

# Condensed Consolidated Financial Statement

For the period of 9 months  
finished on September 30, 2017

Prepared in accordance with the International Standards  
for Financial Reporting



Ząbki, November 9, 2017



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## A. INTRODUCTION TO CONSOLIDATED FINANCIAL STATEMENT

### 1. GENERAL INFORMATION ABOUT THE DOMINANT ENTITY

**J.W. Construction Holding S.A.** hereinafter referred to as ("JWCH") with its business seat in Ząbki at 326 Radzymińska street, REGON number 010621332 was initially registered as Towarzystwo Budowlano-Mieszkaniowe Batory Sp. z o.o., on 7 March 1994 under number RHB 39782. On 15 January 2001 it was transformed into a joint-stock company and registered with the District Court for Warsaw under number RHB 63464. On 16 July 2001 the Company changed its name to the current "J.W. Construction Holding S.A." and was entered into the National Court Register under number KRS 000028142.

In accordance with the Polish Classification of Activities (Poland Klasyfikacja Działalności) the core business of the Company is development and sale of own properties for the Company's own account. The subject of the Company's activity is also the implementation of the building, designing and supportive production, as well as trade in real estate and hotel services

As of September 30, 2017, the lifetime of the Company is unlimited. The business year of the Company is a calendar year, i.e. the period between January 1 and December 31.

### 2. ADOPTED PRINCIPLES (POLICY) OF ACCOUNTING

#### Basic information about the Group consisting of the parent and the subsidiaries of the parent company included in the consolidated financial statement

The structure of the Group and the participation of the dominant entity in the share capital of the entities being part of the Group and consolidated as of September 30, 2017 is presented in the below table:

Compan	Country of	Parent company's share in share capital	Parent company's share in voting rights	Consolidation method
<b>Subsidiaries:</b>				
Towarzystwo Budownictwa Społecznego „Marki” Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
J.W. Construction Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Porta Transport Sp. z o.o. in liquidation	Poland	100,00%	100,00%	full consolidation
J.W. Marka Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Yakor House Sp. z o.o.	Russia	70,00%	70,00%	full consolidation
Seahouse Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Nowe Tysiąclecie Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Business Financial Construction Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Dana Invest Sp. z o.o.	Poland	99,99%	99,99%	full consolidation
Varsovia Apartamenty Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Berensona Invest Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Bliska Wola 4 Sp. z o.o. 1SK	Poland	48,00%	48,00%	full consolidation
Bliska Wola 4 Sp. z o.o. 2SK	Poland	48,00%	48,00%	full consolidation
Wola Invest Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Bliska Wola 4 Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Zdziarska Invest Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Łódź Invest Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Lewandów Invest Sp. z o.o.	Poland	100,00%	100,00%	full consolidation

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Hanza Invest S.A.	Poland	100,00%	100,00%	full consolidation
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The core business of the Group's companies is:

- > JW. Marka Sp. z o.o. – marketing activity,
- > Towarzystwo Budownictwa Społecznego „Marki” Sp. z o.o. sale and administration of social buildings,
- > Ośrodek Wypoczynkowy "Ogoniok" Sp. z o.o. (currently Yakor House Sp. z o.o.) - development and sale of own properties on its own account,
- > Porta Transport Sp. z o.o. – transport services,
- > J.W. Construction Sp. z o.o. – construction activity, prefabricated units production for the building industry,
- > Seahouse Sp. z o.o. – development and sale of own properties on its own account,
- > Nowe Tysiąclecie Sp. z o.o. – development and sale of own properties on its own account,
- > Business Financial Construction Sp. z o.o. – sales and marketing,
- > Dana Invest Sp. z o.o. – development and sale of own properties on its own account,
- > Varsovia Apartamenty Sp. z o.o. – hotel accommodation services,
- > Berensona Invest Sp. z o.o. – development and sale of own properties on its own account,
- > Bliska Wola 4 Sp. z o.o. 1SK – development and sale of own properties on its own account,
- > Bliska Wola 4 Sp. z o.o. 2SK – development and sale of own properties on its own account,
- > Wola Invest Sp. z o.o. – hotel accommodation services,
- > Bliska Wola 4 Sp. z o.o. – development and sale of own properties on its own account,
- > Zdziarska Invest Sp. z o.o. – development and sale of own properties on its own account,
- > Łódź Invest Sp. z o.o. – development and sale of own properties on its own account,
- > Lewandów Invest Sp. z o.o. – development and sale of own properties on its own account,
- > Hanza Invest S.A. – development and sale of own properties on its own account,

All Group companies operate in the territory of Poland, except for Yakor House Sp. z o.o, which concentrates on building and developer production in the territory of Russia. The lifetime of the Group companies is unlimited.

#### **Preparation of the consolidated financial statement**

The consolidated financial statements for the years 2015-2016 were prepared based on separate financial statements of the companies of the Capital Group of J.W. Construction Holding S.A. and compiled in such a manner as if the Group was one company. The consolidated financial statements cover the financial statements of the parent company - J.W. Construction Holding S.A. and financial statements controlled by the holding entity of the subsidiaries

The dominant entity, in the years 2015-2016, excluded from an obligation to consolidate the following subsidiaries:

*In 2016:*

- J.W. Construction Bułgaria Sp. z o.o.-100%
- JW. Ergo Energy -100%

*In 2017:*

- J.W. Construction Bułgaria Sp. z o.o.-100%
- JW. Ergo Energy -100%

The legal basis for the applied exclusion of companies from the consolidated financial statements were the conceptual framework of the International Financial Reporting Standards relating to restrictions on the usefulness and reliability of the information. Under these assumptions the benefits received by the acquired information must exceed the costs of providing them. It was found that the cost of obtaining information on non-consolidated subsidiaries, and their inclusion in the cost of consolidation outweigh the benefits achieved in this respect. Furthermore, when making the exclusion of subordinated companies from consolidation, the driven fact was that they were not essential for a true and fair presentation of the financial position and results of the Capital Group.

#### **Going concern basis and comparability of financial statement**

Capital Group of J.W. Construction Holding S.A. assumes that it operates as a going concern and that financial statements are comparable. As at the balance sheet date the Capital Group of J.W. Construction Holding S.A. did not find out any threats to the going concern assumption. The financial reporting is prepared in accordance with the historical cost convention. The financial information was not measured with any other method, which guarantees that the financial statements presented in the consolidated financial statements are comparable.

### **Significant estimations and assumptions**

Estimations and assumptions made by the Capital Group of the Company are subject to periodic verification. When making estimations J.W. Construction Holding S.A. makes the following assumptions referring to the future:

- Estimation of impairment allowance regarding receivables. Impairment allowance is established taking account of expected risk connected with receivables and created collateral having impact on effective debt collection. Although the assumptions are made using the best knowledge, real results may be different than expected.
- Estimations connected with establishing deferred tax assets in accordance with IAS 12. Due to the highly volatile economy it may happen that real earnings and tax income are different than planned.

Estimation of potential costs of fiscal and court proceedings pending against the parent company.

When preparing the financial statements, the opportunities and risks connected with pending proceedings are reviewed on a case by case basis, and provisions for potential losses are created accordingly. However, it is also possible that a court or a fiscal authority provides a verdict or issues a decision other than expected by the company and the created provisions may prove insufficient.

- The entity receives revenue from the services performed by the Issuer based on the task contracts for a fixed period of time. The services performed by the Issuer are long-term services. The period of their performance exceeds 6 months.

### **The results of applying new standards of accounting and changes to the accounting**

The principles (policy) of accounting that were used for preparation of this consolidated financial statement for Q3 of 2017 are consistent with those used for preparation of the financial statement for the financial year of 2016, with the exception of changes described below.

The same principles were applied for the current period and the period being compared. A detailed description of the accounting policies adopted by J.W. Construction Holding SA Capital Group was presented in the annual consolidated financial statements for the financial year of 2016, published on 10 March 2017.

#### **▪ Changes resulting from the changes to IFRS**

The following new or revised standards or interpretations issued by the International Accounting Standards Board or IFRS Interpretations Committee are in force since January 1, 2017: Below, there are two instances where the changes in the standards published by IFRS to be applied from January 1, 2017 on have not been approved by the European Commission yet.

#### **▪ Changes made by the Group itself**

The Group has not adjusted the presentation of comparable data for the first three quarters of 2017 and December 31, 2016.

### **Not effective standards (New standards and interpretations)**

In this financial statement, the Group did not decide of an earlier use of published standards or interpretations before their effective date.

The following standards and interpretations were issued by the IFRS Interpretations Committee and IFRIC and not yet entered into force on the balance sheet date:

#### **• IFRS 9 *Financial Instruments***

This new standard was published on July 24, 2014 and is applicable towards annual periods starting from January 1, 2018 or later. The purpose of this standard to arrange in order the classification of financial assets and introduction of a unified approach towards the assessment of the loss of value regarding all financial instruments. This standard also introduces a new hedge accounting model in order to unify the principles for presentation of risk management information in financial statements.

Company shall apply the modified standard in the scope of introduced changes from January 1, 2018.

On the day on which this financial statement was prepared it was not possible to convincingly assess the influence of the application of this standard. The Group has started the analysis of the introduction of this new standard

#### **• IFRS 14 *Regulatory Deferral Accounts***

This new standard was published on January 30, 2014 and is applicable to annual periods starting on January 1, 2016 or later. It has a transitory character due to conducted work on the part of IFRS regarding the regulation of how operations shall be settled in new conditions of price regulations. This standard introduces new principles of presentation of assets and liabilities due to transactions with regulated prices when an entity decides to adopt IFRS

The Group will apply the new standard no earlier than the date set by the European Union as the date of entry into force of this standard. Due to the transitory nature of the standard, the European Commission has decided not to initiate a formal procedure of approving the standard and wait for the target standard.

The adoption of the new standard has no influence on Company financial statement.

- IFRS 15 *Revenue from contracts with customers*

This new unified standard was published on May 28, 2014 and is applicable towards annual reports starting on January 1, 2017 or later and its earlier application is permitted. This standard establishes new framework for presentation of revenue and involves principles that shall replace the majority of guidelines in the scope of presentation of existing revenue currently found in IFRS, in particular in IFRS

8 Revenue, IFRS 11 Construction service contract and the interpretations related thereto. On September 11, 2015, the Council of International Financial Reporting Standards published draft changes in the adopted standard deferring the date of its entering into force.

On the day on which this financial statement was prepared it was not possible to convincingly assess the influence of the application of this standard. The Group has started the analysis of the introduction of this new standard

- IFRS 16 *Leasing*

This new standard was published on January 13, 2016 and applies to annual period starting on January 1, 2019 or later. Its earlier application is allowed (on the condition of the parallel application of the IFRS 15). This standard replaces current regulations regarding leasing (e.g. IFRS 17) and drastically changes the approach towards lease agreements of various character. It makes leaseholders disclose assets and liabilities in balance sheets that relate to lease agreements no matter their type.

On the day on which this financial statement was prepared it was not possible to convincingly assess the influence of the application of this standard. The Group has started the analysis of the introduction of this new standard

- IFRS 17 *Insurance Contracts*

This new standard was published on May 18, 2017 and is applicable to annual periods starting on January 01, 2021 or later. The earlier application of this standard is allowed (on the condition that IFRS 15 and IFRS 9 are applied simultaneously). This standard replaces the current regulations regarding insurance contracts (IFRS 4).

As of the day of the preparation of the financial statement it is not possible to reliably assess the effect of the application of this new standard.

- Changes to IFRS 10 and IAS 28: *Sale or transfer of assets between investor and its affiliated unit or common enterprise*

Changes to IFRS 10 and IAS 28 were published on 11 September 2014 and apply to annual periods beginning on or after 1 January 2016 (the date of entry into force has now been deferred without indicating the start date). The changes refer to the accounting aspect of transactions in which a dominating unit loses control over an affiliated unit that is not a business in accordance with the definition in IFRS 3 "Merger of Units" by way of sale of all or part of units in an affiliated unit to another affiliated unit or a common enterprise presented by the ownership right method.

The Group will apply the new standard no earlier than the date set by the European Union as the date of entry into force of this standard. As of now, the European Commission has decided to defer the formal procedure of approving the changed standards.

As of the day of the preparation of the financial statement it is not possible to reliably assess the effect of the application of changed standards.

- Changes to IFRS 12: *Disclosure of assets due to deferred income tax due to unrealized losses.*

The changes to IFRS 12 were published on January 19, 2016 and apply to annual periods starting on January 1, 2017 or later. Their goal is to make requirements more precise regarding the disclosure of assets due to deferred tax regarding financial debt instruments assessed in fair value.

The Group will apply the new standard no earlier than the date set by the European Union as the date of entry into force of this standard. The European Commission is currently in the process of approving the change of this standard.

The Group expects that the application of the changed standards shall have no influence on the financial statement of the Group.

- Changes to IFRS 7: *Disclosure Initiative*

The changes to IFRS 7 were published on January 19, 2016 and apply to annual periods starting on January 1, 2017 or later. The aim was to increase the scope of information provided to users of financial statements about entity's financing activities through additional disclosure of changes in the value of liabilities related to financing activities of an entity.



The Group will apply the new standard no earlier than the date set by the European Union as the date of entry into force of this standard. The European Commission is currently in the process of approving the change of this standard.

The Group expects that the application of the changed standards shall have no influence on the financial statement

except for the change of scope of disclosures presented in the financial statement.

- Clarifications to IFRS 15: *Revenue from Contracts with Customers: Revenue from Contracts with Customers*

Clarifications to IFRS 15 were published on 12 April 2016 and apply to annual periods beginning on or after 1 January 2018 (according to the date of application of the whole standard). The aim of the changes was to clarify doubts arising during the pre-implementation analysis regarding: the use of standard guidelines on the identification of the client / agent, and revenue from licensing intellectual property, and finally transition periods at initial adoption of the new standard.

The Group expects that the application of the changed standards shall have no influence on the financial statement

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Group.

- Changes to IFRS 2: *Classification and Measurement of Share-based Payment Transactions*

Changes to IFRS 2 were published on 20 June 2016 and apply to annual periods beginning on or after 1 January 2018.

The aim was to clarify the method of accounting for certain types of payment transactions based on

share

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The Group expects that the application of the changed standards shall have no influence on the financial statement

of the

Group.

- Changes to IFRS 4: *Application of IFRS 9 "Financial instruments" in IFRS 4 "Insurance contracts"* published on September 12, 2016.

The changes apply to annual periods beginning on or after 1 January 2018.

The Group expects that the application of the changed standards shall have no influence on Group's financial statement.

- Amendments to various standards resulting from the annual review of the International Financial Reporting Standards (*Annual Improvements 2014-2016*)

On 8 December 2016, as a result of the review of IFRS, minor amendments were introduced to the 3 following standards:

- IFRS 1 *Interim Financial Reporting*, regarding the removal of several exemptions provided for in this standard, which no longer apply

- IFRS 12 *Disclosure of interests in other entities*, to clarify disclosure requirements for shares whether they are treated as held for sale, dividend and discontinued operations, or not,

- IAS 28 *Investments in associates and joint ventures*, as far as the investment entity (eg venture capital) may choose to determine the method of valuation of shares in associates or joint ventures at fair value and not equity method

They generally apply to annual periods beginning on or after 1 January 2018 (some to annual periods beginning on or after 1 January 2017).

The Group expects that the application of the changed standards shall have no influence on Group's financial statement.

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- IFRIC 22 *Foreign Currency Transactions and Advance Consideration*

The new interpretation was published on 8 December 2016 and applies to annual periods beginning on or after 1 January 2018. The purpose of the interpretation is to indicate how to determine the date of the transaction for the purpose of determining the appropriate exchange rate for the transaction in foreign currency when an entity pays or receives an advance in foreign currency.

The Group will apply the new interpretation starting from 1 January 2018.

As of the date of preparation of the foregoing financial statement it is not possible to assess convincingly the effect of the application of the new interpretation. The group has started the analysis of the effects of the application of this new interpretation..

- Changes to IAS 40 *Transfers of Investment Property*

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The amendment to IAS 40 was published on 8 December 2016 and applies to annual periods beginning on or after 1 January 2018. Its purpose is to make it clear that the transfer of real estate from or to investment real estate can take place only if the conversion of the use of real estate takes place.

The Group will apply the amended standard starting from 1 January 2018.

The Group expects that the application of the changed standards shall have no influence on the financial statement of the Group.

- IFRIC 23 *Uncertainty over Income Tax Treatments*

The new interpretation was published on 7 June 2017 and applies to annual periods beginning on or after 1 January 2019. The purpose of the interpretation is to indicate how to incorporate income tax in the financial statements in cases where existing tax provisions may leave room for interpretation and disagreement between the tax payer and the tax authorities.

The Group will apply the new interpretation starting from 1 January 2019.

As of the date of preparation of the foregoing financial statement it is not possible to assess convincingly the effect of the application of the new interpretation. The group has started the analysis of the effects of the application of this new interpretation..

- Changes to IFRS 9 *Prepayment features with negative compensation*

The change was published on October 12, 2017 and applies to annual periods starting on January 1, 2019 or later. The change regards the classification of financial assets - prepaid financial assets with a so-called negative compensation. The Company shall apply the new standard from January 01, 2019 onwards.

On the day on which this financial statement was prepared it was not possible to convincingly assess the influence of the application of this standard. The Group has started the analysis of the introduction of this new standard

- Changes to IAS 28 *Investments in Associates and Joint Ventures*

The change was published on October 12, 2017 and applies to annual periods starting on January 1, 2019 or later. Their goal is to indicate how long-term shares in affiliates and common enterprises should be valued.

Company shall apply the modified standard in the scope of introduced changes from Tuesday, January 01, 2019.

On the day on which this financial statement was prepared it was not possible to convincingly assess the influence of the application of this standard. The Group has started the analysis of the introduction of this new standard

IFRS in the shape approved by EU do not significantly differ from the regulations adopted by the International Accounting Standards Council with the exception of those standards, interpretations and changes thereto that on the day of approval of the foregoing financial statement for publication were not yet approved for application by EU:

- IFRS 14 *Regulatory Deferral Accounts* published on January 30, 2014,
- IFRS 16 *Leasing* published on January 13, 2016,
- IFRS 17 *Insurance contracts* published on May 18, 2017,
- Changes to IFRS 10 and IAS 28: *Sale or transfer of assets between investor and its affiliated unit or common enterprise* published on September 11, 2014,
- Changes to IFRS 12: *Disclosure of assets due to deferred income tax due to unrealized losses* published on January 19, 2016
- Changes to IFRS 7: *Disclosure Initiative* published on January 29, 2016,
- Clarifications to IFRS 15: *Revenue from Contracts with Customers* published on 12 April 2016
- Changes to IFRS 2: *Classification and Measurement of Share-based Payment Transactions* published on 20 June 2016,
- Changes to IFRS 4: *Application of IFRS 9 "Financial instruments" in IFRS 4 "Insurance contracts* published on September 12, 2016.
- Amendments to various standards resulting from the annual review of the International Financial Reporting Standards (*Annual Improvements 2014-2016*) published on December 8, 2016,
- IFRIC 2 22 *Foreign Currency Transactions and Advance Consideration*, published on 8 December 2016,
- Changes to IAS 40 *Transfers of Investment Property*, published on 8 December 2016,
- IFRIC 23 *Uncertainty over Income Tax Treatments*, published on June 7, 2017.

## B. CONDENSED FINANCIAL STATEMENT

### 1. Consolidated report on the financial situation

ASSETS	Note	30.09.2017	31.12.2016
<b>FIXED ASSETS</b>		<b>657,116,689.82</b>	<b>658,284,178.71</b>
Intangible assets	1	12,484,354.32	12,506,446.20
Tangible assets	2	414,634,769.81	403,860,446.72
Investment real estate	3	185,507,231.12	197,649,050.83
Other financial assets	4	1,790,948.20	1,558,029.98
Deferred income tax assets		39,668,066.63	39,653,896.72
Trade and other receivables	5	3,031,319.75	3,056,308.26
<b>CURRENT ASSETS</b>		<b>1,042,349,125.69</b>	<b>845,135,210.89</b>
Inventories	6	29,918,284.77	30,324,666.48
Construction contracts	7	705,324,841.83	627,531,539.30
Trade and other receivables	8	43,662,884.13	48,459,838.80
Other financial assets	9	58,630,802.33	40,525,933.17
Cash and cash equivalents	10	189,805,540.18	88,312,239.72
Accruals	11	15,006,772.45	9,980,993.42
<b>Total assets</b>		<b>1,699,465,815.51</b>	<b>1,503,419,389.60</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>		<b>655,670,936.15</b>	<b>653,192,302.02</b>
Share capital		17,771,888.60	17,771,888.60
Revaluation capital		7,490,208.19	7,490,208.19
Other capital	13	643,996,746.86	652,525,431.84
Retained earnings		-16,646,672.31	-49,573,465.57
Net profit / loss		3,058,764.82	24,978,238.97
<b>LIABILITIES</b>		<b>1,043,794,879.35</b>	<b>850,227,087.57</b>
<b>Non-current liabilities</b>		<b>378,665,265.82</b>	<b>337,049,453.12</b>
Borrowings	12	144,464,296.46	169,461,303.55
Deferred income tax liabilities		38,307,307.30	37,418,637.55
Retirement benefit obligations		241,204.48	241,204.48
Provision for other liabilities and charges	15	54,772,451.30	54,848,657.09
Other liabilities	14	140,880,006.27	75,079,650.44
<b>Current liabilities</b>		<b>665,129,613.53</b>	<b>513,177,634.45</b>
Trade and other payables	15	61,294,526.13	46,067,837.26
Construction contracts	7	451,778,768.79	336,182,498.50
Borrowings	12	36,591,180.32	22,835,449.71
Provision for other liabilities and charges	15	25,335,317.11	24,263,308.45
Other liabilities	16	90,129,821.18	83,828,540.53
<b>Total equity and liabilities</b>		<b>1,699,465,815.51</b>	<b>1,503,419,389.60</b>

**2. Consolidated total income statement**

	Note	for the period 01-01-2017	for the period 01-01-2016	for the period 01-07-2017	for the period 01-07-2016
<b>Net revenues from sales of products, goods and materials, of which:</b>	<b>17</b>	<b>227,718,769.79</b>	<b>437,125,319.19</b>	<b>92,408,938.49</b>	<b>182,092,130.13</b>
Net revenues from sales of products		226,170,863.03	436,074,783.67	91,440,551.19	181,855,572.92
Net revenues from sales of goods and materials		1,547,906.76	1,050,535.52	968,387.30	236,557.21
<b>Costs of sold products, goods and materials, of which:</b>	<b>18</b>	<b>171,478,778.41</b>	<b>304,336,454.78</b>	<b>66,357,766.66</b>	<b>117,438,670.32</b>
Manufacturing cost of products sold		169,903,962.16	303,308,646.86	65,358,252.82	117,229,986.72
Value of sold goods and materials		1,574,816.25	1,027,807.92	999,513.84	208,683.60
<b>Gross profit (loss) on sales</b>		<b>56,239,991.38</b>	<b>132,788,864.41</b>	<b>26,051,171.83</b>	<b>64,653,459.81</b>
<b>Sales costs</b>		<b>16,301,772.32</b>	<b>18,552,708.29</b>	<b>5,147,154.25</b>	<b>5,193,408.52</b>
<b>Overheads</b>		<b>16,335,301.21</b>	<b>12,955,166.45</b>	<b>5,760,743.58</b>	<b>3,517,511.64</b>
<b>Revaluation of investment properties</b>		<b>-2,261,638.01</b>	<b>-3,537,191.49</b>	<b>-615,281.95</b>	<b>-1,417,719.84</b>
<b>Profit (loss) on sales</b>		<b>21,341,279.83</b>	<b>97,743,798.18</b>	<b>14,527,992.05</b>	<b>54,524,819.81</b>
Other operating income	19	1,237,193.22	2,181,939.55	435,385.70	1,019,529.43
Other operating expenses	20	8,241,546.66	36,603,974.25	1,433,961.65	29,694,181.17
<b>Profit (loss) on operations</b>		<b>14,336,926.39</b>	<b>63,321,763.48</b>	<b>13,529,416.10</b>	<b>25,850,168.07</b>
Financial Revenues	21	2,054,884.41	2,041,427.00	904,014.29	-324,393.83
Financial costs	22	12,358,956.13	21,136,990.35	3,481,515.62	11,930,895.76
<b>Profit (loss) on economic activity</b>		<b>4,032,854.67</b>	<b>44,226,200.13</b>	<b>10,951,914.77</b>	<b>13,594,878.48</b>
<b>Gross profit (loss)</b>		<b>4,032,854.67</b>	<b>44,226,200.13</b>	<b>10,951,914.77</b>	<b>13,594,878.48</b>
Income tax		974,089.85	9,020,380.37	4,355,002.05	4,493,385.97
<b>Net profit (loss)</b>		<b>3,058,764.82</b>	<b>35,205,819.76</b>	<b>6,596,912.71</b>	<b>9,101,492.51</b>

<b>Other comprehensive income:</b>		<b>-580,131.40</b>	<b>820,682.53</b>	<b>60,056.94</b>	<b>-127,304.16</b>
Exchange rates from the calculation of foreign operations		-580,131.40	820,732.53	60,056.94	-127,304.16
Profit/loss from acquisitions		0.00	0.00	0.00	0.00
Profit from revaluation of tangible fixed assets		0.00	0.00	0.00	0.00
Other comprehensive income:		0.00	-50.00	0.00	0.00
<b>Total revenue</b>		<b>2,478,633.42</b>	<b>36,026,502.29</b>	<b>6,656,969.65</b>	<b>8,974,188.35</b>

<b>BASIC AND DILUTED EARNINGS PER SHARE</b>		for the period 01-01-2017	for the period 01-01-2016	for the period 01-07-2017	for the period 01-07-2016
<b>Profits</b>					
(A) Profits of the Group disclosed in the consolidated financial statements		3,058,764.82	35,205,819.76	6,596,912.71	9,101,492.51
<b>Number of shares</b>					
(B) Number of ordinary shares and preferred shares (as to the right to vote in the General Meeting of the		88,859,443.00	88,859,443.00	88,859,443.00	88,859,443.00
(C) Number of ordinary shares and preferred shares (as to the right to vote in the General Meeting of the Company) for the purpose of		88,859,443.00	88,859,443.00	88,859,443.00	88,859,443.00
<b>Basic earnings per share = (A)/(B)</b>		<b>0.03</b>	<b>0.40</b>	<b>0.07</b>	<b>0.10</b>
<b>Diluted earnings per share = (A)/(B)</b>		<b>0.03</b>	<b>0.40</b>	<b>0.07</b>	<b>0.10</b>

\* In accordance with IAS 33 "Earnings Per Share" the number of shares assumed for calculation of basic earnings per share was the weighted average number of shares during a given period. The said number was established as the number of shares as at the beginning of the given period adjusted by the number of shares bought back or issued during such period, weighted with an index reflecting the period of such number of shares (number of days of existence of shares to total number of days in a given period - from the day of share capital increase registration). During the analyzed period there were no circumstances to dilute the number of shares.

3. Consolidated statement of changes in equity

	Supplementary	Own shares (negative value)	Revaluation capital	Supple- mentary	Other capital reserves	Capital from the valuation of security transactions and foreign exchange	Retained earnings	Net result	Equity
<b>As at 1 December 2016</b>	<b>17,771,888.60</b>	<b>0.00</b>	<b>7,490,208.19</b>	<b>646,600,115.53</b>	<b>7,947,307.60</b>	<b>-2,021,991.29</b>	<b>-49,573,465.57</b>	<b>24,978,238.97</b>	<b>653,192,302.02</b>
Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
Adjustments due to presentation change	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
<b>As at 1 January 2017</b>	<b>17,771,888.60</b>	<b>0.00</b>	<b>7,490,208.19</b>	<b>646,600,115.53</b>	<b>7,947,307.60</b>	<b>-2,021,991.29</b>	<b>-49,573,465.57</b>	<b>24,978,238.97</b>	<b>653,192,302.02</b>
Share issuance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
Purchase of own shares	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
Own share redemption	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
Foreign exchange rate differences due to the calculation of financial	0.00	0.00	0.00	0.00	0.00	-580,131.40	0.00	0.00	<b>-580,131.40</b>
Profit/loss from acquisitions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
Change of accounting/presentation principles	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
Consolidation adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.72	0.00	<b>0.72</b>
Including a company for	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
Total profit / loss recognized directly in equity	17,771,888.60	0.00	7,490,208.19	646,600,115.53	7,947,307.60	-2,602,122.69	-49,573,464.85	24,978,238.97	<b>652,612,171.34</b>
Net profit (loss) for the accounting year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,058,764.82	<b>3,058,764.82</b>
Total profit / (loss) recognized in equity and the net result	17,771,888.60	0.00	7,490,208.19	646,600,115.53	7,947,307.60	-2,602,122.69	-49,573,465.57	28,037,003.78	<b>655,670,935.44</b>
Increase / decrease from profit distribution	0.00	0.00	0.00	-7,948,553.58	0.00	0.00	32,926,792.55	-24,978,238.97	<b>0.00</b>
<b>As at 30 September 2017</b>	<b>17,771,888.60</b>	<b>0.00</b>	<b>7,490,208.19</b>	<b>638,651,561.95</b>	<b>7,947,307.60</b>	<b>-2,602,122.69</b>	<b>-16,646,672.31</b>	<b>3,058,764.82</b>	<b>655,670,936.16</b>

Condensed Consolidated Financial Statement  
for the period of 9 months finished on September 30,

	Supplementary	Own shares (negative value)	Revaluation n capital	Supple mentary	Other capital reserves	Capital from the valuation of security transactions and foreign	Retained earnings	Net result	Equity
<b>As at 31 December 2015</b>	<b>17,771,888.60</b>	<b>0.00</b>	<b>7,490,208.19</b>	<b>627,935,814.58</b>	<b>7,947,357.60</b>	<b>-3,593,324.23</b>	<b>-36,643,327.20</b>	<b>5,734,162.58</b>	<b>626,642,780.11</b>
Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Adjustments due to presentation change	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>As at 1 December 2016</b>	<b>17,771,888.60</b>	<b>0.00</b>	<b>7,490,208.19</b>	<b>627,935,814.58</b>	<b>7,947,357.60</b>	<b>-3,593,324.23</b>	<b>-36,643,327.20</b>	<b>5,734,162.58</b>	<b>626,642,780.11</b>
Share issuance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Purchase of own shares	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Own share redemption	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividends paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Foreign exchange rate differences due to the calculation of financial	0.00	0.00	0.00	0.00	0.00	820,732.53	0.00	0.00	820,732.53
Profit/loss from acquisitions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Change of accounting/presentation principles	0.00	0.00	0.00	0.00	-50.00	0.00	0.00	0.00	-50.00
Consolidation adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Including a company for	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total profit / loss recognized directly in equity	17,771,888.60	0.00	7,490,208.19	627,935,814.58	7,947,307.60	-2,772,591.70	-36,643,327.20	5,734,162.58	627,463,462.64
Net profit (loss) for the accounting year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	35,205,819.76	35,205,819.76
Total profit / (loss) recognized in equity and the net result	17,771,888.60	0.00	7,490,208.19	627,935,814.58	7,947,307.60	-2,772,591.70	-36,643,327.20	40,939,982.34	662,669,282.40
Increase / decrease from profit distribution	0.00	0.00	0.00	18,664,300.95	0.00	0.00	-12,930,138.37	-5,734,162.58	0.00
<b>As at 30 September 2016</b>	<b>17,771,888.60</b>	<b>0.00</b>	<b>7,490,208.19</b>	<b>646,600,115.52</b>	<b>7,947,307.60</b>	<b>-2,772,591.70</b>	<b>-49,573,465.57</b>	<b>35,205,819.76</b>	<b>662,669,282.40</b>

Condensed Consolidated Financial Statement  
for the period of 9 months finished on September 30,

	Share capital	Own shares (negative value)	Revaluation capital	Supple mentary	Other capital reserves	Capital from the valuation of security transactions and foreign	Retained earnings	Net result	Equity
<b>As at 31 December 2015</b>	<b>17,771,888.60</b>	<b>0.00</b>	<b>7,490,208.19</b>	<b>627,935,814.58</b>	<b>7,947,357.60</b>	<b>-3,593,324.23</b>	<b>-36,643,327.20</b>	<b>5,734,162.58</b>	<b>626,642,780.11</b>
Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Adjustments due to presentation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>As at 1 December 2016</b>	<b>17,771,888.60</b>	<b>0.00</b>	<b>7,490,208.19</b>	<b>627,935,814.58</b>	<b>7,947,357.60</b>	<b>-3,593,324.23</b>	<b>-36,643,327.20</b>	<b>5,734,162.58</b>	<b>626,642,780.11</b>
Share issuance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Purchase of own shares	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Own share redemption	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividends paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Foreign exchange rate differences due to the calculation of financial statements of foreign subsidiaries	0.00	0.00	0.00	0.00	0.00	1,571,332.94	0.00	0.00	1,571,332.94
Profit/loss from acquisitions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Change of accounting/presentation principles	0.00	0.00	0.00	0.00	-50.00	0.00	0.00	0.00	-50.00
Consolidation adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Including a company for consolidation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total profit / loss recognized directly in equity	17,771,888.60	0.00	7,490,208.19	627,935,814.58	7,947,307.60	-2,021,991.29	-36,643,327.20	5,734,162.58	628,214,063.05
Net profit (loss) for the accounting	0.00	0.00	0.00	0.00	0.00	0.00	0.00	24,978,238.97	24,978,238.97
Sum of profits/losses indicated in the equity and the net result	17,771,888.60	0.00	7,490,208.19	627,935,814.58	7,947,307.60	-2,021,991.29	-36,643,327.20	30,712,401.55	653,192,302.02
Increase / decrease from profit distribution	0.00	0.00	0.00	18,664,300.95	0.00	0.00	-12,930,138.37	-5,734,162.58	0.00
<b>As at 1 December 2016</b>	<b>17,771,888.60</b>	<b>0.00</b>	<b>7,490,208.19</b>	<b>646,600,115.52</b>	<b>7,947,307.60</b>	<b>-2,021,991.29</b>	<b>-49,573,465.57</b>	<b>24,978,238.97</b>	<b>653,192,302.02</b>



**4. Consolidated cash flow statement**

<b>Operating cash flow - two-step method</b>	<b>between 01-01-2017 and</b>	<b>between 01-01-2016 and</b>
<b>Net profit (loss)</b>	<b>3,058,764.82</b>	<b>35,205,819.76</b>
<b>Item adjustments</b>	<b>18,068,998.61</b>	<b>40,452,231.52</b>
Depreciation and amortization	8,169,371.33	7,743,778.02
(Profit) loss on foreign exchange differences regarding investment and financial activity	1,096,280.52	-416,382.45
Profit (loss) on investment activities	1,075,250.00	492,336.04
(Profit) loss on investment activities - shares	0.00	4,709.26
Interest and dividends	9,575,697.83	11,751,472.49
Changes in provisions and accruals	-3,529,108.39	16,738,920.75
Other adjustments	1,681,507.33	4,137,397.41
- investment real estate write-off	2,261,638.01	3,537,191.49
- other adjustments	-580,130.68	600,205.92
<b>Changes in working capital</b>	<b>75,225,598.41</b>	<b>5,746,743.80</b>
Change in inventories	406,381.71	1,307,713.14
Change in construction contracts	50,850,139.77	7,221,089.70
Changes in investment property	0.00	0.00
Changes in receivables	4,821,943.19	6,106,451.27
Changes in current liabilities, except for borrowings	19,147,133.74	-8,888,510.31
<b>Operating net financing cash flow</b>	<b>96,353,361.84</b>	<b>81,404,795.08</b>
<b>Investment activity cash flows</b>		
Disposal of tangible and intangible assets and other non-current assets	561,750.00	3,042,660.18
Acquisition of tangible and intangible assets and other non-current assets	-22,089,035.70	-11,800,419.49
Expenses related to assets earmarked for sale	0.00	0.00
Purchase of capital instruments and other security papers	-37,000,000.00	0.00
Sale of capital instruments and other security papers	18,773,609.00	0.00
Loans granted	-140,265.97	-789,966.69
Interest received	26,391.00	0.00
Disposal of subsidiaries	0.00	0.00
Acquisition of subsidiaries:	0.00	0.00
<b>Net investment activity cash flow</b>	<b>-39,867,551.67</b>	<b>-9,547,726.00</b>
<b>Investment activity cash flow</b>		
Net influx from the share issuance (share issuance) and other capital instruments, as well as additional capital contributions	0.00	0.00
Purchase of own shares and share repayments	0.00	0.00
Loans and borrowings granted	38,100,586.04	48,811,578.59
Loans and borrowings repaid	-49,459,978.23	-52,280,952.19
Issuance of security papers	70,000,000.00	0.00
Redemption of debt securities	0.00	-137,180,000.00
Payments under financial lease agreements	-986,847.53	-847,451.82
Dividends and other shares in profits	0.00	0.00
Interest paid	-10,396,269.99	-12,447,868.06
Other financial proceeds (including promissory notes)	0.00	0.00
Other financial proceeds (including promissory notes)	-2,250,000.00	0.00
<b>Net financing cash flow</b>	<b>45,007,490.29</b>	<b>-153,944,693.48</b>
<b>NET DECREASE / (INCREASE) IN CASH</b>	<b>101,493,300.46</b>	<b>-82,087,624.40</b>
Closing balance of cash and cash equivalents	88,312,239.72	188,410,473.22
- change of the cash balance due to foreign exchange rate changes	0.00	0.00
<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>189,805,540.18</b>	<b>106,322,848.83</b>

## C. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

### 1. FIXED ASSETS

#### Note 1. Intangible assets

<b>Intangible assets</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) research and development expenses	0.00	0.00
b) goodwill from consolidation	12,389,648.22	12,389,648.22
c) other intangible assets	94,706.10	116,797.98
d) advances on intangible assets	0.00	0.00
<b>Total intangible assets</b>	<b>12,484,354.32</b>	<b>12,506,446.20</b>

#### Note 2. Tangible assets

<b>TANGIBLE ASSETS</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) fixed assets including:	400,616,946.26	390,985,112.11
- land (including right of perpetual usufruct)	41,434,707.91	41,257,681.16
- buildings and structures	328,236,643.69	316,680,624.07
- plant and machinery	16,122,123.24	16,891,769.47
- motor vehicles	2,778,169.89	3,487,825.36
- other fixed assets	12,045,301.53	12,667,212.05
b) constructions in progress	14,017,823.55	12,875,334.61
c) advances on constructions in progress	0.00	0.00
<b>Total tangible assets</b>	<b>414,634,769.81</b>	<b>403,860,446.72</b>

#### Note 3. Investment real estate

<b>Other long-term investments</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) investment properties	185,507,231.12	197,649,050.83
b) other	0.00	0.00
<b>Total other long-term investments</b>	<b>185,507,231.12</b>	<b>197,649,050.83</b>

<b>CHANGE IN INVESTMENT PROPERTIES</b>	<b>Per fair value</b>	<b>Acc. to historical</b>	<b>Value of investment properties in</b>
<b>a) opening balance</b>	<b>179,919,596.61</b>	<b>17,729,454.21</b>	<b>197,649,050.82</b>
expenditure incurred	98,732,149.22	12,517,550.18	111,249,699.40
Financial expenses	12,583,162.19	5,211,904.03	17,795,066.22
revaluation value	68,604,285.20	0.00	68,604,285.20
<b>b) increase (due to)</b>	<b>3,361,804.06</b>	<b>61,205.94</b>	<b>3,423,010.00</b>
expenditure incurred	3,361,804.06	61,205.94	3,423,010.00
Financial expenses	0.00	0.00	0.00
revaluation value	0.00	0.00	0.00
Reclassification from construction contracts	0.00	0.00	0.00
<b>c) decrease (due to)</b>	<b>3,898,638.01</b>	<b>11,666,191.69</b>	<b>15,564,829.70</b>
incurred expenses - sale, corrections	1,637,000.00	0.00	1,637,000.00
Financial expenses	0.00	0.00	0.00
revaluation value	2,261,638.01	0.00	2,261,638.01
reclassification to construction contracts / goods	0.00	11,666,191.69	11,666,191.69
<b>d) closing balance</b>	<b>179,382,762.66</b>	<b>6,124,468.46</b>	<b>185,507,231.12</b>
expenditures	100,456,953.28	912,564.43	101,369,517.71
Financial expenses	12,583,162.19	5,211,904.03	17,795,066.22
revaluation value	66,342,647.19	0.00	66,342,647.19

Note 4. Other financial assets

<b>LONG-TERM FINANCIAL ASSETS</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) shares	221,905.98	221,905.98
b) loans granted	1,060,412.66	1,336,124.00
c) other long-term investments	508,629.56	0.00
<b>Total long-term financial assets</b>	<b>1,790,948.20</b>	<b>1,558,029.98</b>

<b>LONG-TERM FINANCIAL ASSETS</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) in subsidiaries	1,072,768.64	1,348,479.98
- shares	12,355.98	12,355.98
- security papers	0.00	0.00
- other security papers	0.00	0.00
- loans granted	1,060,412.66	1,336,124.00
- other long-term financial assets	0.00	0.00
b) in other units	718,179.56	209,550.00
- shares	209,550.00	209,550.00
- security papers	0.00	0.00
- other security papers	508,629.56	0.00
- loans granted	0.00	0.00
- other long-term financial assets	0.00	0.00
c) other long-term investments	0.00	0.00
<b>Total long-term financial assets</b>	<b>1,790,948.20</b>	<b>1,558,029.98</b>

Condensed Consolidated Financial Statement  
for the period of 9 months finished on September 30,

	Name of a unit (and its legal form)	Registered	Type of business	Relation type	Method of consolidation	Date of assuming	Value of shares/interest at acquisition	Revaluation adjustment value	Write-offs up to book value of in-kind	Carrying value of shares	% of total number of votes in the general meeting
1	TBS Marki Sp.z o.o.	Warsaw	Social buildings services	subsidiary subsidiary	full consolidation	14.11.2003	13,360,000.00	0.00	0.00	13,360,000.00	100,00%
2	Business Financial Construction Sp. z o.o.	Warsaw		subsidiary subsidiary	full consolidation	16.06.2003	4,347,000.00	0.00	0.00	4,347,000.00	100,00%
3	J.W. Construction Bulgaria Sp. z o.o.	Warna (Bulgaria)	real estate development	subsidiary subsidiary	not consolidated	08.10.2007	9,854.98	0.00	0.00	9,854.98	100,00%
4	Yakor House Sp. z o.o.	Sochi (Russia)	real estate development	subsidiary subsidiary	full consolidation	07.12.2007	9,810,000.00	0.00	0.00	9,810,000.00	70,00%
5	J.W. Construction Sp. z o.o.	Ząbki	real estate development	subsidiary subsidiary	full consolidation	19.02.2008	70,197,456.00	0.00	36,125,456.00	34,072,000.00	100,00%
6	JW. Marka Sp. z o.o.	Ząbki	lease of intellectual property	subsidiary subsidiary	full consolidation	23.08.2011	186,661,450.00	0.00	172,044,225.58	14,617,224.42	100,00%
7	Seahouse Sp.z o.o.	Ząbki	real estate development	subsidiary subsidiary	full consolidation	18.10.2012	10,950,000.00	0.00	0.00	10,950,000.00	100,00%
8	Nowe Tysiąclecie Sp.z o.o.	Ząbki	real estate development	subsidiary subsidiary	full consolidation	11.06.2013	15,240,000.00	0.00	0.00	15,240,000.00	100,00%
9	Dana Invest Sp z o.o.	Ząbki	real estate development	subsidiary subsidiary	full consolidation	22.11.2013	14,308,350.00	0.00	0.00	14,308,350.00	99,99%
10	Varsovia Apartamenty Sp. z o.o.	Ząbki	real estate development	subsidiary subsidiary	full consolidation	23.01.2014	305,000.00	0.00	0.00	305,000.00	100,00%
11	Berensona Invest Sp. z o.o.	Ząbki	real estate development	subsidiary subsidiary	full consolidation	28.01.2014	5,000.00	0.00	0.00	5,000.00	100,00%
12	Bliska Wola 4 Sp. z o.o. 1 SK	Ząbki	real estate development	subsidiary subsidiary	full consolidation	22.01.2014	13,979,850.00	0.00	0.00	13,979,850.00	48,00%
13	Bliska Wola 4 Sp. z o.o. 2 SK	Ząbki	real estate development	subsidiary	full consolidation	29.01.2014	6,769,550.00	0.00	0.00	6,769,550.00	48,00%
14	Wola Invest Sp z o.o.	Ząbki	real estate development	subsidiary subsidiary	full consolidation	23.01.2014	5,000.00	0.00	0.00	5,000.00	100,00%
15	Bliska Wola 4 Sp. z o.o.	Ząbki	real estate development	subsidiary subsidiary	full consolidation	24.01.2014	5,000.00	0.00	0.00	5,000.00	100,00%
16	Zdziarska Invest Sp. z o.o.	Ząbki	real estate development	subsidiary subsidiary	full consolidation	22.01.2014	5,000.00	0.00	0.00	5,000.00	100,00%
17	Łódź Invest Sp z o.o.	Ząbki	real estate development	subsidiary subsidiary	full consolidation	22.01.2014	3,800,000.00	0.00	0.00	3,800,000.00	100,00%
18	Porta Transport Sp. z o.o. in liquidation	Szczecin	real estate development	subsidiary subsidiary	full consolidation	24.04.2014	19,309,914.41	0.00	0.00	19,309,914.41	100,00%
19	Lewandów Invest Sp z o.o.	Ząbki	real estate development	subsidiary subsidiary	full consolidation	24.07.2014	5,000.00	0.00	0.00	5,000.00	100,00%
20	J.W. Ergo Energy Sp. z o.o.	Ząbki	real estate development	subsidiary subsidiary	not consolidated	06.10.2014	2,501.00	0.00	0.00	2,501.00	100,00%
21	Hanza Invest S.A.	Ząbki	real estate development	subsidiary subsidiary	full consolidation	26.10.2016	75,117,223.20	0.00	0.00	75,117,223.20	100,00%

Condensed Consolidated Financial Statement  
for the period of 9 months finished on September 30,

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Partial affiliation											
1	Bliska Wola 4 Sp z o.o.1 SK	Ząbki	real estate development	subsidiary	full	26.02.2016	30,820,450.00	0.00	0.00	30,820,450.00	51,00%
2	Bliska Wola 4 Sp z o.o.2SK	Ząbki	real estate development	subsidiary	full	26.02.2016	12,745,500.00	0.00	0.00	12,745,500.00	51,00%
3	Bliska Wola 4 Sp z o.o.1SK	Ząbki	real estate development	subsidiary	full	26.02.2016	211.74	0.00	0.00	211.74	1,00%
4	Bliska Wola 4 Sp z o.o.2SK	Ząbki	real estate development	subsidiary	full	26.02.2016	178.00	0.00	0.00	178.00	1,00%
5	Dana Invest Sp. z o.o.	Ząbki	real estate development	subsidiary	full	27.11.2014	50.00	0.00	0.00	50.00	0,01%
6	TBS Nowy Dom Sp. z o.o.	Ząbki	Social buildings	Affiliated unit	not consolidated	30.09.2006	1,000.00	0.00	0.00	1,000.00	2,00%
7	Karczma Regionalna Sp.z o.o.	Krynica Górská	hotel services	subsidiary	not consolidated	16.12.2004	208,550.00	0.00	0.00	208,550.00	8,06%

Note 5. Non-current receivables

<b>NON-CURRENT RECEIVABLES</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) guarantee receivables	3,031,319.75	3,056,308.26
b) deposit receivables( lease)	0.00	0.00
b) other receivables	0.00	0.00
<b>Total receivables</b>	<b>3,031,319.75</b>	<b>3,056,308.26</b>

**2. CURRENT ASSETS**

Note 6. Inventories

<b>INVENTORIES</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) materials	2,189,628.64	2,371,224.43
b) semi-finished products and work in progress	0.00	0.00
c) finished products	249,627.77	254,080.70
d) goods	27,477,078.77	27,625,965.76
e) trade advances	1,949.59	73,395.59
<b>Total inventories</b>	<b>29,918,284.77</b>	<b>30,324,666.48</b>

Note 7. Construction contracts

<b>CONSTRUCTION CONTRACTS (current assets)</b>		
a) semi-finished products and work in progress	612,708,978.33	563,712,031.43
b) finished products	83,973,487.23	58,613,455.81
c) advances for supplies	8,445,689.61	5,087,433.99
d) short-term prepayments	196,686.66	118,618.07
<b>Total construction contracts</b>	<b>705,324,841.83</b>	<b>627,531,539.30</b>
<b>CONSTRUCTION CONTRACTS (Current liabilities)</b>		
a) Accruals	451,778,768.79	336,182,498.50
<b>Total construction contracts</b>	<b>451,778,768.79</b>	<b>336,182,498.50</b>

<b>Accruals</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
- advances on premises	448,845,792.15	334,669,988.87
- works reserves	2,872,737.40	1,038,119.15
- other	60,239.24	474,390.48
<b>The total value of accruals</b>	<b>451,778,768.79</b>	<b>336,182,498.50</b>

The Companies of the Group, in connection with the business activities, incur loans that are secured with the mortgage on the property. As at September 30, 2017, the companies of the group established securities in the form of mortgages presented in inventories and construction contracts with the value of PLN 773,7 million. The value of the mortgage is established on the amount of the credit granted (or higher), therefore, this amount exceeds the value of the property shown in assets of the Companies of the Group. As at September 30, 2017, the loan liabilities amounted to PLN 175,9 million (excluding credits of TBS Marki Sp. z o.o., liabilities amount to PLN 84,1 million).

Note 8. Current receivables

<b>CURRENT RECEIVABLES</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) trade receivables - related parties	16,741.25	0.00
b) trade receivables - other parties	30,361,541.80	29,807,796.34
c) taxes, subsidies, customs duties, social and health insurance and	9,076,160.47	13,461,637.04
d) other	4,208,440.60	5,190,405.42
<b>Total receivables</b>	<b>43,662,884.13</b>	<b>48,459,838.80</b>

Note 9. Other financial assets

<b>SHORT-TERM INVESTMENTS</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) shares	0.00	0.00
b) loans granted	39,893,162.27	40,164,363.53
c) other investments	18,737,640.06	361,569.64
<b>Total value of short-term investments</b>	<b>58,630,802.33</b>	<b>40,525,933.17</b>

<b>SHORT-TERM INVESTMENTS</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) in subsidiaries	38,807,292.99	39,106,876.16
- shares	0.00	0.00
- security papers	0.00	0.00
- other security papers	0.00	0.00
- loans granted	38,807,292.99	39,106,876.16
- other short-term financial assets	0.00	0.00
b) in other units	19,823,509.34	1,419,057.01
- shares	0.00	0.00
- security papers	0.00	0.00
- other security papers	18,737,640.06	361,569.64
- loans granted	1,085,869.28	1,057,487.37
- other short-term financial assets	0.00	0.00
c) other short-term investments	0.00	0.00
<b>Total value of short-term investments</b>	<b>58,630,802.33</b>	<b>40,525,933.17</b>

Note 10. Cash and cash equivalents

<b>CASH AND CASH EQUIVALENTS</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) cash on hand and with bank	124,797,462.38	88,267,783.47
b) other cash	65,000,747.80	747.80
c) other cash assets	7,330.00	43,708.45
<b>Total cash</b>	<b>189,805,540.18</b>	<b>88,312,239.72</b>

	<b>30.09.2017</b>	<b>31.12.2016</b>
<b>Cash in escrow accounts</b>	<b>71,917,076.93</b>	<b>64,095,886.32</b>
JW. Construction Holding SA	62,234,961.73	58,218,235.50
Hanza Invest S.A.	9,591,040.88	0.00
Nowe Tysiąclecie Sp. z o.o.	91,074.32	5,877,650.82
Bliska Wola 1 Sp. z o.o.	0.00	0.00
Bliska Wola 2 sp. z o.o.	0.00	0.00
Łódź Invest Sp. z o.o.	0.00	0.00

Note 11. Accruals

<b>ACCRUALS</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) short-term accruals	15,006,772.45	9,980,993.42
<b>The total value of accruals</b>	<b>15,006,772.45</b>	<b>9,980,993.42</b>

<b>Accruals</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
- property insurance	157,079.73	119,663.74
- interest	1,282,723.84	1,675,923.29
- commission expenses	10,456,328.10	6,807,273.61
- property tax, perpetual usufruct, road tax	1,765,796.10	642,353.77
- other	1,344,844.68	735,779.01
<b>The total value of accruals</b>	<b>15,006,772.45</b>	<b>9,980,993.42</b>

### 3. LIABILITIES

#### Note 12. Borrowings

<b>BORROWINGS</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) credits	175,942,874.12	187,302,266.31
<i>of which: long-term</i>	144,464,296.46	166,271,075.33
<i>short-term</i>	31,478,577.66	21,031,190.98
b) loans	5,112,602.66	4,994,486.95
<i>of which: long-term</i>	0.00	3,190,228.22
<i>short-term</i>	5,112,602.66	1,804,258.73
<b>Total borrowings</b>	<b>181,055,476.78</b>	<b>192,296,753.26</b>
<b>Borrowings - long-term</b>	<b>144,464,296.46</b>	<b>169,461,303.55</b>
<b>Borrowings - short-term</b>	<b>36,591,180.32</b>	<b>22,835,449.71</b>

<b>CREDITS PER MATURITY</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
Up to 1 year:	31,478,577.66	21,031,190.98
Over 1 year up to 2 years	43,362,043.04	54,854,968.32
Over 2 years up to 5 years	22,099,589.00	29,250,229.62
Over 5 years	79,002,664.42	82,165,877.39
<b>Total loans, including:</b>	<b>175,942,874.12</b>	<b>187,302,266.31</b>
- long-term	144,464,296.46	166,271,075.33
- short-term	31,478,577.66	21,031,190.98

<b>LOANS PER MATURITY</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
Up to 1 year:	5,112,602.66	1,804,258.73
Over 1 year up to 2 years	0.00	3,190,228.22
Over 2 years up to 5 years	0.00	0.00
Over 5 years	0.00	0.00
<b>Total loans, including:</b>	<b>5,112,602.66</b>	<b>4,994,486.95</b>
- long-term	0.00	3,190,228.22
- short-term	5,112,602.66	1,804,258.73

Including the loans of TBS Marki sp. z o.o.

<b>BORROWINGS</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) credits	91,756,588.52	94,272,993.49
<i>of which: long-term</i>	86,541,681.52	89,058,086.49
<i>short-term</i>	5,214,907.00	5,214,907.00
b) loans	0.00	0.00
<i>of which: long-term</i>	0.00	0.00
<i>short-term</i>	0.00	0.00
<b>Total borrowings</b>	<b>91,756,588.52</b>	<b>94,272,993.49</b>
<b>Borrowings - long-term</b>	<b>86,541,681.52</b>	<b>89,058,086.49</b>
<b>Borrowings - short-term</b>	<b>5,214,907.00</b>	<b>5,214,907.00</b>

<b>CREDITS PER MATURITY</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
Up to 1 year:	5,214,907.00	5,214,907.00
Over 1 year up to 2 years	5,214,907.00	5,214,907.00
Over 2 years up to 5 years	15,644,721.00	15,644,721.00
Over 5 years	65,682,053.52	68,198,458.49
<b>Total loans, including:</b>	<b>91,756,588.52</b>	<b>94,272,993.49</b>
- long-term	86,541,681.52	89,058,086.49
- short-term	5,214,907.00	5,214,907.00

TBS Marki Sp. z o.o. took the loan from the National Housing Fund on an entirely separate conditions, regulated by the Ordinance of 26 October 1995 in the Act on Some Forms of Supporting Housing Construction (Journal of Laws 00.98.1070 unitary text). These are long-term loans with repayment terms attributable to the years 2033-2044. Loans are repaid from rent received from tenants of TBS apartments.



Note 13. Other capital

<b>OTHER CAPITAL</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) supplementary capital	638,651,561.95	646,600,115.53
b) other reserve capital	7,947,307.60	7,947,307.60
c) translation reserve	-2,602,122.69	-2,021,991.29
<b>Total other capital</b>	<b>643,996,746.86</b>	<b>652,525,431.84</b>

Note 14. Other long-term liabilities

<b>OTHER LONG-TERM LIABILITIES</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) lease obligations	760,729.88	1,546,189.64
b) deposit liabilities	20,263,284.25	16,518,386.91
c) other non-current liabilities	5,071,758.90	4,896,211.37
d) note liabilities	284,233.24	618,862.52
e) bonds	114,500,000.00	51,500,000.00
<b>Total other long-term liabilities</b>	<b>140,880,006.27</b>	<b>75,079,650.44</b>

All financial lease liabilities are in PLN. The fair value of the financial lease liabilities corresponds to the book value and as at September 30, 2017 constitutes PLN 2.258.575,83 with PLN 760.729,88 of which constitutes long-term liabilities.

Note 15. Trade and other payables

<b>TRADE AND OTHER PAYABLES</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) trade payables - other entities	47,552,923.87	32,827,947.96
b) trade payables - related entities	95,851.29	0.00
c) taxes, customs duties, insurance and other payments	4,182,335.57	5,372,125.87
d) salaries	2,595,589.18	2,463,564.75
e) trade advances received	0.00	0.00
f) other	6,867,826.23	5,404,198.68
<b>Trade and other payables in total</b>	<b>61,294,526.13</b>	<b>46,067,837.26</b>

<b>PROVISIONS FOR OTHER LIABILITIES AND CHARGES</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
<b>a) short-term, of which:</b>	<b>25,335,317.11</b>	<b>24,263,308.45</b>
- accrued expenses, including:	11,582,042.77	12,560,481.04
- <i>interest charged</i>	1,604,003.07	1,586,617.79
- <i>rent deposit</i>	480,433.64	480,433.64
- <i>hotel down payments</i>	1,272,799.21	3,425,189.45
- <i>other</i>	8,224,806.85	7,068,240.16
- other provisions, including:	13,753,274.34	11,702,827.41
- <i>provisions for guaranteed repairs</i>	1,509,355.90	1,509,355.90
- <i>other provisions</i>	12,243,918.44	10,193,471.51
<b>a) long-term, of which:</b>	<b>54,772,451.30</b>	<b>54,848,657.09</b>
- accrued expenses, including:	54,772,451.30	54,848,657.09
- <i>participation in costs of construction - TBS Marki</i>	48,719,225.68	48,795,431.47
- <i>deferred income- loan remittance-TBS Marki</i>	6,053,225.62	6,053,225.62
<b>Provisions for other liabilities and charges in total</b>	<b>80,107,768.41</b>	<b>79,111,965.54</b>

Note 16. Other liabilities

<b>OTHER LIABILITIES</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) debt securities issue liabilities	83,962,076.83	76,042,890.70
b) promissory note liabilities	4,669,898.41	6,389,821.00
c) financial lease liabilities	1,497,845.95	1,395,828.84
d) other financial liabilities	0.00	0.00
<b>Total other long-term liabilities</b>	<b>90,129,821.19</b>	<b>83,828,540.54</b>

All financial lease liabilities are in PLN. The fair value of the financial lease liabilities corresponds to the book value and as at September 30, 2017 constitutes PLN 2.258.575,83 with PLN 1.497.845,95 of which constitutes short-term liabilities.

#### 4. OPERATING INCOME AND EXPENSES

Note 17. Operating income

<b>OPERATING INCOME</b>	<b>between 01-01-2017 and</b>	<b>between 01-01-2016 and</b>	<b>between 01-07-2017 and</b>	<b>between 01-07-2016 and</b>
Revenues from sales of products	169,596,322.67	377,654,644.37	71,648,975.56	160,218,259.45
Revenues from sales of services	56,574,540.36	58,420,139.30	19,791,575.63	21,637,313.47
Revenues from sales of goods	1,547,906.76	1,050,535.52	968,387.30	236,557.21
<b>Total Income</b>	<b>227,718,769.79</b>	<b>437,125,319.19</b>	<b>92,408,938.49</b>	<b>182,092,130.13</b>

	<b>between 01-01-2017 and</b>	<b>between 01-01-2016 and</b>	<b>between 01-07-2017 and</b>	<b>between 01-07-2016 and</b>
<b>Proceeds from sales, including:</b>	<b>227,718,769.79</b>	<b>437,125,319.19</b>	<b>92,408,938.49</b>	<b>182,092,130.13</b>
- sales of products - units, plots, buildings	169,596,322.67	376,458,115.88	71,648,975.56	160,051,653.72
-sales of goods - other	0.00	1,196,528.49	0.00	166,605.73
- from sales of services	56,574,540.36	58,420,139.30	19,791,575.63	21,637,313.47
-sales of goods	1,547,906.76	1,050,535.52	968,387.30	236,557.21

	<b>between 01-01-2017 and</b>	<b>between 01-01-2016 and</b>	<b>between 01-07-2017 and</b>	<b>between 01-07-2016 and</b>
<b>Revenues from sales of products and services by segment</b>	<b>226,170,863.03</b>	<b>436,074,783.67</b>	<b>91,440,551.19</b>	<b>181,855,572.92</b>
-real estate development activity	178,006,516.14	387,701,490.43	74,683,772.43	163,887,436.37
-business activity related to hotels	36,662,278.89	34,168,456.19	13,715,100.51	12,985,537.81
-social building	10,445,200.73	9,905,696.93	3,383,378.25	2,802,863.82
-transport services	0.00	0.00	-341,700.00	0.00
-construction	1,056,867.27	4,299,140.12	0.00	2,179,734.92

	<b>between 01-01-2017 and</b>	<b>between 01-01-2016 and</b>	<b>between 01-07-2017 and</b>	<b>between 01-07-2016 and</b>
<b>Revenues from sales of products – premises, plots, buildings by geographic segment</b>	<b>169,596,322.67</b>	<b>376,458,115.88</b>	<b>71,648,975.56</b>	<b>160,051,653.72</b>
-Warsaw and the surrounding area	77,285,412.18	311,435,939.29	67,225,479.35	152,387,447.08
-Gdynia	58,038,259.89	5,153,827.31	1,144,954.54	1,421,898.65
- Łódź	243,239.61	21,328,568.10	0.00	3,512,791.87
- Poznań	34,032,858.96	33,371,163.92	3,281,989.64	1,572,590.27
- Katowice	-3,447.97	5,168,617.26	-3,447.97	1,156,925.85

	<b>between 01-01-2017 and</b>	<b>between 01-01-2016 and</b>	<b>between 01-07-2017 and</b>	<b>between 01-07-2016 and</b>
<b>Revenues from sales of products - premises, plots, buildings per geographic segments</b>	<b>36,662,278.89</b>	<b>34,168,456.19</b>	<b>13,715,100.51</b>	<b>12,985,537.81</b>
-Warsaw and the surrounding area	4,304,715.21	4,265,934.20	1,637,206.85	1,716,311.46
- Tarnowo	4,263,625.95	4,365,853.93	1,466,906.76	1,391,968.67
- Stryków	3,002,094.78	2,864,014.70	950,859.41	911,500.99
- Szczecin	3,743,297.11	3,654,734.58	1,159,883.88	1,159,802.58
- Krynica Górská	21,092,859.58	19,017,918.78	8,244,557.35	7,805,954.11
- Jerozolimskie Point	255,686.26	0.00	255,686.26	0.00

Note 18. Operating expenses

<b>OPERATING EXPENSES</b>	<b>between 01-01-2017 and</b>	<b>between 01-01-2016 and</b>	<b>between 01-07-2017 and</b>	<b>between 01-07-2016 and</b>
Costs on sale of products	130,236,146.13	263,469,642.08	51,859,005.14	103,928,250.60
Costs on sale of services	39,667,816.03	39,839,004.78	13,499,247.68	13,301,736.12
Costs on sale of goods	1,574,816.25	1,027,807.92	999,513.84	208,683.60
<b>Total costs of products, services and goods</b>	<b>171,478,778.41</b>	<b>304,336,454.78</b>	<b>66,357,766.66</b>	<b>117,438,670.32</b>

<b>Sales and overhead expenses</b>	<b>between 01-01-2017 and</b>	<b>between 01-01-2016 and</b>	<b>between 01-07-2017 and</b>	<b>between 01-07-2016 and</b>
Sales costs	16,301,772.32	18,552,708.29	5,147,154.25	5,193,408.52
Overheads	16,335,301.21	12,955,166.45	5,760,743.58	3,517,511.64
<b>Sales and overhead expenses in total</b>	<b>32,637,073.53</b>	<b>31,507,874.74</b>	<b>10,907,897.83</b>	<b>8,710,920.16</b>

<b>Expenses per type</b>	<b>between 01-01-2017 and</b>	<b>between 01-01-2016 and</b>	<b>between 01-07-2017 and</b>	<b>between 01-07-2016 and</b>
Depreciation and amortization	8,375,972.78	7,743,778.02	2,856,557.90	2,760,382.23
Materials and energy costs	19,600,627.81	17,018,812.64	6,540,017.71	4,878,758.87
Third party services	195,728,252.92	160,359,200.81	63,062,722.68	59,421,695.80
Taxes and charges/fees	8,786,060.04	8,087,252.51	2,731,163.76	2,634,641.46
Remunerations	29,334,787.86	25,770,019.50	10,167,490.03	8,574,574.08
Social security and other payments	4,656,398.79	4,346,558.44	1,419,290.01	1,393,477.71
Other expenses per type	6,699,641.98	8,486,075.75	2,726,312.61	2,914,016.91
<b>Expenses per type in total</b>	<b>273,181,742.18</b>	<b>231,811,697.67</b>	<b>89,503,554.70</b>	<b>82,577,547.06</b>

Note 19. Other operating income

<b>OPERATING REVENUE</b>	<b>between 01-01-2017 and</b>	<b>between 01-01-2016 and</b>	<b>between 01-07-2017 and</b>	<b>between 01-07-2016 and</b>
a) profit on sale of non-financial fixed assets	93,315.74	0.00	91,607.32	0.00
b) other operating revenues	1,143,877.48	2,181,939.55	343,778.38	1,019,529.43
<b>Total value of operating revenue</b>	<b>1,237,193.22</b>	<b>2,181,939.55</b>	<b>435,385.70</b>	<b>1,019,529.43</b>

<b>OPERATING REVENUE</b>	<b>between 01-01-2017 and</b>	<b>between 01-01-2016 and</b>	<b>between 01-07-2017 and</b>	<b>between 01-07-2016 and</b>
a) profit on sale of non-financial fixed assets	93,315.74	0.00	91,607.32	0.00
b) transaction handling fees	112,729.70	785,522.29	34,868.60	153,289.53
c) reserves	243,042.80	0.00	243,042.80	0.00
d) others (including contractual penalties,	788,104.92	1,396,417.26	65,866.92	866,239.90
<b>Total amount of operating costs</b>	<b>1,237,193.16</b>	<b>2,181,939.55</b>	<b>435,385.64</b>	<b>1,019,529.43</b>

Note 20. Other operating expenses

<b>OPERATING EXPENSES</b>	<b>between 01-01-2017 and</b>	<b>between 01-01-2016 and</b>	<b>between 01-07-2017 and</b>	<b>between 01-07-2016 and</b>
a) loss on the sale of non-financial fixed assets	0.00	492,336.04	0.00	485,340.66
b) revaluation of non-financial assets	0.00	147,862.62	0.00	59,067.36
c) other operating costs	8,241,546.66	35,963,775.59	1,433,961.65	29,149,773.15
<b>Total amount of operating costs</b>	<b>8,241,546.66</b>	<b>36,603,974.25</b>	<b>1,433,961.65</b>	<b>29,694,181.17</b>

<b>OPERATING EXPENSES</b>	<b>between 01-01-2017 and</b>	<b>between 01-01-2016 and</b>	<b>between 01-07-2017 and</b>	<b>between 01-07-2016 and</b>
a) loss on the sale of non-financial fixed assets	0.00	492,336.04	0.00	485,340.66
b) revaluation of non-financial assets	0.00	147,862.62	0.00	59,067.36
c) reserves	6,375,196.55	13,463,859.21	683,482.31	12,354,914.67
d) compensations, penalties, damages	525,721.75	3,084,794.96	177,998.10	1,103,187.58
e) compensations for breach of contracts	983.00	0.00	0.00	0.00
f) costs of cancelled investments)	0.00	3,027,669.84	0.00	82,137.50
g) others	1,339,645.36	16,387,451.58	572,481.24	15,609,533.40
<b>Total amount of operating costs</b>	<b>8,241,546.66</b>	<b>36,603,974.25</b>	<b>1,433,961.65</b>	<b>29,694,181.17</b>

Note 21. Financial Revenues

<b>FINANCIAL REVENUES</b>	<b>between 01-01-2017 and</b>	<b>between 01-01-2016 and</b>	<b>between 01-07-2017 and</b>	<b>between 01-07-2016 and</b>
a) dividends	0.00	0.00	0.00	0.00
b) interest	1,986,442.98	1,566,999.94	869,206.20	704,771.89
c) profit on disposal of investments	0.00	0.00	0.00	0.00
d) other	68,441.43	474,427.06	34,808.09	-1,029,165.72
<b>Total financial revenues</b>	<b>2,054,884.41</b>	<b>2,041,427.00</b>	<b>904,014.29</b>	<b>-324,393.83</b>

Note 22. Financial costs

<b>FINANCIAL EXPENSES</b>	<b>between 01-01-2017 and</b>	<b>between 01-01-2016 and</b>	<b>between 01-07-2017 and</b>	<b>between 01-07-2016 and</b>
a) interest	10,929,728.28	20,927,627.03	4,126,449.01	11,844,285.67
b) loss on disposal of investments	0.00	4,709.26	0.00	0.00
c) others	1,429,227.85	204,654.06	-644,933.39	86,610.09
<b>Total financial expenses</b>	<b>12,358,956.13</b>	<b>21,136,990.35</b>	<b>3,481,515.62</b>	<b>11,930,895.76</b>

<b>FINANCIAL EXPENSES</b>	<b>between 01-01-2017 and</b>	<b>between 01-01-2016 and</b>	<b>between 01-07-2017 and</b>	<b>between 01-07-2016 and</b>
a) interest, commissions, loans	3,444,552.29	4,684,892.83	951,832.83	1,143,379.62
b) interest-leasing	87,155.03	41,689.00	30,560.70	29,354.13
c) interest- loans	118,115.71	137,988.88	39,434.45	36,727.58
d) interest- promissory notes	195,448.13	262,135.93	56,518.38	87,798.29
e) interest- bond issuance	6,341,358.88	7,504,037.92	2,642,098.63	2,376,806.50
f) other interest	743,098.24	8,296,882.47	406,004.02	8,170,219.55
g) loss on disposal of investments	0.00	4,709.26	0.00	0.00
h) other	1,429,227.85	204,654.06	-644,933.39	86,610.09
<b>Total financial expenses</b>	<b>12,358,956.13</b>	<b>21,136,990.35</b>	<b>3,481,515.62</b>	<b>11,930,895.76</b>

## D. SUPPLEMENTARY INFORMATION

### 1. Significant achievements or failures in the period covered by the report, including the list of the most important events concerning them.

In the reporting period the following significant events occurred:

#### Consent for the purchase of own shares

On August 16, 2017, the Extraordinary General Meeting adopted a resolution which approved the purchase of the Company's own shares for redemption. The Company will be able to spend for this purpose up to  
PLN  
10,000,000.

#### Supervisory Board

On August 16, the Extraordinary General Meeting of Shareholders appointed Mr. Marek Maruszyński to the Supervisory Board of the 4th joint term.

#### Signing an agreement for carrying out construction works

On July 14, 2017, the Company signed an agreement by and between J.W. Construction sp. z o.o. with its business seat in Ząbki - a subsidiary being 100% controlled by the Company for the comprehensive construction, as a general contractor, of the Nowe Tysiąclecie phase III in Katowice, including obtaining a valid and binding certificate of occupancy. The remuneration for the said scope has been fixed and amounts to  
PLN  
71.778.027,00.

#### Preliminary agreements for the purchase of real estate

On July 25, 2017, the Company entered into a preliminary agreement for the purchase of residential premises located in Kraków at Wielopole St. 19-21 and Dietla St. 86, 88 and 90, which are one single-use commercial property with surface of 8,207 sq. m. and ten residential units of the total area of 520,70 m<sup>2</sup> with associated cellars of 95,65 sq.m. for the total amount of  
PLN 44,100,000 net. So far, the Company has paid PLN 1,000,000 as an advancement payment. The deadline for the conclusion of the final agreement was 30 October 2017.

#### Signing an annex to a loan agreement

On 4 July 2017, J.W. J. W. Construction Sp. z o.o. a subsidiary of the Issuer concluded the Annex to the overdraft agreement granted by PKO BP S.A. in the amount of PLN 7,000,000. Under the Annex, the deadline for the use and repayment of the loan has been postponed. The new repayment date was set at April 26, 2018.

#### Occupancy permit:

On September 29, 2017, the Company received an occupancy permit for the residential part of phase C of a multi-family house community Bliska Wola located in the region of Ordonia/Kasprzaka street in Warsaw. The permit is final and binding.

On July 18 and August 9, 2017 the Company received an occupancy permit for terraced single-family homes located in the gmina of Kręczki Kaputy near Ożarów Mazowiecki. The permit is final and binding.

#### Sales

In the period between January 1 and September 30, 2017, the Company sold  
1,239 units

#### Units taken over

In the period between January 1 and September 30, 2017, the company transferred and recognized in its revenue 514 units.

Out of the investments carried out in the 3rd quarter of 2017, the units being on offer to be recognized in next quarters total 4,144 units, including: 2,521 units sold and not transferred, 1,507 units being on offer for sale, and 116 units in the finished investment, but which has not been introduced to offer.

#### Investments being carried out

In Q3 of 2017, the Company carried out 13 real estate development invests with the total amount of 4,188 units and the total area of 195,667 sq. m., including aparthotel investments, single-family homes, and

terraced houses. The works conducted comprises the construction of  
the  
following  
investment

s:

- in Warsaw: Bliska Wola/Wola Invest (phases C and E), Osiedle Zielona Dolina II phase I and II, and Zielona Dolina III,  
as well as single-family homes and terraced homes - Villa Campina near Warsaw Ożarów Mazowiecki.
- in Gdynia: The Bernadowo Park community phase II and the Kamerata Community,
- in Katowice: The Nowe Tysiąclecie phase III community
- in Szczecin: Hanza Tower.

In Q3 of 2017, the following investments were carried out:

Investment name	Total number of units	Total useable area	Aparthotel and commercial area	% of sold units as at September 30, 2017	% of completed construction works as at September 30, 2017
Bliska Wola - phase E - residential part, Warsaw	671	30,563	-	89%	24%
Zielona Dolina II phase II, Warsaw	570	25,360	-	24%	57%
Hanza Tower, Szczecin.	501	21,952	10,721	28%	18%
Bliska Wola - phase C - residential part, Warsaw	481	21,375	-	100%	100%
Bliska Wola - phase C - Wola Invest, Warsaw	457	-	14,559	98%	79%
Bliska Wola - phase E - Wola Invest, Warsaw	433	4,549	10,050	72%	17%
Nowe Tysiąclecie phase 3, Katowice	346	18,264	-	18%	6%
Zielona Dolina II phase I, Warsaw	321	12,809	-	77%	100%
Bernadowo Park phase II, Gdynia	236	13,180	-	66%	68%
Kamerata, Gdynia	55	3,420	-	96%	38%
Zielona Dolina III, Warsaw	54	2,269	-	61%	83%
Villa Campina - single-family homes,	42	4,588	-	86%	97%
Villa Campina single-family homes - Alicja,	21	2,008	-	81%	17%
<b>In total</b>	<b>4,188</b>	<b>160,337</b>	<b>35,330</b>		

#### Planned investments

In the perspective of the nearest couple of years, the Group, based on the owned land inventory, plans to launch 21 new residential, aparthotel and warehouse investments with the total number of 3,687 units with the total area of 272,184 sq. m.

In case of all planned real estate development and aparthotel projects, the Capital Group is the owner or holds a perpetual usufruct in the land or has signed preliminary contracts for land acquisition. In a significant portion of planned projects, it has also conducted design and preparatory works. The realization of investment will be financed from

own funds, customer cash influx in case of an open-ended escrow account as well as through a credit loan.

The planned projects for realization in the nearest years are planned in the below table.

The list of projects planned for realization - as at September 30, 2017:

Investment name	Useable area in sq. m.	Commercial area (in sq. m.)	Number of units
Bliska Wola phase D (residential, aparthotel, commercial), Warsaw	25,297	17,409	1,073
Bliska Wola phase D (residential), Warsaw	19,180		418
Berensona, Warsaw	11,855		264
Pileckiego - Aparthotel, Warsaw		8,016	239
Antoniewska, Warsaw	13,763		221
Spokojna, Gdynia		9,000	181
Single-family homes, phase VI and later, Kaputy near Ożarów	15,675		150
Lewandów Park III phase II, Warsaw	4,709		146
Mikołaja Trąby, Warsaw	5,500		122
Odkryta II, Warsaw	4,158		82
Lewandów Park IV, Warsaw	2,990		81
Aluzyjna II, Warsaw	3,670		68
Lewandów Park III phase I, Warsaw	1,631		40
Aluzyjna I, Warsaw	1,850		32
single-family homes, phase V, Kaputy near Ożarów Mazowiecki.	2,878		30
single-family homes, phase IV, Kaputy near Ożarów Mazowiecki.	1,980		20
Nowodworska, Warsaw	1,180		13
Letnica, ul. Starowiejska, Gdańsk*	26,943		433
Wrzeszcz, Jesionowa/Partyzantów street, Gdansk*	4,000		74
Porta Szczecin (warehouses), Szczecin		80,000	
Wielopole 19-21 street, Dietla 86,88, and 90 street in Krakow		10,500	
<b>In total</b>	<b>147,259</b>	<b>124,925</b>	<b>3,687</b>

\*preliminary contracts

**2. Description of factors and events, especially of extraordinary nature, having a significant impact on obtained financial results.**

In Q3 of 2017, there were no events of extraordinary nature having a significant impact on obtained financial results, except for those described in this report.

**3. Explanations regarding the Issuer's seasonal and cyclical nature in the reporting period.**

Do not  
apply.

**4. Information concerning the issue, redemption and repayment of debt and equity securities**

Do not  
apply.

**5. Information on paid and/or declared dividend in total and per one share, divided into ordinary shares and preference shares**

Do not  
apply.

**6. Events which occurred after the date of drawing up the abbreviated quarterly financial statement, which were not included in this statement but which could possibly have a remarkable influence on the Issuer's future financial results.**

Contract for the purchase of  
real estate

On October 11, 2017, the Company signed an agreement for the purchase of real estate located in Krakow at Wielopole 19-21 st. and Dietla 86,88, 90 st. constituting: one commercial property with the area of and ten residential units of the total area of 521 sq. m. with associated cellars of 95,65 m<sup>2</sup> for the total amount of PLN 44,100,000 net that was increased by a VAT tax to the amount of PLN 406.182 added to a part of units in accordance with the current law. The purchase agreement was entered into in the performance of the agreement signed on July 25, 2017 described in this report.

Preliminary agreement for the purchase of  
real estate

On November 3, 2017, the Company signed an agreement for the purchase of real estate located in Nowogard with the total area of 6,9034 ha for the total sum of PLN 5.744.886 net plus VAT. There are no buildings on the said real estate that is earmarked for the construction of multi-family houses in accordance with the local zoning.

Credit  
repayment

On October 31, 2017, the made a full repayment of a revolving credit earmarked for co-financing the realization costs of the Zielona Dolina II phase I stage in Warsaw to the amount of PLN 35.000.000 granted by BOŚ Bank SA.

Signing an annex to a loan agreement

On October 10, 2017, the Company signed an annex to an investment credit agreement for co-financing the realization costs of phase III of the Nowe Tysiąclecie Community in Katowice. Under the Annex, the deadline for the use and repayment of the loan has been postponed. The new repayment date was set at Sunday, December 20, 2020.

On October 19, 2017, the Company signed an annex to the current account revolving credit agreement to the amount of 16.830.000 granted by Bank Millennium S.A. Based on the annex, the credit repayment date was set at June 30, 2018.

Occupancy permit

On October 3, 2017, the Company received an occupancy permit for a complex of terraced single-family houses located in the gmina of Kręczi Kaputy near Ożarów Mazowiecki. The permit is final and binding.

On October 19, 2017, the Company received a certificate of occupancy for a complex of multi-family houses Zielona Dolina II phase I with services, a kindergarten, garages located in Warsaw in the region of the Zdziarska Ostródzka streets. The permit is final and binding.

Building permit

On October 23, 2017, the Company received a building permit for the construction of a complex of terraced single-family houses located in the gmina of Kręczi Kaputy near Ożarów Mazowiecki. The permit is final and binding.



**7. Information concerning the changes in conditional liabilities**

In conducting economic activity, conditional instruments securing transactions are applied. Especially, based on the current loan agreements, banks in case of the company failure to fulfill the Group's obligations resulting from the signed agreements may seek compensation based on the created securities. Securities are created from the sum of granted credit multiplied by a certain factor. The multiplier depending on the type of credit agreement, security type, financing bank and other factors

varies from 100% to 200%. Regardless of the number and the sum of created securities, the bank may seek compensation from the sum of real debt with due interest. As at September 30, 2017, the amount of debt was equal to PLN 176 million and there were no reasons that could indicate that any credit loan could not be paid on time. In case of J.W. Construction Holding S.A. credits, mortgage securities are mainly used. Below is the list of mortgage securities:

<b>OFF-BALANCE SHEET COLLATERALS - credit agreements</b>	<b>30.09.2017</b>
The sum for securities on owned real estate - loans	752,713,086
The sum for securities on other real estate - loans	21,000,000

For one credit agreement, typically several securities are applied that exceed the credit amount. However, it is impossible to sum up the sums of securities as the value of a possible claim would be strictly related to the security sum, and a entitled entity could choose a type of security.

In addition to mortgage security, there are other forms of securities, such as writs of execution, promissory notes, powers of attorney to accounts or liens on accounts. In addition, in case of investment credits, the security instruments are transfers from contracts related to concrete constructions (for instance, general contractorship agreements, insurance agreements, good quality guarantees). Also, if a borrower is a subsidiary of J.W. Construction Holding S.A., banks typically require also a guarantee from the Company, and in some other cases - lien on the shares of a subsidiary. Below is the value of granted guarantees.

<b>OFF-BALANCE SHEET COLLATERALS - other</b>	<b>30.09.2017</b>
Guarantee of J.W. Construction Holding S.A. to the benefit of Hanza Invest SA for a credit loan incurred at	141,789,712
Guarantee of J.W. Construction Holding S.A. to the benefit of Dana Invest Sp. z o.o. for a credit loan	29,694,876
Registered pledge on J.W. Construction Holding S.A. in Dana Invest Sp. z o.o.	23,499,582
Guarantees to the benefit of J.W. Construction Sp. z o.o. for the PKO BP credit loan to the sum of	7,000,000
Guarantees to the benefit of the Capital City of Warsaw	151,300
Sureties to the benefit of TBS "Marki" Sp z o.o.	22,400,000

As at September 30, 2017, there were bank and insurance securities regarding the removal of defects granted by banks and insurance companies that the companies of the Capital Group were the beneficiary of. In addition, blank promissory notes were issued to the benefit of the Capital Group companies as a security for the customer guarantees that the Companies may use at any time to the sum corresponding to the costs corresponding to removal of defects. The total value of guarantees constituted as at September 30, 2017, PLN 19,5 mln and EUR 37 thousand (J.W. Construction Holding S.A), PLN 2,8 million and EUR 128 thousand (J.W. Construction Sp. z o.o).

#### **8. Selected financial data including basic items of the condensed financial statement Selected financial data including basic items of the condensed financial statement (also in euro).**

In order to convert the balance sheet data on the last day of the period between January 1 and September 30 2017 the adopted exchange rate of euro was fixed by the National Bank of Poland, which was PLN 4,3091 per 1 euro.

In order to convert the balance sheet data on the last day of the period between January 1 and December 30 2016 the adopted exchange rate of euro was fixed by the National Bank of Poland, which was PLN 4,4240 per 1 euro.

In order to convert the balance sheet data for the period between January 1 and December 31 2017, the adopted exchange rate of euro was fixed by the National Bank of Poland, which was PLN 4,2300 per 1 euro.

In order to convert the balance sheet data for the period between January 1 and December 31 2016, the adopted exchange rate of euro was fixed by the National Bank of Poland, which was PLN 4,3688 per 1 euro.

Balance sheet item	30.09.2017		31.12.2016	
	PLN	EUR	PLN	EUR
<b>Total assets</b>	<b>1,699,466</b>	<b>394,390</b>	<b>1,503,419</b>	<b>339,833</b>
Fixed assets	657,117	152,495	658,284	148,798
Current assets	1,042,349	241,895	845,135	191,034
<b>Total equity and liabilities</b>	<b>1,699,466</b>	<b>394,390</b>	<b>1,503,419</b>	<b>339,833</b>
Equity	655,671	152,160	653,192	147,647
Non-current liabilities	378,665	87,876	337,049	76,187
Current liabilities	665,130	154,355	513,178	115,999

Consolidated profit and loss account item	between 01-01-2017 and 30-09-		between 01-01-2016 and 30-09-2016	
	PLN	EUR	PLN	EUR
Net revenues from sales of products, goods and materials	227,719	53,834	437,125	100,057
Costs of sold products, goods and materials.	171,479	40,539	304,336	69,662
<b>Gross profit (loss) on sales</b>	<b>56,240</b>	<b>13,295</b>	<b>132,789</b>	<b>30,395</b>
Sales costs	16,302	3,854	18,553	4,247
Overheads	16,335	3,862	12,955	2,965
Profit (loss) on sales	21,341	5,045	97,744	22,373
Profit (loss) on operations	14,337	3,389	63,322	14,494
<b>Gross profit (loss)</b>	<b>4,033</b>	<b>953</b>	<b>44,226</b>	<b>10,123</b>
Income tax	974	230	9,020	2,065
<b>Net profit (loss)</b>	<b>3,059</b>	<b>723</b>	<b>35,206</b>	<b>8,059</b>

Issuer's balance sheet item	30.09.2017		31.12.2016	
	PLN	EUR	PLN	EUR
<b>Total assets</b>	<b>1,641,795</b>	<b>381,007</b>	<b>1,449,838</b>	<b>327,721</b>
Fixed assets	711,920	165,213	708,549	160,160
Current assets	929,875	215,793	741,289	167,561
<b>Total equity and liabilities</b>	<b>1,641,795</b>	<b>381,007</b>	<b>1,449,838</b>	<b>327,721</b>
Equity	681,321	158,112	684,286	154,676
Non-current liabilities	258,805	60,060	191,979	43,395
Current liabilities	701,670	162,834	573,573	129,650

Profit and loss account item	between 01-01-2017 and 30-09-		between 01-01-2016 and 30-09-	
	PLN	EUR	PLN	EUR
Net revenues from sales of products, goods and materials	175,398	41,465	80,319	18,385
Costs of sold products, goods and materials.	132,409	31,302	71,228	16,304
<b>Gross profit (loss) on sales</b>	<b>42,989</b>	<b>10,163</b>	<b>9,091</b>	<b>2,081</b>
Sales costs	18,931	4,476	12,299	2,815
Overheads	13,032	3,081	10,672	2,443
Profit (loss) on sales	8,763	2,072	-17,418	-3,987
Profit (loss) on operations	2,014	476	-48,931	-11,200
<b>Gross profit (loss)</b>	<b>1,284</b>	<b>304</b>	<b>-70,530</b>	<b>-16,144</b>
Income tax	4,249	1,004	-10,948	-2,506
<b>Net profit (loss)</b>	<b>-2,965</b>	<b>-701</b>	<b>-59,582</b>	<b>-13,638</b>

**9. Effects of changes in the structure of the business unit, including mergers, acquisitions or sale of Group entities, long-term investments, division, restructuring and discontinued operations.**

The Company does not publish financial forecasts for the structure or the activity of the Group or the Company.

**10. The Management Board's statement regarding implementation of previously published results for the year, in the light of the results presented in the quarterly report in relation to forecasted results**

The Company does not publish financial forecasts for the Company and the Group.

**11. Shareholders holding directly or indirectly through subsidiaries, at least 5% of the total number of votes at the General Meeting of the Issuer on the date of the quarterly report including the number of shares held by these entities, their percentage share in the share capital, the number of votes resulting from them and their percentage share in the total number of votes at the general meeting and changes in the ownership structure of significant blocks of the Issuer's shares in the period from the previous quarterly report.**

The share capital of Company amounts to 17.771.888,60 zł and is divided into 88.859.443 ordinary bearer series A, B and C shares with a nominal value of 0.20 zł each. Each of them entitles to one vote at the General Meeting of Shareholders.

As at November 9, 2017.

Shareholder	Number of shares held	% of share capital	Number of votes	% of total number of votes in the General
Józef Wojciechowski	28.182.933	31,72 %	28.182.933	31,72 %
EHT S.A.	47.846.225	53,84 %	47.846.225	53,84 %

Mr. Józef Wojciechowski controls the Company EHT SA based in Luxembourg.

In the period from 17 May 2016. (Date of submission of the report for the first half of 2017) until the date of this report there were no changes in significant holdings of the Issuer

**12. Statement of ownership of the Issuer's shares or rights to them (options) by persons managing and supervising the Issuer on a given day, separately for each person**

As at November 9, 2017.

Person	Function	Number of shares held
Józef Wojciechowski	President of the Supervisory Board	28.182.933

No changes in the reporting period have occurred since the publication of the last quarterly report.

**13. Litigation.**

As at 30 September 2017 the value of lawsuits filed by Company in common courts (i.e. first and second instance) does not exceed 10% of the Company equity.

As at 30 September 2017 the value of lawsuits filed by Company in common courts (i.e. first and second instance) does

not exceed 10% of the Company equity. The court proceedings that the Company is a party to do not significantly affect the activity of the Company.

**14. Information on the conclusion by the Issuer or its subsidiary of one or more transactions with related entities.**

COMPANY	Receivables from related parties	
	30-09-2017	31-12-2016
Marka Sp. z o.o.	511,788.75	1,060,203.17
J.W. Marka Sp. z o.o.	50,364.36	0.00
Business Financial Construction Sp. z o.o.	195,264.35	235,741.90
J.W. Construction Sp. z o.o.	2,669,950.07	12,327,627.03
Nowe Tysiąclecie Sp. z o.o.	347,359.20	0.00
Dana Invest Sp. z o.o.	44,666.74	169,881.03
Porta Transport Sp. z o.o. in liquidation	14,760.00	14,760.00
Bliska Wola 4 Sp.z o.o.1 SK	2,383,111.85	4,068,047.53
Bliska Wola 4 Sp. z o.o. 2 SK	526,306.79	910,619.15
Wola Invest Sp z o.o.	18,969.06	18,969.06
Bliska Wola 4 Sp. z o.o.	20,834.80	20,834.80
Łódź Invest Sp. z o.o.	19,853.03	415,965.10
Berensona Invest Sp. z o.o.	20,445.06	20,445.06
Varsovia Apartamenty Sp.z o.o.	76,882.23	0.00

COMPANY	Liabilities towards subsidiaries	
	30-09-2017	31-12-2016
Marka Sp. z o.o.	31,250,593.08	30,563,179.29
J.W. Marka Sp. z o.o.	4,214,558.15	366,499.58
Business Financial Construction Sp. z o.o.	1,227,864.04	1,228,600.63
J.W. Construction Sp. z o.o.	4,500,340.79	27,637,127.12
Nowe Tysiąclecie Sp. z o.o.	90,909.84	0.00

All concluded transactions by the Company or its subsidiary with the related parties are concluded on market terms.

**15. Information on granting by the Issuer or its subsidiary guarantees of credit, loans or guarantees to a single entity or its subsidiary, if the total value of existing warranties or guarantees is equivalent to at least 10% of the equity of the Issuer.**

In the reported period, the Company did not grant any warranties or guarantees which value would amount to 10% of its equity.

**16. Other information that is relevant, in the opinion of the Issuer, for assessing its personnel situation, financial result and their changes and information that are relevant for assessing the feasibility of Issuer's liabilities.**

Not present

**17. Factors which in the Issuer's opinion will affect its results in the perspective of at least next quarter.**

The most important factors that may affect Company's results:

- The rate of finishing investments conditioning the transfer of units in investments in the nearest quarters, especially: Wola Invest phase C (aparthotel), Zielona Dolina II phase I and III, Bernadowo Park phase II.
- Maintaining a high rate of sales along with expanding the offer, which is conditioned upon:
  - Launching new projects, ,
  - Availability of mortgage loans on real estate market,
  - Low level of interest rates - reduced cost of servicing the loan for Company and flat buyers, which can have positive impact on sales rates,
  - Expanding the offer for more aparthotel units,
  - Rate of depletion of funds from the government "Mieszkanie dla Młodych" program,
  - Launching projects on schedule.
- State of the economy, real estate market in particular.
- Other one-time events, eg. connected with revaluation of property. Company verifies valuation once a year (usually at the end of the year) and takes decisions regarding revaluation.

**18. Information on revenues and results of each business or geographical segments depending on the basic classification.**

**Branch segments**

As assumed, the primary division of activity into segments is the division based on branch segments. The business of the

Group is conducted mainly in three following segments:

- developer activity,
- social building,
- hotel services.

Pursuant to IAS 14 „Reporting concerning segments of activity’, when drawing up financial data concerning particular segments of activity, according to the principle applied revenue and expenses along with assets and liabilities

of segment are established before the moment of consolidation when the settlement of balance sheet statements and transactions carried out

among the Group's economic entities are excluded. Internal transactions within a segment have been eliminated.

Financial data regarding relevant activity segments encompass unitary financial statements of the companies of the Group without the exclusion of balances and transactions, with a reservation that the revenue exclusions, costs, and mutual settlements were presented in the Eliminations columns. An exception is real estate development activity as part of which subsidiaries are consolidated regarding this type of activity.

The basic type of services as part of every branch segment:

- real estate development activity - realization of construction, design and auxiliary productions, as well as real estate sales,
- social buildings - sales and administration of social buildings,
- other construction services - renting, other

services,

- hotel activities, apart-hotels - hotel and catering services related to the organization of tourist services and relaxation, apart-hotels renting.

Condensed Consolidated Financial Statement  
for the period of 9 months finished on September 30,

01.01.2017-30.09.2017	Hotel, aparthotel activity	Hotel, aparthotel activity	Social buildings	Other activity	In total
<b>Net revenues from sales of products, goods and</b>	<b>178,549,620.36</b>	<b>36,674,470.43</b>	<b>10,459,072.13</b>	<b>2,035,606.87</b>	<b>227,718,769.79</b>
Net revenue from the sales of products	177,027,776.54	36,662,278.89	10,445,200.73	2,035,606.87	226,170,863.03
Net revenues from sales of goods and materials	1,521,843.82	12,191.54	13,871.40	0.00	1,547,906.76
<b>Costs of sold products, goods and materials, including:</b>	<b>136,093,193.15</b>	<b>29,024,745.86</b>	<b>5,964,483.37</b>	<b>396,356.03</b>	<b>171,478,778.41</b>
Manufacturing cost of products sold	134,544,411.84	29,012,582.32	5,950,611.97	396,356.03	169,903,962.16
Value of sold goods and materials	1,548,781.31	12,163.54	13,871.40	0.00	1,574,816.25
<b>Gross profit (loss) on sales</b>	<b>42,456,427.21</b>	<b>7,649,724.57</b>	<b>4,494,588.76</b>	<b>1,639,250.84</b>	<b>56,239,991.38</b>
<b>Sales costs</b>	<b>12,146,737.24</b>	<b>4,155,035.08</b>	<b>0.00</b>	<b>0.00</b>	<b>16,301,772.32</b>
<b>Overheads</b>	<b>11,419,328.87</b>	<b>2,605,235.88</b>	<b>816,543.59</b>	<b>1,494,192.87</b>	<b>16,335,301.21</b>
<b>Revaluation of investment properties</b>	<b>-2,261,638.01</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-2,261,638.01</b>
<b>Profit (loss) on sales</b>	<b>16,628,723.08</b>	<b>889,453.61</b>	<b>3,678,045.17</b>	<b>145,057.97</b>	<b>21,341,279.83</b>
Other operating income	1,209,124.04	20,080.17	6,280.08	1,708.93	1,237,193.22
Other operating expenses	8,159,865.01	32,604.10	49,076.38	1.17	8,241,546.66
<b>Profit (loss) on operations</b>	<b>9,677,982.11</b>	<b>876,929.68</b>	<b>3,635,248.87</b>	<b>146,765.73</b>	<b>14,336,926.39</b>
Financial Revenues	630,404.40	1,692.93	726,204.06	696,583.02	2,220,002.12
Financial costs	10,170,863.99	976,102.88	1,211,989.14	0.12	12,358,956.13
<b>Profit (loss) on operations</b>	<b>137,522.52</b>	<b>-97,480.27</b>	<b>3,149,463.79</b>	<b>843,348.63</b>	<b>4,032,854.67</b>
<b>Gross profit (loss)</b>	<b>137,522.52</b>	<b>-97,480.27</b>	<b>3,149,463.79</b>	<b>843,348.63</b>	<b>4,032,854.67</b>
<b>Net profit (loss)</b>	<b>-816,892.56</b>	<b>20,485.96</b>	<b>3,141,263.79</b>	<b>713,907.63</b>	<b>3,058,764.82</b>

Condensed Consolidated Financial Statement  
for the period of 9 months finished on September 30,

01.01.2016-30.09.2016	Hotel, aparthotel	Hotel, aparthotel	Social buildings	Social	Other activity	Eliminations	In total
<b>Net revenues from sales of products, goods and</b>	<b>385,868,161.59</b>	<b>34,172,028.07</b>	<b>9,926,761.75</b>	<b>49,434,815.03</b>	<b>2,209,137.60</b>	<b>-44,485,584.85</b>	<b>437,125,319.19</b>
Net revenue from the sales of products	385,063,231.34	34,168,456.19	9,905,696.93	49,203,561.49	2,207,955.42	-44,474,117.70	436,074,783.67
Net revenues from sales of goods and materials	804,930.25	3,571.88	21,064.82	231,253.54	1,182.18	-11,467.15	1,050,535.52
<b>Costs of sold products, goods and materials, including:</b>	<b>267,156,723.75</b>	<b>26,329,369.39</b>	<b>5,661,003.86</b>	<b>48,151,475.13</b>	<b>647,935.45</b>	<b>-43,610,052.80</b>	<b>304,336,454.78</b>
Manufacturing cost of products sold	266,374,310.78	26,325,666.32	5,639,939.04	47,920,563.10	646,753.27	-43,598,585.65	303,308,646.86
Value of sold goods and materials	782,412.97	3,703.07	21,064.82	230,912.03	1,182.18	-11,467.15	1,027,807.92
<b>Gross profit (loss) on sales</b>	<b>118,711,437.84</b>	<b>7,842,658.68</b>	<b>4,265,757.89</b>	<b>1,283,339.90</b>	<b>1,561,202.15</b>	<b>-875,532.05</b>	<b>132,788,864.41</b>
<b>Sales costs</b>	<b>15,513,002.97</b>	<b>3,791,322.32</b>	<b>0.00</b>	<b>144.00</b>	<b>0.00</b>	<b>-751,761.00</b>	<b>18,552,708.29</b>
<b>Overheads</b>	<b>7,552,457.53</b>	<b>2,054,996.18</b>	<b>794,695.92</b>	<b>1,043,531.64</b>	<b>1,714,793.23</b>	<b>-205,308.05</b>	<b>12,955,166.45</b>
<b>Revaluation of investment properties</b>	<b>-3,537,191.49</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-3,537,191.49</b>
<b>Profit (loss) on sales</b>	<b>92,108,785.85</b>	<b>1,996,340.18</b>	<b>3,471,061.97</b>	<b>239,664.26</b>	<b>-153,591.08</b>	<b>81,537.00</b>	<b>97,743,798.18</b>
Other operating income	1,799,504.29	32,545.82	123,848.31	208,690.39	17,350.74	0.00	2,181,939.55
Other operating expenses	34,283,829.47	241,451.38	249,362.87	1,872,922.26	64.69	-43,656.42	36,603,974.25
<b>Profit (loss) on operations</b>	<b>59,624,460.67</b>	<b>1,787,434.62</b>	<b>3,345,547.41</b>	<b>-1,424,567.61</b>	<b>-136,305.03</b>	<b>125,193.42</b>	<b>63,321,763.48</b>
Financial Revenues	5,021,357.98	2,549.48	776,743.29	207.37	691,154.67	-4,450,585.79	2,041,427.00
Financial costs	22,117,675.71	1,268,142.33	1,646,520.70	555,818.65	-581.25	-4,450,585.79	21,136,990.35
<b>Profit/loss on the exclusion of a subsidiary from consolidation</b>							<b>0.00</b>
<b>Profit (loss) on operations</b>	<b>42,528,142.94</b>	<b>521,841.77</b>	<b>2,475,770.00</b>	<b>-1,980,178.89</b>	<b>555,430.89</b>	<b>125,193.42</b>	<b>44,226,200.13</b>
<b>Gross profit (loss)</b>	<b>42,528,142.94</b>	<b>521,841.77</b>	<b>2,475,770.00</b>	<b>-1,980,178.89</b>	<b>555,430.89</b>	<b>125,193.42</b>	<b>44,226,200.13</b>
<b>Net profit (loss)</b>	<b>33,181,940.43</b>	<b>169,872.86</b>	<b>2,475,770.00</b>	<b>-1,274,910.85</b>	<b>361,602.82</b>	<b>291,544.51</b>	<b>35,205,819.76</b>



## E. ISSUER'S FINANCIAL STATEMENT

### 1. Report on the financial situation

ASSETS	Note	30.09.2017	31.12.2016
<b>FIXED ASSETS</b>		<b>711,920,032.22</b>	<b>708,548,512.08</b>
Intangible assets	1	12,446,701.13	12,505,771.91
Tangible assets	2	241,597,740.17	229,049,142.36
Investment real estate	3	185,507,231.12	197,649,050.83
Other financial assets	4	243,608,644.12	240,911,963.27
Deferred income tax assets		26,749,431.99	26,547,164.76
Trade and other receivables	5	2,010,283.69	1,885,418.96
<b>CURRENT ASSETS</b>		<b>929,875,211.20</b>	<b>741,289,463.18</b>
Inventories	6	29,006,580.18	28,966,002.80
Construction contracts	7	615,660,516.47	517,990,585.99
Trade and other receivables	8	55,651,892.24	54,003,191.47
Other financial assets	9	60,551,799.66	61,761,754.10
Cash and cash equivalents	10	155,347,259.23	69,622,774.77
Accruals	11	13,657,163.42	8,945,154.04
<b>Total assets</b>		<b>1,641,795,243.42</b>	<b>1,449,837,975.26</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>		<b>681,320,774.03</b>	<b>684,285,638.24</b>
Share capital		17,771,888.60	17,771,888.60
Revaluation capital		7,493,208.19	7,493,208.19
Other capital	13	659,020,541.44	655,109,117.27
Retained earnings		0.02	-5,679,509.98
Net profit / loss		-2,964,864.22	9,590,934.16
<b>LIABILITIES</b>		<b>960,474,469.38</b>	<b>765,552,337.01</b>
<b>Non-current liabilities</b>		<b>258,804,925.52</b>	<b>191,979,387.66</b>
Borrowings	12	44,602,004.04	61,382,914.16
Deferred income tax liabilities		36,094,292.67	31,643,333.25
Retirement benefit obligations		200,416.45	200,416.45
Provision for other liabilities and charges	15	0.00	0.00
Other liabilities	14	177,908,212.36	98,752,723.80
<b>Current liabilities</b>		<b>701,669,543.86</b>	<b>573,572,949.35</b>
Trade and other payables	15	121,203,087.64	142,769,869.83
Construction contracts	7	439,104,094.90	309,521,338.23
Borrowings	12	30,522,958.32	16,796,962.71
Provision for other liabilities and charges	15	20,709,581.81	20,656,238.04
Other liabilities	16	90,129,821.19	83,828,540.54
<b>Total equity and liabilities</b>		<b>1,641,795,243.41</b>	<b>1,449,837,975.26</b>

**2. Total income statement**

	Note	for the period 01-01-2017	for the period 01-01-2016	for the period 01-07-2017	for the period 01-07-2016
<b>Net revenues from sales of products, goods and materials, including:</b>	<b>17</b>	<b>175,397,848.73</b>	<b>80,318,863.74</b>	<b>83,228,221.64</b>	<b>23,123,063.16</b>
Net revenues from sales of products		173,939,453.58	77,931,234.67	82,903,755.51	22,756,572.42
Net revenues from sales of goods and materials		1,458,395.15	2,387,629.07	324,466.13	366,490.74
<b>Costs of sold products, goods and materials, of which:</b>	<b>18</b>	<b>132,409,192.11</b>	<b>71,228,122.44</b>	<b>59,087,832.07</b>	<b>17,908,762.64</b>
Manufacturing cost of products sold		130,962,821.99	68,863,059.46	58,782,638.52	17,596,499.73
Value of sold goods and materials		1,446,370.12	2,365,062.98	305,193.55	312,262.91
<b>Gross profit (loss) on sales</b>		<b>42,988,656.62</b>	<b>9,090,741.30</b>	<b>24,140,389.57</b>	<b>5,214,300.52</b>
<b>Sales costs</b>		<b>18,931,496.34</b>	<b>12,299,436.24</b>	<b>6,645,534.27</b>	<b>4,222,808.01</b>
<b>Overheads</b>		<b>13,032,408.33</b>	<b>10,671,815.59</b>	<b>4,033,497.11</b>	<b>3,232,650.53</b>
<b>Revaluation of investment properties</b>		<b>-2,261,638.01</b>	<b>-3,537,191.49</b>	<b>-615,281.95</b>	<b>-1,417,719.84</b>
<b>Profit (loss) on sales</b>		<b>8,763,113.94</b>	<b>-17,417,702.02</b>	<b>12,846,076.24</b>	<b>-3,658,877.86</b>
Other operating income	19	459,270.66	1,989,416.13	192,347.17	1,146,520.06
Other operating expenses	20	7,208,821.41	33,502,338.17	1,167,175.65	26,863,338.01
<b>Profit (loss) on operations</b>		<b>2,013,563.19</b>	<b>-48,930,624.06</b>	<b>11,871,247.76</b>	<b>-29,375,695.81</b>
Financial Revenues	21	14,918,479.14	1,979,397.45	2,511,441.82	-1,208,352.76
Financial costs	22	15,648,214.35	23,578,577.49	3,928,328.84	13,055,223.90
<b>Profit (loss) on economic activity</b>		<b>1,283,827.98</b>	<b>-70,529,804.10</b>	<b>10,454,360.74</b>	<b>-43,639,272.47</b>
<b>Gross profit (loss)</b>		<b>1,283,827.98</b>	<b>-70,529,804.10</b>	<b>10,454,360.74</b>	<b>-43,639,272.47</b>
Income tax		4,248,692.20	-10,947,512.56	4,320,139.52	-6,316,083.34
<b>Net profit (loss)</b>		<b>-2,964,864.22</b>	<b>-59,582,291.54</b>	<b>6,134,221.22</b>	<b>-37,323,189.13</b>

<b>Other comprehensive income:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Exchange rates from the calculation of		0.00	0.00	0.00	0.00
Profit/loss from acquisitions		0.00	0.00	0.00	0.00
Profit from revaluation of fixed assets		0.00	0.00	0.00	0.00
Other comprehensive income:		0.00	0.00	0.00	0.00
<b>Total revenue</b>		<b>-2,964,864.22</b>	<b>-59,582,291.54</b>	<b>6,134,221.22</b>	<b>-37,323,189.13</b>

Condensed Consolidated Financial Statement  
for the period of 9 months finished on September 30,

<b>BASIC AND DILUTED EARNINGS PER SHARE</b>		for the period 01-01-2017	for the period 01-01-2016	for the period 01-07-2017	for the period 01-07-2016
<b>Profits</b>					
(A) Profit resulting from the financial statements		-2,964,864.22	-59,582,291.54	6,134,221.22	-37,323,189.13
<b>Number of shares</b>					
(B) Number of ordinary shares and preferred shares (as to the right to vote in the General Meeting of the		88,859,443.00	88,859,443.00	88,859,443.00	88,859,443.00
(C) Number of ordinary shares and preferred shares (as to the right to vote in the General Meeting of the Company) for the		88,859,443.00	88,859,443.00	88,859,443.00	88,859,443.00
<b>Basic earnings per share = (A)/(B)</b>		<b>-0.03</b>	<b>-0.67</b>	<b>0.07</b>	<b>-0.42</b>
<b>Diluted earnings per share = (A)/(B)</b>		<b>-0.03</b>	<b>-0.67</b>	<b>0.07</b>	<b>-0.42</b>

\* In accordance with IAS 33 "Earnings Per Share" the number of shares assumed for calculation of basic earnings per share was the weighted average number of shares during a given period. The said number was established as the number of shares as at the beginning of the given period adjusted by the number of shares bought back or issued during such period, weighted with an index reflecting the period of such number of shares (number of days of existence of shares to total number of days in a given period - from the day of share capital increase registration). During the analyzed period there were no circumstances to dilute the number of shares.

3. Consolidated statement of changes in

	Supplemen tary	Own shares (negative value)	Revaluatio n capital	Supple mentary	Other capital	Retained earnings	Net result	Equity
<b>As at 1 December 2016</b>	<b>17,771,888.60</b>	<b>0.00</b>	<b>7,493,208.19</b>	<b>649,377,530.08</b>	<b>5,731,587.19</b>	<b>-5,679,509.98</b>	<b>9,590,934.16</b>	<b>684,285,638.24</b>
Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Conversion to IFRS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>As at 1 January 2017</b>	<b>17,771,888.60</b>	<b>0.00</b>	<b>7,493,208.19</b>	<b>649,377,530.08</b>	<b>5,731,587.19</b>	<b>-5,679,509.98</b>	<b>9,590,934.16</b>	<b>684,285,638.24</b>
Share issuance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Own share redemption	0.00	0.00		0.00				0.00
Purchase of own shares	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit/loss from acquisitions (unitary JWCH)	0.00	0.00		0.00	0.00	0.00	0.00	0.00
Profit / loss from inclusion/exclusion to/from consolidation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Changes in accounting policies/presentation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Conversion to IFRS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total profit / loss recognized directly in equity</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Net profit (loss) for the accounting year	0.00	0.00	0.00	0.00	0.00	0.00	-2,964,864.22	-2,964,864.22
<b>Total profit / (loss) recognized in equity and net</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-2,964,864.22</b>	<b>-2,964,864.22</b>
Increase / decrease from profit distribution	0.00	0.00	0.00	3,911,424.18	0.00	5,679,509.98	-9,590,934.16	0.00
<b>As at 30 September 2017</b>	<b>17,771,888.60</b>	<b>0.00</b>	<b>7,493,208.19</b>	<b>653,288,954.26</b>	<b>5,731,587.19</b>	<b>0.00</b>	<b>-2,964,864.22</b>	<b>681,320,774.03</b>

Condensed Consolidated Financial Statement  
for the period of 9 months finished on September 30,

	Supplemen tary	Own shares (negative value)	Revaluation capital	Supple mentary	Other capital	Retained earnings	Net result	Equity
<b>As at 31 December 2015</b>	<b>17,771,888.60</b>	<b>0.00</b>	<b>7,493,208.19</b>	<b>634,337,945.82</b>	<b>5,731,587.19</b>	<b>-5,679,509.99</b>	<b>15,039,584.26</b>	<b>674,694,704.07</b>
Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Conversion to IFRS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>As at 1 December 2016</b>	<b>17,771,888.60</b>	<b>0.00</b>	<b>7,493,208.19</b>	<b>634,337,945.82</b>	<b>5,731,587.19</b>	<b>-5,679,509.99</b>	<b>15,039,584.26</b>	<b>674,694,704.07</b>
Share issuance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Own share redemption	0.00	0.00		0.00				0.00
Purchase of own shares	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividends paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit/loss from acquisitions (unitary JWCH)	0.00	0.00		0.00	0.00	0.00	0.00	0.00
Changes in accounting policies/presentation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Conversion to IFRS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total profit / loss recognized directly in equity</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Net profit (loss) for the accounting year	0.00	0.00	0.00	0.00	0.00	0.00	-59,582,291.54	<b>-59,582,291.54</b>
<b>Total profit / (loss) recognized in equity and net</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-59,582,291.54</b>	<b>-59,582,291.54</b>
Increase / decrease from profit distribution	0.00	0.00	0.00	15,039,584.26	0.00	0.00	-15,039,584.26	0.00
<b>As at 30 September 2016</b>	<b>17,771,888.60</b>	<b>0.00</b>	<b>7,493,208.19</b>	<b>649,377,530.08</b>	<b>5,731,587.19</b>	<b>-5,679,509.99</b>	<b>-59,582,291.54</b>	<b>615,112,412.53</b>

Condensed Consolidated Financial Statement  
for the period of 9 months finished on September 30,

	Supplemen tary	Own shares (negative value)	Revaluation capital	Supple mentary	Other capital	Retained earnings	Net result	Equity
<b>As at 31 December 2015</b>	<b>17,771,888.60</b>	<b>0.00</b>	<b>7,493,208.19</b>	<b>634,337,945.82</b>	<b>5,731,587.19</b>	<b>-5,679,509.99</b>	<b>15,039,584.26</b>	<b>674,694,704.07</b>
Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Conversion to IFRS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>As at 1 December 2016</b>	<b>17,771,888.60</b>	<b>0.00</b>	<b>7,493,208.19</b>	<b>634,337,945.82</b>	<b>5,731,587.19</b>	<b>-5,679,509.99</b>	<b>15,039,584.26</b>	<b>674,694,704.07</b>
Share issuance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Own share redemption	0.00	0.00		0.00				0.00
Purchase of own shares	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividends paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit/loss from acquisitions (unitary JWCH)	0.00	0.00		0.00	0.00	0.00	0.00	0.00
Profit / loss from inclusion/exclusion to/from consolidation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Changes in accounting policies/presentation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Conversion to IFRS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total profit / loss recognized directly in equity</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Net profit (loss) for the accounting year	0.00	0.00	0.00	0.00	0.00	0.00	9,590,934.16	9,590,934.16
<b>Total profit / (loss) recognized in equity and net</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>9,590,934.16</b>	<b>9,590,934.16</b>
Increase / decrease from profit distribution	0.00	0.00	0.00	15,039,584.26	0.00	0.00	-15,039,584.26	0.00
<b>As at 1 December 2016</b>	<b>17,771,888.60</b>	<b>0.00</b>	<b>7,493,208.19</b>	<b>649,377,530.08</b>	<b>5,731,587.19</b>	<b>-5,679,509.99</b>	<b>9,590,934.16</b>	<b>684,285,638.24</b>

**4. Cash flow statement**

<b>Operating cash flow - two-step method</b>	<b>for the period by 01- 01-2017 and 30-</b>	<b>for the period by 01- 01-2016 and 30-</b>
<b>Net profit (loss)</b>	<b>-2,964,864.22</b>	<b>-59,582,291.54</b>
<b>Item adjustments</b>	<b>10,047,390.62</b>	<b>17,150,746.93</b>
Depreciation and amortization	6,024,068.14	5,288,398.80
(Profit) loss on foreign exchange differences regarding investment and financial activity	3,653,369.20	-193,083.97
Profit (loss) on investment activities	1,075,250.00	-169,508.89
Interest and dividends	-2,576,894.04	14,339,821.56
Changes in provisions and accruals	-409,973.42	-5,652,071.06
Changes in investment property	2,261,638.01	3,537,191.49
Other item adjustments	19,932.73	-1.00
- other adjustments	19,932.73	-1.00
<b>Changes in working capital</b>	<b>58,786,608.86</b>	<b>78,845,386.04</b>
Change in inventories	-40,577.38	1,016,405.72
Change in construction contracts	44,485,035.97	77,794,679.04
Changes in receivables	-1,773,565.50	-2,641,040.29
Changes in current liabilities, except for borrowings	16,115,715.77	2,675,341.57
<b>Operating cash flows</b>	<b>65,869,135.27</b>	<b>36,413,841.43</b>
<b>Investment activity cash flows</b>		
Disposal of tangible and intangible assets and other non-current assets	561,750.00	578,688.18
Acquisition of tangible and intangible assets and other non-current assets	-21,633,200.48	-11,603,303.25
Loans granted	-3,040,178.87	-2,077,260.94
Loans repaid	0.00	1,100,000.00
Other financial assets acquisition	-900,000.00	0.00
Dividends received	13,171,105.66	0.00
Interest received	0.00	26,246.90
Disposal of subsidiaries	0.00	10,390.74
Acquisition of subsidiaries	-300,000.00	-4,245,900.00
<b>Net investment activity cash flow</b>	<b>-12,140,523.69</b>	<b>-16,211,138.37</b>
<b>Investment activity cash flow</b>		
Loans and borrowings granted	34,098,188.36	42,300,396.12
Loans and borrowings repaid	-37,271,218.58	-13,370,008.17
Issuance of security papers	70,000,000.00	0.00
Redemption of debt securities	0.00	-137,180,000.00
Payments under financial lease agreements	-986,847.53	-847,451.82
Interest paid	-8,324,833.37	-11,214,088.36
Other financial proceeds (including promissory notes)	28,626,391.00	110,810,000.00
Other financial proceeds (including promissory notes)	-54,145,807.00	-5,399,275.30
<b>Net financing cash flow</b>	<b>31,995,872.88</b>	<b>-14,900,427.53</b>
<b>NET DECREASE / (INCREASE) IN CASH</b>	<b>85,724,484.46</b>	<b>5,302,275.53</b>
Closing balance of cash and cash equivalents	69,622,774.77	73,600,261.65
<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>155,347,259.23</b>	<b>78,902,536.87</b>

## F. NOTES TO THE ISSUER'S FINANCIAL STATEMENT

### 1. FIXED ASSETS

#### Note 1. Intangible assets

<b>Intangible assets</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) research and development expenses	0.00	0.00
b) goodwill on consolidation	12,389,648.22	12,389,648.22
c) other intangible assets	57,052.91	116,123.69
d) advances on intangible assets	0.00	0.00
<b>Total intangible assets</b>	<b>12,446,701.13</b>	<b>12,505,771.91</b>

#### Note 2. Tangible assets

<b>TANGIBLE ASSETS</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) fixed assets including:	235,947,611.75	224,531,327.88
- land (including right of perpetual usufruct)	15,960,558.39	15,783,531.64
- buildings and structures	198,613,457.58	185,721,508.02
- plant and machinery	11,346,743.56	12,089,932.78
- motor vehicles	2,772,030.89	3,480,595.36
- other fixed assets	7,254,821.33	7,455,760.08
b) constructions in progress	5,650,128.42	4,517,814.48
c) advances on constructions in progress	0.00	0.00
<b>Total tangible assets</b>	<b>241,597,740.17</b>	<b>229,049,142.36</b>

#### Note 3. Investment real estate

<b>Other long-term investments</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) investment properties	185,507,231.12	197,649,050.83
b) other	0.00	0.00
<b>Total other long-term investments</b>	<b>185,507,231.12</b>	<b>197,649,050.83</b>

#### Note 4. Other financial assets

<b>LONG-TERM FINANCIAL ASSETS</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) shares	236,233,018.01	235,933,018.01
b) loans granted	6,866,996.55	4,978,945.26
c) other long-term investments	508,629.56	0.00
<b>Total long-term financial assets</b>	<b>243,608,644.12</b>	<b>240,911,963.27</b>

<b>LONG-TERM FINANCIAL ASSETS</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) in subsidiaries	242,890,464.56	240,702,413.27
- shares	236,023,468.01	235,723,468.01
- other security papers	0.00	0.00
- loans granted	6,866,996.55	4,978,945.26
- other long-term financial assets	0.00	0.00
b) in other units	718,179.56	209,550.00
- shares	209,550.00	209,550.00
- other security papers	508,629.56	0.00
- loans granted	0.00	0.00
- other long-term financial assets	0.00	0.00
<b>Total long-term financial assets</b>	<b>243,608,644.12</b>	<b>240,911,963.27</b>



Note 5. Non-current receivables

<b>NON-CURRENT RECEIVABLES</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) guarantee receivables	0.00	0.00
b) deposit receivables( lease)	0.00	0.00
b) other receivables	2,010,283.69	1,885,418.96
<b>Total receivables</b>	<b>2,010,283.69</b>	<b>1,885,418.96</b>

**2. CURRENT ASSETS**

Note 6. Inventories

<b>INVENTORIES</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) materials	1,537,158.58	1,481,341.65
b) semi-finished products and work in progress	0.00	0.00
c) finished products	0.00	0.00
d) goods	27,468,472.01	27,425,754.76
e) trade advances	949.59	58,906.39
<b>Total inventories</b>	<b>29,006,580.18</b>	<b>28,966,002.80</b>

Note 7. Construction contracts

<b>CONSTRUCTION CONTRACTS</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) semi-finished products and work in progress	527,777,786.51	462,795,786.01
b) finished products	79,710,930.11	51,230,350.50
c) advances for supplies	8,053,181.78	3,845,831.41
d) short-term prepayments	118,618.07	118,618.07
<b>Total construction contracts</b>	<b>615,660,516.47</b>	<b>517,990,585.99</b>

<b>CONSTRUCTION CONTRACTS</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) Accruals	439,104,094.90	309,521,338.23
<b>Total construction contracts</b>	<b>439,104,094.90</b>	<b>309,521,338.23</b>

<b>Accruals</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
- advances on premises	436,043,954.97	308,499,908.02
- works reserves	2,741,605.14	583,872.23
- other	318,534.79	437,557.98
<b>The total value of accruals</b>	<b>439,104,094.90</b>	<b>309,521,338.23</b>

Note 8. Trade and other receivables

<b>CURRENT RECEIVABLES</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) trade receivables - related parties	24,016,897.19	28,769,900.92
b) trade receivables - other parties	20,591,678.55	20,884,595.48
c) taxes, subsidies, customs duties, social and health insurance and	7,567,070.68	436,486.05
d) other	3,476,245.82	3,912,209.02
<b>Total receivables</b>	<b>55,651,892.24</b>	<b>54,003,191.47</b>

Note 9. Other financial assets

<b>SHORT-TERM INVESTMENTS</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) shares	0.00	0.00
b) loans granted	59,793,787.38	61,400,184.46
c) other security papers	758,012.28	361,569.64
d) other short-term investments	0.00	0.00
<b>Total long-term financial assets</b>	<b>60,551,799.66</b>	<b>61,761,754.10</b>

<b>SHORT-TERM INVESTMENTS</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) in subsidiaries	58,912,676.10	60,342,697.09
- shares	0.00	0.00
- other security papers	204,758.00	0.00
- loans granted	58,707,918.10	60,342,697.09
b) in other units	1,639,123.56	1,419,057.01
- shares	0.00	0.00
- other security papers	553,254.28	361,569.64
- loans granted	1,085,869.28	1,057,487.37
<b>Total value of short-term investments</b>	<b>60,551,799.66</b>	<b>61,761,754.10</b>

Note 10. Cash and cash equivalents

<b>CASH AND CASH EQUIVALENTS</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) cash on hand and with bank	90,344,181.43	69,578,318.52
b) other cash	65,000,747.80	747.80
c) other cash assets	2,330.00	43,708.45
<b>Total cash</b>	<b>155,347,259.23</b>	<b>69,622,774.77</b>

<b>CASH IN ESCROW ACCOUNTS</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
JW. Construction Holding SA	62,234,961.73	58,218,235.50

Note 11. Accruals

<b>ACCRUALS</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) short-term accruals	13,657,163.42	8,945,154.04
<b>The total value of accruals</b>	<b>13,657,163.42</b>	<b>8,945,154.04</b>

<b>Accruals</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
- property insurance	145,281.43	104,331.55
- interest	1,282,723.84	1,675,923.29
- commission expenses	9,778,131.51	6,545,148.71
- property tax, perpetual usufruct, road tax	1,407,729.94	0.00
- other	1,043,296.70	619,750.49
<b>The total value of accruals</b>	<b>13,657,163.42</b>	<b>8,945,154.04</b>

### 3. LIABILITIES

Note 12. Borrowings

<b>BORROWINGS</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) credits	70,012,359.70	73,185,389.92
<i>of which: long-term</i>	<i>44,602,004.04</i>	<i>58,192,685.94</i>
<i>short-term</i>	<i>25,410,355.66</i>	<i>14,992,703.98</i>
b) loans	5,112,602.66	4,994,486.95
<i>of which: long-term</i>	<i>0.00</i>	<i>3,190,228.22</i>
<i>short-term</i>	<i>5,112,602.66</i>	<i>1,804,258.73</i>
<b>Total borrowings</b>	<b>75,124,962.36</b>	<b>78,179,876.87</b>
<b>Borrowings - long-term</b>	<b>44,602,004.04</b>	<b>61,382,914.16</b>
<b>Borrowings - short-term</b>	<b>30,522,958.32</b>	<b>16,796,962.71</b>

<b>CREDITS PER MATURITY</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
Up to 1 year:	25,410,355.66	14,992,703.98
Over 1 year up to 2 years	38,147,136.04	44,587,177.32
Over 2 years up to 5 years	6,454,868.00	13,605,508.62
<b>Total loans, including:</b>	<b>70,012,359.70</b>	<b>73,185,389.92</b>
- long-term	44,602,004.04	58,192,685.94
- short-term	25,410,355.66	14,992,703.98

Condensed Consolidated Financial Statement  
for the period of 9 months finished on September 30,

<b>LOANS PER MATURITY</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
Up to 1 year:	5,112,602.66	1,804,258.73
Over 1 year up to 2 years	0.00	3,190,228.22
Over 2 years up to 5 years	0.00	0.00
Over 5 years	0.00	0.00
<b>Total loans, including:</b>	<b>5,112,602.66</b>	<b>4,994,486.95</b>
- long-term	0.00	3,190,228.22
- short-term	5,112,602.66	1,804,258.73

Note 13. Other long-term liabilities

<b>OTHER LONG-TERM LIABILITIES</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) lease obligations	760,729.88	1,546,189.64
b) deposit liabilities	32,415,425.97	28,747,371.63
c) liabilities from securities	114,500,000.00	51,500,000.00
d) other long-term liabilities	0.00	0.00
e) promissory notes payable-related	29,947,823.27	16,340,300.01
f) promissory notes payable-other	284,233.24	618,862.52
g) borrowings-related entities	0.00	0.00
<b>Total other long-term liabilities</b>	<b>177,908,212.36</b>	<b>98,752,723.80</b>

Note 14. Trade and other payables

<b>TRADE AND OTHER PAYABLES</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) trade payables - other entities	30,215,545.74	17,827,277.06
b) trade payables - related entities	10,301,208.69	10,571,830.01
c) taxes, customs duties, insurance and other payments	2,620,718.48	3,692,946.87
d) salaries	1,911,463.40	2,096,913.42
e) trade advances received	0.00	0.00
f) loans granted – related parties	25,186,141.57	24,663,009.10
g) promissory notes – related parties	42,914,830.62	77,452,406.71
h) other	8,053,179.14	6,465,486.66
<b>Trade and other payables in total</b>	<b>121,203,087.64</b>	<b>142,769,869.83</b>

<b>PROVISIONS FOR OTHER LIABILITIES AND CHARGES</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
<b>a) short-term, of which:</b>	<b>20,709,581.81</b>	<b>20,656,238.04</b>
- accrued expenses, including:	8,624,858.03	10,621,961.19
- <i>interest charged</i>	1,604,000.88	1,586,617.79
- <i>rent deposit</i>	480,433.64	480,433.64
- <i>hotel down payments</i>	1,236,449.05	3,425,189.38
- <i>other</i>	5,303,974.46	5,129,720.38
- other provisions, including:	12,084,723.78	10,034,276.85
- <i>other provisions</i>	12,084,723.78	10,034,276.85
<b>a) long-term, of which:</b>	<b>0.00</b>	<b>0.00</b>
- accrued expenses, including:	0.00	0.00
<b>Provisions for other liabilities and charges in total</b>	<b>20,709,581.81</b>	<b>20,656,238.04</b>

Note 15. Other liabilities

<b>OTHER LIABILITIES</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
a) debt securities issue liabilities	83,962,076.83	76,042,890.70
b) promissory note liabilities - other	4,669,898.41	6,389,821.00
c) lease liabilities	1,497,845.95	1,395,828.84
d) other financial liabilities	0.00	0.00
<b>Total other long-term liabilities</b>	<b>90,129,821.19</b>	<b>83,828,540.54</b>

4. OPERATING INCOME AND EXPENSES

Note 16. Operating income

<b>OPERATING INCOME</b>	<b>for the period 01-01-2017</b>	<b>for the period 01-01-2016</b>	<b>for the period 01-07-2017</b>	<b>for the period 01-07-2016</b>
Revenues from sales of products	129,058,671.83	14,995,340.79	68,371,404.78	1,529,377.33
Revenues from sales of services	44,880,781.75	62,935,893.88	14,532,350.73	21,227,195.09
Revenues from sales of goods	1,458,395.15	2,387,629.07	324,466.13	366,490.74
<b>Total Income</b>	<b>175,397,848.73</b>	<b>80,318,863.74</b>	<b>83,228,221.64</b>	<b>23,123,063.16</b>

	<b>for the period 01-01-2017</b>	<b>for the period 01-01-2016</b>	<b>for the period 01-07-2017</b>	<b>for the period 01-07-2016</b>
<b>Proceeds from sales, including:</b>	<b>175,397,848.73</b>	<b>80,318,863.74</b>	<b>83,228,221.64</b>	<b>23,123,063.16</b>
-sales of products – units, plots, buildings	129,058,671.83	14,995,340.79	68,371,404.78	1,529,377.33
- from sales of services	44,880,781.75	62,935,893.88	14,532,350.73	21,227,195.09
-sales of goods	1,458,395.15	2,387,629.07	324,466.13	366,490.74

	<b>for the period 01-01-2017</b>	<b>for the period 01-01-2016</b>	<b>for the period 01-07-2017</b>	<b>for the period 01-07-2016</b>
<b>Revenues from sales of products and services by segment</b>	<b>173,939,453.58</b>	<b>77,931,234.67</b>	<b>82,903,755.51</b>	<b>22,756,572.42</b>
-real estate development activity	136,924,229.47	43,612,207.50	69,140,292.10	9,666,284.38
-business activity related to hotels	32,663,295.52	30,513,721.61	12,299,530.37	11,825,735.23
-real estate management	4,351,928.59	3,805,305.56	1,463,933.04	1,264,552.81

	<b>for the period 01-01-2017</b>	<b>for the period 01-01-2016</b>	<b>for the period 01-07-2017</b>	<b>for the period 01-07-2016</b>
<b>Revenues from sales of products – premises, plots, buildings by geographic segment</b>	<b>129,058,671.83</b>	<b>14,995,340.79</b>	<b>68,371,404.78</b>	<b>1,529,377.33</b>
-Warsaw and the surrounding area	70,462,109.91	8,824,204.60	67,229,898.21	372,451.48
-Gdynia	58,038,259.89	10,777.23	1,144,954.54	0.00
- Łódź	0.00	190,760.82	0.00	0.00
- Szczecin	0.00	800,980.88	0.00	0.00
- Katowice	-3,447.97	0.00	-3,447.97	0.00
- Poznań	0.00	5,168,617.26	0.00	1,156,925.85
- plot	561,750.00	0.00	0.00	0.00

	<b>for the period 01-01-2017</b>	<b>for the period 01-01-2016</b>	<b>for the period 01-07-2017</b>	<b>for the period 01-07-2016</b>
<b>Revenue from hotel services by</b>	<b>32,663,295.52</b>	<b>30,513,721.61</b>	<b>12,299,530.37</b>	<b>11,825,735.23</b>
-Warsaw and the surrounding area	4,304,715.21	4,265,934.20	1,637,206.85	1,716,311.46
- Tarnowo	4,263,625.95	4,365,853.93	1,466,906.76	1,391,968.67
- Stryków	3,002,094.78	2,864,014.70	950,859.41	911,500.99
- Krynica Górská	21,092,859.58	19,017,918.78	8,244,557.35	7,805,954.11

Note 17. Operating expenses

<b>OPERATING EXPENSES</b>	<b>for the period 01-01-2017</b>	<b>for the period 01-01-2016</b>	<b>for the period 01-07-2017</b>	<b>for the period 01-07-2016</b>
Costs on sale of products	97,390,016.22	23,033,092.25	49,175,882.78	3,320,386.40
Costs on sale of services	33,572,805.77	45,829,967.21	9,606,755.74	14,276,113.33
Costs on sale of goods	1,446,370.12	2,365,062.98	305,193.55	312,262.91
<b>Total costs of products, services and goods</b>	<b>132,409,192.11</b>	<b>71,228,122.44</b>	<b>59,087,832.07</b>	<b>17,908,762.64</b>

<b>Sales and overhead expenses</b>	<b>for the period 01-01-2017</b>	<b>for the period 01-01-2016</b>	<b>for the period 01-07-2017</b>	<b>for the period 01-07-2016</b>
Sales costs	18,931,496.34	12,299,436.24	6,645,534.27	4,222,808.01
Overheads	13,032,408.33	10,671,815.59	4,033,497.11	3,232,650.53
<b>Sales and overhead expenses in total</b>	<b>31,963,904.67</b>	<b>22,971,251.83</b>	<b>10,679,031.38</b>	<b>7,455,458.54</b>

<b>Expenses per type</b>	<b>for the period 01-01-2017</b>	<b>for the period 01-01-2016</b>	<b>for the period 01-07-2017</b>	<b>for the period 01-07-2016</b>
Depreciation and amortization	6,024,068.33	5,288,398.80	2,069,585.08	1,953,497.91
Materials and energy costs	15,331,240.78	12,459,873.77	5,216,487.42	4,030,871.41
Third party services	189,078,587.98	136,127,830.85	60,541,071.35	56,587,188.22
Taxes and charges/fees	6,781,149.79	5,937,101.71	2,099,604.38	1,753,478.83
Remunerations	22,507,438.69	19,627,017.75	7,673,857.72	6,453,977.12
Social security and other payments	3,526,752.75	3,232,525.83	1,132,240.89	1,025,911.40
Other expenses per type	8,906,507.51	4,571,295.05	3,774,578.14	1,523,189.88
<b>Expenses per type in total</b>	<b>252,155,745.83</b>	<b>187,244,043.76</b>	<b>82,507,424.98</b>	<b>73,328,114.77</b>

Note 18. Other operating income

<b>OPERATING REVENUE</b>	<b>for the period 01-01-2017</b>	<b>for the period 01-01-2016</b>	<b>for the period 01-07-2017</b>	<b>for the period 01-07-2016</b>
a) profit on sale of non-financial fixed assets	345.00	174,218.15	100.00	174,218.15
b) other operating revenues	458,925.66	1,815,197.98	192,247.17	972,301.91
<b>Total value of operating revenue</b>	<b>459,270.66</b>	<b>1,989,416.13</b>	<b>192,347.17</b>	<b>1,146,520.06</b>

Note 19. Other operating expenses

<b>OPERATING EXPENSES</b>	<b>for the period 01-01-2017</b>	<b>for the period 01-01-2016</b>	<b>for the period 01-07-2017</b>	<b>for the period 01-07-2016</b>
a) loss on the sale of non-financial fixed assets	0.00	0.00	0.00	-102,753.81
b) revaluation of non-financial assets	0.00	0.00	0.00	0.00
c) other operating costs	7,208,821.41	33,502,338.17	1,167,175.65	26,966,091.82
<b>Total amount of operating costs</b>	<b>7,208,821.41</b>	<b>33,502,338.17</b>	<b>1,167,175.65</b>	<b>26,863,338.01</b>

Note 20. Other operating revenue

<b>FINANCIAL REVENUES</b>	<b>for the period 01-01-2017</b>	<b>for the period 01-01-2016</b>	<b>for the period 01-07-2017</b>	<b>for the period 01-07-2016</b>
a) dividends	13,171,105.66	0.00	1,679,926.05	0.00
b) interest	1,744,602.04	1,730,022.95	830,438.25	426,816.93
c) investment revaluation	0.00	0.00	0.00	0.00
d) profit on disposal of investments	0.00	0.00	0.00	0.00
e) other	2,771.44	249,374.50	1,077.52	-1,635,169.69
<b>Total financial revenues</b>	<b>14,918,479.14</b>	<b>1,979,397.45</b>	<b>2,511,441.82</b>	<b>-1,208,352.76</b>


<b>Financial Revenues</b>	<b>for the period 01-01-2017</b>	<b>for the period 01-01-2016</b>	<b>for the period 01-07-2017</b>	<b>for the period 01-07-2016</b>
a) dividends	13,171,105.66	0.00	1,679,926.05	0.00
b) interest from customers	115,442.77	-417,513.34	54,215.14	17,950.82
c) loan interest	894,844.54	956,915.66	301,069.57	315,663.20
d) deposit interest,	709,066.69	270,384.34	463,255.17	89,306.07
e) interest on promissary notes	25,004.73	11,409.61	11,655.06	3,813.21
f) other interest	243.31	908,826.68	243.31	83.63
g) foreign exchange rate differences	0.00	198,287.28	0.00	-1,635,324.33
h) investment revaluation	0.00	0.00	0.00	0.00
i) profit on disposal of investments	0.00	0.00	0.00	0.00
j) other	2,771.44	51,087.22	1,077.52	154.64
<b>In total</b>	<b>14,918,479.14</b>	<b>1,979,397.45</b>	<b>2,511,441.82</b>	<b>-1,208,352.76</b>

Note 21. Other financial expenses

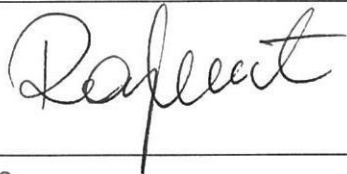
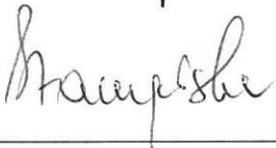


<b>FINANCIAL EXPENSES</b>	<b>for the period 01-01-2017</b>	<b>for the period 01-01-2016</b>	<b>for the period 01-07-2017</b>	<b>for the period 01-07-2016</b>
a) interest	11,880,431.30	23,571,555.80	4,408,356.75	13,055,112.33
b) investment revaluation	0.00	0.00	0.00	0.00
c) loss on disposal of investments	0.00	4,709.26	0.00	0.00
d) other	3,767,783.05	2,312.43	-480,027.91	111.57
<b>Total financial expenses</b>	<b>15,648,214.35</b>	<b>23,578,577.49</b>	<b>3,928,328.84</b>	<b>13,055,223.90</b>

<b>Financial costs</b>	<b>for the period 01-01-2017</b>	<b>for the period 01-01-2016</b>	<b>for the period 01-07-2017</b>	<b>for the period 01-07-2016</b>
a) interest, commissions, loans	1,890,516.04	2,792,975.94	399,673.12	663,962.44
b) interest-leasing	87,155.03	41,689.00	30,560.70	29,354.13
c) interest- loans	641,248.18	656,134.72	213,811.94	210,170.09
d) interest- promissory notes	2,553,782.78	4,300,974.38	850,615.83	1,719,270.44
e) interest- bond issuance	6,341,358.88	7,504,037.92	2,642,098.63	2,376,806.50
f) other interest	366,370.39	8,275,743.84	271,596.53	8,055,548.73
g) foreign exchange rate differences	3,667,608.70	0.00	-480,202.26	0.00
h) loss on disposal of investments	0.00	4,709.26	0.00	0.00
i) other	100,174.35	2,312.43	174.35	111.57
<b>Total financial expenses</b>	<b>15,648,214.35</b>	<b>23,578,577.49</b>	<b>3,928,328.84</b>	<b>13,055,223.90</b>

Podpis osoby sporządzającej Sprawozdanie Finansowe

Małgorzata Pisarek Główny Księgowy	Podpis 
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Podpisy Członków Zarządu

Wojciech Rajchert Członek Zarządu	Podpis 
Magdalena Starzyńska Członek Zarządu	Podpis 
Małgorzata Ostrowska Członek Zarządu	Podpis 
Piotr Suprynowicz Członek Zarządu	Podpis 

Ząbki, 9 listopada 2017 r.