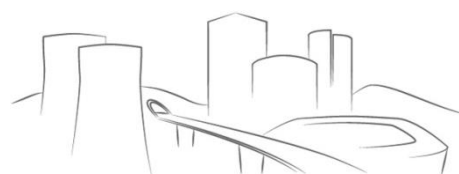


EXTENDED CONSOLIDATED REPORT

OF THE ULMA

ULMA Construcción Polska S.A.

FOR 3 QUARTER ENDING ON 30 September 2020



From the beginning of your projects

All amounts expressed in thousands of PLN, unless indicated otherwise



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ULMA Construcción Polska S.A. Capital Group

All amounts expressed in thousands of PLN, unless indicated otherwise



GENERAL INFORMATION

I The subject of operations

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

- renting and sale of scaffolding and construction formwork,
- custom-made projects for application of formwork and scaffolding,
- export of construction services provided by Group companies,
- sale of 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.

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

I The parent entity and Group composition

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

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

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

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

All amounts expressed in thousands of PLN, unless indicated otherwise



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

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

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

■ **Composition of supervisory and management bodies as at 30/09/2020 and as at the date of approval of the report for publication**

■ **Supervisory Board**

Aitor Ayastuy Ayastuy President of the Supervisory Board
Iñaki Irizar Moyua Vice-President of the Supervisory Board
Rafael Anduaga Lazcanoiturburu Member of the Supervisory Board
Michał Markowski Member of the Supervisory Board
José Joaquín Ugarte Azpiri Member of the Supervisory Board

■ **Audit Committee**

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

■ **Management Board**

Rodolfo Carlos Muñiz Urdampilleta President of the Board
Giordano Marcel Weschenfelder Member of the Board
Krzysztof Orzełowski Member of the Management Board
Ander Ollo Odriozola Member of the Board
Andrzej Sterczyński Member of the Management Board

■ **The auditor**

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

All amounts expressed in thousands of PLN, unless indicated otherwise



I Banks

mBank S.A.,
PEKAO S.A.,
PKO Bank Polski S.A.
Banco de SABADELL (Spain)
Santander Bank Polska S.A.

I Stock exchange listing

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



ABBRIDGED CONSOLIDATED FINANCIAL STATEMENT

for the third quarter ended on
30 September 2020

All amounts expressed in thousands of PLN, unless indicated otherwise



Consolidated profit and loss account and other comprehensive income

	for the third quarter of	3 quarters of 2020	for the third quarter of	3 quarters of 2019
Sales revenues	50,975	144,797	56,365	164,298
Costs of products, goods and materials sold	(38,221)	(110,215)	(37,070)	(107,526)
I. Gross profit on sales	12,754	34,582	19,295	56,772
Selling and marketing costs	(294)	(995)	(625)	(1,980)
General administration and management costs	(3,881)	(12,988)	(5,073)	(14,566)
Other operating income	273	1,092	25	722
Other operating costs	189	(2,317)	18	(2,299)
<i>Including: impairment losses on receivables</i>	239	(1,722)	53	(2,259)
II. Profit (loss) at the operational level	9,041	19,374	13,640	38,649
Financial income	328	1,012	329	865
Financial costs	(466)	(1,233)	(630)	(1,188)
<i>Net financial income (costs)</i>	<i>(138)</i>	<i>(221)</i>	<i>(301)</i>	<i>(322)</i>
Share in profits (losses) in associated companies	(15)	49	83	423
III. Profit (loss) before tax	8,888	19,202	13,422	38,749
Current income tax	(1,118)	(2,281)	(2,915)	(7,785)
Deferred income tax	(568)	(1,016)	(212)	(1,045)
IV. Net profit (loss) for the financial period	7,202	15,905	10,295	29,919
Other comprehensive income to be reclassified to profit / (loss) in subsequent reporting periods				
Exchange differences on the translation of financial statements of foreign subsidiaries	(2,572)	(4,301)	3,707	4,488
Exchange differences regarding net investments in subsidiaries	87	484	1,745	1,790
V. Total income for the financial period	4,717	12,088	15,747	36,197
Net profit attributable to equity holders of the parent	7,202	15,905	10,295	29,919
Net profit attributable to non-controlling interests	-	-	-	-
The total income of the financial period attributable to the shareholders of the parent company	4,717	12,088	15,747	36,197
The total income of the financial period attributable to non-controlling interests	-	-	-	-
Weighted average number of ordinary shares	5,255 632	5,255 632	5,255 632	5,255 632
Basic and diluted profit (loss) per share in the financial period (in PLN per share)	1.37	3.03	1.96	5.69

All amounts expressed in thousands of PLN, unless indicated otherwise



Consolidated statement of financial position

	As at:			
	30/09/2020	30/06/2020	31/12/2019	30/09/2019
ASSETS				
I. Tangible assets (long-term)				
1 Property, plant and equipment	259,504	263,639	255,864	247,232
2 Intangible assets	319	376	229	140
3 Shares in affiliates	2,309	2,325	2,261	2,208
4 Assets due to deferred tax	4,653	4,505	4,395	3,911
5 Other fixed assets - right of use of the fixed assets	11,715	12,702	12,615	13,380
6 Long-term receivables	20,000	-	-	-
Fixed assets (long-term) together	298,500	283,547	275,364	266,871
II. Current assets (short-term)				
1 Inventory	8,248	8,951	7,387	9,794
2 Trade receivables and other receivables	35,615	48,202	60,687	58,821
3 Receivables due to income tax	706	762	696	739
4 Derivatives	-	-	68	-
5 Cash and cash equivalents	48,720	48,387	48,970	53,850
Current assets (short-term) together	93,289	106,302	117,808	123,204
Total assets	391,789	389,849	393,172	390,075
EQUITY CAPITAL AND LIABILITIES				
I. Equity				
1 Basic capital	10,511	10,511	10,511	10,511
2 Supplementary capital - surplus from the sale of shares above par value	114,990	114,990	114,990	114,990
3 Exchange differences from consolidation	(13,915)	(11,430)	(10,098)	(8,911)
4 Retained earnings, including:	230,970	223,767	228,729	212,447
a) Net profit (loss) for the financial period	15,905	8,703	46,201	29,919
Total equity	342,556	337,838	344,132	329,037
II. Liabilities				
1 Long-term liabilities				
a. Deferred income tax liabilities	7,933	7,078	6,444	5,663
b. Long-term liabilities due to retirement benefits	246	246	246	185
c. Long-term liabilities due to the right of use	4,500	5,177	5,471	5,959
Long-term liabilities in total	12,679	12,501	12,161	11,807
2 Short-term liabilities				
a. Credits and loans				-
b. Short-term liabilities due to retirement benefits	54	54	54	61
c. Short-term liabilities due to factoring of trade liabilities	30	28	704	1,090
d. Current income tax liabilities	731	535	2,042	1,681
e. Short-term liabilities due to the right of use	3,624	3,822	3,504	3,639
f. Trade payables and other liabilities	32,112	35,071	30,575	42,758
b. Derivative financial instruments	3	-	-	2
Short-term liabilities in total	36,554	39,510	36,879	49,231
Total liabilities	49,233	52,011	49,040	61,038
Total equity and liabilities	391,789	389,849	393,172	390,075

All amounts expressed in thousands of PLN, unless indicated otherwise



Report on changes in consolidated equity

Detailed list	Share capital at par value	Surplus from the sale of shares above par value	Exchange differences from consolidation	Retained profits	In total Equity
As at 1st January 2019	10,511	114,990	(15,189)	212,538	322,850
Net profit in 2019	-	-	-	46,201	46,201
Total income in 2019	-	-	5,091	-	5,091
Payment of the dividend	-	-	-	(30,010)	(30,010)
As at 31 December 2019	10,511	114,990	(10,098)	228,729	344,132
Total net profit in 3 quarters of 2020	-	-	-	15,905	15,905
Other total income in 3 quarters of 2020	-	-	(3,817)	-	(3,817)
Payment of the dividend	-	-	-	(13,664)	(13,664)
As at 30 September 2020	10,511	114,990	(13,915)	230,970	342,556

Detailed list	Share capital at par value	Surplus from the sale of shares above par value	Exchange differences from consolidation	Retained profits	In total Equity
As at 1st January 2019	10,511	114,990	(15,189)	212,538	322,850
Total net profit in 3 quarters of 2019	-	-	-	29,919	29,919
Other total income in 3 quarters of 2019	-	-	6,278	-	6,278
Payment of the dividend	-	-	-	(30,010)	(30,010)
As at 30 September 2019	10,511	114,990	(8,911)	212,447	329,037

All amounts expressed in thousands of PLN, unless indicated otherwise



Statement of Cash Flows

	for the third quarter of 2020	3 quarters of 2020	for the third quarter of 2019	3 quarters of 2019
Net profit for the financial period	7,202	15,905	10,295	29,919
Adjustments::				
- Income tax	1,686	3,297	3,127	8,830
- Depreciation and impairment of fixed assets	10,370	30,831	9,851	28,737
- Depreciation of intangible assets	59	131	54	161
- Depreciation of the right of use	1,022	3,018	1,045	3,094
Net value of formwork sold and liquidated - fixed assets	2,614	7,343	6,521	10,080
- (Profits) / losses due to changes in the fair value of financial instruments	3	71	2	2
- Change in the value of shares in the associated entities	15	(49)	(83)	(423)
- Interest received	(161)	(562)	(329)	(866)
- Interest costs	142	410	322	770
- (Profits) / Losses due to foreign exchange losses	(209)	73	3,401	3,773
Changes in working capital:				
- Acquisition of formworks -fixed assets	(10,632)	(43,466)	(22,249)	(50,700)
- Inventory	703	(861)	(3,997)	(3,462)
- Trade receivables and other receivables	2,587	15,073	5,025	2,833
- Trade payables and other liabilities	(2,957)	862	12,382	6,311
	12,444	32,076	25,367	39,059
Income tax paid	(865)	(3,601)	(2,999)	(8,596)
Net cash flow from operating activities	11,579	28,475	22,368	30,463
Purchase of property, plant and equipment	(179)	(1,450)	(481)	(1,584)
Proceeds from the sale of property, plant and equipment	27	92	-	8
Acquisition of intangible assets	(6)	(232)	-	(57)
Loans granted	(10,000)	(10,000)	-	-
Repayment of loans granted	-	-	-	11,000
Interest received	160	562	329	866
Net cash flow from investment activities	(9,998)	(11,028)	(152)	10,233
Repayment of credits and loans	-	-	-	(1,693)
Dividends paid	-	(13,664)	-	(30,010)
Payments related to financial leasing	(909)	(2,969)	(902)	(2,974)
Interest paid	(142)	(409)	(322)	(770)
Net cash flow from financial activities	(1,051)	(17,042)	(1,224)	(35,445)
Increase / (decrease) in net cash and overdraft in the current account	530	405	20,992	5,251
Cash and overdraft in the current account at the beginning of the period	48,387	48,970	34,275	50,387
Foreign exchange loss/gains on the valuation of cash and overdraft in the current account	(197)	(655)	(1,417)	(1,788)
Cash and overdraft in the current account at the end of the period	48,720	48,720	53,850	53,850

All amounts expressed in thousands of PLN, unless indicated otherwise



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Notes to the consolidated financial statement

Declaration of conformity and general principles of document preparation

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

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

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

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

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

When preparing the interim condensed consolidated financial statements, the Group applied the same accounting principles, as described in the audited consolidated financial statements as at 31 December 2019. The interim financial statements as at 30 September 2020 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 2019, published on 24 March 2020.

This consolidated financial statement was approved for publication by the Management Board on 16 November 2020.

Currency exchange rates and inflation

	Average zloty exchange rates published by the National Bank of Poland	Change in the price index of consumer
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All amounts expressed in thousands of PLN, unless indicated otherwise



	UAH (Hryvnia - Ukraine)	RON (Leu - Romania)	KZT (Tenge - Kazakhstan)	EUR (Euro)	goods and services published by the Central Statistical Office
30 September 2020	0.1365	0.9291	0.008906	4.5268	3,6%
30 June 2020	0.1493	0.9220	0.009812	4.4660	3,9%
31 December 2019	0.1602	0.8901	0.009916	4.2585	2,3%
30 September 2019.	0.1655	0.9207	0.010282	4.3736	2,1%

All amounts expressed in thousands of PLN, unless indicated otherwise



Additional information for the quarterly report

A. Conversion of selected financial data into the Euro

DETAILED LIST	In thousands PLN		In thousands EUR	
	3 quarters of 2020	3 quarters of 2019	3 quarters of 2020	3 quarters of 2019
Net revenues from sales of products, goods and materials	144,797	164,298	32,597	38,133
Result from operating activities	19,374	38,649	4,362	8,970
Result before tax	19,202	38,749	4,323	8,993
Net result	15,905	29,919	3,581	6,944
Net cash flow from operating activities	28,475	30,463	6,410	7,070
Net cash flow from investment activities	(11,028)	10,233	(2,483)	2,375
Net cash flow from financial activities	(17,042)	(35,445)	(3,837)	(8,227)
Net cash flow	405	5,251	91	1,219
Diluted earnings per ordinary share (in PLN / EUR)	3.03	5.69	0.68	1.32
Basic earnings per ordinary share (in PLN / EUR)	3.03	5.69	0.68	1.32
	30/09/2020	31/12/2019	30/09/2020	31/12/2019
Total assets	391,789	393,172	86,549	92,327
Liabilities	49,233	49,040	10,876	11,516
Long-term liabilities	12,679	12,161	2,801	2,856
Short-term liabilities	36,554	36,879	8,075	8,660
Equity	342,556	344,132	75,673	80,811
Basic capital	10,511	10,511	2,322	2,468
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)	65.18	65.49	14.40	15.38

Individual items of assets and equity and liabilities have been converted into EUR using average exchange rates published by the President of the National Bank of Poland, effective as at the balance sheet date. The average EUR exchange rate as at 30 September 2020 amounted to PLN 4.5268, and as at 31 December 2019 to PLN 4,2585.

When converting the items of the statement of comprehensive income and cash flow statement items, a rate being the arithmetic mean of the exchange rates in force on the last day of the month of a the given period was applied, i.e. data for the period 1.01. 30/09/2020 were converted according to the exchange rate = 4.4420 PLN / EUR, data for the analogous period of 2019 were converted according to the exchange rate = 4.3086 PLN / EUR.

All amounts expressed in thousands of PLN, unless indicated otherwise



B. Description of achievements and factors influencing financial results

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

Market environment in Poland

In 2020, the market environment in Poland in the construction sector remains under the strong influence of external factors that have their origins in the development of the COVID-19 pandemic.

The construction and assembly production in the sectors important from the Group's point of view is presented in the table below, which presents still good aggregate data for the three quarters of 2020 in total, compared with the data for the same period of the previous year. However, by analysing individual quarters of 2020, it is possible to illustrate the growing volatility of market sentiment, which affects the condition of the construction sectors in individual reporting periods.

Following a mild winter, Q1 2020 was a very successful period for construction. During this period, construction and installation production recorded increases compared to the same period last year. With this good result, construction entered the second quarter of 2020, in which despite the outbreak of the COVID-19 pandemic, satisfactory results were achieved in construction and installation production. However, the holiday period, and September 2020 in particular, brought a collapse of the positive trends recorded so far, especially in the broadly defined segment of cubature construction (i.e. residential and non-residential segments):

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

Source: GUS / Spectis

	first quarter of 2020	Change year on year %	for the second quarter of 2020	Change year on year %	for the third quarter of 2020	Change year on year %
Housing sector	4,119	13,5%	4,708	6,0%	4,811	-1,6%
Non-residential sector	4,421	2,2%	5,433	2,9%	5,405	-9,4%
Engineering sector (bridges, viaducts, flyovers, tunnels)	532	33,5%	901	41,2%	855	18,7%
Industrial sector	4,054	-0,5%	4,354	-13,3	4,884	-4,1%
Sectors operated by ULMA CONSTRUCCION POLSKA S. A. in total	13,126	5,6%	15,395	0,1%	15,955	-4,3

All amounts expressed in thousands of PLN, unless indicated otherwise



According to the data of the Central Statistical Office, in the third quarter of 2020, there was a 9.8% decrease in construction and installation production (in constant prices) compared to the same period last year. In relation to September 2019, there was also a decrease in the value of construction and assembly production in such areas, yes:

- specialised construction works (down 4.4% y/y),
- construction of buildings (down 6.3% y/y)
- construction of civil engineering facilities (down 14.5% y/y).

These data confirm the collapse of positive trends in the construction segment so far and the beginning of the slowdown in the cubature segment.

In Q3 2020, compared with the corresponding period of the previous year, the individual segments of the construction market recorded the following dynamics:

- Non-residential construction recorded a significant drop in production (-9.4% y/y). This sector has suffered most from the COVID-19 pandemic, as the uncertainty of investors caused by the changing situation in the country, the introduction of further restrictions and unclear future translates directly into holding back investment decisions in this segment of construction, and this in turn into decreases in construction and assembly production.

The sectors that have suffered most as a result of this are:

- the sector comprising the construction of office buildings (down by -16.4% y/y)
- and construction of hotel and tourist accommodation facilities (down by -11.3% y/y).
- The slowdown is also observed in the entire **engineering sector**, where the decline in construction and assembly production in Q3 2020 was -3.6% (y/y). The only engineering construction sectors that have seen increases are the ones: construction of bridges, viaducts, flyovers and tunnels (18.7% y/y increase in production) and railway construction (1.5% y/y increase). This is due to the fact that the Polish government continues to continue investments financed from public funds allocated to these sectors of construction. The majority of public investments are being carried out according to plan and no delays are expected, although the rapid increase in the number of infections in Poland may also affect the above mentioned constructions, which may necessarily cause some downtime and delays.
- In the **housing sector**, the first drop in construction and assembly production in 6 years has been recorded, which in the whole third quarter of 2020 was -1.6% y/y. This is due to both the low level of uncertainty among private investors as to the economic situation of the country and the significantly hindered possibility of obtaining positive credit decisions for financing new investments.
- **The industrial construction industry** also recorded a decline in construction and assembly production of -4.1% y/y.

Construction and installation production in the sectors served by the Capital Group - comparison with the data for the same period of the previous year

Source: GUS / Spectis

All amounts expressed in thousands of PLN, unless indicated otherwise



	first quarter of 2020	for the second quarter of 2020	for the third quarter of 2020	3 quarters of 2020	3 quarters of 2019	% year on year
Housing sector	4,119	4,708	4,811	13,638	12,959	5,2%
Non-residential sector	4,421	5,433	5,405	15,259	15,572	2,0%
Engineering sector (bridges, viaducts, flyovers, tunnels)	532	901	855	2,287	1,756	30,2%
Industrial sector	4,054	4,354	4,884	13,293	14,186	-6,3%
Sectors operated by ULMA CONTRUCCION POLSKA S. A. in total	13,126	15,395	15,955	44,476	44,474	0,0%

The data presented above indicate that the situation related to the further development of the COVID-19 pandemic translates into significant decreases in construction. We are currently experiencing the effects of the second wave of the pandemic, the scale of which is much more serious than the March forecasts, which bordered on the belief that there will be no second wave of the pandemic at all in Poland. Although the Polish Government is trying to maintain the functioning of strategic branches for the entire economy, including construction, in the event of another 'lockdown', its negative effects cannot be avoided. The huge number of infections may cause construction stoppages due to quarantine, problems in transporting materials or access to necessary subcontracting services.

Despite a very difficult market situation and very strong competition, the Capital Group consistently pursues its business objectives through continuous strengthening of acquisition processes, appropriate financial policy and thorough market and competition analysis. This allows us to put forward the thesis that the economic situation of the Capital Group should no longer deteriorate by the end of 2020 in comparison with the situation in Q3 2020.

Market environment abroad

Ukraine

The third quarter of 2020 was characterised by a significant increase in turnover in the construction industry. According to the Capital Group's own estimates, the results of the entire construction sector were about 50% higher than in Q2 2020, which was mainly due to a low base of comparison caused by the suspension of construction processes and delays in starting new construction projects due to the total "lockdown" of the country. At the same time, compared to the third quarter of 2019, the increase was about 10%.

The key growth segment was residential construction, which was due to several reasons:

- the return to the country of a large number of temporary economic migrants in connection with the COVID-19 pandemic, ready for the concept of housing purchases,
- and the forecast devaluation pressure on the local currency, which forced local investors to seek a 'safe haven' for their funds.

In this way, a demand impulse appeared, which has traditionally been visible on the housing market.

All amounts expressed in thousands of PLN, unless indicated otherwise



The second important construction segment that saw growth was the engineering segment (road construction), for which the Ukrainian government secured significant public funds. Moreover, in Ukraine, there has been a gradual change in bridge-building technology from steel-based technology to monolithic construction for some time now, which further enhances the positive growth dynamics of this market segment, which is so important for the Group's operations.

As a result, according to the Group's own estimates, the construction and assembly production in 3 quarters of 2020 of ploughing increased by 3% compared to the same period last year.

Lithuania

After a very difficult second quarter of 2020 for the construction industry, a slight recovery can be felt in the third quarter of 2020. However, this is not a return to the situation before the COVID19 pandemic, but rather a slight rebound after the completion of the national 'lockdown' during the spring months, as a result of which a large proportion of new investments have been postponed to later periods or even to the following year.

On the other hand, however, due to restrictions on access to labour (foreign manual workers from outside the EU), some construction companies have difficulties in implementing contracts already signed. As a result, this is being sacrificed to the ability to start new orders, which clearly contributes to a fall in prices for services offered by, among others, formwork companies.

At the moment, the Capital Group is preparing to supply shuttering equipment on new construction sites signed in previous periods.

In addition, several relatively large contracts have been won, which, in the opinion of the Management Board, will allow the Capital Group to maintain its commercial activities at a constant level in the winter season.

Kazakhstan

The construction market in Kazakhstan is subject to significant turbulence, which is due to the dependence of the country's economic situation on the condition of the state budget, which, in turn, depends inevitably on oil prices achieved on international markets.

In the current situation, the National Bank of Kazakhstan expects GDP to fall by around -2.3% in 2020. On the other hand, however, the economic situation in the face of the COVID-19 pandemic remains basically stable and under control, despite a slight increase in new cases. Restrictions have been introduced in some regions of the country which, particularly in the afternoon and evening, affect the undisturbed viability of shopping and catering centres, with no significant impact on the condition of the construction sector at present. As a result, the global fall in demand for oil and, consequently, the fall in oil prices, continues to be the main cause of the predicted economic downturn in the entire Kazakh economy.

All amounts expressed in thousands of PLN, unless indicated otherwise



The **cubature construction** market has generally not seen any negative consequences during the development of the COVID-19 pandemic. After some work was partially blocked in the spring, the segment is now developing steadily. The new regulations adopted in September 2020 allow part of the capital depleted in pension funds to be used to improve the housing conditions of insured persons, including the purchase of flats, and this may be an additional stimulus to improve the market situation in this market segment.

Projects launched at the beginning of this year are continuing in the **engineering construction** market, but new ones are also planned. In Kazakhstan, as in Ukraine, the construction of bridges and viaducts is based largely on steel. In recent periods, this specificity has been melting down in favour of monolithic technology, particularly in large cities such as Almaty and Nursultan, where new reinforced concrete bridge construction is planned for 2021.

The Management Board of the Capital Group hopes for further development of the country's construction boom in subsequent periods, as from 2021 Kazakhstan will become a full member of the World Trade Organisation. This phenomenon should be a kind of opening of this country to technologies from Western Europe, which may soon contribute to lowering the levels of customs duties on import of services and materials from this direction.

Operating profitability

In the third quarter of 2020, the Capital Group obtained a positive result on operating activities, which amounted to PLN 19 374 thousand to a positive result of PLN 38 649 thousand achieved in the corresponding period of the previous year.

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

	first quarter of 2020	for the second quarter of 2020	for the third quarter of 2020	3 quarters of 2020	2019	3 quarters of 2019
Sales	48,733	45,089	50,975	144,797	229,366	164,298
EBIT	4,962	5,371	9,041	19,374	59,049	38,649
% for sale	10.18	11.91	17.74	13.38	25.74	23.52
Depreciation	10,980	11,262	11,451	33,693	43,115	31,992
EBITDA	15,942	16,633	20,492	53,067	102,164	70,641
% for sale	32.71	36.89	40.20	36.65	44.54	43.00

In 3 quarters of 2020, the Capital Group recorded a decrease in EBITDA in absolute terms by PLN 19,275 thousand compared to the level achieved in 3 quarters of 2019, resulting in a decrease in EBITDA expressed as a percentage of sales by 6.35 percentage points.

The decrease in EBITDA profitability was mainly due to the total revenue on sales recorded by the Capital Group falling. A significant part of the Capital Group's operating expenses are fixed costs, including in particular remuneration. Despite many actions taken by the Management Board of the Capital Group aimed at adjusting cost items to lower total revenue, while maintaining the ability to service the signed contracts, the Capital Group was not able to maintain the above profitability ratio at the level recorded in the same

All amounts expressed in thousands of PLN, unless indicated otherwise



period of the previous year. Among the most important decisions concerning the adjustment of cost items to the current revenue situation of the Group, one should mention in particular the periodic reduction of working time among administrative staff and the reduction of remuneration of members of the Group's top management, as well as the fact of using aid funds related to the Anti-Crisis Shield in Poland, which was reported by the Management Board in its current reports during the 3 quarters of 2020. Other measures included a review of many cost items and their optimisation, including renegotiation of many contracts with the Capital Group's contractors. As a result, in the 3 quarters of 2020, management costs amounted to PLN 12,988 thousand. The costs of sales and marketing were at the level of PLN 995 thousand as compared to PLN 1,980 thousand in the 3 quarters of 2019.

In the 3 quarters of 2020, the Capital Group created revaluation write-offs on receivables and wrote off trade receivables in the amount of PLN 1,722 thousand against PLN 2,259 thousand in the corresponding period of the previous year (included in "Other operating costs"). Such a good result was due to the consistent financial policy concerning a detailed analysis of the creditworthiness of the Group's customers, both in Poland and in the countries of the subsidiaries' operations, which enabled us to avoid significant debt collection problems. During 3 quarters of 2020, the Capital Group did not create any inventory revaluation write-offs. In Q3 2020, a revaluation write-down for impairment of tangible fixed assets was created in the amount of PLN 287 thousand.

I Transactions hedging against foreign exchange risk

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

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

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

I Financial costs and other comprehensive income

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

As at 30 September 2020, the value of long-term loans granted amounted to EUR 2,100 thousand and USD 290 USD. In accordance with the principles of the International Accounting Standards (IAS 21), these loans are treated as a "net investment in a foreign entity" and therefore any foreign exchange differences associated with them are disclosed in the "statement of changes in consolidated equity" and "other comprehensive income".

All amounts expressed in thousands of PLN, unless indicated otherwise



In the 3 quarters of 2020, the total value of exchange rate differences recognized in the above statements was negative and amounted to 3,817 thousand PLN, of which:

- 484 thousand PLN are positive exchange rate differences related to the aforementioned "net investment". (loans granted) in foreign operations. Exchange rate differences from the valuation of settlements as at the balance sheet date are recognised under "equity", and only in later periods following the repayments of the loan taken by the subsidiary, realised exchange rate differences are recognised in the consolidated profit and loss account,
- PLN 4,301 thousand are negative exchange rate differences resulting from changes in local currency exchange rates against PLN influencing the translations of financial statements of subsidiaries operating abroad.

In the w quarters of 2019 these amounts were respectively:

- 1,790 thousand PLN due to exchange rate differences related to "net investment in a foreign entity" and,
- PLN 4,488 thousand are positive exchange rate differences resulting from changes in local currency exchange rates against PLN influencing the translation of financial statements of subsidiaries operating abroad.

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

	31 December 2019	30 September 2020	Change in %	31 December 2018	30 September 2019	Change in %
UAH/PLN	0.1602	0.1365	-14,79%	0.1357	0.1655	21,96%
PLN/KZT for 100	1.0085	1.1228	11,33%	0.9878	0.9726	-1,54%
EUR/PLN	4.2585	4.5268	6,3%	4.3000	4.3736	1,71%

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

In the 3 quarters of 2020, the Capital Group did not create revaluation write-offs for impairment of financial assets or reverse such write-offs.

Net financial result

After accounting for income tax, the Capital Group obtained a positive net financial result in the amount of PLN 15,905 thousand in the three quarters of 2020 compared to PLN 29,919 thousand a positive net financial result achieved in the corresponding period of the previous year.

All amounts expressed in thousands of PLN, unless indicated otherwise



Cash flow

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

	3 quarters of 2020	3 quarters of 2019
Net profit (loss)	15,905	29,919
- Depreciation and impairment of the value	33,980	31,992
Total financial surplus	49,885	61,911
Other elements of net flows from operating activities	(21,410)	(31,448)
Net cash flow from operating activities	28,475	30,463
Net cash flow from investment activities	(11,028)	10,233
Net cash flow from financial activities	(17,043)	(35,445)
Net cash flow	405	5,251

Cash flow from operating activities

During the three quarters of 2020, the Capital Group achieved a positive financial surplus (net profit + depreciation), which amounted to PLN 49 885 thousand.

In the same period, cash from operating activities amounted to PLN 28 475 thousand against PLN 30 463 thousand in the corresponding period of the previous year.

In the three quarters of 2020, the Capital Group continued to make investment purchases in the group of shuttering and scaffolding mainly in order to supplement or renew its portfolio of products necessary to provide services to the construction market in Poland and in the countries of operation of its subsidiaries, including in particular the bridge segment. As a result, investment expenditure in the 3 quarters of 2020 related to the purchase of property, plant and equipment in the group of shuttering and scaffolding systems amounted to PLN 43 466 thousand compared to PLN 50 700 thousand in the corresponding period of 2019.

Cash flow from investment activities

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

Cash flow from financial activities

In the three quarters of 2020, as part of its financing activities, the Group incurred mainly expenditure on dividend payments of PLN 13,664 thousand and on lease payments made by the parent company (PLN 2,969 thousand).

All amounts expressed in thousands of PLN, unless indicated otherwise



As a result of the above, in the 3 quarters of 2020, the Group recorded a decrease in cash by PLN 405 thousand to PLN 48,720 thousand as at 30 September 2020.

I Information on employment

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

	3 quarters of 2020	2019	3 quarters of 2019
ULMA Construcción Polska S.A.	368	364	362
ULMA Construcción Polska S.A. Capital Group	445	434	430

C. Description of the Capital Group

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

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

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

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

D. Management Board's position on forecasts

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

On 14 October 2020, the Issuer's Management Board, in report no. 19/2020, published preliminary estimates of selected financial and operational data of ULMA Construcción Polska S.A. Capital Group concerning total sales revenues and revenues from sales in particular segments of the Capital Group's operations. The table below presents a comparison of the published preliminary estimates and actual data achieved in the analysed period of 3 quarters of 2019.

	Forecast	Execution	Difference
Sales revenues including:	144,797	144,797	-
- construction site services	111,001	111,001	-
- sales of building materials	33,797	33,797	-
EBITDA (operating profit + depreciation)	53,067	53,067	-

All amounts expressed in thousands of PLN, unless indicated otherwise



Net profit	15,905	15,905	-
Net cash position (cash + loans granted)	68,720	68,720	-

E. Significant shareholders

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

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

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

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

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

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

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

G. Important court proceedings

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

All amounts expressed in thousands of PLN, unless indicated otherwise



Proceedings regarding receivables of ULMA Construcción Polska S.A as at 30.09.2019:

ULMA Construcción Polska S.A. conducts 50 court proceedings, which include receivables (according to the balance as at 30 September 2020) in the total amount of PLN 20,460 thousand. These cases include court proceedings that have not yet ended with the court issuing a final enforcement order in the case and claims against debtors in relation to which the court issued a decision on the declaration of bankruptcy, arrangement or restructuring.

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



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

Detailed list	Number of the proceedings	Balance as at 30 -09 -2019	Date of the commencement of proceedings	Status of the case
Court proceedings	2	447		
Including major cases:				
Company "ROTOS" Ryszard Dominik		388	June 2018	The District Court in Białystok awarded the Debtor and the Guarantor (the Debtor's spouse) the entire amount due. Despite the fact that the order for payment is not yet final and binding, the Company, as part of the bailiff's proceedings, secured the Debtors' movable property (construction machines). In September 2019, as part of bailiff proceedings, it was possible to auction off part of the seized movables, of which PLN 310 thousand was received by the Company, while in February 2020, the amount of PLN 156 thousand was also recovered from the bank account seizure. Additionally, at the request of the Company, criminal proceedings are being conducted in connection with the fact that the Debtors, being already debtors of the Company, have assigned their movable and immovable
Aussie Development sp. z o.o.		59	May 2019	The Company filed 2 suits against the Debtor and the guarantor (an individual) due to two different agreements between the parties. In one of the proceedings, the Company has already received an order for payment and is awaiting its validation, while in the other, the Company is awaiting an order for payment.
Total listed	2	447		100% of the total
Bankruptcy proceedings	48	20,013		
<i>including the 5 largest items:</i>				
HYDROBUDOWA POLSKA SA		6,602	September 2012	The receivable has been filed to the bankruptcy receiver.
RADKO Sp. z o.o.		4,104	August 2012	On 20 January 2016, the Court transformed the hitherto existing systemic bankruptcy into bankruptcy involving the liquidation of the bankrupt's assets. Regardless of the receivables filed in the bankruptcy proceedings, the Company conducts several different proceedings in parallel. In particular, it is the enforcement proceedings against one of the guarantors (a former member of the Debtor's board). In relation to this guarantor, several executions were carried out on land property and on his shares in another company. In October 2020, the bailiff finally completed the last of the pending land enforcement proceedings and transferred the amount of PLN 140 thousand to the Company's account. Enforcement proceedings are in progress (the company owns properties with an estimated value of approximately PLN 500 thousand).
HENPOL Sp. z o.o.		1,010	January 2014	The receivable has been filed to the bankruptcy receiver.

All amounts expressed in thousands of PLN, unless indicated otherwise



Firma Gotowski – Budownictwo Komunikacyjne i Przemysłowe sp. z o. o		873	June 2018	On 22 June 2018, the District Court in Bydgoszcz issued a decision on opening the Debtor's recovery proceedings. Taking into account that the Company cooperated with the Debtor on three public contracts (contracts submitted to investors under the Public Procurement Law), the Company tries to recover its receivables directly from them. As a result, in July 2019, PLN 197 thousand was received from one of the investors. The other Investor paid a receivable due to the Company in the amount of PLN 273 thousand into the court deposit. The Company filed an application for payment of the funds from the deposit. The court has issued a decision on the withdrawal of funds from the deposit, which as at the report date is not valid. As the third Investor refused to pay directly, the Company filed a lawsuit for payment of PLN 362 thousand, which is currently in progress.
KROKBUD Sp. z o.o.		864	April 2016	On 16/11/2017, the Court transformed the hitherto existing systemic bankruptcy into bankruptcy involving the liquidation of the bankrupt's assets. The Company reported its receivables to the trustee. So far the Company has not received any payments during the pending bankruptcy proceedings. In October this year The Company received the amount of PLN 105 thousand, after completion of the court proceedings, as compensation for the unlawful failure to notify the public investor of the lease agreement between the Company and the Debtor. The amount received is part of the total debt. The Company is considering the possibility of filing a lawsuit for the remaining amount of debt by analysing the chances of success of such application.
Total listed		13,453		67% of the total
Total number of the proceedings conducted	50	20,460		

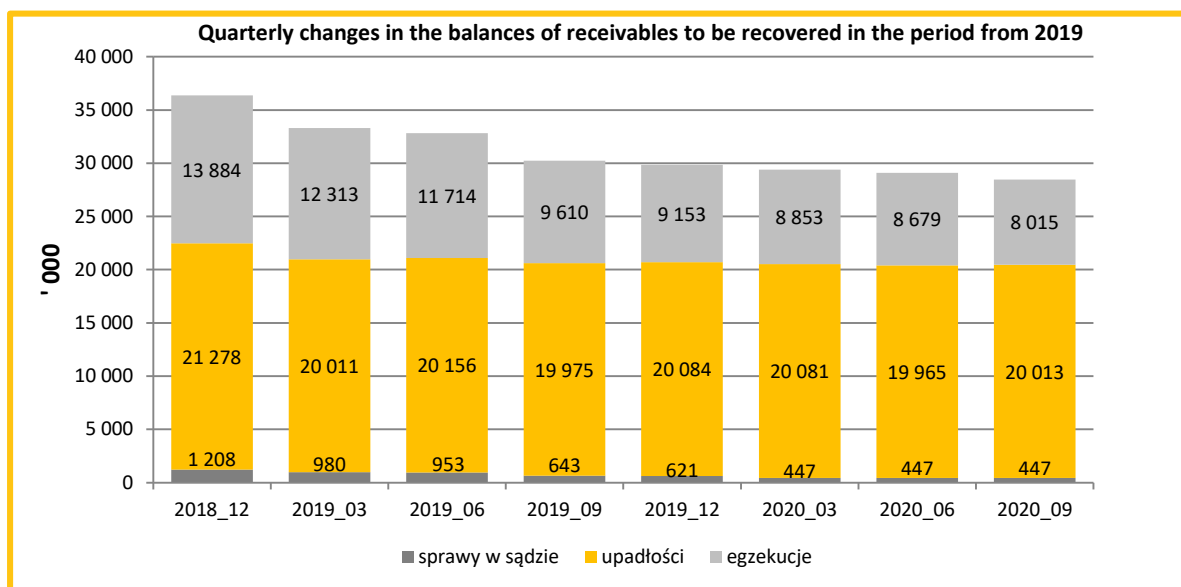
All amounts expressed in thousands of PLN, unless indicated otherwise



Apart from the court cases described above, the Company conducts other debt collection proceedings. These are in particular pre-judicial proceedings and those at the stage of bailiff enforcement. Currently, the Company has 79 proceedings from these categories in its balance sheet for the total value of PLN 8,015 thousand.

As at 30th September 2020, the total balance of receivables to be recovered (at the judicial and extra-judicial stage) in the balance sheet included 129 cases with a total of PLN 28,475 thousand..

The change in the value of receivables in debt collection in the period from the end of 2019 to the report drafting date is presented in the chart below:



It should be pointed out that in the analysed period of three quarters of 2020, as compared to the analogous period of the previous year, the Company recorded a higher amount of debtors' receivables. The change was related in particular to the debt of one of the Company's debtors, who initiated simplified restructuring proceedings (the amount of debt is PLN 615 thousand). In spite of the above, in the period of 3 quarters of this year, The Company managed to reduce the total balance of debtors' receivables (without taking into account the reduction of the balance due to writing off the receivables into costs), which indicates that the good effectiveness of the conducted collection of difficult or doubtful receivables is maintained.

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

	3 q in 2020.	in 2019.	in 2018.
Receivables in collection at the beginning of the period	29,856	35,963*	38,251
written down over the period	(1,112)	(5,520)	(2,866)
payments over the period	(1,258)	(1,358)	(2,639)
New collections over the period	989	771	3,624
Receivables in collection at the end of the period	28,475	29,856	36,369
<i>new collection - payments per account balance</i>	(269)	(587)	985

*The opening balance as at 2019 was reduced by PLN 406 thousand resulting from the reclassification of receivables recognised as debtors in 2018 to normal receivables (signed agreements and further cooperation with customers).

All amounts expressed in thousands of PLN, unless indicated otherwise



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

Proceedings regarding receivables of the Subsidiaries as at 30/09/2020:

As at the balance sheet date, subsidiaries recorded a total of 16 court cases with a joint value of PLN 3,688 thousand including:

- a) 12 cases for the amount of PLN 1,239 thousand are at the stage of court proceedings,
- b) 4 cases for the amount of PLN 2,448 thousand are restructuring and bankruptcy proceedings.

Invariably, the largest of the court cases in the Subsidiaries, whose debt equivalent as at the balance sheet date is PLN 2,123 thousand, is the bankruptcy proceedings of one of the debtors in the Subsidiary ULMA Construcción BALTIC sp. z o.o.

In addition to the court receivables described above, in the balance sheet of ULMA Opałubka Ukraina sp. z o.o., there are also balances of 20 other receivables, mainly at the pre-trial stage, whose total value amounts to PLN 5,886 thousand (after conversion at the exchange rates as at the balance sheet date). There are no such items in other subsidiaries. It is also noteworthy that in Q3 2010, the Company's balance was also negative. ULMA Opałubka Ukraina sp. z o.o., a subsidiary of ULMA Opałubka Ukraina sp. z o.o., finally managed to sign an agreement on repayment of commercial debt of one of its customers, together with establishment of tangible collateral on the property owned by that debtor. According to the agreement, the debt will be repaid in monthly instalments until May 2021 (the current value of the debt as at the balance sheet date is PLN 1,886 thousand).

In its report for the first half of 2020, the Management Board of the Capital Group forecasted an improvement in overdue receivables at ULMA Opałubka Ukraina sp. z o.o. in the period until the end of Q3 2020. As a result of the repayments made and agreements signed, the balance of write-downs for expected credit losses was reduced to the amount equivalent to PLN 2,218 thousand as at the balance-sheet date (decrease by PLN 337 thousand).

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

H. Transactions with associated entities

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

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

All amounts expressed in thousands of PLN, unless indicated otherwise



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

Transactions concluded during the 3 quarters of 2020 by ULMA Construcción Polska S.A. and its subsidiaries with related entities were typical and routine, were concluded on an market terms, and their nature and terms resulted from running ongoing operations.

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

- purchase of shuttering and scaffolding and rental services of shuttering and scaffolding of total value of PLN 26 573 thousand.
- other purchases in the total amount of PLN 1,819 thousand.

In the last 12 months (from 01/10/2019 to 30/09/2020), the value of the above transactions totaled:

- purchase of shuttering and scaffolding and rental services of shuttering and scaffolding of total value of PLN 42 499 thousand.
- other purchases in the total amount of PLN 2,522 thousand.

In addition to commercial transactions, ULMA Construcción Polska S.A. in the previous periods granted long-term and short-term loans to affiliates. The table below presents the table of loans granted by debt as on the balance sheet date and 31/12/2019.

Associated party - long-term loans	Loan amount 30/09/2019	Loan amount 31/12/2019
ULMA Opałubka Ukraina (thousands. USD)	290	290
ULMA Construcción BALTIC (thousands. EUR)	2,100	2,100
Affiliate	Loan amount 30/09/2020	Loan amount 31/12/2019
ULMA CyE S.Coop. (In thousands of of PLN) – short-term loan	-	10,000
ULMA CyE S.Coop. (In thousands of of PLN) - long-term loan	20,000	-

The above long-term loans granted to subsidiaries are treated as net investments in the subsidiary. Unrealised exchange rate differences arising from the valuation of the aforementioned long-term loans are charged directly to the Group's equity.

W ULMA Construcción Polska S.A. granted the parent company ULMA CyE, S. Coop a short-term loan of PLN 32,000 thousand. The loan for the parent company was granted on market terms - the interest rate on the loan depended on WIBOR 3M.

- The first tranche in the amount of PLN 11,000 thousand was repaid on the date provided for and described in the loan agreement on 21 May 2018.
- The second tranche in the amount of PLN 11,000 thousand was repaid within the period provided for and described in the loan agreement on 29 April 2019.
- The deadline for repayment of the remaining part of the loan (the third tranche of PLN 10,000 thousand) in accordance with the annex of 22 June 2020 (current report no. 14/2020 of 22 June 2020) was established for the period until 31 July 2020.

According to the Loan Agreement of 30 July 2020, ULMA Construcción Polska S.A. lent ULMA C y E, S. Coop. (further referred to as: "the Borrower") the amount of PLN 20,000 thousand in the form of a

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revolving loan line, with the final repayment date set at 31 July 2022.

The amount made available under the Loan Agreement shall be paid out on the basis of instructions given by the Borrower, with the total value of the tranches paid out not exceeding the amount indicated in the previous sentence. Upon conclusion of the Loan Agreement, the obligation of ULMA C y E, S. Coop. towards EULMA Construcción Polska S.A. under the Loan Agreement of 2015 for the amount of PLN 10,000 thousand and with maturity as at July 31st 2020 was settled under the terms of the new Loan Agreement and counted towards the credit limit resulting from the new Loan Agreement.

I. Sureties and guarantees

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

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

ULMA Construcción Polska S.A. granted a surety to Bank UKRSIBBANK for its subsidiary - ULMA Opałubka Ukraina Sp. z o.o. - As security for the repayment of a multi-purpose credit agreement, which ULMA Opałubka Ukraina Sp. z o.o. signed with the Bank. The surety amounts to EUR 1,000 thousand. The maturity date of this credit agreement is 31 December 2020. As at the balance sheet date of 30 September 2020 there is no debt under this agreement.

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

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

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

J. Other relevant information

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

All amounts expressed in thousands of PLN, unless indicated otherwise



During the three quarters of 2020, there were no significant events other than those described earlier.

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

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

Pursuant to Resolution No. 7 of the General Meeting of Shareholders of ULMA Construccjon Polska S.A. of 06 May 2020, a portion of the net profit for the financial year 2019 in the amount of 13,664,643.20 was allocated for payment to shareholders in the form of a dividend of PLN 2.60 gross per share. The determination of the dividend rights took place on 18 May 2020 and the payment of the dividend took place on 25 May 2020.

Pursuant to Resolution No. 7 of the General Meeting of Shareholders of ULMA Construccjon Polska S.A. of 9 May 2019, a portion of the net profit for the financial year 2018 in the amount of 30,009,658.72 was allocated for payment to shareholders in the form of a dividend of PLN 5.71 gross per share.

The determination of the dividend rights took place on 17 May 2019 and the payment of the dividend took place on 24 May 2019.

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

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

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

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

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

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

During 3 quarters of 2020, the Capital Group did not create any inventory revaluation write-offs. Nor was there any reversal of such write-offs

All amounts expressed in thousands of PLN, unless indicated otherwise



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

In the 3 quarters of 2020, the Capital Group created revaluation write-offs on receivables and wrote off trade receivables in the amount of PLN 1,722 thousand against PLN 2,259 thousand in the corresponding period of the previous year (included in "Other operating costs").

In Q3 2020, a revaluation write-down for impairment of tangible fixed assets was created in the amount of PLN 287 thousand.

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

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

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

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

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

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

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

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

Information on deferred income tax liabilities and assets

	As at:	
	30 September 2020	31 December 2019
Assets due to deferred income tax:	6,884	6,411
Provision for deferred income tax:	(10,164)	(8,460)
Compensation	2,231	2,016
Balance sheet value of an asset due to deferred income tax	4,653	4,395
Balance sheet provision due to deferred income tax	(7,933)	(6,444)

Deferred tax assets and liabilities in the consolidated statement of financial position as at 30 September 2020 and 31 December 2019 were shown in amounts resulting from the offsetting of assets and liabilities at the level of each company in the Capital Group.

All amounts expressed in thousands of PLN, unless indicated otherwise



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

The most significant transactions of purchase of tangible fixed assets made in the 3 quarters of 2020 were the purchase of formwork elements for lease from the Group's parent company in the amount of PLN 25,779 thousand.

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

Liabilities arising from the above-mentioned purchases were fully paid by 31 March 2020.

Liabilities under the aforementioned purchases as at 30 September 2020 amounted to PLN 1,243 thousand (translated at the average EUR exchange rate announced by the President of the National Bank of Poland as at the balance-sheet date) and were settled in 24% by the publication date of this report.

Indication of errors of previous periods

In the 3 quarters of 2020 no errors of previous periods were found

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

In 3 quarters of 2020, there were no such events. As of 30 September 2020, the Capital Group's subsidiaries do not have any debt under bank loans other than those indicated in this report.

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

In the 3 quarters of 2020, the Group did not issue, redeem or repay any equity or capital securities.

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

After the balance sheet date, 30 September 2020, no events were identified that could significantly affect the future financial results of ULMA Construccjon Polska S.A. Capital Group.

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

Since the end of the last financial year there have been no changes in contingent liabilities or contingent assets, except for changes in granted bank guarantees referred to in the part concerning Sureties and Guarantees. As at 30 September 2020, the value of the aforementioned bank guarantees amounted to PLN 3,594 thousand and did not change in relation to the balance as at 31 December 2019.

All amounts expressed in thousands of PLN, unless indicated otherwise



K. Factors influencing the issuer's future results

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

I Polish market

According to GUS data, in the third quarter of 2020, a growing number of bankruptcies in the construction industry was recorded, which was 23.5% higher than in the same period last year. Small construction companies are very strongly affected by the worse economic situation, which translates directly into their poor financial situation. On the other hand, large construction companies have signed many new contracts in the past few years, making their order books for next year look very impressive. This allows us to hope that the economic prosperity for the construction industry will be maintained in the following periods, and that the construction industry in Poland will come out of the current collapse with a defensive hand and, as predicted by analysts, after this year's significant drop, it will slowly begin to rebuild its potential and dynamics.

The current market forecasts for individual segments of the construction industry are changing very dynamically and are directly dependent on the scale of the autumn COVID-19 pandemic and the situation at the beginning of next year. The current scale of the disease and the situation in the country indicate that the falls may be relatively deep, and it may take more time to return to construction and assembly production levels before the COVID-19 pandemic outbreak.

According to analysts, in the case of **residential construction**, the coming years will be a period of decline in construction and assembly production, with the deepest falls forecast next year (decline of -6.6% y/y). Production is not expected to increase until 2023, but the value of the residential market will not reach the 2019 level for a long time.

The uncertainty of the general economic situation translates directly into a decrease in new investments in **non-residential construction**. Private investors, who are responsible for the vast majority of investments in this segment, are holding back their decisions to start construction. As a result, double-digit falls are forecast for this sector next year.

The transport and communications buildings are an exception here, due to the large number of infrastructure investments under way. According to market analysts, it is not until 2022 that growth in construction and assembly production for this segment of the construction market will be achieved.

Engineering construction is practically the only construction sector which is currently experiencing growth. The market analysts do not expect any decreases for the next two years. The continuing prosperity of this segment is influenced by the policy of the Polish government, which is trying to stimulate or at least maintain investment demand through public contracts. Therefore, the General Directorate for National Roads and Motorways launches new tenders and announces new ones, and does not plan to significantly suspend work on contracts already in progress. Unless external factors influence it, investments in motorways, expressways, national roads or bypasses of large cities will be made as planned. The situation is similar in the

All amounts expressed in thousands of PLN, unless indicated otherwise



railway industry, where the implementation of the National Railway Programme is proceeding according to plan, and the coming years are expected to bring further growth.

Important from the point of view of the country's economy are the Government's announcements concerning the implementation of strategic megainvestments, i.e. the construction of the Central Communication Port, wind farms in the north of the country, the Port of Gdańsk and a nuclear power plant. In the case of the CPK, the investment is planned to start in 2022, while the construction of wind farms in the Baltic Sea is to start next year.

I Foreign markets

Among the factors that in the nearest future may have an impact on the economic situation and revenues of the Capital Group, implemented on foreign markets should be mentioned:

UKRAINE

- The main threat to the maintenance of the market's prosperity is the risk of a second wave of the COVID-19 pandemic, which could lead to the closure of construction plans, as happened in the spring of this year.
- The construction market may also be negatively affected by the political risks associated with the recent local government elections, the constitutional crisis, and organisational changes in the structures controlling construction activity in Ukraine (DABl reform).

KAZAKHSTAN

- In the wake of the falling market situation, the risk of local companies becoming insolvent increases. In addition, the Group is increasingly more frequently confronted with the condition of signing commercial agreements by customers based on the principles of trade credit, instead of the terms and conditions of delivery of construction equipment used in the agreements to date on the basis of prepayments.
- There is a risk of a sudden devaluation of the local currency, which constitutes a risk of a decrease in the competitiveness of products and services originating in Europe.

LITHUANIA

- The declining supply of new investments, especially in the cubature non-residential segment, increases competitive pressure and lowers the prices of services offered by the Group, which, given the relatively small scale of its operations, may contribute to significant declines in the Group's revenue, especially in winter.
- The policy of verifying customers' creditworthiness has become more difficult due to customers' reluctance to submit to such an assessment. Moreover, in the current situation, general contractors are very reluctant to provide guarantees for their construction subcontractors who are the Capital Group's customers. As a result, in the face of a worsening market downturn, creditworthiness may deteriorate, which in turn may contribute to payment blockages or difficulties in an effective debt collection process.

I Exchange rate risk

All amounts expressed in thousands of PLN, unless indicated otherwise



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

The subsidiary Ulma Opatubka Ukraina sp. z o.o. has an intragroup loan denominated in USD. Due to the inability to effectively hedge against the foreign exchange risk associated with this transaction, the Company remains exposed to foreign currency and USD - Hryvnia, although this risk appears to be moderate with the apparent stabilization in Ukraine. In addition, management seeks to minimize this risk by updating the prices of its products and services in response to changes in exchange rates.

L Information on market segments

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

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

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

The segment results were as follows:

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

Description of the item	Construction site services	Sales of building materials	Capital Group
Sales revenue in total	36,656	19,927	56,583
Internal sale	(609)	(4,999)	(5,608)
Sales revenues	36,047	14,928	50,975
Operating costs without depreciation	(21,585)	(12,394)	(33,979)
Internal turnover costs	61	3,435	3,496
Consolidated operating costs without depreciation	(21,524)	(8,959)	(30,483)
EBITDA	14,523	5,969	20,492

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

Description of the item	Construction site services	Sales of building materials	Capital Group
Sales revenue in total	112,337	46,958	159,296

All amounts expressed in thousands of PLN, unless indicated otherwise



Internal sale	(1,337)	(13,162)	(14,498)
Sales revenues	111,001	33,796	144,797
Operating costs without depreciation	(71,373)	(33,141)	(104,515)
Internal turnover costs	153	12,631	12,784
Consolidated operating costs without depreciation	(71,220)	(20,510)	(91,731)
EBITDA	39,781	13,286	53,067

The third quarter of 2019 - the 3-month period ending on 30 September 2019.

Description of the item	Construction site services	Sales of building materials	Capital Group
Sales revenue in total	40,076	25,745	65,821
Internal sale	(404)	(9,052)	(9,456)
Sales revenues	39,672	16,693	56,365
Operating costs without depreciation	(22,316)	(16,277)	(38,593)
Internal turnover costs	(16)	6,834	6,818
Consolidated operating costs without depreciation	(22,332)	(9,443)	(31,775)
EBITDA	17,340	7,250	24,590

Three quarters of 2019 - the 9-month period ending on 30 September 2019.

Description of the item	Construction site services	Sales of building materials	Capital Group
Sales revenue in total	127,033	53,731	180,764
Internal sale	(961)	(15,505)	(16,466)
Sales revenues	126,072	38,226	164,298
Operating costs without depreciation	(72,850)	(32,683)	(105,533)
Internal turnover costs	194	11,682	11,876
Consolidated operating costs without depreciation	(72,656)	(21,001)	(93,657)
EBITDA	53,416	17,225	70,641

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

	for the third quarter of	3 quarters of 2020	for the third quarter of	3 quarters of 2019
Profit (loss) at the EBITDA level	20,492	53,067	24,590	70,641

All amounts expressed in thousands of PLN, unless indicated otherwise



Depreciation	(11,451)	(33,693)	(10,950)	(31,992)
Interest income	161	562	329	865
Other financial income	167	450	-	-
Interest related costs	(142)	(409)	(322)	(770)
Other financial costs	(324)	(824)	(308)	(418)
Participation in the results of affiliates	(15)	49	83	423
Profit (loss) before tax	8,888	19,202	13,422	38,749
Income tax	(1,686)	(3,297)	(3,127)	(8,830)
Net profit (loss)	7,202	15,905	10,295	29,919

M. Investor relations

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

Aneta Szymańska

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ULMA Construcción Polska S.A.

SINGLE SHORTENED FINANCIAL STATEMENT

**FOR 3 QUARTER ENDING ON 30 September
2020**

All amounts expressed in thousands of PLN, unless indicated otherwise



Profit and loss account and other comprehensive income

	for the third quarter of 2020	3 quarters of 2020	for the third quarter of 2019	3 quarters of 2019
Sales revenues	40,464	117,520	47,077	140,851
Costs of products, goods and materials sold	(30,783)	(95,754)	(31,938)	(95,714)
I. Gross profit on sales	9,681	21,766	15,139	45,137
Selling and marketing costs	(276)	(940)	(596)	(1,868)
General administration and management costs	(3,094)	(10,679)	(4,004)	(11,885)
Other operating income	84	1,473	88	697
<i>Including: reversal of impairment losses on receivables</i>	(97)	496	-	-
Other operating costs	(25)	(551)	287	(323)
<i>Including: impairment losses on receivables</i>	-	-	319	(281)
II. Profit (loss) at the operational level	6,370	11,069	10,914	31,758
Financial income	258	1,282	2,094	4,669
Financial costs	(142)	(410)	(178)	(567)
<i>Net financial costs</i>	<i>116</i>	<i>872</i>	<i>1,916</i>	<i>4,102</i>
III. Profit (loss) before tax	6,486	11,941	12,830	35,860
Current income tax	(478)	(675)	(2,129)	(5,630)
Deferred income tax	(855)	(1,489)	(513)	(1,898)
IV. Net profit (loss) for the financial period	5,153	9,777	10,188	28,332
Other comprehensive income:			-	-
V. Total income for the financial period	5,153	9,777	10,188	28,332
Net profit (loss) for the financial period	5,153	9,777	10,188	28,332
Weighted average number of ordinary shares	5,255 632	5,255 632	5,255 632	5,255 632
Basic and diluted profit (loss) per share in the financial period (in PLN per share)	0.98	1.86	1.94	5.39

All amounts expressed in thousands of PLN, unless indicated otherwise



Statement of financial position

	Status per day			
	30/09/2020	30/06/2020	31/12/2019	30/09/2019
ASSETS				
I. Tangible assets (long-term)				
1. Property, plant and equipment	244,132	248,232	238,445	229,152
2. Intangible assets	283	333	172	77
3. Shares in affiliates	7,458	7,458	7,458	7,458
4. Other fixed assets - right of use	11,715	12,702	12,615	13,380
5. Long-term receivables	30,719	10,623	10,063	10,406
Fixed assets (long-term) in total	294,307	279,348	268,753	260,473
II. Current assets (short-term)				
1. Inventory	5,906	6,604	5,185	7,118
2. Trade receivables and other receivables	27,765	41,897	54,686	51,591
3. Current income tax receivables.	145	27	-	-
4. Derivatives	-	-	68	-
5. Cash and cash equivalents	41,274	41,529	45,997	49,788
Current assets (short-term) in total	75,090	90,057	105,936	108,497
Total assets	369,397	369,405	374,689	368,970
EQUITY CAPITAL AND LIABILITIES				
I. Equity				
1. Basic capital	10,511	10,511	10,511	10,511
2. Supplementary capital - surplus from the sale of shares above par value	114,990	114,990	114,990	114,990
3. Retained earnings, including:	202,111	196,958	205,999	190,832
a) Net profit (loss) for the financial period	9,777	4,624	43,499	28,332
Total equity	327,612	322,459	331,500	316,333
II. Liabilities				
1. Long-term liabilities				
a. Deferred income tax liabilities	7,933	7,078	6,444	5,663
b. Long-term liabilities due to retirement benefits	246	246	246	185
c. Long-term liabilities due to the right of use	4,500	5,177	5,471	5,959
Long-term liabilities in total	12,679	12,501	12,161	11,807
2. Short-term liabilities				
a. b. Short-term liabilities due to retirement benefits	54	54	54	61
B. Short-term liabilities due to factoring of trade liabilities	30	28	704	1,090
c. Current income tax liabilities	-	-	1,307	674
d. Short-term liabilities due to the right of use	3,624	3,822	3,504	3,639
e. Trade payables and other liabilities	25,395	30,541	25,459	35,364
f. Derivative financial instruments	3	-	-	2
Short-term liabilities in total	29,106	34,445	31,028	40,830
Total liabilities	41,785	46,946	43,189	52,637
Total equity and liabilities	369,397	369,405	374,689	368,970

All amounts expressed in thousands of PLN, unless indicated otherwise



Report on changes in equity

Detailed list	Share capital at par value	Surplus from the sale of shares above par value	Retained profits	In total Equity
As at 1st January 2019	10,511	114,990	192,509	318,010
Net profit in 2019			43,499	43,499
Other total net income in 2019	-	-	-	-
Payment of the dividend	-	-	(30,009)	(30,009)
As at 31 December 2019	10,511	114,990	205,999	331,500
Total net profit in 3 quarters of 2020	-	-	9,777	9,777
Other total net income in 3 quarters of 2020	-	-		-
Payment of the dividend	-	-	(13,665)	(13,665)
Status as at 30 September 2020	10,511	114,990	202,111	327,612

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 2019	10,511	114,990	192,509	318,010
Total net profit in 3 quarters of 2019	-	-	28,332	28,332
Other total net income in 3 quarters of 2019	-	-	-	-
Payment of the dividend	-	-	(30,009)	(30,009)
Status as at 30 September 2019	10,511	114,990	190,832	316,333

All amounts expressed in thousands of PLN, unless indicated otherwise



Statement of Cash Flows

	for the third quarter of 2020	3 quarters of 2020	for the third quarter of 2019	3 quarters of 2019
Net profit for the financial period	5,153	9,777	10,188	28,332
Adjustments::				
- Income tax	1,333	2,164	2,642	7,528
- Depreciation and impairment of fixed assets	9,159	27,516	8,815	25,680
- Depreciation of intangible assets	55	120	53	156
- Depreciation of the right of use	1,022	3,018	1,045	3,094
Net value of formwork sold - fixed assets	2,424	5,587	4,384	7,420
- (Profits) / losses due to changes in the fair value of financial instruments	3	71	2	2
- Interest and dividends received	(162)	(697)	(1,472)	(4,245)
- Interest costs	142	410	178	567
- (Profits) / Losses due to foreign exchange losses	(96)	(585)	342	476
- Acquisition of formworks -fixed assets	(7,425)	(37,576)	(19,148)	(44,150)
Changes in working capital:				
- Inventory	698	(720)	(2,565)	(1,985)
- Trade receivables and other receivables	4,132	16,921	1,942	843
- Trade payables and other liabilities	(5,144)	(739)	10,937	2,304
	11,294	25,267	17,343	26,022
Income tax paid	(597)	(2,128)	(2,142)	(6,129)
Net cash flow from operating activities	10,697	23,139	15,201	19,893
Purchase of property, plant and equipment	(85)	(1,305)	(358)	(1,041)
Proceeds from the sale of property, plant and equipment	27	93	0	8
Acquisition of intangible assets	(6)	(232)	-	(57)
Loans granted	(10,000)	(10,000)	-	-
Repayment of loans granted	-	-	3,078	14,693
Dividends received	-	-	1,130	3,060
Interest received	161	624	280	1,123
Net cash flow from investment activities	(9,903)	(10,820)	4,130	17,786
Payments related to financial leasing	(909)	(2,969)	(902)	(2,974)
Interest paid	(142)	(409)	(178)	(567)
Payment of the dividend	-	(13,665)	-	(30,009)
Net cash flow from financial activities	(1,051)	(17,043)	(1,080)	(33,550)
Increase / (decrease) in net cash and overdraft in the current account	(257)	(4,724)	18,251	4,129
Cash and overdraft in the current account at the beginning of the period	41,529	45,997	31,420	45,611
Foreign exchange loss/gains on the valuation of cash and overdraft in the current account	2	1	117	48
Cash and overdraft in the current account at the end of the period	41,274	41,274	49,788	49,788

All amounts expressed in thousands of PLN, unless indicated otherwise



Description of the most important applied accounting principles

In preparing the interim condensed financial statement, the Company applied the same accounting policies as described in the audited financial statements as at 31 December 2019. The interim financial statement as of 30 September 2020 should be read together with the audited financial statements as of 31 December 2019 published on 24 March 2020.

Investments in subsidiaries and affiliates

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

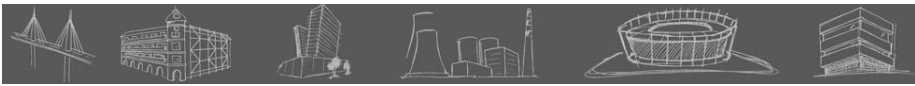
Conversion of selected financial data into the Euro

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

DETAILED LIST	In thousands PLN		In thousands EUR	
	3 quarters of 2020	3 quarters of 2019	3 quarters of 2020	3 quarters of 2019
Net revenues from sales of products, goods and materials	117,520	140,851	26,456	32,691
Result from operating activities	11,069	31,758	2,492	7,371
Gross result	11,941	35,860	2,688	8,323
Net result	9,777	28,332	2,201	6,576
Net cash flow from operating activities	23,139	19,893	5,209	4,617
Net cash flow from investment activities	(10,820)	17,786	(2,436)	4,128
Net cash flow from financial activities	(17,043)	(33,550)	(3,837)	(7,787)
Net cash flow	(4,724)	4,129	(1,064)	958
Basic earnings per ordinary share (in PLN / EUR)	1.86	5.39	0.12	1.25
Diluted earnings per ordinary share (in PLN / EUR)	1.86	5.39	0.42	1.25
	30/09/2020	31/12/2019	30/09/2020	31/12/2019
Total assets	369,397	374,689	81,602	87,986
Liabilities	41,784	43,189	9,230	10,142
Long-term liabilities	12,679	12,161	2,801	2,856
Short-term liabilities	29,105	31,028	6,430	7,286
Equity	327,612	331,500	72,372	77,844
Basic capital	10,511	10,511	2,322	2,468
Weighted average number of shares	5,255 632	5,255 632	5,255 632	5,255 632
Number of shares as at the balance sheet date	5,255 632	5,255 632	5,255 632	5,255 632
Book value per ordinary share (in PLN / EUR)	62.34	63.08	13.77	14.81

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

All amounts expressed in thousands of PLN, unless indicated otherwise



average EUR exchange rate as at 30 September 2020 amounted to PLN 4.52 68, and as at 31 December 2019 to PLN 4,2585.

When converting the items of the statement of comprehensive income and cash flow statement items, a rate being the arithmetic mean of the exchange rates in force on the last day of the month of a the given period was applied, i.e. data for the period 1.01. 30/09/2020 were converted according to the exchange rate = 4.4420 PLN / EUR, data for the analogous period of 2019 were converted according to the exchange rate = 4.3086 PLN / EUR.