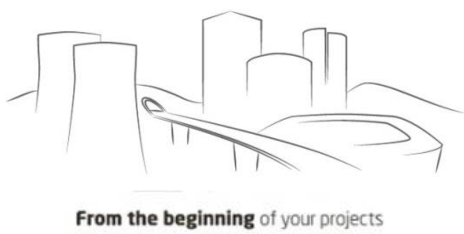
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

of the ULMA Construccion Polska Group

FOR THE SIX MONTHS ENDED 30 JUNE 2019

(together with the independent auditor's review report)



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THE ULMA CONSTRUCCION POLSKA GROUP

GENERAL INFORMATION

Business profile

The principal business of the ULMA Construccion Polska Group (the "Group") is:

- rental and sale of construction scaffolding and formwork,
- custom-made designs for formwork and scaffolding applications,
- export of construction services provided by the Group companies,
- sale of building materials and resources as well as concrete accessories,
- transport and repair activities, provision of equipment, including the sale and rental of construction equipment.

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

Registered address

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

The parent and the Group companies

The ULMA Construccion Polska Group is controlled by ULMA C y E, S. Coop. of Spain, which holds 75.49% of the Company shares. The remaining 24.51% of shares is held by multiple shareholders.

Members of the ULMA Construccion Polska Group include:

- ULMA Construccion Polska S.A. – the **parent** of the Group responsible for management and administration of the entire Group, and for trade activities relating to products and services offered by the Group in the domestic market and in selected foreign markets,

- ULMA Opałubka Ukraina Sp. z o.o. – a **subsidiary** responsible for trade activities relating to products and services offered by the Group in Ukraine,

- ULMA Opałubka Kazachstan Sp. z o.o. – a **subsidiary** responsible for trade activities relating to products and services offered by the Group in Kazakhstan,

- ULMA Construccion BALTIC Sp. z o.o. – a **subsidiary** responsible for trade activities relating to products and services offered by the Group in the Baltic States (Lithuania, Latvia and Estonia).

The Group also holds interest in ULMA Cofraje S.R.L. – an **associate** responsible for trade activities relating to products and services offered by the Group in Romania.

In the six months ended 30 June 2019, there were no changes in the Group's structure.

Composition of the supervisory and management bodies as at 30 June 2019 and as at the date on which these financial statements were authorised for issue

Supervisory Board

Aitor Ayastuy Ayastuy	Chairman of the Supervisory Board
Iñaki Irizar Moyua	Deputy Chairman of the Supervisory Board
Rafael Anduaga Lazcanoiturburu	Member of the Supervisory Board
Andrzej Kozłowski	Member of the Supervisory Board until 30 May 2019
Michał Markowski	Member of the Supervisory Board
José Joaquin Ugarte Azpiri	Member of the Supervisory Board since 30 May 2019

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
Giordano Marcel Weschenfelder	Member of the Management Board since 30 May 2019
Krzysztof Orzełowski	Member of the Management Board
Ander Ollo Odriozola	Member of the Management Board
Andrzej Sterczyński	Member of the Management Board

Auditor

Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością Sp. k.
Rondo ONZ 1
00-124 Warsaw
The company is entered in the list of entities authorised to audit financial statements under No. 130.

Banks

mBank S.A.,
PEKAO S.A.,

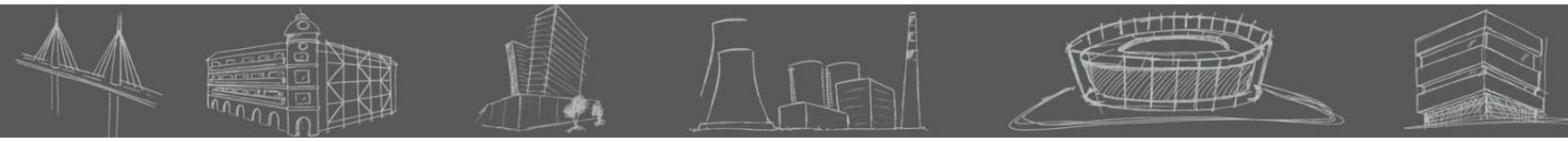
PKO Bank Polski S.A.
Banco de Sabadell (Spain)
Santander Bank Polska S.A.

Listing

The parent is listed on the Warsaw Stock Exchange (the "WSE").
WSE ticker: ULM.

Financial periods

- Six months of 2019 – period of six months ended 30 June 2019
- Six months of 2018 – period of six months ended 30 June 2018



The ULMA Construccion Polska Group
ULMA Construccion Polska S.A.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended

30 June 2019

Interim condensed consolidated statement of profit or loss and other comprehensive income

	Note	Six months ended 30 June 2019	Six months ended 30 June 2018
Revenue	20.	107,933	107,217
Cost of products, goods and materials sold	21.	(70,456)	(69,236)
I. Gross profit		**37,477**	**37,981**
Sales and marketing costs	21.	(1,356)	(1,409)
Administrative expenses	21.	(9,492)	(8,243)
Other income	22.	696	429
Other expenses	22.	(2,316)	(3,981)
including: impairment losses on receivables		*(2,312)*	*(3,981)*
II. Operating profit/(loss)		**25,009**	**24,777**
Finance income	23.	537	1,233
Finance costs	23.	(558)	(44)
Net finance income/(costs)		*(21)*	*1,189*
Share in profits (losses) of associates		339	140
III. Profit/(loss) before tax		**25,327**	**26,106**
Income tax expense	24.	(5,703)	(5,034)
IV. Net profit/(loss) for the period		**19,624**	**21,072**
Net other comprehensive income subject to reclassification to profit/(loss) in subsequent reporting periods			
Exchange differences on translation of foreign operations		781	1,606
Exchange differences on net investment in a subsidiary		45	671
V. Comprehensive income for the financial period		**20,450**	**23,349**
Net profit attributable to equity holders of the parent	32.	19,624	21,072
Net profit attributable to the non-controlling interests			-
Comprehensive income for the financial period attributable to equity holders of the parent		20,450	23,349
Comprehensive income for the financial period attributable to non-controlling interests		-	-
Weighted average number of ordinary shares		5,255,632	5,255,632
Basic and diluted earnings (loss) per share for the financial period (PLN)		3.73	4.01

All the amounts expressed in PLN thousand, unless indicated otherwise

Interim condensed consolidated statement of financial position

		As at		
	Note	30 June 2019	31 December 2018	30 June 2018
ASSETS				
I. Non-current assets				
1. Property, plant and equipment	5.	237,529	229,623	225,053
2. Intangible assets	6.	178	226	303
3. Investments in associates	8.	2,125	1,786	1,295
4. Other non-current assets – right-of-use assets	9.	13,989	3,902	3,930
5. Non-current receivables	10.	-	-	-
6. Deferred tax assets	18.	3,504	2,933	2,379
Total non-current assets		**257,325**	**238,470**	**232,960**
II. Current assets				
1. Inventories	11.	5,797	6,332	5,668
2. Trade and other receivables	10.	63,846	72,654	76,990
3. Current tax receivables		571	382	422
4. Derivatives	7.		-	-
5. Cash and cash equivalents	12.	34,275	50,387	31,145
Total current assets		**104,489**	**129,755**	**114,225**
Total assets		**361,814**	**368,225**	**347,185**

	Note	As at		
		30 June 2019	**31 December 2018**	**30 June 2018**
EQUITY AND LIABILITIES				
I. Equity				
1. Share capital	13.	10,511	10,511	10,511
2. Statutory reserve funds – share premium	13.	114,990	114,990	114,990
3. Exchange differences on consolidation		(14,363)	(15,189)	(14,179)
4. Retained earnings, including:		202,152	212,538	186,613
a. Net profit/(loss) for the period		*19,624*	*46,997*	*21,072*
Total equity		**313,290**	**322,850**	**297,935**
II. Liabilities				
1. Non-current liabilities				
a. Deferred tax liabilities	18.	5,150	3,765	3,199
b. Long-term retirement benefit obligations	19.	185	185	173
c. Long-term right-of-use liabilities	17.	6,482	-	-
Total non-current liabilities		**11,817**	**3,950**	**3,372**
2. Current liabilities				
a. Loans and borrowings	14.	-	1,693	-
b. Short-term retirement benefit obligations	19.	61	61	51
c. Liabilities under factoring of trade payables	16.	903	1,257	2,406
d. Current tax liabilities		1,596	2,134	567
e. Short-term right-of-use liabilities	17.	3,582	-	-
f. Trade and other payables	15.	30,565	36,280	42,854
Total current liabilities		**36,707**	**41,425**	**45,878**
Total liabilities		**48,524**	**45,375**	**49,250**
Total equity and liabilities		**361,814**	**368,225**	**347,185**

Interim condensed consolidated statement of changes in equity

Item	Share capital in nominal amount	Share premium	Exchange differences on translation of foreign operations	Retained earnings	Total equity
As at 31 December 2017 (reported)	**10,511**	**114,990**	**(16,456)**	**186,780**	**295,825**
IFRS 9 adjustments	**-**	**-**	**-**	**(1,215)**	**(1,215)**
As at 1 January 2018 (restated)	**10,511**	**114,990**	**(16,456)**	**185,565**	**294,610**
Comprehensive income for 2018	-	-	1,267	46,997	48,264
Dividend paid	-	-	-	(20,024)	(20,024)
As at 31 December 2018	**10,511**	**114,990**	**(15,189)**	**212,538**	**322,850**
Comprehensive income for H1 2019			826	19,624	20,450
Dividend paid			-	(30,010)	(30,010)
As at 30 June 2019	**10,511**	**114,990**	**(14,363)**	**202,152**	**313,290**

Item	Share capital in nominal amount	Share premium	Exchange differences on translation of foreign operations	Retained earnings	Total equity
As at 31 December 2017 (reported)	**10,511**	**114,990**	**(16,456)**	**186,780**	**295,825**
IFRS 9 adjustments	**-**	**-**	**-**	**(1,215)**	**(1,215)**
As at 1 January 2018 (restated)	**10,511**	**114,990**	**(16,456)**	**185,565**	**294,610**
Comprehensive income for H1 2018	-	-	2,277	21,072	23,349
Dividend paid	-	-	-	(20,024)	(20,024)
As at 30 June 2018	**10,511**	**114,990**	**(14,179)**	**186,613**	**297,935**

Interim condensed consolidated statement of cash flows

	Note	Six months ended 30 June 2019	Six months ended 30 June 2018
Operating activities			
Net profit for the period		**19,624**	**21,072**
Adjustments for:			
- Income tax	24.	5,703	5,034
- Depreciation of property, plant and equipment	5.	18,887	16,410
- Amortisation of intangible assets	6.	107	113
- Depreciation of right-of-use assets	9.	2,049	-
- Net carrying amount of sold and liquidated property, plant and equipment		3,559	4,182
- Interest income		(537)	(646)
- Interest expense		447	43
- Change in the value of shares in related parties		(339)	(140)
- (Gain)/loss on changes in the fair value of financial instruments		-	(64)
- Foreign exchange (gains)/losses		370	(321)
- Purchase of formwork – property, plant and equipment		(28,452)	(32,165)
Changes in current assets:			
- Inventories		535	42
- Trade and other receivables		(2,192)	(2,895)
- Trade and other payables		(6,069)	8,400
		13,692	**19,065**
Income tax paid		(5,597)	(4,070)
Net cash from operating activities		**8,095**	**14,995**
Investing activities			
Purchase of property, plant and equipment		(1,103)	(1,112)
Proceeds from disposal of property, plant and equipment		8	8
Purchase of intangible assets		(57)	(5)
Repayment of loans advanced		11,000	11,000
Interest received		537	646
Net cash used in investing activities		**10,385**	**10,537**
Financing activities			
Proceeds from borrowings		(1,693)	(410)
Dividends paid		(30,010)	(20,024)
Lease payments		(2,071)	-
Interest paid		(447)	(43)
Net cash used in financing activities		**(34,221)**	**(20,477)**
Net increase/(decrease) in cash		**(15,741)**	**5,055**
Cash at the beginning of the period		50,387	25,802
Foreign exchange (losses)/gains on the measurement of cash		(371)	288
Cash and overdraft facility at the end of the period	12.	**34,275**	**31,145**

SUPPLEMENTARY INFORMATION TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Notes to the interim condensed consolidated financial statements

1. Statement of compliance and general basis of preparation

These interim condensed consolidated financial statements of the ULMA Construccion Polska Group, whose parent is ULMA Construccion Polska S.A., cover the six months ended 30 June 2019 and contain comparable data for the six months ended 30 June 2018 and as at 31 December 2018.

The parent and the member companies of the ULMA Construccion Polska Group were established for an indefinite period.

These interim condensed consolidated financial statements for the six months ended 30 June 2019 were prepared in accordance with the requirements of IAS 34 Interim Financial Reporting approved by the EU ("IAS 34") and present the financial condition of the ULMA Construccion Polska Group as at 30 June 2019, the results of its operations and cash flows for the six months ended 30 June 2019.

The interim financial statements as at 30 June 2019 do not include all the information and disclosures required in full-year financial statements and should be read in conjunction with the audited consolidated financial statements as at 31 December 2018 issued on 28 March 2019.

These interim condensed consolidated financial statements are presented in the Polish złoty ("PLN") and, unless specified otherwise, all amounts are given in thousands of PLN.

These interim condensed consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern in the foreseeable future. As at the date of approval of these financial statements, no facts or circumstances were known that would indicate any threat to the Group companies continuing as going concerns.

The interim financial results may not be indicative of the potential full-year financial results.

These interim condensed consolidated financial statements have been drawn up according to the historical cost principle, except for financial assets and liabilities (derivatives) which are measured at fair value through profit or loss.

These interim consolidated financial statements of the ULMA Construccion Polska Group for the six months ended 30 June 2019 were authorised for issue by the Management Board of the parent on 16 September 2019.

Changes in applied accounting policies

To prepare the interim condensed consolidated financial statements, the Group applied the same accounting policies (save as indicated below) as those used to prepare the audited consolidated financial statements as at 31 December 2018.

The Group applied IFRS 16 *Leases* ("IFRS 16") for the first time. In accordance with the requirements of IAS 34 *Interim Financial Reporting*, the Group disclosed the nature and effects of the change in accounting policies further in this note.

The remaining new or amended standards and interpretations effective as of 2019 have no significant impact on the Group's interim condensed consolidated financial statements.

IFRS 16

IFRS 16 supersedes IAS 17 *Leases* ("IAS 17") and related interpretations. The Standard defines principles for recognition, valuation, presentation and disclosure of leases and requires lessees to account for the majority of leases as part of a single accounting model.

In accordance with IFRS 16 the accounting policies of the lessor remain substantially unchanged relative to IAS 17. Lessors will continue to classify leases as operating or finance leases, applying similar rules as are prescribed in IAS 17. Thus, IFRS 16 did not affect leases where the Group is the lessor.

The Group entered into lease agreements with respect to real property, passenger cars and forklift trucks. Before the adoption of IFRS 16, the Group classified each lease (as a lessee) as at the commencement of the lease term as either a finance or an operating lease. Whenever the terms of the lease transferred substantially all the risks and rewards of ownership of the lease to the Group, the agreement was classified as a finance lease. Otherwise, leases were classified as operating leases. Finance leases were capitalised in the fair value of the leased assets determined as at the date of commencement of the lease term or, if lower, at amounts equal to the present value of the minimum lease payments. Lease payments were broken down into interest (recognised as finance costs) and a repayment of the lease liability. In an operating lease, the leased asset was not capitalised, and lease payments were recognised as rental costs in the statement of profit or loss on a straight-line basis over the lease term.

Following the adoption of IFRS 16, the Group applied a single approach to recognition and measurement of all lease agreements under which it is the lessee, except for short-term leases and leases of low-value assets. The Group recognised lease liabilities and right-of-use assets.

The Group has applied IFRS 16 using the retrospective method, i.e. with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group decided to make use of the practical expedient enabling it to apply the standard only to agreements that had been previously identified as lease agreements in accordance with IAS 17 at the date of initial application. The Group also decided to make use of exemptions related to the recognition of lease agreements with a lease term of 12 months or less at the commencement date and which do not contain a purchase option ("short-term leases") and lease agreements for which the underlying asset is of low value ("low-value assets"). In addition, the Group used the following permitted practical expedients for leases previously classified as operating leases under IAS 17:

- The Group applied a single discount rate for the portfolio of leases with similar characteristics,
- The Group applied a simplified approach to lease agreements whose term expires after 12 months from the date of initial application, under which such leases are recognised in accordance with the requirements for short-term lease agreements and the related costs are presented in the disclosure specifying the incurred costs of short-term lease agreements.

As a result of the application of IFRS 16, the Group recognised right-of-use assets in an amount equal to lease liabilities and reclassified the amount of perpetual usufruct of land from "Other non-current assets" to "Right-of-use assets" in the statement of financial position.

Impact of IFRS 16 on the statement of financial position on the date of initial application, i.e. 1 January 2019:

Item	31 December 2018 (data reported)	Effect of adoption of IFRS 16	1 January 2019
Other non-current assets*)	3,902	(3,902)	-
Right-of-use assets	-	15,123	15,123
Total assets	**357,345**	**11,221**	**368,566**
Long-term lease liabilities	-	7,727	7,727
Short-term lease liabilities	-	3,494	3,494
Total equity and liabilities	**357,345**	**11,221**	**368,566**

*) Other non-current assets – the value (cost of purchase) of the right of perpetual usufruct of land subject to settlement over time.

To ensure comparability of data for the period of six months ended 30 June 2019, the impact of the adoption of IFRS 16 on the key items of the consolidated financial statements is presented below.

- EBITDA (operating profit + depreciation/amortisation) – increase by PLN 2,434 thousand as a result of lower rental and lease costs,
- Depreciation and amortisation – increase by PLN 2,049 thousand,
- Operating profit – increase by PLN 385 thousand as a result of a decrease in rental and lease costs with a concurrent increase in depreciation/amortisation expense,
- Finance costs – increase by PLN 365 thousand,
- Profit before tax – increase by PLN 20 thousand,

- Other non-current assets – right-of-use assets – increase by PLN 10,115 thousand,
- Long-term lease liabilities – increase by PLN 6,482 thousand,
- Short-term lease liabilities – increase by PLN 3,582 thousand.

The new accounting policies of the Group following the adoption of IFRS 16 are presented below:

Right-of-use assets

The Group recognises right-of-use assets on the date of commencement of the lease term (i.e. the date on which the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, adjusted for any revaluation of lease liabilities. The cost of the right-of-use assets comprises the amount of recognised lease liabilities, initial direct costs incurred and any lease payments made at or before the commencement date, less any lease incentives received. When the Group does not have reasonable certainty that it will obtain the ownership of the leased assets by the end of the lease term, the recognised right-of-use assets are depreciated using the straight- line method over the shorter of their estimated useful lives or the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the lease commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. Lease payments include fixed lease payments (including in-substance fixed lease payments) less any lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be payable under residual value guarantees. Lease payments also include the exercise price of purchase options, if the Group is reasonably certain to exercise the option, and payments of penalties for terminating the lease, if the lease terms provide for an option for the Group to terminate the lease. Variable lease payments that do not depend on an index or rate are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

When calculating the present value of lease payments, the Group uses the lessee's incremental borrowing rate at the commencement of the lease, if the interest rate implicit in the lease cannot be readily determined. After the commencement date, the amount of the lease liability is increased to reflect interest and reduced by the lease payments made. In addition, the carrying amount of lease liabilities is remeasured, if there is a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term lease and lease of low-value assets

The Group applies the exemption from recognition of short-term leases to its short-term lease agreements for passenger cars (i.e. agreements with a lease term of 12 months or less at the commencement date and which do not contain a purchase option). The Group also applies an exemption from recognition of leases of low-value assets to its leases of low-value office equipment and workshop tools. Lease payments related to short-term leases and leases of low-value assets are recognised as an expense over the lease term on a straight-line basis.

Taking into account the fact that the leases are not enforceable (Section B34 in *IFRS 16*), the Group did not classify the lease agreements for other real property (premises) as lease agreements within the meaning of IFRS 16.

Material judgments and estimates in determining the term of lease agreements with the option to extend the lease

The Group determines the lease term as an irrevocable lease term, including the periods covered by the option to extend the lease, if it is reasonably certain that the option will be exercised, and including the periods covered by the option to terminate the lease, if it is reasonably certain that the option will not be exercised.

Other IFRS/IAS and interpretations

- **IFRIC 23 *Uncertainty over Income Tax Treatments***

The Interpretation clarifies how to recognise and measure income tax in accordance with IAS 12 when there is uncertainty over income tax treatments. It does not cover taxes or charges that are outside the scope of IAS 12, nor does it cover the requirements regarding interest and penalties related to uncertain income tax treatment. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately;
- The assumptions an entity makes about the examination of tax treatments by taxation authorities;
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates;
- How an entity considers changes in facts and circumstances.

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

The Interpretation has no material effect on the interim condensed consolidated financial statements of the Group.

- **Amendments to IFRS 9: *Prepayment Features with Negative Compensation***

Under IFRS 9 a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are solely payments of principal and interest on the principal amount outstanding (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset meets the SPPI criterion irrespectively of the event or circumstance triggering early termination of the contract and irrespectively of the fact which party pays or receives reasonable compensation for the early termination of the contract.

The amendments have no material effect on the Group's interim condensed consolidated financial statements.

- **Amendments to IAS 19: *Plan Amendment, Curtailment or Settlement***

The amendments to IAS 19 specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments have no material effect on the Group's interim condensed consolidated financial statements.

- **Amendments to IAS 28: *Long-term Interests in Associates and Joint Ventures***

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarify that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment in the associate or joint venture that arise from applying IAS 28 *Investments in Associates.*

The amendments have no material effect on the Group's interim condensed consolidated financial statements.

- **Amendments introduced as part of the Annual Improvements to IFRS (2015–2017 cycle)**

  - IFRS 3 *Business Combinations*

    The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

The amendments have no material effect on the Group's interim condensed consolidated financial statements.

  - IFRS 11 *Joint Arrangements*

    The amendments specify that a party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3. In such cases the previously held interests in that joint operation are not remeasured.

The amendments have no material effect on the Group's interim condensed consolidated financial statements.

  - IAS 12 *Income Taxes*

    The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The amendments have no material effect on the Group's interim condensed consolidated financial statements.

  - IAS 23 *Borrowing Costs*

    The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

    The amendments have no material effect on the Group's interim condensed consolidated financial statements.

The Group has not elected to early adopt any of the standards, interpretations or amendments that have been published but are not yet adopted by the European Union.

Material estimates

In H1 2019, no material changes in estimates took place.

Exchange rates and inflation

	Average PLN exchange rates published by the NBP				Change in the CPI published by the Central Statistical Office of Poland
	UAH (hryvnia – Ukraine)	RON (leu – Romania)	KZT (tenge – Kazakhstan)	EUR (euro)	
30 June 2019	0.1427	0.8976	0.009900	4.2520	1.8%
31 December 2018	0.1357	0.9229	0.010124	4.3000	1.6%
30 June 2018	0.1423	0.9361	0.010950	4.3616	1.6%

2. Financial risk management

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

The Group attempts to minimise the effects of financial risk having a negative impact on the Group's financial results by implementing a risk management programme. The Group uses futures contracts to hedge against certain risks.

Currency risk

The Group conducts international activities and is exposed to the risk of changes in exchange rates of various currencies, most of all euro. The currency risk concerns future trade transactions (sale of products and goods, and purchase of goods and services) and recognised assets and liabilities. The currency risk arises when future trade transactions, recognised assets and liabilities are expressed in a different currency than the functional currency of member companies of the Group.

The analyses conducted do not indicate that the Group is significantly exposed to the currency risk in relation to financial instruments. This is mainly due to the fact that the Group's currency exposure is highly balanced in this regard.

Moreover, the parent granted long-term loans to its subsidiaries within the Group whose aggregate value as at the reporting date was EUR 2,100 thousand and USD 1,300 thousand. These loans form part of the parent’s net investment in a foreign operation, which is expressed in currency other than the functional currency of the parent (the Polish złoty) or the subsidiary operating abroad (the Ukrainian hryvnia). Under IAS 21, in the consolidated financial statements of the Group exchange differences arising as a result of the conversion of those loans in the separate financial statements of the parent (due to loan conversion from EUR and USD to Polish złoty), as well as exchange differences resulting from the conversion of those loans arising in the separate financial statements of the subsidiary operating abroad (due to loan conversion from

USD to Ukrainian hryvnia) are transferred to a separate item of equity and disclosed under other comprehensive income.

Despite the achieved high effectiveness of hedging against currency risk, the net result on these transactions is affected by the volatility of foreign exchange rates. In particular this applies to currency risk hedging transactions related to the outstanding amounts of intragroup loans advanced by ULMA Construccion Polska S.A. to its subsidiaries.

In consequence, the volatility of EUR and USD against PLN, UAH (Ukrainian hryvnia) and KZT (Kazakhstani tenge) continues to affect the Group's comprehensive income.

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

Following the full repayment of bank loans by the parent in H1 2015, at present the Group's revenue and cash flows from financing activities are not significantly exposed to the interest rate risk.
The Group repays its trade payables as they fall due, as a result of which the Group's revenue and cash flows from operating activities are not significantly exposed to the interest rate risk.

Credit risk

Trade receivables is the item which is most exposed to credit risk (see Note 10).

The Group is not exposed to significant concentration of the risk of credit sales. Owing to a relatively high number of recipients of the Group's services and goods, there is no concentration of credit sales. Moreover, the Group applies a policy that significantly limits the sale of services and goods to customers with inadequate debt repayment history. The introduced internal control procedures, consisting in, inter alia, setting of credit limits for individual customers depending on the assessment of their financial condition, and acceptance procedures for new customers, enable the Group to significantly reduce the level of credit risk.

Trade receivables for which no impairment was identified constitute 58.1% of the gross carrying amount of this group of financial assets as at 30 June 2019, with 59.9% of the group's value attributable to trade receivables that are not past due (as at 31 December 2018, these values were 56.7% and 54.0%, respectively, while as at 30 June 2018 they were 58.3% and 67.4%, respectively).
There are no financial assets whose repayment terms were renegotiated and which would have been otherwise impaired.
Aging structure of financial assets: (PLN thousand)

30 June 2019	Past due <0	Past due up to 30 days	Past due from 31 to 90 days	Past due from 91 to 180 days	Past due from 181 to 360 days	Past due over 360 days	Total
Trade receivables (gross)	33,263	4,521	6,695	5,116	3,436	37,787	**90,818**
Impairment losses	(1,665)	(40)	(156)	(116)	(2,131)	(33,959)	**(38,067)**
Trade receivables (net)	**31,598**	**4,481**	**6,539**	**5,000**	**1,305**	**3,828**	**52,751**

31 December 2018	Past due <0	Past due up to 30 days	Past due from 31 to 90 days	Past due from 91 to 180 days	Past due from 181 to 360 days	Past due over 360 days	Total
Trade receivables (gross)	28,724	8,447	5,501	4,059	6,619	36,134	**89,484**
Impairment losses	(1,243)	(43)	(197)	(662)	(5,062)	(31,392)	**(38,599)**
Trade receivables (net)	**27,481**	**8,404**	**5,304**	**3,397**	**1,556**	**4,742**	**50,885**

As part of financial assets, PLN 38,067 thousand of trade and other receivables were identified as impaired and a relevant impairment loss was recognised. When deciding on impairment of individual financial assets, the Group is guided by individual assessment of each customer, including mainly the assessment of its financial condition and any security provided. The Group uses mainly blank promissory notes and insurance of foreign accounts receivable relating to eastern markets as the basic means of securing debt collection.

With regard to the financial assets past due over 150 days, presented in the table above, as at the reporting date the Group recovered PLN 3,366 thousand of VAT using the so-called VAT relief relating to bad debt, which was disclosed under trade and other payables.

Liquidity risk

Liquidity risk management assumes keeping an adequate level of cash, availability of financing owing to a sufficient amount of granted credit instruments, and the ability of closing market positions. The Group maintains sufficient cash to repay maturing liabilities and ensures the availability of financing under the obtained credit facilities.
More than 90% of the Group's trade liabilities are due and payable within two months after the reporting date.

Working capital management

Working capital of individual companies of the ULMA Construccion Polska Group is managed at the Group level. The main objective of capital management is to ensure an adequate level of operational liquidity and the ability to implement the investment plans of individual Group companies in accordance with their respective approved budgets.

Dividend policy

The dividend policy adopted in the Group also takes account of the abovementioned objectives. Any decision on dividend payment is each time preceded by the analysis of current and development needs of each Group member and the Group as a whole.

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

The International Accounting Standards Board or the International Financial Reporting Interpretation Committee issued the following standards and interpretations which have not yet become effective.

Standard	Effective date
IFRS 14 *Regulatory Deferral Accounts*	Not approved by the EU until the date of approval of these financial statements – 1 January 2016
Amendments to IFRS 10 and IAS 28	The effective date was postponed by the IASB for an indefinite period
IFRS 17 Insurance Contracts	Not approved by the EU until the date of approval of these financial statements – 1 January 2021
Amendments to References to the Conceptual Framework in IFRS	Not approved by the EU until the date of approval of these financial statements – 1 January 2020
Amendments to IFRS 3 Business Combinations	Not approved by the EU until the date of approval of these financial statements – 1 January 2020
Amendments to IAS 1 and IAS 8	Not approved by the EU until the date of approval of these financial statements – 1 January 2020

The Group intends to adopt the abovementioned new standards and amendments to existing standards and interpretations published by the International Accounting Standards Board which were not yet effective as at the reporting date as of their effective dates.

4. Operating segments

The ULMA Construccion Polska Group distinguishes two key business segments:

- construction site services – rental of formwork and scaffolding systems together with logistic services and construction settlement at the end of a contract,
- sale of building materials – sale of formwork systems, classified as non-current assets (property, plant and equipment) and current assets (goods and materials) of the Group, and other building materials.

The accounting principles applied in the operating segments are consistent with the Group's accounting policies described in Note 1. The ULMA Group organises and manages its business separately in two segments based on the type of offered products and services. As a rule, the ULMA Group settles transactions between segments as if they concerned unrelated entities – on arm's length terms. When analysing the results of individual operating segments, the management of the ULMA Group primarily considers the achieved EBITDA (operating profit before depreciation and amortisation).

The construction industry, in which the Group operates, is characterised by seasonality. The business of construction companies is slower in the winter months and busier in summer and autumn. Also, in the particular year weather conditions can play a big role.

No customer concentration occurs in the Group.

The results of segments are as follows:

Six months ended 30 June 2019

Description of item	Construction site services	Sale of building materials	Group
Total revenue	86,957	27,986	114,943
Intragroup sales	(557)	(6,453)	(7,010)
Revenue	**86,400**	**21,533**	**107,933**
Operating expenses (excl. depreciation and amortisation)	(50,534)	(16,405)	(66,939)
Cost of intragroup sales	210	4,848	5,058
Consolidated operating expenses (excl. depreciation and	**(50,324)**	**(11,557)**	**(61,881)**
EBITDA	**36,076**	**9,976**	**46,052**

Six months ended 30 June 2018

Description of item	Construction site services	Sale of building materials	Group
Total revenue	96,277	19,890	116,167
Intragroup sales	(554)	(8,396)	(8,950)
Revenue	**95,723**	**11,494**	**107,217**
Operating expenses (excl. depreciation and amortisation)	(55,565)	(14,377)	(69,942)
Cost of intragroup sales	285	3,740	4,025
Consolidated operating expenses (excl. depreciation and	**(55,280)**	**(10,637)**	**(65,917)**
EBITDA	**40,443**	**857**	**41,300**

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

	First six months of 2019	First six months of 2018
Segment EBITDA	**46,052**	**41,300**
Depreciation and amortisation	(21,043)	(16,523)
Interest income	537	646
Other finance income	355	587
Interest expense	(447)	(43)
Other finance costs	(466)	(1)
Share of results of associates	339	140
Profit/(loss) before tax	25,327	26,106
Income tax expense	(5,703)	(5,034)
Net profit/(loss)	**19,624**	**21,072**

Assets allocated to individual segments are presented in the table below.

Description of item	Construction site services	Sale of building materials	Unallocated items	Group
As at 30 June 2019	197,344	13,150	151,320	361,814
As at 31 December 2018	190,137	9,968	168,120	368,225
As at 30 June 2018	186,963	8,786	151,436	347,185

Reconciliation of segment assets to total assets of the Group is presented below.
The Group does not allocate liabilities to individual segments. Property, plant and equipment which are not allocated to segments comprise other property, plant and equipment, except formwork, in the amount of PLN 85,583 thousand.
Other receivables not allocated to segments mainly include receivables under loans advanced to related parties in the amount of PLN 10,000 thousand (PLN 21,000 thousand as at 30 June 2018 and 31 December 2018).

Description of item	30 June 2019	31 December 2018	30 June 2018
Segment assets	210,494	200,105	195,749
Unallocated property, plant and equipment	85,583	86,735	88,135
Unallocated intangible assets	178	226	303
Investments in associates	2,125	1,786	1,295
Deferred tax assets	3,504	2,933	2,379
Other non-current assets	13,989	3,902	3,930
Tax and other receivables	11,666	22,151	24,249
Cash and cash equivalents	34,275	50,387	31,145
Total assets	**361,814**	**368,225**	**347,185**

The Group's revenue and non-current assets (excluding non-current receivables, investments in associates and deferred tax assets) by geographical location are detailed below:

Description of item	30 June 2019	31 December 2018	30 June 2018
Revenue from domestic sales	77,310	169,455	82,524
Revenue from foreign sales	30,623	54,266	24,693
Total revenue	**107,933**	**223,721**	**107,217**
Domestic non-current assets	236,965	221,148	215,502
Foreign non-current assets	14,731	12,603	13,784
Total non-current assets	**251,696**	**233,751**	**229,286**

5. Property, plant and equipment

Change in property, plant and equipment in the period from 1 January to 30 June 2019

	Land, buildings and structures	Plant, machinery, vehicles	Formwork systems	Other property, plant and equipment	Property, plant and equipment under construction	Total property, plant and equipment
GROSS CARRYING AMOUNT						
As at 1 January 2019	**106,625**	**12,191**	**545,093**	**3,212**	**193**	**667,314**
Increases due to purchases	100	340	20,711	357	306	21,814
Increases – stock-taking surplus, reclassifications	-	-	7,741	-	(49)	7,692
Decreases – disposal	-	(22)	(23,293)	-	-	(23,315)
Decreases – liquidation, stock-taking shortages and reclassifications	(7)	(120)	(11,920)	(34)	-	(12,081)
Exchange differences	4	28	1,190	3	2	1,227
As at 30 June 2019	**106,722**	**12,417**	**539,522**	**3,538**	**452**	**662,651**
ACCUMULATED DEPRECIATION						
As at 1 January 2019	**24,505**	**8,157**	**402,045**	**2,848**	**-**	**437,555**
Depreciation for the period	1,441	593	16,735	118	-	18,887
Decreases – disposal	-	(9)	(21,099)	-	-	(21,108)
Decreases – liquidation, reclassifications	(3)	(109)	(10,646)	(13)	-	(10,771)
Exchange differences	1	12	406	4	-	423
As at 30 June 2019	**25,944**	**8,644**	**387,441**	**2,957**	**-**	**424,986**
IMPAIRMENT LOSS						
As at 1 January 2019	**-**	**-**	**136**	**-**	**-**	**136**
Increases	**-**	**-**	**-**	**-**	**-**	**-**
Decreases	**-**	**-**	**-**	**-**	**-**	**-**
As at 30 June 2019	**-**	**-**	**136**	**-**	**-**	**136**
NET CARRYING AMOUNT:						
As at 1 January 2019	**82,120**	**4,034**	**142,912**	**364**	**193**	**229,623**
As at 30 June 2019	**80,778**	**3,773**	**151,945**	**581**	**452**	**237,529**

Change in property, plant and equipment in the period from 1 January to 31 December 2018

	Land, buildings and structures	Plant, machinery, vehicles	Formwork systems	Other property, plant and equipment	Property, plant and equipment under construction	Total property, plant and equipment
GROSS CARRYING AMOUNT						
As at 1 January 2018	**106,242**	**11,672**	**528,036**	**3,062**	**203**	**649,215**
Increases due to purchases	484	1,081	51,124	267	191	53,147
Increases – stock-taking surplus, reclassifications	-	-	9,200	-	(203)	8,997
Decreases – disposal	-	(90)	(20,217)	(29)	-	(20,336)
Decreases – liquidation, stock-taking shortages and reclassifications	(107)	(515)	(25,146)	(111)	-	(25,879)
Exchange differences	6	43	2,096	23	2	2,170
As at 31 December 2018	**106,625**	**12,191**	**545,093**	**3,212**	**193**	**667,314**
ACCUMULATED DEPRECIATION						
As at 1 January 2018	**21,671**	**7,413**	**407,291**	**2,767**	**-**	**439,142**
Depreciation for the period	2,883	1,271	30,747	200	-	35,101
Decreases – disposal	-	(50)	(18,419)	(24)	-	(18,493)
Decreases – liquidation, reclassifications	(52)	(492)	(18,410)	(112)	-	(19,066)
Exchange differences	3	15	836	17	-	871
As at 31 December 2018	**24,505**	**8,157**	**402,045**	**2,848**	**-**	**437,555**
IMPAIRMENT LOSS						
As at 1 January 2018	-	-	-	-	-	-
Increases	-	-	**136**	-	-	**136**
Decreases	-	-	-	-	-	-
As at 31 December 2018	-	-	**136**	-	-	**136**
NET CARRYING AMOUNT:						
As at 1 January 2018	**84,571**	**4,259**	**120,745**	**295**	**203**	**210,073**
As at 31 December 2018	**82,120**	**4,034**	**142,912**	**364**	**193**	**229,623**

Change in property, plant and equipment in the period from 1 January to 30 June 2018

	Land, buildings and structures	Plant, machinery, vehicles	Formwork systems	Other property, plant and equipment	Property, plant and equipment under construction	Total property, plant and equipment
GROSS CARRYING AMOUNT						
As at 1 January 2018	**106,242**	**11,672**	**528,036**	**3,062**	**203**	**649,215**
Increases due to purchases	280	399	28,432	72	361	29,544
Increases – stock-taking surplus,	-	-	3,733	-		3,733
Decreases – disposal	-	(23)	(8,204)	-	-	(8,227)
Decreases – liquidation, stock-taking shortages and reclassifications	-	(319)	(11,441)	(35)	(203)	(11,998)
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**
ACCUMULATED DEPRECIATION						
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
Decreases – disposal	-	(11)	(7,298)	-	-	(7,309)
Decreases – liquidation, reclassifications	-	(303)	(8,415)	(35)	-	(8,753)
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 CARRYING AMOUNT:						
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**

The depreciation charge for property, plant and equipment increased:

Item	First six months of 2019	Twelve months of 2018	First six months of 2018
Cost of products, goods and materials sold	17,169	31,880	14,822
Sales and marketing costs	2	2	1
Administrative expenses	1,716	3,219	1,587
Total	**18,887**	**35,101**	**16,410**

6. Intangible assets

Change in intangible assets in the period from 1 January to 30 June 2019

	Licences and software	Other	Total intangible assets
GROSS CARRYING AMOUNT			
As at 1 January 2019	**4,955**	**37**	**4,992**
Increases	57	-	57
Exchange differences	1	-	1
As at 30 June 2019	**5,013**	**37**	**5,050**
ACCUMULATED AMORTISATION			
As at 1 January 2019	**4,729**	**37**	**4,766**
Amortisation for the period	107	-	107
Exchange differences	(1)	-	(1)
As at 30 June 2019	**4,835**	**37**	**4,872**
NET CARRYING AMOUNT:			
As at 1 January 2019	**226**	**0**	**226**
As at 30 June 2019	**178**	**-**	**178**

Change in intangible assets in the period from 1 January to 31 December 2018

	Licences and software	Other	Total intangible assets
GROSS CARRYING AMOUNT			
As at 1 January 2018	**4,915**	**37**	**4,952**
Increases	16	-	16
Decreases – disposal	-	-	-
Exchange differences	24	-	24
As at 31 December 2018	**4,955**	**37**	**4,992**
ACCUMULATED AMORTISATION			
As at 1 January 2018	**4,515**	**37**	**4,552**
Amortisation for the period	213	-	213
Decreases – disposal	-	-	-
Exchange differences	1	-	1
As at 31 December 2018	**4,729**	**37**	**4,766**
NET CARRYING AMOUNT:			
As at 1 January 2018	**400**	**0**	**400**
As at 31 December 2018	**226**	**0**	**226**

Change in intangible assets in the period from 1 January to 30 June 2018

	Licences and software	Other	Total intangible assets
GROSS CARRYING AMOUNT			
As at 1 January 2018	**4,915**	**37**	**4,952**
Increases	5	-	5
Exchange differences	16	-	16
As at 30 June 2018	**4,936**	**37**	**4,973**
ACCUMULATED AMORTISATION			
As at 1 January 2018	**4,515**	**37**	**4,552**
Amortisation for the period	113	-	113
Exchange differences	5	-	5
As at 30 June 2018	**4,633**	**37**	**4,670**
NET CARRYING AMOUNT:			
As at 1 January 2018	**400**	**0**	**400**
As at 30 June 2018	**303**	**0**	**303**

The amortisation charge for intangible assets increased:

Item	First six months of 2019	Twelve months of 2018	First six months of 2018
Cost of products, goods and materials sold	3	3	1
Sales and marketing costs	-	-	-
Administrative expenses	104	210	112
Total	**107**	**213**	**113**

7. Financial instruments

The table below presents the carrying and fair values of all financial instruments held by the Group, by classes and categories of assets and liabilities.

	Carrying amount				Fair value			Fair value hierarchy
	30 June 2019	31 December 2018	30 June 2018		30 June 2019	31 December 2018	30 June 2018	
Debt instruments at amortised cost								
Cash	34,275	50,387	31,145		34,275	50,387	31,145	Level 1
Trade and other receivables	53,846	51,654	55,990		53,846	51,654	55,990	Level 3
Loans advanced	10,000	21,000	21,000		10,000	21,000	21,000	Level 3
Financial liabilities at amortised cost								
Interest-bearing loans with a floating interest rate	-	1,692	-		-	1,692	-	Level 2
Liabilities under factoring of trade	903	1,257	2,406		903	1,257	2,406	Level 3
Trade and other payables	24,165	28,972	36,055		24,165	28,972	36,055	Level 3

The Group is of the opinion that the fair values of financial instruments do not significantly differ from their carrying amounts, which is chiefly attributable to their short maturity periods.

In the period ended 30 June 2019 and in the periods ended 30 June 2018 and 31 December 2018, there were no transfers between Level 1 and Level 2 of the fair value hierarchy, and no instruments were transferred to/from Level 3 in the fair value hierarchy.

8. Investments in associates

Company name, form of incorporation	Registered address	Business profile	Carrying amount of shares	% of share capital held
ULMA Cofraje S.R.L.	Bucharest Romania	sale and rental of formwork, sale of building materials	2,125	30.00

In H1 2017, the share capital of ULMA Cofraje S.R.L Romania was increased by RON 3,850 thousand. Shares in the increased share capital were acquired by the existing shareholders, keeping the existing percentage proportions of the owned capital and voting rights.

The share of ULMA Construccion Polska S.A. in the net profit of the associate in H1 2019 amounted to PLN 339 thousand.

Key data on the associate.

	30 June 2019	31 December 2018	30 June 2018
Non-current assets	13,342	7,187	5,456
Current assets	8,555	8,855	7,736
Equity	7,510	6,568	4,839
Non-current liabilities	3,645	905	4,226
Current liabilities	10,743	8,570	4,127
Revenue	7,461	14,479	5,105
Net profit/(loss)	1,132	2,256	469

9. Other non-current assets – right-of-use assets

Other non-current assets include the carrying amount of the right-of-use assets, which the Group recognises as a result of adoption of IFRS 16 Leases as of 1 January 2019.

Change in right-of-use assets in the period from 1 January to 30 June 2019

	Real property	Vehicles	Forklift trucks	Total
GROSS CARRYING AMOUNT				
As at 31 December 2018 (reported)	**3,902**	**-**	**-**	**3,902**
Effect of adoption of IFRS 16	7,812	1,318	2,091	11,221
As at 1 January 2019	**11,714**	**1,318**	**2,091**	**15,123**
Increases – change of fee	295	-	-	295
Increases – new leased assets	-	646	-	646
Decreases – termination of lease agreement	-	(56)	-	(56)
As at 30 June 2019	**12,009**	**1,908**	**2,091**	**16,008**
ACCUMULATED DEPRECIATION				
As at 1 January 2019	**-**	**-**	**-**	
Depreciation for the period	1,049	404	596	2,049
Decreases – termination of lease agreement	-	(30)	-	(30)
As at 30 June 2019	**1,049**	**374**	**596**	**2,019**
NET CARRYING AMOUNT:				
As at 1 January 2019	**11,714**	**1,318**	**2,091**	**15,123**
As at 30 June 2019	**10,960**	**1,534**	**1,495**	**13,989**

10. Trade and other receivables

	30 June 2019	31 December 2018	30 June 2018
Trade receivables from non-related parties	83,708	86,266	86,008
Impairment losses on trade receivables	(38,067)	(38,599)	(38,079)
Trade receivables – net	*45,641*	*47,667*	*47,929*
Other receivables	515	254	1,800
Prepayments and accrued income	580	515	1,028
Trade receivables from related parties	7,110	3,218	5,233
Receivables under loan	10,000	21,000	21,000
Total trade and other receivables	**63,846**	**72,654**	**76,990**
including:			
Non-current portion	-	-	-
Current portion	63,846	72,654	76,990

Based on the analyses carried out, the Group assessed that the carrying amount of individual receivables disclosed in these interim condensed consolidated financial statements is similar to their respective fair values.

Due to a large number of customers there is no concentration of credit risk associated with trade receivables.

The net carrying amount of impairment losses on receivables increased by receivables written-off totalling PLN 2,312 thousand (PLN 7,413 thousand in 2018, PLN 3,981 thousand in the first six months of 2018) was recognised under other expenses in the consolidated statement of profit or loss.

The change in impairment losses on trade and other receivables is detailed below:

	First six months of 2019	Twelve months of 2018	First six months of 2018
Balance at the beginning of the period	**38,599**	**32,717**	**32,717**
Effect of adoption of IFRS 9	**-**	1,437	**1,437**
Balance at the beginning of the period (restated)	**38,599**	**34,154**	**34,154**
Increases – impairment losses on trade receivables	3,146	8,240	5,024
Use	(2,874)	(3,167)	(412)
Adjustment of previously recognised impairment loss	(885)	(644)	(849)
Exchange differences	81	16	162
Balance at end of the period	**38,067**	**38,599**	**38,079**

The PLN 1,437 thousand difference between the 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, in accordance with the amended IFRS 9, of an additional impairment loss reflecting the insolvency risk related to receivables which are not subject to collection procedure.

All impairment losses on receivables relate to current receivables.

11. Inventories

	30 June 2019	31 December 2018	30 June 2018
Materials	2,925	2,613	2,246
Goods	3,212	4,059	3,762
Gross carrying amount of inventories	**6,137**	**6,672**	**6,008**
Inventory write-down	(340)	(340)	(340)
Net carrying amount of inventories	**5,797**	**6,332**	**5,668**

12. Cash and cash equivalents

	30 June 2019	31 December 2018	30 June 2018
Cash in hand and at banks	34,275	50,387	31,145
Total cash, including:	**34,275**	**50,387**	**31,145**
Restricted cash, including:	297	201	111
- cash of the Company Social Benefits Fund	201	201	111
- cash on VAT accounts	96	-	-

For the purposes of the statement of cash flows, cash and overdraft facility include:

	30 June 2019	31 December 2018	30 June 2018
Cash and cash equivalents	34,275	50,387	31,145
Overdraft facility	-	-	-
Cash and cash equivalents disclosed in the statement of cash flows	**34,275**	**50,387**	**31,145**

13. Share capital and statutory reserve funds

In the six months ended 30 June 2019, no changes occurred in the number of shares and the value of the share capital and the statutory reserve funds resulting from share premium.
All shares are ordinary bearer shares with the par value of PLN 2.00. All shares have been paid up.

As at 30 June 2019, the Company's shareholding structure was as follows:

	Share capital			Voting rights at GM	
	Number of shares	%		Number of votes	%
ULMA CyE, S. Coop.	3,967,290	75.49		3,967,290	75.49
TFI Quercus S.A.	264,893	5.04		264,893	5.04
Free float	1,023,449	19.47		1,023,449	19.47

14. Bank borrowings

As at 30 June 2019, the Group did not carry any liabilities under bank borrowings.

15. Trade and other payables

	30 June 2019	31 December 2018	30 June 2018
Trade payables to non-related parties	16,381	18,586	22,988
Trade payables to related parties	3,490	5,833	9,739
Taxes and other charges	6,400	6,736	6,799
Accrued expenses	3,199	4,453	2,656
Deferred income	74	51	-
Other liabilities	1,021	621	672
Total trade and other payables	**30,565**	**36,280**	**42,854**
including:			
Non-current portion	-	-	-
Current portion	30,565	36,280	42,854

16. Liabilities under factoring of trade payables

In 2015, the Group concluded a factoring agreement with mBank under which the Group's trade liabilities to selected suppliers are paid by the bank in 14 days from the day on which the invoice is issued by the supplier. The deadline for the repayment of the relevant amount by the Group to the bank is 75 days after the day on which the bank has paid the liability to the supplier. As at 30 June 2019, the Group's relevant liabilities to the bank amounted to PLN 903 thousand. This amount has been recognised in the interim condensed consolidated financial statements under “Liabilities under factoring of trade payables”.

17. Leases

In accordance with IFRS 16, lease agreements include lease of the fleet of passenger cars and forklifts, lease of the Logistics Centre in Gdańsk and a yard in Warsaw at Klasyków street, perpetual usufruct of land in Jaworzno.

Lease liabilities as at 30 June 2019 are as follows:

	Lease of real property	Lease of passenger cars	Lease of forklift trucks	Total lease liabilities
Non-current liabilities	4,995	890	597	6,482
Current liabilities	2,023	659	900	3,582
Total	**7,018**	**1,549**	**1,497**	**10,064**

18. Deferred income tax

	30 June 2019	31 December 2018	30 June 2018
Deferred tax assets	5,893	5,692	4,671
Deferred tax liabilities	(7,539)	(6,524)	(5,491)
Offset	2,389	2,759	2,292
Carrying amount of deferred tax assets	**3,504**	**2,933**	**2,379**
Carrying amount of deferred tax liabilities	**(5,150)**	**(3,765)**	**(3,199)**

Deferred tax assets and liabilities in the consolidated statement of financial position were recognised in the amounts resulting from offsetting assets and liabilities at the level of each Group member.

Changes in deferred tax assets and liabilities during the year (before any offset within one jurisdiction) were as follows:

	Statement of financial position		Statement of profit or loss and other comprehensive income
	30 June 2019	31 December 2018	First six months of 2019
Deferred tax liabilities			
Tax depreciation/amortisation	7,505	6,517	(988)
Unrealised exchange differences	6	7	1
Other	28	-	(28)
Total	**7,539**	**6,524**	**(1,015)**
Deferred tax assets			

Valuation of property, plant and equipment	2,362	2,141	221
Impairment losses on receivables	2,612	2,409	203
Provisions for expenses	906	1,142	(236)
Unrealised exchange differences	13	-	13
Exchange differences on translation of balance-	-	-	(19)
Total	**5,893**	**5,692**	**182**
(Loss)/gain on deferred tax			**(833)**

19. Retirement benefit obligations

	30 June 2019	31 December 2018	30 June 2018
Liabilities recognised in the statement of financial position under:			
Retirement benefit obligations	246	246	224
Total	**246**	**246**	**224**
including:			
Long-term	**185**	**185**	**173**
Short-term	**61**	**61**	**51**

The Group performs the actuarial measurement of the provision for retirement benefit obligations at the end of each financial year.

20. Revenue

	First six months of 2019	First six months of 2018
Revenue from the sale of services – construction site service	86,400	95,723
Revenue from the sale of goods and building materials	21,533	11,494
Total revenue	**107,933**	**107,217**

- construction site services – rental of formwork and scaffolding systems together with logistic services and construction settlement at the end of a contract,
- sale of building materials – the segment comprising the sale of formwork systems, classified as non-current assets (property, plant and equipment) and current assets (products and goods) of the Group, and other building materials.

Revenue by geographical location is detailed below:

Description of item	First six months of 2019	First six months of 2018
Revenue from domestic sales	77,310	82,524
Revenue from foreign sales	30,623	24,693
Total revenue	**107,933**	**107,217**

21. Expenses by nature

	First six months of 2019	First six months of 2018
Depreciation of property, plant and equipment and amortisation of intangible	18,994	16,523
Depreciation of right-of-use assets	2,049	-
Costs of employee benefits (Note 21 a)	22,257	17,665
Raw materials and consumables used	6,771	5,721
Transport services	6,237	7,020
Lease and rental services	3,048	6,451
Repairs and maintenance	3,420	3,916
Assembly services	553	2,366
Other services	6,797	6,755
Other costs	3,317	3,271
Goods and materials sold	7,917	9,300
Total expenses	**81,360**	**78,988**
including:		
Costs of benefits for own needs	56	100
Cost of products, goods and materials sold	70,456	69,236
Sales and marketing costs	1,356	1,409
Administrative expenses	9,492	8,243

21 a) Costs of employee benefits		
Costs of remuneration and termination benefit costs	18,317	14,372
Costs of social security contributions and employee benefits	3,940	3,293
Total costs of employee benefits	**22,257**	**17,665**

22. Other income and expenses

22 a) Other income	First six months of 2019	First six months of 2018
Stocktaking	89	36
Gain on change in the fair value of forward contracts	-	64
Reimbursed litigation expenses	-	18
Compensation received	8	27
Disposal of property, plant and equipment	-	8
Recovered property, plant and equipment	-	112
Reinvoicing	169	162
Liabilities written-off	405	-
Other	25	2
Total other income	**696**	**429**

22 b) Other expenses	First six months of 2019	First six months of 2018
Liquidation of property, plant and equipment	(4)	-
Impairment losses on receivables	(2,312)	(3,981)
Other costs	-	-
Total other expenses	**(2,316)**	**(3,981)**

23. Finance income and costs

23 a) Finance income	First six months of	First six months of
Interest on cash held on a bank account	200	95
Interest on loan advanced	337	551
Exchange differences	-	587
Total finance income	**537**	**1,233**

23 b) Finance costs		
Interest expense:		
- on bank borrowings	(58)	-
- on leases	(367)	-
- other	(22)	(43)
	(447)	**(43)**
Exchange differences	(111)	-
Costs of obtaining a loan, bank guarantee	-	(1)
Total finance costs	**(558)**	**(44)**

23 c) Foreign exchange gains/losses

The effect of exchange differences on the net profit/loss of the ULMA Construccion Polska Group is detailed below:

	First six months of 2019	First six months of 2018
Revenue	(95)	334
Cost of products, goods and materials sold	111	(594)
Finance costs	(111)	587
Total foreign exchange gains/(losses)	**(95)**	**327**

Exchange differences related to net investments in subsidiaries charged directly to equity amounted to PLN 45 thousand in H1 2019 and PLN 671 thousand in H1 2018.

24. Income tax

	First six months of 2019	First six months of 2018
Current tax	(4,870)	(5,070)
Deferred tax (Note 18)	(833)	36
Total income tax	**(5,703)**	**(5,034)**

Income tax on the Group's profit before tax differs from the theoretical amount that would be obtained by applying the weighted average tax rate applicable to profits of consolidated companies, in the following way:

	First six months of 2019	First six months of 2018
Profit/(loss) before tax	**25,327**	**26,106**
Taxable profit recognised in previous periods	**519**	**-**
Exchange differences on loans	**164**	**-**
Non-deductible expenses, including:	**2,399**	**1,085**
Representation and entertainment expenses	926	700
Expenses from previous years	538	37
Contributions to the State Fund for the Disabled	126	93
25% of running costs of passenger cars	261	-
Other	548	198
Interest paid	-	57
Non-tax income in a subsidiary	**(8)**	**(171)**
Tax losses in subsidiaries	**378**	**(81)**
Taxable profit	**28,779**	**26,939**
Income tax expense	**5,703**	**5,034**

Tax authorities may inspect the accounting and tax settlement records within five years after the end of the year in which tax returns were filed (within three years in Ukraine), and they may impose additional tax on the Group companies, together with penalty interest. However, in the Management Board's opinion, no material tax liabilities are likely to arise in this respect.

25. Dividend per share

In accordance with Resolution No. 7 of the Annual General Meeting of ULMA Construccion Polska S.A. of 9 May 2019, a portion of the net profit for the financial year 2018 in the amount of 30,009,658.72 was allocated for distribution to shareholders in the form of a dividend, amounting to PLN 5.71 gross per share. The dividend record date was set for 17 May 2019, and the dividend payment date for 24 May 2019.

26. Contingencies

At the request of ULMA Construccion Polska S.A., mBANK provided a performance bond with regard to a lease agreement to one of the Company's counterparties. The bond provided by the bank expires on 30 September 2019. The bond is related to the construction of the Logistics Centre in Gdańsk. The project was completed in Q1 2015. The Group uses the Logistics Centre in Gdańsk under a long-term lease agreement.
As at the reporting date, the amount of the bond provided by the bank is PLN 3,303 thousand.

27. Investment commitments (off-balance sheet)

The ULMA Construccion Polska Group has no future investment commitments made as at the reporting date, but not yet recognised in the interim condensed consolidated statement of financial position.

28. Measurement of financial instruments at fair value

Based on the analyses carried out, the Group assessed that the carrying amount of individual financial instruments disclosed in these interim condensed consolidated financial statements is similar to their respective fair values.

29. Significant and other events subsequent to the reporting date

On 7 August 2019 and 20 August 2019, ULMA Opałubka Ukraina repaid part of the long-term loan in the amount of USD 1,010 thousand. In the consolidated financial statements of the ULMA Construccion Polska Group, the loan was treated as a net investment in a foreign operation and in accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates* exchange differences on the valuation of receivables/liabilities under the loan were disclosed in the Group's other comprehensive income and charged to the Group's equity. Repayment of the loan will be treated as a disposal of a part of the net investment, thus a proportional part of the accumulated amount of the exchange differences recognised in other comprehensive income amounting to PLN 1.6m will be transferred to the Group's profit or loss (as calculated based on the exchange rates effective as at 30 June 2019).

On 5 July 2019, the subsidiary ULMA Opałubka Ukraina received cash as repayment of receivables from a counterparty, which were past due as at the reporting date of 30 June 2019. As a result, as at the reporting date the subsidiary ULMA Opałubka Ukraina did not recognise any impairment losses on these past due receivables.

30. Related party transactions

The Group is controlled by ULMA C y E, S. Coop. of Spain, which holds 75.49% of the Company shares. The remaining 24.51% of shares is held by multiple shareholders.

Members of the ULMA Construccion Polska Group include:

Parent:

ULMA Construccion Polska S.A. of Koszajec (Brwinów municipality)

Subsidiaries:

- ULMA Opałubka Ukraina Sp. z o.o. with its registered office in Kiev at Gnata Juri 9, established on 18 July 2001. It was registered in the Sviatoshin Branch of the State Administration for the City of Kiev under No. 5878/01 and ID code: 31563803. The company's business consists in the sale and rental of formwork, sale of building materials. The Company's share in the share capital and the total number of votes is 100%.

- ULMA Opałubka Kazachstan Sp. z o.o. of Astana, 25 Tashenov street. Its strategic goal is to develop the core business of the Group, i.e. rental of formwork and scaffolding systems, and knowledge-sharing in the area of application of formwork technology in the construction process in Kazakhstan. The Company's share in the share capital and total voting rights is 100%.

- ULMA Construccion BALTIC of Vilnius, 41-12 Pylimo street. The Company's business consists in: rental of construction scaffolding and formwork, wholesale and retail sale of construction scaffolding and formwork, sale and lease of other construction equipment, and other trade activity. The Company's share in the share capital and total voting rights is 100%.

The Group also holds shares in the following associate:

ULMA Cofraje SRL with its registered office in Bragadiru at Soseaua de Centura No. 2-8 Corp C20 (Romania), established on 9 October 2007. It is registered in the National Office of the Commercial Register in Bucharest under No. J23/289/30.01.2013. The associate’s business consists in rental and sale of construction scaffolding and formwork. The Company's share in the share capital and total voting rights is 30%. The remaining 70% of the associate’s share capital is held by the entity exercising control over the Group – ULMA C y E, S. Coop. of Spain.

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

Transactions concluded by the ULMA Construccion Polska Group companies and related parties were of standard and routine nature, were concluded at an arm's length basis, and their nature and terms resulted from ongoing operations.

Transactions between the ULMA Construccion Polska Group entities and related parties:

Amounts outstanding as at the reporting date	As at		
	30 June 2019		30 June 2018
Receivables from related parties	**7,110**		**5,233**
including:			
- from the parent	1,359		4,704
- from associate	214		56
- from other related parties	5,537		473
Liabilities to related parties	**3,490**		**9,739**
including:			
- to the parent	3,409		9,620
- to associate	4		34
- to other related parties	77		85
Receivables under loan	**10,000**		**21,000**
Receivables under loan – ULMA CyE S. Coop. (PLN thousand)	10,000		21,000
Receivables under interest on loan (PLN thousand)	-		-

Sale and purchase from the Group entities	First six months of 2019		First six months of 2018
Sale by ULMA to related parties	**8,716**		**6,130**
including:			
- to the parent	2,504		5,195
- to associate	43		77
- to other related parties	6,169		858
Purchases from the ES Group entities	**14,870**		**20,466**
including:			
- from the parent	14,851		20,070
- from associate	4		87
- from other related parties	15		309
Income from interest on loan	**337**		**551**
including:			
- from the parent	337		551

The sale and purchase transactions with the Group companies mainly consist in the sale of formwork systems and formwork rental services.

ULMA Construccion Polska S.A. granted a short-term loan of PLN 32,000 thousand to the parent ULMA CyE, S. Coop. The loan to the parent was advanced on arm's length terms – the interest rate on the loan is based on 3M WIBOR. The final repayment date for the PLN 11,000 thousand tranche falls on 29 June 2018 (tranche has been repaid), for the PLN 11,000 thousand tranche – on 30 April 2019 (tranche has been repaid) and the PLN 10,000 thousand tranche – on 30 April 2020. The amount outstanding under the loan as at 30 June 2019 was PLN 10,000 thousand.

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

Members of the Management Board and the Supervisory Board of the Parent, as well as members of the Management Board and the Supervisory Board of subsidiaries and associates are considered to be the key management personnel of the Parent and the ULMA Group companies. In the first six months of 2019 and in the corresponding period of 2018, the Group companies did not grant any advances, loans, guarantees and sureties to management and supervisory staff and their relatives, and no other agreements were concluded with them to provide benefits to the Parent and its related parties.
As at 30 June 2019, 31 December 2018 and 30 June 2018, no loans advanced by the Group companies to the management and supervisory staff or their relatives were outstanding.

31. Remuneration of key management personnel

In the first six months of 2019, Members of the Management and Supervisory Boards received remuneration, together with bonuses, in the following amounts:

	First six months of 2019		First six months of 2018
Management Board of ULMA Construccion Polska S.A.			
Rodolfo Carlos Muñiz Urdampilleta	797		665
Andrzej Kozłowski	-		224
including: post-employment benefits	-		224
Andrzej Sterczyński	347		306
Krzysztof Orzełowski	305		273
Giordano Marcel Weschenfelder (from 30 May 2019)	47		-
ULMA Opałubka Ukraina			
Dmitriv Lyakhovetskiy	212		108
ULMA Opałubka Kazachstan			
Eugeniusz Czuczałow	91		59
ULMA Construccion BALTIC			
Vykintas Kuzmickas	200		137
Supervisory Board of ULMA Construccion Polska S.A.			
Michał Markowski	18		18
Andrzej Kozłowski	25		36

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

32. Earnings per share

The basic earnings per share are calculated as the quotient of profit attributable to equity holders of the Company and the weighted average number of ordinary shares during the year.

	First six months of 2019		First six months of 2018
Net profit attributable to equity holders of the parent	19,624		21,072
Number of ordinary shares as at the reporting date	5,255,632		5,255,632
Weighted average number of ordinary shares	5,255,632		5,255,632
Basic earnings per share (PLN)	3.73		4.01
Diluted earnings per share (PLN)	3.73		4.01

33. Average employment

	First six months of 2019	2018	First six months of 2018
ULMA Construccion Polska S.A.	**362**	**306**	**284**
The ULMA Construccion Polska Group	**429**	**371**	**352**

34. Translation of selected financial data into euro

Translation of selected financial data into euro is detailed in the table below:

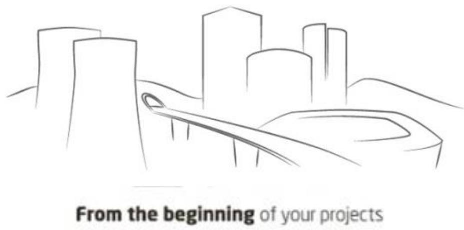
ITEM	PLN thousand		EUR thousand	
	First six months of 2019	First six months of 2018	First six months of 2019	First six months of 2018
Net revenue from the sale of products, goods and materials	107,933	107,217	25,171	25,399
Operating profit/(loss)	25,009	24,777	5,832	5,870
Profit/(loss) before tax	25,327	26,106	5,907	6,184
Net profit/(loss)	19,624	21,072	4,576	4,992
Net cash from/(used in) operating activities	8,095	14,995	1,888	3,552
Net cash from/(used in) investing activities	10,385	10,537	2,422	2,496
Net cash from/(used in) financing activities	(34,221)	(20,477)	(7,981)	(4,851)
Net cash flows	(15,741)	5,055	(3,671)	1,197
Diluted earnings per share	3.73	4.01	0.87	0.95
Earnings per ordinary share (PLN/EUR)	3.73	4.01	0.87	0.95
	PLN thousand		EUR thousand	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Total assets	361,814	368,225	85,093	85,634
Liabilities	48,524	45,375	11,412	10,552
Non-current liabilities	11,817	3,950	2,779	918
Current liabilities	36,707	41,425	8,633	9,634
Equity	313,290	322,850	73,681	75,081
Share capital	10,511	10,511	2,472	2,444
Weighted average number of shares	5,255,632	5,255,632	5,255,632	5,255,632
Number of shares as at the reporting date	5,255,632	5,255,632	5,255,632	5,255,632
Carrying amount per share (PLN/EUR)	59.61	61.43	14.02	14.29

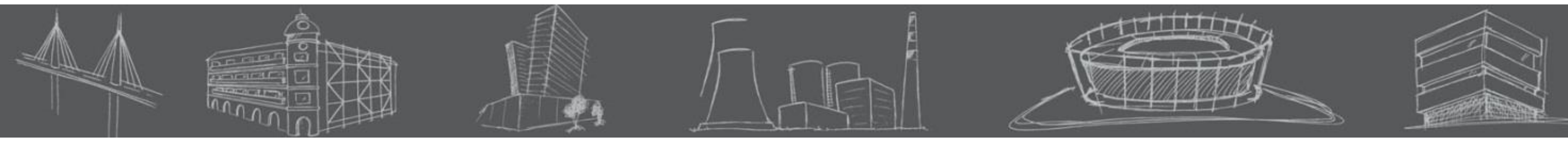
The individual items of assets as well as equity and liabilities were translated into EUR at the mid rates quoted by the National Bank of Poland for the reporting date. The EUR mid rate as at 30 June 2019 was PLN 4.2520 / EUR 1 and as at 31 December 2018 – PLN 4.300 / EUR 1.

The items of the statement of comprehensive income and the items of the statement of cash flows were translated at the rate calculated as the arithmetic mean of exchange rates effective in a specific period, i.e. data from 1 January to 30 June 2019 was translated using the exchange rate of PLN 4.2880 / EUR 1, data for the corresponding period in 2018 was translated using the exchange rate of PLN 4.2213 / EUR 1.

Koszajec, 16 September 2019

ULMA CONSTRUCCION POLSKA S.A.





ULMA Construccion Polska S.A.

INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

for the six months ended

30 June 2019

(together with the independent auditor's review report)

Interim condensed separate statement of profit or loss and other comprehensive income

	Note	Six months ended 30 June 2019	Six months ended 30 June 2018
Revenue	16.	93,774	97,911
Cost of products, goods and materials sold	17.	(63,776)	(63,773)
I. Gross profit		**29,998**	**34,138**
Sales and marketing costs	17.	(1,272)	(1,375)
Administrative expenses	17.	(7,882)	(6,987)
Other income	18.	610	380
Other expenses	18.	(610)	(1,846)
including: impairment losses on receivables		*(600)*	*(1,840)*
II. Operating profit/(loss)		**20,844**	**24,310**
Finance income	19.	2,773	2,113
Finance costs	19.	(587)	(44)
Net finance income/(costs)		*2,186*	*2,069*
III. Profit/(loss) before tax		**23,030**	**26,379**
Income tax expense	20.	(4,885)	(5,048)
IV. Net profit/(loss) for the period		**18,145**	**21,331**
Other comprehensive income:		-	-
V. Comprehensive income for the financial period		**18,145**	**21,331**
Weighted average number of ordinary shares		5,255,632	5,255,632
Basic and diluted earnings per share in the period (PLN)	22.	3.45	4.06

Interim condensed separate statement of financial position

	Note	As at		
		30 June 2019	31 December	30 June 2018
ASSETS				
I. Non-current assets				
1. Property, plant and equipment	2.	222,846	217,068	211,309
2. Intangible assets	3.	131	177	263
3. Investments in subsidiaries and associates	5.	7,458	7,458	7,458
4. Other non-current assets – right-of-use assets	6.	13,989	3,902	3,930
5. Non-current receivables	7.	13,880	14,563	14,681
Total non-current assets		**258,304**	**243,168**	**237,641**
II. Current assets				
1. Inventories	8.	4,554	5,133	3,941
2. Trade and other receivables	7.	53,532	63,433	71,424
3. Current tax receivables		-	-	-
4. Derivatives	4.	-		-
5. Cash and cash equivalents	9.	31,420	45,611	28,377
Total current assets		**89,506**	**114,177**	**103,742**
Total assets		**347,810**	**357,345**	**341,383**

	Note	As at 30 June 2019	31 December	30 June 2018
EQUITY AND LIABILITIES				
I. Equity				
1. Share capital	10.	10,511	10,511	10,511
2. Statutory reserve funds – share premium	10.	114,990	114,990	114,990
3. Retained earnings, including:		180,644	192,509	171,431
a. Net profit/(loss) for the period		*18,145*	*42,409*	*21,331*
Total equity		**306,145**	**318,010**	**296,932**
II. Liabilities				
1. Non-current liabilities				
a. Deferred tax liabilities	14.	5,150	3,765	3,199
b. Long-term retirement benefit obligations	15.	185	185	173
c. Long-term right-of-use liabilities	13.	6,482	-	-
Total non-current liabilities		**11,817**	**3,950**	**3,372**
2. Current liabilities				
a. Short-term retirement benefit obligations	15.	61	61	51
b. Liabilities under factoring of trade payables	12.	903	1,257	2,406
c. Current tax liabilities		687	1,173	291
d. Short-term right-of-use liabilities	13.	3,582	-	-
e. Trade and other payables	11.	24,615	32,894	38,331
Total current liabilities		**29,848**	**35,385**	**41,079**
Total liabilities		**41,665**	**39,335**	**44,451**
Total equity and liabilities		**347,810**	**357,345**	**341,383**

Interim condensed separate statement of changes in equity

Item	Share capital in nominal amount	Share premium	Retained earnings	Total equity
As at 31 December 2017 (reported)	**10,511**	**114,990**	**171,339**	**296,840**
IFRS 9 adjustments	**-**	**-**	(1,215)	**(1,215)**
As at 1 January 2018 (restated)	**10,511**	**114,990**	**170,124**	**295,625**
Net comprehensive income in 2018	-	-	42,409	**42,409**
Dividend paid	-	-	(20,024)	**(20,024)**
As at 31 December 2018	**10,511**	**114,990**	**192,509**	**318,010**
Net comprehensive income in H1 2019	-	-	18,145	**18,145**
Dividend paid	-	-	(30,010)	**(30,010)**
As at 30 June 2019	**10,511**	**114,990**	**180,644**	**306,145**

Item	Share capital in nominal amount	Share premium	Retained earnings	Total equity
As at 31 December 2017 (reported)	**10,511**	**114,990**	**171,339**	**296,840**
IFRS 9 adjustments	**-**	**-**	(1,215)	**(1,215)**
As at 1 January 2018 (restated)	**10,511**	**114,990**	**170,124**	**295,625**
Net comprehensive income in H1 2018	-	-	21,331	**21,331**
Dividend paid	-	-	(20,024)	**(20,024)**
As at 30 June 2018	**10,511**	**114,990**	**171,431**	**296,932**

Interim condensed separate statement of cash flows

	Note	Six months ended 30 June 2019	Six months ended 30 June 2018
Operating activities			
Net profit for the period		**18,145**	**21,331**
Adjustments for:			
- Income tax	20.	4,885	5,048
- Depreciation of property, plant and equipment	2.	16,864	14,364
- Amortisation of intangible assets	3.	103	110
- Depreciation of right-of-use assets	6.	2,049	-
- Net carrying amount of sold and liquidated property, plant and equipment		3,037	1,592
- (Gain)/loss on changes in the fair value of financial instruments		-	(64)
- Interest income, dividend income		(2,773)	(961)
- Interest expense		389	43
- Foreign exchange (gains)/losses		135	(1,111)
- Purchase of formwork – property, plant and equipment		(25,002)	(26,916)
Changes in current assets:			
- Inventories		579	555
- Trade and other receivables		(1,099)	(3,429)
- Trade and other payables		(8,633)	6,185
		8,679	**16,747**
Income tax paid		(3,986)	(2,972)
Net cash from operating activities		**4,693**	**13,775**
Investing activities			
Purchase of property, plant and equipment		(683)	(1,061)
Proceeds from disposal of property, plant and equipment		8	8
Purchase of intangible assets		(57)	(5)
Repayment of loans advanced		11,615	12,029
Interest received		843	1,040
Dividends received		1,930	-
Net cash used in investing activities		**13,656**	**12,011**
Financing activities			
Interest paid		(389)	(43)
Lease payments		(2,072)	-
Dividends paid		(30,010)	(20,024)
Net cash used in financing activities		**(32,471)**	**(20,067)**
Net increase/(decrease) in cash and overdraft facility		**(14,122)**	**5,719**
Cash and overdraft facility at the beginning of the period		**45,611**	**22,305**
Foreign exchange (losses)/gains on valuation of cash and overdraft facility		**(69)**	**353**
Cash and overdraft facility at the end of the period	9.	**31,420**	**28,377**

SUPPLEMENTARY INFORMATION TO THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

Notes to the interim condensed separate financial statements

1. Statement of compliance and general basis of preparation

These interim condensed separate financial statements of ULMA Construccion Polska S.A. cover the six months ended 30 June 2019 and contain comparable data for the six months ended 30 June 2018 and as at 31 December 2018.

Duration of ULMA Construccion Polska S.A. is indefinite.

These interim condensed separate financial statements for the six months ended 30 June 2019 were prepared in accordance with the requirements of IAS 34 Interim Financial Reporting approved by the EU ("IAS 34") and present the financial condition of ULMA Construccion Polska S.A. as at 30 June 2019, the results of its operations and cash flows for the six months ended 30 June 2019.

The interim financial statements as at 30 June 2019 do not include all the information and disclosures required in full-year financial statements and should be read in conjunction with the audited separate financial statements as at 31 December 2018 issued on 28 March 2019.

These interim condensed separate financial statements are presented in the Polish złoty ("PLN") and, unless specified otherwise, all amounts are given in thousands of PLN.

These interim condensed separate financial statements were prepared on the assumption that the Company will continue as a going concern in the foreseeable future. As at the date of approval of these financial statements, no facts or circumstances were known that would indicate any threat to the Company continuing as a going concern.

The interim financial results may not be indicative of the potential full-year financial results.

These interim condensed separate financial statements have been drawn up according to the historical cost principle, except for financial assets and liabilities (derivatives) which are measured at fair value through profit or loss.

These interim separate financial statements of ULMA Construccion Polska S.A. for the six months ended 30 June 2019 were authorised for issue by the Management Board of the parent on 16 September 2019.

Changes in applied accounting policies

To prepare the interim condensed separate financial statements, the Company applied the same accounting policies (save as indicated below) as those used to prepare the audited separate financial statements as at 31 December 2018.

The Company applied IFRS 16 *Leases* ("IFRS 16") for the first time. In accordance with the requirements of IAS 34 *Interim Financial Reporting*, the Company disclosed the nature and effects of the change in accounting policies further in this note.

The remaining new or amended standards and interpretations effective as of 2019 have no significant impact on the Company's interim condensed consolidated financial statements.

IFRS 16

IFRS 16 supersedes IAS 17 *Leases* ("IAS 17") and related interpretations. The Standard defines principles for recognition, valuation, presentation and disclosure of leases and requires lessees to account for the majority of leases as part of a single accounting model.

In accordance with IFRS 16 the accounting policies of the lessor remain substantially unchanged relative to IAS 17. Lessors will continue to classify leases as operating or finance leases, applying similar rules as are prescribed in IAS 17. Thus, IFRS 16 did not affect leases where the Group is the lessor.

The Company entered into lease agreements with respect to real property, passenger cars and forklift trucks. Before the adoption of IFRS 16, the Company classified each lease (as a lessee) as at the commencement of the lease term as either a finance or an operating lease. Whenever the terms of the lease transferred substantially all the risks and rewards of ownership of the lease to the Company, the agreement was classified as a finance lease. Otherwise, leases were classified as operating leases. Finance leases were capitalised in the fair value of the leased assets determined as at the date of commencement of the lease term or, if lower, at amounts equal to the present value of the minimum lease payments. Lease payments were broken down into interest (recognised as finance costs) and a repayment of the lease liability. In an operating lease, the leased asset was not capitalised, and lease payments were recognised as rental costs in the statement of profit or loss on a straight-line basis over the lease term.

Following the adoption of IFRS 16, the Company applied a single approach to recognition and measurement of all lease agreements under which it is the lessee, except for short-term leases and leases of low-value assets. The Company recognised lease liabilities and right-of-use assets.

The Company has applied IFRS 16 using the retrospective method, i.e. with the cumulative effect of initially applying the standard recognised at the date of initial application. The Company decided to make use of the practical expedient enabling it to apply the standard only to agreements that had been previously identified as lease agreements in accordance with IAS 17 at the date of initial application. The Company also decided to make use of exemptions related to the recognition of lease agreements with a lease term of 12 months or less at the commencement date and which do not contain a purchase option ("short-term leases") and lease agreements for which the underlying asset is of low value ("low-value assets"). In addition, the Group used the following permitted practical expedients for leases previously classified as operating leases under IAS 17:

- The Company applied a single discount rate for the portfolio of leases with similar characteristics,
- The Group applied a simplified approach to lease agreements whose term expires after 12 months from the date of initial application, under which such leases are recognised in accordance with the requirements for short-term lease agreements and the related costs are presented in the disclosure specifying the incurred costs of short-term lease agreements.

As a result of the application of IFRS 16, the Company recognised right-of-use assets in an amount equal to lease liabilities and reclassified the amount of perpetual usufruct of land from "Other non-current assets" to "Right-of-use assets" in the statement of financial position.

Impact of IFRS 16 on the statement of financial position on the date of initial application, i.e. 1 January 2019:

Item	31 December 2018 (data reported)	Effect of adoption of IFRS 16	1 January 2019
Other non-current assets*)	3,902	(3,902)	-
Right-of-use assets	-	15,123	15,123
Total assets	**357,345**	**11,221**	**368,566**
Long-term lease liabilities	-	7,727	7,727
Short-term lease liabilities	-	3,494	3,494
Total equity and liabilities	**357,345**	**11,221**	**368,566**

*) Other non-current assets – the value (cost of purchase) of the right of perpetual usufruct of land subject to settlement over time.

To ensure comparability of data for the period of six months ended 30 June 2019, the impact of the adoption of IFRS 16 on the key items of the financial statements is presented below.

- EBITDA (operating profit + depreciation/amortisation) – increase by PLN 2,434 thousand as a result of lower rental and lease costs,
- Depreciation and amortisation – increase by PLN 2,049 thousand,
- Operating profit – increase by PLN 385 thousand as a result of a decrease in rental and lease costs with a concurrent increase in depreciation/amortisation expense,
- Finance costs – increase by PLN 365 thousand,
- Profit before tax – increase by PLN 20 thousand,

- Other non-current assets – right-of-use assets – increase by PLN 10,115 thousand,
- Long-term lease liabilities – increase by PLN 6,482 thousand,
- Short-term lease liabilities – increase by PLN 3,582 thousand.

Right-of-use assets

The Company recognises right-of-use assets on the date of commencement of the lease term (i.e. the date on which the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, adjusted for any revaluation of lease liabilities. The cost of the right-of-use assets comprises the amount of recognised lease liabilities, initial direct costs incurred and any lease payments made at or before the commencement date, less any lease incentives received. When the Company does not have reasonable certainty that it will obtain the ownership of the leased assets by the end of the lease term, the recognised right-of-use assets are depreciated using the straight- line method over the shorter of their estimated useful lives or the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the lease commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. Lease payments include fixed lease payments (including in-substance fixed lease payments) less any lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be payable under residual value guarantees. Lease payments also include the exercise price of purchase options, if the Company is reasonably certain to exercise the option, and payments of penalties for terminating the lease, if the lease terms provide for an option for the Company to terminate the lease. Variable lease payments that do not depend on an index or rate are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

When calculating the present value of lease payments, the Company uses the lessee's incremental borrowing rate at the commencement of the lease, if the interest rate implicit in the lease cannot be readily determined. After the commencement date, the amount of the lease liability is increased to reflect interest and reduced by the lease payments made. In addition, the carrying amount of lease liabilities is remeasured, if there is a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term lease and lease of low-value assets

The Company applies the exemption from recognition of short-term leases to its short-term lease agreements for passenger cars (i.e. agreements with a lease term of 12 months or less at the commencement date and which do not contain a purchase option). The Company also applies an exemption from recognition of leases of low-value assets to its leases of low-value office equipment and workshop tools. Lease payments related to short-term leases and leases of low-value assets are recognised as an expense over the lease term on a straight-line basis.

Taking into account the fact that the leases are not enforceable (Section B34 in *IFRS 16*), the Company did not classify the lease agreements of other real property (premises) as lease agreements within the meaning of IFRS 16.

Material judgments and estimates in determining the term of lease agreements with the option to extend the lease

The Company determines the lease term as an irrevocable lease term, including the periods covered by the option to extend the lease, if it is reasonably certain that the option will be exercised, and including the periods covered by the option to terminate the lease, if it is reasonably certain that the option will not be exercised.

Other IFRS/IAS and interpretations

- **IFRIC 23** ***Uncertainty over Income Tax Treatments***

  The Interpretation clarifies how to recognise and measure income tax in accordance with IAS 12 when there is uncertainty over income tax treatments. It does not cover taxes or charges that are outside the scope of IAS 12, nor does it cover the requirements regarding interest and penalties related to uncertain income tax treatment. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately;
- The assumptions an entity makes about the examination of tax treatments by taxation authorities;
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates;
- How an entity considers changes in facts and circumstances.

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

The interpretation has no material effect on the interim condensed separate financial statements of the Company.

- **Amendments to IFRS 9: *Prepayment Features with Negative Compensation***

  Under IFRS 9 a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are solely payments of principal and interest on the principal amount outstanding (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset meets the SPPI criterion irrespectively of the event or circumstance triggering early termination of the contract and irrespectively of the fact which party pays or receives reasonable compensation for the early termination of the contract.

  The amendments have no material effect on the interim condensed separate financial statements of the Company.

- **Amendments to IAS 19: *Plan Amendment, Curtailment or Settlement***

  The amendments to IAS 19 specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

  The amendments have no material effect on the interim condensed separate financial statements of the Company.

- **Amendments to IAS 28: *Long-term Interests in Associates and Joint Ventures***

  The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarify that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment in the associate or joint venture that arise from applying IAS 28 *Investments in Associates.*

The amendments have no material effect on the interim condensed separate financial statements.

- **Amendments introduced as part of the Annual Improvements to IFRS (2015–2017 cycle)**

    - IFRS 3 *Business Combinations*

      The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

The amendments have no material effect on the interim condensed separate financial statements.

- IFRS 11 *Joint Arrangements*

  The amendments specify that a party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3. In such cases the previously held interests in that joint operation are not remeasured.

The amendments have no material effect on the interim condensed separate financial statements.

- IAS 12 *Income Taxes*

  The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The amendments have no material effect on the interim condensed separate financial statements.

- IAS 23 *Borrowing Costs*

  The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

  The amendments have no material effect on the interim condensed separate financial statements.

The Company has not elected to early adopt any of the standards, interpretations or amendments that have been published but are not yet adopted by the European Union.

Material estimates

In H1 2019, no material changes in estimates took place.

2. Property, plant and equipment

Change in property, plant and equipment in the period from 1 January to 30 June 2019

	Land, buildings and structures	Plant, machinery, vehicles	Formwork systems	Other property, plant and equipment	Property, plant and equipment under construction	Total property, plant and equipment
GROSS CARRYING AMOUNT						
As at 1 January 2019	**106,549**	**11,365**	**490,897**	**2,609**	**191**	**611,611**
Increases due to purchases	100	204	19,955	73	306	20,638
Increases – stock-taking surplus, reclassifications	-	-	5,047	-	(191)	4,856
Decreases – disposal	-	-	(25,679)	-	-	(25,679)
Decreases – liquidation, stock-taking shortages	(4)	(98)	(11,887)	(19)	-	(12,008)
As at 30 June 2019	**106,645**	**11,471**	**478,333**	**2,663**	**306**	**599,418**
ACCUMULATED DEPRECIATION						
As at 1 January 2019	**24,475**	**7,747**	**359,730**	**2,455**	**-**	**394,407**
Depreciation for the period	1,439	552	14,832	41	-	16,864
Decreases – disposal	-	-	(24,132)	-	-	(24,132)
Decreases – liquidation, stock-taking shortages	(1)	(95)	(10,588)	(19)	-	(10,703)
As at 30 June 2019	**25,913**	**8,204**	**339,842**	**2,477**	**-**	**376,436**
As at 1 January 2019	**-**	**-**	**136**	**-**	**-**	**136**
Increases	-	-	-	-	-	-
Decreases	-	-	-	-	-	-
As at 30 June 2019	**-**	**-**	**136**	**-**	**-**	**136**
NET CARRYING AMOUNT:						
As at 1 January 2019	**82,074**	**3,618**	**131,031**	**154**	**191**	**217,068**
As at 30 June 2019	**80,732**	**3,267**	**138,355**	**186**	**306**	**222,846**

Change in property, plant and equipment in the period from 1 January to 31 December 2018

	Land, buildings and structures	Plant, machinery, vehicles	Formwork systems	Other property, plant and equipment	Property, plant and equipment under construction	Total property, plant and equipment
GROSS CARRYING AMOUNT						
As at 1 January 2018	**106,187**	**10,819**	**492,220**	**2,601**	**202**	**612,029**
Increases due to purchases	469	1,051	48,569	120	191	50,400
Increases – stock-taking surplus, reclassifications	-	-	7,007	-	(202)	6,805
Decreases – disposal	-	-	(32,792)	-	-	(32,792)
Decreases – liquidation, stock-taking shortages	(107)	(505)	(24,107)	(112)	-	(24,831)
As at 31 December 2018	**106,549**	**11,365**	**490,897**	**2,609**	**191**	**611,611**
ACCUMULATED DEPRECIATION						
As at 1 January 2018	**21,648**	**7,078**	**381,585**	**2,450**	**-**	**412,761**
Depreciation for the period	2,879	1,151	26,600	117	-	30,747
Decreases – disposal	-	-	(30,223)	-	-	(30,223)
Decreases – liquidation, stock-taking shortages	(52)	(482)	(18,232)	(112)	-	(18,878)
As at 31 December 2018	**24,475**	**7,747**	**359,730**	**2,455**	**-**	**394,407**
IMPAIRMENT LOSS						
As at 1 January 2018	**-**	**-**	**-**	**-**	**-**	**-**
Increases	**-**	**-**	136	-	**-**	**136**
Decreases	**-**	**-**	**-**	-	**-**	**-**
As at 31 December 2018	**-**	**-**	**136**	**-**	**-**	**136**
NET CARRYING AMOUNT:						
As at 1 January 2018	**84,539**	**3,741**	**110,635**	**151**	**202**	**199,268**
As at 31 December 2018	**82,074**	**3,618**	**131,031**	**154**	**191**	**217,068**

Change in property, plant and equipment in the period from 1 January to 30 June 2018

	Land, buildings and structures	Plant, machinery, vehicles	Formwork systems	Other property, plant and equipment	Property, plant and equipment under construction	Total property, plant and equipment
GROSS CARRYING AMOUNT						
As at 1 January 2018	**106,187**	**10,819**	**492,220**	**2,601**	**202**	**612,029**
Increases due to purchases	281	375	26,915	45	361	27,977
Increases – stock-taking surplus, reclassifications	-	-	2,753	-		2,753
Decreases – disposal	-	-	(17,388)	-	-	(17,388)
Decreases – liquidation, stock-taking shortages	-	(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
Decreases – disposal	-	-	(15,468)	-	-	(15,468)
Decreases – liquidation, stock-taking shortages	-	(302)	(8,314)	(35)	-	(8,651)
As at 30 June 2018	**23,090**	**7,338**	**370,116**	**2,462**	**-**	**403,006**
NET CARRYING AMOUNT:						
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**

The depreciation charge for property, plant and equipment increased:

Item	First six months of 2019	Twelve months of 2018	First six months of 2018
Cost of products, goods and materials sold	16,576	30,153	14,069
Sales and marketing costs	2	2	1
Administrative expenses	286	592	294
Total	**16,864**	**30,747**	**14,364**

3. Intangible assets

Change in intangible assets in the period from 1 January to 30 June 2019

	Licences and software	Other	Total intangible assets
GROSS CARRYING AMOUNT			
As at 1 January 2019	**4,781**	**37**	**4,818**
Increases	57	-	57
Decreases – disposal, liquidation	-	-	-
As at 30 June 2019	**4,838**	**37**	**4,875**
ACCUMULATED AMORTISATION			
As at 1 January 2019	**4,604**	**37**	**4,641**
Amortisation for the period	103	-	103
Decreases – disposal, liquidation	-	-	-
As at 30 June 2019	**4,707**	**37**	**4,744**
NET CARRYING AMOUNT:			
As at 1 January 2019	**177**	**-**	**177**
As at 30 June 2019	**131**	**-**	**131**

Change in intangible assets in the period from 1 January to 31 December 2018

	Licences and software	Other	Total intangible assets
GROSS CARRYING AMOUNT			
As at 1 January 2018	**4,766**	**37**	**4,803**
Increases	15	-	15
Decreases – disposal	-	-	-
As at 31 December 2018	**4,781**	**37**	**4,818**
ACCUMULATED AMORTISATION			
As at 1 January 2018	**4,398**	**37**	**4,435**
Amortisation for the period	206	-	206
Decreases – disposal	-	-	-
As at 31 December 2018	**4,604**	**37**	**4,641**
NET CARRYING AMOUNT:			
As at 1 January 2018	**368**	**-**	**368**
As at 31 December 2018	**177**	**-**	**177**

Change in intangible assets in the period from 1 January to 30 June 2018

	Licences and software	Other	Total intangible assets
GROSS CARRYING AMOUNT			
As at 1 January 2018	**4,766**	**37**	**4,803**
Increases	5	-	5
Decreases – disposal, liquidation	-	-	-
As at 30 June 2018	**4,771**	**37**	**4,808**
ACCUMULATED AMORTISATION			
As at 1 January 2018	**4,398**	**37**	**4,435**
Amortisation for the period	110	-	110
Decreases – disposal, liquidation		-	
As at 30 June 2018	**4,508**	**37**	**4,545**
NET CARRYING AMOUNT:			
As at 1 January 2018	**368**	**-**	**368**
As at 30 June 2018	**263**	**-**	**263**

The amortisation charge for intangible assets increased:

Item	First six months of 2019	Twelve months of 2018	First six months of 2018
Cost of products, goods and materials sold	-	-	-
Administrative expenses	103	206	110
Total	**103**	**206**	**110**

4. Financial instruments

The table below presents the carrying and fair values of all financial instruments held by the Group, by classes and categories of assets and liabilities.

	Carrying amount			**Fair value**			**Fair value hierarchy**
	30 June 2019	31 December 2018	30 June 2018	30 June 2019	31 December 2018	30 June 2018	
Debt instruments at amortised cost							
Cash	31,420	45,611	28,377	31,420	45,611	28,377	Level 1
Trade and other receivables	43,532	42,433	50,424	43,532	42,433	50,424	Level 3
Loans advanced	23,880	35,563	35,680	23,880	35,563	35,680	Level 3
Financial liabilities at amortised cost							
Liabilities under factoring of trade payables	903	1,257	2,406	903	1,257	2,406	Level 3
Trade and other payables	18,605	26,469	32,210	18,605	26,469	32,210	Level 3

The Company is of the opinion that the fair values of financial instruments do not significantly differ from their carrying amounts, which is chiefly attributable to their short maturity periods.

In the period ended 30 June 2019 and in the period ended 30 June 2018, there were no transfers between Level 1 and Level 2 of the fair value hierarchy, and no instruments were transferred to/from Level 3 in the fair value hierarchy.

5. Investments in subsidiaries and associates

As at 30 June 2019

Item	Entity name	Registered address	Business profile	Type of link	Date of obtaining control	Value of shares at cost	Impairment losses	Carrying amount of shares	Ownership interest	Percentage of total voting rights at GM
1.	ULMA Opałubka Ukraina	Ukraine	sale and rental of formwork, sale of building materials	subsidiary	18 Jul 2001	5,818	-	5,818	100	100
2.	ULMA Cofraje	Romania	sale and rental of formwork, sale of building materials	associate	2 Nov 2007	3,977	(2,562)	1,415	30	30
3.	ULMA Opałubka Kazachstan	Kazakhstan	sale and rental of formwork, sale of building materials	Subsidiary	27 Aug 2010	83	-	83	100	100
4.	ULMA Construccion BALTIC	Lithuania	sale and rental of formwork, sale of building materials	subsidiary	27 Apr 2012	142	-	142	100	100
						10,020	**(2,562)**	**7,458**		

6. Other non-current assets – right-of-use assets

Other non-current assets include the carrying amount of the right-of-use assets, which the Company recognises as a result of adoption of IFRS 16 Leases as of 1 January 2019.

Change in right-of-use assets in the period from 1 January to 30 June 2019

	Real property	Vehicles	Forklift trucks	Total
GROSS CARRYING AMOUNT				
As at 31 December 2018 (reported)	**3,902**	**-**	**-**	**3,902**
Effect of adoption of IFRS 16	7,812	1,318	2,091	11,221
As at 1 January 2019	**11,714**	**1,318**	**2,091**	**15,123**
Increases – change of fee	295	-	-	295
Increases – new leased assets	-	646	-	646
Decreases – termination of lease agreement	-	(56)	-	(56)
As at 30 June 2019	**12,009**	**1,908**	**2,091**	**16,008**
ACCUMULATED DEPRECIATION				
As at 1 January 2019	**-**	**-**	**-**	
Depreciation for the period	1,049	404	596	2,049
Decreases – termination of lease agreement	-	(30)	-	(30)
As at 30 June 2019	**1,049**	**374**	**596**	**2,019**
NET CARRYING AMOUNT:				
As at 1 January 2019	**11,714**	**1,318**	**2,091**	**15,123**
As at 30 June 2019	**10,960**	**1,534**	**1,495**	**13,989**

7. Trade and other receivables

	30 June 2019	31 December 2018	30 June 2018
Trade receivables from non-related parties	63,112	69,817	72,142
Impairment losses on trade receivables	(30,616)	(32,853)	(33,784)
Trade receivables – net	*32,496*	*36,964*	*38,358*
Other receivables	35	12	27
Prepayments and accrued income	515	473	968
Trade receivables from related parties	10,486	4,984	11,071
Loans advanced	23,880	35,563	35,681
Total trade and other receivables	**67,412**	**77,996**	**86,105**
including:			
Non-current portion	13,880	14,563	14,681
Current portion	53,532	63,433	71,424

Based on the analyses carried out, the Company assessed that the carrying amount of individual receivables disclosed in these interim condensed separate financial statements is similar to their respective fair values. As the Company has many customers, there is no concentration of credit risk associated with trade receivables.

The net carrying amount of impairment losses on receivables increased by receivables written-off totalling PLN 600 thousand (PLN 3,597 thousand in 2018, PLN 1,840 thousand in the first six months of 2018) was recognised under other expenses.
The change in impairment losses on trade and other receivables is detailed below:

	30 June 2019	31 December 2018	30 June 2018
Balance at the beginning of the period	**32,853**	**30,593**	**30,593**
Effect of adoption of IFRS 9	-	1,437	**1,437**
Balance at the beginning of the period (restated)	**32,853**	**32,030**	**32,030**
Increases – impairment losses on trade receivables	1,410	4,381	2,831
Use	(2,784)	(3,012)	(770)
Adjustment of previously recognised impairment loss	(863)	(546)	(307)
Balance at end of the period	**30,616**	**32,853**	**33,784**

The PLN 1,437 thousand difference between the 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, in accordance with the amended IFRS 9, of an additional impairment loss reflecting the insolvency risk related to receivables which are not subject to collection procedure.

All impairment losses on receivables relate to current receivables.

8. Inventories

	30 June 2019	31 December 2018	30 June 2018
Materials	2,538	2,527	2,178
Goods	2,356	2,946	2,103
Gross carrying amount of inventories	**4,894**	**5,473**	**4,281**
Inventory write-down	(340)	(340)	(340)
Net carrying amount of inventories	**4,554**	**5,133**	**3,941**

9. Cash and cash equivalents

	30 June 2019	31 December 2018	30 June 2018
Cash in hand and at banks	31,420	45,611	28,377
Short-term bank deposits	-	-	-
Total cash, including:	**31,420**	**45,611**	**28,377**
Restricted cash, including:	297	201	111
- cash of the Company Social Benefits Fund	201	201	111
- cash on VAT accounts	96	-	-

For the purposes of the statement of cash flows, cash and overdraft facility include:

	30 June 2019	31 December 2018	30 June 2018

Cash and cash equivalents	31,420	45,611	28,377
Overdraft facility	-	-	-
Cash and cash equivalents disclosed in the statement of cash flows	**31,420**	**45,611**	**28,377**

10. Share capital and statutory reserve funds

In the six months ended 30 June 2019, no changes occurred in the number of shares and the value of the share capital and the statutory reserve funds resulting from share premium.

All shares are ordinary bearer shares with the par value of PLN 2.00. All shares have been paid up.

As at 30 June 2019, the Company's shareholding structure was as follows:

	Share capital			Voting rights at GM	
	Number of shares	**%**		**Number of**	**%**
ULMA CyE, S. Coop	3,967,290	75.49		3,967,290	75.49
TFI Quercus S.A.	264,893	5.04		264,893	5.04
Free float	1,023,449	19.47		1,023,449	19.47

11. Trade and other payables

	30 June 2019	31 December 2018	30 June 2018
Trade payables to non-related parties	11,997	16,123	19,681
Liabilities to related parties	3,493	5,896	10,116
Social security contributions and other charges payable	6,010	6,425	6,121
Accrued expenses	2,553	4,230	2,050
Deferred income	74	51	-
Other liabilities	488	169	363
Total trade and other payables	**24,615**	**32,894**	**38,331**
including:			
Non-current portion	-	-	-
Current portion	24,615	32,894	38,331

12. Liabilities under factoring of trade payables

In 2015, the Company concluded a factoring agreement with mBank under which the Company's trade liabilities to selected suppliers are paid by the bank in 14 days after the day on which the invoice is issued by the supplier. The deadline for the repayment of the relevant amount by the Company to the bank is 75 days after the day on which the bank has paid the liability to the supplier. As at 30 June 2019, the Company's relevant liabilities to the bank amounted to PLN 903 thousand. This amount has been recognised in the interim condensed separate financial statements under “Liabilities under factoring of trade payables”.

13. Leases

In accordance with IFRS 16, lease agreements include lease of the fleet of passenger cars and forklifts, lease of the Logistics Centre in Gdańsk and a yard in Warsaw at Klasyków street, perpetual usufruct of land in Jaworzno.

Lease liabilities as at 30 June 2019 are as follows:

	Lease of real property	Lease of passenger cars	Lease of forklift trucks	Total lease liabilities
Non-current liabilities	4,995	890	597	6,482
Current liabilities	2,023	659	900	3,582
Total	**7,018**	**1,549**	**1,497**	**10,064**

14. Deferred tax

	30 June 2019	31 December 2018	30 June 2018
Deferred tax assets:	2,389	2,759	2,292
Deferred tax liabilities:	(7,539)	(6,524)	(5,491)
Offset	2,389	2,759	2,292
Carrying amount of deferred tax liabilities	**(5,150)**	**(3,765)**	**(3,199)**

Changes in deferred tax assets and liabilities during the year (before any offset within one jurisdiction) were as follows:

	Statement of financial position		**Statement of profit or loss and other comprehensive income**
	30 June 2019	1 January 2019	First six months of 2019
Deferred tax liabilities			
Tax depreciation/amortisation	7,505	6,517	(988)
Unrealised exchange differences	6	7	1
Other	28	-	(28)
Total	**7,539**	**6,524**	**(1,015)**
Deferred tax assets			
Impairment losses on receivables	1,552	1,674	(122)
Provisions for expenses	824	1,085	(261)
Unrealised exchange differences	13	-	13
Total	**2,389**	**2,759**	**(370)**
(Loss)/gain on deferred tax			**(1,385)**

15. Retirement benefit obligations

	30 June 2019	31 December 2018	30 June 2018
Liabilities recognised in the statement of financial position under:			
Retirement benefit obligations	246	246	224
Total retirement benefit obligations	**246**	**246**	**224**
including:			
Long-term	**185**	**185**	**173**
Short-term	**61**	**61**	**51**

The Company performs the actuarial measurement of the provision for retirement benefit obligations at the end of each financial year.

16. Revenue

	First six months of 2019	First six months of 2018
Revenue from the sale of services – construction site service	73,032	83,162
Revenue from the sale of goods and building materials	20,742	14,749
Total revenue	**93,774**	**97,911**

- construction site services – rental of formwork and scaffolding systems together with logistic services and construction settlement at the end of a contract,
- sale of building materials – the segment comprising the sale of formwork systems, classified as non-current assets (property, plant and equipment) and current assets (products and goods) of the Group, and other building materials.

Revenue by geographical location is detailed below:

Description of item	First six months of 2019	First six months of 2018
Revenue from domestic sales	77,260	82,223
Revenue from foreign sales	16,514	15,688
Total revenue	**93,774**	**97,911**

17. Expenses by nature

	First six months of 2019	First six months of 2018
Depreciation of property, plant and equipment and amortisation of intangible	16,967	14,474
Depreciation of right-of-use assets	2,049	-
Costs of employee benefits (Note 17 a)	19,025	15,517
Raw materials and consumables used	6,235	5,465
Transport services	5,775	6,625
Lease and rental services	2,163	5,728
Maintenance and repair services	3,118	3,697
Assembly services	553	2,366
Other services	5,958	5,961
Other costs	3,234	3,156
Value of goods, materials and formwork sold (components of non-current assets)	7,908	9,246
Total expenses	**72,985**	**72,235**
including:		
Costs of benefits for own needs	55	100
Cost of products, goods and materials sold	63,776	63,773
Sales and marketing costs	1,272	1,375
Administrative expenses	7,882	6,987

17 a) Costs of employee benefits		
Costs of remuneration and termination benefit costs	15,393	12,592
Costs of social security contributions and employee benefits	3,632	2,925
Total costs of employee benefits	**19,025**	**15,517**

18. Other income and expenses

18 a) Other income	First six months of 2019	First six months of 2018
Stocktaking	-	-
Gain on change in the fair value of forward contracts	-	64
Compensation received	8	27
Disposal of property, plant and equipment	-	8
Recovered property, plant and equipment	-	110
Reinvoicing	170	162
Liabilities written-off	405	-
Other	27	9
Total other income	**610**	**380**

18 b) Other expenses	First six months of 2019	First six months of 2018
Loss on change in the fair value of forward contracts	-	-
Liquidation of property, plant and equipment	(10)	-
Impairment losses on receivables	(600)	(1,840)
Other costs	-	(6)
Total other expenses	**(610)**	**(1,846)**

19. Finance income and costs

19 a) Finance income	First six months of 2019	First six months of 2018
Interest income:		
- loans advanced	657	871
- on cash at bank and late repayment of receivables	186	90
Dividends received	1,930	-
Exchange differences	-	1,152
Total finance income	**2,773**	**2,113**

19 b) Finance costs	First six months of 2019	First six months of 2018
Interest expense:		
- bank borrowings	-	-
- leases	(367)	-
- due to default in payment of liabilities	(22)	(43)
	(389)	**(43)**
Exchange differences	(198)	-
Costs of obtaining a loan or guarantee	-	(1)
Total finance costs	**(587)**	**(44)**

20. Income tax

	First six months of 2019	First six months of 2018
Current tax	(3,500)	(4,074)
Deferred income tax (Note 14)	(1,385)	(974)
Total income tax	**(4,885)**	**(5,048)**

Income tax on the Company's profit before tax differs from the theoretical amount that would be obtained by applying the applicable rate of tax on profit before tax, in the following way:

	First six months of 2019	First six months of 2018
Profit/(loss) before tax	**23,030**	**26,378**
Revenue adjusting taxable income	**683**	**(839)**
- exchange differences on loans	164	(758)
- reversal of impairment losses on receivables – VAT		(81)
- compensation paid from previous periods	514	-
- other	5	-
Non-deductible expenses, including:	**2,000**	**1,027**
Representation and entertainment expenses	912	700
Expenses from previous years	538	37
Contributions to the State Fund for the Disabled	126	93
25% of running costs of passenger cars	261	-
Other	163	197
Taxable profit	**25,713**	**26,566**
Income tax expense	**4,885**	**5,048**

The tax authorities may inspect the accounting and tax settlement records within five years after the end of the year in which tax returns were filed, and they may impose additional tax on the Company, together with penalty interest. However, in the Management Board's opinion, no material tax liabilities are likely to arise in this respect.

21. Measurement of financial instruments at fair value

Based on the analyses carried out, the Company assessed that the carrying amount of individual financial instruments disclosed in these interim condensed separate financial statements is similar to their respective fair values.

22. Earnings per share

The basic earnings per share are calculated as the quotient of profit attributable to equity holders of the Company and the weighted average number of ordinary shares during the year.

	First six months of 2019	First six months of 2018
Net profit attributable to equity holders of the parent	18,145	21,331
Number of ordinary shares as at the reporting date	5,255,632	5,255,632
Weighted average number of ordinary shares	5,255,632	5,255,632
Basic earnings per share (PLN)	3.45	4.06
Diluted earnings per share (PLN)	3.45	4.06

23. Contingencies

At the request of ULMA Construccion Polska S.A., mBANK provided a performance bond with regard to a lease agreement to one of the Company's counterparties. The bond provided by the bank expires on 30 September 2019. The bond is related to the construction of the Logistics Centre in Gdańsk. The project was completed in Q1 2015. The Group uses the Logistics Centre in Gdańsk under a long-term lease agreement. As at the reporting date, the amount of the bond provided by the bank is PLN 3,303 thousand.

24. Significant and other events subsequent to the reporting date

On 7 August 2019 and 20 August 2019, ULMA Opałubka Ukraina repaid part of the loan disclosed in these financial statements as a long-term item, in the amount of USD 1,010 thousand.

25. Related party transactions

The Group is controlled by ULMA C y E, S. Coop. of Spain, which holds 75.49% of the Company shares. The remaining 24.51% of shares is held by multiple shareholders.

Members of the ULMA Construccion Polska Group include:

Parent:

- ULMA Construccion Polska S.A. of Koszajec (Brwinów municipality)

Subsidiaries:

- ULMA Opałubka Ukraina Sp. z o.o. with its registered office in Kiev at Gnata Juri 9, established on 18 July 2001. It was registered in the Sviatoshin Branch of the State Administration for the City of Kiev under No. 5878/01 and ID code: 31563803. The company's business consists in the sale and rental of formwork, sale of building materials. The Company's share in the share capital and the total number of votes is 100%.
- ULMA Opałubka Kazachstan Sp. z o.o. of Astana, 25 Tashenov street. Its strategic goal is to develop the core business of the Group, i.e. rental of formwork and scaffolding systems, and knowledge-sharing in the area of application of formwork technology in the construction process in Kazakhstan. The Company's share in the share capital and total voting rights is 100%.
- ULMA Construccion BALTIC of Vilnius, 41-12 Pylimo street. The Company's business consists in: rental of construction scaffolding and formwork, wholesale and retail sale of construction scaffolding and formwork, sale and lease of other construction equipment, and other trade activity. The Company's share in the share capital and total voting rights is 100%.

The Group also holds shares in the following associate:

- ULMA Cofraje SRL with its registered office in Bragadiru at Soseaua de Centura No. 2-8 Corp C20 (Romania), established on 9 October 2007. It is registered in the National Office of the Commercial Register in Bucharest under No. 22679140. The associate's business consists in rental and sale of construction scaffolding and formwork. The Company's share in the share capital and total voting rights is 30%. The remaining 70% of the associate's share capital is held by the entity exercising control over the Group – ULMA C y E, S. Coop. of Spain.

Transactions concluded by ULMA Construccion Polska S.A. and its related parties were of standard and routine nature, were concluded at an arm's length basis, and their nature and terms and conditions resulted from ongoing operations.

Transactions between ULMA Construccion Polska S.A. and related parties:

Amounts outstanding as at the reporting date	30 June 2019		30 June 2018
Trade receivables	**10,486**		**11,071**
including:			
- from the parent	1,359		4,704
- from subsidiaries	3,376		5,838
- from associate	214		56
- from other related parties	5,537		473
Trade payables	**3,493**		**10,116**
including:			
- to the parent	3,409		9,620
- to subsidiaries	3		376
- to associate	4		35
- to other related parties	77		85

Sale and purchase from the Group entities	First six months of 2019		First six months of 2018
Sale	**15,781**		**14,794**
including:			
- to the parent	2,504		5,195
- to subsidiaries	7,065		8,664
- to associate	43		77
- to other related parties	6,169		858
Purchases	**14,878**		**20,963**
including:			
- from the parent	14,851		20,070
- from subsidiaries	8		497
- from associate	4		87
- from other related parties	15		309

The sale and purchase transactions with the Group companies mainly consist in the sale of formwork systems and formwork rental services.

Loans, interest, dividends	First six months of 2019		First six months of 2018
Loan repayment – EUR thousand – advanced to a subsidiary	150		250
Loan repayment – PLN thousand – advanced to the parent	11,000		11,000
Income from interest on loans – PLN thousand	**657**		**870**
including:			
- from the parent	337		551
- from subsidiaries	320		319
- from associate	-		-

ULMA Construccion Polska S.A. provided the subsidiary ULMA Opałubka Ukraina Sp. z o.o. with an investment loan of USD 1,500 thousand with a fixed arm's length interest rate, repayable by 8 January 2020. The amount outstanding under the loan as at 30 June 2019 was USD 1,300 thousand.

ULMA Construccion Polska S.A. granted a long-term loan of EUR 2,500 thousand to the subsidiary ULMA Construccion BALTIC. The loan was granted on arm's length terms until 3 January 2020 (annex of 29 June 2017). The amount outstanding under the loan as at 30 June 2019 was EUR 2,100 thousand The Management Board intends to postpone the loan repayment date.

ULMA Construccion Polska S.A. granted a short-term loan of PLN 32,000 thousand to the parent ULMA CyE, S. Coop. The loan to the parent was advanced on arm's length terms – the interest rate on the loan is based on 3M WIBOR. The final repayment date for the PLN 11,000 thousand tranche falls on 29 June 2018 (tranche has been repaid), for the PLN 11,000 thousand tranche – on 30 April 2019 (tranche has been repaid) and the PLN 10,000 thousand tranche – on 30 April 2020. The amount outstanding under the loan as at 30 June 2019 was PLN 10,000 thousand.

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

Members of the Management Board and the Supervisory Board of the Company are considered to be key management personnel of the Company. In the first six months of 2019 and in the corresponding period of 2018, the Company did not grant any advances, loans, guarantees and sureties to management and supervisory staff and their relatives, and no other agreements were concluded with them to provide benefits to the Company and its related parties.
As at 30 June 2019, 31 December 2018 and 30 June 2018, no loans advanced by the Company to the management and supervisory staff or their relatives were outstanding.

26. Translation of selected financial data into euro

Translation of selected financial data into euro is detailed in the table below:

ITEM	PLN thousand First six months of 2019	PLN thousand First six months of 2018		EUR thousand First six months of 2019	EUR thousand First six months of 2018
Net revenue from the sale of products, goods and materials	93,774	97,911		21,869	23,194
Operating profit	20,844	24,310		4,861	5,759
Profit/(loss) before tax	23,030	26,379		5,371	6,249
Net profit/(loss)	18,145	21,331		4,231	5,053
Net cash from/(used in) operating activities	4,693	13,775		1,094	3,264
Net cash from/(used in) investing activities	13,656	12,011		3,185	2,845
Net cash from/(used in) financing activities	(32,471)	(20,067)		(7,572)	(4,754)
Net cash flows	(14,122)	5,719		(3,293)	1,355
Diluted earnings per ordinary share (PLN/EUR)	3.45	4.06		0.81	0.96
Basic earnings per ordinary share (PLN/EUR)	3.45	4.06		0.81	0.96
	30 June 2019	31 December 2018		30 June 2019	31 December 2018
Total assets	347,810	357,345		81,799	83,104
Liabilities	41,665	39,335		9,799	9,148
Non-current liabilities	11,817	3,950		2,779	919
Current liabilities	29,848	35,385		7,020	8,229
Equity	306,145	318,010		72,000	73,956
Share capital	10,511	10,511		2,472	2,444
Weighted average number of shares	5,255,632	5,255,632		5,255,632	5,255,632
Number of shares as at the reporting date	5,255,632	5,255,632		5,255,632	5,255,632
Carrying amount per share (PLN/EUR)	58.25	60.51		13.70	14.07

The individual items of assets as well as equity and liabilities were translated into EUR at the mid rates quoted by the National Bank of Poland for the reporting date. The EUR mid rate as at 30 June 2019 was PLN 4.2520 / EUR 1 and as at 31 December 2018 – PLN 4.3000 / EUR 1.

The items of the statement of comprehensive income and the items of the statement of cash flows were translated at the rate calculated as the arithmetic mean of exchange rates effective as at the last day of each month in a given period, i.e. data from 1 January to 30 June 2019 was translated using the exchange rate of PLN 4.2880 / EUR 1, data for the corresponding period in 2018 was translated using the exchange rate of PLN 4.2213 / EUR 1.

For the Management Board of ULMA Construccion Polska S.A.

First name and surname	Function	Signature
Rodolfo Carlos Muñiz Urdampilleta	President of the Management Board	
Giordano Marcel Weschenfelder	Member 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 responsible for the accounting records

First name and surname	Function	Signature
Henryka Padzik	Chief Accountant	

Koszajec, 16 September 2019