

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD OF 6 MONTHS ENDED ON 30 JUNE 2019

Prepared in accordance with International
Financial Reporting Standards



Ząbki, 29 August 2019

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A. INTRODUCTION TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION ABOUT THE CAPITAL GROUP

1.1 1.1 Name, registered office, registration authorities, subject of the Dominant Entity's activity

J.W. Construction Holding S.A. ("Company", „Dominant Entity") with its registered office in Ząbki at 326 Radzymińska St., REGON no. 010621332, was initially registered as Towarzystwo Budowlano-Mieszkaniowe Batory sp. z o.o. on 7 March 1994 under 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. J.W. Construction Holding S.A. and was entered into the National Court Register under number KRS 000028142.

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

1.2 Lifetime of the Dominant Entity

As at June 30, 2019, the lifetime of the Dominant Entity is unlimited The financial year for the company is a calendar year, i.e. period between January 1 and December 31.

1.3 Governing Bodies of the Dominant Entity

Management Board Members

As at 30.06.2019 Management Board comprised of:
Wojciech Rajchert – Management Board Member
Małgorzata Ostrowska – Management Board Member
Małgorzata Pisarek – Management Board Member

In the first half of 2019 the following changes to the composition of Management Board took place:

On 29 April 2019 Mr Piotr Suprynowicz was dismissed from the position of Member of the Management Board of the Company.

Supervisory Board Members

As at 30.06.2019 the Supervisory Board comprised of
Józef Wojciechowski – Chairman of the Supervisory Board
Irmina Łopuszyńska – Supervisory Board Member
Małgorzata Szwarz - Sroka – Supervisory Board Member
Jacek Radziwiłski – Supervisory Board Member
Barbara Czyż – Supervisory Board Member
Marek Maruszyński – Supervisory Board Member
Ryszard Matkowski – Supervisory Board Member

In the first half of 2019 no changes to the composition of Supervisory Board took place.

1. Approval of the financial statements for publishing

These interim condensed consolidated financial statements were approved for publication and signed by the Management Board on 29 August 2019.

1.5 Going concern

J.W. Construction Holding S.A. Capital Group assumes continuation of business activity and comparability of financial statements. As at the balance sheet date, J.W. Construction Holding S.A. Capital Group did not identify any circumstances indicating a threat to the continued activity, at least within 12 months after the end of the reporting period, i.e. 30 June 2019.

1.6 Period covered by the report

The presented interim condensed consolidated financial statements cover the period from 1 January 2019 to 30 June 2019, and the comparable financial data and explanatory notes cover the period from 1 January 2018 to 30 June 2018 and as at 31 December 2018 in the case of the statement of financial position and changes in equity.

1.7 Basic information on the J.W. Construction Holding Capital Group comprising the parent company and 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, 2019 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
Yakor House Sp. z o.o.	Russia	70,00%	70,00%	full consolidation
Dana Invest Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Varsovia Apartamenty Sp. z o.o. (Bałtycka Invest 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%	99,00%	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
Hanza Invest S.A.	Poland	100,00%	100,00%	full consolidation

*control indirectly exercised through J.W. Construction Sp. z o.o., which holds the remaining 51% of shares in Bliska Wola 4 Sp. z o.o. 2SK.

The core business of the Group's companies is:

- Towarzystwo Budownictwa Społecznego „Marki” Sp. z o.o. – sale and administration of social housing estates,
- J.W. Construction Sp. z o.o. – construction activity, prefabricated units production for the building industry,
- Yakor House Sp. z o.o. - development and sale of own properties on its own account,
- 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. - management of limited partnerships,
- Hanza Invest S.A. - development and sale of properties on its own account,

All Group companies operate in Poland, except for the subsidiary Yakor House Sp. z o.o., which focuses its construction and development activities in Russia. The duration of the Group companies is unlimited.

Preparation of the consolidated financial statement

The consolidated financial statements for the years 2018-2019 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 way that the Group constitutes a single entity. The consolidated financial statements include the financial statements of the dominant entity J.W. Construction Holding S.A. and the financial statements of the subsidiaries controlled by the parent company.

The dominant entity, in the years 2018-2019, excluded from an obligation to consolidate the following subsidiaries:

In 2019:

- J.W. Construction Bułgaria Sp. z o.o.-100%
- Wielopole 19/21 Sp. z o.o. – 100%

In 2018

- J.W. Construction Bułgaria Sp. z o.o.-100%
- Wielopole 19/21 Sp. z o.o. – 100%

The legal basis for the exclusion of companies from the consolidated financial statements was the conceptual assumptions of the International Financial Reporting Standards with respect to limitations of usefulness and reliability of information. According to these assumptions, the benefits gained from the information obtained should exceed the costs of providing it. It was found that the cost of obtaining information on non-consolidated subsidiaries and the cost of including them in the consolidation exceeds the benefits derived therefrom. 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.

2. THE PRINCIPLES OF PREPARATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis for the preparation of the financial statements

These condensed interim consolidated financial statements for the first half of 2019 and comparative periods were prepared in accordance with IAS 34 Interim Financial Reporting and other applicable IAS/IFRS.

These interim condensed consolidated financial statements have been prepared in accordance with the historical cost concept, with the exception of:

- investment property measured at fair value,
- cash and cash equivalents at nominal value,
- financial instruments measured at fair value, except for shares in subsidiaries measured at cost less impairment losses,
- financial liabilities, including loans and borrowings measured at amortised cost using the effective interest rate.

The financial statements have been prepared on an accrual basis, except for the statement of cash flows.

The condensed interim consolidated financial statements do not include all the information and explanations required in the annual financial statements, therefore they should be read in conjunction with the financial statements for the financial year ended 31 December 2018.

2.2 Statement of compliance

These interim condensed consolidated financial statements for the period from 1 January 2019 to 30 June 2019 have been prepared in accordance with applicable IAS/IFRS approved by the European Union (approval by the European Union is understood as publication of standards or interpretations in the form of regulations of the European Commission). To the extent not covered by the above standards, these consolidated annual financial statements have been prepared in accordance with the requirements of the Accounting Act of 29 September 1994 (Journal of Laws of 2019, item 351, as amended) and the secondary legislation issued thereunder. In these interim condensed consolidated financial statements, the general term IFRS is used both in relation to International Financial Reporting Standards and International Accounting Standards.

The accounting principles were applied in compliance with the continuity principle in all presented periods.

2.3 Significant estimations and assumptions

Estimates and assessments are reviewed periodically by the Group companies. When making estimations J.W. Construction Holding S.A. makes the following assumptions referring to the future:

- Estimation of impairment allowance regarding receivables. Impairment allowance is established taking account of expected risk connected with receivables and created collateral having impact on effective debt collection. Although the assumptions are made using the best knowledge, real results may be different than expected.
- Estimations connected with establishing deferred tax assets in accordance with IAS 12. Due to the highly volatile economy it may happen that real earnings and tax income are different than planned.
- Estimation of potential costs of fiscal and court proceedings pending against the Dominant Entity. 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 Dominant 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 Dominant Entity are long-term services. The period of their performance exceeds 6 months.
- Estimates related to the determination of useful lives and residual values of tangible and intangible fixed assets.

2.4 Changes in accounting principles

The accounting principles (policy) applied to prepare these financial statements for the first half of 2019 are consistent with those applied to prepare the annual financial statements for 2018, except for the changes described below.

The same principles were applied for the current and comparable period. A detailed description of the accounting principles adopted by J.W. Construction Holding Capital Group was presented in the annual consolidated financial statements for 2018, published on 21 March 2019.

2.5 Application of new standards, amendments to standards and interpretations

New standards, interpretations and amendments to published standards, which were approved and published by the European Union and came into force on or after 1 January 2019

IFRS 16 „Leasing“

This standard establishes principles for recognition, measurement, presentation and disclosure of leases. All leasing transactions result in the lessee obtaining the right to use the assets and liability for the obligation to pay. Thus, IFRS 16 abolishes the classification of operating leases and finance leases as defined so far by IAS 17 and introduces a single model for the accounting recognition of a lease by a lessee.

In accordance with IFRS 16, the lessee recognises the right to use the asset and the lease liability. The right to use an asset is treated similarly to other non-financial assets and depreciated accordingly. Lease commitments shall be measured initially at the present value of the lease payments over the lease term, discounted at the lease rate if this is not difficult to determine, or at the marginal interest rate. IFRS 16 defines a lease term as the total non-cancellable period during which the lessee has the right to use the asset. The lease term also includes optional periods when an entity is confident that the option to renew (or not to renew) the lease will be exercised.

The Group decided to implement IFRS 16 as of 1 January 2019 using the simplified approach, i.e. retrospectively with the combined effect of the first application of this standard recognised at the date of first application. The description of the effects of adopting IFRS 16 is described below in section "First-time Adoption of IFRS 16 Leases".

Other standards

- Amendments to IFRS 9 "Financial Instruments" Characteristics of the prepayment option with negative offset - modify the existing rights requirements for early termination of the contract to allow the valuation at amortized cost (or, depending on the business model, at fair value through other comprehensive income), in the case of negative compensation payments. The amendments provide that the sign (plus or minus) of the prepayment amount is not material - ie, depending on the interest rate applicable at the time

the contract is terminated, a payment may be made to the party resulting in early repayment. The calculation of this compensation must be the same in both the penalty for early repayment as well as in the case of profit due to early repayment. Date of application - an annual period commencing on January 2019 or after that date.

- Interpretation of IFRIC 23 "Uncertainty over income tax treatments" - it may be unclear how the tax law relates to a specific transaction or circumstance or whether the tax authority will accept taxation of the entity. IAS 12, Income Taxes, defines how current and deferred taxes are settled, but does not reflect the effects of uncertainty. IFRIC 23 contains guidelines that complement the requirements of IAS 12, specifying how to reflect the effects of uncertainty when recognizing income tax. Date of application - an annual period commencing on January 2019 or after that date.
- Amendments to IAS 28 "Investments in Associates and Joint Ventures" - long-term shares in associates and joint ventures have been introduced to clarify that an entity applies IFRS 9 (including impairment regulations) to long-term shares in associates or joint ventures, which are included in the net investment in an associate or joint venture, for which the equity method was not applied. The amendments also remove paragraph 41, as it was considered that this paragraph only repeated the requirements contained in IFRS 9 and caused confusion regarding the settlement of long-term shares. Date of application - an annual period commencing in January 2019 or after that date.
- Amendments to IFRS (cycle 2015-2017) - changes made as part of the process of introducing annual amendments to IFRS (IFRS 3, IFRS 11, IAS 12 and IAS 23) mainly focused on solving incompatibilities and refinement of vocabulary (valid for annual periods beginning with on January 1, 2019 or after that date).
- Amendments to IAS 19 "Employee benefits" - change, limitation or settlement of the plan require that after the plan change, apply the updated valuation assumptions in order to determine current service costs and net interest for the remaining part of the reporting period. Date of application - an annual period commencing on January 2019 or after that date.

All the above mentioned changes have been analyzed by the Management Board of the Company. Apart from introducing changes resulting from the application of IFRS 16 Leases, which was implemented by the Company as of 1 January 2019 (as described in this note), the Management Board of the Company believes that the other aforementioned changes do not have a material impact on the financial position, results of the Company's operations or the scope of information presented in these interim condensed financial statements.

First-time Adoption of IFRS 16 "Leases"

The Group has implemented IFRS Leasing since 1 January 2019. The Group applied the standard retrospectively with the total effect of the first application recognised on the date of first application. Therefore, the Group did not make any conversion of comparative data. As a result of the Management Board's analysis, as at the date of first-time adoption of IFRS 16, new significant assets meeting the criteria of the new standard were recognised in the Group's balance sheet. Based on the general definition of leasing, the Group companies identified that the perpetual usufruct of land in accordance with IFRS 16 meets the definition of leasing and should be recognized in the consolidated statement of financial position as an asset due to the right to use. The right of perpetual usufruct of land concerns land used by the Group companies for current operations as well as land purchased for development projects.

The Group decided to use the exemption included in paragraph 5 of IFRS 16 concerning short-term lease agreements and low-value lease agreements.

With regard to agreements identified as leasing before the date of first application of IFRS 16, i.e. in accordance with IAS 17, the Group used the solution provided for in IFRS 16 and did not reassess whether the agreement is a lease. Therefore, IFRS 16 was not applied to agreements that had not been identified as agreements containing leases before the date of first application.

The table below presents the impact of first-time adoption of IFRS 16 as at 1 January 2019:

J.W. Construction Holding SA
Interim condensed financial statements
for the period of 6 months ended on 30 June 2019

Assets	01-01-2019	adjustments due to the application of IFRS 16	31-12-2018
Fixed assets			
Right to use an asset	8 431 131,84	8 431 131,84	0,00
Current assets			
Right to use an asset	2 449 424,08	2 449 424,08	0,00
Liabilities			
Future long-term discounted lease payments	9 345 499,14	9 345 499,14	0,00
Future short-term discounted lease payments	1 535 056,78	1 535 056,78	0,00

Note presenting the impact of the first-time adoption of IFRS 16, presented in the financial statements as at 31 December 2018:

Right to use an asset	113 522 125,21
Future long-term discounted lease payments	106 701 655,04
Future short-term discounted lease payments	6 820 470,17

The main difference between the impact of the first application of IFRS 16 as at 1 January 2019 presented in the above note and the note presented in the consolidated financial statements for 2018 results from the period for which future lease payments were discounted. In the note above, future lease payments were discounted to the time of execution of development projects. In the note presented in the consolidated statement for 2018, future lease payments were discounted to the period for which this right is granted for individual properties.

As at 1 January 2019, as a lessee, the Group recognised future lease payments measured at the present value of other lease payments, discounted at the Group's marginal interest rates, and recognised assets under the right of use at an amount equal to the lease payment.

On 20 July 2018 the Act on transformation of the right of perpetual usufruct of land developed for housing purposes into the ownership right to such land entered into force. In relation to land on which residential buildings were already constructed as at January 1, for which a permit to use the land was issued before that date, the perpetual usufruct right to land is transformed into the ownership right to such land. With respect to land developed with multi-family residential buildings, which were not put into use before 1 January 2019, the moment of transformation will be the date when the decision authorising the use of the building becomes legally binding.

The Group considers the land subject to the above described transformation in the same way as the land in relation to which it was a perpetual usufructuary, treating the transformation fees in the same way as the fees for perpetual usufruct.

According to the Group's estimates, based on plans concerning operating activity in particular properties for which, as at 1 January 2019, the Group had the right of perpetual usufruct in the amount of PLN 10,881 thousand of liabilities arising from the lease of land disclosed in the balance sheet:

- amount of PLN 1 535 thousand is subject to payment by the Group within 12 months from 1 January 2019,
- amount of PLN 9 345 thousand will be subject to payment by the Group in the period over 12 months from 1 January 2019.

2.5.2 New standards, interpretations and amendments to published standards, which have been issued by the International Accounting Standards Board (IASB), have been approved by the European Union, but have not yet come into force

When approving these financial statements, the Company did not apply the following standards, amendments to standards and interpretations, which were published by the IASB and approved for application in the EU, but which have not yet come into force. The Company intends to apply them for the periods for which they are effective for the first time:

- Amendments to IFRS 3 "Business Combinations" - the amendment clarifies the definition of "a business" and aims to distinguish more easily between business acquisitions and groups of assets for the purpose of merger settlement (effective for annual periods beginning on or after 1 January 2020).
- Changes in the scope of references to the Conceptual Assumptions in IFRS will apply from 1 January 2020.
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - clarify the definition of materiality and increase consistency between standards, but are not expected to have a significant impact on the preparation of financial statements. The amendment is mandatory for annual periods beginning on 1 January 2020 or after.
- IFRS 17 Insurance Contracts - The new standard requires the measurement of insurance liabilities at the present value of the payment and ensures a more uniform approach to the measurement and presentation of all insurance contracts. These requirements aim to achieve consistent accounting for insurance contracts based on specified accounting principles. IFRS 17 replaces IFRS 4 "Insurance Contracts" and related interpretations at the date of application of the new standard. Date of application - an annual period commencing on 1 January 2019 or after that date.

The Group is in the process of analysing the impact of the above mentioned standards, interpretations and amendments to standards. According to the Company's current estimates, they will not have a material impact on the financial statements during the period of their first application.

2.6 Comparability of data

There were no changes in the presentation of financial data in the comparative periods.

2.7 Measurement and financial statements currency

Items included in the financial statements of individual Group entities are measured in the currency of the basic economic environment in which the entity operates (functional currency).

The functional and presentation currency of the dominant entity is the Polish zloty (PLN). The reporting currency of the Group's financial statements is the Polish zloty (PLN). The functional currency of some of the Group's companies is a currency other than the Polish zloty. The financial statements of these companies, prepared in their functional currencies, are included in these consolidated financial statements after translation into PLN in accordance with IAS 21.

B. INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Note	30-06-2019	31-12-2018
FIXED ASSETS		781 622 511,82	753 510 269,74
Intangible assets	1	12 934 961,25	12 910 444,99
Tangible assets	3	428 963 146,04	422 763 726,72
Investment real estate	4	275 327 800,83	259 161 999,55
Other financial assets	5	12 836 461,39	13 123 092,26
Deferred income tax assets	15	42 583 118,22	42 711 740,57
Trade and other receivables	6	2 835 833,95	2 839 265,65
Right to use an asset		6 141 190,14	0,00
CURRENT ASSETS		1 060 210 081,38	1 042 071 883,40
Inventories	7	30 762 203,45	29 120 485,20
Construction contracts	7	800 357 469,65	774 677 251,30
Trade and other receivables	8	40 001 953,10	39 469 536,79
Other financial assets	9	62 281 612,10	59 271 955,41
Cash and cash equivalents	10	102 114 998,52	122 484 500,34
Accruals	11	20 923 227,42	17 048 154,36
Right to use an asset		3 768 617,14	0,00
Total assets		1 841 832 593,20	1 795 582 153,14
LIABILITIES			
EQUITY		691 616 364,64	693 704 048,98
Primary capital	12	17 771 888,60	17 771 888,60
Revaluation reserve		7 493 208,19	7 493 208,19
Own shares (stocks)		-4 068 524,70	0,00
Other capitals	13	717 092 332,36	696 326 656,22
Retained earnings		-48 074 336,97	-44 420 280,93
Net profit / loss		1 401 797,16	16 532 576,90
LIABILITIES		1 140 910 219,63	1 101 878 104,14
Non-current liabilities		373 039 807,17	367 487 780,62
Borrowings	14	143 108 502,14	101 430 756,35
Deferred income tax liabilities	15	39 986 197,73	40 032 145,88
Retirement benefits liabilities	16	241 204,48	241 204,48
Provisions for other liabilities	17	55 445 284,45	55 126 188,44
Other liabilities	18	134 258 618,36	170 657 485,47
Current liabilities		767 870 412,46	734 390 323,52
Trade and other payables	19	71 446 215,93	62 909 836,74
Construction contracts	7	561 253 718,65	513 534 527,58
Borrowings	14	23 194 374,68	40 974 620,09
Provisions for other liabilities and other charges	17	29 679 036,68	39 504 479,20
Other liabilities	19	82 297 066,53	77 466 859,91
FUTURE LONG-TERM DISCOUNTED LEASE PAYMENTS		8 098 321,30	0,00
FUTURE SHORT-TERM DISCOUNTED LEASE PAYMENTS		1 207 687,63	0,00
Total liabilities and equity		1 841 832 593,20	1 795 582 153,14

C. INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD OF 6 MONTHS ENDED ON 30 JUNE 2019

	Note	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
Net revenues from sales of products, goods and materials, including:	24	172 078 359,14	89 750 367,23
Net revenues from sales of products		169 966 270,57	87 542 172,49
Net revenues from sales of goods and materials		2 112 088,57	2 208 194,74
Costs of products, goods and materials sold, including:	25	136 252 757,12	85 344 256,49
Cost of products sold		134 190 660,59	83 138 444,03
Value of goods and materials sold		2 062 096,53	2 205 812,46
Gross profit (loss) from sales		35 825 602,02	4 406 110,74
Costs of sales		11 303 439,00	10 328 004,59
Overheads		16 036 466,40	11 731 600,18
Revaluation of investment property		-824 000,94	-4 052 202,88
Profit (loss) from sales		7 661 695,68	-21 705 696,91
Other operating income	26	878 709,39	918 144,96
Other operating expenses	27	3 094 910,59	3 879 590,09
Profit (loss) on operations		5 445 494,48	-24 667 142,04
Financial revenues	28	2 808 785,58	11 087 375,41
Financial costs	29	6 769 808,70	13 989 556,34
Profit (loss) on business activity		1 484 471,36	-27 569 322,97
Gross profit (loss)		1 484 471,36	-27 569 322,97
Income tax	22	82 674,20	-6 134 293,68
Net profit (loss)		1 401 797,16	-21 435 029,28

Other comprehensive income:		579 043,19	-96 171,83
Foreign exchange rate operation differences		579 043,19	-96 171,83
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		1 980 840,35	-21 531 201,11

CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE		01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
Profits			
(A) Profit resulting from the financial statements		1 401 797,16	-21 435 029,28
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)		0,02	-0,24
Diluted earnings per share = (A)/(B)		0,02	-0,24

D. INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD OF 6 MONTHS ENDED ON 30 JUNE 2019

Cash flows from operating activities - indirect method	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
Net profit (loss)	1 401 797,16	-21 435 029,28
Item adjustment	-62 327,09	2 292 556,74
Depreciation and amortization	6 251 938,62	5 399 973,00
(Profit) loss on foreign exchange differences concerning financial and business activity	451 969,67	-1 774 189,56
Profit (loss) on investment activities	0,00	0,00
Profit (loss) on investment activities - shares	0,00	0,00
Interest and dividends	3 250 205,74	4 028 438,28
Changes in provisions and accruals	-10 561 069,03	-9 371 869,04
Other adjustments	544 627,91	4 010 204,06
- investment property write-off	824 000,94	4 052 202,88
- other adjustments	-279 373,03	-41 998,82
Changes in working capital	27 359 064,32	121 013 465,88
Changes in inventories	-1 641 718,25	1 674 850,96
Changes in construction contracts	22 676 796,89	110 238 198,75
Changes in investment real estate	1 796 352,44	0,00
Changes in receivables	-528 984,61	2 761 422,33
Changes in current liabilities, except for borrowings	5 056 617,85	6 338 993,83
Net cash flows from operating activities	28 698 534,39	101 870 993,34
Investment activity cash flows		
Disposal of tangible and intangible assets and other noncurrent assets	9 701 809,50	0,00
Acquisition of tangible and intangible assets and other noncurrent assets	-38 462 682,42	-68 031 229,07
Expenses related to assets held for sale	0,00	0,00
Acquisition of equity and debt instruments	-1 043 000,00	-16 952 023,27
Disposal of equity and debt instruments		14 795 666,97
Loans granted	-1 389 804,41	-5 879 818,85
Loans paid	83 333,31	0,00
Other financial assets acquisition	0,00	0,00
Other disposals of financial assets	0,00	0,00
Dividends received	0,00	0,00
Interest received	99 180,00	1 062 459,81
Disposal of subsidiaries	0,00	0,00
Acquisition of subsidiaries	0,00	0,00
Net investment activity cash flow	-31 011 164,02	-75 004 944,41
Cash flows from financing activities		
Acquisition of own shares or repayment of shares	-4 068 524,70	0,00
Loans and borrowings granted	53 842 970,28	7 879 393,62
Loans and borrowing paid	-30 039 397,47	-36 636 664,95
Issuance of security papers	0,00	0,00
Redemption of debt securities	-28 000 000,00	-7 000 000,00
Payments under financial lease agreements	-1 129 144,89	-641 420,17
Dividends and other shares in profits	0,00	0,00
Interest paid	-8 662 775,42	-11 440 393,68
Other financial proceeds (including promissory notes)	0,00	0,00
Other financial expenses (including promissory notes)	0,00	0,00
Net financing cash flow	-18 056 872,20	-47 839 085,18
NET DECREASE / (INCREASE) IN CASH	-20 369 501,83	-20 973 036,25
Opening balance of cash and cash equivalents	122 484 500,34	174 271 089,37
- change in cash due to exchange rate differences	0,00	0,00
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	102 114 998,52	153 298 054,10

E. INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD OF 6 MONTHS ENDED ON 30 JUNE 2019

	Share capital	Own shares (negative value)	Revaluation reserve	Reserve capital	Other capitals	Capital from valuation of hedging transactions and foreign exchange differences from consolidation	Retained earnings	Net result	Equity
As at 31 December 2018	17 771 888,60	0,00	7 493 208,19	692 071 910,38	7 947 307,60	-3 692 561,76	-44 420 280,93	16 532 576,90	693 704 048,98
As at 1 January 2019	17 771 888,60	0,00	7 493 208,19	692 071 910,38	7 947 307,60	-3 692 561,76	-44 420 280,93	16 532 576,90	693 704 048,98
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	-4 068 524,70	0,00	-50 000 000,00	50 000 000,00*	0,00	0,00	0,00	-4 068 524,70
Own shares redemption	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Foreign exchange rate differences due to the calculation of financial statements of foreign subsidiaries	0,00	0,00	0,00	0,00	0,00	579 043,19	0,00	0,00	579 043,19
Profit/loss from 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	0,00	0,00	0,00
Consolidating company	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	-4 068 524,70	7 493 208,19	642 071 910,38	57 947 307,60	-3 113 518,57	-44 420 280,93	16 532 576,90	690 214 567,47
Net profit (loss) for the accounting year	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1 401 797,16	1 401 797,16
Total profit / (loss) recognized in equity and the net result	17 771 888,60	-4 068 524,70	7 493 208,19	642 071 910,38	57 947 307,60	-3 113 518,57	-44 420 280,93	17 934 374,06	691 616 364,63
Increase / decrease from profit distribution	0,00	0,00	0,00	20 186 632,95	0,00	0,00	-3 654 056,04	-16 532 576,90	0,00
As at 30 June 2019	17 771 888,60	-4 068 524,70	7 493 208,19	662 258 543,32	57 947 307,60	-3 113 518,57	-48 074 336,97	1 401 797,16	691 616 364,63

*The amount of PLN 50 million constitutes a fund for the purchase of own shares, which will be implemented pursuant to the resolution of the Extraordinary General Meeting of 15 March 2019, not longer than until 14 March 2024. As at 30 June 2019, shares of PLN 4,068,524.70 were purchased.

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	Share capital	Own shares (negative value)	Revaluation reserve	Reserve capital	Other capitals	Capital from valuation of hedging transactions and foreign exchange differences from consolidation	Retained earnings	Net result	Equity
As at 31 December 2017	17 771 888,60	0,00	7 490 208,19	638 322 939,75	7 947 307,60	-2 922 760,52	-16 318 050,13	25 936 092,09	678 227 625,57
As at 1 January 2018	17 771 888,60	0,00	7 490 208,19	638 322 939,75	7 947 307,60	-2 922 760,52	-16 318 050,13	25 936 092,09	678 227 625,57
Share issuance	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Purchase of own shares	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Own shares redemption	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Foreign exchange rate differences due to the calculation of financial statements of foreign subsidiaries	0,00	0,00	0,00	0,00	0,00	-769 801,24	0,00	0,00	-769 801,24
Profit/loss from 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	3 000,00	0,00	0,00	0,00	-289 352,26	0,00	-286 352,26
Consolidating company	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	7 493 208,19	638 322 939,75	7 947 307,60	-3 692 561,76	-16 607 402,39	25 936 092,09	677 171 472,07
Net profit (loss) for the accounting year	0,00	0,00	0,00	0,00	0,00	0,00	0,00	16 532 576,90	16 532 576,90
Total profit / (loss) recognized in equity and the net result	17 771 888,60	0,00	7 493 208,19	638 322 939,75	7 947 307,60	-3 692 561,76	-16 607 402,39	42 468 668,99	693 704 048,98
Increase / decrease from profit distribution	0,00	0,00	0,00	53 748 970,63	0,00	0,00	-27 812 878,54	-25 936 092,09	0,00
As at 31 December 2018	17 771 888,60	0,00	7 493 208,19	692 071 910,38	7 947 307,60	-3 692 561,76	-44 420 280,93	16 532 576,90	693 704 048,98

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Interim condensed financial statements
for the period of 6 months ended on 30 June 2019

	Share capital	Own shares (negative value)	Revaluation reserve	Reserve capital	Other capitals	Capital from valuation of hedging transactions and foreign exchange differences from consolidation	Retained earnings	Net result	Equity
As at 31 December 2017	17 771 888,60	0,00	7 490 208,19	638 322 939,75	7 947 307,60	-2 922 760,52	-16 318 050,13	25 936 092,09	678 227 625,57
As at 1 January 2018	17 771 888,60	0,00	7 490 208,19	638 322 939,75	7 947 307,60	-2 922 760,52	-16 318 050,13	25 936 092,09	678 227 625,57
Share issuance	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Purchase of own shares	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Own shares redemption	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Foreign exchange rate differences due to the calculation of financial statements of foreign subsidiaries	0,00	0,00	0,00	0,00	0,00	-96 171,83	0,00	0,00	-96 171,83
Profit/loss from 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	0,00	0,00	0,00
Consolidating company	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	638 322 939,75	7 947 307,60	-3 018 932,35	-16 318 050,13	25 936 092,09	678 131 453,74
Net profit (loss) for the accounting year	0,00	0,00	0,00	0,00	0,00	0,00	0,00	-21 435 029,28	-21 435 029,28
Total profit / (loss) recognized in equity and the net result	17 771 888,60	0,00	7 490 208,19	638 322 939,75	7 947 307,60	-3 018 932,35	-16 318 050,13	4 501 062,80	656 696 424,46
Increase / decrease from profit distribution	0,00	0,00	0,00	30 914 938,04	0,00	0,00	-4 978 845,95	-25 936 092,09	0,00
As at 30 June 2018	17 771 888,60	0,00	7 490 208,19	669 237 877,78	7 947 307,60	-3 018 932,35	-21 296 896,08	-21 435 029,28	656 696 424,46

F. SELECTED EXPLANATORY NOTES

INFORMATION ON SIGNIFICANT EVENTS RELATED TO PREVIOUS YEARS INCLUDED IN THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR

In these Financial Statements, no significant events other than those described above (related to changes in accounting policies with respect to the recognition of revenues) have been recognised in the Group's financial statements.

INFORMATION ON SIGNIFICANT EVENTS THAT OCCURRED AFTER THE BALANCE SHEET DATE AND NOT INCLUDED IN THE FINANCIAL STATEMENTS

The interim Financial Statements of the Group for the period from 1 January 2019 to 30 June 2019 include all events that occurred until the date of preparation of this Report, i.e. until 29 August 2019 and affected the Report for the first half of 2019 ended 30 June 2019.

EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Note 1. Intangible assets

INTANGIBLE ASSETS	30-06-2019	31-12-2018
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	545 313,03	520 796,77
d) advances on intangible assets	0,00	0,00
Total intangible assets	12 934 961,25	12 910 444,99

The initial presentation of intangible values takes place in accordance with the cost of acquisition or the 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 amortized on a straight-line basis over their estimated useful lives. The depreciation period and method are verified at the end of each financial year.

As at June 30, 2019, and December 31, 2018, there were no circumstances, as a result of which the Company should create write-offs for intangible assets.

No development work was carried out within the Group in 2018-2019 and no costs were incurred. The companies did not have any advances for intangible assets.

As at 30 June 2019 there is no impairment of goodwill. This value is bound to a real estate investment, from which future cash flow is expected. Once a year, the Company's Management Board analyses the impairment of assets in accordance with IAS 36, inter alia, by comparing the book value of real estate with goodwill to market valuation. The last analysis was made at the end of 2018.

Note 2. Goodwill of subsidiaries

N/A

Note 3. Tangible assets

TANGIBLE ASSETS	30-06-2019	31-12-2018
a) fixed assets, including:	406 498 023,52	406 934 705,99
- land (including perpetual usufruct)	41 475 107,91	41 475 107,91
- buildings, premises and civil engineering structures	333 957 147,19	334 645 190,87
- technical equipment and machinery	18 345 493,75	17 493 872,36
- motor vehicles	2 707 101,19	2 486 922,93
- other fixed assets	10 013 173,47	10 833 611,92
b) fixed assets under construction	22 039 490,77	15 780 597,73
c) advances on fixed assets under construction	425 631,75	48 423,00
Total tangible assets	428 963 146,04	422 763 726,72

The initial recognition of property, plant and equipment is based on the purchase price or production cost. After initial recognition, property, plant and equipment as at the balance sheet date are measured at cost less accumulated depreciation and accumulated impairment losses. Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives.

Fixed assets under construction are valued at the total cost directly related to their acquisition or production, less impairment losses. Fixed assets under construction are not depreciated until their construction is completed and commissioned.

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 companies in the Group, decided on January 1, 2013 to update balance sheet amortization rates being applied in the Czarny Potok hotel, the 500 hotel company in the scope regarding hotels, as well as other activity in other activity of the Company 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	30-06-2019	31-12-2018
a) investment real estate	275 327 800,83	259 161 999,55
b) other	0,00	0,00
Value of other long-term investments	275 327 800,83	259 161 999,55

Investment real estate includes land whose future use remains undefined at present and commercial property under construction.

CHANGES IN INVESTMENT REAL ESTATE	Revaluation to fair value	Value at cost of purchase	Total value of investment property measured at fair value
a) opening balance	85 146 062,90	174 015 936,65	259 161 999,55
expenditure incurred	69 149 257,69	165 303 780,38	234 453 038,07
financial expenses	4 671 710,71	8 712 156,27	13 383 866,98
revaluation value	11 325 094,50	0,00	11 325 094,50
b) increase (due to)	12 575 952,44	31 112 217,84	43 688 170,28
expenditure incurred	6 663 199,07	27 990 436,96	34 653 636,03
financial expenses	384 453,83	3 121 780,88	3 506 234,71
revaluation value	5 528 299,54	0,00	5 528 299,54
reclassification from construction contracts	0,00	0,00	0,00
c) decrease (due to)	21 516 321,05	6 006 047,95	27 522 369,00
incurred expenses - sale, corrections	13 245 129,55	5 747 089,58	18 992 219,13
financial expenses	1 321 702,72	258 958,37	1 580 661,09
revaluation value	824 000,94	0,00	824 000,94
reclassification to construction contracts / goods	6 125 487,84	0,00	6 125 487,84
d) closing balance	76 205 694,29	199 122 106,54	275 327 800,83
expenditures	61 817 437,28	187 547 127,76	249 364 565,04
financial expenses	3 734 461,82	11 574 978,78	15 309 440,60
revaluation value	10 653 795,19	0,00	10 653 795,19

J.W. Construction Holding S.A. for the purpose of the investment property evaluation 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 valuer use the principles in accordance with General National Principles of Valuation adopted by the Polish Federation of Valuers' 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. Uwzględnia 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 established based on the lowest level of the input data.

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
- pair-comparison method
- residual method.

Note 5. Other financial assets

LONG-TERM FINANCIAL ASSETS	30-06-2019	31-12-2018
a) shares	421 716,98	421 716,98
b) loans granted	10 241 108,43	8 855 175,04
c) other long-term investments	2 173 635,98	3 846 200,24
Total long-term financial assets	12 836 461,39	13 123 092,26

LONG-TERM FINANCIAL ASSETS	30-06-2019	31-12-2018
a) in subsidiaries	1 288 812,01	1 367 808,42
- shares	213 166,98	213 166,98
- debt securities	0,00	206 885,86
- other security papers	0,00	0,00
- loans granted	1 075 645,03	947 755,58
- other long-term financial assets	0,00	0,00
b) in other units	11 547 649,38	11 755 283,84
- shares	208 550,00	208 550,00
- debt securities	0,00	0,00
- other security papers	2 173 635,98	3 639 314,38
- loans granted	9 165 463,40	7 907 419,46
- other long-term financial assets	0,00	0,00
c) other long-term investments	0,00	0,00
Total long-term financial assets	12 836 461,39	13 123 092,26

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	Name of a unit (and its legal form)	Registered office	Company business	Affiliation type	Consolidation method	Date of assuming control	Value of shares/interest at acquisition price	Revaluation on adjustment	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	social building	subsidiary	full consolidation	14.11.2003	13 360 000,00	0,00	0,00	13 360 000,00	100,00%
2	J.W. Construction Bulgaria Sp. z o.o.	Warna (Bulgaria)	real estate development	subsidiary	not consolidated	08.10.2007	9 854,98	0,00	0,00	9 854,98	100,00%
3	Yakor House Sp. z o.o.	Sochi (Russia)	real estate development	subsidiary	full consolidation	07.12.2007	9 810 000,00	0,00	0,00	9 810 000,00	70,00%
4	J.W. Construction Sp. z o.o.	Ząbki	production of prefabricated goods for construction	subsidiary	full consolidation	19.02.2008	70 197 456,00	0,00	36 125 456,00	34 072 000,00	100,00%
5	Dana Invest Sp z o.o.	Ząbki	real estate development	subsidiary	full consolidation	22.11.2013	14 308 350,00	0,00	0,00	14 308 350,00	99,99%
6	Varsovia Apartamenty Sp. z o.o.	Ząbki	real estate development	subsidiary	full consolidation	23.01.2014	305 000,00	0,00	0,00	305 000,00	100,00%
7	Berenzona Invest Sp. z o.o.	Ząbki	real estate development	subsidiary	full consolidation	28.01.2014	5 000,00	0,00	0,00	5 000,00	100,00%
8	Bliska Wola 4 Sp z o.o. 1 SK	Ząbki	real estate development	subsidiary	full consolidation	22.01.2014	44 800 300,00	0,00	16 264 650,00	28 535 650,00	99,00%
9	Bliska Wola 4 Sp z o.o. 2 SK	Ząbki	real estate development	subsidiary	full consolidation	29.01.2014	6 769 550,00	0,00	0,00	6 769 550,00	48,00%
10	Wola Invest Sp z o.o.	Ząbki	real estate development	subsidiary	full consolidation	23.01.2014	50 000,00	0,00	0,00	50 000,00	100,00%
11	Bliska Wola 4 Sp z o.o.	Ząbki	real estate development	subsidiary	full consolidation	24.01.2014	5 000,00	0,00	0,00	5 000,00	100,00%
12	Hanza Invest S.A.	Ząbki	real estate development	subsidiary	full consolidation	26.10.2016	75 117 223,20	0,00	0,00	75 117 223,20	100,00%
13	WIELOPOLE 19/21 SP.Z O.O.	Cracow	real estate development	subsidiary	not consolidated	29.03.2018	203 312,00	0,00	0,00	203 312,00	100,00%

Partial affiliation:

1	Bliska Wola 4 Sp z o.o.2SK	Ząbki	real estate development	subsidiary	full consolidation	26.02.2016	12 745 500,00	0,00	0,00	12 745 500,00	51,00%
2	Bliska Wola 4 Sp z o.o.1SK	Ząbki	real estate development	subsidiary	full consolidation	26.02.2016	211,74	0,00	0,00	211,74	1,00%
3	Bliska Wola 4 Sp z o.o.2SK	Ząbki	real estate development	subsidiary	full consolidation	26.02.2016	178,00	0,00	0,00	178,00	1,00%
4	Dana Invest Sp. z o.o.	Ząbki	real estate development	subsidiary	full consolidation	27.11.2014	50,00	0,00	0,00	50,00	0,01%
5	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	30-06-2019	31-12-2018
a) deposit receivables	2 835 833,95	2 839 265,65
b) deposit receivables (leasing)	0,00	0,00
b) other receivables	0,00	0,00
Total receivables	2 835 833,95	2 839 265,65

Note 7. Inventories and construction contracts

In connection with the execution of construction projects, the companies of the Capital Group draw up budgets which are compared with actual costs and the degree of advancement of projects on the basis of cyclical inventories.

INVENTORIES	30-06-2019	31-12-2018
a) materials	2 803 683,44	2 365 934,74
b) semi-finished products and work in progress	0,00	0,00
c) finished products	56 721,10	249 627,77
d) goods	27 405 415,27	25 536 435,63
e) trade advances	496 383,64	968 487,06
Total inventories	30 762 203,45	29 120 485,20

Construction contracts - assets include, among others, the amount of expenditure incurred on projects under construction, the value of finished premises which have not been transferred to customers.

CONSTRUCTION CONTRACTS	30-06-2019	31-12-2018
CONSTRUCTION CONTRACTS (current assets)		
a) semi-finished products and work in progress	763 739 854,18	678 033 346,34
b) finished products	21 475 579,60	78 852 384,31
c) advances for supplies	14 548 576,38	15 912 905,18
d) short-term prepayments and accruals	593 459,49	1 878 615,47
Total construction contracts	800 357 469,65	774 677 251,30

CONSTRUCTION CONTRACTS (current liabilities)	30-06-2019	31-12-2018
a) accruals	561 253 718,65	513 534 527,58
Total construction contracts	561 253 718,65	513 534 527,58

construction contracts

Accruals	30-06-2019	31-12-2018
- advances on premises	558 857 581,85	506 559 769,46
- provision for works	2 326 637,97	6 028 390,59
- other	69 498,83	946 367,53
Total accruals	561 253 718,65	513 534 527,58

In connection with their operations, the companies of the Capital Group take out loans, which are secured, among other things, with a mortgage on real estate. As at 30 June 2019, the Group companies established security in the form of mortgages on real estate presented in inventories and construction contracts as well as in fixed assets with a value of PLN 618.1 million. The value of mortgage is established for the amount of granted loan (or higher), therefore it significantly exceeds the value of real estates presented in the assets of the Group Companies. As at 30 June 2019, liabilities due to disbursed credits amounted to PLN 166.3 million (excluding credits of TBS Marki Sp. z o.o., which amount to PLN 80,8 mln).

Note 8. Trade and other receivables

Impairment allowance was made in accordance with the best knowledge and experience of the Company, in a way of detailed analysis of the risk of debt repayment. Income and expenses connected with making and dissolving the allowance were recognised in the income statement under other operating activity

CURRENT RECEIVABLES	30-06-2019	31-12-2018
a) trade receivables - related parties	2 908,95	2 908,95
b) trade receivables - other parties	23 381 389,82	22 730 040,86
c) taxes, subsidies, customs duties, social and health insurance and other payments	11 065 614,14	13 179 928,92
d) other	5 552 040,19	3 556 658,06
Total receivables	40 001 953,10	39 469 536,79

AGE STRUCTURE OF TRADE RECEIVABLES	30-06-2019	31-12-2018
not overdue	20 892 865,94	21 121 568,75

Overdue up to 3 months	645 966,71	668 674,67
Overdue between 3 and 6 months	807 065,44	1965,9 273,09
Overdue between 6 months and 1 year	448 466,59	386 635,18
Overdue over 1 year	589 934,09	356 798,12
Gross trade receivables	23 384 298,77	22 732 949,81
Write-offs updating receivables	0,00	0,00
Net trade receivables	23 384 298,77	22 732 949,81

The Company created revaluation write-downs on receivables, which were recognized in other operating costs. The revaluation write-offs were created according to the best knowledge and experience of the Company based on individual analysis of particular balances.

CHANGE IN WRITE-DOWNS ON TRADE RECEIVABLES AND OTHER RECEIVABLES	30-06-2019	31-12-2018
As at the beginning of period	35 053 475,31	35 053 475,31
a) increase	0,00	0,00
b) decrease	0,00	0,00
As at the end of period	35 053 475,31	35 053 475,31

The revaluation write-offs relate in full to disputed receivables filed with the court or overdue during the process of negotiations with contractors.

Costs and revenues related to the creation and reversal of revaluation write-offs on receivables are recognized under other operating expenses or other operating income, respectively.

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

Note 9. Other current financial assets

SHORT-TERM INVESTMENTS	30-06-2019	31-12-2018
a) shares	0,00	0,00
b) loans granted	39 407 287,97	39 624 826,38
c) other investments	22 874 324,13	19 647 129,03
Total short-term investments	62 281 612,10	59 271 955,41

SHORT-TERM INVESTMENTS	30-06-2019	31-12-2018
a) in subsidiaries	39 351 803,43	39 569 341,84
- shares	0,00	0,00
- debt securities	0,00	0,00
- other security papers	0,00	0,00
- loans granted	39 351 803,43	39 569 341,84
- other current financial assets	0,00	0,00
b) in other units	22 929 808,67	19 702 613,57
- shares	0,00	0,00
- debt securities	0,00	0,00
- other security papers	22 874 324,13	19 647 129,03
- loans granted	55 484,54	55 484,54
- other current financial assets	0,00	0,00
c) other short-term investments	0,00	0,00
Total short-term investments	62 281 612,10	59 271 955,41

Note 10. Cash and cash equivalents

Cash on hand and with bank as well as current deposits kept to maturity are measured at par value.

CASH AND CASH EQUIVALENTS	30-06-2019	31-12-2018
a) cash on hand and with bank	102 044 370,35	121 743 649,44
b) other cash	747,80	730 716,45
c) other cash assets	69 880,37	10 134,45
Total cash	102 114 998,52	122 484 500,34

The companies of the Capital Group present in the "other cash" item mainly investments made for a period of less than three months.

	30-06-2019	31-12-2018
cash in escrow accounts	44 639 809,36	85 368 886,42

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JW. Construction Holding SA	21 184 001,06	61 483 631,37
Hanza Invest SA	23 455 808,30	23 885 255,05

Cash held on escrow accounts is a financial asset with restricted availability. They relate to development projects in progress and are released by banks as the individual stages of construction work are completed.

Note 11. Short-term accruals

ACCRUALS	30-06-2019	31-12-2018
a) short-term accruals	20 923 227,42	17 048 154,36
Total accruals	20 923 227,42	17 048 154,36

Accruals	30-06-2019	31-12-2018
- property insurance	250 166,39	408 693,48
- interest	2 666 639,27	2 784 239,27
- commission expenses	12 916 804,49	12 186 778,37
- property tax, perpetual usufruct, road tax	3 089 004,06	0,00
- other	2 000 613,21	1 668 443,24
Total accruals	20 923 227,42	17 048 154,36

In the "other prepaid expenses" item, the Group recognizes, e.g. costs incurred in connection with deferred income. The main item are expenses incurred on commissions received by salesmen for sale of apartments. The said commissions are allocated to concrete apartments/premises sold by the Company and are deferred until premises are delivered to the buyer.

Note 12. Primary capital and other capitals

Primary capital and other capitals

Series/ issue	Share type	Type of share preference akcji	Types of restrictions on rights to shares	Number of shares	Value of series/issuance per nominal value	Coverage of capital	Registration date	Divident right (since)
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	Cash	30.09.2014	
Number of shares				88 859 443				
Total share capital					17 771 888,60			
Share nominal value = 0,20 zł								

* court registration of merging A and B series shares due to the redemption of 625,000 shares acquired via a company repurchasing period with an eye to the redemption thereof

Information on the Company Shareholders as at 30 June 2019:

Shareholder	Number of shares held	% of capital share	Number of votes	% of total number of votes in the General Meeting
Józef Wojciechowski	32.094.963	36,12 %	32.094.963	36,12 %
EHT S.A.	47.846.225	53,84 %	47.846.225	53,84 %
Company	1.506.861	1,70 %	1.506.861	1,70 %
Others	7.411.394	8,34 %	8.918.255	8,34 %

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

As at 29.08.2019 (the date of submitting the report for the first half of 2019):

Shareholder	Number of shares held	% of capital share	Number of votes	% of total number of votes in the General Meeting
Józef Wojciechowski	32.094.963	36,12 %	32.094.963	36,12 %
EHT S.A.	47.846.225	53,84 %	47.846.225	53,84 %
Company	1.506.861	1,70 %	1.506.861	1,70 %
Others	7.411.394	8,34 %	8.918.255	8,34 %

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

Note 13. Other capitals

OTHER CAPITALS	30-06-2019	31-12-2018
a) reserve capital	662 258 543,33	692 071 910,38
b) other reserve capitals	57 947 307,60	7 947 307,60
- including reserve capital for the purchase of own shares	50 000 000,00	0,00
c) conversion differences	-3 113 518,57	-3 692 561,76
Total other capitals	717 092 332,36	696 326 656,22

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

Note 14. Borrowings

BORROWINGS	30-06-2019	31-12-2018
a) credits	166 302 876,82	142 029 510,58
<i>of which: long-term</i>	<i>143 108 502,14</i>	<i>101 430 756,35</i>
<i>short-term</i>	<i>23 194 374,68</i>	<i>40 598 754,23</i>
b) loans	0,00	375 865,86
<i>of which: long-term</i>	<i>0,00</i>	<i>0,00</i>
<i>short-term</i>	<i>0,00</i>	<i>375 865,86</i>
Total borrowings	166 302 876,82	142 405 376,44
Borrowings - long-term	143 108 502,14	101 430 756,35
Borrowings - short-term	23 194 374,68	40 974 620,09

CREDITS PER MATURITY	30-06-2019	31-12-2018
Up to 1 year	23 194 374,68	40 598 754,23
Between 1 and 2 years	37 924 204,98	7 973 337,40
Between 2 and 5 years	35 611 662,83	21 712 552,51
Over 5 years	69 572 634,34	71 744 866,44
Total credits, including	166 302 876,83	142 029 510,58
- long-term	143 108 502,14	101 430 756,35
- short-term	23 194 374,68	40 598 754,23

LOANS PER MATURITY	30-06-2019	31-12-2018
Up to 1 year	0,00	375 865,86
Between 1 and 2 years	0,00	0,00
Between 2 and 5 years	0,00	0,00
Over 5 years	0,00	0,00
Total loans	0,00	375 865,86
- long-term	0,00	0,00
- short-term	0,00	375 865,86

In the period of first half of 2019 and from the balance sheet date to the date of preparation of these financial statements, none of the loan agreements concluded so far have been terminated by the Bank.

Loans and advances are repaid on time and there have been no breaches of capital or interest repayments on loans and advances.

Including credits of TBS Marki Sp. z o.o. - Company from the Group, which took loans from the National Housing Fund on completely separate rules, regulated by the Act of 26 October 1995 on certain forms of support for housing construction, Journal of Laws. U.00.98.1070. j.t.:

BORROWINGS	30-06-2019	31-12-2018
a) credits	85 530 320,17	87 381 303,84
<i>of which: long-term</i>	<i>80 669 204,42</i>	<i>82 414 987,44</i>
<i>short-term</i>	<i>4 861 115,75</i>	<i>4 966 316,40</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	85 530 320,17	87 381 303,84
Borrowings - long-term	80 669 204,42	82 414 987,44
Borrowings - short-term	4 861 115,75	4 966 316,40

CREDITS PER MATURITY	30-06-2019	31-12-2018
Up to 1 year	4 861 115,75	4 966 316,40
Between 1 and 2 years	4 861 115,75	4 966 316,40
Between 2 and 5 years	14 583 347,24	14 501 036,50
Over 5 years	61 224 741,44	62 947 634,54
Total credits, including	85 530 320,17	87 381 303,84
- long-term	80 669 204,42	82 414 987,44
- short-term	4 861 115,75	4 966 316,40

Note 15. Deferred income tax assets

DEFERRED INCOME TAX ASSETS AND A RESERVE FOR DEFERRED INCOME TAX	30-06-2019		
	Deferred income tax assets	Deferred income tax reserve	Net value
Tangible assets	10 896 481,92	8 053 784,20	2 842 697,72
Investment real estate	0,00	2 244 267,81	-2 244 267,81
Other financial assets	0,00	0,00	0,00
Non-current receivables	0,00	0,00	0,00
Inventories and construction contracts	96 794,71	19 590 980,48	-19 494 185,78
Trade and other receivables	8 241 094,93	4 506 297,33	3 734 797,59
Income tax receivables	0,00	0,00	0,00
Accruals	0,00	0,00	0,00
Borrowings	3 431 139,02	3 397 258,34	33 880,68
Reserves	3 422 430,12	0,00	3 422 430,12
Trade and other payables	276 486,55	0,00	276 486,55
Other financial liabilities	0,00	0,00	0,00
Other, including tax losses	16 218 690,97	2 193 609,57	14 025 081,40
Deferred tax assets / reserve shown in the balance sheet	42 583 118,22	39 986 197,73	2 596 920,49

DEFERRED INCOME TAX ASSETS AND A RESERVE FOR DEFERRED INCOME TAX	31-12-2018		
	Deferred income tax assets	Deferred income tax reserve	Net value
Tangible assets	10 896 481,92	7 365 681,00	3 530 800,92
Investment real estate	0,00	2 151 767,96	-2 151 767,96
Other financial assets	0,00	0,00	0,00
Non-current receivables	0,00	0,00	0,00
Inventories and construction contracts	425 223,01	20 138 253,31	-19 713 030,30
Trade and other receivables	8 500 402,36	4 821 680,86	3 678 721,50
Income tax receivables	0,00	0,00	0,00
Accruals	0,00	0,00	0,00
Borrowings	3 980 769,37	3 115 024,60	865 744,77
Reserves	3 147 348,80	0,00	3 147 348,80
Trade and other payables	308 445,41	0,00	308 445,41
Other financial liabilities	0,00	0,00	0,00
Other, including tax losses	15 453 069,70	2 439 738,16	13 013 331,54
Deferred tax assets / reserve shown in the balance sheet	42 711 740,57	40 032 145,89	2 679 594,69

Note 16. Retirement benefits liabilities

CHANGE IN RETIREMENT BENEFITS LIABILITIES	30-06-2019	31-12-2018
As at the beginning of period	241 204,48	241 204,48
Increases	0,00	0,00
Decrease	0,00	0,00
As at the end of period	241 204,48	241 204,48

Retirement benefits refer to retirement benefits calculated annually at the end of the reporting year.

Note 17. Provisions for other liabilities and other charges

PROVISIONS FOR OTHER LIABILITIES AND CHARGES	30-06-2019	31-12-2018
a) short-term, of which:	29 679 036,68	39 504 479,20
- accrued expenses, including:	11 654 182,75	23 053 900,23
- <i>interest charged</i>	1 155 862,39	1 110 399,96
- <i>rent deposits</i>	480 433,64	480 433,64
- <i>hotel down payments</i>	2 602 622,36	3 333 310,50
- <i>other</i>	7 415 264,36	18 129 756,13
- other provisions, including:	18 024 853,93	16 450 578,97
- <i>provision for future liabilities</i>	218 769,37	126 789,78
- <i>provisions for guaranteed repairs</i>	560 124,45	560 124,45
- <i>the reserve for the disputed case concerning the Górczewska real estate</i>	16 212 500,04	14 845 535,42
- <i>other provisions</i>	1 033 460,07	918 129,32
a) long-term, of which:	55 445 284,45	55 126 188,44
- accrued expenses, including:	55 445 284,45	55 126 188,44
- <i>participation in construction costs - TBS Marki</i>	48 451 937,71	48 493 144,01
- <i>deferred income - redemption of loans-TBS Marki</i>	6 993 346,74	6 633 044,43
Total provisions for other liabilities and charges	85 124 321,13	94 630 667,64

Spółka TBS Marki Sp. z o.o. completed housing estates in the form of social housing with the use of loans from the National Housing Fund. Within its housing resources it signs participation agreements. When signing the agreement, a participation payment is made (as a contribution of 30% of the construction costs), which is settled after leaving the premises.

Note 18. Other long-term liabilities

OTHER LONG-TERM LIABILITIES	30-06-2019	31-12-2018
a) lease obligations	4 426 118,67	3 098 299,05
b) deposit liabilities	33 444 997,56	33 287 067,29
c) other long-term liabilities	2 587 502,13	5 472 119,13
d) promissory notes liabilities	0,00	0,00
e) bonds	93 800 000,00	128 800 000,00
Total other liabilities	134 258 618,36	170 657 485,47

All lease liabilities are denominated in PLN. The fair value of lease liabilities corresponds to their book value and as at 30 June 2019 it amounted to PLN 5,961,315.60, of which PLN 4,426,118.67 represented a non-current liability.

Prospect leasing payments are payable as follows:

	Minimum lease payments	Interest	Current value of liability
	30-06-2019	30-06-2019	30-06-2019
under 1 year	1 732 161,87	196 964,94	1 535 196,93
between 1 and 5 years	3 652 602,84	253 848,13	4 426 118,67
over 5 years	0,00	0,00	0,00
	5 384 764,71	450 813,07	5 961 315,60

	Minimum lease payments	Interest	Current value of liability
	31-12-2018	31-12-2018	31-12-2018
under 1 year	1 665 152,24	139 508,42	1 525 643,82
between 1 and 5 years	3 124 001,16	202 140,50	3 098 299,05
over 5 years	0,00	0,00	0,00
	4 789 153,40	341 648,92	4 623 942,87

The present value of the lease liability is presented in the financial statements as follows:

	30-06-2019	31-12-2018
current liabilities	1 535 196,93	1 525 643,82
non-current liabilities	4 426 118,67	3 098 299,05
	5 961 315,60	4 623 942,87

Note 19. Trade and other payables

TRADE AND OTHER PAYABLES	30-06-2019	31-12-2018
a) trade payables - other parties	48 410 387,17	40 155 753,35
b) trade payables - affiliated parties	0,00	0,00
c) axes, customs duties, insurance and other payments	5 247 614,87	3 212 617,37
d) salaries	2 789 653,90	2 617 865,08
e) trade advances received	40 581,01	0,00
f) other	14 957 978,97	16 923 600,93
Total trade and other payables	71 446 215,92	62 909 836,74

OTHER LIABILITIES	30-06-2019	31-12-2018
a) debt securities issue liabilities	80 761 869,60	75 941 216,10
b) promissory notes liabilities	0,00	0,00
c) leasing liabilities	1 535 196,93	1 525 643,82
d) other financial liabilities	0,00	0,00
Total other liabilities	82 297 066,53	77 466 859,92

All lease liabilities are denominated in PLN. The fair value of lease liabilities corresponds to their book value and as at 30 June 2019 it amounted to PLN 5,961,315.60, of which PLN 1,535,196.93 was a short-term liability.

Note 20. Risk management

The description of risk management is included in the Report on the Company's activities.

Note 21. Earnings per share

CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
Profits		
(A) Profit resulting from the financial statements	1 401 797,16	-21 435 029,28
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)	0,02	-0,24
Diluted earnings per share = (A)/(B)	0,02	-0,24

*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). In the analyzed period there were no factors that would influence the dilution of the number of shares.

Note 22. Income tax

INCOME TAX	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
a) current income tax	0,00	18 682,00
b) deferred income tax	82 674,20	-6 152 975,68
Total income tax	82 674,20	-6 134 293,68

CHANGE IN INCOME TAX	30-06-2019	30-06-2018
Change of the assets towards the deferred tax	128 622,35	- 3 500 962,08
Change of the reserves towards the deferred tax	- 45 948,15	- 2 652 013,60
Total change in deferred tax	82 674,20	- 6 152 975,68
Tax adjustment on the opening balance sheet	0,00	0,00
Deferred tax disclosed in the profit and loss account	82 674,20	- 6 152 975,68
Deferred tax recognised in comprehensive income	0,00	0,00

Note 23 . Segment reporting

Business segments

It has been assumed that the basic division into business segments is the division by business segments. The Group operates mainly in the following three segments:

- real estate development
- social building
- hotel activities

In accordance with IAS 14 "Segment Reporting" when preparing financial data for individual operating segments, the principle is maintained that revenues and expenses as well as segment assets and liabilities are determined before the balancing and balancing transactions between the Group's companies are eliminated as part of the consolidation process, except

where such types of balances and transactions between the Group's business units have been made within one segment. Internal transactions within the segment have been eliminated.

Financial data concerning particular segments of activity include separate financial statements of the Group's companies without exclusions of settlement balances and transactions, with the exclusions of revenues, costs and mutual settlements being presented in the column "Eliminations". The only exception is the developer activity within which the separate financial statements of companies conducting this type of activity were consolidated. In 2013, this segment was composed of the following entities: JW. Construction Holding SA, Lokum Sp. z o.o.. Basic type of commodities and services within each industry segment:

- property development activity - execution of construction, design and auxiliary production and sale of real estate,
- social housing - sale and administration of social housing estates,
- other construction - execution of construction and assembly production,
- transport services,
- hotel activities - catering and hotel services related to the organization of tourist and leisure services

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01-01-2019 to 30-06-2019	Real estate development	Hotels, aparthotels and restaurants	Social building	Other operations	Total
Net revenues from sales of products, goods and materials, including:	125 756 597,23	37 492 477,64	7 125 853,67	1 703 430,60	172 078 359,14
Net revenues from sales of products	123 655 584,84	37 487 702,98	7 119 552,15	1 703 430,60	169 966 270,57
Net revenues from sales of goods and materials	2 101 012,39	4 774,66	6 301,52	0,00	2 112 088,57
Costs of products, goods and materials sold, including:	99 994 438,37	31 027 471,08	4 075 863,52	1 154 984,15	136 252 757,12
Cost of products sold	97 943 418,02	31 022 696,42	4 069 562,00	1 154 984,15	134 190 660,59
Value of goods and materials sold	2 051 020,35	4 774,66	6 301,52	0,00	2 062 096,53
Gross profit (loss) from sales	25 762 158,86	6 465 006,56	3 049 990,15	548 446,45	35 825 602,02
Costs of sales	8 348 652,74	2 954 786,26	0,00	0,00	11 303 439,00
Overheads	12 689 577,45	2 667 274,06	679 614,89	0,00	16 036 466,40
Revaluation of investment property	-824 000,94	0,00	0,00	0,00	-824 000,94
Profit (loss) from sales	3 899 927,73	842 946,24	2 370 375,26	548 446,45	7 661 695,68
Other operating income	523 966,21	141 507,92	62 859,93	150 375,33	878 709,39
Other operating expenses	2 927 522,54	109 045,63	58 341,86	0,56	3 094 910,59
Profit (loss) on operations	1 496 371,40	875 408,53	2 374 893,33	698 821,22	5 445 494,48
Financial revenues	2 311 336,61	3 906,01	493 542,96	0,00	2 808 785,58
Financial costs	5 141 443,84	394 142,30	1 143 344,91	90 877,65	6 769 808,70
Profit (loss) on business activity	-1 333 735,83	485 172,24	1 725 091,38	607 943,57	1 484 471,36
Gross profit (loss)	-1 333 735,83	485 172,24	1 725 091,38	607 943,57	1 484 471,36
Income tax	0,00	0,00	0,00	0,00	0,00
Deferred tax	-259 526,18	342 200,37	0,00	0,00	82 674,20
Net profit (loss)	-1 074 209,66	142 971,87	1 725 091,38	607 943,57	1 401 797,16

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01-01-2018 to 30-06-2018	Real estate development	Hotels, aparthotels	Social building	Other operations	Total
Net revenues from sales of products, goods and materials, including:	63 096 638,09	18 290 152,31	6 946 979,26	1 416 597,57	89 750 367,23
Net revenues from sales of products	60 893 639,44	18 288 004,51	6 943 930,97	1 416 597,57	87 542 172,49
Net revenues from sales of goods and materials	2 202 998,65	2 147,80	3 048,29	0,00	2 208 194,74
Costs of products, goods and materials sold, including:	68 545 107,31	12 469 964,75	4 067 949,66	261 234,77	85 344 256,49
Cost of products sold	66 344 490,94	12 467 816,95	4 064 901,37	261 234,77	83 138 444,03
Value of goods and materials sold	2 200 616,37	2 147,80	3 048,29	0,00	2 205 812,46
Gross profit (loss) from sales	-5 448 469,22	5 820 187,56	2 879 029,60	1 155 362,80	4 406 110,74
Costs of sales	8 472 545,39	1 855 459,20	0,00	0,00	10 328 004,59
Overheads	8 888 896,26	1 098 603,57	686 865,29	1 057 235,06	11 731 600,18
Revaluation of investment property	-4 052 202,88	0,00	0,00	0,00	-4 052 202,88
Profit (loss) from sales	-26 862 113,75	2 866 124,79	2 192 164,31	98 127,74	-21 705 696,91
Other operating income	907 108,60	4 257,77	775,30	6 003,29	918 144,96
Other operating expenses	3 797 620,87	142,57	81 824,72	1,93	3 879 590,09
Profit (loss) on operations	-29 752 626,02	2 870 239,99	2 111 114,89	104 129,10	-24 667 142,04
Financial revenues	10 123 804,26	12 104,84	486 747,28	464 719,03	11 087 375,41
Financial costs	12 444 825,13	370 878,11	1 173 819,48	33,62	13 989 556,34
Profit (loss) on business activity	-32 073 646,89	2 511 466,72	1 424 042,69	568 814,51	-27 569 322,97
Gross profit (loss)	-32 073 646,89	2 511 466,72	1 424 042,69	568 814,51	-27 569 322,97
Income tax	0,00	0,00	0,00	18 682,00	18 682,00
Deferred tax	-6 420 479,30	198 341,62	0,00	69 162,00	-6 152 975,68
Net profit (loss)	-25 653 167,59	2 313 125,10	1 424 042,69	480 970,51	-21 435 029,28

EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Note 24. Operating income

OPERATING INCOME	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
Revenues from sales of products	109 348 206,87	39 453 593,68
Revenues from sales of services	60 618 063,70	48 088 578,81
Revenues from sales of goods	2 112 088,57	2 208 194,74
Total income	172 078 359,14	89 750 367,23

	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
Proceeds from sales, including:	172 078 359,14	89 750 367,23
-sales of products – properties, plots, buildings	119 013 223,87	44 679 097,04
- sales of products - other	3 000,00	0,00
-from sales of services	50 950 046,70	42 863 075,45
-from sales of goods	2 112 088,57	2 208 194,74

	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
Revenues from sales of products and services by segment	169 966 270,57	87 542 172,49
-real estate development	125 356 015,44	51 317 874,63
-business activity related to hotels	36 083 070,31	29 080 761,89
- social building	7 119 552,15	6 943 930,97
-catering services	1 404 632,67	0,00
-construction	3 000,00	199 605,00

	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
Revenues from sales of products – premises, plots, buildings by geographical segment	119 013 223,87	44 679 097,04
-Warsaw and the surrounding area	85 038 072,33	35 714 477,06
-Gdynia	23 776 731,28	3 289 699,87
- Łódź	10 867,44	6 768,30
- Katowice	519 535,82	442 648,45
- parcels and networks	9 668 017,00	5 225 503,36

	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
Revenues from sales of hotel and aparthotel services per geographic segments	36 083 070,31	29 080 761,89
-Warsaw and the surrounding area	3 226 691,25	2 776 721,00
- Tarnowo	2 327 147,37	3 416 729,65
- Stryków	3 474 202,23	1 994 877,23
- Szczecin	3 358 193,57	3 186 634,62
- Krynica Górská	16 744 911,05	16 381 687,85
- Varsovia Apartamenty	6 951 924,84	1 324 111,54

Note 25. Operating expenses

OPERATING EXPENSES	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
Costs of sales of products	93 278 410,68	53 013 439,85
Costs of sales of services	40 912 249,91	30 125 004,18
Costs of sales of goods	2 062 096,53	2 205 812,46
Total costs of products, services and goods sold	136 252 757,12	85 344 256,49

Sales and overhead expenses	01-01-2019	01-01-2018

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	to 30-06-2019	to 30-06-2018
Costs of sales	11 303 439,00	10 328 004,59
Overheads	16 036 466,40	11 731 600,18
Total sales and overheads expenses	27 339 905,40	22 059 604,77

Expenses per type	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
Depreciation and amortization	6 295 450,43	3 972 612,74
Materials and energy cost, land purchase	48 804 202,51	65 322 674,30
Third party services	109 757 426,32	120 232 926,20
Taxes and charges	5 511 460,68	4 364 719,59
Remunerations	21 445 671,60	14 308 414,60
Social security and other payments	4 042 327,02	2 684 614,99
Other expenses per type	8 515 870,66	4 338 554,36
Total expenses per type	204 372 409,22	215 224 516,78

Note 26. Other operating income

OPERATING INCOME	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
a) profit on sale of non-financial fixed assets	96 725,14	32 663,60
b) other operating income	781 984,25	885 481,36
Total operating income	878 709,39	918 144,96

OPERATING INCOME	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
a) profit on sale of non-financial fixed assets	96 725,14	32 663,60
b) handling fees	170 776,40	132 548,86
c) reserves	24 914,26	0,00
e) other (including damages), contractual penalties	586 293,59	752 932,50
Total operating income	878 709,39	918 144,96

Note 27. Other operating expenses

OPERATING EXPENSES	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
a) loss on sale of non-financial fixed assets	0,00	0,00
b) revaluation of non-financial assets	10 822,53	60 673,07
c) other operating expenses	3 084 088,06	3 818 917,02
Total operating income	3 094 910,59	3 879 590,09

OPERATING EXPENSES	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
a) loss on sale of non-financial fixed assets	0,00	0,00
b) revaluation of non-financial assets	10 822,53	60 673,07
c) reserves	1 366 964,62	1 413 964,62
d) compensations, penalties, damages	496 313,46	1 848 620,34
e) compensations for breach of contracts	0,00	0,00
f) costs of court proceedings	244 868,10	0,00
g) other	975 941,88	556 332,06
Total operating income	3 094 910,59	3 879 590,09

Note 28. Financial revenues

FINANCIAL REVENUES	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
a) dividends	0,00	0,00
b) interest	1 480 783,59	9 232 767,31
c) profit on disposal of investment	0,00	0,00
d) other	1 328 001,99	1 854 608,10
Total financial revenues	2 808 785,58	11 087 375,41

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Financial revenues	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
a) dividends	0,00	0,00
b) interest from customers	114 860,55	61 992,13
c) loan interest	313 893,55	232 485,19
d) deposit interest	459 443,65	533 713,30
e) promissory notes interest	475 317,34	432 982,93
f) other interest	117 268,50	7 971 593,76
g) profit on disposal of investment	0,00	0,00
h) foreign exchange rate differences	0,00	0,00
i) other	1 328 001,99	1 854 608,10
Total	2 808 785,58	11 087 375,41

The decrease in interest remaining in relation to the comparable period results from one-off event in 2018, i.e. the return of interest in the amount of PLN 7,965,869.00 by the Capital City of Warsaw in connection with a dispute concerning the perpetual usufruct fee for a plot of land at Górczewska Street in Warsaw.

Note 29. Financial costs

FINANCIAL EXPENSES	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
a) interest	6 232 030,92	13 934 039,59
b) loss on disposal of investment	0,00	30 384,75
c) other	537 777,78	25 132,00
Total financial expenses	6 769 808,70	13 989 556,34

FINANCIAL EXPENSES	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
a) interest, commissions, loans	2 446 096,39	2 072 192,79
b) interest-leases	90 828,74	33 861,97
c) interest - loans	0,00	-8 193,89
d) interest - promissory notes	0,00	33,33
e) interest - bond issuance	1 711 448,55	2 652 776,12
f) other interest	1 983 657,24	9 183 369,27
g) loss on disposal of investment	0,00	30 384,75
h) other	537 777,78	25 132,00
Total financial expenses	6 769 808,70	13 989 556,34

The decrease in interest on the issue of bonds in relation to the comparable period results from activating interest on projects purchased with funds from the issue.

The decrease in interest remaining in relation to the comparable period results from one-off event in 2018, i.e. the return of interest in the amount of PLN 7,965,869.00 by the Capital City of Warsaw in connection with a dispute concerning the perpetual usufruct fee for a plot of land at Górczewska Street in Warsaw and its again payment by the company to the Capital City of Warsaw.

Note 30. Transactions with affiliates

As part of its operations, the Company enters into transactions with affiliated companies, in particular in the scope of sales services, administrative services, property rental, performance of works, granting guarantees, financing. Transactions with companies subject to consolidation, whose value in 2019 was significant from the point of view of the presented data, are presented below. The materiality threshold was adopted for commercial transactions above PLN 100 thousand and for the remaining 10% of equity. All transactions entered into in 2019 by the Company or its subsidiary with related parties on terms other than market terms and conditions

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	Receivables from affiliated parties subject to consolidation	
COMPANY NAME	30-06-2019	31-12-2018
TBS Marki Sp. z o.o.	25 060,87	24 663,88
J.W.Construction Sp. z o.o.	761 820,87	2 438 841,36
Dana Invest Sp. Z o.o.	313 468,99	323 666,21
Varsovia Apartamenty Sp.z o.o.	1 810 944,66	1 651 383,26
Berensona Invest Sp. Z o.o.	35 660,16	35 660,16
Bliska Wola 4 Sp.z o.o.1 SK	6 944,34	34 196,00
Bliska Wola 4 Sp.z o.o. 2 SK	390 281,92	407 211,29
Wola Invest Sp zo.o.	32 708,16	32 708,16
Bliska Wola 4 Sp. Z o.o.	30 330,40	30 330,40
Hanza Invest S.A.	2 775 656,43	1 600 333,23

	Payables to affiliated parties subject to consolidation	
COMPANY NAME	30-06-2019	31-12-2018
TBS Marki Sp. z o.o.	30 375 231,34	29 910 789,10
J.W.Construction Sp. z o.o.	6 748 415,43	3 621 730,40

J.W. Construction Holding S.A. as an entity buying products or services:

Affiliated units subject to consolidation	TRANSACTION/AGREEMENT SUBJECT	01-01-2019 to 30-06-2019
J.W.Construction Sp. z o.o.	construction works-VILLA CAMPINA	1 271 802,00
J.W.Construction Sp. z o.o.	construction works Katowice	17 009 921,00
J.W.Construction Sp. z o.o.	construction works Kasprzaka	772 014,00

J.W. Construction Holding S.A. as an entity rendering services (seller):

Affiliated units subject to consolidation	TRANSACTION/AGREEMENT SUBJECT	01-01-2019 to 30-06-2019
J.W.Construction Sp. z o.o.	re invoicing -energy	102 449,61
J.W.Construction Sp. z o.o.	sale of goods, materials	359 056,28
J.W.Construction Sp. z o.o.	guaranteed repairs services	605 596,97
Varsovia Apartamenty Sp. z o.o.	other	263 384,37
Varsovia Apartamenty Sp. z o.o..	z usług gastronomii	726 574,50
Varsovia Apartamenty Sp. z o.o.	re invoicing (other)	240 651,33
Hanza Invest SA	administrative services	1 027 398,00
Hanza Invest SA	sales service	542 046,15

Other transactions with members of the Supervisory Board

JW Construction Holding S.A.	01-01-2019 to 30-06-2019
Supervisory Board, other remuneration	
Wojciechowski Józef	3 000 000,00
Szwarc-Sroka Małgorzata	134 400,00
Łopuszyńska Irmina	155 280,00
Czyż Barbara	0,00
Radziwiłski Jacek	0,00
Maruszyński Marek	0,00
Martkowski Ryszard	0,00

Other transactions of Group companies with members of the Supervisory Board

Other companies of the Capital Group, other agreements	01-01-2019 to 30-06-2019
Supervisory Board	
Wojciechowski Józef	0,00
Szwarc-Sroka Małgorzata	66 780,00
Łopuszyńska Irmina	34 650,00
Czyż Barbara	0,00
Radziwiłski Jacek	0,00
Maruszyński Marek	0,00
Martkowski Ryszard	0,00

Within the Capital Group, J.W. Construction Sp. z o.o. and JW. Construction Holding SA perform the function of a general contractor in relation to directly and indirectly related companies.

Transactions related to capital investments and financial assets are described in significant events up to and after the balance sheet date. Other transactions concluded with affiliated entities do not exceed the adopted materiality threshold.

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

Note 31. Remuneration of members of the governing bodies

The remuneration for the first half of 2019 is presented below. The tables contain the total data of the members of the governing bodies of the Dominant Entity, broken down into remuneration received for the functions performed in the companies of the Group, employment in the companies of the Group.

JW Construction Holding S.A.	01-01-2019 to 30-06-2019
Management Board	
Rajchert Wojciech	21 651,60
Ostrowska Małgorzata	108 110,66
Suprynowicz Piotr	30 489,98
Pisarek Małgorzata	89 663,52

JW Construction Holding S.A.	01-01-2019 to 30-06-2019
Supervisory Board	
Wojciechowski Józef	0,00
Szwarc-Sroka Małgorzata	8 396,40
Łopuszyńska Irmina	8 696,40
Czyż Barbara	46 572,98
Radziwiłski Jacek	21 629,16
Maruszyński Marek	21 629,16
Martkowski Ryszard	21 629,16

Other companies of the Capital Group, other agreements	01-01-2019 to 30-06-2019
Management Board	
Rajchert Wojciech	111 186,00
Ostrowska Małgorzata	10 174,00
Suprynowicz Piotr	94 078,09
Pisarek Małgorzata	0,00

Other companies of the Capital Group, other agreements	01-01-2019 to 30-06-2019
Supervisory Board	
Wojciechowski Józef	0,00
Szwarc-Sroka Małgorzata	0,00
Łopuszyńska Irmina	0,00

Czyż Barbara	28 279,68
Radziwiłski Jacek	0,00
Maruszyński Marek	0,00
Martkowski Ryszard	0,00

Information on average employment, broken down by professional groups (Capital Group)

Professional group	30-06-2019
Management Board	4
Directors	23
Administration	259
Other employees	244
Total	530

Note 32. Description of the Group's activities and key events in the first half of 2019

Corporate affairs:

Extraordinary General Meeting

On 15 March 2019, an Extraordinary General Meeting of Shareholders was held, which adopted a resolution on determining the conditions under which the Management Board of the Company may conduct the buy-back of its own shares. In the adopted resolution, the General Meeting authorized the Management Board of the Company for a period of 5 years to acquire not more than 20% of the Company's own shares traded on the Warsaw Stock Exchange, within the price limit between PLN 2.18 and PLN 3.40 per share. The purchase may be carried out as part of: transactions on the regulated market, in accordance with Regulation (EU) No. 596/2014 of the European Parliament and of the Council, or by way of invitations to submit an offer for the sale of shares in transactions outside the regulated market.

Purchase of own shares

On 5 April 2019 The Management Board of the Company, acting on the basis of the authorisation granted in Resolution No. 4 by the Extraordinary General Meeting of 15 March 2019, adopted a resolution on determining the terms and conditions of the programme of buy-back of own shares for the purpose of their redemption. The Management Board made an offer to the Company's Shareholders to purchase 11,000,000 shares, proposing a price of PLN 2.70 per share. The Shareholders had the time between 8 April and 18 April 2019 to submit subscriptions for the sale of shares. As a result of the submitted subscriptions, the Company purchased, on 26 April 2019, 1,413,861 shares constituting approximately 1.59% of the share capital corresponding to 1,413,861 votes at the General Meeting, which constitutes approximately 1.59% of the total number of votes, for the total price of PLN 3,817,425.

On 26 June 2019 The Company purchased 93,000 own shares at a price of PLN 2.70 per share in an over-the-counter transaction. The acquisition was made in connection with a call addressed to the Company pursuant to Article 83 of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies. The price paid corresponded to the price proposed in the invitation to tender for the sale of shares of 5 April 2019, the purchased shares will be allocated for redemption.

Changes to the Management Board

On 29 April 2019 the Company received a statement on exercising the personal right vested in the entitled Shareholder to dismiss Piotr Suprynowicz from the Management Board of the Company as of 30 April 2019.

Ordinary General Meeting

On 18 June 2019, the Ordinary General Meeting of Shareholders was held, which adopted resolutions on matters provided for by law concerning approval of individual and consolidated financial statements for 2018, reports of the Management Board of the Company on the activities of the Company and its Capital Group in 2018, distribution of profit for 2018, granting discharge to members of the Company's governing bodies, and in addition changed the remuneration of one of the members of the Supervisory Board.

Credits:

Credit agreement

On 7 February 2019 Hanza Invest S.A, subsidiary of the Issuer, with its registered office in Ząbki, as an investor, concluded an agreement with Bank Ochrony Środowiska S.A. on the basis of which the Bank granted a revolving credit in the amount of PLN 48,000,000,000. The loan was granted to finance and refinance expenses related to the implementation of the Hanza Tower project at Wyzwolenia Av. and Odzieżowa St. in Szczecin. The repayment date of the loan was set at 31 March 2021.

On 27 March 2019 the Company concluded an agreement with Bank Ochrony Środowiska S.A. on the basis of which the Bank granted a working capital loan in the amount of PLN 28,400,000. The repayment date of the loan was set at 20 March 2024. (ultimately, PLN 4,270,394 was used.)

Annex to the credit agreement

On 25 April 2019 the Company concluded an Annex to a credit agreement in the current account granted by PKO BP S.A. Under the Annex, the amount of credit limit was increased from PLN 10,000,000 to PLN 15,000,000 and the date of credit usage and repayment was postponed. The new loan repayment date was set at 25 April 2020.

On 25 April 2019 J.W. Construction Spółka z o.o., subsidiary of the Issuer, concluded an annex to the overdraft in the current account agreement, granted by PKO BP S.A., in the amount of PLN 7,000,000,000. Under the annex, the use and repayment of the loan was postponed. The new loan repayment date was set at 25 April 2020.

On 10 May 2019 The Company concluded an Annex to the overdraft in the current account agreement granted by Bank Millennium SA in the amount of PLN 16,830,000. Under the Annex, the use and repayment of the loan was postponed. The new loan repayment date was set at 31 May 2020.

Annex to the credit agreement

On 7 February 2019, Hanza Invest S.A., subsidiary of the Issuer, terminated the agreement of 10 February 2017 with Alior Bank S.A. with its registered office in Warsaw on granting the following loans to the Investor: investment in the amount of PLN 138,789,712 and VAT in the amount of PLN 3,000,000. Credits have never been launched.

Sureties

In the reporting period in question, the Issuer's subsidiary, Hanz Invest S.A. with its registered office in Ząbki, concluded with Bank Ochrony Środowiska S.A. with its registered office in Warsaw on February 7, 2019 a revolving credit agreement to cover the costs of execution of the Hanza Tower investment in Szczecin. One of the loan repayment collaterals is a surety granted by the Issuer of the loan in question up to the amount of PLN 72,000,000 together with submission to the rigour of enforcement under art. 777 §1 item 1 of the Code of Civil Procedure.

Building permits, occupancy permits, other significant transactions:

Occupancy permit

On 4 April 2019, the Company obtained an occupancy permit for a complex of multi-family residential buildings and semi-detached buildings at Sochaczewska Street in Gdynia. The permit is final

Within the complex of terraced houses - "Alicja Stage D" located in Kręczi Kaputy, Ożarów Mazowiecki commune, the Company was granted occupancy permits for 4 single-family terraced houses. The permit is final

Amendment to a material agreement

On 12 April 2019 subsidiaries of the Company: Hanza Invest S.A. with its registered office in Ząbki, as Investor, and J.W. Construction Sp. z o.o., with its registered office in Ząbki, as General Contractor concluded an annex to the agreement of 28 February 2017 for the execution of the Hanza Tower investment in Szczecin. On the basis of the concluded annex the following have been changed:

- scope of works: by increasing the scope of works in relation to additional works agreed between the parties inside the building, as well as in relation to the development of the external area, including the road system;
- due to the change (increase) of the agreed scope of works, the remuneration agreed between the parties was increased by PLN 18,162,500 to PLN 191,162,500 net plus VAT at the applicable rate.

Purchase of real estate

On 25 January 2019, the Company concluded an agreement for the acquisition of the ownership right to real estate located in Szczecin at Celna St., constituting a plot of land No. 5/1 with an area of 0.8219 ha, for the amount of PLN

8,900,000 net plus VAT at the applicable rate. The Company intends to build approx. 48,800 m² of usable area on its land plots at Celnia Street (purchased in December 2018 and January 2019).

On February 5, 2019, in performance of the contingent agreement of December 19, 2018, the Company concluded an agreement for the purchase of perpetual usufruct right to undeveloped plots with numbers 28/8 and 28/9 with a total area of 0.7471 ha, located in Łódź at Jana Kilińskiego Street, for the amount of PLN 4,725,000 net plus VAT at the applicable rate. The Company intends to build approx. 10,400 m² of usable area of flats on the plots.

On 22 March 2019 the Company concluded agreements under which it acquired ownership rights to plots located in the Białołęka district of Warsaw, near Modlińska and Zakątna Streets, with a total area of 11,718 m² and shares in a road plot for a total gross amount of PLN 14,330,422 (including VAT of PLN 1,635,422). The Company intends to build approx. 12,500 sq. m. of usable area of the apartments on the said plots.

Sales of real estate

On 31 January 2019, in performance of the concluded preliminary and contingent agreements, the Company concluded an agreement for the sale of the ownership right to properties located in Łeba, constituting plots of land No. 78/11 with an area of 1.7405 ha, 78/12 with an area of 3.6367 ha, a share of 546/3822 in plot 78/4 and a share of 1613100/1014909090 in plot 79 (road plots) for the net amount of PLN 9,486,000.

Securities

Interest paid

On 25 April 2019 the Company paid interest on series JWX0116 bonds.

On 15 May 2019 the Company paid interest on bonds marked with the PLJWC0000126 code

On 30 May 2019 the Company paid interest on bonds marked with the PLJWC0000118 code

Bond redemption

On 30 May 2019 the Company partially redeemed, in accordance with the terms of the bond issue, 40% of the original nominal value of series JWC0520 bonds, coded ISIN PLJWC0000118, issued pursuant to the Resolution of the Management Board of the Company of 15 May 2017 with the maturity date of 29 May 2020 in the total number of 70,000, in the initial nominal value of PLN 1,000 each bond and in the total issue value of PLN 70,000,000. After the redemption, the value of each bond is equal to PLN 500 and the total value is PLN 35,000,000.

Note 33. Seasonality

Both the dominant entity and subsidiaries do not conduct cyclical and seasonal business activities.

Note 34. Dividend

In the first half of the year, no dividends were paid either from the dominant entity or from subsidiaries.

Note 35. Significant events that took place after the balance sheet date

Corporate Affairs

Resignation from the Supervisory Board

On 19 July 2019, the Company received a statement from Mr. Jacek Radziwiński, a member of the Supervisory Board, on his resignation, as of 22 July 2019 from the position on the Supervisory Board, the reasons for his resignation were not given.

Share buy-back programme

On 26 July 2019 The Management Board of the Company adopted a resolution on the commencement of the programme of buy-back of own shares through the programme of buy-back of shares and stabilisation in accordance with Article 5 of the MAR Regulation. The Programme will be executed in the period from 29 July 2019 to 31 July 2020. under the programme, the Company intends to purchase up to 1,000,000 shares, at a price of PLN 2.18 per share up to PLN 3.40 per share, in order to implement the programme, an applied agreement was signed with Dom Maklerski Banku Ochrony Środowiska S.A. in Warsaw.

Real estate

Disposal On 16 July 2019 The Company concluded a preliminary contract of sale of the right of perpetual usufruct of developed land plots located in Szczecin at Drucki-Lubeckiego Street with the total area of 6.4545 ha for the total net price of PLN 9,256,300 plus VAT at the applicable rate. It is a part of the area owned by the Company in this region not intended for the construction of warehouses. The deadline for concluding the final agreement was set by the parties by 31 December 2019.

Purchase

On 28 August 2019, in performance of the conditional agreement, the Company acquired the ownership right to the undeveloped plots of land with a total area of 1,2208 ha located in Chorzów, between Krakowska and Tadeusz Kościuszki Streets, for the net amount of PLN 3,950,000 plus VAT at the applicable rate. The Company intends to build approx. 12,000 m² of usable area of flats on the plots.

Preliminary purchase agreements

On 19 August 2019 the Company concluded a preliminary agreement for the purchase of an undeveloped plot of land located in Małopole, with an area of 2.71 ha. The final agreement is to be concluded after the adoption of the local development plan, but not later than by 31 December 2020. The price was agreed between the parties for the amount of PLN 2,140,900. The Company intends to realize warehouse projects on the purchased property.

Construction permit

On 22 August 2019 The Company received the final decision confirming the decision of 18 April 2017 on the building permit for a complex of multi-family buildings constituting a part of the Lewandów III (Wrzosowa Aleja) housing estate in Warsaw, covering 5 multi-family buildings together with land development.

Occupancy permit

Within the complex of terraced houses - "Alicja Stage D" located in Kręczi Kaputy, Ożarów Mazowiecki commune, the Company was granted occupancy permits for 13 single-family terraced houses. The permit is final

On 27 August 2019 a decision was issued on the occupancy permit for a multi-family residential building marked with the symbol "Em" from the residential and service complex Stage E in the area of the investment Bliska Wola in Warsaw in the area of Kasprzaka Street and Prymasa Tysiąclecia Avenue.

Note 36. Selected financial data including basic items of the financial statement in thousands PLN

To convert the balance sheet data as at the last day of the period from 1 January to 30 June 2019, the EUR exchange rate set by the National Bank of Poland as at that day, i.e. 4,2520 PLN/EUR.

To convert the balance sheet data as at the last day of the period from 1 January to 31 December 2018, the EUR exchange rate set by the National Bank of Poland as at that day, i.e. 4,300 PLN/EUR.

For the conversion of the profit and loss account data for the period from 1 January 2019 to 30 June 2019, the average EUR rate was adopted, calculated as the arithmetic mean of the rates in force on the last day of each month in a given period, determined by the National Bank of Poland on that day, i.e. 4,2880 PLN/EUR.

For the conversion of the profit and loss account data for the period from 1 January 2018 to 30 June 2018, the average EUR rate was adopted, calculated as the arithmetic mean of the rates in force on the last day of each month in a given period, determined by the National Bank of Poland on that day, i.e. 4,2395 PLN/EUR.

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Consolidated balance sheet item	30-06-2019		31-12-2018	
	PLN	EUR	PLN	EUR
Total assets	1 841 833	433 169	1 795 582	417 577
Fixed assets	781 623	183 825	753 510	175 235
Current assets	1 060 210	249 344	1 042 072	242 342
Total liabilities and equity	1 841 833	433 169	1 795 582	417 577
Equity	691 616	162 657	693 704	161 327
Non-current liabilities	373 040	87 733	367 488	85 462
Current liabilities	767 870	180 590	734 390	170 788
Future long-term discounted lease payments	8 098	1 905	0,00	0,00
Future short-term discounted lease payments	1 208	284	0,00	0,00

Consolidated profit and loss account item	01-01-2019 to 30-06-2019		01-01-2018 to 30-06-2018	
	PLN	EUR	PLN	EUR
Net revenues from sales of products, goods and materials	172 078	40 130	89 750	21 170
Costs of products, goods and materials sold	136 253	31 775	85 344	20 131
Gross profit (loss) from sales	35 826	8 355	4 406	1 039
Costs of sales	11 303	2 636	10 328	2 436
Overheads	16 036	3 740	11 732	2 767
Profit (loss) from sales	7 662	1 787	-21 706	-5 120
Profit (loss) on operations	5 445	1 270	-24 667	-5 818
Gross profit (loss)	1 484	346	-27 569	-6 503
Income tax	83	19	-6 134	-1 447
Net profit (loss)	1 402	327	-21 435	-5 056

Issuer's balance sheet item	30-06-2019		31-12-2018	
	PLN	EUR	PLN	EUR
Total assets	1 667 292	392 119	1 668 191	387 951
Fixed assets	810 933	190 718	799 851	186 012
Current assets	856 359	201 401	868 340	201 940
Total liabilities and equity	1 667 292	392 119	1 668 191	387 951
Equity	737 432	173 432	753 958	175 339
Non-current liabilities	248 722	58 495	253 330	58 914
Current liabilities	672 714	158 211	660 903	153 698
Future long-term discounted lease payments	7 228	1 700	0,00	0,00
Future short-term discounted lease payments	1 195	281	0,00	0,00

Issuer's profit and loss account item	01-01-2019 to 30-06-2019		01-01-2018 to 30-06-2018	
	PLN	EUR	PLN	EUR
Net revenues from sales of products, goods and materials	158 625	36 992	80 321	18 946
Costs of products, goods and materials sold	122 896	28 660	77 226	18 216
Gross profit (loss) from sales	35 729	8 332	3 095	730
Costs of sales	10 492	2 447	9 752	2 300

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Overheads	14 145	3 299	10 109	2 385
Profit (loss) from sales	10 268	2 395	-20 819	-4 911
Profit (loss) on operations	8 468	1 975	-23 980	-5 656
Gross profit (loss)	4 460	1 040	-24 899	-5 873
Income tax	653	152	-5 785	-1 365
Net profit (loss)	3 807	888	-19 114	-4 509

Note 37. Off-balance sheet items, contingent liabilities

In business practice, contingent transaction hedge instruments are used. In particular, under the applicable credit agreements, banks providing financing may pursue claims based on the established collaterals in the event of the Group's failure to perform its obligations under the agreements. Collaterals are established up to the amount of the loan granted multiplied by a specific ratio. Depending on the type of loan agreement, type of collateral, financing bank and other criteria, the ratio varies from 100% to 200%. Regardless of the number and amount of securities established, the bank may pursue claims up to the amount of the actual debt together with the interest due. As at 30 June 2019 the value of debt on account of loans amounted to PLN 166.3 million (including the debt of TBS Marki Sp. z o.o. – PLN 85,5 million) and there were no premises to suggest that any of the loans might not be repaid on time.

In the case of Issuer's loans, the standard securities used by banks include, among others, mortgages on real estate.

The value of mortgages secured on real estate is presented below:

OFF-BALANCE SECURITIES	30-06-2019
Amount of security on own real estate*	618 138 518

*including collaterals on real estate of TBS Marki Sp. z o.o. – PLN 22,4 million

Several types of collateral are usually used for one credit agreement, with a total value in excess of the loan amount. However, the amounts of collateral cannot be added together as the value of a possible claim would be closely linked to the amount of the obligation and the eligible entity would have the right to choose the type of collateral. Apart from mortgage, there are also other forms of security, such as: writs of enforcement, promissory notes, powers of attorney to accounts or pledges on accounts. In addition, in the case of investment loans, cessions from contracts related to specific constructions (e.g. general contracting agreements, insurance contracts, performance bonds) are a hedging instrument. Moreover, if the borrower is a subsidiary of the Issuer, banks usually require an additional guarantee from the Issuer, and in some cases a pledge on the shares of the subsidiary.

The value of sureties and guarantees granted is presented below:

OFF-BALANCE SECURITIES - other	30-06-2019
Surety of J.W. Construction Holding S.A. for Hanza Invest SA for an investment loan from Bank Ochrony Środowiska S.A.	72 000 000
Surety of J.W. Construction Holding S.A. for Dana Invest Sp. z o.o. for credit incurred at BZ WBK SA.	29 694 876
Surety for J.W. Construction Sp. z o.o. for credit and lease in PKO BP	17 069 297
Sureties for TBS "Marki" Sp. z o.o.	22 400 000

As at 30 June 2019 insurance and bank guarantees were also granted to remove defects and faults, granted by banks and insurance institutions, whose beneficiaries were the Capital Group Companies. Moreover, blank promissory notes were issued for the companies of the Capital Group as a security for their rights resulting from guarantees granted by contractors, which the Companies have the right to fill in at any time for the amount corresponding to the costs of removal of defects and faults. Total value of guarantees issued as at 30 June 2019 amounted to PLN 36,34 million and PLN 1,74 million Euro (Issuer), PLN 7,59 million and 116,48 thousand Euro (JW. Construction sp. z o.o.).

Note 38. Significant issues in litigation

As at 30 June 2019 no proceedings to which the Company or any of its subsidiaries, either as plaintiff or defendant, were material to the Company's business.

However, with regard to the previously provided information concerning proceedings brought by the Capital City of Warsaw against the Company, for payment of annual fees (2009-2013) for perpetual usufruct of real estate designated in the local zoning plan for a public road, of which the Company informed in its reports for earlier periods. On 22 December 2018 cassation appeal was filed with the Supreme Court against the verdict of the Court of Appeals in Warsaw of 4 June 2018 issued as a result of re-examination of the case as a result of the above

mentioned verdict of the Supreme Court of 9 March 2018, under which the Company's appeal against the verdict of the Court of First Instance was again dismissed. We are currently awaiting processing of the cassation complaint.

Note 39. Significant risk factors and threats

The risks recognised by the Group include: liquidity risk, interest rate risk, currency risk, credit risk, breach of covenants and termination of financing agreements, legislative risk, risk related to administrative and legislative decisions, risk related to the general macroeconomic situation, risk related to the construction market and risk related to support programmes for the apartment purchasers.

Liquidity risk

The Group pays particular attention to the balance between financing its investment activities and timely repayment of liabilities. Liquidity is conditioned by the banks' credit policy with respect to granting both mortgage and investment loans. Lack of financing from banks, especially in connection with the requirements of the Development Act and trust accounts in the case of developers and individual customers may have an impact on: Initiation of new investments, demand for flats, timeliness of payments and thus cash flows.

Interest rate risk

The Group has liabilities on account of loans, for which interest is calculated on the basis of a variable interest rate, and therefore there is a risk of growth of interest in relation to the moment of the agreement conclusion. Due to the fact that the Group had, in the reporting period, both assets and liabilities bearing interest at a variable rate, which balanced the risk, and due to minor interest rate fluctuations in the past periods, as well as due to the lack of forecasts of rapid changes in interest rates in subsequent reporting periods, the Group did not use interest rate hedges as at 31 June 2019, considering that the interest rate risk is not significant.

Regardless of the current situation, the Group monitors its exposure to interest rate risk and interest rate projections and does not preclude future hedging activities.

The table below shows the sensitivity of the gross financial result to reasonably possible changes in interest rates, assuming that other factors remain unchanged (in connection with variable interest rate liabilities) The impact on the Group's equity has not been presented. The analysis did not take into account the loan from TBS Marki Sp. z o.o., which is a preferential loan granted on other terms, where the risk is limited.

Currency risk

The Group is exposed to the risk of changes in foreign exchange rates due to loans granted in EUR to a subsidiary which is not subject to consolidation.

The table below shows the sensitivity of the gross financial result to possible changes in the exchange rates of these currencies, assuming that other factors remain unchanged (in connection with receivables and loans in foreign currencies).

Credit risk

The Group is exposed to credit risk, understood as the risk that creditors will not meet their obligations and thus cause the Company to incur losses.

In the case of a loan to the Capital Group, this risk is considered immaterial due to the ongoing monitoring of financial standing and control.

The maximum exposure to credit risk is PLN 18,981 thousand as at the balance sheet date and was estimated as the carrying amount of trade receivables from other companies.

In the opinion of the Group's Management Board, credit risk has been recognized in the financial statements through the creation of revaluation write-offs. Credit risk related to bank deposits is considered immaterial as the Group has entered into transactions with well-established financial institutions.

Risk of breach of covenants and termination of financing agreements

The concluded loan and bond issue agreements contain financial indicators (covenants), which the Company is obliged to meet. The Company analyses the level of debt and covenants on an ongoing basis, and is also in contact with financing institutions. In the Company's opinion, there is no threat of termination of the aforementioned agreements.

Legislative risk

The planned amendment to the Act on the protection of rights of the purchaser of an apartment or single-family house, providing, among other things, for the introduction of obligatory contributions to the Developer Guarantee Fund, constitutes a risk which may affect the Group's operations and its financial results.

Administrative decisions risk

Development activities are based on administrative decisions required in connection with current or future projects. Failure to obtain permits, approvals or consents, or failure to obtain them on time, may adversely affect the Company's ability to commence, conduct or complete current and new development projects. All of these factors may therefore affect the Company's financial flows and all of its operations.

General macroeconomic situation risk

The Group's operations and financial results largely depend on the economic situation on the domestic market. Factors shaping the economic situation include: GDP growth rate, average gross salary level, unemployment rate, inflation rate, exchange rates, interest rates, credit availability, household debt level. Despite the ongoing economic upturn in Poland, there is no certainty about the sustainability of positive trends in the future. There is a risk that if the economic growth rate in Poland slows down, real gross wages and salaries may decrease and the availability of loans, including mortgage loans, may decrease. This will result in a reduction in demand for the products and services offered by the Company, and in particular for the primary product, i.e. flats. As a consequence, it may have a negative impact on the Company's sales and result in a deterioration of financial results.

Construction market

The Group's activity is closely related to the situation on the construction market. In the last quarters, prices of construction materials and services increased, which may be reflected in higher investment costs. The shortage of labour and low unemployment rate in Poland causes problems with finding employees and employing subcontractors of construction services, and this translates into increased risk of delays in the implementation of investment projects.

Risk related to support programmes for purchasers of residential units

The housing market in Poland may be affected by the government's "Mieszkanie Plus" programme. Although at the moment the programme is not being implemented as announced. At present, it is difficult to predict the scale of its impact on the development sector. On the one hand, the program is addressed to people who do not have the creditworthiness to purchase their own property, i.e. not to the Company's customers. Moreover, the beneficiaries of the programme are to be persons renting flats and not buying them. On the other hand, however, the programme may compete with popular flats, especially if it is to include attractive locations in large cities. Until now, the programme has been conducted on a limited scale without any significant impact on the residential market or the Company's operations.

Currently, work is underway on the Act on rental market companies, the so-called REIT - preliminary assumptions of the program are that they will encourage investment in real estate. However, the final shape of the bill is not known at this moment, so it is difficult to assess its impact on the market.

Note 40. Financial instruments and hedge accounting

In 2019 The Group did not apply hedge accounting and did not have any embedded derivatives.

Financial instruments by category	Valuation at amortized cost	Valuation at fair value through other comprehensive income	Valuation at fair value through financial result	Total as at 30-06-2019
Current financial assets	204 398 563,72	0,00	0,00	204 398 563,72
Trade and other receivables	40 001 953,10	0,00	0,00	40 001 953,10
Other financial assets	62 281 612,10	0,00	0,00	62 281 612,10
Cash and cash equivalents	102 114 998,52	0,00	0,00	102 114 998,52
		0,00	0,00	
Non-current financial assets	15 672 295,34	0,00	0,00	15 672 295,34
Other financial assets	12 836 461,39	0,00	0,00	12 836 461,39
Trade and other receivables	2 835 833,95	0,00	0,00	2 835 833,95
Current financial liabilities	176 937 657,14	0,00	0,00	176 937 657,14
Trade and other payables	71 446 215,93	0,00	0,00	71 446 215,93
Borrowings	23 194 374,68	0,00	0,00	23 194 374,68
Other liabilities	82 297 066,53	0,00	0,00	82 297 066,53
Non-current financial liabilities	277 367 120,50	0,00	0,00	277 367 120,50
Borrowings	143 108 502,14	0,00	0,00	143 108 502,14
Other liabilities	134 258 618,36	0,00	0,00	134 258 618,36

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Financial instruments by category	Valuation at amortized cost	Valuation at fair value through other comprehensive income	Valuation at fair value through financial result	Total as at 31-12-2018
Current financial assets	221 225 992,54	0,00	0,00	221 225 992,54
Trade and other receivables	39 469 536,79	0,00	0,00	39 469 536,79
Other financial assets	59 271 955,41	0,00	0,00	59 271 955,41
Cash and cash equivalents	122 484 500,34	0,00	0,00	122 484 500,34
		0,00	0,00	
Non-current financial assets	15 962 357,91	0,00	0,00	15 962 357,91
Other financial assets	13 123 092,26	0,00	0,00	13 123 092,26
Trade and other receivables	2 839 265,65	0,00	0,00	2 839 265,65
Current financial liabilities	181 351 316,75	0,00	0,00	181 351 316,75
Trade and other payables	62 909 836,74	0,00	0,00	62 909 836,74
Borrowings	40 974 620,09	0,00	0,00	40 974 620,09
Other liabilities	77 466 859,92	0,00	0,00	77 466 859,92
Non-current financial liabilities	272 088 241,82	0,00	0,00	272 088 241,82
Borrowings	101 430 756,35	0,00	0,00	101 430 756,35
Other liabilities	170 657 485,47	0,00	0,00	170 657 485,47

Financial instruments	30-06-2019	31-12-2018	30-06-2018
Carrying amount and fair value of financial assets	220 070 859,06	237 188 350,45	264 569 321,43
Current financial assets	204 398 563,72	221 225 992,54	195 358 797,04
Trade and other receivables	40 001 953,10	39 469 536,79	40 418 699,91
Other financial assets	62 281 612,10	59 271 955,41	1 642 043,03
Cash and cash equivalents	102 114 998,52	122 484 500,34	153 298 054,10
Non-current financial assets	15 672 295,34	15 962 357,91	69 210 524,39
Other financial assets	12 836 461,39	13 123 092,26	66 219 169,24
Trade and other receivables	2 835 833,95	2 839 265,65	2 991 355,15
Carrying amount and fair value of financial liabilities	454 304 777,64	453 439 558,57	483 913 416,29
Current financial liabilities	176 937 657,14	181 351 316,75	171 661 797,34
Trade and other payables	71 446 215,93	62 909 836,74	62 334 163,06
Borrowings	23 194 374,68	40 974 620,09	66 346 628,45
Other liabilities	82 297 066,53	77 466 859,92	42 981 005,83
Non-current financial liabilities	277 367 120,50	272 088 241,82	312 251 618,95
Borrowings	143 108 502,14	101 430 756,35	109 311 173,85
Other liabilities	134 258 618,36	170 657 485,47	202 940 445,10

The Capital Group conducted an analysis as a result of which it was concluded that the value of financial instruments disclosed in the statement of financial position does not differ significantly from their fair value due to the fact that most of these instruments bear a variable interest rate.

Fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions traded in active, liquid markets shall be determined by reference to quoted prices;
- the fair value of other financial assets and financial liabilities (except for derivatives) is determined in accordance with generally accepted valuation models based on discounted cash flow analysis, using prices from observable current market transactions and dealer quotations for similar instruments;

In the period from 1 January 2019 to 30 June 2019, there was no transfer between levels in the hierarchy of fair value used in the measurement of fair value, as well as no change in the classification of financial assets due to a change in the purpose or manner of using these assets.

G. INTERIM CONDENSED FINANCIAL STATEMENTS AS AT 30 JUNE 2019.

1. GENERAL INFORMATION

1.1 Name, registered office, registration authorities, subject of activity

J.W. Construction Holding S.A. ("JWCH", „Dominant Entity”) with its registered office in Ząbki at 326 Radzymińska St., REGON no. 010621332, was initially registered as Towarzystwo Budowlano-Mieszkaniowe Batory Sp. z o.o. on 7 March 1994 under RHB 39782. On 15 January 2001 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. 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 construction, designing and supportive production, as well as trade in real estate, and hotel services.

1.2 Lifetime

The lifetime of J.W. Construction Holding S.A. as at 30 June 2019 is unlimited. The financial year for the company is a calendar year, i.e. period between January 1 and December 31.

1.3 Approval of the financial statements for publishing

These interim condensed consolidated financial statements were approved for publication and signed by the Management Board on 29 August 2019.

1.4 Going concern

These interim condensed consolidated financial statements of J.W. Construction Holding S.A. were prepared on the assumption of continuation of business activity in the foreseeable future. As at the balance sheet date, Management Board of J.W. Construction Holding S.A. did not identify any circumstances indicating a threat to the continued activity.

1.5 Period covered by the report

The presented interim condensed financial statements cover the period from 1 January 2019 to 30 June 2019, and the comparable financial data and explanatory notes cover the period from 1 January 2018 to 30 June 2018 and as at 31 December 2018 in the case of the statement of financial position and changes in equity.

2. THE PRINCIPLES OF PREPARATION OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

2.1 Basis for the preparation of the financial statements

These interim condensed financial statements for the first half of 2019 and comparative periods were prepared in accordance with IAS 34 Interim Financial Reporting and other applicable IAS/IFRS.

These interim condensed financial statements have been prepared in accordance with the historical cost concept, with the exception of:

- investment property measured at fair value,
- cash and cash equivalents at nominal value,
- financial instruments measured at fair value, except for shares in subsidiaries measured at cost less impairment losses,
- financial liabilities, including loans and borrowings measured at amortised cost using the effective interest rate.

The financial statements have been prepared on an accrual basis, except for the statement of cash flows. The condensed unconsolidated financial statements do not include all the information and explanations required in the annual financial statements, therefore they should be read in conjunction with the financial statements for the financial year ended 31 December 2018.

2.2 Statement of compliance

These interim condensed financial statements for the period from 1 January 2019 to 30 June 2019 have been prepared in accordance with applicable IAS/IFRS approved by the European Union (approval by the European Union is understood as publication of standards or interpretations in the form of regulations of the European Commission). To the extent not covered by the above standards, these consolidated annual financial statements have been prepared in accordance with the requirements of the Accounting Act of 29 September 1994 (Journal of Laws of 2019, item 351, as amended) and the secondary legislation issued thereunder. In these interim condensed consolidated financial statements, the general term IFRS is used both in relation to International Financial Reporting Standards and International Accounting Standards.

The accounting principles were applied in compliance with the continuity principle in all presented periods.

2.3 Significant estimations and assumptions

When making estimations J.W. Construction Holding S.A. makes the following assumptions referring to the future:

- Estimation of impairment allowance regarding receivables. Impairment allowance is established taking account of expected risk connected with receivables and created collateral having impact on effective debt collection. Although the assumptions are made using the best knowledge, real results may be different than expected.
- Estimations connected with establishing deferred tax assets in accordance with IAS 12. Due to the highly volatile economy it may happen that real earnings and tax income are different than planned.
- Estimation of potential costs of fiscal and court proceedings pending against the Dominant Entity. 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 Dominant 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 Dominant Entity are long-term services. The period of their performance exceeds 6 months.

2.4 Changes in accounting principles

The accounting principles (policy) applied to prepare these unconsolidated financial statements for the first half of 2019 are consistent with those applied to prepare the annual financial statements for 2018.

The same principles were applied for the current and comparable period. A detailed description of the accounting principles adopted by J.W. Construction Holding was presented in the annual financial statements for 2018, published on 21 March 2019.

2.5 Application of new standards, amendments to standards and interpretations

Existing standards, which came into force on 1 January 2019, standards issued and approved by the European Union, which came into force and standards awaiting approval by the European Union are described on pages 7-11.

2.6 Changes made by the Company

On 20 September 2018 The District Court for the Capital City of Warsaw in Warsaw, 14th Commercial Division of the National Court Register, made an entry of the Issuer's merger with subsidiaries: Seahouse Spółka z o.o with its registered office in Ząbki, Łódź Invest Spółka z o.o. with its registered office in Ząbki, Nowe Tysiąclecie Spółka z o.o. with its registered office in Ząbki, Zdziarska Invest Spółka z o.o. with its registered office in Ząbki, Lewandów Invest Spółka z o.o. with its registered office in Ząbki, sPorta Transport Spółka z o.o. in liquidation with its registered office in Szczecin, J.W. Ergo Energy Spółka z o.o. with its registered office in Ząbki, Towarzystwo Budownictwa Społecznego Nowy Dom Spółka z o.o. with its registered office in Ząbki, J.W. Marka Spółka z o.o. with its registered office in Ząbki and Business Financial Construction Spółka z o.o. with its registered office in Warsaw („**Acquired companies**”).

The merger was made within the capital group of the Issuer, in all Companies acquired the Issuer held 100% share in the share capital. The merger was carried out pursuant to Art. 492.1.1 of the Polish Commercial Companies Code through the transfer of all the assets of the Acquired Companies to the Issuer - as the sole shareholder The merger was made by combining stakes.

Due to the merger, the presentation of comparable data in the Issuer's separate financial statements for the first half of 2019 was adjusted.

Interim condensed statement of financial position

ASSETS	Note	30-06-2019	31-12-2018
FIXED ASSETS		810 932 636,71	799 850 652,05
Intangible assets	1	12 909 322,06	12 872 925,97
Tangible assets	2	249 950 142,88	249 153 252,48
Investment real estate	3	276 822 800,83	260 656 999,55
Other financial assets	4	235 657 795,43	246 210 819,04
Deferred income tax assets		29 974 894,61	30 591 500,25
Trade and other receivables	5	365 154,76	365 154,76
Right to use an asset		5 252 526,14	0,00
CURRENT ASSETS		856 359 084,48	868 340 134,41
Inventories	6	29 240 425,27	28 148 284,47
Construction contracts	7	634 386 110,42	641 749 934,49
Trade and other receivables	8	34 140 793,86	33 121 916,28
Other financial assets	9	65 931 240,67	66 165 899,43
Cash and cash equivalents	10	70 451 099,33	84 207 681,80
Accruals	11	18 440 797,79	14 946 417,94
Right to use an asset		3 768 617,14	0,00
Total assets		1 667 291 721,19	1 668 190 786,46
LIABILITIES			
EQUITY		737 431 550,83	753 957 755,11
Primary capital		17 771 888,60	17 771 888,60
Revaluation reserve		7 493 208,19	7 493 208,19
Own shares (stocks)		-4 068 524,70	0,00
Other capitals		718 683 433,05	712 418 618,30
Retained earnings		-6 255 424,73	-6 255 424,73
Net profit / loss		3 806 970,42	22 529 464,75
LIABILITIES		921 436 616,31	914 233 031,36
Non-current liabilities		248 722 135,21	253 329 640,01
Borrowings	12	38 345 110,74	6 727 681,01
Deferred income tax liabilities		38 555 425,87	38 519 206,16
Retirement benefits liabilities		200 416,45	200 416,45
Provisions for other liabilities		0,00	0,00
Other liabilities	13	171 621 182,15	207 882 336,39
Current liabilities		672 714 481,10	660 903 391,35
Trade and other payables	14	57 239 680,76	53 994 773,25
Construction contracts	7	490 036 064,24	469 066 664,54
Borrowings	12	17 483 204,93	35 163 229,69
Provisions for other liabilities and other charges	13	26 462 697,03	25 709 542,56
Other liabilities	14	81 492 834,14	76 969 181,31
FUTURE LONG-TERM DISCOUNTED LEASE PAYMENTS		7 228 295,37	0,00
FUTURE SHORT-TERM DISCOUNTED LEASE PAYMENTS		1 195 258,69	0,00
Total liabilities and equity		1 667 291 721,19	1 668 190 786,46

Interim condensed statement of profit or loss and other comprehensive income for the period of 6 months ended on 30 June 2019

	Note	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018 (after adjustment)
Net revenues from sales of products, goods and materials, including:	15	158 624 886,08	80 321 085,84
Net revenues from sales of products		156 270 952,83	77 977 412,03
Net revenues from sales of goods and materials		2 353 933,25	2 343 673,81
Costs of products, goods and materials sold, including:	16	122 896 050,84	77 226 313,03
Cost of products sold		120 552 894,17	74 880 808,60
Value of goods and materials sold		2 343 156,67	2 345 504,43
Gross profit (loss) from sales		35 728 835,24	3 094 772,81
Costs of sales		10 492 116,26	9 751 702,57
Overheads		14 144 915,61	10 109 442,71
Revaluation of investment property		-824 000,94	-4 052 202,88
Profit (loss) from sales		10 267 802,43	-20 818 575,35
Other operating income	17	799 330,87	345 208,57
Other operating expenses	18	2 598 843,72	3 506 207,71
Profit (loss) on operations		8 468 289,58	-23 979 574,49
Financial revenues	19	2 412 859,93	12 706 849,44
Financial costs	20	6 421 353,75	13 626 473,23
Profit (loss) on business activity		4 459 795,76	-24 899 198,28
Gross profit (loss)		4 459 795,76	-24 899 198,28
Income tax		652 825,34	-5 784 873,63
Net profit (loss)		3 806 970,42	-19 114 324,65

Other comprehensive income:		0,00	0,00
Foreign exchange rate operation differences		0	0
Profit/loss from acquisitions		0	0
Profit from revaluation of tangible fixed assets		0	0
Other comprehensive income		0	0
Total revenue		3 806 970,42	-19 114 324,65

CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE		01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
Profits			
(A) Profit resulting from the financial statements		3 806 970,42	-19 114 324,65
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	-0,22
Diluted earnings per share = (A)/(B)		0,04	-0,22

J.W. Construction Holding SA
Interim condensed financial statements
for the period of 6 months ended on 30 June 2019

Interim condensed statement of cash flows for the period of 6 months ended on 30 June 2019

Cash flows from operating activities - indirect method	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018 (after adjustment)
Net profit (loss)	3 806 970,42	-19 114 324,65
Item adjustment	10 842 792,95	-970 375,15
Depreciation and amortization	4 771 130,04	4 269 752,38
(Profit) loss on foreign exchange differences concerning financial and business activity	591 520,12	-3 113 142,00
Profit (loss) on investment activities	-61 793,89	0,00
Interest and dividends	2 360 085,97	3 696 512,08
Changes in provisions and accruals	1 158 876,31	-9 902 870,99
Changes in investment real estate	1 796 352,44	0,00
Other item adjustments:	226 621,96	4 079 373,38
- goodwill adjustment	0,00	0,00
- investment property write-off	824 000,94	4 052 202,88
- change in the balance of fixed assets - internal transfers		0,00
- other adjustments	-597 378,98	27 170,50
Changes in working capital	26 697 109,38	115 684 129,55
Changes in inventories	-1 111 110,67	1 716 978,73
Changes in construction contracts	28 315 032,07	107 033 202,44
Changes in receivables	-2 018 877,58	3 684 340,30
Changes in current liabilities, except for borrowings	1 512 065,56	3 249 608,08
Operating cash flows	41 346 872,75	95 599 429,75
Investment activity cash flows		
Disposal of tangible and intangible assets and other noncurrent assets	9 666 878,25	0,00
Acquisition of tangible and intangible assets and other noncurrent assets	-33 524 495,68	-67 423 693,86
Disposal of equity and debt instruments	0,00	69 275,97
Loans granted	-11 171 749,79	-6 102 798,69
Loans paid	8 683 333,31	54 168,03
Other financial assets acquisition	-1 043 000,00	-945 000,00
Other disposals of financial assets	0,00	0,00
Interest received	188 771,67	22 413,29
Acquisition of subsidiaries	-45 000,00	-203 312,00
Net investment activity cash flow	-27 245 262,24	-74 528 947,26
Cash flows from financing activities		0,00
Loans and borrowings granted	39 110 034,20	3 084 851,76
Loans and borrowing paid	-24 796 763,37	-33 155 905,88
Issuance of security papers	0,00	0,00
Redemption of debt securities	-28 000 000,00	-12 890 000,00
Payments under financial lease agreements	-845 491,40	-641 420,17
Dividends and other shares in profits	0,00	0,00
Interest paid	-9 257 447,71	-10 652 659,18
Purchase of own shares	-4 068 524,70	0,00
Net financing cash flow	-27 858 192,98	-54 255 133,47
NET DECREASE / (INCREASE) IN CASH	-13 756 582,47	-33 184 650,98
Opening balance of cash and cash equivalents	84 207 681,80	157 132 776,26
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	70 451 099,33	123 948 125,28

J.W. Construction Holding SA
Interim condensed financial statements
for the period of 6 months ended on 30 June 2019

Interim condensed statement of changes in equity for the period of 6 months ended on 30 June 2019

	Share capital	Own shares (negative value)	Revaluation reserve	Reserve capital	Other capitals	Retained earnings	Net result	Equity
As at 31 December 2018	17 771 888,60	0,00	7 493 208,19	706 687 031,11	5 731 587,19	-6 255 424,73	22 529 464,75	753 957 755,11
As at 1 January 2019	17 771 888,60	0,00	7 493 208,19	706 687 031,11	5 731 587,19	-6 255 424,73	22 529 464,75	753 957 755,11
Share issuance	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Own shares redemption	0,00	0,00		0,00	0,00			0,00
Purchase of own shares	0,00	-4 068 524,70	0,00	-50 000 000,00	50 000 000,00	0,00	0,00	-4 068 524,70
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 real estate	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profits (losses) on revaluation of available-for-sale assets	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profits (losses) on cash flow hedges	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Foreign exchange rate differences due to the calculation of financial statements of foreign subsidiaries	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Income tax regarding the items transferred directly to equity	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profit / loss on acquisitions (unconsolidated jwch)	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profit / loss from inclusion/exclusion to/from consolidation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Changes in accounting policies/presentation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Adjustments	0,00	0,00	0,00	-16 264 650,00	0,00	0,00	0,00	-16 264 650,00
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	-4 068 524,70	0,00	-66 264 650,00	50 000 000,00	0,00	0,00	-20 333 174,70
Net profit (loss) for the accounting year	0,00	0,00	0,00		0,00		3 806 970,42	3 806 970,42
Total profit / (loss) recognized in equity and the net result	0,00	-4 068 524,70	0,00	-66 264 650,00	50 000 000,00	0,00	3 806 970,42	-16 526 204,28
Increase / decrease from profit distribution	0,00	0,00	0,00	22 529 464,75	0,00		-22 529 464,75	0,00
As at 30 June 2019	17 771 888,60	-4 068 524,70	7 493 208,19	662 951 845,86	55 731 587,19	-6 255 424,73	3 806 970,42	737 431 550,83

J.W. Construction Holding SA
Interim condensed financial statements
for the period of 6 months ended on 30 June 2019

	Share capital	Own shares (negative value)	Revaluation reserve	Reserve capital	Other capitals	Retained earnings	Net result	Equity
As at 31 December 2017 (converted data)	17 771 888,60	0,00	7 493 208,19	676 124 356,46	5 731 587,19	-4 724 163,88	29 031 413,80	731 428 290,36
As at 1 January 2018	17 771 888,60	0,00	7 493 208,19	676 124 356,46	5 731 587,19	-4 724 163,88	29 031 413,80	731 428 290,36
Share issuance	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Own shares 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 real estate	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profits (losses) on revaluation of available-for-sale assets	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profits (losses) on cash flow hedges	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Foreign exchange rate differences due to the calculation of financial statements of foreign subsidiaries	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Income tax regarding the items transferred directly to equity	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profit / loss on acquisitions (unconsolidated jwch)	0,00	0,00		0,00	0,00	0,00	0,00	0,00
Profit / loss from inclusion/exclusion to/from consolidation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Changes in accounting policies/presentation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Adjustments	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Conversion to IFRS	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
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	22 529 464,75	22 529 464,75
Total profit / (loss) recognized in equity and the net result	0,00	0,00	0,00	0,00	0,00	0,00	22 529 464,75	22 529 464,75
Increase / decrease from profit distribution	0,00	0,00	0,00	30 562 674,65	0,00	-1 531 260,85	-29 031 413,80	0,00
As at 31 December 2018	17 771 888,60	0,00	7 493 208,19	706 687 031,11	5 731 587,19	-6 255 424,73	22 529 464,75	753 957 755,11

J.W. Construction Holding SA
Interim condensed financial statements
for the period of 6 months ended on 30 June 2019

	Share capital	Own shares (negative value)	Revaluation reserve	Reserve capital	Other capitals	Retained earnings	Net result	Equity
As at 31 December 2017 (converted data)	17 771 888,60	0,00	7 493 208,19	676 124 356,46	5 731 587,19	-4 724 163,88	29 031 413,80	731 428 290,36
As at 1 January 2018	17 771 888,60	0,00	7 493 208,19	676 124 356,46	5 731 587,19	-4 724 163,88	29 031 413,80	731 428 290,36
Share issuance	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Own shares 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 real estate	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profits (losses) on revaluation of available-for-sale assets	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profits (losses) on cash flow hedges	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Foreign exchange rate differences due to the calculation of financial statements of foreign subsidiaries	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Income tax regarding the items transferred directly to equity	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profit / loss on acquisitions (unconsolidated jwch)	0,00	0,00		0,00	0,00	0,00	0,00	0,00
Profit / loss from inclusion/exclusion to/from consolidation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Changes in accounting policies/presentation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Adjustments	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Conversion to IFRS	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
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	-19 114 324,65	-19 114 324,65
Total profit / (loss) recognized in equity and the net result	0,00	0,00	0,00	0,00	0,00	0,00	-19 114 324,65	-19 114 324,65
Increase / decrease from profit distribution	0,00	0,00	0,00	30 511 177,65	0,00	-1 479 763,85	-29 031 413,80	0,00
As at 30 June 2018 (converted data)	17 771 888,60	0,00	7 493 208,19	706 635 534,11	5 731 587,19	-6 203 927,73	-19 114 324,65	712 313 965,71

H. SELECTED EXPLANATORY NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS OF THE ISSUER AS AT 30 JUNE 2019

1. FIXED ASSETS

Note 1. Intangible assets

INTANGIBLE ASSETS	30-06-2019	31-12-2018
a) research and development expenses	0,00	0,00
b) goodwill	12 389 648,22	12 389 648,22
c) other intangible assets	519 673,84	483 277,75
d) advances on intangible assets	0,00	0,00
Total intangible assets	12 909 322,06	12 872 925,97

Note 2. Tangible assets

TANGIBLE ASSETS	30-06-2019	31-12-2018
a) fixed assets, including:	243 530 269,58	244 207 911,79
- land (including perpetual usufruct)	16 000 958,39	16 000 958,39
- buildings, premises and civil engineering structures	208 156 542,71	208 253 643,68
- technical equipment and machinery	10 526 851,05	10 762 807,68
- motor vehicles	2 707 101,19	2 486 922,93
- other fixed assets	6 138 816,24	6 703 579,11
b) fixed assets under construction	6 419 873,30	4 945 340,69
c) advances on fixed assets under construction	0,00	0,00
Total tangible assets	249 950 142,88	249 153 252,48

Note 3. Investment real estate

Other long-term investments	30-06-2019	31-12-2018
a) investment real estate	276 822 800,83	260 656 999,55
b) other	0,00	0,00
Value of other long-term investments	276 822 800,83	260 656 999,55

Note 4. Other financial assets

LONG-TERM FINANCIAL ASSETS	30-06-2019	31-12-2018
a) shares	182 759 490,18	198 979 140,18
b) loans granted	50 503 579,64	46 191 196,99
c) other long-term investments	2 394 725,61	1 040 481,87
Total long-term financial assets	235 657 795,43	246 210 819,04

LONG-TERM FINANCIAL ASSETS	30-06-2019	31-12-2018
a) in subsidiaries	224 629 136,95	240 650 442,13
- shares	182 550 940,18	198 770 590,18
- other security papers	432 515,51	423 305,51
- loans granted	41 645 681,26	41 456 546,44
- other long-term financial assets	0,00	0,00
b) in other units	11 028 658,48	5 560 376,91
- shares	208 550,00	208 550,00
- other security papers	1 962 210,10	617 176,36
- loans granted	8 857 898,38	4 734 650,55
- other long-term financial assets	0,00	0,00
Total long-term financial assets	235 657 795,43	246 210 819,04

Note 5. Trade and other receivables

NON-CURRENT RECEIVABLES	30-06-2019	31-12-2018
a) deposit receivables	0,00	0,00
b) deposit receivables (leasing)	0,00	0,00
b) other receivables	365 154,76	365 154,76
Total receivables	365 154,76	365 154,76

2. CURRENT ASSETS

Note 6. Inventories

INVENTORIES	30-06-2019	31-12-2018
a) materials	1 338 626,36	1 643 361,78
b) semi-finished products and work in progress	0,00	0,00
c) finished products	0,00	0,00
d) goods	27 405 415,27	25 536 435,63
e) trade advances	496 383,64	968 487,06
Total inventories	29 240 425,27	28 148 284,47

Note 7. Construction contracts

CONSTRUCTION CONTRACTS	30-06-2019	31-12-2018
a) semi-finished products and work in progress	599 413 050,35	551 030 000,43
b) finished products	20 350 774,82	77 635 561,36
c) advances for supplies	14 622 285,25	13 084 372,65
d) short-term prepayments and accruals	0,00	0,05
Total construction contracts	634 386 110,42	641 749 934,49

CONSTRUCTION CONTRACTS	30-06-2019	31-12-2018
a) accruals	490 036 064,24	469 066 664,54
Total construction contracts	490 036 064,24	469 066 664,54

Accruals	30-06-2019	31-12-2018
- advances on premises	488 375 972,51	462 281 131,35
- provision for works	1 660 091,73	5 885 533,19
- other	0,00	900 000,00
Total accruals	490 036 064,24	469 066 664,54

Note 8. Trade and other receivables

CURRENT RECEIVABLES	30-06-2019	31-12-2018
a) trade receivables - related parties	6 160 341,23	6 737 865,73
b) trade receivables - other parties	18 248 820,69	16 772 306,85
c) taxes, subsidies, customs duties, social and health insurance and other payments	6 941 416,34	7 822 905,74
d) other	2 790 215,60	1 788 837,96
Total receivables	34 140 793,86	33 121 916,28

AGE STRUCTURE OF TRADE RECEIVABLES	30-06-2019	31-12-2018
not overdue	22 964 548,07	22 468 095,25
Overdue up to 3 months	352 561,81	284 979,09
Overdue between 3 and 6 months	382 743,88	90 830,26
Overdue between 6 months and 1 year	170 994,99	325 239,97
Overdue over 1 year	538 313,17	341 028,01
Gross trade receivables	24 409 161,92	23 510 172,58
Write-offs updating receivables	0,00	0
Net trade receivables	24 409 161,92	23 510 172,58

J.W. Construction Holding SA
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for the period of 6 months ended on 30 June 2019

Note 9. Other financial assets

SHORT-TERM INVESTMENTS	30-06-2019	31-12-2018
a) shares	0,00	0,00
b) loans granted	62 704 599,97	62 716 663,05
c) other security papers	3 226 640,70	3 449 236,38
d) other short-term investments	0,00	0,00
Total short-term investments	65 931 240,67	66 165 899,43

SHORT-TERM INVESTMENTS	30-06-2019	31-12-2018
a) in subsidiaries	62 649 115,43	62 661 178,51
- shares	0,00	0,00
- other security papers	0,00	0,00
- loans granted	62 649 115,43	62 661 178,51
- other current financial assets	0,00	0,00
b) in other units	3 282 125,24	3 504 720,92
- shares	0,00	0,00
- other security papers	3 226 640,70	3 449 236,38
- loans granted	55 484,54	55 484,54
- other current financial assets	0,00	0,00
Total short-term investments	65 931 240,67	66 165 899,43

Note 10. Cash and cash equivalents

CASH AND CASH EQUIVALENTS	30-06-2019	31-12-2018
a) cash on hand and with bank	70 413 871,16	84 196 799,55
b) other cash	747,80	747,80
c) other cash assets	36 480,37	10 134,45
Total cash	70 451 099,33	84 207 681,80

CASH IN ESCROW ACCOUNTS	30-06-2019	31-12-2018
cash in escrow accounts	21 184 001,06	61 483 631,37
JW. Construction Holding SA	21 184 001,06	61 483 631,37

Note 11. Accruals

ACCRUALS	30-06-2019	31-12-2018
a) short-term accruals	18 440 797,79	14 946 417,94
Total accruals	18 440 797,79	14 946 417,94

Accruals	30-06-2019	31-12-2018
- property insurance	234 772,85	342 641,77
- interest	2 622 100,01	2 739 700,01
- commission expenses	11 876 891,55	11 146 865,43
- property tax, perpetual usufruct, road tax	2 703 469,96	0,00
- other	1 003 563,42	717 210,73
Total accruals	18 440 797,79	14 946 417,94

3. LIABILITIES

Note 12. Borrowings

BORROWINGS	30-06-2019	31-12-2018
a) credits	55 828 315,67	41 515 044,84
<i>of which: long-term</i>	38 345 110,74	6 727 681,01
<i>short-term</i>	17 483 204,93	34 787 363,83
b) loans	0,00	375 865,86
<i>of which: long-term</i>	0,00	0,00
<i>short-term</i>	0,00	375 865,86
Total borrowings	55 828 315,67	41 890 910,70
Borrowings - long-term	38 345 110,74	6 727 681,01
Borrowings - short-term	17 483 204,93	35 163 229,69
CREDITS PER MATURITY	30-06-2019	31-12-2018
Up to 1 year	17 483 204,93	34 787 363,83
Between 1 and 2 years	19 968 640,15	2 151 428,00
Between 2 and 5 years	18 376 470,59	4 576 253,01
Over 5 years	0,00	0,00
Total credits, including	55 828 315,67	41 515 044,84
- long-term	38 345 110,74	6 727 681,01
- short-term	17 483 204,93	34 787 363,83

LOANS PER MATURITY	30-06-2019	31-12-2018
Up to 1 year	0,00	375 865,86
Between 1 and 2 years	0,00	0,00
Between 2 and 5 years	0,00	0,00
Over 5 years	0,00	0,00
Total loans	0,00	375 865,86
- long-term	0,00	0,00
- short-term	0,00	375 865,86

Note 13. Other long-term liabilities

PROVISIONS FOR OTHER LIABILITIES AND CHARGES	30-06-2019	31-12-2018
a) short-term, of which:	26 462 697,03	25 709 542,56
- accrued expenses, including:	9 389 893,34	10 003 703,49
- <i>interest charged</i>	1 155 862,39	1 110 399,96
- <i>rent deposits</i>	480 433,64	480 433,64
- <i>hotel down payments</i>	2 570 422,36	3 301 197,35
- <i>other</i>	5 183 174,95	5 111 672,54
- other provisions, including:	17 072 803,69	15 705 839,07
- <i>provision for future liabilities</i>	0,00	0,00
- <i>provisions for guaranteed repairs</i>	0,00	0,00
- <i>other provisions</i>	17 072 803,69	15 705 839,07
a) long-term, of which:	0,00	0,00
- accrued expenses, including:	0,00	0,00
Total provisions for other liabilities and charges	26 462 697,03	25 709 542,56

OTHER LONG-TERM LIABILITIES	30-06-2019	31-12-2018
a) lease obligations	1 334 685,48	833 587,68
b) deposit liabilities	40 754 975,83	43 714 469,38
c) liabilities from securities	93 800 000,00	128 800 000,00
d) other long-term liabilities	0,00	0,00
e) promissory note liabilities - affiliates	11 810 097,27	10 960 675,76
f) promissory note liabilities - third parties	0,00	0,00
g) loans received - affiliates	23 921 423,57	23 573 603,57
Total other liabilities	171 621 182,15	207 882 336,39

Note 14. Trade and other payables

TRADE AND OTHER PAYABLES	30-06-2019	31-12-2018
a) trade payables - other parties	29 033 759,70	28 244 378,92
b) trade payables - affiliated parties	6 763 296,43	3 626 926,40
c) axes, customs duties, insurance and other payments	4 178 135,86	2 547 023,23
d) salaries	2 257 151,58	2 118 570,66
e) trade advances received	40 581,01	0,00
f) loans received - affiliated parties	0,00	0,00
g) promissory notes – affiliated parties	2 733 753,40	4 336 270,86
h) other	12 233 002,78	13 121 603,18
Total trade and other payables	57 239 680,76	53 994 773,25

OTHER LIABILITIES	30-06-2019	31-12-2018
a) debt securities issue liabilities	80 761 869,60	75 941 216,10
b) promissory note liabilities - other	0,00	0,00
c) leasing liabilities	730 964,54	1 027 965,21
d) other financial liabilities	0,00	0,00
Total other liabilities	81 492 834,14	76 969 181,31

4. OPERATING INCOME AND EXPENSES

Note 15. Operating income

OPERATING INCOME	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
Revenues from sales of products	118 801 794,04	44 235 472,98
Revenues from sales of services	37 469 158,79	33 741 939,05
Revenues from sales of goods	2 353 933,25	2 343 673,81
Total income	158 624 886,08	80 321 085,84

	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
Proceeds from sales, including:	158 624 886,08	80 321 085,84
-sales of products – properties, plots, buildings	118 801 794,04	44 235 472,98
-from sales of services	37 469 158,79	33 741 939,05
-from sales of goods	2 353 933,25	2 343 673,81

	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
Revenues from sales of products and services by segment	156 270 952,83	77 977 412,03
-real estate development	125 980 965,78	50 461 024,37
-business activity related to hotels	25 772 951,90	24 570 015,73
-catering services	1 404 632,67	0,00
-real estate management	3 112 402,48	2 946 371,93

	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
Revenues from sales of products – premises, plots, buildings by geographical segment	118 801 794,04	44 235 472,98
-Warsaw and the surrounding area	84 826 642,50	35 713 501,45
-Gdynia	23 776 731,28	3 289 699,87
- Łódź	10 867,44	6 768,30
- Szczecin	0,00	0,00
- Katowice	519 535,82	5 225 503,36
- Poznań	0,00	0,00
- parcels and networks	9 668 017,00	0,00

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	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
Revenues from sales of hotel services per geographic segments	25 772 951,90	24 570 015,73
-Warsaw and the surrounding area	3 226 691,25	2 776 721,00
- Tarnowo	2 327 147,37	3 416 729,65
- Stryków	3 474 202,23	1 994 877,23
- Krynica Górská	16 744 911,05	16 381 687,85

Note 16. Operating expenses

OPERATING EXPENSES	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
Costs of sales of products	93 218 934,41	53 469 154,64
Costs of sales of services	27 333 959,76	21 411 653,96
Costs of sales of goods	2 343 156,67	2 345 504,43
Total costs of products, services and goods sold	122 896 050,84	77 226 313,03

Sales and overhead expenses	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
Costs of sales	10 492 116,26	9 751 702,57
Overheads	14 144 915,61	10 109 442,71
Total sales and overheads expenses	24 637 031,87	19 861 145,28

Expenses per type	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
Depreciation and amortization	4 808 422,04	3 972 612,74
Materials and energy cost	35 809 552,61	65 326 021,72
Third party services	84 461 936,53	129 417 448,47
Taxes and charges	4 500 972,75	4 364 942,73
Remunerations	17 068 956,21	14 308 414,60
Social security and other payments	3 242 583,84	2 684 614,99
Other expenses per type	5 430 361,42	4 338 554,36
Total expenses per type	155 322 785,40	224 412 609,61

Note 17. Other operating income

OPERATING INCOME	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
a) profit on sale of non-financial fixed assets	62 241,04	6 003,29
b) other operating income	737 089,83	339 205,28
Total operating income	799 330,87	345 208,57

OPERATING INCOME	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
a) profit on sale of non-financial fixed assets	62 241,04	6 003,29
b) handling fees, penalties	170 776,40	900,00
c) reserves, write-offs	24 914,26	0,00
d) asset disclosure	0,00	0,00
e) other (including damages)	541 399,17	338 305,28
Total operating income	799 330,87	345 208,57

Note 18. Other operating expenses

OPERATING EXPENSES	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
a) loss on sale of non-financial fixed assets	0,00	0,00
b) revaluation of non-financial assets	0,00	0,00
c) other operating expenses	2 598 843,72	3 506 207,71
Total operating income	2 598 843,72	3 506 207,71

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OPERATING EXPENSES	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
a) loss on sale of non-financial fixed assets	0,00	0,00
b) revaluation of non-financial assets	0,00	0,00
c) reserves	1 366 964,62	1 413 964,62
d) compensations, penalties, damages	472 333,39	1 843 605,96
e) compensations for breach of contracts	0,00	0,00
f) costs of court proceedings	229 068,10	79 027,10
g) costs of discontinued investments	0,00	0,00
h) other (including perpetual usufruct _ lawsuit)	530 477,61	169 610,03
Total operating income	2 598 843,72	3 506 207,71

Note 19. Financial revenues

FINANCIAL REVENUES	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
a) dividends	0,00	0,00
b) interest	2 019 541,85	9 193 261,05
c) investment revaluation	0,00	0,00
d) loss on disposal of investment	0,00	0,00
e) other	393 318,08	3 513 588,39
Total financial revenues	2 412 859,93	12 706 849,44

Financial revenues	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
a) dividends	0,00	0,00
b) interest from customers	78 584,49	48 272,63
c) loan interest	1 493 014,88	667 194,87
d) deposit interest	278 380,74	481 182,39
e) promissory notes interest	61 228,06	30 741,35
f) other interest - repayment	108 333,68	7 965 869,81
g) foreign exchange rate differences	0,00	0,00
h) investment revaluation	0,00	0,00
i) profit on disposal of investment	0,00	0,00
j) other	393 318,08	3 513 588,39
Total	2 412 859,93	12 706 849,44

Note 20. Financial expenses

FINANCIAL EXPENSES	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
a) interest	5 750 259,33	13 595 479,07
b) investment revaluation	0,00	0,00
c) loss on disposal of investment	0,00	30 384,75
d) other	671 094,42	609,41
Total financial expenses	6 421 353,75	13 626 473,23

FINANCIAL EXPENSES	01-01-2019 to 30-06-2019	01-01-2018 to 30-06-2018
a) interest, commissions, loans	1 482 994,90	1 172 673,14
b) interest-leases	33 270,86	33 861,97
c) interest - loans	347 820,00	338 691,10
d) interest - promissory notes	213 684,72	322 834,39
e) interest - bond issuance	1 711 448,55	2 652 776,12
f) other interest	1 961 040,30	9 074 642,35
g) foreign exchange rate differences	0,00	0,00
h) loss on disposal of investment	0,00	30 384,75
i) other	671 094,42	609,41
Total financial expenses	6 421 353,75	13 626 473,23

Signature of the person drawing up the Financial Statements

Małgorzata Pisarek Chief Accountant	Signature
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Signatures of Members of the Management Board

Wojciech Rajchert Management Board Member	Signature
Małgorzata Ostrowska Management Board Member	Signature
Małgorzata Pisarek Management Board Member	Signature

Ząbki, 29 August 2019