FINANCIAL STATEMENT of

ULMA Construccion Polska S.A.

FOR THE YEAR ENDING ON 31 December 2020

(along with the report of the chartered accountant)

Budujemy **zaufanie**

Contents

ULMA Construccion Polska S.A.

GENERAL INFORMATION

The subject of operations

The subjects of operations of the ULMA Construccion 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 Construccion 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 Construccion 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 Construccion 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 Construccion Polska S.A.
Koszajec 50
05-840 Brwinów

Composition of supervisory and management bodies as at 31/12/2021 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 until 6 May 2021
Eñaut Eguidazu Aldalur	Member of the Supervisory Board from 6 May 2021

Audit Committee

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

Management Board

Rodolfo Carlos Muñiz Urdampilleta	President of the Management Board
Krzysztof Orzełowski	Member of the Management Board
Ander Ollo Odriozola	Member of the Management Board
Andrzej Sterczyński	Member of the Management Board
Marek Czupryński	Member of the Management Board from 1 February 2021

The auditor

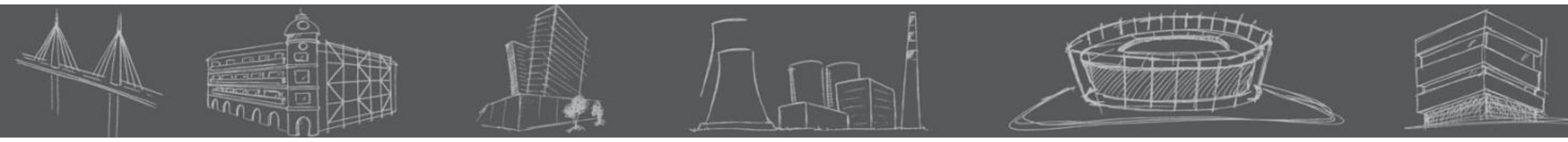
Ernst &Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp. k.
Rondo ONZ 1
00-124 Warszawa
The company is entered in the list of entities authorized to audit financial statements under item 130.

Banks

mBANK S.A.
PEKAO S.A.
PKO Bank Polski S.A.
ING Bank Śląski 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.
LEI Code: 2594001DEARTIAMFJC93



ULMA Construccion Polska S.A.

FINANCIAL STATEMENT

For the year ending on 31 December 2021

Profit and loss account and other comprehensive income

	Note	12 months of 2021	12 months of 2020
Sales revenues	18.	183 423	154 551
Costs of products, goods and materials sold	19.	(138 855)	(127 623)
I. Gross profit on sales		**44 568**	**26 928**
Selling and marketing costs	19.	(1 503)	(1 251)
General management costs	19.	(17 009)	(14 974)
Other operating income	20.	1 746	3 100
Including: reversal of impairment losses on receivables		*367*	*857*
Other operating costs	20.	(472)	(808)
Including: impairment losses on receivables		-	-
II Profit (Loss) at the operational level		**27 330**	**12 995**
Financial income	21.	647	1 476
Of which: interest on loans measured using the effective interest rate method		*620*	*691*
Financial costs	21.	(611)	(591)
Net financial income (costs)		*36*	*885*
III. Profit (Loss) before tax		**27 366**	**13 880**
Income tax	22.	(5 686)	(2 675)
IV. Net profit for the financial period		**21 680**	**11 205**
Other comprehensive income:		-	-
V. Total income for the financial period		**21 680**	**11 205**
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.	4,13	2,13

Statement of financial position

		Stan na dzień:	
	Note	31 December 2021	31 December 2020
ASSETS			
I. Fixed assets			
1. Property, plant and equipment	4.	234 039	230 099
2. Intangible assets	5.	202	228
3. Investments in subsidiaries and affiliates	7.	7 458	7 458
4. Assets due to right of use	8.	15 449	11 108
5. Long-term receivables	9.	8 320	28 306
Fixed assets in total		**265 468**	**277 199**
II Current assets			
1. Inventory	10.	4 489	5 261
2. Trade receivables and other receivables	9.	55 231	25 271
3. Derivative financial instruments	6.	6	-
4. Current income tax receivables		318	536
5. Cash and cash equivalents	11.	38 237	48 094
Non-current assets classified as held for sale		-	8 590
Current assets in total		**98 281**	**87 752**
Total assets		**363 749**	**364 951**
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:		185 172	203 540
a. Net profit (loss) for the financial period		*21 680*	*11 205*
Total equity		**310 673**	**329 041**
II Liabilities			
1. Long-term liabilities			
a. Provision for deferred income tax	16.	9 490	8 659
b. Long-term liabilities due to retirement benefits	17.	285	310
c. Long-term liabilities due to the right of use (leasing)	15.	8 276	4 088
Long-term liabilities in total		**18 051**	**13 057**
2. Short-term liabilities			
a. b. Short-term liabilities due to retirement benefits	17.	64	62
b. Derivative financial instruments		-	54
c. Short-term liabilities due to the right of use (leasing)	15.	3 767	3 541
d. Trade payables and other liabilities	13.	31 194	19 196
Short-term liabilities in total		**35 025**	**22 853**
Total liabilities		**53 076**	**35 910**
Total equity and liabilities		**363 749**	**364 951**

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 2021	**10 511**	**114 990**	**203 540**	**329 041**
Total net profit in 2021	-	-	21 680	**21 680**
Total income in 2021	-	-	-	**-**
Dividends paid	-	-	(40 048)	**(40 048)**
As at 31 December 2021	**10 511**	**114 990**	**185 172**	**310 673**

Detailed list	Share capital at par value	Surplus from the sale of shares above par value	Retained profits	In total Equity
As at 1 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**

Statement of Cash Flow

	Note	12 months 2021	12 months 2020
Net cash flow from operating activities			
Net profit for the financial period		**21 680**	**11 205**
Adjustments::			
- Income tax	22.	5 686	2 675
- Depreciation of fixed assets	4.	35 003	36 187
- Depreciation of intangible assets	5.	206	176
- Depreciation assets due to right of use		3 837	4 048
- Amounts written off financial fixed assets		(144)	394
Net value of formwork sold - fixed assets		12 157	6 825
- (Profits) / losses due to changes in the fair value of financial instruments		(60)	122
Interest, dividend income		(620)	(858)
- Interest costs		584	591
- (Profits) due to foreign exchange losses		63	(270)
- Change in the provision for retirement benefits		(23)	72
Changes in working capital:			
- Inventory		772	(76)
- Trade receivables and other receivables		(9 960)	19 415
- Trade payables and other liabilities		11 998	(6 967)
		81 179	**73 539**
- Acquisition of formworks -fixed assets	4.	(49 538)	(43 073)
Income tax paid		(4 637)	(2 303)
Net cash flow from operating activities		**27 004**	**28 163**
Net cash flow from operating activities			
Purchase of property, plant and equipment		(1 945)	(1 592)
Proceeds from the sale of property, plant and equipment		9 115	1 016
- Depreciation of intangible assets	5.	(180)	(232)
Repayment of loans granted		20 000	2 109
Loans granted		(20 000)	(10 000)
Interest received		578	877
Net cash used in investing activities		**7 568**	**(7 822)**
Net cash flow from financial activities			
Dividends paid		(40 048)	(13 664)
Interest paid		(584)	(591)
Payments of liabilities due to the right of use (leasing)		(3 762)	(3 887)
Net cash used in financial activities		**(44 394)**	**(18 142)**
Net increase or decrease in cash		**(9 822)**	**2 199**
Cash at the beginning of the period		48 094	45 997
Net exchange differences on cash and cash equivalents		(35)	(102)
Cash at the end of the period	**11.**	**38 237**	**48 094**

ULMA Construccion 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.

The amount of VAT recovered for lack of repayment of receivables within 90 days from the date of payment are showed in the balance sheet item "Tax liabilities and other encumbrances". In 2021, the Group amended this rule and, in its consolidated financial statement drawn up as of 31 December 2021, this amount decrease gross trade receivables from unrelated parties. As of 31 December 2021, the amount of recovered VAT is PLN 2,585 thousand (as of 31 December 2020, this amount was PLN 2,916 thousand).
In the opinion of the Capital Group, the changed presentation has no significant impact on data presented in the statement and in effect the Group did not restate the comparative data. In the case of restating the comparative data, the balance sheet total in the financial statement as of 31 December 2020 would decrease by PLN 2,916 thousand i.e. by 0.80%.

A. Declaration of conformity and general principles of document preparation

The financial statement of ULMA Construccion Polska S.A. covers the year ended 31 December 2021 and contain comparative data for the year ended 31 December 2020.

The duration of ULMA Construccion 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 Construccion 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 Construccion Polska SA Capital Group for the 9-month period ended on 31 December 2021, was approved for publication by the Management Board of the parent company on 31 March 2022.

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 2020, 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 2021 have no material impact on the consolidated financial statement of the Group.

- **The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: *Interest rate benchmark reform - Phase 2***
  The proposed amendments contain the temporary deviations addressing the effects of replacing the interbank offered rate ("IBOR") with an alternative interest rate similar to a risk-free rate ("RFR") and impact on financial reporting. The amendments contain the following practical solutions:
  - - practical solutions requiring the amendments to the agreements or cash flows resulting directly from the reform are considered as changes of variable interest rate, which is equivalent to a change of market interest rate,
  - - permit for adjustment of hedge accounting documentation in the area of identification and documentation of hedging relationships without resolving them, if these amendments were directly required by the IBOR reform,
  - - granting a temporary exemption from the requirement of compliance with the separate identification criterion, provided that the RFR instrument is established as the risk component hedging.

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 2021:

Standard	Opis zmian	Data obowiązywania
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 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
Amendments to IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	For annual periods beginning on 01 January 2023
Amendments to IFRS 17	Insurance contracts: first application of IFRS 17 and IFRS 9 - comparative information	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.

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 2021	**31 December 2020**
Trade receivables	2 703	846
Loans granted	1 800	1 800
Cash	1 082	103
Currency futures	-	-
Total Assets	**5 585**	**2 749**
Trade Liabilities	2 555	270
Currency futures	(570)	600
Total Liabilities	**1 985**	**870**

The sensitivity analysis conducted by the Company indicates that:

- as at 31 December 2021, 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 2021 would have been PLN 916 thousand higher/lower due to revaluation of cash, receivables, liabilities and foreign exchange contracts denominated in EUR/USD.

- 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.

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 1M) 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 61.9% of the gross value of this group of financial assets, of which 63.3% of the group's value are trade receivables that are not overdue (in 2020 these figures were 49.4% and 72.8% respectively).

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

31 December 2021	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	23 316	8 764	2 717	1 432	24	20 507	**56 760**
Write-offs for expected credit losses	(1 110)	-	(12)	(48)	(16)	(20 507)	**(21 693)**
Net trade receivables	**22 206**	**8 764**	**2 705**	**1 384**	**8**	**-**	35 067

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	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

Value loss was found in the case of financial assets in the group of trade receivables and other receivables with the value of PLN 21,693 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 2,585 thousand of VAT using the so-called VAT relief for bad debts. This amount in its consolidated financial statement drawn up as of 31 December 2021, this amount decrease gross trade receivables from unrelated parties. In the consolidated financial statement drawn up as of 31 December 2020, the amount of recovered VAT of PLN 2,916 thousand was presented in trade receivables and other receivables.

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 28,320 thousand, PLN 20,000 thousand relates to the loan granted to the parent company Ulma CyE S. Coop.
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 16.

The table below shows the Company's financial liabilities as at 31 December 2021 and as at 31 December 2020 by maturity date based on contractual undiscounted payments.

31 December 2021	Lease liabilities	Factoring related liabilities	Liabilities due to deliveries and services and other liabilities	In total
Up to 3 months	1 351	-	31 194	32 545
From 3 up to 12 months	3 934	-	-	3 934
From more than a year up to 5 years	8 142	-	-	8 142
More than 5 years	548	-	-	548
In total	**13 975**	**-**	**31 194**	**45 169**

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**

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 equipmpent, 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 2).

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 2021

	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 2021	**98 110**	**12 687**	**461 164**	**2 620**	**473**	**575 054**
Increases due to purchase	781	885	37 326	33	246	39 271
Increases - inventory surpluses, retraining	-	-	12 212	-	(473)	11 739
Decreases - sales	-	-	(61 282)	-	-	(61 282)
Decreases - liquidations, inventory shortages	-	(217)	(18 394)	(33)	-	(18 644)
As at 31 December 2021	**98 891**	**13 355**	**431 026**	**2 620**	**246**	**546 138**
CONSILIDATED DEPRECIATION						
As at 01 January 2021	**30 167**	**9 288**	**302 513**	**2 457**	**-**	**344 425**
Depreciation for the period	2 888	1 112	30 937	66	-	35 003
Decreases - sales	-	-	(53 074)	-	-	(53 074)
Decreases - liquidations, inventory shortages	-	(211)	(14 397)	(33)	-	(14 641)
As at 31 December 2021	**33 055**	**10 189**	**265 979**	**2 490**	**-**	**311 713**
AN UP-DATE WRITE-OFF						
As at 01 January 2021	**-**	**-**	**530**	**-**	**-**	**530**
Increases	**-**	**-**	-			**-**
Decreases	**-**	**-**	**(144)**	**-**	**-**	**(144)**
As at 31 December 2021			**386**			**386**
NET VALUE						
As at 01 January 2021	**67 943**	**3 399**	**158 121**	**163**	**473**	**230 099**
As at 31 December 2021	**65 836**	**3 166**	**164 661**	**130**	**246**	**234 039**

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 31th December 2019	**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**
CONSILIDATED 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 depreciation write-off for tangible fixed assets has increased:

Detailed list	12 months 2021	12 months 2020
Costs of products, goods and materials sold	34 373	35 531
Selling and marketing costs	6	4
General management costs	624	652
In total	**35 003**	**36 187**

As at 31 December 2021, 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 reverse a part of the impairment loss in the amount of PLN 144 thousand, reducing its amount to PLN 386 thousand.

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 2021

	Licenses and software	Other	Intangible assets in total
GROSS VALUE			
As at 01 January 2021	**5 191**	**37**	**5 228**
Increases	180	-	180
Decreases - sales, liquidation	(3 197)	(37)	(3 234)
As at 31 December 2021	**2 174**	**-**	**2 174**
CONSILIDATED DEPRECIATION			
As at 01 January 2021	**4 963**	**37**	**5 000**
Depreciation for the period	206	-	206
Decreases - sales, liquidation	(3 197)	(37)	(3 234)
As at 31 December 2021	**1 972**	**-**	**1 972**
NET VALUE			
As at 01 January 2021	**228**	**-**	**228**
As at 31 December 2021	**202**	**-**	**202**

Table of movements of value of intangible assets in 2020

	Licenses and software	Other	Intangible assets in total
GROSS VALUE			
As at 31 December 2020	**4 959**	**37**	**4 996**
Increases	232	-	232
Decreases - sales, liquidation	-	-	-
As at 30th December 2020	**5 191**	**37**	**5 228**
CONSILIDATED DEPRECIATION			
As at 31th December 2020	**4 787**	**37**	**4 824**
Depreciation for the period	176	-	176
Decreases - sales, liquidation	-	-	-
As at 30th December 2020	**4 963**	**37**	**5 000**
NET VALUE			
As at 01 January 2020	**172**	**-**	**172**
As at 31 December 2020	**228**	**-**	**228**

Depreciation write-off for intangible assets has increased:

Detailed list		12 months 2021		12 months 2020
Costs of products, goods and materials sold		-		-
General management costs		206		176
In total		**206**		**176**

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 trough 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 2021			31 December 2020		
	Balance sheet value	Fair value		Balance sheet value	Balance sheet value	Fair value hierarchy
Debt instruments valued at amortised cost						
Cash	38 237	38 237		48 094	48 094	Item. 1
Trade receivables and other liabilities	35 231	35 231		25 271	25 271	Item. 3
Loans granted	28 320	28 320		28 306	28 306	Item. 3
Financial instruments valued at fair value trough financial results						
Investments in subsidiaries and affiliates	7 458	7 458		7 458	7 458	Item.1
Derivatives	6	6		-	-	Item.1
Financial liabilities valued at amortised cost						
Trade payables and other liabilities	28 231	28 231		14 574	14 574	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 2021, nor in the period ended 31 December 2020, 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 2021

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 Construccion 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**		

The 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 2021

	Real estate	Means of transport	Forklifts	In total
GROSS VALUE				
As at 01 January 2020	**12 053**	**2 994**	**3 304**	**18 351**
Increases - change of payment	-	-	-	
Increases - new leasing objects	-	570	1 631	2 201
Increases – change of leasing contract	5 986	-	-	5 986
Decreases - ending a leasing contract	-	(396)	(1 565)	(1 961)
As at 31 December 2021	**18 039**	**3 168**	**3 370**	**24 577**
CONSILIDATED DEPRECIATION				
As at 01 January 2021	**4 244**	**1 224**	**1 775**	**7 243**
Depreciation for the period	2 195	861	781	3 837
Decreases - ending a leasing contract		(387)	(1 565)	(1 952)
As at 31 December 2021	**6 439**	**1 698**	**991**	**9 128**
NET VALUE				
As at 01 January 2021	**7 809**	**1 770**	**1 529**	**11 108**
As at 31 December 2021	**11 600**	**1 470**	**2 379**	**15 449**

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**
CONSILIDATED 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 30th 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**

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 amount of VAT recovered for lack of repayment of receivables within 90 days from the date of payment are showed in the balance sheet item "Tax liabilities and other encumbrances". In 2021, the Group amended this rule and, in its consolidated financial statement drawn up as of 31 December 2021, this amount decrease gross trade receivables from unrelated parties. As of 31 December 2021, the amount of recovered VAT is PLN 2,585 thousand (as of 31 December 2020, this amount was PLN 2,916 thousand).

	As at:	
	31 December 2021	31 December 2020
Trade receivables from unrelated parties	44 333	46 153
Write-off for expected credit losses	(21 693)	(25 310)
Net trade receivables	*22 640*	*20 843*
Other receivables	7	83
Prepayments and accruals - active	157	433
Trade receivables from related parties	12 427	3 912
Loans granted	28 320	28 306
Total trade receivables and other receivables	**63 551**	**53 577**
including:		
Long-term	8 320	28 306
Short-term	55 231	25 271

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, adjusteb by the amounts of receivables written off, totalling PLN 367 thousand, was recognised in other operating income. In 2020, a positive amount of PLN 857 thousand on this account was recognized in other operating income.

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 2021	12 months of 2020
Opening balance	**25 310**	**28 433**
Increases– Write-offs for expected credit losses	678	983
Use-up	(3 297)	(2 305)
Correction of the previous write-off	(998)	(1 801)
Closing balance	**21 693**	**25 310**

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 2021	31 December 2020
Materials	2 696	2 953
Goods	2 341	2 648
Net inventory value	**5 037**	**5 601**
Updating write-off of inventory value	(548)	(340)
Net inventory value	**4 489**	**5 261**

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 2021	31 December 2020
Cash on hand and in bank	38 237	48 094
Total cash including:	**38 237**	**48 094**
Restricted cash, including:	833	936
- ZFŚS cash	102	131
- Cash on VAT accounts	731	805

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 2021	31 December 2020
Cash and cash equivalents	38 237	48 094

Overdraft (note 14)	-	-
Cash and cash equivalents shown in the cash flow statement	**38 237**	**48 094**

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 159 988 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 01 January 2020	**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**
- Increases	-	-	-	-
- Decreases	-	-	-	-
As at 31 December 2021	**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 2021, the Company's shareholder structure is as follows:

	Share capital		**Votes at GSM**	
	Number of shares	**%**	**Number of shares**	**%**
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 2021	31 December 2020
Trade liabilities to unrelated parties	15 138	10 406
Trade liabilities to related parties	8 844	642
Tax and other liabilities	2 963	4 623
Accruals of (passive costs)	4 220	3 303
Contractual liabilities	27	148
Other liabilities	2	74
Total Trade liabilities and other liabilities	**31 194**	**19 196**
including:		
Long-term	-	-
Short-term	31 194	19 196

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

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 2021 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 2021 are as follows:

Liabilities due within the period:		Real estate leasing	Passenger car leasing	Forklift truck leasing		Total lease liabilities
Up to 3 months		745	210	196		1 151
From 3 up to 12 months		1 417	596	603		2 616
From more than a year up to 5 years		5 472	719	1 653		7 844
More than 5 years		432	-	-		432
In total		**8 066**	**1 525**	**2 452**		**12 043**

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**

In the year ended 31 December 2021, the Company incurred costs related to short-term leases and low value assets in the amount of PLN 1,330 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 2021	31 December 2020
Assets due to deferred income tax:	2 013	2 064
Provision for deferred income tax:	(11 503)	(10 723)
Compensation	2 013	2 064
Balance sheet value of an asset due to deferred income tax	-	-
Balance sheet provision due to deferred income tax	(9 490)	(8 659)

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	
	2021	2020	2021	2020
Provision due to deferred tax				
Tax depreciation	11 472	10 627	(845)	(2 379)
Unrealised foreign exchange differences	15	23	8	(16)
Other	16	73	57	132
In total	**11 503**	**10 723**	**(780)**	**(2 263)**
Assets due to deferred tax				
Write-offs for expected credit losses	903	1 162	(259)	120
Provisions for costs	1 099	896	203	(56)
Unrealised foreign exchange differences	11	6	5	(16)
In total	**2 013**	**2 064**	**(51)**	**48**
(Charge)/recognition due to deferred income tax			**(831)**	**(2 215)**

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 2021	31 December 2020
Liabilities recognised in the statement of financial position due to:		
Pension benefits	349	372
	349	**372**

Change of balance sheet liability status:

	31 December 2021	31 December 2020
Provision for retirement benefits at the beginning of the period	372	300
Write-off for the provision for retirement benefits	34	28
Interest cost	5	6
Actuarial gains and losses, net	(62)	38
Benefits paid-up	-	-
Provision for retirement benefits at the end of the period	**349**	**372**

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 2021		12 months of 2020
Sales revenue from construction site support		125 997		121 802
Revenues from sales of goods and construction materials		57 426		32 749
Sales revenue in total		**183 423**		**154 551**

- 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 2021		12 months of 2020
Domestic sales revenues		125 852		131 176
Foreign sales revenues		57 571		23 375
Sales revenue in total		**183 423**		**154 551**

Company’s main foreign sales markets are: Ukraine, Lithuania, Slovakia, Italy and Spain.

19. Costs by type

	12 months of 2021	12 months of 2020
Depreciation of tangible, intangible assets and assets due to the rights of use	39 046	40 411
Employee benefits cost (note 19a)	36 366	36 503
Use-up of resources, materials and energy	10 989	10 742
Transport services	12 174	13 597
Rental and lease services	4 351	4 165
Renovation services	4 993	5 699
Installation and construction services	247	573
Other services	11 976	11 174
Other costs	4 745	4 959
Value of goods, materials and formwork sold (fixed assets)	32 623	16 135
Costs by type In total	**157 510**	**143 958**
Including		
Costs of benefits for own use	143	110
Costs of products, goods and materials sold	138 855	127 623
Selling and marketing costs	1 503	1 251
Management costs	17 009	14 974

19 a) Employee benefits costs		
Salary costs and costs of termination benefits	29 755	29 582
Costs of social insurance and benefits for employees	6 611	6 921
Total employee benefits costs	**36 366**	**36 503**

20. Other income and operational costs

20 a) Other operational income	12 months of 2021	12 months of 2020
Inventory surpluses	268	276
Gains on change in fair value of futures contracts	71	-
Compensations received - lost components of tangible and current assets	-	3
Sale and recovery of property, plant and equipment	681	1 049
Change in write-downs for expected credit losses and written off receivables	367	857
Re-invoicing	332	327
Liabilities written off	27	588
Other	**1 746**	**3 100**

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 2021	12 months of 2020
Loses on change in fair value of futures contracts	-	(222)
A write-off updating the value of tangible fixed assets	(166)	(474)
A write-off updating the value of inventories	(208)	-
Other	(98)	(112)
Other operational income in total	**(472)**	**(808)**

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 2021	12 months of 2020
Interest income		
- loans granted	620	691
- on cash in bank account	-	167
Exchange rate differences	27	618
Total financial income	**647**	**1 476**

21 b) Financial costs	12 months of 2021	12 months of 2020
Interest costs		
- due to delay in payment of liabilities	(3)	(13)
- due to rights of use	(581)	(578)
Other	(27)	-
Total financial costs	**(611)**	**(591)**

22. Income tax

	12 months of 2021	12 months of 2020
Current tax	(4 855)	(460)
Deferred tax (note 16)	(831)	(2 215)
Total income tax	**(5 686)**	**(2 675)**

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 2021	12 months of 2020
Profit (loss) before tax	**27 366**	**13 880**
Non-taxable income and taxable income shown in the profit and loss account in previous years, including	**6**	**(331)**
- unrealised foreign exchange differences	28	(372)
- compensation not received during the accounting period	-	(4)
- other	(22)	45
Permanently non-deductible costs, including:	**2 553**	**528**
Representation costs	566	1 332
Previous years' costs	138	50
PFRON fees	293	326
Recognition of write-offs for expected credit losses from previous years as temporary non-deductible costs	-	(2 002)
25% operation of passenger car	797	536
Other	759	286
Tax base	**29 925**	**14 077**
Charging the financial result on account of income tax	**5 686**	**2 675**

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

	2021	2020
ULMA Construccion Polska S.A.	**334**	**365**
ULMA Construccion Polska S.A. Capital Group	**414**	**441**

24. Contingent items/guarantees

At the request of ULMA Construccion 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. On January 4, 2022, the value of the guarantee was increased to the amount of PLN 4,090 thousand.

ULMA Construccion 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 thousand. As of the balance sheet date of December 31, 2021 and as of December 31, 2020, there is no debt under this agreement.

25. Events after the balance sheet date

With regard to the invasion of the military forces of the Russian Federation in Ukraine on 24 February 2022, the Management Board of ULMA Construccion Polska S.A. ("Company") analysed the impact of this event on the activity of its subsidiary operating at the territory of Ukraine i.e. ULMA Opalubka Ukraina sp. z o.o. ("ULMA Ukraine").

The balance sheet items as of 31 December 2021 recognised in the financial statement for ULMA Ukraine along with their relation to the corresponding balance sheet items prepared for the consolidated data of the Capital Group as a whole are presented below.

Financial statement as of 31 December 2021 ***Data in PLN thousand***	**Consolidated data**		**ULMA Opalubka Ukraina sp. z o.o.**		**Share in %**
ASSETS					
I. Non-current assets	283 518		37 260		13,1%
- including formwork systems	*190 021*		*34 937*		18,4%
II. Current assets	117 342		18 696		15,9%
Total assets	**400 860**		**55 956**		**14,0%**
EQUITY AND LIABILITIES					
I. Equity	335 434		42 264		12,6%
- Net profit for the financial period	*24 978*		*9 555*		*38,3%*
1. Non-current liabilities	18 051		-		-
2. Short-term liabilities	47 375		13 692		28,9%
Total liabilities	**65 426**		**13 692**		**20,9%**
Total equity and liabilities	**400 860**		**55 956**		**14,0%**

Following the conditions described in the International Financial Reporting Standards (IAS 10), the event occurred on 24 February 2022 related to the military attack of the Russian Federation on Ukraine was treated as the event after the balance sheet date that requires no adjustments to the amounts recognised in the consolidated financial statement of the Company and Group as of 31 December 2021, effects of which must be disclosed.

Thus, the balance sheet items, including in particular monetary and asset-related items in the scope of fixed assets and working capital are not adjusted against the original objectives, which are reflected in the projections of the financial results of the Capital Group for 2021 published in January 2022, excluding the establishment of an additional write-off for the expected credit losses of PLN 1,504 thousand.

In the face of current warfare, the operation of ULMA Ukraine remains limited. However the management of ULMA Ukraina remains in continuous contact with the clients of the Company, expressing its readiness to undertake the operating activities as soon as the warfare discontinues and to recover the engineering and building infrastructure damaged during the war.

In effect of the performed analyses, the Management Board of Zarząd ULMA Construccion Polska S.A. verified also the capacity to control and ensure safety of the ULMA Ukraine assets.

(a). in the case of the part of assets located in the ULMA Ukraine warehouses, it has been ensured that the warehouse locations remain protected. ULMA Ukraine has its warehouses in industrial areas which remain under additional professional protection of the owners of those areas.

(b). the assets held by the ULMA Ukraine customers are located on construction sites supervised and controlled by them.

These facts affect the opinion of the Management Board on the capacity to control and ensure safety of the ULMA Ukraine assets. Nevertheless, the Management Board cannot exclude the negative impact of the risk related to the escalation of military operations in Ukraine; however, its scale and scope will depend on which part of the territory of Ukraine will be affected by the possible escalation.

Estimated figures regarding the ULMA Ukraine balance sheet items and their estimated impact on the relevant balance sheet items of the Group as of 31.01.2022

Fixed assets:	PLN 36,769 thousand, representing 13.6% of the Group's fixed assets
Current assets:	PLN 23,300 thousand, representing 19.4% of the Group's current assets
Total assets:	PLN 60,069 thousand, representing 14.9% of the Group's total assets

Among the balance sheet items listed above, the largest one is the fixed and current assets of ULMA Ukraine used in operations on the territory of Ukraine, i.e. rental and sale of formwork systems.

In view of the current situation, the Management Board of ULMA Construcction Polska S.A. has analysed the geographical distribution of this equipment in the warehouses of ULMA Ukraine and on the construction sites operated by the Subsidiary. As a result of the analysis, the following data has been determined:

1. On the territories of the self-proclaimed republics of Lugansk and Donetsk, there are currently assets of ULMA Ukraine with a book value of approximately **PLN 0.2 million**, which represents merely **0.5%** of total assets held by the Subsidiary and only **0.1%** of total formwork-related assets owned by the Group.

   Consequently, it should be stated that the risk associated with a probable event of loss of control and protection of formwork-related assets in this area by ULMA Ukraine, although relatively high, is insignificant in terms of the balance sheet items of the whole Group.

2. On the other hand, in the region located in the vicinity of the self-proclaimed republics of Lugansk and Donetsk, i.e. in the Odessa and Dnipropetrovsk regions, there are assets of ULMA Ukraine with

a book value of approximately **PLN 8.1 million**, which represents approximately **23.4%** of total formwork-related assets held by ULMA Ukraine and **4.3%** of total formwork-related assets owned by the Group. These assets are located on construction sites operated by reliable Ukrainian customers or in warehouses in Odessa or Dnipropetrovsk, which are protected.

At the moment, due to the nature and time of the outbreak of this military conflict, estimating the complete impact of warfare in Ukraine on the future financial statement of ULMA Opałubka Ukraina and the consolidated financial statement of the Capital Group ULMA Construccion Polska S.A., and the values of assets provided above at risk of loss in value are the maximum values.
Nonetheless, the Management Board of ULMA Construccion Polska S.A. stated that this event does not affect the capacity to continue the operation by the Company and Group and therefore the financial statements of ULMA Construccion Polska S.A. and of the Capital Group ULMA Construccion Polska S.A. are drawn up with a view to continuation of operation by the Company and Group. The Management Board will monitor the situation and verify the adopted assumption on continuation of operation on an on-going basis.

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 Construccion Polska SA Capital Group. the following companies are included:

The parent entity:

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

Subsidiaries:

- ULMA Opałubka Ukraina with its registered office in Kiev at ul. Naberezhno – Pechers´ka Doroga 7, 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 te 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 Construccion BALTIC sp. z.o.o with its registered office in Vilnius, ul. Justiniskiu str. 126 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 Construccion 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 Construccion Polska S.A. with affiliates

Settlement balances at the balance sheet date	As at: 31 December 2020	31 December 2019
Trade receivables	**12 427**	**3 912**
Including :		
- from the parent unit	315	740
- from subsidiaries	4 695	1 253
- from the affiliate	103	5
- from other affiliates	7 314	1 914
Trade Liabilities	**8 844**	**642**
Including :		
- to the parent unit	8 329	82
- to subsidiaries	422	132
- to the affiliate	21	23
- to other affiliates	72	405

Sales and purchases from Group's units	12 months of 2021	12 months of 2020
Sales	**57 236**	**22 852**
Including		
- to the parent unit	11 725	1 905
- to subsidiaries	31 009	15 945
- to the affiliate	511	33
- to other affiliates	13 991	4 969
Purchases	**39 983**	**36 587**
Including		
- from the parent unit	36 612	33 169
- from subsidiaries	1 774	2 227
- from the affiliate	134	89
- from other affiliates	1 463	1 102

Loans, interest, dividends	12 months of 2021	12 months of 2020
Loans paid-up– in thousands of EUR– ULMA Construccion BALTIC	-	300
Loans paid-up– in thousands of USD – ULMA Opałubka Ukraina	-	290
Loans granted– in thousands of PLN – ULMA C y E S.Coop	20 000	10 000
Loans paid-up– in thousands of PLN – ULMA C y E S.Coop	20 000	-
Income from loan interest in thousands of EUR	36	63
Income from loan interest in thousands of USD	-	17

Income from loan interest in thousands of PLN	455	343

ULMA Construccion Polska S.A. granted an investment loan of USD 1,500 thousand to its subsidiary ULMA Opałubka Ukraina sp. z o.o. at a fixed market interest rate until 8 January 2021 (under the annex of 2 January 2020). The loan obligation was fully repaid in 2020.

ULMA Construccion Polska S.A. granted a long-term loan of EUR 2,500 thousand to its subsidiary ULMA Construccion thousand. The loan was granted on market terms until 3 January 2023. (Annex of 12 September 2019). As at 31 December 2021, the receivable under the loan was EUR 1,800 thousand.

ULMA Construccion Poland S.A. granted to the parent company ULMA CyE, S. Coop a long-term loan of PLN 20,000 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), 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 2021 and 2020 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 2021 and 31 December 2020, 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 Members of Management Board and the Supervisory Board

	12 months 2021		12 months 2020
Management Board of ULMA Construccion Polska S.A.			
Rodolfo Carlos Muñiz Urdampilleta	2 044		1 287
Giordano Weschenfelder	-		640
Andrzej Sterczyński	485		421
Krzysztof Orzełowski	411		367
Marek Czupryński (from 1 February 2021)	438		-
Supervisory Board of ULMA Construccion Polska S.A.			
Michał Markowski	38		37

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 2021		12 months 2020
Net profit attributable to equity holders of the parent entity	21 680		11 205
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)	4,13		2,13
Diluted earnings (loss) per share (in PLN per share)	4,13		2,13

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 2021.

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

Name and Surname:	Position	Signature
Rodolfo Carlos Muñiz Urdampilleta	President of the Board	
Marek Czupryński	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 30 March 2022