

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD OF 6 MONTHS
ENDED ON 30 JUNE 2020
PREPARED IN ACCORDANCE WITH IFRS



Ząbki, 27 August 2020

Table of contents

A. INTRODUCTION TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	3
1. GENERAL INFORMATION ABOUT THE CAPITAL GROUP	3
2. THE PRINCIPLES OF PREPARATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	5
B. INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	7
C. INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	8
D. INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS.....	9
E. INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	10
F. SELECTED EXPLANATORY NOTES.....	13
G. INTERIM CONDENSED FINANCIAL STATEMENTS AS AT 30 JUNE 2020.	53
1. GENERAL INFORMATION	53
2. THE PRINCIPLES OF PREPARATION OF THE INTERIM CONDENSED FINANCIAL STATEMENTS ...	53
H. SELECTED EXPLANATORY NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS OF THE ISSUER AS AT 30 JUNE 2020.	61

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, 326 Radzymińska Street, REGON number 010621332, was registered for the first time as Towarzystwo Budowlano-Mieszkaniowe Batory Sp. z o.o. on March 7, 1994 under the number RHB 39782. On January 15, 2001 it was transformed into a joint stock company and registered in the District Court in Warsaw under the number RHB 63464. On July 16, 2001, the Company changed its name to J.W. Construction Holding S.A. and was entered in the National Court Register under the KRS number 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 of the Dominant Entity

As at June 30, 2020, the lifetime of the Dominant Entity is unlimited. The financial year for the company is a calendar year, i.e. the period between January 1 and December 31.

1.3 Governing Bodies of the Dominant Entity

Management Board Members

As at 30.06.2020 Management Board comprised of:
Wojciech Rajchert – Management Board Member
Małgorzata Ostrowska – Management Board Member
Małgorzata Pisarek – Management Board Member
Piotr Suprynowicz – Management Board Member

In the first half of 2020 and as of the date of publication of this financial statement, there were no changes in the composition of the Company's Management Board:

Supervisory Board Members

As at 30 June 2020 the Supervisory Board comprised of:
Józef Wojciechowski – Chairman of the Supervisory Board
Irmina Łopuszyńska – Supervisory Board Member
Małgorzata Szwarz - Sroka – Supervisory Board Member
Barbara Czyż – Supervisory Board Member
Marek Maruszyński – Supervisory Board Member
Ryszard Matkowski – Supervisory Board Member

In the first half of 2020, there were no changes in the composition of the Supervisory Board.

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 27 August 2020.

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 the next 12 months from the end of the reporting period, i.e. 30 June 2020.

1.6 Period covered by the report

The presented interim condensed consolidated financial statements cover the period from 1 January 2020 to 30 June 2020 and as at 30 June 2020 in the case of the statement of financial position and changes in equity, and comparable financial data and explanatory notes cover the period from 1 January 2019 to 30 June 2019 and as at 31 December 2019 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, 2020 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				
TBS 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.	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	99,00%	99,00%	full consolidation
Bliska Wola 4 Sp z o.o. 2SK	Poland	99,00%	99,00%	full consolidation
Wola Invest Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Bliska Wola 4 Sp z o.o.	Poland	100,00%	100,00%	full consolidation
Hanza Invest S.A.	Poland	100,00%	100,00%	full consolidation
J.W. Construction Bulgaria Sp. z o.o.	Bulgaria	100,00%	100,00%	full consolidation

The core business of the Group's companies is:

- ☐ Towarzystwo Budownictwa Społecznego „Marki” Sp. z o.o. – sale and administration of social building 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. – hotels and accommodations,
- ☐ 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 own properties on its own account.
- ☐ J.W. Construction Bulgaria Sp. z o.o. - development and sale of own properties on its own account,

All Group companies operate in Poland, except for the subsidiary Yakor House Sp. z o.o. and J.W. Construction Bulgaria, which focus their construction and development activities in Russia and Bulgaria. The duration of the Group companies is unlimited.

Preparation of the consolidated financial statement

The consolidated financial statements for the years 2019-2020 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 cover the financial statements of the parent company -J.W. Construction Holding S.A. and financial statements controlled by the dominant entity of the subsidiaries.

The dominant entity, in the years 2019-2020, excluded from an obligation to consolidate the following subsidiaries:

In 2019:

- Wielopole 19/21 Sp. z o.o. – 100%
- J.W. Construction Bulgaria Sp. z o.o.-100% (the company was consolidated in the annual report for 2019)

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 2020 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 2019.

1.8 Statement of compliance

These interim condensed consolidated financial statements for the period from 1 January 2020 to 30 June 2020 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 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 executive regulations issued on its basis. 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 2020 are consistent with those applied to prepare the annual financial statements for 2019, 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 2019, published on 16 March 2020.

2.5 Application of new standards, amendments to standards and interpretations

2.5.1 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 2020

- Amendments to IFRS 3 Business Combinations - the amendment clarifies the definition of a business and aims to make it easier to distinguish acquisitions of businesses from groups of assets for the purpose of settling mergers.
- 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.
- Changes in the scope of references to the Conceptual Assumptions in IFRS.
- Amendments to IFRS 9 and IAS39 and IFRS 7 - reform of the IBOR interest rate reference index.

In the Group's opinion, the above-mentioned standards, interpretations and amendments to standards did not have a significant impact on the financial statements in the period of their first application.

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 this condensed consolidated interim financial statement, the Group did not apply the following standards, amendments to standards and interpretations, which were published by the IASB but have not yet been approved for use in the EU. The Group intends to apply them for the periods for which they are effective for the first time:

- IFRS 14 Regulatory Accruals and Deferred Taxes, effective for annual periods beginning on or after 1 January 2016 (the European Commission has decided not to start the process of approving this temporary standard for use within the EU until the final version of IFRS 14 Regulatory Accruals and Deferred Taxes is issued).
- Amendments to IFRS 16 Leases effective for annual periods beginning on or after 1 June 2020
- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or contribution of assets between an investor and its associate or joint venture and subsequent amendments - the effective date of the amendments has been deferred
- IFRS 17 "Insurance Contracts" - effective for annual periods beginning on or after 1 January 2021 (6 May 2020). The IASB has published an Exposure Draft on deferring implementation of the amendments to IAS 1 to 1 January 2023).
- Amendments to IFRS 3 Business Combinations (effective for annual periods beginning on 1 January 2021) and IAS 16 Property, Plant and Equipment, IAS 37 Provisions, Contingent Liabilities and Contingent Assets (effective for annual periods beginning on 1 January 2022)
- Amendments to various standards Amendments to IFRSs (cycle 2018-2020) - for annual periods beginning on or after 1 January 2022
- Amendments to IAS 1 Presentation of Financial Statements: Classification of financial liabilities as short- or long-term - for annual periods beginning on or after 1 January 2023

The Group is in the process of analyzing the impact of the above-mentioned standards, interpretations and amendments to the standards. According to the Group's current estimates, they will not have a material impact on the financial statements in 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	30-06-2020	31-12-2019
FIXED ASSETS		783 493 884,39	817 302 742,39
Intangible assets	1	6 965 569,24	7 109 446,85
Tangible assets	3	449 940 716,55	447 464 133,67
Investment real estate	4	278 277 687,14	319 408 609,49
Other long-term financial assets	5	38 850 751,35	33 843 467,85
Deferred income tax assets	15	0,00	0,00
Trade and other receivables	6	2 858 104,82	2 828 104,82
Use rights assets	3a	6 601 055,28	6 648 979,71
CURRENT ASSETS		1 024 520 304,55	851 506 349,19
Inventories	7	26 001 092,20	30 357 562,09
Construction contracts	7	834 207 206,70	665 940 029,15
Trade and other receivables	8	26 259 976,29	23 661 326,55
Other short-term financial assets	9	7 770 578,61	8 187 700,76
Cash and cash equivalents	10	112 201 388,21	108 468 058,98
Accruals	11	14 405 716,18	10 635 608,89
Use rights assets	3a	3 674 346,36	4 256 062,77
Total assets		1 808 014 188,93	1 668 809 091,58
LIABILITIES			
EQUITY		713 803 594,12	727 912 851,70
Primary capital	12	17 771 888,60	17 771 888,60
Revaluation reserve		7 493 208,19	7 493 208,19
Own shares (stocks)		-17 492 694,76	-17 410 415,37
Other capitals	13	720 847 476,83	716 049 067,69
Retained earnings		612 905,42	-59 388 211,68
Net profit / loss		-15 429 190,16	63 397 314,27
LIABILITIES		1 084 761 324,40	929 991 097,48
Non-current liabilities		414 832 224,42	354 771 218,45
Borrowings	14	196 669 861,85	159 416 478,47
Deferred income tax liabilities	15	5 436 315,87	13 732 924,37
Retirement benefits liabilities	16	241 204,48	241 204,48
Provisions for other liabilities	17	54 343 707,64	54 362 613,85
Other liabilities	18	158 141 134,57	127 017 997,27
Current liabilities		669 929 099,98	575 219 879,03
Trade and other payables	19	75 162 700,98	66 969 666,41
Construction contracts	7	461 488 360,93	348 226 651,27
Borrowings	14	64 852 136,97	39 922 578,92
Provisions for other liabilities and other charges	17	33 384 820,87	32 484 937,03
Other liabilities	19	35 041 080,24	87 616 045,40
FUTURE LONG-TERM DISCOUNTED LEASE PAYMENTS		7 855 770,59	9 346 603,50
FUTURE SHORT-TERM DISCOUNTED LEASE PAYMENTS		1 593 499,83	1 558 538,89
Total liabilities and equity		1 808 014 188,93	1 668 809 091,58

C. INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD OF 6 MONTHS ENDED ON 30 JUNE 2020

	Note	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
Net revenues from sales of products, goods and materials, including:	24	68 419 154,27	172 078 359,14
Net revenues from sales of products		66 789 818,99	169 966 270,57
Net revenues from sales of goods and materials		1 629 335,28	2 112 088,57
Costs of products, goods and materials sold, including:	25	57 044 586,79	136 252 757,12
Cost of products sold		55 530 911,57	134 190 660,59
Value of goods and materials sold		1 513 675,22	2 062 096,53
Gross profit (loss) from sales		11 374 567,48	35 825 602,02
Costs of sales		9 184 239,99	11 303 439,00
Overheads		11 931 601,06	16 036 466,40
Revaluation of investment property		-3 298 825,51	-824 000,94
Profit (loss) from sales		-13 040 099,08	7 661 695,68
Other operating income	26	2 114 282,60	878 709,39
Other operating expenses	27	7 096 234,52	3 094 910,59
Profit (loss) on operations		-18 022 051,00	5 445 494,48
Financial revenues	28	1 017 674,24	2 808 785,58
Financial costs	29	6 721 421,90	6 769 808,70
Profit (loss) on business activity		-23 725 798,66	1 484 471,36
Gross profit (loss)		-23 725 798,66	1 484 471,36
Income tax	22	-8 296 608,50	82 674,20
Net profit (loss)		-15 429 190,16	1 401 797,16

Other comprehensive income:		1 319 932,56	-3 489 481,51
Foreign exchange rate operation differences		1 402 211,95	579 043,19
Profit/loss from acquisitions		0,00	0,00
Profit from revaluation of tangible fixed assets		0,00	0,00
Other comprehensive income		-82 279,39	-4 068 524,70
Total revenue		-14 109 257,60	-2 087 684,35

CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE		01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
Profits			
(A) Profit resulting from the financial statements		-15 429 190,16	1 401 797,16
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*		82 873 083	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		82 873 083	88 859 443
Basic earnings per share = (A)/(B)		-0,19	0,02
Diluted earnings per share = (A)/(B)		-0,19	0,02

The lower net result in the first half of 2020 compared to the first half of the previous year and to 2019 stems from the downturn in the economic situation in the first half of the year caused by the COVID-19 pandemic.

D. INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD OF 6 MONTHS ENDED ON 30 JUNE 2020

Cash flows from operating activities - indirect method	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
Net profit (loss)	-15 429 190,16	1 401 797,16
Item adjustment	3 563 539,96	-62 327,09
Depreciation and amortization	7 220 291,01	6 251 938,62
(Profit) loss on foreign exchange differences concerning financial and business activity	-1 380 489,35	451 969,67
Profit (loss) on investment activities	-1 825 582,76	0,00
Interest and dividends	5 165 173,72	3 250 205,74
Changes in provisions and accruals	-9 259 208,84	-10 561 069,03
Other adjustments	3 643 356,19	544 627,91
- investment property write-off	3 298 825,49	824 000,94
- other adjustments	344 530,70	-279 373,03
Changes in working capital	-12 004 644,08	27 359 064,32
Changes in inventories	4 356 469,89	-1 641 718,25
Changes in construction contracts	-10 577 078,49	22 676 796,89
Changes in investment real estate	0,00	1 796 352,44
Changes in receivables	-2 628 649,73	-528 984,61
Changes in current liabilities, except for borrowings	-3 155 385,74	5 056 617,85
Net cash flows from operating activities	-23 870 294,27	28 698 534,39
Investment activity cash flows		
Disposal of tangible and intangible assets and other noncurrent assets	2 097 464,76	9 701 809,50
Acquisition of tangible and intangible assets and other noncurrent assets	-8 751 870,64	-38 462 682,42
Expenses related to assets held for sale	0,00	0,00
Acquisition of equity and debt instruments	-8 050 000,00	-1 043 000,00
Disposal of equity and debt instruments	0,00	0,00
Loans granted	0,00	-1 389 804,41
Loans paid	2 677 777,71	83 333,31
Other financial assets acquisition	0,00	0,00
Other disposals of financial assets	1 300 000,00	0,00
Dividends received	0,00	0,00
Interest received	83 300,00	99 180,00
Disposal of subsidiaries	0,00	0,00
Acquisition of subsidiaries	0,00	0,00
Net investment activity cash flow	-10 643 328,17	-31 011 164,02
Cash flows from financing activities		
Net proceeds from issue of shares and other equity instruments and contributions to equity	0,00	0,00
Acquisition of own shares or repayment of shares	-82 279,39	-4 068 524,70
Loans and borrowings granted	102 121 637,17	53 842 970,28
Loans and borrowing paid	-39 938 695,74	-30 039 397,47
Issuance of security papers	0,00	0,00
Redemption of debt securities	-11 900 000,00	-28 000 000,00
Payments under financial lease agreements	-2 451 513,32	-1 129 144,89
Dividends and other shares in profits	0,00	0,00
Interest paid	-9 502 197,02	-8 662 775,42
Other financial proceeds (including promissory notes)	0,00	0,00
Other financial expenses (including promissory notes)	0,00	0,00
Net financing cash flow	38 246 951,70	-18 056 872,20
NET DECREASE / (INCREASE) IN CASH	3 733 329,26	-20 369 501,83
Opening balance of cash and cash equivalents	108 468 058,98	122 484 500,34
- change in cash due to exchange rate differences	0,00	0,00
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	112 201 388,21	102 114 998,52

E. INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD OF 6 MONTHS ENDED ON 30 JUNE 2020

	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 2019	17 771 888,60	-17 410 415,37	7 493 208,19	662 258 543,33	57 947 307,60	-4 156 783,24	-59 388 211,68	63 397 314,27	727 912 851,70
Basic error corrections	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Adjustments due to change of presentation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
As at 1 January 2020	17 771 888,60	-17 410 415,37	7 493 208,19	662 258 543,33	57 947 307,60	-4 156 783,24	-59 388 211,68	63 397 314,27	727 912 851,70
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	-82 279,39	0,00	0,00	0,00	0,00	0,00	0,00	-82 279,39
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	1 402 211,95	0,00	0,00	1 402 211,95
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	-17 492 694,76	7 493 208,19	662 258 543,33	57 947 307,60	-2 754 571,29	-59 388 211,68	63 397 314,27	729 232 784,26
Net profit (loss) for the accounting year	0,00	0,00	0,00	0,00	0,00	0,00	0,00	-15 429 190,16	-15 429 190,16
Total profit / (loss) recognized in equity and the net result	17 771 888,60	-17 492 694,76	7 493 208,19	662 258 543,33	57 947 307,60	-2 754 571,29	-59 388 211,68	47 968 124,11	713 803 594,10
Increase / decrease from profit distribution	0,00	0,00	0,00	3 396 197,19	0,00	0,00	60 001 117,08	-63 397 314,27	0,00
As at 30 June 2020	17 771 888,60	-17 492 694,76	7 493 208,19	665 654 740,52	57 947 307,60	-2 754 571,29	612 905,40	-15 429 190,16	713 803 594,10

The amount of 50 million is a fund for the purchase of own shares, the conditions for the implementation of which are regulated in the resolution of the Extraordinary General Meeting of 15 March 2019, the maximum period for the implementation of the program was established until 14 March 2024. As of 30 June 2020, shares were purchased for the amount of PLN 17 492 694.76.

J.W. Construction Holding SA
Interim condensed financial statements
for the period of 6 months ended on 30 June 2020

	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
Basic error corrections	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Adjustments due to change of presentation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
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	-17 410 415,37	0,00	-50 000 000,00	50 000 000,00	0,00	0,00	0,00	-17 410 415,37
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	-464 221,48	0,00	0,00	-464 221,48
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	-11 313 874,71	0,00	-11 313 874,71
Total profit / loss recognized directly in equity	17 771 888,60	-17 410 415,37	7 493 208,19	642 071 910,38	57 947 307,60	-4 156 783,24	-55 734 155,63	16 532 576,90	664 515 537,43
Net profit (loss) for the accounting year	0,00	0,00	0,00	0,00	0,00	0,00	0,00	63 397 314,27	63 397 314,27
Total profit / (loss) recognized in equity and the net result	17 771 888,60	-17 410 415,37	7 493 208,19	642 071 910,38	57 947 307,60	-4 156 783,24	-55 734 155,63	79 929 891,17	727 912 851,69
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 31 December 2019	17 771 888,60	-17 410 415,37	7 493 208,19	662 258 543,32	57 947 307,60	-4 156 783,24	-59 388 211,68	63 397 314,27	727 912 851,69

J.W. Construction Holding SA
Interim condensed financial statements
for the period of 6 months ended on 30 June 2020

	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

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 2020 to 30 June 2020 include all events that occurred until the date of preparation of this Report, i.e. until 27 August 2020 and affected the Report for the first half of 2020 ended 30 June 2020.

EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Note 1. Intangible assets

INTANGIBLE ASSETS	30-06-2020	31-12-2019
a) research and development expenses	0,00	0,00
b) goodwill on consolidation	5 996 590,90	5 996 590,90
c) other intangible assets	968 978,34	1 112 855,95
d) advances on intangible assets	0,00	0,00
Total intangible assets	6 965 569,24	7 109 446,85

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.

A key position in other intangible assets is computer software, mostly the integrated SAP system.

No development work was carried out within the Group in 2019-2020 and no costs were incurred. The companies did not have any advances for intangible assets.

As at 30 June 2020 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 carrying value of the property with its recoverable value. The last analysis was made as at 30 June 2020.

Note 2. Goodwill of subsidiaries

N/A

Note 3. Tangible assets

TANGIBLE ASSETS	30-06-2020	31-12-2019
a) fixed assets, including:	438 538 994,12	438 576 003,92
- land (including perpetual usufruct)	41 475 107,91	41 475 107,91
- buildings, premises and civil engineering structures	346 627 860,34	345 748 690,96
- technical equipment and machinery	37 617 866,57	37 639 440,02
- motor vehicles	4 949 667,23	4 680 574,87
- other fixed assets	7 868 492,07	9 032 190,16
b) fixed assets under construction	11 204 758,15	8 673 103,07
c) advances on fixed assets under construction	196 964,28	215 026,68
Total tangible assets	449 940 716,55	447 464 133,67

J.W. Construction Holding SA
Interim condensed financial statements
for the period of 6 months ended on 30 June 2020

Asset group	01-01-2020 to 30-06-2020	land (including perpetual usufruct)	buildings, premises and civil engineering structures	technical equipment and machinery	motor vehicles	other fixed assets	Total fixed assets	Fixed assets under construction	Advances on fixed assets	Total tangible assets
value	As at the beginning of period	43 423 586,61	418 566 877,79	61 466 392,16	10 726 407,51	29 521 252,82	563 704 516,89	7 806 735,93	215 026,68	571 726 279,50
	Merger/updates	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
	Total after merger	43 423 586,61	418 566 877,79	61 466 392,16	10 726 407,51	29 521 252,82	563 704 516,89	7 806 735,93	215 026,68	571 726 279,50
	Revenues	0,00	314 927,25	501 951,45	65 090,25	142 288,58	1 024 257,53	2 693 842,90		3 718 100,43
	Movements	0,00	3 378 747,00	1 579 452,88	1 105 312,66	15 081,34	6 078 593,88	866 367,14		6 944 961,02
	Expenditure	0,00	871 300,00	1 206 799,69	134 819,52	29 950,00	2 242 869,21	162 187,82	18 062,40	2 423 119,43
	As at the end of period	43 423 586,61	421 389 252,04	62 340 996,80	11 761 990,90	29 648 672,74	568 564 499,09	11 204 758,15	196 964,28	579 966 221,52
redemption	As at the beginning of period	1 948 478,70	72 818 186,83	23 826 952,23	6 045 832,64	20 489 062,57	125 128 512,97	0,00	0,00	125 128 512,97
	Merger	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
	Total after merger	1 948 478,70	72 818 186,83	23 826 952,23	6 045 832,64	20 489 062,57	125 128 512,97	0,00	0,00	125 128 512,97
	Year depreciation	0,00	2 814 504,87	2 034 407,79	901 310,55	1 321 068,00	7 071 291,21	0,00	0,00	7 071 291,21
	Consolidation adjustment	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
	Increases	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
	Decrease	0,00	871 300,00	1 138 229,69	134 819,52	29 950,00	2 174 299,21	0,00	0,00	2 174 299,21
	As at the end of period	1 948 478,70	74 761 391,70	24 723 130,33	6 812 323,67	21 780 180,57	130 025 504,97	0,00	0,00	130 025 504,97
Write-offs	Change in write-offs	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
	As at the end of period	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
As at the beginning of period (net)		41 475 107,91	345 748 690,96	37 639 439,93	4 680 574,87	9 032 190,25	438 576 003,92	7 806 735,93	215 026,68	446 597 766,53
As at the end of period (net)		41 475 107,91	346 627 860,34	37 617 866,47	4 949 667,23	7 868 492,17	438 538 994,12	11 204 758,15	196 964,28	449 940 716,55

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.

In 2020, the Group did not activate financial costs under fixed assets.

Each year the Group reviews the depreciation rates to determine the proper useful life of assets.

Note 3a. Use rights assets

In the period of the first half of 2020 in relation to the assets on account of usage rights:

- no revaluation write-offs were made on the assets due to usage rights
- no assets were acquired or sold under the usage right
- no new contracts for the purchase of assets under the usage rights were concluded

Note 4. Investment real estate

Other long-term investments	30-06-2020	31-12-2019
a) investment real estate	278 277 687,14	319 408 609,49
b) other	0,00	0,00
Value of other long-term investments	278 277 687,14	319 408 609,49

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	193 465 000,00	125 943 609,49	319 408 609,49
expenditure incurred	167 837 894,90	121 273 455,40	289 111 350,30
financial expenses	9 486 298,88	4 670 154,09	14 156 452,97
revaluation value	16 140 806,22	0,00	16 140 806,22
b) increase (due to)	3 342 723,63	3 021 208,93	6 363 932,56
expenditure incurred	2 187 521,71	869 392,18	3 056 913,89
financial expenses	1 155 201,92	771 327,40	1 926 529,32
revaluation value	0,00	0,00	0,00
reclassification from construction contracts	0,00	0,00	0,00
valuation - exchange rate differences	0,00	1 380 489,35	1 380 489,35
c) decrease (due to)	47 494 854,89	0,00	47 494 854,89
incurred expenses - reclassification into finished products	35 805 429,07	0,00	35 805 429,07
financial costs - reclassification into finished goods	1 542 518,32	0,00	1 542 518,32
revaluation value	3 298 825,49	0,00	3 298 825,49
revaluation - recalibration into finished products	6 848 082,01	0,00	6 848 082,01
d) closing balance	149 312 868,74	128 964 818,42	278 277 687,16
expenditures	134 219 987,54	123 523 336,93	257 743 324,47
financial expenses	9 098 982,48	5 441 481,49	14 540 463,97
revaluation value	5 993 898,72	0,00	5 993 898,72

The presentation of data at the beginning of the period was changed in relation to the state at the end of the period presented in the report for 2019.

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 long-term financial assets

LONG-TERM FINANCIAL ASSETS	30-06-2020	31-12-2019
a) shares	208 550,00	411 862,00
b) loans granted	8 358 244,09	13 500 613,62
c) other long-term investments	30 283 957,26	19 930 992,23
Total long-term financial assets	38 850 751,35	33 843 467,85

LONG-TERM FINANCIAL ASSETS	30-06-2020	31-12-2019
a) in subsidiaries	0,00	203 312,00
- shares	0,00	203 312,00
- debt securities	0,00	0,00
- other security papers	0,00	0,00
- loans granted	0,00	0,00
- other long-term financial assets	0,00	0,00
b) in other units	38 850 751,35	33 640 155,85
- shares	208 550,00	208 550,00
- debt securities	0,00	0,00
- other security papers	30 283 957,26	19 930 992,23
- loans granted	8 358 244,09	13 500 613,62
- other long-term financial assets	0,00	0,00
c) other long-term investments	0,00	0,00
Total long-term financial assets	38 850 751,35	33 843 467,85

J.W. Construction Holding SA
Interim condensed financial statements
for the period of 6 months ended on 30 June 2020

	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	Write-offs (total)	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.	Varna (Bulgaria)	real estate development	subsidiary	full consolidation	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	9 810 000,00	0,00	0,00	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	Berensona 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	3 581 853,23	16 264 650,00	24 953 796,77	99,00%
9	Bliska Wola 4 Sp z o.o. 2 SK	Ząbki	real estate development	subsidiary	full consolidation	29.01.2014	19 642 505,00	9 861 156,15	0,00	9 781 348,85	99,00%
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%

Partial affiliation:

1	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%
2	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%
3	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%
4	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%

Additional information on revaluation write-offs is presented in note 4 on page 68 of the Interim Condensed Unconsolidated Statement.

Note 6. Non-current receivables

NON-CURRENT RECEIVABLES	30-06-2020	31-12-2019
a) deposit receivables	2 858 104,82	2 828 104,82
b) deposit receivables (leasing)	0,00	0,00
b) other receivables	0,00	0,00
Total receivables	2 858 104,82	2 828 104,82

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 an inventory.

INVENTORIES	30-06-2020	31-12-2019
a) materials	3 585 704,25	3 269 455,02
b) semi-finished products and work in progress	413 261,96	163 585,66
c) finished products	106 177,18	1 516 296,85
d) goods	25 242 874,24	25 295 102,08
e) trade advances	230 436,97	430 134,35
Total gross inventories	29 578 454,60	30 674 573,96
WRITE-OFFS		
As at the beginning of period	317 011,87	317 011,87
d) goods	317 011,87	317 011,87
Increase in the write-off	3 260 350,53	0,00
d) goods	3 260 350,53	0,00
Total write-offs	3 577 362,40	317 011,87
INVENTORIES		
a) materials	3 585 704,25	3 269 455,02
b) semi-finished products and work in progress	413 261,96	163 585,66
c) finished products	106 177,18	1 516 296,85
d) goods	21 665 511,84	24 978 090,21
e) trade advances	230 436,97	430 134,35
Total net inventories	26 001 092,20	30 357 562,09

As of 30 June 2020. The Company analyzed the premises for impairment and found that there are premises for impairment of goods (networks). As at 30 June 2020, a write-down for the value of the network was made in the amount of PLN 3 260 350.53. The Company received payments for the transfer of the network to the water and sewage companies as part of the return of part of the expenses incurred for their construction. The written off expenses were incurred for the elements which the water and sewage companies are not interested in taking over as of today.

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	30-06-2020	31-12-2019
CONSTRUCTION CONTRACTS (current assets)		
a) semi-finished products and work in progress	764 651 049,64	620 914 597,04
b) finished products	57 955 183,35	31 539 886,57
c) advances for supplies	11 566 293,36	13 433 469,97
d) short-term prepayments and accruals	34 680,36	52 075,56
Total construction contracts	834 207 206,70	665 940 029,15

CONSTRUCTION CONTRACTS (current liabilities)	30-06-2020	31-12-2019
a) accruals	461 488 360,93	348 226 651,27
Total construction contracts	461 488 360,93	348 226 651,27

construction contracts

Accruals	30-06-2020	31-12-2019
- advances on premises	459 672 889,37	346 262 227,06
- provision for works	1 804 541,52	1 937 224,21
- other	10 930,04	27 199,99
Total accruals	461 488 360,93	348 226 651,26

In connection with their operations, the companies of the Capital Group take out loans, which are secured, among others, with a mortgage on real estate. As at 30 June 2020, 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 609.0 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 2020, liabilities by virtue of credits disbursed amount to PLN 261.1 million (excluding credits of TBS Marki Sp. z o.o. liabilities amount to PLN 179.8 million).

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	30-06-2020	31-12-2019
a) trade receivables - related parties	0,00	6 229,95
b) trade receivables - other parties	12 872 240,25	13 086 129,76
c) taxes, subsidies, customs duties, social and health insurance and other payments	10 610 031,46	8 282 522,12
d) other	2 777 704,58	2 286 444,72
Total receivables	26 259 976,29	23 661 326,55

AGE STRUCTURE OF TRADE RECEIVABLES	30-06-2020	31-12-2019
not overdue	11 990 804,22	12 095 458,55
Overdue up to 3 months	173 892,07	331 552,38
Overdue between 3 and 6 months	208 972,21	258 724,25
Overdue between 6 months and 1 year	286 471,55	160 437,68
Overdue over 1 year	212 100,20	246 186,85
Receivables on account of deliveries and services (gross)	12 872 240,25	13 092 359,71
Write-offs updating receivables	0,00	0,00
Receivables on account of deliveries and services (net)	12 872 240,25	13 092 359,71

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

Note 9. Other short-term financial assets

SHORT-TERM INVESTMENTS	30-06-2020	31-12-2019
a) shares	0,00	0,00
b) loans granted	5 244 148,62	2 587 371,13
c) other investments	2 526 429,99	5 600 329,63
Total short-term investments	7 770 578,61	8 187 700,76

SHORT-TERM INVESTMENTS	30-06-2020	31-12-2019
a) in subsidiaries	0,00	0,00
- shares	0,00	0,00
- debt securities	0,00	0,00
- other security papers	0,00	0,00
- loans granted	0,00	0,00
- other current financial assets	0,00	0,00
b) in other units	7 770 578,61	8 187 700,76
- shares	0,00	0,00
- debt securities	0,00	0,00
- other security papers	2 526 429,99	5 600 329,63
- loans granted	5 244 148,62	2 587 371,13
- other current financial assets	0,00	0,00
c) other short-term investments	0,00	0,00
Total short-term investments	7 770 578,61	8 187 700,76

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	30-06-2020	31-12-2019
a) cash on hand and with bank	109 822 711,76	99 342 801,66
b) other cash	2 329 878,88	9 024 854,13
c) other cash assets	48 797,57	100 403,20
Total cash	112 201 388,21	108 468 058,98

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

	30-06-2020	31-12-2019
cash in escrow accounts	29 705 607,16	46 999 878,62
JW. Construction Holding SA	14 597 632,92	19 862 177,25
Hanza Invest SA	15 107 974,24	27 137 701,37

The use of funds from trust accounts is regulated by the Development Act. The funds are available at the Company's request upon fulfilment of certain conditions.

Note 11. Accruals

ACCRUALS	30-06-2020	31-12-2019
a) short-term accruals	14 405 716,18	10 635 608,89
Total accruals	14 405 716,18	10 635 608,89

Accruals	30-06-2019	31-12-2018
- property insurance	283 290,92	575 195,65
- interest	1 794 721,47	1 493 059,27
- commission expenses	7 772 342,51	6 984 645,23
- property tax, perpetual usufruct, road tax	2 365 846,94	4 048,30
- other	2 189 514,34	1 578 660,44
Total accruals	14 405 716,18	10 635 608,89

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. These commissions are assigned to specific units/locations sold by the Group and are activated until the investment is completed.

Note 12. Primary capital and other capitals

Primary capital and other capitals

Series/ issue	Share type	Type of share preference shares	Types of restrictions on rights to shares	Number of shares	Value of series/issuance per nominal value	Coverage of capital	Registration date	Dividend 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 PLN								

* 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 2020:

Shareholder	Number of shares held	% of capital share	Number of votes	% of total number of votes in the General Meeting
Józef Wojciechowski	28.594.963	32,18 %	28.594.963	32,18 %
EHT S.A.	47.846.225	53,84 %	47.846.225	53,84 %
Company – shares for redemption	5.996.429	6,75 %	5.996.429	6,75 %
Other	6.421.826	7,23 %	6.421.826	7,23 %

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

Note 13. Other capitals

OTHER CAPITALS	30-06-2020	31-12-2019
a) reserve capital	665 654 740,52	662 258 543,33
b) other reserve capitals	57 947 307,60	57 947 307,60

- including reserve capital for the purchase of own shares	50 000 000,00	50 000 000,00
c) conversion differences	-2 754 571,29	-4 156 783,24
Total other capitals	720 847 476,83	716 049 067,69

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.

The amount of 50 million is a fund for the purchase of own shares, the conditions for the implementation of which are regulated in the resolution of the Extraordinary General Meeting of 15 March 2019, the maximum period for the implementation of the program was established until 14 March 2024. As of 30 June 2020, shares were purchased for the amount of PLN 17 492 694.76.

Note 14. Borrowings

BORROWINGS	30-06-2020	31-12-2019
a) credits	261 146 132,96	198 963 191,53
<i>of which: long-term</i>	<i>196 669 861,85</i>	<i>159 416 478,47</i>
<i>short-term</i>	<i>64 476 271,11</i>	<i>39 546 713,06</i>
b) loans	375 865,86	375 865,86
<i>of which: long-term</i>	<i>0,00</i>	<i>0,00</i>
<i>short-term</i>	<i>375 865,86</i>	<i>375 865,86</i>
Total borrowings	261 521 998,82	199 339 057,39
Borrowings - long-term	196 669 861,85	159 416 478,47
Borrowings - short-term	64 852 136,97	39 922 578,92

CREDITS PER MATURITY	30-06-2020	31-12-2019
Up to 1 year	64 476 271,11	39 546 713,06
Between 1 and 2 years	93 514 634,57	58 417 455,37
Between 2 and 5 years	36 367 657,62	31 760 648,73
Over 5 years	66 787 569,67	69 238 374,37
Total credits, including	261 146 132,96	198 963 191,53
- long-term	196 669 861,85	159 416 478,47
- short-term	64 476 271,11	39 546 713,06

LOANS PER MATURITY	30-06-2020	31-12-2019
Up to 1 year	375 865,86	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	375 865,86	375 865,86
- long-term	0,00	0,00
- short-term	375 865,86	375 865,86

In the period of first half of 2020 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 TBS Marki Sp. z o.o. loans - 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	30-06-2020	31-12-2019
a) credits	81 363 809,57	83 619 012,27
of which: long-term	77 360 596,52	79 615 799,22
short-term	4 003 213,05	4 003 213,05
b) loans	0,00	0,00
of which: long-term	0,00	0,00
short-term	0,00	0,00
Total borrowings	81 363 809,57	83 619 012,27
Borrowings - long-term	77 360 596,52	79 615 799,22
Borrowings - short-term	4 003 213,05	4 003 213,05

CREDITS PER MATURITY	30-06-2020	31-12-2019
Up to 1 year	4 003 213,05	4 003 213,05
Between 1 and 2 years	4 217 438,14	4 217 438,14
Between 2 and 5 years	14 056 226,62	14 056 226,62
Over 5 years	59 086 931,77	61 342 134,47
Total credits, including	81 363 809,57	83 619 012,27
- long-term	77 360 596,52	79 615 799,22
- short-term	4 003 213,05	4 003 213,05

Note 15. Deferred income tax reserve and assets

DEFERRED INCOME TAX ASSETS AND A RESERVE FOR DEFERRED INCOME TAX	30-06-2020		
	Deferred income tax assets	Deferred income tax reserve	Net value
Tangible assets	10 731 872,16	1 897 769,02	8 834 103,14
Investment real estate	0,00	1 112 408,72	-1 112 408,72
Inventories and construction contracts	192 695,34	24 667 927,66	-24 475 232,32
Trade and other receivables	5 797 524,56	120 534,92	5 676 989,64
Borrowings	2 660 083,91	3 836 511,49	-1 176 427,58
Reserves	3 962 101,41	0,00	3 962 101,41
Trade and other payables	304 447,62	0,00	304 447,62
Other, including tax losses	12 464 075,88	9 913 964,94	2 550 110,94
Deferred tax assets / reserve shown in the balance sheet	36 112 800,88	41 549 116,75	-5 436 315,88

DEFERRED INCOME TAX ASSETS AND A RESERVE FOR DEFERRED INCOME TAX	31-12-2019		
	Deferred income tax assets	Deferred income tax reserve	Net value
Tangible assets	10 731 872,16	3 020 279,12	7 711 593,04
Investment real estate	0,00	3 012 946,08	-3 012 946,08
Inventories and construction contracts	296 338,76	35 116 565,79	-34 820 227,03
Trade and other receivables	3 342 830,98	120 667,92	3 222 163,06
Borrowings	3 058 223,53	3 572 372,39	-514 148,86
Reserves	3 717 198,13	0,00	3 717 198,13
Trade and other payables	370 644,58	0,00	370 644,58
Other, including tax losses	14 170 225,57	4 577 426,78	9 592 798,79
Deferred tax assets / reserve shown in the balance sheet	35 687 333,71	49 420 258,09	-13 732 924,37

Note 16. Retirement benefits liabilities

CHANGE IN RETIREMENT BENEFITS LIABILITIES	30-06-2020	31-12-2019
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 severance pay, the calculation of which is made once a year, at the end of the balance sheet year. Retirement benefits constitute the calculation of retirement benefits in accordance with the Labour Code and are not created in accordance with IAS 19.

Note 17. Provisions for other liabilities and other charges

PROVISIONS FOR OTHER LIABILITIES AND CHARGES	30-06-2020	31-12-2019
a) short-term, of which:	33 384 820,87	32 484 937,03
- accrued expenses, including:	11 673 911,37	12 946 419,95
- <i>interest charged</i>	1 239 759,22	1 269 566,63
- <i>rent deposits</i>	480 433,64	480 433,64
- <i>hotel down payments</i>	2 451 811,07	4 001 580,98
- <i>other</i>	7 501 907,44	7 194 838,70
- other provisions, including:	21 710 909,50	19 538 517,08
- <i>provision for future liabilities</i>	1 055 151,74	259 021,95
- <i>provisions for guaranteed repairs</i>	607 474,22	607 474,22
- <i>other provisions</i>	20 048 283,54	18 672 020,91
a) long-term, of which:	54 343 707,64	54 362 613,85
- accrued expenses, including:	54 343 707,64	54 362 613,85
- <i>participation in construction costs - TBS Marki</i>	48 339 429,75	48 360 916,07
- <i>deferred income - redemption of loans-TBS Marki</i>	6 004 277,89	6 001 697,78
Total provisions for other liabilities and charges	87 728 528,51	86 847 550,88

TBS Marki Sp. z o.o. realized housing estates in the social housing formula using 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	30-06-2020	31-12-2019
a) lease obligations	44 995 782,08	42 346 162,07
b) deposit liabilities	15 923 138,68	27 025 415,52
c) other long-term liabilities	5 882 213,81	6 146 419,68
d) promissory notes liabilities	0,00	0,00
e) bonds	91 340 000,00	51 500 000,00
Total other liabilities	158 141 134,57	127 017 997,27

All lease liabilities are denominated in PLN. The fair value of lease liabilities corresponds to its book value and as at 30 June 2020 amounts to PLN 51 836 743.00, of which PLN 44 995 782.08 is a non-current liability.

Prospect leasing payments are payable as follows:

	Minimum lease payments	Interest	Current value of liability
	30-06-2020	30-06-2020	30-06-2020
under 1 year	8 901 687,62	2 060 726,70	6 840 960,92
between 1 and 5 years	29 043 985,11	5 657 133,04	23 386 852,07
over 5 years	25 770 908,64	4 161 978,63	21 608 930,01
	63 716 581,37	11 879 838,37	51 836 743,00

	Minimum lease payments	Interest	Current value of liability
	31-12-2019	31-12-2019	31-12-2019
under 1 year	8 335 963,61	2 033 620,44	6 302 343,17
between 1 and 5 years	28 131 409,57	6 757 675,60	21 373 733,97
over 5 years	24 603 045,48	3 630 617,38	20 972 428,10
	61 070 418,66	12 421 913,42	48 648 505,24

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

	30-06-2020	31-12-2019
current liabilities	6 840 960,92	6 302 343,17
non-current liabilities	44 995 782,08	42 346 162,07
	51 836 743,00	48 648 505,24

Note 19. Trade and other payables

TRADE AND OTHER PAYABLES	30-06-2020	31-12-2019
a) trade payables - other parties	47 125 278,05	44 422 945,51
b) trade payables - affiliated parties	0,00	0,00
c) axes, customs duties, insurance and other payments	13 024 578,97	7 162 828,16
d) salaries	2 244 381,29	3 657 863,34
e) trade advances received	0,00	0,00
f) other	12 768 462,66	11 726 029,39
Total trade and other payables	75 162 700,97	66 969 666,41

OTHER LIABILITIES	30-06-2019	31-12-2019
a) debt securities issue liabilities	28 200 119,32	81 313 702,24
b) promissory notes liabilities	0,00	0,00
c) leasing liabilities	6 840 960,92	6 302 343,17
d) other financial liabilities	0,00	0,00
Total other liabilities	35 041 080,24	87 616 045,41

All lease liabilities are denominated in PLN. The fair value of lease liabilities corresponds to its book value and as at 30 June 2020 amounts to PLN 51 836 743.00, of which PLN 6 840 960.92 is a current 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	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
Profits		
(A) Profit resulting from the financial statements	-15 429 190,16	1 401 797,16
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*	82 873 083	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	82 873 083	88 859 443
Basic earnings per share = (A)/(B)	-0,19	0,02
Diluted earnings per share = (A)/(B)	-0,19	0,02

*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	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
income tax	-8 296 608,50	82 674,20
Total income tax	-8 296 608,50	82 674,20

CHANGE IN INCOME TAX	30-06-2020	30-06-2019
Change of the assets towards the deferred tax	425 467,17	128 622,35
Change of the reserves towards the deferred tax	7 871 141,34	- 45 948,15
Total change in deferred tax	8 296 608,50	82 674,20
Tax adjustment on the opening balance sheet	0,00	0,00
Deferred tax disclosed in the profit and loss account	- 8 296 608,50	82 674,20
Deferred tax recognised in comprehensive income	0,00	0,00

Note 23 . Segment reporting

According to IFRS8 "Operating Segments", an operating segment is a component of an enterprise:

- a) which engages in business activities in connection with which it may obtain revenues and incur costs (including revenues and costs related to transactions with other components of the same entity,
- b) whose operating results are regularly reviewed by the entity's chief operating decision maker to decide on the resources to be allocated to the segment and to evaluate its performance; and
- c) for which separate financial information is available.

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

The Company shows separately information on the operating segment which meets any of the following thresholds:

- a) reported segment revenues, including both sales to external customers and sales and transfers made with other segments, constitute 10 percent or more of the total external and internal revenues of all operating segments,
- b) the segment result reported in absolute value is 10 percent or more of the greater of the following absolute values:
 - the combined profit of all operating segments that did not show a loss, and
 - the combined loss of all operating segments that showed a loss,
- c) segment assets constitute 10 percent or more of the total assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable and disclosed separately if management believes that information on those segments would be useful to users of financial statements.

As part of the development activity, the individual statements of companies conducting this type of activity were consolidated. 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,
- hotel activities - catering and hotel services related to the organization of tourist and leisure services

J.W. Construction Holding SA
Interim condensed financial statements
for the period of 6 months ended on 30 June 2020

01-01-2020 to 30-06-2020	Real estate development	Hotels, aparthotels and restaurants	Social building	Other operations	Total
Net revenues from sales of products, goods and materials, including:	39 438 554,84	20 078 673,73	7 504 217,10	1 397 708,60	68 419 154,27
Net revenues from sales of products	37 822 890,98	20 071 224,25	7 497 995,16	1 397 708,60	66 789 818,99
- Including external clients	37 822 890,98	20 071 224,25	7 497 995,16	1 397 708,60	66 789 818,99
- Including internal clients	0,00	0,00	0,00	0,00	0,00
Net revenues from sales of goods and materials	1 615 663,86	7 449,48	6 221,94	0,00	1 629 335,28
Costs of products, goods and materials sold, including:	29 173 385,63	21 887 077,98	4 882 801,96	1 101 321,22	57 044 586,79
Cost of products sold	27 673 501,83	21 879 508,50	4 876 580,02	1 101 321,22	55 530 911,57
Value of goods and materials sold	1 499 883,80	7 569,48	6 221,94	0,00	1 513 675,22
Gross profit (loss) from sales	10 265 169,21	-1 808 404,25	2 621 415,14	296 387,38	11 374 567,48
Costs of sales	6 821 600,02	2 362 639,97	0,00	0,00	9 184 239,99
Overheads	9 474 040,36	1 701 876,00	755 684,70	0,00	11 931 601,06
Revaluation of investment property	-3 154 746,20	0,00	0,00	-144 079,31	-3 298 825,51
Profit (loss) from sales	-9 185 217,37	-5 872 920,22	1 865 730,44	152 308,07	-13 040 099,08
Other operating income	1 691 550,22	401 998,84	19 732,97	1 000,57	2 114 282,60
Other operating expenses	6 497 822,72	587 630,95	10 780,52	0,33	7 096 234,52
Profit (loss) on operations	-13 991 489,87	-6 058 552,33	1 874 682,89	153 308,31	-18 022 051,00
Financial revenues	585 387,86	23 500,93	407 899,24	886,21	1 017 674,24
Financial costs	5 523 122,48	281 937,83	825 493,38	90 868,21	6 721 421,90
Profit (loss) on business activity	-18 929 224,49	-6 316 989,23	1 457 088,75	63 326,31	-23 725 798,66
Gross profit (loss)	-18 929 224,49	-6 316 989,23	1 457 088,75	63 326,31	-23 725 798,66
Income tax	0,00	0,00	0,00	0,00	0,00
Deferred tax	-8 535 978,94	239 370,44	0,00	0,00	-8 296 608,50
Net profit (loss)	-10 393 245,55	-6 556 359,67	1 457 088,75	63 326,31	-15 429 190,16
Segment assets	1 354 196 586,70	257 544 946,40	179 046 249,03	17 226 406,80	1 808 014 188,93
Segment liabilities	894 763 507,71	42 047 742,28	142 963 121,19	4 986 953,22	1 084 761 324,40

In the period covered by the review, there were no differences in the scope of the basis for distinguishing segments as compared to the annual financial statement for 2019.

01-01-2019 to 30-06-2019	Real estate development	Hotels, aparthotels and restaurants	Social building	Other operations	Total
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J.W. Construction Holding SA
Interim condensed financial statements
for the period of 6 months ended on 30 June 2020

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
- Including external clients	123 655 584,84	37 487 702,98	7 119 552,15	1 703 430,60	169 966 270,57
- Including internal clients	0,00	0,00	0,00	0,00	0,0
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
Segment assets	1 370 594 274,67	262 416 008,52	180 542 249,62	28 280 060,39	1 841 832 593,20
Segment liabilities	947 848 800,38	40 682 820,64	147 587 316,34	4 791 282,27	1 140 910 219,63

EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Note 24. Operating income

OPERATING INCOME	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
Revenues from sales of products	30 367 457,95	109 348 206,87
Revenues from sales of services	36 422 361,04	60 618 063,70
Revenues from sales of goods	1 629 335,28	2 112 088,57
Total income	68 419 154,27	172 078 359,14

	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
Proceeds from sales, including:	68 419 154,27	172 078 359,14
-sales of products – properties, plots, buildings	30 448 758,76	119 013 223,87
- sales of products - other	0,00	3 000,00
-from sales of services	36 341 060,23	50 950 046,70
-from sales of goods	1 629 335,28	2 112 088,57

	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
Revenues from sales of products and services by segment	66 789 818,99	169 966 270,57
-real estate development	39 215 712,58	125 356 015,44
-business activity related to hotels	20 071 224,25	36 083 070,31
- social building	7 497 995,16	7 119 552,15
-construction	4 887,00	3 000,00

	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
Revenues from sales of products – premises, plots, buildings by geographical segment	30 448 758,76	119 013 223,87
-Warsaw and the surrounding area	30 128 056,00	85 038 072,33
-Gdynia	0,00	23 776 731,28
- Łódź	150 680,02	10 867,44
- Katowice	86 282,91	519 535,82
- Poznań	2 439,02	0,00
- parcels and networks	81 300,81	9 668 017,00

	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
Revenues from sales of hotel and aparthotel services per geographic segments	20 071 224,25	36 083 070,31
- Zegrze	1 581 395,86	3 226 691,25
- Tarnowo	1 083 564,18	3 474 202,23
- Stryków	741 338,36	2 327 147,37
- Szczecin	1 243 360,77	3 358 193,57
- Krynica Górská	12 028 681,92	16 744 911,05
- Warsaw	3 392 883,16	6 951 924,84

Note 25. Operating expenses

OPERATING EXPENSES	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
Costs of sales of products	21 725 082,32	93 278 410,68
Costs of sales of services	33 805 829,25	40 912 249,91
Costs of sales of goods	1 513 675,22	2 062 096,53
Total costs of products, services and goods sold	57 044 586,79	136 252 757,12

Sales and overhead expenses	01-01-2020	01-01-2019
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	to 30-06-2020	to 30-06-2019
Costs of sales	9 184 239,99	11 303 439,00
Overheads	11 931 601,06	16 036 466,40
Total sales and overheads expenses	21 115 841,05	27 339 905,40

Expenses per type	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
Depreciation and amortization	7 239 338,79	6 251 938,28
Depreciation of the right to use the asset	47 266,43	43 512,15
Materials and energy cost, land purchase	13 670 201,76	48 804 202,51
Third party services	148 091 340,62	109 757 426,32
Taxes and charges	5 815 022,54	5 511 460,68
Remunerations	20 054 123,15	21 445 671,60
Social security and other payments	3 883 118,70	4 042 327,02
Other expenses per type	6 145 660,24	8 515 870,66
Total expenses per type	204 946 072,23	204 372 409,22

Note 26. Other operating income

OPERATING INCOME	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
a) profit on sale of non-financial fixed assets	632 079,67	96 725,14
b) subsidies	461 023,13	0,00
b) other operating income	1 021 179,80	781 984,25
Total operating income	2 114 282,60	878 709,39

OPERATING INCOME	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
a) profit on sale of non-financial fixed assets	632 079,67	96 725,14
b) subsidies	461 023,13	0,00
c) handling fees	88 485,67	170 776,40
d) reserves	387 250,46	24 914,26
e) other	545 443,67	586 293,49
Total operating income	2 114 282,60	878 709,29

Note 27. Other operating expenses

OPERATING EXPENSES	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
a) loss on sale of non-financial fixed assets	0,00	0,00
b) revaluation of non-financial assets	3 260 485,61	10 822,53
c) other operating expenses	3 835 748,91	3 084 088,06
Total operating income	7 096 234,52	3 094 910,59

OPERATING EXPENSES	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
a) loss on sale of non-financial fixed assets	0,00	0,00
b) revaluation of non-financial assets	3 260 485,61	10 822,53
c) reserves	1 372 575,62	1 366 964,62
d) compensations, penalties, damages	508 338,59	496 313,46
e) compensations for breach of contracts	0,00	0,00
f) costs of court proceedings	143 880,41	244 868,10
g) other	1 810 954,29	975 941,88
Total operating income	7 096 234,52	3 094 910,59

As of 30 June 2020. The Company analyzed the premises for impairment and found that there are premises for impairment of goods (networks). Therefore, as at 30 June 2020, a write-down for the value of the network was made in the amount of PLN 3 260 350.53. The Company received payments for the transfer of the network to the water and sewage companies as part of the return of part of the expenses incurred for their construction. The written off expenses were incurred for the elements which the water and sewage companies are not interested in taking over as of today.

Note 28. Financial revenues

FINANCIAL REVENUES	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
a) dividends	0,00	0,00
b) interest	1 004 009,71	1 480 783,59
c) profit on disposal of investment	0,00	0,00
d) other	13 664,53	1 328 001,99
Total financial revenues	1 017 674,24	2 808 785,58

Financial revenues	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
a) dividends	0,00	0,00
b) interest from customers	71 361,89	114 860,55
c) loan interest	192 185,67	313 893,55
d) deposit interest	147 063,95	459 443,65
e) promissory notes interest	462 225,39	475 317,34
f) other interest	131 172,81	117 268,50
g) profit on disposal of investment	0,00	0,00
h) foreign exchange rate differences	0,00	0,00
i) other	13 664,53	1 328 001,99
Total	1 017 674,24	2 808 785,58

Note 29. Financial expenses

FINANCIAL EXPENSES	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
a) interest	6 232 366,30	6 232 030,92
b) loss on disposal of investment	0,00	0,00
c) other	489 055,60	537 777,78
Total financial expenses	6 721 421,90	6 769 808,70

FINANCIAL EXPENSES	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
a) interest, commissions, loans	3 388 510,81	2 446 096,39
b) interest - leasing	855 724,21	90 828,74
c) interest - loans	0,00	0,00
d) interest - promissory notes	0,00	0,00
e) interest - bond issuance	1 512 178,92	1 711 448,55
f) other interest	475 952,36	1 983 657,24
g) loss on disposal of investment	0,00	0,00
h) other	489 055,60	537 777,78
Total financial expenses	6 721 421,90	6 769 808,70

Note 30. Transactions with affiliates

The Company has concluded and intends to continue to conclude transactions with affiliates as defined in IAS 24 Related Party Disclosures (IAS 24) (Annex to Commission Regulation (EC) No 1126/2008 of 3 November 2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council as amended by Commission Regulation (EC) No 1274/2008 of 17 December 2008 amending Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council as regards IAS 1).

In the Issuer's opinion, the conditions under which transactions with related parties are concluded do not differ from market conditions.

Entities related to the Issuer as at 30 June 2020, with whom the Issuer entered into transactions in the reporting period, are listed below:

- The main shareholders of the company, i.e.: EHT S.A. and Mr. Józef Wojciechowski (personal relationship) and entities related to those entities;

- subsidiaries belonging to the J.W. Construction Holding Capital Group, i.e.:
 - J.W. Construction sp. z o.o.
 - TBS Marki sp. z o.o.
 - Dana Invest sp. z o.o.
 - Varsovia Apartamenty sp. z o.o.
 - Hanza Invest S.A.
 - Bliska Wola 4 sp. z o.o. 1 sk
 - Bliska Wola 4 sp. z o.o. 2 sk
 - Bliska Wola 4 sp. z o.o.
 - Yakor House sp. z o.o.
 - J.W. Construction Bułgaria Sp. z o.o.
 - Wola Invest sp. z o.o.
 - Berensona Invest sp. z o.o.
 - J.W. Tennis Support Foundation – Fundacja Wspierania Tenisa i Rozwoju i Aktywności Fizycznej
- Transactions with Members of the Management Board or Supervisory Board

Transactions with affiliates of the Group

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.

In addition, the Company entered into agreements with companies whose governing bodies members of the Company's Supervisory Board are or were a part of.

TRANSACTIONS ON ACCOUNT OF DELIVERIES AND SERVICES, DEPOSITS, ADVANCE PAYMENTS FOR DELIVERIES

The value of receivables and liabilities as well as sales and purchase transactions with related companies concluded in the normal course of business are presented below. The value of transactions between the Issuer and its subsidiaries in the reporting period and the balance of settlements as at 30 June 2020 were also presented. The following lists present only companies that have a balance as at a given date or with which transactions occurred in a given period. PLN Zero balances have not been presented.

Receivables on account of supplies and services, deposits, advance payments for supplies from related parties

The balances of the following receivables were not covered by write-downs.

COMPANY NAME	Receivables on account of supplies and services, deposit, advances on deliveries from related parties	
	30-06-2020	31-12-2019
TBS Marki Sp. z o.o.	33 390,05	25 142,55
J.W. Construction Sp. z o.o.	2 892 185,92	2 595 456,62
Dana Invest Sp. z o.o.	15 589,62	113 744,64
Varsovia Apartamenty Sp. z o.o.	1 680 422,65	1 277 196,79
Berensona Invest Sp. z o.o.	41 859,36	41 859,36
Bliska Wola 4 Sp. z o.o. 1 SK	8 025,41	318 554,21
Bliska Wola 4 Sp. z o.o. 2 SK	388 569,02	398 650,41
Wola Invest Sp. z o.o.	6 199,20	6 199,20
Bliska Wola 4 Sp. z o.o.	20 834,80	27 034,00
Hanza Invest S.A.	2 649 670,36	4 225 040,08
J.W. Tennis Support Foundation	6 042,99	14 898,99

Payables on account of supplies and services, deposits, advance payments for supplies to related parties

COMPANY NAME	Payables on account of supplies and services, deposit, advances on deliveries to related parties	
	30-06-2020	31-12-2019
TBS Marki Sp. z o.o.	3 690,00	0,00
J.W. Construction Sp. z o.o.	20 723 636,18	20 838 742,33
Dana Invest Sp. Z o.o.	97,03	4 684,49
Bliska Wola 4 Sp. z o.o. 1 SK	5 196,00	5 196,00
Varsovia Apartamenty Sp. z o.o.	19 052,17	0,00
J.W. Tennis Support Foundation	0,00	11 310,00

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

	TRANSACTION/AGREEMENT SUBJECT	01-01-2020 to 30-06-2020	01-01-2019 to 31-12-2019
Affiliated units subject to consolidation			
TBS Marki Sp. z o.o.	real estate management	109 127,58	159 144,36
TBS Marki Sp. z o.o.	loan surety	0,00	784 000,00
J.W. Construction Sp. z o.o.	reinvoices-including utilities construction in Katowice	356 642,74	0,00
J.W. Construction Sp. z o.o.	sale of goods, materials	0,00	359 056,28
J.W. Construction Sp. z o.o.	administrative services	0,00	580 000,00
J.W. Construction Sp. z o.o.	lease of real estate (office building)	73 014,00	146 028,00
J.W. Construction Sp. z o.o.	re invoicing -energy	75 344,05	184 232,33
J.W. Construction Sp. z o.o.	guaranteed repairs services	386 820,54	1 319 079,19
J.W. Construction Sp. z o.o.	land lease	36 139,61	148 659,43
Varsovia Apartamenty Sp. z o.o.	reinvoices-including utilities	58 664,88	219 028,37
Varsovia Apartamenty Sp. z o.o.	administrative services	393 422,00	315 528,00
Varsovia Apartamenty Sp. z o.o.	lease of real estate Jerozolimskie	55 033,27	593 476,67
Varsovia Apartamenty Sp. z o.o.	catering	87 609,86	1 473 527,38
Hanza Invest S.A.	administrative services	0,00	1 497 398,00
Hanza Invest S.A.	sales service	81 407,70	1 237 132,61

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

COMPANY NAME	TRANSACTION/AGREEMENT SUBJECT	01-01-2020 to 30-06-2020	01-01-2019 to 31-12-2019
Affiliated units subject to consolidation			
J.W. Construction Sp. z o.o.	construction works Ożarów Houses	106 200,00	1 514 413,16
J.W. Construction Sp. z o.o.	materials - Ożarów houses	3 929 738,94	640 601,82
J.W. Construction Sp. z o.o.	construction works Katowice	19 982 810,33	38 463 070,00
J.W. Construction Sp. z o.o.	construction works Kasprzaka	585 809,00	1 291 085,00

FINANCING TRANSACTIONS

The table below presents the value of receivables and liabilities and interest with related companies concluded under the financing granted and received, mainly in the form of bills of exchange, loans and guarantees. The value of transactions between the Issuer and its subsidiaries in the reporting period and the balance of settlements as at 30 June 2020 were also presented.

The following lists present only companies that have a balance as at a given date or with which transactions occurred in a given period. Zero balances have not been presented.

Receivables on account of the financing granted

COMPANY NAME	Receivables on account of the financing granted	
	30-06-2020	31-12-2019
Affiliated units subject to consolidation		
Yakor House Sp. z o.o.	21 769 000,00	21 769 000,00
J.W. Construction Bulgaria EOOD	37 129 145,02	40 730 226,10
J.W. Construction Sp. z o.o.	5 899 773,05	10 254 500,00
Dana Invest Sp. z o.o.	561 096,80	550 621,79
Hanza Invest Sp. z o.o.	24 516 564,09	23 895 185,88
Bliska Wola 4 Sp. z o.o. 2SK	5 636,94	5 636,94
Bliska Wola 4 Sp. z o.o. 2SK	2 816 843,12	0,00
Varsovia Apartamenty Sp. z o.o.	2 718 557,02	1 655 985,80

Sureties granted (principal and accrued interest)

In the reporting period the Issuer did not grant any sureties.

Financial revenue (interest) from granted financing

COMPANY NAME	TRANSACTION/AGREEMENT SUBJECT	01-01-2020 to 30-06- 2020	01-01-2019 to 31-12-2019
Yakor House Sp. z o.o.	loan granted	339 531,55	769 047,79
J.W. Construction Bulgaria EOOD	loan granted	246 249,03	464 464,88
J.W. Construction Sp. z o.o.	loan granted	145 273,05	694 683,35
Dana Invest Sp. z o.o.	loan granted	6 315,00	14 155,00
Dana Invest Sp. z o.o.	promissory note issued	4 160,01	9 336,64
Hanza Invets S. A.	loan granted	471 378,21	1 048 774,33
Bliska Wola 4 Sp. z o.o. 1SK	promissory note issued	16 843,12	0,00
Varsovia Apartamenty Sp. z o.o.	loan granted	32 571,22	55 278,02

Launches on account of financing granted

COMPANY NAME	TRANSACTION/AGREEMENT SUBJECT	01-01-2020 to 30-06- 2020	01-01-2019 to 31-12-2019
Yakor House Sp. z o.o.	loan granted	339 531,55	769 047,79
J.W. Construction Bulgaria EOOD	loan granted	246 249,03	464 464,88
J.W. Construction Sp. z o.o.	loan granted	145 273,05	694 683,35
Dana Invest Sp. z o.o.	loan granted	6 315,00	14 155,00
Dana Invest Sp. z o.o.	promissory note issued	4 160,01	9 336,64
Hanza Invets S. A.	loan granted	471 378,21	1 048 774,33
Bliska Wola 4 Sp. z o.o. 1SK	promissory note issued	16 843,12	0,00

Payables on account of financing received

COMPANY NAME	Payables on account of financing received	
	30-06-2020	31-12-2019
Affiliated units subject to consolidation		
TBS Marki Sp. z o.o.	30 230 139,94	29 862 475,04
Bliska Wola 4 Sp. z o.o. 1 Sp. K.	9 043,15	1 018 628,73
Bliska Wola 4 Sp. z o.o. 2 Sp. K.	1 005 115,62	966 039,85
affiliates not subject to consolidation		
EHT S.A.	2 216,60	2 216,60

Financial costs of the financing received

COMPANY NAME	TRANSACTION/AGREEMENT SUBJECT	01-01-2020 to 30-06-2020	01-01-2019 to 31-12-2019
TBS Marki Sp. z o.o.	loan received	272 635,31	666 311,92
TBS Marki Sp. z o.o.	promissory note received	95 029,59	218 391,58
Bliska Wola 4 Sp. z o.o. 1 Sp. K.	promissory note received	6 357,72	15 811,62
Bliska Wola 4 Sp. z o.o. 1 Sp. K.	loan received	9 043,15	0,00
Bliska Wola 4 Sp. z o.o. 2 Sp. K.	promissory note received	2 188,00	175 876,54
Bliska Wola 4 Sp. z o.o. 2 Sp. K.	loan received	5 115,62	0,00

Launches on account of financing received

COMPANY NAME	TRANSACTION/ SUBJECT/ AGREEMENT/SUBJECT	01-01-2020 to 30-06-2020	01-01-2019 to 31-12-2019
Bliska Wola 4 Sp. z o.o. 1 Sp. K.	loan received	3 200 000,00	0,00
Bliska Wola 4 Sp. z o.o. 2 Sp. K.	loan received	1 000 000,00	0,00

OTHER TRANSACTIONS

Below is presented the value of other transactions concluded by the Issuer with related companies, mainly related to dividends granted, license fees, capital contributions, share purchases and sales of real estate. The value of transactions between the Issuer and these companies in the reporting period and the balance of settlements as at 30 June 2020 were also presented.

The following lists present only companies that have a balance as at a given date or with which transactions occurred in a given period. Zero balances have not been presented.

Dividends

No dividends were paid in the reporting period.

Transactions related to the purchase of shares and stocks and the increase in capital

Below are presented capital transactions related to the acquisition of shares and stocks by the Issuer, capital increases and the creation of new companies.

OTHER PARTY TO TRANSACTION	TRANSACTION/AGREEMENT SUBJECT	01-01-2020 to 30-06-2020	01-01-2019 to 31-12-2019
J.W. Construction Sp. z o.o.	Shares in BW4 sp. z o.o. 2SK 2SK	0,00	12 745 500,00
Wola Invest Sp. z o.o.	Capital injection - agreement	0,00	45 000,00

Transactions related to the sale of shares and stocks and liquidation of companies

The following are capital transactions related to the Issuer's sale of shares and stocks and the liquidation or merger of companies.

OTHER PARTY TO TRANSACTION	TRANSACTION/AGREEMENT SUBJECT	01-01-2020 to 30-06-2020	01-01-2019 to 31-12-2019
Załużbice Development Sp. z o.o.	Sales of shares in Wielopole 19/21 sp. z o.o.	10 000,00	0,00

Sales of real estate

In the reporting period, the Issuer did not make any purchases or sales of real estate through related parties.

The balances of receivables and liabilities arising from the above transactions are presented below:

As at 30 June 2020, the Issuer did not have any receivables or liabilities on this account.

Transactions with major shareholders and related companies of major shareholders

This section presents transactions with companies belonging to the Issuer's main shareholders, i.e. companies directly and indirectly related to Mr. Józef Wojciechowski and companies directly and indirectly related to EHT S.A.

Companies and persons indirectly related to the Issuer:

- Józef Wojciechowski
- EHT S.A.
- WJ Invest Sp. z o.o.
- JW. Wings LTD
- J.W. Energy S.A.
- Załubice Development Sp. z o.o.
- Zabaleta Holding SA
- Zabaleta sp. z o.o.
- Zakład Energetyczny Użyteczności Publicznej SA
- Construction Unlimited sp. z o.o.
- Osada Wiślana sp. z o.o.
- ZPS JW. System Sp. z o.o. in liquidation
- ZPM Metalcon Sp. z o.o. in liquidation
- Polonia SSA
- Deweloper sp. z o.o.
- Wielopole sp. z o.o.

TRANSACTIONS ON ACCOUNT OF DELIVERIES AND SERVICES, DEPOSITS, ADVANCE PAYMENTS FOR DELIVERIES

Transactions with major shareholders and related companies of major shareholders are presented below. The value of transactions between the Issuer and these companies in the reporting period and the balance of settlements as at 30 June 2020 were also presented.

The following lists present only companies that have a balance as at a given date or with which transactions occurred in a given period. PLN Zero balances have not been presented.

Receivables on account of supplies and services, deposits, advance payments for supplies from indirectly related parties

Unless stated otherwise, the balances of the following receivables were not covered by write-downs.

	Receivables on account of supplies and services, deposit, advances on deliveries from indirectly related parties	
COMPANY NAME	30-06-2020	31-12-2019
Józef Wojciechowski	515,90	1 895,94
Załubice Development Sp. z o.o.	2 703 509,81	3 009 662,34
J.W. Energy S.A.	1 377 559,66	1 292 320,66
ZPM Metalcon Sp. z o.o.	575 199,61	575 199,61
Deweloper Sp. z o.o.	8 033,13	8 033,13
Osada Wiślana Sp. z o.o.	37 650,30	37 650,30
W.J. Invest Sp. z o.o.	120 499,07	374 685,56
Wielopole 19/21 sp. z o.o.	6 229,95	6 229,95
Zabaleta Sp. z o.o.	58 876,47	58 876,47
Zakład Energetyczny Użyteczności Publicznej S.A.	521 208,66	545 309,20

Payables on account of supplies and services, deposits, advance payments for supplies to indirectly related parties

	Payables on account of supplies and services, deposit, advances on deliveries to indirectly related parties	
COMPANY NAME	30-06-2020	31-12-2019
Deweloper Sp. z o.o.	7 674,00	7 674,00
W.J. Invest Sp. z o.o.	5 671 915,46	5 671 915,46
Zabaleta Sp. z o.o.	100 000,00	100 000,00
Zakład Energetyczny Użyteczności Publicznej S.A.	701 880,09	754 894,46

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

COMPANY NAME	TRANSACTION/ SUBJECT/ AGREEMENT/SUBJECT	01-01-2020 to 30-06-2020	01-01-2019 to 31-12-2019
Companies indirectly related to the dominant entity			
J.W. Energy S.A.	land lease	68 250,00	126 000,00
W.J. Invest Sp. z o.o.	sales service	24 477,00	197 700,00

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

COMPANY NAME	TRANSACTION/ SUBJECT/ AGREEMENT/SUBJECT	01-01-2020 to 30-06-2020	01-01-2019 to 31-12-2019
indirectly related entities			
Józef Wojciechowski Advisory	Advisory service	0,00	4 000 000,00
Zakład Energetyczny Użyteczności Publicznej S.A.	power Czarny Potok	391 165,48	630 693,17
Zakład Energetyczny Użyteczności Publicznej S.A.	power Zegrze	46 632,43	119 360,40
Zakład Energetyczny Użyteczności Publicznej S.A.	power BW CK	7 421,80	396 989,08
Zakład Energetyczny Użyteczności Publicznej S.A.	power BW EM	73 249,30	116 859,11
Zakład Energetyczny Użyteczności Publicznej S.A.	power BW EK	162 706,06	138 728,99
Zakład Energetyczny Użyteczności Publicznej S.A.	power office building	74 777,18	112 001,83
Zakład Energetyczny Użyteczności Publicznej S.A.	power other Kasprzaka	11 924,85	278 086,10
Zakład Energetyczny Użyteczności Publicznej S.A.	power Porta	202 705,01	0,00
Zakład Energetyczny Użyteczności Publicznej S.A.	power other	50 582,74	602 038,80
Zakład Energetyczny Użyteczności Publicznej S.A.	connection to the power grid - Kasprzaka	158 171,81	805 836,08

FINANCING TRANSACTIONS

The table below presents the value of receivables and liabilities and interest on transactions with major shareholders and related companies of major shareholders as part of financing granted and received, mainly in the form of promissory notes, loans and bonds. The value of transactions between the Issuer and these entities in the reporting period and the balance of settlements as at 31 December 2019 were also presented.

The following lists present only companies that have a balance as at a given date or with which transactions occurred in a given period. Zero balances have not been presented.

Receivables on account of the financing granted

Unless stated otherwise, the balances of the following receivables were not covered by write-downs.

COMPANY NAME	Receivables on account of the financing granted	
	30-06-2020	31-12-2019
indirectly related entities		
Wojciechowski Józef	13 606,70	13 606,70
J.W. Energy S.A.	2 844 367,86	2 795 286,66
Zakład Energetyczny Użyteczności Publicznej S.A.	418 979,44	411 067,70
Deweloper sp. z o.o.	7 581,90	7 581,90
Wielopole 19/21 Sp. z o.o.	220 012,55	215 960,89

Financial revenue from granted financing

COMPANY NAME	TRANSACTION/AGR EEMENT SUBJECT	01-01-2020 to 30-06-2020	01-01-2019 to 31-12-2019
J.W. Energy S.A.	promissory note issued	49 081,20	102 161,04
Zakład Energetyczny Użyteczności Publicznej S.A.	promissory note issued	7 911,74	17 780,59
Wielopole 19/21 Sp. z o.o.	promissory note issued	4 051,66	9 075,03

Launches on account of financing granted

COMPANY NAME	TRANSACTION/ SUBJECT/ AGREEMENT/SUBJECT	01-01-2020 to 30-06-2020	01-01-2019 to 31-12-2019
J.W. Energy S.A.	promissory note issued	0,00	1 043 000,00
Wojciechowski Józef	loan granted	0,00	4 000 000,00

Payables on account of financing received

COMPANY NAME	Payables on account of financing received	
	30-06-2020	31-12-2019
indirectly related entities		
Wojciechowski Józef	373 649,26	373 649,26

Launches on account of financing received

There were no in the reporting period

Bonds (principal and accrued interest)

The value of outstanding principal and accrued interest as at 30 June 2020 and as at 31 December 2019 is shown in the table below:

Company	date	principal value of the contract
W.J. Invest sp. z o.o.	24.04.2013	74 640 000,00
W.J. Invest sp. z o.o.	24.04.2013	10 650 000,00
W.J. Invest sp. z o.o.	24.04.2013	5 910 000,00

COMPANY NAME	Payables on account of bonds		interest for H1 2020	interest for 2019
	30-06-2020	31-12-2019		
W.J. Invest Sp. z o.o.	35 266 454,47	36 410 466,67	999 303,15	2 138 339,51
- principal	34 940 000,00	34 940 000,00		
- interest	326 454,47	1 470 466,67		
W.J. Invest Sp. z o.o.	10 749 506,02	11 098 210,37	304 595,85	655 616,94
- principal	10 650 000,00	10 650 000,00		
- interest	99 506,02	448 210,37		
W.J. Invest Sp. z o.o.	5 965 218,83	6 158 725,20	193 506,37	360 701,08
- principal	5 910 000,00	5 910 000,00		
- interest	55 218,83	248 725,20		

OTHER TRANSACTIONS

The value of other transactions with significant shareholders and related companies of significant shareholders, mainly concerning dividends granted, license fees, capital contributions, share purchases and sales of real estate, is presented below. The value of transactions between the Issuer and these companies in the reporting period and the balance of settlements as at 30 June 2020 were also presented.

The following lists present only companies that have a balance as at a given date or with which transactions occurred in a given period. Zero balances have not been presented.

Transactions related to purchase/sale of shares and stock and capital increase

In the reporting period there were no capital transactions related to the purchase/sale of shares and stocks by the Issuer, capital increases or the creation of new companies.

Sales of real estate

In the reporting period, the Issuer did not make any transactions of purchase or sale of real estate with affiliates of significant shareholders or with affiliates of significant shareholders.

Transactions with Management Board and Supervisory Board members

Transactions made between the Issuer and the Members of the Board and the Supervisory Board. All transactions described in this section were concluded in the ordinary course of business and on market terms.

Payables on account of supplies and services, deposits, advances for supplies to persons related to the dominant entity

COMPANY NAME	Payables on account of supplies and services, deposits, advance payments for supplies to persons related to the Issuer and its subsidiaries	
	30-06-2020	31-12-2019
personal affiliations (Management Board Members, Supervisory Board Members)		
MS Consulting Małgorzata Szwarc-Sroka	27 023,10	40 713,00
IJ Konsulting Irmina Łopuszyńska	31 303,50	38 406,75

The Issuer and its subsidiaries as buyers of services or products

	TRANSACTION/ SUBJECT/ AGREEMENT/SUBJECT	01-01-2020 to 30-06-2020	01-01-2019 to 31-12-2019
transactions with Members of the Management Board or Supervisory Board			
MS Consulting Małgorzata Szwarc-Sroka	consultancy and advisory services	235 710,00	402 360,00
IJ Konsulting Irmina Łopuszyńska	consultancy and advisory services	232 160,00	379 860,00

Receivables on account of supplies and services, deposits, advances for supplies from persons related to the dominant entity

COMPANY NAME	Receivables on account of supplies and services, deposits, advance payments for supplies from persons related to the Issuer and its subsidiaries	
	30-06-2020	31-12-2019
personal affiliations (Management Board Members, Supervisory Board Members)		
MS Consulting Małgorzata Szwarc-Sroka	800,00	500,00

The Issuer and its subsidiaries as a service provider (seller)

	TRANSACTION/ SUBJECT/ AGREEMENT/SUBJECT	01-01-2020 to 30-06-2020	01-01-2019 to 31-12-2019
transactions with Members of the Management Board or Supervisory Board			
MS Consulting Małgorzata Szwarc-Sroka	office rental	2 580,00	3 440,00
MS Consulting Małgorzata Szwarc-Sroka	re invoicing	243,90	0,00
MS Consulting Małgorzata Szwarc-Sroka	telephone sales	0,00	406,50
IJ Konsulting Irmina Łopuszyńska	office rental	2 580,00	5 160,00
IJ Konsulting Irmina Łopuszyńska	re invoicing	372,90	82,75
IJ Konsulting Irmina Łopuszyńska	telephone sales	0,00	406,50

In the reporting period there were no transactions of sale of residential units to Members of the Issuer's Management Board or to its subsidiaries.

Apart from the remuneration and the above sales transactions, in the reporting period the Issuer did not enter into any transactions with members of the Management Board or Supervisory Board.

Note 31. Remuneration of members of the governing bodies

The remuneration for the first half of 2020 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.	01-01-2020 to 30-06-2020
Management Board	
Ostrowska Małgorzata	107 734,98
Pisarek Małgorzata	91 554,77
Rajchert Wojciech	22 083,62
Supryniewicz Piotr	106 585,84

JW Construction Holding S.A.	01-01-2020 to 30-06-2020
Supervisory Board	
Wojciechowski Józef	0,00
Czyż Barbara	9 402,33
Łopuszyńska Irmina	8 966,40
Maruszyński Marek	22 756,70
Matkowski Ryszard	22 756,70
Szwarc-Sroka Małgorzata	8 966,42

Other companies of the Capital Group, other agreements	01-01-2020 to 30-06-2020
Management Board	
Ostrowska Małgorzata	10 433,00
Pisarek Małgorzata	0,00
Rajchert Wojciech	112 680,00
Suprynowicz Piotr	101 038,37

Other companies of the Capital Group, other agreements	01-01-2020 to 30-06-2020
Supervisory Board	
Wojciechowski Józef	0,00
Czyż Barbara	31 583,58
Łopuszyńska Irmina	0,00
Maruszyński Marek	0,00
Matkowski Ryszard	0,00
Szwarc-Sroka Małgorzata	0,00

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

Professional group	30-06-2020
Management Board	2
Directors	27
Administration	235
Other employees	270
Total	534

Note 32. Description of the Group's activities and key events in the first half of 2020

Corporate affairs:

Corporate affairs

On 5 March 2020, an Extraordinary General Meeting was held, which adopted resolutions on:

- confirmation of the Company's legal action concerning the lease agreement of an organised part of the enterprise within the meaning of art. 55¹ of the Civil Code, concluded on 7 January 2020 in the form of FIRST FLOOR restaurant in Warsaw at Kasprzaka 31 Street for the benefit of the subsidiary Varsovia Apartamenty Spółka z o.o. with its registered office in Ząbki,

Granting an additional, one-time gross remuneration of PLN 1,000 each to members of the Supervisory Board Ryszard Matkowski and Marek Maruszyński.

Bond issue programme

On 28 January 2020 the Company's Management Board adopted a resolution on establishing a bond issue programme ("Programme"). Under the Programme, the Company intended to issue, in one or more series, bonds with a maximum nominal value of up to PLN 100,000,000 ("Bonds"). In order to implement the Programme, on 28 January 2020, a Programme Agreement was concluded with Bank Polska Kasa Opieki S.A. with its registered office

in Warsaw ("Bank") under which the Bank was entrusted with the duties of the organiser, Calculation Agent and Dealer. The Programme remains open.

Own share buy-back program conducted within the program.

On 1 June 2020, the Management Board of the Company decided to complete the buy-back of own shares conducted through Dom Maklerski Banku Ochrony Środowiska S.A. with its registered office in Warsaw as part of the program in accordance with the Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (EU Official Journal L.2014/173.1), under which the Company acquired 84,337 shares entitling to 84,337 votes at the General Meeting.

Letter of Intent

On 24.02.2020 the Company's Management Board informed of signing a letter of intent with the Polish Hospitality Group Luxury Hotels Sp. z o.o. with registered office in Krakow ("PHGLH"), the subject of which was to determine preliminary conditions of sale of developed real estate located in Krakow at 19-21 Wielopole Street and 86-90 Dietla Street ("Real Estate"). The parties agreed that the price of the Real Estate shall not be lower than PLN 100,000,000 net. Despite the prolonged validity of the letter, at the request of the interested party, the letter expired on 8 June 2020.

Credits:

Credit agreements

On 3 April 2020 the Company concluded a credit agreement with mBank S.A. based in Warsaw, on the basis of which the Bank granted the Company a working capital credit in the amount of PLN 17,300,000 to finance the Company's current operations. The repayment date of the loan was set at 30 December 2021.

On 25 June 2020 the Company concluded a credit agreement with Millennium Bank S.A. with its registered office in Warsaw, on the basis of which the Bank granted the Company a working capital loan in the amount of PLN 49,900,000 to finance the investment of Bliska Wola Stage D in Warsaw at Kasprzaka/Prymasa Tysiąclecia Street. The final date of credit repayment was set on 22 December 2021.

On 26 June 2020 the Company concluded a credit agreement with Alior Bank S.A. with its registered office in Warsaw, on the basis of which the Bank granted the Company a credit in the current account in the amount of PLN 33,000,000, to be used to finance the Company's current operations. The repayment date of the loan was set at 25 June 2022.

Annex to the credit agreement

On 9 April 2020 the Company concluded an Annex to the overdraft agreement, granted by PKO BP S.A., in the amount of PLN 15,000,000. Under the Annex, as in previous periods, the agreement was renewed, the date of use and repayment of the credit have been postponed. The new loan repayment date was set at 25 October 2020.

On 9 April 2020 J.W. Construction Spółka z o.o., a subsidiary of the Issuer, concluded an annex to the overdraft agreement, granted by PKO BP S.A., in the amount of 7.000.000 PLN. Under the annex, the date of use and repayment of the loan have been postponed. The new loan repayment date was set at 25 October 2020.

On 16 April 2020 the Company concluded an Annex to the investment loan agreement for the Czarny Potok investment granted by PKO BP. Under the Annex, the deadline for repayment of the last installment of the loan of PLN 2.1 million was postponed. The new credit repayment date was set at 30.06.2020. The Company made a full repayment of the credit in accordance with the terms of the Annex.

On 25 May 2020 the Company concluded an agreement with Plus Bank for an overdraft facility granted by PLUS Bank S.A. of PLN 6 million. Under the agreement the date of using and repaying the credit have been postponed. The new repayment date was set at 25 July 2020. The Company made a full repayment of the credit in accordance with the terms of the agreement.

On 29 May 2020, the Company concluded an Annex to a credit agreement in the current account granted by Bank Millenium SA in the amount of PLN 16,830,000. Under the Annex, the deadline for use and repayment date have been postponed. The new loan repayment date was set at 31 May 2021.

Loan repayment

On 30 June 2020 the Company made a total repayment of the investment credit in the amount of PLN 66,803,028 granted by PKO BP S.A. to co-finance the realization of Czarny Potok investment.

Securities :

Interest paid

On 24 April 2020, the Company paid interest on series JWX0116 bonds.

On 15 May 2020, the Company paid interest on bonds marked with the PLJWC0000126 code

On 29 May 2020 and 12 June 2020, the Company paid interest on bonds series JWC0522 marked with ISIN code PLJWC0000118

JWX0116 bonds

On 4 May 2020, the redemption date of the JWX0116 series bonds issued pursuant to the Resolution of the Management Board of the Company of 24 April 2013 was changed, the redemption date of the JWX0116 series bonds was set at 25 November 2022.

On 12 June 2020, an amendment was made to the terms and conditions of issue of bonds series JWX0116, issued on the basis of the Resolution of the Management Board of the Company of 24 April 2013, introducing additional provisions in the scope of the impossibility of making deductions and compensations, subordinating the repayment of bonds series JWX0116 to the repayment of ISIN PLJWC00000118 and PLJWC00000126 bonds, determining the amounts of permissible redemptions of bonds before maturity, determining the possibility of changing interest periods and interest amounts.

JWC1120 ISIN PLJWC0000126 bonds

As part of the process started on 28 April 2020 with the convening of the first meeting of the Bondholders of the JWC1120 series of bonds marked with ISIN code PLJWC0000126 "Bonds" by the Management Board of the Company, on 29 May 2020 the change of the conditions of the Bonds was carried out at the Meeting of Bondholders by :

1. change of the final redemption date of the Bonds from the previously set date of November 16, 2020 to the new date of May 16, 2022;
2. introduction of additional dates of partial redemptions:
 - 15% of the original nominal value of the Bonds payable on the third anniversary of the issue,
 - 4% of the nominal value of each of the Bonds payable on 15 June 2021,
 - 6% of the nominal value of each of the Bonds payable on 15 September 2021,
 - 6% of the nominal value of each of the Bonds payable on 15 December 2021,
 - 4% of the nominal value of each of the Bonds payable on 15 March 2022,
 - 10% of the nominal value of each of the Bonds payable on 16 May 2022,
3. change of the name of the Bonds series from the current JWC1120 to the new JW10522;
4. The collateral for the Bonds and bonds of the JWC0620 series marked with ISIN code PLJWC0000118 ("JWC0620 Bonds") shall be secured with a contractual joint mortgage, constituting 150 % of the nominal value of the outstanding Bonds and JWC0620 Bonds, on real estate covered by the land and mortgage registers:
 - a) On owned by the Company property located in Krakow at 86, 88, 90, Wielopole 19, 21 Dietla Street, covering a plot of land with the number 124/1, for which the land and mortgage register number KR1P/00008281/4 is kept, i.e. the ownership title to each of the 33 independent premises for which separate land and mortgage registers are kept with the number KR1P/00008281/4: KR1P/00568567/6, KR1P/00568568/3, KR1P/00568569/0, KR1P/00568570/0, KR1P/00568571/7, KR1P/00568581/0, KR1P/00568582/7, KR1P/00568583/4, KR1P/00568584/1, KR1P/00568585/8, KR1P/00568586/5, KR1P/00568587/2, KR1P/00568588/9, KR1P/00568589/6, KR1P/00568590/6, KR1P/00568591/3, KR1P/00568592/0, KR1P/00568593/7, KR1P/00568594/4, KR1P/00568595/1, KR1P/00568596/8, KR1P/00568597/5, KR1P/00574796/5, KR1P/00574797/2, KR1P/00574798/9, KR1P/00574799/6, KR1P/00574800/7, KR1P/00574803/8, KR1P/00574805/2, KR1P/00574807/6, KR1P/00574808/3, KR1P/00574809/0, KR1P/00574810/0, together with associated rights, i.e. shares in the land property on which the building is located, in which the premises covered by the land and mortgage register number KR1P/000008281/4 are located, and
 - b) the Company's right of perpetual usufruct, owned by the Capital City of Warsaw, of real estate located in Warsaw, Ursynów district, at Pileckiego Street, covering a 5/1 plot of land and mortgage register

- number WA2M/00110066/5 and
- c) the Company's right to the property located in Warsaw, Białoleka district, ul. Lewandów, covering the plot of land with registration numbers 59/2, 49/5, 59/3, 50/5, 51/2, 52/5, 59/4, 59/5, 60/3, 60/4, 60/5, 60/6, 61/9, 22/5, 23/5, 24/3, 25/5/5, 29/5, 22/7, 23/7, 24/5, 25/7, 29/7, for which the land and mortgage register number WA3M/00506268/1 is kept ("Mortgage");
5. Change of interest periods after 16 November 2020 for three-month periods;
 6. Change the interest rate on the Bonds by establishing that it is determined on the basis of 3M WIBOR, and for the period until 16 November 2020 on the basis of 6M WIBOR, increased by a margin of 5%, and until the entry of the Mortgage increased by a margin of 6%, per year.

On 15 June 2020, the Company established all the securities provided for in the amended terms and conditions of the Bonds issue.

JWC0520 ISIN PLJWC0000118 bonds

As part of the process started on 28 April 2020 with the convening of the first meeting of the Bondholders of the JWC0520 series of bonds marked with ISIN code PLJWC0000118 "Bonds" by the Management Board of the Company, on 29 May 2020 the change of the conditions of the Bonds was carried out at the Meeting of Bondholders by :

1. change of the final redemption date of the Bonds from the previously set date of June 12, 2020 to the new date of May 12, 2022;
2. introduction of additional dates of partial redemptions:
 - a) 17 % of the nominal value of each of the Bonds payable on 12 June 2020,
 - b) 4 % of the nominal value of each of the Bonds payable on 12 March 2020,
 - c) 7 % of the nominal value of each of the Bonds payable on 11 June 2021,
 - d) 4 % of the nominal value of each of the Bonds payable on 10 September 2021,
 - e) 7 % of the nominal value of each of the Bonds payable on 10 December 2021,
 - f) 4 % of the nominal value of each of the Bonds payable on 11 March 2022,
 - g) 7 % of the nominal value of each of the Bonds payable on 12 May 2022,
3. change of the name of the Bonds series from the current JWC0620 to the new JWC10522;
4. The collateral for the Bonds and bonds of the JWC1120 series marked with ISIN code PLJWC0000126 ("JWC1120 Bonds") shall be secured with a contractual joint mortgage, constituting 150 % of the nominal value of the outstanding Bonds and JWC1120 Bonds, on real estate covered by the land and mortgage registers:
 - a) On owned by the Company property located in Krakow at 86, 88, 90, Wielopole 19, 21 Dietla Street, covering a plot of land with the number 124/1, for which the land and mortgage register number KR1P/00008281/4 is kept, i.e. the ownership title to each of the 33 independent premises for which separate land and mortgage registers are kept with the number KR1P/00008281/4: KR1P/00568567/6, KR1P/00568568/3, KR1P/00568569/0, KR1P/00568570/0, KR1P/00568571/7, KR1P/00568581/0, KR1P/00568582/7, KR1P/00568583/4, KR1P/00568584/1, KR1P/00568585/8, KR1P/00568586/5, KR1P/00568587/2, KR1P/00568588/9, KR1P/00568589/6, KR1P/00568590/6, KR1P/00568591/3, KR1P/00568592/0, KR1P/00568593/7, KR1P/00568594/4, KR1P/00568595/1, KR1P/00568596/8, KR1P/00568597/5, KR1P/00574796/5, KR1P/00574797/2, KR1P/00574798/9, KR1P/00574799/6, KR1P/00574800/7, KR1P/00574803/8, KR1P/00574805/2, KR1P/00574807/6, KR1P/00574808/3, KR1P/00574809/0, KR1P/00574810/0, together with associated rights, i.e. shares in the land property on which the building is located, in which the premises covered by the land and mortgage register number KR1P/000008281/4 are located, and
 - b) the Company's right of perpetual usufruct, owned by the Capital City of Warsaw, of real estate located in Warsaw, Ursynów district, at Pileckiego Street, covering a 5/1 plot of land and mortgage register number WA2M/00110066/5 and
 - c) the Company's right to the property located in Warsaw, Białoleka district, ul. Lewandów, covering the plot of land with registration numbers 59/2, 49/5, 59/3, 50/5, 51/2, 52/5, 59/4, 59/5, 60/3, 60/4, 60/5, 60/6, 61/9, 22/5, 23/5, 24/3, 25/5/5, 29/5, 22/7, 23/7, 24/5, 25/7, 29/7, for which the land and mortgage register number WA3M/00506268/1 is kept ("Mortgage");
5. Change of interest periods after 11 December 2020 for three-month periods;
6. Change the interest rate on the Bonds by establishing that it is determined on the basis of 3M WIBOR, and for the period until 11 December 2020 on the basis of 6M WIBOR, increased by a margin of 5%, and until the entry of the Mortgage increased by a margin of 6%, per year.

On 15 June 2020, the Company established all the securities provided for in the amended terms and conditions of the Bonds issue.

Bond redemption

On 12 June 2020, The Company made a partial redemption of ISIN PLJWC0000118 bonds for the amount of 11,900,000 PLN, in accordance with the terms of the bond issue. Cumulatively, on 12 June 2020, the Company redeemed 46,900,000 PLN which constituted 67% of the original nominal value of bonds series JWC0522, marked with ISIN code PLJWC0000118. The bonds were issued on the basis of the Resolution of the Management Board of the Company of 15 May 2017 with the maturity date of 12 May 2022 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 PLN 330, and the total value is PLN 23,100,000.

Building permits, occupancy permits, other significant transactions:

Building permit

On 14 May 2020 the Company received a building permit for a complex of 24 single-family terraced houses located in Kręcki Kaputy, Ożarów Mazowiecki commune. The permit is legally binding.

Preliminary agreements for the sale of real estate :

On 2 June 2020, the Company concluded the following agreements: preliminary sale and preliminary conditional sale agreement for the Company's real estate under perpetual usufruct located in Szczecin in the area of Franciszka Ksawerego Druckiego- Lubeckiego Street ("Agreement") covering plots of land:

Numbered: 10/1, 11/1, 12/1 from the section 101, no. 10 from the section 19, no. 11 from the section 326201_1.3019 and no. 9/2 from the section 97 with a total area of 3.7983 ha ("Real Estate 1") for the amount of PLN 7,976,420,00 net plus VAT at the applicable rate

Numbered: 8/5, 8/6 and 8/7 from the area 3019 with the total area of 9.4586 ha ("Real Estate 2") for the amount of PLN 19,863,060,00 net plus VAT at the applicable rate.

The total sale price of Real Estate 1 and Real Estate 2 is PLN 27,839,480.00 net and will be increased by VAT at the applicable rate.

The condition for concluding the final sale agreements for Real Estate 1 and Real Estate 2 is that the Buyer conducts a legal and technical examination by August 31, 2020, the result of which will be satisfactory for the Buyer in terms of the possibility of implementing the investment consisting in the construction of a warehouse and logistics park accompanied by the technical infrastructure and that the City of Szczecin does not exercise its pre-emptive right in relation to Real Estate 1.

The deadline for concluding the final sales agreement was set for 30 October 2020.

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

General Meetings

On 21 July 2020 the Ordinary General Meeting of the Company took place, which apart from the resolutions provided for by the legal regulations concerning: approval of reports, profit distribution, granting discharge to members of the Company's bodies, adopted resolutions on appointing members of the Supervisory Board for the next term in persons: Mr. Marek Maruszyński, Mr. Ryszard Matkowski and Ms. Małgorzata Szwarz-Sroka, granted additional remuneration to a member of the Supervisory Board, adopted remuneration regulations for members of the Management Board and the Supervisory Board.

Appointment of Members of the Supervisory Board within the scope of personal rights :

On 21 July 2020, the Company received a statement of appointment to the Supervisory Board from an eligible shareholder, based on his personal entitlement: Mr. Józef Wojciechowski as Chairman of the Board and Ms. Barbara Czyż and Ms. Irmina Łopuszyńska as members of the Board.

Appointment of the Management Board

On 21 July 2020 the Supervisory Board appointed Mr. Wojciech Rajchert and Mr. Piotr Suprynowicz for the next term on the Management Board.

On 21 July 2020 the Company received a statement of appointment to the Management Board from an eligible shareholder. Based on the personal right Ms. Małgorzata Ostrowska and Ms. Małgorzata Pisarek were appointed to the Management Board.

Loan repayment

On 25 July 2020 the Company repaid in full the overdraft granted by Plus Bank SA to finance its current operations in the amount of PLN 6.000.000.

Building permit

On 27 July 2020 the company received a building permit for a complex of 3 multi-family residential buildings with underground garages in Zawada, Myślenice municipality near Cracow. The permit is final.

Occupation permit

As part of the complex of terraced houses - "Alicja Stage E" located in Kręczki Kaputy, Ożarów Mazowiecki commune, the Company received occupancy permits for 10 single family terraced houses. The permits are final.

On 20 August 2020. the Company obtained a certificate for the complex of multi-family residential buildings Lewandów IV - "Wrzosowa Aleja" housing estate at Kartograficzna Street in Warsaw, entitling to use the building.

Preliminary property sales agreement

On 30 July 2020 the Company concluded a preliminary sales agreement for a property ("Agreement") owned by the Company located in Warsaw at 10 Antoniewska Street comprising the number 16/1 from the area 1-05-07 with an area of 1.5763 ha ("Property") for the amount of PLN 17.000.000,00 net plus VAT at the applicable rate.

The sale price will be paid as follows :

- 10 % of the sale price, i.e. the amount of PLN 1,700,000.00 plus VAT at the rate applicable within 30 days from the date of conclusion of the Agreement. The Parties agreed that the failure to make this payment by 1 September 2020 results in the termination of the Agreement without the need to submit a declaration of termination by either of the Parties;

- 90 % of the sale price, i.e. the amount of PLN 15,300,000.00 plus VAT at the rate applicable until the day of concluding the final contract from the notary's deposit.

The deadline for concluding the final agreement between the parties was set at 30 November 2020.

Amendment of a material agreement concluded between subsidiaries

On 7 August 2020, an annex to the agreement of 28 February 2017 was concluded between the Company's subsidiaries: Hanza Invest S.A. with its registered office in Ząbki as the Investor ("Investor") and J.W. Construction Spółka z o.o. with its registered office in Ząbki as the General Contractor ("Contractor"), the subject of which is the completion by the Contractor of the "Hanza Tower" - construction of a housing and service building in Szczecin at Wyzwolenia Street and Odzieżowa Street. The Company informed of the agreement in current report no. 9/2017 of 28 February 2017, and of the change in reports no. 34/2018 of 14 November 2018 and 11/2019 of 12 April 2019.

The annex changed the dates of: completion of works, which was set for 31 December 2020, and obtaining a legally binding permit to use, which was set for 31 January 2021.

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 2020, the EUR exchange rate set by the National Bank of Poland as at that day, i.e. 4.4660 PLN/EUR.

To convert the balance sheet data as at the last day of the period from 1 January to 31 December 2019, the EUR exchange rate set by the National Bank of Poland as at that day, i.e. 4.2585 PLN/EUR.

For the conversion of the profit and loss account data for the period from 1 January 2020 to 30 June 2020, 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. 4.4413 PLN/EURO rate.

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/EURO rate.

Consolidated balance sheet item	30-06-2020		31-12-2019	
	PLN	EUR	PLN	EUR
Total assets	1 808 014	404 840	1 668 809	391 877
Fixed assets	783 494	175 435	817 303	191 923
Current assets	1 024 520	229 404	851 506	199 955
Total liabilities and equity	1 808 014	404 840	1 668 809	391 877
Equity	713 804	159 831	727 913	170 932
Non-current liabilities	414 832	92 887	354 771	83 309
Current liabilities	669 929	150 007	575 220	135 076
Future long-term discounted lease payments	7 856	1 759	9 347	2 195
Future short-term discounted lease payments	1 593	357	1 559	366

Consolidated profit and loss account item	01-01-2020 to 30-06-2020		01-01-2019 to 30-06-2019	
	PLN	EUR	PLN	EUR
Net revenues from sales of products, goods and materials	68 419	15 405	172 078	40 038
Costs of products, goods and materials sold	57 045	12 844	136 253	31 703
Gross profit (loss) from sales	11 375	2 561	35 826	8 336
Costs of sales	9 184	2 068	11 303	2 630
Overheads	11 932	2 687	16 036	3 731
Profit (loss) from sales	-13 040	-2 936	7 662	1 783
Profit (loss) on operations	-18 022	-4 058	5 445	1 267
Gross profit (loss)	-23 726	-5 342	1 484	345
Income tax	-8 297	-1 868	83	19
Net profit (loss)	-15 429	-3 474	1 402	326

Issuer's balance sheet item	30-06-2020		31-12-2019	
	PLN	EUR	PLN	EUR
Total assets	1 543 763	345 670	1 448 473	340 137
Fixed assets	763 384	170 932	837 543	196 676
Current assets	780 379	174 738	610 930	143 461
Total liabilities and equity	1 543 763	345 670	1 448 473	340 137
Equity	753 221	168 657	771 571	181 184
Non-current liabilities	275 432	61 673	197 701	46 425
Current liabilities	506 557	113 425	469 205	110 181
Future long-term discounted lease payments	6 973	1 561	8 450	1 984
Future short-term discounted lease payments	1 581	354	1 546	363

Issuer's profit and loss account item	01-01-2020 to 30-06-2020		01-01-2019 to 30-06-2019	
	PLN	EUR	PLN	EUR
Net revenues from sales of products, goods and materials	57 695	12 991	158 625	36 908
Costs of products, goods and materials sold	44 969	10 125	122 896	28 595
Gross profit (loss) from sales	12 726	2 866	35 729	8 313
Costs of sales	8 482	1 910	10 492	2 441
Overheads	10 484	2 361	14 145	3 291
Profit (loss) from sales	-9 538	-2 148	10 268	2 389
Profit (loss) on operations	-21 527	-4 847	8 468	1 970
Gross profit (loss)	-29 176	-6 569	4 460	1 038
Income tax	-10 908	-2 456	653	152
Net profit (loss)	-18 268	-4 113	3 807	886

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 2020, the value of debt on account of loans was equal to PLN 261.1 million (including the debt of TBS Marki Sp. z o.o. - PLN 81.3 million) and there were no indications 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	30-06-2020
Amount of security on own real estate*	609 031 769

*including collaterals on real estate of TBS Marki Sp. z o.o. - PLN 164.7 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 the mortgage, there are also other forms of collateral, e.g. enforcement titles, guarantees from Bank Gospodarstwa Krajowego under the PLG FGP portfolio guarantee line secured with a promissory note, 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	30-06-2020
Guarantee of J.W. Construction Holding S.A. to the benefit of Hanza Invest SA for an investment loan incurred at Bank Ochrony Środowiska S.A.	72 000 000
Guarantee of J.W. Construction Holding S.A. to the benefit of Dana Invest Sp. z o.o. for investment credit at Bank BZ WBK SA	29 694 876
Sureties to the benefit of J.W. Construction Sp. z o.o. for credit, guarantee in PKO BP and leasings	26 658 575
Sureties to the benefit of TBS "Marki" Sp z o.o.	22 400 000

In the period from 01 January 2020 to 30 June 2020, the Company's bank loans in the total amount of PLN 99.7 million were secured by guarantees granted by Bank Gospodarstwa Krajowego under the PLG FGP portfolio guarantee line in the total amount of PLN 79.8 million, which were secured by the Company by promissory notes issued to Bank Gospodarstwa Krajowego.

As at 30 June 2020, insurance and bank guarantees for removal of defects and faults were also granted by banks and insurance institutions, the beneficiaries of which were the Companies of the Capital Group. 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. The total value of the guarantee as at 30 June 2020 amounted to PLN 45.78 million and EUR 1.74 million (Issuer), PLN 4.55 million and EUR 304.43 thousand (JW. Construction sp. z o.o.).

Note 38. Significant issues in litigation

As at 30 June 2020, no proceedings to which the Company or any of its subsidiaries, either as plaintiff or defendant, were material to the Company's business.

Note 39. Significant risk factors and threats

Risk related to the Covid-19 epidemic

In the first half of 2020 there was an additional risk factor associated with the outbreak of the Covid-19 virus. This factor also has a direct impact on most of the areas of risk identified below, as a consequence of the restrictions imposed on social and economic life.

The Company is monitoring areas important for its operations which are at risk of being affected by the epidemic. As of today, the Company considers the following to be the most important: possible delays in the construction process resulting from the absence of construction staff, possible delays in the delivery of materials, delays in the activities of public administration bodies in the area of issuing decisions in administrative processes, refraining from direct personal contact with the purpose of purchasing the premises by potential buyers. In order to limit the latter, the Company has taken intensive measures to ensure that the largest part of sales service can be carried out through electronic means of direct contact, and thus encourage potential buyers. At the same time, as part of its prophylactic activities, the Company has taken steps to reduce the possibility of infection of COVID-19 among employees by: increasing the distance between workstations in offices, equipping employees with hand sanitizers, gloves and protective masks. The decision was made to limit access of outside persons to the Company's offices and to introduce, to a greater extent, remote contact with external parties.

The situation with the Covid-19 virus affects the hotel services business as well. The hotels suspended their operations from mid-March to the end of May 2020. As it remains uncertain:

- whether the hotel business will be able to be conducted without restrictions
- What impact will the economic situation have on the behaviour of individual clients in terms of their travels,
- what policy will be adopted by business entities in the organization of business events

At present it is impossible to assess to what extent the COVID 19 epidemic will affect the hotel industry in particular.

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 30 June 2020, 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 in TBS Marki Sp. z o.o., which is a preferential loan, granted on other terms, where the risk is limited.

As at 30 June 2020

	% Increase/decrease	Influence on gross profit in thousands of PLN
PLN	1%	-2 811
PLN	-1%	2 811

Currency risk

The Group is not exposed to the risk of changes in foreign exchange rates due to the lack of transactions (credits, 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 12,872 thousand as at the balance sheet date and was estimated as the balance sheet value of trade receivables from other companies.

Credit risk related to bank deposits is considered immaterial as the Group has entered into transactions with well-established financial institutions.

Liquidity risk

The Group is exposed to liquidity risk, understood as the risk of losing the ability to settle liabilities on given dates. The risk results from the potential limitation of access to financial markets, which may result in the inability to obtain new financing or refinancing of the Group's debt.

The Company's and the Capital Group's operations are conducted using: equity, bank loans, and payments made by customers. The Company and the Capital Group pay special attention to maintaining financial liquidity, among others by providing external financing for both current and investment activities.

The financial liquidity risk is diversified through:

- cooperation with various financial institutions: banks, leasing companies, brokerage offices,
- use of various forms of financing: bonds, bank loans (working capital, investment loans), leases, loans,
- entering into financial commitments with different maturity dates:
 - short-term, working capital financing for any purpose (working capital credits),
 - long-term - targeted financing, financing investments into assets,
 - bonds,
 - leasings,
 - 2-3 years investment loans,
 - preferential loans, under government or European programmes.

The above serves to hedge cash flows, in the short and long term and to diversify the risk of financial liquidity.

30-06-2020	Total	0-6 months	6-12 months	1-3 years	Over 3 years
Trade payables	47 125 278,05	47 125 278,05	0,00	0,00	0,00
Loans	0,00	0,00	0,00	0,00	0,00
Promissory notes	0,00	0,00	0,00	0,00	0,00
Bonds	116 900 000,00	14 100 000,00	11 460 000,00	91 340 000,00	0,00
Credits	261 146 132,96	23 200 156,01	41 276 115,09	102 425 251,98	94 244 609,88
Leasing	51 836 743,00	2 756 872,64	4 084 088,28	15 514 081,78	29 481 700,30
Total	477 008 154,01	87 182 306,71	56 820 203,37	209 279 333,76	123 726 310,18

31-12-2019	Total	0-6 months	6-12 months	1-3 years	Over 3 years
Trade payables	44 422 945,51	44 422 945,51	0,00	0,00	0,00
Loans	0,00	0,00	0,00	0,00	0,00
Promissory notes	0,00	0,00	0,00	0,00	0,00
Bonds	128 800 000,00	35 000 000,00	42 300 000,00	51 500 000,00	0,00
Credits	198 963 191,53	33 775 174,06	5 771 538,99	70 421 384,72	88 995 093,75
Leasing	48 648 505,24	3 137 430,94	3 164 912,23	17 878 781,28	24 467 380,79
Total	420 834 642,28	116 335 550,51	51 236 451,22	139 800 166,00	113 462 474,54

The above tables present only the amounts of principal without interest.

At the time of the report, i.e. as of 30 June 2020, the Group was able to immediately repay 100% of the value of liabilities within the range of 0-6 months without using funds from trust accounts, including: cash and cash equivalents (PLN 112.2 million).

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.

Risks resulting from the provisions of the Developer's Act

The Developers Act imposed a number of obligations on developers, regulating the process of financing residential projects. By introducing additional obligations, the Act creates additional costs, such as:

- ✓ preparing and making the prospectus available (under pain of criminal liability for failure to do so),

- ✓ participation (in equal part with the purchaser) in incurring notarial costs of concluding a development contract
- ✓ incurring court costs in perpetual usufruct proceedings related to registration in the land and mortgage register of the buyer's rights under the concluded development contract.
- ✓ an obligation to conclude an agreement to maintain an open or closed escrow account.

Furthermore, it is not excluded that development activities will be obliged to establish only closed residential escrow accounts. Such an additional obligation would force an increase in interest debt on the part of the Company and the Group, and thus increase the cost of operations, which could be reflected in the financial results.

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.

Risk related to participation of third parties in administrative proceedings concerning the investment process

The risk is connected with the participation of third parties, including among others: environmental organisations, in proceedings related to the implementation of the investment process. Third parties may, by participating in administrative proceedings relating to the investment process, take actions which might prevent the Group's companies from obtaining positive administrative decisions, e.g. by appealing to the second instance authorities and courts for decisions issued in the course of the said administrative proceedings. The participation of third parties in proceedings related to the implementation of the investment process may at the same time be a source of litigation (before public administration bodies as well as before administrative courts). Actions taken by third parties in the course of administrative proceedings relating to the construction process may result in the suspension or delay of the investment process. The above factors may therefore have a material adverse effect on the Group's operations and financial position.

General macroeconomic situation risk

The Company'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. Increase in the prices of building materials and services may be reflected in higher investment implementation costs. Another factor is the shortage of workforce. The low unemployment rate in Poland causes problems with obtaining employees, which results in an increased risk of delays in the execution of construction contracts.

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. 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. So far, the program has been conducted on a limited scale without any significant impact on the residential market or the Company's operations, however, in the long run, there is a risk of an increase in the supply of apartments on the market, which may result in a decrease in sales of apartments by development companies, which may adversely affect their financial results.

Risks related to the hotel industry economic situation

The hotel business (hotels and aparthotels) is largely dependent on the economic situation in the tourism industry. There is, however, a risk that the results in this business segment may deteriorate due to adverse factors. The most important factors that may affect this area of the Capital Group's operations include:

- ✓ lower demand for accommodation services in hotels and aparthotels,
- ✓ the appearance of competing facilities in the immediate vicinity,
- ✓ decrease in interest of institutional customers in the offer of conference and hotel services caused by the reduction of advertising and promotional budgets of these entities.

Although the share of hotel operations in total revenues of the Capital Group is small, the occurrence of the above factors may adversely affect financial results and decrease profitability of the Company and the Capital Group.

Risk related to decreased attractiveness of locations of development projects in the Group's portfolio

The main factor determining the effective demand for residential units - apart from their price - is their attractive location, which takes into account both environmental elements (green areas, no troublesome industrial and communication facilities) and functional factors (availability of social infrastructure, convenient communication system). The Company takes this fact into account when calculating the sales price for its customers by optimising it so that the proposed prices do not constitute a barrier to demand. However, there is a risk of a decrease in the attractiveness of a specific location as a result of unforeseen events after the purchase of the investment area (e.g. change in the development plan, route of communication routes, etc.), which may adversely affect the level of prices of the apartments sold and reduce the Capital Group's revenues on projects.

Risk related to the schedule of implementation of development projects

The process of investment preparation and construction of a development project usually takes from 24 to 36 months and includes a number of stages, the most important of which are: obtaining the necessary permits, investment preparation, construction works, finishing works, cleaning works. At each of these stages there is a risk of delaying the completion of works, improper execution and the necessity of additional works, the risk of adverse weather conditions, etc. The occurrence of a delay in project implementation may result in:

- ✓ postponing the collection of some of the clients' construction funding deposited in an escrow account,
- ✓ increase in operating costs and even the need to pay contractual penalties or damages,
- ✓ increased financial costs resulting from a longer engagement of external capital in the project.

As a result, this may lead to significant delays in the completion of the ongoing development project. The above factors may also affect the Group's reputation and worsen its ability to sell residential units in the future. The occurrence of the above circumstances may result in an increase in construction costs and adversely affect the Capital Group's financial results.

Risk of increased costs of real estate development projects

Contracts signed by the companies of the Capital Group with construction contractors define the scope and rules of increasing the costs of construction works for a given investment. During the implementation of a development project, there may be an increase in project costs lying on the part of the contractor (increase in material costs) as well as resulting from the contracting authority's actions (changes in the construction project). As a result of these events, it may turn out that it is not possible to achieve the expected rate of return on investment, which may result in worse than planned financial results. Increased labour and material costs may also have a negative impact on the profitability of future development projects.

Risks arising from liability for payment of remuneration to subcontractors

Within the scope of its activity, the Group concludes construction contracts. In accordance with the provisions of the Civil Code, the investor and the contractor are jointly and severally liable for the payment of remuneration to the subcontractor. Therefore, one cannot exclude the risk that if the contractors of construction works fail to meet their obligations related to payment of remuneration to subcontractors of construction works, claims for payment of remuneration will be made against the Group companies. Also, a possible deterioration in the financial standing of contractors may lead to the loss of their ability to pay their liabilities to subcontractors on time and, consequently, may result in delays in the execution of development projects.

The above circumstances may also contribute to an increase in the costs of development projects.

The Group, in managing the risk, makes the payment of remuneration for general contractor's services dependent on the absence of arrears in payments to subcontractors, and monitors general contractor's payments to subcontractors on an ongoing basis.

Risk related to claims against contractors and against the Group due to sales of residential units

The Group concludes and will continue to conclude construction contracts with contractors under the general contractor formula. Contractors are liable for non-performance or incorrect performance of the scope of work. It should be noted, however, that despite the fact that construction works contractors provide a guarantee of good performance, entering into a dispute with the contractor may lead to delays in the implementation of the development project or to exceeding costs. The Contractor may also be unable to fully satisfy all potential claims of the Group. As a result, the Group, which is directly responsible to apartment buyers, may not be able to fully compensate for the costs it will incur as a result of failure to complete or delay the project, as well as defects in the premises sold, which may adversely affect the Group's operations and financial condition.

Indication of factors which, in the Company's opinion, will affect the results achieved in the perspective of at least the next quarter

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

- Negative impact of COVID-19 on the Company's operations, primarily current sales and limiting the offer by delaying new investments.

- The return to the sales rate from before COVID-19, together with the expansion of the offer is conditioned, among others, on the following factors:
 - Commencing new investments,
 - Availability of mortgage loans on the real estate market,
 - Risks: tightening of mortgage lending conditions
 - Low interest rates - reduced cost of credit service for the Company and the buyers of apartments, which may have a positive impact on the pace of sales,
- Return of hotels and apart-hotels to the financial results before COVID-19.
- Adherence to construction completion schedules in the upcoming quarters, in particular: Bliska Wola stage DK and DM (residential and commercial part) in Warsaw, Nowe Tysiąclecie III in Katowice, Hanza Tower in Szczecin (Hanza Invest - subsidiary).
- Good economic situation and in particular the situation in the real estate market.
- Shrinking employees' resources in construction and difficulties in acquiring contractors for construction works may lead to deadlines in commencing and completing investments.
- In the longer perspective, maintaining the assumed margins will depend on the elasticity of demand for housing price increases related to higher costs of work and land purchase.

Forecasts of the Company's core business development for the following years assume the occurrence of the aforementioned factors in the future. Threats to the Company's sales market are seen primarily in the difficult and long-term process of obtaining the necessary administrative decisions for current and planned projects and the Development Act, which still hinders the rapid procedure for obtaining financing and forces an increase in financial costs. The Company's activity may also be affected by legal changes concerning conducting business activity, in particular on the real estate market.

Note 40. Financial instruments and hedge accounting

In 2020 The Group did not apply hedge accounting and did not have any embedded derivatives.

	Category	Balance sheet value		Fair value		Fair value
	in accordance with IFRS 9	30.06.2020	31.12.2019	30.06.2020	31.12.2019	
Financial assets						
Long term financial assets in other entities	Fair value through profit or loss	208 550,00	208 550,00	208 550,00	208 550,00	3
Long-term loans	Amortised cost	8 358 244,09	13 500 613,62	8 358 244,09	13 500 613,62	2
Short-term loans	Amortised cost	5 244 148,62	2 587 371,13	5 244 148,62	2 587 371,13	2
Trade and other receivables	Amortised cost	12 872 240,25	13 092 359,71	12 872 240,25	13 092 359,71	2
Cash and cash equivalents	Amortised cost	112 201 388,21	108 468 058,98	112 201 388,21	108 468 058,98	2
Financial liabilities						
Loans with a floating interest rate	Amortised cost	261 146 132,96	198 963 191,53	261 146 132,96	198 963 191,53	2
Loans from subsidiaries	Amortised cost	375 865,86	375 865,86	375 865,86	375 865,86	3
Long-term financial lease obligations	Amortised cost	44 995 782,08	42 346 162,07	44 995 782,08	42 346 162,07	2
Short-term financial lease obligations	Amortised cost	6 840 960,92	6 302 343,17	6 840 960,92	6 302 343,17	2
Delivery and service liabilities and other	Amortised cost	47 125 278,05	44 422 945,51	47 125 278,05	44 422 945,51	2
Bonds	Amortised cost	119 540 119,32	132 813 702,24	119 540 119,32	132 813 702,24	2
Long-term deposit liabilities	Amortised cost	15 923 138,68	27 025 415,52	15 923 138,68	27 025 415,52	2
Promissory notes liabilities - related companies	Amortised cost	0,00	0,00	0,00	0,00	2

The capital group analysed the fair values of financial instruments held by the companies of the capital group and as of 30 June 2020 no significant differences between the balance sheet value and the fair value of financial instruments held were found.

G. INTERIM CONDENSED UNCONSOLIDATED 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 Radzymańska St., REGON no. 010621332, was initially registered as Towarzystwo Budowlano-Mieszkaniowe Batory on March 7, 1994 under the number RHB 39782. On 15 January 2001 it was transformed into a joint-stock company and registered with the District Court for Warsaw under number RHB 63464. On 16 July, 2001, the Company changed its name to the current J.W. Construction Holding S.A. and was entered into the National Court Register under number KRS 0000028142.

In accordance with the Polish Classification of Activities (Poland Klasyfikacja Działalności) the core business of the Company is development and sale of own properties for the Company's own account. The subject of the Company's activity is also the implementation of the 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 2020 is unlimited. The financial year for the company is a calendar year, i.e. the 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 27 August 2020.

1.4 Going concern

These interim condensed unconsolidated financial statements of J.W. Construction Holding S.A. have been prepared on the assumption of continuation of business activity in the foreseeable future. As at the balance sheet date, the 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 unconsolidated financial statements cover the period from 1 January 2020 to 30 June 2020 and as at 30 June 2020 in the case of the statement of financial position and changes in equity, and comparable financial data and explanatory notes cover the period from 1 January 2019 to 30 June 2019 and as at 31 December 2019 in the case of the statement of financial position and changes in equity.

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

2.1 Basis for the preparation of the financial statements

These interim condensed unconsolidated financial statements for the first half of 2020 and comparative periods were prepared in accordance with IAS 34 Interim Financial Reporting and other applicable IAS/IFRS.

These interim condensed unconsolidated 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 2019.

2.2 Statement of compliance

These interim condensed financial statements for the period from 1 January 2019 to 30 June 2020 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 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 executive regulations issued on its basis. 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 2020 are consistent with those applied to prepare the annual financial statements for 2019.

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 2019, published on 16 March 2020.

2.5 Application of new standards, amendments to standards and interpretations

Existing standards, which came into force on 1 January 2020, standards issued and approved by the European Union, which came into force and standards awaiting approval by the European Union are described on pages 6-7.

J.W. Construction Holding SA
Interim condensed financial statements
for the period of 6 months ended on 30 June 2020

Interim condensed unconsolidated statement of financial position

ASSETS	Note	30-06-2020	31-12-2019
FIXED ASSETS		763 384 123,82	837 542 837,54
Intangible assets	1	6 672 929,43	6 737 228,87
Tangible assets	2	261 038 071,21	257 509 729,94
Investment real estate	3	248 567 890,87	292 574 302,57
Other long-term financial assets	4	241 405 479,67	274 680 776,09
Deferred income tax assets		0,00	0,00
Trade and other receivables	5	607,36	300 607,36
Use rights assets	2a	5 699 145,28	5 740 192,71
CURRENT ASSETS		780 378 940,30	610 930 036,47
Inventories	6	22 907 000,53	26 635 959,73
Construction contracts	7	588 840 138,19	459 897 828,92
Trade and other receivables	8	30 534 326,25	26 609 583,91
Other short-term financial assets	9	37 423 864,71	14 311 551,75
Cash and cash equivalents	10	85 035 570,05	70 895 880,84
Accruals	11	11 963 694,21	8 323 168,55
Use rights assets	2a	3 674 346,36	4 256 062,77
Total assets		1 543 763 064,12	1 448 472 874,01
LIABILITIES			
EQUITY		753 220 713,50	771 570 845,17
Primary capital		17 771 888,60	17 771 888,60
Revaluation reserve		7 493 208,19	7 493 208,19
Own shares (stocks)		-17 492 694,76	-17 410 415,37
Other capitals		718 683 433,05	718 683 433,05
Retained earnings		45 032 730,71	-6 255 424,73
Net profit / loss		-18 267 852,29	51 288 155,43
LIABILITIES		781 988 132,10	666 905 683,32
Non-current liabilities		275 431 537,88	197 700 704,62
Borrowings	12	107 916 100,43	50 368 184,35
Deferred income tax liabilities		10 039 402,58	20 947 812,79
Retirement benefits liabilities		200 416,45	200 416,45
Provisions for other liabilities		0,00	0,00
Other liabilities	13	157 275 618,42	126 184 291,03
Current liabilities		506 556 594,22	469 204 978,70
Trade and other payables	14	85 754 726,18	77 653 973,13
Construction contracts	7	314 620 175,89	243 827 716,70
Borrowings	12	44 190 321,13	33 265 382,79
Provisions for other liabilities and other charges	13	29 069 030,17	29 393 343,35
Other liabilities	14	32 922 340,85	85 064 562,73
FUTURE LONG-TERM DISCOUNTED LEASE PAYMENTS		6 973 147,63	8 450 235,57
FUTURE SHORT-TERM DISCOUNTED LEASE PAYMENTS		1 581 070,89	1 546 109,95
Total liabilities and equity		1 543 763 064,12	1 448 472 874,01

Interim condensed statement of profit or loss and other comprehensive income for the period of 6 months ended on 30 June 2020

	Note	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
Net revenues from sales of products, goods and materials, including:	15	57 694 918,00	158 624 886,08
Net revenues from sales of products		55 670 014,60	156 270 952,83
Net revenues from sales of goods and materials		2 024 903,40	2 353 933,25
Costs of products, goods and materials sold, including:	16	44 968 511,07	122 896 050,84
Cost of products sold		42 943 487,67	120 552 894,17
Value of goods and materials sold		2 025 023,40	2 343 156,67
Gross profit (loss) from sales		12 726 406,93	35 728 835,24
Costs of sales		8 481 592,84	10 492 116,26
Overheads		10 483 717,40	14 144 915,61
Revaluation of investment property		-3 298 825,51	-824 000,94
Profit (loss) from sales		-9 537 728,82	10 267 802,43
Other operating income	17	1 424 478,62	799 330,87
Other operating expenses	18	13 414 247,58	2 598 843,72
Profit (loss) on operations		-21 527 497,78	8 468 289,58
Financial revenues	19	4 911 555,94	2 412 859,93
Financial costs	20	12 560 320,65	6 421 353,75
Profit (loss) on business activity		-29 176 262,49	4 459 795,76
Gross profit (loss)		-29 176 262,49	4 459 795,76
Income tax		-10 908 410,20	652 825,34
Net profit (loss)		-18 267 852,29	3 806 970,42

Other comprehensive income:		0,00	0,00
Foreign exchange rate operation differences		0,00	0,00
Profit/loss from acquisitions		0,00	0,00
Profit from revaluation of tangible fixed assets		0,00	0,00
Other comprehensive income		0,00	0,00
Total revenue		-18 267 852,29	3 806 970,42

CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE		01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
Profits			
(A) Profit resulting from the financial statements		-18 267 852,29	3 806 970,42
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*		82 873 083	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		82 873 083	88 859 443
Basic earnings per share = (A)/(B)		-0,22	0,04
Diluted earnings per share = (A)/(B)		-0,22	0,04

The lower net result in the first half of 2020 compared to the first half of the previous year and to 2019 stems from the downturn in the economic situation in the first half of the year caused by the pandemic, which resulted in a smaller number of apartments sold as well as created write-downs on financial assets and inventories, which is described in detail in the notes to the interim condensed unconsolidated financial statements.

Interim condensed statement of cash flows for the period of 6 months ended on 30 June 2020

Cash flows from operating activities - indirect method	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
Net profit (loss)	-18 267 852,29	3 806 970,42
Item adjustment	9 896 014,90	10 842 792,95
Depreciation and amortization	5 112 148,99	4 771 130,04
(Profit) loss on foreign exchange differences concerning financial and business activity	-2 939 433,16	591 520,12
Profit (loss) on investment activities	114 826,33	-61 793,89
Interest and dividends	4 124 022,47	2 360 085,97
Changes in provisions and accruals	-5 487 704,98	1 158 876,31
Other item adjustments:	8 972 155,25	226 621,96
- investment property write-off	3 298 825,52	824 000,94
- other adjustments	5 673 329,73	-597 378,98
Changes in working capital	-14 296 662,92	26 697 109,38
Changes in inventories	3 728 959,20	-1 111 110,67
Changes in construction contracts	-11 512 439,01	28 315 032,07
Changes in receivables	-3 624 742,34	-2 018 877,58
Changes in current liabilities, except for borrowings	-2 888 440,77	1 512 065,56
Operating cash flows	-22 668 500,31	41 346 872,75
Investment activity cash flows		
Disposal of tangible and intangible assets and other noncurrent assets	88 485,67	9 666 878,25
Acquisition of tangible and intangible assets and other noncurrent assets	-7 969 882,95	-33 524 495,68
Disposal of equity and debt instruments	2 000 000,00	0,00
Loans granted	-1 512 719,93	-11 171 749,79
Loans paid	4 777 777,70	8 683 333,31
Other financial assets acquisition	-4 800 000,00	-1 043 000,00
Other disposals of financial assets	0,00	0,00
Interest received	83 300,00	188 771,67
Acquisition of subsidiaries	-127 455,00	-45 000,00
Net investment activity cash flow	-7 460 494,51	-27 245 262,24
Cash flows from financing activities		
Loans and borrowings granted	87 456 347,46	39 110 034,20
Loans and borrowing paid	-17 983 493,04	-24 796 763,37
Redemption of debt securities	-11 900 000,00	-28 000 000,00
Payments under financial lease agreements	-1 775 023,92	-845 491,40
Interest paid	-10 977 618,08	-9 257 447,71
Purchase of own shares	-82 279,39	-4 068 524,70
Other financial expenses (including promissory notes)	-469 249,00	0,00
Net financing cash flow	44 268 684,03	-27 858 192,98
NET DECREASE / (INCREASE) IN CASH	14 139 689,21	-13 756 582,47
Opening balance of cash and cash equivalents	70 895 880,84	84 207 681,80
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	85 035 570,05	70 451 099,33

Interim condensed statement of changes in equity for the period of 6 months ended on 30 June 2020

	Share capital	Own shares (negative value)	Revaluation reserve	Reserve capital	Other capitals	Retained earnings	Net result	Equity
As at 31 December 2019	17 771 888,60	-17 410 415,37	7 493 208,19	662 951 845,86	55 731 587,19	-6 255 424,73	51 288 155,43	771 570 845,17
Basic error corrections	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Corrections due to consolidation adjustments	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
As at 1 January 2020	17 771 888,60	-17 410 415,37	7 493 208,19	662 951 845,86	55 731 587,19	-6 255 424,73	51 288 155,43	771 570 845,17
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	0,00	0,00	0,00
Purchase of own shares	0,00	-82 279,39	0,00	0,00	0,00	0,00	0,00	-82 279,39
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	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	-82 279,39	0,00	0,00	0,00	0,00	0,00	-82 279,39
Net profit (loss) for the accounting year	0,00	0,00	0,00	0,00	0,00	0,00	-18 267 852,29	-18 267 852,29
Total profit / (loss) recognized in equity and the net result	0,00	-82 279,39	0,00	0,00	0,00	0,00	-18 267 852,29	-18 350 131,68
Increase / decrease from profit distribution	0,00	0,00	0,00	0,00	0,00	51 288 155,43	-51 288 155,43	0,00
As at 30 June 2020	17 771 888,60	-17 492 694,76	7 493 208,19	662 951 845,86	55 731 587,19	45 032 730,70	-18 267 852,29	753 220 713,49

	Share capital	Own shares (negative value)	Revaluation reserve	Reserve capital	Other capitals	Retained earnings	Net result	Equity
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J.W. Construction Holding SA
Interim condensed financial statements
for the period of 6 months ended on 30 June 2020

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
Basic error corrections	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Corrections due to consolidation adjustments	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
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	0,00	0,00	0,00
Purchase of own shares	0,00	-17 410 415,37	0,00	-50 000 000,00	50 000 000,00	0,00	0,00	-17 410 415,37
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	-17 410 415,37	0,00	-66 264 650,00	50 000 000,00	0,00	0,00	-33 675 065,37
Net profit (loss) for the accounting year	0,00	0,00	0,00	0,00	0,00	0,00	51 288 155,43	51 288 155,43
Total profit / (loss) recognized in equity and the net result	0,00	-17 410 415,37	0,00	-66 264 650,00	50 000 000,00	0,00	51 288 155,43	17 613 090,06
Increase / decrease from profit distribution	0,00	0,00	0,00	22 529 464,75	0,00	0,00	-22 529 464,75	0,00
As at 31 December 2019	17 771 888,60	-17 410 415,37	7 493 208,19	662 951 845,86	55 731 587,19	-6 255 424,73	51 288 155,43	771 570 845,17

J.W. Construction Holding SA
Interim condensed financial statements
for the period of 6 months ended on 30 June 2020

	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	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	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	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

H. SELECTED EXPLANATORY NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS OF THE ISSUER AS AT 30 JUNE 2020

1. FIXED ASSETS

Note 1. Intangible assets

INTANGIBLE ASSETS	30-06-2020	31-12-2019
a) research and development expenses	0,00	0,00
b) goodwill	5 996 590,90	5 996 590,90
c) other intangible assets	676 338,53	740 637,97
d) advances on intangible assets	0,00	0,00
Total intangible assets	6 672 929,43	6 737 228,87

Note 2. Tangible assets

TANGIBLE ASSETS	30-06-2020	31-12-2019
a) fixed assets, including:	251 601 294,87	250 179 096,24
- land (including perpetual usufruct)	16 000 958,39	16 000 958,39
- buildings, premises and civil engineering structures	205 347 589,69	206 877 862,93
- technical equipment and machinery	21 397 560,73	17 817 883,05
- motor vehicles	4 311 643,23	4 079 169,53
- other fixed assets	4 543 542,83	5 403 222,34
b) fixed assets under construction	9 436 776,34	7 330 633,70
c) advances on fixed assets under construction	0,00	0,00
Total tangible assets	261 038 071,21	257 509 729,94

J.W. Construction Holding SA
Interim condensed financial statements
for the period of 6 months ended on 30 June 2020

CHANGES FROM 01.01.2020 TO 30.06.2020	Land	Buildings, premises and civil engineering structures	Technical equipment and machinery	Motor vehicles	Other fixed assets	Fixed assets under construction	TOTAL
a) opening gross value of fixed assets	17 908 739,09	255 250 041,37	36 154 712,24	9 396 612,36	20 536 610,58	7 330 633,70	346 577 349,34
b) increase (due to)	0,00	266 176,18	4 909 097,16	1 105 524,94	138 922,90	2 268 330,46	8 688 051,64
- acquisition	0,00	182 936,46	361 004,26	0,00	123 841,56	2 500,00	670 282,28
- receipt of finished products	0,00	0,00	0,00	0,00	0,00	0,00	0,00
- investment expenditures on fixed assets under construction	0,00	0,00	0,00	0,00	0,00	2 265 830,46	2 265 830,46
- acquired on the basis of a finance lease agreement	0,00	0,00	4 484 226,14	1 105 524,94	0,00	0,00	5 589 751,08
- transferred from fixed assets under construction	0,00	0,00	0,00	0,00	0,00	0,00	0,00
- other transfers - assets under construction	0,00	83 239,72	63 866,76	0,00	15 081,34	0,00	162 187,82
c) decrease (due to)	0,00	0,00	0,00	134 819,52	0,00	162 187,82	297 007,34
- sale	0,00	0,00	0,00	134 819,52	0,00	0,00	134 819,52
- liquidation	0,00	0,00	0,00	0,00	0,00	0,00	0,00
- transferred to fixed assets	0,00	0,00	0,00	0,00	0,00	162 187,82	162 187,82
- other value adjustment	0,00	0,00	0,00	0,00	0,00	0,00	0,00
d) closing gross value of fixed assets	17 908 739,09	255 516 217,55	41 063 809,40	10 367 317,78	20 675 533,48	9 436 776,34	354 968 393,64
e) accumulated amortization (depreciation) at the period end	1 907 780,70	48 372 178,44	18 336 829,19	5 317 442,83	15 133 388,24	0,00	89 067 619,40
f) amortization for the period (due to)	0,00	1 796 449,42	1 329 419,48	873 051,24	998 602,41	0,00	4 997 522,55
- annual depreciation allowance	0,00	1 796 449,42	1 329 419,48	873 051,24	998 602,41	0,00	4 997 522,55
decrease(due to)	0,00	0,00	0,00	134 819,52	0,00	0,00	134 819,52
- liquidation of a fixed asset	0,00	0,00	0,00	0,00	0,00	0,00	0,00
- other value adjustment	0,00	0,00	0,00	0,00	0,00	0,00	0,00
g) accumulated amortization (depreciation) at the period end	1 907 780,70	50 168 627,86	19 666 248,67	6 055 674,55	16 131 990,65	0,00	93 930 322,43
h) impairment losses at the beginning of the reporting period	0,00	0,00	0,00	0,00	0,00	0,00	0,00
increase(due to)	0,00	0,00	0,00	0,00	0,00	0,00	0,00
decrease(due to)	0,00	0,00	0,00	0,00	0,00	0,00	0,00
i) impairment losses at the end of the reporting period	0,00	0,00	0,00	0,00	0,00	0,00	0,00
j) opening net value of fixed assets	16 000 958,39	206 877 862,93	17 817 883,05	4 079 169,53	5 403 222,34	7 330 633,70	257 509 729,94
k) closing net value of fixed assets	16 000 958,39	205 347 589,69	21 397 560,73	4 311 643,23	4 543 542,83	9 436 776,34	261 038 071,21

Note 2a. Use rights assets

In the period of the first half of 2020 in relation to the assets on account of usage rights:

- no revaluation write-offs were made on the assets due to usage rights
- no assets were acquired or sold under the usage right
- no new contracts for the purchase of assets under the usage rights were concluded

Note 3. Investment real estate

Other long-term investments	30-06-2020	31-12-2019
a) investment real estate	248 567 890,87	292 574 302,57
b) other	0,00	0,00
Value of other long-term investments	248 567 890,87	292 574 302,57

Note 4. Other long-term financial assets

LONG-TERM FINANCIAL ASSETS	30-06-2020	31-12-2019
a) shares	195 429 133,18	195 504 990,18
b) loans granted	74 860 315,60	96 982 183,37
c) other long-term investments	6 104 509,28	3 230 373,29
Gross value of non-current financial assets	276 393 958,06	295 717 546,84
WRITE-OFFS		
As at the beginning of period	21 036 770,75	0,00
Increase in the write-off:	13 951 707,64	21 036 770,75
a) shares	6 492 692,89	16 760 316,49
b) loans granted	7 459 014,75	4 276 454,26
c) other long-term investments	0,00	0,00
Total write-offs	34 988 478,39	21 036 770,75
LONG-TERM FINANCIAL ASSETS		
a) shares	172 176 123,80	178 744 673,69
b) loans granted	63 124 846,59	92 705 729,11
c) other long-term investments	6 104 509,28	3 230 373,29
Net value of non-current financial assets	241 405 479,67	274 680 776,09

LONG-TERM FINANCIAL ASSETS	30-06-2020	31-12-2019
a) in subsidiaries	235 555 846,36	265 822 458,83
- shares	171 967 573,80	178 536 123,69
- other security papers	3 046 759,42	441 717,18
- loans granted	60 541 513,14	86 844 617,96
- other long-term financial assets	0,00	0,00
b) in other units	5 849 633,31	8 858 317,26
- shares	208 550,00	208 550,00
- other security papers	3 057 749,86	2 788 656,11
- loans granted	2 583 333,45	5 861 111,15
- other long-term financial assets	0,00	0,00
Total long-term financial assets	241 405 479,67	274 680 776,09

As of 30 June 2020. The Company analyzed the indicators of impairment and found that there are indicators of impairment of shares and loans granted to subsidiaries. Accordingly, as at 30 June 2020, a revaluation write-down was made on the value of shares in subsidiaries in the amount of PLN 6 492 692.89 and on the value of loans granted to subsidiaries in the amount of PLN 7 459 014.75.

Note 5. Trade and other receivables

NON-CURRENT RECEIVABLES	30-06-2020	31-12-2019
a) deposit receivables	0,00	0,00
b) deposit receivables (leasing)	0,00	0,00
b) other receivables	607,36	300 607,36
Total receivables	607,36	300 607,36

2. CURRENT ASSETS

Note 6. Inventories

INVENTORIES	30-06-2020	31-12-2019
a) materials	1 019 425,72	1 243 545,17
b) semi-finished products and work in progress	0,00	0,00
c) finished products	0,00	0,00
d) goods	25 242 874,24	25 295 102,08
e) trade advances	222 062,97	414 324,35
Total gross inventories	26 484 362,93	26 952 971,60
WRITE-OFFS		
As at the beginning of period	317 011,87	317 011,87
d) goods	317 011,87	317 011,87
Increase in the write-off	3 260 350,53	0,00
d) goods	3 260 350,53	0,00
Total wright-offs	3 577 362,40	317 011,87
INVENTORIES		
a) materials	1 019 425,72	1 243 545,17
b) semi-finished products and work in progress	0,00	0,00
c) finished products	0,00	0,00
d) goods	21 665 511,84	24 978 090,21
e) trade advances	222 062,97	414 324,35
Total net inventories	22 907 000,53	26 635 959,73

As of 30 June 2020. The Company analyzed the premises for impairment and found that there are premises for impairment of goods (networks). Therefore, as at 30 June 2020, a write-down for the value of the network was made in the amount of PLN 3 260 350.53. The Company received payments for the transfer of the network to the water and sewage companies as part of the return of part of the expenses incurred for their construction. The written off expenses were incurred for the elements which the water and sewage companies are not interested in taking over as of today.

Note 7. Construction contracts

CONSTRUCTION CONTRACTS	30-06-2020	31-12-2019
a) semi-finished products and work in progress	520 495 967,05	417 459 702,46
b) finished products	57 814 579,37	31 072 979,35
c) advances for supplies	10 529 591,77	11 365 147,11
d) short-term prepayments and accruals	0,00	0,00
Total construction contracts	588 840 138,19	459 897 828,92

CONSTRUCTION CONTRACTS	30-06-2020	31-12-2019
a) accruals	314 620 175,89	243 827 716,70
Total construction contracts	314 620 175,89	243 827 716,70

Accruals	30-06-2020	31-12-2019
- advances on premises	312 560 366,85	241 678 688,68
- provision for works	1 661 684,12	1 794 366,81
- other	398 124,92	354 661,21
Total accruals	314 620 175,89	243 827 716,70

Note 8. Trade and other receivables

CURRENT RECEIVABLES	30-06-2020	31-12-2019
a) trade receivables - related parties	7 736 236,06	8 734 500,45
b) trade receivables - other parties	11 240 735,49	11 378 240,47
c) taxes, subsidies, customs duties, social and health insurance and other payments	9 340 656,90	4 354 922,93
d) other	2 216 697,80	2 141 920,06
Total receivables	30 534 326,25	26 609 583,91

J.W. Construction Holding SA
Interim condensed financial statements
for the period of 6 months ended on 30 June 2020

AGE STRUCTURE OF TRADE RECEIVABLES	30-06-2020	31-12-2019
not overdue	18 486 511,68	19 603 541,04
Overdue up to 3 months	143 546,95	165 881,76
Overdue between 3 and 6 months	94 886,24	86 817,68
Overdue between 6 months and 1 year	101 821,84	86 465,22
Overdue over 1 year	150 204,84	170 035,22
Receivables on account of deliveries and services (gross)	18 976 971,55	20 112 740,92
Write-offs updating receivables	0,00	0
Receivables on account of deliveries and services (net)	18 976 971,55	20 112 740,92

Note 9. Other short-term financial assets

SHORT-TERM INVESTMENTS	30-06-2020	31-12-2019
a) shares	0,00	0,00
b) loans granted	34 897 434,72	11 859 873,50
c) other security papers	2 526 429,99	2 451 678,25
d) other short-term investments	0,00	0,00
Total short-term investments	37 423 864,71	14 311 551,75

SHORT-TERM INVESTMENTS	30-06-2020	31-12-2019
a) in subsidiaries	31 828 343,48	11 790 782,26
- shares	0,00	0,00
- other security papers	0,00	0,00
- loans granted	31 828 343,48	11 790 782,26
- other current financial assets	0,00	0,00
b) in other units	5 595 521,23	2 520 769,49
- shares	0,00	0,00
- other security papers	2 526 429,99	2 451 678,25
- loans granted	3 069 091,24	69 091,24
- other current financial assets	0,00	0,00
Total short-term investments	37 423 864,71	14 311 551,75

Note 10. Cash and cash equivalents

CASH AND CASH EQUIVALENTS	30-06-2020	31-12-2019
a) cash on hand and with bank	83 955 524,69	63 324 747,87
b) other cash	1 071 580,01	7 549 681,72
c) other cash assets	8 465,35	21 451,25
Total cash	85 035 570,05	70 895 880,84

CASH IN ESCROW ACCOUNTS	30-06-2020	31-12-2019
cash in escrow accounts	14 597 632,92	19 862 177,25
JW. Construction Holding SA	14 597 632,92	19 862 177,25

Note 11. Accruals

ACCRUALS	30-06-2020	31-12-2019
a) short-term accruals	11 963 694,21	8 323 168,55
Total accruals	11 963 694,21	8 323 168,55

Accruals	30-06-2020	31-12-2019
- property insurance	252 330,16	521 932,79
- interest	1 731 280,01	1 448 520,01
- commission expenses	6 219 658,74	5 520 206,96
- property tax, perpetual usufruct, road tax	2 223 537,94	0,00
- other	1 536 887,36	832 508,79
Total accruals	11 963 694,21	8 323 168,55

3. LIABILITIES

Note 12. Borrowings

BORROWINGS	30-06-2020	31-12-2019
a) credits	151 730 555,70	83 257 701,28
<i>of which: long-term</i>	<i>107 916 100,43</i>	<i>50 368 184,35</i>
<i>short-term</i>	<i>43 814 455,27</i>	<i>32 889 516,93</i>
b) loans	375 865,86	375 865,86
<i>of which: long-term</i>	<i>0,00</i>	<i>0,00</i>
<i>short-term</i>	<i>375 865,86</i>	<i>375 865,86</i>
Total borrowings	152 106 421,56	83 633 567,14
Borrowings - long-term	107 916 100,43	50 368 184,35
Borrowings - short-term	44 190 321,13	33 265 382,79
CREDITS PER MATURITY	30-06-2020	31-12-2019
Up to 1 year	43 814 455,27	32 889 516,93
Between 1 and 2 years	88 391 100,43	35 332 890,23
Between 2 and 5 years	19 525 000,00	15 035 294,12
Over 5 years	0,00	0,00
Total credits, including	151 730 555,70	83 257 701,28
- long-term	107 916 100,43	50 368 184,35
- short-term	43 814 455,27	32 889 516,93

LOANS PER MATURITY	30-06-2020	31-12-2019
Up to 1 year	375 865,86	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	375 865,86	375 865,86
- long-term	0,00	0,00
- short-term	375 865,86	375 865,86

Note 13. Other long-term liabilities

PROVISIONS FOR OTHER LIABILITIES AND CHARGES	30-06-2020	31-12-2019
a) short-term, of which:	29 069 030,17	29 393 343,35
- accrued expenses, including:	9 156 670,78	10 847 948,58
- <i>interest charged</i>	1 239 759,22	1 269 566,63
- <i>rent deposits</i>	480 433,64	480 433,64
- <i>hotel down payments</i>	2 451 811,07	3 970 079,84
- <i>other</i>	4 984 666,85	5 127 868,47
- other provisions, including:	19 912 359,39	18 545 394,77
- <i>provision for future liabilities</i>	0,00	0,00
- <i>provisions for guaranteed repairs</i>	0,00	0,00
- <i>other provisions</i>	19 912 359,39	18 545 394,77
a) long-term, of which:	0,00	0,00
- accrued expenses, including:	0,00	0,00
Total provisions for other liabilities and charges	29 069 030,17	29 393 343,35

OTHER LONG-TERM LIABILITIES	30-06-2020	31-12-2019
a) lease obligations	37 200 129,97	34 356 763,85
b) deposit liabilities	27 721 329,68	39 476 612,00
c) liabilities from securities	91 340 000,00	51 500 000,00
d) other long-term liabilities	0,00	0,00
e) promissory note liabilities - affiliates	0,00	850 915,18
f) promissory note liabilities - third parties	0,00	0,00
g) loans received - affiliates	1 014 158,77	0,00
Total other liabilities	157 275 618,42	126 184 291,03

Note 14. Trade and other payables

TRADE AND OTHER PAYABLES	30-06-2020	31-12-2019
a) trade payables - other parties	29 959 586,58	24 090 951,40
b) trade payables - affiliated parties	5 297 184,82	5 389 477,71
c) axes, customs duties, insurance and other payments	10 603 950,56	6 311 823,77
d) salaries	1 616 462,78	2 844 372,77
e) trade advances received	0,00	0,00
f) loans received - affiliated parties	23 579 533,24	23 306 897,93
g) promissory notes – affiliated parties	6 650 606,70	7 689 330,51
h) other	8 047 401,50	8 021 119,04
Total trade and other payables	85 754 726,18	77 653 973,13

OTHER LIABILITIES	30-06-2020	31-12-2019
a) debt securities issue liabilities	28 200 119,32	81 313 702,24
b) promissory note liabilities - other	0,00	0,00
c) leasing liabilities	4 722 221,53	3 750 860,49
d) other financial liabilities	0,00	0,00
Total other liabilities	32 922 340,85	85 064 562,73

4. OPERATING INCOME AND EXPENSES

Note 15. Operating income

OPERATING INCOME	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
Revenues from sales of products	30 168 361,85	118 801 794,04
Revenues from sales of services	25 501 652,75	37 469 158,79
Revenues from sales of goods	2 024 903,40	2 353 933,25
Total income	57 694 918,00	158 624 886,08

	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
Proceeds from sales, including:	57 694 918,00	158 624 886,08
-sales of products – properties, plots, buildings	30 168 361,85	118 801 794,04
-from sales of services	25 501 652,75	37 469 158,79
-from sales of goods	2 024 903,40	2 353 933,25

	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
Revenues from sales of products and services by segment	55 670 014,60	156 270 952,83
-real estate development	36 838 695,42	125 980 965,78
-business activity related to hotels	15 434 980,32	27 177 584,57
-catering services	3 396 338,86	3 112 402,48
-real estate management	55 670 014,60	156 270 952,83

	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
Revenues from sales of products – premises, plots, buildings by geographical segment	30 168 361,85	118 801 794,04
-Warsaw and the surrounding area	29 847 659,09	84 826 642,50
-Gdynia	0,00	23 776 731,28
-Łódź	150 680,02	10 867,44
-Szczecin	0,00	0,00
-Katowice	86 282,91	519 535,82
-Poznań	2 439,02	0,00
- parcels and networks	81 300,81	9 668 017,00

J.W. Construction Holding SA
Interim condensed financial statements
for the period of 6 months ended on 30 June 2020

	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
Revenues from sales of hotel services per geographic segments	15 434 980,32	27 177 584,57
-Warsaw and the surrounding area	1 581 395,86	4 631 323,92
-Tarnowo	1 083 564,18	3 474 202,23
-Stryków	741 338,36	2 327 147,37
-Krynica Górská	12 028 681,92	16 744 911,05

Note 16. Operating expenses

OPERATING EXPENSES	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
Costs of sales of products	21 398 779,07	93 218 934,41
Costs of sales of services	21 544 708,60	27 333 959,76
Costs of sales of goods	2 025 023,40	2 343 156,67
Total costs of products, services and goods sold	44 968 511,07	122 896 050,84

Sales and overhead expenses	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
Costs of sales	8 481 592,84	10 492 116,26
Overheads	10 483 717,40	14 144 915,61
Total sales and overheads expenses	18 965 310,24	24 637 031,87

Expenses per type	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
Depreciation and amortization	5 112 149,01	4 771 129,70
Depreciation of the right to use the asset	41 047,43	37 292,34
Materials and energy cost	11 478 977,30	35 809 552,61
Third party services	104 874 905,55	84 461 936,53
Taxes and charges	4 869 633,98	4 500 972,75
Remunerations	14 818 492,80	17 068 956,21
Social security and other payments	2 912 409,10	3 242 583,84
Other expenses per type	5 538 317,16	5 430 361,42
Total expenses per type	149 645 932,33	155 322 785,40

Note 17. Other operating income

OPERATING INCOME	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
a) profit on sale of non-financial fixed assets	88 485,67	62 241,04
b) subsidies	426 194,23	0,00
c) other operating income	909 798,72	737 089,83
Total operating income	1 424 478,62	799 330,87

OPERATING INCOME	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
a) profit on sale of non-financial fixed assets	88 485,67	62 241,04
b) handling fees, penalties	387 250,46	170 776,40
c) reserves, write-offs	648,68	24 914,26
d) asset disclosure	0,00	0,00
b) subsidies	426 194,23	0,00
f) other	521 899,58	541 399,17
Total operating income	1 424 478,62	799 330,87

J.W. Construction Holding SA
Interim condensed financial statements
for the period of 6 months ended on 30 June 2020

Note 18. Other operating expenses

OPERATING EXPENSES	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
a) loss on sale of non-financial fixed assets	0,00	0,00
b) revaluation of non-financial assets	10 719 365,28	0,00
c) other operating expenses	2 694 882,30	2 598 843,72
Total operating income	13 414 247,58	2 598 843,72

OPERATING EXPENSES	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
a) loss on sale of non-financial fixed assets	0,00	0,00
b) revaluation of non-financial assets	10 719 365,28	0,00
c) reserves	1 366 964,62	1 366 964,62
d) compensations, penalties, damages	478 400,90	472 333,39
e) compensations for breach of contracts	0,00	0,00
f) costs of court proceedings	108 774,59	229 068,10
g) costs of discontinued investments	0,00	0,00
h) other	740 742,19	530 477,61
Total operating income	13 414 247,58	2 598 843,72

The amount of revaluation of assets includes a write-down on loans in subsidiaries in the amount of PLN 7 459 014.75 and on goods in the amount of PLN 3 260 350.53.

Note 19. Financial revenues

FINANCIAL REVENUES	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
a) dividends	0,00	0,00
b) interest	1 557 286,62	2 019 541,85
c) investment revaluation	0,00	0,00
d) loss on disposal of investment	0,00	0,00
e) other	3 354 269,32	393 318,08
Total financial revenues	4 911 555,94	2 412 859,93

Financial revenues	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
a) dividends	0,00	0,00
b) interest from customers	47 740,66	78 584,49
c) loan interest	1 241 318,06	1 493 014,88
d) deposit interest	80 993,42	278 380,74
e) promissory notes interest	82 047,73	61 228,06
f) other interest - repayment	105 186,75	108 333,68
g) foreign exchange rate differences	2 943 953,44	0,00
h) investment revaluation	0,00	0,00
i) profit on disposal of investment	0,00	0,00
j) other	410 315,88	393 318,08
Total	4 911 555,94	2 412 859,93

Note 20. Financial expenses

FINANCIAL EXPENSES	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
a) interest	5 826 166,49	5 750 259,33
b) investment revaluation	6 492 692,89	0,00
c) loss on disposal of investment	0,00	0,00
d) other	241 461,27	671 094,42
Total financial expenses	12 560 320,65	6 421 353,75

J.W. Construction Holding SA
Interim condensed financial statements
for the period of 6 months ended on 30 June 2020

FINANCIAL EXPENSES	01-01-2020 to 30-06-2020	01-01-2019 to 30-06-2019
a) interest, commissions, loans	2 788 522,63	1 482 994,90
b) interest - leasing	694 011,56	33 270,86
c) interest - loans	286 794,08	347 820,00
d) interest - promissory notes	103 575,31	213 684,72
e) interest - bond issuance	1 512 178,92	1 711 448,55
f) other interest	441 083,99	1 961 040,30
g) investment revaluation	6 492 692,89	0,00
h) loss on disposal of investment	0,00	0,00
i) other	241 461,27	671 094,42
Total financial expenses	12 560 320,65	6 421 353,75

The investment revaluation amount consists of a write-down on shares in subsidiaries in the amount of PLN 6 492 692.89.

J.W. Construction Holding SA
Interim condensed financial statements
for the period of 6 months ended on 30 June 2020

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
Piotr Suprynowicz Management Board Member	Signature
Małgorzata Pisarek Management Board Member	Signature

Ząbki, 27 August 2020