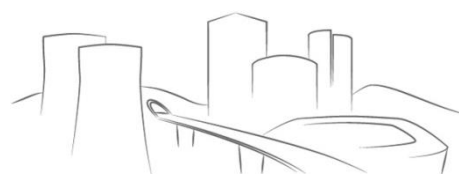


**EXTENDED CONSOLIDATED REPORT OF**

**THE CAPITAL GROUP OF**

**ULMA Construcción Polska S.A.**

**FOR THE 3RD QUARTER ENDED ON 30 SEPTEMBER 2021**



**From the beginning** of your projects

All amounts expressed in thousands of PLN, unless indicated otherwise



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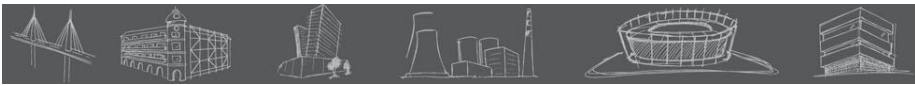
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All amounts expressed in thousands of PLN, unless indicated otherwise



## ULMA Construcción Polska S.A. Capital Group

All amounts expressed in thousands of PLN, unless indicated otherwise



## GENERAL INFORMATION

### **I The subject of operations**

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

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

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

### **I Registered Seat**

#### **ULMA Construcción Polska S.A.**

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

### **I The parent entity and Group composition**

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

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

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

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

All amounts expressed in thousands of PLN, unless indicated otherwise



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

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

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

## ■ **Composition of supervisory and management bodies as at 30/09/2021 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 Joaquín Ugarte Azpiri	Member of the Supervisory Board until 6 May 2021
Eñaut Eguidazu Aldalur	Member of the Supervisory Board from 6 May 2021

### ■ **Komitet Audytu**

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

### ■ **Management Board**

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

### ■ **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.

All amounts expressed in thousands of PLN, unless indicated otherwise



## **I Banks**

mBANK S.A.  
PEKAO S.A.  
PKO Bank Polski S.A.  
Banco de SABADELL (Hiszpania)  
Santander Bank Polska S.A.  
ING Bank Śląski S.A.

## **I Stock exchange listing**

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

LEI code: 2594001DEARTIAMFJC93



## **ABBRIDGED CONSOLIDATED FINANCIAL STATEMENT**

for the third quarter ended on  
30 September 2021

All amounts expressed in thousands of PLN, unless indicated otherwise



## Consolidated profit and loss account and other comprehensive income

	for the third quarter of 2021	3 quarters of 2021	for the third quarter of 2020	3 quarters of 2020
Sales revenues	59 339	144 655	50 975	144 797
Costs of products, goods and materials sold	(39 505)	(109 301)	(38 221)	(110 215)
<b>I. Gross profit on sales</b>	<b>19 834</b>	<b>35 354</b>	<b>12 754</b>	<b>34 582</b>
Selling and marketing costs	(383)	(1 077)	(294)	(995)
General administration and management costs	(4 864)	(14 422)	(3 881)	(12 988)
Other operating income	(196)	910	273	1 092
Other operating costs	(573)	(707)	189	(2 317)
<i>Including: impairment losses on receivables</i>	<i>(485)</i>	<i>(257)</i>	<i>239</i>	<i>(1 722)</i>
<b>II. Profit (loss) at the operational level</b>	<b>13 818</b>	<b>20 058</b>	<b>9 041</b>	<b>19 374</b>
Financial income	411	1 377	328	1 012
Financial costs	(126)	(849)	(466)	(1 233)
<i>Net financial income (costs)</i>	<i>286</i>	<i>530</i>	<i>(138)</i>	<i>(221)</i>
Share in profits (losses) in associated companies	14	(225)	(15)	49
<b>III. Profit (loss) before tax</b>	<b>14 117</b>	<b>20 361</b>	<b>8 888</b>	<b>19 202</b>
Current income tax	(2 871)	(4 556)	(1 118)	(2 281)
Deferred income tax	170	363	(568)	(1 016)
<b>IV. Net profit (loss) for the financial period</b>	<b>11 416</b>	<b>16 168</b>	<b>7 202</b>	<b>15 905</b>
<b>Other comprehensive income to be reclassified to profit / (loss) in subsequent reporting periods</b>				
Exchange differences on the translation of financial statements of foreign subsidiaries	2 989	4 548	(2 572)	(4 301)
Exchange differences regarding net investments in subsidiaries	202	33	87	484
<b>V. Total income for the financial period</b>	<b>14 607</b>	<b>20 749</b>	<b>4 717</b>	<b>12 088</b>
Net profit attributable to equity holders of the parent	11 416	16 168	7 202	15 905
Net profit attributable to non-controlling interests	-	-	-	-
The total income of the financial period attributable to the shareholders of the parent company	14 607	20 749	4 717	12 088
The total income of the financial period attributable to non-controlling interests	-	-	-	-
Weighted average number of ordinary shares	5 255 632	5 255 632	5 255 632	5 255 632
Basic and diluted profit (loss) per share in the financial period (in PLN per share)	2,17	3,08	1,37	3,03

All amounts expressed in thousands of PLN, unless indicated otherwise





## Consolidated statement of financial position

	As at:			
	30.09.2021	30.06.2021	31.12.2020	30.09.2020
<b>ASSETS</b>				
<b>I. Tangible assets (long-term)</b>				
1 Property, plant and equipment	253 274	242 025	245 734	259 504
2 Intangible assets	293	343	261	319
3 Shares in affiliates	1 938	1 942	2 211	2 309
4 Assets due to deferred tax	5 576	5 122	4 317	4 653
5 Other fixed assets - right of use of the fixed assets	10 428	9 658	11 108	11 715
6 Long-term receivables	20 000	20 000	20 000	20 000
<b>Fixed assets (long-term) together</b>	<b>291 509</b>	<b>279 090</b>	<b>283 631</b>	<b>298 500</b>
<b>II. Current assets (short-term)</b>				
1 Inventory	14 350	10 567	7 432	8 248
2 Trade receivables and other receivables	44 346	39 705	32 293	35 615
3 Receivables due to income tax	343	261	981	706
4. Cash and cash equivalents	40 279	39 981	57 765	48 720
Fixed assets classified as held for sale	-	-	8 590	-
<b>Current assets (short-term) together</b>	<b>99 318</b>	<b>90 514</b>	<b>107 061</b>	<b>93 289</b>
<b>Total assets</b>	<b>390 827</b>	<b>369 604</b>	<b>390 692</b>	<b>391 789</b>
<b>EQUITY CAPITAL AND LIABILITIES</b>				
<b>I. Equity</b>				
1 Basic capital	10 511	10 511	10 511	10 511
2 Supplementary capital - surplus from the sale of shares above par value	114 990	114 990	114 990	114 990
3 Exchange differences from consolidation	(9 696)	(12 887)	(14 277)	(13 915)
4 Retained earnings, including:	211 373	199 957	235 253	230 970
a) Net profit (loss) for the financial period	16 168	4 752	20 189	15 905
<b>Total equity</b>	<b>327 178</b>	<b>312 571</b>	<b>346 477</b>	<b>342 556</b>
<b>II. Liabilities</b>				
<b>1 Long-term liabilities</b>				
a. Deferred income tax liabilities	9 523	9 212	8 659	7 933
b. Long-term liabilities due to retirement benefits	310	310	310	246
c. Long-term liabilities due to the right of use	4 197	3 210	4 088	4 500
<b>Long-term liabilities in total</b>	<b>14 030</b>	<b>12 732</b>	<b>13 057</b>	<b>12 679</b>
<b>2 Short-term liabilities</b>				
b. Short-term liabilities due to retirement benefits	62	62	62	54
c. Short-term liabilities due to factoring of trade liabilities	-	-	-	30
d. Current income tax liabilities	1 015	675	585	731
e. Short-term liabilities due to the right of use	2 744	2 862	3 541	3 624
f. Trade payables and other liabilities	45 798	40 702	26 916	32 112
g. Derivative financial instruments	-	-	54	3
<b>Short-term liabilities in total</b>	<b>49 619</b>	<b>44 301</b>	<b>31 158</b>	<b>36 554</b>
<b>Total liabilities</b>	<b>63 649</b>	<b>57 033</b>	<b>44 215</b>	<b>49 233</b>
<b>Total equity and liabilities</b>	<b>390 827</b>	<b>369 604</b>	<b>390 692</b>	<b>391 789</b>

All amounts expressed in thousands of PLN, unless indicated otherwise



## Report on changes in consolidated equity

Detailed list	Share capital at par value	Surplus from the sale of shares above par value	Exchange differences from consolidation	Retained profits	In total Equity
<b>As at 1st January 2020</b>	<b>10 511</b>	<b>114 990</b>	<b>(10 098)</b>	<b>228 729</b>	<b>344 132</b>
Net profit in 2020	-	-	-	20 189	20 189
Total income in 2020	-	-	(4 179)	-	(4 179)
Payment of the dividend	-	-	-	(13 665)	(13 665)
<b>As at 31 December 2020</b>	<b>10 511</b>	<b>114 990</b>	<b>(14 277)</b>	<b>235 253</b>	<b>346 477</b>
Total net profit in 3 quarters of 2021	-	-	-	16 168	16 168
Other total income in 3 quarters of 2021	-	-	4 581	-	4 581
Payment of the dividend	-	-	-	(40 048)	(40 048)
<b>As at 30 September 2021</b>	<b>10 511</b>	<b>114 990</b>	<b>(9 696)</b>	<b>211 373</b>	<b>327 178</b>

Detailed list	Share capital at par value	Surplus from the sale of shares above par value	Exchange differences from consolidation	Retained profits	In total Equity
<b>As at 1st January 2020</b>	<b>10 511</b>	<b>114 990</b>	<b>(10 098)</b>	<b>228 729</b>	<b>344 132</b>
Total net profit in 3 quarters of 2020	-	-	-	15 905	15 905
Other total income in 3 quarters of 2020	-	-	(3 817)	-	(3 817)
Payment of the dividend	-	-	-	(13 664)	(13 664)
<b>As at 30 September 2020</b>	<b>10 511</b>	<b>114 990</b>	<b>(13 915)</b>	<b>230 970</b>	<b>342 556</b>

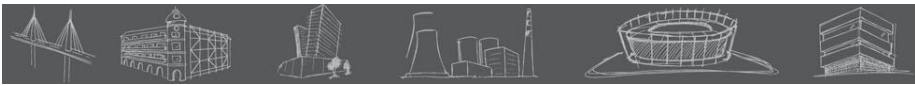
All amounts expressed in thousands of PLN, unless indicated otherwise



## Statement of Cash Flows

	for the third quarter of 2021	3 quarters of 2021	for the third quarter of 2020	3 quarters of 2020
<b>Net profit for the financial period</b>	<b>11 416</b>	<b>16 168</b>	<b>7 202</b>	<b>15 905</b>
Adjustments::				
- Income tax	2 701	4 193	1 686	3 297
- Depreciation and impairment of fixed assets	9 893	28 909	10 370	30 831
- Depreciation of intangible assets	58	160	59	131
- Depreciation of the right of use	912	2 873	1 022	3 018
Net value of formwork sold and liquidated - fixed assets	5 275	8 878	2 614	7 343
- (Profits) / losses due to changes in the fair value of financial instruments	-	(54)	3	71
- Change in the value of shares in the associated entities	4	273	15	(49)
- Interest received	(119)	(607)	(161)	(562)
- Interest costs	139	439	142	410
- (Profits) / Losses due to foreign exchange losses	684	1 357	(209)	73
- Acquisitions and other increases in formwork of fixed assets	(23 535)	(40 348)	(10 632)	(43 466)
Changes in working capital :				
- Inventory	(3 782)	(6 917)	703	(861)
- Trade receivables and other receivables	(4 641)	(12 053)	2 587	15 073
- Trade payables and other liabilities	5 096	18 881	(2 957)	862
	<b>4 101</b>	<b>22 152</b>	<b>12 444</b>	<b>32 076</b>
Income tax paid	(2 613)	(3 488)	(865)	(3 601)
<b>Net cash flow from operating activities</b>	<b>1 488</b>	<b>18 664</b>	<b>11 579</b>	<b>28 475</b>
Purchase of property, plant and equipment	(364)	(1 918)	(179)	(1 450)
Proceeds from the sale of property, plant and equipment	-	9 115	27	92
Acquisition of intangible assets	(6)	(177)	(6)	(232)
Loans granted	-	(20 000)	(10 000)	(10 000)
Repayment of loans granted	-	20 000	-	-
Interest received	119	607	160	562
<b>Net cash flow from investment activities</b>	<b>(251)</b>	<b>7 627</b>	<b>(9 998)</b>	<b>(11 028)</b>
Repayment of credits and loans	-	-	-	-
Dividends paid	-	(40 048)	-	(13 664)
Payments related to financial leasing	(815)	(2 881)	(909)	(2 969)
Interest paid	(139)	(439)	(142)	(409)
<b>Net cash flow from financial activities</b>	<b>(954)</b>	<b>(43 368)</b>	<b>(1 051)</b>	<b>(17 042)</b>
<b>Increase / (decrease) in net cash and overdraft in the current account</b>	<b>283</b>	<b>(17 077)</b>	<b>530</b>	<b>405</b>
Cash and overdraft in the current account at the beginning of the period	39 981	57 765	48 387	48 970
Foreign exchange loss/gains on the valuation of cash and overdraft in the current account	14	(409)	(197)	(655)
Cash and overdraft in the current account at the end of the period	40 279	40 279	48 720	48 720

All amounts expressed in thousands of PLN, unless indicated otherwise



## Notes to the consolidated financial statement

### Declaration of conformity and general principles of document preparation

This condensed mid-year consolidated financial statement for the 9-month period ended 30 September 2021 has been prepared in accordance with the requirements of IAS 34 "Interim Financial Reporting" and the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information to be published by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state and present the financial position of ULMA Construcción Polska S.A. Capital Group as at 30 September 2020, results of its operations and cash flows for the 9-month period ended 30 September 2021.

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

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

These interim condensed consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern in the foreseeable future.

With reference to the outbreak of the Covid-19 epidemic, the Management Board prepared and analysed the Group's and Company's projected cash flows and concluded that there is no material uncertainty with respect to the assumption that ULMA Construcción Polska S.A. Capital Group will continue to operate in the foreseeable future, i.e. for at least the next 12 months by the end of the reporting period.

When preparing the interim condensed consolidated financial statements, the Group applied the same accounting principles, as described in the audited consolidated financial statements as at 31 December 2020. The interim financial statements as at 30 September 2021 do not include all information and disclosures required in the annual financial statements and should be read together with the audited consolidated financial statements as at 31 December 2020, published on 1 April 2021.

This consolidated financial statement was approved for publication by the Management Board on 16 November 2021.

### Currency exchange rates and inflation

All amounts expressed in thousands of PLN, unless indicated otherwise



	Average zloty exchange rates published by the National Bank of Poland				Change in the price index of consumer goods and services published by the Central Statistical Office
	UAH (Hryvnia - Ukraine)	RON (Leu - Romania)	KZT (Tenge - Kazakhstan)	EUR (Euro)	
30 September 2021	0,1500	0,9365	0,009322	4,6329	4,2%
30 June 2021	0,1396	0,9174	0,008869	4,5208	3,6%
31 December 2020	0,1326	0,8767	0,008767	4,6148	3,4%
30 September 2020	0,1365	0,9291	0,008906	4,5268	3,6%

All amounts expressed in thousands of PLN, unless indicated otherwise



## Additional information for the quarterly report

### A. Conversion of selected financial data into the Euro

DETAILED LIST	In thousands PLN		In thousands EUR	
	3 quarters of 2021	3 quarters of 2020	3 quarters of 2021	3 quarters of 2020
Net revenues from sales of products, goods and materials	144 655	144 797	31 733	32 597
Result from operating activities	20 058	19 374	4 400	4 362
Result before tax	20 361	19 202	4 467	4 323
Net result	16 168	15 905	3 547	3 581
Net cash flow from operating activities	18 664	28 475	4 094	6 410
Net cash flow from investment activities	7 627	(11 028)	1 673	(2 483)
Net cash flow from financial activities	(43 368)	(17 042)	(9 514)	(3 837)
Net cash flow	(17 077)	405	(3 746)	91
Diluted earnings per ordinary share (in PLN / EUR)	3,08	3,03	0,67	0,68
Basic earnings per ordinary share (in PLN / EUR)	3,08	3,03	0,67	0,68
	<b>30.09.2021</b>	<b>31.12.2020</b>	<b>30.09.2021</b>	<b>31.12.2020</b>
Total assets	390 827	390 692	84 359	84 661
Liabilities	63 649	44 215	13 738	9 581
Long-term liabilities	14 030	13 057	3 028	2 829
Short-term liabilities	49 619	31 158	10 710	6 752
Equity	327 178	346 477	70 621	75 080
Basic capital	10 511	10 511	2 269	2 278
Weighted average number of shares	5 255 632	5 255 632	5 255 632	5 255 632
Number of shares as at the balance sheet date	5 255 632	5 255 632	5 255 632	5 255 632
Book value per ordinary share (in PLN / EUR)	62,25	65,92	13,44	14,28

Individual items of assets and equity and liabilities have been converted into EUR using average exchange rates published by the President of the National Bank of Poland, effective as at the balance sheet date. The average EUR exchange rate as at 30 September 2021 amounted to PLN 4.6329, and as at 31 December 2020 to PLN 4,6148.

When converting the items of the statement of comprehensive income and cash flow statement items, a rate being the arithmetic mean of the exchange rates in force on the last day of the month of a the given period was applied, i.e. data for the period 1.01. 30/09/2021 were converted according to the exchange rate = 4.5585 PLN / EUR, data for the analogous period of 2020 were converted according to the exchange rate = 4.4420 PLN / EUR.

All amounts expressed in thousands of PLN, unless indicated otherwise



## **B. Description of achievements and factors influencing financial results**

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

### **I Market environment in Poland**

The most recent data show that the recovery of the Polish economy is continuing. In September 2021, the industrial output sold was clearly up (by 8.8%), which was better than projected by the market analysts. That is why some financial institutions have decided to revise up their projections with regard to the Polish GDP growth rate for the whole of 2021, however, due to another round of the Covid-19 pandemic gaining strength, these projections have recently been slightly adjusted. As a result, at the end of October 2021, the average of the analysts' projections regarding the GDP growth was 5.1%, compared to 5.0% a month earlier. On the other hand, the average projected GDP for 2022 fell from 5.0% to 4.9%.

Following a 10.2% increase in August 2021, September 2021 saw the construction output rise by 4.3%, below market expectations. This result was due to a decrease in output for companies constructing buildings (down by 3.6%), a 1.2% increase for engineering companies and a further significant recovery for specialist companies (output up by nearly 22%). As far as segments important for the Company are concerned, the increase in construction and assembly output was as high as 16.5% y/y in Q3.

In Q3 2021, compared to the corresponding period in the previous year, respective segments of the construction market reported the following growth rates:

- **non-residential construction** – although in Q1 the segment was down by almost 20%, the following months have already seen an improvement. As a result, the sector posted nominal growth of 10.2% in Q3 2021, with prospects for further improvement. The first nine months were the least successful for commercial and retail buildings (down nearly by 15% y/y) and public utilities (down nearly by 14%). The segment of other non-residential buildings decreased by 5%. The highest growth (nearly 63%) was registered in the transport and communication buildings segment, which however has a small share in non-residential construction. Office and industrial-warehouse buildings recorded increases of around 14% and a symbolic nominal increase (0.6%) was achieved by hotel buildings.
- After several good months, September 2021 brought a slowdown in **residential construction**. Although a 14% y/y increase in building permits for flats and houses was recorded (driven more strongly by individual investors' segment - a 21% increase v. 8% among developers), the number of units whose construction has started decreased by 16% (an increase by 15% in case of individual investors, and a decrease by 34% in case of property developers). Regarding the rate of growth of construction and assembly production of construction companies employing more than 9 people, according to preliminary data for three quarters of 2021, the residential segment grew nominally by 7.7% y/y, compared to 3.8% in H1 2021. In Q3 alone, the growth was 14.8% y/y. In the area of housing loans, the market saw a slight slowdown in September as well (increases of over 30% y/y in the

All amounts expressed in thousands of PLN, unless indicated otherwise



number of loans and 52% in the value of loans). Nevertheless, in spite of somewhat weaker statistical data, according to analysts the outlook for this market segment in the coming months remains positive.

- Construction production data for three quarters of show a slight improvement in the rate of growth of the **engineering sector** (nominal growth of 6.4% y/y vs. 3.2% after H1). In Q3 2021 alone, it recorded nominal growth of 11%. On the other hand, the most important segment for the Company, i.e. bridges, viaducts, flyovers and tunnels, recorded an increase of as much as 27.4% in Q3.
- **Industrial construction** also saw an increase in its output, up by 23.3% in Q3 2021. The highest growth can be observed in the segment comprising water structures (up by as much as 87.2% y/y). Good results were also recorded for industrial and warehouse buildings (up by 23.4% y/y) and complex buildings in industrial sites (up by 8.4% y/y).

### Construction and assembly production in sectors operated by the Capital Group - quarterly arrangement

Source: GUS / Spectis

	first quarter of 2021	Change year on year %	for the second quarter of 2021	Change year on year %	for the third quarter of 2021	Change year on year %
Housing sector	3 845	-6,6%	5 314	12,9%	5 525	14,8%
Non-residential sector	3 558	-19,5%	5 213	-4,0%	5 957	10,2%
Engineering sector (bridges, viaducts, flyovers, tunnels)	554	4,2%	824	-8,5%	1 089	27,4%
Industrial sector	3 366	-17,0%	5 645	29,6%	6 022	23,3%
<b>Sectors operated by ULMA CONSTRUCCION POLSKA S. A. in total</b>	<b>11 323</b>	<b>-13,7%</b>	<b>16 996</b>	<b>10,4%</b>	<b>18 593</b>	<b>16,5%</b>

### Construction and assembly production in sectors operated by the Capital Group – comparison with data for the same period of previous year

Source: GUS / Spectis

	first quarter of 2021	second quarter of 2021	third quarter of 2021	three quarters of 2021	three quarters of 2020	year on year %
Housing sector	3 845	5 314	5 525	14 684	13 638	7,7%
Non-residential sector	3 558	5 213	5 957	14 728	15 259	-3,5%
Engineering sector (bridges, viaducts, flyovers, tunnels)	554	824	1 089	2 467	2 287	7,9%
Industrial sector	3 366	5 645	6 022	15 033	13 293	13,1%
<b>Sectors operated by ULMA CONSTRUCCION POLSKA S. A. in total</b>	<b>11 323</b>	<b>16 996</b>	<b>18 593</b>	<b>46 912</b>	<b>44 476</b>	<b>5,5%</b>

## Market environment abroad

All amounts expressed in thousands of PLN, unless indicated otherwise





## Ukraine

In Q3 2021, the construction market in Ukraine showed growth, following a poor Q1 and a slight positive growth rate in Q2 2021. As a result, the volume of construction work performed in the 3 quarters amounted to UAH 121 billion, an increase of 1.8% compared to the same period of 2020.

Over the 3 quarters this year, the value of residential construction increased by 18.4%, the value of non-residential construction decreased by 4.4% and engineering construction achieved a positive rate of growth of 1.3%. In the period under review, the production of construction products also increased (by 3.2%), which was significantly influenced by the implementation of the road repair and housing revitalisation programme.

Among the factors contributing to the positive growth in the construction segment is the increase in the completion rate of "Large Construction" projects designed to improve transport infrastructure. This year, the State road fund's funding has almost doubled compared to last year enabling much more road construction and repair work to be carried out.

In addition, the increase in construction and assembly works was also supported by the launch of the State mortgage loan programme, which stimulated the residential property market (up 18.4% y/y)

## Lithuania

In 2021, Lithuania's GDP has been clearly growing and is estimated to reach a positive growth rate of up to 4.9% y/y in constant prices by the end of the year. The economic growth leads to improvements in the labour market. The employment in the country has been growing since the beginning of this year, reversing the trends recorded last year. Furthermore, by the middle of the current year, the employee numbers returned to the pre-pandemic levels.

This rise has highlighted the problem of labour shortages, which was already evident before the pandemic, and which has become one of the main reasons for the particularly rapid wage increases. While average wages in the country were already growing at a fairly rapid rate before the outbreak of the Covid-19 pandemic, after the first wave of the pandemic and due to the impact of the lock-down, the growth accelerated further and from Q3 2020 onwards, labour costs recorded an average double-digit growth in both the private and public sectors. Such growth in average wages was also largely influenced by the government's decisions to raise wages in the public sector and for those earning the least.

The rapid recovery of the Lithuanian economy has been coupled with rising inflation. It has been driven mainly by higher oil prices and higher prices of other commodities, such as metals. Protracted supply disruptions and tensions in the global commodity market have contributed to acceleration in the growth of industrial commodity prices. The inflation rate in Lithuania is expected to reach 3.3% by the end of this year, exceeding the previous projection by about 1.1 percentage point. Analysts predict that the annual average inflation rate will rise by 2.2 percentage points, mainly due to rising prices of energy products and industrial goods.

In Q1-Q3 2021, compared to the same period of the previous year, the rate of growth of the construction and assembly output was positive and stood at +1.5% including: **residential segment: +14.5%, non-residential segment: +1.2%**, while the **engineering segment** recorded a decrease of **3.7%**.

At the same time, it should be pointed out that since the beginning of 2021, the construction market in Lithuania has shown signs of very strong and stable growth in the residential, office and industrial

All amounts expressed in thousands of PLN, unless indicated otherwise



construction segments in particular, which, with a large number of tenders still planned for the end of 2021 and the beginning of 2022, provides a very good basis for further growth in this segment of the construction market.

### Kazakhstan

In Q3 2021 Kazakhstan's GDP grew by 3.4%, while year-on-year growth is expected to reach between 3.7% and 4% by the end of 2021. In September 2021, the National Bank decided to increase the base rate to 9.50% as a result of a very strong increase in inflationary pressure (inflation for 3 quarters: 7.5%)

In Q1-Q3 2021, the rate of growth for industry was 2.7% and for construction 9.7% compared to the same period of the previous year.

## **Operating profitability**

In 3 quarters of 2021, the Capital Group obtained a positive result on operating activities, which amounted to PLN 20 058 thousand to a positive result of PLN 19 374 thousand achieved in the corresponding period of the previous year.

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

	first quarter of 2021	for the second quarter of 2021	for the third quarter of 2021	3 quarters of 2021	2020	3 quarters of 2020
Sales	39 839	45 477	59 339	144 655	154 551	144 797
<b>EBIT</b>	<b>1 018</b>	<b>5 222</b>	<b>13 818</b>	<b>20 058</b>	<b>12 995</b>	<b>19 374</b>
% for sale	2,55	11,48	23,29	13,87	8,41%	13,38
Depreciation	10 737	10 341	10 864	31 942	40 411	33 693
<b>EBITDA</b>	<b>11 755</b>	<b>15 563</b>	<b>24 682</b>	<b>52 000</b>	<b>53 406</b>	<b>53 067</b>
% for sale	29,51	34,22	41,59	35,95	34,56%	36,65

In Q1-Q3 2021, the Group recorded a slight decrease in EBITDA in absolute terms (by PLN 1,067 thousand compared to the level achieved in the same period of 2020), resulting in a decrease in EBITDA expressed as a sales percentage by 0.70 percentage point. In the 3 quarters under review, the Group's revenues remained at a level comparable to last year while the Group experienced cost pressures mainly stemming from staff costs, the increase of which contributed to the slight decrease in EBITDA as stated above.

In Q1-Q3 2021, the Group established write-offs for receivables and write-downs of trade receivables of PLN 257 thousand compared to PLN 1722 thousand in the corresponding period of the previous year (recognised as "Other operating costs"). Such a good result could be attributed to a consistent financial policy regarding detailed analysis of creditworthiness of the Group's customers both in Poland and in the countries where the subsidiaries operate, which helps avoid significant debt collection problems.

In 3 quarters of 2021, the Group established write-offs for inventories of PLN 261 thousand and impairment allowance for property, plant and equipment of PLN 322 thousand.

All amounts expressed in thousands of PLN, unless indicated otherwise



## ■ Transactions hedging against foreign exchange risk

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

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

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

## ■ Financial costs and other comprehensive income

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

As at 30 September 2021, the value of long-term loans granted amounted to EUR 1,800 thousand and USD 290 USD. In accordance with the principles of the International Accounting Standards (IAS 21), these loans are treated as a "net investment in a foreign entity" and therefore any foreign exchange differences associated with them are disclosed in the "statement of changes in consolidated equity" and "other comprehensive income".

In Q1-Q3 2021, the total value of exchange rate differences recognized in the above statements was negative and amounted to 4,581 thousand PLN, of which:

- 33 thousand PLN are positive exchange rate differences related to the aforementioned "net investment" (loans granted) in foreign operations. Exchange rate differences from the valuation of settlements as at the balance sheet date are recognised under "equity", and only in later periods following the repayments of the loan taken by the subsidiary, realised exchange rate differences are recognised in the consolidated profit and loss account,
- PLN 4,548 thousand are negative exchange rate differences resulting from changes in local currency exchange rates against PLN influencing the translations of financial statements of subsidiaries operating abroad.

In Q1-Q3 2020 these amounts were respectively:

- 484 thousand PLN due to exchange rate differences related to "net investment in a foreign entity" and,
- PLN 4,301 thousand are negative exchange rate differences resulting from changes in local currency exchange rates against PLN influencing the translation of financial statements of subsidiaries operating abroad.

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

All amounts expressed in thousands of PLN, unless indicated otherwise



	31 December 2020	30 September 2021	Change in %	31 December 2019	30 September 2020	Change in %
UAH/PLN	0,1326	0,1500	13,12%	0,1602	0,1365	-14,79%
PLN/KZT for 100	0,8767	0,9322	6,33%	0,9916	0,8906	-10,19%
EUR/PLN	4,6148	4,6329	0,39%	4,2585	4,5268	6,30%

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

In Q1-Q3 2021, the Capital Group did not create revaluation write-offs for impairment of financial assets or reverse such write-offs.

## Net financial result

After accounting for income tax, the Capital Group obtained a positive net financial result in the amount of PLN 16,168 thousand in the three quarters of 2021 compared to PLN 15,905 thousand a positive net financial result achieved in the corresponding period of the previous year..

## Cash flow

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

	3 quarters of 2021	3 quarters of 2020
Net profit (loss)	16 168	15 905
- Depreciation and impairment of the value	31 942	33 980
<b>Total financial surplus</b>	<b>48 110</b>	<b>49 885</b>
Other elements of net flows from operating activities	(29 446)	(21 410)
<b>Net cash flow from operating activities</b>	<b>18 664</b>	<b>28 475</b>
Net cash flow from investment activities	7 627	(11 028)
Net cash flow from financial activities	(43 368)	(17 043)
<b>Net cash flow</b>	<b>(17 077)</b>	<b>405</b>

## Cash flow from operating activities

During the three quarters of 2021, the Capital Group achieved a positive financial surplus (net profit + depreciation), which amounted to PLN 48 110 thousand.

All amounts expressed in thousands of PLN, unless indicated otherwise



In the same period, cash from operating activities amounted to PLN 18 664 thousand against PLN 28 475 thousand in the corresponding period of the previous year.

In the three quarters of 2021, the Capital Group continued to make investment purchases in the group of shuttering and scaffolding mainly in order to supplement or renew its portfolio of products necessary to provide services to the construction market in Poland and in the countries of operation of its subsidiaries, including in particular the bridge segment. As a result, investment expenditure In Q1-Q3 2021 related to the purchase of property, plant and equipment in the group of shuttering and scaffolding systems amounted to PLN 40 348 thousand compared to PLN 43 466 thousand in the corresponding period of 2020.

## **I Cash flow from investment activities**

Cash flows from investing activities comprise mainly expenditure related to granting a loan to the parent undertaking and purchases of other tangible assets (machines and equipment for cleaning and repairing shuttering and computer hardware), as well as proceeds from interest received on a loan granted to the parent entity.

## **I Cash flow from financial activities**

In the three quarters of 2021, as part of its financing activities, the Group incurred mainly expenditure on dividend payments of PLN 40,048 thousand and on lease payments made by the parent company (PLN 2,881 thousand).

As a result of the above, In Q1-Q3 2021, the Group recorded a decrease in cash by PLN 17,077 thousand to PLN 40,279 thousand as at 30 September 2021.

## **I Information on employment**

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

	3 quarters of 2021	2020	3 quarters of 2020
ULMA Construccjon Polska S.A.	334	365	368
ULMA Construccjon Polska S.A. Capital Group	413	441	445

## **C. Description of the Capital Group**

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

All amounts expressed in thousands of PLN, unless indicated otherwise



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

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

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

#### **D. Management Board's position on forecasts**

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

On 13 October 2021, the Issuer's Management Board, in report no. 18/2021, published preliminary estimates of selected financial and operational data of ULMA Construcción Polska S.A. Capital Group concerning total sales revenues and revenues from sales in particular segments of the Capital Group's operations. The table below presents a comparison of the published preliminary estimates and actual data achieved in the analysed period of 3 quarters of 2021.

	Forecast	Execution	Difference
Sales revenues including:	144 655	144 655	-
- construction site services	103 680	103 680	-
- sales of building materials	40 975	40 975	-
EBITDA (operating profit + depreciation)	52 000	52 000	-
Net profit	16 168	16 168	-
Net cash position (cash + loans granted)	60 279	60 279	-

#### **E. Significant shareholders**

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

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

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

All amounts expressed in thousands of PLN, unless indicated otherwise



- **Quercus TFI S.A.** holding 323,726 shares of ULMA Construccjon Polska S.A., constituting 6.16% of the Company's share capital and entitling to 323,726 votes at the General Meeting, which constitutes 6.16% of the total number of votes.

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

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

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

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

## **G. Important court proceedings**

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

### **Proceedings regarding receivables of ULMA Construccjon Polska S.A as at 30.09.2021**

ULMA Construccjon Polska S.A. conducts 41 court proceedings, which include receivables (according to the balance as at 30 September 2020) in the total amount of PLN 17,901 thousand. These cases include court proceedings that have not yet ended with the court issuing a final enforcement order in the case and claims against debtors in relation to which the court issued a decision on the declaration of bankruptcy, arrangement or restructuring.

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



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

Detailed list	Number of the proceedings	Balance as at 30 -09 -2019	Date of the commencement of proceedings	Status of the case
<b>Court proceedings</b>	<b>1</b>	<b>11</b>		
Including major cases:				
DAN-BUD SP.Z.O.O.	1	11	July 2021	The company filed an action for payment against both the debtor and the guarantors. The Company is awaiting a payment order.
<b>Total listed</b>	<b>1</b>	<b>11</b>		<b>100% of the total</b>
<b>Bankruptcy proceedings</b>	<b>40</b>	<b>17 890</b>		
<i>including the 5 largest items:</i>				
HYDROBUDOWA POLSKA SA		6 602	September 2012	The receivable has been filed to the bankruptcy receiver. The company is waiting for the bankruptcy proceedings to be completed.
RADKO Sp. z o.o.		3 934	August 2012	On 20 January 2016, the Court transformed the hitherto existing systemic bankruptcy into bankruptcy involving the liquidation of the bankrupt's assets. Regardless of the receivables filed in the bankruptcy proceedings, the Company conducts several different proceedings in parallel. In particular, it is the enforcement proceedings against one of the guarantors (a former member of the Debtor's board). The enforcement proceedings included enforcement against land property (in October, 2020 there was transferred the amount of PLN 140 thousand to the Company's account) and enforcement against the debtor's shares in another company (currently in progress).
HENPOL Sp. z o.o.		1 010	January 2014	The receivable has been filed to the bankruptcy receiver. The company is waiting for the bankruptcy proceedings to be completed.
Firma Gotowski – Budownictwo Komunikacyjne i Przemysłowe sp. z o. o		873	Junio 2018	On 22 June 2018, the District Court in Bydgoszcz issued a decision on opening the Debtor's recovery proceedings. Taking into account that the Company cooperated with the Debtor on three public contracts (contracts submitted to investors under the Public Procurement Law), the Company tries to recover its receivables directly from them. As a result, in July 2019, PLN 197 thousand was received from one of the investors. The other Investor paid a receivable due to the Company in the amount of PLN 273 thousand into the court deposit. The proceedings pending so far have not brought the Company a positive result. The company will consider a different legal solution. As the third Investor refused to pay directly, the Company filed a lawsuit for payment of PLN 362 thousand, which is currently in progress – the trial had been set for December, 3, 2021.

All amounts expressed in thousands of PLN, unless indicated otherwise





KROKBUD Sp. z o.o.		758	Kwiecień 2016	On 16/11/2017, the Court transformed the hitherto existing systemic bankruptcy into bankruptcy involving the liquidation of the bankrupt's assets. The Company reported its receivables to the trustee. In October, 2020 the Company received the amount of PLN 105 thousand, after completion of the court proceedings, as compensation for the unlawful failure to notify the public investor of the lease agreement between the Company and the Debtor. The amount received is part of the total debt. The Company is considering the possibility of filing a lawsuit for the remaining amount of debt by analysing the chances of success of such application.
<b>Total listed</b>		<b>13 177</b>		<b>74% of the total</b>
<b>Total number of the proceedings conducted</b>	<b>41</b>	<b>17 901</b>		

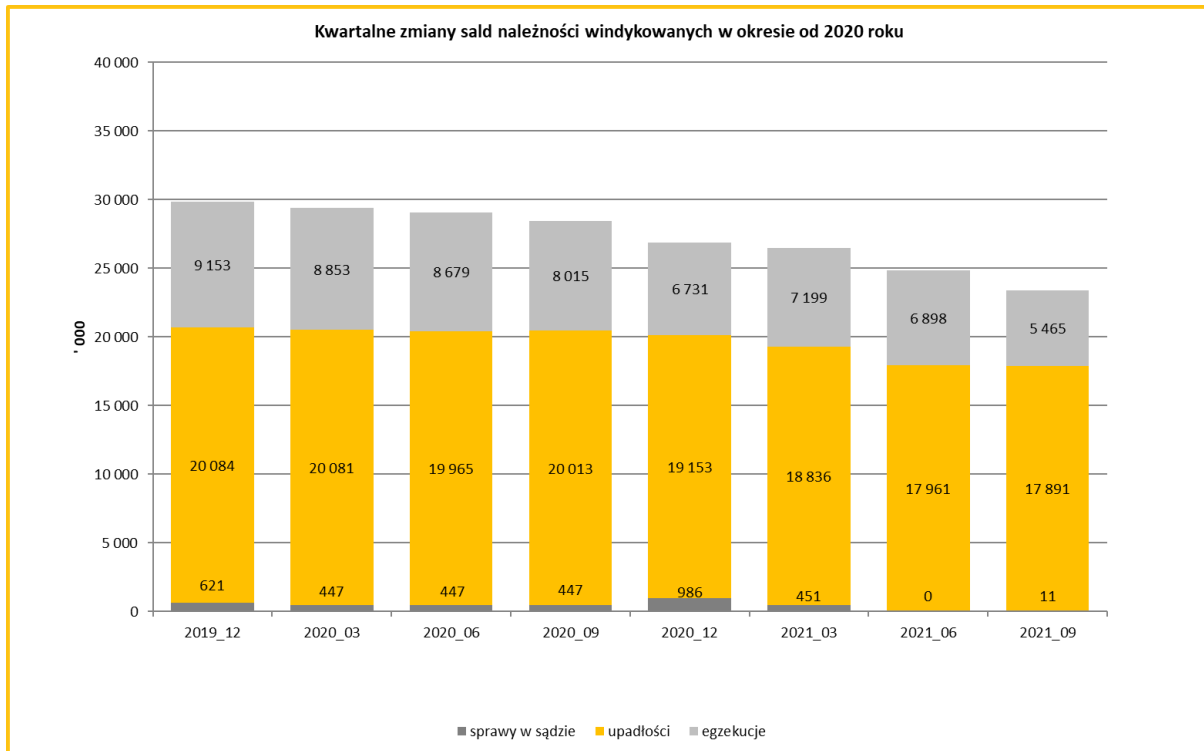
All amounts expressed in thousands of PLN, unless indicated otherwise



Apart from the court cases described above, the Company conducts other debt collection proceedings. These are in particular pre-judicial proceedings and those at the stage of bailiff enforcement. Currently, the Company has 39 proceedings from these categories in its balance sheet for the total value of PLN 5,465 thousand.

As at 30th September 2021, the total balance of receivables to be recovered (at the judicial and extra-judicial stage) in the balance sheet included 80 cases with a total of PLN 23,366 thousand.

The change in the value of receivables in debt collection in the period from the end of 2020 to the report drafting date is presented in the chart below:



It should be pointed out that in recent quarters (at least from 2019 onwards) the positive trend of stabilisation, or even decrease, of the balance (new collections less payments) of collected receivables (without taking into account the reduction of the balance due to write-off of receivables) has been maintained. This reflects the effectiveness of the Group's debt collection activities.

Details concerning the balances of the items discussed above are presented in the table below.

	3 q in 2020.	in 2020	3 q. in 2020
<b>Receivables in collection at the beginning of the period</b>	<b>26 870</b>	<b>29 856</b>	<b>29 856</b>
written down over the period	(3 258)	(2 399)	(1 113)
payments over the period	(470)	(1 738)	(1 212)
New collections over the period	225	1 150	943
<b>Receivables in collection at the end of the period</b>	<b>23 367</b>	<b>26 870</b>	<b>28 474</b>
<i>new collection - payments per account balance</i>	<b>(245)</b>	<b>(588)</b>	<b>(269)</b>

All amounts expressed in thousands of PLN, unless indicated otherwise



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

### **Proceedings regarding receivables of the Subsidiaries as at 30 September 2021:**

As at the balance sheet date, there were 19 court cases in total in the subsidiaries the value of which was PLN 4 171 thousand, including:

- a) 15 cases for the value of PLN 1 673 thousand at the court stage,
- b) 4 cases totalling PLN 2 498 thousand, concerning reorganisation and bankruptcy proceedings.

The bankruptcy proceedings of one of the debtors of a subsidiary ULMA Construcción BALTIC sp. z o.o. that were initiated in 2018 remain the largest of the court proceedings in subsidiaries (the equivalent of debt as of the balance sheet date is PLN 2 173 thousand).

In addition to the court claims described above, in the balance sheet of ULMA Opatubka Ukraina sp. z o.o. (there are no such items in other subsidiaries), there are also 37 accounts receivable with a total value of PLN 5 472 thousand, collected mainly at the pre-trial stage. In spite of the challenging payment morality, it has been to maintain, or even slightly reduce, the balance of difficult receivables in the Ukrainian market compared to the corresponding balance at the end of 2020 (reduction by an amount of PLN 288 thousand from the balance of PLN 5 760 thousand at the end of 2020). On the one hand, many new customers are placed in both judicial and pre-court debt collection, while on the other hand, other customers make payments mainly as a result of settlements and agreements. The Company is counting on further improvement in the balance of collected receivables over the next few months.

The amounts listed above arose from the translation of the subsidiaries' receivables in local currencies according to the exchange rates as of the balance sheet date.

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

## **H. Transactions with associated entities**

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

- a) information about the entity with which the transaction was concluded,
- b) information about the connections of the issuer or its subsidiary with an entity being a party to the transaction,
- c) information about the subject of the transaction,

All amounts expressed in thousands of PLN, unless indicated otherwise



- d) Significant conditions of the transaction
- e) Other information regarding transactions, if necessary to understand the property, financial situation and financial result of the issuer,
- f) Any changes to transactions with affiliates described in the last annual report, which could have a significant impact on the financial position and financial performance of the issuer.

Transactions concluded during the 3 quarters of 2021 by ULMA Construcción Polska S.A. and its subsidiaries with related entities were typical and routine, were concluded on an market terms, and their nature and terms resulted from running ongoing operations.

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

- purchase of shuttering and scaffolding and rental services of shuttering and scaffolding of total value of PLN 19 492 thousand.
- other purchases in the total amount of PLN 2,557 thousand.

In the last 12 months (from 01/10/2020 to 30/09/2021), the value of the above transactions totaled:

- purchase of shuttering and scaffolding and rental services of shuttering and scaffolding of total value of PLN 23 657 thousand.
- other purchases in the total amount of PLN 3,169 thousand.

In addition to commercial transactions, ULMA Construcción Polska S.A. in the previous periods granted long-term and short-term loans to affiliates. The table below presents the table of loans granted by debt as on the balance sheet date and 31/12/2020.

Associated party - long-term loans	Loan amount 30/09/2021	Loan amount 31/12/2020
ULMA Construcción BALTIC (thousands. EUR)	1 800	1 800
Affiliate	Loan amount 30/09/2021	Loan amount 31/12/2020
ULMA CyE S.Coop. (In thousands of of PLN) - long-term loan	20 000	20 000

The long-term loan advanced to a subsidiary is treated as net investments in a subsidiary. Unrealised foreign exchange differences arising from the measurement of the above long-term loans are recognised directly in the Group's equity.

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

The loan is secured by:

- (1) a bill of exchange and a bill of exchange declaration issued by the borrower,
- (2) an agreement to irrevocably acquire the borrower's assets (formwork and scaffolding), which are currently held by the lender on a lease basis. The offer to acquire the assets will only materialise if the borrower fails to repay the loan by the agreed date.

The loan was granted on arm's length basis (fixed margin + WIBOR 1M) and its repayment date was set by the parties at 31 July 2022. The parties intend to extend the loan agreement for further periods.

As at 30 September 2021, the outstanding balance amounts to PLN 20 000 thousand.

All amounts expressed in thousands of PLN, unless indicated otherwise



## I. Sureties and guarantees

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

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

ULMA Construcción Polska S.A. granted a surety to Bank UKRSIBBANK for its subsidiary - ULMA Opałubka Ukraina Sp. z o.o. - As security for the repayment of a multi-purpose credit agreement, which ULMA Opałubka Ukraina Sp. z o.o. signed with the Bank. The surety amounts to EUR 1,000 thousand. The maturity date of this credit agreement is 24 December 2022. As at the balance sheet date of 30 September 2021 there is no debt under this agreement.

On 30 September 2019, the grace period for two bank guarantees issued by order of ULMA Construcción Polska S.A. for one of the suppliers ended.

These guarantees secure the Company's liabilities under a long-term lease agreement for the Logistics Centre in Gdańsk (liabilities under service charges and liabilities under monthly lease payments) and are of a cyclical nature. Given the long-term nature of the lease agreement, Ulma Construcción Polska S.A. is obliged to extend the guarantees each time for subsequent years, until the lease agreement expires.

As a result, on 26 September 2019, both guarantees were extended until September 30th 2022 and totaled PLN 3,594 thousand.

## J. Other relevant information

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

During the three quarters of 2021, there were no significant events other than those described earlier.

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

All amounts expressed in thousands of PLN, unless indicated otherwise



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

Pursuant to Resolution No. 7 of the General Meeting of ULMA Construccjon Polska S.A. of 6 May 2021, the net profit of ULMA Construccjon Polska S.A. for 2020, amounting to PLN 11 205 424.56, and the amount of PLN 28,842,491.28 coming from the reserve capital, would be allocated in whole to the payment of dividends amounting in total to PLN 40 047 915.84, i.e. to the gross amount of PLN 7.62 per share (seven zloty and 62/100).

The determination of the rights to the dividend will be held on 14 May 2021, and the dividend payment day will take place on 28 May 2021.

In accordance with Resolution No. 7 of the Annual General Meeting of ULMA Construccjon Polska S.A. of 6 May 2020, a portion of the net profit for the financial year 2019 in the amount of 13 664 643.20 was allocated for distribution to shareholders in the form of a dividend, amounting to PLN 2.60 gross per share. The rights to dividend were determined on 18 May 2020, and the dividend was paid on 25 May 2020.

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

Apart from the above described phenomena, in the period of 3 quarters of 2020 there were no such other operations.

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

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

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

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

During 3 quarters of 2021, the Capital Group create inventory revaluation write-offs in the amount of PLN 261 thousand.

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

All amounts expressed in thousands of PLN, unless indicated otherwise



In Q1-Q3 2021, the Capital Group created revaluation write-offs on receivables and wrote off trade receivables in the amount of PLN 257 thousand against PLN 1,722 thousand in the corresponding period of the previous year (included in "Other operating costs").

In Q1-Q3 2021, a revaluation write-down for impairment of tangible fixed assets was created in the amount of PLN 322 thousand.

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

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

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

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

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

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

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

The Group revaluates the present value of its post-employment benefit obligations once a year at the balance sheet date ending the financial year. During the year, the amount of the above provision does not change.

## Information on deferred income tax liabilities and assets

	As at:	
	30 September 2021	31 December 2020
Assets due to deferred income tax:	7 537	6 381
Provision for deferred income tax:	(11 484)	(10 723)
Compensation	1 961	2 064
Balance sheet value of an asset due to deferred income tax	<b>5 576</b>	<b>4 317</b>
Balance sheet provision due to deferred income tax	<b>(9 523)</b>	<b>(8 659)</b>

Deferred tax assets and liabilities in the consolidated statement of financial position as at 30 September 2021 and 31 December 2020 were shown in amounts resulting from the offsetting of assets and liabilities at the level of each company in the Capital Group.

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

All amounts expressed in thousands of PLN, unless indicated otherwise



The most significant transactions of purchase of tangible fixed assets made in Q1-Q3 2021 were the purchase of formwork elements for lease from the Group's parent company in the amount of PLN 18,572 thousand.

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

Liabilities under the aforementioned purchases as at 30 September 2021 amounted to PLN 6,437 thousand (translated at the average EUR exchange rate announced by the President of the National Bank of Poland as at the balance-sheet date) and were settled in 60% by the publication date of this report.

### **Indication of errors of previous periods**

In Q1-Q3 2021 no errors of previous periods were found.

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

In 3 quarters of 2021, there were no such events. As of 30 September 2021, the Capital Group's subsidiaries do not have any debt under bank loans other than those indicated in this report.

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

In Q1-Q3 2021, the Group did not issue, redeem or repay any equity or capital securities.

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

After the balance sheet date, 30 September 2021, no events were identified that could significantly affect the future financial results of ULMA Construccjon Polska S.A. Capital Group.

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

Since the end of the last financial year there have been no changes in contingent liabilities or contingent assets, except for changes in granted bank guarantees referred to in the part concerning Sureties and Guarantees. As at 30 September 2021, the value of the aforementioned bank guarantees amounted to PLN 3,594 thousand and did not change in relation to the balance as at 31 December 2020.

## **K. Factors influencing the issuer's future results**

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

### **I Polish market**

All amounts expressed in thousands of PLN, unless indicated otherwise





According to Statistics Poland, 69 bankruptcies were recorded among construction companies in Q3 2021, which is a high number compared to 42 bankruptcies a year earlier. Since the beginning of the year, 178 construction companies have declared bankruptcy, compared to 93 in the same period of 2020, which translates into an increase by nearly 100%. There was an even higher increase in bankruptcies across the economy (130%). The increase in the number of bankruptcies is a direct result of the introduction from Q3 2020 (under the so-called Covid Law) of a new legal form of out-of-court restructuring proceedings. It has been very popular with entrepreneurs. Out-of-court restructuring proceedings will be possible until the end of November 2021. As a result, analysts predict that there will be fewer bankruptcies in the construction industry from the beginning of 2022.

Despite the good performance of the construction industry and the positive rate of growth, the Business Climate Index remains low (-10.5 points), with the cost of materials and the cost of employment among the main market barriers experienced by companies. Uncertainty about the general economic situation is mentioned to a lesser extent.

In September, the rate of growth of employment in construction companies was 0% y/y. At the same time, this value for the general corporate sector was 0.6%. The deceleration of employment growth rate has been partly influenced by various supply limitations in the economy (including shortages of raw materials, semi-finished products and components and an increase in their prices, as well as rising prices of energy).

Contractors such as Budimex, Polimex-Mostostal, Erbud, Unibep, Pekabex and Mostostal Zabrze can be pleased with their large order books for the coming years. On the other hand, the portfolio growth was negatively affected by the groups: PBG/Rafako, Torpol, ZUE and Trakcja. Due to the delayed approval of the National Recovery Plan and the postponed start of utilisation of new funds from the EU funds, analysts do not expect a significant improvement in the rate of growth of the order books of the largest contractors in the coming quarters.

The market projections for next year for the construction industry are optimistic. In case of **non-residential construction**, after previous decreases, growth is expected in 2022 and 2023 (by 5.4% and 3.4% y/y respectively) and then stabilisation in subsequent years. The **engineering construction**, which is largely dependent on the EU funds, will grow over the next 2 years because of the need to use funds from the current budget. From 2024 onwards, declines are anticipated in connection with the change in the EU budget, but not very steep ones. Projections for the **residential construction** predict an increase of almost 7% in 2022, while the output is expected to decline by 1.5% per year in the following years.

## **Foreign markets**

Factors which may have an impact on the economic situation and foreign market revenues of the Group in the near future include the following:

### UKRAINE

All amounts expressed in thousands of PLN, unless indicated otherwise



The intensification of the armed conflict with Russia, which could affect all the areas, including economy, and affect Ukraine's ability to maintain financial stability, remains the main threat.

Ukraine is currently facing rising gas prices (the main risk) and a possible reduction in transit revenue, which will certainly affect the Ukrainian government's ability to finance major domestic projects in the coming periods. On the other hand, the condition of Ukraine's economy points to a number of positive factors: record harvests in the agricultural sector, a positive situation in the main export markets (steel, agriculture) or the amount of the National Bank's foreign exchange reserves.

Since the beginning of Q4 2021, the Group's subsidiary operating in the Ukrainian market has been observing a continuously good condition of the entire construction market. The construction market in Ukraine is currently expected to grow by up to 12% y/y in the coming periods of 2022, mainly due to:

- a consistent implementation by the Ukrainian government of the State programme for the development and modernisation of road infrastructure, benefiting the Group's subsidiary operating in this market, which in the current year has been awarded a number of contracts in the engineering segment,
- the expected acceleration in infrastructure construction in the defence sector,
- the continuing boom in residential construction, for which the Group is developing new product and service offerings,
- the expected improvement in commercial construction.

## LITHUANIA

Lithuania is currently experiencing an increase in the risk of counterparty insolvency as a result of several negative factors in the market, which is not a local factor but concerns the whole of Europe. Due to pandemic-related restrictions on foreign (non-EU) workers, some companies are finding it difficult to complete the projects contracted. The labour shortage leads to delays in construction programs, which in turn slows down cash flows and puts some construction companies in a difficult financial situation. In addition, due to the lack of foreign workers, the costs of local labour are rising. In addition to a sharp increase in the prices of construction materials, own costs of the entire construction have a direct impact on the financial standing and solvency of companies in the industry, especially those that signed contracts in late 2020 or early 2021.

Further growth of the Lithuanian economy will continue to depend on the global handling of the pandemic situation, the growing recovery of domestic demand and the development of export-oriented activities. The scale of the pandemic and adaptation to it will continue to have a decisive impact on economic activity, both in Lithuania and abroad. External demand for goods of Lithuanian origin is expected to exceed this year's level by more than 8%, but the rate of growth is expected to halve in subsequent years. The demand is expected to increase in both domestic and external markets, raising business expectations. This will continue to drive private sector investment, which will also be supported by an increased flow of aid funds from the EU. All these factors are expected to translate into fairly strong economic growth in the coming periods, with Lithuania's real GDP expected to grow by 4.9% in 2021 by a further 3.5% in 2022, while the inflationary phenomena are expected to weaken, with annual inflation falling to 2.2% due to less pressure from energy prices.

## KAZAKHSTAN

The most important factors influencing the condition of the market in Kazakhstan include:

All amounts expressed in thousands of PLN, unless indicated otherwise



- increasing availability and increased market penetration of cheap and duty-free offerings from Russian competitors.
- A saturation of the housing market connected with a significant increase in prices, which, combined with the planned reduction in government support for the housing programme, may lead to a reduction in demand.

On the other hand, the positive market phenomena include the good condition of the engineering segment, where much more sophisticated design and know-how in the field of formwork systems are required as compared to the residential, office and industrial construction segment, for which the Group is prepared both in terms of materials and technology.

In Q3 2021 alone, several significant bridge construction tenders were awarded in Kazakhstan in the central and southern regions of the country. These were won by a long-standing client of the Group, which is a very good prediction for the coming period.

In addition, the Government of Kazakhstan returned to discussions on the implementation of the construction of a nuclear power plant in central Kazakhstan.

## **I Exchange rate risk**

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

## **L. Information on market segments**

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

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

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

The segment results were as follows:

### **The third quarter of 2021 - the 3-month period ending on 30 September 2021 r.**

All amounts expressed in thousands of PLN, unless indicated otherwise



Description of the item	Construction site services	Sales of building materials	Capital Group
Sales revenue in total	44 433	24 784	69 217
Internal sale	(1 067)	(8 811)	(9 878)
<b>Sales revenues</b>	<b>43 366</b>	<b>15 973</b>	<b>59 339</b>
Operating costs without depreciation	(26 021)	(15 269)	(41 290)
Internal turnover costs	21	6 612	6 633
<b>Consolidated operating costs without depreciation</b>	<b>(26 000)</b>	<b>(8 657)</b>	<b>(34 657)</b>
<b>EBITDA</b>	<b>17 366</b>	<b>7 316</b>	<b>24 682</b>

### Three quarters of 2021 - the 9-month period ending on 30 September 2021

Description of the item	Construction site services	Sales of building materials	Capital Group
Sales revenue in total	105 605	65 482	171 087
Internal sale	(1 925)	(24 507)	(26 432)
<b>Sales revenues</b>	<b>103 680</b>	<b>40 975</b>	<b>144 655</b>
Operating costs without depreciation	(67 929)	(41 343)	(109 272)
Internal turnover costs	293	16 324	16 617
<b>Consolidated operating costs without depreciation</b>	<b>(67 636)</b>	<b>(25 019)</b>	<b>(92 655)</b>
<b>EBITDA</b>	<b>36 044</b>	<b>15 956</b>	<b>52 000</b>

### The third quarter of 2020 - the 3-month period ending on 30 September 2020

Opis pozycji	Obsługa budów	Sprzedaż materiałów budowlanych	Grupa Kapitałowa
Łącznie przychody ze sprzedaży	36 656	19 927	56 583
Sprzedaż wewnętrzna	(609)	(4 999)	(5 608)
<b>Przychody ze sprzedaży</b>	<b>36 047</b>	<b>14 928</b>	<b>50 975</b>
Koszty operacyjne bez amortyzacji	(21 585)	(12 394)	(33 979)
Koszty obrotów wewnętrznych	61	3 435	3 496
<b>Skonsolidowane koszty operacyjne bez amortyzacji</b>	<b>(21 524)</b>	<b>(8 959)</b>	<b>(30 483)</b>
<b>EBITDA</b>	<b>14 523</b>	<b>5 969</b>	<b>20 492</b>

### Three quarters of 2020 - the 9-month period ending on 30 September 2020

Description of the item	Construction site services	Sales of building materials	Capital Group
Sales revenue in total	112 337	46 958	159 296
Internal sale	(1 337)	(13 162)	(14 498)
<b>Sales revenues</b>	<b>111 001</b>	<b>33 796</b>	<b>144 797</b>
Operating costs without depreciation	(71 373)	(33 141)	(104 515)
Internal turnover costs	153	12 631	12 784
<b>Consolidated operating costs without depreciation</b>	<b>(71 220)</b>	<b>(20 510)</b>	<b>(91 731)</b>
<b>EBITDA</b>	<b>39 781</b>	<b>13 286</b>	<b>53 067</b>

All amounts expressed in thousands of PLN, unless indicated otherwise



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

	for the third quarter of 2021	3 quarters of 2021	for the third quarter of 2020	3 quarters of 2020
<b>Profit (loss) at the EBITDA level</b>	<b>24 682</b>	<b>52 000</b>	<b>20 492</b>	<b>53 067</b>
Depreciation	(10 864)	(31 942)	(11 451)	(33 693)
Interest income	119	607	161	562
Other financial income	292	770	167	450
Interest related costs	(140)	(439)	(142)	(409)
Other financial costs	14	(410)	(324)	(824)
Participation in the results of affiliates	14	(225)	(15)	49
<b>Profit (loss) before tax</b>	<b>14 117</b>	<b>20 361</b>	<b>8 888</b>	<b>19 202</b>
Income tax	(2 701)	(4 193)	(1 686)	(3 297)
<b>Net profit (loss)</b>	<b>11 416</b>	<b>16 168</b>	<b>7 202</b>	<b>15 905</b>

## M. Investor relations

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

Krzysztof Burczaniuk

[krzysztof.burczaniuk@ulmaconstruction.pl](mailto:krzysztof.burczaniuk@ulmaconstruction.pl)

(22) 506-70-00



# ULMA Construcción Polska S.A.

## SINGLE SHORTENED FINANCIAL STATEMENT

**FOR 3 QUARTER ENDING ON 30 September  
2021**



## Profit and loss account and other comprehensive income

	for the third quarter of 2021	3 quarters of 2021	for the third quarter of 2020	3 quarters of 2020
Sales revenues	51 467	127 997	40 464	117 520
Costs of products, goods and materials sold	(35 167)	(98 742)	(30 783)	(95 754)
<b>I. Gross profit on sales</b>	<b>16 300</b>	<b>29 255</b>	<b>9 681</b>	<b>21 766</b>
Selling and marketing costs	(339)	(994)	(276)	(940)
General administration and management costs	(3 834)	(11 774)	(3 094)	(10 679)
Other operating income	(421)	1 042	84	1 473
<i>Including: reversal of impairment losses on receivables</i>	(187)	199	(97)	496
Other operating costs	(83)	(416)	(25)	(551)
<i>Including: impairment losses on receivables</i>	-	-	-	-
<b>II. Profit (loss) at the operational level</b>	<b>11 623</b>	<b>17 113</b>	<b>6 370</b>	<b>11 069</b>
Financial income	550	687	258	1 282
Financial costs	(140)	(439)	(142)	(410)
<i>Net financial costs</i>	<i>410</i>	<i>248</i>	<i>116</i>	<i>872</i>
<b>III. Profit (loss) before tax</b>	<b>12 033</b>	<b>17 361</b>	<b>6 486</b>	<b>11 941</b>
Current income tax	(2 012)	(2 702)	(478)	(675)
Deferred income tax	(312)	(864)	(855)	(1 489)
<b>IV. Net profit (loss) for the financial period</b>	<b>9 709</b>	<b>13 795</b>	<b>5 153</b>	<b>9 777</b>
Other comprehensive income:	-	-	-	-
<b>V. Total income for the financial period</b>	<b>9 709</b>	<b>13 795</b>	<b>5 153</b>	<b>9 777</b>
Net profit (loss) for the financial period	<b>9 709</b>	<b>13 795</b>	<b>5 153</b>	<b>9 777</b>
Weighted average number of ordinary shares	5 255 632	5 255 632	5 255 632	5 255 632
Basic and diluted profit (loss) per share in the financial period (in PLN per share)	1,85	2,62	0,98	1,86

All amounts expressed in thousands of PLN, unless indicated otherwise



## Statement of financial position

	Status per day			
	30.09.2021	30.06.2021	31.12.2020	30.09.2020
<b>ASSETS</b>				
<b>I. Tangible assets (long-term)</b>				
1. Property, plant and equipment	228 172	222 411	230 099	244 132
2. Intangible assets	254	302	228	283
3. Shares in affiliates	7 458	7 458	7 458	7 458
4. Other fixed assets - right of use	10 428	9 658	11 108	11 715
5. Long-term receivables	28 339	28 178	28 306	30 719
<b>Fixed assets (long-term) in total</b>	<b>274 651</b>	<b>268 007</b>	<b>277 199</b>	<b>294 307</b>
<b>II. Current assets (short-term)</b>				
1. Inventory	10 611	8 114	5 261	5 906
2. Trade receivables and other receivables	38 406	33 911	25 271	27 765
3. Current income tax receivables.	-	-	536	145
4. Cash and cash equivalents	35 534	31 992	48 094	41 274
Fixed assets classified as held for sale	-	-	8 590	-
<b>Current assets (short-term) in total</b>	<b>84 551</b>	<b>74 017</b>	<b>87 752</b>	<b>75 090</b>
<b>Total assets</b>	<b>359 202</b>	<b>342 024</b>	<b>364 951</b>	<b>369 397</b>
<b>EQUITY CAPITAL AND LIABILITIES</b>				
<b>I. Equity</b>				
1. Basic capital	10 511	10 511	10 511	10 511
2. Supplementary capital - surplus from the sale of shares above par value	114 990	114 990	114 990	114 990
3. Retained earnings, including:	177 287	167 577	203 540	202 111
a) Net profit (loss) for the financial period	13 795	4 085	11 205	9 777
<b>Total equity</b>	<b>302 788</b>	<b>293 078</b>	<b>329 041</b>	<b>327 612</b>
<b>II. Liabilities</b>				
<b>1. Long-term liabilities</b>				
a. Deferred income tax liabilities	9 523	9 212	8 659	7 933
b. Long-term liabilities due to retirement benefits	310	310	310	246
c. Long-term liabilities due to the right of use	4 197	3 210	4 088	4 500
<b>Long-term liabilities in total</b>	<b>14 030</b>	<b>12 732</b>	<b>13 057</b>	<b>12 679</b>
<b>2. Short-term liabilities</b>				
a. b. Short-term liabilities due to retirement benefits	62	62	62	54
b. Short-term liabilities due to factoring of trade liabilities	-	-	-	30
c. Current income tax liabilities	132	120	-	-
d. Short-term liabilities due to the right of use	2 744	2 862	3 541	3 624
e. Trade payables and other liabilities	39 446	33 170	19 196	25 395
f. Derivative financial instruments	-	-	54	3
<b>Short-term liabilities in total</b>	<b>42 384</b>	<b>36 214</b>	<b>22 853</b>	<b>29 106</b>
<b>Total liabilities</b>	<b>56 414</b>	<b>48 946</b>	<b>35 910</b>	<b>41 785</b>
<b>Total equity and liabilities</b>	<b>359 202</b>	<b>342 024</b>	<b>364 951</b>	<b>369 397</b>

All amounts expressed in thousands of PLN, unless indicated otherwise





## Report on changes in equity

Detailed list	Share capital at par value	Surplus from the sale of shares above par value	Retained profits	In total Equity
As at 1st January 2020	10 511	114 990	205 999	331 500
Net profit in 2020	-	-	11 205	11 205
Other total net income in 2020	-	-	-	-
Payment of the dividend	-	-	(13 664)	(13 664)
As at 31 December 2020	10 511	114 990	203 540	329 041
Total net profit in 3 quarters of 2021	-	-	13 795	13 795
Other total net income in 3 quarters of 2021	-	-	-	-
Payment of the dividend	-	-	(40 048)	(40 048)
Status as at 30 September 2021	10 511	114 990	177 287	302 788

Detailed list	Share capital at par value	Surplus from the sale of shares above par value	Retained profits	In total Equity
As at 1st January 2020	10 511	114 990	205 999	331 500
Total net profit in 3 quarters of 2020	-	-	9 777	9 777
Other total net income in 3 quarters of 2020	-	-	-	-
Payment of the dividend	-	-	(13 665)	(13 665)
Status as at 30 September 2020	10 511	114 990	202 111	327 612

All amounts expressed in thousands of PLN, unless indicated otherwise



## Statement of Cash Flows

	for the third quarter of 2021	3 quarters of 2021	for the third quarter of 2020	3 quarters of 2020
<b>Net profit for the financial period</b>	<b>9 709</b>	<b>13 795</b>	<b>5 153</b>	<b>9 777</b>
Adjustments::				
- Income tax	2 324	3 567	1 333	2 164
- Depreciation and impairment of fixed assets	8 700	25 811	9 159	27 516
- Depreciation of intangible assets	54	151	55	120
- Depreciation of the right of use	912	2 873	1 022	3 018
Net value of formwork sold - fixed assets	5 091	8 267	2 424	5 587
- (Profits) / losses due to changes in the fair value of financial instruments	-	(54)	3	71
- Interest and dividends received	(127)	(493)	(162)	(697)
- Interest costs	139	439	142	410
- (Profits) / Losses due to foreign exchange losses	(423)	(195)	(96)	(585)
- Acquisition of formworks -fixed assets	(19 272)	(31 207)	(7 425)	(37 576)
Changes in working capital:				
- Inventory	(2 497)	(5 351)	698	(720)
- Trade receivables and other receivables	(4 494)	(13 135)	4 132	16 921
- Trade payables and other liabilities	6 276	20 251	(5 144)	(739)
	<b>6 393</b>	<b>24 718</b>	<b>11 294</b>	<b>25 267</b>
Income tax paid	(2 000)	(2 034)	(597)	(2 128)
<b>Net cash flow from operating activities</b>	<b>4 392</b>	<b>22 684</b>	<b>10 697</b>	<b>23 139</b>
Purchase of property, plant and equipment	(279)	(1 468)	(85)	(1 305)
Proceeds from the sale of property, plant and equipment	-	9 115	27	93
Acquisition of intangible assets	(6)	(177)	(6)	(232)
Loans granted	-	(20 000)	(10 000)	(10 000)
Repayment of loans granted	-	20 000	-	-
Dividends received	-	-	-	-
Interest received	167	493	161	624
<b>Net cash flow from investment activities</b>	<b>(118)</b>	<b>7 963</b>	<b>(9 903)</b>	<b>(10 820)</b>
Payments related to financial leasing	(815)	(2 881)	(909)	(2 969)
Interest paid	(139)	(439)	(142)	(409)
Payment of the dividend	-	(40 048)	-	(13 665)
<b>Net cash flow from financial activities</b>	<b>(954)</b>	<b>(43 368)</b>	<b>(1 051)</b>	<b>(17 043)</b>
<b>Increase / (decrease) in net cash and overdraft in the current account</b>	<b>3 320</b>	<b>(12 721)</b>	<b>(257)</b>	<b>(4 724)</b>
Cash and overdraft in the current account at the beginning of the period	31 992	48 094	41 529	45 997
Foreign exchange loss/gains on the valuation of cash and overdraft in the current account	222	161	2	1
<b>Cash and overdraft in the current account at the end of the period</b>	<b>35 534</b>	<b>35 534</b>	<b>41 274</b>	<b>41 274</b>

All amounts expressed in thousands of PLN, unless indicated otherwise



## Description of the most important applied accounting principles

In preparing the interim condensed financial statement, the Company applied the same accounting policies as described in the audited financial statements as at 31 December 2020. The interim financial statement as of 30 September 2021 should be read together with the audited financial statements as of 31 December 2020 published on 1 April 2021.

### Investments in subsidiaries and affiliates

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

### Conversion of selected financial data into the Euro

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

DETAILED LIST	In thousands PLN		In thousands EUR	
	3 quarters of 2021	3 quarters of 2020	3 quarters of 2021	3 quarters of 2020
Net revenues from sales of products, goods and materials	127 997	117 520	28 079	26 456
Result from operating activities	17 113	11 069	3 754	2 492
Gross result	17 361	11 941	3 809	2 688
Net result	13 795	9 777	3 026	2 201
Net cash flow from operating activities	22 684	23 139	4 976	5 209
Net cash flow from investment activities	7 963	(10 820)	1 747	(2 436)
Net cash flow from financial activities	(43 368)	(17 043)	(9 514)	(3 837)
Net cash flow	(12 721)	(4 724)	(2 791)	(1 064)
Basic earnings per ordinary share (in PLN / EUR)	2,62	1,86	0,58	0,12
Diluted earnings per ordinary share (in PLN / EUR)	2,62	1,86	0,58	0,42
	<b>30.09.2021</b>	<b>31.12.2020</b>	<b>30.09.2021</b>	<b>31.12.2020</b>
Total assets	359 202	364 951	77 533	79 083
Liabilities	56 414	35 910	12 177	7 781
Long-term liabilities	14 030	13 057	3 028	2 829
Short-term liabilities	42 384	22 853	9 149	4 952
Equity	302 788	329 041	65 356	71 301
Basic capital	10 511	10 511	2 269	2 278
Weighted average number of shares	5 255 632	5 255 632	5 255 632	5 255 632
Number of shares as at the balance sheet date	5 255 632	5 255 632	5 255 632	5 255 632
Book value per ordinary share (in PLN / EUR)	57,61	62,61	12,44	13,57

Individual items of assets and equity and liabilities have been converted into EUR using average exchange rates published by the President of the National Bank of Poland, effective as at the balance sheet date. The

All amounts expressed in thousands of PLN, unless indicated otherwise



average EUR exchange rate as at 30 September 2021 amounted to PLN 4.6329, and as at 31 December 2020 to PLN 4,6148.

When converting the items of the statement of comprehensive income and cash flow statement items, a rate being the arithmetic mean of the exchange rates in force on the last day of the month of a the given period was applied, i.e. data for the period 1.01. 30/09/2021 were converted according to the exchange rate = 4.5585 PLN / EUR, data for the analogous period of 2020 were converted according to the exchange rate = 4.4420 PLN / EUR.