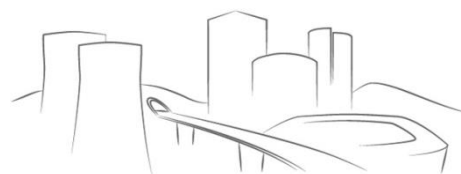


FINANCIAL STATEMENT of

ULMA Construcción Polska S.A.

FOR THE YEAR ENDING ON 31 December 2020

(along with the report of the chartered accountant)



From the beginning of your projects



Contents

GENERAL INFORMATION	4
FINANCIAL STATEMENT of.....	7
Profit and loss account and other comprehensive income.....	8
Statement of financial position	9
Report on changes in equity.....	10
Statement of Cash Flows	11
Notes to the financial statement.....	13
1. Description of the most important applied accounting principles.....	13
A. Declaration of conformity and general principles of document preparation.....	13
B. Changes in applied accounting principles	13
C. Valuation of items denominated in foreign currencies.....	16
D. Provisions	16
2. Significant estimates and judgements made.....	16
3. Financial risk management.....	18
4. Fixed assets.....	23
5. Intangible assets	26
6. Financial instruments.....	27
7. Investments in subsidiaries and affiliates	31
8. Assets due to right of use	32
9. Trade receivables and other receivables.....	33
10. Inventory.....	34
11. Cash and cash equivalents.....	35
12. Share Capital and supplementary capital.....	37
13. Trade payables and other liabilities.....	38
14. Credits and loans	38
15. Liabilities due to the right of use (leasing)	39
16. Deferred income tax.....	40
17. Liabilities due to retirement benefits	40
18. Sales revenues	42
19. Costs by type.....	44
20 Other income and operational costs	44



21. Financial income and costs.....	45
22. Income tax	46
23. Information on average employment	46
24. Contingent items/guarantees.....	47
25. Events after the balance sheet date	47
26. Transactions with associated entities.....	47
27. Remuneration of the Management Board and the Supervisory Board	50
28. Profit per share	50
29. Profit distribution proposal	51



ULMA Construcción Polska S.A.

GENERAL INFORMATION



The subject of operations

The subjects of operations of the ULMA Construcción Polska SA are:

- renting and sale of scaffolding and construction formwork,
- custom-made projects for application of formwork and scaffolding,
- export of construction services,
- sale of building materials and raw materials as well as concrete accessories,

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

In the analyzed period there were no changes in the name of the company ULMA Construcción Polska S.A. The company's main place of business is Koszajec 50, 05-840 Brwinów (Poland).

The parent entity:

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

Registered Seat

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

Composition of supervisory and management bodies as at 31/12/2020 and as at the date of approval of the report for publication

Supervisory Board

Aitor Ayastuy Ayastuy President of the Supervisory Board
Iñaki Irizar Moyua Vice-President of the Supervisory Board
Rafael Anduaga Lazcanoiturburu Member of the Supervisory Board
Michał Markowski Member of the Supervisory Board
José Joaquin Ugarte Azpiri Member of the Supervisory Board

Audit Committee

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



Management Board

Rodolfo Carlos Muñiz Urdampilleta President of the Board

Giordano Marcel Weschenfelder Member of the Board from 31 December 2020

Krzysztof Orzełowski Member of the Management Board

Ander Ollo Odriozola Member of the Board

Andrzej Sterczyński Member of the Management Board

Marek Czupryński Member of the Management Board from 1 February 2021.

The auditor

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

Rondo ONZ 1

00-124 Warszawa

The company is entered in the list of entities authorized to audit financial statements under item 130.

Banks

mBank S.A.,

PEKAO S.A.,

PKO Bank Polski S.A.

Banco de SABADELL (Spain)

Santander Bank Polska S.A.

Stock exchange listing

The company is listed on the Warsaw Stock Exchange ("WSE") since 21 May 1997.

GPW Symbol: ULM.



ULMA Construcción Polska S.A.

FINANCIAL STATEMENT of

FOR THE YEAR ENDING ON 31 December 2020



Profit and loss account and other comprehensive income

	Note	12 months of 2020	12 months of 2019
Sales revenues	18	154,551	197,371
Costs of products, goods and materials sold	19	127,623	128,773
I. Gross profit on sales		26,928	68,598
Selling and marketing costs	19	1,251	2,348
General management costs	19	14,974	16,326
Other operating income	20	3,100	1,343
<i>Including: reversal of impairment losses on receivables</i>		857	-
Other operating costs	20	808	551
<i>Including: impairment losses on receivables</i>		-	(551)
II Profit (Loss) at the operational level		12,995	50,716
Financial income	21	1,476	4,768
<i>Of which: interest on loans measured using the effective interest rate method</i>		691	1,059
Financial costs	21	591	739
<i>Net financial income (costs)</i>		885	4,029
III. Profit (Loss) before tax		13,880	54,745
Income tax	22	2,675	11,246
IV. Net profit for the financial period		11,205	43,499
Other comprehensive income:			-
V. Total income for the financial period		11,205	43,499
Weighted average number of ordinary shares		5 255 632	5 255 632
Basic and diluted profit (loss) per share in the financial period (in PLN per share)	28.	2.13	8.28



Statement of financial position

	As at:		
	Note	31 December 2020	31 December 2019
ASSETS			
I. Fixed assets			
1. Property, plant and equipment	4.	230,099	238,445
2. Intangible assets	5.	228	172
3. Investments in subsidiaries and affiliates	7.	7,458	7,458
4. Assets due to right of use	8.	11,108	12,615
5. Long-term receivables	9.	28,306	10,063
Fixed assets in total		277,199	268,753
II Current assets			
1. Inventory	10.	5,261	5,185
2. Trade receivables and other receivables	9.	25,271	54,686
3. Derivative financial instruments	6.	-	68
4. Current income tax receivables		536	-
5. Cash and cash equivalents	11.	48,094	45,997
Non-current assets classified as held for sale		8,590	-
Current assets in total		87,752	105,936
Total assets		364,951	374,689
EQUITY CAPITAL AND LIABILITIES			
I. Equity			
1. Share capital	12.	10,511	10,511
2. Supplementary capital - surplus from the sale of shares above par value	12.	114,990	114,990
3. Retained earnings, including:		203,540	205,999
<i>a. Net profit (loss) for the financial period</i>		11,205	43,499
Total equity		329,041	331,500
II Liabilities			
1. Long-term liabilities			
a. Provision for deferred income tax	16.	8,659	6,444
b. Long-term liabilities due to retirement benefits	17.	310	246
c. Long-term liabilities due to the right of use (leasing)	15.	4,088	5,471
Long-term liabilities in total		13,057	12,161
2. Short-term liabilities			
a. b. Short-term liabilities due to retirement benefits	17.	62	54
b. Derivative financial instruments		54	-
c. Short-term liabilities due to factoring of trade liabilities	13.	-	704
d. Current income tax liabilities		-	1,307
e. Short-term liabilities due to the right of use (leasing)	15.	3,541	3,504
f. Trade payables and other liabilities	13.	19,196	25,459
Short-term liabilities in total		22,853	31,028
Total liabilities		35,910	43,189
Total equity and liabilities		364,951	374,689



Report on changes in equity

Detailed list	Share capital at par value	Surplus from the sale of shares above par value	Retained profits	In total Equity
As at 01 January 2020	10,511	114,990	205,999	331,500
Total net profit in 2020	-	-	11,205	11,205
Total income in 2020	-	-	-	-
Dividends paid	-	-	(13,664)	(13 664)
As at 31 December 2020	10,511	114,990	203,540	329,041

Detailed list	Share capital at par value	Surplus from the sale of shares above par value	Retained profits	In total Equity
As at 1st January 2019	10,511	114,990	192,509	318,010
Total net profit in 2019	-	-	43,499	43,499
Total income in 2019	-	-	-	-
Dividends paid	-	-	(30,009)	
As at 31th December 2019	10,511	114,990	205,999	331,500



Statement of Cash Flows

	Note	12 months 2020	12 months 2019
Net cash flow from operating activities			
Net profit for the financial period		11,205	43,499
Adjustments::			
- Income tax	22.	2,675	11,246
- Depreciation of fixed assets	4.	36,187	34,777
- Depreciation of intangible assets	5.	176	183
- Depreciation assets due to right of use		4,048	4,093
- Amounts written off financial fixed assets		394	-
Net value of formwork sold - fixed assets		6,825	10,792
- (Profits) / losses due to changes in the fair value of financial instruments		122	(68)
Interest, dividend income		(858)	(4,577)
- Interest costs		591	739
- (Profits) due to foreign exchange losses		(270)	709
- Change in the provision for retirement benefits		72	54
Changes in working capital:			
- Inventory		(76)	(52)
- Trade receivables and other receivables		19,415	(2,252)
- Trade payables and other liabilities		(6,967)	(7,988)
		73,539	91,155
- Acquisition of formworks -fixed assets	4.	(43,073)	(64,792)
Income tax paid		(2,303)	(8,432)
Net cash flow from operating activities		28,163	17,931
Net cash flow from operating activities			
Purchase of property, plant and equipment		(1,592)	(2,164)
Proceeds from the sale of property, plant and equipment		1,016	11
- Depreciation of intangible assets	5.	(232)	(178)
Repayment of loans granted		2,109	14,693
Loans granted		(10,000)	
Dividends received and other profits from shares in related entities	21.	-	3,060
Interest received		877	1,497
Net cash used in investing activities		(7,822)	16,919
Net cash flow from financial activities			
Dividends paid		(13,664)	(30,009)
Interest paid		(591)	(739)
Payments of liabilities due to the right of use (leasing)		(3,887)	(3,832)
Net cash used in financial activities		(18,142)	(34,580)
Net increase or decrease in cash		2,199	270
Cash at the beginning of the period		45,997	45,611
Net exchange differences on cash and cash equivalents		(102)	116
Cash at the end of the period	11.	48,094	45,997



ULMA Construcción Polska S.A.
ADDITIONAL INFORMATION
TO FINANCIAL STATEMENT



Notes to the financial statement

1. Description of the most important applied accounting principles

The basic accounting principles applied in the preparation of this financial statement has been presented below. The described principles have been applied in all presented periods in a continuous manner.

A. Declaration of conformity and general principles of document preparation

The financial statement of ULMA Construcción Polska S.A. covers the year ended 31 December 2020 and contain comparative data for the year ended 31 December 2019.

The duration of ULMA Construcción Polska S.A. is indefinite.

This financial statement was prepared in accordance with the International Financial Reporting Standards ("IFRS") approved by the EU ("EU IFRS"). As at the date of approving publication of this financial statement, given the ongoing process of implementing the IFRS in the EU, the IFRS applicable to this financial statement does not differ from the EU IFRS.

The EU IFRS include standards and interpretations accepted by the International Accounting Standards Board ("IASB").

This financial statement has been prepared on the historical cost basis, with the exception of financial assets and liabilities (derivative financial instruments) measured at fair value through profit or loss account.

This financial statement is presented in Polish zloty ("PLN"), and all values, unless indicated otherwise, are given in thousands of PLN.

This financial statement has been prepared on the assumption that the Company will continue as a going concern in the foreseeable future. With reference to the outbreak of the Covid-19 epidemic, the Management Board prepared and analysed the Company's projected cash flows and concluded that there is no material uncertainty with respect to the assumption that ULMA Construcción Polska S.A. will continue to operate in the foreseeable future, i.e. for at least the next 12 months.

The Company, as the parent company of the Capital Group, prepares consolidated financial statement also concerning subsidiaries and an associate entity.

This financial statement of the ULMA Construcción Polska SA Capital Group for the 9-month period ended on 31 December 2020, was approved for publication by the Management Board of the parent company on 31 March 2021.

B. Changes in applied accounting principles



The accounting principles (policy) adopted for preparation of this financial statement is coherent with those applied for preparation of the Company's financial statements for the year ended 31 December 2019, except for those presented below.

The Company intends to adopt the above-mentioned new standards and amendments to IFRS standards and interpretations published by the International Accounting Standards Board but not in force as at the reporting date in accordance with their effective date.

IFRS/IAS and interpretations

Amended standards and interpretations that apply for the first time in 2020 have no material impact on the consolidated financial statement of the Group.

- **Amendments to IFRS 3: *Definition of a project***

The amendments to IFRS 3 clarify that to be considered a business, an integrated set of activities and assets must include at least one input and one significant process that together contribute significantly to the ability to create outputs. The amendments also clarify that a business can exist without all of the inputs and processes necessary to produce products.

- **Amendments to IFRS 7, IFRS 9 and IAS 39: *Reform of interest rate reference indices***

The amendments to IFRS 9 and IAS 39 introduce a number of derogations for all hedging relationships directly affected by the IBOR reform. An IBOR reform affects a hedging relationship if it results in uncertainty about the timing and/or amount of interest rate benchmark cash flows arising from a hedged item or an interest rate benchmark hedging instrument.

- **Amendments to IAS 1 and IAS 8: *Definition of "material"***

The amendments to IAS 1 and IAS 8 introduce a new definition of "material" that states that "information is material if its omission, misstatement or lack of transparency could reasonably be expected to influence the decisions of major users of general purpose financial statements based on such statements that contain financial information about a particular reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of the information, individually or in combination with other information, in the context of the financial statements as a whole.

- **Conceptual Framework for Financial Reporting, dated March 29, 2018**

The Conceptual Framework is not a separate standard and none of the concepts presented therein supersede or override the concepts presented in any standard or the requirements of any standard. The purpose of the Framework is to assist the IASB in developing standards, to assist preparers in developing consistent accounting policies where no applicable standard exists, and to assist all parties to financial reporting in understanding and applying standards. The updated Framework includes certain new concepts, includes updates to definitions and recognition criteria for assets and liabilities, and clarifies certain important concepts.

- **Amendment to IFRS 16 *Leases: Rent concessions related to Covid-19* dated May 28, 2020 - retrospectively applicable for annual periods beginning on or after January 1, 2020.**

As a practical expedient, a lessee may elect not to evaluate whether rent relief granted directly in connection with a Covid-19 pandemic that meets certain conditions constitutes a lease modification. A lessee that makes such an election shall recognize any change in lease payments



resulting from the rent relief in the same manner as it would recognize the change under IFRS 16 if the change did not constitute a lease modification.

The Company has not elected to early adopt any standard, interpretation or amendment that has been published but is not yet effective under European Union law.

The following standards, amendments to existing standards and interpretations have not been adopted by the European Union or are not effective as at 01 January 2020:

Norma	Description of amendments	Date of entry into force
IFRS 14 Regulatory prepayments and accruals	Accounting and disclosure principles for regulatory deferred items	The standard in its current version will not apply in the EU
Amendments to IFRS 10 and IAS 28	Provides guidelines for the sale or contribution of assets by an investor to an associate or joint venture	Not specified
IFRS 17 Insurance Contracts	It replaces IFRS 4 and introduces changes concerning, among others, the method of measurement of insurance liabilities, recognition of profit or loss over time, recognition of reinsurance and separation of the investment component.	Until the date of approval of these statements, not approved by the EU - 1 January 2023
Amendments to IAS 1:	Presentation of Financial Statements - Breakdown of liabilities into current and non-current	Until the date of approval of these statements, not approved by the EU - 1 January 2023
Amendment to IFRS 3	Business Combinations - Amendments to References to Conceptual Assumptions	By the date of approval of this report, not approved by the EU - 01 January 2022
Amendments to IAS 16 Fixed assets	Revenues before commissioning	By the date of approval of this report, not approved by the EU - 01 January 2022
Amendments to IAS 37:	Burdensome contracts - costs of fulfilling contractual obligations	By the date of approval of this report, not approved by the EU - 01 January 2022
Amendments resulting from the review of IFRS 2018-2020		By the date of approval of this report, not approved by the EU - 01 January 2022
Amendments to IFRS 4:	Insurance contracts - Deferral of IFRS 9	For annual periods beginning on 1 January 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Reform of the Reference Rates of Interest - Phase 2	For annual periods beginning on 1 January 2021
Amendments to IAS 1 and Practice Statement 2	Disclosures of Accounting Policies	For annual periods beginning on 01 January 2023
Amendments to IAS 8:	Definition of estimated values	For annual periods beginning on 01 January 2023

The above standards and their changes should not have a significant impact on future consolidated statements of the Company.

Effective dates are those resulting from the content of the standards announced by the International Financial Reporting Council. The dates of application of the standards in the European Union may differ from the application dates resulting from the content of the standards and are announced at the time of approval for application by the European Union.



The Company intends to adopt the above-mentioned new standards and amendments to IFRS standards and interpretations published by the International Accounting Standards Board but not in force as at the reporting date in accordance with their effective date.

C. Valuation of items denominated in foreign currencies

Functional and presentation currency

The items included in the financial report of the Company are valued in the currency of the basic economic environment in which the Company conducts its activity (functional currency). The functional currency is the Polish zloty, which is at the same time the currency of presentation of financial statements of the Company.

Transactions and balances

Transactions denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the balance sheet valuation of monetary assets and liabilities denominated in foreign currencies shall be recognised in profit or loss as appropriate. Exchange differences, both positive and negative, relating to investment and financing activities are classified as financial expenses.

Exchange rate differences concerning the execution and balance sheet valuation of trade settlements increase or decrease income or cost items to which they are operationally related.

As the closing rate of a given currency used for the purposes of balance sheet valuation of monetary assets and liabilities expressed in foreign currencies, the Company assumes the average rate of a given currency announced by the National Bank of Poland as of the balance sheet date.

D. Provisions

Provisions are created for an existing (legal or customary) liability of the Company as a result of past events, if it is probable that the Company's resources will have to be spent in order to satisfy this liability and if its estimated value can be reliably determined.

2. Significant estimates and judgements made

When preparing the financial statements in accordance with the International Financial Reporting Standards, the Management Board makes certain accounting estimates, taking into account its own knowledge and estimates with respect to the expected changes in the analysed figures. The existing assumptions and estimates may change as a result of future events resulting from market changes or changes not under the Company's control. Such changes are reflected in the estimates or assumptions as they occur.

The basic assumptions concerning the future and other key sources of uncertainty as at the balance sheet date, which involve a significant risk of a significant adjustment to the carrying value of assets and liabilities in the following financial year, are discussed below.



- The balance sheet value of tangible fixed assets is determined with the use of estimations concerning useful life of particular groups of fixed assets. The adopted useful lives of tangible fixed assets are subject to periodical verification based on analyses carried out by the Company.
Expenditure of fixed assets from the group of shuttering systems (sale, scrapping, wear and tear for the needs of contract execution) is valued at the net book value of the oldest items of a given assortment. This is due to the fact that the elements of this group of fixed assets are specified in terms of species and there is no identification in terms of identity.
- Write-offs for expected credit losses are created in accordance with IFRS 9. For receivables classified to NORMA group, the Company estimates the level of expected credit losses using the LGD (Loss Given Default) ratio, which in 2020 amounted to 75% and the likelihood of the debtor's insolvency. Other receivables, belonging to the group: debt collection, court, bankruptcy, enforcement, are not of homogeneous nature, therefore the Company analyses each balance individually for impairment. If there is any indication that they are not recoverable, the Company recognises a write-down for expected credit losses in the amount resulting from the estimates.
- The Company determines the lease term as the irrevocable lease term, including the periods covered by the extension option if it can be assumed with reasonable certainty that the option will be exercised and the periods covered by the termination option if it can be assumed with reasonable certainty that the option will not be exercised.
- Changes on the construction market may have a significant impact on the assessment of the recoverable value of the Company's assets. If evidence of impairment is identified, the Company estimates the recoverable value of its property, plant and equipment.
The analysis of impairment of property, plant and equipment is carried out by estimating the recoverable value of cash-generating units. Such analysis is based on a number of significant assumptions, some of which are beyond the Company's control. Significant changes to these assumptions affect the results of impairment tests and, consequently, may lead to significant changes in the Company's financial position and results.
- Provisions for employee benefits (retirement and disability severance pay) were estimated using actuarial methods. The assumptions adopted for this purpose are presented in point 17.
- Legal regulations concerning value added tax, corporate income tax and social security charges are subject to frequent changes, which in turn results in the lack of appropriate reference points, inconsistent official interpretations and a low number of established precedents on which the taxpayer could rely.
The current provisions also contain ambiguities that cause differences in opinions on the legal interpretation of tax regulations, both between state authorities themselves and in contacts between state authorities and taxpayers.
Tax settlements and other areas of taxpayers' activity (e.g. customs or foreign exchange issues) may be subject to control by state authorities, which are entitled to impose high penalties and fines, and any additional tax liabilities arising as a result of the control must be paid by the taxpayer together with high default interest.
Consequently, the amounts presented in the financial statements may change in the future as a result of a final decision of the tax inspection authority.
In the opinion of the Management Board, there are no circumstances indicating that significant liabilities may arise in the Company on this account.
On July 15, 2016, the Tax Ordinance was amended to include the provisions of the General Tax Avoidance Clause (GAAR) in Polish tax regulations, which is to prevent the creation and use of artificial legal structures created to avoid payment of tax in Poland.



According to the introduced provisions of the Tax Ordinance, tax avoidance is the undertaking of such activities which, although formally compliant with the law in force, are still characteristic of them:

- first of all, artificiality and not conforming to the economic realities in which the taxpayer operates;
- secondly, they are carried out primarily for the purpose of obtaining a tax advantage, contrary to the object and purpose of a provision of the Tax Act in the circumstances.

The new regulations will therefore require much greater judgement in assessing the tax consequences of individual transactions.

The implementation of the above provisions will enable the Polish tax control authorities to challenge the tax consequences of legal arrangements and agreements implemented by taxpayers concerning, inter alia, the restructuring or reorganisation of a capital group.

The Company recognises and measures current and deferred income tax assets and/or liabilities using the requirements of IAS 12 Income Taxes, basing its calculation on profit (tax loss), tax base and tax rates and taking into account the assessment of uncertainties related to tax settlements.

The Company makes intensive efforts to reduce the degree of uncertainty in tax settlements by regular participation in training courses, by using the services of tax advisors and by applying for an individual interpretation to the tax authorities.

3. Financial risk management

The Company's operations are exposed to various types of financial risk: currency risk, cash flow and fair value risk as a result of interest rate changes, credit risk and liquidity risk.

Through the risk management program, the Company tries to minimize the effects of financial risk having a negative impact on the Company's financial results. The Company uses futures contracts in order to protect itself against certain threats.

Currency exchange risk

The Company conducts international operations and is exposed to the risk of changes in exchange rates of various currencies, especially the Euro. The risk of changes in exchange rates concerns future commercial transactions (sale of products and goods and purchase of goods and services) and recognised assets and liabilities. The risk of currency exchange rate changes occurs when future trade transactions, included assets and liabilities are expressed in a different currency than the functional currency of the Company.

The Company hedges the net currency position using mainly cash resources (exchange of PLN into currency) and then forward contracts.

The table below presents a summary of the Company's assets and liabilities denominated in Euros, which are exposed to the risk of changes in exchange rates (in EUR'000).

	31 December 2020	31 December
Trade receivables	846	4,392
Loans granted	1,800	2,100
Cash	103	279
Currency futures	-	-
Total Assets	2,749	6,771
Trade Liabilities	270	933



Currency futures	600	500
Total Liabilities	870	1,433

In addition to receivables from loans granted in EUR, as at 31.12.2019 the Company had a receivable of EUR 290 thousand. USD 290 thousand from the loan granted to ULMA Opałubka Ukraine. and that loan was fully repaid in 2020.

The sensitivity analysis conducted by the Company indicates that:

- as at 31 December 2020, if the Polish zloty had weakened/ strengthened by 10% in relation to EUR/USD, with other parameters unchanged, net profit for the 12-month period ended 31 December 2020 would have been PLN 703 thousand higher/lower due to revaluation of cash, receivables, liabilities and foreign exchange contracts denominated in EUR/USD.
- as at 31 December 2019, if the Polish zloty had weakened/ strengthened by 10% in relation to EUR/USD, with other parameters unchanged, net profit for the 12-month period ended 31 December 2019 would have been PLN 1,936 thousand higher/lower due to revaluation of cash, receivables, liabilities and foreign exchange contracts denominated in EUR.

Risk of changes in cash flows and fair value due to changes in interest rates

Income and cash flows from the Company's operating and financing activities are not significantly exposed to the risk of interest rate changes.

The Company has no significant debt, the cost of which would depend on the interest rate. The Company's income calculated on the basis of the interest rate (WIBOR 3M) is income from interest on a loan granted to its parent company - ULMA C y E S. Coop. Taking into account that the risk of interest rates falling in relation to the current, historically lowest level is negligible, the Company is not afraid of the risk of a decrease in cash flows on this account.

Credit risk

Credit risk is associated with a potential credit event that may take the form of a contractor's insolvency, partial repayment, material default or other deviation from contractual terms.

Trade receivables and other receivables are the most exposed item to credit risk (Note 9).

The Company is not exposed to a significant concentration of risk due to credit sales. A relatively large number of recipients of the Company's services and goods makes it impossible to concentrate credit sales.

The share of none of the customers does not exceed 10% of total sales revenue.

In addition, the Company applies a policy that significantly limits the sale of services and goods to customers with an inadequate history of liability repayment. Introduced internal control procedures consisting, among other things, in setting credit limits for individual customers depending on the assessment of their financial condition and acceptance procedures for new customers allow the Company to significantly reduce the credit risk level.

Trade receivables in respect of which no impairment has been found constitute 49.4% of the gross value of this group of financial assets, of which 72.8% of the group's value are trade receivables that are not overdue (in 2019 these figures were 60.9% and 69.3% respectively).

The aging analysis of trade receivables is as follows: (In thousands PLN)



31 December 2020	Due amount <0	Due amount up to 30 days	Due amount from 31 to 90 days	Due amount from 91 to 180 days	Due amount from 181 to 360 days	Due amount from 360 days up	In total
Gross trade receivables	19,125	2,411	1,310	68	632	26,519	50,065
Write-offs for expected credit losses	(1,130)	(34)	(85)	(16)	(629)	(23,416)	(25,310)
Net trade receivables	17,995	2,377	1,225	52	3	3,103	24,755

31 December 2019	Due amount <0	Due amount up to 30 days	Due amount from 31 to 90 days	Due amount from 91 to 180 days	Due amount from 181 to 360 days	Due amount from 360 days up	In total
Gross trade receivables	32,104	7,404	1,864	1,301	518	29,487	72,678
Write-offs for expected credit losses	(1,423)	(90)	(210)	(271)	(264)	(26,175)	(28,433)
Net trade receivables	30,681	7,314	1,654	1,030	254	3,312	44,245

Value loss was found in the case of financial assets in the group of trade receivables and other receivables with the value of PLN 25,310 thousand, covering them with a write-off on expected credit losses. When determining the impairment of particular financial assets, the Company is guided by the individual assessment of each customer, including mainly the assessment of their financial standing and the collateral held. The Company uses insurance of foreign receivables relating to the eastern markets and blank promissory notes as the basic means of securing the recovery of receivables.

With regard to trade receivables presented in the table above, which are over 90 days overdue, the Company recovered as at the balance sheet date PLN 916 thousand of VAT using the so-called VAT relief for bad debts, which is presented in trade liabilities and other liabilities.

The Company has a concentration of credit risk related to receivables from granted loans. Of the balance of loans granted in the amount of PLN 28,306 thousand, PLN 20,000 thousand relates to the loan granted to the parent company Ulma CyE S. Coop. (In January 2021, the loan amount was increased to PLN 40,000 thousand).

The loan is secured by:

- 1) a promissory note with a promissory note declaration issued by the borrower,
- 2) an agreement on irrevocable purchase of the borrower's assets (shuttering and scaffolding) at an attractive discount, which is currently held by the lender on a lease basis. The offer to purchase the assets will only materialise if the borrower fails to repay the loan by the agreed date.

The loan was granted on market terms (fixed margin + WIBOR 1M) and its final repayment date was agreed by the parties as 31 July 2022.

Due to the collateral and the borrower's good financial standing, the Group's Management Board assesses the risk of non-repayment of the debt as low.

Liquidity risk

Liquidity risk management assumes maintaining an adequate level of cash, availability of funding through sufficient credit facilities and the ability to close market positions. The Company maintains sufficient cash resources to meet its maturing liabilities and ensures the possibility of financing through the credit lines granted.

All trade payables of the Company are due and payable within 3 months of the balance sheet date, except for the liabilities under the right of use (lease), for which the maturity structure is presented in note 15.



The table below shows the Company's financial liabilities as at 31 December 2020 and as at 31 December 2019 by maturity date based on contractual undiscounted payments.

31 December 2020	Lease liabilities	Factoring related liabilities	Liabilities due to deliveries and services and other liabilities	In total
Up to 3 months	1,397	-	19,196	20,593
From 3 up to 12 months	2,580	-		2,580
From more than a year up to 5 years	4,013	-		4,013
More than 5 years	1,190	-		1,190
In total	9,180	-	19,196	28,376

31 December 2019	Lease liabilities	Factoring related liabilities	Liabilities due to deliveries and services and other liabilities	In total
Up to 3 months	1,246	704	19,981	21,931
From 3 up to 12 months	2,705	-	-	2,705
From more than a year up to 5 years	5,442	-	-	5,442
More than 5 years	1,541	-	-	1,541
In total	10,934	704	19,981	31,619

Impact of the COVID-19 pandemic on the Company's results

The Company's activities on both the domestic and export markets are the result of the market situation, which is constantly influenced by ubiquitous uncertainty and mood swings.

The Management Board of the Company anticipates that the current uncertain market situation may result, among other things, in a lack of interest on the part of customers in building their own material resources in the field of building formwork and scaffolding. This phenomenon may have a negative impact on the amount of the Capital Company's revenues in the "Building Materials Sales" segment, which was the driving force behind the total consolidated revenues during the previous year.

Moreover, the continuing uncertainty and poor market outlook for the development of the volume segment (both residential and non-residential) in subsequent periods does not inspire optimism. The Company's revenues in the "Construction Services" segment remain under the influence of these negative market phenomena, and any intensification of the uncertainty of private investors as to their willingness to start new investments in this part of the construction market will increase the risk of downturn in the entire segment, which is in fact a significant driver of shuttering companies' operations. As a consequence, there may be enough price wars between the participants in the market, which will lead to a drop in generated revenues.

Working capital management

The main objectives of capital management are to ensure an appropriate level of operating liquidity and the ability to implement the Company's investment plans in accordance with the approved budgets so that the Company's operating activities contribute to increasing the value for its shareholders.



The Company manages its capital structure and, in response to changes in economic conditions, takes steps to modify it.

In order to maintain or correct the capital structure, the Company (with the consent of the shareholders) may change the payment of dividends, return the capital to the shareholders or carry out a new issue of shares.

■ Dividend policy

The adopted dividend policy is also subordinated to the above mentioned objectives. Decisions to pay out dividends are each time preceded by an analysis of the current and development needs of each company and the Capital Group as a whole.



4. Fixed assets

Property, plant and equipment, shuttering systems used to supply products and services or for management purposes, are valued at cost less accumulated depreciation and impairment losses as at the balance sheet date.

Subsequent expenditure is included in the carrying amount of a given tangible asset or recognised as a separate tangible asset (where appropriate) only if it is probable that economic benefits will flow to the Company and the cost of a given item can be valued reliably. Subsequent expenditures which do not increase the initial value in use of a given fixed asset are charged to costs of the period in which they were incurred.

Land owned by the Company is disclosed at purchase price and is not subject to depreciation. Other fixed assets are depreciated using the straight-line method in order to distribute their initial value reduced by their residual value, if any, during their useful life for particular groups of types.

The applied periods of use for particular groups of generic fixed assets are as follows (in years):

- buildings and structures 25 - 40
- investments in third-party facilities 10
- machinery and technical equipment 3 - 20
- formwork systems 2 - 14
- equipment and other fixed assets 5

The residual value and useful lives of fixed assets are verified at each balance sheet date and adjusted if necessary.

If the carrying amount of a fixed asset exceeds its estimated recoverable amount, its carrying amount is reduced to its recoverable amount (note 1G).

Gains and losses on the disposal of fixed assets are determined by comparing proceeds from the sale with their carrying amount and are included in the financial result.

The inventory of fixed assets included in the shuttering systems group is carried out annually, other fixed assets once every 4 years.

value loss of non-financial fixed assets

Fixed assets subject to depreciation are analysed for impairment if there are indications that the balance sheet value of owned tangible and intangible assets may not be realized. The amounts of revaluation write-offs determined as a result of the analysis (impairment test) decrease the balance sheet value of the asset to which they relate and are charged to costs of the period. Value loss is recognized in the amount by which the balance sheet value of a given asset exceeds its recoverable value. Recoverable value is the higher of two amounts: fair value less costs to sell and value in use (reflected by the current value of cash flows related to a given asset).

For the purpose of impairment analysis, assets are grouped at the lowest level with respect to which there are separately identifiable cash flows (cash-generating units).

With respect to assets other than goodwill, value losses recognised in previous periods are assessed at the end of each reporting period to determine whether there is any indication of a decrease in value loss or a complete reversal of it. A value loss is reversed if, among other things, the estimates used to determine recoverable amount have changed. An impairment loss is reversed only up to the amount of the asset's initial value less depreciation charges that would have been recognised had no impairment loss been recognised.



Fixed assets movement table in 2020

	Land, buildings, structures	Technical devices, machines and means of transport	Formwork systems	Other fixed assets	Fixed assets in construction	Tangible fixed assets in total
GROSS VALUE						
As at 01 January 2020	106,880	12,236	467,092	2,690	637	589,535
Increases due to purchase	219	860	36,501	41	473	38,094
Increases - inventory surpluses, retraining	-	-	6,571	-	(637)	5,934
Decreases - sales	(399)	-	(30,451)	-	-	(30,850)
Decreases - liquidations, inventory shortages		(409)	(18,549)	(111)	-	(19,069)
Decreases—reclassified to "Non-current assets classified as held for sale"	(8,590)	-	-	-	-	(8,590)
As at 31 December 2020	98,110	12,687	461,164	2,620	473	575,054
CONSOLIDATED DEPRECIATION						
As at 01 January 2020	27,352	8,620	312,492	2,490	-	350,954
Depreciation for the period	2,886	1,057	32,166	78		36,187
Decreases - sales	(71)	-	(26,807)	-		(26,878)
Decreases - liquidations, inventory shortages	-	(389)	(15,338)	(111)		(15,838)
As at 31 December 2020	30,167	9,288	302,513	2,457		344,425
AN UP-DATE WRITE-OFF						
As at 01 January 2020	-	-	136	-	-	136
Increases	-	-	394	-	-	394
Decreases	-	-	-	-	-	-
As at 31 December 2020	-	-	530	-	-	530
NET VALUE						
As at 01 January 2020	79,528	3,616	154,464	200	637	238,445
As at 31 December 2020	67,943	3,399	158,121	163	473	230,099

The decrease in the initial value in the "Land, buildings and structures" group due to reclassification to "Non-current assets classified as held for sale" is described in Note 25.

Fixed assets movement table in 2019



	Land, buildings, structures	Technical devices, machines and means of transport	Formwork systems	Other fixed assets	Fixed assets in construction	Tangible fixed assets in total
GROSS VALUE						
As at 31th December 2019	106,549	11,365	490,897	2,609	191	611,611
Increases due to purchase	335	1,054	48,858	140	637	51,024
Increases - inventory surpluses, retraining	-	-	21,585	-	(191)	21,394
Decreases - sales	-	-	(63,018)	-	-	(63,018)
Decreases - liquidations, inventory shortages	(4)	(183)	(31,230)	(59)	-	(31,476)
As at 30th December 2019	106,880	12,236	467,092	2,690	637	589,535
CONSOLIDATED DEPRECIATION						
As at 31th December 2019	24,475	7,747	359,730	2,455	-	394,407
Depreciation for the period	2,878	1,051	30,754	94	-	34,777
Decreases - sales	-	-	(57,621)	-	-	(57,621)
Decreases - liquidations, inventory shortages	(1)	(178)	(20,371)	(59)	-	(20,609)
As at 30th December 2019	27,352	8,620	312,492	2,490	-	350,954
AN UP-DATE WRITE-OFF						
As at 31th December 2019	-	-	136	-	-	136
Increases	-	-	-	-	-	-
Decreases	-	-	-	-	-	-
As at 30th December 2019	-	-	136	-	-	136
NET VALUE						
As at 01 January 2019	82,074	3,618	131,031	154	191	217,068
As at 31 December 2019	79,528	3,616	154,464	200	637	238,445

The depreciation write-off for tangible fixed assets has increased:

Detailed list	12 months 2020	12 months 2019
Costs of products, goods and materials sold	35,531	34,202
Selling and marketing costs	4	5
General management costs	652	570
In total	36,187	34,777

As at 31 December 2018, the result of the analysis was found to be evidence of impairment of tangible fixed assets in the shuttering group and it was decided to open a revaluation allowance of 136 thousand PLN. It was decided to leave the created revaluation write-off as at 31 December 2019. . In 2020, an additional impairment loss of PLN 394 thousand was recognized.



5. Intangible assets

Software

Purchased software licenses are activated in the amount of costs incurred for their purchase and preparation for use of specific software. Activated costs are written off over the estimated useful life of the software 2-5 years.

Table of movements of value of intangible assets in 2020

	Licenses and software	Other	Intangible assets in total
GROSS VALUE			
As at 01 January 2020	4,959	37	4,996
Increases	232	-	232
Decreases - sales, liquidation	-	-	-
As at 31 December 2020	5,191	37	5,228
CONSOLIDATED DEPRECIATION			
As at 01 January 2020	4,787	37	4,824
Depreciation for the period	176	-	176
Decreases - sales, liquidation	-	-	-
As at 31 December 2020	4,963	37	5,000
NET VALUE			
As at 01 January 2020	172	-	172
As at 31 December 2020	228	-	228

Table of movements of value of intangible assets in 2019

	Licenses and software	Other	Intangible assets in total
GROSS VALUE			
As at 31th December 2019	4,781	37	4,818
Increases	178	-	178
Decreases - sales, liquidation	-	-	-
As at 30th December 2019	4,959	37	4,996
CONSOLIDATED DEPRECIATION			
As at 31th December 2019	4,604	37	4,641
Depreciation for the period	183	-	183
Decreases - sales, liquidation	-	-	-
As at 30th December 2019	4,787	37	4,824
NET VALUE			
As at 01 January 2019	177	-	177
As at 31 December 2019	172	-	172

Depreciation write-off for intangible assets has increased:

Detailed list	12 months	12 months
---------------	-----------	-----------



	2020	2019
Costs of products, goods and materials sold	-	-
General management costs	176	183
In total	176	183

6. Financial instruments.

Classification of financial assets

Financial assets are classified into the following valuation categories:

- valuation according to depreciated cost,
- valuation at fair value through financial results.
- valuation at fair value through other total profits.

An entity classifies a financial asset based on the entity's business model for the management of financial assets and characteristics of the cash flows resulting from a cash flow contract for an element of the financial assets (the so-called "SPPI") An entity reclassifies investments in debt instruments if, and only if, the management model for these assets is changed.

Valuation at initial recognition

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

Derecognition

Financial assets are derecognised from the books when:

- The rights to obtain cash flows from financial assets have expired, or
- The rights to obtain cash flows from financial assets have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Valuation at initial recognition

For valuation purposes after initial recognition, financial assets are classified into one of four categories:

- Debt instruments valued at amortised cost,
- Debt instruments valued at fair value through other comprehensive income,
- Equity instruments valued at fair value through other comprehensive income,
- Financial assets are valued at fair value through financial results.

Debt instruments - financial assets valued at amortised cost

A financial asset is valued at amortised cost if both of the following conditions are met:

- a) the financial asset is held in accordance with a business model that is designed to hold financial assets to earn contractual cash flows, and
- b) the terms of the agreement relating to the financial asset give rise to cash flows on specified dates that are merely the repayment of principal and interest on the principal outstanding.

The Company classifies financial assets valued at amortized cost as financial assets:

- trade receivables,
- loans meeting the SPPI classification test, which according to the business model are reported as held for cash flow,
- cash and cash equivalents.

Interest income is calculated using the effective interest rate method and disclosed in the profit and loss account/ statement of comprehensive income under "Financial income".

***Debt instruments - financial assets at fair value through other comprehensive income***

A financial asset is valued at fair value through other comprehensive income if both of the following conditions are met:

- a) the financial asset is held in accordance with a business model that aims at both receiving contractual cash flows and selling the financial asset; and
- b) the terms of the agreement relating to the financial asset give rise to cash flows on specified dates that are merely the repayment of principal and interest on the principal outstanding.

Interest income, foreign exchange differences and impairment gains and losses are recognised in the financial result and calculated in the same way as financial assets valued at amortised cost. Other changes in fair value are recognised in other comprehensive income. At the moment of discontinuing the recognition of a financial asset, the total profit or loss previously recognised in other comprehensive income is reclassified from the equity item to the financial result.

Interest income is calculated using the effective interest rate method and disclosed in the profit and loss account/ statement of comprehensive income under "Interest income".

The Company does not have a category of debt instruments valued to fair value by other comprehensive income.

Equity instruments - financial assets at fair value through other comprehensive income

At the time of initial recognition, the Company may make an irrevocable choice concerning the recognition in other comprehensive income of subsequent changes in the fair value of an investment in an equity instrument which is neither held for trading nor a contingent consideration recognised by the acquirer in a business combination to which IFRS 3 applies. This choice shall be made separately for each equity instrument. A cumulative gain or loss previously recognised in other comprehensive income shall not be reclassified to profit or loss. Dividends are recognised in profit or loss/ statement of comprehensive income when an entity's entitlement to receive a dividend arises, unless the dividends are clearly a recovery of part of the investment costs.

The Company does not have a category of equity instruments valued to fair value through other comprehensive income.

Financial assets valued at fair value through financial results.

A financial asset that does not meet the criteria for valuation at amortised cost or fair value through other comprehensive income is valued at fair value through profit or loss.

Profit or loss on the valuation of debt investments at fair value is recognized in the financial result.

Dividends are recognised in the profit and loss account/ statement of comprehensive income when the entity's right to receive a dividend arises.

The Company classifies unlisted equity instruments and derivatives into the category of equity instruments valued at fair value through profit or loss. Due to difficulties in estimating the fair value of unlisted equity instruments, the Company used the purchase price as the best basis for determining the fair value.

In a situation where the Company:

- has a valid legal title to set off the recognised amounts and
- intends to settle on a net basis or realise the asset and settle the liability simultaneously

The financial asset and the financial liability are offset and presented in the statement of financial position on a net basis.

The framework agreement described in IAS 32.50 does not provide a basis for offsetting if both criteria described above are not met.

Value loss of financial assets



The Company assesses the expected credit losses ("ECL") associated with debt instruments measured at amortized cost and fair value through other comprehensive income, regardless of whether there is any indication of impairment.

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

Other receivables, belonging to the group: debt collection, court, bankruptcy, enforcement, are not of homogeneous nature, therefore the Company analyses each balance individually for impairment. If there is any indication that they are not recoverable, the Company recognises a write-down for expected credit losses in the amount resulting from the estimates. The amount of the write-down corresponds to the difference between the book value and the present value of expected future cash flows, discounted at the original effective interest rate. Changes in the value of write-offs for expected credit losses are charged to the financial result, to other operating costs, in the period in which the change occurs.

In the case of other financial assets, the Company value the write-off for expected credit losses in the amount equal to 12-month expected credit losses. If credit risk related with a given financial instrument has significantly increased since the initial recognition, the Company value the write-off for expected credit losses from a financial instrument in the amount equal to expected credit losses throughout the credit's whole life.

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

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

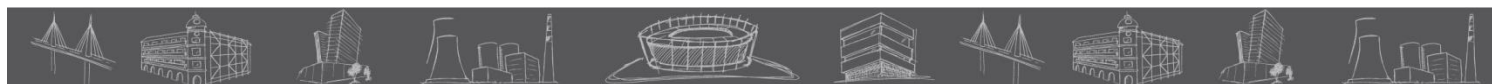
	31 December 2020		31 December 2019		
	Balance sheet value	Fair value	Balance sheet value	Fair value	Fair value hierarchy
Debt instruments valued at amortised cost,					
Cash	48,094	48,094	45,997	45,997	Item. 1
Trade receivables and other receivables	25,271	25,271	44,686	44,686	Item. 3
Loans granted	28,306	28,306	20,063	20,063	Item. 3
Financial instruments valued at fair value through trough financial results.					
Investments in subsidiaries and affiliates	7,458	7,458	7,458	7,458	Item 1
Derivatives	-	-	68	68	Item 1
Financial liabilities valued at amortised cost,					
Liabilities due to factoring of trade liabilities	-	-	704	704	Item. 3



Trade payables and other liabilities	14,574	14,574	19,981	19,981	Item. 3
Derivatives	54	54			Item. 1

According to the Company's assessment, the fair value of cash, receivables and loans granted, financial liabilities and other liabilities does not differ materially from their carrying values mainly due to their short maturity.

In the period ended 31 December 2020, nor in the period ended 31 December 2019, there were no shifts between level 1 and level 2 of the fair value hierarchy, nor were any of the instruments moved from/to level 3 of the fair value hierarchy.



7. Investments in subsidiaries and affiliates

As at 31 December 2020

No.	Name of the entity	Registered Seat	Business Object	Business character	Date of taking control/ Date of commencement of significant influence	Value of shares at purchase price	Revaluation write-offs	Balance sheet value of shares	Percentage of the share capital held	Share in the total number of votes at the General Meeting
1.	ULMA Opałubka Ukraine	Ukraine	sale and lease of formwork, sale of building materials	Subsidiary	18.07.2001	5,818	-	5,818	100	100
2.	ULMA Cofraje	Romania	sale and lease of formwork, sale of building materials	affiliate		3,976	(2,561)	1,415	30	30
3.	ULMA Opałubka Kazakhstan	Kazakhstan	sale and lease of formwork, sale of building materials	Subsidiary	27/08/2010	83	-	83	100	100
4.	ULMA Construcción BALTIC	Lithuania	sale and lease of formwork, sale of building materials	Subsidiary	27/04/2012	142	-	142	100	100
						10,019	(2,561)	7,458		

Management board has assessed the impairment of investments in subsidiaries and associates and has not identified any indication of a change in the amount of the impairment loss on the investment.



8. Assets due to right of use

The Company has lease agreements concerning real estate, passenger cars and forklift trucks.

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

Assets due to right of use

The Company recognises assets under the right of use at the date of commencement of the lease (i.e. the date when the underlying asset is available for use). Use right assets are measured at cost less accumulated depreciation and impairment losses, adjusted for any revaluation of lease liabilities. The cost of assets due to right of use includes the amount of the recognised lease liability, the initial direct costs incurred and any lease payments made at or before the commencement date, less any incentive received for the lease. Unless the Company has reasonable assurance that it will obtain ownership of the leased asset at the end of the lease term, the recognised useful life asset is depreciated on a straight-line basis over the shorter of the estimated useful life or the lease term. The assets due to right of use can be impaired for value.

Short-term leases and leases of low-value assets

The Company applies the exemption from the recognition of short-term leasing to its short-term passenger car lease agreements (i.e. agreements whose lease term is 12 months or less from the date of commencement and does not include a call option). The Company also applies the exemption from recognising leases of low-value assets with respect to leases of office equipment and workshop tools of low value. Lease payments under short-term lease and low value assets lease are recognized as costs on a straight-line basis over the lease term.

Taking into account the fact that the lease is not enforceable (point B34 in IFRS 16), the Company did not classify the lease agreements of other real estate (premises) as lease agreements within the meaning of IFRS 16.

The item includes the carrying value of assets under the right of use, which the Group accepted as a result of implementation of IFRS 16 Leasing as of 1 January 2019.

Table of changes in the value of assets under the right of use for the period from 1 January to 31 December 2020.

	Real estate	Means of transport	Forklifts	In total
--	-------------	--------------------	-----------	----------



GROSS VALUE				
As at 01 January 2020	12,009	2,470	1,662	16,141
Increases - change of payment	44	-	-	44
Increases - new leasing objects	-	895	1,642	2,537
Decreases - ending a leasing contract	-	(371)	-	(371)
As at 31 December 2020	12,053	2,994	3,304	18,351
CONSOLIDATED DEPRECIATION				
As at 01 January 2020	2,108	702	716	3,526
Depreciation for the period	2,136	853	1,059	4,048
Decreases - ending a leasing contract	-	(331)	-	(331)
As at 31 December 2020	4,244	1,224	1,775	7,243
NET VALUE				
As at 01 January 2020	9,901	1,768	946	12,615
As at 31 December 2020	7,809	1,770	1,529	11,108

Table of changes in the value of assets under the right of use for the period from 1 January to 31 December 2019.

	Real estate	Means of transport	Forklifts	In total
GROSS VALUE				
As at 31th December 2019	11,714	1,318	2,091	15,123
Increases - change of payment	295	-	-	295
Increases - new leasing objects	-	1,317	-	1,317
Decreases - ending a leasing contract	-	(165)	(429)	(594)
As at 30th December 2019	12,009	2,470	1,662	16,141
CONSOLIDATED DEPRECIATION				
As at 31th December 2019	-	-	-	-
Depreciation for the period	2,108	841	1,144	4,093
Decreases - ending a leasing contract	-	(139)	(428)	(567)
As at 30th December 2019	2,108	702	716	3,526
NET VALUE				
As at 01 January 2019	11,714	1,318	2,091	15,123
As at 31 December 2019	9,901	1,768	946	12,615

9. Trade receivables and other receivables

Trade receivables are initially recognised at fair value corresponding to the nominal value and then valued at amortised cost using the effective interest rate and reduced by write-offs for expected credit losses. Receivables from NORMA Group are subject to the procedure of estimating expected credit loss in accordance with IFRS 9.

Other receivables, belonging to the group: debt collection, court, bankruptcy, enforcement, are not of homogeneous nature, therefore the Company analyses each balance individually for impairment. If there is any indication that they are not recoverable, the Company recognises a write-down for expected credit losses in the amount resulting from the estimates. The amount of the write-down corresponds to the difference between the book value and the present value of expected future cash flows, discounted at the



original effective interest rate. Changes in the value of write-offs for expected credit losses are charged to the financial result, to other operating costs, in the period in which the change occurs.

The Company adopted a principle according to which amounts of VAT recovered due to non-payment of receivables within 90 days from the payment date are disclosed in the balance sheet item "Tax and other liabilities".

	As at:	
	31 December 2020	31 December 2019
Trade receivables from unrelated parties	46,153	53,935
Write-off for expected credit losses	(25,310)	(28,433)
<i>Net trade receivables</i>	<i>20,843</i>	<i>25,502</i>
Other receivables	83	19
Prepayments and accruals - active	433	422
Trade receivables from related parties	3,912	18,743
Loans granted	28,306	20,063
Total trade receivables and other receivables	53,577	64,749
including:		
Long-term	28,306	10,063
Short-term	25,271	54,686

Based on the analyses carried out, the Company assessed that the carrying amount of individual receivables presented in these financial statements is similar to their fair values.

There is no concentration of credit risk on trade receivables as the Company has a large number of customers.

The net value of the allowances for expected credit losses, adjusted by the amounts of receivables written off, totalling PLN 857 thousand, was recognised in other operating income. In 2019, a negative amount of PLN 551 thousand on this account was recognized in other operating expenses.

The change in the balance of write-offs for expected credit losses in relation to trade receivables and other receivables is as follows:

	12 months of 2020	12 months of 2019
Opening balance	28,433	32,853
Increases– Write-offs for expected credit losses	983	2,178
Use-up	(2,305)	(4,896)
Correction of the previous write-off	(1,801)	(1,702)
Closing balance	25,310	28,433

All write-offs on expected credit losses apply to short-term receivables.

10. Inventory

Inventories of materials and purchased goods are valued as at the balance sheet date at the lower of the following two values: purchase price or net realisable sales price.



The net selling price is the selling price in the normal course of business, less the estimated costs of completion and the variable costs necessary to make the sale.

The valuation of inventory outflows is made in accordance with the first-in, first-out principle (FIFO). Where necessary, write-downs are made for obsolete, non-transferable and defective inventories.

	As at:	
	31 December 2020	31 December 2019
Materials	2,953	2,764
Goods	2,648	2,761
Net inventory value	5,601	5,525
Updating write-off of inventory value	(340)	(340)
Net inventory value	5,261	5,185

11. Cash and cash equivalents

Cash and cash equivalents are recognised in the statement of financial position at the fair value corresponding to their nominal value. They comprise cash at hand and cash at bank, other short-term highly liquid investments with an original maturity of three months or less.

The cash balance shown in the cash flow statement consists of cash and cash equivalents as specified above, less overdraft facilities that have not been repaid.

Loans in the current account in the statement of financial position are disclosed under liabilities - short-term credits and loans.

	As at:	
	31 December 2020	31 December 2019
Cash on hand and in bank	48,094	45,997
Total cash including:	48,094	45,997
Restricted cash, including:	936	875
- ZFŚS cash	131	205
- Cash on VAT accounts	805	670

In accordance with the Company's judgment, the restrictions on the disposal of cash in VAT accounts resulting from the tax regulations on the split payment mechanism do not affect their classification as cash and cash equivalents as the Company uses them on an ongoing basis to settle its current liabilities.

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

	As at:	
	31 December 2020	31 December 2019
Cash and cash equivalents	48,094	45,997
Overdraft (note 14)	-	-
Cash and cash equivalents shown in the cash flow statement	48,094	45,997





12. Share Capital and supplementary capital

Ordinary shares are classified as equity. The share capital is shown at the nominal value of shares.

The supplementary capital was created from the surplus of the issue value of the Company's shares over their nominal value in the amount of PLN 116 473 thousand, which was reduced by the costs of issuing shares in the amount of PLN 1 483 thousand.

The item of the statement of financial position "Retained earnings" includes statutory write-offs from profits generated in previous years in the amount of one third of the share capital in the amount of PLN 3 504 thousand, as well as the surplus from profit distribution over the statutory required write-off in the amount of PLN 158 996 thousand. These amounts constitute the Company's supplementary capital. The item "Retained earnings" also includes the financial result of the current fiscal year.

	Number of shares	Nominal share value	Surplus from the sale of shares above par value	In total
As at 31th December 2019	5,255,632	10,511	114,990	125,501
- Increases	-	-	-	-
- Decreases	-	-	-	-
As at 30th December 2019	5 255 632	10 511	114 990	125 501
- Increases	-	-	-	-
- Decreases	-	-	-	-
As at 31 December 2020	5,255,632	10 511	114 990	125,501

All shares are ordinary bearer shares with a nominal value of PLN 2.00. All shares are paid for.

As at 31 December 2020, the Company's shareholder structure is as follows:

	Share capital		Votes at GSM	
	Number of shares	%	Number of votes	%
ULMA CyE, S. Coop	3,967,290	75.49	3,967,290	75.49
TFI Quercus S.A.	323,726	6.16	323,726	6.16
Dispersed shareholders	964,616	18.35	964,616	18.35
In total	5,255,632	100.00	5,255,632	100.00



13. Trade payables and other liabilities

In the item of the statement of financial position "Trade payables and other liabilities" are shown by the Company:

- estimated, in a reliable manner, values of costs incurred in the given reporting period, not invoiced by suppliers until the balance sheet date.
- liabilities under the contract - accrued income settlements, including in particular the equivalent of funds received or due from contractors for services to be provided in the following reporting periods.

	As at:	
	31 December 2020	31 December 2019
Trade liabilities to unrelated parties	10,406	13,714
Trade liabilities to related parties	642	1,249
Tax and other liabilities	4,623	5,478
Accruals of (passive costs)	3,303	3,181
Contractual liabilities	148	1,660
Other liabilities	74	177
Total Trade liabilities and other liabilities	19,196	25,459
including:		
Long-term	-	-
Short-term	19,196	25,459

All trade and other liabilities are due within 3 months of the balance sheet date.

In 2015. The Company entered into a factoring agreement with mBank, under which the Company's trade liabilities towards selected suppliers are paid by the bank within 14 days of the date of the invoice issued by the supplier. The deadline for payment to the bank is 75 days from the date of payment by the bank of liabilities to the supplier. Due to the expiry of the aforementioned factoring agreement, as at 31 December 2020, the Company's liabilities towards the bank under this agreement do not exist and as at 31 December 2019 amounted to PLN 704 thousand. This amount was disclosed in the consolidated statement of financial position under Short-term liabilities due to factoring of trade liabilities.

14. Credits and loans

Credits and loans are initially recognised at fair value less transaction costs incurred. In subsequent periods, these loans and borrowings are valued at adjusted purchase price (amortised cost), using the effective interest rate.

Credits and loans are classified as short-term liabilities, unless the Company has an unconditional right to defer payment of the liability for at least 12 months from the balance sheet date.

In 2015, the Company settled all liabilities by virtue of bank credits contracted in previous years and as of 31 December 2020 it does not have any open credit lines.



15. Liabilities due to the right of use (leasing)

Lease agreements in accordance with IFRS 16 include lease of a fleet of passenger cars and forklift trucks, lease of the Logistics Centre in Gdańsk and the square in Warsaw at Klasyków Street, perpetual usufruct of land in Jaworzno.

Lease liabilities

At the date of commencement of the lease, the Company measures the lease liabilities at the present value of the lease payments outstanding at that date. Lease payments include fixed payments (including substantially fixed lease payments) less any applicable lease incentives, variable payments that depend on an index or rate and amounts expected to be paid within the guaranteed residual value. Lease payments also include the price at which the call option is exercised if it can be assumed with reasonable certainty that it will be exercised by the Company and the payment of fines for the termination of the lease if the terms of the lease provide for the Company to terminate the lease. Variable lease payments, which do not depend on an index or rate, are recognized as costs in the period in which the event or condition causing payment occurs.

When calculating the present value of the lease payments, the Company uses the lessee's incremental interest rate at the commencement of the lease if the interest rate of the lease cannot be easily 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 the lease liabilities is remeasured in the event of a change in the lease term, a change in substantially fixed lease payments or a change in judgement about purchasing the underlying assets.

The discounted lease liabilities as at 31 December 2020 are as follows:

Liabilities due within the period:	Real estate leasing	Passenger car leasing	Forklift truck leasing	Total lease liabilities
Up to 3 months	768	195	283	1,246
From 3 up to 12 months	1,428	527	340	2,295
From more than a year up to 5 years	1,552	1,086	944	3,582
More than 5 years	506	-	-	506
In total	4,254	1,808	1,567	7,629

The discounted lease liabilities as at 31 December 2019 are as follows:

Liabilities due within the period:	Real estate leasing	Passenger car leasing	Forklift truck leasing	Total lease liabilities
Up to 3 months	736	186	180	1,102
From 3 up to 12 months	1,331	520	551	2,402
From more than a year up to 5 years	3,410	1,089	228	4,727
More than 5 years	744	-	-	744
In total	6,221	1,795	959	8,975

In the year ended 31 December 2020, the Company incurred costs related to short-term leases and low value assets in the amount of PLN 923 thousand. There were no costs of variable lease payments, not included in the valuation of lease liabilities.



16. Deferred income tax

Deferred income tax assets and liabilities resulting from temporary differences between the tax value of assets and liabilities and their carrying amount in the financial statements are recognised using the balance sheet method. However, if the deferred income tax arose from the initial recognition of an asset or liability in a transaction other than a business combination which affects neither the financial result nor the tax income (loss), it is not recognised. Deferred income tax is determined using tax rates (and laws) that are legally or actually in force as at the balance sheet date and are expected to apply when the relevant deferred tax asset is realized or the deferred tax liability is settled.

Deferred income tax assets are recognised if it is probable that taxable profit will be available against which the temporary differences can be utilised in the future.

Deferred income tax assets and provisions are offset if there is a legally enforceable right to offset current tax assets and liabilities.

	As at:	
	31 December 2020	31 December 2019
Assets due to deferred income tax:	2,064	2,016
Provision for deferred income tax:	(10,723)	(8,460)
Compensation	2,064	2,016
Balance sheet value of an asset due to deferred income tax	-	-
Balance sheet provision due to deferred income tax	(8,659)	(6,444)

Changes in deferred tax assets and liabilities during the year (before offsetting within one legal jurisdiction) are as follows:

	Statement of financial position		Profit and loss account	
	2020	2019	2020	2019
Provision due to deferred tax				
Tax depreciation	10,627	8,248	(2,379)	(1,731)
Unrealised foreign exchange differences	23	7	(16)	-
Other	73	205	132	(205)
In total	10,723	8,460	(2,263)	(1,936)
Assets due to deferred tax				
Write-offs for expected credit losses	1,162	1,042	120	(632)
Provisions for costs	896	952	(56)	(133)
Unrealised foreign exchange differences	6	22	(16)	22
In total	2,064	2,016	48	(743)
(Charge)/recognition due to deferred income tax			(2,215)	(2,679)

17. Liabilities due to retirement benefits

Retirement severance pay



Retirement severance pay benefits are payable if the employee acquires the right to a retirement benefit in accordance with the Labour Code. The amount of the retirement severance pay due to an employee who acquires pension rights is calculated in the amount of additional remuneration for one month.

The Company creates a provision for future liabilities for post-employment benefits in order to allocate costs to the periods to which they relate. The provision is created as operating expenses in amounts corresponding to the acquisition of future rights by current employees. The present value of these liabilities is calculated by an independent actuary.

Actuarial gains and losses resulting from changes in actuarial assumptions (including changes in discount rate) and ex post actuarial adjustments are recognized in other comprehensive income.

The basis for calculating the provision for an employee is the expected amount of retirement severance pay or disability severance pay that the Company undertakes to pay out under the Regulations.

The expected severance pay amount is calculated as a product of the following factors:

- The expected amount of the retirement or disability severance pay base,
- Expected increase in the base of the dimension until retirement age,
- A percentage based on seniority.

The amount calculated in this way is actuarially discounted at the balance sheet date. The actuarial discount is the product of the financial discount and the probability of a person's survival to retirement age as an employee of the Company.

	31 December 2020	31 December 2019
Liabilities recognised in the statement of financial position due to:		
Pension benefits	372	300
	372	300

Change of balance sheet liability status

	31 December 2020	31 December 2019
Provision for retirement benefits at the beginning of the period	300	246
Write-off for the provision for retirement benefits	28	19
Interest cost	6	8
Actuarial gains and losses, net	38	27
Benefits paid-up	-	-
Provision for retirement benefits at the end of the period	372	300



18. Sales revenues

In accordance with IFRS 15, revenue is recognised in the amount of remuneration that the Company expects to receive in exchange for the delivery of the promised goods or services to the customer.

The Company applies IFRS 15 with a 5-step model:

- **Identification of the contract with the customer**

A customer contract meets its definition when all the following criteria are met:

- The parties have concluded a contract and are obliged to perform their duties,
- The Company is able to identify the rights of each party regarding the goods or services to be transferred,
- The Company is able to identify the terms of payment for the goods or services to be transferred,
- The agreement has economic content and it is likely that the Company will receive the remuneration to which it will be entitled in exchange for goods or services that will be provided to the customer.

- **Identification of performance obligations**

At the time of concluding the contract, the Company assesses the goods or services promised in the contract with the customer and identifies as an obligation to perform each promise to provide the customer with a separately identifiable good or service or groups of separate goods or services which are substantially the same and where the provision to the customer is of the same nature.

- **Determination of the transaction price**

In order to determine the transaction price, the Company takes into account the conditions of a given contract and customary trade practices applied by the Company. Transaction price is the value of remuneration, which, according to the Company's expectation, will be entitled to it in exchange for the transfer of promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, VAT). The remuneration agreed in the contract with the customer may include fixed amounts, variable amounts or both.

- **Allocation of the transaction price to particular obligations to perform**

The Company assigns a transaction price to each obligation to perform a performance (or to a separate good or service) in an amount that reflects the amount of remuneration that the Company expects to receive in exchange for the delivery of the promised goods or services to the customer.

- **Recognition of income when the obligations to perform are met**

The Company recognizes income at the moment of fulfilment (or in the course of fulfilment) of an obligation to perform a service through the delivery of the promised good or service (i.e. an asset component) to the customer who obtains control over this asset component. Income is recognized as amounts equal to the transaction price that has been allocated to a given obligation to perform the performance. The Company transfers control over the good or service as time passes and thus fulfils the obligation to perform the performance, and recognises income as time passes if one of the following conditions is met:



- The customer simultaneously receives and derives benefits from the performance as it is performed,
- As a result of the performance of the service, an asset is created or improved, and control over that asset is exercised by the customer as it arises or is improved,
- As a result of the performance of the performance, no component with an alternative use for the Company arises and the Company has an enforceable right to pay for the performance to date.

Revenues from the sale of services concern mainly services of lease of shuttering systems settled on the basis of daily rates. Revenues on this account as revenues from services provided in time are recognized on a monthly basis.

Revenues from the provision of other services - assembly, transport, repair - are recognized at one time.

The Company in the vast majority of cases applies a 30-day payment period calculated from the date of issuing the invoice or from the date of receiving the invoice by the customer.

	12 months of 2020	12 months of 2019
Sales revenue from construction site support	121,802	155,007
Revenues from sales of goods and construction materials	32,749	42,364
Sales revenue in total	154,551	197,371

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

Revenues from sales in geographical terms are as follows:

Description of the item	12 months of 2020	12 months of 2019
Domestic sales revenues	131,176	147,209
Foreign sales revenues	23,375	50,162
Sales revenue in total	154,551	197,371

Company's main foreign sales markets are: Ukraine, Kazakhstan, Canada and Spain.



19. Costs by type

	12 months of 2020	12 months of 2019
Depreciation of tangible, intangible assets and assets due to the rights of use	40,411	39,053
Employee benefits cost (note 19a)	36,503	37,666
Use-up of resources, materials and energy	10,742	11,982
Transport services	13,597	11,284
Rental and lease services	4,165	3,607
Renovation services	5,699	6,280
Installation and construction services	573	597
Other services	11,174	11,677
Other costs	4,959	6,324
Value of goods, materials and formwork sold (fixed assets)	16,135	19,093
Costs by type in total	143,958	147,563
Including		
Costs of benefits for own use	110	116
Costs of products, goods and materials sold	127,623	128,773
Selling and marketing costs	1,251	2,348
Management costs	14,974	16,326
19 a) Employee benefits costs		
Salary costs and costs of termination benefits	29,582	30,800
Costs of social insurance and benefits for employees	6,921	6,866
Total employee benefits costs	36,503	37,666

20 Other income and operational costs

20 a) Other operational income	12 months of 2020	12 months of 2019
Inventory surpluses	276	425
Gains on change in fair value of futures contracts	-	68
	3	14
Compensations received - lost components of tangible and current assets		
Sale and recovery of property, plant and equipment	1,049	46
Change in write-downs for expected credit losses and written off receivables	857	-
Re-invoicing	327	339
Liabilities written off	-	402
Other	588	49
Other operational income in total	3,100	1,343

Other income in 2020 includes the amount of PLN 362 thousand due to the received benefit for job protection from the funds of the FGŚP for subsidizing the salary of employees subject to reduced working hours following the occurrence of COVID-19 and the amount of PLN 11 thousand due to the received subsidy related to the increase in electricity prices in the third and fourth quarter of 2019.



20 b) Other operational costs	12 months of 2020	12 months of 2019
Change in write-downs for expected credit losses and written off receivables	-	(551)
Losses on change in fair value of futures contracts	(222)	-
A write-off updating the value of tangible fixed assets	(474)	-
Other	(112)	-
Other operational income in total	(808)	(551)

21. Financial income and costs

Financial income includes interest income related to funds invested by the Company, due dividends, gains on change in fair value of financial instruments measured by the financial result, gains related to hedging instruments, which are recognized in the current period's profit or loss. Interest income is recognized in the current period's profit or loss on an accrual basis, using the effective interest rate method.

Dividend is recognized in profit or loss of the current period as at the date when the Company acquires the right to receive it.

Financial expenses include interest expenses related to external financing, losses on the sale of financial assets, losses on changes in the fair value of financial instruments measured at fair value through profit or loss, impairment losses on financial assets (other than trade receivables) and losses on hedging instruments, which are recognised in profit or loss.

Borrowing costs not directly attributable to the acquisition, production or construction of specific assets are recognised in profit or loss using the effective interest rate method.

Foreign exchange gains and losses are disclosed in the net amount as financial income or financial costs, depending on their total net position.

21 a) Financial income	12 months of 2020	12 months of 2019
Interest income		
- loans granted	691	1,059
- on cash in bank account	167	457
Dividends received	-	3,060
Exchange rate differences	618	192
Total financial income	1,476	4,768

21 b) Financial costs	12 months of 2020	12 months of 2019
Interest costs		
- due to delay in payment of liabilities	(13)	(36)
- due to rights of use	(578)	(703)
Costs of bank financial products	-	-
Total financial costs	(591)	(739)



22. Income tax

	12 months of 2020	12 months of 2019
Current tax	(460)	(8,567)
Deferred tax (note 16)	(2,215)	(2,679)
Total income tax	(2,675)	(11,246)

The income tax on the Company's pre-tax profit differs as follows from the theoretical amount that would be obtained by applying the applicable tax rate to pre-tax profit:

	12 months of 2020	12 months of 2019
Profit (loss) before tax	13,880	54,745
Non-taxable income and taxable income shown in the profit and loss account in previous years, including	(331)	(1,485)
- unrealised foreign exchange differences	(372)	-
- tax-exempt dividends	-	(2,002)
- compensation not received during the accounting period	(4)	516
- other	45	1
Permanently non-deductible costs, including	528	5,927
Representation costs	1,332	1,944
Previous years' costs	50	362
PFRON fees	326	257
Recognition of write-offs for expected credit losses from previous years as temporary non-deductible costs	(2,002)	2,002
Unrealised exchange rate differences on loans	-	825
Other	822	537
Tax base	14,077	59,187
Charging the financial result on account of income tax	2,675	11,246

The tax authorities may inspect the accounting books and tax settlements within 5 years from the end of the year in which the tax returns were filed and charge the Company with additional tax plus penalty interest. In the opinion of the Management Board, there are no circumstances indicating that significant liabilities may arise on this account.

23. Information on average employment

	2020	2019
ULMA Construcción Polska S.A.	365	364
ULMA Construcción Polska S.A. Capital Group	441	434



24. Contingent items/guarantees

At the request of ULMA Construcción Polska S.A. mBANK granted one of the Company's suppliers a bank guarantee of performance of the lease agreement. The bank guarantee expires on 30/09/2022 and its amount will change during the period of validity. The guarantee is related to the lease of the Logistics Centre in Gdańsk. The Company uses the Logistics Centre in Gdańsk under a long-term lease agreement. As at the balance sheet date, the amount of the bank guarantee granted is PLN 3,593 thousand.

ULMA Construcción Polska S.A. granted a surety to Bank UKRSIBBANK for its subsidiary - ULMA Opałubka Ukraina Sp. z o.o. as a security for the repayment of a bank loan. The surety is granted for the duration of the credit agreement and its amount is EUR1,000 thousand. As of the balance sheet date of December 31, 2020 and as of December 31, 2019, there is no debt under this agreement.

25. Events after the balance sheet date

Under Annex No. 1 dated 20 January 2021 to the loan agreement concluded on 30 July 2020 between ULMA Construcción Polska S.A. (lender) and ULMA C y E S.Coop. (borrower) the amount of the loan was increased by PLN 20,000 thousand, up to the total amount of PLN 40,000 thousand.

On March 10, 2021, a part of the land plot in Koszajec owned by the parent company was sold. In connection with signing a preliminary agreement for the sale of the aforementioned plot of land in 2020, as at the balance sheet date of 31 December 2020, the Company reclassified the value of the said plot of land from non-current assets to current assets and disclosed it under "Non-current assets classified as held for sale". The fair value of the land plot, classified as non-current assets held for sale, less costs to sell exceeds its carrying amount.

26. Transactions with associated entities

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

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

The parent entity:

- ULMA Construcción Polska S.A. based in Koszajec (gm. Brwinów).

Subsidiaries:

- ULMA Opałubka Ukraina with its registered office in Kiev at ul. Gnata Juri 9, established on 18 July 2001. It was registered in the Swiatoszynski Department of State Administration for the city of Kiev under number 5878/01 and received the identification code 31563803. The company's business is the sale and lease of formwork, sales of building materials. The share of the issuer in the capital and in the total number of votes is 100%.
- ULMA Opałubka Kazachstan sp.o.o. with its registered office in Astana at ul. Taszenowa 25, established on 27.08.2010. Its strategic goal is to develop the core business of the Capital Group, i.e. renting formwork and scaffolding systems, and the education of how to use of formwork technology in the construction process in Kazakhstan. The share of the issuer in the capital and in the total number of votes is 100%.
- ULMA Construcción BALTIC sp. z.o.o with its registered office in Vilnius, ul. Pylimo 41-12 established on 27.04.2012. The company's business is the rental of scaffolding and formwork, wholesale and retail sale of scaffolding and formwork, sale and lease of other construction equipment and



other commercial activities. The share of the issuer in the capital and in the total number of votes is 100%.

The Company also holds shares in an associate:

ULMA Cofraje SRL with its registered office in Bragadir at ul. Soseaua de Centura No. 2-8 Corp C20 (Romania), established on 9 October 2007. Registered at the National Commercial Register Office in Bucharest under the number of 22679140. The object of the Company's activity is the rental and sale of scaffolding and construction formwork, also on the basis of leasing. The share of the issuer in the capital and in the total number of votes is 30%. The remaining 70% of shares in the Company's capital belong to the entity controlling the Group - ULMA C y E, S. Coop. with its seat in Spain.

Transactions concluded by ULMA Construcción Polska S.A. with related entities were of typical and routine nature, were concluded on market terms, and their nature and terms resulted from conducting current operations.

Figures concerning transactions of ULMA Construcción Polska S.A. with affiliates

Settlement balances at the balance sheet date	Status per day	
	31 December 2020	31 December 2019
Trade receivables	3,912	18,743
Including		
- from the parent unit	740	6,084
- from subsidiaries	1,253	2,561
- from the affiliate	5	34
- from other affiliates	1,914	10,064
Trade Liabilities	642	1,249
Including		
- to the parent unit	82	939
- to subsidiaries	132	14
- to the affiliate	23	-
- to other affiliates	405	296

	12 months 2020	12 months of 2019
Sales and purchases from Group's units		
Sales	22,852	48,579
Including		
- to the parent unit	1,905	11,164
- to subsidiaries	15,945	20,377
- to the affiliate	33	85
- to other affiliates	4,969	16,953
Purchases	36,587	48,155
Including		
- from the parent unit	33,169	47,561
- from subsidiaries	2,227	261
- from the affiliate	89	4
- from other affiliates	1,102	329



Loans, interest, dividends	12 months of 2020	12 months of 2019
Loans paid-up– in thousands of EUR– ULMA Construcccion BALTIC	300	150
Loans paid-up– in thousands of USD – ULMA Opatubka Ukraina	290	1,010
Loans granted– in thousands of PLN – ULMA C y E S.Coop	10,000	-
Loans paid-up– in thousands of PLN – ULMA C y E S.Coop	-	11,000
Income from loan interest in thousands of EUR	63	65
Income from loan interest in thousands of USD	17	66
Income from loan interest in thousands of PLN	343	532
Dividends received in thousands of PLN	-	3,060

ULMA Construcccion Polska S.A. granted an investment loan of USD 1,500 thousand to its subsidiary ULMA Opatubka Ukraina sp. z o.o. at a fixed market interest rate until 8 January 2021 (under the annex of 2 January 2020). As at 31.12.2019, the balance of the loan was USD \$290 thousand and were fully repaid in 2020.

ULMA Construcccion Polska S.A. granted a long-term loan of EUR 2,500 thousand to its subsidiary ULMA Construcccion thousand. The loan was granted on market terms until 3 January 2023. (Annex of 12 September 2019). As at 31 December 2020, the receivable under the loan was EUR 1,800 thousand.

ULMA Construcccion Poland S.A. granted to the parent company ULMA CyE, S. Coop a long-term loan of 20,000 thousand PLN (in January 2021 the amount of the loan was increased to 40,000 thousand PLN)

The loan is secured by:

- 1) a promissory note with a promissory note declaration issued by the borrower,
- 2) an agreement on irrevocable purchase of the borrower's assets (shuttering and scaffolding), which is currently held by the lender on a lease basis. The offer to purchase the assets will only materialise if the borrower fails to repay the loan by the agreed date.

The loan was granted on market terms (fixed margin + WIBOR 1M) and its final repayment date was agreed by the parties as 31 July 2022.

Transactions with members of the Management Board and Supervisory Board of the Company, their spouses, siblings, ascendants, descendants or other persons close to them and key management personnel of the Company and ULMA Group companies with related parties.

The members of the Management Board and Supervisory Board of the Company and members of the Management Board and Supervisory Board of the Issuer's subsidiaries and the Issuer's proxies are considered to be the key management personnel of the Company and ULMA Group companies. In 2020 and 2019 neither the Company nor the companies of the Group granted any advances, loans, credits, guarantees and sureties to the managing and supervising personnel and their relatives, and no other agreements were concluded with them which would oblige them to provide services to the Company and its related entities.

As at 31 December 2020 and 31 December 2019, there were no loans granted by the companies of the Group to members of the management and supervisory bodies and their relatives.



27. Remuneration of the Management Board and the Supervisory Board

	12 months of 2020	12 months of 2019
Management Board of ULMA Construcción Polska S.A.		
Rodolfo Carlos Muñiz Urdampilleta	1,287	1,436
Giordano Weschenfelder (from 30 May 2019)	640	386
Andrzej Sterczyński	421	569
Krzysztof Orzełowski	367	497
Supervisory Board of ULMA Construcción Polska S.A		
Michał Markowski	37	36
Andrzej Kozłowski (till 30 May 2019)	-	26

Other Members of the Management Board and Members of the Supervisory Board did not receive remuneration in the presented periods.

28. Profit per share

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

	12 months of 2020	12 months of 2019
Net profit attributable to equity holders of the parent entity	11,205	43,499
Number of ordinary shares as at the balance sheet date	5 255 632	5 255 632
Weighted average number of ordinary shares	5 255 632	5 255 632
Basic earnings (loss) per share (in PLN per share)	2.13	8.28
Diluted earnings (loss) per share (in PLN per share)	2.13	8.28



29. Profit distribution proposal

Until the date of approval of these financial statements for publication, the Management Board of the Company did not adopt a resolution recommending the distribution of profit generated in 2020.

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

Name and Surname:	Position	Signature
Rodolfo Carlos Muñiz Urdampilleta	President of the Board	
Marek Czapryński	Member of the Board	
Andrzej Sterczyński	Member of the Board	
Krzysztof Orzełowski	Member of the Board	
Ander Ollo Odriozola	Member of the Board	

Signature of the person entrusted with bookkeeping

Name and Surname:	Position	Signature
Henryka Padzik	Chief Accountant	

Koszajec, date 31 March 2021