

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT

For the General Meeting and for the Supervisory Board of ULMA Construccio Polska S.A.

Report on the audit of the annual consolidated financial statements

Opinion

We have audited the annual consolidated financial statements of ULMA Construccio Polska S.A Capital Group. ("Group") with ULMA Construccio Polska S.A. as a dominating member (the "Parent Company"), with its registered office in Brwinów, Koszajec 50, which comprise: general information, consolidated profit and loss and other comprehensive income for the period from 1 January 2020 to 31 December 2020, statement of financial position as at 31 December 2020, statement of changes in equity, statement of cash flows for the period from 1 January 2020 to 31 December 2020 and notes to the consolidated financial statements, including a description of the significant accounting policies applied (the "consolidated financial statements").

In our opinion, the consolidated financial statements:

- give a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance and its cash flows for the period from 1 January 2020 to 31 December 2020 in accordance with the applicable International Financial Reporting Standards as endorsed by the European Union and the accounting principles (policies) adopted,
- complies in form and content with the legal regulations binding on the Parent Company and its Articles of Association,

This opinion is consistent with the additional report to the Audit Committee that we issued on 31 March 2021.

Legal basis for the opinion

We conducted our audit in accordance with the National Standards on Auditing in the wording of the International Standards on Auditing adopted by resolution of the National Council of Statutory Auditors ("KSB") and in accordance with the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision ("the Act on Statutory Auditors") and the Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audits of public-interest entities, repealing Commission Decision 2005/909/EC (the "EU Regulation").

Our responsibility under these standards is further described in the section of our report "Auditor's responsibility for the audit of the consolidated financial statements".

We are independent of the Group Companies in accordance with Professional Accountants (including the International Independence Standards) of the International Ethics Standards Board for Accountants the International Code of Ethics for ("IESBA Code") adopted by resolutions of the National Council of Statutory Auditors and with other ethical requirements applicable to the audit of consolidated financial statements in Poland. We have fulfilled our other ethical responsibilities in accordance with those requirements and the IESBA Code. During the audit, the key statutory auditor and the audit firm remained independent of the Group's Companies in accordance with the independence requirements set out in the Act on Statutory Auditors and the EU Regulation.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were most significant during our audit of the consolidated financial statements for the current reporting period. They include the most significant assessed risks of material misstatement, including assessed risks of material misstatement due to fraud. We have addressed these matters in the context of our audit of the consolidated financial statements as a whole and in forming our opinion and have summarised our response to these risks and, where we considered it appropriate, have provided key observations in relation to these risks. We do not express a separate opinion on these matters.

Key issue of the audit	How our examination has addressed this matter
<p>Impairment of trade receivables</p> <p>As set out in notes 3 and 10 of the consolidated financial statements as at 31 December 2020, trade receivables of £24.8 million represent 7.6% of total assets in the statement of financial position, of which overdue receivables represent £6.8 million and 34.2% of trade receivables.</p> <p>The issue of impairment analysis of trade receivables was identified as crucial for the audit of the consolidated financial statements due to</p> <p>(i) materiality of the above current assets in the consolidated financial statements,</p> <p>(ii) the significance of the judgement as well as estimates made by the Parent Company's Management Board necessary to assess the credit risk of the Group's clients and determine the amount of the allowance for expected credit losses, particularly with respect to individually significant trade receivables.</p> <p><i>Reference to disclosures in the consolidated financial statements</i></p> <p>The Group has disclosed the values of overdue trade receivables and the writ-off for expected credit losses in notes 3 and 10 of the consolidated financial statements prepared as at 31 December 2020. The relevant accounting policies are presented in the notes to the consolidated financial statements prepared as at 31 December 2020.</p>	<p>We reviewed our process for monitoring receivables, including the ageing of trade receivables to identify risks to recoverability. We documented our understanding of the process, assessed the design of internal controls relating to the process and tested their operational effectiveness. In particular, we assessed Management's estimates for the determination of the allowance for expected credit losses by analysing source documents for past due items for which no or an incomplete allowance for expected credit losses had been established. The audit procedures also included:</p> <ul style="list-style-type: none"> - an analysis of the aging of receivables, a discussion of past due items in relation to which no allowance for expected credit losses has been made and an assessment of the Management's judgement to analyse the level of impairment; - an analysis of the impact of the COVID-19 pandemic on the level of credit risk; - testing the aging of trade receivables on a selected sample; - selecting significant trade receivable balances against which an allowance for expected credit losses has been made, as well as understanding the Group's approach and obtaining audit evidence to support Management's judgement (including, for example, letters from solicitors, contractual collateral or agreements between parties); - obtaining external confirmations of accounts receivable balances for selected customers; - analysing the assumptions used by Management in the calculation of the provision for expected credit losses; - analysis of payments received after the balance sheet date for a selected sample. <p>We also assessed the disclosures and their scope in the consolidated financial statements relating to trade receivables and the allowance for expected credit losses</p>
<p>Valuation of property, plant and equipment</p> <p>The carrying amount of the Group's property, plant and equipment as at 31 December 2020 was PLN 245.7 million, representing 62.9% of total assets in the statement of financial position. The analysis of the economic useful lives and residual values of property, plant and equipment is estimated by the Management</p>	<p>We reviewed the process of recognition, valuation and disposal of property, plant and equipment, documented our understanding of the process, analysed the design of internal controls relating to the process and tested their operating effectiveness. We obtained and evaluated Management's assumptions used to determine economic useful lives and residual values. We assessed the consistency of the accounting policies applied by the Group in</p>

Board.

At the end of the financial year, the Management Board assessed the economic periods of usability and residual values of property, plant and equipment. The assessment of the residual value was carried out based on the estimated market value, and judgements regarding the principles of liquidation of fixed assets, as well as the date of taking into use and the expected state at the end of the economic useful life.

This issue was determined to be critical to the audit of the Group's consolidated financial statements due to
(i) the materiality of the above fixed assets in the consolidated financial statements,
(ii) the materiality of the impact of the judgement of the Parent Company's Management necessary to assess the useful lives and residual values of property, plant and equipment.

Reference to disclosures in the consolidated financial statements

The Group has disclosed matters relating to changes in the value of property, plant and equipment, as well as the principal judgements and estimates used in assessing useful lives and residual values, and the identification of decommissioned property, plant and equipment in notes 2 and 5 of the consolidated financial statements prepared as at 31 December 2020.

relation to the initial valuation of fixed assets, depreciation and amortisation of fixed assets with the principles set out in IAS 16 Fixed Assets. In addition, by analysing available external market data, we assessed the economic useful lives and residual values adopted by Management, based on historical data.

We also assessed the adequacy of the disclosures in the consolidated financial statements relating to property, plant and equipment, including the nature and value of the assumptions made in relation to their recognition, measurement and disposal.

Management's and Supervisory Board's Responsibility for the consolidated financial statements

Management of the Parent Company is responsible for the preparation of consolidated financial statements that give a true and fair view of the consolidated financial position and the consolidated profit or loss of the Group in accordance with International Financial Reporting Standards as endorsed by the European Union, the accounting principles (policies) adopted, the laws and regulations applicable to the Group and the Parent Company's Articles of Association, and for such internal control as management of the Parent Company determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Parent Company's management is responsible for assessing the Group's (Parent Company and significant undertakings) ability to continue as a going concern, disclosing, where applicable, matters related to going concern and adopting the going concern basis of accounting, except when the Parent Company's management either intends to liquidate the Group (Parent Company or significant undertakings) or to cease operations or has no realistic alternative but to do so.

The Management Board of the Parent Company and the members of the Supervisory Board of the Parent Company are responsible for ensuring that the consolidated financial statements meet the requirements set out in the Accounting Act of 29 September 1994 ("the Accounting Act"). Members of the Supervisory Board of the Parent Company are responsible for overseeing the financial reporting process.

Chartered Auditor's responsibility for the audit of consolidated financial statements

Our aim is to obtain reasonable assurance that the consolidated financial statements as a whole are free from material misstatement due to fraud or error and to issue an audit report containing our opinion. Reasonable assurance is a high level of assurance but does not guarantee that an audit conducted in accordance with KSB will always detect the existence of a material deviations. Deviations may arise from fraud or error and are considered material if it can be reasonably expected that, either individually or in combination, they would influence the economic decisions of users taken on the basis of these consolidated financial statements.

In accordance with § 5 of International Auditing Standard 320, the concept of materiality is applied by the auditor both in planning and performing the audit and in assessing the impact on the consolidated financial statements of misstatements identified in the audit and uncorrected misstatements, if any, and in forming the auditor's opinion.

Accordingly, all opinions and statements in the audit report are expressed taking into account the qualitative and quantitative level of materiality determined in accordance with auditing standards and the auditor's professional judgement.

The scope of the audit does not include assurance as to the future viability of the Company or the efficiency or effectiveness of the management of the Company's present or future operations.

In the course of the audit in accordance with KSB, we apply professional judgement and maintain professional scepticism as well:

- we identify and assess risks of material misstatement of the consolidated financial statements due to fraud or error, design and perform audit procedures appropriate to those risks, and obtain audit evidence that is sufficient and appropriate to support our opinion. The risk of failing to detect a material misstatement due to fraud is greater than that due to error because fraud may involve collusion, forgery, intentional omissions, misrepresentations or circumvention of internal control,
- we obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control
- we assess the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent Company's management,
- we assess the appropriateness of the Parent Company's Management Board's assumption of a going concern and, based on the evidence obtained, examine whether there is any material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that there is a material uncertainty, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, we modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our audit report, however, future events or conditions may result in the Group not continuing operations;

- we evaluate the overall presentation, structure and content of the consolidated financial statements, including disclosures, and whether the consolidated financial statements give a fair view of the underlying transactions and events.
- we obtain sufficient appropriate audit evidence about the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for directing, supervising and performing the audit of the Group and remain solely responsible for our audit opinion.

We provide the Audit Committee of the Parent Company with information about, inter alia, the planned scope and timing of the audit and the significant findings of the audit, including any significant internal control weaknesses that we identify during the audit.

We make a representation to the Audit Committee of the Parent Company that we have complied with the relevant ethical requirements for independence and that we will inform them of all relationships and other matters that could reasonably be considered to pose a threat to our independence and, where applicable, report on the steps taken to eliminate the threats or the safeguards applied.

Of the matters reported to the Audit Committee of the Parent Company, we have identified those matters that were most significant in the audit of the consolidated financial statements for the current reporting period and therefore considered them to be key audit matters. We describe these matters in our auditor's report unless a law or regulation prohibits their public disclosure or if, in exceptional circumstances, we determine that the matter should not be presented in our report because the adverse consequences could reasonably be expected to outweigh the benefit of such information to the public interest.

Other information, including the report of Group's business activity

Other information includes the Group's management report for the period from 1 January 2020 to 31 December 2020 (the "Management Report") and the corporate governance statement (together "Other Information").

Management's and Supervisory Board's Responsibility for the consolidated financial statements

The Management Board of the Parent Company is responsible for the preparation of Other information in accordance with the legal regulations.

The Parent Company's Management Board and the members of the Supervisory Board of the Parent Company are obliged to ensure that the Report on the Group's activities, including the separate parts, meets the requirements provided for in the Accounting Act.

Statutory Auditor's responsibility

Our audit opinion on the consolidated financial statements does not include the Other Information. In connection with our audit of the consolidated financial statements, our responsibility is to read the Other Information and, in doing so, to consider whether the Other Information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated.

If, on the basis of the work performed, we conclude that the Other Information is materially misstated, we are required to state this in our audit report. Our responsibility, as required by the Act on Chartered Auditors, is also to issue an opinion on whether the Report on Group's activity has been prepared in accordance with the regulations and is consistent with the information contained in the consolidated financial statements.

In addition, we are required to report whether the Parent Company has prepared a statement on non-financial information and to give an opinion on whether the Parent Company has included the required information in its corporate governance statement.

Opinion on the Report on Group's Activity

Based on the work performed in the course of our audit, in our opinion, the Report on the activities of the Group:

- has been prepared in accordance with Article 49 of the Accounting Act and § 71 of the Ordinance of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state (the "Current Information Ordinance"),
- is consistent with the information contained in the consolidated financial statements.

Furthermore, in the light of our knowledge of the Group and its environment obtained during our audit, we report that we have not identified any material misstatements in the Directors' Report.

Opinion on the corporate governance statement

In our opinion, the Group included the information specified in § 70, section 6, item 5 of the Regulation on current information in its corporate governance statement.

Furthermore, in our opinion, the information referred to in § 70 (6) (5) (c-f, h and i) of the Regulation contained in the corporate governance statement

are consistent with the applicable regulations and the information

in the consolidated financial statements.

Report on other legal and regulatory requirements

Opinion on the compliance of the consolidated consolidated financial statements prepared in the uniform electronic reporting format with the requirements of the Technical Standards Regulation concerning the specification of the uniform electronic reporting format

In connection with the audit of the consolidated financial statements, we were engaged to perform an assurance service that provides reasonable assurance to express an opinion on whether the consolidated financial statements of the Group for the year ended 31 December 2020 prepared in the uniform electronic reporting format included in the file named "ULMA_SSF_ESEF_2020_12_31.zip" ("consolidated financial statements in ESEF format") has been labelled in accordance with the requirements set out in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards concerning the specifications of the uniform electronic reporting format (the "ESEF Regulation") and meets the technical requirements for the specifications of the uniform electronic reporting format that are set out in those regulations.

Identification of criteria and description of the object of the service

The consolidated financial statements in ESEF format have been prepared by the Board of Directors of the Parent Company in order to meet the labelling requirements and technical requirements for the specifications of the uniform electronic reporting format that are set out in the ESEF Regulation.

The object of our assurance service is the compliance of the consolidated financial statements in ESEF format with the requirements of the ESEF

Regulation, and the requirements set out in those regulations are, in our opinion, appropriate criteria for forming an opinion that provides reasonable assurance.

Management's and Supervisory Board's Responsibility for the consolidated financial statements

The Parent Company's management is responsible for preparing the consolidated financial statements in ESEF format in accordance with the labelling requirements and the technical requirements for the specification of the uniform electronic reporting format that are set out in the ESEF Regulations. This responsibility includes the selection and application of appropriate XBRL tags using the taxonomy set out in these regulations.

The Parent Company's Board of Directors' responsibility also includes designing, implementing and maintaining a system of internal control to ensure the preparation of consolidated financial statements in ESEF format free from material non-compliance with the requirements of the ESEF Regulation.

The members of the Parent Company's Board of Directors are responsible for overseeing the financial reporting process, which also includes preparing the financial statements in accordance with the format prescribed by applicable law.

Chartered Auditor's responsibility

Our objective was to express an opinion, on the basis of performing an attestation service that provides reasonable assurance, as to whether the consolidated financial statements in ESEF format have been labelled in accordance with the requirements of the ESEF Regulations and whether they comply with the technical standards for the specification of uniform electronic reporting format set out in those regulations.

We have performed the service in accordance with the National Standard on Assurance Engagements Other than Audits and Reviews 3000 (Z) as set out in International Standard on Assurance Engagements 3000 (Revised) - "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", (hereinafter: "CSUA 3000 (Z)").

This standard requires the auditor to plan and perform procedures so as to obtain reasonable assurance that the consolidated financial statements in ESEF format have been prepared in accordance with specified criteria.

Reasonable assurance is a high level of assurance but does not guarantee that a service performed in accordance with KSUA 3000 (Z) will always detect an existing material misstatement.

The choice of procedures depends on the auditor's judgement, including their estimate of the risk of material misstatement due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the preparation of the consolidated financial statements in ESEF format in order to design appropriate procedures to provide the

auditor with sufficient and appropriate evidence.

An assessment of the operation of the internal control system has not been made in order to express an opinion on its effectiveness.

Summary of the work performed

The procedures we planned and carried out included, inter alia:

- obtaining an understanding of the process of preparing the consolidated financial statements in ESEF format including the process of selecting and applying XBRL tags by the Parent Company and ensuring compliance with the ESEF Regulation;
- reconciling the tagged information contained in the consolidated financial statements in ESEF format to the audited consolidated financial statements;

- using specialised IT tools, assessing compliance with the technical standards for the specification of the single electronic reporting format, including the use of XHTML format;
- Assessing the completeness of tagging the information in the consolidated financial statements in ESEF format with XBRL tags;
- Assessing whether the applied XBRL tags from the taxonomy defined in the ESEF Regulation have been applied appropriately and that taxonomy extensions have been used where no relevant elements have been identified in the base taxonomy defined in the ESEF Regulation;
- An assessment of the correctness of the anchoring of the applied taxonomy extensions to the core taxonomy of the ESEF Regulation.

We consider that the evidence we have obtained provides a sufficient and appropriate basis for our opinion on the performance of the assurance service.

Ethical requirements, including independence

In carrying out the service, the auditor and audit firm complied with the independence and other ethical requirements of the IESBA Code. The IESBA Code is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional conduct.

We have also complied with other independence and ethical requirements that apply to this assurance service in Poland.

Quality control requirements

An audit firm applies national quality control standards in the wording of International Quality Control Standard 1 - "Quality Control of Firms Performing Audits, Reviews and Other Assurance Engagements and Related Services" adopted by resolution of the National Council of Statutory Auditors (hereinafter referred to as the "KSKJ").



As required by the KSKJ, an audit firm shall maintain a comprehensive quality control system that includes documented policies and procedures concerning compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Opinion

The basis for the formulation of the auditor's opinion are the matters described above and the opinion should therefore be read with these matters in mind.

In our opinion, the consolidated financial statements in ESEF format have been prepared in all material respects in accordance with the requirements of the ESEF Regulation.

Statement on non-audit services provided

To the best of our knowledge and belief, we declare that we have not provided non-audit services to the Parent Company and its subsidiaries, including non-audit services that are prohibited under Article 5(1) of the EU Regulation and Article 136 of the Act on Statutory Auditors.



Selection of the audit firm

We were appointed to audit the Group's consolidated financial statements for the first time by resolution of the Board of Directors of the Parent Company dated 26 April 2017 and again by resolution dated 31 March 2020. We have audited the consolidated financial statements of the Group continuously from the financial year ended 31 December 2017, i.e. for a period of 4 consecutive years.

Warsaw, date 31th March 2021

Key Certified Auditor

Marcin Kowalczyk

The auditor

Register number: 12840

acting on behalf

**Ernst & Young Audyt Polska spółka z ograniczoną
odpowiedzialnością sp. k.**

Rondo ONZ 1, 00-124 Warszawa

on the auditors' list: 130