**0**	**400**

Table of movements in intangible fixed assets between 1 January and 30 June 2017

	Licences and software	Other	Total intangible assets
GROSS VALUE			
As at 01 January 2017	**4,708**	**40**	**4,748**
Increase	-	-	-
Foreign exchange differences	1	(3)	(2)
As at 30 June 2017	**4,709**	**37**	**4,746**
ACCUMULATED DEPRECIATION			
As at 01 January 2017	**4,508**	**39**	**4,547**
Depreciation for the period	48	-	48
As at 30 June 2017	(1)	(2)	(3)
NET VALUE:	**4,555**	**37**	**4,592**
As at 01 January 2017	**200**	**1**	**201**
As at 30 June 2017	**154**	**-**	**154**

The depreciation charge on intangible fixed assets increased:

Specification	6 months of 2018	12 months of 2017	6 months of 2017
Costs of goods, products and materials sold	1	4	3
Sales and marketing costs	-	-	-
General and administrative expenses	112	116	45
Total	**113**	**120**	**48**

7. Financial instruments

The table below presents a comparison of the carrying (balance sheet) value and the fair value of all financial instruments of the Group split into respective classes and categories of assets and liabilities.

	Carrying value		Fair value	Fair value hierarchy
	30 June 2018		30 June 2018	
Debt instruments measured at amortized cost				
Cash	31,145		31,145	Pos. 1
Trade receivables and other receivables	55,990		55,990	Pos. 3
Loans granted	21,000		21,000	Pos. 3
Financial assets measured at fair value through profit or loss				
FX forward contracts	-		-	Pos. 2
Financing payables measured at amortized cost				
Trade payables - factoring	2,406		2,406	Pos. 3
Trade payables and other payables	36,055		36,055	Pos. 3
Financing payables measured at fair value through profit or loss				
FX forward contracts	-		-	Pos. 2

In the Group's evaluation the fair value of financial instruments does not materially differ from their carrying value mainly with regard to their short maturity.

In the period ended on 30 June 2018 or in the period ended on 30 June 2017 no shifts occurred between level 1 and level 2 of the fair value hierarchy and none of the instruments was shifted from/to level 3 of the fair value hierarchy.

	Carrying value		Fair value		Fair value hierarchy
	31 December 2017	30 June 2017	31 December 2017	30 June 2017	
Cash	25,802	24,990	25,802	24,990	Pos. 1
Receivables and loans granted					
Trade receivables and other receivables	54,532	52,575	54,532	52,575	Pos. 3
Loans granted	32,000	32,000	32,000	32,000	Pos. 3
Derivative instruments					
Financial instruments measured at fair value through profit or loss	-	22	-	22	Pos. 2
Financial payables					
Trade payables - factoring	2,936	3,011	2,936	3,011	Pos. 3
Trade payables and other payables	27,313	39,863	27,314	39,863	Pos. 3
Derivative instruments					
Financial instruments measured at fair value through profit or loss	64	-	64	-	Pos. 2

8. Interests in associates

Name (business name) of the entity, with an indication of the legal form	Registered office	Scope of business	Carrying value of interests	% of share capital held
ULMA Cofraje S.R.L.	Bucharest Romania	sale and lease of formwork, sale of construction materials	1,295	30.00

In the first six months of 2017 the share capital of ULMA Cofraje S.R.L Romania was increased by RON 3,850 thousand. The existing shareholders subscribed to shares in the increased share capital according to the previous % proportions of the capital and votes.
The share of ULMA Construccion Polska S.A. in the profit and loss of the associated company for the first six months of 2018 amounted to PLN 140 thousand.

Basic data concerning the associate

	30 June 2018		31 December 2017		30 June 2017
Fixed assets	5,456		5,050		5,796
Current assets	7,736		5,788		4,974
Equity	4,839		4,166		3,191
Non-current payables	4,226		3,150		5,186
Current payables	4,127		3,522		2,393
Revenues from sales	5,105		12,623		5,002
Net financial result	469		337		(697)

9. Other fixed assets

Other fixed assets are inclusive of the carrying value of the right of perpetual usufruct of land amounting to PLN 3,930 thousand. The right of perpetual usufruct of land expires on 5 December 2089.

The Group recognizes the above-mentioned right of perpetual usufruct of land as operating lease.

10. Trade and other receivables

	30 June 2018	31 December 2017	30 June 2017
Trade receivables from unrelated entities	86,008	84,897	87,016
Impairment losses on trade receivables	(38,079)	(32,717)	(38,987)
Trade receivables – net	*47,929*	*52,180*	*48,029*
Other receivables	1,800	898	1,739
Prepayments	1,028	388	1,043
Trade receivables from related entities	5,233	1,066	1,764
Loan receivables	21,000	32,000	32,000
Total trade receivables and other receivables	**76,990**	**86,532**	**84,575**
of which:			
Non-current portion	-	-	-
Current portion	76,990	86,532	84,575

On the basis of analyses performed, the Group determined that the carrying value of respective receivables presented in these condensed interim consolidated financial statements was similar to the fair value of those receivables.

There is no concentration of credit risk related to trade receivables with regard to the large number of customers.

The net value of impairment losses on receivables increased by the amounts of receivables written off in the total amount of PLN 3,981 thousand (PLN 3,867 thousand in 2017, PLN 1,519 thousand in the period of 6 months of 2017) was recognized under other operating expenses in the consolidated profit and loss account.

Changes in impairment losses on trade receivables and other receivables:

	6 months of 2018	12 months of 2017	6 months of 2017
As at the beginning of the period	**32,717**	**37,846**	**37,846**
Effect of IFRS 15	**1,437**	-	-
As at the beginning of the period - converted data	**34,154**	-	-
Increase – impairment losses on trade receivables	5,024	4,141	2,268
Realization	(412)	(8,847)	(934)
Adjustment to earlier write-down	(849)	(33)	(5)
Foreign exchange differences	162	(390)	(188)
As at the end of the period	**38,079**	**32,717**	**38,987**

The difference of PLN 1,437 thousand between the balance of impairment losses on receivables as at 31 December 2017 (PLN 32,717 thousand) and as at 1 January 2018 (PLN 34,154 thousand) results from the recognition of, pursuant to the amended IFRS 9, additional impairment loss reflecting the level of the risk of insolvency referring to uncollectible receivables.

All impairment losses on receivables refer to current receivables.

11. Inventories

	30 June 2018	31 December 2017	30 June 2017
Materials	2,246	2,208	2,372
Goods	3,762	3,842	2,810
Gross value of inventories	**6,008**	**6,050**	**5,182**
Impairment loss on inventories	(340)	(340)	(340)
Net value of inventories	**5,668**	**5,710**	**4,842**

12. Cash and cash equivalents

	30 June 2018	31 December 2017	30 June 2017
Cash at hand and at banks	31,145	25,802	24,990
Total cash, of which:	**31,145**	**25,802**	**24,990**
Cash with limited availability	111	111	112

For the purposes of the cash flow statement, cash and overdraft facilities include the following:

	30 June 2018	31 December 2017	30 June 2017
Cash and cash equivalents	31,145	25,802	24,990
Overdraft facility	-	-	-
Cash and cash equivalents disclosed in the cash flow statement	**31,145**	**25,802**	**24,990**

13. Share and supplementary capital

In the period of 6 months ended on 30 June 2018 no changes occurred in the number of shares and the value of share capital and supplementary capital from share premium.

All shares are ordinary bearer shares with the nominal value of 2.00 PLN. All shares are paid up.

As at 30 June 2018, the Company had the following shareholding structure:

	Share capital			Votes at General Meeting	
	Number of	**%**		**Number of votes**	**%**
ULMA CyE, S. Coop	3,967,290	75.49		3,967,290	75.49
OFE Aviva BZ WBK	263,400	5.01		263,400	5.01
Free float	1,024,942	19.50		1,024,942	19.50

14. Loans

As at 30 June 2018 the Group has no loan payables.

15. Trade payables and other payables

	30 June 2018	31 December 2017	30 June 2017
Trade payables towards unrelated entities	22,988	21,085	22,436
Trade payables towards related entities	9,739	3,350	12,619
Tax and other payables	6,799	6,611	7,840
Accruals (accrued expenses)	2,656	2,405	3,734
Accruals (accrued income)	-	-	2
Other payables	672	473	1,072
Total trade payables and other payables	**42,854**	**33,924**	**47,703**
of which:			
Non-current portion	-	-	-
Current portion	42,854	33,924	47,703

16. Trade payables - factoring

In 2015 the Group concluded a factoring agreement with mBank under which the Group's trade payables towards selected suppliers are paid by the bank within 14 days from the date of the supplier's invoice. The date of payment by the Group to the bank is 75 days from the date on which the bank makes the payment to the supplier. As at 30 June 2018 the Group's liabilities to the bank by this virtue amounted to PLN 2,406 thousand. This amount was disclosed in the condensed interim consolidated financial statements under Trade payables - factoring.

17. Lease

Operational lease

Operating lease contracts include lease of the fleet of passenger cars and forklift trucks, lease of the Logistics Centre in Gdańsk, the depot in Warsaw at Klasyków Street and perpetual usufruct of land in Jaworzno.

Total minimum payments related to such lease:

	30 June 2018	31 December	30 June 2017
Less than one year	4,751	4,724	4,800
1 year to 5 years	11,225	12,152	13,486
Over 5 years	3,022	4,961	2,465
Total	**18,998**	**21,837**	**20,751**

The right of perpetual usufruct of land expires, according to the contract, on 5 December 2089.

18. Deferred income tax

	30 June 2018	31 December 2017	30 June 2017
Deferred income tax assets	4,671	3,473	4,442
Deferred income tax liabilities:	(5,491)	(4,574)	(4,450)
Offsetting	2,292	2,126	3,370
Carrying value of the deferred tax asset	2,379	1,347	1,072
Carrying value of the deferred tax payable	3,199	(2,448)	(1,080)

Deferred tax assets and liabilities in the consolidated statement of financial position were disclosed at amounts following from offsetting of assets and liabilities at the level of every company from the Capital Group.

Movements in deferred income tax assets and reserves during the year (before their set-off within a single jurisdiction) are as follows:

	Statement of financial position		Profit and loss statement and other comprehensive income
	30 June 2018	31 December 2017	6 months of 2018
Deferred tax reserve			
Tax depreciation	5,415	4,533	(882)
Unrealized foreign exchange differences	76	26	(50)
Other	-	15	15
Total	**5,491**	**4,574**	**(917)**
Deferred tax assets			
Valuation of tangible fixed assets	1,962	1,175	787
Receivables write-downs	1,839	1,579*)	260
Provisions for costs	800	924	(147)
Unrealized foreign exchange differences	70	17	53
Total	**4,671**	**3,695*)**	**953**
(Charge)/ credit due to deferred tax			**36**

*) The presented amounts of deferred tax assets are higher than reported in the statements for 2017 by PLN 222 thousand resulting from an additional deferred tax asset following the recognition of additional impairment loss on receivables in accordance with IFRS 9 *Financial instruments*.

19. Retirement benefits payable

	30 June 2018	31 December 2017	30 June 2017
Payables recognized in the statement of financial position, related to:			
Retirement benefits	224	224	185
Total	**224**	**224**	**185**
of which:			
Non-current	**173**	**173**	**144**
Current	**51**	**51**	**41**

The Group performs actuarial measurement of the provision for retirement benefits at the end of each business year.

20. Revenues from sales

	6 months of 2018	6 months of 2017
Revenues from sales of construction site services	95,723	78,347
Revenues from the sale of goods and construction materials	11,494	11,327
Total revenues from sales	**107,217**	**89,674**

- construction site services – a segment comprising lease of formwork systems and scaffolding together with broadly understood logistic service and settlement of the construction site at the end of the contract,
- sale of construction materials – a segment comprising the sale of formwork systems, constituting tangible fixed assets (property, plant and equipment) as well as current assets (products and services) of the Group, as well as of other construction materials.

Revenues from sales according to territory:

Description	30 June 2018	30 June 2017
Domestic sales	82,524	72,519
Foreign sales	24,693	17,155
Total revenues from sales	**107,217**	**89,674**

21. Costs according to types

	6 months of 2018	6 months of 2017 (converted data)
Depreciation of tangible and amortization of intangible fixed assets	16,523	23,954
Employees benefit costs (note 21 a)	17,665	15,757
Consumption of raw materials, auxiliary materials and energy	5,721	5,656
Transport services	7,020	7,186
Lease and rental services	6,451	6,215
Repair & maintenance	3,916	4,471
Installation services	2,366	1,858
Other third party services	6,755	7,032
Other costs	3,271	3,116
Value of goods and materials sold	9,300	7,146
Total costs according to types	**78,988**	**82,391**
of which:		
Own work capitalised	100	-
Costs of sold goods, products and materials	69,236	73,997
Sales and marketing costs	1,409	1,283
Management costs	8,243	7,111

21 a) Costs of employee benefits		
Costs of remuneration and costs of termination benefits	14,372	12,884
Costs of social insurance and other benefits for the employees	3,293	2,873
Total costs of employee benefits	**17,665**	**15,757**

22. Other operating revenues and costs costs

22 a) Other operating revenues	6 months of 2018	6 months of 2017
Stock-taking	36	64
Profit on the change in fair value of forward contracts	64	71
Refunded costs of litigation	18	-
Indemnification received	27	-
Sale of tangible fixed assets	8	2
Recovered fixed assets	112	468
Re-invoicing	162	89
Other revenues	2	3
Total other operating revenues	**429**	**697**

22 b) Other operating costs	6 months of 2018	6 months of 2017
Loss on the change in fair value of forward contracts	-	-
Impairment of receivables	(3,981)	(1,519)
Other costs	-	(170)
Total other operating costs	**(3,981)**	**(1,689)**

23. Financial revenues and costs

23 a) Financial revenues	6 months of 2018	6 months of 2017
Interest on funds in bank account	95	246
Interest due to loan granted	551	403
Foreign exchange differences	587	-
Total financial revenues	**1,233**	**649**

23 b) Financial costs		
Interest expense:		
- other	(43)	(70)
	(43)	**(70)**
Foreign exchange differences	-	(459)
Costs of loan, bank guarantee	(1)	(9)
Total financial costs	**(44)**	**(538)**

23 c) Foreign exchange profit/loss

The impact of foreign exchange differences on the financial result of ULMA Construccion Polska S.A. Group is presented below:

	6 months of 2018	6 months of 2017
Revenues from sales	334	(158)
Costs of sold goods, products and materials	(594)	253
Financial costs	587	(459)
Total foreign exchange profit (loss)	**327**	**(364)**

Exchange differences related to net investments in subsidiaries charged directly to equity amounted to PLN 671 thousand in the first six months of 2018 compared with PLN 253 thousand in the first six months of 2017.

24. Income tax

	6 months of 2018	6 months of 2017
Current tax	(5,070)	(3,341)
Deferred tax (note 18)	36	1,612
Total income tax	**(5,034)**	**(1,729)**

The income tax on the Group's profit before taxation differs in the following manner from the theoretical amount which would be obtained by applying the weighted average rate of tax applicable to the profits of consolidated companies:

	6 months of 2018	6 months of 2017
Profit (loss) before tax	**26,106**	**6,193**
Costs other than cost of sales, of which:	**1,085**	**1,715**
Costs of representation	700	652
Previous years' expenses	37	133
Contributions to the National Disabled Persons Rehabilitation Fund	93	80
VAT on written down receivables	-	335
Other	198	515
Interest	57	-
Non-tax earnings from a subsidiary	**-171**	**(376)**
Other	**-81**	**-**
Taxable base	**26,939**	**7,532**
Income tax charged to profit/loss	**5,034**	**1,729**

Tax authorities may inspect the books of account and the tax settlements within 5 years of the end of the year when the tax declarations were filed (in Ukraine: within 3 years) and charge additional tax to the Companies from the Group, together with penalty interest. In the Management Board's opinion, there are no circumstances suggesting that significant liabilities might arise in relation to that.

25. Dividend per share

According to Resolution No. 7 of the General Meeting of Shareholders of ULMA Construccion Polska S.A. held on 27 April 2018, net profit for the financial year 2017 amounting to PLN 18,350,994.77 and a portion of undistributed retained earnings amounting to PLN 1,672,963.15, that is, PLN 20,023,957.92 in total were allocated for disbursement to shareholders in the form of dividend, i.e. PLN 3.81 gross per share.

The day on which rights to dividend were ascertained was 10 May 2018 and the date of disbursement was 17 May 2018.

26. Contingent items

At the request of ULMA Construccion Polska S.A. mBANK provided one of the contractors of the Company with a bank guarantee regarding the performance of the lease contract. The bank guarantee expires on 30.09.2019. The guarantee is connected with the construction of the Logistics Centre in Gdańsk. The investment was commissioned in Q1 2015. The Group uses the Logistics Centre in Gdańsk based on the long-term contract of lease.
As at the balance sheet date the amount of the bank guarantee is PLN 3,303 thousand.

27. Investment payables (off balance sheet)

There are no future investment payables at the Capital Group ULMA Construccion Polska S.A. incurred as at the balance sheet date but not yet recognized in the condensed interim consolidated statement of financial position.
Future operational leasing obligations (*in whose case a company from the Group is the lessee*) are shown in Note 17.

28. Measurement of financial instruments at fair value

On the grounds of analyses performed, the Group determined that the carrying value of individual financial instruments presented in these condensed interim consolidated financial statements was similar to the fair value of those instruments.

29. Significant events and events after the balance sheet date

- Despite highly effective measures preventing foreign exchange risk, the net profit from such transactions remains under the influence of changing exchange rates. In particular it refers to transactions hedging the foreign exchange risk following from the balance of internal loans granted by ULMA Construccion Polska S.A. to its daughter companies.

  As a result, the variability of EUR and USD and PLN, UAH (hryvnia in Ukraine) and KZT (tenge in Kazakhstan) still affects the comprehensive income of the Capital Group.
- On 10 and 24 July of the current year one of the customers sent accounting notes to the Company totalling PLN 350 thousand by virtue of an alleged loss caused by incorrect performance of the contract (in connection with the discontinuation of contract performance by the Company) and contractual penalties provided for in the contract between the customer's company and the Company. The Company rejected the notes as ungrounded and returned them without recognizing them in the books. The Company discontinued the performance of the Contract due to a gross negligence of the Company's customer related to timely payment for the services provided by the Company.

30. Transactions with related entities

Control over the Group is exercised by ULMA C y E, S. Coop. with its registered office in Spain, which holds 75.49% of the Company’s shares. The remaining 24.51% of the shares are held by more than one shareholder.

The Capital Group ULMA Construccion Polska S.A. includes the following companies:

Parent company:

ULMA Construccion Polska S.A. with its registered office in Koszajec (municipality of Brwinów)

Subsidiaries:

- ULMA Opalubka Ukraine with its registered office in Kiev, address: Gnata Yury 9, established on 18 July 2001, registered at the Sviatoshyn State Administration Division for the City of Kiev under no. 5878/01, identification code 31563803. The company’s business comprises the sale and lease of formwork and the sale of construction materials. The issuer holds 100% of the share capital and of the total number of votes.

- ULMA Opalubka Kazakhstan, a limited liability company with its registered office in Astana, address: Tashenova 25. Its strategic goal is to develop the core business of the Capital Group, i.e. the lease of formwork systems and scaffolding, and dissemination of knowledge related to the application of the formwork technology in the construction process in the area of Kazakhstan. The issuer holds 100% of the share capital and of the total number of votes.

- ULMA Construccion BALTIC with its registered office in Vilnius, address: Pylimo 41-12. The Company's business areas include: lease of scaffolding and formwork for construction, wholesale and retail of scaffolding and formwork for construction, sale and lease of other construction equipment and other commercial activity. The issuer holds 100% of the share capital and of the total number of votes.

The Group also holds interest in an associate:

ULMA Cofraje SRL with its registered office in Bragadiru, address: Soseaua de Centura no. 2-8 Corp C20 (Romania), established on 09.10.2007. Entered in the National Office of the Commercial Register in Bucharest, under the number J23/289/30.01.2013. The Company's business area comprises the lease and sale of construction scaffolding and formwork. The issuer holds 30% of the share capital and of the total number of votes. The remaining 70% of the Company's share capital is held by the entity exercising control over the Group, i.e. ULMA C y E, S. Coop. with its registered office in Spain.

Subsidiaries are consolidated using the full method, while the associate is consolidated using the equity method.

Transactions concluded by companies from the Capital Group ULMA Construccion Polska S.A. with related entities were typical and routine transactions, concluded on an arm's length basis, and their nature and conditions resulted from the carrying out of on-going operational activities.

Figures related to transactions between companies forming the Capital Group ULMA Construccion Polska S.A. and its affiliates:

Settlements as at the balance sheet date	**As at**		
	30 June 2018		30 June 2017
Receivable from affiliates	**5,233**		**1,764**
of which:			
- from the parent company	4,704		934
- from an associate	56		9
- from other affiliates	473		821
Payable to affiliates	**9,739**		**12,619**
of which:			
- to the parent company	9,620		12,194
- to an associate	34		7
- to other affiliates	85		418
Loan receivables	**21,000**		**32,000-**
Loan receivables – ULMA CyE S. Coop. ('000 PLN)	21,000		32,000
Loan interest receivables ('000 PLN)	-		-

Sales and purchases from Group entities	6 months of 2018	6 months of 2017
ULMA's sales to affiliates	**6,130**	**2,673**
of which:		
- to the parent company	5,195	1,623
- to an associate	77	14
- to other affiliates	858	1,036
Purchases from companies from ES Group	**20,466**	**19,878**
of which:		
- from the parent company	20,070	19,302
- from an associate	87	7
- from other affiliates	309	569
Loan interest revenue	**551**	**403**
of which:		
- from the parent company	551	397
- from an associate	-	6

The transactions of sale and purchase involving companies from the Group mainly refer to the sale of formwork systems and formwork lease services.

ULMA Construccion Polska S.A. granted a short-term loan amounting to PLN 32,000 to the parent company ULMA CyE, S. Coop . The loan was granted to the parent company on an arm's length basis – interest on the loan was dependent on 3M WIBOR rate. The tranche of PLN 11,000 thousand should have been repaid by 29.06.2018. (tranche paid) and the tranche of PLN 21,000 thousand should be repaid by 31.01.2019. The receivable by virtue of the loan as at 30 June 2018 is PLN 21,000 thousand.

Transactions with members of the Management Board and the Supervisory Board of the Parent Company, their spouses, siblings, ascendants, descendants or other relatives and the key personnel of the Parent Company and of the companies from ULMA Group with affiliates.

The key personnel of the Parent Company and companies from ULMA Group are members of the Management Board and the Supervisory Board of the Parent Company and members of the Management Board and the Supervisory Board of subsidiary and associated companies. In the period of 6 months in 2018 and in the analogous period in 2017 the Group's companies did not grant any loans, borrowings, guarantees and warranties to members of the management and the supervisory board and to their relatives and no other agreements were concluded with them under which they would be required to provide any performance to the Parent Company and its affiliates.
As at 30 June 2018, 31 December 2017 and 30 June 2017 no loans were granted by the Group's companies to members of the management and the supervisory board or to their relatives.

31. Remuneration of the key management personnel

Within 6 months of 2018 members of the Management Board and the Supervisory Board received remuneration including bonuses amounting to:

	6 months of 2018	6 months of 2017
Management Board ULMA Construccion Polska S.A		
Rodolfo Carlos Muñiz Urdampilleta	665	616
Andrzej Kozłowski	224	260
of which: post-employment benefits	224	260
Andrzej Sterczyński	306	222
Krzysztof Orzełowski	273	192
ULMA Opalubka Ukraine		
Dmitriv Lyakhovetskiy	108	137
ULMA Opalubka Kazakhstan		
Eugeniusz Czuczałow	59	55
ULMA Construccion BALTIC		
Vykintas Kuzmickas	137	99
Supervisory Board ULMA Construccion Polska S.A.		
Michał Markowski	18	18
Andrzej Kozłowski	36	36

Other Members of the Management Board and of the Supervisory Board do not receive remuneration.

32. Profit per share

The basic profit per share is calculated as the quotient of dividing the profit attributable to the Company's shareholders by the weighted average number of ordinary shares during the year.

	6 months of 2018	6 months of 2017
Net profit attributable to the shareholders of the parent company	21,072	4,464
Number of ordinary shares as at the balance sheet date	5,255,632	5,255,632
Weighted average number of ordinary shares	5,255,632	5,255,632
Basic profit per share (in PLN per single share)	4.01	0.85
Diluted profit per share (in PLN per single share)	4.01	0.85

33. Information concerning employment

	6 months of 2018	2017	6 months of 2017
ULMA Construccion Polska S.A.	**284**	**250**	**243**
Capital Group ULMA Construccion Polska S.A.	**352**	**327**	**326**

34. Selected financial data converted into EUR

Selected financial data converted into EUR are presented in the following table:

SPECIFICATION	'000 PLN		'000 PLN EUR	
	6 months of 2018	6 months of 2017	6 months of 2018	6 months of 2017
Net revenues from the sale of products, goods and materials	107,217	89,674	25,399	20,999
Profit (loss) on operating activities	24,777	6,291	5,870	1,473
Profit (loss) before tax	26,106	6,193	6,184	1,450
Profit (loss) after tax	21,072	4,464	4,992	1,045
Net cash flow from operating activities	14,995	16,073	3,552	3,764
Net cash flow from investment activities	10,537	(65)	2,496	(15)
Net cash flow from financial activities	(20,477)	(27,833)	(4,851)	(6,518)
Net cash flow	5,055	(11,825)	1,197	(2,769)
Diluted profit per share	4.01	0.85	0.95	0.20
Profit per ordinary share (in PLN/EUR)	4.01	0.85	0.95	0.20
	'000 PLN		'000 PLN EUR	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
Total assets	347,185	336,196	79,600	80,605
Payables	49,250	40,371	11,292	9,679
Non-current payables	3,372	2,621	773	628
Current payables	45,878	37,750	10,519	9,051
Equity	297,935	295,825	68,308	70,926
Share capital	10,511	10,511	2,410	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 share (in PLN/EUR)	56.69	56.29	13.00	13.50

The individual items in assets, equity and liabilities were converted into EUR at the average exchange rates published by the President of the National Bank of Poland as at the balance sheet date. Average EUR exchange rate as at 30 June 2018 was PLN 4.3616/EUR 1, and as at 31 December 2017 PLN 4.1709/EUR 1.

When recalculating the items of the statement of comprehensive income and items of the cash flow statement the exchange rate applied was the arithmetic mean of the exchange rates applicable in the specific period, that is, data for the period 01.01. – 30.06.2018 was calculated at the rate = PLN 4.2213/EUR 1, data for the analogous period in 2017 was calculated at the rate = PLN 4.2704/EUR 1.

On behalf of the Management Board of ULMA Construccion Polska S.A.

Rodolfo Carlos Muñiz Urdampilleta,
President of the Management Board ……………………………………………….

Andrzej Sterczyński,
Member of the Management Board ……………………………………………….

Krzysztof Orzełowski,
Member of the Management Board ……………………………………………….

Ander Ollo Odriozola,
Member of the Management Board ……………………………………………….

Signature of the person in charge of keeping the books of accounts

Henryka Padzik,
Chief Accountant ……………………………………………

Koszajec, 13 September 2018

CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

ULMA Construccion Polska S.A.

Period of 6 months ended on 30 June 2018

(including the auditor's report on the review)

From the beginning of your projects

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ULMA Construccion Polska S.A.

GENERAL INFORMATION

The Group's business

The business of ULMA Construccion Polska S.A. consists in the following:

- lease and sale of scaffolding and formwork used in construction,
- preparation of commissioned designs related to the application of formwork and scaffolding,
- export of construction services,
- sale of construction raw materials and other materials and of accessories for concrete.

ULMA Construccion Polska S.A. is a joint-stock company (the Company). The Company started its operation on 14 February 1989 under the name Bauma Sp. z o.o. as a limited liability company and was registered in Reg. No. A.II – 2791. On 15 September 1995 it was transformed into a joint stock company incorporated by way of notarial deed before the civil-law notary Robert Dor at the Notary's Office in Warsaw and registered in Reg. A No. 5500/95. On 29 October 2001 the Company was entered into the Register of Businesses under KRS Number 0000055818 by the District Court in Warsaw, 13th Commercial Division of the National Court Register. On 6 November 2006 the Extraordinary General Meeting of Shareholders, in its Resolution No. 1, decided to change the name of the Company from BAUMA S.A. to ULMA Construccion Polska S.A. A respective entry in the National Court Register was made on 14 November 2006.

Registered office

Koszajec 50
05-840 Brwinów

Composition of supervisory and management authorities as at 30.06.2018 and as at the date of approval of the statements for publication

Supervisory Board

Aitor Ayastuy Ayastuy	Chairman of the Supervisory Board
María Lourdes Urcelay Ugarte	Vice Chairman of the Supervisory Board
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
María Lourdes Urcelay Ugarte	Member of the Committee

Management Board

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

Statutory Auditor

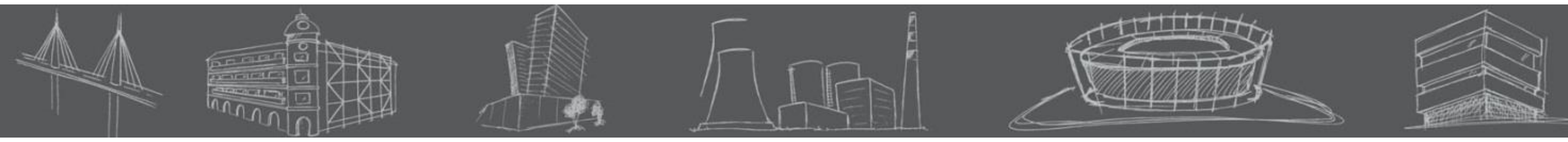
Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp. k.
Rondo ONZ 1
00-124 Warszawa
The company was entered on the list of entities authorized to audit financial statements under the number 130.

Banks

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

Stock market listing

The Company is listed on the Warsaw Stock Exchange ("WSE").
Ticker symbol on WSE: ULM.



ULMA Construccion Polska S.A.

CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS for the period of 6 months ended on 30 June 2018

Condensed interim separate profit and loss account and other comprehensive income

	Note	Period of 6 months ended on 30 June 2018		Period of 6 months ended on 30 June 2017 (converted data)
Revenues from sales	16.	97,911		81,847
Costs of sold goods, products and materials	17.	(63,773)		(70,508)
I. Gross profit from sales		**34,138**		**11,339**
Sales and marketing costs	17.	(1,375)		(1,258)
General and administrative expenses	17.	(6,987)		(6,250)
Other operating revenues	18.	380		634
Other operating costs	18.	(1,846)		(1,612)
Of which: impairment of receivables		*(1,840)*		*(1,442)*
II. Profit (Loss) at operating level		**24,310**		**2,853**
Financial revenues	19.	2,113		979
Financial costs	19.	(44)		(2,314)
Net financial revenues/(Costs)		*2,069*		*(1,335)*
III. Profit (loss) before tax		**26,379**		**1,518**
Income tax	20.	(5,048)		(728)
IV. Profit (loss) after tax in the business period		**21,331**		**790**
Other comprehensive income:		-		-
V. Total income for the business period		**21,331**		**790**
Weighted average number of ordinary shares		5,255,632		5,255,632
Basic and diluted profit per share in the business period (in PLN per share)	22.	4.06		0.15

Condensed interim separate statement of financial position

	Note	As at		
		30 June 2018	31 December 2017	30 June 2017
ASSETS				
I. Fixed assets				
1. Tangible fixed assets	2.	211,309	199,268	197,422
2. Intangible fixed assets	3.	263	368	110
3. Investments in subsidiaries and associates	5.	7,458	7,458	8,358
4. Other fixed assets	6.	3,930	3,957	3,985
5. Non-current receivables	7.	14,681	15,032	15,621
Total fixed assets		**237,641**	**226,083**	**225,496**
II. Current assets				
1. Inventories	8.	3,941	4,496	3,473
2. Trade receivables and other receivables	7.	71,424	80,432	77,742
3. Current income tax receivables		-	811	-
4. Derivative instruments	4.	-	-	22
5. Cash and cash equivalents	9.	28,377	22,305	21,556
Total current assets		**103,742**	**108,044**	**102,793**
Total assets		**341,383**	**334,127**	**328,289**

	Note	As at		
		30 June 2018	31 December 2017	30 June 2017
SHAREHOLDERS' EQUITY AND PAYABLES				
I. Shareholders' equity				
1. Share capital	10.	10,511	10,511	10,511
2. Supplementary capital – surplus from the sale of shares at premium	10.	114,990	114,990	114,990
3. Retained earnings, of which:		171,431	171,339	153,778
a. Profit (loss) after tax in the business period		*21,331*	*18,351*	*790*
Total shareholders' equity		**296,932**	**296,840**	**279,279**
II. Payables				
1. Non-current payables				
a. Deferred income tax liabilities	14.	3,199	2,447	1,080
b. Non-current payables related to retirement benefits	15.	173	173	145
Total non-current payables		**3,372**	**2,620**	**1,225**
2. Current payables				
a. Current payables related to retirement benefits	15.	51	51	41
b. Trade payables - factoring	12.	2,406	2,936	3,011
c. Current income tax liabilities		291	-	315
d. Derivative instruments	4.	-	64	-
e. Trade payables and other payables	11.	38,331	31,616	44,418
Total current payables		**41,079**	**34,667**	**47,785**
Total payables		**44,451**	**37,287**	**49,010**
Total shareholders' equity and payables		**341,383**	**334,127**	**328,289**

Condensed interim separate statement of changes in equity

Specification	Share capital – nominal value	Surplus from the issue of shares at premium	Retained earnings	Total shareholders' equity
As at 01 January 2017	**10,511**	**114,990**	**181,368**	**306,869**
Total net income in 2017	-	-	18,351	**18,351**
Dividend payment	-	-	(28,380)	**(28,380)**
As at 31 December 2017 (reported data)	**10,511**	**114,990**	**171,339**	**296,840**
Adjustment due to IFRS 9	**-**	**-**	(1,215)	**(1,215)**
As at 1 January 2018 (converted data)	**10,511**	**114,990**	**170,124**	**295,625**
Total net income in the 1st half of 2018	-	-	21,331	**21,331**
Dividend payment	-	-	(20,024)	**(20,024)**
As at 30 June 2018	**10,511**	**114,990**	**171,431**	**296,932**

Specification	Share capital – nominal value	Surplus from the issue of shares at premium	Retained earnings	Total shareholders' equity
As at 01 January 2017	**10,511**	**114,990**	**181,368**	**306,869**
Total net income in the 1st half of 2017	-	-	790	**790**
Dividend payment	-	-	(28,380)	**(28,380)**
As at 30 June 2017	**10,511**	**114,990**	**153,778**	**279,279**

Condensed interim separate cash flow statement

	Note	Period of 6 months ended on 30 June 2018	Period of 6 months ended on 30 June 2017
Cash flow from operating activities			
Profit after tax in the business period		**21,331**	**790**
Adjustments:			
- Income tax	20.	5,048	728
- Depreciation of property, plant & equipment	2.	14,364	22,422
- Amortization of intangible fixed assets	3.	110	41
- Net value of fixed assets sold and liquidated		1,592	794
- (Profit)/loss on changes in the fair value of financial instruments		(64)	(35)
- Change in the value of shares in associated entity		-	900
- Interest, dividend revenue		(961)	(979)
- Interest expense		43	-
- (Profit)/loss on foreign exchange differences		(1,111)	1,600
- Acquisition of fixed assets - formwork		(26,916)	(26,132)
Change in the balance of current assets:			
- Inventories		555	(1,099)
- Trade receivables and other receivables		(3,429)	296
- Trade payables and other payables		6,185	19,115
		16,747	**18,441**
Income tax paid		(2,972)	(2,175)
Net cash flow from operating activities		**13,775**	**16,266**
Cash flow from investment activities			
Acquisition of tangible fixed assets		(1,061)	(418)
Revenue from the sale of tangible fixed assets		8	2
Acquisition of intangible fixed assets		(5)	-
Repayment of borrowings		12,029	1,624
Interest received		1,040	905
Acquisition of financial assets		-	(1,059)
Net cash used for investing activities		**12,011**	**1,054**
Cash flow from financial activities			
Interest paid		(43)	-
Dividend paid		(20,024)	(28,380)
Net cash used for financing activities		**(20,067)**	**(28,380)**
Net increase/(decrease) in cash and overdraft facility		**5,719**	**(11,060)**
Cash and overdraft facility at beginning of period		**22,305**	**32,717**
Foreign exchange (loss)/profit on the valuation of cash and overdraft facility		**353**	**(101)**
Cash and overdraft facility at end of period	9.	**28,377**	**21,556**

ULMA Construccion Polska S.A.

ADDITIONAL INFORMATION AND EXPLANATORY NOTES TO CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

Notes to condensed interim separate financial statements

1. Declaration of compliance and general principles of preparation

The condensed interim separate financial statements of ULMA Construccion Polska S.A. cover a period of 6 months ended on 30 June 2018 and contain comparative data for a period of 6 months ended on 30 June 2017 and as at 31 December 2017.

The duration of ULMA Construccion Polska S.A. is unspecified.

These condensed interim separate financial statements for the period of 6 months ended on 30 June 2018 were prepared in compliance with the requirements of IAS 34 "Interim financial reporting" as adopted by the EU ("IAS 34") and they present the financial standing of ULMA Construccion Polska S.A. as at 30 June 2018, its profit and loss and cash flow statement for the period of 6 months ended on 30 June 2018.

The interim financial statements as at 30 June 2018 are not inclusive of all information and disclosures required in the annual financial statements and they should be read together with the audited separate financial statements prepared as at 31 December 2017 and published on 27 March 2018.

These condensed interim separate financial statements are presented in thousands of zlotys ("PLN"), and all values are given in thousands of PLN unless specified otherwise.

These condensed interim separate financial statements have been prepared on a going-concern basis for the foreseeable future. As at the date of approval of these financial statements no circumstances indicating any risk to going concern were found.

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

These condensed interim separate financial statements were prepared in accordance with the historical cost principle, with the exception of assets and financial payables (derivative financial instruments) measured at fair value through profit and loss.

These interim separate financial statements of the Capital Group ULMA Construccion Polska S.A. for the period of 6 months ended on 30 June 2018 were approved for publication by the Management Board of the parent company on 13 September 2018.

Changes of accounting principles applied

While preparing the condensed interim separate financial statements, the Company applied accounting principles (except as mentioned below) identical to those described in the audited separate financial statements as at 31 December 2017.

The Company applied IFRS *15 Revenue from contracts with customers* ("IFRS 15") and IFRS 9 *Financial instruments* ("IFRS 9") for the first time. According to the requirements of IAS 34 *Interim financial reporting,* the Company gives a description of the type and effects of changes in accounting principles (policy) further in this note.

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

Effect of IFRS 9 on the consolidated statement of financial position as at the date of the first application, i.e. 1 January 2018:

Specification	31 December 2017 (reported data)	Effect of IFRS 9	01 January 2018
Trade receivables and other receivables	86,532	(1,437)	85,095
Total assets	**336,196**	**(1,437)**	**334,759**
Deferred income tax reserves	2,448	(222)	2,226
Retained earnings	186,780	(1,215)	185,565
Total shareholders' equity and payables	**336,196**	**(1,437)**	**334,759**

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

- Amendments to IFRS 2 – Classification and measurement of share-based payment transactions;
- Amendments to IFRS 4 – Application of IFRS 9 Financial instruments in combination with IFRS 4 Insurance contracts;
- Amendments following from the review of IFRS cycle 2014-2016 – amendments to IFRS 1, IAS 28;
- Amendments to IAS 40 – qualification of real property, i.e. transferring investment property to other groups of assets;
- Amendments to do IFRIC 22 – amendments refer to the method of determination of the transaction date and thus the SPOT exchange rate when advance payments are made or received in foreign currency.

IFRS 9

IFRS 9 replaced IAS 39 *Financial instruments: recognition and measurement* and it is applicable to annual periods starting on 1 January 2018 or later. IFRS 9 addresses three areas related to financial instruments: classification and measurement, impairment and hedge accounting.

The Company applied IFRS 9 from the effective date of the standard, without converting comparative data.

a) Classification and measurement

According to IFRS 9, except some trade receivables, upon initial recognition the company measures financial assets at fair value which, in the case of financial assets not measured at fair value through profit or loss is not increased by transaction costs that can be directly attributed to acquisition of these financial assets.

Upon initial recognition, the company measures financial assets at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss. The company classifies financial assets according to the business model adopted by the company with regard to management of financial assets and characteristics of contractual cash flow statements for a financial asset (so called "SPPI criterion").

The classification and measurement of the Company's financial assets according to IFRS 9 is as follows:

- Debt instruments measured at amortised cost, maintained according to the business model in which financial assets are maintained for the purposes of generating contractual cash flows solely from payments of the principal amount and interest on the principal amount. This category of financial assets includes trade receivables, loans granted and cash and cash equivalents.
- Debt instruments measured at fair value through other comprehensive income for which accumulated profit or loss previously recognised in other comprehensive income is subject to reclassification upon discontinuation of recognition. The Company has no financial assets subject to qualification to this category of financial assets.
- Capital instruments measured at fair value through other comprehensive income for which accumulated profit or loss previously recognised in other comprehensive income is not subject to reclassification upon discontinuation of recognition. The Company has no financial assets subject to qualification to this category of financial assets.
- Financial assets measured at fair value through profit or loss The Company classifies derivative instruments in this category.

The Company evaluated the business model as at the day of the first application of IFRS 9, i.e. 1 January 2018, and then regardless of the business model adopted in previous reporting periods for financial assets the recognition of which was not discontinued before 1 January 2018.

IFRS 9 does not introduce significant changes in the classification and measurement of financing payables, except modifications as a result of which the existing financial liability is no longer recognised. The new standard puts the company under the obligation to recognise the adjusted cost of the financial liability as revenue or cost in the profit and loss account upon modification.

b) Impairment

The application of IFRS 9 considerably changes the approach to impairment of financial assets by getting away from the concept of the *loss incurred* and assuming the concept of the *expected loss*, where the entire expected credit loss is recognised *ex-ante*.

In case of trade receivables the Company uses a simplified approach and measures the write down to expected credit losses at the amount equivalent to expected credit losses throughout the economic life using the reserve matrix. The Company uses its historical data referring to credit losses, adjusted in respective cases with the effect of information regarding the future.

In case of other financial assets, the Company measures the write down to expected credit losses at the amount equivalent to credit losses expected in the period of 12 months. If the credit risk connected with the specific financial instrument significantly increased from the moment of initial recognition, the Company measures the write down to expected credit losses at the amount equivalent to credit losses expected throughout the economic life.

The Company evaluates that credit risk connected with the specific financial instrument has significantly increased since the date of its initial recognition if the delay in repayment exceeds 30 days.

At the same time, the Company evaluates that the debtor's default is considered a delay in repayment exceeding 90 days.

As a result of applying IFRS 9, the impairment loss as at 1 January 2018 increased by PLN 1,417 thousand in correspondence to retained earnings and is PLN 34,154 thousand as at the above-mentioned date.

The application of IFRS 9 had no impact on the valuation of the Company's financial instruments as at the date of its first application. The classification of financial instruments pursuant to IFRS 9 is presented in note 4.

IFRS 15

IFRS 15 repeals IAS 11 Construction contracts, IAS 18 Revenue and related interpretations. It is applicable to annual periods starting on 1 January 2018 or later. The standard is applicable to all contracts with customers except those covered by other standards.

The new standard establishes the so-called Five Step Model in recognizing revenues from contracts with customers. Pursuant to IFRS 15 revenues are recognized at the amount of remuneration which – according to the expectations of the company – is payable to the same in exchange for supplying goods or services promised to the customer.

The application of IFRS 15 requires that the Management Board of the parent company makes judgements at each of the five steps of the model.

The Group has applied IFRS 15 since its effective date, using the retrospective method with the total effect of the first application recognized at the date of the first application.

The Group operates in the area of:

a) Sale of commodities and formwork

   The contracts contain only one obligation to performance – i.e. sale of the goods. Revenues are recognized at the specific moment, i.e. when the customer acquires control over the goods (as a rule upon delivery). As a consequence, the impact of adopting IFRS 15 on the moment of recognizing revenues from such contracts is not significant.

b) Sale of a package of goods and services or a package of several services provided at different times

   The subject of multi-component agreements are, among other things, lease, assembly and disassembly, preparation of individual forms, transportation from/to construction sites, repairs, settlement of accounts for lost and damaged formwork as well as rebates and discounts.

   Analysis of contracts with customers showed that for the Company only revenues from the lease of formwork and scaffolding can be deemed as recognized in time. The Company recognizes the above-mentioned revenues in monthly periods, thus the implementation of IFRS 15 has no effect on the Company's previous practices in this area. Revenues from other services are recognized simultaneously.

c) Advances received from customers

   So far the Company presented advance payments from customers under "Other non-financial liabilities". According to the previous accounting policy (principles) the Company did not recognize the costs by virtue of interest on advances received, including long-term ones.

   According to IFRS 15, the Company evaluates whether the contract contains the material financing element. The Company decided to apply a practical solution according to which it does not adjust the promised amount of remuneration with regard to the effect of the material financing element if, upon the conclusion of the contract, it anticipates that the period from the transfer of the promised good or service to the customer until the payment for such a good or service by the customer will not be longer than one year. Therefore, the Company did not separate the material financing element for short-term advance payments.

The Company has no significant contracts where the period from the transfer of the promised good or service until the payment for such a good or service is longer than one year.

Conversion of comparative data

The Company converted comparative data for the period of 6 months of 2017. The adjustment refers to:

- Reclassification of impairment losses on receivables (creation and reversal) and of trade receivables written down totalling PLN 15,442 thousand, previously recognised under "Sales and marketing costs", into "Other operating expenses",
- Offsetting certain closely related movements in fixed assets in the formwork group previously disclosed separately under "Other operating income" and "Other operating expenses" in order to illustrate the overall effect of management of the Company's fixed assets. The offsetting amount is PLN 440 thousand.

The aforementioned adjustments had no influence on the Group's operating result for the period of 6 months of 2017.

Material estimates

In Q4 of 2017 (from 1 October 2017), on the grounds of the current estimates, the Company verified the adopted economic life of fixed assets from the formwork systems group and as a result decreased the rates of depreciation. Changes introduced in the first six months of 2018 resulted in the decrease in the costs of amortization for this group by PLN 8,830 thousand in relation to the calculation where such a change in rate was absent.

2. Tangible fixed assets

Table of movements in tangible fixed assets between 01 January 2018 and 30 June 2018

	Land, buildings and structures	Plant, machinery and means of transportation	Formwork systems	Other property, plant & equipment	PP&E under construction	Total tangible fixed assets
GROSS VALUE						
As at 1 January 2018	**106,187**	**10,819**	**492,220**	**2,601**	**202**	**612,029**
Increase due to purchase	281	375	26,915	45	361	27,977
Increase – inventory surplus, reclassification	-	-	2,753	-		2,753
Decrease – sale	-	-	(17,388)	-	-	(17,388)
Decrease – liquidation, inventory shortage	-	(318)	(10,501)	(35)	(202)	(11,056)
As at 30 June 2018	**106,468**	**10,876**	**493,999**	**2,611**	**361**	**614,315**
ACCUMULATED DEPRECIATION						
As at 1 January 2018	**21,648**	**7,078**	**381,585**	**2,450**	**-**	**412,761**
Depreciation for the period	1,442	562	12,313	47	-	14,364
Decrease – sale	-	-	(15,468)	-	-	(15,468)
Decrease – liquidation, inventory shortage	-	(302)	(8,314)	(35)	-	(8,651)
As at 30 June 2018	**23,090**	**7,338**	**370,116**	**2,462**	**-**	**403,006**
NET VALUE:						
As at 1 January 2018	**84,539**	**3,741**	**110,635**	**151**	**202**	**199,268**
As at 30 June 2018	**83,378**	**3,538**	**123,883**	**149**	**361**	**211,309**

Table of movements in tangible fixed assets between 01 January 2017 and 31 December 2017

	Land, buildings and structures	Plant, machinery and means of transportation	Formwork systems	Other property, plant & equipment	PP&E under construction	Total tangible fixed assets
GROSS VALUE						
As at 01 January 2017	**106,009**	**10,375**	**479,155**	**2,583**	**47**	**598,169**
Increase due to purchase	199	769	45,027	91	202	46,288
Increase – inventory surplus, reclassification	-	-	6,398	-	(47)	6,351
Decrease – sale	-	(3)	(17,610)	-	-	(17,613)
Decrease – liquidation, inventory shortage	(21)	(322)	(20,750)	(73)	-	(21,166)
As at 31 December 2017	**106,187**	**10,819**	**492,220**	**2,601**	**202**	**612,029**
ACCUMULATED DEPRECIATION						
As at 01 January 2017	**18,784**	**6,279**	**376,629**	**2,414**	**-**	**404,106**
Depreciation for the period	2,873	1,121	36,614	108	-	40,716
Decrease – sale	-	(2)	(16,643)	-	-	(16,645)
Decrease – liquidation, inventory shortage	(9)	(320)	(15,015)	(72)	-	(15,416)
As at 31 December 2017	**21,648**	**7,078**	**381,585**	**2,450**	**-**	**412,761**
NET VALUE:						
As at 01 January 2017	**87,225**	**4,096**	**102,526**	**169**	**47**	**194,063**
As at 31 December 2017	**84,539**	**3,741**	**110,635**	**151**	**202**	**199,268**

Table of movements in tangible fixed assets between 1 January and 30 June 2017

	Land, buildings and structures	Plant, machinery and means of transportation	Formwork systems	Other property, plant & equipment	PP&E under construction	Total tangible fixed assets
GROSS VALUE						
As at 01 January 2017	**106,009**	**10,375**	**479,155**	**2,583**	**47**	**598,169**
Increase due to purchase	34	222	26,132	43	119	26,550
Increase – inventory surplus, reclassification	-	-	4,379	-	(47)	4,332
Decrease – sale	-	(3)	(11,835)	-	-	(11,838)
Decrease – liquidation, inventory shortage	(21)	(257)	(11,672)	(34)	-	(11,984)
As at 30 June 2017	**106,022**	**10,337**	**486,159**	**2,592**	**119**	**605,229**
ACCUMULATED DEPRECIATION						
As at 01 January 2017	**18,784**	**6,279**	**376,629**	**2,414**	**-**	**404,106**
Depreciation for the period	1,436	535	20,404	47		22,422
Decrease – sale	-	(2)	(11,143)	-		(11,145)
Decrease – liquidation, inventory shortage	(9)	(255)	(7,278)	(34)		(7,576)
As at 30 June 2017	**20,211**	**6,557**	**378,612**	**2,427**		**407,807**
NET VALUE:						
As at 01 January 2017	**87,225**	**4,096**	**102,526**	**169**	**47**	**194,063**
As at 30 June 2017	**85,811**	**3,780**	**107,547**	**165**	**119**	**197,422**

The depreciation charge on tangible fixed assets increased:

Specification	6 months of 2018	12 months of 2017	6 months of 2017
Costs of products, goods and materials sold	14,069	40,077	22,116
Sales and marketing costs	1	4	3
General and administrative expenses	294	635	303
Total	**14,364**	**40,716**	**22,422**

3. Intangible fixed assets

Table of movements in intangible fixed assets between 01 January 2018 and 30 June 2018

	Licences and software	Other	Total intangible assets
GROSS VALUE			
As at 1 January 2018	**4,766**	**37**	**4,803**
Increase	5	-	5
Decrease – disposal, liquidation	-	-	-
As at 30 June 2018	**4,771**	**37**	**4,808**
ACCUMULATED DEPRECIATION			
As at 1 January 2018	**4,398**	**37**	**4,435**
Depreciation for the period	110	-	110
Decrease – disposal, liquidation		-	
As at 30 June 2018	**4,508**	**37**	**4,545**
NET VALUE:			
As at 1 January 2018	**368**	**-**	**368**
As at 30 June 2018	**263**	**-**	**263**

Table of movements in intangible fixed assets between 01 January 2017 and 31 December 2017

	Licences and software	Other	Total intangible assets
GROSS VALUE			
As at 01 January 2017	**4,554**	**37**	**4,591**
Increase	321	-	321
Decrease – disposal	(109)	-	(109)
As at 31 December 2017	**4,766**	**37**	**4,803**
ACCUMULATED DEPRECIATION			
As at 01 January 2017	**4,402**	**37**	**4,439**
Depreciation for the period	106	-	106
Decrease – disposal	(110)	-	(110)
As at 31 December 2017	**4,398**	**37**	**4,435**
NET VALUE:			
As at 01 January 2017	**152**	**-**	**152**
As at 31 December 2017	**368**	**-**	**368**

The depreciation charge on intangible fixed assets increased:

Specification	6 months of 2018	12 months of 2017	6 months of 2017
Costs of products, goods and materials sold	-	2	2
General and administrative expenses	110	104	39
Total	**110**	**106**	**41**

4. Financial instruments

The table below presents a comparison of the carrying (balance sheet) value and the fair value of all financial instruments of the Group split into respective classes and categories of assets and liabilities.

	Carrying value		Fair value	Fair value hierarchy
	30 June 2018		30 June 2018	
Debt instruments measured at amortized cost				
Cash	31,145		31,145	Pos. 1
Trade receivables and other receivables	55,990		55,990	Pos. 3
Loans granted	21,000		21,000	Pos. 3
Financial assets measured at fair value through profit or loss				
FX forward contracts	-		-	Pos. 2
Financing payables measured at amortized cost				
Trade payables - factoring	2,406		2,406	Pos. 3
Trade payables and other payables	36,055		36,055	Pos. 3
Financing payables measured at fair value through profit or loss				
FX forward contracts	-		-	Pos. 2

In the Company's evaluation the fair value of financial instruments does not materially differ from their carrying value mainly with regard to their short maturity.

In the period ended on 30 June 2018 or in the period ended on 30 June 2017 no shifts occurred between level 1 and level 2 of the fair value hierarchy and none of the instruments was shifted from/to level 3 of the fair value hierarchy.

	Carrying value			Fair value		Fair value hierarchy
	31 December 2017	30 June 2017		31 December 2017	30 June 2017	
Cash	25,802	24,990		25,802	24,990	Pos. 1
Receivables and loans granted						
Trade receivables and other receivables	54,532	52,575		54,532	52,575	Pos. 3
Loans granted	32,000	32,000		32,000	32,000	Pos. 3
Derivative instruments						
Financial instruments measured at fair value through profit or loss	-	22		-	22	Pos. 2
Financial payables						
Trade payables - factoring	2,936	3,011		2,936	3,011	Pos. 3
Trade payables and other payables	27,313	39,863		27,314	39,863	Pos. 3
Derivative instruments						
Financial instruments measured at fair value through profit or loss	64	-		64	-	Pos. 2

5. Investments in subsidiaries and associates

As at 30 June 2018

No.	Entity's name	Registered office	Scope of business	Nature of relationship	Date of taking control	Value of shares at acquisition price	Impairment losses	Carrying value of shares/interests	Percentage of share capital held	Share in total number of votes at general meeting
1.	ULMA Opalubka Ukraine	Ukraine	sale and lease of formwork, sale of construction materials	subsidiary	18.07.2001	5,818	-	5,818	100	100
2.	ULMA Cofraje	Romania	sale and lease of formwork, sale of construction materials	associate	02.11.2007	3,977	(2,562)	1,415	30	30
3.	ULMA Opalubka Kazakhstan	Kazakhstan	sale and lease of formwork, sale of construction materials	Subsidiary	27.08.2010	83	-	83	100	100
4.	ULMA Construccion BALTIC	Lithuania	sale and lease of formwork, sale of construction materials	subsidiary	27.04.2012	142	-	142	100	100
						10,020	**(2,562)**	**7,458**		

6. Other fixed assets

Other fixed assets are inclusive of the carrying value of the right of perpetual usufruct of land amounting to PLN 3,930 thousand. The right of perpetual usufruct of land was acquired by the Company in 2007 and its expiry date is 5 December 2089.

7. Trade receivables and other receivables

	30 June 2018	31 December 2017	30 June 2017
Trade receivables from unrelated entities	72,142	76,393	78,414
Impairment losses on trade receivables	(33,784)	(30,593)	(36,998)
Trade receivables – net	*38,358*	*45,800*	*41,416*
Other receivables	27	18	20
Prepayments	968	348	983
Trade receivables from related entities	11,071	2,266	2,897
Loans granted	35,681	47,032	48,047
Total trade receivables and other receivables	**86,105**	**95,464**	**93,363**
of which:			
Non-current portion	14,681	15,032	15,621
Current portion	71,424	80,432	77,742

On the grounds of analyses performed, the Company determined that the carrying value of respective receivables presented in these condensed interim separated financial statements was similar to the fair value of those receivables.

There is no concentration of credit risk related to trade receivables, because the Company has a large number of customers.

The net value of impairment losses on receivables increased by the amounts of receivables written off in the total amount of PLN 1,840 thousand (PLN 2,857 thousand in 2017, PLN 1,42 thousand in the period of 6 months of 2017) was recognized under other operating expenses.
Changes in impairment losses on trade receivables and other receivables were as follows:

	30 June 2018	31 December 2017	30 June 2017
As at the beginning of the period	**30,593**	**35,878**	**35,878**
Effect of IFRS 15	**1,437**	-	-
As at the beginning of the period (converted data)	**32,030**	-	-
Increase – impairment losses on trade receivables	2,831	2,972	1,606
Utilized	(770)	(8,224)	(480)
Adjustment to earlier write-down	(307)	(33)	(6)
As at the end of the period	**33,784**	**30,593**	**36,998**

The difference of PLN 1,437 thousand between the balance of impairment losses on receivables as at 31 December 2017 (PLN 30,593 thousand) and as at 1 January 2018 (PLN 32,030 thousand) results from the recognition of, pursuant to the amended IFRS 9, additional impairment loss reflecting the level of the risk of insolvency referring to uncollectible receivables.

All impairment losses on receivables refer to current receivables.

8. Inventories

	30 June 2018	31 December 2017	30 June 2017
Materials	2,178	1,960	1,799
Goods	2,103	2,876	2,014
Gross value of inventories	**4,281**	**4,836**	**3,813**
Impairment loss on inventories	(340)	(340)	(340)
Net value of inventories	**3,941**	**4,496**	**3,473**

9. Cash and cash equivalents

	30 June 2018	31 December 2017	30 June 2017
Cash at hand and at banks	28,377	22,305	21,556
Short-term bank deposits	-	-	-
Total cash, of which:	**28,377**	**22,305**	**21,556**
Cash with limited availability	111	111	112

For the purposes of the cash flow statement, cash and overdraft facilities include the following:

	30 June 2018	31 December 2017	30 June 2017
Cash and cash equivalents	28,377	22,305	21,556
Overdraft facility	-	-	-
Cash and cash equivalents disclosed in the cash flow statement	**28,377**	**22,305**	**21,556**

10. Share and supplementary capital

In the period of 6 months ended on 30 June 2018 no changes occurred in the number of shares and the value of share capital and supplementary capital from share premium.

All shares are ordinary bearer shares with the nominal value of 2.00 PLN. All shares are paid up.

As at 30 June 2018, the Company had the following shareholding structure:

	Share capital			Votes at General	
	Number of shares	%		Number of votes	%
ULMA CyE, S. Coop	3,967,290	75.49		3,967,290	75.49
OFE Aviva BZ WBK	263,400	5.01		263,400	5.01
Free float	1,024,942	19.50		1,024,942	19.50

11. Trade payables and other payables

	30 June 2018	31 December 2017	30 June 2017
Trade payables towards unrelated entities	19,681	19,464	20,470
Payables towards related entities	10,116	3,604	12,640
Payables related to social insurance and other levies	6,121	6,245	7,516
Accruals (accrued expenses)	2,050	2,200	3,524
Accruals (accrued income)	-	-	2
Other payables	363	103	266
Total trade payables and other payables	**38,331**	**31,616**	**44,418**
of which:			
Non-current portion	-	-	-
Current portion	38,331	31,616	44,418

12. Trade payables - factoring

In 2015 the Company concluded a factoring agreement with mBank under which the Company's trade payables towards selected suppliers are paid by the bank within 14 days from the date of the supplier's invoice. The date of payment by the Company to the bank is 75 days from the date on which the bank makes the payment to the supplier. As at 30 June 2018 the Company's liabilities to the bank by this virtue amounted to PLN 2,406 thousand. This amount was disclosed in the condensed interim separate financial statements under Trade payables - factoring.

13. Lease

13 a) Finance lease

The Company's finance lease payables were paid in 2014. The leased object was formwork cleaning machinery. As at the balance sheet date the Company does not use any fixed assets under contracts of finance lease.

13 b) Operational lease

Operating lease contracts include lease of the fleet of passenger cars and forklift trucks, lease of the Logistics Centre in Gdańsk, the depot in Warsaw at Klasyków Street and perpetual usufruct of land in Jaworzno.

Total minimum payments related to such lease:

	30 June 2018	31 December 2017	30 June 2017
Less than one year	4,751	4,724	4,800
1 year to 5 years	11,225	12,152	13,486
Over 5 years	3,022	4,961	2,465
Total	**18,998**	**21,837**	**20,751**

The right of perpetual usufruct of land expires, according to the contract, on 5 December 2089.

14. Deferred tax

	30 June 2018	31 December 2017	30 June 2017
Deferred income tax assets:	2,292	2,126*)	3,370
Deferred income tax reserve:	(5,491)	(4,573)	(4,450)
Offsetting	2,292	2,126	3,370
Carrying value of the deferred tax reserve	(3,199)	(2,447)	(1,080)

Movements in deferred income tax liabilities during the year (before their set-off within a single jurisdiction) are as follows:

	Statement of financial position		Profit and loss statement and other comprehensive income
	30 June 2018	01 January 2018	6 months of 2018
Deferred tax reserve			
Tax depreciation	5,415	4,534	(881)
Unrealized foreign exchange differences	76	25	(51)
Other	-	14	14
Total	**5,491**	**4,573**	**(918)**
Deferred tax assets			
Write-downs to receivables	1,471	1,535*)	(64)
Provisions for costs	759	797	(38)
Unrealized foreign exchange differences	62	16	46
Total	**2,292**	**2,348*)**	**(56)**
(Charge)/ credit due to deferred tax			**(974)**

***)** The presented amounts of deferred tax assets are higher than reported in the statements for 2017 by PLN 222 thousand resulting from an additional deferred tax asset following from the recognition of additional impairment loss on receivables in accordance with IFRS 9 *Financial instruments*.

15. Retirement benefits payable

	30 June 2018	31 December 2017	30 June 2017
Payables recognized in the statement of financial position, related to:			
Retirement benefits	224	224	186
Total retirement benefits	**224**	**224**	**186**
of which:			
Non-current	**173**	**173**	**145**
Current	**51**	**51**	**41**

The Company performs actuarial measurement of the provision for retirement benefits at the end of each business year.

16. Revenues from sales

	6 months of 2018	6 months of 2017
Revenues from sales of construction site services	83,162	68,309
Revenues from the sale of goods and construction materials	14,749	13,538
Total revenues from sales	**97,911**	**81,847**

- construction site services – a segment comprising lease of formwork systems and scaffolding together with broadly understood logistic service and settlement of the construction site at the end of the contract,
- sale of construction materials – a segment comprising the sale of formwork systems, constituting tangible fixed assets (property, plant and equipment) as well as current assets (products and services) of the Group, as well as of other construction materials.

Revenues from sales according to territory:

Description	30 June 2018	30 June 2017
Domestic sales	82,223	71,959
Foreign sales	15,688	9,888
Total revenues from sales	**97,911**	**81,847**

17. Costs according to types

	6 months of 2018	6 months of 2017 (converted data)
Depreciation of tangible and amortization of intangible fixed assets	14,474	22,463
Employees benefit costs (note 17 a)	15,517	13,610
Consumption of raw materials, other materials and energy	5,465	5,377
Transport services	6,625	6,869
Lease and rental services	5,728	5,381
Repair services	3,697	4,429
Installation services	2,366	1,858
Other third party services	5,961	6,400
Other costs	3,156	2,590
Value of sold goods, materials and formwork (non-current assets)	9,246	9,039
Total costs according to types	**72,235**	**78,016**
of which:		
Own work capitalised	100	-
Costs of sold goods, products and materials	63,773	70,508
Sales and marketing costs	1,375	1,258
General and administrative expenses	6,987	6,250

17 a) Costs of employee benefits		
Costs of remuneration and costs of termination benefits	12,592	11,105
Costs of social insurance and other benefits for the employees	2,925	2,505
Total costs of employee benefits	**15,517**	**13,610**

18. Other operating revenues and costs

18 a) Other operating revenues		6 months of 2018		6 months of 2017
Stock-taking		-		-
Profit on the change in fair value of forward contracts		64		71
Indemnification received		27		-
Sale of tangible fixed assets		8		2
Recovered fixed assets		110		469
Re-invoicing		162		89
Other revenues		9		3
Total other operating revenues		**380**		**634**

18 b) Other operating costs		6 months of 2018		6 months of 2017
Loss on the change in fair value of forward contracts		-		-
Impairment of receivables		(1,840)		(1,442)
Other costs		(6)		(170)
Total other operating costs		**(1,846)**		**(1,612)**

19. Financial revenues and costs

19 a) Financial revenues	6 months of 2018	6 months of 2017
Interest revenue:		
- loans granted	871	811
- from cash at bank and delayed payment of receivables	90	168
Foreign exchange differences	1,152	-
Total financial revenues	**2,113**	**979**

19 b) Financial costs	6 months of 2018	6 months of 2017
Interest expense:		
- bank credit	-	-
- leasing	-	-
- related to late payment of liabilities	(43)	(70)
	(43)	**(70)**
Foreign exchange differences	-	(1,335)
Costs of loan, guarantee	(1)	(9)
Impairment loss on financial assets	-	(900)
Total financial costs	**(44)**	**(2,314)**

20. Income tax

	6 months of 2018	6 months of 2017
Current tax	(4,074)	(2,584)
Deferred tax (note 14)	(974)	1,856
Total income tax	**(5,048)**	**(728)**

The income tax on the Company's profit before tax differs in the following manner from the theoretical amount which would be obtained by applying the tax rate in force to the profit before taxation:

	6 months of 2018	6 months of 2017
Profit (loss) before tax	**26,378**	**1,518**
Non-taxable revenues, of which:	**(839)**	**-**
- exchange differences on loans	(758)	-
- reversal of write downs to receivables - VAT	(81)	-
Costs other than cost of sales, of which:	**1,027**	**2,316**
Costs of representation	700	653
Previous years' expenses	37	133
Contributions to the National Disabled Persons Rehabilitation Fund	93	80
VAT on written down receivables	-	335
Other	197	515
Impairment loss on shares		600
Taxable base	**26,566**	**3,834**
Income tax charged to profit/loss	**5,048**	**728**

Tax authorities may inspect the books of account and the tax settlements within 5 years of the end of the year when the tax declarations were filed and charge additional tax to the Company, together with penalty interest. In the Management Board's opinion, there are no circumstances suggesting that significant liabilities might arise in relation to that.

21. Measurement of financial instruments at fair value

On the grounds of analyses performed, the Company determined that the carrying value of individual financial instruments presented in these condensed interim separate financial statements was similar to the fair value of those instruments.

22. Profit per share

The basic profit per share is calculated as the quotient of dividing the profit attributable to the Company's shareholders by the weighted average number of ordinary shares during the year.

	6 months of 2018		6 months of 2017
Net profit attributable to the shareholders of the parent company	21,331		790
Number of ordinary shares as at the balance sheet date	5,255,632		5,255,632
Weighted average number of ordinary shares	5,255,632		5,255,632
Basic profit (loss) per share (in PLN per single share)	4.06		0.15
Diluted profit (loss) per share (in PLN per single share)	4.06		0.15

23. Contingent items

At the request of ULMA Construccion Polska S.A. mBANK provided one of the contractors of the Company with a bank guarantee regarding the performance of the lease contract. The bank guarantee expires on 30.09.2019. The guarantee is connected with the construction of the Logistics Centre in Gdańsk. The investment was commissioned in Q1 2015. The Group uses the Logistics Centre in Gdańsk based on the long-term contract of lease.
As at the balance sheet date the amount of the bank guarantee is PLN 3,303 thousand.

24. Significant events and events after the balance sheet date

On 10 and 24 July of the current year one of the customers sent accounting notes to the Company totalling PLN 350 thousand by virtue of an alleged loss caused by incorrect performance of the contract (in connection with the discontinuation of contract performance by the Company) and contractual penalties provided for in the contract between the customer's company and the Company. The Company rejected the notes as ungrounded and returned them without recognizing them in the books. The Company discontinued the performance of the Contract due to a gross negligence of the Company's customer related to timely payment for the services provided by the Company.

25. Transactions with related entities

Control over the Group is exercised by ULMA C y E, S. Coop. with its registered office in Spain, , which holds 75.49% of the Company's shares. The remaining 24.51% of the shares are held by more than one shareholder.

The Capital Group ULMA Construccion Polska S.A. consists of the following companies:

Parent company:

- ULMA Construccion Polska S.A. with its registered office in Koszajec (municipality of Brwinów)

Subsidiaries:

- ULMA Opalubka Ukraine with its registered office in Kiev, address: Gnata Yury 9, established on 18 July 2001, registered at the Sviatoshyn State Administration Division for the City of Kiev under no. 5878/01, identification code 31563803. The company's business comprises the sale and lease of formwork and the sale of construction materials. The issuer holds 100% of the share capital and of the total number of votes.

- ULMA Opalubka Kazakhstan, limited liability company with its registered office in Astana, address: Tashenova 25. Its strategic goal is to develop the core business of the Capital Group, i.e. the lease of formwork systems and scaffolding, and dissemination of knowledge related to the application of the formwork technology in the construction process in the area of Kazakhstan. The issuer holds 100% of the share capital and of the total number of votes.
- ULMA Construccion BALTIC with its registered office in Vilnius, address: Pylimo 41-12. The Company's business areas include: lease of scaffolding and formwork for construction, wholesale and retail of scaffolding and formwork for construction, sale and lease of other construction equipment and other commercial activity. The issuer holds 100% of the share capital and of the total number of votes.

The Group also holds interest in an associate:

- ULMA Cofraje SRL with its registered office in Bragadiru, address: Soseaua de Centura no. 2-8 Corp C20 (Romania), established on 09.10.2007. Entered in the National Office of the Commercial Register in Bucharest, under the number 22679140. The Company's business area comprises the lease and sale of construction scaffolding and formwork. The issuer holds 30% of the share capital and of the total number of votes. The remaining 70% of the Company's share capital is held by the entity exercising control over the Group, i.e. ULMA C y E, S. Coop. with its registered office in Spain.

Transactions concluded by ULMA Construccion Polska S.A. with associates were typical and routine transactions, concluded on an arm's length basis, and their nature and conditions resulted from the carrying out of on-going operational activities.

Figures related to transactions between ULMA Construccion Polska S.A. and its affiliates

Settlements as at the balance sheet date	30 June 2018	30 June 2017
Trade receivables	**11,071**	**2,897**
of which:		
- from the parent company	4,704	934
- from subsidiaries	5,838	1,134
- from an associate	56	9
- from other affiliates	473	820
Trade payables	**10,116**	**12,640**
of which:		
- to the parent company	9,620	12,194
- from subsidiaries	376	21
- to an associate	35	7
- to other affiliates	85	418

Sales and purchases from Group entities	6 months of 2018		6 months of 2017
Sales	**14,794**		**10,613**
of which:			
- to the parent company	5,195		1,623
- from subsidiaries	8,664		7,940
- to an associate	77		14
- to other affiliates	858		1,036
Purchase	**20,963**		**22,055**
of which:			
- from the parent company	20,070		19,302
- from subsidiaries	497		2,177
- from an associate	87		7
- from other affiliates	309		569

The transactions of sale and purchase concluded with companies from the Group mainly refer to the transactions of sale of formwork systems and formwork lease services.

Loans, interest, dividend	6 months of 2018		6 months of 2017
Loans repaid - in kEUR - from a subsidiary	250		-
Loans granted – in PLN thousand – to the parent company	11,000		-
Loans repaid - in kEUR - from an associate	-		241
Loans repaid - in kUSD- from a subsidiary	-		200
Revenues from interest on loans - in kPLN	**870**		**888**
of which:			
- from the parent company	551		397
- from subsidiaries	319		408
- from an associate	-		6

ULMA Construccion Polska S.A. granted an investment loan to its subsidiary ULMA Opalubka Ukraine sp. z o.o. amounting to USD 1,500 thousand with a fixed rate of interest at arm's length until 4 January 2019. Receivables from the loan as at 30 June 2018 amount to USD 1,300 thousand . The Management Board intends to extend the date of repayment of the loan.

ULMA Construccion Polska S.A. granted a long-term loan to an associated company ULMA Cofraje srl Romania amounting to EUR 241 thousand. The loan was repaid in full in June 2017.

ULMA Construccion Polska S.A. granted a long-term loan to its subsidiary ULMA Construccion BALTIC amounting to EUR 2,500 thousand. The loan was granted on an arm's length basis until 3 January 2020 (annex of 29 June 2017). Loan receivable as at 30 June 2018 amounts to EUR 2,250 thousand.

ULMA Construccion Polska S.A. granted a short-term loan to its subsidiary ULMA Opalubka Kazakhstan sp. z o.o. amounting to USD 350 thousand. The loan was granted on an arm's length basis until 31 December 2017. The loan was repaid in 2017.

ULMA Construccion Polska S.A. granted a short-term loan amounting to PLN 32,000 to the parent company ULMA CyE, S. Coop . The loan was granted to the parent company on an arm's length basis – interest on the loan was dependent on 3M WIBOR rate. The tranche of PLN 11,000 thousand should have been repaid by 29.06.2018. (tranche paid) and the tranche of PLN 21,000 thousand should be repaid by 31.01.2019. The receivable by virtue of the loan as at 30 June 2018 is PLN 21,000 thousand.

Transactions with members of the Management Board and the Supervisory Board of the Company, their spouses, siblings, ascendants, descendants or other relatives and the key personnel of the Company with affiliates.

The Company's key management personnel comprises members of the Management Board and the Supervisory Board of the Company. In the period of 6 months in 2018 and in the analogous period in 2017 the Company did not grant any loans, borrowings, guarantees and warranties to members of the management and the supervisory board and to their relatives and did not conclude other agreements providing for any performance to the Company and it affiliates.
As at 30 June 2018, 31 December 2017 and 30 June 2017 no loans were granted by the Company to members of the management and the supervisory board or to their relatives.

26. Selected financial data converted into EUR

Selected financial data converted into EUR are presented in the following table:

	'000 PLN		'000 PLN EUR	
SPECIFICATION	6 months of 2018	6 months of 2017	6 months of 2018	6 months of 2017
Net revenues from the sale of products, goods and materials	97,911	81,847	23,194	19,166
Profit from operating activities	24,310	2,853	5,759	668
Profit (loss) before tax	26,379	1,518	6,249	355
Profit (loss) after tax	21,331	790	5,053	185
Net cash flow from operating activities	13,775	16,266	3,264	3,809
Net cash flow from investment activities	12,011	1,054	2,845	247
Net cash flow from financial activities	(20,067)	(28,380)	(4,754)	(6,646)
Net cash flow	5,719	(11,060)	1,355	(2,590)
Diluted earnings per share (in PLN/EUR)	4.06	0.15	0.96	0.04
Earnings per share (in PLN/EUR)	4.06	0.15	0.96	0.04
	30 June 2018	31 December 2017	30 June 2018.	31 December 2017
Total assets	341,383	334,127	78,270	80,109
Payables	44,451	37,287	10,191	8,940
Non-current payables	3,372	2,620	773	628
Current payables	41,079	34,667	9,418	8,312
Equity	296,932	296,840	68,079	71,169
Share capital	10,511	10,511	2,410	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 share (in PLN/EUR)	56.50	56.48	12.95	13.54

The individual items in assets, equity and liabilities were converted into EUR at the average exchange rates published by the President of the National Bank of Poland as at the balance sheet date. The average EUR exchange rate as at 30 June 2018 was PLN 4.3616/ EUR 1, and as at 31 December 2017 PLN 4.1709/ EUR 1.

The rate applied to convert items in the statement of comprehensive income and in the cash flow statement was the weighted average of exchange rates in force as at the last day of each month in the specific period, i.e. data for the period 01 January – 30 June 2018 was converted at the exchange rate PLN 4.2213/EUR 1, and data for the analogous period in 2017 was converted at the exchange rate PLN 4.2704/EUR 1.

On behalf of the Management Board of ULMA Construccion Polska S.A.

Rodolfo Carlos Muñiz Urdampilleta,
President of the Management Board ....

Andrzej Sterczyński,
Member of the Management Board …..

Krzysztof Orzełowski,
Member of the Management Board …..

Ander Ollo Odriozola,
Member of the Management Board ....

Signature of the person in charge of keeping the books of accounts

Henryka Padzik,
Chief Accountant ……………………………………………

Koszajec, 13 September 2018