

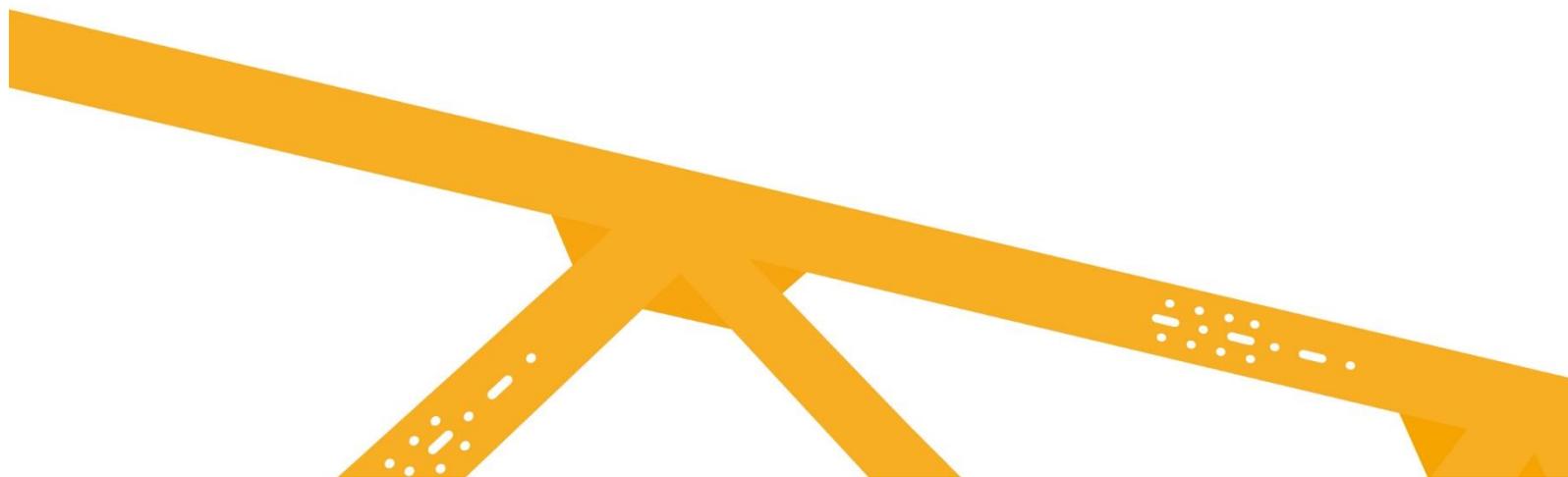


**INTERIM CONSOLIDATED
FINANCIAL STATEMENT of**

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

FOR THE 6 MONTH PERIOD ENDING ON 30 June 2022

(along with the audit report of the chartered accountant)



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ULMA CONSTRUCCION POLSKA S.A. CAPITAL GROUP

GENERAL INFORMATION

I The subject of operations

The subject of operations of the ULMA Construcción Polska SA Capital Group. (hereinafter referred to as the Group) are:

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

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

I Registered Seat

ULMA Construcción Polska S.A.
Koszajec 50
05-840 Brwinów

I The parent entity and Group composition

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

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

- ULMA Construcción Polska S.A. CAPITAL GROUP - **the parent company** of the Capital Group performing the management and administrative role for the entire Group and responsible for commercial activities with respect to products and services offered by the Capital Group on the domestic market and on selected foreign markets,
- ULMA Opałubka Ukraina sp. z o.o. - a **subsidiary company** responsible for commercial activities with regard to products and services offered by the Capital Group on the Ukrainian market,
- 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, Latvia and Estonia).

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.

In the period of 6 months ending on 30 June 2022, there were no changes in the Capital Group structure.

Composition of supervisory and management bodies as at 30/06/2022 and as at the date of approval of the report for publication

Supervisory Board

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

Audit Committee

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

Management Board

Rodolfo Carlos Muñiz Urdampilleta	Chairman of the Management 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.
Banko de Sabadell (Spain)
Santander Bank Polska S.A.
ING Bank Śląski

I Stock exchange listing

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

LEI code: 2594001DEARTIAMFJC93

I Turnover period

- 6 months of 2022 – the 6-month period ending on 30 June 2022
- 6 months of 2021 – the 6-month period ending on 30 June 2021



ULMA Construcción Polska S.A. CAPITAL GROUP

INTERIM ABBRIDGED CONSOLIDATED FINANCIAL STATEMENT

For the 6 month period ended on

30 June 2022

Abbridged consolidated profit and loss account and other comprehensive income

	Note	Period 6 months ending on 30 June 2022 (data not audited)	Period 6 months ending on 30 June 2021 (data not audited)
Sales revenues	20.	100 492	85 316
Costs of products, goods and materials sold	21.	(78 682)	(69 796)
I. Gross profit on sales		21 810	15 520
Selling and marketing costs	21.	(904)	(695)
General management costs	21.	(11 558)	(9 558)
Other operating income	22.	164	1 334
<i>Including: reversal of impairment losses on receivables</i>		-	228
Other operating costs	22.	(7 408)	(362)
<i>Including: impairment losses on receivables</i>		(2 704)	-
II. Profit (Loss) at the operational level		2 104	6 239
Financial income	23.	609	542
Financial costs	23.	(699)	(299)
Share in profits (losses) in associated companies		77	(239)
III. Profit (Loss) before tax		2 091	6 243
Income tax	24.	(346)	(1 491)
IV. Net profit (loss) for the financial period		1 745	4 752
Other comprehensive net income to be reclassified to profit / (loss) in subsequent reporting periods			
Exchange differences on the translation of financial statements of foreign subsidiaries		(269)	1 559
Exchange differences regarding net investments in a subsidiary		146	(169)
V. Total income for the financial period		1 622	6 142
Net profit attributable to equity holders of the parent	32.	1 745	4 752
Net profit attributable to non-controlling interests			
The total income of the financial period attributable to the shareholders of the parent company		1 622	6 142
The total income of the financial period attributable to non-controlling interests			
Weighted average number of ordinary shares		5 255 632	5 255 632
Basic and diluted profit (loss) per share in the financial period (in PLN per share)		0,33	0,90

All the amounts expressed in PLN thousand, unless indicated otherwise

Interim abridged consolidated financial situation report

	Note	Status per day		
		30 June 2022 (data not audited)	31 December 2021	30 June 2021 (data not audited)
ASSETS				
I. Fixed assets				
1 Property, plant and equipment	5.	279 651	260 504	242 025
2 Intangible assets	6.	184	241	343
3 Shares in affiliates	8.	1 499	1 500	1 942
4. Right-of-use assets	9.	13 920	15 449	9 658
5. Long-term receivables	10.	20 000	-	20 000
6. Assents due to deferred income tax	18.	7 265	5 824	5 122
Fixed assets in total		322 519	283 518	279 090
II. Current assets				
1. Inventory	11.	9 824	8 415	10 567
2. Trade receivables and other receivables	10.	43 268	58 706	39 705
3. Current income tax receivables		931	531	261
4. Financial instruments		-	6	-
5. Cash and cash equivalents	12.	33 538	49 684	39 981
Current assets in total		87 561	117 342	90 514
Total assets		410 080	400 860	369 604

All the amounts expressed in PLN thousand, unless indicated otherwise

	Note	Status per day		
		30 June 2022 (data not audited)	31 December 2021	30 June 2021 (data not audited)
EQUITY CAPITAL AND LIABILITIES				
I. Equity				
1. Basic capital	13.	10 511	10 511	10 511
2. Supplementary capital - surplus from the sale of shares above par value	13.	114 990	114 990	114 990
3. Exchange differences from consolidation		(10 373)	(10 250)	(12 887)
4 Retained earnings, including:		221 928	220 183	199 957
<i>a. Net profit (loss) for the financial period</i>		1 745	24 978	4 752
Total equity		337 056	335 434	312 571
II. Liabilities				
1 Long-term liabilities				
a. Deferred income tax liabilities	18.	9 956	9 490	9 212
b. Long-term liabilities due to retirement benefits	19.	285	285	310
c. Long-term liabilities due to the right of use	17.	6 710	8 276	3 210
Long-term liabilities in total		16 951	18 051	12 732
2 Short-term liabilities				
a. Short-term liabilities due to retirement benefits	19.	64	64	62
b. Derivative instruments		-	-	-
c. Current income tax liabilities		725	797	675
d. Short-term liabilities due to the right of use	17.	3 783	3 767	2 862
e. Trade payables and other liabilities	15.	51 501	42 747	40 702
Short-term liabilities in total		56 073	47 375	44 301
Total liabilities		73 024	65 426	57 033
Total equity and liabilities		410 080	400 860	369 604

All the amounts expressed in PLN thousand, unless indicated otherwise

Interim condensed consolidated statement of changes in equity

Detailed list	Share capital at par value	Surplus from the sale of shares above par value	Exchange differences on translating foreign entities	Retained profits	In total Equity
As at 1st January 2021	10 511	114 990	(14 277)	235 253	346 477
Net profit in 20201	-	-	-	24 978	24 978
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 I half of 2022	-	-	-	1 745	1 745
Total income in I half of 2022	-	-	(123)	-	(123)
Payment of the dividend	-	-	-	-	-
As at 30 June 2022 (data not audited)	10 511	114 990	(10 373)	221 928	337 056

Detailed list	Share capital at par value	Surplus from the sale of shares above par value	Exchange differences on translating foreign entities	Retained profits	In total Equity
As at 1st January 2021	10 511	114 990	(14 277)	235 253	346 477
Total net profit in I half of 2021	-	-	-	4 752	4 752
Total income in I half of 2021	-	-	1 390	-	1 390
Payment of the dividend	-	-	-	(40 048)	(40 048)
As at 30 June 2021 (data not audited)	10 511	114 990	(12 887)	199 957	312 571

All the amounts expressed in PLN thousand, unless indicated otherwise

Interim abridged consolidated cash flow report

	Note	Period 6 months ending on 30 June 2022	Period 6 months ending on 30 June 2021
		Dane niebadane	
Net cash flow from operating activities			
Net profit for the financial period		1 745	4 752
Adjustments::			
- Income tax	24.	346	1 491
- Depreciation and impairment of fixed assets	5.	28 418	19 016
- Depreciation of intangible assets	6.	78	102
- Depreciation of the right of use	9.	1 985	1 961
- Net value of sold and liquidated fixed assets		6 216	3 602
- Interest income		(609)	(488)
- Interest costs		501	299
- Change in the value of shares in the associated entities		1	269
- (Profits) / losses due to changes in the fair value of financial instruments		6	(54)
- (Profits) / Losses due to foreign exchange losses		551	674
- Acquisition of formworks -fixed assets		(53 121)	(16 813)
Changes in working capital:			
- Inventory		(1 409)	(3 135)
- Trade receivables and other receivables		(4 562)	(7 412)
- Trade payables and other liabilities		8 756	13 786
		(11 098)	18 050
Income tax paid		(1 829)	(874)
Net cash flow from operating activities		(12 927)	17 176
Cash flow from investing activity			
Purchase of property, plant and equipment		(1 126)	(1 553)
Proceeds from the sale of property, plant and equipment		23	9 114
- Depreciation of intangible assets		(21)	(171)
Repayment of loans granted		-	20 000
Loans granted		-	(20 000)
Interest received		609	488
Net cash used in investing activities		(515)	7 878
Net cash flow from financial activities			
Dividends paid		-	(40 048)
Payments related to leasing		(2 007)	(2 067)
Interest paid		(501)	(299)
Net cash used in financial activities		(2 508)	(42 414)
Net increase or decrease in cash		(15 950)	(17 360)
Cash at the beginning of the period		49 684	57 765
Exchange rate losses/profits on valuation of cash		(196)	(424)
Cash and overdraft in the current account at the end of the period	12.	33 538	39 981

All the amounts expressed in PLN thousand, unless indicated otherwise

ADDITIONAL INFORMATION TO THE INTERIM ABRIDGED CONSOLIDATED FINANCIAL STATEMENT

Notes to the interim abridged consolidated financial statement

1. Declaration of conformity and general principles of document preparation

Interim condensed consolidated financial statements of the ULMA Construcción Polska S.A. Capital Group, for which the parent entity is ULMA Construcción Polska S.A., cover the period of 6 months ended on 30 June 2022 and includes comparative data for the six months ended on 30 June 2021 and as at 31 December 2021.

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

These interim condensed consolidated financial statements for the 6-month period ended on 30 June 2022 have been prepared in accordance with the requirements of IAS 34 "Interim financial reporting" approved by the EU ("IAS 34") and present the financial position of the ULMA Construcción Polska S.A. as at 30 June, 2022, its results and cash flows for the six months ended 30 June 2022.

The interim financial statements as at 30 June 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 31 December 2021, published on 31 March 2022.

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.

In connection with the outbreak of war in Ukraine on 24 February 2022, the Group Management, in cooperation with the management of the subsidiary ULMA Opalubka Ukraina sp. z o.o. (the "Company") carried out in Q2 2022 detailed procedures to substantiate the Company's ability to ensure the recoverability of the value of the fixed assets, inventories and receivables located in the territory of Ukraine and were included in the Company's balance sheet as at 30 June 2022. As part of these procedures, the following activities were carried out:

1. The Company carried out in-house inventories at the Company's warehouses and workshops in Kyiv, Lviv, Dnipro and Odessa, both with regard to construction formwork constituting fixed assets, which are used by the Company for rental, as well as items constituting inventories. The collected documentation confirms the inventory balance as at 30 June 2022, included in the Company's balance sheet.
2. In June and July 2022, the Company also carried out verification of fixed assets made available to clients at their construction sites. This process involved collecting relevant declarations as to the condition of the Company's assets at construction sites signed by authorised representatives of the clients, as well as inspections of the construction sites by the Company's commercial representatives. As a result of the

All the amounts expressed in PLN thousand, unless indicated otherwise

INTERIM CONSOLIDATED FINANCIAL STATEMENT OF THE ULMA Construcción Polska S.A. CAPITAL GROUP for the 6-month period ended 30 June 2022

procedures carried out, the Company obtained confirmations from the majority of its clients substantiating the recoverability of the book value of these assets. As part of this process, assets that were not confirmed in a reliable manner were identified and respective impairment allowances were made.

3. In parallel with the aforementioned procedures, the Company, in cooperation with the Group Management, carried out statistical procedures for quantifying the risk of destruction or loss of equipment located in the Company's warehouses or on construction sites, particularly in areas at risk of military attacks by the Russian Federation. These estimates identified the regions and administrative districts of Ukraine at the highest risk of escalation of hostilities, including also occupation. These included:

- a). territories occupied or at risk of occupation, with respect to which the probability of losing control of the Company's assets has been determined at 100%. These included the Zaporizhia, Mykolaiv, Kherson and Kharkiv oblasts, and
- b). regions at risk of increased attacks by the Russian Federation, with respect to which the probability of losing control of the Company's assets was determined at 85%. These included the Odessa and Dnipropetrovsk oblasts.
- c). for the remaining oblasts, the risk has been determined as insignificant.

On this basis, the Company's management, in consultation with the Group Management, decided to create an impairment allowance for the aforementioned fixed assets or inventories due to the risk of their destruction or loss of control.

As a result of the creation of the impairment allowances referred to in points 1 - 3 above, the consolidated financial statement of the Ulma Construccjon Polska S.A. Group for the six-month period ended 30 June 2022 included a write-off for tangible and current assets in the total amount of **PLN 4,862,000**, which is only slightly different from the amount recognised in the condensed consolidated financial statement for Q1 2022 ended 31 March 2022 (PLN 4,940,000).

Irrespective of the verification procedures with regard to the Company's ability to maintain control over non-current assets or inventories described above, the Group's management decided to take a conservative approach to creating allowances for expected credit losses. As a result, in the analysed period of H1 2022, the Management Board created an allowance for expected credit losses in the amount of **PLN 2,834,000**. This amount in the most part concerns the receivables that arose in the first two months of 2022, before the aggression of the Russian Federation against Ukraine, and which had not been settled by 30 June 2022. The analyses also revealed overdue receivables that arose in Q2 2022. The Management assesses the ability to monetize trade receivables on an ongoing basis and the Company's receivables overdue for more than **60 days** are fully included in the allowance for expected credit losses to the extent that they are not covered by collateral obtained from the parties to the transactions.

Group management will continue to monitor the situation and attempt to substantiate the Company's ability to ensure the recoverability of the fixed assets, inventories and receivables located in Ukraine and included in the Company's balance sheet, while taking steps to physically move the formwork assets gradually to safe areas of western Ukraine or to Kyiv.

ULMA Opatubka Ukraina has received confirmation from banks of its cash balances as at 30 June 2022 in the amount of UAH 18,473,000 (PLN 2,710,000). The Company has full capacity to use this cash.

The balance sheet items as at 30 June 2022 recognised in the Company's financial statement (taking into account the above-mentioned write-offs but without transaction excluded from the consolidation), along with their relation to the corresponding balance sheet items prepared for the consolidated data of the Capital Group as a whole are presented below.

Financial statement as of 30 June 2022

Data in PLN thousand

	Consolidated data	ULMA Opalubka Ukraina sp. z o.o.	Share in %
ASSETS			
I. Fixed assets, including:	322 519	26 216	8,1%
- formwork systems	208 564	21 972	10,5%
II. Current assets, including:	87 561	15 101	17,2%
- inventories	9 824	2 973	30,3%
- receivables	44 199	9 418	21,3%
- cash	33 538	2 710	8,1%
Total assets	410 080	41 317	10,1%
EQUITY AND LIABILITIES			
I. Equity	337 056	35 192	10,4%
- Net profit (loss) for the financial period	1 745	(6 417)	-
1. Long-term liabilities	16 951	-	-
2. Short-term liabilities	56 073	6 125	10,9%
Total liabilities	73 024	6 125	8,4%
Total equity and liabilities	410 080	41 317	10,1%

At the moment, due to the nature and unpredictability of the military conflict in Ukraine, estimating the complete impact of warfare in Ukraine on the future financial statement of ULMA Opalubka Ukraina Sp. z o.o. and the consolidated financial statement of the Capital Group ULMA Construcccion Polska S.A. The values of assets exposed to the risk of loss of control or destruction presented above represent the Management Board's estimate, which is subject to revision. Nonetheless, the Management Board of ULMA Construcccion Polska S.A. assures that the events related to the crisis and Russia' military aggression against Ukraine do not affect the ability to continue the operations by the Company and the Group and therefore the financial statement of ULMA Opalubka Ukraina S.A. and of the Capital Group ULMA Construcccion Polska S.A. has been prepared assuming the continuation of operations by the Company and Group. The Management Board will monitor the situation on an ongoing basis and verify the assumptions made regarding the continuation of operations, and changes in its estimates will be appropriately recognised in the financial statements in subsequent reporting periods.

The Management Board of ULMA Construcccion Polska S.A. intends to support the operations of ULMA Opalubka Ukraina and will take measures to ensure the liquidity thereof in the coming months, should the need arise.

To substantiate this, it is pointed out that in Q2 2022 the operations of ULMA Opalubka Ukraina sp. z o.o. were reactivated after the suspension of activities in March and April 2022. According to the information

All the amounts expressed in PLN thousand, unless indicated otherwise

provided in the description of the market situation in Ukraine, which was included in the Management Report, the Company's management expects a systematic improvement and resuming little by little the Company's operating activities in the following months. This is due to an improvement in market expectations and a positive trend of resuming previously suspended construction projects by investors in regions not involved in direct military operations, including the Kyiv oblast and oblasts of western Ukraine.

The interim financial result may not fully reflect the achievable financial result for the financial year.

These interim condensed consolidated financial statements have been prepared on the historical cost basis, with the exception of financial assets and liabilities (derivative financial instruments) measured at fair value through profit or loss account.

These interim consolidated financial statements of the ULMA Construcción Polska SA Capital Group for the 6-month period ended on 30 June 2022, were approved for publication by the Management Board of the parent company on 14 September 2022.

Changes in applied accounting

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.

In the interim condensed consolidated profit and loss account, the Group decided not to present the item "Net financial income/(expenses)" as, in the Group's opinion, this disclosure does not affect the data presented in the consolidated financial statements.

New or amended standards and interpretations that apply for the first time in 2022 have no material impact on the interim condensed consolidated financial statements of the Group.

The Group has not decided to apply earlier any standard, interpretation or change that has been published but has not yet entered into force in the light of European Union regulations.

Significant estimates

In the first half of 2022, there were no significant changes in estimates, aparte from those described below. Due to the outbreak of military conflict in Ukraine, the Management Board changed its approach to the estimation of impairment losses on tangible assets and the allowance for the expected credit losses in the subsidiary ULMA Opałubka Ukraina. The change in approach described in detail above resulted in the creation of an impairment allowance on tangible assets of PLN 4,682,000 and an allowance for expected credit losses of PLN 2,834,000.

Currency exchange rates and inflation

	Average zloty exchange rates published by the National Bank of Poland				Change in the price index of consumer goods and services published by the Central Statistical Office
	UAH (Hryvnia - Ukraine)	RON (Leu - Romania)	KZT (Tenge - Kazakhstan)	EUR (Euro)	
30 June 2022	0,1467	0,9466	0,009556	4,6806	11,8%
31 December 2021	0,1487	0,9293	0,009354	4,5994	5,1%
30 June 2021	0,1396	0,9174	0,008869	4,5208	3,6%

2. Financial risk management

The Group's operations are exposed to various types of financial risk: currency risk, cash flow and fair value risk as a result of interest rate changes, credit risk and liquidity risk.

Through the risk management program, the Group tries to minimize the effects of financial risk having a negative impact on the Group's financial results. The Group uses futures contracts in order to protect itself against certain threats.

Currency exchange risk

The Group conducts international operations and is exposed to the risk of changes in exchange rates of various currencies, especially the Euro. The risk of changes in exchange rates concerns future commercial transactions (sale of products and goods and purchase of goods and services) and recognised assets and liabilities. The risk of currency exchange rate changes occurs when future trade transactions, included assets and liabilities are expressed in a different currency than the functional currency of companies being part of the Group.

The conducted analyses do not indicate that the Group is significantly exposed to the risk of changes in exchange rates in relation to financial instruments. This is mainly due to the fact that the Group's currency exposure in this respect is highly balanced.

Moreover, within the Capital Group, the parent company granted long-term loans to its subsidiaries, the total value of which as at the balance sheet date was 1,800 thousand Euros. These loans form part of the parent's net investment in the foreign operation and are expressed in currencies other than the functional currency of the parent (which is the Polish zloty) or the foreign subsidiary (which is the Ukrainian hryvnia). In accordance with IAS 21, foreign exchange differences arising on the translation of these loans arising in the parent's separate financial statements (from the translation of the loan from EUR to Polish zloty), in the Group's consolidated financial statements are reclassified to a separate equity item and recognised in other comprehensive income.

Despite the high degree of effectiveness of the exchange rate risk hedging measures that can be achieved, the net result of these transactions is affected by exchange rate volatility. This applies in particular to foreign exchange risk hedging transactions resulting from the balance of internal loans granted by ULMA Construccjon Polska S.A. to its subsidiaries.

All the amounts expressed in PLN thousand, unless indicated otherwise

As a result, the volatility of the EUR and USD exchange rates against PLN, UAH (Hryvnia in Ukraine) and KZT (Tenge in Kazakhstan) continues to affect the Total Revenue obtained by the Capital Group.

Risk of changes in cash flows and fair value due to changes in interest rates

In connection with the total repayment of bank loans by the Parent in H1 2015, currently the Group's revenue and cash flows from financing activities are not materially exposed to the risk of interest rate changes.

The Group meets its trade payables in a timely manner and due to this fact, the Group's revenue and cash flows from its operating activities are not materially exposed to the risk of interest rate changes.

Credit risk

Trade receivables are the most exposed item to credit risk (Note 10).

The Group is not exposed to a significant concentration of risk due to credit sales. A relatively large number of recipients of the Group's services and goods makes it impossible to concentrate credit sales. In addition, the Group applies a policy that significantly limits the sale of services and goods to customers with an inadequate history of liability repayment. Introduced internal control procedures consisting, among other things, in setting credit limits for individual customers depending on the assessment of their financial condition and acceptance procedures for new customers allow the Group to significantly reduce the credit risk level.

Trade receivables in respect of which no impairment has been found as at 30 June 2022 constitute 53.5% of the gross value of this group of financial assets, of which 68.3% of t//he group's value are trade receivables that are not overdue (as at 31 December 2021, these figures were 51.7% and 58.7%, and as at 30 June 2021, 52% and 71% respectively).

There are no financial assets for which repayment terms have been renegotiated and which would be impaired if not renegotiated.

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

30 June 2022	Due amount <0	Due amount up to 30 days	Due amount from 31 to 90 days	Due amount from 91 to 180 days	Due amount from 181 to 360 days	Due amount from 360 days up	In total
Gross trade receivables	29 431	4 333	4 769	4 348	6 248	28 164	77 293
Write-offs for expected credit losses	(1 220)	(262)	(548)	(2 213)	(3 648)	(28 080)	(35 971)
Net trade receivables	28 211	4 071	4 221	2 135	2 600	84	41 322

31 December 2021	Due amount <0	Due amount up to 30 days	Due amount from 31 to 90 days	Due amount from 91 to 180 days	Due amount from 181 to 360 days	Due amount from 360 days up	In total
Gross trade receivables	22 627	9 911	5 158	2 957	882	28 441	69 976
Write-offs for expected credit losses	(1 393)	-	(1 536)	(1 573)	(874)	(28 411)	(33 817)
Net trade receivables	21 234	9 911	3 622	1 384	8	0	36 159

All the amounts expressed in PLN thousand, unless indicated otherwise

30 June 2020	Due amount <0	Due amount up to 30 days	Due amount from 31 to 90 days	Due amount from 91 to 180 days	Due amount from 181 to 360 days	Due amount from 360 days up	In total
Gross trade receivables	27 195	3 549	3 161	1 169	3 155	31 712	69 941
Write-offs for expected credit losses	(1 378)	(127)	(309)	(458)	(2 784)	(28 533)	(33 589)
Net trade receivables	25 817	3 422	2 852	711	371	3 179	36 352

With regard to financial assets presented in the table above, which are over 90 days overdue, the Capital Group recovered as at the balance sheet date PLN 2 567 thousand of VAT using the so-called VAT relief for bad debts. This amount in the financial statement drawn up as at 30 June 2022 reduced the gross trade receivables from unrelated parties (as at 31 December 2021, the amount was PLN 2,585,000) In the consolidated financial statement drawn up as of at 30 June 2021, the amount of recovered VAT of PLN 2,744,000 was presented in trade receivables and other receivables.

In the Group's opinion, the change in presentation does not materially affect the data presented in the statement and, as a result, the Group has not restated the comparative data as at 30 June 2021. If the comparative data had been restated, the balance sheet total in the consolidated financial statement as at 30 June 2021 would have decreased by PLN 2,744,000 (by 0.74%).

Value loss was found in the case of financial assets in the group of trade receivables with the value of PLN 35,971 thousand and in the group of other receivables with the value of PLN 589 thousand, covering them with a write-off on expected credit losses. When determining the impairment of particular financial assets, the Group is guided by the individual assessment of each customer, including mainly the assessment of their financial standing and the collateral held. The Group uses mainly blank promissory notes and insurance of foreign receivables relating to the eastern markets as the basic means of securing the recovery of receivables.

In addition to individual provisions for expected credit losses, the Group creates a general risk reserve with respect to NORMA customers. The basic assumptions for calculation of the provision are presented in the table below.

Description of the item	30 June 2022	31 December 2021	30 June 2021
Probability default (PD)			
0 days	3,7%	3,7%	3,7%
1-30 days	6,6%	6,6%	6,6%
31 - 60 days	30,1%	30,1%	30,1%
61 - 90 days	56,4%	56,4%	56,4%
> 90 days	100%	100%	100%
Loss Given Default (LGD)	50%	38%	75%
Provision for expected credit losses	863	1 095	801

The amount of the general risk provision is included in the range <0 days in the age analysis of financial assets presented above.

Liquidity risk

All the amounts expressed in PLN thousand, unless indicated otherwise

Liquidity risk management assumes maintaining an adequate level of cash, availability of funding through sufficient credit facilities and the ability to close market positions. The Group maintains sufficient cash resources to meet its maturing liabilities and ensures the possibility of financing through the credit lines granted.

Over 90% of the Group's trade liabilities are due and payable within 2 months of the balance sheet date.

The table below shows the Group's financial liabilities as at 30 June 2022 and as at 31 December 2021 by maturity date based on contractual undiscounted payments.

30 June 2022	Lease liabilities	Liabilities due to deliveries and services and other liabilities	In total
Up to 3 months	1 123	51 501	52 624
From 3 up to 12 months	3 533	-	3 533
From more than a year up to 5 years	7 348	-	7 348
More than 5 years	539	-	539
In total	12 543	51 501	64 044

31 December 2021	Lease liabilities	Liabilities due to deliveries and services and other liabilities	In total
Up to 3 months	1 351	42 747	44 098
From 3 up to 12 months	3 934	-	3 934
From more than a year up to 5 years	8 142	-	8 142
More than 5 years	548	-	548
In total	13 975	42 747	56 722

Working capital management

The working capital of individual companies of ULMA Construcción Polska S.A. Capital Group is managed at the Capital Group level. The main objectives of capital management are to ensure an appropriate level of operating liquidity and the ability to implement the investment plans of individual Group companies in accordance with approved budgets.

Dividend policy

The Group adopted dividend policy is also subordinated to the above mentioned objectives. Decisions to pay out dividends are each time preceded by an analysis of the current and development needs of each company and the Capital Group as a whole.

3. New accounting standards and interpretations by the International Financial Reporting Interpretations Committee (IFRIC)

The following standards and interpretations have been issued by the International Accounting Standards Board or the International Financial Reporting Interpretations Committee and have not yet entered into force.

Norma	Date of entry into force
IFRS 14 Regulatory prepayments and accruals	As of the date of approval of this report, not approved by the EU - 1 January 2016
Amendments to IFRS 10 and IAS 28	The date of entry into force has been postponed for an indefinite period by the IASB
IFRS 17 Insurance Contracts	01 January 2023
Amendments to IAS 1 Presentation of Financial Statements - Breakdown of liabilities into current and non-current	By the date of approval of this report, not approved by the EU - 01 January 2023
Amendments to IAS 1 and Practice Statement 2 – Disclosure of information regarding the accounting principles (policy)	01 January 2023
Amendments to IAS 1 Presentation of Financial Statements - Breakdown of liabilities into current and non-current	By the date of approval of this report, not approved by the EU - 01 January 2023
Amendments to IAS 12 – Deferred tax on assets and liabilities arising from a single transaction (published on May 6, 2021)	By the date of approval of this report, not approved by the EU - 01 January 2023
Amendments to IFRS 17 Insurance Contracts: First application of IFRS 17 and IFRS 9 – Comparative Information	By the date of approval of this report, not approved by the EU - 01 January 2023

The Group intends to adopt the above-mentioned new standards and amendments to IFRS standards and interpretations published by the International Accounting Standards Board but not in force as at the reporting date in accordance with their effective date.

4. Information on business activity segments

Capital Group ULMA Construcccion 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 (goods and materials) of the Group and other building materials.

The accounting principles applied in the operating segments are consistent with the Group's accounting policy outlined in note 1 Organization and management of the ULMA Group is divided into segments taking into account the type of products and services offered. As a rule, ULMA Group settles transactions between segments as if they concerned unrelated entities - on market terms. When analysing the results of individual business segments, the management of the ULMA Group pays particular attention to EBITDA (net profit at the operating level plus depreciation and amortisation, which is not a measure defined by IFRS).

Wszystkie kwoty wyrażone w tys. zł, o ile nie zaznaczono inaczej

In the construction industry, to which the Capital Group's activity is related, there is seasonality. We can observe a decrease in the activity of construction companies in the winter months and an intensification of activity in the summer and autumn. Weather conditions also play an important role in a specific year.

There are no cases of customer concentration in the Group, within the meaning of IFRS.

The segment results are as follows:

6 month period ended on 30 June 2022

Description of the item	Construction site services	Sales of building materials	Capital Group
Sales revenue in total	79 395	34 422	113 817
Internal sale	(1 433)	(11 892)	(13 325)
Sales revenues	77 962	22 530	100 492
Operating costs without depreciation	(57 497)	(29 989)	(87 486)
Internal turnover costs	102	14 917	15 019
Consolidated operating costs without depreciation	(57 395)	(15 072)	(72 467)
EBITDA	20 567	7 458	28 025

6 month period ended on 30 June 2021

Description of the item	Construction site services	Sales of building materials	Capital Group
Sales revenue in total	61 172	40 698	101 870
Internal sale	(858)	(15 696)	(16 554)
Sales revenues	60 314	25 002	85 316
Operating costs without depreciation	(41 908)	(26 075)	(67 983)
Internal turnover costs	273	9 712	9 985
Consolidated operating costs without depreciation	(41 635)	(16 363)	(57 998)
EBITDA	18 679	8 639	27 318

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

All the amounts expressed in PLN thousand, unless indicated otherwise

	6 months of 2022	6 months of 2021
Profit (loss) at the EBITDA level	28 025	27 318
Depreciation	(25 921)	(21 079)
Interest income	609	488
Other financial income	-	54
Interest related costs	(501)	(299)
Other financial costs	(198)	-
Participation in the results of affiliates	77	(239)
Profit (loss) before tax	2 091	6 243
Income tax	(346)	(1 491)
Net profit (loss)	1 745	4 752

Assets allocated to individual segments are presented in the table below.

Description of the item	Construction site services	Sales of building materials	Items not assigned	Capital Group
As at 30 June 2022	246 400	15 310	148 370	410 080
As at 31st December 2021	219 854	14 741	166 265	400 860
As at 30 June 2021	199 608	17 626	152 370	369 604

Reconciliation of segment assets to the Group's total assets is presented below.

The Group does not allocate liabilities to individual segments. Fixed assets not allocated to the segments include other non-current assets other than shuttering boards in the amount of PLN 69,087 thousand.

Other receivables not allocated to segments include mainly receivables due to loans granted to related parties in the amount of PLN 20 000 thousand.

Description of the item	30 June 2022	31 December 2021	30 June 2021
Segment assets	261 710	234 595	217 234
Unallocated tangible fixed assets in total	69 087	70 483	71 711
Unallocated Intangible assets in total	184	241	343
Investments in the affiliate	1 499	1 500	1 942
Assets due to deferred tax	7 265	5 824	5 122
Right-of-use assets	13 920	15 449	9 658
Tax and other receivables	22 877	23 078	23 613
Derivative financial instruments	-	6	-
Cash and cash equivalents	33 538	49 684	39 981
Total Assets	410 080	400 860	369 604

The Group's income and fixed assets (excluding long-term receivables and shares in associates and deferred tax assets) are as follows in geographical terms:

All the amounts expressed in PLN thousand, unless indicated otherwise

INTERIM CONSOLIDATED FINANCIAL STATEMENT OF THE ULMA Construcción Polska S.A. CAPITAL GROUP for the 6-month period ended 30 June 2022

Description of the item	30 June 2022	31 December 2021	30 June 2021
Domestic sales revenues	72 759	125 852	55 249
Foreign sales revenues	27 733	83 999	30 067
Sales revenue in total	100 492	209 851	85 316
Fixed assets - domestic	276 104	249 689	232 371
Fixed assets - foreign	17 651	26 505	19 655
Fixed assets in total	293 755	276 194	252 026

All the amounts expressed in PLN thousand, unless indicated otherwise

5. Property, plant and equipment

Tangible fixed assets movement table for the period from 1 January to 30 June 2022.

	Land, buildings, structures	Devices, machines and means of transport	Formwork systems	Other fixed assets	Fixed assets in construction	Tangible fixed assets in total
GROSS VALUE						
As at 01 January 2022	99 388	15 183	539 264	3 115	253	657 203
Increases due to purchase	23	734	49 946	52	316	51 071
Increases - inventory surpluses, retraining	-	-	3 174	-	(247)	2 927
Decreases – sales	-	(243)	(10 467)	-	-	(10 710)
Decreases - liquidations, inventory shortages, requalification	-	(325)	(11 574)	(27)	-	(11 926)
Exchange rate differences	(2)	(1)	(324)	(2)	-	(329)
As at 30 June 2022	99 409	15 348	570 019	3 138	322	688 236
CONSOLIDATED DEPRECIATION						
As at 01 January 2022	33 163	11 446	348 857	2 847	-	396 313
Depreciation for the period	1 470	741	21 589	58	-	23 858
Decreases – sales	-	(243)	(8 594)	-	-	(8 837)
Decreases - liquidations, requalification	-	(325)	(7 455)	(27)	-	(7 807)
Exchange rate differences	(1)	3	112	(2)	-	112
As at 30 June 2022	34 632	11 622	354 509	2 876	-	403 639
AN UP-DATE WRITE-OFF						
As at 01 January 2022	-	-	386	-	-	386
Increases	-	-	4 560	-	-	4 560
Decreases	-	-	-	-	-	-
As at 30 June 2022	-	-	4 946	-	-	4 946
NET VALUE						
As at 01 January 2022	66 225	3 737	190 021	268	253	260 504
As at 30 June 2022	64 777	3 726	210 564	262	322	279 651

All the amounts expressed in PLN thousand, unless indicated otherwise

Tangible fixed assets movement table for the period from 01 January 2021 to 31 December 2021

	Land, buildings, structures	Devices, machines and means of transport	Formwork systems	Other fixed assets	Fixed assets in construction	Tangible fixed assets in total
GROSS VALUE						
As at 1 January 2019	98 408	14 139	539 966	2 978	664	656 155
Increases due to purchase	892	1 152	41 934	201	245	44 424
Increases - inventory surpluses, retraining	-	-	20 123	-	(670)	19 453
Decreases - sales	-	-	(47 142)	-	-	(47 142)
Decreases - liquidations, inventory shortages, requalification	55	(219)	(19 629)	(97)	-	(19 889)
Exchange rate differences	33	111	4 011	33	14	4 202
As at 30th December 2020	99 388	15 183	539 264	3 115	253	657 203
As at 1st January 2021						
As at 1st January 2021	30 237	10 237	366 685	2 732	-	409 891
Depreciation for the period	2 917	1 350	35 161	182	-	39 610
Decreases – sales	-	-	(39 003)	(62)	-	(39 066)
Decreases - liquidations, requalification	-	(213)	(15 053)	(32)	-	(15 298)
Exchange rate differences	9	72	1 067	27	-	1 175
As at 31st December 2021	33 163	11 446	348 857	2 847	-	396 313
AN UP-DATE WRITE-OFF						
As at 1st January 2021	-	-	530	-	-	530
Increases	-	-	-	-	-	-
Decreases	-	-	(144)	-	--	(144)
As at 31st December 2021	-	-	386	-	-	386
NET VALUE						
As at 01 January 2021	68 171	3 902	172 751	246	664	245 734
As at 31 December 2021	66 225	3 737	190 021	268	253	260 504

All the amounts expressed in PLN thousand, unless indicated otherwise

Table of movements of tangible fixed assets in the period from 1 January to 30 June 2021.

	Land, buildings, structures	Devices, machines and means of transport	Formwork systems	Other fixed assets	Fixed assets in construction	Tangible fixed assets in total
WARTOŚĆ BRUTTO						
As at 1st January 2021	98 408	14 139	539 966	2 978	664	656 155
Increases due to purchase	219	695	11 135	68	571	12 688
Increases - inventory surpluses, retraining	-	-	5 678	-	(661)	5 017
Decreases – sales	-	-	(15 481)	-	-	(15 481)
Decreases - liquidations, inventory shortages, requalification	-	(203)	(7 345)	(11)	-	(7 559)
Exchange rate differences	14	36	1 241	11	5	1 307
As at 30 June 2021	98 641	14 667	535 194	3 046	579	652 127
CONSOLIDATED DEPRECIATION						
As at 1st January 2021	30 237	10 237	366 685	2 732	-	409 891
Depreciation for the period	1 455	642	16 830	89	-	19 016
Decreases – sales	-	-	(12 607)	(5)	-	(12 612)
Decreases - liquidations, requalification	-	(197)	(6 762)	(4)	-	(6 963)
Exchange rate differences	4	21	204	11	-	240
As at 30 June 2021	31 696	10 703	364 350	2 823	-	409 572
AN UP-DATE WRITE-OFF						
As at 1st January 2021	-	-	530	-	-	530
Increases	-	-	-	-	-	-
Decreases	-	-	-	-	-	-
As at 30 June 2021	-	-	530	-	-	530
NET VALUE						
As at 01 January 2021	68 171	3 902	172 751	246	664	245 734
As at 30 June 2021	66 945	3 964	170 314	223	579	242 025

The depreciation write-off for tangible fixed assets has increased:

Detailed list	6 months of 2022	12 months of 2021	6 months of 2021
Costs of products, goods and materials sold	23 482	38 937	18 701
Selling and marketing costs	2	6	3
General management costs	374	667	312
In total	23 858	39 610	19 016

All the amounts expressed in PLN thousand, unless indicated otherwise

6. Intangible assets

Table of movements of intangible assets between 1 January 2021 and 30 June 2022

	Licenses and software	Other	Intangible assets in total
GROSS VALUE			
As at 01 January 2022	2 372	-	2 372
Increases	21	-	21
Decreases	-	-	-
Exchange rate differences	2	-	2
As at 30 June 2022	2 395	-	2 395
CONSOLIDATED DEPRECIATION			
As at 01 January 2022	2 131	-	2 131
Depreciation for the period	78	-	78
Decrease	-	-	-
Exchange rate differences	2	-	2
As at 01 January 2022	2 211	-	2 211
NET VALUE			
As at 01 January 2022	241	-	241
As at 30 June 2022	184	-	184

Table of movements of intangible assets between 01 January and 31 December 2020

	Licenses and software	Other	Intangible assets in total
GROSS VALUE			
As at 1st January 2021	5 367	37	5 404
Increases	180	-	180
Decreases – liquidations	(3 199)	(37)	(3 236)
Exchange rate differences	24	-	24
As at 31st December 2021	2 372	-	2 372
CONSOLIDATED DEPRECIATION			
As at 1st January 2021	5 106	37	5 143
Depreciation for the period	219	-	219
Decreases – liquidations	(3 199)	(37)	(3 236)
Exchange rate differences	5	-	5
As at 31st December 2021	2 131	-	2 131
NET VALUE			
As at 01 January 2021	261	0	261
As at 31 December 2021	241	-	241

All the amounts expressed in PLN thousand, unless indicated otherwise

Table of movements of value of intangible assets in the period between 1 January and 30 June 2021

	Licenses and software	Other	Intangible assets in total
GROSS VALUE			
As at 1st January 2021	5 367	37	5 404
Increases	171	-	171
Decreases	(3 199)	(37)	(3 236)
Exchange rate differences	13	-	13
As at 30 June 2021	2 352	-	2 352
CONSOLIDATED DEPRECIATION			
As at 1st January 2021	5 106	37	5 143
Depreciation for the period	102	-	102
Decreases	(3 199)	(37)	(3 236)
Exchange rate differences	-	-	-
Stan na 30 czerwca 2021 r.	2 009	-	2 009
NET VALUE			
As at 1 January 2021	261	0	261
As at 30 June 2021	343	-	343

Depreciation write-off for intangible assets has increased:

Detailed list	6 months of 2022	12 months of 2021	6 months of 2021
Costs of products, goods and materials sold	8	12	5
Selling and marketing costs	-	-	-
General management costs	70	207	97
In total	78	219	102

All the amounts expressed in PLN thousand, unless indicated otherwise

7. Financial instruments

The table below presents a comparison of carrying amounts and fair values of all the Group's financial instruments, broken down by individual classes and categories of assets and liabilities.

	Balance sheet value			Fair value			Fair value hierarchy
	30 June 2022	31 December 2021	30 June 2021	30 June 2022	31 December 2021	30 June 2021	
Debt instruments valued at amortised cost,							
Cash	33 538	49 684	39 981	33 538	49 684	39 981	Item . 1
Trade receivables and other receivables	43 268	38 706	39 705	43 268	38 706	39 705	Item . 3
Loans granted	20 000	20 000	20 000	20 000	20 000	20 000	Item . 3
Derivatives							
Financial instruments valued at fair value through financial result	-	6	-	-	6	-	Item . 3
Financial liabilities valued at amortised cost							
Trade payables and other liabilities	48 661	39 528	35 168	48 661	39 528	35 168	Item . 3

In the Group's opinion, the fair value of financial instruments does not differ materially from their carrying amounts mainly due to their short maturity.

In the period ended 30 June 2022, nor in the period ended 30 June 2021 and 31 December 2021, there were no shifts between level 1 and level 2 of the fair value hierarchy, nor were any of the instruments moved from/to level 3 of the fair value hierarchy.

8. Shares in affiliates

Name (business name) of the entity, indicating the legal form	Registered Seat	Business Object	Balance sheet value of shares	percentage of the owned share capital
ULMA Cofraje S.R.L.	Bucharest Romania	sale and lease of formwork, sale of building materials	1 499	30,00

Basic data on the affiliate entity.

All the amounts expressed in PLN thousand, unless indicated otherwise

INTERIM CONSOLIDATED FINANCIAL STATEMENT OF THE ULMA Construcción Polska S.A. CAPITAL GROUP for the 6-month period ended 30 June 2022

	30 June 2022	31 December 2021	30 June 2021
Fixed assets	10 455	10 551	10 812
Current assets	9 631	7 674	7 567
Equity	7 980	7 581	7 178
Long-term liabilities	55	1 744	1 836
Short-term liabilities	12 051	8 900	9 365
Sales revenues	8 598	14 252	6 040
Net financial result	255	(489)	(797)

9. Assets due to right of use

The item includes the carrying amount of the right to use, which the Group has accepted as a result of implementing IFRS 16 Leases as of January 1st 2019.

Table of changes in the value of the right to use fixed assets in the period from 1 January to 30 June 2022

	Real estate	Means of transport	Forklifts	In total
GROSS VALUE				
As at 01 January 2022	18 039	3 168	3 370	24 577
Increases - new leasing objects	-	507	-	507
Decreases - ending a leasing contract	-	(259)	-	(259)
Decreases – change of the fee	(51)	-	-	(51)
As at 30 June 2022	17 988	3 416	3 370	24 774
CONSOLIDATED DEPRECIATION				
As at 01 January 2022	6 439	1 698	991	9 128
Depreciation for the period	1 147	435	403	1 985
Decreases - ending a leasing contract	-	(259)	-	(259)
As at 30 June 2022	7 586	1 874	1 394	10 854
NET VALUE				
As at 01 January 2022	11 600	1 470	2 379	15 449
As at 30 June 2022	10 402	1 542	1 976	13 920

Table of changes in the value of other fixed assets and assets under the right of use for the period from 1 January to 31 December 2021

All the amounts expressed in PLN thousand, unless indicated otherwise

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

Table of changes in the value of other fixed assets and assets under the right of use for the period from 1 January to 30 June 2021

	Real estate	Means of transport	Forklifts	In total
GROSS VALUE				
As at 1st January 2021	12 053	2 994	3 304	18 351
Increases - change of payment	66	-	-	66
Increases - new leasing objects	-	445	-	445
Decreases - ending a leasing contract	-	(271)	(813)	(1 084)
As at 30 June 2021	12 119	3 168	2 491	17 778
CONSOLIDATED DEPRECIATION				
As at 1st January 2021	4 244	1 224	1 775	7 243
Depreciation for the period	1 092	435	434	1 961
Decreases - ending a leasing contract	-	(271)	(813)	(1 084)
As at 30 June 2021	5 336	1 388	1 396	8 120
NET VALUE				
As at 1st January 2021	7 809	1 770	1 529	11 108
As at 30 June 2021	6 783	1 780	1 095	9 658

All the amounts expressed in PLN thousand, unless indicated otherwise

10. Trade receivables and other receivables

	30 June 2022	31 December 2021	30 June 2021
Trade receivables from unrelated parties	70 875	62 244	68 024
Write-offs for expected credit losses	(35 971)	(33 817)	(33 589)
<i>Net trade receivables</i>	<i>34 904</i>	<i>28 427</i>	<i>34 435</i>
Other receivables	1 981	2 909	3 372
Write-offs for expected credit losses	(589)	(597)	(420)
<i>Other net receivables</i>	<i>1 392</i>	<i>2 312</i>	<i>2 952</i>
Prepayments and accruals - active	554	235	401
Trade receivables from related parties	6 418	7 732	1 917
Receivables due to loan	20 000	20 000	20 000
Total trade receivables and other receivables	63 268	58 706	59 705
including:			
Long-term	20 000	-	20 000
Short-term	43 268	58 706	39 705

Based on the analyses carried out, the Group assessed that the carrying amount of individual receivables presented in this interim abridged consolidated financial statement is similar to their fair values.

There is no concentration of credit risk on trade receivables as there is a large number of customers.

The net value of write-offs for expected credit losses, adjusted by receivables written off, amounts of PLN 2.704 thousand was included in other operating income. (PLN 1.723 thousand in 2021). In the consolidated financial statement for H1 2021, a positive amount on this account of PLN 228,000 was recognised in the item "Other operating income" in the consolidated income statement.

The change in the write-offs for expected credit losses is as follows:

	6 months of 2022	12 months of 2021	6 months of 2021
Opening balance	34 414	35 946	35 946
Increases– Write-offs for expected credit losses	3 626	7 142	2 499
Implementation	(902)	(3 297)	(2 681)
Correction of the previous write-off	(530)	(5 372)	(2 005)
Exchange rate differences	(48)	(5)	250
Closing balance	36 560	34 414	34 009

All write-offs on expected credit losses apply to short-term receivables.

11. Inventory

	30 June 2022	31 December 2021	30 June 2021
Materials	4 334	4 038	3 964
Goods	6 381	5 066	7 042
Net inventory value	10 715	9 104	11 006
Updating write-off of inventory value	(891)	(689)	(439)
Net inventory value	9 824	8 415	10 567

12. Cash and cash equivalents

	30 June 2022	31 December 2021	30 June 2021
Cash on hand and in bank	33 538	42 476	37 534
Short-term bank deposits	-	7 208	2 447
Total cash including:	33 538	49 684	39 981
Restricted cash, including:	1 711	833	1 092
- Company Social Benefits Fund (ZFŚS) cash	589	102	346
- Cash on VAT accounts	1 122	731	746

For the purposes of the cash flow statement, cash and overdraft facilities include:

	30 June 2022	31 December 2021	30 June 2021
Cash and cash equivalents	33 538	49 684	39 981
Overdraft facilities	-	-	-
Cash and cash equivalents shown in the cash flow statement	33 538	49 684	39 981

All the amounts expressed in PLN thousand, unless indicated otherwise

13. Share Capital and supplementary capital

In the period of 6 months ended 30 June 2022, there were no changes in the number of shares and the value of share capital and supplementary capital raised from the share premium.

All shares are ordinary bearer shares with a nominal value of PLN 2.00. All shares are paid for.

As at 30 June 2022, the Company's shareholder structure is as follows:

	Basic capital		Votes at GSM	
	Number of shares	%	Number of shares	%
ULMA CyE, S. Coop.	3 967 290	75,49	3 967 290	75,49
TFI Quercus S.A.	323 726	6,16	323 726	6,16
Dispersed shareholders	964 616	18,35	964 616	18,35

14. Loan commitments

As at June 30th 2022, the Group has no loan commitments.

15. Trade payables and other liabilities

	30 June 2022	31 December 2021	30 June 2021
Trade liabilities to unrelated parties	24 574	25 508	22 949
Trade liabilities to related parties	17 850	8 443	6 291
Tax and other liabilities	2 840	3 218	5 533
Accruals of (passive costs)	4 792	4 642	4 668
Accruals of (passive income)	472	433	368
Other liabilities	973	503	893
Total Trade liabilities and other liabilities	51 501	42 747	40 702
Including			
Long-term	-	-	-
Short-term	51 501	42 747	40 702

16. Liabilities due to factoring of trade liabilities

As at June 30, 2022, December 31, 2021 and June, 30 2021 there are no factoring liabilities.

17. Right of use liabilities (leasing)

Lease agreements in accordance with IFRS 16 include lease of a fleet of passenger cars and forklift trucks, lease of the Logistics Centre in Gdańsk and the square in Warsaw at Klasyków Street, perpetual usufruct of land in Jaworzno.

Discounted lease liabilities as at 30 June 2022.

Liabilities due within the period:	Real estate leasing	Passenger car leasing	Forklift truck leasing	Total lease liabilities
Up to 3 months	451	226	201	878
From 3 up to 12 months	1 698	586	621	2 905
From more than a year up to 5 years	4 522	784	1 236	6 542
More than 5 years	168	-	-	168
In total	6 839	1 596	2 058	10 493

Discounted lease liabilities as at 31 December 2021.

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

Discounted lease liabilities as at 30 June 2021

Liabilities due within the period:	Real estate leasing	Passenger car leasing	Forklift truck leasing	Total lease liabilities
Up to 3 months	492	212	99	803
From 3 up to 12 months	1 139	614	306	2 059
From more than a year up to 5 years	1 231	1 007	740	2 978
More than 5 years	232	-	-	232
In total	3 094	1 833	1 145	6 072

All the amounts expressed in PLN thousand, unless indicated otherwise

18. Deferred income tax

	30 June 2022	31 December 2021	30 June 2021
Assents due to deferred income tax	9 509	7 837	7 220
Provision for deferred income tax:	(12 200)	(11 503)	(11 310)
Compensation	2 244	2 013	2 098
Balance sheet value of an asset due to deferred income tax	7 265	5 824	5 122
Balance sheet provision due to deferred income tax	(9 956)	(9 490)	(9 212)

Deferred tax assets and liabilities in the consolidated statement of financial position were shown in amounts resulting from the offsetting of assets and liabilities at the level of each company in the Group.

Changes in deferred tax assets and liabilities during the year (before offsetting them within a single legal jurisdiction) are as follows:

	Statement of financial position		Profit and loss account and other comprehensive income
	30 June 2022	1 January 2022	6 months of 2022
Provision due to deferred tax			
Tax depreciation	12 056	11 472	(584)
Unrealised foreign exchange differences	64	15	(49)
Other	80	16	(64)
In total	12 200	11 503	(697)
Assets due to deferred tax			
Valuation of the tangible fixed assets	4 577	3 795	782
Write-offs for expected credit losses	3 576	2 841	735
Provisions for costs	1 311	1 189	122
Unrealised exchange rate differences	45	12	33
Exchange rate differences from the translation of balance sheet items			36
In total	9 509	7 837	1 708
(Charge)/recognition due to deferred income tax			1 011

In the Group's opinion, deferred tax assets are fully realizable.

19. Liabilities due to retirement benefits

	30 June 2022	31 December 2021	30 June 2021
Liabilities recognised in the statement of financial position due to:			
Pension benefits	349	349	372
In total	349	349	372
Including			
Long term	285	285	310
Short term	64	64	62

The Group makes an actuarial valuation of the provision for retirement benefits at the end of each financial year.

20. Sales revenues

	6 months 2022	6 months 2021
Sales revenue from construction site support services	77 962	60 314
Revenues from sales of goods and construction materials	22 530	25 002
Sales revenue in total	100 492	85 316

- 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 Group and other building materials.

Revenues from sales in geographical terms are as follows:

Description of the item	6 months 2022	6 months 2021
Domestic sales revenues	72 759	55 249
Foreign sales revenues	27 733	30 067
Sales revenue in total	100 492	85 316

All the amounts expressed in PLN thousand, unless indicated otherwise

21. Costs by type

	6 months 2022	6 months 2021
Depreciation of tangible and intangible assets	23 936	19 118
Depreciation of right-of-use assets	1 985	1 961
Employee benefits cost (note 21 a)	23 896	20 282
Use-up of resources, auxiliary materials and energy	6 367	5 874
Transport services	7 328	6 372
Rental and lease services	2 848	3 120
Renovation and maintenance works	2 602	2 574
Assembly and installation services	118	74
Other services	7 019	7 022
Other costs	2 997	2 356
Value of products and materials sold	12 112	11 370
Costs by type In total	91 208	80 123
Including		
Costs of benefits for own use	64	74
Costs of products, goods and materials sold	78 682	69 796
Selling and marketing costs	904	695
Management costs	11 558	9 558

21 a) Employee benefits costs		
Salary costs and costs of termination benefits	19 570	16 680
Costs of social insurance and benefits for employees	4 326	3 602
Total employee benefits costs	23 896	20 282

All the amounts expressed in PLN thousand, unless indicated otherwise

22. Other income and operational costs

22 a) Other operational income	6 months 2022	6 months 2021
Inventory	6	-
Gains on change in fair value of futures contracts	81	54
Reimbursed process costs	1	-
Indemnities received	4	5
Profin on sale and recovery of fixed assets	-	868
Re-invoicing	53	175
Reversal of write-offs for expected credit losses	-	228
Other income	19	4
Other operational income in total	164	1 334

22 b) Other operational costs	6 months 2022	6 months 2021
Losses on change in fair value of futures contracts	(4 675)	(274)
Write-off updating the value of tangible assets (fixed assets and stock)	(29)	-
Write-offs for expected credit losses	(2 704)	-
Other costs	-	(88)
Other operational income in total	(7 408)	(362)

23. Financial income and costs

23 a) Financial income	6 months 2022	6 months 2021
Interest on cash in bank account	138	203
Interest due to loan granted	471	285
Exchange rate differences	-	49
Other	-	5
Total financial income	609	542

23 b) Financial costs	6 months 2022	6 months 2021
Interest costs		
- on leasing	(493)	(298)
- on others	(8)	(1)
	(501)	(299)
Exchange rate differences	(198)	-
Costs of obtaining a loan, bank guarantee	(699)	(299)

All the amounts expressed in PLN thousand, unless indicated otherwise

23 c) Exchange rate gains/losses

The impact of exchange rate differences on the financial result of ULMA Construcción Polska S.A. Group is presented below:

	6 months 2022	6 months 2021
Sales revenues	189	(163)
Costs of products, goods and materials sold	(159)	73
Financial income	-	49
Financial costs	(198)	-
Total foreign exchange gains (losses)	(168)	(41)

The value of exchange rate differences relating to net investments in subsidiaries recognised directly in equity amounted in H1 2022 PLN 146 thousand in the first half of 2020 PLN 169 thousand.

24. Income tax

	6 months 2022	6 months 2021
Current tax	(1 357)	(1 684)
Deferred tax (note 18)	1 011	193
Total income tax	(346)	(1 491)

The income tax on the Group's profit before tax differs as follows from the theoretical amount that would be obtained by applying the weighted average tax rate applicable to the profits of consolidated companies:

	6 months 2022	6 months 2021
Profit (loss) before tax	2 091	6 243
Exchange rate differences on loans	(146)	169
Other	36	(22)
Deduction of tax losses from previous periods	-	-
Permanently non-deductible costs, including	(36)	1 065
Representation costs	414	208
Write-offs for expected credit losses	(1 167)	151
PFRON fees	151	144
25% of passenger car operating costs	263	248
Other	303	314
Recognition of write-offs for expected credit losses from previous years as temporary non-deductible costs	-	-
Tax base	1 945	7 455
Charging the financial result on account of income tax	346	1 491

All the amounts expressed in PLN thousand, unless indicated otherwise

The tax authorities may inspect the accounting books and tax settlements within 5 years from the end of the year in which the tax returns were filed (in Ukraine within 3 years) and charge the Group's Companies with additional tax plus penalty interest. In the opinion of the Management Board, there are no circumstances indicating that significant liabilities may arise on this account.

25. Dividend per share

Pursuant to Resolution No. 8 of the General Meeting of Shareholders of ULMA Construcccion Polska S.A. of 10 May 2022, the entire net profit for the financial year 2021 in the amount of PLN 21,679,848.18 was allocated to increase the Company's supplementary capital.

Pursuant to Resolution No. 7 of the General Meeting of Shareholders of ULMA Construcccion Polska S.A. of 06 May 2021, the entire net profit for the financial year 2020 in the amount of PLN 11,205,424.54 and the amount of PLN 28,842,491.29 originating from the Company's reserve capital was allocated for payment to shareholders in the form of a dividend in total amount of PLN 40,047,915.84 , the amount of PLN 7.62 gross per share (say: seven zloty and 62/100).

The determination of the dividend rights took place on 14 May 2021 and the payment of the dividend took place on 28 May 2021.

26. Contingent items

At the request of ULMA Construcccion Polska S.A. mBANK granted one of the Company's clients a bank guarantee of performance of the lease agreement. The validity of this bank guarantee expires on 30.09.2022. The guarantee is related to the construction and operation of the Logistics Centre in Gdańsk. The investment was commissioned in the first quarter of 2015. The Group uses the Logistics Centre in Gdańsk under a long-term lease agreement.

As at December 31,2021 and June 30, 2021 the amount of the bank guarantee granted was PLN 3.593 thousand. On January 4, 2022, the value of the guarantee was increased to the amount of PLN 4.090 thousand.

27. Investment liabilities (off-balance sheet)

The ULMA Construcccion Polska S.A. Group has no future investment liabilities incurred as at the balance sheet date, but not yet included in the interim condensed consolidated statement of financial position.

28. Fair value measurement of financial instruments

Based on the analyses carried out, the Group assessed that the carrying amount of individual financial instruments presented in these interim condensed consolidated financial statements is similar to their fair values.

29. Material events and events after the balance sheet date

On 12 July 2022, ULMA Construcción Polska S.A. granted a short-term loan of EUR 250,000 to the related entity ULMA Construcción CZ s.r.o. The loan repayment date was set for 30 April 2023. The interest rate on the loan is variable and is determined based on EURIBOR 1M plus an arm's length margin.

On 12 July 2022, ULMA Construcción Polska S.A. granted a long-term loan of EUR 500,000 to the related entity ULMA Construcción SK s.r.o. The loan repayment date was set for 31 December 2023. The interest rate on the loan is variable and is determined based on EURIBOR 1M plus an arm's length margin.

On 19 August 2022, ULMA Construcción S.A. signed an overdraft agreement with ING Bank Śląski S.A. for the period until 18 August 2023 with the possibility of extension. The credit line limit under the agreement is PLN 10 million. The interest rate on the credit is variable and is determined based on WIBOR 1M plus the bank's margin.

On 5 July 2022, based on the resolution of the Management Board of ULMA Construcción Polska S.A. No. 8/2022 of 21 June 2022, an annex to the loan agreement for the amount of PLN 20,000,000 granted to the parent company ULMA C y E S. Coop was signed. The loan repayment date was extended until 31 January 2024. In the Company's opinion, the presentation of this balance in long-term receivables as at 30 June 2022 appropriately reflects its terms and nature.

In July 2022, the Central Bank of Ukraine made a significant devaluation of the national currency UAH against other currencies. As a result, foreign exchange gains of UAH 1,473,000 were recorded in the consolidated financial statement for July 2022 arising from the conversion of ULMA Opałubka Ukraine's cash balances and settlements denominated in EUR.

30. Transactions with associated entities

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

The ULMA Construcción Polska SA Capital Group. the following companies are included:

The parent entity:

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

Subsidiaries:

- ULMA Opałubka Ukraina with its registered office in Kiev at Naberezhno – Pechers'ka 7, established on 18 July 2001. It was registered in the Swiatoszynski Department of State Administration for the city of Kiev under number 5878/01 and received the identification code 31563803. The company's business is the sale and lease of formwork, sales of building materials. The share of the issuer in the capital and in the total number of votes is 100%.
- ULMA Opałubka Kazachstan sp.o.o. with its registered office in Nur-Sultan at 101, sector 55, office 201-202. Its strategic goal is to develop the core business of the Capital Group, i.e. renting formwork and scaffolding

All the amounts expressed in PLN thousand, unless indicated otherwise

systems, and the education of how to use of formwork technology in the construction process in Kazakhstan. The share of the issuer in the capital and in the total number of votes is 100%.

- ULMA Construcción BALTIC sp. z.o.o with its registered office in Vilnius, ul. Justiniskiu str.126. The company's business is the rental of scaffolding and formwork, wholesale and retail sale of scaffolding and formwork, sale and lease of other construction equipment and other commercial activities. The share of the issuer in the capital and in the total number of votes is 100%.

The Group also holds shares in an associate:

ULMA Cofraje SRL with its registered office in Bragadir at ul. Soseaua de Centura No. 2-8 Corp C20 (Romania), established on 9 October 2007. Registered at the National Commercial Register Office in Bucharest under the number of J23/289/30.01.2013 . The object of the Company's activity is the rental and sale of scaffolding and construction formwork. The share of the issuer in the capital and in the total number of votes is 30%. The remaining 70% of shares in the Company's capital belong to the entity controlling the Group - ULMA C y E, S. Coop. with its seat in Spain.

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

Transactions concluded by Companies of THE CAPITAL GROUP OF ULMA Construcción Polska S.A. with related entities were of typical and routine nature, were concluded on market terms, and their nature and terms resulted from conducting current operations.

Figures concerning transactions of ULMA Construcción Polska S.A. Group companies with related parties:

Settlement balances at the balance sheet date	Status per day	
	30 June 2021	30 June 2020
Receivables from associated companies	6 418	1 917
Including:		
- from the parent unit	851	1 191
- from the associate	91	17
- from other related units	5 476	709
Liabilities to affiliates	17 850	6 291
Including:		
- to the parent unit	15 908	6 207
- to the associate	30	20
- to other related units	1 912	64
Receivables due to loan	20 000	20 000
Loan receivables - ULMA CyE S. Coop. (In thousands of PLN)	20 000	20 000
Interest receivable on loan (thousands off PLN)	-	-

	6 months 2022	6 months 2021
Sales and purchases from Group's units		
ULMA sales to the affiliates	5 158	5 721
Including:		
- to the parent unit	1 415	2 957
- to the associate	629	280
- to other related units	3 114	2 484
Purchases from ES Group units	41 196	12 774
Including:		
- from the parent unit	39 059	12 456
- from the associate	89	71
- from other related units	2 048	247
Income from loan interest	471	285
Including	-	
- from the parent unit	471	285

The sale and purchase transactions with the Group's companies mainly concern the sale of shuttering systems and shuttering rental services.

ULMA Construcción Polska S.A. granted the parent company ULMA CyE, S. Coop a long-term loan of PLN 20,000 thousand. The loan is secured with:

- 1) a promissory note with a promissory note declaration issued by the borrower,
- 2) an agreement on the irrevocable acquisition of the borrower's property (formwork and scaffolding), which is currently in the possession of the lender on a rental basis. The offer to purchase the property will only be carried out if the borrower fails to repay the loan within the agreed period.

The loan was granted under market terms (fixed margin + WIBOR 1M), and the final repayment date was agreed by the parties on January 31, 2024 (annex of July 5, 2022).

As at June 30, 2022 the balance of receivables in this respect is PLN 20 000 thousand.

All the amounts expressed in PLN thousand, unless indicated otherwise

In the Company's opinion, the presentation of this balance in long-term receivables as at 30 June 2022 appropriately reflects its terms and nature.

Transactions with members of the Management Board and Supervisory Board of the parent company, their spouses, siblings, ascendants, descendants or other persons close to them and key management personnel of the parent company and ULMA Group companies with related parties.

The members of the Management Board and Supervisory Board of the parent company and members of the Management Board and Supervisory Board of the subsidiaries and affiliates. In a period 6 months of 2022 and the similar period of 2021 neither the Group nor the companies of the Group granted any advances, loans, credits, guarantees and sureties to the managing and supervising personnel and their relatives, and no other agreements were concluded with them which would oblige them to provide services to the Company and its related entities.

As at June 30, 2022, December 31, 2021 and June 30, 2021, there were no loans granted by the companies of the Group to members of the management and supervisory bodies and their relatives.

31. Remuneration of the key management personnel

In a period 6 months of 2022, members of the Management Board and the Supervisory Board received remuneration including bonuses:

	6 months 2022	6 months 2021
Management Board of ULMA Construcción Polska S.A.		
Rodolfo Carlos Muñiz Urdampilleta	903	873
Andrzej Sterczyński	273	221
Krzysztof Orzełowski	225	193
Marek Czapryński (from 1 February 2021)	277	177
ULMA Opałubka Ukraina		
Dmitriv Lyakhovetskiy	232	161
ULMA Opałubka Kazachstan		
Eugeniusz Czuczałow	65	54
ULMA Construcción BALTIC		
Vykintas Kuzmickas	223	174
Supervisory Board of ULMA Construcción Polska S.A.		
Michał Markowski	18	18

Other Members of the Management Board and Members of the Supervisory Board do not receive remuneration.

All the amounts expressed in PLN thousand, unless indicated otherwise

32. Profit per share

The basic profit per share is calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of ordinary shares during the year.

	6 months 2022	6 months 2021
Net profit attributable to equity holders of the parent	1 745	4 752
Number of ordinary shares as at the balance sheet date	5 255 632	5 255 632
Weighted average number of ordinary shares	5 255 632	5 255 632
Basic earnings per share (in PLN per share)	0,33	0,90
Diluted earnings per share (in PLN per share)	0,33	0,90

33. Information on average employment

	6 months 2022	2021	6 months 2022
ULMA Construcción Polska S.A.	341	334	336
ULMA Construcción Polska S.A. Capital Group	420	414	414

All the amounts expressed in PLN thousand, unless indicated otherwise

34. Conversion of selected financial data into the Euro

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

DETAILED LIST	In thousands PLN		In thousands EUR	
	6 months of 2022	6 months of 2021	6 months of 2022	6 months of 2021
Net revenues from sales of products, goods and materials	100 492	85 316	21 645	18 762
Profit (loss) from the operating activities	2 104	6 239	453	1 372
Gross profit (loss)	2 091	6 243	450	1 373
Net profit (loss)	1 745	4 752	376	1 045
Net cash flow from operating activities	(12 927)	17 176	(2 784)	3 777
Net cash flow from investment activities	(515)	7 878	(111)	1 732
Net cash flow from financial activities	(2 508)	(42 414)	(540)	(9 328)
Net cash flow	(15 950)	(17 360)	(3 435)	(3 818)
Diluted profit per one share	0,33	0,90	0,07	0,20
Profit per ordinary share (in PLN / EUR)	0,33	0,90	0,07	0,20
	In thousands PLN		In thousands EUR	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Total assets	410 080	400 860	87 613	87 155
Liabilities	73 024	65 426	15 602	14 225
Long-term liabilities	16 951	18 051	3 622	3 925
Short-term liabilities	56 073	47 375	11 980	10 300
Equity	337 056	335 434	72 011	72 930
Basic capital	10 511	10 511	2 246	2 285
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)	64,13	63,82	13,70	13,88

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 June 2022 amounted to 4.6806 PLN/ EUR, and as at 31 December 2021 to 4.5994 PLN/EUR

When converting the items of the statement of comprehensive income and cash flow statement items, a rate being the arithmetic mean of the exchange rates in force on the last day of the month of a the given period was applied, i.e. data for the period 1.01. 30/06/2022 were converted according to the exchange rate = 4.6427 PLN / EUR, data for the analogous period of 2021 were converted according to the exchange rate = 4.5472 PLN / EUR.

Koszajec, date September 14, 2022.

All the amounts expressed in PLN thousand, unless indicated otherwise

ULMA CONSTRUCCION POLSKA S.A.





ULMA Construcción Polska S.A.

INTERIM ABBRIDGED SEPARATE FINANCIAL STATEMENT

For the 6 month period ending on

30 June 2022

(along with the audit report of the chartered accountant)

Interim abridged separate profit and loss account and other comprehensive income

	Note	For the 6 months period ending on 30 June 2022 (data not audited)	For 6 months period ending on 30 June 2021 (data not audited)
Sales revenues	16.	85 657	76 530
Costs of products, goods and materials sold	17.	(70 596)	(63 575)
I. Gross profit on sales		15 061	12 955
Selling and marketing costs	17.	(886)	(655)
General management and administration costs	17.	(10 018)	(7 940)
Other operating income	18.	545	1 463
<i>Including: reversal of impairment losses on receivables</i>		200	386
Other operating costs	18.	(34)	(333)
<i>Including: impairment losses on receivables</i>		-	-
II. Profit (Loss) at the operational level		4 668	5 490
Financial income	19.	687	367
Financial costs	19.	(501)	(529)
III. Profit (Loss) before tax		4 854	5 328
Income tax	20.	(1 105)	(1 243)
IV. Net profit (loss) for the financial period		3 749	4 085
Other comprehensive income:		-	-
V. Total income for the financial period		3 749	4 085
Weighted average number of ordinary shares		5 255 632	5 255 632
Basic and diluted profit per share in the financial period (in PLN per share)	22.	0,71	0,78

Interim abridged separate financial situation report

	Note	Status per day		
		30 June 2021 (data not audited)	31 December 2020	30 June 2020 (data not audited)
ASSETS				
I. Fixed assets				
1 Property, plant and equipment	2.	262 031	234 039	222 411
2 Intangible assets	3.	153	202	302
3 Investments in subsidiaries and affiliates	5.	7 458	7 458	7 458
4 Assets due to right of use	6.	13 920	15 449	9 658
5 Long-term receivables	7.	28 425	8 320	28 178
Fixed assets in total		311 987	265 468	268 007
II. Current assets				
1 Inventory	8.	6 511	4 489	8 114
2 Trade receivables and other receivables	7.	36 962	55 231	33 911
3 Current income tax receivables		635	318	-
4. Derivatives		-	6	-
5. Cash and cash equivalents	9.	29 640	38 237	31 992
Current assets in total		73 748	98 281	74 017
Total assets		385 735	363 749	342 024

	Note	Status per day		
		30 June 2022 (data not audited)	31 December 2021	30 June 2021 (data not audited)
EQUITY CAPITAL AND LIABILITIES				
I. Equity				
1 Basic capital	10.	10 511	10 511	10 511
2 Supplementary capital - surplus from the sale of shares above par value	10.	114 990	114 990	114 990
3 Retained earnings, including:		188 921	185 172	167 577
<i>a. Net profit (loss) for the financial period</i>		3 749	21 680	4 085
Total equity		314 422	310 673	293 078
II. Liabilities				
1 Long-term liabilities				
a. Deferred income tax liabilities	14.	9 956	9 490	9 212
b. Long-term liabilities due to retirement benefits	15.	285	285	310
c. Long-term liabilities due to the right of use	13.	6 710	8 276	3 210
Long-term liabilities in total		16 951	18 051	12 732
2. Short-term liabilities				
a. Short-term liabilities due to retirement benefits	15.	64	64	62
b. Current income tax liabilities		-	-	120
c. Derivatives		-	-	-
d. Short-term liabilities due to the right of use	13.	3 783	3 767	2 862
e. Trade payables and other liabilities	11.	50 515	31 194	33 170
Short-term liabilities in total		54 362	35 025	36 214
Total liabilities		71 313	53 076	48 946
Total equity and liabilities		385 735	363 749	342 024

Interim abridged separate report on consolidated share capital

Detailed list	Share capital at par value	Surplus from the sale of shares above par value	Retained profits	In total Equity
As at 01 January 2021	10 511	114 990	203 540	329 041
Total net profit in 2021	-	-	21 680	21 680
Total income in 2021	-	-	-	-
Payment of the dividend	-	-	(40 048)	(40 048)
As at 31st December 2021	10 511	114 990	185 172	310 673
Total net profit in I half of 2022	-	-	3 749	3 749
Other total net income in I half of 2022	-	-	-	-
Payment of the dividend	-	-	-	-
As at 30 June 2022 (reported data)	10 511	114 990	188 921	314 422

Detailed list	Share capital at par value	Surplus from the sale of shares above par value	Retained profits	In total Equity
As at 1st January 2021	10 511	114 990	203 540	329 041
Total net profit in I half of 2021	-	-	4 085	4 085
Other total net income in I half of 2021	-	-	-	-
Payment of the dividend	-	-	(40 048)	(40 048)
As at 30 June 2021 (reported data)	10 511	114 990	167 577	293 078

Interim abridged separate cash flow report

	Note	For the 6 months period ending on 30 June 2022	For 6 months period ending on 30 June 2021
		(data not audited)	
Net cash flow from operating activities			
Net profit for the financial period		3 749	4 085
Adjustments:			
- Income tax	20.	1 105	1 243
- Depreciation and impairment of fixed assets	2.	20 513	17 111
- Depreciation of intangible assets	3.	70	97
- Depreciation of right-of-use assets	6.	1 985	1 961
- Net value of sold and liquidated fixed assets		3 332	3 176
- (Profits) / losses due to changes in the fair value of financial instruments		6	(54)
- Interest, dividend income		(547)	(367)
- Interest costs		501	299
- (Profits) / Losses due to foreign exchange losses		(398)	229
- Acquisition and other additions of formworks -fixed assets		(50 831)	(11 935)
Changes in working capital:			
- Inventory		(2 022)	(2 853)
- Trade receivables and other receivables		(1 497)	(8 640)
- Trade payables and other liabilities		19 321	13 974
		(4 713)	18 326
Income tax paid		(955)	(34)
Net cash flow from operating activities		(5 668)	18 292
Cash flow from investing activity			
Purchase of property, plant and equipment		(1 029)	(1 190)
Proceeds from the sale of property, plant and equipment		23	9 115
Acquisition of intangible assets		(21)	(171)
Loans granted		(235)	(20 000)
Payments of loans granted		-	20 000
Interest received		588	326
Net cash used in investing activities		(674)	8 080
Net cash flow from financial activities			
Interest paid		(501)	(299)
Payments related to leasing		(2 007)	(2 067)
Dividends paid		-	(40 048)
Net cash used in financial activities		(2 508)	(42 414)
Increase / (decrease) in net cash and overdraft in the current account		(8 850)	(16 042)
Cash and overdraft in the current account at the beginning of the period		38 237	48 094
Foreign exchange loss/gains on the valuation of cash and overdraft in the current account		253	(60)
Cash and overdraft in the current account at the end of the period	9.	29 640	31 992

ADDITIONAL INFORMATION TO THE INTERIM ABRIDGED SEPARATE FINANCIAL STATEMENT

Notes to the interim abridged separate financial statement

1. Declaration of conformity and general principles of document preparation

The interim abridged separate financial statements of ULMA Construccjon Polska S.A. cover the six-month period ended June 30th 2022 and contain comparative data for the six-month period ended June 30th 2021 and as at December 31st 2021.

The duration of ULMA Construccjon Polska S.A. is indefinite.

These interim condensed separate financial statements for the 6-month period ended on 30 June 2022 have been prepared in accordance with the requirements of IAS 34 "Interim financial reporting" approved by the EU ("IAS 34") and present the financial position of the ULMA Construccjon Polska S.A. as at 30 June, 2022, its results and cash flows for the nine months ended 30 June 2022.

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

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

These interim abridged separate financial statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future.

The interim financial result may not fully reflect the achievable financial result for the financial year.

These interim abridged separate financial statements have been prepared on the historical cost basis, with the exception of financial assets and liabilities (derivative financial instruments) measured at fair value through profit or loss account.

These interim separate financial statements of the ULMA Construccjon Polska SA Capital Group for the 6-month period ended on 30 June 2022, were approved for publication by the Management Board of the parent company on 14 September 2020.

Changes in applied accounting principles and presentation of financial data

When preparing the interim abridged separate financial statements, the Company applied the same accounting principles, as described in the audited separate financial statements as at 31 December 2021.

In the interim condensed consolidated profit and loss account, the Company decided not to present the item "Net financial income/(expenses)" as, in the Company's opinion, this disclosure does not affect the data presented in the consolidated financial statements.

New or amended standards and interpretations that apply for the first time in 2021 have no material impact on the interim abridged separate financial statements of the ULMA Construcción Polska S.A.

The Company has not decided to apply earlier any standard, interpretation or change that has been published but has not yet entered into force in the light of European Union regulations.

Significant estimates

There were no significant changes of estimates in the I half of 2022.

Risk management

Credit risk

Trade receivables are the most exposed item to credit risk (Note 7).

The Company is not exposed to a significant concentration of risk due to credit sales. A relatively large number of recipients of the Company's services and goods makes it impossible to concentrate credit sales. In addition, the Company applies a policy that significantly limits the sale of services and goods to customers with an inadequate history of liability repayment. Introduced internal control procedures consisting, among other things, in setting credit limits for individual customers depending on the assessment of their financial condition and acceptance procedures for new customers allow the Company to significantly reduce the credit risk level.

Trade receivables in respect of which no impairment has been found as at 30 June 2022 constitute 60.0% of the gross value of this group of financial assets, of which 67.4% of t//he group's value are trade receivables that are not overdue (as at 31 December 2021, these figures were 61.9% and 63.3%, and as at 30 June 2021, 59.4% and 78.6% respectively).

There are no financial assets for which repayment terms have been renegotiated and which would be impaired if not renegotiated.

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

30 June 2022	Due amount <0	Due amount up to 30 days	Due amount from 31 to 90 days	Due amount from 91 to 180 days	Due amount from 181 to 360 days	Due amount from 360 days up	In total
Gross trade receivables	25 443	4 427	4 209	1 578	2 068	19 843	57 568
Write-offs for expected credit losses	(1 005)	(5)	(133)	(120)	(214)	(19 843)	(21 320)
Net trade receivables	24 438	4 422	4 076	1 458	1 854	-	36 248

31 December 2021	Due amount <0	Due amount up to 30 days	Due amount from 31 to 90 days	Due amount from 91 to 180 days	Due amount from 181 to 360 days	Due amount from 360 days up	In total
Gross trade receivables	23 316	8 764	2 717	1 432	24	20 507	56 760
Write-offs for expected credit losses	(1 110)	-	(12)	(48)	(16)	(20 507)	(21 693)
Net trade receivables	22 206	8 764	2 705	1 384	8	-	35 067

30 June 2021	Due amount <0	Due amount up to 30 days	Due amount from 31 to 90 days	Due amount from 91 to 180 days	Due amount from 181 to 360 days	Due amount from 360 days up	In total
Gross trade receivables	27 339	3 563	766	64	138	24 656	56 526
Write-offs for expected credit losses	(951)	(3)	(76)	(48)	(137)	(21 750)	(22 965)
Net trade receivables	26 388	3 560	690	16	1	2 906	33 561

With regard to financial assets presented in the table above, which are over 90 days overdue, the Capital Group recovered as at the balance sheet date PLN 2 567 thousand of VAT using the so-called VAT relief for bad debts. This amount in the financial statement drawn up as at 30 June 2022 decreased gross trade receivables from unrelated parties (as at 31 December 2021, the amount was PLN 2,585,000) In the consolidated financial statement drawn up as of at 30 June 2021, the amount of recovered VAT of PLN 2,744,000 was presented in trade receivables and other receivables.

In the Company's opinion, the change in presentation does not materially affect the data presented in the statement and, as a result, the Company has not restated the comparative data as at 30 June 2021. If the comparative data had been restated, the balance sheet total in the financial statement as at 30 June 2021 would have decreased by PLN 2,744,000 (by 0.80%).

Value loss was found in the case of financial assets in the group of trade receivables and other receivables with the value of PLN 21,320 thousand, covering them with a write-off on expected credit losses. When determining the impairment of particular financial assets, the Group is guided by the individual assessment of each customer, including mainly the assessment of their financial standing and the collateral held. The Group uses mainly blank promissory notes and insurance of foreign receivables relating to the eastern markets as the basic means of securing the recovery of receivables.

In addition to individual provisions for expected credit losses, the Group creates a general risk reserve with respect to NORMA customers. The basic assumptions for calculation of the provision are presented in the table below.

Description of the item	30 June 2022	31 December 2021	30 June 2021
Probability default (PD)			
0 days	3,7%	3,7%	3,7%
1-30 days	6,6%	6,6%	6,6%
31 - 60 days	30,1%	30,1%	30,1%
61 - 90 days	56,4%	56,4%	56,4%
> 90 days	100%	100%	100%
Loss Given Default (LGD)	50%	38%	75%
Provision for expected credit losses	863	1 095	801

Liquidity risk

Liquidity risk management assumes maintaining an adequate level of cash, availability of funding through sufficient credit facilities and the ability to close market positions. The Group maintains sufficient cash resources to meet its maturing liabilities and ensures the possibility of financing through the credit lines granted.

Over 90% of the Group's trade liabilities are due and payable within 2 months of the balance sheet date.

The table below shows the Group's financial liabilities as at 30 June 2022 and as at 31 December 2021 by maturity date based on contractual undiscounted payments.

30 June 2022	Lease liabilities	Liabilities due to deliveries and services and other liabilities	In total
Up to 3 months	1 123	50 515	51 638
From 3 up to 12 months	3 533	-	3 533
From more than a year up to 5 years	7 348	-	7 348
More than 5 years	539	-	539
In total	12 543	50 515	63 058

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

2. Property, plant and equipment

Tangible fixed assets movement table for the period from 1 January 2022 to 30 June 2022

	Land, buildings, structures	Technical devices, machines and means of transport	Formwork systems	Other fixed assets	Fixed assets in construction	Tangible fixed assets in total
GROSS VALUE						
As at 01 January 2022	98 891	13 355	431 026	2 620	246	546 138
Increases due to purchase	-	697	48 375	15	317	49 404
Increases - inventory surpluses, retraining	-	-	2 457	-	(246)	2 211
Decreases – sales	-	(243)	(11 854)	-	-	(12 097)
Decreases - liquidations, inventory shortages	-	(325)	(8 604)	(26)	-	(8 955)
As at 30 June 2022	98 891	13 484	461 400	2 609	317	576 701
DEPRECIATION						
As at 01 January 2022	33 055	10 189	265 979	2 490	-	311 713
Depreciation for the period	1 454	613	18 415	31	-	20 513
Decreases - sales	-	(243)	(10 247)	-	-	(10 490)
Decreases - liquidations, inventory shortages	-	(325)	(7 101)	(26)	-	(7 452)
As at 30 June 2022	34 509	10 234	267 046	2 495	-	314 284
AN UP-DATE WRITE-OFF						
As at 1 January 2022	-	-	386	-	-	386
Increases	-	-	-	-	-	-
Decreases	-	-	-	-	-	-
As at 30 June 2022	-	-	386	-	-	386
NET VALUE						
As at 01 January 2022	65 836	3 166	164 661	130	246	234 039
As at 30 June 2022	64 382	3 250	193 968	114	317	262 031

Tangible fixed assets movement table for the period from 01 January 2021 to 31 December 2021

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

Table of movements of tangible fixed assets in the period from 1 January to 30 June 2021.

	Land, buildings, structures	Technical devices, machines and means of transport	Formwork systems	Other fixed assets	Fixed assets in construction	Tangible fixed assets in total
GROSS VALUE						
As at 01 January 2021	98 110	12 687	461 164	2 620	473	575 054
Increases due to purchase	125	479	8 981	13	571	10 169
Increases - inventory surpluses, retraining	-	-	2 954	-	(473)	2 481
Decreases - sales	-	-	(22 982)	-	-	(22 982)
Decreases - liquidations, inventory shortages	-	(202)	(7 244)	(5)	-	(7 451)
As at 30 June 2021	98 235	12 964	442 873	2 628	571	557 271
CONSOLIDATED DEPRECIATION						
As at 01 January 2021	30 167	9 288	302 513	2 457	-	344 425
Depreciation for the period	1 442	538	15 096	35	-	17 111
Decreases - sales	-	-	(20 335)	-	-	(20 335)
Decreases - liquidations, inventory shortages	-	(196)	(6 671)	(4)	-	(6 871)
As at 30 June 2021	31 609	9 630	290 603	2 488	-	334 330
AN UP-DATE WRITE-OFF						
As at 01 January 2021	-	-	530	-	-	530
Increases	-	-	-	-	-	-
Decreases	-	-	-	-	-	-
As at 30 June 2021	-	-	530	-	-	530
NET VALUE						
As at 01 January 2021	67 943	3 399	158 121	163	473	230 099
As at 30 June 2021	66 626	3 334	151 740	140	571	222 411

The depreciation write-off for tangible fixed assets has increased:

Detailed list	6 months 2022	12 months of 2021	6 months 2021
Costs of products, goods and materials sold	20 143	34 373	16 802
Selling and marketing costs	2	6	3
General management costs	368	624	306
In total	20 513	35 003	17 111

3. Intangible assets

Table of movements of value of intangible assets in the period between 1 January and 30 June 2022

	Licenses and software	Other	Intangible assets in total
GROSS VALUE			
As at 01 January 2022	2 174	-	2 174
Increases	21	-	21
Decreases - sales, liquidation	-	-	-
As at 30 June 2022	2 195	-	2 195
CONSOLIDATED DEPRECIATION			
As at 01 January 2022	1 972	-	1 972
Depreciation for the period	70	-	70
Decreases - sales, liquidation	-	-	-
As at 30 June 2022	2 042	-	2 042
NET VALUE			
As at 01 January 2022	202	-	202
As at 30 June 2022	153	-	153

Table of movements of intangible assets between 01 January 2020 and 31 December 2021.

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

Table of movements of intangible assets between 01 January 2020 and 30 June 2021

	Licenses and software	Other	Intangible assets in total
GROSS VALUE			
As at 01 January 2021	5 191	37	5 228
Increases	171	-	171
Decreases - sales, liquidation	(3 198)	(37)	(3 235)
As at 30 June 2021	2 164	-	2 164
CONSOLIDATED DEPRECIATION			
As at 01 January 2021	4 963	37	5 000
Depreciation for the period	97	-	97
Decreases - sales, liquidation	(3 198)	(37)	(3 235)
As at 30 June 2021	1 862	-	1 862
NET VALUE			
As at 01 January 2021	228	-	228
As at 30 June 2021	302	-	302

Depreciation write-off for intangible assets has increased:

Detailed list	6 months 2022	12 months of 2021	6 months 2021
Costs of products, goods and materials sold	-	-	-
General management costs	70	206	97
In total	70	206	97

4. Financial instruments

The table below presents a comparison of carrying amounts and fair values of all the Group's financial instruments, broken down by individual classes and categories of assets and liabilities.

	Balance sheet value			Fair value			Fair value hierarchy
	30 June 2022	31 December 2021	30 June 20201	30 June 2022	31 December 2021	30 June 2021	
Debt instruments valued at amortised cost,							
Cash	29 640	38 237	31 992	29 640	38 237	31 992	Poz. 1
Trade receivables and other	36 728	35 231	33 911	36 728	35 231	33 911	Poz. 3
Loans granted	28 659	28 320	28 178	28 659	28 320	28 178	Poz. 3
Financial instruments valued at fair value through trough financial results.							
Investments in subsidiaries and affiliates	7 458	7 458	7 458	7 458	7 458	7 458	Poz. 2
Derivatives	-	6	-	-	6	-	Poz. 3
Financial liabilities valued at amortised cost,							
Liabilities due to factoring of trade liabilities	48 109	28 231	28 327	48 109	28 231	28 327	Poz. 3

In the Company's opinion, the fair value of financial instruments does not differ materially from their carrying amounts mainly due to their short maturity.

In the period ended 30 June 2022, nor in the period ended 31 December 2021, there were no shifts between level 1 and level 2 of the fair value hierarchy, nor were any of the instruments moved from/to level 3 of the fair value hierarchy.

5. Investments in subsidiaries and affiliates

As at 30 June 2022

No.	Name of the entity	Registered Seat	Business Object	Business character	Date of taking over the control	Value of shares at purchase price	Updating write-offs	Balance sheet value of shares	Percentage of the share capital held	Share in the total number of votes at the General Meeting
1.	ULMA Opaubka Ukraina	Ukraine	sale and lease of formwork, sale of building materials	Subsidiary	18.07.2001	5 818	-	5 818	100	100
2.	ULMA Cofraje	Romania	sale and lease of formwork, sale of building materials	affiliate	02.11.2007	3 977	(2 562)	1 415	30	30
3.	ULMA Opaubka Kazachstan	Kazakhstan	sale and lease of formwork, sale of building materials	Subsidiary	27.08.2010	83	-	83	100	100
4.	ULMA Construccjon BALTIC	Lithuania	sale and lease of formwork, sale of building materials	Subsidiary	27.04.2012	142	-	142	100	100
						10 020	(2 562)	7 458		

The Management Board assessed the impairment of investments in subsidiaries and affiliates and found no premises to change the amount of the impairment loss on the investment.

6. Assets due to right of use

The item includes the carrying amount of the right to use of fixed assets, which the Company has accepted as a result of implementing IFRS 16 Leases as of January 1st 2019.

Table of changes in the value of assets under the right of use for the period from 1 January to 30 June 2022

	Real estate	Means of transport	Forklifts	In total
GROSS VALUE				
As at 01 January 2022	18 039	3 168	3 370	24 577
Increases - new leasing objects	-	507		507
Decreases - ending a leasing contract	-	(259)		(259)
Decreases – change of payment	(51)		-	(51)
As at 30 June 2022	17 988	3 416	3 370	24 774
CONSOLIDATED DEPRECIATION				
As at 01 January 2022	6 439	1 698	991	9 128
Depreciation for the period	1 147	435	403	1 985
Decreases - ending a leasing contract	-	(259)	-	(259)
As at 30 June 2022	7 586	1 874	1 394	10 854
NET VALUE				
As at 01 January 2022	11 600	1 470	2 379	15 449
As at 30 June 2022	10 402	1 542	1 976	13 920

Table of changes in the value of other fixed assets and assets under the right of use for the period from 1 January to 31 December 2021

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

Table of changes in the value of assets under the right of use for the period from 1 January to 30 June 2021

	Real estate	Means of transport	Forklifts	In total
GROSS VALUE				
As at 01 January 2021	12 053	2 994	3 304	18 351
Increases - change of payment	66	-	-	66
Increases - new leasing objects	-	445	-	445
Decreases - ending a leasing contract	-	(271)	(813)	(1 084)
As at 30 June 2021	12 119	3 168	2 491	17 778
CONSOLIDATED DEPRECIATION				
As at 01 January 2021	4 244	1 224	1 775	7 243
Depreciation for the period	1 092	435	434	1 961
Decreases - ending a leasing contract	-	(271)	(813)	(1 084)
As at 30 June 2021	5 336	1 388	1 396	8 120
NET VALUE				
As at 01 January 2021	7 809	1 770	1 529	11 108
As at 30 June 2021	6 783	1 780	1 095	9 658

7. Trade receivables and other receivables

	30 June 2022	31 December 2021	30 June 2021
Trade receivables from non-related parties	47 775	44 333	48 468
Write-offs for expected credit losses	(21 320)	(21 693)	(22 965)
<i>Net trade receivables</i>	<i>26 455</i>	<i>22 640</i>	<i>25 503</i>
Other receivables	19	7	40
Prepayments and accruals - active	461	157	310
Trade receivables from related parties	9 793	12 427	8 058
Loans granted	28 659	28 320	28 178
Total trade receivables and other receivables	65 387	63 551	62 089
including:			
Long-term	28 425	8 320	28 178
Short-term	36 962	55 231	33 911

Based on the analyses carried out, the Company assessed that the carrying amount of individual receivables presented in this interim abridged separate financial statement is similar to their fair values.

There is no concentration of credit risk on trade receivables as the Company has a large number of customers.

The net value of the reversal of allowances for expected credit losses, less the amounts of receivables written off, totalling PLN 200 thousand (PLN 338 thousand in the period of 6 months of 2021, and PLN 367 thousand in 2021), was recognised in other operating income.

The change in the write-offs for expected credit losses is as follows:

	6 months 2022	12 months of 2021	6 months 2021
Opening balance	21 693	25 310	25 310
Increases– Write-offs for expected credit losses	520	678	538
Use-up	(701)	(3 297)	(2 005)
Correction of the previous write-off	(192)	(998)	(878)
Closing balance	21 320	21 693	22 965

All write-offs on expected credit losses apply to short-term receivables.

8. Inventory

	30 June 2022	31 December 2021	30 June 2021
Materials	3 156	2 696	2 697
Goods	3 796	2 341	5 757
Net inventory value	6 952	5 037	8 454
Updating write-off of inventory value	(441)	(548)	(340)
Net inventory value	6 511	4 489	8 114

9. Cash and cash equivalents

	30 June 2022	31 December 2021	30 June 2021
Cash on hand and in bank	29 640	38 237	31 992
Short-term bank deposits	-	-	-
Total cash including:	29 640	38 237	31 992
Restricted cash, including:	1 711	833	1 092
- ZFŚS cash	589	102	346
- Cash on VAT accounts	1 122	731	746

For the purposes of the cash flow statement, cash and overdraft facilities include:

	30 June 2022	31 December 2021	30 June 2021
Cash and cash equivalents	29 640	38 237	31 992
Overdraft	-	-	-
Cash and cash equivalents shown in the cash flow statement	29 640	38 237	31 992

10 Share Capital and supplementary capital

In the period of 6 months ended 30 June 2022, there were no changes in the number of shares and the value of share capital and supplementary capital raised from the share premium.

All shares are ordinary bearer shares with a nominal value of PLN 2.00. All shares are paid for.

As at 30 June 2022, the Company's shareholder structure is as follows:

	Basic capital		Votes at GSM	
	Number of shares	%	Number of	%
ULMA CyE, S. Coop	3 967 290	75,49	3 967 290	75,49
TFI Quercus S.A.	323 726	6,16	323 726	6,16
Dispersed shareholders	964 616	18,35	964 616	18,35

11. Trade payables and other liabilities

	30 June 2022	31 December 2021	30 June 2021
Trade liabilities to unrelated parties	19 395	15 138	17 800
Liabilities towards the affiliates	23 513	8 844	5 786
Social Insurance and other liabilities	2 406	2 963	4 844
Accruals of (passive costs)	4 652	4 220	4 373
Contract liabilities	50	27	42
Other liabilities	499	2	325
Total Trade liabilities and other liabilities	50 515	31 194	33 170
including:			
Long-term	-	-	-
Short-term	50 515	31 194	33 170

12. Liabilities due to factoring of trade liabilities

As at June 30, 2022, December 31, 2021 and June 30, 2021 there are no factoring liabilities.

13. Right of use liabilities (leasing)

Lease agreements in accordance with IFRS 16 include lease of a fleet of passenger cars and forklift trucks, lease of the Logistics Centre in Gdańsk and the square in Warsaw at Klasyków Street, perpetual usufruct of land in Jaworzno.

Lease liabilities as at 30 June 2022:

Liabilities due within the period:	Real estate leasing	Passenger car leasing	Forklift truck leasing	Total lease liabilities
Up to 3 months	451	226	201	878
From 3 up to 12 months	1 698	586	621	2 905
From more than a year up to 5 years	4 522	784	1 236	6 542
More than 5 years	168	-	-	168
In total	6 839	1 596	2 058	10 493

Lease liabilities as at 31 December 2021

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

Lease liabilities as at 30 June 2021

Liabilities due within the period:	Real estate leasing	Passenger car leasing	Forklift truck leasing	Total lease liabilities
Up to 3 months	492	212	99	803
From 3 up to 12 months	1 139	614	306	2 059
From more than a year up to 5 years	1 231	1 007	740	2 978
More than 5 years	232	-	-	232
In total	3 094	1 833	1 145	6 072

14. Deferred

	30 June 2022	31 December 2021	30 June 2021
Assets due to deferred income tax:	2 244	2 013	2 098
Provision for deferred income tax:	(12 200)	(11 503)	(11 310)
Compensation	2 244	2 013	2 098
Balance sheet provision due to deferred income tax	(9 956)	(9 490)	(9 212)

Changes in deferred tax assets and liabilities during the year (before offsetting within one legal jurisdiction) are as follows:

	Statement of financial position		Profit and loss account and other comprehensive income
	30 June 2022	01 January 2022	6 months of 2022
Provision due to deferred tax			
Valuation of tangible fixed assets	12 056	11 472	(584)
Unrealised foreign exchange differences	64	15	(49)
Other	80	16	(64)
In total	12 200	11 503	(697)
Assets due to deferred tax			
Write-offs for expected credit losses	948	903	45
Provisions for costs	1 251	1 099	152
Unrealised foreign exchange differences	45	11	34
In total	2 244	2 013	231
(Charge)/recognition due to deferred income tax			(466)

15. Liabilities due to retirement benefits

	30 June 2022	31 December 2021	30 June 2021
Liabilities recognised in the statement of financial position due to:			
Pension benefits	349	349	372
Total retirement benefits	349	349	372
Including			
Long term	285	285	310
Short term	64	64	62

The Company makes an actuarial valuation of the provision for retirement benefits at the end of each financial year.

16. Sales revenues

	6 months of 2022	6 months of 2021
Revenues from sales of services – construction site services	65 233	48 115
Revenues from sales of goods and building materials	20 424	28 415
Sales revenue in total	85 657	76 530

- 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 Group and other building materials.

Revenues from sales in geographical terms are as follows:

Description of the item	6 months of 2022	6 months of 2021
Domestic sales revenues	72 629	55 249
Foreign sales revenues	13 028	21 281
Sales revenue in total	85 657	76 530

17. Costs by type

	6 months of 2022	6 months of 2021
Depreciation of tangible and intangible assets	20 583	17 208
Depreciation of right-of-use assets	1 985	1 961
Employee benefits cost (note 17 a)	20 850	17 147
Use-up of resources, materials and energy	6 110	5 429
Transport services	6 362	5 865
Rental and lease services	1 886	2 098
Renovation services	2 283	2 124
Assembly and installation services	118	74
Other services	6 006	5 963
Other costs	2 687	2 234
Value of goods, materials and formwork sold (fixed assets)	12 694	12 142
Costs by type In total	81 564	72 245
Including		
Costs of benefits for own use	64	75
Costs of products, goods and materials sold	70 596	63 575
Selling and marketing costs	886	655
General management costs	10 018	7 940

17 a) Employee benefits costs		
Salary costs and costs of termination benefits	16 849	13 896
Costs of social insurance and benefits for employees	4 001	3 251
Total costs of employee benefits	20 850	17 147

18. Other income and operational costs

18 a) Other operational income	6 months of 2022	6 months of 2021
Gains on change in fair value of futures contracts	81	54
Compensation received	3	5
Profit on sale of tangible fixed assets and recovery fixed assets	-	868
Re-invoicing	53	147
Reversal of write-offs for expected credit losses	200	386
Release of provisions for losses in tangible assets	187	-
Other income	21	3
Other operational income in total	545	1 463

18 b) Other operational costs	6 months of 2022	6 months of 2021
Losses on liquidation of tangible assets	(29)	-
Provisions for losses in fixed assets	-	(242)
Other costs	(5)	(91)
Other operational income in total	(34)	(333)

19. Financial income and costs

19 a) Financial income	6 months of 2022	6 months of 2021
Interest income		
- loans granted	512	367
- on cash in a bank account and delay in payment of receivables	35	-
Exchange rate differences	140	-
Total financial income	687	367

19 b) Financial costs	6 months of 2022	6 months of 2021
Interest costs:		
- leasing	(493)	(298)
- due to delay in payment of liabilities	(8)	(1)
	(501)	(299)
Exchange rate differences	-	(230)
Total financial costs	(501)	(529)

20. Income tax

	6 months of 2022	6 months of 2021
Current tax	(639)	(690)
Deferred tax (note 14)	(466)	(553)
Total income tax	(1 105)	(1 243)

The income tax on the Company's pre-tax profit differs as follows from the theoretical amount that would be obtained by applying the applicable tax rate to pre-tax profit:

	6 months of 2022	6 months of 2021
Profit (loss) before tax	4 854	5 328
Revenue that correct the tax base	(110)	147
- exchange rate differences on loans	(146)	169
- payment of compensation for previous periods	-	-
- other	36	(22)
Permanently non-deductible costs, including:	1 069	1 065
Representation costs	414	208
PFRON fees	151	144
25% of passenger car operating costs	263	248
Other	241	465
Tax base	5 813	6 540
Charging the financial result on account of income tax	1 105	1 243

The tax authorities may inspect the accounting books and tax settlements within 5 years from the end of the year in which the tax returns were filed and charge the Company with additional tax plus penalty interest. In the opinion of the Management Board, there are no circumstances indicating that significant liabilities may arise on this account.

21. Fair value measurement of financial instruments

Based on the analyses carried out, the company assessed that the carrying amount of individual financial instruments presented in these interim abridged separate financial statements is similar to their fair values.

22. Profit per share

The basic profit per share is calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of ordinary shares during the year.

	6 months of 2022	6 months of 2021
Net profit attributable to equity holders of the parent	3 749	4 085
Number of ordinary shares as at the balance sheet date	5 255 632	5 255 632
Weighted average number of ordinary shares	5 255 632	5 255 632
Basic earnings (loss) per share (in PLN per share)	0,71	0,78
Diluted earnings (loss) per share (in PLN per share)	0,71	0,78

23. Contingent items

At the request of ULMA Construcción Polska S.A. mBANK granted one of the Company's clients a bank guarantee of performance of the lease agreement. The validity of this bank guarantee expires on 30.09.2022. The guarantee is related to the construction of the Logistics Centre in Gdańsk. The investment was commissioned in the first quarter of 2015. The Group uses the Logistics Centre in Gdańsk under a long-term lease agreement.

As at December 31, 2021 and June 30, 2021 the amount of the bank guarantee granted was PLN 3.593 thousand. On January 4, 2022, the value of the guarantee was increased to the amount of PLN 4.090 thousand

24. Material events and events after the balance sheet date

On 12 July 2022, ULMA Construcción Polska S.A. granted a short-term loan of EUR 250,000 to the related entity ULMA Contrucción CZ s.r.o. The loan repayment date was set for 30 April 2023. The interest rate on the loan is variable and is determined based on EURIBOR 1M plus an arm's length margin.

On 12 July 2022, ULMA Construcción Polska S.A. granted a long-term loan of EUR 500,000 to the related entity ULMA Contrucción SK s.r.o. The loan repayment date was set for 31 December 2023. The interest rate on the loan is variable and is determined based on EURIBOR 1M plus an arm's length margin.

On 19 August 2022, ULMA Construcción S.A. signed an overdraft agreement with ING Bank Śląski S.A. for the period until 18 August 2023 with the possibility of extension. The credit line limit under the agreement is PLN 10 million. The interest rate on the credit is variable and is determined based on WIBOR 1M plus the bank's margin.

On 5 July 2022, based on the resolution of the Management Board of ULMA Construcción Polska S.A. No. 8/2022 of 21 June 2022, an annex to the loan agreement for the amount of PLN 20,000,000 granted to the parent company ULMA C y E S. Coop was signed. The loan repayment date was extended until 31 January 2024.

In the Company's opinion, the presentation of this balance in long-term receivables as at 30 June 2022 appropriately reflects its terms and nature.

25. Transactions with associated entities

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

The ULMA Construcción Polska SA Capital Group. the following companies are included:

The parent entity:

- ULMA Construcción Polska S.A. based in Koszajec (Brwinów Municipality)

Subsidiaries:

- ULMA Opałubka Ukraina with its registered office in Kiev at ul. Naberezhno – Pechers'ka Droga 7, established on 18 July 2001. It was registered in the Swiatoszynski Department of State Administration for the city of Kiev under number 5878/01 and received the identification code 31563803. The company's business is the sale and lease of formwork, sales of building materials. The share of the issuer in the capital and in the total number of votes is 100%.
- ULMA Opałubka Kazachstan sp.o.o. with its registered office in Nur-Sultan at 101, sector 55, office 201-202. Its strategic goal is to develop the core business of the Capital Group, i.e. renting formwork and scaffolding systems, and the education of how to use of formwork technology in the construction process in Kazakhstan. The share of the issuer in the capital and in the total number of votes is 100%.
- ULMA Construcción BALTIC sp. z.o.o with its registered office in Vilnius, ul. Justiniskiu str. 126. The company's business is the rental of scaffolding and formwork, wholesale and retail sale of scaffolding and formwork, sale and lease of other construction equipment and other commercial activities. The share of the issuer in the capital and in the total number of votes is 100%.

The Group also holds shares in an associate:

- ULMA Cofraje SRL with its registered office in Bragadir at ul. Soseaua de Centura No. 2-8 Corp C20 (Romania), established on 9 October 2007. Registered at the National Commercial Register Office in Bucharest under the number of 22679140. The object of the Company's activity is the rental and sale of scaffolding and construction formwork. The share of the issuer in the capital and in the total number of votes is 30%. The remaining 70% of shares in the Company's capital belong to the entity controlling the Group - ULMA C y E, S. Coop. with its seat in Spain.

Transactions concluded by ULMA Construcción Polska S.A. with related entities were of typical and routine nature, were concluded on market terms, and their nature and terms resulted from conducting current operations.

Figures concerning transactions of ULMA Construcción Polska S.A. with affiliates:

Settlement balances at the balance sheet date	30 June 2022	30 June 2021
Trade receivables	9 793	8 058
Including		
- from the parent company	851	1 191
- from subsidiaries	3 375	6 141
- from the affiliate	91	17
- from other affiliates	5 476	709
Trade Liabilities	23 513	5 786
Including		
- to the parent company	15 833	5 222
- to subsidiaries	5 738	480
- to the affiliate	31	20
- to other affiliates	1 911	64

Sales and purchases from Group's units	6 months of 2022	6 months of 2021
Sales	12 855	21 283
Including		
- to the parent company	1 415	2 957
- to subsidiaries	7 697	15 562
- to the affiliate	629	280
- to other affiliates	3 114	2 484
Purchases	45 311	12 475
Including		
- from the parent company	37 720	11 435
- from subsidiaries	5 453	722
- from the affiliate	90	71
- from other affiliates	2 048	247

The sale and purchase transactions with the Group's companies mainly concern the sale of shuttering systems and shuttering rental services.

Loans, interest, dividends	6 months of 2022	6 months of 2021
Loan granted – in PLN thousands – granted to parent company	-	20 000
Loan repayment – in PLN thousands – granted to parent company	-	20 000
Income from loan interest in PLN thousands	512	367
Including		
- from the parent company	471	285
- from subsidiaries	41	82

ULMA Construcción Polska S.A. granted a long-term loan of EUR 2,500 thousand to its subsidiary ULMA Construcción Baltic. The loan was granted on market terms until 3 January 2025. (Annex of 29 June 2022). As at 30 June 2022, the receivable under the loan was EUR 1,800 thousand.

ULMA Construcción Polska S.A. granted a short-term loan of EUR 50 thousand to its subsidiary ULMA Opaľubka Kazachstan. The loan was granted on market terms until 1 October 2022 (loan agreement of 23 June 2022).

ULMA Construcción Polska S.A. granted the parent company ULMA CyE, S. Coop a long-term loan in the amount of PLN 20,000 thousand. The loan is secure with:

1) a promissory note with a promissory note declaration issued by the borrower,
2) an agreement on the irrevocable acquisition of the borrower's property (formwork and scaffolding), which is currently in the possession of the lender on a rental basis. The offer of purchase of the property will only be carried out if the borrower fails to repay the loan on the agreed date.

The loan was granted on market terms (fixed margin + 1M WIBOR), and the final repayment date was agreed by the parties on July 31, 2022.

As at June 30, 2021 the balance of receivables in this respect is PLN 20,000 thousand.

Under the annex of 5 July 2022, the loan repayment date was extended to 31 January 2024. In the Company's opinion, the presentation of this balance in long-term receivables as at 30 June 2022 appropriately reflects its terms and nature.

Transactions with members of the Management Board and Supervisory Board of the Company, their spouses, siblings, ascendants, descendants or other persons close to them and key management personnel of the Company.

The members of the Company's Management Board and Supervisory Board are considered to be the key management personnel of the Company. During the period of 6 months of 2022 and the similar period of 2021 the Company did not grant any advances, loans, credits, guarantees and securities to the managing and supervising personnel and their relatives, and no other agreements were concluded with them which would oblige them to provide services to the Company and its affiliates.

As at 30 June 2022, 31 December 2021 and 30 June 2021, there were no loans granted by the Company to members of the management and supervisory bodies and their relatives.

26. Conversion of selected financial data into the Euro

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

DETAILED LIST	In thousands PLN		In thousands EUR	
	6 months of 2022	6 months of 2021	6 months of 2022	6 months of 2021
Net revenues from sales of products, goods and materials	85 657	76 530	18 450	16 830
Profit from operating activities	4 668	5 490	1 005	1 207
Gross profit (loss)	4 854	5 328	1 046	1 172
Net profit (loss)	3 749	4 085	808	898
Net cash flow from operating activities	(5 668)	18 292	(1 221)	4 023
Net cash flow from investment activities	(674)	8 080	(145)	1 777
Net cash flow from financial activities	(2 508)	(42 414)	(540)	(9 328)
Net cash flow	(8 850)	(16 042)	(1 906)	(3 528)
Diluted earnings per ordinary share (in PLN / EUR)	0,71	0,78	0,15	0,17
Basic earnings per ordinary share (in PLN / EUR)	0,71	0,78	0,15	0,17
	30 czerwca 2022 r.	31 grudnia 2021 r.	30 czerwca 2022 r.	31 grudnia 2021 r.
Total assets	385 735	363 749	82 411	79 086
Liabilities	71 313	53 076	15 235	11 540
Long-term liabilities	16 951	18 051	3 621	3 925
Short-term liabilities	54 362	35 025	11 614	7 615
Equity	314 422	310 673	67 176	67 546
Basic capital	10 511	10 511	2 246	2 285
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)	59,83	59,11	12,78	12,85

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 June 2022 amounted to 4.6806 PLN/ EUR, and as at 31 December 2021 to 4.5994 PLN/EUR.

When converting the items of the statement of comprehensive income and cash flow statement items, a rate being the arithmetic mean of the exchange rates in force on the last day of the month of a the given period was applied, i.e. data for the period 1.01. – 30.06.2022 were converted according to the exchange rate = 4.6427 PLN / EUR, data for the analogous period of 2021 were converted according to the exchange rate = 4.5472 PLN / EUR.

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

Name and Surname:	Position	Signature
Rodolfo Carlos Muñiz Urdampilleta	President of the Board	
Marek Czupryński	Member of the Board	
Andrzej Sterczyński	Member of the Board	
Krzysztof Orzełowski	Member of the Board	
Ander Ollo Odriozola	Member of the Board	

Signature of the person entrusted with bookkeeping

Name and Surname:	Position	Signature
Jacek Kuczewski	Chief Accountant	

Koszajec, date 15 September 2022