

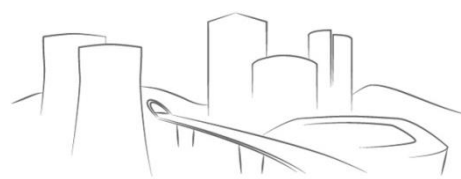
EXTENDED CONSOLIDATED REPORT

OF THE ULMA

ULMA Construcción Polska S.A. CAPITAL

GROUP

FOR 1 QUARTER ENDING ON 31 March 2020



From the beginning of your projects

All amounts expressed in thousands of PLN, unless indicated otherwise



Contents

ULMA Construcción Polska S.A. Capital Group	4
GENERAL INFORMATION	5
ABBRIDGED CONSOLIDATED FINANCIAL STATEMENT	8
Consolidated profit and loss account and other comprehensive income.....	9
Consolidated statement of financial position	10
Report on changes in consolidated equity	12
Statement of Cash Flows	13
Declaration of conformity and general principles of document preparation	14
A. Conversion of selected financial data into the Euro	15
B. Description of achievements and factors influencing financial results.....	16
C. Description of the Capital Group.....	22
D. Management Board's position on forecasts	22
E. Significant shareholders	23
F. Issuer's shares held by managing and supervising persons.....	23
G. Important court proceedings	23
H. Transactions with associated entities	28
I. Sureties and guarantees	29
J. Other relevant information	30
K. Factors influencing the issuer's future results.....	33
L Information on market segments	36
M. Investor relations	37
ULMA Construcción Polska S.A. CAPITAL GROUP.....	39
SINGLE SHORTENED FINANCIAL STATEMENT.....	39
Profit and loss account and other comprehensive income.....	40
Statement of financial position	41
Report on changes in equity.....	44
Statement of Cash Flows	45
Description of the most important applied accounting principles	46
Conversion of selected financial data into the Euro	46

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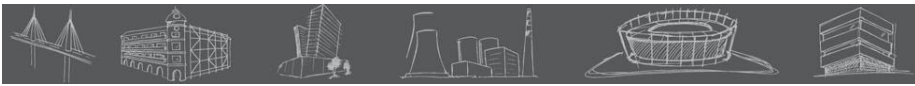


All amounts expressed in thousands of PLN, unless indicated otherwise



ULMA Construcción Polska S.A. Capital Group

All amounts expressed in thousands of PLN, unless indicated otherwise



GENERAL INFORMATION

I The subject of operations

The subjects of operations of the ULMA Construcción Polska SA Capital Group (further referred to as the Group) are:

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

The parent company ULMA 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.

I Registered Seat

ULMA Construcción Polska S.A. CAPITAL GROUP

(parent company of the ULMA Construcción Polska SA Capital Group)
Koszajec 50
05-840 Brwinów

I The parent entity and Group composition

The control over the ULMA Construcción Polska S.A. 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 S.A. Group the following companies are included:

ULMA Construcción Polska S.A. CAPITAL GROUP - **the parent company** of the Capital Group performing the management and administrative role for the entire Group and responsible for commercial activities with respect to products and services offered by the Capital Group on the domestic market and on selected foreign markets,

ULMA Opałubka Ukraina sp. z o.o. - a **subsidiary company** responsible for commercial activities with regard to products and services offered by the Capital Group on the Ukrainian market,

All amounts expressed in thousands of PLN, unless indicated otherwise



ULMA Opatubka Kazachstan sp. z o.o. - a **subsidiary responsible** for commercial activities in the field of products and services offered by the Capital Group on the Kazakh market.

ULMA Construcción BALTIC sp. z o.o. - a **subsidiary** responsible for commercial activities with respect to products and services offered by the Capital Group in the Baltic States (Lithuania and Latvia).

In addition, the Group holds shares in the associated entity ULMA Cofraje S.R.L. - an **affiliated company** responsible for commercial activities with respect to products and services offered by the Capital Group on the Romanian market.

■ **Composition of supervisory and management bodies as at 31/03/2020 and as at the date of approval of the report for publication**

■ **Supervisory Board**

Supervisory Board members as at 31.03.2020

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 Joaquín Ugarte Azpiri Member of the Supervisory Board

■ **Audit Committee**

Audit Committee members as at 31.03.2020

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
Krzysztof Orzełowski Member of the Management Board
Ander Ollo Odriozola Member of the Board
Andrzej Sterczyński Member of the Management Board

■ **The auditor**

Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp. k.
Rondo ONZ 1

All amounts expressed in thousands of PLN, unless indicated otherwise



00-124 Warszawa

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

| Banks

mBANK (in the past BRE Bank 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.



ABBRIDGED CONSOLIDATED FINANCIAL STATEMENT

FOR 1 QUARTER ENDING ON 31 March 2020

All amounts expressed in thousands of PLN, unless indicated otherwise



Consolidated profit and loss account and other comprehensive income

	first quarter of 2020	first quarter of 2019
Sales revenues	48,733	51,567
Costs of products, goods and materials sold	(36 970)	(35 425)
I. Gross profit on sales	11,763	16,142
Selling and marketing costs	(522)	(676)
General management costs	(5,369)	(4,852)
Other operating income	276	498
Other operating costs	(1,186)	(1,501)
<i>Including: impairment losses on receivables</i>	<i>(1,027)</i>	<i>(1,501)</i>
II. Profit (loss) at the operational level	4,962	9,611
Financial income	302	468
Financial costs	(462)	(443)
<i>Net financial costs</i>	<i>(160)</i>	<i>25</i>
Share in profits (losses) in associated companies	54	295
III. Profit (loss) before tax	4,856	9,931
Current income tax	(591)	(2,060)
Deferred income tax	(315)	(75)
IV. Net profit (loss) for the financial period	3,950	7,796
Other comprehensive net income to be reclassified to profit / (loss) in subsequent reporting periods		
Exchange differences on the translation of financial statements of foreign subsidiaries	(807)	655
V. Total income for the financial period	3,143	8,451
Net profit attributable to equity holders of the parent	3,950	7,796
Net profit attributable to non-controlling interests	-	-
The total income of the financial period attributable to the shareholders of the parent company	3,143	8,451
The total income of the financial period attributable to non-controlling interests	-	-
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)	0.75	1.48

All amounts expressed in thousands of PLN, unless indicated otherwise



Consolidated statement of financial position

As at:

	31/03/2020 (not examined)	31/12/2019 (examined)	31/03/2019 (not examined)
ASSETS			
I. Tangible assets (long-term)			
1 Property, plant and equipment	260,565	255,864	235,464
2 Intangible assets	194	229	232
3 Shares in affiliates	2,314	2,261	2,080
4 Assets due to right of use	12,691	12,615	14,493
5 Assets due to deferred tax	4,387	4,395	3,181
Fixed assets (long-term) together	280,151	275,364	255,450
II. Current assets (short-term)			
1 Inventory	9,893	7,387	7,960
2 Trade receivables and other receivables	58,523	60,687	73,936
3 Receivables due to income tax	1,981	696	480
4 Derivative financial instruments	-	68	-
5 Cash and cash equivalents	45,200	48,970	55,804
Current assets (short-term) in total	115,597	117,808	138,180
Total assets	395,748	393,172	393,630

All amounts expressed in thousands of PLN, unless indicated otherwise



As at:

	31/03/2020 (not examined)	31/12/2019 (examined)	31/03/2019 (not examined)
EQUITY CAPITAL AND LIABILITIES			
I. Equity			
1 Basic capital	10,511	10,511	10,511
2 Supplementary capital - surplus from the sale of shares above par value	114,990	114,990	114,990
3 Exchange differences from consolidation	(10,905)	(10,098)	(14,534)
4 Retained earnings, including:	232,679	228,729	220,334
a) Net profit (loss) for the financial period	3,950	46,201	7,796
Total equity	347,275	344,132	331,301
II. Liabilities			
1 Long-term liabilities			
a. Deferred income tax liabilities	6,796	6,444	4,062
b. Long-term liabilities due to retirement benefits	246	246	185
c. Long-term liabilities due to the right of use (leasing)	5,126	5,471	6,739
Long-term liabilities in total	12,168	12,161	10,986
2 Short-term liabilities			
a. Derivative financial instruments	90	-	-
b. Short-term liabilities due to retirement benefits	54	54	61
c. Short-term liabilities due to factoring of trade liabilities	807	704	1,409
d. Current income tax liabilities	535	2,042	1,575
e. Short-term liabilities due to the right of use (leasing)	3,756	3,504	3,693
f. Trade payables and other liabilities	31,063	30,575	44,605
Short-term liabilities in total	36,305	36,879	51,343
Total liabilities	48,473	49,040	62,329
Total equity and liabilities	395,748	393,172	393,630

All amounts expressed in thousands of PLN, unless indicated otherwise



Report on changes in consolidated equity

Detailed list	Share capital at par value	Surplus from the sale of shares above par value	Exchange differences from consolidation	Retained profits	In total Equity
As at 31st December 2018	10,511	114,990	(15,189)	212,538	322,850
Total net profit in 2019	-	-	-	46,201	46,201
Total income in 2019	-	-	5,091	-	5,091
Payment of the dividend	-	-	-	(30,010)	(30,010)
As at 31st December 2019	10,511	114,990	(10,098)	228,729	344,132
Total net profit in I quarter of 2020	-	-	-	3,950	3,950
Total income in I quarter of 2020	-	-	(807)	-	(807)
As at 31 March 2020	10,511	114,990	(10,905)	232,679	347,275

Detailed list	Share capital at par value	Surplus from the sale of shares above par value	Exchange differences from consolidation	Retained profits	In total Equity
As at 31st December 2018	10,511	114,990	(15,189)	212,538	322,850
Total net profit in I quarter of 2019	-	-	-	7,796	7,796
Total income in I quarter of 2019	-	-	655	-	655
As at 31 March 2019	10,511	114,990	(14,534)	220,334	331,301

All amounts expressed in thousands of PLN, unless indicated otherwise



Statement of Cash Flows

	I quarter 2020	I quarter 2019
Net cash flow from operating activities		
Net profit for the financial period	3,950	7,796
Adjustments::		
- Income tax	906	2,187
- Depreciation of fixed assets	9,984	9,448
- Depreciation of intangible assets	31	52
- Depreciation assets due to right of use	965	1,013
Net value of formwork sold - fixed assets	2,940	1,491
- (Profits) / losses due to changes in the fair value of financial instruments	158	-
- Change in the value of shares in the associated entities	(54)	(295)
- Interest received	(237)	(283)
- Interest costs	171	250
- (Profits) / Losses due to foreign exchange losses	255	(39)
Changes in working capital:		
- Inventory	(2,506)	(1,628)
- Trade receivables and other receivables	2,164	(1,282)
- Trade payables and other liabilities	590	8,478
	19,317	27,188
Purchasing formwork	(17,033)	(15,762)
Income tax paid	(3,382)	(2,587)
Net cash flow from operating activities	(1,098)	8,839
Net cash flow from operating activities		
Purchase of property, plant and equipment	(1,353)	(371)
Proceeds from the sale of property, plant and equipment	2	3
Acquisition of intangible assets	(3)	(57)
Interest received	237	283
Net cash flow from investment activities	(1,116)	(142)
Net cash flow from financial activities		
Repayment of credits and loans	-	(1,693)
Payments related to leasing	(1,134)	(1,171)
Interest paid	(171)	(250)
Net cash flow from financial activities	(1,305)	(3,114)
Net increase or decrease in cash	(3,519)	5,583
Cash at the beginning of the period	48,970	50,387
Exchange rate losses/profits on valuation of cash	(251)	(166)
Cash at the end of the period	45,200	55,804

All amounts expressed in thousands of PLN, unless indicated otherwise



Notes to the consolidated financial statement

Declaration of conformity and general principles of document preparation

This condensed consolidated financial statement for the 3-month period ended 31 March 2020 has been prepared in accordance with the requirements of IAS 34 "Interim Financial Reporting" and the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information to be published by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state and present the financial position of ULMA Construcción Polska S.A. Capital Group as at 31 March 2020, results of its operations and cash flows for the 3-month period ended 31 March 2020.

This consolidated financial statement has been prepared on the assumption that the Group 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 Group's projected cash flows and concluded that there is no material uncertainty with respect to the assumption that Group's companies will continue to operate in the foreseeable future, i.e. for at least the next 12 months.

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

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

In preparing the interim condensed consolidated financial statement, the Group applied the same accounting policies as described in the audited consolidated financial statements as at 31 December 2019. The interim financial statement as of 31 March 2020 should be read together with the audited consolidated financial statements as of 31 December 2019 published on 24 March 2020.

This consolidated financial statement was approved for publication by the Management Board on 13 May 2020.

Currency exchange rates and inflation

	Average zloty exchange rates published by the National Bank of Poland				Change in the price index of consumer goods and services published by the Central Statistical Office
	UAH (Hryvnia - Ukraine)	RON (Leu - Romania)	KZT (Tenge - Kazakhstan)	EUR (Euro)	
31 March 2020	0.1508	0.9428	0.009428	4.5523	4,5%
31 December 2019	0.1602	0.8901	0.009916	4.2585	2,3%
31 March 2019	0.1411	0.9029	0.010066	4.3013	1,2%

All amounts expressed in thousands of PLN, unless indicated otherwise



Additional information for the quarterly report

A. Conversion of selected financial data into the Euro

DETAILED LIST	In thousands PLN		In thousands EUR	
	First quarter of 2020	First quarter of 2019	First quarter of 2020	First quarter of 2019
Net revenues from sales of products, goods and materials	48,733	51,567	11,085	11,998
Result from operating activities	4,962	9,611	1,129	2,236
Result before tax	4,856	9,931	1,105	2,311
Net result	3,950	7,796	898	1,814
Net cash flow from operating activities	(1,098)	8,839	(250)	2,057
Net cash flow from investment activities	(1,116)	(142)	(254)	(33)
Net cash flow from financial activities	(1,305)	(3,114)	(297)	(725)
Net cash flow	(3,519)	5,583	(801)	1,299
Diluted earnings per ordinary share (in PLN / EUR)	0.75	1.48	0.17	0.35
Basic earnings per ordinary share (in PLN / EUR)	0.75	1.48	0.17	0.35
	31/03/2020	31/12/2019	31/03/2020	31/12/2019
Total assets	395,748	393,172	86,934	92,327
Liabilities	48,473	49,040	10,648	11,516
Long-term liabilities	12,168	12,161	2,673	2,856
Short-term liabilities	36,305	36,879	7,975	8,660
Equity	347,275	344,132	76,286	80,811
Basic capital	10,511	10,511	2,309	2,468
Weighted average number of shares	5,255,632	5,255 632	5,255,632	5,255 632
Number of shares as at the balance sheet date	5,255,632	5,255 632	5,255,632	5,255 632
Book value per ordinary share (in PLN / EUR)	66.08	65.49	14.52	15.38

Individual items of assets and equity and liabilities have been converted into EUR using average exchange rates published by the President of the National Bank of Poland, effective as at the balance sheet date. The average EUR exchange rate as at 31 March 2020 amounted to PLN 4.5523, and as at 31 December 2019 to PLN 4,2585.

When converting the items of the statement of comprehensive income and cash flow statement items, a rate being the arithmetic mean of the exchange rates in force in the given period was applied, i.e. data for the period 1.01. 31/03/2020 were converted according to the exchange rate = 4.3963 PLN / EUR, data for the analogous period of 2019 were converted according to the exchange rate = 4.2978 PLN / EUR.

All amounts expressed in thousands of PLN, unless indicated otherwise



B. Description of achievements and factors influencing financial results

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

I Market environment in Poland

According to preliminary data of the Central Statistical Office, the construction and assembly production (in constant prices) carried out in the country by construction companies employing more than 9 people in March 2020 grew by 3.7% compared to the same period last year, although the dynamics of this growth was lower (in 2019 an increase of 10.8% y/y was recorded). In the analysed period, the largest increase in the value of construction and assembly production (9%) occurred in enterprises engaged in performing specialized works. Increases were also recorded by enterprises whose main activity was the construction of civil engineering facilities (7%) and construction of buildings (2.3%).

In the first quarter of 2020, compared to the same period of the previous year, individual segments of the construction market recorded the following dynamics:

- **Non-residential construction** - as shown by the latest preliminary data, the first quarter of 2020 in terms of construction production dynamics was a period of slight growth (by 2.2% y/y compared to 13.8% in the corresponding period of the previous year). The weakest results were recorded by the office buildings segment (down 20.2% y/y).
- **Engineering sector** - in the engineering construction industry the nominal growth rate was 14.5% in Q1 2020 (vs. 19.3% in the corresponding period of 2019). In the segment including construction of bridges, roads, flyovers and tunnels, production increased by as much as 33.5% y/y (compared to a decrease of 0.7% in the corresponding period of 2019).
- **Housing construction sector**- Q1 2020 is a period of further growth in this segment. As for construction and assembly production dynamics for companies with more than 9 employees, according to preliminary data for Q1 2020, this segment grew nominally at a rate of nearly 13.5% y/y. According to the Central Statistical Office (GUS), during the first three months of 2020, more apartments were completed than a year ago. The number of dwellings for which construction permits were issued or a notification with a construction project was made also increased, while the number of dwellings for which construction has started decreased. According to preliminary data, in the period from January to March 2020, 49.5 thousand dwellings were completed, i.e. by 4.4% more than the year before. In the first three months of 2020, permits were issued or construction of 59,100 dwellings was reported, i.e. 3.3% more than in the corresponding period of 2019. In the period January - March 2020, the construction of 52.5 thousand dwellings commenced, i.e. 2.5% less than in the corresponding period of 2019, which may indicate a slowdown in this sector.

All amounts expressed in thousands of PLN, unless indicated otherwise



- In the **industrial construction sector**, a slight decrease in production was noted compared to the corresponding period of the previous year (by 0.5% y/y). In the segment including the construction of water facilities, an 11.6% y/y increase in production was observed, while in the case of complex buildings in industrial areas the increase was 8.7% y/y. The decline in production was visible in the case of industrial and warehouse buildings, and amounted to -4.9% y/y.

Production in sectors important for the Group is presented in the table below:

Analysis of market data in the field of ULMA (PLN m) - CSO / Spectis			
Sector	First quarter of 2020*)	First quarter of 2019*)	% year on year
Housing sector	4,119	3,629	13,5%
Non-residential sector	4,421	4,326	2,2%
Engineering sector (bridges, viaducts, flyovers, tunnels)	532	398	33,5%
Industrial sector	4,054	4,076	-0,5%
Sectors operated by ULMA CONSTRUCCION POLSKA S. A. in total	13,126	12,429	5,6%

(*) estimates

**) final data for I quarter of 2019 published by GUS

Market environment abroad

Due to the difficulty in obtaining reliable data on quarterly changes in basic economic and construction indicators for the export markets on which the Capital Group operates, the Management Board decided to present in this study only general information on recorded market trends and events.

UKRAINE

The first quarter of 2020 was quite a positive period due to good weather conditions allowing for the continuation of construction works launched in 2019 as well as launching new ones. As a result of winning several significant orders for the purchase of shuttering systems by customers from ULMA Opałubka Ukraina sp. z o.o., a subsidiary of ULMA Opałubka Ukraina sp. z o.o., we managed to compensate for the decrease in rental income. The end of the first quarter, especially the period after 15 March 2020, was strongly influenced by the situation related to the COVID-19 epidemic. The restrictions introduced by the Ukrainian government led to the stopping of some construction sites due to the lack of free movement of workers.

This, in turn, resulted in requests from the subsidiary's customers to include additional downtime discounts in their trade accounts for March 2020.

The extent of the full impact of the epidemic on the Ukrainian economy, including in particular the construction segment, is not yet fully known, although it is already visible that this will have a negative impact.

LITHUANIA

Until the first half of March 2020, the construction market in Lithuania behaved in a manner not deviating from the expectations and market consensus of the previous year. After that period, despite the

All amounts expressed in thousands of PLN, unless indicated otherwise



introduction of the COVID-19 epidemic rigours since 15 March 2020, construction works were not completely stopped at the construction sites operated by ULMA Construcción BALTIC sp. z o.o., a subsidiary, and there were single cases of downtime and the need to reflect such phenomena in commercial settlements.

However, there is a noticeable slowdown in launching new investments, especially in the area of residential construction.

KAZAKHSTAN

The situation on the Kazakh market deteriorated decisively. Just like in Ukraine, the economy was frozen. In addition, at the end of March 2020, the problems with the COVID-19 epidemic were compounded by difficulties related to the falling and negative price of crude oil for contracts for its supply in the coming months. As a consequence, there was a one-time weakening of the local currency from about 430 KZT/€ to about 460 KZT/€.

Nevertheless, the subsidiary ULMA Opatubka Kazachstan sp. z o.o. is working on several locally important infrastructure projects, which are likely to continue.

Operating profitability

In the first quarter of 2020, the Capital Group obtained a positive result on operating activities, which amounted to PLN 4 962 thousand to a positive result of PLN 9 611 thousand achieved in the corresponding period of the previous year.

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

	for the first quarter of 2020	2019	first quarter of 2019
Sales	48,733	229,366	51,567
EBIT	4,962	59,049	9,611
% for sale	10,18%	25,74%	18,64%
Depreciation	10,980	43,115	10,513
EBITDA	15,942	102,164	20,124
% for sale	32,71%	44,54%	39,03%

In the first quarter of 2020, the Capital Group recorded a decrease in EBITDA in absolute terms by PLN 4,182 thousand compared to the level achieved in the first quarter of 2019, resulting in a decrease in EBITDA expressed as a percentage of sales by 6.32 percentage points. This was due to the unfavourable market environment, both in Poland and on export markets, resulting from the negative economic effects of the COVID-19 pandemic. The current market slowdown is particularly evident in the "Construction Services" segment, which is characterized by the highest operational profitability.

In the first quarter of 2020, the Capital Group created revaluation write-offs on receivables and wrote off trade receivables in the amount of PLN 1,027 thousand against PLN 1,501 thousand in the corresponding period of the previous year (included in "Other operating costs").

All amounts expressed in thousands of PLN, unless indicated otherwise



In the first quarter of 2020 The Capital Group did not create any inventory revaluation write-offs or write-offs for impairment of tangible fixed assets or intangible assets. Nor was there any reversal of such write-offs

Transactions hedging against foreign exchange risk

The companies of the Capital Group purchase products (shuttering systems and their accessories and scaffolding) which are the subject of trade and service activities from the parent company in Spain, other companies of the ULMA Group and other third parties.

As part of its commercial activities, the Capital Group is active on export markets, especially in Ukraine, Lithuania and Kazakhstan, where business activities are conducted through subsidiaries Ulma Opałubka Ukraina sp. z o.o., Ulma Construcción BALTIC sp. z o.o. and Ulma Opałubka Kazakhstan sp. z o.o. As a result, the companies of the Capital Group are exposed to foreign exchange risk, which the Capital Group tries to reduce by

- current levelling of the difference in currency position (difference between assets and liabilities expressed in foreign currencies) in the Company, and
- adjustment process for offered prices of services and materials in subsidiaries.

Financial costs and other comprehensive income

The parent company ULMA Construcción Polska S.A. grants long-term loans to its subsidiaries to finance their activities in export markets.

As at 31 March 2020, the value of long-term loans granted amounted to EUR 2,100 thousand and USD 290 thousand. In accordance with the principles of the International Accounting Standards (IAS 21), these loans are treated as a "net investment in a foreign entity" and therefore any foreign exchange differences associated with them are disclosed in the "statement of changes in consolidated equity" and "other comprehensive income".

In the first quarter of 2020, the total value of exchange rate differences recognized in the above statements was negative and amounted to 807 thousand PLN, of which:

- 560 thousand PLN are positive exchange rate differences related to the aforementioned "net investment". (loans granted) in foreign operations. Exchange rate differences from the valuation of settlements as at the balance sheet date are recognised under "equity", and only in later periods following the repayments of the loan taken by the subsidiary, realised exchange rate differences are recognised in the consolidated profit and loss account,
- PLN 1,367 thousand are negative exchange rate differences resulting from changes in local currency exchange rates against PLN influencing the translations of financial statements of subsidiaries operating abroad.

In the first quarter of 2019 these amounts were respectively:

- PLN 13 thousand due to positive exchange rate differences related to "net investment in a foreign entity" and,

All amounts expressed in thousands of PLN, unless indicated otherwise



- PLN 642 thousand are positive exchange rate differences resulting from changes in local currency exchange rates against PLN influencing the translation of financial statements of subsidiaries operating abroad.

The table below presents the exchange rates against PLN for 3 currency pairs, whose change affected the valuation of the financial statements of the subsidiaries in the consolidated statement of the Capital Group.

	31 December	31 March 2019	Change in %	31 December 2019	31 March 2020	Change in %
UAH/PLN	7.37	7.20	-2,31%	6.24	6.63	6,25%
KZT/PLN	101.24	100.1	-1,13%	99.16	94.28	-4,92%
PLN/EUR	4.3	4.3	0,00%	4.26	4.55	6,81%

In the analysed period of the first quarter of 2020, the local currency in Ukraine (UAH) weakened by approx. 6.25% and the local currency in Kazakhstan (KZT) strengthened by 4.92% against PLN. A weakening of PLN against EUR by 6.81% was also recorded. These phenomena contributed to negative exchange rate differences resulting from the conversion of financial statements of subsidiaries operating abroad.

The Capital Group tries to hedge the foreign exchange risk related to the above mentioned internal borrowings with respect to EUR - UAH and USD - UAH exposure in Ukraine in a natural way, i.e. through the process of adjusting the price lists of services and materials offered in this market to the current exchange rate of UAH to USD. However, the effectiveness of these measures is difficult to estimate due to the size and unpredictability of UAH volatility, in particular in view of the complex geopolitical situation of Ukraine and the ongoing armed conflict in the East.

In the first quarter of 2020, the Capital Group did not create revaluation write-offs for impairment of financial assets or reverse such write-offs.

Net financial result

After accounting for income tax, the Capital Group obtained a positive net financial result in the amount of PLN 3,950 thousand in the first quarter of 2020 compared to PLN 7,796 thousand a positive net financial result achieved in the corresponding period of the previous year.

Cash flow

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

All amounts expressed in thousands of PLN, unless indicated otherwise



	first quarter of 2020	first quarter of 2019
Net profit (loss)	3,950	7,796
Depreciation	10,980	10,513
Total financial surplus	14,930	18,309
Other elements of net flows from operating activities	(16,028)	(9,470)
Net cash flow from operating activities	(1,098)	8,839
Net cash flow from investment activities	(1,116)	(142)
Net cash flow from financial activities	(1,305)	(3,114)
Net cash flow	(3,519)	5,583
Foreign exchange loss/gains on the valuation of cash and overdraft in the current account	(251)	(166)
The change in net cash and overdraft in the current account	(3,770)	5,417

Cash flow from operating activities

During the first quarter of 2020, the Capital Group achieved a positive financial surplus (net profit + depreciation), which amounted to PLN 14 930 thousand.

In the same period, cash from operating activities amounted to PLN 1 098 thousand against PLN 8 839 thousand in the corresponding period of the previous year (increase by PLN 11,491 thousand).

In the period of the first quarter of 2020, the Capital Group continued investment purchases in the group of shuttering and scaffolding mainly in order to supplement the portfolio of offered products necessary to provide services on the growing for several years now construction market in Poland, including in particular in the bridge segment. As a result, investment expenditure in the first quarter of 2020 related to the purchase of property, plant and equipment in the group of shuttering and scaffolding systems amounted to PLN 17 033 thousand compared to PLN 15 762 thousand in the corresponding period of 2019.

Cash flow from investment activities

Cash flows from investing activities comprise mainly inflows from interest received on a loan granted to the parent company and expenses related to purchases of other fixed assets.

Cash flow from financial activities

In the first quarter of 2020, as part of its financing activities, the Group incurred mainly expenses on account of lease payments made by the parent company (PLN 1,134 thousand).

As a result of the above, in the first quarter of 2020, the Group recorded a decrease in cash by PLN 3,770 thousand to PLN 45,200 thousand as at 31 March 2020.

Information on employment

Basic information on average employment in the Capital Group and in the dominant entity is presented in the table below.

All amounts expressed in thousands of PLN, unless indicated otherwise



	for the first quarter of 2020	2019	first quarter of 2019
ULMA Construcción Polska S.A. CAPITAL GROUP	370	364	362
ULMA Construcción Polska S.A. Capital Group	448	434	428

C. Description of the Capital Group

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

The composition of ULMA Construcción Polska S.A. Capital Group is presented in the GENERAL INFORMATION section of this report.

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

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

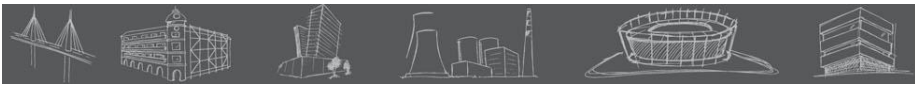
D. Management Board's position on forecasts

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

On 15 April 2020, the Issuer's Management Board, in report no. 8/2020, published preliminary estimates of selected financial and operational data of ULMA Construcción Polska S.A. Capital Group concerning total sales revenues and revenues from sales in particular segments of the Capital Group's operations. The table below presents a comparison of the published preliminary estimates and actual data achieved in the analysed period of 3 months of 2020.

	Forecast	Execution	Difference
Sales revenues including:	48,733	48,733	-
- construction site services	37,619	37,619	-
- sales of building materials	11,114	11,114	-
EBITDA (net profit + depreciation)	15,942	15,942	-
Net profit	3,950	3,950	-
Net cash position (cash + loans granted)	55,200	55,200	-

All amounts expressed in thousands of PLN, unless indicated otherwise



E. Significant shareholders

Indication of shareholders holding, directly or indirectly through subsidiaries, at least 5% of the total number of votes at the issuer's general meeting as at the date of submitting the report, as well as indication of changes in the ownership structure of significant blocks of the issuer's shares in the period from the date of submitting the previous periodical report

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

- **ULMA C y E S, Coop.** (Spain) holding directly 3,967,290 shares in ULMA Construcción Polska S.A. representing 75.49% of the Company's share capital and entitling to 3,967,290 votes at the General Meeting of Shareholders, which is 75.49% of the total number of votes,
- Quercus TFI S.A. holding 323,726 shares of ULMA Construcción Polska S.A., constituting 6.16% of the Company's share capital and entitling to 323,726 votes at the General Meeting, which constitutes 6.16% of the total number of votes.

F. Issuer's shares held by managing and supervising persons

List of the number of shares in the issuer or rights thereto held by persons managing and supervising the issuer as at the date of publication of the report, together with an indication of changes in the number of shares held since the date of publication of the previous interim report, separately for each of these persons, according to information available to ULMA Construcción Polska S.A.

According to ULMA Construcción Polska S.A. information, in the period from the submission of the previous report, there were no changes in the ownership of shares of ULMA Construcción Polska S.A. or rights to them (options) by the above-mentioned persons.

None of the managers and supervisors of ULMA Construcción Polska S.A. does not have issuer's shares.

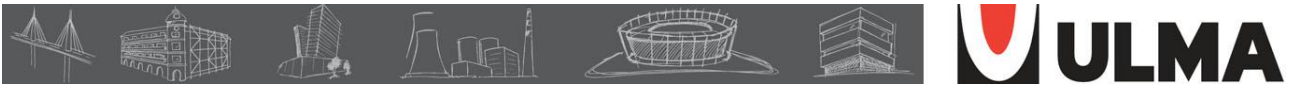
G. Important court proceedings

Indication of significant proceedings pending before a court, arbitration body or public administration authority, concerning liabilities and receivables of the issuer or its subsidiary, including the subject of the proceedings, the value of the subject of the dispute, the date on which the proceedings were initiated, the parties to the proceedings and the issuer's position.

Proceedings regarding receivables of ULMA Construcción Polska S.A as at 31.03.2020:

ULMA Construcción Polska S.A. conducts 50 court proceedings, which include receivables (according to the balance as at 31 March 2020) in the total amount of PLN 20,528 thousand. These cases include court proceedings that have not yet ended with the court issuing a final enforcement order in the case and claims

All amounts expressed in thousands of PLN, unless indicated otherwise



against debtors in relation to which the court issued a decision on the declaration of bankruptcy, arrangement or restructuring.

None of the court cases conducted by ULMA Construcción Polska S.A. exceeds 10% of the equity capital of the Company.



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

Detailed list	Number of the proceedings	Balance as at 31 -03 - 2020	Date of the commencement of proceedings	Status of the case
Court proceedings	2	447		
Including major cases:				
Firma H.P.U. "ROTOS" Ryszard Dominik		388	June 2018	The District Court in Białystok awarded the Debtor and the Guarantor (the Debtor's spouse) the entire amount due. Despite the fact that the order for payment is not yet final and binding, the Company, as part of the bailiff's proceedings, secured the Debtors' movable property (construction machines). In September 2019, as part of bailiff proceedings, it was possible to auction off part of the seized movables, of which PLN 310 thousand was received by the Company, while in February 2020, the amount of PLN 156 thousand was recovered from the bank account seizure. Additionally, at the request of the Company, criminal proceedings are being conducted in connection with the fact that the Debtors, being already debtors of the Company, have assigned their movable and immovable
Aussie Development sp. z o.o.		59	May 2019	The Company filed 2 suits against the Debtor and the guarantor (an individual) due to two different agreements between the parties. In one of the proceedings, the Company has already received an order for payment and is awaiting its validation, while in the other, the Company is awaiting an order for payment.
Total listed	2	447		100% of the total
Detailed list	Number of the proceedings	Balance as at 31 -03 - 2020	Date of the commencement of proceedings	Status of the case
Bankruptcy proceedings	48	20,081		
<i>including the 5 largest items:</i>				
HYDROBUDOWA POLSKA SA		6,602	September 2012	The receivable has been filed to the bankruptcy receiver.

All amounts expressed in thousands of PLN, unless indicated otherwise



RADKO Sp. z o.o.		4,104	August 2012	On 20 January 2016, the Court transformed the hitherto existing systemic bankruptcy into bankruptcy involving the liquidation of the bankrupt's assets. Regardless of the receivables filed in the bankruptcy proceedings, the Company conducts several different proceedings in parallel. In particular, it is the enforcement proceedings against one of the guarantors (a former member of the Debtor's board). In relation to this guarantor, both the enforcement proceedings are conducted against the land property and the enforcement proceedings against its shares in another company. The bailiff has so far managed to cash in and transfer to the Company the amount for one of the real properties. In October 2019, the judicial officer sold another two properties for a total of PLN 202 thousand. The Company is waiting for a plan to distribute the recovered amount. Enforcement proceedings are in progress (the company owns properties with an estimated value of approximately PLN 500 thousand).
HENPOL Sp. z o.o.		1,010	January 2014	The receivable has been filed to the bankruptcy receiver.
Firma Gotowski – Budownictwo Komunikacyjne i Przemysłowe sp. z o. o		873	June 2018	On 22 June 2018, the District Court in Bydgoszcz issued a decision on opening the Debtor's recovery proceedings. Despite questioning a significant amount of receivables, finally, through the court, the Company managed to effectively challenge the list of receivables prepared by the Debtor. Taking into account that the Company cooperated with the Debtor on three public contracts (contracts submitted to investors under the Public Procurement Law), the Company tries to recover its receivables directly from them. The effect of these efforts was, among others, the payment in July 2019 of 197 thousand PLN from one of the Investors. The other Investor paid to the court deposit the amount of PLN 273 thousand due to the Company, due to an earlier dispute about this amount. After the contested amount was finally recognised, the Company applied for payment from the deposit.
KROKBUD Sp. z o.o.		864	April 2016	On 21.04.2016, the District Court in Nowy Sącz issued a decision to declare the Debtor's bankruptcy with the possibility of making an arrangement. On 16.11.2017, the same court changed the existing decision into a decision on bankruptcy including liquidation of the Debtor's assets. The Company reported its receivables to the trustee. So far the Company has not received any payments during the pending bankruptcy proceedings.
Total listed		13,453		67% of the total
Total number of the proceedings conducted	50	20,528		

All amounts expressed in thousands of PLN, unless indicated otherwise



Apart from the court cases described above, the Company conducts other debt collection proceedings. These are in particular pre-judicial proceedings and those at the stage of bailiff enforcement. Currently, the Company has 85 proceedings from these categories in its balance sheet for the total value of PLN 8 853 thousand.

The total balance in the balance sheet of debt collection proceedings (at the judicial and extra-judicial stage) as at 31 March 2020 included a total of 135 cases and amounted to PLN 29 382 thousand.

It should be pointed out that at the beginning of the current year, as in the entire previous year, the total balance of receivables collected in the Company started to decrease (without taking into account the reduction of the balance due to writing off the receivables into costs). This indicates a growing effectiveness of the conducted collection of difficult receivables - the value of debtors' payments on this account is higher than the value of receivables directed to collection in a given period, which is presented in the table below.

	Q1 in 2020.	in 2019.	in 2018.
Receivables in collection at the beginning of the period	29,856	35 963*	38,251
written down over the period	(272)	(5,520)	(2,866)
payments over the period	(283)	(1,358)	(2,639)
New collections over the period	80	771	3,624
Receivables in collection at the end of the period	29,381	29,856	36,369
<i>new collection - payment per balance</i>	(203)	(587)	985

*The opening balance as at 2019 was reduced by PLN 406 thousand resulting from the reclassification of receivables recognised as debtors in 2018 to normal receivables (signed agreements and further cooperation with customers).

The above phenomenon is an effect of, on the one hand, a careful process of verification of new clients / construction sites and, on the other hand, the application of effective security measures in agreements with clients. The fact that the increasing value of sales is located in public contracts, where the Company's contracts with customers are protected by law by provisions of the Public Procurement Law, also helps to avoid debt collection.

Proceedings regarding receivables of the Subsidiaries as at 31.03.2020:

As at the balance sheet date, the Company's subsidiaries recorded a total of 9 court cases with a joint value of PLN 2 973 thousand including:

- a) 3 cases for the amount of PLN 347 thousand are at the stage of court proceedings,
- b) 6 cases for the amount of PLN 2,626 thousand are restructuring and bankruptcy proceedings.

Invariably, the largest of the court cases in the Subsidiaries (the equivalent of debt as at the reporting date is PLN 2,135 thousand) is the bankruptcy proceedings of one of the debtors in Ulma Baltic.

Similarly to the Company, in the balance sheets of the Subsidiaries, in addition to the court receivables described above, there are also balances of 13 debtors (mainly at the pre-judicial stage), whose total value amounts to PLN 6,338 thousand (translated at the exchange rates as at the balance sheet date). The vast majority of the above amount comes from ULMA Opatubka Ukraina sp. z o.o., where, despite a very good market situation, credit risk remains high. As a consequence of persisting late payments in Q1 2020, ULMA Opatubka Ukraina sp. z o.o. created further write-downs for receivables in the total amount of PLN 1,021. All amounts expressed in thousands of PLN, unless indicated otherwise



thousand (in the whole 2019 it was PLN 4,412 thousand). Due to the continuing credit risk, the Management Board of the Capital Group continues to implement the debt collection procedure and strengthen the customer verification process. As a result, the Management Board of the Capital Group expects improvements in this area in the next quarters of 2020.

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

H. Transactions with associated entities

Information on conclusion by the issuer or its subsidiary of one or more transactions with associated parties, if they were concluded on conditions other than market conditions, including in particular their value:

- a) information about the entity with which the transaction was concluded,
- b) information about the connections of the issuer or its subsidiary with an entity being a party to the transaction,
- c) information about the subject of the transaction,
- d) Significant conditions of the transaction
- e) Other information regarding transactions, if necessary to understand the property, financial situation and financial result of the issuer,
- f) Any changes to transactions with affiliates described in the last annual report, which could have a significant impact on the financial position and financial performance of the issuer.

Transactions concluded during the first quarter of 2020 by ULMA Construcción Polska S.A. and its subsidiaries with related entities were typical and routine, were concluded on an market terms, and their nature and terms resulted from running ongoing operations.

The most significant transactions were those with the parent company ULMA C y E, S. Coop. (Spain), in particular:

- purchase of shuttering and scaffolding and rental services of shuttering and scaffolding of total value of PLN 14 600 thousand.
- other purchases in the total amount of PLN 122 thousand.

In the last 12 months (from 01/04/2019 to 31/03/2020), the value of the above transactions totaled:

- purchase of shuttering and scaffolding and rental services of shuttering and scaffolding of total value of PLN 52 874 thousand.
- other purchases in the total amount of PLN 1,693 thousand.

In addition to commercial transactions, ULMA Construcción Polska S.A. in the previous periods granted long-term and short-term loans to affiliates. The table below presents the table of loans granted by debt as at 31 March 2020 and 31 December 2019.

All amounts expressed in thousands of PLN, unless indicated otherwise



Associated party - long-term loans	Loan amount 31/03/2020	Loan amount 31/12/2019
ULMA Opařubka Ukraina (thousands. USD)	290	290
ULMA Construccıon BALTIC (thousands. EUR)	2,100	2,100
Associated party - short-term loans	Loan amount 31/03/2020	Loan amount 31/12/2019
ULMA CyE S.Coop. (In thousands of PLN)	10,000	10,000

The above long-term loans granted to subsidiaries are treated as net investments in the subsidiary. Unrealised exchange rate differences arising from the valuation of the aforementioned long-term loans are charged directly to the Group's equity.

W ULMA Construccıon Polska S.A. granted the parent company ULMA CyE, S. Coop a short-term loan of PLN 32,000 thousand. The loan for the parent company was granted on market terms - the interest rate on the loan depended on WIBOR 3M.

- The first tranche in the amount of PLN 11,000 thousand was repaid on the date provided for and described in the loan agreement on 21 May 2018.
- The second tranche in the amount of PLN 11,000 thousand was repaid within the period provided for and described in the loan agreement on 29 April 2019.
- The deadline for repayment of the remaining part of the loan (the third tranche of PLN 10,000 thousand) in accordance with the annex of 15 April 2020 (current report no. 9/2020 of 28 April 2020) was established for the period until 30 June 2020.

I. Sureties and guarantees

Information on granting by the issuer or its subsidiary of credit or loan sureties or guarantees - jointly to one entity or its subsidiary, with specification:

- a) Names of the entity to which the sureties or guarantees were granted,
- b) The total amount of credits or loans which have been fully or partially guaranteed,
- c) The period for which the sureties or guarantees were divided,
- d) Financial terms on which the sureties or guarantees were granted, indicating the issuer's remuneration for granting the sureties or guarantees,

ULMA Construccıon Polska S.A. granted a surety to Bank UKRSIBBANK for its subsidiary - ULMA Opařubka Ukraina Sp. z o.o. - as security for the repayment of a bank loan (revolving line). The surety is granted for the duration of the credit agreement and its amount is EUR1,000 thousand thousand.

The maturity date of this credit agreement is 31 December 2022. As at the balance sheet date of 31 March 2020 there is no debt under this agreement.

All amounts expressed in thousands of PLN, unless indicated otherwise



J. Other relevant information

Other information important for the assessment of the issuer's personnel, property, financial situation, financial result and information important for the assessment of the issuer's ability to meet its obligations

During the first quarter of 2020, there were no significant events other than those described earlier.

The Management Board of ULMA Construcción Polska S.A. knows of no other information which would be significant for the assessment of the personnel, property, financial situation, financial result and their changes as well as for the assessment of the ability of the Capital Group companies to meet their obligations.

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

Pursuant to Resolution No. 7 of the General Meeting of Shareholders of ULMA Construcción Polska S.A. of 06 May 2020, a portion of the net profit for the financial year 2019 in the amount of 13,664,643.20 was allocated for payment to shareholders in the form of a dividend of PLN 2.60 gross per share.

The determination of the dividend rights shall take place on 18 May 2020 and the payment of the dividend shall take place on 25 May 2020.

The amount and type of items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, value or frequency

During the first quarter of 2020, there were no such operations.

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

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

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

Information on inventory write-offs to net realisable value and reversal of such write-offs

In Q1 2020, the Capital Group did not create any inventory revaluation write-offs. Nor was there any reversal of such write-offs

All amounts expressed in thousands of PLN, unless indicated otherwise



Information on revaluation write-offs on financial assets, property, plant and equipment, intangible assets or other assets and reversal of such write-offs

In the first quarter of 2020, the Capital Group created revaluation write-offs on receivables and wrote off trade receivables in the amount of PLN 1,027 thousand against PLN 1,501 thousand in the corresponding period of the previous year (included in "Other operating costs").

In the first quarter of 2020 The Capital Group did not create any revaluation write-offs for impairment of tangible fixed assets or intangible assets. Nor was there any reversal of such write-offs

Information on the creation, increase, use and release of provisions

The Group 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.

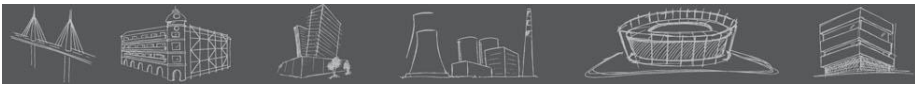
The Group revalues the present value of its post-employment benefit obligations once a year at the balance sheet date ending the financial year.

During the year, the amount of the above provision does not change

Information on deferred income tax liabilities and assets

	As at:	
	31 March 2020	31 December 2019
Assets due to deferred income tax:	6,714	6,411
Provision for deferred income tax:	(9,124)	(8,460)
Compensation	2,327	2,016
Balance sheet value of an asset due to deferred income tax	4,387	4,395
Balance sheet provision due to deferred income tax	6,797	(6,444)

All amounts expressed in thousands of PLN, unless indicated otherwise



Deferred tax assets and liabilities in the consolidated statement of financial position as at 31 March 2020 and 31 December 2019 were shown in amounts resulting from the offsetting of assets and liabilities at the level of each company in the Capital Group.

Information on significant transactions of purchase and sale of tangible fixed assets

The most significant transactions of purchase of tangible fixed assets made in the 1st quarter of 2020 were the purchase of formwork elements for lease from the Group's parent company in the amount of PLN 14,449 thousand.

Information on significant liabilities due to the purchase of tangible fixed assets

Liabilities arising from the above-mentioned purchases were fully paid by 31 March 2020.

Liabilities arising from the above-mentioned purchases were fully paid by 31 March 2020.

Indication of errors of previous periods

In the first quarter of 2020 no errors of previous periods were found

Information on non-repayment of a credit or loan or violation of material provisions of a loan or borrowing agreement

In Q1 2020, there were no such events. As of March 31, 2020, the Capital Group's subsidiaries do not have any debt under bank loans other than those indicated in this report.

Information on issue, redemption and repayment of non-equity and equity securities

In the first quarter of 2020, the Group did not issue, redeem or repay any equity or capital securities.

Indication of events which occurred after the day on which the abbreviated quarterly financial statement was drawn up, not included in the statement, which may significantly affect the issuer's future financial results.

After the balance sheet date, 31 March 2020, no events were identified that could significantly affect the future financial results of ULMA Construcción Polska S.A. Capital Group.

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

Since the end of the last financial year, there have been no changes in contingent liabilities nor contingent assets.

All amounts expressed in thousands of PLN, unless indicated otherwise



K. Factors influencing the issuer's future results

Factors which in the issuer's opinion will affect the results achieved at least in the next quarter

I Polish market

The first quarter of 2020 is a time when we can see significant increases in virtually every construction segment. However, for the first time in many years, it is difficult to predict what construction and installation production will look like in the coming months. The ongoing worldwide coronavirus pandemic will undoubtedly have a negative impact on the economies of most countries in the world, but at the moment it is difficult to predict how big.

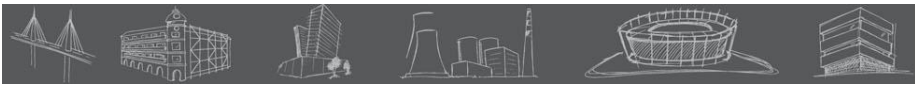
In the case of Poland, the majority of construction sites are working normally, and on a national scale, work has been suspended at about 150 sites (as of 28 April 2020), which is still a small percentage. The main problems for the construction industry, which will continue to have a negative impact on the economic situation in the construction industry, are still closed borders, problems with logistics and material deliveries, late payments and staff shortages. The largest construction companies in the country announce that they will work normally, which can be encouraging. According to the data collected by the Polish Association of Construction Employers, all member companies have implemented the necessary procedures established by MZ and GIS on their construction sites, have provided themselves with personal protective equipment and have implemented appropriate occupational health and safety procedures. On average, 60% of the staff are on the current workstations, and about 25% work remotely (office and administrative employees). Nearly 45% of companies consider their situation to be good, the same percentage considers it sufficient and 10% to be bad. In general, companies rate their performance at 75% of the capacity, compared to 80% just two weeks ago, which may cause delays in contract execution and liquidity problems in the future.

As a result of the sharp economic downturn, expert construction forecasts for 2020 have been revised downwards. It is expected that the real terms of the decline could reach as much as 6 - 10%, compared to the projected growth rate around zero last autumn. Importantly, in the first quarter of 2020, the construction sector managed to build a certain buffer. The posed decreases in the context of the above mentioned buffer show how much slower we can count on the end of 2020. Against this background, it seems beneficial for the construction industry that the vast majority of the ongoing investment processes are now being continued. However, the commencement of many planned investments remains suspended.

The analysts are connected with the year 2021, when the market may feel more strongly the lack of inflow of new investment projects.

Forecasts for 2021 assume a further downward adjustment of around 6%. In contrast to 2017-2019, between 2020 and 2021 the market will no longer develop evenly in all three construction segments. The upcoming slowdown is expected to affect the private investors segment more strongly. Construction companies with a high exposure to cubature construction, especially residential construction, may have great difficulties in filling the potential 2021 order book.

All amounts expressed in thousands of PLN, unless indicated otherwise



In the current year, the construction sector may become an important stabilizer of the national economy. Moreover, with a gradual return to normality and the reduction of restrictions introduced earlier, the construction market may be the fastest channel for stimulating economic growth through decisions on increasing public spending. However, doubts remain as to how long such stimulation will be necessary and whether we can afford it.

In the area of **engineering construction**, most of the work continues unchanged, and the Government also declares support for engineering investments as it sees an important role of this part of construction in keeping the economy on track. GDDKiA and PLK also do not give up their tasks, and moreover, as the construction companies have noted, these companies make payments for completed contracts more quickly and start receiving construction packets more efficiently.

In the case of **residential construction**, both the whole of 2019 and the first quarter of 2020 were upwards in terms of new building permits. Therefore, the negative impact of the coronavirus epidemic on the dynamics of this construction segment in 2020 seems relatively moderate. Nevertheless, analysts mention the risk of a downward revision of around 10% in the wake of high market uncertainty and doubts about the ability to maintain private investment potential in this market segment in the following periods.

In addition, the market fears that more significant declines may occur in 2021 in the event of a significant downturn in the general economic climate as reflected in macroeconomic indicators such as unemployment. In the face of the above mentioned negative forecasts, the fact that the NBP will reduce interest rates, which will stabilise falls in this market segment, and which may have a positive impact on demand recovery, seems positive.

Analysts estimate that as a result of the coronavirus epidemic the **non-residential sector** will suffer the most. It is worth noting that the epidemic has only accelerated and deepened the falls, which were already indicated by the data recorded in 2019 on the number of new building permits (a drop of 19%). After about 3% real growth in 2019, a decrease in construction and assembly production in the non-residential sector is expected in 2020 by about 17%. If the economy is frozen for a longer period of time, it is possible to deepen these decreases even to over 20%.

I Foreign markets

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

UKRAINE

- Exchange rate volatility risks remain high despite the already recorded devaluation of the Hryvnia in mid-March 2020,
- the risk of internal unrest associated with poorly perceived improvements in the living conditions of the population increases,
- the risk of stopping current constructions increases as a result of liquidity problems at investors,
- The risk of not having enough new investments is increasing, and thus the price pressure on both the rental and sales income is increasing,

All amounts expressed in thousands of PLN, unless indicated otherwise



- The risk of payment bottlenecks and even bankruptcy of some construction companies increases due to reduced market demand and low capital resources of construction companies.

LITHUANIA

- there is a risk of a reduction in construction investments, especially in the housing sector. The Management Board of the Capital Group expects the price competition to intensify in the struggle for existing construction projects,
- there is a risk of stopping or hindering the work of individual construction sites due to the lack of external labour (workers from Belarus and Ukraine have left for their countries and have no possibility to return for the time being).

KAZAKHSTAN

- The risk of exchange rate volatility in Kazakhstan remains high,
- The risk of retaining part of the investment, especially in the oil sector, is high,
- the risk of insolvency of certain market players increases

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

The Group'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 Capital Group 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 Group'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 Capital Group'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.

The Management Board of the Capital Group analyses various scenarios of development of negative events caused by the coronavirus pandemic. In a possible pessimistic scenario, the Management Board estimates that the Capital Group's total consolidated revenue in Q2 2020 may still indicate negative dynamics, which would result in a situation where the Capital Group's total consolidated revenue for H1 2020 would be 20% lower than in the same period of the previous year with a negative outlook until the end of this year.

All amounts expressed in thousands of PLN, unless indicated otherwise



At the same time, the Issuer's Management Board informs that it is taking all possible measures to adjust the cost levels to the recorded lower revenues, while taking care to maintain jobs for its employees and orders for contractors.

Exchange rate risk

The companies of the Capital Group purchase products (formwork systems and their accessories) from the parent company in Spain or other entities located outside Poland. On the other hand, the Capital Group companies are active on export markets. As a result, the Capital Group is exposed to foreign exchange risk, which it tries to limit through its activity on the foreign exchange market.

The subsidiary Ulma Opatubka Ukraina sp. z o.o. has an intragroup loan denominated in USD. Due to the inability to effectively hedge against the foreign exchange risk associated with this transaction, the Company remains exposed to foreign currency and USD - Hryvnia, although this risk appears to be moderate with the apparent stabilization in Ukraine. In addition, management seeks to minimize this risk by updating the prices of its products and services in response to changes in exchange rates.

Information on market segments

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

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

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

The segment results were as follows:

The third quarter of 2020 - the 3-month period ending on 31 March 2020.

Description of the item	Construction site services	Sales of building materials	Capital Group
Sales revenue in total	37,758	13,847	51,605
Internal sale	(139)	(2,733)	(2,872)
Sales revenues	37,619	11,114	48,733
Operating costs without depreciation	(25,113)	(11,128)	(36,241)

All amounts expressed in thousands of PLN, unless indicated otherwise



Internal turnover costs	41	3,409	3,450
Consolidated operating costs without depreciation	(25,072)	(7,719)	(32,791)
EBITDA	12,547	3,395	15,942

The first quarter of 2019 - the 3-month period ending on 31 March 2019.

Description of the item	Construction site services	Sales of building materials	Capital Group
Sales revenue in total	41,612	12,059	53,671
Internal sale	(221)	(1,883)	(2,104)
Sales revenues	41,391	10,176	51,567
Operating costs without depreciation	(26,129)	(6,942)	(33,071)
Internal turnover costs	(11)	1,639	1,628
Consolidated operating costs without depreciation	(26,140)	(5,303)	(31,443)
EBITDA	15,251	4,873	20,124

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

	first quarter of 2020	first quarter of 2019
EBITDA	15,942	20,124
Depreciation	(10,980)	(10,513)
Interest income	237	283
Other financial income	65	185
Interest related costs	(171)	(250)
Other financial costs	(291)	(193)
Participation in the results of affiliates	54	295
Profit (loss) before tax	4,856	9,931
Income tax	(906)	(2,135)
Net profit (loss)	3,950	7,796

M. Investor relations

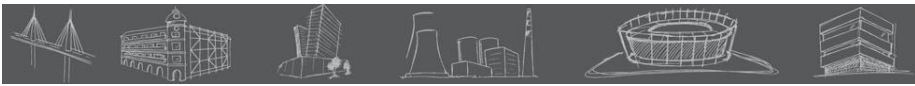
As part of its efforts to build proper investor relations, the Group has appointed a person responsible for contact with the WSE, the Polish Financial Supervision Authority and shareholders.

Aneta Szymańska

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All amounts expressed in thousands of PLN, unless indicated otherwise



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ULMA Construcción Polska S.A. CAPITAL GROUP

SINGLE SHORTENED FINANCIAL STATEMENT

FOR 1 QUARTER ENDING ON 31 March 2020

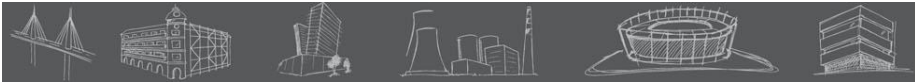
All amounts expressed in thousands of PLN, unless indicated otherwise



Profit and loss account and other comprehensive income

	first quarter of 2020	first quarter of 2019
Sales revenues	38,322	44,473
Costs of products, goods and materials sold	(32,550)	(32,030)
I. Gross profit on sales	5,772	12,443
Selling and marketing costs	(501)	(630)
General management costs	(4,270)	(4,008)
Other operating income	272	476
Other operating costs	(165)	(194)
<i>Including: impairment losses on receivables</i>	<i>(6)</i>	<i>(194)</i>
II. Profit (loss) at the operational level	1,108	8,087
Financial income	1,110	1,097
Financial costs	(171)	(192)
<i>Net financial costs</i>		<i>905</i>
III. Profit (loss) before tax	2,047	8,992
Current income tax	(45)	(1,627)
Deferred income tax	(353)	(297)
IV. Net profit (loss) for the financial period	1,649	7,068
Other comprehensive income that may be settled with profit (loss) in the future		-
V. Total income for the financial period	1,649	7,068
Net profit (loss) for the financial period	1,649	7,068
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)	0.31	1.34

All amounts expressed in thousands of PLN, unless indicated otherwise



Statement of financial position

As at:

	31/03/2020 (not examined)	31/12/2019 (examined)	31/03/2019 (not examined)
ASSETS			
I. Tangible assets (long-term)			
1 Property, plant and equipment	244,132	238,445	222,519
2 Intangible assets	146	172	184
3 Shares in affiliates	7,458	7,458	7,458
4 Assets due to right of use	12,691	12,615	14,493
5 Long-term receivables	10,802	10,063	14,020
Fixed assets (long-term) in total	275,229	268,753	258,674
II. Current assets (short-term)			
1 Inventory	7,693	5,185	6,671
2 Trade receivables and other receivables	48,786	54,686	63,809
3 Receivables due to income tax	1,125	-	-
4 Derivative financial instruments	-	68	-
5 Cash and cash equivalents	43,355	45,997	52,328
Current assets (short-term) in total	100,959	105,936	122,808
Total assets	376,188	374,689	381,482

All amounts expressed in thousands of PLN, unless indicated otherwise



	31/03/2020 (not examined)	31/12/2019 (examined)	31/03/2019 (not examined)
EQUITY CAPITAL AND LIABILITIES			
I. Equity			
1 Basic capital	10,511	10,511	10,511
2 Supplementary capital - surplus from the sale of shares above par value	114,990	114,990	114,990
3 Retained earnings, including:	207,648	205,999	199,577
a) Net profit (loss) for the financial period	1,649	43,499	7,068
Total equity	333,149	331,500	325,078
II. Liabilities			
1 Long-term liabilities			
a. Deferred income tax liabilities	6,796	6,444	4,062
b. Long-term liabilities due to retirement benefits	246	246	185
c. Long-term liabilities due to the right of use (leasing)	5,126	5,471	6,740
Long-term liabilities in total	12,168	12,161	10,987
2 Short-term liabilities			
a. b. Short-term liabilities due to retirement benefits	54	54	61
b. Derivative financial instruments	90		
c. Current income tax liabilities	-	1,307	749
d. Short-term liabilities due to factoring of trade liabilities	807	704	1,409

All amounts expressed in thousands of PLN, unless indicated otherwise



e. Short-term liabilities due to the right of use (leasing)	3,756	3,504	3,693
f. Trade payables and other liabilities	26,164	25,459	39,505
Short-term liabilities in total	30,871	31,028	45,417
Total liabilities	43,039	43,189	56,404
Total equity and liabilities	376,188	374,689	381,482

All amounts expressed in thousands of PLN, unless indicated otherwise



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 1st January 2019	10,511	114,990	170,124	295,625
Total net profit in 2019	-	-	43,499	43,499
Total income in 2019	-	-	-	-
Payment of the dividend	-	-	(30,009)	(30,009)
As at 31st December 2019	10,511	114,990	205,999	331,500
Total net profit in I quarter of 2020	-	-	1,649	1,649
Total income in I quarter of 2020	-	-	-	-
As at 31 March 2020	10,511	114,990	207,648	333,149

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 I quarter of 2019	-	-	7,068	7,068
Total income in I quarter of 2019	-	-	-	-
As at 31 March 2020	10,511	114,990	199,577	325,078

All amounts expressed in thousands of PLN, unless indicated otherwise



Statement of Cash Flows

	first quarter of 2020	first quarter of 2019
Net cash flow from operating activities		
Net profit for the financial period	1,649	7,068
Adjustments::		
- Income tax	398	1,924
- Depreciation of fixed assets	8,913	8,286
- Depreciation of intangible assets	28	50
- Depreciation assets due to right of use	965	1,013
Net value of formwork sold - fixed assets	2,337	1,353
- (Profits) / losses due to changes in the fair value of financial instruments	159	-
- Interest received	(326)	(989)
- Interest costs	171	192
- (Profits) / Losses due to foreign exchange losses	(783)	(74)
Changes in working capital:		
- Inventory	(2,508)	(1,538)
- Trade receivables and other receivables	5,900	(376)
- Trade payables and other liabilities	807	6,763
	17,710	23,672
Purchasing formwork	(15,616)	(14,773)
Income tax paid	(2,478)	(2,051)
Net cash flow from operating activities	(384)	6,848
Net cash flow from operating activities		
Purchase of property, plant and equipment	(1,323)	(319)
Proceeds from the sale of property, plant and equipment	2	3
Acquisition of intangible assets	(3)	(57)
Repayment of loans granted	-	615
Dividends received	-	559
Interest received	305	430
Net cash flow from investment activities	(1,019)	1,231
Net cash flow from financial activities		
Payments related to leasing	(1,134)	(1,171)
Interest paid	(171)	(192)
Payment of the dividend		-
Net cash flow from financial activities	(1,305)	(1,363)
Net increase or decrease in cash	(2,708)	6,716
Cash at the beginning of the period	45,997	45,611
Foreign exchange loss/gains on the valuation of cash and overdraft in the current account	66	1
Cash and overdraft in the current account at the end of the period	43,355	52,328

All amounts expressed in thousands of PLN, unless indicated otherwise



Description of the most important applied accounting principles

In preparing the interim condensed financial statement, the Company applied the same accounting policies as described in the audited financial statements as at 31 December 2019. The interim financial statement as of 31 March 2020 should be read together with the audited financial statements as of 31 December 2019 published on 24 March 2020.

Investments in subsidiaries and affiliates

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

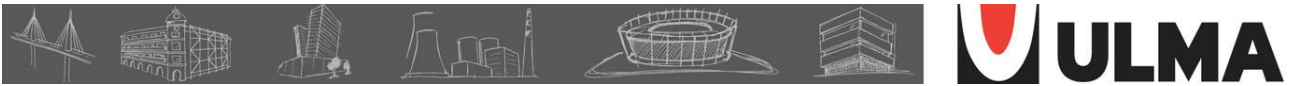
Conversion of selected financial data into the Euro

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

DETAILED LIST	In thousands PLN		In thousands EUR	
	First quarter of 2020	first quarter of 2019	First quarter of 2020	first quarter of 2019
Net revenues from sales of products, goods and materials	38,322	44,473	8,717	10,348
Result from operating activities	1,108	8,087	252	1,882
Gross result	2,047	8,992	466	2,092
Net result	1,649	7,068	375	1,645
Net cash flow from operating activities	(384)	6,848	(87)	1,593
Net cash flow from investment activities	(1,019)	1,231	(232)	287
Net cash flow from financial activities	(1,305)	(1,363)	(297)	(317)
Net cash flow	(2,708)	6,716	(616)	1,563
Basic earnings per ordinary share (in PLN / EUR)	0.31	1.34	0.07	0.31
Diluted earnings per ordinary share (in PLN / EUR)	0.31	1.34	0.07	0.31
	31/03/2020	31/12/2019	31/03/2020	31/12/2019
Total assets	376,188	374,689	82,637	87,986
Liabilities	43,039	43,189	9,454	10,142
Long-term liabilities	12,168	12,161	2,673	2,856
Short-term liabilities	30,871	31,028	6,781	7,286
Equity	333,149	331,500	73,183	77,844
Basic capital	10,511	10,511	2,309	2,468
Weighted average number of shares	5,255,632	5,255 632	5,255,632	5,255 632
Number of shares as at the balance sheet date	5,255,632	5,255 632	5,255,632	5,255 632
Book value per ordinary share (in PLN / EUR)	63.39	63.08	13.92	14.81

Individual items of assets and equity and liabilities have been converted into EUR using average exchange rates published by the President of the National Bank of Poland, effective as at the balance sheet date. The average EUR exchange rate as at 31 March 2020 amounted to PLN 4.5523, and as at 31 December 2019 to PLN 4,2585.

All amounts expressed in thousands of PLN, unless indicated otherwise



When converting the items of the statement of comprehensive income and cash flow statement items, a rate being the arithmetic mean of the exchange rates in force in the given period was applied, i.e. data for the period 1.01. 31/03/2020 were converted according to the exchange rate = 4.3963 PLN / EUR, data for the analogous period of 2019 were converted according to the exchange rate = 4.2978 PLN / EUR.

All amounts expressed in thousands of PLN, unless indicated otherwise