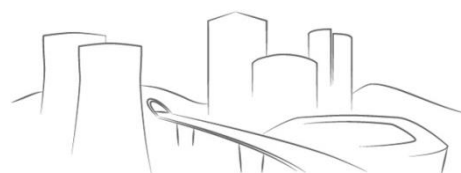


**EXTENDED CONSOLIDATED REPORT**

**OF**

**ULMA Construcción Polska S.A. GROUP**

**FOR Q1 ENDED 31 MARCH 2022**



**From the beginning** of your projects



## Contents

ULMA Construcción Polska S.A. GROUP .....	3
GENERAL INFORMATION .....	4
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS .....	7
Consolidated profit and loss account and other comprehensive income.....	8
Consolidated statement of financial .....	9
Statement of changes in consolidated equity .....	11
Consolidated cash flow statement .....	12
Statement of compliance and general principles of preparation .....	13
A. Conversion of selected financial data into euro.....	14
B. Achievements and factors affecting the financial performance .....	15
C. Overview of the Group .....	23
D. Management Board's position regarding forecasts.....	23
E. Major shareholders.....	23
F. Issuer's shares held by members of the management and supervisory bodies.....	24
G. Significant litigation.....	24
H. Related party transactions .....	29
I. Sureties and guarantees .....	30
J. Other material information .....	31
K. Factors affecting the future performance of the issuer .....	36
L. Segment information .....	39
M. Investor relations .....	41
ULMA Construcción Polska S.A.....	42
CONDENSED SEPARATE FINANCIAL STATEMENTS .....	42
Profit and loss account and other comprehensive income.....	43
Statement of financial position .....	44
Statement of changes in equity.....	46
Cash flow statement.....	47
Description of the major accounting principles applied .....	48
Conversion of selected financial data into euro.....	48



## ULMA Construcción Polska S.A. GROUP



## GENERAL INFORMATION

### **I Objects of activity**

The objects of ULMA Construcción Polska S.A. Group (hereinafter referred to as the "Group") are as follows:

- lease and sale of construction scaffoldings and formworks,
- custom-made designs for formwork and scaffolding applications,
- export of construction services provided by the Group companies,
- sale of construction materials and resources as well as concrete accessories,
- transport and repair activities, provision of equipment, including the sale and lease of construction equipment.

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

There were no changes in the business name of the parent company, ULMA Construcción Polska S.A., in the reporting period.

Primary place of business of the parent company: Koszajec 50, 05-840 Brwinów (Poland).

### **I Registered address**

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

(parent company of ULMA Construcción Polska S.A. Group)

Koszajec 50

05-840 Brwinów

### **I The parent company and the Group companies**

ULMA Construcción Polska S.A. Group is controlled by ULMA C y E, S. Coop. seated in Spain, which holds 75.49% of the Company shares. The remaining 24.51% of shares is held by multiple shareholders.

Members of ULMA Construcción Polska S.A. Group include:

ULMA Construcción Polska S.A. – the **parent company** of the Group responsible for management and administration of the entire Group, and for trade activities relating to products and services offered by the Group in the domestic market and in selected foreign markets,

ULMA Opatówka Ukraina Sp. z o.o. – a **subsidiary** responsible for trade activities relating to products and services offered by the Group in Ukraine,



ULMA Opaľubka Kazachstan Sp. z o.o. – a **subsidiary** responsible for trade activities relating to products and services offered by the Group in Kazakhstan,

ULMA Construccıon BALTIC sp. z o.o. – a **subsidiary** responsible for trade activities relating to products and services offered by the Group in the Baltic States (Lithuania and Latvia).

The Group is also a shareholder in ULMA Cofraje S.R.L. – an **affiliate** responsible for trade activities relating to products and services offered by the Group in Romania.

## Members of supervisory and management bodies as of 31 March 2022 and as of the date of approving the report for publication

### Supervisory Board

Aitor Ayastuy Ayastuy	Chairman of the Supervisory Board
Iñaki Irizar Moyua	Deputy Chairman of the Supervisory Board
Rafael Anduaga Lazcanoiturburu	Member of the Supervisory Board
Michał Markowski	Member of the Supervisory Board
Eñaut Eguidazu Aldalur	Member of the Supervisory Board

### Audit Committee

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

### Management Board

Rodolfo Carlos Muñiz Urdampilleta	President of the Management Board
Marek Czupryński	Member 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

### Auditor

Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością Sp. k.  
Rondo ONZ 1  
00-124 Warsaw

The company is entered in the list of entities authorised to audit financial statements under No. 130.

The appointment of statutory auditors for the years 2022-2023 will take place in Q2 2022.

### Banks

mBank S.A.  
PEKAO S.A.  
PKO Bank Polski S.A.

All the amounts are in PLN thousand, unless indicated otherwise



ING Bank Śląski  
Banco de SABADELL (Spain)  
Santander Bank Polska S.A.

## ■ Notowania na giełdach

## ■ Listing

The Company has been listed on the Warsaw Stock Exchange (hereinafter referred to as the "WSE") since 21 May 1997.

WSE ticker: ULM.

LEI Code: 2594001DEARTIAMFJC93



## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR Q1 ENDED 31 MARCH 2022



## Consolidated profit and loss account and other comprehensive income

	Q1 2022	Q1 2021
Sales revenues	51 628	39 839
Cost of products, goods and materials sold	(41 269)	(34 570)
<b>I. Gross profit on sales</b>	<b>10 359</b>	<b>5 269</b>
Sales and marketing costs	(395)	(387)
Overheads	(5 432)	(4 813)
Other operating revenues	299	1 089
<i>Of which: reversal of impairment losses on receivables</i>	-	138
Other operating costs	(5 612)	(140)
<i>Of which: impairment losses on receivables</i>	(671)	-
<b>II. Operating profit (loss)</b>	<b>(781)</b>	<b>1 018</b>
Financial revenues	566	473
Financial costs	(733)	(406)
Share in profits (losses) of affiliates	(11)	(176)
<b>III. Profit (loss) before tax</b>	<b>(959)</b>	<b>909</b>
Current income tax	(1 302)	(458)
Deferred income tax	1 401	258
<b>IV. Net profit (loss) for the financial period</b>	<b>(860)</b>	<b>709</b>
<b>Other net comprehensive income subject to reclassification to profit (loss) in subsequent reporting periods</b>		
Exchange differences on net investments in a subsidiary	96	82
Foreign exchange differences from the translation of financial statements of foreign subsidiaries	(483)	2 469
<b>V. Comprehensive income for the financial period</b>	<b>(1 247)</b>	<b>3 260</b>
Net profit attributable to shareholders of the parent company	(860)	709
Net profit attributable to non-controlling interest	-	-
Comprehensive income for the financial period attributable to shareholders of the parent company	(1 247)	3 260
Comprehensive income for the financial period attributable to non-controlling interest	-	-
Weighted average number of ordinary shares	5 255 632	5 255 632
Basic and diluted earnings (loss) per share for the financial period (PLN per share)	(0,16)	0,13

All the amounts are in PLN thousand, unless indicated otherwise





## Consolidated statement of financial

As of:

	31.03.2022 (not audited)	31.12.2021 (audited)	31.03.2021 (not audited)
<b>ASSETS</b>			
<b>I. Fixed assets (long-term)</b>			
1. Property, plant and equipment	264 073	260 504	242 906
2. Intangible assets	196	241	232
3. Shares in affiliates	1 421	1 500	2 035
4. Right-of-use assets	14 537	15 449	10 462
5. Deferred tax assets	7 223	5 824	4 337
6. Long-term loan receivables	-	-	40 000
<b>Total fixed assets (long-term)</b>	<b>287 450</b>	<b>283 518</b>	<b>299 972</b>
<b>II. Current assets (short-term)</b>			
1. Inventories	9 869	8 415	8 497
2. Trade receivables and other receivables	65 221	58 706	33 947
3. Income tax receivables	323	531	1 040
4. Derivatives	-	6	-
5. Cash and cash equivalents	47 946	49 684	60 343
<b>Total current assets (short-term)</b>	<b>123 359</b>	<b>117 342</b>	<b>103 827</b>
<b>Total assets</b>	<b>410 809</b>	<b>400 860</b>	<b>403 799</b>

All the amounts are in PLN thousand, unless indicated otherwise



	31.03.2022 (not audited)	31.12.2021 (audited)	31.03.2021 (not audited)
<b>EQUITY AND LIABILITIES</b>			
<b>I. Equity</b>			
1. Share capital	10 511	10 511	10 511
2. Supplementary capital – share premium	114 990	114 990	114 990
3. Foreign exchange gains /losses on consolidation	(10 637)	(10 250)	(11 726)
4. Retained earnings, of which:	219 323	220 183	235 962
(a) Net profit (loss) for the financial period	(860)	24 978	709
<b>Total equity</b>	<b>334 187</b>	<b>335 434</b>	<b>349 737</b>
<b>II. Liabilities</b>			
<b>1. Long-term liabilities</b>			
a. Deferred income tax liabilities	9 545	9 490	8 315
b. Long-term pension liabilities	285	285	310
c. Long-term right-of-use liabilities (finance lease)	7 212	8 276	3 408
<b>Total long-term liabilities</b>	<b>17 042</b>	<b>18 051</b>	<b>12 033</b>
<b>2. Short-term liabilities</b>			
a. Derivatives	-	-	-
b. Short-term pension liabilities	64	64	62
c. Current income tax liabilities	745	797	439
d. Short-term right-of-use liabilities (finance lease)	3 769	3 767	3 371
e. Trade liabilities and other liabilities	55 002	42 747	38 157
<b>Total short-term liabilities</b>	<b>59 580</b>	<b>47 375</b>	<b>42 029</b>
<b>Total liabilities</b>	<b>76 622</b>	<b>65 426</b>	<b>54 062</b>
<b>Total equity and liabilities</b>	<b>410 809</b>	<b>400 860</b>	<b>403 799</b>

All the amounts are in PLN thousand, unless indicated otherwise



## Statement of changes in consolidated equity

Item	Share capital at nominal value	Share premium	Foreign exchange gains / losses on consolidation	Retained earnings	Total equity
<b>As of 1 January 2021</b>	<b>10 511</b>	<b>114 990</b>	<b>(14 277)</b>	<b>235 253</b>	<b>346 477</b>
Net profit in 2021	-	-	-	24 978	24 978
Other comprehensive income in 2021	-	-	4 027	-	4 027
Dividend payment	-	-	-	(40 048)	(40 048)
<b>As of 1 January 2022</b>	<b>10 511</b>	<b>114 990</b>	<b>(10 250)</b>	<b>220 183</b>	<b>335 434</b>
Net profit (loss) in Q1 2022	-	-	-	(860)	(860)
Other comprehensive income in Q1 2022	-	-	(387)	-	(387)
<b>As of 31 March 2022</b>	<b>10 511</b>	<b>114 990</b>	<b>(10 637)</b>	<b>219 323</b>	<b>334 187</b>

Item	Share capital at nominal value	Share premium	Foreign exchange gains / losses on consolidation	Retained earnings	Total equity
<b>As of 1 January 2021</b>	<b>10 511</b>	<b>114 990</b>	<b>(14 277)</b>	<b>235 253</b>	<b>346 477</b>
Net profit in Q1 2021	-	-	-	709	709
Other comprehensive income in Q1 2021	-	-	2 551	-	2 551
<b>As of 31 March 2021</b>	<b>10 511</b>	<b>114 990</b>	<b>(11 726)</b>	<b>235 962</b>	<b>349 737</b>

All the amounts are in PLN thousand, unless indicated otherwise



## Consolidated cash flow statement

	Q1 2022	Q1 2021
<b>Cash flows from operating activities</b>		
<b>Net profit for the financial period</b>	<b>(860)</b>	<b>709</b>
Adjustments for:		
- Income tax	(99)	200
- Depreciation of tangible assets	11 328	9 651
- Impairment loss on fixed assets	4 940	-
- Amortisation of intangible assets	44	51
- Depreciation of right-of-use assets	985	1 035
- Net value of sold formworks – fixed assets	3 338	1 979
- (Gains)/losses on changes in fair value of financial instruments	6	(54)
- Change in the value of shares in related companies	79	176
- Interest income	(267)	(250)
- Interest costs	243	172
- Foreign exchange (gains)/losses	512	903
Changes in working capital:		
- Inventories	(1 454)	(1 065)
- Trade receivables and other receivables	(6 514)	(1 654)
- Trade liabilities and other liabilities	12 256	11 241
	<b>24 537</b>	<b>23 094</b>
Purchase of formworks	(22 952)	(6 774)
Income tax paid	(1 146)	(663)
<b>Net cash from operating activities</b>	<b>439</b>	<b>15 657</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(580)	(851)
Proceeds from disposal of property, plant and equipment	5	9 114
Loans granted	-	(20 000)
Acquisition of intangible assets	-	(17)
Interest collected	268	250
<b>Net cash from investing activities</b>	<b>(307)</b>	<b>(11 504)</b>
<b>Cash flows from financing activities</b>		
Repayment of credits and loans	-	-
Finance lease payments	(1 137)	(1 240)
Interest paid	(242)	(172)
<b>Net cash from financing activities</b>	<b>(1 379)</b>	<b>(1 412)</b>
<b>Net increase (decrease) in cash</b>	<b>(1 247)</b>	<b>2 741</b>
Beginning cash	49 684	57 765
Foreign exchange (losses)/gains on measurement of cash	(491)	(163)
<b>Closing cash</b>	<b>47 946</b>	<b>60 343</b>

All the amounts are in PLN thousand, unless indicated otherwise



## Notes to the consolidated financial statements

### Statement of compliance and general principles of preparation

These condensed consolidated financial statements for the period of 3 months ended 31 March 2022 were prepared as required by IAS 34 "Interim Financial Reporting" and the Ordinance of the Minister of Finance of 29 March 2018 on current and interim disclosures to be made by issuers of securities and the conditions for recognising information whose disclosure is required under the laws of a non-member state as equivalent and present the financial situation of ULMA Construcción Polska S.A. Group as of 31 March 2022, its operating results and cash flows for the period of 3 months ended on 31 March 2022.

These consolidated financial statements were prepared based on the assumption that the Group companies would continue as a going concern in the foreseeable future. With regard to the Covid-19 outbreak, the Management Board prepared and analysed the Group's projected cash flows and concluded that there was no material uncertainty with respect to the going concern assumption of the Group companies for the foreseeable future, i.e. at least for the next 12 months.

The parent company and the companies of ULMA Construcción Polska S.A. Group were established for an indefinite period.

These interim condensed consolidated financial statements are presented in the Polish złoty ("PLN") and, unless specified otherwise, all amounts are given in thousands of PLN.

The Group prepared the interim condensed consolidated financial statements based on the same accounting principles as described in the audited consolidated financial statements as of 31 December 2021. The interim financial statements as of 31 March 2022 should be read together with the audited consolidated financial statements as of 31 December 2021 published on 1 April 2022.

These consolidated financial statements were approved for publication by the Management Board on 16 May 2022.

### Exchange rates and inflation

	Average PLN exchange rates published by the NBP				Change in the CPI published by Statistics Poland
	UAH (hryvnia – Ukraine)	RON (leu – Romania)	KZT (tenge – Kazakhstan)	EUR (euro)	
31 March 2022	0,1467	0,9404	0,009145	4,6525	9,7%
31 December 2021	0,1487	0,9293	0,009354	4,5994	5,1%
31 March 2021	0,1427	0,9462	0,009340	4,6603	2,7%

All the amounts are in PLN thousand, unless indicated otherwise



## Additional information to the quarterly report

### A. Conversion of selected financial data into euro

ITEM	PLN thousand		EUR thousand	
	Q1 2022	Q1 2021	Q1 2022	Q1 2021
Net revenues from sales of products, goods and materials	51 628	39 839	11 109	8 714
Operating profit (loss)	(781)	1 018	(168)	223
Profit (loss) before tax	(959)	909	(206)	199
Net profit (loss)	(860)	709	(185)	155
Net cash flows from operating activities	439	15 657	94	3 425
Net cash flows from investing activities	(307)	(11 504)	(66)	(2 515)
Net cash flows from financing activities	(1 379)	(1 412)	(296)	(309)
Net cash flows	(1 247)	2 741	(268)	599
Diluted earnings per ordinary share (PLN/EUR)	(0,16)	0,13	(0,04)	0,03
Basic earnings per ordinary share (PLN/EUR)	(0,16)	0,13	(0,04)	0,03
	<b>31.03.2022</b>	<b>31.12.2021</b>	<b>31.03.2022</b>	<b>31.12.2021</b>
Total assets	410 809	400 860	88 299	87 155
Liabilities	76 622	65 426	16 469	14 225
Long-term liabilities	17 042	18 051	3 663	3 925
Short-term liabilities	59 580	47 375	12 806	10 300
Equity	334 187	335 434	71 830	72 930
Share capital	10 511	10 511	2 259	2 285
Weighted average number of shares	5 255 632	5 255 632	5 255 632	5 255 632
Number of shares as of the balance sheet date	5 255 632	5 255 632	5 255 632	5 255 632
Carrying amount per share (PLN/EUR)	63,59	63,82	13,67	13,88

The individual items of assets as well as equity and liabilities were converted into EUR at the average exchange rates published by the President of the National Bank of Poland, valid as of the balance sheet date. The average exchange rate of EUR as of 31 March 2022 was PLN 4.6525, and as of 31 December 2021 – PLN 4.5994.

The items of the statement of comprehensive income and the items of the cash flow statement were converted at a rate being the arithmetic mean of exchange rates valid in a specific period, i.e. data from 1 January to 31 March 2022 were converted at the exchange rate of PLN/EUR 4.6472, while the data for the corresponding period of 2021 were converted at the exchange rate of PLN/EUR 4.5721.



## **B. Achievements and factors affecting the financial performance**

The issuer's significant achievements or failures in the reporting period, including a list of key events related to them; as well as description of factors and events, in particular of unusual nature, having a significant impact on the issuer's financial performance

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

The latest data for March 2022 provided by Statistics Poland shows a 17% increase in industrial output sold. In that time, construction and assembly output rose 27.6% (following a 21.2% rise in the previous month). This performance was driven by: an increase by as much as 44.9% in the segment of building construction companies, 23.2% increase among engineering companies and 13.7% increase among specialised companies. Such strong performance for March 2022, which was the first full month of the ongoing war in Ukraine, mean that its impact on the Polish economy was limited at the time. It should be remembered that such strong performance also stemmed from a low base of comparison, as in March 2021 the construction industry was experiencing a downturn which commenced back in 2020. Market analysts expect that the pace of market growth will decelerate from April 2022, which will be observed in particular in the second half of 2022.

Q1 2022 was a very good period in both the entire economy and the construction industry, and performance of individual segments is very positive. However, the outbreak of the war across our eastern border and its consequences will most certainly have a direct impact on the performance of the construction industry in subsequent quarters of this year. This situation exacerbated earlier problems faced by the construction industry in Poland, such as high inflation, rising prices of materials and labour shortages. The very strong demand for labour is causing a significant increase in salaries.

In Q1 2022, in comparison to the corresponding period of the previous year, individual segments of the construction market recorded the following dynamics:

- **Residential construction** – The growth of residential construction output was as high as 57.3% year on year. However, in March 2022 alone investor activity in this segment declined considerably. The number of building permits for apartments and houses declined 11% year on year (lead by the development segment – down 19% against neutral change among individual investors), and the number of housing starts fell nearly 22% (due to a 14% decline in the individual investor segment and a 27% decline among developers). This could mean a clear slowdown in this market segment, which could become even stronger in the coming months.
- **Non-residential construction** – the analysed Q1 2022 was very good for this segment, with the growth rate of construction and assembly output at 25.4%. The best performance was recorded in the case of public buildings (up 59%) and commercial buildings (up 45%). In contrast, the most severe drop was recorded in the case of sports buildings (down 44%) and hotels (down 32%). The indicated increases were achieved due to a low base, caused by COVID-19 restrictions still enforced last year, which drove investors away from making investments in this market segment.
- **Engineering sector** – In the analysed Q1 2021, the entire engineering construction sector grew 23% year on year, while the segment most relevant to the Group's revenue, which covers the construction



of bridges, viaducts, flyovers and tunnels, saw a 14.3% increase in output. Road construction and railroad construction also showed strong performance – up 23.3% and 20.6%, respectively.

- **Industrial construction** – The segment covering building construction on industrial sites posted a rise in output by as much as 40.9%. The strong performance resulted from very good results in the area of industrial and warehouse buildings (up 47.6%), complex structures in industrial areas (up 18.8%) and water structures (up 60.4%).

Production in sectors considered crucial by the Group is presented in the table below:

**Analysis of market data relevant for ULMA operations (PLN million) – Statistics Poland/Spectis**

Sector	Q1 2022*)	Q1 2021**)	% y/y
Residential sector	6 050	3 845	57,3%
Non-residential sector	4 462	3 558	25,4%
Civil engineering sector (bridges, overpasses, flyovers, tunnels)	633	554	14,3%
Industrial sector	4 742	3 366	40,9%
<b>Total sectors in which ULMA CONSTRUCCION POLSKA S.A. operates</b>	<b>15 887</b>	<b>11 323</b>	<b>40,3%</b>

\*) estimated data

\*\*\*) final data for Q1 2021 published by Statistics Poland

## Market environment abroad

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

### UKRAINE

The first months of 2022 were very good for the entire construction sector in Ukraine, including for the Group’s subsidiary operating in this market. The company’s revenue and the market itself grew rapidly. The government actively financed infrastructure projects and there was stable demand for both residential and commercial property. In addition, the subsidiary signed a number of significant contracts in different segments that could have ensured the company’s strong growth in subsequent periods. Unfortunately, Russia’s aggression against Ukraine dramatically ruined our plans. The economy came to a standstill and in March 2022 there was virtually no activity in the construction industry. A small number of companies resumed operations after a month, but they constitute no more than 15% of the total. The government is currently not publishing any official statistics, but according to many experts Ukraine has already lost about 35 to 45% of its GDP. As a result of the hostilities, infrastructure was largely destroyed and production and logistics chains were disrupted. Ukraine faces shortages of a number of basic raw materials – most of all fuel, coal, metals, etc.





The war also significantly affected the subsidiary's position: the suspension of all construction works in Ukraine and the occurrence of a force majeure event forced the subsidiary to suspend invoicing of rental services from 24 February (i.e. from the outbreak of the war) to 31 March. On a positive note, only a small part of the company's assets is used in the war zone. Thus, as at the date of this report, the subsidiary recorded only one confirmed incident of destruction of assets at a customer's construction site as a result of military activities, and the value of these assets represents less than 1.5% of its total assets. Of course, this does not mean that the Group does not recognise the overall risk associated with holding significant assets in a country at war. Immediately after 24 February, the subsidiary took steps to ensure the return of formwork from construction sites to warehouses and to ship its assets to Poland. These activities have been consistently carried out and their pace depends only on the ability to ensure the safety of carriers and the availability of fuel. At the same time, the subsidiary recognised a provision for permanent loss of its assets in the amount of PLN 4,940 thousand, which was announced by the Group's Management Board in a current report (No. 08/2022 of 11 April 2022). The amount represented about 14.5% of the subsidiary's total formwork assets located in Ukraine.

At the time of publication of this report, the armed conflict in Ukraine is still ongoing, but it is already evident that the demand for formwork after the end of hostilities to rebuild the country's infrastructure will be enormous. Based on statements by the governments of the European Union, the United States and other major countries, we expect tremendous financial support from the West for this reconstruction. It is currently impossible to determine when the recovery phase will begin, but it can already be said that the main investors in the coming years will be the Ukrainian government and perhaps donor countries represented by international funds. Hundreds of bridges and viaducts, thousands of public buildings and millions of square meters of housing units will have to be rebuilt. We expect that monolithic construction will be one of the key technologies in this process, which will be the direct cause of the need for our Group to ensure additional stock of formwork. The deficit of formwork in Ukraine may be further increased by driving out Russian technology from the Ukrainian market, which will certainly not have access to the Ukrainian market in the future, while local manufacturers have frozen their production capacities due to the war and will need time to restore them.

It should be pointed out that the Group, as an arm of the global leader in the formwork industry, has sufficient resources and technology capable of meeting the activity in the Ukrainian market and is willing to participate in the largest reconstruction effort of the 21st century. Hence, the Group decided to maintain operations in the Ukrainian market.

## **LITHUANIA**

In Q1 2022, the year-on-year GDP growth rate was 4.4% in constant prices. During the same period, inflation reached 15.6%. In the absence of official statistics on the economic climate in the construction industry in the period under review, it should be assumed that the value of construction and assembly output will be significantly higher compared to the same period last year.

The beginning of Q1 2022 was very good for the construction market. All market indicators showed considerable increases which resulted from continued strong recovery initiated in H2 2021. However, the aftermath of the war in Ukraine has greatly changed the situation and sentiment in the market. Some customers, due to uncertainty about the consequences of the war, postponed their plans to buy property, which contributed to delays in new investment starts at macro level.



Construction companies faced a huge problem of significant and rapid increase in prices of construction materials and products. Many projects that had already been started were suspended in March 2022 due to unavailability of strategic materials. However, this difficult market situation did not significantly affect Q1 performance of the subsidiary, which continues to cooperate with entities that have not stopped their construction works and have not changed their investment plans. The subsidiary has also achieved stability, even significant revenue growth, through its operations in other Baltic states, i.e. outside the Lithuanian market. In addition, the residential property market has experienced strong demand for housing treated as investments intended to protect capital from inflation. Therefore, it can be concluded based on the size of open order books that the slowdown in March 2022 was only temporary and that demand for formwork in the near term will be very strong.

## **KAZAKHSTAN**

Kazakhstan's overall GDP growth rate was positive at 4.4%, while annual inflation in March 2022 reached 12%, which was the highest since September 2016. At the same time, in Q1 2022 relative to the same period of the previous year, indicators in the main segments of the economy were as follows:

- industry: 105.8%
- Agriculture, forestry and fisheries: 101.8%
- construction: 108.6%
- Trade: 108.0%,
- transport and storage: 109.3%
- Communication: 106.4%.

The beginning of Q1 2022 was a particularly turbulent time for Kazakhstan due to civil unrest that took place in January 2022 particularly in the west of the country and in its economic capital, Almaty. Large-scale rallies and public protests were held, with looting and rioting leading to political and economic tensions. The domestic situation normalised over the next few weeks, and the Kazakh government, with high budget revenue owed to rising oil and gas prices on the global market, continued the consistent implementation of earlier investment plans, including the construction of a monolithic bridge in the country's capital, whose main contractor was Ulma's long-term trading partner in Kazakhstan, which has the Group's formwork in its product portfolio. Based on this fact it may be assumed that the bridge may be built in 2022 with the participation of the subsidiary operating in this market.



## Operating margin

In Q1 2022, the negative result on operating activities amounted to PLN 781 thousand against the positive result in PLN 1,018 thousand achieved in the corresponding period in the previous year.

The basic amounts related to EBIT (operating profit) and EBITDA (operating profit + depreciation/amortisation) in the analysed periods were as follows:

	Q1 2022	2021	Q1 2021
Sales	51 628	183 423	39 839
<b>EBIT</b>	<b>(781)</b>	<b>27 330</b>	<b>1 018</b>
% of sales	(1,51%)	14,90	2,55%
Depreciation and amortisation	12 357	39 046	10 737
<b>EBITDA</b>	<b>11 576</b>	<b>66 376</b>	<b>11 755</b>
% of sales	22,42%	36,19	29,51%

In Q1 2022, the Group recorded a decrease in EBITDA in absolute terms by PLN 179 thousand compared to the level achieved in Q1 2021, resulting in a decrease in EBITDA expressed as a sales percentage by 7.09 percentage point. The main reason for a drop of this indicator in Q1 2022 under review were the consequences of the military conflict in Ukraine where the subsidiary ULMA Opałubka Ukraina operates. The risk of permanent loss of the subsidiary's assets both located in the company's warehouses in Kiev, Lviv and Dnipro and leased out and located on customers' construction sites across Ukraine has been assessed. As a result of the analysis, an impairment loss of PLN 4,940 thousand was recognised in the Group's financial statements for Q1 2022 for fixed assets in the formwork group. The impairment loss, which was announced by the Group's Management Board in Current Report No. 08/2022 of 11 April 2022), was recognised under "Other income".

Under "Other operating costs", the Group also recognises the excess of estimated credit losses due to impairment of receivables plus the value of written-off receivables over revenues from reversal of the estimated losses. When the revenues from reversal of estimated credit losses exceed the impairment losses on receivables recognised in a given period, the difference is disclosed under "Other operating revenues". Thus, in Q1 2022, the Group recognised PLN 671 thousand under "Other operating revenues" and in Q1 2021, the amount of PLN 138 thousand was recognised under "Other operating costs".

In addition to the above, "Other operating revenues" include the effects of property management (inventory differences, scrapping, recovered assets etc.) and revenues from re-invoicing, as well as the profit from the disposal of part of the plot in Koszajec, about which the Management Board informed in current reports.

In Q1 2022 kwartale 2022 the Group created revaluation write-offs for fixed assets, amounting to PLN 4, 940 thousand. In the reporting period, the Group did not create any revaluation write-offs due impairment losses on inventories or intangible assets. There were also no reversals of such write-offs.

In Q1 2021, the Group created revaluation write-offs for inventories, amounting to PLN 137 thousand. In the reporting period, the Group did not create any revaluation write-offs due to impairment of property, plant and equipment or intangible assets. There were also no reversals of such write-offs.



## Foreign exchange risk hedging transactions

The Group's companies purchase the products (formwork and scaffolding systems and accessories) being the subject matter of commercial and service activity from the parent company in Spain, other companies from ULMA Group and from third companies.

As part of commercial activities, the Group operates on export markets, primarily in Ukraine, Lithuania and Kazakhstan where its business activity is carried out by its subsidiaries: Ulma Opałubka Ukraina sp. z o.o., Ulma Construcción BALTIC sp. z o.o. and Ulma Opałubka Kazachstan Sp. z o.o. In effect, the Group's companies are exposed to foreign exchange risk which the Group attempts to mitigate by:

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

## Financial costs and other comprehensive income

The parent company, ULMA Construcción Polska S.A., grants long-term loans to subsidiaries to finance their operations on export markets.

As of 31 March 2022, the value of granted long-term loans amounted to EUR 1,800 thousand. In accordance with the principles of International Accounting Standards (IAS 21), these loans are treated as "net investment in a foreign operation" and, therefore, any exchange rate differences related to them are recognised under "Statement of changes in consolidated equity" and "Other comprehensive income".

In Q1 2022, the total value of exchange rate differences included in the above-mentioned statements was negative and amounted to PLN 387 thousand, of which:

- PLN 96 thousand are positive exchange rate differences related to the above-mentioned "net investment" (loans granted) in subsidiaries. Exchange rate differences on settlement measurement as of the balance sheet date are recognised as "Equity" and then, in later periods, realised exchange rate differences are recognised in the consolidated profit and loss account following repayment of the loan taken by the subsidiary,
- PLN 483 thousand are negative foreign exchange differences resulting from changes in exchange rates of local currencies to PLN, affecting the conversions of financial statements of subsidiaries operating abroad.

In Q1 2021, the total value of exchange rate differences included in the above-mentioned statements was positive and amounted to PLN 2,551 thousand, of which:

- PLN 82 thousand are positive exchange rate differences related to the above-mentioned "net investment" (loans granted) in subsidiaries. Exchange rate differences on settlement measurement as of the balance sheet date are recognised as "Equity" and then, in later periods, realised exchange rate differences are recognised in the consolidated profit and loss account following repayment of the loan taken by the subsidiary,
- PLN 2,469 thousand are positive foreign exchange differences resulting from changes in exchange rates of local currencies to PLN, affecting the conversions of financial statements of subsidiaries operating abroad..



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

	31 December 2021	31 March 2022	Change %	31 December 2020	31 March 2021	Change %
UAH/PLN	6,72	6,82	1,36%	7,54	7,01	-7,03%
KZT/PLN	93,54	91,45	-2,23%	87,67	93,40	6,53%
PLN/EUR	4,60	4,65	1,15%	4,61	4,66	1,08%

In the analysed period, i.e. Q1 2022, Ukrainian currency (UAH) weakened by about 1.36% and Kazakh currency (KZT) strengthened by 2.23% against PLN. PLN also weakened against EUR by 1.15%. This contributed to the negative exchange rate differences resulting from translation of the financial statements of subsidiaries operating abroad.

In Q1 2022, the Group neither created any impairment losses on financial assets nor did it reverse them.

## Net financial profit (loss)

After income tax, the Group generated a negative net financial result of PLN 860 thousand in Q1 2022, compared to the net financial profit of PLN 709 thousand achieved in the corresponding period a year ago.

## Cash flows

The condensed cash flow statement of the Group in the analysed periods is presented in the table below:

	Q1 2022	Q1 2021
Net profit (loss)	(860)	709
Depreciation and amortisation	12 357	10 737
<b>Total financial surplus</b>	<b>11 497</b>	<b>11 446</b>
Other items of net cash flows from operating activities	(11 058)	4 211
<b>Net cash from operating activities</b>	<b>439</b>	<b>15 657</b>
Net cash from investing activities	(307)	(11 504)
Net cash from financing activities	(1 379)	(1 412)
<b>Net cash</b>	<b>(1 247)</b>	<b>2 741</b>
Foreign exchange (losses)/gains on measurement of cash and overdraft facility	(491)	(163)
<b>Change in the balance of cash and overdraft facilities</b>	<b>(1 738)</b>	<b>2 578</b>



## Cash flows from operating activities

In Q1 2020, the Group achieved a positive financial surplus (net profit + depreciation/amortisation) of PLN 11,497 thousand.

In the same period, cash from operating activities amounted to PLN 439 thousand compared to PLN 15,657 thousand in the corresponding period in the previous year.

In Q1 2022, the Group continued investment purchases in the formwork and scaffolding group mainly to supplement the portfolio of the offered products necessary to provide services on the construction market, which has been growing for several years in Poland, in particular in the bridge segment. As a result, investment expenses in Q1 2022 related to the acquisition of property, plant and equipment in the group of formwork and scaffolding systems amounted to PLN 22,952 thousand compared to PLN 6,774 thousand in the corresponding period of 2021.

## Cash flows from investing activities

Cash flows from investing activities in Q1 2022 mainly included expenditure for the purchase of fixed assets in the amount of PLN 580 thousand and interest income of PLN 268 thousand, of which PLN 186 thousand accounted for interest on a loan granted to the parent.

Cash flows from investing activities in Q1 2021 mainly consisted of expenses related to granting a loan to the parent company (PLN 20,000 thousand) and proceeds from the disposal of fixed assets, including from the sale of a part of the plot in Koszajec for PLN 9,068 thousand.

## Cash flows from financing activities

With regard to financing activities in Q1 2022, the Group mainly incurred expenses due to repayment of finance lease instalments by the parent company (PLN 1,137 thousand).

As a result, during Q1 2022 the Group's cash decreased by PLN 1,738 thousand to PLN 47,946 thousand as of 31 March 2022.

## Employment information

Basic information on the Group's and the parent company's average employment is presented in the table below.

	Q1 2022	2021	Q1 2021
ULMA Construcción Polska S.A.	338	334	338
ULMA Construcción Polska S.A. Group	419	414	415



## C. Overview of the Group

### Organisational changes of ULMA Construcción Polska S.A. Group; consolidated companies

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

Subsidiaries are consolidated in full, while the affiliate is consolidated by using the equity method.

No changes in the structure of ULMA Construcción Polska S.A. Group occurred in the report period.

## D. Management Board's position regarding forecasts

### Management Board's position on the feasibility of meeting any previously published forecasts for the given year in the light of the performance presented in the report relative to forecast results

On 13 May 2022, in report No. 11/2022, the Issuer's Management Board published preliminary estimates of selected financial and operating data of ULMA Construcción Polska S.A. Group concerning total sales revenues and sales revenues in respective segments of the Group's operations. The table below contains a comparison of the released preliminary estimates and the actual data reported in the analysed 3 months of 2022.

	Forecast	Performance	Difference
Sales revenues, of which:	51 628	51 628	-
- construction site services	38 177	38 177	-
- sales of construction materials	13 451	13 451	-
EBITDA (net profit + depreciation/amortisation)	11 576	11 576	-
Net profit	(860)	(860)	-
Net cash position (cash + loans granted)	67 946	67 946	-

## E. Major shareholders

### Indication of shareholders owning directly or indirectly through subsidiaries at least 5% of the total number of votes at the General Meeting of the issuer as of the report submission date and indication of changes in the ownership structure of significant issuer's share packages from the date of submission of the previous interim report

As of the date of submitting this quarterly report, the following shareholders hold over 5% of the total number of votes:





- **ULMA C y E S, Coop.** (Spain) holding directly 3,967,290 shares in ULMA Construcción Polska S.A., accounting for 75.49% of the Company's share capital and conferring the right to 3,967,290 votes, or 75.49% of the total vote, at the General Meeting,
- **Quercus TFI S.A.** holding 323,726 shares in ULMA Construcción Polska S.A., accounting for 6.16% of the Company's share capital and conferring the right to 3,323,726 votes, or 6.16% of the total vote, at the General Meeting.

## **F. Issuer's shares held by members of the management and supervisory bodies**

Issuer's shareholding structure and rights held by members of the issuer's management and supervisory bodies as of the date of submission of this report, and changes in shareholding structure in the period from the date of submission of the previous interim report separately for each of these persons, in accordance with the information held by ULMA Construcción Polska S.A.

According to the information held by ULMA Construcción Polska S.A., there have been no changes in ULMA Construcción Polska S.A. shareholding structure or rights (options) with regard to such persons since the submission of the previous report.

No member of ULMA Construcción Polska S.A. management or supervisory body holds the issuer's shares.

## **G. Significant litigation**

Material court, arbitration or administrative proceedings related to liabilities and receivables of the issuer or its subsidiary, with an indication of the subject matter of the proceedings, the disputed amount, the date of initiation of the proceedings, parties to the proceedings and the issuer's position

### **Proceedings concerning receivables of ULMA Construcción Polska S.A. as of 31 March 2022:**

ULMA Construcción Polska S.A. conducts 40 court proceedings concerning receivables (as of 31 March 2022), the total value of which is PLN 17,767 thousand. These are court proceedings which have not yet been completed with a final writ of execution issued by the court, and receivables from debtors, against whom the court issued a bankruptcy order (liquidation, arrangement) or a reorganisation order.

No court proceedings to which ULMA Construcción Polska S.A. is a party exceed 10% of the Company's equity.







Respective groups of court proceedings are listed in the table below:

Item	Number of proceedings	Balance as of 31-03-2022	Date of initiation of proceedings	Current status of the case
<b>Court proceedings</b>	<b>1</b>	<b>11</b>		
DAN-BUD SP.Z.O.O.	1	11	July2021	The company filed an action for payment against both the debtor and the guarantors. The Company is awaiting a payment order.
<b>Total</b>	<b>1</b>	<b>11</b>		<b>100% of all claims</b>
Item	Number of proceedings	Balance as of 31-03-2022	Date of initiation of proceedings	Current status of the case
<b>Bankruptcy proceedings</b>	<b>39</b>	<b>17 756</b>		
<i>including the 5 largest cases:</i>				
HYDROBUDOWA POLSKA SA		6 602	September 2012	The claim was notified to the receiver. The Company is awaiting the completion of the bankruptcy proceedings.
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). As part of the proceedings, several executions were carried out against landed properties (the funds from the last one in the amount of PLN 140 thousand were received by the Company in X'2020) and execution against the debtor's shares in another company (currently pending).
HENPOL Sp. z o.o.		1 010	January 2014	The receivable has been filed to the bankruptcy receiver. The Company is awaiting the completion of bankruptcy.
Firma Gotowski – Budownictwo Komunikacyjne i Przemysłowe sp. z o. o		848	Czerwiec 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 investors. The first investor paid the amount due (PLN 197 thousand) in July 2019. The second investor paid the amount due to the Company to the court deposit (the amount of PLN 273 thousand), which the Company is trying to recover through court proceedings (the Debtor filed a complaint against the court's decision on payment from the deposit). The third investor was sued by the Company for payment (PLN 362 thousand) and the case is pending. At the last hearing, the court heard witnesses and adjourned the case until May 13, 2022.

All the amounts are in PLN thousand, unless indicated otherwise



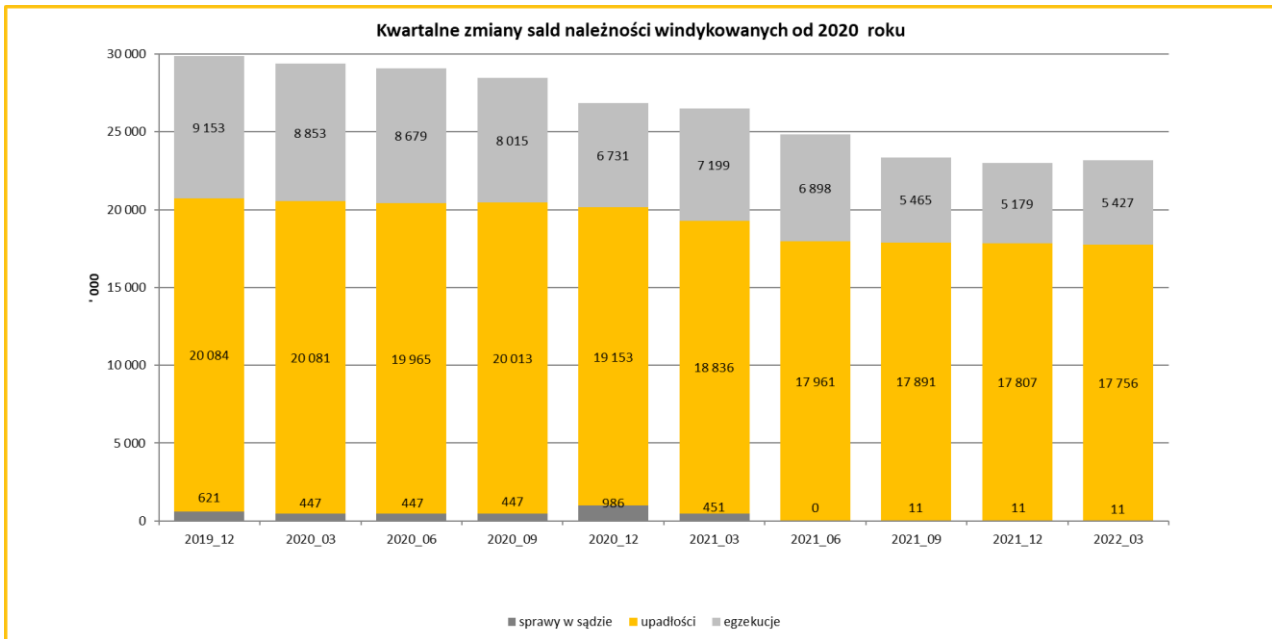
KROKBUD Sp. z o.o.		758	April 2016	On 16/11/2017, the Court transformed the hitherto existing systemic bankruptcy into bankruptcy involving the liquidation of the bankrupt's assets. The Company reported its receivables to the trustee. In X'2020. The Company received the amount of PLN 105 thousand, after a concluded court trial, as compensation for the 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 not 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>13 152</b>		<b>74% of the total</b>
Total number of the proceedings conducted	<b>40</b>	<b>17 767</b>		

All the amounts are in PLN thousand, unless indicated otherwise



In addition to the court cases described above, the Company is a party to other debt collection proceedings. These are primarily pre-trial proceedings and at the stage of debt enforcement. Currently, the Company has 45 proceedings in these categories on its balance sheet, with the total value of PLN 5,427 thousand. The total balance of recovered receivables (at the in-court and out-of-court stage) in the balance sheet, as of 31 March 2022, included 85 cases amounting in total to PLN 23,194 thousand.

The change in the value of receivables in collection from 2019 to the date of this report is presented in the chart below:



It should be pointed out that in the last few years 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.

Detailed information on the change in the balances of the items referred to above are presented in the table below.

	Q1 2022	2021	2021
<b>Receivables in collection at the beginning of the period</b>	<b>22 997</b>	<b>26 869</b>	<b>26 869</b>
written off during the period	(32)	(3 599)	(435)
payments during the period	(182)	(684)	(233)
new collections during the period	411	411	285
<b>Receivables in collection at the end of the period</b>	<b>23 194</b>	<b>22 997</b>	<b>26 486</b>
<i>new collection - payment as per balance</i>	<b>(229)</b>	<b>(273)</b>	<b>(52)</b>

The above phenomenon is an effect of, on the one hand, a process of due verification of new customers/construction projects, and, on the other hand, the application of effective safeguards in commercial contracts. The fact that the increasing value of sales is located in public contracts, where

All the amounts are in PLN thousand, unless indicated otherwise



commercial contracts are legally protected by provisions of the Public Procurement Law, also helps to avoid problems with debt collection.

### **Proceedings concerning receivables of subsidiaries as of 31 March 2022:**

As of the balance sheet date, a total of 18 court cases for the value of PLN 4,195 thousand were reported in the subsidiaries, of which:

- a) 1 cases for the value of PLN 1,737 thousand, which were at the court stage,
- b) 3 cases for the value of PLN 2,458 thousand, concerning reorganisation and bankruptcy proceedings.

Invariably, the largest of the court cases in the Subsidiaries, whose debt equivalent as at the balance sheet date is PLN 2,182 thousand, is the bankruptcy proceedings from 2018 of one of the debtors in the Subsidiary ULMA Construcción BALTIC sp. z o.o..

In addition to the court receivables described above, in the balance sheet of ULMA Opałubka Ukraina sp. z o.o. (in other Subsidiaries such items do not occur), there are also 32 balances of other receivables collected mainly at the pre-court stage, for a total value of PLN 4,786 thousand.

In view of the continued hostilities in Ukraine, the Group's Management Board decided to apply a stricter approach to assessing the risks associated with the recoverability of receivables from that market. Both the evaluation criteria and the amount of recognised impairment losses for receivables are subject to regular analyses, and the prudential approach adopted in the current circumstances ensures that the risk profile for the subsidiary operating in the Ukrainian market is maintained at a level not worse than that presented in the annual report for 2021, in which the Group's Management Board provided for additional impairment losses for receivables.

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 recognises impairment losses on all non-performing receivables and receivables under litigation. They are recognised as "Other operating costs" and their amount corresponds to estimates of the possibility of recovering receivables as part of court and debt enforcement proceedings.

## **H. Related party transactions**

Information about one or more transactions concluded by the issuer or any of its subsidiaries with related parties, which were concluded on conditions other than the arm's length principle, with an indication of their amount, including in particular:

- a) Information on the counterparty to the transaction,
- b) Information on the issuer's or any of its subsidiaries' links with the counterparty to the transaction,
- c) Information on the subject matter of the transaction,
- d) Material terms of the transaction,
- e) Any other information concerning the transaction that is relevant to understanding the issuer's assets, financial standing and financial performance,



f) Any changes to related party transactions described in the last annual report which could have had a material effect on the issuer's assets, financial standing and financial performance

Transactions concluded in Q1 2022 by ULMA Construcción Polska S.A. and its subsidiaries with related parties were of standard and routine nature, they were concluded at an arm's length basis, and their nature and terms and conditions resulted from ongoing operations.

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

- purchase of formworks and scaffoldings and services of formwork and scaffolding lease with a total value of PLN 17,600 thousand,
- other purchases amounting in total to PLN 973 thousand.

In the last 12 months (from 1.04.2021 to 31.03.2022), the value of the above transactions amounted to:

- purchase of formworks and scaffoldings and services of formwork and scaffolding lease with a total value of PLN 46,640 thousand,
- other purchases amounting in total to PLN 3,567 thousand.

In addition to trade transactions, in the previous periods ULMA Construcción Polska S.A. advanced long-term and short-term loans to its related parties. A summary of the granted loans according to the outstanding balance as of 31.03.2022 and as of 31.12.2021 is presented in the table below.

Related party – long-term loans	Value of the loan 31.03.2022	Value of the loan 31.12.2021
ULMA Construcción BALTIC (EUR thousand)	1 800	1 800
Related party – long-term loans	Value of the loan 31.03.2022	Value of the loan 31.12.2021
ULMA CyE S.Coop. (PLN thousand)	20 000	20 000

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

In previous periods, ULMA Construcción Polska S.A. granted a long-term loan to the parent company, ULMA CyE S.Coop, amounting to PLN 20,000 thousand.

The loan is secured by:

- a bill of exchange and a bill of exchange declaration issued by the borrower,
- an agreement to irrevocably acquire the borrower's assets (formwork and scaffolding), which are currently held by the lender on a lease basis, at a trade discount. 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 final repayment date was set at 31 July 2022.

## I. Sureties and guarantees



Loan sureties or guarantees issued by the issuer or its subsidiary – in aggregate to a single entity or to its subsidiary, specifying:

- a) Name of the entity to which the sureties or guarantees were provided,
- b) Total amount of loans covered, in whole or in part, with the surety or guarantee,
- c) Term of the surety or guarantee,
- d) Financial terms and conditions of the sureties or guarantees, specifying the remuneration of the issuer for granting such sureties or guarantees,

ULMA Construcción Polska S.A. granted warranty to UKRSIBBANK bank, for the subsidiary ULMA Opałubka Ukraina Sp. z o.o., as collateral for the repayment of bank credit. The surety has been granted for the duration of the credit agreement and amounts to EUR 1,000 thousand.

As of the balance sheet date 31 March 2022, and 31 December 2021 there is no debt under this agreement.

## **J. Other material information**

Other information which is material for the assessment of the staffing levels, assets, financial standing and financial performance of the issuer and information relevant to the assessment of the issuer's ability to fulfil its obligations

In Q1 2022, no material events occurred other than those described above.

The Management Board of ULMA Construcción Polska S.A. is not aware of any other information which would be material for assessing its staffing levels, assets, financial standing and financial performance and their changes, and for assessing the Group companies' ability to fulfil their obligations.

## **Total and per share dividend paid (or declared) on ordinary and preference shares**

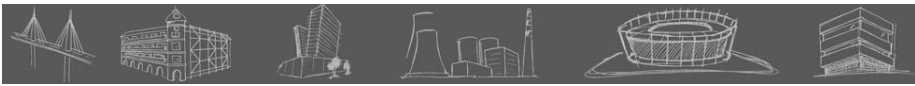
Pursuant to Resolution No. 8 of the General Meeting of ULMA Construcción Polska S.A. of 10 May 2022 the entire net profit of ULMA Construcción Polska S.A. for 2021, amounting to PLN 21,679,848.18 zł would be allocated for the Company's supplementary capital.

Pursuant to Resolution No. 7 of the General Meeting of ULMA Construcción Polska S.A. of 6 May 2021, the net profit of ULMA Construcción 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.

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**Amount and type of items affecting assets, liabilities, equity, net profit (loss) or cash flows, which are unusual due to their type, value or frequency**



Apart from the above transactions, no other unusual operations occurred in Q1 2022.

### **Explanations on the seasonality or cyclicity of the issuer's activity in the presented period**

Construction works are characterised by significant seasonality which translates directly into the Group's revenues from sales of products and services. Particularly unfavourable weather conditions and frequent delays in the implementation of budgetary projects usually occur in Q1. These factors typically improve in the following quarters and the peak of the construction season usually falls in Q3.

This also results in the seasonality effect with regard to repairs of the Group's products (formwork and scaffolding systems). Most of these works fall in the construction season, i.e. Q2 and Q3.

### **Information about write-offs revaluating inventories to net realisable value and reversals of such write-offs**

In Q1 2022, the Group did not create revaluation write-offs for inventories.

### **Information on revaluation write-offs due to impairment of financial assets, property, plant and equipment, intangible assets or other assets, and about reversals of such write-offs**

Under "Other operating costs", the Group recognises the excess of estimated credit losses due to impairment of receivables plus the value of written-off receivables over revenues from reversal of the estimated losses. When the revenues from reversal of estimated credit losses exceed the impairment losses on receivables recognised in a given period, the difference is disclosed under "Other operating revenues".

Thus, in Q1 2022, the Group recognised PLN 6718 thousand under "Other operating revenues" and in Q1 2021, the amount of PLN 138 thousand was recognised under "Other operating costs".

In Q1 2022, the Group create an impairment loss on property, plant and equipment in the amount of PLN 4,940 thousand, concerning the estimation of the risk of permanent loss of fixed assets and inventories in Ukraine, which was mentioned in the previos chapters.

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

The Group creates a provision for future liabilities related to benefits after the period of employment to assign costs to the periods to which they relate. The provision is charged to operating costs in amounts corresponding to the acquisition of such rights in future by present employees. The current value of these liabilities is calculated by an independent actuary.

Actuarial gains and losses resulting from a change in the actuarial assumptions (including those due to changes in discount rate) and actuarial adjustments ex post are recognised in "Other comprehensive income".





Calculation of the provision for the employee is based on the expected amount of retirement or disability severance pay which the Company undertakes to pay under the Regulations.

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

- the expected amount of the basis of the retirement or disability severance pay,
- the expected increase in the assessment base until retirement age,
- a seniority-based percentage ratio.

The amount calculated in the manner described above is actuarially discounted as of the balance sheet date. Actuarial discount means the product of financial discount and the probability that the given person will reach the retirement age as an employee of the Company.

The Group revaluates the current value of liabilities due to post-employment benefits once a year as of the balance sheet date ending the financial year. The amount of the above provision does not change during the year.

### Information on deferred income tax provisions and assets

	As of:	
	31 March 2022	31 December 2021
Deferred tax assets:	9 462	7 837
Deferred tax provision:	(11 784)	(11 503)
Offset	2 239	2 013
Carrying amount of deferred tax assets	7 223	5 824
Carrying amount of deferred tax provision	(9 545)	(9 490)

Deferred tax assets and provisions in the consolidated statement of financial position as of 31 March 2022 and as of 31 December 2021 were recognised in the amounts resulting from offsetting assets and liabilities at the level of each of the companies forming part of the Group.

### Information on material transactions relating to the purchase and sale of property, plant and equipment

The most important purchase transactions with regard to property, plant and equipment in Q1 2022 were purchases of formwork components for lease from the Group's parent company, amounting to PLN 17,376 thousand.

### Information on material liabilities due to the purchase of property, plant and equipment

Liabilities under the aforementioned purchases as at 31 March 2022 amounted to PLN 15,286 thousand (translated at the average EUR exchange rate announced by the National Bank of Poland as at the balance sheet date) and have been settled in 49% by the date of publication of this report.

### Prior period errors

In Q1 2022, no prior period errors were identified.

All the amounts are in PLN thousand, unless indicated otherwise



### **Information on failure to repay a credit or loan or breach of material provisions of a credit or loan agreement**

In Q1 2022, the above-mentioned events did not occur. As of 31 March 2022, the Group's subsidiaries do not have any debt due to bank loans other than those indicated in this report.

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

In Q1 2022, the Group did not issue, redeem or repay any non-equity or equity securities.

### **Indication of events which occurred after the date of the condensed quarterly financial statements, not covered by this report, but which might have a significant impact on future financial performance of the issuer**

After the balance sheet date, 31 March 2022, no events were identified that could significantly affect the future financial performance of ULMA Construccjon Polska S.A. Group.

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

Since the end of the last financial year, no changes in contingent liabilities and contingent assets have occurred.

With regard to the invasion of the military forces of the Russian Federation in Ukraine on 24 February 2022, the Management Board of ULMA Construccjon 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 March 2022

Data in PLN thousand

	Consolidated data	ULMA Opalubka Ukraina sp. z o.o.	Share in %
<b>ASSETS</b>			
I. Non-current assets	287 450	32 595	11,3%
- including formwork systems	194 402	29 196	15,0%
II. Current assets	123 359	16 425	13,3%
<b>Total assets</b>	<b>410 809</b>	<b>49 020</b>	<b>11,9%</b>
<b>EQUITY AND LIABILITIES</b>			
I. Equity	334 187	38 848	11,6%
- Net profit for the financial period	(860)	(2 890)	-
1. Non-current liabilities	17 042	-	-
2. Short-term liabilities	59 980	10 172	17,1%
<b>Total liabilities</b>	<b>76 622</b>	<b>10 172</b>	<b>13,3%</b>
<b>Total equity and liabilities</b>	<b>410 809</b>	<b>49 020</b>	<b>11,9%</b>

Given the current military activities, the operations of ULMA Ukraine remains limited, however the management of ULMA Ukraine is 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 ULMA Construccjon 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 conflict in Ukraine; however, its scale and scope will depend on which part of the territory of Ukraine will be affected by the possible escalation.

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 Construccjon 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. Taking into account the risk of permanent loss of ULMA Ukraine's assets, the Group's Management Board resolved to recognise an impairment loss on fixed assets in the group of formwork systems in the amount of PLN 4,940 thousand, based on own estimates that take into account the following assumptions:

- the risk of destruction of assets located in areas directly affected by military actions was determined at the level of 90%,

All the amounts are in PLN thousand, unless indicated otherwise



- the risk of destruction of assets located in areas occupied by the invader was determined at the level of 50%,
- the risk of destruction of assets located in own warehouses in Dnipro and Odessa was determined at the level of 50%,
- the risk of destruction of assets located in the remaining part of Ukraine's territory was determined at the level of 5% - 10%

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 Construcción Polska S.A., and the above-mentioned values of assets exposed to the risk of loss constitute the Management Board's estimate, which in Q2 2022 may be both increased and decreased.

Nonetheless, the Management Board of ULMA Construcción 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 Construcción Polska S.A. and of the Capital Group ULMA Construcción 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.

## **K. Factors affecting the future performance of the issuer**

**Indication of factors which, in the issuer's opinion, will affect the performance at least in the upcoming quarter**

### **I Market in Poland**

The factor that currently most affects both the entire national economy and the construction industry is the war that has been raging in Ukraine for several months. The dynamics of military, political and economic events make it difficult to formulate long-term forecasts. The current situation will certainly result in an economic slowdown caused by, among other things, the outflow of Ukrainian male workers from the Polish labour market, high inflation and shortages of selected components or materials. The industrial and construction sectors, which rely heavily on Ukrainian workers, may be particularly affected. In Q1 2022, the construction sector managed to build up a significant buffer, thanks to which the entire 2022 should close with real growth of about 4-5%. Forecasts for 2023–2024 are less optimistic (real declines in the value of the entire market are expected to be close to 3%).

Since the outbreak of war in Ukraine, unfavourable inflationary processes have grown in strength. Shortages of materials, rising raw material costs and increasingly higher energy and fuel prices are driving up prices in the industry and construction. An additional factor causing the high cost pressure are the rising labour costs resulting from staffing shortages. Market analysts predict that the index of construction output prices calculated by Statistics Poland will reach 8% in 2022 (relative to 4.2% in 2021), beating the all-time high of 7.4% recorded in 2007. In turn, the consumer inflation index will reach 8.6%, while the industrial output index will reach a record 13%. Rising inflation has prompted a change in the NBP's policy, as a result of which the NBP's reference rate is expected to be above 6% at the end of 2022.



However, after 2022 the price growth in the economy and the construction industry are expected to slow down gradually, although it may take several years for inflationary issues in the economy to be fully neutralised.

Construction companies are also in a more difficult situation than a year ago. In the latest economic survey, the cost of materials is already clearly the market barrier most frequently indicated by construction companies, ahead of uncertainty about the general economic situation and employment costs. Due to very high increase in prices, contracts executed and priced in 2020–2021 are unprofitable and will mostly be performed at a loss. A large number of renegotiations of the terms of General Contractors' contracts with Investors can be expected this year, the outcome of which will largely affect the performance of the entire construction industry, including the Group's ability to further increase its revenue in the domestic market.

Particular attention should be paid to the fact that the NBP's restrictive policy will undermine the creditworthiness of Poles in the very near future. Having analysed Q1 2022, it should be noted that since the beginning of this year the number of loans advanced dropped, with the decline in March 2020 reaching -24.1% compared to the same corresponding period of the previous year. A positive growth in sales of home loans, both in number and value terms, was seen only in the case of loans of more than PLN 500,000, by number (+24.1%) and by value (+29.3%). In the other ranges, both in number and value terms, the growth rates were negative. This data shows the rapidly weakening creditworthiness of Poles, which could translate into a sharp downturn in the housing segment as early as in Q3 2022. This will in turn contribute to the condition of the entire building construction industry, which is an important part of the Group's revenue structure.

The number of bankruptcies in the entire 2021 was as high as 220 (compared to 137 bankruptcies in 2020). Another problem for some companies is the inability to maintain supplies of raw materials from Russia, Ukraine and Belarus, which will consequently lead to an even stronger increase in prices. The problem particularly affects the import of aggregates, cement, wood products, aluminium and steel. It is estimated that 20% of Poland's steel was imported from those countries. All of the above factors may ultimately lead to a situation in which investors will put new projects on hold for a while.

Market analysts predict that in 2022 economic growth will remain at around 3%, in the area of investment expenditure at 4–5%, and consumer spending may increase by 4%. In 2023–2024, GDP growth rate will be in the range of 2.5–3.5%, but the approval of EU funds for Poland may additionally improve the health of the economy.

## **I 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**

The outbreak of the war in Ukraine has led to a significant increase in risk in all areas of operations of the subsidiary present in the Ukrainian market. The key risks include:

- the risk of permanent loss of assets due to war damage at the subsidiary's construction sites and warehouses, and



- the risk of loss of assets due to weakening of control over them by the subsidiary's customers.

The subsidiary has been monitoring its assets since the beginning of the war, both at its warehouses (all of which are located in areas that are so far not occupied) and held by its customers, most of whose assets are located in non-occupied areas. The monitoring, combined with the procedure adopted by the Group's Management Board to build provisions for the risk of permanent loss of assets, as referred to above, and the policy of gradual relocation of assets to western Ukraine or even to Poland, is the only option of efficient management in this difficult situation.

Another important risk is the risk of non-payment for the services provided due to financial difficulties experienced by the subsidiary's customers or even resorting to "state of emergency" clauses by customers and avoidance of payment for services provided to date on that basis. This risk has been effectively mitigated in previous periods by introducing advance payment mechanisms for both purchases and lease of assets, as well as by applying a restrictive policy of recognising impairment losses for doubtful receivables.

In the current year, the most significant risk to the Group's revenue in the Ukrainian market remains the limited construction activity and the related inability of the subsidiary to provide lease services and sell products during the war. Despite the hostilities in eastern Ukraine, the Group's subsidiary continues to operate in the western part of the country. However, the scale of these activities is limited. The aforementioned risk is mitigated by actively relocating assets from Ukraine to Poland, where currently a very high demand for formwork is observed.

The activities referred to above involving intragroup transfer of assets also make it possible to address the subsidiary's liquidity risk arising from the need to finance the fixed costs of its organisation. The Group's Management Board strongly emphasizes that it intends to actively maintain the organisational and operational capacity of the subsidiary in Ukraine, so that it is ready to take firm commercial positions at any time, should the entire country start a general reconstruction effort after the end of the war, which will require an enormous amount of construction work and a multitude of materials. In addition, as of today the subsidiary has sufficient financial resources to maintain its organisation even in the face of low revenue from current operating activities.

## LITHUANIA

The European Union's sanctions against Russian and Belarusian construction products have resulted in huge price increases, as well as a shortage of such products and materials on the market. In addition, due to the still active pandemic restrictions imposed on foreign workers from outside the EU, it is difficult for some companies to realistically complete their contracts. These factors cause a significant risk of delays in construction schedules and considerably reduce the profitability of ongoing projects. This, in turn, could slow cash flows and put some construction companies in a difficult liquidity situation. These difficulties may have a direct adverse impact on the financial standing and solvency of companies in the industry, particularly those that signed contracts before 2022 (i.e., based on and assuming old economic conditions) and which are performed today.

High inflation and gaps in supply chains may have a direct impact on market growth this year. In particular, this may considerably affect the condition of long-term projects. There still exists a risk that investors will postpone their investment decisions due to the uncertain outcome of the conflict in Ukraine.



The Group's operations in the Baltic states are relatively diversified, namely a significant portion of revenue comes from Estonia/Finland, which will effectively mitigate the risks referred to above at least in the next few periods.

## **KAZAKHSTAN**

The risk of devaluation of the local currency Tenge remains significant, although in our opinion it has declined compared to 2021. The Group's Management Board reiterates its view expressed in the 2021 annual report that the risk of Kazakhstan being drawn into the war in Ukraine is low, while the risk of sanctions hindering road transport from the European Union to Kazakhstan via Belarus and Russia, predicted in the annual report, has materialised. The introduced sanctions have certainly made this transport more difficult and expensive. Also, the risk of high inflation and the resulting higher interest rates is being materialised in real economy, which, as we indicated in the annual report, will not have a large impact on the revenue of the subsidiary operating in this market due to their low significance.

## **I Foreign exchange risk**

The Group's companies purchase products (formwork systems and accessories) from the parent company in Spain or other entities located outside Poland. On the other hand, the Group's companies operate on export markets. The Group is thus exposed to foreign exchange risk, which it seeks to limit through activity on the forex market.

## **L. Segment information**

**Information on revenues and profits (losses) in respective industry or geographical segments specified in line with the IASs, depending on which segment breakdown is the primary one**

ULMA Construcción Polska S.A. Group distinguishes two basic segments of its business activity:

- construction site services – the segment of lease of formwork and scaffolding systems together with broadly understood logistic services and construction settlement at the end of a contract,
- sales of construction materials – the segment of sales of formwork systems constituting tangible assets and current assets (products and goods) of the Group, and other construction materials.





Segment performance was as follows:

### Q1 2022 - three-month period ended 31 March 2022

Item description	Construction site services	Sales of construction materials	Group
Total sales revenues	38 895	18 184	57 079
Intragroup sales	(718)	(4 733)	(5 451)
<b>Sales revenues</b>	<b>38 177</b>	<b>13 451</b>	<b>51 628</b>
Operating costs (excl. depreciation and amortisation)	(29 205)	(14 472)	(43 677)
Costs of intragroup sales	5	3 620	3 625
<b>Consolidated operating costs (excl. depreciation and</b>	<b>(29 200)</b>	<b>(10 852)</b>	<b>(40 052)</b>
<b>EBITDA</b>	<b>8 977</b>	<b>2 599</b>	<b>11 576</b>

### Q1 2021 - three-month period ended 31 March 2021

Item description	Construction site services	Sales of construction materials	Group
Total sales revenues	27 828	17 971	45 799
Intragroup sales	(287)	(5 673)	(5 960)
<b>Sales revenues</b>	<b>27 541</b>	<b>12 298</b>	<b>39 839</b>
Operating costs (excl. depreciation and amortisation)	(20 341)	(13 506)	(33 847)
Cost of intragroup sales	122	5 641	5 763
<b>Consolidated operating costs (excl. depreciation and</b>	<b>(20 219)</b>	<b>(7 865)</b>	<b>(28 084)</b>
<b>EBITDA</b>	<b>7 322</b>	<b>4 433</b>	<b>11 755</b>

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

	Q1 2022	Q1 2021
<b>EBITDA</b>	<b>11 576</b>	<b>11 755</b>
Depreciation and amortisation	(12 357)	(10 737)
Interest revenues	267	250
Other financial revenues	299	223
Interest costs	(243)	(172)
Other financial costs	(490)	(234)
Share in profit (loss) of affiliates	(11)	(176)
<b>Profit (loss) before tax</b>	<b>(959)</b>	<b>909</b>
Income tax	99	(200)
<b>Net profit (loss)</b>	<b>(860)</b>	<b>709</b>

All the amounts are in PLN thousand, unless indicated otherwise





## M. Investor relations

As part of activities aimed at building successful investor relations, the Group appointed a person responsible for contacts with the Warsaw Stock Exchange, the Polish Financial Supervision Authority and the shareholders.

Krzysztof Burczaniuk

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

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# ULMA Construcción Polska S.A.

## CONDENSED SEPARATE FINANCIAL STATEMENTS

**FOR Q1 ENDED 31 MARCH 2022**



## Profit and loss account and other comprehensive income

	Q1 2022	Q1 2021
Sales revenues	43 001	32 724
Cost of products, goods and materials sold	(35 623)	(31 461)
<b>I. Gross profit on sales</b>	<b>7 378</b>	<b>1 263</b>
Sales and marketing costs	(386)	(362)
Overheads	(4 418)	(4 017)
Other operating revenues	437	1 087
<i>Of which: reversal of impairment losses on receivables</i>	142	153
Other operating costs	(5)	(124)
<i>Of which: impairment losses on receivables</i>	-	-
<b>II. Operating profit (loss)</b>	<b>3 006</b>	<b>(2 153)</b>
Financial revenues	175	272
Financial costs	(243)	(172)
<b>III. Profit/(loss) before tax</b>	<b>2 938</b>	<b>(2 053)</b>
Current income tax	(592)	-
Deferred income tax	(55)	344
<b>IV. Net profit (loss) for the financial period</b>	<b>2 291</b>	<b>(1 709)</b>
<b>Other comprehensive income subject to reclassification to profit (loss) in subsequent reporting periods</b>	<b>-</b>	<b>-</b>
<b>V. Comprehensive income for the financial period</b>	<b>2 291</b>	<b>(1 709)</b>
Net profit (loss) for the financial period	2 291	(1 709)
Weighted average number of ordinary shares	5 255 632	5 255 632
Basic and diluted earnings (loss) per share for the financial period (PLN per share)	0,44	(0,33)

All the amounts are in PLN thousand, unless indicated otherwise



## Statement of financial position

As of:

	31.03.2022 (not audited)	31.12.2021 (audited)	31.03.2021 (not audited)
<b>ASSETS</b>			
I. Fixed assets (long-term)			
1. Property, plant and equipment	243 453	234 039	223 505
2. Intangible assets	162	202	197
3. Shares in affiliates	7 458	7 458	7 458
4. Right-of-use assets	14 537	15 449	10 462
5. Long-term receivables	8 375	8 320	48 388
<b>Total fixed assets (long-term)</b>	<b>273 985</b>	<b>265 468</b>	<b>290 010</b>
II. Current assets (short-term)			
1. Inventories	5 983	4 489	6 812
2. Trade receivables and other receivables	57 760	55 231	27 650
3. Income tax receivables	117	6	578
4. Derivatives	-	318	-
5. Cash and cash equivalents	41 054	38 237	48 155
<b>Total current assets (short-term)</b>	<b>104 914</b>	<b>98 281</b>	<b>83 195</b>
<b>Total assets</b>	<b>378 899</b>	<b>363 749</b>	<b>373 205</b>

All the amounts are in PLN thousand, unless indicated otherwise



	<b>31.03.2022</b> <b>(not audited)</b>	<b>31.12.2021</b> <b>(audited)</b>	<b>31.03.2021</b> <b>(not audited)</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I. Equity</b>			
1. Share capital	10 511	10 511	10 511
2. Supplementary capital – share premium	114 990	114 990	114 990
3. Retained earnings, of which:	187 463	185 172	201 831
(a) Net profit (loss) for the financial period	2 291	21 680	(1 709)
<b>Total equity</b>	<b>312 964</b>	<b>310 673</b>	<b>327 332</b>
<b>II. Liabilities</b>			
<b>1. Long-term liabilities</b>			
a. Deferred income tax liabilities	9 545	9 490	8 315
b. Long-term pension liabilities	285	285	310
c. Long-term right-of-use liabilities (finance lease)	7 212	8 276	3 408
<b>Total long-term liabilities</b>	<b>17 042</b>	<b>18 051</b>	<b>12 033</b>
<b>2. Short-term liabilities</b>			
a. Short-term pension liabilities	64	64	62
b. Derivatives	-		-
c. Current income tax liabilities	-		-
d. Short-term right-of-use liabilities (finance lease)	3 769	3 767	3 371
e. Trade liabilities and other liabilities	45 060	31 194	30 407
<b>Total short-term liabilities</b>	<b>48 893</b>	<b>35 025</b>	<b>33 840</b>
<b>Total liabilities</b>	<b>65 935</b>	<b>53 076</b>	<b>45 873</b>
<b>Total equity and liabilities</b>	<b>378 899</b>	<b>363 749</b>	<b>373 205</b>

All the amounts are in PLN thousand, unless indicated otherwise



## Statement of changes in equity

Item	Share capital at nominal value	Share premium	Retained earnings	Total equity
<b>As of 1 January 2021</b>	<b>10 511</b>	<b>114 990</b>	<b>203 540</b>	<b>329 041</b>
Net profit in 2021	-	-	21 680	<b>21 680</b>
Other comprehensive income in 2021	-	-	-	-
Dividend payment	-	-	(40 048)	<b>(40 048)</b>
<b>As of 1 January 2022</b>	<b>10 511</b>	<b>114 990</b>	<b>185 172</b>	<b>310 673</b>
Net profit in Q1 2022	-	-	2 291	<b>2 291</b>
Other comprehensive income in Q1 2022	-	-	-	-
<b>As of 31 March 2022</b>	<b>10 511</b>	<b>114 990</b>	<b>187 463</b>	<b>312 964</b>

Item	Share capital at nominal value	Share premium	Retained earnings	Total equity
<b>As of 1 January 2021</b>	<b>10 511</b>	<b>114 990</b>	<b>203 540</b>	<b>329 041</b>
Net profit in Q1 2021	-	-	(1 709)	<b>(1 709)</b>
Other comprehensive income in Q1 2021	-	-	-	-
<b>As of 31 March 2021</b>	<b>10 511</b>	<b>114 990</b>	<b>201 831</b>	<b>327 332</b>

All the amounts are in PLN thousand, unless indicated otherwise



## Cash flow statement

	Q1 2022	Q1 2021
<b>Cash flows from operating activities</b>		
<b>Net profit for the financial period</b>	<b>2 291</b>	<b>(1 709)</b>
Adjustments for:		
- Income tax	647	(344)
- Depreciation of tangible assets	9 728	8 646
- Amortisation of intangible assets	40	48
- Depreciation of right-of-use assets	985	1 035
- Net value of sold formworks – fixed assets	2 236	1 311
- (Gains)/losses on changes in fair value of financial instruments	5	(54)
- Interest income	(230)	(184)
- Interest costs	243	172
- Foreign exchange (gains)/losses	32	(87)
Changes in working capital:		
- Inventories	(1 494)	(1 552)
- Trade receivables and other receivables	(2 529)	(2 379)
- Trade liabilities and other liabilities	13 867	11 212
	<b>25 821</b>	<b>16 115</b>
Purchase of formworks	(20 864)	(3 321)
Income tax paid	(390)	(42)
<b>Net cash from operating activities</b>	<b>4 567</b>	<b>12 752</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(519)	(565)
Proceeds from disposal of property, plant and equipment	5	9 114
Acquisition of intangible assets	-	(18)
Loans granted	-	(20 000)
Dividends collected	-	-
Interest collected	272	184
<b>Net cash from investing activities</b>	<b>(243)</b>	<b>(11 285)</b>
<b>Cash flows from financing activities</b>		
Finance lease payments	(1 136)	(1 240)
Interest paid	(243)	(172)
Dividend payment	-	-
<b>Net cash from financing activities</b>	<b>(1 379)</b>	<b>(1 412)</b>
<b>Net increase (decrease) in cash</b>	<b>2 945</b>	<b>55</b>
Beginning cash	38 237	48 094
Foreign exchange gains /(losses) on measurement of cash and overdraft facility	(128)	6
<b>Closing cash and overdraft facility</b>	<b>41 054</b>	<b>48 155</b>

All the amounts are in PLN thousand, unless indicated otherwise



## Description of the major accounting principles applied

The Company prepared the interim condensed financial statements based on the same accounting principles as described in the audited financial statements as of 31 December 2021. The interim financial statements as of 31 March 2022 should be read together with the audited consolidated financial statements as of 31 December 2021 published on 31 March 2022.

### **I Investments in subsidiaries and affiliates**

Investments in subsidiaries and affiliates are recognised at historical cost adjusted for revaluation write-offs. Effects of changes in the revaluation write-offs of investments in subsidiaries are recognised as financial revenues or costs of the reporting period in which a change occurred.

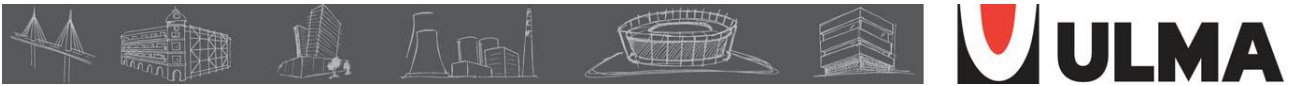
## Conversion of selected financial data into euro

Conversion of selected financial data into euro is presented in the table below:

ITEM	PLN thousand		EUR thousand	
	Q1 2022	Q1 2021	Q1 2022	Q1 2021
Net revenues from sales of products, goods and materials	43 001	32 724	9 253	7 157
Operating profit (loss)	3 006	(2 153)	647	(471)
Gross profit (loss)	2 938	(2 053)	632	(449)
Net profit (loss)	2 291	(1 709)	493	(374)
Net cash flows from operating activities	4 567	12 752	983	2 789
Net cash flows from investing activities	(243)	(11 285)	(52)	(2 468)
Net cash flows from financing activities	(1 379)	(1 412)	(297)	(309)
Net cash flows	2 945	55	634	12
Basic earnings per ordinary share (PLN/EUR)	0,44	(0,33)	0,09	(0,07)
Diluted earnings per ordinary share (PLN/EUR)	0,44	(0,33)	0,09	(0,07)
	<b>31.03.2022</b>	<b>31.12.2021</b>	<b>31.03.2022</b>	<b>31.12.2021</b>
Total assets	378 899	363 749	81 440	79 086
Liabilities	65 935	53 076	14 172	11 540
Long-term liabilities	17 042	18 051	3 663	3 925
Short-term liabilities	48 893	35 025	10 509	7 615
Equity	312 964	310 673	67 268	67 546
Share capital	10 511	10 511	2 259	2 285
Weighted average number of shares	5 255 632	5 255 632	5 255 632	5 255 632
Number of shares as of the reporting date	5 255 632	5 255 632	5 255 632	5 255 632
Carrying amount per share (PLN/EUR)	59,55	59,11	12,80	12,85

The individual items of assets as well as equity and liabilities were converted into EUR at the average exchange rates published by the President of the National Bank of Poland, valid as of the balance sheet date.





The average exchange rate of EUR as of 31 March 2022 was PLN 4.6525, and as of 31 December 2021 – PLN 4.5994.

The items of the statement of comprehensive income and the items of the cash flow statement were converted at a rate being the arithmetic mean of exchange rates valid in a specific period, i.e. data from 1 January to 31 March 2022 were converted at the exchange rate of PLN/EUR 4.6472, while the data for the corresponding period of 2021 were converted at the exchange rate of PLN/EUR 4.5721.