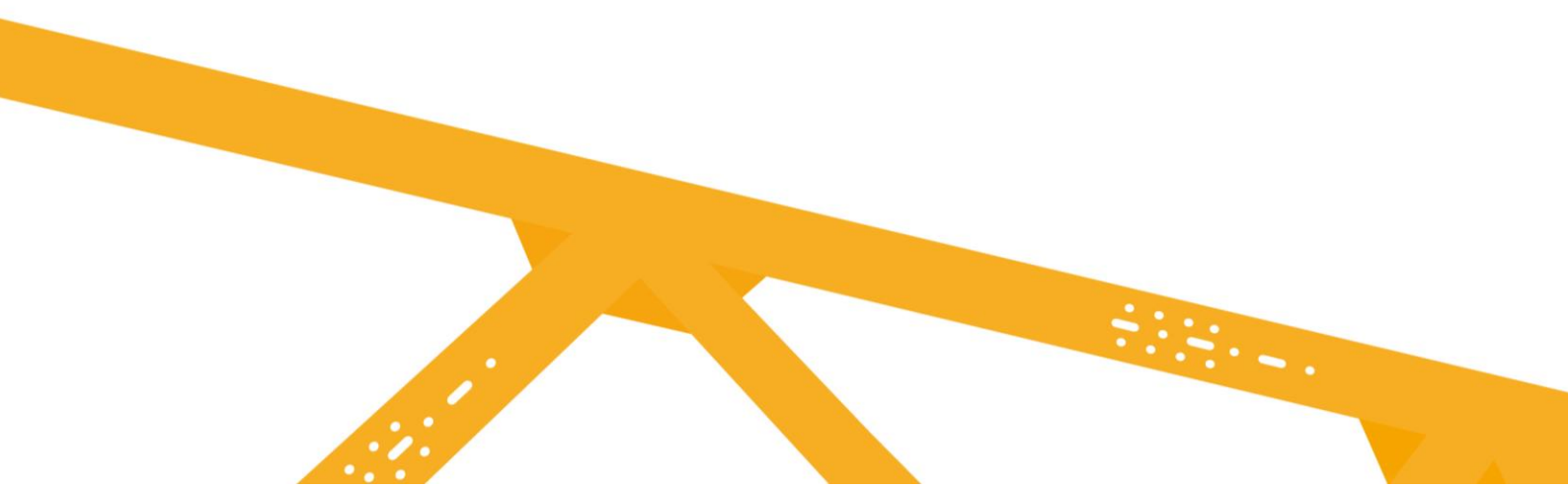




EXTENDED CONSOLIDATED REPORT OF

**THE CAPITAL GROUP OF
ULMA Construcción Polska S.A.**

FOR THE 3RD QUARTER ENDED ON 30 SEPTEMBER 2022

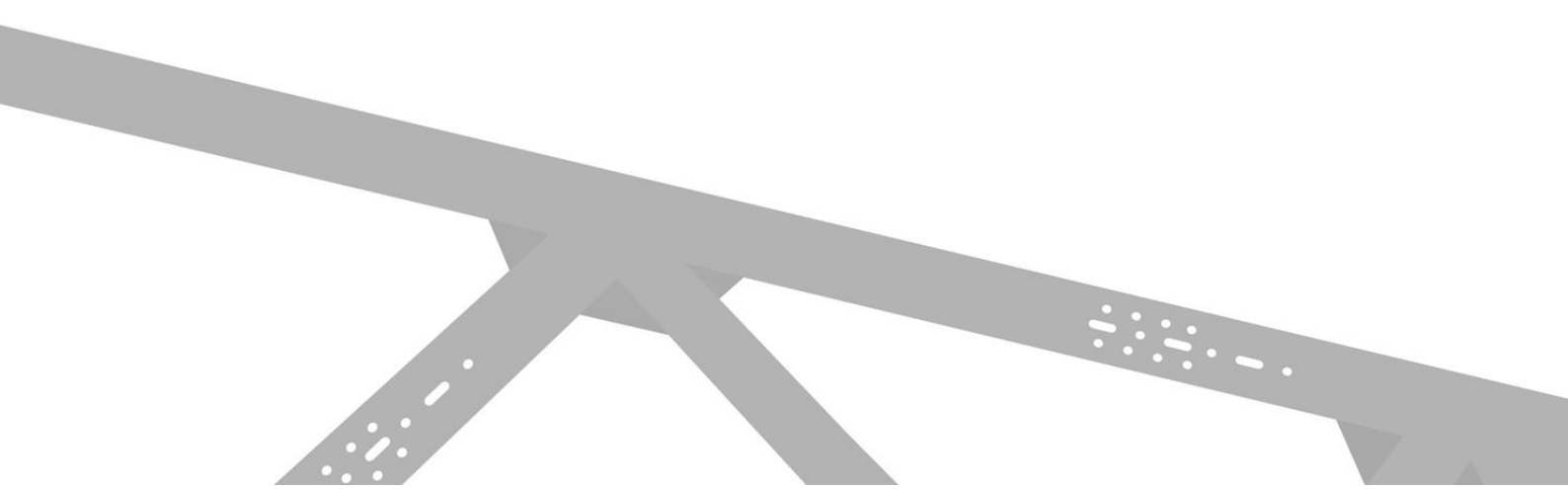


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ULMA Construcción Polska S.A.

Capital Group



GENERAL INFORMATION

I The subject of operations

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

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

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

In the analyzed period there were no changes in the name of the parent company ULMA Construcción Polska S.A.

The principal place of business of the parent company – Koszajec 50, 05-840 Brwinów (Poland).

I Registered Seat

ULMA Construcción Polska S.A.

(parent company of the ULMA Construcción Polska SA Capital Group)

Koszajec 50

05-840 Brwinów

I The parent entity and Group composition

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

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

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

All amounts expressed in thousands of PLN, unless indicated otherwise

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

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

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

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

■ **Composition of supervisory and management bodies as at 30/09/2022 and as at the date of approval of the report for publication**

■ **Supervisory Board**

Aitor Ayastuy Ayastuy	President of the Supervisory Board
Iñaki Irizar Moyua	Vice-President of the Supervisory Board
Rafael Anduaga Lazcanoiturburu	Member of the Supervisory Board
Michał Markowski	Member of the Supervisory Board
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 Board
Marek Czupryński	Member of the Board
Krzysztof Orzełowski	Member of the Board
Ander Ollo Odriozola	Member of the Board
Andrzej Sterczyński	Member of the Board

■ **The auditor**

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

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

| Banks

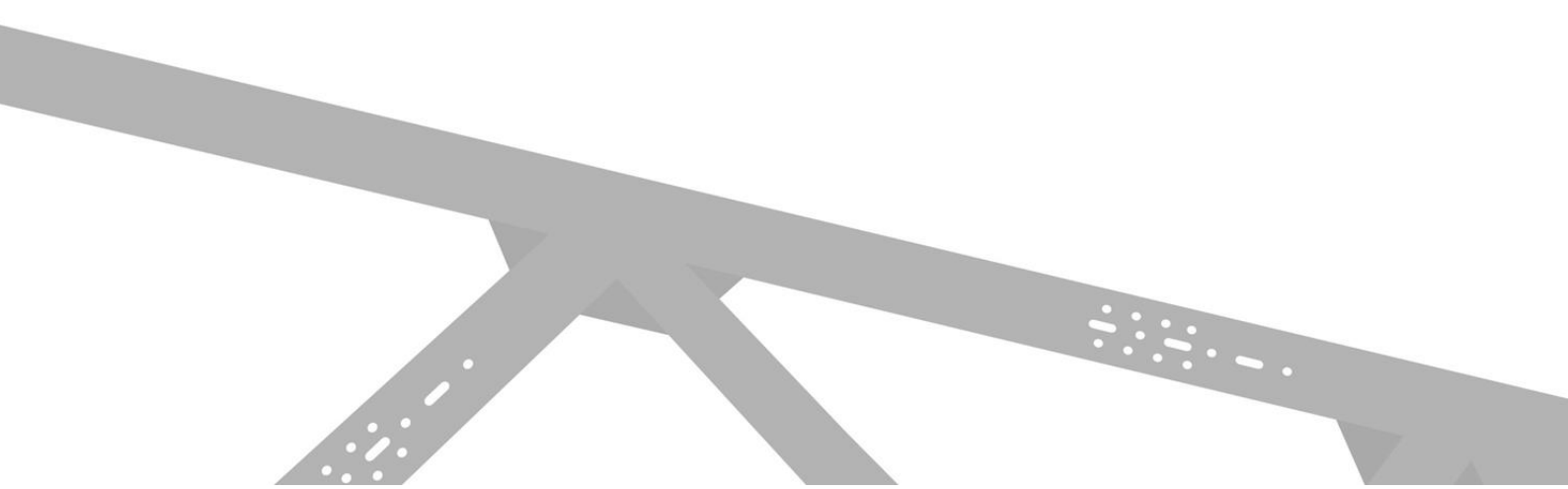
mBank S.A.
PEKAO S.A.
PKO Bank Polski S.A.
ING Bank Śląski
Banco de SABADELL (Spain)

| Stock exchange listing

The parent company is listed on the Warsaw Stock Exchange ("WSE") since 21 may 1997.
GPW Symbol: ULM.
LEI code: 2594001DEARTIAMFJC93

ABBRIDGED CONSOLIDATED FINANCIAL

FOR THE THIRD QUARTER ENDED ON
30 SEPTEMBER 2022



Consolidated profit and loss account and other comprehensive income

	For the three months ended 30 of September		For the nine months ended 30 of September	
	2022	2021	2022	2021
Sales revenues	49 483	59 339	149 974	144 655
Costs of products, goods and materials sold	(37 978)	(39 505)	(116 660)	(109 301)
I. Gross profit on sales	11 505	19 834	33 314	35 354
Selling and marketing costs	(394)	(383)	(1 298)	(1 077)
General administration and management costs	(5 925)	(4 864)	(17 483)	(14 422)
Other operating income	188	(196)	352	910
Other operating costs	(1 879)	(573)	(9 286)	(707)
<i>Including: impairment losses on receivables</i>	(1 135)	(485)	(3 838)	(257)
II. Profit (loss) at the operational level	3 495	13 818	5 599	20 058
Financial income	3 043	411	3 652	1 377
Financial costs	(1 220)	(126)	(1 919)	(849)
Share in profits (losses) in associated companies	114	14	191	(225)
III. Profit (loss) before tax	5 432	14 117	7 523	20 361
Current income tax	(839)	(2 871)	(2 195)	(4 556)
Deferred income tax	(400)	170	610	363
IV. Net profit (loss) for the financial period	4 193	11 416	5 938	16 168
Other comprehensive income to be reclassified to profit / (loss) in subsequent reporting periods				
Exchange differences regarding net investments in subsidiaries	310	202	457	33
Exchange differences on the translation of financial statements of foreign subsidiaries	(4 190)	2 989	(4 460)	4 548
V. Total income for the financial period	313	14 607	1 935	20 749
Net profit attributable to equity holders of the parent	4 193	11 416	5 938	16 168
Net profit attributable to non-controlling interests	-	-	-	-
The total income of the financial period attributable to the shareholders of the parent company	313	14 607	1 935	20 749
The total income of the financial period attributable to non-controlling interests	-	-	-	-
Weighted average number of ordinary shares	5 255 632	5 255 632	5 255 632	5 255 632
Basic and diluted profit (loss) per share in the financial period (in PLN per share)	0,80	2,17	1,13	3,08

All amounts expressed in thousands of PLN, unless indicated otherwise

Consolidated statement of financial position

	As at:			
	30.09.2022	30.06.2022	31.12.2021	30.09.2021
ASSETS				
I. Tangible assets				
Property, plant and equipment	272 490	279 651	260 504	253 274
Intangible assets	164	184	241	293
Shares in affiliates	1 609	1 499	1 500	1 938
Right of use of the assets	12 867	13 920	15 449	10 428
Assets due to deferred tax	6 619	7 265	5 824	5 576
Long-term loan receivables	20 511	20 000	-	20 000
Fixed assets together:	314 260	322 519	283 518	291 509
II. Current assets				
Inventory	10 638	9 824	8 415	14 350
Trade receivables and other receivables	42 727	43 268	58 706	44 346
Receivables due to income tax	365	931	531	343
Derivativa financial instruments	-	-	6	-
Cash and cash equivalents	24 615	33 538	49 684	40 279
Fixed assets classified as held for sale	-	-	-	-
Current assets together:	78 345	87 561	117 342	99 318
Total assets:	392 605	410 080	400 860	390 827

All amounts expressed in thousands of PLN, unless indicated otherwise

As at:

	30.09.2022	30.06.2022	31.12.2021	30.09.2021
EQUITY CAPITAL AND LIABILITIES				
I. Equity				
Basic capital	10 511	10 511	10 511	10 511
Supplementary capital - surplus from the sale of shares above par value	114 990	114 990	114 990	114 990
Exchange differences from consolidation	(14 253)	(10 373)	(10 250)	(9 696)
Retained earnings, including:	226 121	221 928	220 183	211 373
- Net profit (loss) for the financial period	5 938	1 745	24 978	16 168
Total equity:	337 369	337 056	335 434	327 178
II. Liabilities				
Long-term liabilities				
Deferred income tax liabilities	10 134	9 956	9 490	9 523
Long-term liabilities due to retirement benefits	285	285	285	310
Long-term liabilities due to the right of use (leasing)	5 775	6 710	8 276	4 197
Long-term liabilities in total:	16 194	16 951	18 051	14 030
Short-term liabilities				
Derivative financial instruments	-	-	-	-
Short-term liabilities due to retirement benefits	64	64	64	62
Current income tax liabilities	803	725	797	1 015
Short-term liabilities due to the right of use (leasing)	3 783	3 783	3 767	2 744
Trade payables and other liabilities	34 392	51 501	42 747	45 798
Short-term liabilities in total:	39 042	56 073	47 375	49 619
Total liabilities:	55 236	73 024	65 426	63 649
Total equity and liabilities:	392 605	410 080	400 860	390 827

All amounts expressed in thousands of PLN, unless indicated otherwise

Report on changes in consolidated equity

	Share capital at par value	Surplus from the sale of shares above par value	Exchange differences from consolidation	Retained profits	IN TOTAL EQUITY
As at 1st January 2021	10 511	114 990	(14 277)	235 253	346 477
Net profit in 2021	-	-	-	24 978	24 978
Other total income in 2021	-	-	4 027	-	4 027
Payment of the dividend	-	-	-	(40 048)	(40 048)
As at 31st December 2021	10 511	114 990	(10 250)	220 183	335 434
Total net profit in 3 quarters of 2022	-	-	-	5 938	5 938
Other total income in 3 quarters of 2022	-	-	(4 003)	-	(4 003)
As at 30 September 2022	10 511	114 990	(14 253)	226 121	337 369

	Share capital at par value	Surplus from the sale of shares above par value	Exchange differences from consolidation	Retained profits	IN TOTAL EQUITY
As at 1st January 2021	10 511	114 990	(14 277)	235 253	346 477
Total net profit in 3 quarters of 2021	-	-	-	16 168	16 168
Other total income in 3 quarters of 2021	-	-	4 581	-	4 581
Payment of the dividend	-	-	-	(40 048)	(40 048)
As at 30 September 2021	10 511	114 990	(9 696)	211 373	327 178

All amounts expressed in thousands of PLN, unless indicated otherwise

Statement of Cash Flows

	3-month period ended 30 September		9-month period ended 30 September	
	2022	2021	2022	2021
NET CASH FLOW FROM OPERATING ACTIVITIES				
Net profit for the financial period	4 193	11 416	5 938	16 168
Adjustments:	18 571	19 547	56 064	46 421
- Income tax	1 334	2 701	1 680	4 193
- Depreciation and impairment of fixed assets	7 849	9 893	36 268	28 909
- Depreciation of intangible assets	19	58	97	160
- Depreciation of the right of use	991	912	2 976	2 873
- Net value of formwork sold and liquidated - fixed assets	8 724	5 275	14 940	8 878
- (Profits) / losses due to changes in the fair value of financial instruments	-	-	6	(54)
- Interest dividends received	(456)	(119)	(1 065)	(607)
- Interest costs	258	139	759	439
- (Profits) / Losses due to foreign exchange losses	(39)	684	512	1 357
- Changes in the value of shares in the associated entities	(109)	4	(109)	273
Acquisitions and other increases in formwork of fixed assets	(11 188)	(23 535)	(64 308)	(40 348)
Changes in working capital:				
- Inventory	(814)	(3 782)	(2 223)	(6 917)
- Trade receivables and other receivables	3 147	(4 641)	(1 416)	(12 053)
- Trade payables and other liabilities	(17 109)	5 096	(8 355)	18 881
Income tax paid	(195)	(2 613)	(2 023)	(3 488)
Net cash flow from operating activities	(3 395)	1 488	(16 323)	18 664
NET CASH FLOW FROM INVESTMENT ACTIVITIES				
Proceeds from the sale of property, plant and equipment	1	-	24	9 115
Repayment of loans granted	532	-	532	20 000
Interest received	456	119	1 065	607
Loans granted	(3 626)	-	(3 625)	(20 000)
Purchase of other property, plant and equipment	(778)	(364)	(1 904)	(1 918)
Acquisition of intangible assets	(3)	(6)	(24)	(177)
Net cash flow from investment activities	(3 418)	(251)	(3 932)	7 627
NET CASH FLOW FROM FINANCIAL ACTIVITIES				
Payments related to financial leasing	(872)	(815)	(2 879)	(2 881)
Interest paid	(258)	(139)	(759)	(439)
Dividends paid	-	-	-	(40 048)
Net cash flow from financial activities	(1 130)	(954)	(3 638)	(43 368)
Increase / (decrease) in net cash and overdraft in the current account	(7 943)	283	(23 893)	(17 077)
Cash and overdraft in the current account at the beginning of the period	33 538	39 981	49 684	57 765
Foreign exchange loss/gains on the valuation of cash and overdraft in the current account	(980)	14	(1 176)	(409)
Cash and overdraft in the current account at the end of the period	24 615	40 279	24 615	40 279

All amounts expressed in thousands of PLN, unless indicated otherwise

Notes to the consolidated financial statement

Declaration of conformity and general principles of document preparation

This condensed mid-year consolidated financial statement for the 9-month period ended 30 September 2022 has been prepared in accordance with the requirements of IAS 34 "Interim Financial Reporting" and the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information to be published by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state and present the financial position of ULMA Construcción Polska S.A. Capital Group as at 30 September 2022, results of its operations and cash flows for the 9-month period ended 30 September 2022.

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

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

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

When preparing the interim condensed consolidated financial statements, the Group applied the same accounting principles, as described in the audited consolidated financial statements as at 31 December 2021.

The interim financial statements as at 30 September 2022 do not include all information and disclosures required in the annual financial statements and should be read together with the audited consolidated financial statements as at 31st December 2021, published on 31st March 2022.

This consolidated financial statement was approved for publication by the Management Board on 21st November 2022.

Currency exchange rates and inflation

	Average zloty exchange rates published by the National Bank of Poland				GUS Indicator
	EUR/PLN (UE - euro)	UAH/PLN (Ukraine - Hryvnia)	100 KZT/PLN (Kazakhstan - Tenge)	RON/PLN (Romania - Leu)	Change in the price index of consumer goods and services (%)
30.09.2022	4,8698	0,1258	1,0483	0,9838	13,30
30.06.2022	4,6806	0,1467	0,9556	0,9466	11,80
31.12.2021	4,5994	0,1487	0,9354	0,9293	5,10
30.09.2021	4,6329	0,1500	0,9322	0,9365	4,20

All amounts expressed in thousands of PLN, unless indicated otherwise

Additional information for the quarterly report

A. Conversion of selected financial data into the Euro

	9-month period ended 30 September			
	2022		2021	
	'000 PLN		'000 EUR	
Net revenues from sales of products, goods and materials	149 974	144 655	31 991	31 733
Result from operating activities	5 599	20 058	1 194	4 400
Result before tax	7 523	20 361	1 605	4 467
Net result	5 938	16 168	1 267	3 547
Net cash flow from operating activities	(16 323)	18 664	(3 482)	4 094
Net cash flow from investment activities	(3 932)	7 627	(839)	1 673
Net cash flow from financial activities	(3 638)	(43 368)	(776)	(9 513)
Net cash flow	(23 893)	(17 077)	(5 097)	(3 746)
Diluted earnings per ordinary share (in PLN / EUR)	1,13	3,08	0,24	0,67
Basic earnings per ordinary share (in PLN / EUR)	1,13	3,08	0,24	0,67

	Stan na dzień			
	30 września 2022 r.		30 września 2021 r.	
	'000 PLN		'000 EUR	
Total assets	392 605	390 827	80 620	84 359
Liabilities	55 236	63 649	11 343	13 738
Long-term liabilities	16 194	14 030	3 326	3 028
Short-term liabilities	39 042	49 619	8 017	10 710
Equity	337 369	327 178	69 277	70 621
Basic capital	10 511	10 511	2 158	2 269
Weighted average number of shares	5 255 632	5 255 632	5 255 632	5 255 632
Number of shares as at the balance sheet date	5 255 632	5 255 632	5 255 632	5 255 632
Book value per ordinary share (in PLN / EUR)	64,19	62,25	13,18	13,44

Individual items of assets and equity and liabilities have been converted into EUR using average exchange rates published by the President of the National Bank of Poland, effective as at the balance sheet date. The average EUR exchange rate as at 30 September 2022 amounted to PLN 4.8698, and as at 30 September 2021 to PLN 4.6329.

When converting the items of the statement of comprehensive income and cash flow statement items, a rate being the arithmetic mean of the exchange rates in force on the last day of the month of a the given period was applied, i.e. data for the 9-months of 2022 were converted according to the exchange rate = 4.6880 PLN / EUR, data for the analogous period of 2021 were converted according to the exchange rate = 4.5585 PLN / EUR.

All amounts expressed in thousands of PLN, unless indicated otherwise

B. Description of achievements and factors influencing financial results

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

I Market environment in Poland

The latest market data published by the Central Statistical Office prove the continuation of the economic slowdown in Poland. Although the value of sold production of industry grew by 9.8% y/y, the growth rate of retail sales (4.1%) and construction (0.3%) were below expectations. In addition, the data reported in recent months point to a slowdown in GDP growth in Q3 to approximately 3%, compared to 5.5% in Q2 2022. The fact that, according to forecasts, the results in the last quarter of 2022 could be even weaker and GDP growth might even drop below 1%, is not encouraging. GDP growth projections for the entire 2023 have also been further revised down, now signalling modest growth between 1.5% and 1.6%.

For many months, we have been seeing rising inflation, which is the highest in 25 years and which in September 2022 was as high as 17.2% (with commodity prices up by 18.7% and prices of services up by 12.5%). However, in October 2022 inflation has already reached another peak of 17.9%. It is forecast to exceed even 20% in the near future, and NBP indicates that it will peak in Q1 2023 by reaching 24% to 26%. The greatest concern is the increase in fuel, energy and gas prices. Statistics Poland also reports that in September 2022, the prices of construction of buildings, civil engineering works and specialised construction works grew in the range of 1.0% to 1.5% m/m (i.e. compared to August 2022). Compared to September 2021, the prices of construction of buildings increased by as much as 15.9%, while the prices of civil engineering works and specialised construction works grew by 15.1% and 12.6%, respectively.

According to the preliminary data of Statistics Poland, construction and assembly production (in constant prices) carried out in Poland by construction companies with more than nine employees increased by only 0.3% in September compared to the corresponding period of the previous year, while a year ago the increase was 4.2%. Slightly better results regarding the construction and assembly production were reported in comparison with August 2022, i.e. an increase by 3.5%; however, in the corresponding period of the previous year, the increase was 9.3%. So in a challenging macroeconomic situation, some potential growth of the construction industry in Poland is cooling down at a very fast pace. This was due to an 8.7% increase in the segment of building companies, a 2.3% decrease in the case of engineering companies and a 4.9% decrease for specialised contractors.

After the first nine months of this year, during which the trends in production were strong, mainly due to a low base, real construction production growth amounted to 8.9%. However, in the coming months it is expected that its dynamics will slow down further, and according to forecasts, it will even start show negative values. Analysts predict that the growth of the construction market will be only slightly positive throughout the year.

In the third quarter of 2022 compared to the same period of the previous year, individual segments of the construction market recorded the following dynamics:

- after a strong H1 2022 (nominal growth of 18.6%), the high growth rate of **non-residential construction** continued in Q3 2022. As a result, the sector grew by 28.7% in Q3 2022, with the prospect of a moderate slowdown in the coming quarters. Q3 2022 was the most prosperous for hotel buildings (up by 67% y/y), public buildings (up by nearly 49.1% y/y) and retail and service buildings (up by 35.1% y/y). Despite the rising contractor prices, nominal value declines were reported in the office buildings segment (down by 2.4% y/y).
- this year, after a poor August, September was an equally unfavourable month in terms of investor activity in **residential construction**. The number of building permits dropped by 19% y/y (driven by the individual investor segment - down by 40% vs. a 4% drop in the real estate development segment) and a 28% decrease in the number of housing starts (including a 30% drop in the individual investor segment and a 23% drop in the real estate development segment). In September, the correction on the home lending market intensified with a slump of -71.3% y/y in the value of loans and -70.6% in the number of loans. These negative data are expected to deepen further in the coming months due to the high base, which is also confirmed by the index of demand for new home loans, which dropped by as much as 68.7% in September. With regard to the growth rate of construction and assembly production of construction companies with more than nine employees, according to the preliminary data for Q3 2022, the residential segment grew by 21% y/y. However, it should be noted that this mainly results from an increase in contractor costs. Analysts predict that in the coming quarters the dynamics of housing construction will reach negative values.
- construction production data for Q3 2022 show a 13.2% increase in construction and assembly production across the **civil engineering segment**. A clear increase in production was reported in transmission construction (25% y/y) and road construction (24% y/y). The most significant sector from the Group's point of view, which includes the construction of bridges, viaducts, flyovers and tunnels, saw a 1.3% decrease in production y/y. In September, in the area of expressway and motorway construction, tenders were announced for 32 km of new routes and 72 km of expressways were contracted. 68 km of routes were commissioned. As a result, the length of expressways under construction at the end of the month exceeded 1,170 km, which is an increase by over 9% y/y. In the area of the implementation of the National Railway Programme, as of the end of September 2022, projects worth PLN 26.8 billion had been completed (an increase by 31% y/y), and projects worth PLN 48.7 billion are under implementation (compared to PLN 50.8 billion in the previous year).
The prospect of a slowdown in the implementation of the road and motorway construction programme in the context of the Polish government's conflict with the European Commission and the emerging risk of freezing EU aid funds, not only for the National Railway Programme fund, but also for the cohesion funds, which has been widely discussed in recent months, remains an open question.
- in Q3 2021, **industrial construction** saw a 15% increase in production. The largest increase was reported in the segment comprising the construction of industrial and warehouse buildings (up by 22.6% y/y). Hydraulic structures saw an increase by 6% y/y, while a decrease in production was reported with regard to complex buildings on industrial sites (-2.5% y/y).

Construction and assembly production in the third quarter of 2022 in sectors which are important for the Capital Group, compared to the third quarter of previous year is presented in the table below:

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

SECTOR	3-month period ended		Change
	30 September 2022	30 September 2021	y/y (%)
Housing sector	6 684	5 525	21,0%
Non-residential sector	7 668	5 957	28,7%
Engineering sector (bridges, viaducts, flyovers, tunnels)	1 074	1 089,00	-1,4%
Industrial sector	6 927	6 022	15,0%
Sectors operated by ULMA CONSTRUCCION POLSKA S. A. in total	22 353	18 593	20,2%

Source: GUS / Spectis

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

SECTORS	3-month period ended					
	31 March 2022		30 June 2022		30 September 2022	
	mln zł	zmiana r/r (%)	mln zł	zmiana r/r (%)	mln zł	zmiana r/r (%)
Housing sector	6 050	57,3%	6 817	28,3%	6 684	21,0%
Non-residential sector	4 462	25,4%	5 944	14,0%	7 668	28,7%
Engineering sector (bridges, viaducts, flyovers, tunnels)	633	14,3%	905	9,8%	1 074	-1,4%
Industrial sector	4 742	40,9%	6 532	15,7%	6 927	15,0%
Sectors operated by ULMA CONSTRUCCION POLSKA S. A. in total	15 887	40,3%	20 198	18,8%	22 353	20,2%

The above data show that Q3 was still a very good period for all construction segments compared to the corresponding period of the previous year, which is mainly due to a low base, although, as can be seen from the above-mentioned quarter on quarter comparison, the growth rate has been fading quite rapidly, in particular in the residential and industrial construction segments, as well as in the segment that is very important for the Group, comprising the construction of bridges, viaducts, tunnels and flyovers.

Market environment abroad

Ukraine

In Ukraine, the third quarter of 2022 was influenced by the war with Russia. However, as the Ukrainian army began to achieve successive military successes, the country's economic activity (including in construction) began to recover gradually.

In September 2022, CPI reached 24.6% y/y and core inflation exceeded 20% y/y. According to preliminary estimates, it may accelerate further in Q4. The main drivers of inflation increase are: supply chain disruptions, destruction of production plants, supply reduction of goods and services and an increase in operating costs following the shortage of raw materials previously imported from Russia. An important pro-inflationary factor was also the devaluation of the local currency (UAH) by 25% by the National Bank of Ukraine, which took place in July this year. The general increase in global inflation also affected prices in Ukraine. Consequently, according to official estimates, inflation may reach up to 30%. The National Bank of Ukraine expects that price growth will start to slow down only next year, following a gradual recovery in production and improving the functioning of chains of supply, as well as stabilization of prices on world markets.

Economic activity in Q3 2022 was subject to a gradual recovery due to the liberation of more land from the occupiers, the adaptation of business operations to the current conditions, and measures to improve the functioning of supply chains. However, the negative impact of the war on Ukraine's industry is undeniable (in particular on metallurgy which used to be the backbone of the economy), and the continuing logistical problems, destruction of industrial capacity and the prospect of an energy crisis, as well as the collapse of the population's real income, are hampering this modest recovery. Agriculture (which is also a major sector of the economy) is also expected to make a significant negative contribution to Ukraine's final GDP readings for the entire 2022, both because of lower crop yields and because of reduced cultivated land area. The Ukrainian government is currently forecasting that this year GDP could slump by -31.5%, with a slow gradual improvement no earlier than in the spring of 2023, i.e. after an extremely hard and difficult winter for the entire Ukrainian population.

The mitigation of threats to the country's security will be a key factor in the future economic recovery. In particular, full resumption of the operation of the Black Sea ports will allow for an increase in Ukrainian exports, and budget support, through international financial aid, will stimulate consumer demand and investments in the country's reconstruction. On the other hand, the migration of the population and the conscription of men into the army have very significantly reduced labour force potential, which translates into declines in production capacity which, with still high global energy prices and considerable import needs in the post-war recovery phase, will hamper economic recovery. In view of the above-mentioned conditions, analysts expect that Ukraine's GDP growth rate will be limited to 4% to 5% per annum in the coming years.

The third quarter of 2022 brought a slight improvement in the functioning of the subsidiary of the Capital Group operating in Ukraine. First of all, field and commercial activities made it possible to ensure the return of equipment from the majority of construction site that had remained frozen since the outbreak of the war. During this period some new secure contracts were also won, mainly in the segment of industrial construction and agrarian and logistics infrastructure in the central and western regions of Ukraine. By the beginning of this quarter, the volume of new contracts amounted to approximately 30% of the subsidiary's contract volume before the war. Going forward, the subsidiary's Management Board is planning a gradual increase in

All amounts expressed in thousands of PLN, unless indicated otherwise

sales volumes, primarily due to the emergence of new investment tasks in military, agricultural, logistics and industrial infrastructure, as well as the reconstruction of key transport infrastructure facilities. Although a more significant increase can be expected no sooner than in H2 2023, the number of tenders for the reconstruction of road infrastructure is already growing.

Lithuania

In 2022, Lithuania's GDP trends have been positive against comparable periods of the previous year, although its growth rate has been slowing down during the analysed period of the first three quarters of the year (in Q3 2022, GDP growth reached 2.5% y/y compared to 4.1% in Q1 2022).

Employment in the country has been growing since the beginning of this year reversing the trends recorded in previous periods negatively affected by COVID-19.

Russia's war with Ukraine has further intensified the pressure in inflation, that had begun to increase even before the war. In February, annual inflation in Lithuania was 14%, while in August it has already reached 21.1%. After October's inflation reading at 23.6%, it is expected that inflation could peak at even 25% as early as in December 2022.

Compared to the corresponding period of the previous year, in the three quarters of 2021 the growth rate of construction and assembly production (in constant prices) totalled 2.5%, including: **the residential segment: +7.1%, the civil engineering segment: +4%**, while the **non-residential** segment saw a decline of **-1.7%**. At the same time, it should be pointed out that since the beginning of 2022, the construction market in Lithuania has been sending stable signals of economic activity, although the slowly emerging negative divergences related to the further rise of inflationary pressures and ECB interest rates may cause perturbations for the continuation of growth, in particular in the residential segment, in the coming periods.

Although commercial banks operating in Lithuania granted more home loans in the three quarters of this year than in the corresponding period of the previous year, this situation may very quickly reverse, as it has been the case in Poland. In general, the slowdown in the market is felt. The real estate market is slowly slowing down, and it is sustained by the geopolitical situation, negative economic expectations and uncertainty, as well as the already mentioned drastically high prices and the increase of the cost of money. This might encourage private individuals to refrain from buying real estate. In the face of these facts, developers very often announce new projects, but do not perform real preparatory activities to start work.

Kazakhstan

While in H1 2022 Kazakhstan's GDP growth rate was 2.8%, i.e. in line with the analysts' earlier forecasts, and the World Bank upgraded its forecast for the whole year to 3.0%, the construction market grew by 5.1% y/y in the analysed nine-month period. At the same time, inflation reached 17.7%, exceeding the 13% to 15% corridor forecast by the National Bank of Kazakhstan in the middle of this year.

Kazakhstan's construction industry is currently awaiting the launch of the preferential mortgage programme, which will be a continuation of its first round, during which KZT 1 trillion (approximately PLN 10 billion) was allocated to support residential construction. According to certain experts, in the absence of such support, the value of home sales could drop by as much as 30% over the next two years, which could lead to the housing market collapse and a 15% slump in its value. As a result, the programme plays a crucial role in building a market penetration strategy by the Group's subsidiary operating on the Kazakhstan market.

All amounts expressed in thousands of PLN, unless indicated otherwise

In connection with the ongoing war in Ukraine and the actions of the Russian administration with regard to additional military conscription, there are more and more reports of Russian citizens and business people trying to obtain citizenship or to move their business to Kazakhstan, which continues to take a neutral stance towards the conflict. This has a positive impact on the inflow of investments and the creation of new jobs. At the same time, there is an additional market boost (similar to the one in Poland) in the form of an increase in demand for residential real estate, an increase in its prices, as well as prices on the rental market.

Operating profitability

In 3 quarters of 2022, the Capital Group obtained a positive result on operating activities, which amounted to PLN 5 599 thousand to a positive result of PLN 20 058 thousand achieved in the corresponding period of the previous year.

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

	3-month period ended			9- month period ended 30 of September	12-month period util	
	31 March	30 June	30 September	2022	2021	31 December
Sales	51 628	48 863	49 483	149 974	144 655	209 851
EBIT	(781)	2 885	3 495	5 599	20 058	31 962
% for sale	(1,51)	5,90	7,06	3,73	13,87	15,23
De[reciation	12 357	13 562	13 419	39 339	31 942	43 522
EBITDA	11 576	16 447	16 914	44 938	52 000	75 484
% for sale	22,42	33,66	34,18	29,96	35,95	35,97

The quarterly EBITDA levels presented above were burdened in the current year by one-off write-offs for the risk of permanent impairment of fixed assets and inventories, as well as revaluation write-offs for receivables in Ukraine in connection with the war on its territory. The Management Board of the Capital Group informed about these activities in the current information during this year, and in particular in the report for the first half of 2022. As at the end of September 2022, the result of the above-mentioned write-offs created at the level of the consolidated financial results of the Capital Group is respectively:

- Provisions for impairment of fixed assets and inventories: PLN 4,369 thousand
- Write-downs on receivables: PLN 3,581 thousand

It is noteworthy that economic activity in Ukraine has been effectively continued since the outbreak of the war, but it is carried out significantly below the levels recorded in the same period of the previous year. These facts constitute a significant negative deviation for the realized results of the Capital Group compared to the data recorded in the corresponding periods of the previous year, while the very good economic activity recorded in Poland, Lithuania and Kazakhstan does not allow to fully cover this gap.

In Q1-Q3 2022, the Group established write-offs for receivables and write-downs of trade receivables of PLN 3,839 thousand compared to PLN 257 thousand in the corresponding period of the previous year (recognised as "Other operating costs").

All amounts expressed in thousands of PLN, unless indicated otherwise

Financial costs and other comprehensive income

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

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

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

Financial costs and other comprehensive income

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

As at 30 September 2022, the value of long-term loans granted amounted to EUR 1,800 thousand and USD 290 USD In accordance with the principles of the International Accounting Standards (IAS 21), these loans are treated as a "net investment in a foreign entity" and therefore any foreign exchange differences associated with them are disclosed in the "statement of changes in consolidated equity" and "other comprehensive income".

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In Q1-Q3 2022, the total value of exchange rate differences recognized in the above statements was negative and amounted to 4,581 thousand PLN, of which:

- 457 thousand PLN are positive exchange rate differences related to the aforementioned "net investment". (loans granted) in foreign operations. Exchange rate differences from the valuation of settlements as at the balance sheet date are recognised under "equity", and only in later periods following the repayments of the loan taken by the subsidiary, realised exchange rate differences are recognised in the consolidated profit and loss account,

All amounts expressed in thousands of PLN, unless indicated otherwise

- PLN 4,460 thousand are negative exchange rate differences resulting from changes in local currency exchange rates against PLN influencing the translations of financial statements of subsidiaries operating abroad.

In Q1-Q3 2021 these amounts were respectively:

- 33 thousand PLN due to exchange rate differences related to "net investment in a foreign entity" and,
- PLN 4,548 thousand are negative exchange rate differences resulting from changes in local currency exchange rates against PLN influencing the translation of financial statements of subsidiaries operating abroad.

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

	31.12.2021	30.09.2022	Change in %	31.12.2020	30.09.2021	Change in %
EUR/PLN	4,5994	4,8698	5,88	4,6148	4,6329	0,39
UAH/PLN	0,1487	0,1258	(15,40)	0,1326	0,1500	13,12
PLN/KZT for 100	0,9354	1,0483	12,07	0,8767	0,9322	6,33

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

In Q1-Q3 2022, the Capital Group did not create revaluation write-offs for impairment of financial assets or reverse such write-offs.

Net financial result

After accounting for income tax, the Capital Group obtained a positive net financial result in the amount of PLN 5,938 thousand in the three quarters of 2022 compared to PLN 16,168 thousand a positive net financial result achieved in the corresponding period of the previous year.

Cash flow

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

	For the nine months ended 30 of September	
	2022	2021
Net profit (loss)	5 938	16 168
Depreciation and impairment of the value	39 341	31 942

All amounts expressed in thousands of PLN, unless indicated otherwise

Total financial surplus	45 279	48 110
Other elements of net flows from operating activities	(61 602)	(29 446)
Net cash flow from operating activities	(16 323)	18 664
Net cash flow from investment activities	(3 932)	7 627
Net cash flow from financial activities	(3 638)	(43 368)
Net increase/(decrease) in cash	(23 893)	(17 077)

Cash flow from operating activities

During the three quarters of 2022, the Capital Group achieved a positive financial surplus (net profit + depreciation), which amounted to PLN 45,279 thousand.

In the same period, cash from operating activities amounted to PLN -16,323 thousand against PLN 18,664 thousand in the corresponding period of the previous year.

In the three quarters of 2022, the Capital Group continued to make investment purchases in the group of shuttering and scaffolding mainly in order to supplement or renew its portfolio of products necessary to provide services to the construction market in Poland and in the countries of operation of its subsidiaries, including in particular the bridge segment. As a result, investment expenditure in Q1-Q3 2022 related to the purchase of property, plant and equipment in the group of shuttering and scaffolding systems amounted to PLN 64,308 thousand compared to PLN 40,348 thousand in the corresponding period of the previous year.

Cash flow from investment activities

Cash flows from investing activities comprise mainly expenditure related to granting a loan to the associated entities (PLN 3,625 thousand).

Cash flow from financial activities

In the three quarters of 2022, as part of its financing activities, the Group incurred mainly expenditure on dividend payments of PLN 40,048 thousand and on lease payments made by the parent company (PLN 2,879 thousand).

As a result of the above, in Q1-Q3 2022, the Group recorded a decrease in cash by PLN 23,893 thousand to PLN 24,615 thousand as at 30 September 2022.

Information on employment

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

	For the nine months ended 30 of September	
	2022	2021
ULMA Construcción Polska S.A.	341	334
ULMA Construcción Polska S.A. Capital Group	418	413

All amounts expressed in thousands of PLN, unless indicated otherwise

C. Description of the Capital Group

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

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

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

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

D. Management Board's position on forecasts

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

On 17th October 2022, the Issuer's Management Board, in report no. 22/2022, published preliminary estimates of selected financial and operational data of ULMA Construcción Polska S.A. Capital Group concerning total sales revenues and revenues from sales in particular segments of the Capital Group's operations.

The table below presents a comparison of the published preliminary estimates and actual data achieved in the analysed period.

	For the nine months ended 30 of September 2022		
	Forecast	Execution	Difference
Sales revenues including:	149 974	149 974	-
- construction site services	120 217	120 217	-
- sales of building materials	29 757	29 757	-
EBITDA (operating profit + depreciation)	44 938	44 938	-
Net profit	5 938	5 938	-
Net cash position (cash + loans granted)	47 732	47 732	-

All amounts expressed in thousands of PLN, unless indicated otherwise

E. Significant shareholders

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

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

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

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

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

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

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

G. Important court proceedings

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

Proceedings regarding receivables of ULMA Construcción Polska S.A as at 30.09.2022:

ULMA Construcción Polska S.A. conducts 41 court proceedings, which include receivables (according to the balance as at 30 September 2022) in the total amount of PLN 16,948 thousand. These cases include court proceedings that have not yet ended with the court issuing a final enforcement order in the case and claims against debtors in relation to which the court issued a decision on the declaration of bankruptcy, arrangement or restructuring.

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

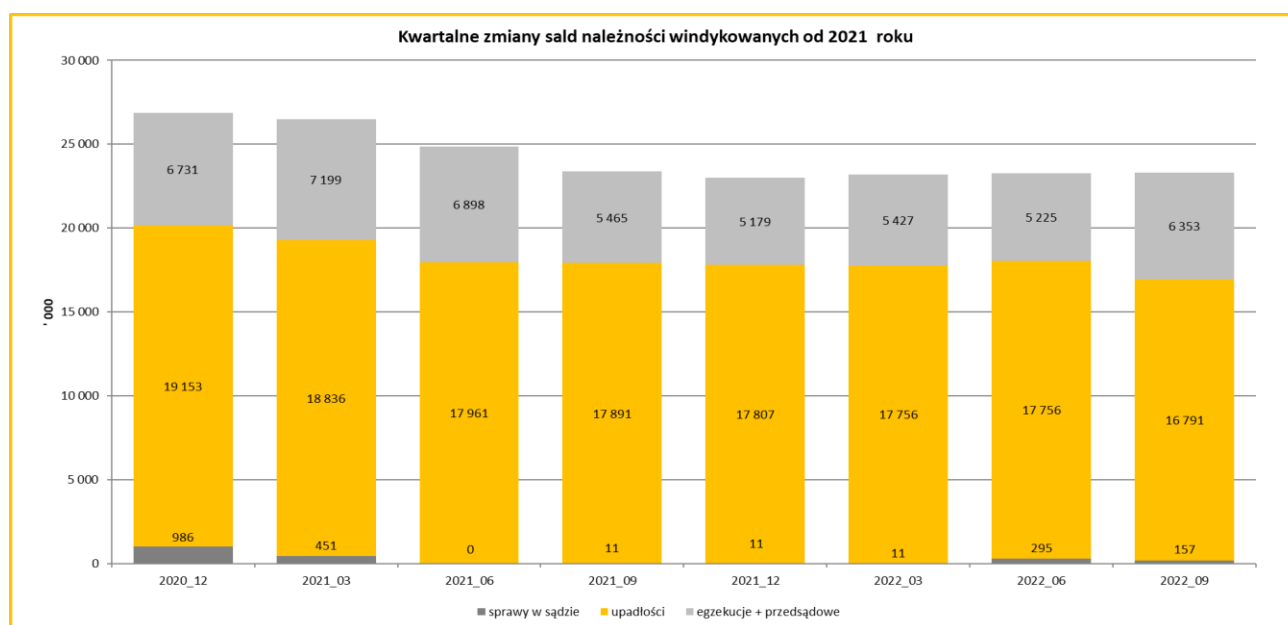
The table showing individual groups of court proceedings is presented in the table below:

Detailed list	Number of the proceedings	Balance as at 30-09-2022	Detailed list	Number of the proceedings
Court proceedings	4	157		
<i>Including major cases:</i>				
WERTA Sp. z o.o.		87	June 2022	On August 2, 2022, the district court issued an order for payment under the promissory note against the debtor company. The Company is waiting for the validation of the issued order for payment.
NOW BUD Paweł Nowak		35	June 2022	The company is waiting the issuance of an order for payment under the promissory note.
SURBUD Mariusz Kosiński		22	Abril 2022	In May 2022, the district court issued a promissory note payment order against the debtor. Unfortunately, due to the inability to deliver it to the debtor, the issued order still is invalid.
ANHYDRYBUD Michał Dziura		12	September 2022	The company is waiting the issuance of an order for payment under the promissory note.
Bankruptcy proceedings	37	16 791		
<i>5 of the major cases:</i>				
HYDROBUDOWA POLSKA SA		6 602	September 2012	The receivable has been filed to the bankruptcy receiver. The schedule of liabilities is finalised, at present the Company is waiting for the liabilities distribution plan to be drawn up covering category IV, what should be done this year.
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. As of today, the schedule of liabilities is not closed. At the same time, the Company is also finalizing enforcement proceedings against one of the debt company's guarantors. The last assets to be sold are his shares in another company (the case at the stage of setting the date for the auction of shares).
HENPOL Sp. z o.o.		1 010	January 2014	The receivable has been filed to the bankruptcy receiver. The Company is waiting for the final schedule of liabilities to be prepared.
KROKBUD Sp. z o.o.		758	Abril 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 is waiting for the preparation of a plan for the distribution of funds accumulated in the bankruptcy estate.
WROBIS S.A.		745	January 2014	In April 2014, the receivable has been filed to the bankruptcy receiver. The Company is waiting for the liabilities distribution final plan to be drawn and the proceeding to be completed.
Total listed		13 049		78% of the total
Total number of the proceedings conducted	41	16 948		

All amounts expressed in thousands of PLN, unless indicated otherwise

Apart from the court cases described above, the Company conducts other debt collection proceedings. These are in particular pre-judicial proceedings and those at the stage of bailiff enforcement. Currently, the Company has 43 proceedings from these categories in its balance sheet for the total value of PLN 6,353 thousand. As at 30th September 2022, the total balance of receivables to be recovered (at the judicial and extra-judicial stage) in the balance sheet included 84 cases with a total of PLN 23,301 thousand

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



It should be noted that 2022, similarly to 2021, saw an increase in the total amount of recovered receivables, defined as new recoveries less payments, by PLN 664,000 (compared to a decrease by PLN 245,000 in the corresponding period of the previous year). This means that the three-year-long positive trend saw a reversal, which is the result of the difficult liquidity situation of many businesses currently operating on the Polish market. In Q3 2022, there was also a discontinuation of restructuring proceedings of one of the debtors ("Gotowski") described in the table above, hence the shift of receivables between categories (from "bankruptcy" to "enforcement + pre-trial").

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

	For the nine months ended 30 of September		12-month period util
	2022	2021	31 December 2021
Receivables in collection at the beginning of the period	22 997	26 869	26 869
written down over the period	(360)	(3 258)	(3 599)
payments over the period	(759)	(1 312)	(1 717)
New collections over the period	1 422	1 067	1 444
Receivables in collection at the end of the period	23 301	23 366	22 997
new collection - payments per account balance	664	(245)	(273)

In the Company's view, the key aspect is still the attention to the customer verification process and successful negotiation of effective collateral in commercial contracts. Another factor that significantly mitigates the risk of receivables recovery problems is the fact that a growing number of the Company's commercial contracts relate to public contracts, where receivables are protected by law with provisions arising from the Public Procurement Law.

Proceedings regarding receivables of the Subsidiaries as at 30 September 30.09.2022:

As at the balance sheet date, there were 18 court cases in total in the subsidiaries the value of which was PLN 4,077 thousand, including:

- a) 15 cases for the value of PLN 1,505 thousand at the court stage,
- b) 3 cases totalling PLN 2,572 thousand, concerning reorganisation and bankruptcy proceedings.

The bankruptcy proceedings of one of the debtors of a subsidiary ULMA Construcción BALTIC sp. z o.o. that were initiated in 2018 remain the largest of the court proceedings in subsidiaries (the equivalent of debt as of the balance sheet date is PLN 2,284 thousand).

In addition to the court claims described above, in the balance sheet of ULMA Opatubka Ukraina sp. z o.o. (there are no such items in other subsidiaries), there are also 32 accounts receivable with a total value of PLN 4,229 thousand, collected mainly at the out-of-court stage.

Due to ongoing military operations in Ukraine, The Management Board of the ULMA Construcción Polska SA Capital Group decided to tighten the approach to assessing the risk related to the recovery of receivables from that market. Both the assessment criteria and the amount of write-downs on receivables were the subject of current reports submitted to the public.

It is a positive development that in recent months, despite the ongoing war in Ukraine, the repayment of receivables has been improving from month to month (although it is still far from the levels reported before the war). However, visibility of this positive trend does not change the conservative approach of the All amounts expressed in thousands of PLN, unless indicated otherwise

Management Board of the Capital Group to credit risk, which results in creation of further write-offs for receivables in ULMA Opařubka Ukraina sp. z o.o.

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

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

H. Transactions with associated entities

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

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

Transactions concluded during the 3 quarters of 2022 by ULMA Construccıon Polska S.A. and its subsidiaries with related entities were typical and routine, were concluded on an market terms, and their nature and terms resulted from running ongoing operations.

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

- purchase of shuttering and scaffolding and rental services of shuttering and scaffolding of total value of PLN 41,202 thousand.
- other purchases in the total amount of PLN 2,665 thousand.

In the last 12 months (from 01/10/2021 to 30/09/2022), the value of the above transactions totaled:

- purchase of shuttering and scaffolding and rental services of shuttering and scaffolding of total value of PLN 54,914 thousand.
- other purchases in the total amount of PLN 3,516 thousand.

In addition to commercial transactions, ULMA Construcción Polska S.A. in the previous periods granted long-term and short-term loans to affiliates. The table below presents the table of loans granted by debt as on the balance sheet date and 31/12/2021.

ASSOCIATED ENTITY	Currency	Value as at ('000)		Repayment date
		30 September 2022	31 December 2021	
ULMA Construcción BALTIC	EUR	1 800	1 800	03.01.2025
ULMA CyE S.Coop.	PLN	20 000	20 000	31.01.2024
ULMA Formwork Kazakhstan Llp.	EUR	50	-	31.03.2023
ULMA Construcción SK, s.r.o	EUR	450	-	31.12.2023
ULMA Construcción CZ, s.r.o	EUR	190	-	30.04.2023

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

ULMA Construcción Polska S.A. granted to the parent entity, ULMA CyE S.Coop, a long-term loan of PLN 20 000 thousand.

The loan is secured by:

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

The loan was granted on arm's length basis (fixed margin + WIBOR 1M) and its repayment date are indicated in the table.

I. Sureties and guarantees

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

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

ULMA Construcción Polska S.A. granted a surety to Bank UKRSIBBANK for its subsidiary - ULMA Opałubka Ukraina Sp. z o.o. - as security for the repayment of a bank credit (revolving line). The surety is granted for the duration of the loan agreement and its amount is to EUR 1,000 thousand. The maturity date of this credit

agreement is 31 December 2022. As at the balance sheet date of 30 September 2022 there is no debt under this agreement.

J. Other relevant information

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

During the three quarters of 2022, there were no significant events other than those described earlier.

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

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

This year, the Annual General Meeting of Shareholders, by Resolution No. 8/2022, decided to allocate the entire net profit of ULMA Construcción Polska S.A. for 2021 in the amount of PLN 21, 679, 848.18 to the supplementary capital of the company.

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

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

As it has been mentioned above, during the analysed three-quarter period, the Group's Management Board decided to include in the financial results of the subsidiary operating in Ukraine (and, consequently, in the financial results of the Group) one-off write-offs for the risk of impairment of fixed assets and inventories and revaluation write-offs of receivables in Ukraine, due to the war. The Group's Management Board informed about these decisions in the current information published during the year, in particular in the H1 2022 report. As of the end of September 2022, the result of the above-mentioned write-offs at the level of the Group's consolidated financial result is as follows:

- Provisions for impairment of fixed assets and inventories: PLN 4,369 thousand
- Write-downs on receivables: PLN 3,581 thousand

In Q4 2022, the services of the subsidiary in Ukraine will continue to review the risks listed above accordingly, and the result of the review will be ultimately included in the financial result for Q4 2022; however, it should be pointed out that the above-mentioned write-off levels may increase as well as decrease, and their final value will be published when forecasting the financial result for the whole 2022.

All amounts expressed in thousands of PLN, unless indicated otherwise

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

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

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

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

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

At the moment, there is a certain Chance of reversing and disloving some of the one-off write-offs on the risk of permanent impairment of fixed assets and inventories created in previous periods in Ukraine. However, it depends on the development of events on the territory of Ukraine and whether the military conflict will be stabilized in the last period of this year. On the other hand, any attempt to make new, less conservative estimates would be pure speculation at this point, in particular in view of e.g. the information about the Russian attacks on the Zaporizhzhia Nuclear Power Plant. As a result, the Group's Management Board decided to leave the above-mentioned write-offs for the purposes of this publication according to the statistics and specific risks assumed at the time of preparation of the H1 2022 report, while indicating that they reflect a credible and reliable assessment of the materialisation of the risk of loss of those assets.

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

In Q1-Q3 2022, the Capital Group created revaluation write-offs on receivables and wrote off trade receivables in the amount of PLN 3,839 thousand against PLN 257 thousand in the corresponding period of the previous year (included in "Other operating costs").

In Q1-Q3 2022, the Capital Group created revaluation write-down for impairment of tangible fixed assets in the amount of PLN 4,282 thousand (included in "Other operating costs").

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

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

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

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

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

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

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

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

Information on deferred income tax liabilities and assets

	As at	
	30 September 2022	31 December 2021
Assets due to deferred income tax	9 191	7 837
Provision for deferred income tax:	(12 706)	(11 503)
Compensation	2 572	2 013
Balance sheet value of an asset due to deferred income tax	6 619	5 824
Balance sheet provision due to deferred income tax	(10 134)	(9 490)

Deferred tax assets and liabilities in the consolidated statement of financial position as at 30 September 2022 and 31 December 2021 were shown in amounts resulting from the offsetting of assets and liabilities at the level of each company in the Capital Group.

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

The most significant transactions of purchase of tangible fixed assets made Q3 2022 were the purchase of formwork elements for lease from the Group's parent company in the amount of PLN 40,401 thousand.

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

As at September 30, 2022, there are no significant liabilities due to the purchase of tangible assets.

Indication of errors of previous periods

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

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

In 3 quarters of 2022, there were no such events. As at September 30, 2022, the Capital Group's subsidiaries do not have any debt under bank loans other than those indicated in this report.

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

In Q1-Q3 2022, the Group did not issue, redeem or repay any equity or capital securities.

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

After the balance sheet date, 30 September 2022, no events were identified that could significantly affect the future financial results of ULMA Construcción Polska S.A. Capital Group.

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

All amounts expressed in thousands of PLN, unless indicated otherwise

Since the end of the last financial year there have been no changes in contingent liabilities or contingent assets.

K. Factors influencing the issuer's future results

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

I Polish market

The situation on the Polish construction market is not easy. Due to the high and unpredictable price increases and a declining number of new projects (in particular in the residential segment), the sentiments in the industry are rather pessimistic, and the business climate indicator has declined for another consecutive month, this time to -21.9, the lowest in almost two years.

In Q3 2022, 73 insolvencies were declared in the construction industry (the same result as in the previous quarter), which is a relatively stable number compared to 69 insolvencies a year earlier. However, there were 212 construction company bankruptcies in the first three quarters of 2022, which is 19% more than in the corresponding period of the previous year. Meanwhile, the economy as a whole saw a 5% increase in the number of bankruptcies over the entire analysed period comprising three quarters of 2022. This means that despite a certain stabilization in the last quarter, the financial condition of construction companies against the background of the entire economy may still be a cause for concern.

The economic slowdown is still not yet reflected in the condition of the labour market, as average wages in the business sector in September increased by 14.5%, and by 12.3% in the construction industry alone. Employment growth in the corporate sector in September 2022 only slightly decelerated to 2.3% y/y, compared to 2.4% in the previous month. In construction sector alone, employment grew in September by 1.2%. However, employment growth in the economy is expected to slow down in the coming months. As of the end of September, the registered unemployment rate dropped to 5.1% (data after Statistics Poland verified the population number on the basis of census results). This means that the unemployment rate has returned to the record low levels of 2019; however, considering the deteriorating economic outlook, this situation could change relatively quickly. For the time being, the vast majority of forecasts for the coming quarter assume a slight increase in the unemployment rate, with the average annual increase by 5.5% for the whole 2022.

Regarding the situation of the construction market in Poland, analysts predict a slowdown in the coming months, especially in the area of housing construction. The future is putting a lot of query marks in front of us. The market had very high hopes with regard to the new pool of EU funds, but their disbursement is currently uncertain and their impact on investment volume would only become noticeable much later. In addition, the rapidly rising prices of construction services and materials will certainly result in some investments to be put on hold in order to obtain additional funding for the current budget needs. Therefore, the forecasts for 2023-2024 are not very optimistic. At present, analysts are very clearly forecasting real declines in the value of the entire market up to 6%, and 8% to 9% declines for the construction production of larger construction companies.

All amounts expressed in thousands of PLN, unless indicated otherwise

The Group's operations are relatively diversified and dispersed between the three main construction segments, i.e. residential, non-residential, civil engineering and industrial. Nevertheless, the largest part of the Group's revenues (in particular in the "construction site services" segment) is generated in the residential and non-residential construction sector. In view of the possible pessimistic scenarios presented above, further growth of the Group's revenues on the Polish market is uncertain. Recent years and positive market trends after the Polish economy recovered from the crisis caused by Covid-19 allowed market participations to increase the service offered. It also made it possible to cover the inflationary pressure and maintain the overall profitability with a tendency for further improvement. However, the declines in the residential and non-residential construction sector may lead to price wars between market participants in the nearest future, which will result in the loss of valuable percentage points with regard to the Group's profitability. So far, the condition of the residential and non-residential construction market has been satisfactory enough for the Group's Management Board not to expect any risk of materialisation of this worst-case scenario, at least until the end of the year. Moreover, the contract portfolio in the civil engineering segment, which will be implemented from 2023 onwards, will certainly have a stabilising effect.

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 key risk and the unknown factor remains the war, including the risk of damage to the country's power and heating infrastructure. The longer the war, the longer the lower demand, limited investments and logistical constraints on exports. Under such conditions, the recovery of the Ukrainian economy will be slower and inflation higher than currently expected. This will, of course, affect the construction and real estate sectors and, consequently, the Group's operations and financial result. At the same time, it should be pointed out that the coming winter will certainly be the crucial period, and spring will be the turning point for developing further estimates and plans.

Some other risks, the occurrence of which may stop the economic recovery, are also important for the forecast. In particular, despite some easing, the risk of an imbalance in state finances remains relatively high due to the unpredictable nature of the war, possible problems with the rhythm of receiving international aid and the emergence of additional budget needs.

A separate and most urgent problem is certainly the emergence of large deficits in the energy sector, in particular in view of the high costs of energy commodities and further terrorist attacks on Ukrainian energy infrastructure facilities increasing security risks in winter. These facts support the growing risk of another wave of refugees and, what is worse, the willingness of Ukrainian entrepreneurs to abandon their businesses in Ukraine and to relocate their companies to other EU Member States (such as PL, SK or CZ). This will make it very difficult to stabilize the country's economy after a period of active war.

The length and intensity of the hostilities, combined with "energy terrorism", increase the risk of non-return of a large group of citizens who have left or who are leaving Ukraine. Therefore, the labour market crisis triggered by the exodus of a significant part of the population may considerably extend the period of Ukraine's recovery from the economic crisis caused by the war.

All amounts expressed in thousands of PLN, unless indicated otherwise

LITHUANIA

The slowdown on the construction market leads to a higher risk of insolvency for construction companies, of which a large part, in particular small and medium-sized enterprises, are highly dependent on new contracts. Some construction companies entered Q4 2022 with old debts, resulting from low-profitability or even loss-making contracts signed in H1. The low profitability of the contracts was due to the massive increase in prices caused by the outbreak of the war in Ukraine and to the embargo on cheap Russian and Belarusian commodities and materials. If the situation does not change or if the government does not propose supportive measures such as public procurement or financial aid packages similar to the ones during the Covid-19 pandemic, part of the medium-sized or smaller enterprises may face bankruptcy, which will certainly affect the condition of the segments served by the Group.

Another risk is the possible decline in margins and sales of formwork companies caused by price wars between market players in the wake of the slowdown in the residential and non-residential construction sector (in particular in the residential segment), which has been the driving force of the entire industry so far.

KAZAKHSTAN

Compared to the period in the middle of the year and due to the stabilisation of energy commodity prices on global markets, the risk of devaluation of the local currency (KZT) has decreased. However, it is difficult to predict further developments related to the war in Ukraine, which affects volatility on the financial markets and, as a result, rapid changes in the rates of the currencies that are pegged to USD.

In view of the information described at the beginning about the Kazakhstan government's planned aid programme for the residential construction segment, there is a chance for residential and non-residential construction sector to return to growth, while the absence of such programmes could very quickly lead to a collapse fuelled by more expensive loans and increasingly restrictive policies of commercial banks. In addition, the high base rate (14.5% with a corridor of +/- 1.0%), maintained by the National Bank of Kazakhstan to keep inflation under control, discourages investors from making decisions about investments in residential and commercial real estate.

Kazakhstan's economic ties with Russia and its dependence on imports of commodities, foodstuffs and equipment from Russia, purchased with roubles, while maintaining a high exchange rate for this currency, continue to cause inflationary pressures, in particular within the consumer staples group. As a result, the purchasing power of KZT is declining, which may eventually lead to a recession in the near future. It should be also pointed out that the sanctions imposed on trade with Russia will significantly limit trade with this country within the CIS.

Exchange rate risk

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

L. Information on market segments

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

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

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

The segment results were as follows:

	3-month period ended					
	30 September 2022			30 September 2021		
	Construction site service	Sales of building materials	Segments Total	Construction site service	Sales of building materials	Segments Total
Sales revenue in total	43 348	11 136	54 484	44 433	24 784	69 217
Internal sale	(1 092)	(3 909)	(5 001)	(1 067)	(8 811)	(9 878)
Sales revenues	42 256	7 227	49 483	43 366	15 973	59 339
Operating costs without depreciation	(29 842)	(8 020)	(37 862)	(26 021)	(15 269)	(41 290)
Internal turnover costs	92	5 201	5 293	21	6 612	6 633
Consolidated operating costs without depreciation	(29 750)	(2 819)	(32 569)	(26 000)	(8 657)	(34 657)
EBITDA	12 506	4 408	16 914	17 366	7 316	24 682

	9-month period ended					
	30 September 2022			30 September 2021		
	Construction site service	Sales of building materials	Segments Total	Construction site service	Sales of building materials	Segments Total
Sales revenue in total	122 743	45 558	168 301	105 605	65 482	171 087
Internal sale	(2 526)	(15 801)	(18 327)	(1 925)	(24 507)	(26 432)
Sales revenues	120 217	29 757	149 974	103 680	40 975	144 655
Operating costs without depreciation	(89 560)	(38 651)	(128 211)	(67 929)	(41 343)	(109 272)
Internal turnover costs	195	22 980	23 175	293	16 324	16 617
Consolidated operating costs without depreciation	(89 365)	(15 671)	(105 036)	(67 636)	(25 019)	(92 655)
EBITDA	30 852	14 086	44 938	36 044	15 956	52 000

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

All amounts expressed in thousands of PLN, unless indicated otherwise

	3-month period ended		9-month period ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
EBITDA at the segment level	16 914	24 682	44 938	52 000
Depreciation	(13 419)	(10 864)	(39 340)	(31 942)
Interest income	479	119	1 088	607
Other financial income	2 564	292	2 564	770
Interest related costs	(258)	(140)	(759)	(439)
Other financial costs	(962)	14	(1 159)	(410)
Participation in the results of affiliates	114	14	191	(225)
Profit (loss) before tax	5 432	14 117	7 523	20 361
Income tax	(1 239)	(2 701)	(1 585)	(4 193)
Net profit (loss)	4 193	11 416	5 938	16 168

M. Investor relations

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

Krzysztof Burczaniuk

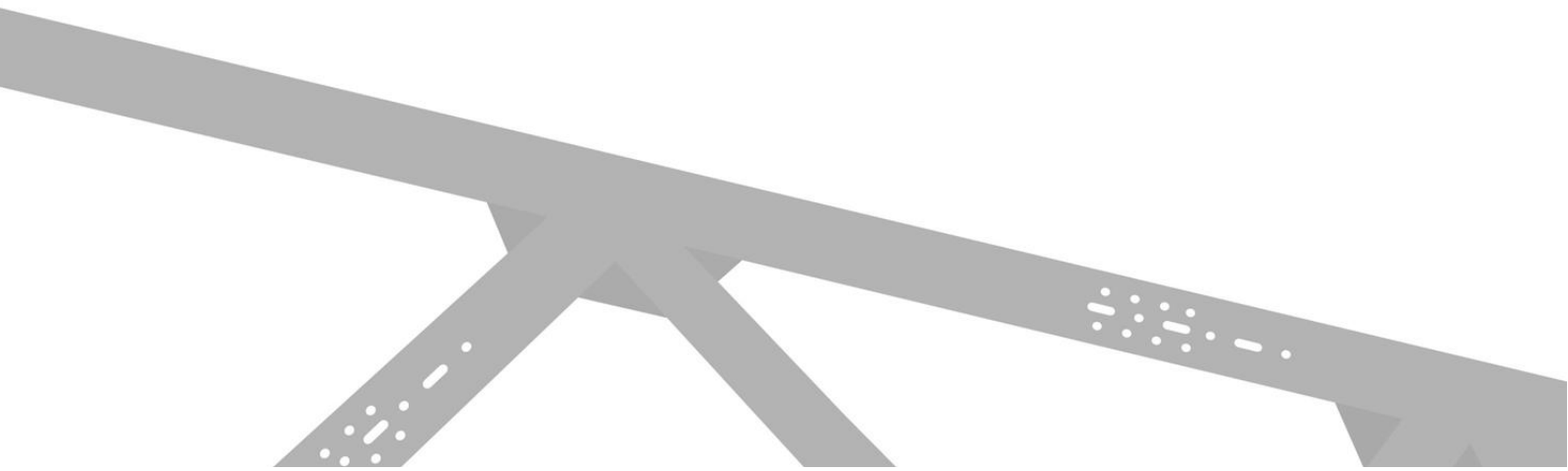
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ULMA Construcción Polska S.A.

SINGLE SHORTENED FINANCIAL STATEMENT

**FOR THE 3RD QUARTER ENDED ON 30 SEPTEMBER
2022**



Profit and loss account and other comprehensive income

	For the 3-month period ended 30 of September		For the 9-month period ended 30 of September	
	2022	2021	2022	2021
Sales revenues	42 838	51 467	128 495	127 997
Costs of products, goods and materials sold	(34 836)	(35 167)	(105 432)	(98 742)
I. Gross profit on sales	8 002	16 300	23 063	29 255
Selling and marketing costs	(388)	(339)	(1 275)	(994)
General administration and management costs	(4 948)	(3 834)	(14 966)	(11 774)
Other operating income	(272)	(421)	274	1 042
<i>Including: reversal of impairment losses on receivables</i>	-	(187)	-	199
Other operating costs	(608)	(83)	(641)	(416)
<i>Including: impairment losses on receivables</i>	(457)	-	(257)	-
II. Profit (loss) at the operational level	1 786	11 623	6 455	17 113
Financial income	1 503	550	2 189	687
Financial costs	(292)	(140)	(793)	(439)
III. Profit (loss) before tax	2 997	12 033	7 851	17 361
Current income tax	(407)	(2 012)	(1 046)	(2 702)
Deferred income tax	(178)	(312)	(644)	(864)
IV. Net profit (loss) for the financial period	2 412	9 709	6 161	13 795
Other comprehensive income:	-	-	-	-
V. Total income for the financial period	2 412	9 709	6 161	13 795
Weighted average number of ordinary shares	5 255 632	5 255 632	5 255 632	5 255 632
Basic and diluted profit (loss) per share in the financial period (in PLN per share)	0,46	1,85	1,17	2,62

All the amounts expressed in PLN '000, unless indicated otherwise

Statement of financial position

	As at			
	30 September 2022	30 June 2022	31 December 2021	30 September 2021
ASSETS				
I. Tangible assets				
Tangible fixed assets	260 032	262 031	234 039	228 172
Intangible assets	138	153	202	254
Shares in affiliates	7 458	7 458	7 458	7 458
Right-of-use assets	12 867	13 920	15 449	10 428
Deferred tax assets	-	-	-	-
Long-term receivables	29 276	28 425	8 320	28 339
Fixed assets (long-term) in total:	309 771	311 987	265 468	274 651
II. Current assets				
Inventory	7 523	6 511	4 489	10 611
Trade receivables and other receivables	36 177	36 962	55 231	38 406
Income tax receivables	-	635	318	-
Derivative financial instruments	-	-	6	-
Cash and cash equivalents	20 516	29 640	38 237	35 534
Fixed assets classified as held for sale	-	-	-	-
Current assets in total:	64 216	73 748	98 281	84 551
Total assets	373 987	385 735	363 749	359 202

All amounts expressed in thousands of PLN, unless indicated otherwise

	As at			
	30 September 2022	30 June 2022	31 December 2021	30 September 2021
EQUITY CAPITAL AND LIABILITIES				
I. Equity				
Basic capital	10 511	10 511	10 511	10 511
Supplementary capital – surplus from the sale of shares above par value	114 990	114 990	114 990	114 990
Retained earnings, including:	191 333	188 921	185 172	177 287
a) Net profit (loss) for the financial period	6 161	3 749	21 680	13 795
Total equity:	316 834	314 422	310 673	302 788
II. Liabilities				
Long-term liabilities				
Deferred income tax liabilities	10 134	9 956	9 490	9 523
Long-term liabilities due to retirement benefits	285	285	285	310
Long-term liabilities due to the right of use (leasing)	5 774	6 710	8 276	4 197
Long-term liabilities in total:	16 193	16 951	18 051	14 030
Short-term liabilities				
Derivative financial instruments	-	-	-	-
Short-term liabilities due to retirement benefits	64	64	64	62
Current income tax liabilities	11	-	-	132
Short-term liabilities due to the right of use (leasing)	3 783	3 783	3 767	2 744
Trade payables and other liabilities	37 102	50 515	31 194	39 446
Short-term liabilities in total:	40 960	54 362	35 025	42 384
Total liabilities:	57 153	71 313	53 076	56 414
Total equity and liabilities:	373 987	385 735	363 749	359 202

All amounts expressed in thousands of PLN, unless indicated otherwise

Report on changes in equity

	Share capital at par value	Surplus from the sale of shares above par value	Retained profits	TOTAL EQUITY
As at 1st January 2021	10 511	114 990	203 540	329 041
Net profit in 2021	-	-	21 680	21 680
Other total net income in 2021	-	-	-	-
Payment of dividend	-	-	(40 048)	(40 048)
As at 31 December 2021	10 511	114 990	185 172	310 673
Total net profit in 3 quarters of 2022	-	-	6 161	6 161
Other total net income in 3 quarters of 2022	-	-	-	-
As at 30 September 2022	10 511	114 990	191 333	316 834

	Share capital at par value	Surplus from the sale of shares above par value	Retained profits	TOTAL EQUITY
As at 1st January 2021	10 511	114 990	203 540	329 041
Net profit in 3 quarters of 2021	-	-	13 795	13 795
Other total net income in 3 quarters of 2021	-	-	-	-
Payment of dividend	-	-	(40 048)	(40 048)
As at 30 September 2021	10 511	114 990	177 287	302 788

All amounts expressed in thousands of PLN, unless indicated otherwise

Statement of Cash Flows

	For 3-month period ended 30 of September		For 9-month period ended 30 of September	
	2022	2021	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit for the financial period	2 412	9 709	6 161	13 795
Adjustments:	11 710	16 670	38 277	40 365
- Income tax	585	2 324	1 690	3 566
- Depreciation and impairment of fixed assets	10 992	8 700	31 505	25 811
- Depreciation of intangible assets	18	54	88	151
- Depreciation of the right of use	991	912	2 976	2 873
- Net value of formwork sold and liquidated - fixed assets	3 321	5 091	6 652	8 267
- (Profits) / losses due to changes in the fair value of financial instruments	-	-	6	(54)
- Interest and dividends received	(567)	(127)	(1 114)	(493)
- Interest costs	258	139	759	439
- (Profits) / Losses due to foreign exchange losses	(3 888)	(423)	(4 285)	(195)
Acquisition of formworks -fixed assets	(11 548)	(19 272)	(62 379)	(31 207)
Changes in working capital:				
- Inventory	(1 012)	(2 497)	(3 034)	(5 351)
- Trade receivables and other receivables	3 400	(4 494)	1 903	(13 135)
- Trade payables and other liabilities	(13 413)	6 276	5 908	20 251
Income tax paid	238	(2 000)	(717)	(2 034)
Net Cash flows from operating activities	(8 213)	4 392	(13 881)	22 684
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from the sale of property, plant and equipment	2	-	23	9 115
Repayment of loans granted	242	-	242	20 000
Interest received	567	167	1 156	493
Loans granted	235	-	-	(20 000)
Acquisition of other property, plant and equipment	(768)	(279)	(1 796)	(1 468)
Acquisition of intangible assets	(3)	(6)	(24)	(177)
Net cash from investments activities	275	(118)	(399)	7 963
CASH FLOWS FROM FINANCIAL ACTIVITIES				
Payments related to financial leasing	(872)	(815)	(2 879)	(2 881)
Interest paid	(258)	(139)	(759)	(439)
Payment of the dividend	-	-	-	(40 048)
Net cash from financial activities	(1 130)	(954)	(3 638)	(43 368)
Increase / (decrease) in net cash and overdraft in the current account	(9 068)	3 320	(17 918)	(12 721)
Cash and overdraft in the current account at the beginning of the period	29 639	31 992	38 237	48 094
Foreign exchange loss/gains on the valuation of cash and overdraft in the current account	(55)	222	197	161
Cash and overdraft in the current account at the end of the period	20 516	35 534	20 516	35 534

All amounts expressed in thousands of PLN, unless indicated otherwise

Description of the most important applied accounting principles

In preparing the interim condensed financial statement, the Company applied the same accounting policies as described in the audited financial statements as at 31 December 2021. The interim financial statement as of 30 September 2022 should be read together with the audited financial statements as of 31 December 2021 published on 31 March 2022.

Investments in subsidiaries and affiliates

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

Conversion of selected financial data into the Euro

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

	For 9-month period ended 30 of September			
	2022	2021	2022	2021
	'000 PLN		'000 EUR	
Net revenues from sales of products, goods and materials	128 495	127 997	27 409	28 079
Result from operating activities	6 455	17 113	1 377	3 754
Gross result	7 851	17 361	1 675	3 809
Net result	6 161	13 795	1 314	3 026
Net cash flow from operating activities	(13 881)	22 684	(2 961)	4 976
Net cash flow from investment activities	(399)	7 963	(85)	1 747
Net cash flow from financial activities	(3 638)	(43 368)	(776)	(9 514)
Net cash flow	(17 918)	(12 721)	(3 822)	(2 791)
Diluted earnings per ordinary share (in PLN / EUR)	1,17	2,62	0,25	0,58
Basic earnings per ordinary share (in PLN / EUR)	1,17	2,62	0,25	0,58

	As at			
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	'000 PLN		'000 EUR	
Total assets	373 987	359 202	76 797	77 533
Liabilities	57 153	56 414	11 736	12 177
Long-term liabilities	16 193	14 030	3 325	3 028
Short-term liabilities	40 960	42 384	8 411	9 149
Equity	316 834	302 788	65 061	65 356
Basic capital	10 511	10 511	2 158	2 269
Weighted average number of shares	5 255 632	5 255 632	5 255 632	5 255 632
Number of shares as at the balance sheet date	5 255 632	5 255 632	5 255 632	5 255 632
Book value per ordinary share (in PLN / EUR)	60,28	57,61	12,38	12,44

All amounts expressed in thousands of PLN, unless indicated otherwise

Individual items of assets and equity and liabilities have been converted into EUR using average exchange rates published by the President of the National Bank of Poland, effective as at the balance sheet date. The average EUR exchange rate as at 30 September 2022 amounted to PLN 4.8698, and as at 30 September 2021 to PLN 4,6329.

When converting the items of the statement of comprehensive income and cash flow statement items, a rate being the arithmetic mean of the exchange rates in force on the last day of the month of a the given period was applied, i.e. data for the 9-month period of 2022 were converted according to the exchange rate = 4.6880 PLN / EUR, data for the analogous period of 2021 were converted according to the exchange rate = 4.5585 PLN / EUR.