

Condensed Consolidated Financial Statement For 6-month period ended on June 30, 2017



Ząbki, September 20, 2017



A. INTRODUCTION TO CONSOLIDATED FINANCIAL STATEMENT

1. GENERAL INFORMATION ABOUT THE DOMINANT ENTITY

J.W. Construction Holding S.A., hereinafter referred to as Company, is a joint-stock company with its registered office in Ząbki, Poland at 326 Radzymińska street, REGON id. no.: 010621332 was initially registered as Towarzystwo Budowlano-Mieszkaniowe Batory Sp. z o.o., a limited liability company, 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 0000028142.

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 June 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 statements

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 June 30, 2016 is presented in the below table:

Company	Country of registration	Parent company's share in share capital	Parent company's share in voting rights	Consolidation method
Subsidiaries:				
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. (formerly: Bałtycka 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. (formerly: Bliska Wola 3 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

Company	Country of registration	Parent company's share in share capital	Parent company's share in voting rights	Consolidation method
Hanza Invest S.A.	Poland	100,00%	100,00%	full consolidation

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 building estates,
- 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. – hotels and accommodations,
- 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. – development and sale of own properties on its own account,
- 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.

Consolidated financial statements

The consolidated financial statements for the years 2016-2017 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 2016-2017, excluded from an obligation to consolidate the following subsidiaries:

In 2016:

- J.W. Construction Bułgaria Sp. z o.o.-100%
- J.W. Ergo Energy Sp. z o.o.-50%

In 2017:

- J.W. Construction Bułgaria Sp. z o.o.-100%
- J.W. Ergo Energy Sp. z o.o.-50%

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 statements

J.W. Construction Holding S.A. Capital Group assumes that it will operate as a going concern and that financial statements are comparable. As at the balance sheet date the company 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 certain ideas are subject to periodic verification of the Company. When making estimations J.W. Construction Holding S.A. makes the following assumptions referring to the future:

- Estimation of impairment allowance. 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 H1 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

As of January 1, 2017, no new or amended standards and interpretations issued by the International Accounting Standards Board (IASB) or the International Financial Reporting Interpretations Committee apply. Below are two cases where changes in standards published by the IASB and effective from 1 January 2017 have not yet been approved by the European Commission.

▪ Changes made by the Group itself

The Group did not make a correction of presentation of comparable data for H1 2016 and/or for 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. Company has started the analysis of the introduction of this new standard.

- *MSSF 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 transitional nature of the standard, the European Commission has decided not to initiate the formal approval procedure and wait until the target standard.

Adoption of the new standard will have 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, 2018 (initially 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 18 Revenue, IFRS 11 Construction service contract and the interpretations related thereto. On September 11, 2015, the International Accounting Standards Board published an amendment draft to the adopted standard deferring the date of entry into force of this standard by one year.

On the day of preparation of the foregoing financial statement, it is not feasible to prepare a convincing assessment of the influence of application of this new standard. The Group has initiated the analysis of the consequences 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.

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. The group has started the analysis of the effects of the application of this new standard.

- IFRS 17 *Insurance contracts*

The new standard was published on May 18, 2017 and is effective for annual periods beginning on January 1, 2021 or later. Its earlier application is permitted (provided that IFRS 15 and IFRS 9 are simultaneously applied). The Standard replaces the existing regulations on insurance contracts (IFRS 4).

The Group does not conclude insurance contracts therefore the standard will not affect its financial statements. The Group has begun to analyse the implications of the implementation of the new standard.

- Changes to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

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 amendments no earlier than the date set by the European Union as the date of entry into force of this standard. Currently, the European Commission has decided to postpone the formal procedure for the approval of this standard.

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 standard.

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

Changes to IAS 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 amendments 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 has launched the process of approving the change of standard.

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

- Changes to IAS 7: *Disclosure Initiative*

Changes to IAS 7 were published on 29 January 2016 and apply to annual periods beginning on or after 1 January 2017. 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 amendments 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 has launched the process of approving the change of standard.

The Group expects that the application of the changed standards shall have no influence on Group's financial statement, except for the change of scope of disclosures presented in the financial statements.

- Clarifications to IFRS 15: *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: performance obligation, 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 Group's financial statement.

- 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 shares.

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

- 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 2018).

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

- 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*

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 Group's financial statement.

- 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.

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 18 May 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 IAS 12: *Disclosure of assets due to deferred income tax due to unrealized losses* published on January 19, 2016,
- Changes to IAS 7: *Disclosure Initiative* published on 29 January 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),
- IFRIC 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 7 June 2017,

B. CONSOLIDATED FINANCIAL STATEMENT

Consolidated report on the financial situation

ASSETS	Note	30-06-2017	31-12-2016
FIXED ASSETS		658 323 909,21	658 284 178,71
Intangible assets	1	12 475 639,29	12 506 446,20
Tangible assets	3	415 917 193,73	403 860 446,72
Investment real estate	4	186 500 566,87	197 649 050,83
Other financial assets	5	1 678 324,71	1 558 029,98
Deferred income tax assets	15	38 720 864,86	39 653 896,72
Trade and other receivables	6	3 031 319,75	3 056 308,26
CURRENT ASSETS		1 008 446 816,13	845 135 210,89
Inventories	7	30 291 916,79	30 324 666,48
Construction contracts	7	689 475 434,74	627 531 539,30
Trade and other receivables	8	53 759 244,74	48 459 838,80
Other financial assets	9	57 448 336,48	40 525 933,17
Cash and cash equivalents	10	160 876 203,37	88 312 239,72
Accruals	11	16 595 680,01	9 980 993,42
Total assets		1 666 770 725,34	1 503 419 389,60
EQUITY AND LIABILITIES			
EQUITY		649 013 966,48	653 192 302,02
Share capital	12	17 771 888,60	17 771 888,60
Revaluation capital		7 490 208,19	7 490 208,19
Other capital	13	643 936 689,92	652 525 431,84
Retained earnings		-16 646 672,33	-49 573 465,57
Net profit / loss		-3 538 147,90	24 978 238,97
LIABILITIES		1 017 756 758,85	850 227 087,57
Non-current liabilities		385 965 338,10	337 049 453,12
Borrowings	14	151 163 860,17	169 461 303,55
Deferred income tax liabilities	15	33 030 033,48	37 418 637,55
Retirement benefit obligations	16	241 204,48	241 204,48
Provision for other liabilities and charges	17	54 773 807,09	54 848 657,09
Other liabilities	18	146 756 432,88	75 079 650,44
Current liabilities		631 791 420,74	513 177 634,45
Trade and other payables	19	66 315 679,21	46 067 837,26
Construction contracts	7	432 684 802,21	336 182 498,50
Borrowings	14	26 102 000,57	22 835 449,71
Provision for other liabilities and charges	17	24 442 141,36	24 263 308,45
Other liabilities	19	82 246 797,39	83 828 540,53
TOTAL EQUITY AND LIABILITIES		1 666 770 725,34	1 503 419 389,60

Consolidated total income statement

	Note	01-01-2017 to 30-06-2017	01-01-2016 to 30-06-2016
Net revenues from sales of products, goods and materials, of which:	24	135 309 831,30	255 033 189,06
Net revenues from sales of products		134 730 311,84	254 219 210,75
Net revenues from sales of goods and materials		579 519,46	813 978,31
Costs of products, goods and materials sold, of which:	25	105 121 011,75	186 897 784,46
Manufacturing cost of products sold		104 545 709,34	186 078 660,14
Value of goods and materials sold		575 302,41	819 124,32
Gross profit (loss) on sales		30 188 819,55	68 135 404,60
Sales costs	25	11 154 618,07	13 359 299,77
Overheads	25	10 574 557,63	9 437 654,81
Revaluation of investment properties		-1 646 356,06	-2 119 471,65
Profit (loss) on sales		6 813 287,79	43 218 978,37
Other operating income	26	801 807,52	1 162 410,12
Other operating expenses	27	6 807 585,01	6 909 793,08
Operating profit (loss)		807 510,29	37 471 595,41
Financial Revenues	28	1 150 870,12	2 365 820,83
Financial costs	28	8 877 440,51	9 206 094,59
Profit (loss) on business activity		-6 919 060,10	30 631 321,65
Gross profit (loss)		-6 919 060,10	30 631 321,65
Income tax	22	-3 380 912,20	4 526 994,40
Net profit (loss)		-3 538 147,90	26 104 327,25
Other comprehensive income:		-640 188,34	947 986,69
Foreign exchange rate operation differences		-640 188,34	948 036,69
Profit/loss from acquisitions			
Profit from revaluation of tangible fixed assets			
Other comprehensive income			-50,00
Total revenue		-4 178 336,24	27 052 313,94

Consolidated cash flow statement

Operating cash flow - two-step method	01-01-2017 to 30-06-2017	01-01-2016 to 30-06-2016
Net profit (loss)	-3 538 147,90	26 104 327,25
Item adjustments	7 369 530,16	15 921 464,87
Depreciation and amortization	5 381 442,24	4 983 395,79
(Profit) loss on foreign exchange differences	1 075 250,00	6 995,38
(Profit) loss on foreign exchange differences - shares	0,00	4 709,26
Interest and dividends	6 579 480,76	8 362 616,14
(Profit) loss on valuation of investment properties at fair value	0,00	0,00
Income tax	0,00	0,00
Changes in provisions and accruals	-8 530 848,04	1 099 739,03
Other adjustments	1 005 969,53	2 915 197,85
- investment real estate write-off	1 646 356,06	2 119 471,65
- Other adjustments	-640 386,53	795 726,20
Changes in working capital	63 361 921,40	26 195 107,87
Change in inventories	32 749,69	708 685,10
Change in construction contracts	45 929 882,84	25 912 917,91
Change in the status of investment properties	0,00	0,00
Changes in receivables	-5 274 417,43	8 175 564,47
Changes in current liabilities, except for borrowings	22 673 706,30	-8 602 059,61
Net operating cash flows	67 193 303,67	68 220 900,00
Investment activity cash flows		
Disposal of tangible and intangible assets and other non-current assets	561 750,00	262 102,63
Purchase of tangible and intangible assets and other non-current assets	-19 286 992,78	-7 417 697,70
Expenditure related to assets held for sale	0,00	0,00
Acquisition of capital and debt instruments	-36 800 000,00	0,00
Disposal of capital and debt instruments	18 773 609,00	0,00
Loans granted	-131 652,97	-625 129,04
Interest received	26 391,00	0,00
Disposal of subsidiaries	0,00	0,00
Acquisitions of subsidiaries	0,00	0,00
Net investment cash flow	-36 856 895,75	-7 780 724,11
Financial activities cashflow		
Net proceeds from the issue of shares (share issue) and other equity instruments and capital contributions	0,00	0,00
Purchase of own shares or repayment of shares	0,00	0,00
Borrowings	27 740 826,96	63 136 815,78
Borrowings repaid	-42 850 400,74	-40 533 812,99
Debt securities issued	70 000 000,00	0,00
Debt securities redeemed	0,00	-137 180 000,00
Payments under financial lease agreements	-608 941,96	-417 917,69
Dividends and other shared profits	0,00	0,00
Interest paid	-9 803 928,53	-10 569 607,25
Other financial proceeds (including notes)	0,00	0,00
Other financial expenditures (including notes)	-2 250 000,00	0,00
Net financial activities cashflow	42 227 555,73	-125 564 522,15
NET DECREASE / (INCREASE) IN CASH	72 563 963,65	-65 124 346,26
Cash and cash equivalents at the beginning of the year	88 312 239,72	188 410 473,22
- foreign exchange gains/(losses) on cash	0,00	0,00
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	160 876 203,37	123 286 126,96

J.W. Construction Holding SA
Condensed consolidated financial statement
for the period between January 1 and June 30, 2017

Consolidated statement of changes in equity

	Share capital	Own shares (negative figure)	Revaluation capital	Supplementary capital	Other capital reserves	Hedge valuation reserve and currency translation reserve	Retained earnings	Net earnings	Equity
As at December 31, 2016	17 771 888,60	0,00	7 490 208,19	646 600 115,53	7 947 307,60	-2 021 991,29	-49 573 465,57	24 978 238,97	653 192 302,02
Basic error corrections	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Corrections from changes in a presentation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
As at January 1, 2017	17 771 888,60	0,00	7 490 208,19	646 600 115,53	7 947 307,60	-2 021 991,29	-49 573 465,57	24 978 238,97	653 192 302,02
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
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
Exchange gains / (losses) on translation of financial statements of foreign operations	0,00	0,00	0,00	0,00	0,00	-640 188,34	0,00	0,00	-640 188,34
Gains / (losses) on business acquisitions	0,00	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	0,00
Consolidation adjustments	0,00	0,00	0,00	0,00	0,00	0,00	0,69	0,00	0,69
Company inclusion to 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	646 600 115,53	7 947 307,60	-2 662 179,63	-49 573 464,48	24 978 238,97	652 552 113,68
Net profit (loss) for the accounting year	0,00	0,00	0,00	0,00	0,00	0,00	0,00	-3 538 147,90	-3 538 147,90
Total profit / (loss) recognized in equity and net earnings	17 771 888,60	0,00	7 490 208,19	646 600 115,53	7 947 307,60	-2 662 179,63	-49 573 464,48	21 440 091,07	649 013 966,48
Increase / decrease of profit distribution	0,00	0,00	0,00	-7 948 553,58	0,00	0,00	32 926 792,55	-24 978 238,97	0,00
As at June 30, 2017	17 771 888,60	0,00	7 490 208,19	638 651 561,95	7 947 307,60	-2 662 179,63	-16 646 672,33	-3 538 147,90	649 013 966,48

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	Share capital	Own shares (negative figure)	Revaluation capital	Supplementary capital	Other capital reserves	Hedge valuation reserve and currency translation reserve	Retained earnings	Net earnings	Equity
As at December 31, 2015	17 771 888,60	0,00	7 490 208,19	627 935 814,58	7 947 357,60	-3 593 324,23	-36 643 327,20	5 734 162,58	626 642 780,11
Basic error corrections	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Corrections from changes in a presentation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
As at January 1, 2016	17 771 888,60	0,00	7 490 208,19	627 935 814,58	7 947 357,60	-3 593 324,23	-36 643 327,20	5 734 162,58	626 642 780,11
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
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
Exchange gains / (losses) on translation of financial statements of foreign operations	0,00	0,00	0,00	0,00	0,00	1 571 332,94	0,00	0,00	1 571 332,94
Gains / (losses) on business acquisitions	0,00	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	-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
Company inclusion to 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 year	0,00	0,00	0,00	0,00	0,00	0,00	0,00	24 978 238,97	24 978 238,97
Total profit / (loss) recognized in equity and net earnings	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 of 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
As at December 31, 2016	17 771 888,60	0,00	7 490 208,19	646 600 115,52	7 947 307,60	-2 021 991,29	-49 573 465,57	24 978 238,97	653 192 302,02

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	Share capital	Own shares (negative figure)	Revaluation capital	Supplementary capital	Other capital reserves	Hedge valuation reserve and currency translation reserve	Retained earnings	Net earnings	Equity
As at December 31, 2015	17 771 888,60	0,00	7 490 208,19	627 935 814,58	7 947 357,60	-3 593 324,23	-36 643 327,20	5 734 162,58	626 642 780,11
Basic error corrections	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Corrections from changes in a presentation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
As at January 1, 2016	17 771 888,60	0,00	7 490 208,19	627 935 814,58	7 947 357,60	-3 593 324,23	-36 643 327,20	5 734 162,58	626 642 780,11
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
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
Gains / (losses) from revaluation of assets held for sale	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Gains / losses from cashflow hedges	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Exchange gains / (losses) on translation of financial statements of foreign operations	0,00	0,00	0,00	0,00	0,00	948 036,69	0,00	0,00	948 036,69
Gains / (losses) on business acquisitions	0,00	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	-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
Company inclusion to 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	-2 645 287,54	-36 643 327,20	5 734 162,58	627 590 766,80
Net profit (loss) for the accounting year	0,00	0,00	0,00	0,00	0,00	0,00	0,00	26 104 327,25	26 104 327,25
Total profit / (loss) recognized in equity and net earnings	17 771 888,60	0,00	7 490 208,19	627 935 814,58	7 947 307,60	-2 645 287,54	-36 643 327,20	31 838 489,83	653 695 094,05
Increase / decrease of 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
As at June 30, 2016	17 771 888,60	0,00	7 490 208,19	646 600 115,52	7 947 307,60	-2 645 287,54	-49 573 465,57	26 104 327,25	653 695 094,05

C. SUPPLEMENTARY INFORMATION

INFORMATION ABOUT SIGNIFICANT EVENTS REGARDING PREVIOUS YEARS IN THE FINANCIAL STATEMENT FOR THE BUSINESS YEAR

This financial statement of the Group does not disclose any other significant events (regarding changes in accounting policy of recognising revenue) than those from previous years.

SIGNIFICANT AFTER-BALANCE SHEET DATE EVENTS NOT DISCLOSED IN THESE FINANCIAL STATEMENTS

The interim financial statements of the Group for period from January 1, 2017 to June 30, 2016 disclose all events that occurred until the day of these statements. i.e. until 20 September 2017 and had effect on the Consolidated Financial Statements of the Group for the period from 1 January 2017 to 30 June 2017.

CHANGES IN THE PRINCIPLES (POLICY) OF ACCOUNTING DURING THE ACCOUNTING YEAR

In the current accounting period that is in the first half of 2017 the Group has not changed its accounting policy.

FUNCTIONAL AND PRESENTATION CURRENCY

Items presented in the financial statements of particular companies of the Group are measured with the currency of the basic economic environment where the company has a fixed establishment (functional currency). The functional and presentation currency of the parent company is Polish zloty (PLN). The reporting currency of the financial statements of the Group is Polish zloty (PLN). The functional currency of some companies of the Group is other currency than Polish zloty. Financial statements of those companies, prepared in their functional currencies, are included in these consolidated financial statements upon translation into PLN in accordance with IAS 21.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

Note 1. Intangible assets

INTANGIBLE ASSETS	30-06-2017	31-12-2016
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	85 991,07	116 797,98
d) advances on intangible assets	0,00	0,00
Total intangible assets	12 475 639,29	12 506 446,20

A key position in other intangible assets is the integrated system SAP.

The initial presentation of intangible values takes place in accordance with the cost of acquisition of creation thereof. After the initial presentation, intangible assets are valued according to the costs of acquisition or creation decreased by a write-down or a write-off due to permanent loss of value. Intangible assets are linearly amortized in the period corresponding to the period of their economic life. A period and amortization method are verified by the end of each business year.

As of December 31, 2016 and January 30, 2017, there were no circumstances as a result of which the Company should create write-downs for intangible assets. There is no impairment of goodwill. This value is bound to a real estate investment, from which future cash flow is expected.

In the years 2016-2017, as part of the Group, there were no development works conducted and no costs were incurred as a result of this. The companies did not have advancements for intangible assets.

As at 30 June 2017 there is no impairment of goodwill. This value is bound to a real estate investment, from which future cash flow is expected. The management board analyzed the loss of assets in accordance with IAS 36, e.g. through the comparison of the real estate book value (including goodwill) against market value.

Note 2. Goodwill of subsidiaries

Does not occur.

Note 3. Tangible assets

TANGIBLE ASSETS	30-06-2017	31-12-2016
a) fixed assets including:	402 344 894,43	390 985 112,11
- land (including right of perpetual usufruct)	41 434 707,91	41 257 681,16
- buildings and structures	329 200 579,41	316 680 624,07
- plant and machinery	16 144 082,87	16 891 769,47
- motor vehicles	3 063 962,36	3 487 825,36
- other fixed assets	12 501 561,88	12 667 212,05
b) constructions in progress	13 572 299,30	12 875 334,61
c) advances on constructions in progress	0,00	0,00
Total tangible assets	415 917 193,73	403 860 446,72

The initial presentation of fixed assets takes place in accordance with the acquisition or creation cost thereof. After the initial presentation, fixed assets are valued as of a balance sheet date in accordance with the cost of their acquisition or creation decreased by a write-off and accumulated write-offs due to their loss of value. Fixed assets are linearly amortized in the period corresponding to the estimated period of their economic life.

Fixed assets under construction are valued in accordance with the direct total costs borne by their acquisition or creation decreased by write-offs as a result of their permanent loss of value. Fixed assets under construction are amortized until their construction is finished and taken over for occupancy.

The "other fixed assets" row comprises equipment, office equipment and other tools.

The Management Board of the dominant entity, having reviewed amortization rates being applied to the Group, decided on January 1, 2013 to update balance sheet amortization rates being applied in the Czarny Potok hotel, the 500 hotel group in the scope regarding hotels, as well as other activity in other activity of the Capital Group in the scope of the amortization of the company headquarters building and sewage treatment facility in Ożarów Mazowiecki near Warsaw.

Note 4. Investment real estate

Other long-term investments	30-06-2017	31-12-2016
a) investment properties	186 500 566,87	197 649 050,83
b) other	0,00	0,00
Total other long-term investments	186 500 566,87	197 649 050,83

The position of investment properties includes land which future use is presently undetermined and commercial real estate under construction.

CHANGE IN INVESTMENT PROPERTIES	Fair value	Acc. to historical cost	Value of investment properties in total
a) opening balance	179 919 596,61	17 729 454,21	197 649 050,82
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) increase (due to)	2 074 093,29	61 169,94	2 135 263,23
expenditure incurred	2 074 093,29	61 169,94	2 135 263,23
Financial expenses	0,00	0,00	0,00
revaluation value	0,00	0,00	0,00
Change in construction contracts	0,00	0,00	0,00
c) decrease (due to)	13 283 747,18	0,00	13 283 747,18
expenditure incurred-sprzedaży, adjustments	11 637 391,12	0,00	11 637 391,12
Financial expenses	0,00	0,00	0,00
revaluation value	1 646 356,06	0,00	1 646 356,06
Change in construction contracts	0,00	0,00	0,00
d) closing balance	168 709 942,72	17 790 624,15	186 500 566,87
expenditures	89 168 851,39	12 578 720,12	101 747 571,51
Financial expenses	12 583 162,19	5 211 904,03	17 795 066,22
revaluation value	66 957 929,14	0,00	66 957 929,14

The change in the value of investment properties results from a change in the use of investment and reclassification to construction contracts.

The Capital Group of J.W. Construction Holding S.A for the purpose of the investment property appraisal orders the preparation of appraisal report with determining the market value to independent Property Valuers, having the appropriate permissions. In order to determine the valuation, the property appraiser use the principles in accordance with General National Principles of Valuation adopted by the Polish Federation of Appraisers' Associations where the market value is the most probable price obtainable on the market at the measurement date.

In order to determine the market value, the property valuer determines the optimal or the most probable way of the property use by properly selected method of valuation. The property valuer especially takes into account the purpose of the valuation, the type and location of the property, destiny in the local plan, the level of equipment in the technical infrastructure and the available data on prices, income and similar real estate characteristics

In the hierarchy of the fair value estimation of the investment properties are classified to Level 3, where
1 - Quoted prices, which are not adjusted, in an active market for identical assets and liabilities that the entity can access at the measurement date.

2 - Inputs, other than quoted prices, that are observable, either directly or indirectly.

3 - Unobservable inputs.

The hierarchy is determined on the basis of the lowest level of inputs.

The following methods to determine the market value of the property in presented reports by the property valuers from accounting records of J.W. Construction Holding S.A were used:

- income-based valuation method
- comparison in pairs method
- residual method.

Note 5. Other financial assets

LONG-TERM FINANCIAL ASSETS	30-06-2017	31-12-2016
a) shares	221 905,98	221 905,98
b) loans granted	953 139,16	1 336 124,00
c) other long-term investments	503 279,57	0,00
Total long-term financial assets	1 678 324,71	1 558 029,98

LONG-TERM FINANCIAL ASSETS	30-06-2017	31-12-2016
a) in subsidiaries	965 495,14	1 348 479,98
- shares	12 355,98	12 355,98
- debt securities	0,00	0,00
- other securities	0,00	0,00
- loans granted	953 139,16	1 336 124,00
- other long-term financial assets	0,00	0,00
b) in other parties	712 829,57	209 550,00
- shares	209 550,00	209 550,00
- debt securities	0,00	0,00
- other securities	503 279,57	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
Total long-term financial assets	1 678 324,71	1 558 029,98

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	Name of a unit (and its legal form)	Registered office	Type of business activity	Relation	Method of consolidation	Date of assuming control	Value of shares/interest at acquisition price	Revaluation adjustment value	Write-offs up to book value of in-kind contribution	Carrying value of shares	% of total number of votes in the general meeting
1	TBS Marki Sp.z o.o.	Warsaw	construction of social buildings	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	services	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 activity	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 activity	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	prefabricated unit production for the building industry	subsidiary	full consolidation	19.02.2008	70 197 456,00	0,00	36 125 456,00	34 072 000,00	100,00%
6	J.W. Marka Sp. z o.o.	Ząbki	lease of intellectual property	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 activity	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 activity	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 activity	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 activity	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 activity	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 activity	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 activity	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 activity	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 activity	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 activity	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 activity	subsidiary	full consolidation	22.01.2014	3 800 000,00	0,00	0,00	3 800 000,00	100,00%

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18	Porta Transport Sp. z o.o.	Szczecin	real estate development activity	subsidiary	full consolidation	24.04.2014	19 309 914,41	0,00	0,00	19 309 914,41	100,00%
19	Lewandów Invest Sp zoo	Ząbki	real estate development activity	subsidiary	full consolidation	24.07.2014	5 000,00	0,00	0,00	5 000,00	100,00%
20	J.W. Ergo Energy	Ząbki	real estate development activity	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 activity	subsidiary	full consolidation	26.10.2016	75 117 223,20	0,00	0,00	75 117 223,20	100,00%

Indirect affiliation											
1	Bliska Wola 4 Sp z o.o. 1SK	Ząbki	real estate development activity	subsidiary	full consolidation	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 activity	subsidiary	full consolidation	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 activity	subsidiary	full consolidation	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 activity	subsidiary	full consolidation	26.02.2016	178,00	0,00	0,00	178,00	1,00%
5	TBS Nowy Dom Sp. z o.o.	Ząbki	construction of social buildings	jednostka stowarzyszona	not consolidated	30.09.2006	1 000,00	0,00	0,00	1 000,00	2,00%
6	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 6. Non-current receivables

NON-CURRENT RECEIVABLES	30-06-2017	31-12-2016
a) guarantee receivables	3 031 319,75	3 056 308,26
b) deposit receivables(lease)	0,00	0,00
c) other receivables	0,00	0,00
Total receivables	3 031 319,75	3 056 308,26

Note 7. Inventories and construction contracts

The companies of the Capital Group in relation to the realization of construction projects also prepares budgets that are compared against real costs and the completion stage of projects based on conducted cyclical inventorying.

INVENTORIES	30-06-2017	31-12-2016
a) materials	2 576 559,00	2 371 224,43
b) semi-finished products and work in progress	0,00	0,00
c) finished products	250 060,77	254 080,70
d) goods	27 454 232,93	27 625 965,76
e) trade advances	11 064,09	73 395,59
Total inventories	30 291 916,79	30 324 666,48

Every month, the Company carries out the inventorying and compares the amount of inventories against budgets and realized sales transactions through detailed analysis of every item.

Construction contracts - assets constitute expenditure in relation to realized projects, the value of ready units that have not been taken over by customers..

CONSTRUCTION CONTRACTS	30-06-2017	31-12-2016
CONSTRUCTION CONTRACTS (current assets)		
a) semi-finished products and work in progress	663 644 866,38	563 712 031,43
b) finished products	18 050 020,07	58 613 455,81
c) trade advances	7 620 015,24	5 087 433,99
d) short-term prepayments	160 533,05	118 618,07
Total construction contracts	689 475 434,74	627 531 539,30

CONSTRUCTION CONTRACTS (current liabilities)	30-06-2017	31-12-2016
a) accruals	432 684 802,21	336 182 498,50
Total construction contracts	432 684 802,21	336 182 498,50

CONSTRUCTION CONTRACTS

Accruals	30-06-2017	31-12-2016
- advances on premises	432 365 665,81	334 669 988,87
- works reserves	258 897,16	1 038 119,15
- other	60 239,24	474 390,48
Total accruals	432 684 802,21	336 182 498,50

The Companies of the Group, in connection with the business activities, incur loans that are secured with the mortgage on the property. As at June 30, 2017, the Company established securities in the form of mortgages presented in inventories and construction contracts with the value of PLN 773,7 million and presented in fixed assets with the value of PLN 370,3 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 June 30, 2017, the loan liabilities amounted to PLN 172,2 million (excluding credits of TBS Marki Sp. z o.o., liabilities amount to PLN 79,6 million).

Note 8. Trade and other receivables

Write-downs for the amount of receivables were created in accordance with the best knowledge and experience of the Group via a detailed analysis of receivable payment risk. Costs are revenues related to the creation and cancellation of write downs are considered in the profit and loss account in the "remaining operating cash flow" category.

CURRENT RECEIVABLES	30-06-2017	31-12-2016
a) trade receivables - related parties	6 560,00	0,00
b) trade receivables - other parties	29 268 466,73	29 807 796,34
c) taxes, subsidies, customs duties, social and health insurance and other payments	20 779 576,47	13 461 637,04
d) other	3 704 641,54	5 190 405,42
Total receivables	53 759 244,74	48 459 838,80

AGE STRUCTURE OF TRADE RECEIVABLES	30-06-2017	31-12-2016
not overdue	25 360 991,88	21 976 216,33
Up to 3 months	1 262 428,63	4 972 141,76
3 to 6 months	835 517,04	1 143 527,56
6 to 12 months	857 665,54	1 008 835,96
Over 12 months	958 423,64	707 074,73
Gross delivery and service receivables	29 275 026,73	29 807 796,34
Write-downs updating receivables	0,00	0,00
Net delivery and service receivables	29 275 026,73	29 807 796,34

The company created write-downs that update the values of receivables that were not disclosed in operational costs. Write-downs were prepared in accordance with the best knowledge and experience of the Company based on individual analysis of relevant balances.

CHANGE OF THE STATE OF WRITE-DOWNS UPDATING THE VALUES OF TRADE AND OTHER RECEIVABLES	30-06-2017	31-12-2016
As of the beginning of the period	34 983 662,71	34 983 662,71
a) increase	19 901,73	7 360 289,77
b) decrease	597,58	225 127,45
As of the end of the period	35 002 966,86	34 983 662,71

Write-downs related to the entirety of overdue sums.

Costs and revenues related to the creation and annulment of write-downs updating the values of receivables are properly disclosed in other operational costs and operational revenue.

As of the balance sheet days, there were no delivery and service receivables or other receivables in foreign currencies.

Note 9. Other short-term financial assets

SHORT-TERM INVESTMENTS	30-06-2017	31-12-2016
a) shares	0,00	0,00
b) loans granted	39 116 829,48	40 164 363,53
c) other investments	18 331 507,00	361 569,64
Total short-term investments	57 448 336,48	40 525 933,17

SHORT-TERM INVESTMENTS	30-06-2017	31-12-2016
a) in subsidiaries	38 038 542,10	39 106 876,16
- shares	0,00	0,00
- debt securities	0,00	0,00
- other securities	0,00	0,00
- loans granted	38 038 542,10	39 106 876,16
- other short-term financial assets	0,00	0,00
b) in other parties	19 409 794,38	1 419 057,01
- shares	0,00	0,00
- debt securities	0,00	0,00
- other securities	18 331 507,00	361 569,64
- loans granted	1 078 287,38	1 057 487,37
- other short-term financial assets	0,00	0,00
c) other short-term investments	0,00	0,00
Total short-term investments	57 448 336,48	40 525 933,17

Note 10. Cash and cash equivalents

Cash at bank, on hand and short-term investments held to maturity are measured at nominal value.

CASH AND CASH EQUIVALENTS	30-06-2017	31-12-2016
a) cash on hand and with bank	94 844 288,88	88 267 783,47
b) other cash	66 010 909,00	747,80
c) other cash equivalents	21 005,49	43 708,45
Total cash and cash equivalents	160 876 203,37	88 312 239,72

The companies of the Capital Group present in the "other cash" item mainly deposits entered into the period of less than three months.

	30-06-2017	31-12-2016
Cash in escrow accounts	72 534 803,25	64 095 886,32
JW. Construction Holding S.A.	69 882 485,87	58 218 235,50
Hanza Invest S.A..	2 405 275,43	0,00
Nowe Tysiąclecie Sp. z o.o.	247 041,95	5 877 650,82

Note 11. Short-term prepayments

ACCRUALS	30-06-2017	31-12-2016
a) short-term prepayments	16 595 680,01	9 980 993,42
Total accruals	16 595 680,01	9 980 993,42

Accruals	30-06-2017	31-12-2016
- property insurance	34 157,83	119 663,74
- interest	3 092 548,64	1 675 923,29
- commission	8 396 725,45	6 807 273,61
- property tax, perpetual usufruct, road tax	4 076 951,36	642 353,77
- other	995 296,73	735 779,01
Total accruals	16 595 680,01	9 980 993,42

In other accruals, the Group presents costs borne that are related to future periods. The main item in accruals are commission costs received by sales staff for selling apartments. Those commissions are tied to concrete units/premises sold by the Group and are subject to activation when a unit is taken over by the customer.

Note 12. Share capital and other

Share capital and other

Class / issue	Share type	Type of share preference	Types of restrictions on rights to shares	Number of shares	Value of the series / issue according to nominal value	Coverage of capital	Registration Date	Dividend right (since when)
A and B	Bearer		-	54 073 280	10 814 656	Assets of a transformed company - TBM Batory Sp. z o.o. / Cash	01.07.2010*	
C				34 786 163	6 957 232,60	Gotówka	30.09.2014	
Total number of shares				88 859 443				
Total share capital					17 771 888,60			
Par value of one share = PLN 0,20								

* Registration of A and B-series shares by the court into one series marked A and B due to the cancellation of 625,000 shares acquired by the Company as part of the program to re-purchase its own shares in order to cancel them

As at 30 June, 2017 the shareholding structure was as follows:

Shareholder	Number of shares held	% of share capital	Number of votes	% of total number of votes in the General Meeting
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%
Other	12 830 285	14,44%	12 830 285	14,44%

Information on Company shareholders as of the day on which the financial statement was prepared:

Shareholder	Number of shares held	% of share capital	Number of votes	% of total number of votes in the General Meeting
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%
Other	12 830 285	14,44%	12 830 285	14,44%

Note 13. Other capital

OTHER CAPITAL	30-06-2017	31-12-2016
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	-2 662 179,63	-2 021 991,29
Total other capital	643 936 689,92	652 525 431,84

Supplementary capital in the capital company comes from the earned profit from previous years and from the surplus of the issuance value over the nominal value of issued shares.

Other reserve capitals constitute reserves earmarked for dividend.

Note 14. Borrowings

BORROWINGS	30-06-2017	31-12-2016
a) credits	172 192 692,53	187 302 266,31
<i>of which: long-term</i>	<i>151 163 860,17</i>	<i>166 271 075,33</i>
<i>short-term</i>	<i>21 028 832,36</i>	<i>21 031 190,98</i>
b) loans	5 073 168,21	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>5 073 168,21</i>	<i>1 804 258,73</i>
Total borrowings	177 265 860,74	192 296 753,26
Total borrowings - long-term	151 163 860,17	169 461 303,55
Total borrowings - short-term	26 102 000,57	22 835 449,71

CREDITS PER MATURITY	30-06-2017	31-12-2016
Up to 1 year	21 028 832,36	21 031 190,98
Over 1 year up to 2 years	28 232 892,50	54 854 968,32
Over 2 year up to 5 years	42 851 918,31	29 250 229,62
Over 5 years	80 079 049,36	82 165 877,39
Total credits, including:	172 192 692,53	187 302 266,31
- long-term	151 163 860,17	166 271 075,33
- short-term	21 028 832,36	21 031 190,98

LOANS PER MATURITY	30-06-2017	31-12-2016
Up to 1 year	5 073 168,21	1 804 258,73
Over 1 year up to 2 years	0,00	3 190 228,22
Over 2 year up to 5 years	0,00	0,00
Over 5 years	0,00	0,00
Total loans, including:	5 073 168,21	4 994 486,95
- long-term	0,00	3 190 228,22
- short-term	5 073 168,21	1 804 258,73

In the first half of 2017 and from the balance sheet date until the day on which the consolidated financial statement was prepared none of the signed credit agreements was terminated by the bank.

Including the loans taken by the Company of TBS Marki Sp. z o.o - the companies form the Group, which 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).

BORROWINGS	30-06-2017	31-12-2016
a) credits	92 602 676,46	94 272 993,49
<i>of which: long-term</i>	<i>87 387 769,46</i>	<i>89 058 086,49</i>
<i>short-term</i>	<i>5 214 907,00</i>	<i>5 214 907,00</i>
b) loans	0,00	0,00
<i>of which: long-term</i>	<i>0,00</i>	<i>0,00</i>
<i>short-term</i>	<i>0,00</i>	<i>0,00</i>
Total borrowings	92 602 676,46	94 272 993,49
Total borrowings - long-term	87 387 769,46	89 058 086,49
Total borrowings - short-term	5 214 907,00	5 214 907,00

CREDITS PER MATURITY	30-06-2017	31-12-2016
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 year up to 5 years	15 644 721,00	15 644 721,00
Over 5 years	66 528 141,46	68 198 458,49
Total credits, including:	92 602 676,46	94 272 993,49
- long-term	87 387 769,46	89 058 086,49
- short-term	5 214 907,00	5 214 907,00

Note 15. Reserve and deferred income tax assets

In the presented period no offsetting of deferred tax was made as temporary differences are not subject to compensation.

	30-06-2017		
	Deferred income tax assets	Deferred tax reserve	Net value
DEFERRED INCOME TAX ASSETS AND A RESERVE FOR DEFERRED INCOME TAX	38 720 864,86	33 030 033,48	5 690 831,38

Note 16. Retirement benefit obligations

CHANGE IN RETIREMENT BENEFIT OBLIGATIONS	30-06-2017	31-12-2016
As of the beginning of the period	241 204,48	241 204,48
Increase	0,00	0,00
Decrease	0,00	0,00
As of the end of the period	241 204,48	241 204,48

Pension benefits constitute the calculation of retirement gratuities in accordance with the Polish Labour Code and are created in accordance in IAS 19.

Note 17. Provision for other liabilities and charges

PROVISIONS FOR OTHER LIABILITIES AND CHARGES	30-06-2017	31-12-2016
a) short-term, of which:	24 442 141,36	24 263 308,45
- accrued expenses, including:	11 372 349,33	12 560 481,04
- <i>interest charged</i>	1 595 569,28	1 586 617,79
- <i>rent deposits</i>	480 433,64	480 433,64
- <i>hotel downpayments</i>	1 359 574,28	3 425 189,45
- <i>other</i>	7 936 772,13	7 068 240,16
- other provisions, including:	13 069 792,03	11 702 827,41
- <i>provision for future liabilities</i>	0,00	0,00
- <i>provisions for warranty repairs</i>	1 509 355,90	1 509 355,90
- <i>other provisions</i>	11 560 436,13	10 193 471,51
a) long-term, of which:	54 773 807,09	54 848 657,09
- accrued expenses, including:	54 773 807,09	54 848 657,09
- <i>participation in costs of construction - TBS Marki</i>	48 720 581,47	48 795 431,47
- <i>deferred income- loan remittance-TBS Marki</i>	6 053 225,62	6 053 225,62
Provision for other liabilities and charges in total	79 215 948,45	79 111 965,54

The TBS Marki Sp. z o.o. realized communities in the form of the construction of social buildings with the utilization of the credit loans from the National Apartment Fund. As part of their apartment reservoir it signs participation contracts. When an agreement is signed, a participation payment is made (30% of the construction costs) that is settled after a living unit is left.

Note 18. Other long-term liabilities

OTHER LONG-TERM LIABILITIES	30-06-2017	31-12-2016
a) lease obligations	1 137 919,17	1 546 189,64
b) deposit liabilities	18 754 590,06	16 518 386,91
c) Other long-term liabilities	5 085 872,57	4 896 211,37
d) note liabilities	278 051,08	618 862,52
e) bonds	121 500 000,00	51 500 000,00
Total other long-term liabilities	146 756 432,88	75 079 650,44

All lease receivables are in Polish zloty. The fair value of lease receivables corresponds to its book value and constitutes PLN 2.636.481,17 as of June 30, 2017, PLN 1.137.919,17 of which constitutes long-term obligations.

Future lease payments are due as follows:

	Minimum lease payments	Interest	Present value of liability
	30-06-2017	30-06-2017	30-06-2017
Up to 1 year	1 581 829,57	83 267,34	1 498 562,23
Over 1 year up to 5 years	1 169 177,44	31 258,27	1 137 919,17
Over 5 years	0,00	0,00	0,00
Total	2 751 007,01	114 525,61	2 636 481,40

	Minimum lease payments	Interest	Present value of liability
	31-12-2016	31-12-2016	31-12-2016
Up to 1 year	1 468 331,33	72 502,49	1 395 828,84
Over 1 year up to 5 years	1 626 502,20	80 312,56	1 546 189,64
Over 5 years	0,00	0,00	0,00
Total	3 094 833,53	152 815,05	2 942 018,48

The current value of obligations arising from lease agreements is presented in the report:

	30-06-2017	31-12-2016
a) current liabilities	1 498 562,23	1 395 828,84
b) non-current liabilities	1 137 919,17	1 546 189,64
Total	2 636 481,40	2 942 018,48

Note 19. Trade and other payables

TRADE AND OTHER PAYABLES	30-06-2017	31-12-2016
a) trade payables - other parties	51 288 994,58	32 827 947,96
b) trade payables - related parties	0,00	0,00
c) taxes, customs duties, insurance and other payments	6 468 302,29	5 372 125,87
d) salaries	2 437 538,82	2 463 564,75
e) trade advances received	0,00	0,00
f) other	6 120 843,53	5 404 198,68
Total trade and other payables	66 315 679,21	46 067 837,26

OTHER LIABILITIES	30-06-2017	31-12-2016
a) debt securities issue liabilities	76 128 672,98	76 042 890,70
b) note liabilities	4 619 562,19	6 389 821,00
c) lease obligations	1 498 562,23	1 395 828,84
d) other financial liabilities	0,00	0,00
Total other long-term liabilities	82 246 797,40	83 828 540,54

All lease obligations are presented in PLN. The fair value of receivables corresponds to the book value and on 30 June 2017 amounts to PLN 2.636.562,23, of which PLN 1.498.562,23 constitutes a short-term liability.

Note 20. Risk management

The description of the risk management was included in the Business Report.

Note 21. Earnings per share

CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE	01-01-2017 to 30-06-2017	01-01-2016 to 30-06-2016
Profits		
(A) Profits of the Group disclosed in the consolidated financial statements	-3 538 147,90	26 104 327,25
Number of shares		
(B) Number of ordinary shares and preferred shares (as to the right to vote in the General Meeting of the Company) for the purpose of calculating earnings per share *	88 859 443	88 859 443
(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 calculating diluted earnings per share	88 859 443	88 859 443
Basic earnings per share = (A)/(B)	-0,04	0,29
Diluted earnings per share = (A)/(B)	-0,04	0,29

* 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.

Note 22. Income tax

INCOME TAX	01-01-2017 to 30-06-2017	01-01-2016 to 30-06-2016
a) Current income tax	74 660,00	31 898,00
b) Deferred income tax	- 3 455 572,20	4 495 096,40
Total income tax	- 3 380 912,20	4 526 994,40

Change in income tax	30-06-2017	30-06-2016
Change in deferred tax asset	933 031,87	4 395 087,24
Change in deferred tax liability	- 4 388 604,07	- 9 287 146,61
Total change in deferred tax	- 3 455 572,20	- 4 892 059,37
Tax correction on the opening balance sheet	0,00	396 962,97
Deferred tax in the profit and loss account	- 3 455 572,20	-4 495 096,40
Deferred tax in total income	0,00	0,00

Note 23 . Segment reporting

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 a 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, with an exception of cases where this type of settling balances among entities were done within one segment. Internal transactions within the segment's framework were eliminated. Financial data concerning the particular segments of activity include individual financial statements of Group's companies without the exclusions of balance sheet statements and transactions made, while the exclusion of revenue, expenses and mutual statements were presented in the 'Elimination' column. Developer activity in which consolidation of individual statements of companies running this kind of business was made, is an exception. In 2013, the segment was comprised of the following entities: J.W. Construction Holding SA, Lokum Sp. z o.o.. The primary kind of goods and services within the framework of each branch segment:

- developer activity- the implementation of the building, designing and supporting production and sale of properties,
- social housing construction - sale and administration of social building estates,
- other construction - implementation of construction - assembly production,
- transport services,
- hotel activities - catering and hotel services connected with the organization of tourism and recreation.

J.W. Construction Holding SA
Condensed consolidated financial statement
for the period between January 1 and June 30, 2017

01.01.2017-30.06.2017	Real estate development activity	Business activity related to hotels	Construction of social buildings	Other activity	Eliminations	Total
Net revenues from sales of products, goods and materials, of which:	102 241 110,24	22 958 697,92	7 075 693,88	13 502 859,26	-10 468 530,00	135 309 831,30
Net revenues from sales of products	101 918 743,25	22 947 178,38	7 061 822,48	13 270 257,73	-10 467 690,00	134 730 311,84
Net revenues from sales of goods and materials	322 366,99	11 519,54	13 871,40	232 601,53	-840,00	579 519,46
Costs of products, goods and materials sold, of which:	81 564 265,65	18 746 490,28	4 096 423,07	11 595 093,26	-10 881 260,51	105 121 011,75
Manufacturing cost of products sold	81 234 623,11	18 734 998,74	4 082 551,67	11 373 956,33	-10 880 420,51	104 545 709,34
Value of goods and materials sold	329 642,54	11 491,54	13 871,40	221 136,93	-840,00	575 302,41
Gross profit (loss) on sales	20 676 844,59	4 212 207,64	2 979 270,81	1 907 766,00	412 730,51	30 188 819,55
Sales costs	11 963 668,38	2 312 262,26	0,00	168,00	-3 121 480,57	11 154 618,07
Overheads	6 621 863,85	1 486 917,38	549 473,43	2 054 275,61	-137 972,64	10 574 557,63
Revaluation of investment properties	-1 646 356,06	0,00	0,00	0,00	0,00	-1 646 356,06
Profit (loss) on sales	444 956,30	413 028,00	2 429 797,38	-146 677,61	3 672 183,72	6 813 287,78
Other operating income	288 123,01	14 715,26	6 207,29	492 761,96	0,00	801 807,52
Other operating expenses	5 593 827,60	18 588,41	27 627,84	379 925,86	787 615,30	6 807 585,01
Operating profit (loss)	-4 860 748,29	409 154,85	2 408 376,83	-33 841,51	2 884 568,42	807 510,28
Financial Revenues	1 687 332,57	382,00	487 367,94	8 958 389,48	-9 982 601,87	1 150 870,12
Financial costs	8 638 161,55	709 768,00	811 618,96	297 832,30	-1 579 940,30	8 877 440,51
Profit (loss) on business activity	-11 811 577,27	-300 231,15	2 084 125,81	8 626 715,67	-5 518 093,15	-6 919 060,10
Gross profit (loss)	-11 811 577,27	-300 231,15	2 084 125,81	8 626 715,67	-5 518 093,15	-6 919 060,10
Income tax	53 969,00	0,00	8 200,00	12 491,00	0,00	74 660,00
Deferred tax	-5 898 791,46	582 092,86	0,00	1 861 126,40	0,00	-3 455 572,20
Net profit (loss)	-5 966 754,81	-882 324,01	2 075 925,81	6 753 098,27	-5 518 093,15	-3 538 147,90

J.W. Construction Holding SA
Condensed consolidated financial statement
for the period between January 1 and June 30, 2017

01.01.2016-30.06.2016	Real estate development activity	Business activity related to hotels	Construction of social buildings	Działalność pozostała	Eliminations	Total
Net revenues from sales of products, goods and materials, of which:	225 116 103,29	18 689 680,44	7 109 333,65	37 820 035,72	-33 701 964,04	255 033 189,06
Net revenues from sales of products	224 466 673,95	18 687 986,38	7 102 833,11	37 653 199,69	-33 691 482,38	254 219 210,75
Net revenues from sales of goods and materials	649 429,34	1 694,06	6 500,54	166 836,03	-10 481,66	813 978,31
Costs of products, goods and materials sold, of which:	164 820 669,83	15 277 087,88	3 854 318,07	35 374 748,63	-32 429 039,95	186 897 784,46
Manufacturing cost of products sold	164 126 997,45	15 275 393,82	3 847 817,53	35 247 009,63	-32 418 558,29	186 078 660,14
Value of goods and materials sold	693 672,38	1 694,06	6 500,54	127 739,00	-10 481,66	819 124,32
Gross profit (loss) on sales	60 295 433,46	3 412 592,56	3 255 015,58	2 445 287,09	-1 272 924,09	68 135 404,60
Sales costs	12 212 902,32	1 691 335,45	0,00	108,00	-545 046,00	13 359 299,77
Overheads	5 931 583,52	1 274 587,00	533 942,10	1 834 412,95	-136 870,75	9 437 654,81
Revaluation of investment properties	-2 119 471,65	0,00	0,00	0,00	0,00	-2 119 471,65
Profit (loss) on sales	40 031 475,98	446 670,11	2 721 073,48	610 766,14	-591 007,34	43 218 978,37
Other operating income	848 510,13	11 232,84	68 879,16	289 823,49	-56 035,50	1 162 410,12
Other operating expenses	6 785 685,35	21 691,71	179 738,96	22 368,98	-99 691,92	6 909 793,08
Operating profit (loss)	34 094 300,76	436 211,24	2 610 213,68	878 220,65	-547 350,92	37 471 595,41
Financial Revenues	4 194 609,62	1 818,05	521 446,11	460 451,96	-2 812 504,91	2 365 820,83
Dividends and profit sharing, including:	0,00	1 818,05	521 446,11	0,00	0,00	523 264,16
Financial costs	9 714 559,39	698 529,25	1 231 765,69	373 745,17	-2 812 504,91	9 206 094,59
Profit (loss) on business activity	28 574 350,99	-260 499,96	1 899 894,10	964 927,44	-547 350,92	30 631 321,65
Extraordinary events	0,00	0,00	0,00	0,00	0,00	0,00
Gross profit (loss)	28 574 350,99	-260 499,96	1 899 894,10	964 927,44	-547 350,92	30 631 321,65
Income tax	-351 968,91	351 968,91	0,00	31 898,00	-241 855,58	-209 957,58
Deferred tax	4 649 480,97			87 471,00	0,00	4 736 951,97
Net profit (loss)	24 276 838,93	-612 468,87	1 899 894,10	845 558,44	-305 495,34	26 104 327,25

EXPLANATORY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS REGARDING TOTAL REVENUE

Note 24. Operating income

OPERATING INCOME	01-01-2017 to 30-06-2017	01-01-2016 to 30-06-2016
Revenues from sales of products	97 947 347,11	217 436 384,92
Revenues from sales of services	36 782 964,73	36 782 825,83
Revenues from sales of goods	579 519,46	813 978,31
Total revenues	135 309 831,30	255 033 189,06

	01-01-2017 to 30-06-2017	01-01-2016 to 30-06-2016
Proceeds from sales, including:	135 309 831,30	255 033 189,06
-sales of products - units, plots, buildings	97 947 347,11	216 406 462,16
- sales of other goods	0,00	1 029 922,76
- sales of services	36 782 964,73	36 782 825,83
- sales of goods	579 519,46	813 978,31

	01-01-2017 to 30-07-2017	01-01-2016 to 30-06-2016
Revenues from sales of products and services per segments	134 730 311,84	254 219 210,75
-real estate development activity	103 322 743,71	223 814 054,06
-Business activity related to hotels	22 947 178,38	21 182 918,38
-construction of social buildings	7 061 822,48	7 102 833,11
-transport services	341 700,00	0,00
-real estate construction	1 056 867,27	2 119 405,20

	01-01-2017 to 30-07-2017	01-01-2016 to 30-06-2016
Revenues from sales of products - premises, plots, buildings per geographic segments	97 947 347,11	216 406 462,16
-Warsaw and the surrounding area	10 059 932,83	159 048 492,21
-Gdynia	56 893 305,35	3 731 928,66
- Łódź	243 239,61	17 815 776,23
- Poznań	30 750 869,32	31 798 573,65
- Katowice	0,00	4 011 691,41

	01-01-2017 to 30-07-2017	01-01-2016 to 30-06-2016
Revenue from hotel services by geographical segment	22 947 178,38	21 182 918,38
-Warsaw and the surrounding area	2 667 508,36	2 549 622,74
- Tarnowo	2 796 719,19	2 973 885,26
- Stryków	2 051 235,37	1 952 513,71
- Szczecin	2 583 413,23	2 494 932,00
- Krynica Górská	12 848 302,23	11 211 964,67

Note 25. Operating expenses

OPERATING EXPENSES	01-01-2017 to 30-07-2017	01-01-2016 to 30-06-2016
Costs on sale of products	78 377 140,99	159 541 391,48
Costs on sale of services	26 168 568,35	26 537 268,66
Costs on sale of goods	575 302,41	819 124,32
Total costs of products, services and goods sold	105 121 011,75	186 897 784,46

	01-01-2017 to 30-07-2017	01-01-2016 to 30-06-2016
Sales and overhead expenses		
Sales costs	11 154 618,07	13 359 299,77
Overhead expenses	10 574 557,63	9 437 654,81
Total sales and overhead expenses	21 729 175,70	22 796 954,58

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Costs by type	01-01-2017 to 30-07-2017	01-01-2016 to 30-06-2016
Depreciation and amortization	5 519 414,88	4 983 395,79
Cost of materials and energy	13 060 610,10	12 140 053,77
Services rendered by other contractions	132 665 530,24	100 937 505,01
Taxes and duties	6 054 896,28	5 452 611,05
Wages and Salaries	19 167 297,83	17 195 445,42
Social security and other payments to the benefit of employees	3 237 108,78	2 953 080,73
Other costs of type	3 973 329,37	5 572 058,84
Total costs by type	183 678 187,48	149 234 150,61

Note 26. Other operating income

OPERATING INCOME	01-01-2017 to 30-07-2017	01-01-2016 to 30-06-2016
a) income from sale of non-financial fixed assets	1 708,42	0,00
b) other operating income	800 099,10	1 162 410,12
Total operating income	801 807,52	1 162 410,12

OPERATING INCOME	01-01-2017 to 30-07-2017	01-01-2016 to 30-06-2016
a) income from sale of non-financial fixed assets	1 708,42	0,00
b) handling charged	77 861,10	632 232,76
c) reserves	0,00	0,00
	0,00	0,00
d) other (including compensation, contractual fines)	722 238,00	530 177,36
Total operating income	801 807,52	1 162 410,12

Note 27. Other operating expenses

OPERATING EXPENSES	01-01-2017 to 30-07-2017	01-01-2016 to 30-06-2016
a) loss on disposal of non-financial fixed assets	0,00	6 995,38
b) revaluation of non-financial assets	0,00	88 795,26
c) inne operating expenses	6 807 585,01	6 814 002,44
Total operating income	6 807 585,01	6 909 793,08

OPERATING EXPENSES	01-01-2017 to 30-07-2017	01-01-2016 to 30-06-2016
a) loss on disposal of non-financial fixed assets	0,00	6 995,38
b) revaluation of non-financial assets	0,00	88 795,26
c) reserves	5 691 714,24	1 108 944,54
d) compensation, penalties and damages	347 723,65	1 981 607,38
e) compensation	983,00	0,00
f) costs of discontinued investments)	0,00	2 945 532,34
g) other	767 164,12	777 918,18
Total operating income	6 807 585,01	6 909 793,08

Note 28. Financial Revenues

FINANCIAL REVENUES	01-01-2017 to 30-07-2017	01-01-2016 to 30-06-2016
a) dividends	0,00	0,00
b) interest	1 117 236,78	862 228,05
c) profit on disposal of investments	0,00	0,00
d) other	33 633,34	1 503 592,78
Total financial revenues	1 150 870,12	2 365 820,83

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FINANCIAL REVENUES	01-01-2017 to 30-07-2017	01-01-2016 to 30-06-2016
a) dividends	0,00	0,00
b) interest from customers	81 634,13	-435 464,16
c) loan interest	248 313,23	250 472,53
d) deposit interest	294 313,04	181 078,27
e) interest on promissary notes	492 949,05	7 596,40
f) other interest	27,33	858 545,01
g) profit on disposal of investments	0,00	0,00
h) foreign exchange differences	0,00	1 451 188,58
i) other	33 633,34	52 404,20
Total	1 150 870,12	2 365 820,83

Note 29. Financial expenses

FINANCIAL EXPENSES	01-01-2017 to 30-07-2017	01-01-2016 to 30-06-2016
a) interest	6 803 279,27	9 083 341,36
b) loss on disposal of investments	0,00	4 709,26
c) other	2 074 161,24	118 043,97
Total financial expenses	8 877 440,51	9 206 094,59

FINANCIAL EXPENSES	01-01-2017 to 30-07-2017	01-01-2016 to 30-06-2016
a) interest, commissions, loans	2 492 719,46	3 541 513,21
b) interest-leasing	56 594,33	12 334,87
c) interest- loans	78 681,26	101 261,30
d) interest- promissory notes	138 929,75	174 337,64
e) interest- bond issuance	3 699 260,25	5 127 231,42
f) other interest	337 094,22	126 662,92
g) loss on disposal of investments	0,00	4 709,26
h) other	2 074 161,24	118 043,97
Total financial expenses	8 877 440,51	9 206 094,59

Note 30. Transactions with related companies

The Company within its business activity enters into transactions with related companies especially in the scope of the management of sales, administrative services, rental property, execution of works, the provision of guarantees, financing. Below, there are transactions with subsidiaries and other affiliated companies, the value of which in 2017 was significant from the point of view of the presented data. Materiality threshold was adopted for commercial transactions over PLN 100 thousand with the remaining 10% of equity. All transactions concluded in 2017 by the Company or a subsidiary with the related parties were concluded on market terms.

COMPANY NAME	Receivables from related parties	
	30-06-2017	31-12-2016
TBS Marki Sp. z o.o.	510 874,61	1 060 203,17
Business Financial Construction Sp. z o.o.	325 460,14	235 741,90
J.W. Construction Sp. z o.o.	10 774 653,52	12 327 627,03
Nowe Tysiąclecie Sp. z o.o.	582 256,31	0,00
Dana Invest Sp. Z o.o.	69 991,56	169 881,03
Porta Transport Sp. z o.o. in liquidation	14 760,00	14 760,00
Bałycka Invest Sp. z o.o.	19 288,86	19 288,86
Berensona Invest Sp. Z o.o.	20 445,06	20 445,06
Bliska Wola 4 Sp. Z o.o.1 SK	2 387 088,81	4 068 047,53
Bliska Wola 4 Sp. z o.o. 2 SK	529 148,83	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.	408 737,93	415 965,10

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COMPANY NAME	Receivables to related parties	
	30-06-2017	31-12-2016
TBS Marki Sp. z o.o.	31 021 455,15	30 563 179,29
J.W. Marka Sp. z o. o.	1 648 778,38	366 499,58
Business Financial Construction Sp. z o.o.	1 238 400,86	1 228 600,63
J.W. Construction Sp. z o.o.	17 913 875,71	27 637 127,12
Nowe Tysiąclecie Sp. Z o.o.	208 645,74	0,00

J.W. Construction Holding S.A. as the party buying services:

COUNTERPARTY TO TRANSACTION	TRANSACTION/AGREEMENT SUBJECT	01-01-2017 to 30-06-2017
J.W. Marka Sp. Z o.o.	marketing services	347 670,00
J.W. Marka Sp. Z o.o.	trademark license fee	1 918 497,39
Business Financial Construction Sp. z o.o.	marketing services	1 419 246,44
J.W.Construction Sp. z o.o.	construction works-Zdziarska II	3 771 013,27
J.W.Construction Sp. z o.o.	construction works Ożarów Domki	3 773 456,00
J.W.Construction Sp. z o.o.	construction - crane rentKasprzaka CK	157 200,00
J.W.Construction Sp. z o.o.	construction - crane rentKasprzaka CM	237 600,00
J.W.Construction Sp. z o.o.	staffing serviceK asprzaka CK	250 143,10
J.W.Construction Sp. z o.o.	staffing service Kasprzaka CM	389 567,50
J.W.Construction Sp. z o.o.	staffing service Willa One	73 002,87
J.W.Construction Sp. z o.o.	staffing service Badylarska	159 791,80
Nowe Tysiąclecie Sp z o.o.	re-invoices(electricity)	163 040,38

J.W. Construction Holding S.A. as the party selling services:

COUNTERPARTY TO TRANSACTION	TRANSACTION/AGREEMENT SUBJECT	01-01-2017 to 30-06-2017
TBS Marki Sp. z o.o.	construction and assembly services	121 882,35
Business Financial Construction Sp. z o.o.	car rent	142 680,36
J.W.Construction Sp. z o.o.	re-invoices electricity	285 542,84
J.W.Construction Sp. z o.o.	warranty repair services	311 193,38
Nowe Tysiąclecie Sp. Z o.o.	construction and assembly services	4 237 215,00
Nowe Tysiąclecie Sp. Z o.o.	administration services	183 120,00
Nowe Tysiąclecie Sp. Z o.o.	sales services	120 708,00
Bliska Wola 4 Sp.z o.o.1 SK	construction services	161 875,90
Bliska Wola 4 Sp.z o.o. 2 SK	construction services	129 267,36

Within the Capital Group, J.W. Construction Holding S.A. acts in the capacity of a general contractor towards entities affiliated directly or indirectly.

Transactions connected with capital investments, financial assets are described in the relevant events up to the balance sheet date and after. Other transactions with affiliated entities do not exceed the significance threshold.

All transactions concluded by the Issuer or its subsidiaries are concluded on market terms.

Note 31. Remuneration of the Management Board and Supervisory Board of the Company of the Capital Group

The table below presents the remuneration for the first half of 2017. The tables contain aggregate data of members of the bodies of the parent company with the division on the remuneration received for performance of duties in Group Companies , employment in Group companies , other forms of remuneration.

JW Construction Holding S.A.	01-01-2017 to 30-06-2017
Management Board	
Rajchert Wojciech	96 724,00
Starzyńska Magdalena	95 736,43
Ostrowska Małgorzata	69 605,58
Suprynowicz Piotr	24 720,00

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JW Construction Holding S.A.	01-01-2017 to 30-06-2017
Supervisory Board	
Szwarc-Sroka Małgorzata	8 396,40
Łopuszyńska Irmina	8 696,40
Czyż Barbara	48 733,66
Michnowicz Laura	9 168,56
Radziwiłski Jacek	252,20

JW Construction Holding S.A.	01-01-2017 to 30-06-2017
Supervisory Board, other remuneration	
Szwarc-Sroka Małgorzata	120 045,90
Łopuszyńska Irmina	136 800,00
Czyż Barbara	0,00
Michnowicz Laura	0,00
Radziwiłski Jacek	0,00

Other companies of the Group, other contracts	01-01-2017 to 30-06-2017
Management Board	
Rajchert Wojciech	12 420,00
Starzyńska Magdalena	16 128,30
Ostrowska Małgorzata	37 256,14
Suprynowicz Piotr	84 485,05

Other companies of the Group, other contracts	01-01-2017 to 30-06-2017
Supervisory Board	
Szwarc-Sroka Małgorzata	59 210,46
Łopuszyńska Irmina	30 000,00
Czyż Barbara	21 616,02
Michnowicz Laura	0,00
Radziwiłski Jacek	0,00

Information about employment with the division into professional groups (Capital Group)

Professional Group	30-06-2017
Board	4
Management	23
Administration	239
Other employees	230
Total	495

Note 32. Group's activities and significant events during the first half of 2017

Corporate matters

A tender offer for company shares

On January 20, 2017, Mr. Józef Wojciechowski, the dominant shareholder, announced a call for the sale of the Company's shares in connection with the intention to exceed the threshold of 66% of votes at the General Meeting. The tender comprised the sale of 30,247,179 shares of the Company constituting 34.04% of the Company's shares and entitling to 30,247,179 votes at the General Meeting. Those constitute 34.04% of the total number of votes at the General Meeting. Subscriptions for shares were sold during the period from 9 February 2017 to 15 March 2017. As a result of the tender offer, Mr. Józef Wojciechowski purchased 17,416,894 shares, representing approximately 19,60% of the total number of shares, entitling to 17,416,894 of votes at the General Meeting of Shareholders, constituting about 19,60% of the total number of votes at the General Meeting.

On 7 February 2017 (current report no. 6/2017), the Management Board of the Company expressed a positive attitude towards the announcement of the tender offer for shares of the Company by Mr. Jozef Wojciechowski. The Management Board of the Company informed that according to the Tender Offer, the intention of the Tenderer for the Company is defined as follows: "The Tenderer declares that it intends to take actions aimed at strengthening the Company's financial situation and its further development.

The caller stated that at the moment his intention is also to maintain the Company's shares traded on the regulated market of the Warsaw Stock Exchange.

The Management Board of the Company is of the opinion that the current activity and the established directions of the Company's development will be preserved.

General Meetings

On June 26, 2017, the Ordinary General Meeting of Shareholders took place. It adopted resolutions on the approval of financial statements and the Management Board statement on the activities of the Company and its Capital Group in 2016. It granted a vote of approval to the members of the Company's governing bodies, distributed the profit and appointed two members of the Supervisory Board in the persons of Mrs. Barbara Czyż and Mrs. Małgorzata Szwarc - Sroka.

Supervisory Board

On June 26, 2017, the Company received the statement of the entitled shareholder about the exercise of his personal right to appoint three members of the Supervisory Board in the following persons: Mr. Józef Wojciechowski, Mrs. Irminy Łopuszyńska and Mr. Jacek Radziwiłski.

Appointment of the Board

On 23 June 2017, in connection with the expiry of the term of office, the Management Board of the Company was appointed in the following composition:

Magdalena Starzyńska - appointed on the basis of a resolution of the Supervisory Board;

Wojciech Rajchert - appointed on the basis of a resolution of the Supervisory Board;

Małgorzata Ostrowska - appointed on the basis of the personal right granted to the entitled shareholder;

Piotr Suprynowicz - appointed on the basis of the personal right granted to the entitled shareholder..

Credit agreement

On 10 February 2017, a subsidiary of the Issuer, Hanza Invest S.A. with its registered office in Ząbki as the investor signed an agreement with Alior Bank S.A. on the basis of which the Bank granted loans: investment loan amounting to PLN 138,789,712 and VAT loan of PLN 3,000,000. Loans were granted to finance and refinance expenses associated with the implementation of the Hanza Tower apartment building at Wyzwolenia Av. and Odzieżowa St. in Szczecin. The repayment date was set at 30 September 2020.

On March 23, 2017, the Company concluded an investment credit agreement with Getin Noble Bank S.A. for co-financing the costs of realization of the third stage of investment "Osiedle Nowe Tysiąclecie" in Katowice in the amount of PLN 42,000,000. The repayment date is set for December 20, 2019.

Annex to credit agreement

On 30 January 2017, the Company concluded an annex to the revolving credit agreement granted by Bank Polska Spółdzielczości SA. in the final amount of PLN 4,944,327, intended to finance current operations. Under the annexes, the deadline for use has been postponed and the repayment schedule has been established. The new repayment date was set at 31 December 2017.

On April 26, 2017, the Company entered into an annex to the overdraft agreement provided by PKO BP S.A. in the amount of PLN 10,000,000. Under the Annex, the deadline for the use and repayment of the loan has been postponed. The final repayment date is April 26, 2018.

Significant agreement between the subsidiaries

On 28 February 2017, subsidiaries of the Issuer company under the business name Hanza Invest S.A. based in Ząbki as an investor and a company under J.W. Construction Sp. z o.o. based in Ząbki as the General Contractor, concluded an agreement for the completion of a housing and service project in Szczecin at Wyzwolenia St. and Hanza Tower at Odzieżowa St. The remuneration was fixed at PLN 150,000,000 net, the date of obtaining the occupancy permit for 30 April 2019.

Credit repayment

On April 14, 2017, a subsidiary of the Issuer, a company under the name Nowe Tysiąclecie Sp. z o.o. based in Ząbki, made a full repayment of the investment loan for the co-financing of the costs of realization of the „Nowe Tysiąclecie Budynek B1„ housing project in Katowice in the amount of PLN 24,000,000 taken from Getin Noble Bank SA.

On June 13, 2017, the Company made a full repayment of the loan for the co-financing of the housing project "Osiedle Kamerata" in Gdynia in the amount of PLN 9,700,000 incurred in Plus Bank SA.

On June 23, 2017, the Company made a full repayment of the loan for financing commercial construction related to the execution of the investment project "Jerozolimskie Point" in Warsaw in the amount of PLN 23,000,000 taken in Millennium Bank S.A.

Guarantees

On February 10, 2017, the Company granted a surety to Alior Bank S.A. with its registered office in Warsaw up to PLN 141,789,712 for liabilities under loans granted by a subsidiary of Hanza Invest S.A. based in Ząbki. Hanza Invest S.A. acquired two loans: an investment of PLN 138,789,712 and a VAT of PLN 3,000,000 to finance some of the costs of the Hanza Tower project in Szczecin. The surety was granted until the repayment of the loan, whose term in the loan agreement was granted on September 30, 2020. The Company is the sole shareholder of Hanza Invest SA, which is a special purpose vehicle dedicated to the realization of the Hanza Tower project in Szczecin. The surety was granted for the obligation of an entity from the Issuer's GK.

Building permit

On 9 February 2017 Nowe Tysiąclecie sp. z o.o. - a subsidiary of the Issuer- was granted a replacement permit enabling the construction of the 3rd stage of the Nowe Tysiąclecie investment. The license is valid and transferred to the Issuer who will be the investor.

On April 10, 2017, the Company received a building permit for a complex of multi-family buildings in the Lewandów IV housing estate (Wrzosowa Av.) comprising of 3 multi-family buildings together with land development. The permit is final.

On April 18, 2017, the company received a building permit for a complex of multi-family buildings, which are part of the Luanda III estate (Wrzosowa Av.) comprising 5 multi-family buildings together with land development - the decision was overruled by the Mazovian Voivode. The Company undertakes actions aimed at re-obtaining the permit in accordance with the guidelines of the voivode.

Occupancy permit

On April 7, 2017, the Company was granted the occupancy permit for a multi-family residential building with an underground garage in Warsaw at Marcina z Wrocimowic St. / Sprawna St. - Willa One housing estate. The permit is final..

On April 13, 2017, a company operating under the name Nowe Tysiąclecie Sp. z o.o. - was granted permission to use the multi-family building „Nowe Tysiąclecie etap B1” at Tysiąclecia St. in Katowice. The permit is final.

Preliminary contract for the purchase of land

On May 11, 2017, the Company entered into a preliminary agreement for the purchase of real estate located in Gdańsk at Jesionowa St. land plot No. 36/1 and 102/3 with a total area of 0.3136 hectares for which the land and mortgage register No. GD1G / 000168469/3 is kept for the amount of PLN 6.500.000 net + VAT. On signing the preliminary agreement, the Company paid PLN 1,000,000 in cash. The final sales contract is to be concluded by 11 May 2018.

On 13 June 2017, the Company entered into a preliminary agreement for the purchase of real estate located in Gdańsk at Starowiejska 67 St. with a total area of 0.9693 ha for the amount of 20.500.000 net + VAT. On signing the preliminary contract the Company paid the amount of 2,460,000 PLN as a deposit. The final sales contract is to be concluded by June 13, 2018.

Bonds:

Bonds issuance:

On 31 May 2017, the Company issued 70,000 unsecured bonds with a nominal value of PLN 1,000 each and a total value of PLN 70,000,000 with a definitive maturity date of May 29, 2020. The bond interest rate is based on WIBOR 6M + margin and payable in semi-annual periods. During the issue period, the Company will partially redeem the face value of each bond: On May 31, 2018, 10% of the face value, on May 31, 2019, of 40% of the face value. The bonds were registered with the KDPW under the ISIN code PLJWC0000118. The Bonds are traded in the Alternative Trading System operated by ASO BondSpot. Funds raised from the issue The Issuer intends to use for the development of its activity, including financing of expenses related to the preparation of development projects and the purchase of land.

Change in terms of the issuance of JWX0116 bonds

On May 8, 2017, the Company obtained the consent of the administrator to remove the mortgage of PLN 125,000,000 from the Land and Mortgage Register no. WA4M / 00440028/3 for plot No. 3/15 designated for stage D of Bliska Wola project in Warsaw at the junction of Kasprzaka St. from Al. Prymasa Tysiąclecia Av.. The mortgage was deleted on July 10, 2017. Removal of the mortgage resulted from the change of the nature of the bond to unsecured.

On June 30, 2017, the Company received the bondholders' consent to change the maturity date of the bonds. It has been postponed until June 1, 2020.

Interest payment

On April 24, 2017, the Company paid interest on series JWX0116 bonds.

On June 9, 2017, the Company paid interest on bonds marked with the ISIN PLJWC00000100 code.

Note 33. Key events which occurred after the balance sheet date

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 up to PLN 10,000,000 for this purpose.

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 8,206.50 m² and ten residential units of the total area of 520,70 m² with associated cellars of 95,65 m² for the total amount of PLN 44,100,000 net. The deadline for the conclusion of the final agreement was 30 October 2017. So far, the Company has paid PLN 1,000,000.

On 22 August 2017, the Company entered into a preliminary agreement for the purchase of land plot no. 511/2 of the area of 1.7628 m² located in Małopole, Dąbrówka, for the amount of PLN 1,322,100. Under the agreement the Company has made an advance payment of PLN 132,210. The deadline for the sale has been set for August 22, 2020, subject to the adoption of a local land development plan covering the plot.

Loans:

Annex to the loan agreement

On 4 July 2017. 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.

Note 34. Selected financial data including basic items of the consolidated financial statements in thousands PLN (also in EUR)

In order to convert the balance sheet data on the last day of the period between January 1 and June 30 2017 the adopted exchange rate of euro was fixed by the National Bank of Poland, which was PLN 4,2265 zł per 1 euro.

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In order to convert the balance sheet data on the last day of 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 4,4240 per 1 euro.

In order to convert the profit and loss account data for the period between January 1 and June 30 2017, the adopted exchange rate of euro was fixed by the National Bank of Poland, which was PLN 4,2474 per 1 euro

In order to convert the profit and loss account data for the period between January 1 and June 30 2016, the adopted exchange rate of euro was fixed by the National Bank of Poland, which was PLN 4,3805 per 1 euro.

Issuer's balance sheet item	30-06-2017		31-12-2016	
	PLN	EUR	PLN	EUR
Total assets	1 625 383	384 570	1 449 838	327 721
Fixed assets	710 636	168 138	708 549	160 160
Current assets	914 748	216 431	741 289	167 561
TOTAL EQUITY AND LIABILITIES	1 625 383	384 570	1 449 838	327 721
Equity	675 187	159 751	684 286	154 676
Non-current liabilities	266 007	62 938	191 979	43 395
Current liabilities	684 190	161 881	573 573	129 650

Profit and loss account item	01-01-2017 to 30-07-2017		01-01-2016 to 30-06-2016	
	PLN	EUR	PLN	EUR
Net revenues from sales of products, goods and materials	92 170	21 700	57 196	13 057
Costs of products, goods and materials sold	73 321	17 263	53 319	12 172
Gross profit (loss) on sales	18 848	4 438	3 876	885
Sales costs	12 286	2 893	8 077	1 844
Overheads	8 999	2 119	7 439	1 698
Profit (loss) on sales	-4 083	-961	-13 759	-3 141
Operating profit (loss)	-9 858	-2 321	-19 555	-4 464
Gross profit (loss)	-9 171	-2 159	-26 891	-6 139
Income tax	-71	-17	-4 631	-1 057
Net profit (loss)	-9 099	-2 142	-22 259	-5 081

Consolidated balance sheet item	30-06-2017		31-12-2016	
	PLN	EUR	PLN	EUR
Total assets	1 666 771	394 362	1 503 419	339 833
Fixed assets	658 324	155 761	658 284	148 798
Current assets	1 008 447	238 601	845 135	191 034
TOTAL EQUITY AND LIABILITIES	1 666 771	394 362	1 503 419	339 833
Equity	649 014	153 558	653 192	147 647
Non-current liabilities	385 965	91 320	337 049	76 187
Current liabilities	631 791	149 483	513 178	115 999

Consolidated profit and loss account	01-01-2017 to 30-07-2017		01-01-2016 to 30-06-2016	
	PLN	EUR	PLN	EUR
Net revenues from sales of products, goods and materials	135 310	31 857	255 033	58 220
Costs of products, goods and materials sold	105 121	24 749	186 898	42 666
Gross profit (loss) on sales	30 189	7 108	68 135	15 554
Sales costs	11 155	2 626	13 359	3 050
Overheads	10 575	2 490	9 438	2 154
Profit (loss) on sales	6 813	1 604	43 219	9 866
Operating profit (loss)	808	190	37 472	8 554
Gross profit (loss)	-6 919	-1 629	30 631	6 993
Income tax	-3 381	-796	4 527	1 033
Net profit (loss)	-3 538	-833	26 104	5 959

Note 35. Off-balance sheet entries

OFF-BALANCE SHEET COLLATERALS - credit agreements	30-06-2017
The sum for securities on owned real estate - loans	752 713 085,64
The sum for securities on other real estate - loans	21 000 000,00
Blank bills	266 018 599,72
Writs of execution	248 881 700,00
Credit transfer from insurance contract	175 197 726,00
Guarantee for Hanza Tower - credit	141 789 712,00
A guarantee granted by Company to BZ WBK SA /Dana Invest/	29 694 875,52
Registered pledge on Company shares in Dana Invest	23 499 581,64

OFF-BALANCE SHEET COLLATERALS - other	30-06-2017
Registered pledge	441 329 005,64
Sureties to the benefit J.W.Construction Sp. z o.o.	7 000 000,00
Sureties to the Capital City of Warsaw	151 300,00
Sureties to the benefit of TBS "Marki" Sp z o.o.	22 400 000,00

As at June 30, 2017, there were disclosed insurance guarantees to remove failures and defects granted by banks and insurance institutions to the benefit of the Company. Moreover, there were blank promissory notes issued to the benefit of the capital group of J.W. Construction Holding S.A. to secure rights of such companies under guarantees granted by counterparties, which the Companies may fill in at any time with the amount corresponding to the costs of failure and defect removal. As of June 30, 2017, the total value of guarantees was PLN 19,5m and 37 thousand EUR (J.W. Construction Holding SA); 2,8m and 116 thousand EUR (J.W. Construction sp. z o.o.).

Note 36. Significant litigation

As at 30 June 2017, the value of proceedings against the Group did not exceed 10% of the Group's equity. As of June 30, 2017, the value of proceedings brought by the Company or entities of the Group, carried out in common courts (courts I and II) did not exceed 10% of the Company's equity. Proceedings for which the Company is a party do not materially affect the Company's business.

Note 37. Significant risk factors and threats

The risks recognized by the Group include: interest rate risk, credit risk, liquidity risk, risks associated with administrative decisions and risks associated with competition on the real estate market.

Interest rate risk

The Company raises funds for the implementation of its projects through loans with variable interest rate. The vast majority of them are incurred for the duration of the construction of a given investment - on average 2 to 3 years. Also, the Company holds variable interest rate bonds. Significant reductions of base rates in the last year are going to have positive impact on the level of financial costs.

Credit risk

A significant part of the Company's customers makes purchases with bank loans. Risks associated with offered loans are secured with insurance of particular debts on behalf of clients. In relation to no customer group is there a significant concentration of credit risk. Furthermore, the Company systematically evaluates payments made and the financial situation of its customers.

Liquidity risk

The Company pays special attention to keeping the balance between financing its investment activities and timely payment of its obligations. Maintaining liquidity is dependent on the credit policy of banks in granting mortgages and investment credits as well. Lack of funding from banks especially along with the requirements of developer act developer and escrow accounts. In the case of developers and individuals it can affect: start of new investments, the demand for housing, timeliness of payments and thus cash flows.

Administrative decisions risk

The basis for real estate activities are administrative decisions required in connection with present or future projects. The lack of licenses, permits or concessions or failing to obtain them in time may adversely affect the ability to commence, conduct or complete present and new investments by the Company. All of these factors may have an impact on financial flows and overall operations.

Risk associated with competition on the real estate market

Housing offer of most developers operating in the same markets is to an extent similar in terms of quality and technical parameters of the premises. Therefore, other factors, such as location, variety of offers in terms of

structure, adequate promotion of the project developer's image among customers, gain on importance. The Warsaw market, which is the focus of the Group's activities, is characterized by considerable competition from real estate companies. The competition processes have intensified in recent years due to the fact that the supply of flats has been higher than the demand. One must reckon with the fact that there is a risk from other real estate companies acquiring cheaper land, plots of better location or superior offer advertising campaign to the one of the Capital Group. All these elements may result in the slide of housing sales (decrease in number of contracts). As a result, in order to achieve the presumed sales level, the Group will be forced to initiate sales promotion which will contribute to a reduction in cash receipts, lower sales margin, and therefore, lower profits.

Note 38 Financial instruments and hedge accounting

In 2017 the Group does not apply hedge accounting and does not have any embedded derivatives.

Note 39. Changes in the Management and Supervisory Board of the Dominant Entity in the Capital Group - J.W. Construction Holding S.A

Management Board

As of 30.06.2017 Management Board was composed of:

Wojciech Rajchert – Board Member
Magdalena Starzyńska – Board Member
Małgorzata Ostrowska – Board Member
Piotr Suprynowicz – Board Member

In the first half of 2017 there were no changes to the management board.

On 23 June 2017, the Management Board was appointed for its next term in the office.

Supervisory Board

As of 30.06.2017 Supervisory Board was composed of:

Józef Wojciechowski – the president of the supervisory board
Irmína Łopuszyńska – supervisory board member
Małgorzata Szwarc - Sroka – supervisory board member
Jacek Radziwiłski – supervisory board member
Barbara Czyż – supervisory board member

In the first half of 2017 the following changes took place in the Supervisory Board:

On June 26, 2017 the term of Laura Michnowicz expired due to the end of the term of office for which she was appointed.

On June 26, 2017, Mr. Jacek Radziwiłski was appointed as the new member of the Supervisory Board as well as remaining members of the Supervisory Board: Józef Wojciechowski, Małgorzata Szwarc - Sroka, Barbara Czyż and Irmína Łopuszańska.

D. CONDENSED INTERIM FINANCIAL STATEMENTS OF THE DOMINANT ENTITY(ISSUER) AS AT JUNE 30, 2017.

Financial situation report

ASSETS	Note	30-06-2017	31-12-2016
FIXED ASSETS		710 635 928,93	708 548 512,08
Intangible assets	1	12 455 316,66	12 505 771,91
Tangible assets	2	242 475 949,74	229 049 142,36
Investment real estate	3	186 500 566,87	197 649 050,83
Other financial assets	4	241 408 754,49	240 911 963,27
Deferred income tax assets		25 785 029,29	26 547 164,76
Trade and other receivables	5	2 010 311,87	1 885 418,96
CURRENT ASSETS		914 747 550,39	741 289 463,18
Inventories	6	29 096 229,80	28 966 002,80
Construction contracts	7	601 740 401,01	517 990 585,99
Trade and other receivables	8	58 689 301,21	54 003 191,47
Other financial assets	9	59 545 984,86	61 761 754,10
Cash and cash equivalents	10	151 225 476,32	69 622 774,77
Accruals	11	14 450 157,19	8 945 154,04
Total assets		1 625 383 479,31	1 449 837 975,26
EQUITY AND LIABILITIES			
EQUITY		675 186 552,79	684 285 638,24

J.W. Construction Holding SA
Condensed consolidated financial statement
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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		0,00	-5 679 509,98
Net profit / loss		-9 099 085,44	9 590 934,16
LIABILITIES □		950 196 926,52	765 552 337,01
Non-current liabilities		266 007 335,58	191 979 387,66
Borrowings	12	50 225 182,81	61 382 914,16
Deferred income tax liabilities		30 809 750,46	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	184 771 985,86	98 752 723,80
Current liabilities		684 189 590,94	573 572 949,35
Trade and other payables	15	135 619 724,96	142 769 869,83
Construction contracts	7	426 007 201,43	309 521 338,23
Borrowings	12	20 058 236,57	16 796 962,71
Provision for other liabilities and charges	15	20 257 630,58	20 656 238,04
Other liabilities	16	82 246 797,40	83 828 540,54
TOTAL EQUITY AND LIABILITIES		1 625 383 479,31	1 449 837 975,26

Consolidated total income statement

	Note	01-01-2017 to 30-06-2017	01-01-2016 to 30- 06-2016
Net revenues from sales of products, goods and materials, of which:	17	92 169 627,09	57 195 800,58
Net revenues from sales of products		91 035 698,07	55 174 662,25
Net revenues from sales of goods and materials		1 133 929,02	2 021 138,33
Costs of products, goods and materials sold, of which:	18	73 321 360,04	53 319 359,80
Manufacturing cost of products sold		72 180 183,47	51 266 559,73
Value of goods and materials sold		1 141 176,57	2 052 800,07
Gross profit (loss) on sales		18 848 267,05	3 876 440,78
Sales costs		12 285 962,07	8 076 628,23
Overheads		8 998 911,22	7 439 165,06
Revaluation of investment properties		-1 646 356,06	-2 119 471,65
Profit (loss) on sales		-4 082 962,30	-13 758 824,16
Other total costs by type	19	266 923,49	842 896,07
Other operating expenses	20	6 041 645,76	6 639 000,16
Operating profit (loss)		-9 857 684,57	-19 554 928,25
Financial Revenues	21	12 407 037,32	3 187 750,21
Financial costs	22	11 719 885,51	10 523 353,59
Profit (loss) on business activity		-9 170 532,76	-26 890 531,63
Gross profit (loss)		-9 170 532,76	-26 890 531,63
Income tax		-71 447,32	-4 631 429,22
Net profit (loss)		-9 099 085,44	-22 259 102,41

Other comprehensive income:		0,00	0,00
Foreign exchange rate operation differences		0,00	0,00
Profit/loss from acquisitions		0,00	0,00
Profit from revaluation of tangible fixed assets		0,00	0,00
Other comprehensive income		0,00	0,00
Total revenue		-9 099 085,44	-22 259 102,41

J.W. Construction Holding SA
Condensed consolidated financial statement
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CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE		01-01-2017 to 30-06-2017	01-01-2016 to 30-06-2016
Profits			
(A) Profits of the Group disclosed in the consolidated financial statements		-9 099 085,44	-22 259 102,41
Number of shares			
(B) Number of ordinary shares and preferred shares (as to the right to vote in the General Meeting of the Company) for the purpose of calculating earnings per share *		88 859 443	88 859 443
(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 calculating diluted earnings per share		88 859 443	88 859 443
Basic earnings per share = (A)/(B)		-0,10	-0,25
Diluted earnings per share = (A)/(B)		-0,10	-0,25

Cashflow statement

	01-01-2017 to 30-06-2017	01-01-2016 to 30-06-2016
Operating cash flow - two-step method		
Net profit (loss)	-9 099 085,44	-22 259 102,41
Item adjustments	147 620,70	2 736 722,53
Depreciation and amortization	3 954 483,25	3 334 900,89
(Profits) loss from investment and financial activities	4 147 659,44	-1 833 611,61
(Profit) loss on foreign exchange differences	1 075 250,00	107 463,07
Interest and dividends	-4 721 003,56	9 647 399,50
Changes in provisions and accruals	-5 955 125,40	-10 638 900,97
Change in the status of investment properties	1 646 356,06	2 119 471,65
Other adjustments	0,91	0,00
- Other adjustments	0,91	0,00
Changes in working capital	62 936 097,25	43 722 661,98
Change in inventories	-130 227,00	317 929,49
Change in construction contracts	45 451 152,17	44 636 207,54
Changes in receivables	3 097 384,71	-1 905 893,08
Changes in current liabilities, except for borrowings	14 517 787,37	674 418,03
Operational activity cashflow	53 984 632,51	24 200 282,10
Investment activity cashflows		
Disposal of tangible and intangible assets and other non-current assets	561 750,00	195 211,89
Purchase of tangible and intangible assets and other non-current assets	-19 162 693,73	-7 407 975,06
Loans granted	-841 490,22	-1 808 562,02
Loans repaid	0,00	0,00
Other acquisitions of financial assets	-700 000,00	0,00
Dividends received	3 582 792,25	0,00
Disposal of subsidiaries	0,00	10 390,74
Acquisitions of subsidiaries	-300 000,00	-4 243 400,00
Net investment cash flow	-16 859 641,70	-13 254 334,45
Financial activities cashflow		
Borrowings	26 502 008,96	54 778 283,31
Borrowings repaid	-34 477 147,71	-8 139 772,95
Debt securities issued	70 000 000,00	0,00
Debt securities redeemed	0,00	-137 180 000,00
Payments under financial lease agreements	-608 941,96	-405 582,82

J.W. Construction Holding SA
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Interest paid	-7 894 599,55	-9 859 151,77
Other financial proceeds (including notes)	28 626 391,00	69 350 000,00
Other financial expenditures (including notes)	-37 670 000,00	-5 399 275,30
Net financial activities cashflow	44 477 710,74	-36 855 499,53
NET DECREASE / (INCREASE) IN CASH	81 602 701,55	-25 909 551,88
Cash and cash equivalents at the beginning of the year	69 622 774,77	73 600 261,65
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	151 225 476,32	47 690 709,76

J.W. Construction Holding SA
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Statement of changes in equity

	Share capital	Own shares (negative figure)	Revaluation capital	Supplementar y capital	Other capital	Retained earnings	Net earnings	Equity
As at December 31, 2016	17 771 888,60	0,00	7 493 208,19	649 377 530,08	5 731 587,19	-5 679 509,98	9 590 934,16	684 285 638,24
Basic error corrections	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Adjustments for conversion to IFRS	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
As at January 1, 2017	17 771 888,60	0,00	7 493 208,19	649 377 530,08	5 731 587,19	-5 679 509,98	9 590 934,16	684 285 638,24
Share issuance	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
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
Profits / (losses) from revaluation of fixed assets and investment properties	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Gains / (losses) from revaluation of assets held for sale	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Gains / losses from cashflow hedges	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Exchange gains / (losses) on translation of financial statements of foreign operations	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Income tax on items directly attributable to equity	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Gains / (losses) on business acquisitions (unitary jwch)	0,00	0,00		0,00	0,00	0,00	0,00	0,00
Profit / loss from inclusion / exclusion of companies 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
Total profit / (loss) recognized directly in equity	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Net profit (loss) for the accounting year	0,00	0,00	0,00	0,00	0,00	0,00	-9 099 085,44	-9 099 085,44
Total profit / (loss) recognized in equity and net earnings	0,00	0,00	0,00	0,00	0,00	0,00	-9 099 085,44	-9 099 085,44
Increase / decrease of profit distribution	0,00	0,00	0,00	3 911 424,17	0,00	5 679 509,98	-9 590 934,16	0,00
As at June 30, 2017	17 771 888,60	0,00	7 493 208,19	653 288 954,25	5 731 587,19	0,00	-9 099 085,44	675 186 552,79

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	Share capital	Own shares (negative figure)	Revaluation capital	Supplementary capital	Other capital	Retained earnings	Net earnings	Equity
As at December 31, 2015	17 771 888,60	0,00	7 493 208,19	634 337 945,82	5 731 587,19	-5 679 509,99	15 039 584,26	674 694 704,07
Basic error corrections	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Adjustments for conversion to IFRS	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
As at January 1, 2016	17 771 888,60	0,00	7 493 208,19	634 337 945,82	5 731 587,19	-5 679 509,99	15 039 584,26	674 694 704,07
Share issuance	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
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
Profits / (losses) from revaluation of fixed assets and investment properties	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Gains / (losses) from revaluation of assets held for sale	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Gains / losses from cashflow hedges	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Exchange gains / (losses) on translation of financial statements of foreign operations	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Income tax on items directly attributable to equity	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Gains / (losses) on business acquisitions (unitary jwch)	0,00	0,00		0,00	0,00	0,00	0,00	0,00
Profit / loss from inclusion / exclusion of companies 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
Total profit / (loss) recognized directly in equity	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
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
Total profit / (loss) recognized in equity and net earnings	0,00	0,00	0,00	0,00	0,00	0,00	9 590 934,16	9 590 934,16
Increase / decrease of profit distribution	0,00	0,00	0,00	15 039 584,26	0,00	0,00	-15 039 584,26	0,00
As at December 31, 2016	17 771 888,60	0,00	7 493 208,19	649 377 530,08	5 731 587,19	-5 679 509,99	9 590 934,16	684 285 638,24

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	Share capital	Own shares (negative figure)	Revaluation capital	Supplementary capital	Other capital	Retained earnings	Net earnings	Equity
As at December 31, 2015	17 771 888,60	0,00	7 493 208,19	634 337 945,82	5 731 587,19	-5 679 509,99	15 039 584,26	674 694 704,07
Basic error corrections	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Adjustments for conversion to IFRS	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
As at January 1, 2016	17 771 888,60	0,00	7 493 208,19	634 337 945,82	5 731 587,19	-5 679 509,99	15 039 584,26	674 694 704,07
Share issuance	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
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
Gains / (losses) on business acquisitions (unitary jwch)	0,00	0,00		0,00	0,00	0,00	0,00	0,00
Profit / loss from inclusion / exclusion of companies 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
Total profit / (loss) recognized directly in equity	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Net profit (loss) for the accounting year	0,00	0,00	0,00	0,00	0,00	0,00	-22 259 102,41	-22 259 102,41
Total profit / (loss) recognized in equity and net earnings	0,00	0,00	0,00	0,00	0,00	0,00	-22 259 102,41	-22 259 102,41
Increase / decrease of profit distribution	0,00	0,00	0,00	15 039 584,26	0,00	0,00	-15 039 584,26	0,00
Stan na 30 czerwca 2016	17 771 888,60	0,00	7 493 208,19	649 377 530,08	5 731 587,19	-5 679 509,99	-22 259 102,41	652 435 601,67

E. Notes to the issuer's condensed interim financial statement as at June 30, 2017.

1. FIXED ASSETS

Note 1. Intangible assets

INTANGIBLE ASSETS	30-06-2017	31-12-2016
a) research and development expenses	0,00	0,00
b) goodwill	12 389 648,22	12 389 648,22
c) other intangible assets	65 668,44	116 123,69
d) advances on intangible assets	0,00	0,00
Total intangible assets	12 455 316,66	12 505 771,91

Note 2. Tangible assets

TANGIBLE ASSETS	30-06-2017	31-12-2016
a) fixed assets including:	237 318 492,57	224 531 327,88
- land (including right of perpetual usufruct)	15 960 558,39	15 783 531,64
- buildings and structures	199 147 855,24	185 721 508,02
- plant and machinery	11 591 480,64	12 089 932,78
- motor vehicles	3 056 739,36	3 480 595,36
- other fixed assets	7 561 858,94	7 455 760,08
b) constructions in progress	5 157 457,17	4 517 814,48
c) advances on constructions in progress	0,00	0,00
Total tangible assets	242 475 949,74	229 049 142,36

Note 3. Investment real estate

Other long-term investments	30-06-2017	31-12-2016
a) investment properties	186 500 566,87	197 649 050,83
b) other	0,00	0,00
Total other long-term investments	186 500 566,87	197 649 050,83

Changes in the value of investment property are due to change in investment destination reclassification to construction contracts.

Note 4. Other financial assets

LONG-TERM FINANCIAL ASSETS	30-06-2017	31-12-2016
a) shares	236 233 018,01	235 933 018,01
b) loans granted	4 672 456,91	4 978 945,26
c) other long-term investments	503 279,57	0,00
Total long-term financial assets	241 408 754,49	240 911 963,27

LONG-TERM FINANCIAL ASSETS	30-06-2017	31-12-2016
a) in subsidiaries	240 695 924,92	240 702 413,27
- shares	236 023 468,01	235 723 468,01
- other securities	0,00	0,00
- loans granted	4 672 456,91	4 978 945,26
- other long-term financial assets	0,00	0,00
b) in other parties	712 829,57	209 550,00
- shares	209 550,00	209 550,00
- other securities	503 279,57	0,00
- loans granted	0,00	0,00
- other long-term financial assets	0,00	0,00
Total long-term financial assets	241 408 754,49	240 911 963,27

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Note 5. Trade and other receivables

NON-CURRENT RECEIVABLES	30-06-2017	31-12-2016
a) guarantee receivables	0,00	0,00
b) deposit receivables(lease)	0,00	0,00
c) other receivables	2 010 311,87	1 885 418,96
Total receivables	2 010 311,87	1 885 418,96

2. CURRENT ASSETS

Note 6. Inventories

INVENTORIES	30-06-2017	31-12-2016
a) materials	1 630 932,78	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	27 454 232,93	27 425 754,76
e) trade advances	11 064,09	58 906,39
Total inventories	29 096 229,80	28 966 002,80

Note 7. Construction contracts

CONSTRUCTION CONTRACTS	30-06-2017	31-12-2016
a) semi-finished products and work in progress	583 165 480,45	462 795 786,01
b) finished products	11 106 630,84	51 230 350,50
c) trade advances	7 349 671,65	3 845 831,41
d) short-term prepayments	118 618,07	118 618,07
Total construction contracts	601 740 401,01	517 990 585,99

CONSTRUCTION CONTRACTS	30-06-2017	31-12-2016
a) accruals	426 007 201,43	309 521 338,23
Total construction contracts	426 007 201,43	309 521 338,23

Accruals	30-06-2017	31-12-2016
- advances on premises	425 560 903,93	308 499 908,02
- works reserves	127 762,71	583 872,23
- other	318 534,79	437 557,98
Total accruals	426 007 201,43	309 521 338,23

Note 8. Trade and other receivables

CURRENT RECEIVABLES	30-06-2017	31-12-2016
a) trade receivables - related parties	25 372 271,41	28 769 900,92
b) trade receivables - other parties	20 011 065,96	20 884 595,48
c) taxes, subsidies, customs duties, social and health insurance and other payments	1 921 125,37	436 486,05
d) other	11 384 838,47	3 912 209,02
Total receivables	58 689 301,21	54 003 191,47

Note 9. Other financial assets

INWESTYCJE KRÓTKOTERMINOWE	30-06-2017	31-12-2016
a) shares	0,00	0,00
b) loans granted	58 994 277,65	61 400 184,46
c) inne papiery wartościowe	551 707,21	361 569,64
d) other short-term investments	0,00	0,00
Total long-term financial assets	59 545 984,86	61 761 754,10

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SHORT-TERM INVESTMENTS	30-06-2017	31-12-2016
a) in subsidiaries	58 118 408,27	60 342 697,09
- shares	0,00	0,00
- other securities	202 418,00	0,00
- loans granted	57 915 990,27	60 342 697,09
- other short-term financial assets	0,00	0,00
b) in other parties	1 427 576,59	1 419 057,01
- shares	0,00	0,00
- other securities	349 289,21	361 569,64
- loans granted	1 078 287,38	1 057 487,37
- other short-term financial assets	0,00	0,00
Total short-term investments	59 545 984,86	61 761 754,10

Note 10. Cash and cash equivalents

CASH AND CASH EQUIVALENTS	30-06-2017	31-12-2016
a) cash on hand and with bank	85 209 723,03	69 578 318,52
b) other cash	66 000 747,80	747,80
c) other cash equivalents	15 005,49	43 708,45
Total cash and cash equivalents	151 225 476,32	69 622 774,77

ŚRODKI NA RACHUNKACH POWIERNICZYCH	30-06-2017	31-12-2016
Cash in escrow accounts	69 882 485,87	58 218 235,50
JW. Construction Holding SA	69 882 485,87	58 218 235,50

Note 11. Accruals

ACCRUALS	30-06-2017	31-12-2016
a) d) short-term prepayments	14 450 157,19	8 945 154,04
Total accruals	14 450 157,19	8 945 154,04

Accruals	30-06-2017	31-12-2016
- property insurance	24 869,29	104 331,55
- interest	3 091 418,62	1 675 923,29
- commission	7 892 111,72	6 545 148,71
- property tax, perpetual usufruct, road tax	2 815 865,17	0,00
- other	625 892,39	619 750,49
Total accruals	14 450 157,19	8 945 154,04

3. PAYABLES

Note 12. Borrowings

BORROWINGS	30-06-2017	31-12-2016
a) credits	65 210 251,17	73 185 389,92
<i>of which: long-term</i>	<i>50 225 182,81</i>	<i>58 192 685,94</i>
<i>short-term</i>	<i>14 985 068,36</i>	<i>14 992 703,98</i>
b) loans	5 073 168,21	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>5 073 168,21</i>	<i>1 804 258,73</i>
Total borrowings	70 283 419,38	78 179 876,87
Total borrowings - long-term	50 225 182,81	61 382 914,16
Total borrowings - short-term	20 058 236,57	16 796 962,71

CREDITS PER MATURITY	30-06-2017	31-12-2016
Up to 1 year	14 985 068,36	14 992 703,98
Over 1 year up to 2 years	23 017 985,50	44 587 177,32
Over 2 year up to 5 years	27 207 197,31	13 605 508,62
Over 5 years	0,00	0,00
Total credits, including:	65 210 251,17	73 185 389,92

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- long-term	50 225 182,81	58 192 685,94
- short-term	14 985 068,36	14 992 703,98

LOANS PER MATURITY	30-06-2017	31-12-2016
Up to 1 year	5 073 168,21	1 804 258,73
Over 1 year up to 2 years	0,00	3 190 228,22
Over 2 year up to 5 years	0,00	0,00
Over 5 years	0,00	0,00
Total loans, including:	5 073 168,21	4 994 486,95
- long-term	0,00	3 190 228,22
- short-term	5 073 168,21	1 804 258,73

Note 13. Other long-term liabilities

PROVISIONS FOR OTHER LIABILITIES AND CHARGES	30-06-2017	31-12-2016
a) short-term, of which:	20 257 630,58	20 656 238,04
- accrued expenses, including:	8 856 389,11	10 621 961,19
- <i>interest charged</i>	1 595 567,09	1 586 617,79
- <i>rent deposits</i>	480 433,64	480 433,64
- <i>advances- hotels</i>	1 359 574,28	3 425 189,38
- <i>other</i>	5 420 814,10	5 129 720,38
- other provisions, including:	11 401 241,47	10 034 276,85
- <i>provision for future liabilities</i>	0,00	0,00
- <i>provisions for warranty repairs</i>	0,00	0,00
- <i>other reserves</i>	11 401 241,47	10 034 276,85
a) long-term, of which:	0,00	0,00
- accrued expenses, including:	0,00	0,00
- <i>accounting for excess sales revenue over the carrying amount/leaseback</i>	0,00	0,00
Provision for other liabilities and charges in total	20 257 630,58	20 656 238,04

OTHER LONG-TERM LIABILITIES	30-06-2017	31-12-2016
a) lease obligations	1 137 919,17	1 546 189,64
b) deposit liabilities	24 752 224,46	28 747 371,63
c) securities liabilities	121 500 000,00	51 500 000,00
d) Other long-term liabilities	0,00	0,00
e) note liabilities-powiazane	37 103 791,15	16 340 300,01
f) note liabilities-obce	278 051,08	618 862,52
g) loans received - related parties	0,00	0,00
Total other long-term liabilities	184 771 985,86	98 752 723,80

Note 14. Trade and other payables

TRADE AND OTHER PAYABLES	30-06-2017	31-12-2016
a) zobowiązania trade receivables - other parties	38 980 344,14	17 827 277,06
b) zobowiązania) trade receivables - related parties	6 383 757,38	10 571 830,01
c) taxes, customs duties, insurance and other payments	4 683 830,58	3 692 946,87
d) salaries	1 807 281,76	2 096 913,42
e) trade advances received	0,00	0,00
f) loans received - related parties	25 011 764,08	24 663 009,10
g) note liabilities - related parties	51 440 572,32	77 452 406,71
h) other	7 312 174,70	6 465 486,66
Total trade and other payables	135 619 724,96	142 769 869,83

OTHER LIABILITIES	30-06-2017	31-12-2016
a) debt securities issue liabilities	76 128 672,98	76 042 890,70
b) promissory note liabilities - other	4 619 562,19	6 389 821,00
c) lease obligations	1 498 562,23	1 395 828,84

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d) other financial liabilities	0,00	0,00
Total other long-term liabilities	82 246 797,40	83 828 540,54

4. OPERATING INCOME EXPENSES

Note 15. OPERATING INCOME

OPERATING INCOME	01-01-2017 to 30-07-2017	01-01-2016 to 30-06-2016
Revenues from sales of products	60 687 267,05	13 465 963,46
Revenues from sales of services	30 348 431,02	41 708 698,79
Revenues from sales of goods	1 133 929,02	2 021 138,33
Total revenues	92 169 627,09	57 195 800,58

	01-01-2017 to 30-07-2017	01-01-2016 to 30-06-2016
Proceeds from sales, including:	92 169 627,09	57 195 800,58
-sales of products – units, plots, buildings	60 687 267,05	13 465 963,46
-sales of services	30 348 431,02	41 708 698,79
-sales of goods	1 133 929,02	2 021 138,33

	01-01-2017 to 30-07-2017	01-01-2016 to 30-06-2016
Revenues from sales of products and services by segment	91 035 698,07	55 174 662,25
-real estate development activity	67 783 937,37	33 945 923,12
-Business activity related to hotels	20 363 765,15	18 687 986,38
-real estate management	2 887 995,55	2 540 752,75

	01-01-2017 to 30-07-2017	01-01-2016 to 30-06-2016
Revenues from sales of products – premises, plots, buildings by geographic segment	60 687 267,05	13 465 963,46
-Warsaw and the surrounding area	3 232 211,70	8 451 753,12
-Gdynia	56 893 305,35	10 777,23
- Łódź	0,00	190 760,82
- Szczecin	561 750,00	800 980,88
- Poznań	0,00	4 011 691,41

	01-01-2017 to 30-07-2017	01-01-2016 to 30-06-2016
Revenue from hotel services by geographical segment	20 363 765,15	18 687 986,38
-Warsaw and the surrounding area	2 667 508,36	2 549 622,74
- Tarnowo	2 796 719,19	2 973 885,26
- Stryków	2 051 235,37	1 952 513,71
- Krynica Górská	12 848 302,23	11 211 964,67

Note 16. Operating expenses

OPERATING EXPENSES	01-01-2017 to 30-07-2017	01-01-2016 to 30-06-2016
Costs on sale of products	48 214 133,44	19 712 705,85
Costs on sale of services	23 966 050,03	31 553 853,88
Costs on sale of goods	1 141 176,57	2 052 800,07
Total costs of products, services and goods sold	73 321 360,04	53 319 359,80

	01-01-2017 to 30-07-2017	01-01-2016 to 30-06-2016
Sales and overhead expenses		
Sales expenses	12 285 962,07	8 076 628,23
Overhead expenses	8 998 911,22	7 439 165,06
Total sales and overhead expenses	21 284 873,29	15 515 793,29

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Costs by type	01-01-2017 to 30-07-2017	01-01-2016 to 30-06-2016
Depreciation and amortization	3 954 483,25	3 334 900,89
Cost of materials and energy	10 114 753,36	8 429 002,36
Services rendered by other contractions	128 537 516,63	79 540 642,63
Taxes and duties	4 671 504,46	4 183 622,88
Wages and Salaries	14 833 580,97	13 173 040,63
Social security and other payments to the benefit of employees	2 394 511,86	2 206 614,43
Other costs of type	5 131 929,37	3 048 105,17
Total costs by type	169 638 279,90	113 915 928,99

Note 17. Other operating income

OPERATING INCOME	01-01-2017 to 30-07-2017	01-01-2016 to 30-06-2016
a) income from sale of non-financial fixed assets	245,00	0,00
b) other operating income	266 678,49	842 896,07
Total operating income	266 923,49	842 896,07

OPERATING INCOME	01-01-2017 to 30-07-2017	01-01-2016 to 30-06-2016
a) income from sale of non-financial fixed assets	245,00	0,00
b) handling charged, fines	77 861,10	535 121,04
c) reserves, updating allowances	0,00	0,00
d) assets disclosure	0,00	0,00
e) others (including damages)	188 817,39	307 775,03
Total operating income	266 923,49	842 896,07

Note 18. Other operating expenses

OPERATING EXPENSES	01-01-2017 to 30-07-2017	01-01-2016 to 30-06-2016
a) loss on disposal of non-financial fixed assets	0,00	102 753,81
b) revaluation of non-financial assets	0,00	0,00
c) other operating expenses	6 041 645,76	6 536 246,35
Total operating income	6 041 645,76	6 639 000,16

OPERATING EXPENSES	01-01-2017 to 30-07-2017	01-01-2016 to 30-06-2016
a) loss on disposal of non-financial fixed assets	0,00	102 753,81
b) revaluation of non-financial assets	0,00	0,00
c) reserves	5 491 503,24	1 108 944,54
d) compensation, penalties and damages	347 723,65	1 981 607,38
e) compensation	983,00	0,00
f) litigation costs	90 286,16	256 565,22
g) costs of discontinued investments	0,00	2 945 532,34
h) other (including perpetual usufruct_lawsuit)	111 149,71	243 596,87
Total operating income	6 041 645,76	6 639 000,16

Note 19. Financial Revenues

FINANCIAL REVENUES	01-01-2017 to 30-07-2017	01-01-2016 to 30-06-2016
a) dividends	11 491 179,61	0,00
b) interest	914 163,79	1 303 206,02
c) revaluation of investments	0,00	0,00

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d) profit on disposal of investments	0,00	0,00
e) other	1 693,92	1 884 544,19
Total financial revenues	12 407 037,32	3 187 750,21

FINANCIAL REVENUES	01-01-2017 to 30-07-2017	01-01-2016 to 30-06-2016
a) dividends	11 491 179,61	0,00
b) interest from customers	61 227,63	-435 464,16
c) loan interest	593 774,97	641 252,46
d) deposit interest,	245 811,52	181 078,27
e) interest on promissary notes	13 349,67	7 596,40
f) other interest	0,00	908 743,05
g) foreign exchange differences	0,00	1 833 611,61
h) investment revaluation	0,00	0,00
i) profit on disposal of investments	0,00	0,00
j) other	1 693,92	50 932,58
Total	12 407 037,32	3 187 750,21

Note 20. Financial expenses

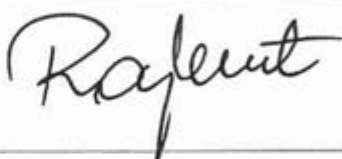
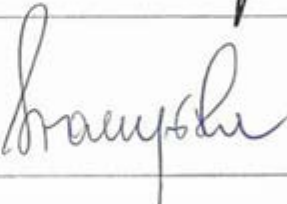
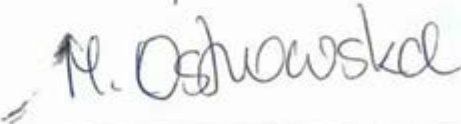

FINANCIAL EXPENSES	01-01-2017 to 30-07-2017	01-01-2016 to 30-06-2016
a) interest	7 472 074,55	10 516 443,47
b) investment revaluation	0,00	0,00
c) loss on disposal of investments	0,00	4 709,26
d) other	4 247 810,96	2 200,86
Total financial expenses	11 719 885,51	10 523 353,59

FINANCIAL EXPENSES	01-01-2017 to 30-07-2017	01-01-2016 to 30-06-2016
a) interest, commissions, loans	1 490 842,92	2 129 013,50
b) interest-leasing	56 594,33	12 334,87
c) interest- loans	427 436,24	445 964,63
d) interest- promissory notes	1 703 166,95	2 581 703,94
e) interest- bond issuance	3 699 260,25	5 127 231,42
f) other interest	94 773,86	220 195,11
g) foreign exchange differences	4 147 810,96	0,00
h) loss on disposal of investments	0,00	4 709,26
i) other	100 000,00	2 200,86
Total financial expenses	11 719 885,51	10 523 353,59

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, 20 września 2017 r.