

# CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 3 MONTHS ENDED ON 31 MARCH 2019

PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS



Ząbki, 30 maja 2019



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for the period of 3 months ended on 31 March 2019

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## A. INTRODUCTION TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION ABOUT THE DOMINANT ENTITY

J.W. Construction Holding S.A. hereinafter referred to as ("JWCH") with its registered office in Ząbki at 326 Radzyńska St., REGON no. 010621332, was initially registered as Towarzystwo Budowlano-Mieszkaniowe Batory sp. z o.o. 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.

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

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

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

The structure of the Group and the participation of the dominant entity in the share capital of the entities being part of the Group

and consolidated as of March 31, 2019 is presented in the below table:

Company	Country of registration	Parent company's share in share capital	Parent company's share in voting rights	Consolidation method
<b>Subsidiaries</b>				
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
Berenzona 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	48,00%	48,00%	full consolidation
Wola Invest Sp. z o.o. (formerly Bliska Wola 3 Sp z o.o.)	Poland	100,00%	100,00%	full consolidation
Bliska Wola 4 Sp z o.o.	Poland	100,00%	100,00%	full consolidation
Hanza Invest S.A.	Poland	100,00%	100,00%	full consolidation

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. – development and sale of own properties on its own account,
- Varsovia Apartamenty Sp. z o.o. – hotels and accommodations,
- Berenzona 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.

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

#### Preparation of the consolidated financial statement

The consolidated financial statements for the years 2018-2019 were prepared based on separate financial statements of the companies of the Capital Group of J.W. Construction Holding S.A. and compiled in such a manner as if the Group was one company. The consolidated financial statements cover the financial statements of the parent company -J.W. Construction Holding S.A. and financial statements controlled by the dominant entity of the subsidiaries.

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

*In 2019:*

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

*In 2018:*

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

The legal basis for the exclusion of companies from the consolidated financial statements was the conceptual assumptions of the International Financial Reporting Standards with respect to limitations of usefulness and reliability of information. According to these assumptions, the benefits gained from the information obtained should exceed the costs of providing the information. The cost of obtaining information on non-consolidated subsidiaries and their inclusion in the consolidated financial statements was found to exceed the benefits derived therefrom. Moreover, the exclusion of subordinate companies from the obligation to consolidate was based on the fact that they are not material for a reliable and transparent presentation of the assets, financial position and financial result of the Capital Group.

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

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. Consolidated financial reporting is prepared in accordance with the historical cost principle. Consolidated financial information was not valued using any other method, which ensures comparability of financial data included in the presented consolidated financial statements.

### **Significant estimations and assumptions**

Estimates and assessments are reviewed periodically by the Group companies. When making estimates, J.W. Construction Holding S.A. adopts the following assumptions concerning the future:

- Estimation of impairment allowance regarding receivables. Impairment allowance is established taking account of expected risk connected with receivables and created collateral having impact on effective debt collection. Although the assumptions are made using the best knowledge, real results may be different than expected.
- Estimations connected with establishing deferred tax assets in accordance with IAS 12. Due to the highly volatile economy it may happen that real earnings and tax income are different than planned.
- Estimation of potential costs of fiscal and court proceedings pending against the parent company. When preparing the financial statements, the opportunities and risks connected with pending proceedings are reviewed on a case by case basis, and provisions for potential losses are created accordingly. However, it is also possible that a court or a fiscal authority provides a verdict or issues a decision other than expected by the company and the created provisions may prove insufficient.
- The entity receives revenue from the services performed by the Issuer based on the task contracts for a fixed period of time. The services performed by the Issuer are long-term services. The period of their performance exceeds 6 months.

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

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

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

- **New standards, interpretations and amendments to published standards, which were approved and published by the European Union and came into force in 2019**

IFRS 16 „Leasing”

Amendments to IFRS 9 "Financial Instruments" - "Early repayments with negative compensation"

Amendments to various standards " Amendments to IFRSs (2015-2017)

Amendments to IAS 19 "Employee Benefits" - Plan Change, Limitation or Settlement

Amendments to IAS 28 "Investments in Associates and Joint Ventures" - Long-term interests in associates and joint ventures

Interpretation of IFRIC 23 "Uncertainty regarding the recognition of income tax"

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

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

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

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

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

	01.01.2019	adjustments due to the application of IFRS 16	31.12.2018
<b>Assets</b>			
<b>Fixed assets</b>			
Right to use an asset	8 431 131,84	8 431 131,84	0,00
<b>Current assets</b>			
Right to use an asset	2 449 424,08	2 449 424,08	0,00
<b>Liabilities</b>			
Future long-term discounted lease payments	9 345 499,14	9 345 499,14	0,00
Future short-term discounted lease payments	1 535 056,78	1 535 056,78	0,00

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

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

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

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

#### ▪ Changes made by the Group

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

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

Due to the merger, the presentation of comparable data in the Issuer's separate financial statements for the first quarter of 2018 was adjusted.

- **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**

The following standards, interpretations and amendments have been issued by the International Accounting Standards Board or the International Financial Reporting Interpretations Committee and have not yet entered into force:

Amendments to IAS 19 Employee Benefits - not approved by the EU until the date of approval of these financial statements - applicable to annual periods beginning on 1 January 2019 or after that date. As at the date of preparation of these financial statements, these changes have not yet been approved by the European Union,

Amendments to IFRS 10 and IAS 28 Transactions of sale or contribution of assets between the investor and its associate or joint venture (published on 11 September 2014) - The effective date of the amended regulations was not determined by the International Accounting Standards Board. As at the date of preparation of these financial statements, approval of the amended regulations is postponed by the European Union,

Annual Changes resulting from the review of IFRS 2015 - 2017 (published in December 2017) - effective for annual periods beginning on or after 1 January 2019. As at the date of preparation of these financial statements, these changes have not yet been approved by the European Union,

IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors . The Board has published a new definition of materiality. The amendment is mandatory for annual periods beginning on or after 1 January 2020. As at the date of preparation of these financial statements, these changes have not yet been approved by the European Union.

The Group is in the process of verifying the impact of the above standards on the financial situation, results of the Group's operations and the scope of information presented in the consolidated financial statements and does not expect any significant changes.



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## CONSOLIDATED FINANCIAL STATEMENTS

### 1. consolidated statement of financial position

ASSETS	Note	31.03.2019	31.12.2018
<b>FIXED ASSETS</b>		<b>779 103 818,27</b>	<b>753 510 269,74</b>
Intangible assets	1	12 909 087,25	12 910 444,99
Tangible assets	2	425 519 531,82	422 763 726,72
Investment real estate	3	272 973 587,89	259 161 999,55
Other financial assets	4	11 946 608,13	13 123 092,26
Deferred income tax assets		44 986 681,50	42 711 740,57
Trade and other receivables	5	2 839 095,95	2 839 265,65
Right to use an asset		7 929 225,74	0,00
<b>CURRENT ASSETS</b>		<b>1 056 780 667,79</b>	<b>1 042 071 883,40</b>
Inventories	6	30 824 901,18	29 120 485,20
Construction contracts	7	777 747 706,04	774 677 251,30
Trade and other receivables	8	40 982 058,48	39 469 536,79
Other financial assets	9	62 395 883,34	59 271 955,41
Cash and cash equivalents	10	121 092 412,33	122 484 500,34
Accruals	11	21 451 277,45	17 048 154,36
Right to use an asset		2 286 428,97	0,00
<b>Total assets</b>		<b>1 835 884 486,06</b>	<b>1 795 582 153,14</b>
<b>LIABILITIES</b>			
<b>EQUITY</b>		<b>701 094 999,98</b>	<b>693 704 048,98</b>
Primary capital		17 771 888,60	17 771 888,60
Revaluation reserve		7 493 208,19	7 493 208,19
Other capitals	13	696 926 186,39	696 326 656,22
Retained earnings		-27 887 704,03	-44 420 280,93
Net profit / loss		6 791 420,83	16 532 576,90
<b>LIABILITIES</b>		<b>1 125 422 331,00</b>	<b>1 101 878 104,14</b>
<b>Non-current liabilities</b>		<b>399 566 026,84</b>	<b>367 487 780,62</b>
Borrowings	12	131 637 581,81	101 430 756,35
Deferred income tax liabilities		43 750 901,16	40 032 145,88
Retirement benefits liabilities		241 204,48	241 204,48
Provisions for other liabilities	15	54 694 941,31	55 126 188,44
Other liabilities	14	169 241 398,07	170 657 485,47
<b>Current liabilities</b>		<b>725 856 304,17</b>	<b>734 390 323,52</b>
Trade and other payables	15	57 318 723,19	62 909 836,74
Construction contracts	7	540 567 576,01	513 534 527,58
Borrowings	12	21 641 458,29	40 974 620,09
Provisions for other liabilities and other charges	15	28 238 823,83	39 504 479,20
Other liabilities	16	78 089 722,85	77 466 859,91
<b>FUTURE LONG-TERM DISCOUNTED LEASE PAYMENTS</b>		<b>7 832 098,29</b>	<b>0,00</b>
<b>FUTURE SHORT-TERM DISCOUNTED LEASE PAYMENTS</b>		<b>1 535 056,78</b>	<b>0,00</b>
<b>Total liabilities and equity</b>		<b>1 835 884 486,05</b>	<b>1 795 582 153,13</b>



## 2. Consolidated Statement of comprehensive income

	Note	01-01-2019 to 31-03-2019	01-01-2018 to 31-03-2018
<b>Net revenues from sales of products, goods and materials, including:</b>	<b>17</b>	<b>101 276 660,22</b>	<b>50 525 199,75</b>
Net revenues from sales of products		99 915 232,40	49 354 086,63
Net revenues from sales of goods and materials		1 361 427,82	1 171 113,12
<b>Costs of products, goods and materials sold, including:</b>	<b>18</b>	<b>75 590 659,30</b>	<b>38 498 783,48</b>
Cost of products sold		74 271 906,06	37 323 203,19
Value of goods and materials sold		1 318 753,24	1 175 580,29
<b>Gross profit (loss) from sales</b>		<b>25 686 000,92</b>	<b>12 026 416,27</b>
<b>Costs of sales</b>		<b>5 359 085,52</b>	<b>4 869 008,31</b>
<b>Overheads</b>		<b>7 883 528,36</b>	<b>5 841 462,15</b>
<b>Revaluation of investment property</b>		<b>-735 471,70</b>	<b>-3 770 915,75</b>
<b>Profit (loss) from sales</b>		<b>11 707 915,34</b>	<b>-2 454 969,93</b>
Other operating income	19	500 129,47	386 041,62
Other operating expenses	20	1 816 104,84	1 535 905,18
<b>Profit (loss) on operations</b>		<b>10 391 939,97</b>	<b>-3 604 833,49</b>
Financial revenues	21	704 237,07	8 635 473,35
Financial costs	22	2 860 941,85	4 994 685,64
<b>Profit (loss) on business activity</b>		<b>8 235 235,19</b>	<b>35 954,22</b>
<b>Gross profit (loss)</b>		<b>8 235 235,19</b>	<b>35 954,22</b>
Income tax	23	1 443 814,36	-791 550,47
<b>Net profit (loss)</b>		<b>6 791 420,83</b>	<b>827 504,69</b>

<b>Other comprehensive income:</b>		<b>599 530,17</b>	<b>551 341,30</b>
Foreign exchange rate operation differences		599 530,17	551 341,30
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
<b>Total revenue</b>		<b>7 390 951,00</b>	<b>1 378 845,99</b>

<b>CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE</b>		<b>01-01-2019 to 31-03-2019</b>	<b>01-01-2018 to 31-03-2018</b>
<b>Profits</b>			
(A) Profit resulting from the financial statements		6 791 420,83	827 504,69
<b>Number of shares</b>			
(B) Number of ordinary shares and preferred shares (as to the right to vote in the General Meeting of the Company) for the purpose of calculating earnings per share*		88 859 443	88 859 443
(C) Number of ordinary shares and preferred shares (as to the right to vote in the General Meeting of the Company) for the purpose of calculating diluted earnings per share		88 859 443	88 859 443
<b>Basic earnings per share = (A)/(B)</b>		<b>0,08</b>	<b>0,01</b>
<b>Diluted earnings per share = (A)/(B)</b>		<b>0,08</b>	<b>0,01</b>

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



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### 3. Consolidated Statements of changes in equity

	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
<b>As at 31 December 2018</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 493 208,19</b>	<b>692 071 910,38</b>	<b>7 947 307,60</b>	<b>-3 692 561,76</b>	<b>-44 420 280,93</b>	<b>16 532 576,90</b>	<b>693 704 048,98</b>
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			
<b>As at 1 January 2019</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 493 208,19</b>	<b>692 071 910,38</b>	<b>7 947 307,60</b>	<b>-3 692 561,76</b>	<b>-44 420 280,93</b>	<b>16 532 576,90</b>	<b>693 704 048,98</b>
Share issuance	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Purchase of own shares - establishment of a fund	0,00	0,00	0,00	-50 000 000,00	50 000 000,00	0,00	0,00	0,00	0,00
Own shares redemption	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Foreign exchange rate differences due to the calculation of financial statements of foreign subsidiaries	0,00	0,00	0,00	0,00	0,00	599 530,17	0,00	0,00	599 530,17
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
Total profit / loss recognized directly in equity	17 771 888,60	0,00	7 493 208,19	642 071 910,38	57 947 307,60	-3 093 031,59	-44 420 280,93	16 532 576,90	694 303 579,15
Net profit (loss) for the accounting year	0,00	0,00	0,00	0,00	0,00	0,00	0,00	6 791 420,83	6 791 420,83
Total profit / (loss) recognized in equity and the net result	17 771 888,60	0,00	7 493 208,19	642 071 910,38	57 947 307,60	-3 093 031,59	-44 420 280,93	23 323 997,74	701 094 999,98
Increase / decrease from profit distribution	0,00	0,00	0,00		0,00	0,00	16 532 576,90	-16 532 576,90	0,00
<b>As at 31 March 2019</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 493 208,19</b>	<b>642 071 910,38</b>	<b>57 947 307,60</b>	<b>-3 093 031,59</b>	<b>-27 887 704,02</b>	<b>6 791 420,83</b>	<b>701 094 999,98</b>

The amount of 50 million is a fund for the purchase of own shares, which will be implemented in accordance with the resolution of the Extraordinary General Meeting of 15 March 2019 not later than 14 March 2024.



Condensed consolidated financial statements  
for the period of 3 months ended on 31 March 2019

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



Condensed consolidated financial statements  
for the period of 3 months ended on 31 March 2019

	Share capital	Own shares (negative value)	Revaluation reserve	Reserve capital	Other capitals	Capital from valuation of hedging transactions and foreign exchange differences from consolidation	Retained earnings	Net result	Equity
<b>As at 31 December 2017</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 490 208,19</b>	<b>638 322 939,75</b>	<b>7 947 307,60</b>	<b>-2 922 760,52</b>	<b>-16 318 050,13</b>	<b>25 936 092,09</b>	<b>678 227 625,57</b>
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
<b>As at 1 January 2018</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 490 208,19</b>	<b>638 322 939,75</b>	<b>7 947 307,60</b>	<b>-2 922 760,52</b>	<b>-16 318 050,13</b>	<b>25 936 092,09</b>	<b>678 227 625,57</b>
Share issuance	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Purchase of own shares	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Own 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	551 341,30	0,00	0,00	551 341,30
Profit/loss from acquisitions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Consolidation adjustments	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Consolidating company	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total profit / loss recognized directly in equity	17 771 888,60	0,00	7 490 208,19	638 322 939,75	7 947 307,60	-2 371 419,22	-16 318 050,13	25 936 092,09	678 778 966,87
Net profit (loss) for the accounting year	0,00	0,00	0,00	0,00	0,00	0,00	0,00	827 504,68	827 504,68
Total profit / (loss) recognized in equity and the net result	17 771 888,60	0,00	7 490 208,19	638 322 939,75	7 947 307,60	-2 371 419,22	-16 318 050,13	26 763 596,77	679 606 471,56
Increase / decrease from profit distribution	0,00	0,00	0,00	475 752,25	0,00	0,00	25 460 339,84	-25 936 092,09	0,00
<b>As at 31 March 2018</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 490 208,19</b>	<b>638 798 692,00</b>	<b>7 947 307,60</b>	<b>-2 371 419,22</b>	<b>9 142 289,71</b>	<b>827 504,68</b>	<b>679 606 471,56</b>

#### 4. Consolidated statement of cash flows

	01-01-2019 to 31-03-2019	01-01-2018 to 31-03-2018
<b>Cash flows from operating activities - indirect method</b>		
<b>Net profit (loss)</b>	<b>6 791 420,83</b>	<b>827 504,68</b>
<b>Item adjustment</b>	<b>-10 165 984,39</b>	<b>15 263 417,07</b>
Depreciation and amortization	2 420 668,49	2 706 371,48
(Profit) loss on foreign exchange differences concerning financial and business activity	-12 279,60	-349 475,92
Profit (loss) on investment activities	-22 252,18	0,00
Profit (loss) on investment activities - shares	0,00	0,00
Interest and dividends	1 665 116,00	3 287 011,35
Changes in provisions and accruals	-14 749 949,93	5 249 826,31
Other adjustments	532 712,83	4 369 683,84
- investment property write-off	735 471,70	3 770 915,75
- other adjustments	-202 758,87	598 768,09
<b>Changes in working capital</b>	<b>18 436 211,00</b>	<b>29 543 336,76</b>
Changes in inventories	-1 704 415,98	324 968,88
Changes in construction contracts	24 563 083,21	15 635 219,76
Changes in investment real estate	5 043 628,78	0,00
Changes in receivables	-2 512 351,99	3 663 060,35
Changes in current liabilities, except for borrowings	-6 953 733,02	9 920 087,77
	<b>0,00</b>	<b>0,00</b>
<b>Net cash flows from operating activities</b>	<b>15 061 647,44</b>	<b>45 634 258,51</b>
<b>Investment activity cash flows</b>	<b>0,00</b>	<b>0,00</b>
Disposal of tangible and intangible assets and other noncurrent assets	9 593 382,34	0,00
Acquisition of tangible and intangible assets and other noncurrent assets	-34 630 555,32	-14 498 728,78
Expenses related to assets held for sale	0,00	0,00
Acquisition of equity and debt instruments	-390 000,00	-603 312,00
Disposal of equity and debt instruments		69 275,97
Loans granted	-124 454,96	-18 151,14
Interest received	50 420,00	15 139,54
Disposal of subsidiaries	0,00	0,00
Acquisition of subsidiaries	0,00	0,00
<b>Net investment activity cash flow</b>	<b>-25 501 207,94</b>	<b>-15 035 776,41</b>
<b>Cash flows from financing activities</b>	<b>0,00</b>	<b>0,00</b>
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	0,00	0,00
Loans and borrowings granted	53 527 139,75	9 395 611,83
Loans and borrowing paid	-42 653 476,09	-49 155 998,70
Issuance of security papers	0,00	0,00
Redemption of debt securities	0,00	0,00
Payments under financial lease agreements	-558 538,38	-327 259,61
Dividends and other shares in profits	0,00	0,00
Interest paid	-1 267 652,78	-1 711 152,64
Other financial proceeds (including promissory notes)	0,00	0,00
Other financial expenses (including promissory notes)	0,00	0,00
<b>Net financing cash flow</b>	<b>9 047 472,50</b>	<b>-41 798 799,12</b>
<b>NET DECREASE / (INCREASE) IN CASH</b>	<b>-1 392 088,00</b>	<b>-11 200 317,02</b>
Opening balance of cash and cash equivalents	122 484 500,34	174 271 089,37
- change in cash due to exchange rate differences	0,00	0,00
<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>121 092 412,33</b>	<b>163 070 773,35</b>

## C.EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. FIXED ASSETS

#### Note 1. Intangible assets

<b>INTANGIBLE ASSETS</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) research and development expenses	0,00	0,00
b) goodwill on consolidation	12 389 648,22	12 389 648,22
c) other intangible assets	519 439,03	520 796,77
d) advances on intangible assets	0,00	0,00
<b>Total intangible assets</b>	<b>12 909 087,25</b>	<b>12 910 444,99</b>

#### Note 2. Tangible assets

<b>TANGIBLE ASSETS</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) fixed assets, including:	406 428 915,49	406 934 705,99
- land (including perpetual usufruct)	41 475 107,91	41 475 107,91
- buildings, premises and civil engineering structures	334 974 147,86	334 645 190,87
- technical equipment and machinery	17 089 183,32	17 493 872,36
- motor vehicles	2 412 409,40	2 486 922,93
- other fixed assets	10 478 066,99	10 833 611,92
b) fixed assets under construction	18 845 229,05	15 780 597,73
c) advances on fixed assets under construction	245 387,28	48 423,00
<b>Total tangible assets</b>	<b>425 519 531,82</b>	<b>422 763 726,72</b>

#### Note 3. Investment real estate

<b>Other long-term investments</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) investment real estate	272 973 587,89	259 161 999,55
b) other	0,00	0,00
<b>Value of other long-term investments</b>	<b>272 973 587,89</b>	<b>259 161 999,55</b>

<b>CHANGES IN INVESTMENT REAL ESTATE</b>	<b>According to fair value</b>	<b>According to historical cost</b>	<b>Total value of investment real estate</b>
<b>a) opening balance</b>	<b>85 146 062,90</b>	<b>174 015 936,65</b>	<b>259 161 999,55</b>
expenditure incurred	69 149 257,69	165 303 780,38	234 453 038,07
financial expenses	4 671 710,71	8 712 156,27	13 383 866,98
revaluation value	11 325 094,50	0,00	11 325 094,50
<b>b) increase (due to)</b>	<b>12 344 285,65</b>	<b>28 901 142,45</b>	<b>41 245 428,10</b>
expenditure incurred	6 495 959,60	27 312 629,28	33 808 588,88
financial expenses	320 026,51	1 588 513,17	1 908 539,68
revaluation value	5 528 299,54	0,00	5 528 299,54
reclassification from construction contracts	0,00	0,00	0,00
<b>c) decrease (due to)</b>	<b>21 427 791,81</b>	<b>6 006 047,95</b>	<b>27 433 839,76</b>
incurred expenses - sale, corrections	13 245 129,55	5 747 089,58	18 992 219,13
financial expenses	1 321 702,72	258 958,37	1 580 661,09
revaluation value	735 471,70	0,00	735 471,70
reclassification to construction contracts	6 125 487,84	0,00	6 125 487,84
<b>d) closing balance</b>	<b>76 062 556,74</b>	<b>196 911 031,15</b>	<b>272 973 587,89</b>
expenditures	61 650 197,81	186 869 320,08	248 519 517,89
financial expenses	3 670 034,50	10 041 711,07	13 711 745,57
revaluation value	10 742 324,43	0,00	10 742 324,43

Note 4. Other financial assets

<b>LONG-TERM FINANCIAL ASSETS</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) shares	421 716,98	421 716,98
b) loans granted	10 023 241,92	8 855 175,04
c) other long-term investments	1 501 649,23	3 846 200,24
<b>Total long-term financial assets</b>	<b>11 946 608,13</b>	<b>13 123 092,26</b>

<b>LONG-TERM FINANCIAL ASSETS</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) in subsidiaries	1 500 131,41	1 367 808,42
- shares	213 166,98	213 166,98
- debt securities	209 155,87	206 885,86
- other security papers	0,00	0,00
- loans granted	1 077 808,56	947 755,58
- other long-term financial assets	0,00	0,00
b) in other units	10 446 476,72	11 755 283,84
- shares	208 550,00	208 550,00
- debt securities	0,00	0,00
- other security papers	1 292 493,36	3 639 314,38
- loans granted	8 945 433,36	7 907 419,46
- other long-term financial assets	0,00	0,00
c) other long-term investments	0,00	0,00
<b>Total long-term financial assets</b>	<b>11 946 608,13</b>	<b>13 123 092,26</b>



Condensed consolidated financial statements  
for the period of 3 months ended on 31 March 2019

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

Partial affiliation											
	Name of a unit (and its legal form)	Registered office	Company business	Affiliation type	Consolidation method	Date of assuming control	Value of shares/interest at acquisition price	Revaluation on adjustment	Write-offs up to book value of in-kind contribution	Carrying value of shares	% of total number of votes in the General Meeting
1	Bliska Wola 4 Sp z o.o.2SK	Ząbki	real estate development	subsidiary	full consolidation	26.02.2016	12 745 500,00	0,00	0,00	12 745 500,00	51,00%
2	Bliska Wola 4 Sp z o.o.1SK	Ząbki	real estate development	subsidiary	full consolidation	26.02.2016	211,74	0,00	0,00	211,74	1,00%
3	Bliska Wola 4 Sp z o.o.2SK	Ząbki	real estate development	subsidiary	full consolidation	26.02.2016	178,00	0,00	0,00	178,00	1,00%
4	Dana Invest Sp. z o.o.	Ząbki	real estate development	subsidiary	full consolidation	27.11.2014	50,00	0,00	0,00	50,00	0,01%
5	Karczma Regionalna Sp.z o.o.	Krynica Górská	hotel services	subsidiary	not consolidated	16.12.2004	208 550,00	0,00	0,00	208 550,00	8,06%



Note 5. Non-current receivables

<b>NON-CURRENT RECEIVABLES</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) deposit receivables	2 839 095,95	2 839 265,65
b) deposit receivables (leasing)	0,00	0,00
b) other receivables	0,00	0,00
<b>Total receivables</b>	<b>2 839 095,95</b>	<b>2 839 265,65</b>

## 2. CURRENT ASSETS

Note 6. Inventories

<b>INVENTORIES</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) materials	4 630 852,03	2 365 934,74
b) semi-finished products and work in progress	0,00	0,00
c) finished products	249 627,77	249 627,77
d) goods	25 410 966,34	25 536 435,63
e) trade advances	533 455,04	968 487,06
<b>Total inventories</b>	<b>30 824 901,18</b>	<b>29 120 485,20</b>

Note 7. Construction contracts

<b>CONSTRUCTION CONTRACTS</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
<b>CONSTRUCTION CONTRACTS (current assets)</b>		
a) semi-finished products and work in progress	730 996 129,25	678 033 346,34
b) finished products	35 046 220,60	78 852 384,31
c) advances for supplies	11 705 356,19	15 912 905,18
d) short-term prepayments and accruals	0,00	1 878 615,47
<b>Total construction contracts</b>	<b>777 747 706,04</b>	<b>774 677 251,30</b>
<b>CONSTRUCTION CONTRACTS (current liabilities)</b>		
a) accruals	540 567 576,01	513 534 527,58
<b>Total construction contracts</b>	<b>540 567 576,01</b>	<b>513 534 527,58</b>

construction contracts

<b>Accruals</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
- advances on premises	536 438 149,93	506 559 769,46
- provision for works	4 051 935,56	6 028 390,59
- other	77 490,52	946 367,53
<b>Total accruals</b>	<b>540 567 576,01</b>	<b>513 534 527,58</b>

In connection with their operations, the companies of the Capital Group take out loans, which are secured with, among other things, mortgages on real estate. As at 31 March 2019, the Group companies established security in the form of mortgages on real estate presented in inventories and construction contracts, as well as fixed assets with a total value of PLN 615.6 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 March 31, 2019, liabilities due to disbursed credits amount to PLN 152.9 million (excluding credits of TBS Marki Sp. z o.o., liabilities amount to PLN 65.5 million).

Note 8. Current receivables

<b>CURRENT RECEIVABLES</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) trade receivables - related parties	2 908,95	2 908,95
b) trade receivables - other parties	23 633 582,96	22 730 040,86
c) taxes, subsidies, customs duties, social and health insurance and other payments	13 851 540,89	13 179 928,92
d) other	3 494 025,68	3 556 658,06
<b>Total receivables</b>	<b>40 982 058,48</b>	<b>39 469 536,79</b>

Note 9. Other financial assets

<b>SHORT-TERM INVESTMENTS</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) shares	0,00	0,00
b) loans granted	39 749 576,18	39 624 826,38
c) other investments	22 646 307,16	19 647 129,03
<b>Total short-term investments</b>	<b>62 395 883,34</b>	<b>59 271 955,41</b>

<b>SHORT-TERM INVESTMENTS</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) in subsidiaries	39 694 091,64	39 569 341,84
- shares	0,00	0,00
- debt securities	0,00	0,00
- other security papers	0,00	0,00
- loans granted	39 694 091,64	39 569 341,84
- other current financial assets	0,00	0,00
b) in other units	22 701 791,70	19 702 613,57
- shares	0,00	0,00
- debt securities	0,00	0,00
- other security papers	22 646 307,16	19 647 129,03
- loans granted	55 484,54	55 484,54
- other current financial assets	0,00	0,00
c) other short-term investments	0,00	0,00
<b>Total short-term investments</b>	<b>62 395 883,34</b>	<b>59 271 955,41</b>

Note 10. Cash and cash equivalents

<b>CASH AND CASH EQUIVALENTS</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) cash on hand and with bank	120 857 756,40	121 743 649,44
b) other cash	206 831,56	730 716,45
c) other cash assets	27 824,37	10 134,45
<b>Total cash</b>	<b>121 092 412,33</b>	<b>122 484 500,34</b>

	<b>31.03.2019</b>	<b>31.12.2018</b>
<b>cash in escrow accounts</b>	<b>66 508 776,08</b>	<b>85 368 886,42</b>
JW. Construction Holding SA	44 324 640,77	61 483 631,37
Hanza Invest SA	22 184 135,31	23 885 255,05

Note 11. Accruals

<b>ACCRUALS</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) short-term accruals	21 451 277,45	17 048 154,36
<b>Total accruals</b>	<b>21 451 277,45</b>	<b>17 048 154,36</b>

<b>Accruals</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
- property insurance	294 866,93	408 693,48
- interest	1 236 919,27	2 784 239,27
- commission expenses	13 120 128,59	12 186 778,37
- property tax, perpetual usufruct, road tax	4 641 282,98	0,00
- other	2 158 079,70	1 668 443,24
<b>Total accruals</b>	<b>21 451 277,47</b>	<b>17 048 154,36</b>

### 3. LIABILITIES

#### Note 12. Borrowings

<b>BORROWINGS</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) credits	152 903 174,24	142 029 510,58
<i>of which: long-term</i>	131 637 581,81	101 430 756,35
<i>short-term</i>	21 265 592,43	40 598 754,23
b) loans	375 865,86	375 865,86
<i>of which: long-term</i>	0,00	0,00
<i>short-term</i>	375 865,86	375 865,86
<b>Total borrowings</b>	<b>153 279 040,10</b>	<b>142 405 376,44</b>
<b>Borrowings - long-term</b>	<b>131 637 581,81</b>	<b>101 430 756,35</b>
<b>Borrowings - short-term</b>	<b>21 641 458,29</b>	<b>40 974 620,09</b>

<b>CREDITS PER MATURITY</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
Up to 1 year	21 265 592,43	40 598 754,23
Between 1 and 2 years	23 737 935,40	7 973 337,40
Between 2 and 5 years	37 433 074,60	21 712 552,51
Over 5 years	70 466 571,80	71 744 866,44
<b>Total credits, including</b>	<b>152 903 174,24</b>	<b>142 029 510,58</b>
- long-term	131 637 581,81	101 430 756,35
- short-term	21 265 592,43	40 598 754,23

<b>LOANS PER MATURITY</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
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
<b>Total loans</b>	<b>375 865,86</b>	<b>375 865,86</b>
- long-term	0,00	0,00
- short-term	375 865,86	375 865,86

Including credits of TBS Marki Sp. z o.o.

<b>BORROWINGS</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) credits	87 381 303,84	90 903 238,42
<i>of which: long-term</i>	82 414 987,44	85 736 830,84
<i>short-term</i>	4 966 316,40	5 166 407,58
b) loans	0,00	0,00
<i>of which: long-term</i>	0,00	0,00
<i>short-term</i>	0,00	0,00
<b>Total borrowings</b>	<b>87 381 303,84</b>	<b>90 903 238,42</b>
<b>Borrowings - long-term</b>	<b>82 414 987,44</b>	<b>85 736 830,84</b>
<b>Borrowings - short-term</b>	<b>4 966 316,40</b>	<b>5 166 407,58</b>

<b>CREDITS PER MATURITY</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
Up to 1 year	4 914 225,59	5 166 407,58
Between 1 and 2 years	4 914 225,59	5 166 407,58
Between 2 and 5 years	14 742 676,78	15 085 505,94
Over 5 years	61 893 648,90	65 484 917,32
<b>Total credits, including</b>	<b>87 381 303,84</b>	<b>90 903 238,42</b>
- long-term	82 414 987,44	85 736 830,84
- short-term	4 966 316,40	5 166 407,58

TBS Marki Sp. z o.o. has taken out loans from the National Housing Fund on separate, in relation to standard commercial loans, rules regulated by the Act of 26 October 1995 on certain forms of supporting housing construction Journal of Laws 00.98.1070. j.t. These are long-term loans with repayment dates in the years 2033-2044. The loans are repaid from rents from lessees of TBS flats.

### Note 13. Other capitals

<b>OTHER CAPITALS</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) reserve capital	642 071 910,38	692 071 910,38
b) other reserve capitals	57 947 307,60	7 947 307,60
- including reserve capital for the purchase of own shares	50 000 000,00	0,00
c) conversion differences	-3 093 031,59	-3 692 561,76
<b>Total other capitals</b>	<b>696 926 186,39</b>	<b>696 326 656,22</b>

The amount of 50 million is a fund for the purchase of own shares, which will be implemented in accordance with the resolution of the Extraordinary General Meeting of 15 March 2019 not later than 14 March 2024.

### Note 14. Other long-term liabilities

<b>OTHER LONG-TERM LIABILITIES</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) lease obligations	3 044 831,12	3 098 299,05
b) deposit liabilities	35 193 365,46	33 287 067,29
c) other long-term liabilities	2 203 201,49	5 472 119,13
d) promissory notes liabilities	0,00	0,00
e) bonds	128 800 000,00	128 800 000,00
<b>Total other liabilities</b>	<b>169 241 398,07</b>	<b>170 657 485,47</b>

All lease liabilities are denominated in PLN. The fair value of lease liabilities corresponds to its book value and as at 31 March 2019 amounts to PLN 4,415,182.86 of which PLN 3,044,831.12 is a long-term liability.

### Note 15. Trade and other payables

<b>TRADE AND OTHER PAYABLES</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) trade payables - other parties	34 201 812,98	40 155 753,35
b) trade payables - affiliated parties	0,00	0,00
c) axes, customs duties, insurance and other payments	5 961 483,61	3 212 617,37
d) salaries	2 539 437,32	2 617 865,08
e) trade advances received	20 581,01	0,00
f) other	14 595 408,26	16 923 600,93
<b>Total trade and other payables</b>	<b>57 318 723,18</b>	<b>62 909 836,73</b>

<b>PROVISIONS FOR OTHER LIABILITIES AND CHARGES</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
<b>a) short-term, of which:</b>	<b>28 238 823,83</b>	<b>39 504 479,20</b>
- accrued expenses, including:	10 957 871,57	23 053 900,23
- <i>interest charged</i>	1 132 336,13	1 110 399,96
- <i>rent deposits</i>	480 433,64	480 433,64
- <i>hotel down payments</i>	2 092 692,16	3 333 310,50
- <i>other</i>	7 252 409,64	18 129 756,13
- other provisions, including:	17 280 952,26	16 450 578,97
- <i>provision for future liabilities</i>	158 350,01	126 789,78
- <i>provisions for guaranteed repairs</i>	560 124,45	560 124,45
- <i>other provisions</i>	16 562 477,80	15 763 664,74
<b>a) long-term, of which:</b>	<b>54 694 941,31</b>	<b>55 126 188,44</b>
- accrued expenses, including:	54 694 941,31	55 126 188,44
- <i>participation in construction costs - TBS Marki</i>	48 405 928,90	48 493 144,01
- <i>deferred income - redemption of loans-TBS Marki</i>	6 289 012,41	6 633 044,43
<b>Total provisions for other liabilities and charges</b>	<b>82 933 765,14</b>	<b>94 630 667,64</b>

Note 16. Other liabilities

<b>OTHER LIABILITIES</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) debt securities issue liabilities	76 719 371,11	75 941 216,10
b) promissory notes liabilities	0,00	0,00
c) leasing liabilities	1 370 351,74	1 525 643,82
d) other financial liabilities	0,00	0,00
<b>Total other liabilities</b>	<b>78 089 722,85</b>	<b>77 466 859,92</b>

All lease liabilities are denominated in PLN. The fair value of lease liabilities corresponds to its book value and as at 31 March 2019 amounts to PLN 4,415,182.86 of which PLN 1,370,351.74 is a short-term liability.

#### 4. OPERATING INCOME AND EXPENSES

Note 17. Operating income

<b>OPERATING INCOME</b>	<b>01-01-2019 to 31-03-2019</b>	<b>01-01-2018 to 31-03-2018</b>
Revenues from sales of products	64 819 025,98	26 243 862,02
Revenues from sales of services	35 096 206,42	23 110 224,61
Revenues from sales of goods	1 361 427,82	1 171 113,12
<b>Total income</b>	<b>101 276 660,22</b>	<b>50 525 199,75</b>

	<b>01-01-2019 to 31-03-2019</b>	<b>01-01-2018 to 31-03-2018</b>
<b>Proceeds from sales, including:</b>	<b>101 276 660,22</b>	<b>50 525 199,75</b>
-sales of products – properties, plots, buildings	74 305 025,98	26 520 502,38
- sales of products - other	0,00	0,00
-from sales of services	25 610 206,42	22 833 584,25
-from sales of goods	1 361 427,82	1 171 113,12

<b>Revenues from sales of products and services by segment</b>	<b>99 915 232,40</b>	<b>49 354 086,63</b>
-real estate development	77 465 566,07	29 960 372,11
-business activity related to hotels	18 212 075,37	15 509 363,06
- social building	3 638 114,64	3 565 026,11
-catering services	599 476,32	0,00
-construction	0,00	319 325,35

	<b>01-01-2019 to 31-03-2019</b>	<b>01-01-2018 to 31-03-2018</b>
<b>Revenues from sales of products – premises, plots, buildings by geographical segment</b>	<b>74 305 025,98</b>	<b>26 520 502,38</b>
-Warsaw and the surrounding area	64 695 448,74	23 998 986,92
-Gdynia	100 000,00	1 818 486,81
- Katowice	23 577,24	426 388,29
- parcels and networks	9 486 000,00	276 640,36

	<b>01-01-2019 to 31-03-2019</b>	<b>01-01-2018 to 31-03-2018</b>
<b>Revenues from sales of hotel and aparthotel services per geographic segments</b>	<b>18 212 075,37</b>	<b>15 509 363,06</b>
-Warsaw and the surrounding area	842 279,23	705 150,97
- Tarnowo	1 493 400,74	1 639 638,98
- Stryków	1 023 896,05	923 747,49
- Szczecin	1 236 560,92	1 230 233,79
- Krynica Górská	10 842 458,11	10 508 720,91
- Varsovia Apartamenty	2 773 480,32	501 870,92

Note 18. Operating expenses

<b>OPERATING EXPENSES</b>	<b>01-01-2019 to 31-03-2019</b>	<b>01-01-2018 to 31-03-2018</b>
Costs of sales of products	53 745 705,60	21 653 990,21
Costs of sales of services	20 526 200,46	15 669 212,97
Costs of sales of goods	1 318 753,24	1 175 580,29
<b>Total costs of products, services and goods sold</b>	<b>75 590 659,30</b>	<b>38 498 783,48</b>

<b>Sales and overhead expenses</b>	<b>01-01-2019 to 31-03-2019</b>	<b>01-01-2018 to 31-03-2018</b>
Costs of sales	5 359 085,52	4 869 008,31
Overheads	7 883 528,36	5 841 462,15
<b>Total sales and overheads expenses</b>	<b>13 242 613,88</b>	<b>10 710 470,46</b>

<b>Expenses per type</b>	<b>01-01-2019 to 31-03-2019</b>	<b>01-01-2018 to 31-03-2018</b>
Depreciation and amortization	3 155 013,14	2 776 530,23
Materials and energy cost, land purchase	37 657 731,36	17 093 464,74
Third party services	50 601 315,88	71 252 827,69
Taxes and charges	2 827 575,75	2 869 144,11
Remunerations	10 396 192,55	9 399 302,15
Social security and other payments	1 974 114,24	1 756 605,71
Other expenses per type	3 227 535,46	2 352 676,67
<b>Total expenses per type</b>	<b>109 839 478,38</b>	<b>107 500 551,30</b>

Note 19. Other operating income

<b>OPERATING INCOME</b>	<b>01-01-2019 to 31-03-2019</b>	<b>01-01-2018 to 31-03-2018</b>
a) profit on sale of non-financial fixed assets	22 699,33	6 002,51
b) other operating income	477 430,14	380 039,11
<b>Total operating income</b>	<b>500 129,47</b>	<b>386 041,62</b>

<b>OPERATING INCOME</b>	<b>01-01-2019 to 31-03-2019</b>	<b>01-01-2018 to 31-03-2018</b>
a) profit on sale of non-financial fixed assets	22 699,33	6 002,51
b) handling fees	33 641,86	80 603,73
c) reserves	8 925,73	0,00
e) other (including damages), contractual penalties	434 862,55	299 435,38
<b>Total operating income</b>	<b>500 129,47</b>	<b>386 041,62</b>

Note 20. Other operating expenses

<b>OPERATING EXPENSES</b>	<b>01-01-2019 to 31-03-2019</b>	<b>01-01-2018 to 31-03-2018</b>
a) loss on sale of non-financial fixed assets	0,00	0,00
b) revaluation of non-financial assets	0,00	43 769,08
c) other operating expenses	1 816 104,84	1 492 136,10
<b>Total operating income</b>	<b>1 816 104,84</b>	<b>1 535 905,18</b>

<b>OPERATING EXPENSES</b>	<b>01-01-2019 to 31-03-2019</b>	<b>01-01-2018 to 31-03-2018</b>
a) loss on sale of non-financial fixed assets	0,00	0,00
b) revaluation of non-financial assets	0,00	43 769,08
c) reserves	683 482,31	683 482,31
d) compensations, penalties, damages	418 106,34	664 453,18
e) compensations for breach of contracts	0,00	0,00
f) costs of court proceedings	138 677,50	0,00
g) other	575 838,69	144 200,61
<b>Total operating income</b>	<b>1 816 104,84</b>	<b>1 535 905,18</b>

Note 21. Financial revenues

<b>FINANCIAL REVENUES</b>	<b>01-01-2019 to 31-03-2019</b>	<b>01-01-2018 to 31-03-2018</b>
a) dividends	0,00	0,00
b) interest	635 100,41	8 552 108,16
c) profit on disposal of investment	0,00	0,00
d) other	69 136,66	83 365,19
<b>Total financial revenues</b>	<b>704 237,07</b>	<b>8 635 473,35</b>

<b>Financial revenues</b>	<b>01-01-2019 to 31-03-2019</b>	<b>01-01-2018 to 31-03-2018</b>
a) dividends	0,00	0,00
b) interest from customers	61 061,43	37 355,32
c) loan interest	156 082,12	109 825,46
d) deposit interest	121 891,76	223 707,74
e) promissory notes interest	238 867,13	211 715,94
f) other interest	57 197,97	7 969 503,70
g) profit on disposal of investment	0,00	0,00
h) foreign exchange rate differences	0,00	0,00
i) other	69 136,66	83 365,19
<b>Total</b>	<b>704 237,07</b>	<b>8 635 473,35</b>

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

Note 22. Financial expenses

<b>FINANCIAL EXPENSES</b>	<b>01-01-2019 to 31-03-2019</b>	<b>01-01-2018 to 31-03-2018</b>
a) interest	2 838 934,61	4 605 428,48
b) loss on disposal of investment	0,00	30 384,75
c) other	22 007,24	358 872,41
<b>Total financial expenses</b>	<b>2 860 941,85</b>	<b>4 994 685,64</b>

<b>FINANCIAL EXPENSES</b>	<b>01-01-2019 to 31-03-2019</b>	<b>01-01-2018 to 31-03-2018</b>
a) interest, commissions, loans	1 228 697,44	964 842,14
b) interest - leasing	41 465,50	18 781,06
c) interest - loans	0,00	-8 193,89
d) interest - promissory notes	0,00	33,33
e) interest - bond issuance	871 893,70	2 722 562,92
f) other interest	696 877,97	907 402,92
g) loss on disposal of investment	0,00	30 384,75
h) other	22 007,24	358 872,41
<b>Total financial expenses</b>	<b>2 860 941,85</b>	<b>4 994 685,64</b>

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

Note 23. Income tax

<b>INCOME TAX</b>	<b>01-01-2019 to 31-03-2019</b>	<b>01-01-2018 to 31-03-2018</b>
a) current income tax	0,00	3 035,00
b) deferred income tax	1 443 814,36	-794 585,47
<b>Total income tax</b>	<b>1 443 814,36</b>	<b>-791 550,47</b>

## D. ADDITIONAL INFORMATION

### 1. Description of significant achievements or failures of the Issuer in the period covered by the report, together with a list of the most important events.

#### Credit agreement

On 7 February 2018, a subsidiary of the Issuer, Hanza Invest S.A. with its registered office in Ząbki, as an investor, concluded an agreement with Bank Ochrony Środowiska S.A. under which the Bank granted a revolving credit in the amount of PLN 48,000,000. The loan was granted in order to finance and refinance expenses related to the construction of the Hanza Tower apartment building at Wyzwolenia Avenue and Odzieżowa Street in Szczecin. The loan repayment date was set at 31 March 2021.

On 27 March 2019 the Company concluded an agreement with Bank Ochrony Środowiska S.A. on the basis of which the Bank granted a revolving credit in the amount of PLN 28,400,000. The final repayment date of the loan was set for 20 March 2024.

#### Annex to the credit agreement

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

#### Purchase of real estate

On 25 January 2019. The Company concluded an agreement for the acquisition of the ownership right to real estate located in Szczecin at Celna St., constituting a plot of land No. 5/1 with an area of 0.8219 ha, for the amount of PLN 8,900,000 net plus VAT at the applicable rate. The Company intends to build approx. 48,800 m<sup>2</sup> of usable area on its land plots at Celna Street (purchased in December 2018 and January 2019).

On February 5, 2019, in performance of the contingent agreement of December 19, 2018, the Company concluded an agreement for the purchase of perpetual usufruct right to undeveloped plots with numbers 28/8 and 28/9 with a total area of 0.7471 ha, located in Łódź at Jana Kilińskiego Street, for the amount of PLN 4,725,000 net plus VAT at the applicable rate. The Company intends to build approx. 10,300 m<sup>2</sup> of usable area of flats on the plots.

On 22 March 2019 the Company concluded agreements under which it acquired ownership rights to plots located in the Białołęka district of Warsaw, near Modlińska and Zakątna Streets, with a total area of 11,718 m<sup>2</sup> and shares in a road plot for a total gross amount of PLN 14,330,422 (including VAT of PLN 1,635,422). The Company intends to build approx. 12,500 sq. m. of usable area of the apartments on the said plots.

#### Sales of real estate

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

#### Corporate affairs

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



### Sales

The number of development contracts, preliminary sales contracts (i.e. concerning completed investments, contracts with entities other than individual customers and service premises) and paid bookings was 280, concluded by all companies from the Capital Group of the Issuer in the 1st quarter of 2019.

### Transferred units

In the period from 1 January to 31 March 2019 The Company transferred and recognized 266 units in its revenues.

The total number of units in the offer to be recognized as a result of developments and completed projects in subsequent quarters is 3,890, including 2,389 units sold but not yet transferred to customers, and 1,501 units in the offer for sale.

### Ongoing investments

In the first quarter of 2019, the Group was developing 11 housing and commercial investments for a total of 3,642 units (including: aparthotels and terraced houses) with an area of over 171,000 m<sup>2</sup>. The front of the works included investments throughout the country: the Bliska Wola estate in the area of Kasprzaka Street and Prymasa Tysiąclecia Av. Stage D (residential and aparthotel stage) and Stage E (residential and commercial stage), the Wrzosowa Aleja estate in Warsaw, the Nowe Tysiąclecie estate in Katowice Stage III, the Kamerata estate in Gdynia, the Hanza Tower project in Szczecin and 3 stages of terraced houses - Villa Campina near Ożarów Mazowiecki.

The table below presents the investments carried out by the Group in the first quarter of 2019

Investment	Number of units	useable area	Aparthotel-commercial area	% of units sold as at 31.03.2019.	% advancement of construction works as at 31.03.2019.
Bliska Wola stage D (residential-aparthotel-commercial), Warsaw	1 059	25 417	17 078	20%	6%
Bliska Wola - Stage E - residential part, Warsaw	671	30 452		98%	99%
Hanza Tower, Szczecin	508	21 950	11 034	56%	42%
Bliska Wola - Stage E – commercial-residential part, Warsaw	433	4 535	10 074	98%	100%
Bliska Wola stage D (mieszaniowy), Warsaw	418	19 178		88%	5%
Nowe Tysiąclecie stage III, Katowice	346	18 261		56%	32%
Wrzosowa Aleja, Warsaw	81	2 958		80%	50%
Kamerata, Gdynia	55	3 435		98%	99%
Villa Campina Houses - Alicja (rank F), Ożarów,	30	2 857		10%	21%
Villa Campina Houses - Alicja (rank D), Ożarów,	21	2 017		100%	100%
Villa Campina Houses - Alicja (rank E), Ożarów,	20	2 003		50%	52%
<b>Total</b>	<b>3 642</b>	<b>133 063</b>	<b>38 186</b>		

### Planned investments

In the upcoming years, the Group is preparing 21 new residential and commercial developments based on its land bank, for a total of 5,375 premises with a total area of 454,000 m<sup>2</sup>.

In the case of all planned development and warehouse projects, the Capital Group is the owner or perpetual usufructuary of the land or has signed preliminary purchase agreements. In a significant part of the planned projects, the Capital Group has also carried out design and preparation works. The implementation of the investment will be financed from own funds, proceeds from customers in the case of an open trust account and from a bank loan.

The planned projects to be implemented in the upcoming years are presented in the table below.

### List of planned development investments - as at 31.03.2019:

Investment	Number of units	useable area	Commercial area
Myślenice near Cracow	1 223	63 120	
Celna St., Szczecin	810	34 000	14 796
Starowiejska St., Gdańsk- Letnica	638	32 521	629
Waryńskiego St., Pruszków	446	19 709	1 929
Poznańska St., Skórzewo near Poznań	280	14 500	
Modlińska St., Warsaw	280	12 500	
Radosława St., Nowogard	275	14 710	
Berensona St., Warsaw	264	11 855	
Kilińskiego St., Łódź	245	10 300	
Antoniewska St., Warsaw	221	13 763	
Houses stage VI and further, Ożarów Mazowiecki	150	15 675	
Wrzosowa Aleja III, stage II, Warsaw	146	4 709	
Mikołaja Trąby St.*	140	5 847	
Odkryta St., stage II, Warsaw	104	4 581	
Aluzyjna St., stage II, Warsaw	68	3 670	
Wrzosowa Aleja III, stage I, Warsaw	40	1 631	
Aluzyjna St., stage I, Warsaw	32	1 850	
Nowodworska St., Warsaw	13	1 180	
Port (warehouses), Szczecin			80 000
Wielopole/Dietla St., Cracow			10 899
Małopole (warehouses), near Warsaw**			80 000
<b>Total</b>	<b>5 375</b>	<b>266 121</b>	<b>188 253</b>

\* In Q1 2019 the reservation sale, the investment started in Q2 2019.

\*\*preliminary purchase agreement

### 2. Description of factors and events, in particular of unusual nature, having a significant impact on the financial results

In the reporting period, no unusual factors occurred that might have a material impact on the financial results.

### 3. Explanations regarding the seasonality and cyclical nature of the Issuer's activity in the presented period.

N/A.

### 4. Information on the issue, purchase and redemption of debt and equity securities.

N/A.

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

N/A.

## 6. Events that occurred after the day of preparation of this quarterly financial report, not included in the report and which could significantly affect the future financial results of the Issuer

### Purchase of own shares

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

### Annex to the credit agreement

On 25 April 2019, the Company concluded an Annex to a credit agreement in the current account granted by PKO BP S.A. Under the Annex, the credit limit was increased from PLN 10,000,000 to PLN 15,000,000 and the deadline for use and repayment date have been postponed. The final repayment date is 25 April 2020.

On 25 April 2018. J.W. Construction Spółka z o.o., a subsidiary of the Issuer, concluded an annex to the credit agreement in the current account granted by PKO BP S.A. in the amount of PLN 7,000,000. Under the annex, the date of use and repayment of the loan was postponed. The new repayment date was set at 25 April 2020.

On 10 May 2019, the Company concluded an Annex to a credit agreement in the current account granted by Bank Millennium SA in the amount of PLN 16,830,000. Under the Annex, the deadline for use and repayment date have been postponed. The final repayment date is 31 May 2019.

### Occupancy permit

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

### Amendment to a material agreement

On 12 April 2019, between the Issuer's subsidiaries Hanza Invest S.A. with its registered office in Ząbki (investor) and J.W. Construction Sp. z o.o. with its registered office in Ząbki (general contractor), an annex to the agreement of 28 February 2017 for the execution of the Hanza Tower investment in Szczecin was concluded. On the basis of the concluded annex the following have been changed:

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

### Changes to the Management Board

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

### Partial bonds redemption

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

## 7. Contingent liabilities

Conditional hedging instruments are used in the practice of business activity. In particular, under the existing credit agreements, banks providing financing may assert claims on the basis of established collateral in the event of the Group's failure to meet its contractual obligations. Collaterals are established up to the amount of the loan granted multiplied by a specific ratio. The ratio, depending on the type of credit agreement, type of collateral, financing bank and other factors, ranges from 100% to 200%. Regardless of the number and amount of established collaterals, the bank may assert claims up to the amount of actual debt together with due interest. As at 31 March 2019, the value of debt on account of loans amounted to PLN 152.9 million (including the debt of TBS Marki Sp. z o.o. - PLN 87.4 million) and there were no indications that any of the loans could 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:

<b>OFF-BALANCE SECURITIES</b>	<b>31.03.2019</b>
Amount of security on own real estate*	615 638 518

\*including collaterals on real estate of TBS Marki Sp. z o.o. - PLN 22.4 million

Several types of collateral are usually used for one credit agreement, with a total value in excess of the loan amount. However, the amounts of collateral cannot be added together as the value of a possible claim would be closely linked to the amount of the obligation and the eligible entity would have the right to choose the type of collateral.

Apart from the mortgage, there are also other forms of collateral, i.e. writs of execution, bills of exchange, powers of attorney to accounts or pledges on accounts. In addition, in the case of investment loans, collateral instruments are assignments from contracts related to specific construction projects (e.g. general contracting agreements, insurance contracts, performance bonds). 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:

<b>OFF-BALANCE SECURITIES - other</b>	<b>31.03.2019</b>
Guarantee of J.W. Construction Holding S.A. for Hanza Invest SA investment credit in 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 a credit loan incurred at BZ WBK SA.	29 694 876
Guarantees to the benefit of J.W. Construction Sp. z o.o. by PKO BP for the loan and surety	14 500 000
Sureties to the benefit of TBS "Marki" Sp z o.o.	22 400 000

As at 31 March 2019, insurance and bank guarantees for the removal of defects and faults were also granted by banks and insurance institutions, whose beneficiaries were the Companies of Capital Group. In addition, blank promissory notes were issued to the companies of the Capital Group as security for their rights resulting from guarantees granted by contractors, which the companies are entitled to fill in at any time in the amount corresponding to the costs of removal of defects and faults. The total value of the guarantee as at 31 March 2019 was as follows PLN 35.46 million and EUR 37 thousand (Issuer), PLN 8.29 million and EUR 116.48 thousand (JW. Construction sp. z o.o.)

#### **8. Selected financial data containing basic items of the condensed financial statements (also in EUR)**

To convert the balance sheet data as at the last day of the period from 1 January to 31 March 2019, the EUR exchange rate set by the National Bank of Poland as at that day, i.e. 4.3013 PLN/EUR.

To convert the balance sheet data as at the last day of the period from 1 January to 31 December 2018, the EUR exchange rate set by the National Bank of Poland as at that day, i.e. 4.3000 PLN/EUR.

For the conversion of the profit and loss account data for the period from 1 January 2019 to 31 March 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. 4.2978 PLN/EURO.

For the conversion of the profit and loss account data for the period from 1 January 2018 to 31 March 2018, the average EUR rate was adopted, calculated as the arithmetic mean of the rates in force on the last day of each month in a given period, determined by the National Bank of Poland on that day, i.e. 4.1784 PLN/EURO.



Condensed consolidated financial statements  
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Consolidated balance sheet item	31.03.2019		31.12.2018	
	PLN	EUR	PLN	EUR
<b>Total assets</b>	<b>1 835 884</b>	<b>426 821</b>	<b>1 795 582</b>	<b>417 577</b>
Fixed assets	779 104	181 132	753 510	175 235
Current assets	1 056 781	245 689	1 042 072	242 342
<b>Total liabilities and equity</b>	<b>1 835 884</b>	<b>426 821</b>	<b>1 795 582</b>	<b>417 577</b>
Equity	701 095	162 996	693 704	161 327
Non-current liabilities	399 566	92 894	367 488	85 462
Current liabilities	725 856	168 753	734 390	170 788
Future long-term discounted lease payments	7 832	1 821	0,00	0,00
Future short-term discounted lease payments	1 535	357	0,00	0,00

Consolidated profit and loss account item	01-01-2019 to 31-03-2019		01-01-2018 to 31-03-2018	
	PLN	EUR	PLN	EUR
Net revenues from sales of products, goods and materials	101 277	23 565	50 525	12 092
Costs of products, goods and materials sold	75 591	17 588	38 499	9 214
<b>Gross profit (loss) from sales</b>	<b>25 686</b>	<b>5 977</b>	<b>12 026</b>	<b>2 878</b>
Costs of sales	5 359	1 247	4 869	1 165
Overheads	7 884	1 834	5 841	1 398
Profit (loss) from sales	11 708	2 724	-2 455	-588
Profit (loss) on operations	10 392	2 418	-3 605	-863
<b>Gross profit (loss)</b>	<b>8 235</b>	<b>1 916</b>	<b>36</b>	<b>9</b>
Income tax	1 444	336	-792	-189
<b>Net profit (loss)</b>	<b>6 791</b>	<b>1 580</b>	<b>828</b>	<b>198</b>

Issuer's balance sheet item	31.03.2019		31.12.2018	
	PLN	EUR	PLN	EUR
<b>Total assets</b>	<b>1 686 887</b>	<b>392 181</b>	<b>1 668 191</b>	<b>387 951</b>
Fixed assets	816 079	189 729	799 851	186 012
Current assets	870 808	202 452	868 340	201 940
<b>Total liabilities and equity</b>	<b>1 686 887</b>	<b>392 181</b>	<b>1 668 191</b>	<b>387 951</b>
Equity	747 203	173 716	753 958	175 339
Non-current liabilities	288 118	66 984	253 330	58 914
Current liabilities	642 199	149 303	660 903	153 698
Future long-term discounted lease payments	7 832	1 821	0,00	0,00
Future short-term discounted lease payments	1 535	357	0,00	0,00

Profit and loss account item	01-01-2019 to 31-03-2019		01-01-2018 to 31-03-2018	
	PLN	EUR	PLN	EUR
Net revenues from sales of products, goods and materials	95 552	22 232	45 742	10 947
Costs of products, goods and materials sold	69 157	16 091	34 523	8 262
<b>Gross profit (loss) from sales</b>	<b>26 394</b>	<b>6 141</b>	<b>11 218</b>	<b>2 685</b>
Costs of sales	4 913	1 143	4 636	1 109
Overheads	6 952	1 617	4 994	1 195
Profit (loss) from sales	13 794	3 209	-2 182	-522
Profit (loss) on operations	12 590	2 929	-3 678	-880
<b>Gross profit (loss)</b>	<b>11 448</b>	<b>2 664</b>	<b>579</b>	<b>139</b>
Income tax	1 938	451	-735	-176
<b>Net profit (loss)</b>	<b>9 510</b>	<b>2 213</b>	<b>1 314</b>	<b>314</b>

**9. Indicating the effects of changes in the structure of business entity, including mergers, takeovers and sales of entities in the Issuer's capital group, long term investments, division, restructuring and discontinuation of activity.**

No such changes occurred in the reporting period.

**10. The Management Board's position regarding the possibility of realisation of previously published result forecasts for a given year in the light of the results presented in the quarterly report.**

The Company does not publish financial forecasts for the Company or the Capital Group.

**11. Indicating shareholders holding directly or indirectly through subsidiaries at least 5% of the total number of votes at the Issuer's General Meeting as at the day of publication of the quarterly report together with the number of shares held, their percentage share in the share capital, the number of votes arising therefrom and their percentage share in the total number of votes at the general meeting and an indication of changes in the ownership structure of significant shares of the Issuer in the period from the submission of the previous quarterly report**

The share capital of the Company amounts to PLN 17,771,888.60 and is divided into 88,859,443 A, B and C series ordinary bearer shares with a nominal value of PLN 0.20 each, each of which entitles to one vote at the General Meeting of the Company.

As at 30.05.2019

Shareholder	Number of shares held	% of capital share	Number of votes	% of total number of votes in the General Meeting
Józef Wojciechowski	32.094.963	36,12 %	32.094.963	36,12 %
EHT S.A.	47.846.225	53,84 %	47.846.225	53,84 %

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

Moreover, the Company holds own shares for redemption, purchased on 26 April 2019, in the total number of 1,413,861 shares, constituting approximately 1.59% of the share capital, corresponding to 1,413,861 votes at the General Meeting, which constitutes approximately 1.59% of the total number of votes.

In the period from 21 March 2019, i.e. from the date of submission of the last periodic report, which was the report for 2018, to the date of submission of this report, there were no changes in significant blocks of the Issuer's shares, except for the purchase by the Company of its own shares for redemption.

**12. The Issuer's shares or rights to them (options) held by persons managing and supervising the Issuer as at a specific date, separately for each person.**

Name	Function	Number of shares held
Józef Wojciechowski	Chairman of the Supervisory Board	32.094.963

The number of shares held by Mr Wojciechowski has not changed.

**13. Lawsuits**

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

However, with regard to the previously provided information concerning proceedings brought by the Capital City of Warsaw against the Company, for payment of annual fees (2009-2013) for perpetual usufruct of real estate designated in the local zoning plan for a public road, of which the Company informed in its reports for earlier periods. On 22 December 2018, a cassation appeal was filed with the Supreme Court against the verdict of the Court of Appeals in Warsaw of 4 June 2018 issued as a result of re-examination of the case as a result of the above mentioned verdict of the Supreme Court of 9 March 2018, under which the Company's appeal against the verdict of the Court of First Instance was again dismissed. We are currently awaiting consideration of the cassation complaint.

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

COMPANY NAME	Receivables from affiliated parties	
	31.03.2019	31.12.2018
TBS Marki Sp. z o.o.	29 728,99	24 663,88
J.W. Construction Sp. z o.o.	2 809 031,12	2 438 841,36
Dana Invest Sp. z o.o.	314 780,52	323 666,21
Varsovia Apartamenty Sp. z o.o.	1 579 159,12	1 651 383,26
Berensona Invest Sp. Z o.o.	35 660,16	35 660,16
Bliska Wola 4 Sp. z o.o.1 SK	26 328,95	34 196,00
Bliska Wola 4 Sp. z o.o. 2 SK	411 581,99	407 211,29
Wola Invest Sp. z o.o.	32 708,16	32 708,16
Bliska Wola 4 Sp. z o.o.	30 330,40	30 330,40
Hanza Invest S.A.	2 189 047,88	1 600 333,23

COMPANY NAME	Payables to affiliated parties	
	31.03.2019	31.12.2018
TBS Marki Sp. z o.o.	30 143 010,22	29 910 789,10
J.W. Construction Sp. z o.o.	2 179 359,75	3 621 730,40
Dana Invest Sp. Z o.o.	875,00	0,00
Bliska Wola 4 Sp. z o.o.1 SK	5 196,00	5 196,00
Varsovia Apartamenty Sp. z o.o.	399,90	0,00

**J.W. Construction Holding S.A. as an entity buying products or services** (transactions for more than PLN 100 thousand)

OTHER PARTY TO TRANSACTION	TRANSACTION/AGREEMENT SUBJECT	01.01.2019-31.03.2019
<b>Affiliated units subject to consolidation</b>		
J.W. Construction Sp. z o.o.	construction works Katowice	5 253 921,00

**J.W. Construction Holding S.A. as an entity rendering or services (seller)** (transactions for more than PLN 100 thousand),

OTHER PARTY TO TRANSACTION	TRANSACTION/AGREEMENT SUBJECT	01.01.2019-31.03.2019
<b>Affiliated units subject to consolidation</b>		
J.W. Construction Sp. z o.o.	sale of goods, materials	359 056,28
J.W. Construction Sp. z o.o.	guaranteed repairs services	216 014,88
Hanza Invest S.A.	administrative services	513 699,00
Hanza Invest S.A.	sales service	240 455,98
Varsovia Apartamenty Sp. z o.o.	re invoicing (other)	128 354,23

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

**15. Information on granting credit or loan sureties or guarantees by the Issuer or its subsidiary - jointly to one entity or its subsidiary, if the total value of the existing sureties or guarantees is significant.**

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

**16. Other information that is material, in the Issuer's opinion, to the assessment of its personnel, property, financial situation, financial result and their changes, as well as information that is significant for the assessment of the Issuer's ability to meet its obligations.**

N/A.

**17. Indication of factors which, in the Issuer'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:

- Adherence to construction completion schedules, which conditions the possibility of transferring premises on investments in the coming quarters, in particular: Bliska Wola EK and EM stages (residential and aparthotel part) in Warsaw, Osiedle Kamerata in Gdynia.
- Maintaining the pace of sales, despite the difficult market due to problems related to the acquisition of subcontractors, along with the expansion of the offer, conditional, among others, on:
  - Commencing new investments,
  - Availability of mortgage loans on the real estate market,
  - 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,
  - Expanding the offer with the sale of aparthotel units and warehouse space
  - Commencement of the investment according to the schedule.
- 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.
- Maintaining the growth in demand for hotel and aparthotel services.

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.



**18. Information on revenues and results for individual industry or geographic segments, depending on which division is the basic division**

**Business segments**

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

- real estate development
- social building
- hotel services.

In accordance with IAS 14 "Segment Reporting" when preparing financial data for individual operating segments, the principle is maintained that revenues and expenses as well as segment assets and liabilities are determined before the balancing and balancing transactions between the Group's companies are eliminated as part of the consolidation process, except where such types of balances and transactions between the Group's business units have been made within one segment. Internal transactions within the segment have been eliminated.

Financial data regarding individual business segments include individual financial statements of the Group's companies without exclusions of balances and transactions, excluding the revenues, costs and mutual settlements are presented in the "Eliminations" column. The exception is real estate development activity, under which individual reports of companies conducting this type of activity were consolidated.

Basic type of services within each industry segment:

- real estate development activity - design, construction and sale of real estate
- social building - sale and administration of social estates,
- other construction– rental, other services,
- hotel activity, aparthotels - catering and hotel services related to the organisation of tourist and leisure services, rental of aparthotels.



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01.01.2019-31.03.2019	Real estate development	Hotels, aparthotels and restaurants	Social building	Other operations	Total
<b>Net revenues from sales of products, goods and materials, including:</b>	<b>77 980 178,86</b>	<b>18 815 183,92</b>	<b>3 641 162,93</b>	<b>840 134,51</b>	<b>101 276 660,22</b>
Net revenues from sales of products	76 623 970,19	18 813 013,06	3 638 114,64	840 134,51	99 915 232,40
Net revenues from sales of goods and materials	1 356 208,67	2 170,86	3 048,29	0,00	1 361 427,82
<b>Costs of products, goods and materials sold, including:</b>	<b>57 609 580,43</b>	<b>15 255 749,79</b>	<b>2 050 022,91</b>	<b>675 306,17</b>	<b>75 590 659,30</b>
Cost of products sold	56 296 046,34	15 253 578,93	2 046 974,62	675 306,17	74 271 906,06
Value of goods and materials sold	1 313 534,09	2 170,86	3 048,29	0,00	1 318 753,24
<b>Gross profit (loss) from sales</b>	<b>20 370 598,43</b>	<b>3 559 434,13</b>	<b>1 591 140,02</b>	<b>164 828,34</b>	<b>25 686 000,92</b>
<b>Costs of sales</b>	3 847 690,38	1 511 395,14	0,00	0,00	<b>5 359 085,52</b>
<b>Overheads</b>	6 274 302,79	1 280 376,68	328 848,89	0,00	<b>7 883 528,36</b>
<b>Revaluation of investment property</b>	-735 471,70	0,00	0,00	0,00	<b>-735 471,70</b>
<b>Profit (loss) from sales</b>	<b>9 513 133,56</b>	<b>767 662,31</b>	<b>1 262 291,13</b>	<b>164 828,34</b>	<b>11 707 915,34</b>
Other operating income	222 922,25	76 061,46	50 771,10	150 374,66	500 129,47
Other operating expenses	1 724 458,37	61 727,23	29 919,09	0,15	1 816 104,84
<b>Profit (loss) on operations</b>	<b>8 011 597,44</b>	<b>781 996,54</b>	<b>1 283 143,14</b>	<b>315 202,85</b>	<b>10 391 939,97</b>
Financial revenues	458 441,87	1 358,51	244 436,00	0,00	704 236,38
Financial costs	2 136 281,01	150 726,53	573 842,44	39,31	2 860 889,29
<b>Profit / loss from inclusion/exclusion to/from consolidation</b>					<b>0,00</b>
<b>Profit (loss) on business activity</b>	<b>6 333 758,30</b>	<b>632 628,52</b>	<b>953 736,70</b>	<b>315 163,54</b>	<b>8 235 287,06</b>
<b>Gross profit (loss)</b>	<b>6 333 758,30</b>	<b>632 628,52</b>	<b>953 736,70</b>	<b>315 163,54</b>	<b>8 235 287,06</b>
Income tax	0,00	0,00	0,00	0,00	0,00
Deferred tax	1 219 429,29	224 385,07	0,00	0,00	1 443 814,36
<b>Net profit (loss)</b>	<b>5 114 329,01</b>	<b>408 191,58</b>	<b>953 736,70</b>	<b>315 163,54</b>	<b>6 791 420,83</b>



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01.01.2018-31.03.2018	Real estate development	Hotels, apart-hotels	Social building	Other operations	Total
<b>Net revenues from sales of products, goods and materials, including:</b>	<b>30 734 272,47</b>	<b>15 511 489,86</b>	<b>3 568 074,40</b>	<b>711 363,02</b>	<b>50 525 199,75</b>
Net revenues from sales of products	29 568 334,44	15 509 363,06	3 565 026,11	711 363,02	49 354 086,63
Net revenues from sales of goods and materials	1 165 938,03	2 126,80	3 048,29	0,00	1 171 113,12
<b>Costs of products, goods and materials sold, including:</b>	<b>25 731 881,83</b>	<b>10 692 665,52</b>	<b>1 943 685,64</b>	<b>130 550,49</b>	<b>38 498 783,48</b>
Cost of products sold	24 561 476,63	10 690 538,72	1 940 637,35	130 550,49	37 323 203,19
Value of goods and materials sold	1 170 405,20	2 126,80	3 048,29	0,00	1 175 580,29
<b>Gross profit (loss) from sales</b>	<b>5 002 390,64</b>	<b>4 818 824,34</b>	<b>1 624 388,76</b>	<b>580 812,53</b>	<b>12 026 416,27</b>
<b>Costs of sales</b>	<b>3 475 088,00</b>	<b>1 393 920,31</b>	<b>0,00</b>	<b>0,00</b>	<b>4 869 008,31</b>
<b>Overheads</b>	<b>4 052 095,67</b>	<b>833 465,69</b>	<b>351 075,47</b>	<b>604 825,32</b>	<b>5 841 462,15</b>
<b>Revaluation of investment property</b>	<b>-3 770 915,75</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>-3 770 915,75</b>
<b>Profit (loss) from sales</b>	<b>-6 295 708,77</b>	<b>2 591 438,34</b>	<b>1 273 313,29</b>	<b>-24 012,79</b>	<b>-2 454 969,93</b>
Other operating income	375 808,47	4 230,57	0,07	6 002,51	386 041,62
Other operating expenses	1 480 951,87	141,26	54 810,92	1,13	1 535 905,18
<b>Profit (loss) on operations</b>	<b>-7 400 852,17</b>	<b>2 595 527,65</b>	<b>1 218 502,44</b>	<b>-18 011,41</b>	<b>-3 604 833,49</b>
Financial revenues	8 148 512,91	4 515,36	248 206,89	234 238,19	8 893 597,68
Financial costs	4 128 006,37	277 827,43	588 835,57	16,27	4 994 685,64
<b>Profit (loss) on business activity</b>	<b>-3 380 345,63</b>	<b>2 322 215,58</b>	<b>877 873,76</b>	<b>216 210,51</b>	<b>35 954,22</b>
<b>Gross profit (loss)</b>	<b>-3 380 345,63</b>	<b>2 322 215,58</b>	<b>877 873,76</b>	<b>216 210,51</b>	<b>35 954,22</b>
Income tax	2 647,00	0,00	0,00	388,00	3 035,00
Deferred tax	-993 779,31	164 602,85	0,00	34 591,00	-794 585,47
<b>Net profit (loss)</b>	<b>-2 389 213,32</b>	<b>2 157 612,73</b>	<b>877 873,76</b>	<b>181 231,51</b>	<b>827 504,69</b>



Condensed consolidated financial statements  
for the period of 3 months ended on 31 March 2019

## E. ISSUER'S FINANCIAL STATEMENTS

### 1. Statement on the financial situation

<b>ASSETS</b>	<b>Note</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
<b>FIXED ASSETS</b>		<b>816 079 257,32</b>	<b>799 850 652,05</b>
Intangible assets	1	12 877 792,88	12 872 925,97
Tangible assets	2	250 138 949,62	249 153 252,48
Investment real estate	3	274 468 587,89	260 656 999,55
Other financial assets	4	237 957 600,48	246 210 819,04
Deferred income tax assets		32 341 945,95	30 591 500,25
Trade and other receivables	5	365 154,76	365 154,76
Right to use an asset		7 929 225,74	0,00
<b>CURRENT ASSETS</b>		<b>870 807 560,04</b>	<b>868 340 134,41</b>
Inventories	6	27 429 070,30	28 148 284,47
Construction contracts	7	628 993 107,27	641 749 934,49
Trade and other receivables	8	34 699 321,57	33 121 916,28
Other financial assets	9	66 627 347,67	66 165 899,43
Cash and cash equivalents	10	92 087 882,89	84 207 681,80
Accruals	11	18 684 401,37	14 946 417,94
Right to use an asset		2 286 428,97	0,00
<b>Total assets</b>		<b>1 686 886 817,36</b>	<b>1 668 190 786,46</b>
<b>LIABILITIES</b>			
<b>EQUITY</b>		<b>747 202 822,22</b>	<b>753 957 755,11</b>
Primary capital		17 771 888,60	17 771 888,60
Revaluation reserve		7 493 208,19	7 493 208,19
Other capitals	13	696 153 968,30	712 418 618,30
Retained earnings		16 274 040,01	-6 255 424,73
Net profit / loss		9 509 717,12	22 529 464,75
<b>LIABILITIES</b>		<b>930 316 840,06</b>	<b>914 233 031,36</b>
<b>Non-current liabilities</b>		<b>288 118 049,90</b>	<b>253 329 640,01</b>
Borrowings	12	38 012 018,63	6 727 681,01
Deferred income tax liabilities		42 207 466,92	38 519 206,16
Retirement benefits liabilities		200 416,45	200 416,45
Provisions for other liabilities	15	0,00	0,00
Other liabilities	14	207 698 147,90	207 882 336,39



Condensed consolidated financial statements  
for the period of 3 months ended on 31 March 2019

<b>Current liabilities</b>		<b>642 198 790,16</b>	<b>660 903 391,35</b>
Trade and other payables	15	42 155 536,58	53 994 773,25
Construction contracts	7	481 347 249,23	469 066 664,54
Borrowings	12	15 879 904,70	35 163 229,69
Provisions for other liabilities and other charges	15	25 227 456,22	25 709 542,56
Other liabilities	16	77 588 643,43	76 969 181,31
<b>FUTURE LONG-TERM DISCOUNTED LEASE PAYMENTS</b>		<b>7 832 098,29</b>	<b>0,00</b>
<b>FUTURE SHORT-TERM DISCOUNTED LEASE PAYMENTS</b>		<b>1 535 056,78</b>	<b>0,00</b>
<b>Total liabilities and equity</b>		<b>1 686 886 817,35</b>	<b>1 668 190 786,46</b>

## 2. Statement on the comprehensive income

	Note	from 01-01-2019 to 31-03-2019	from 01-01-2018 to 31-03-2018 (after adjustment)
<b>Net revenues from sales of products, goods and materials, including:</b>	<b>17</b>	<b>95 551 564,33</b>	<b>45 741 612,74</b>
Net revenues from sales of products		94 043 809,13	44 653 105,37
Net revenues from sales of goods and materials		1 507 755,20	1 088 507,37
<b>Costs of products, goods and materials sold, including:</b>	<b>18</b>	<b>69 157 182,35</b>	<b>34 523 117,36</b>
Cost of products sold		67 660 023,73	33 430 929,92
Value of goods and materials sold		1 497 158,62	1 092 187,44
<b>Gross profit (loss) from sales</b>		<b>26 394 381,98</b>	<b>11 218 495,38</b>
<b>Costs of sales</b>		<b>4 913 480,15</b>	<b>4 635 764,78</b>
<b>Overheads</b>		<b>6 951 551,31</b>	<b>4 993 583,61</b>
<b>Revaluation of investment property</b>		<b>-735 471,70</b>	<b>-3 770 915,75</b>
<b>Profit (loss) from sales</b>		<b>13 793 878,82</b>	<b>-2 181 768,76</b>
Other operating income	19	384 334,28	299 963,87
Other operating expenses	20	1 587 958,80	1 796 371,32
<b>Profit (loss) on operations</b>		<b>12 590 254,30</b>	<b>-3 678 176,21</b>
Financial revenues	21	1 478 558,43	8 554 147,12
Financial costs	22	2 621 280,55	4 296 870,40
<b>Profit (loss) on business activity</b>		<b>11 447 532,18</b>	<b>579 100,51</b>
<b>Gross profit (loss)</b>		<b>11 447 532,18</b>	<b>579 100,51</b>
Income tax		1 937 815,06	-734 669,13
<b>Net profit (loss)</b>		<b>9 509 717,12</b>	<b>1 313 769,64</b>



Condensed consolidated financial statements  
for the period of 3 months ended on 31 March 2019

<b>Other comprehensive income:</b>		<b>0,00</b>	<b>0,00</b>
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
<b>Total revenue</b>		<b>9 509 717,12</b>	<b>1 313 769,64</b>

<b>CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE</b>		<b>from 01-01-2019 to 31-03-2019</b>	<b>from 01-01-2018 to 31-03-2018</b>
<b>Profits</b>			
(A) Profit resulting from the financial statements		9 509 717,12	1 313 769,64
<b>Number of shares</b>			
(B) Number of ordinary shares and preferred shares (as to the right to vote in the General Meeting of the Company) for the purpose of calculating earnings per share*		88 859 443,00	88 859 443,00
(C) Number of ordinary shares and preferred shares (as to the right to vote in the General Meeting of the Company) for the purpose of calculating diluted earnings per share		88 859 443,00	88 859 443,00
<b>Basic earnings per share = (A)/(B)</b>		<b>0,11</b>	<b>0,01</b>
<b>Diluted earnings per share = (A)/(B)</b>			

### 3. Statement on changes in equity

	Share capital	Own shares (negative value)	Revaluation reserve	Reserve capital	Other capitals	Retained earnings	Net result	Equity
<b>As at 31 December 2018</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 493 208,19</b>	<b>706 687 031,11</b>	<b>5 731 587,19</b>	<b>-6 255 424,73</b>	<b>22 529 464,75</b>	<b>753 957 755,11</b>
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
<b>As at 1 January 2019</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 493 208,19</b>	<b>706 687 031,11</b>	<b>5 731 587,19</b>	<b>-6 255 424,73</b>	<b>22 529 464,75</b>	<b>753 957 755,11</b>
Share issuance	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Own shares redemption	0,00	0,00		0,00	0,00			0,00
Purchase of own shares - establishment of a fund	0,00	0,00	0,00	-50 000 000,00	50 000 000,00	0,00	0,00	0,00
Dividends paid	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profits (losses) from revaluation of fixed assets and investment real estate	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profits (losses) on revaluation of available-for-sale assets	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profits (losses) on cash flow hedges	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Foreign exchange rate differences due to the calculation of financial statements of foreign subsidiaries	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Income tax regarding the items transferred directly to equity	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profit / loss on acquisitions (unconsolidated jwch)	0,00	0,00		0,00	0,00	0,00	0,00	0,00
Profit / loss from inclusion/exclusion to/from consolidation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Changes in accounting policies/presentation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Adjustments	0,00	0,00	0,00	-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
<b>Total profit / loss recognized directly in equity</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>-66 264 650,00</b>	<b>50 000 000,00</b>	<b>0,00</b>	<b>0,00</b>	<b>-16 264 650,00</b>
Net profit (loss) for the accounting year	0,00	0,00	0,00		0,00		9 509 717,12	9 509 717,12
<b>Total profit / (loss) recognized in equity and the net result</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>-66 264 650,00</b>	<b>50 000 000,00</b>	<b>0,00</b>	<b>9 509 717,12</b>	<b>-6 754 932,87</b>
Increase / decrease from profit distribution	0,00	0,00	0,00	0,00	0,00	22 529 464,75	-22 529 464,75	0,00
<b>As at 31 March 2019</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 493 208,19</b>	<b>640 422 381,11</b>	<b>55 731 587,19</b>	<b>16 274 040,01</b>	<b>9 509 717,12</b>	<b>747 202 822,22</b>

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



	Share capital	Own shares (negative value)	Revaluation reserve	Reserve capital	Other capitals	Retained earnings	Net result	Equity
<b>As at 31 December 2017 (converted data)</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 493 208,19</b>	<b>676 124 356,46</b>	<b>5 731 587,19</b>	<b>-4 724 163,88</b>	<b>29 031 413,80</b>	<b>731 428 290,36</b>
Basic error corrections	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Adjustments due to conversion to IFRS	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>As at 1 January 2018</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 493 208,19</b>	<b>676 124 356,46</b>	<b>5 731 587,19</b>	<b>-4 724 163,88</b>	<b>29 031 413,80</b>	<b>731 428 290,36</b>
Share issuance	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Own shares redemption	0,00	0,00		0,00				0,00
Purchase of own shares	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Dividends paid	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profits (losses) from revaluation of fixed assets and investment real estate	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profits (losses) on revaluation of available-for-sale assets	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profits (losses) on cash flow hedges	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Foreign exchange rate differences due to the calculation of financial statements of foreign subsidiaries	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Income tax regarding the items transferred directly to equity	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profit / loss on acquisitions (unconsolidated jwch)	0,00	0,00		0,00	0,00	0,00	0,00	0,00
Profit / loss from inclusion/exclusion to/from consolidation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Changes in accounting policies/presentation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Adjustments	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Conversion to IFRS	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Total profit / loss recognized directly in equity</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
Net profit (loss) for the accounting year	0,00	0,00	0,00	0,00	0,00	0,00	1 313 769,64	1 313 769,64
<b>Total profit / (loss) recognized in equity and the net result</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>1 313 769,64</b>	<b>1 313 769,64</b>
Increase / decrease from profit distribution	0,00	0,00	0,00	475 752,25	0,00	29 204 191,20	-29 031 413,80	648 529,65
<b>As at 31 March 2018</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 493 208,19</b>	<b>676 600 108,71</b>	<b>5 731 587,19</b>	<b>24 480 027,32</b>	<b>1 313 769,64</b>	<b>733 390 589,65</b>

#### 4. Statement on cash flow

	01-01-2019 to 31-03-2019	01-01-2018 to 31-03-2018 (after adjustment)
<b>Cash flows from operating activities - indirect method</b>		
<b>Net profit (loss)</b>	<b>9 509 717,12</b>	<b>1 313 769,64</b>
<b>Item adjustment</b>	<b>7 560 672,35</b>	<b>15 297 528,43</b>
Depreciation and amortization	2 420 668,49	2 139 116,08
(Profit) loss on foreign exchange differences concerning financial and business activity	-412 054,42	-10 732,97
Profit (loss) on investment activities	-22 252,18	0,00
Interest and dividends	1 230 172,44	2 980 168,27
Changes in provisions and accruals	-632 673,40	5 739 147,89
Changes in investment real estate	5 043 628,78	0,00
Other item adjustments:	-66 817,36	4 449 829,16
- goodwill adjustment	0,00	0,00
- investment property write-off	735 471,70	3 770 915,75
- other adjustments	-802 289,06	678 913,41
<b>Changes in working capital</b>	<b>9 599 241,06</b>	<b>22 772 342,70</b>
Changes in inventories	719 214,17	347 279,65
Changes in construction contracts	23 835 380,21	9 768 581,14
Changes in receivables	-2 577 405,29	5 199 185,03
Changes in current liabilities, except for borrowings	-12 377 948,03	7 457 296,88
<b>Operating cash flows</b>	<b>26 669 630,53</b>	<b>39 383 640,77</b>
<b>Investment activity cash flows</b>		0,00
Disposal of tangible and intangible assets and other noncurrent assets	9 593 382,34	0,00
Acquisition of tangible and intangible assets and other noncurrent assets	-32 866 672,02	-14 493 133,63
Disposal of equity and debt instruments	0,00	69 275,97
Loans granted	-10 511 235,07	-421 857,70
Loans paid	4 600 000,00	54 168,03
Other financial assets acquisition	-390 000,00	-400 000,00
Other disposals of financial assets	0,00	0,00
Interest received	50 420,00	22 413,29
Acquisition of subsidiaries	0,00	-203 312,00
<b>Net investment activity cash flow</b>	<b>-29 524 104,75</b>	<b>-15 372 446,04</b>
<b>Cash flows from financing activities</b>		0,00
Loans and borrowings granted	53 527 139,75	8 202 742,31
Loans and borrowing paid	-41 526 127,12	-46 894 238,46
Issuance of security papers	0,00	0,00
Redemption of debt securities	0,00	0,00
Payments under financial lease agreements	-434 700,75	-327 259,61
Dividends and other shares in profits	0,00	0,00
Interest paid	-831 636,59	-1 239 774,43
Other financial proceeds (including promissory notes)	0,00	0,00
Other financial expenses (including promissory notes)	0,00	0,00
<b>Net financing cash flow</b>	<b>10 734 675,29</b>	<b>-40 258 530,19</b>
<b>NET DECREASE / (INCREASE) IN CASH</b>	<b>7 880 201,07</b>	<b>-16 247 335,46</b>
Opening balance of cash and cash equivalents	84 207 681,80	157 132 776,26
- change in cash due to exchange rate differences		0,00
<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>92 087 882,89</b>	<b>140 885 440,80</b>

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

### 1. FIXED ASSETS

Note 1. Intangible assets

<b>INTANGIBLE ASSETS</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) research and development expenses	0,00	0,00
b) goodwill	12 389 648,22	12 389 648,22
c) other intangible assets	488 144,66	483 277,75
d) advances on intangible assets	0,00	0,00
<b>Total intangible assets</b>	<b>12 877 792,88</b>	<b>12 872 925,97</b>

Note 2. Tangible assets

<b>TANGIBLE ASSETS</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) fixed assets, including:	244 323 213,32	244 207 911,79
- land (including perpetual usufruct)	16 000 958,39	16 000 958,39
- buildings, premises and civil engineering structures	208 864 368,89	208 253 643,68
- technical equipment and machinery	10 540 066,87	10 762 807,68
- motor vehicles	2 412 409,40	2 486 922,93
- other fixed assets	6 505 409,77	6 703 579,11
b) fixed assets under construction	5 815 736,30	4 945 340,69
c) advances on fixed assets under construction	0,00	0,00
<b>Total tangible assets</b>	<b>250 138 949,62</b>	<b>249 153 252,48</b>

Note 3. Investment real estate

<b>Other long-term investments</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) investment real estate	274 468 587,89	260 656 999,55
b) other	0,00	0,00
<b>Value of other long-term investments</b>	<b>274 468 587,89</b>	<b>260 656 999,55</b>

Note 4. Other financial assets

<b>LONG-TERM FINANCIAL ASSETS</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) shares	182 714 490,18	198 979 140,18
b) loans granted	53 522 706,43	46 191 196,99
c) other long-term investments	1 720 403,87	1 040 481,87
<b>Total long-term financial assets</b>	<b>237 957 600,48</b>	<b>246 210 819,04</b>

<b>LONG-TERM FINANCIAL ASSETS</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) in subsidiaries	230 721 906,57	240 650 442,13
- shares	182 505 940,18	198 770 590,18
- other security papers	427 910,51	423 305,51
- loans granted	47 788 055,88	41 456 546,44
- other long-term financial assets	0,00	0,00
b) in other units	7 235 693,91	5 560 376,91
- shares	208 550,00	208 550,00
- other security papers	1 292 493,36	617 176,36
- loans granted	5 734 650,55	4 734 650,55
- other long-term financial assets	0,00	0,00
<b>Total long-term financial assets</b>	<b>237 957 600,48</b>	<b>246 210 819,04</b>

Note 5. Non-current receivables

<b>NON-CURRENT RECEIVABLES</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) deposit receivables	0,00	0,00
b) deposit receivables (leasing)	0,00	0,00
b) other receivables	365 154,76	365 154,76
<b>Total receivables</b>	<b>365 154,76</b>	<b>365 154,76</b>

2. CURRENT ASSETS

Note 6. Inventories

<b>INVENTORIES</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) materials	1 484 648,92	1 643 361,78
b) semi-finished products and work in progress	0,00	0,00
c) finished products	0,00	0,00
d) goods	25 410 966,34	25 536 435,63
e) trade advances	533 455,04	968 487,06
<b>Total inventories</b>	<b>27 429 070,30</b>	<b>28 148 284,47</b>

Note 7. Construction contracts

<b>CONSTRUCTION CONTRACTS</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) semi-finished products and work in progress	583 145 286,61	551 030 000,43
b) finished products	33 895 983,23	77 635 561,36
c) advances for supplies	11 951 837,43	13 084 372,65
d) short-term prepayments and accruals	0,00	0,05
<b>Total construction contracts</b>	<b>628 993 107,27</b>	<b>641 749 934,49</b>

<b>CONSTRUCTION CONTRACTS</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) accruals	481 347 249,23	469 066 664,54
<b>Total construction contracts</b>	<b>481 347 249,23</b>	<b>469 066 664,54</b>

<b>Accruals</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
- advances on premises	477 419 979,37	462 281 131,35
- provision for works	3 909 078,16	5 885 533,19
- other	18 191,70	900 000,00
<b>Total accruals</b>	<b>481 347 249,23</b>	<b>469 066 664,54</b>

Note 8. Trade and other receivables

<b>CURRENT RECEIVABLES</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) trade receivables - related parties	7 741 903,37	6 737 865,73
b) trade receivables - other parties	17 913 035,66	16 772 306,85
c) taxes, subsidies, customs duties, social and health insurance and other payments	7 315 313,03	7 822 905,74
d) other	1 729 069,51	1 788 837,96
<b>Total receivables</b>	<b>34 699 321,57</b>	<b>33 121 916,28</b>

Note 9. Other financial assets

<b>SHORT-TERM INVESTMENTS</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) shares	0,00	0,00
b) loans granted	63 414 897,56	62 716 663,05
c) other security papers	3 212 450,11	3 449 236,38
d) other short-term investments	0,00	0,00
<b>Total long-term financial assets</b>	<b>66 627 347,67</b>	<b>66 165 899,43</b>

<b>SHORT-TERM INVESTMENTS</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) in subsidiaries	63 359 413,02	62 661 178,51
- shares	0,00	0,00
- other security papers	0,00	0,00
- loans granted	63 359 413,02	62 661 178,51
- other current financial assets	0,00	0,00
b) in other units	3 267 934,65	3 504 720,92
- shares	0,00	0,00
- other security papers	3 212 450,11	3 449 236,38
- loans granted	55 484,54	55 484,54
- other current financial assets	0,00	0,00
<b>Total short-term investments</b>	<b>66 627 347,67</b>	<b>66 165 899,43</b>

Note 10. Cash and cash equivalents

<b>CASH AND CASH EQUIVALENTS</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) cash on hand and with bank	91 871 826,96	84 196 799,55
b) other cash	206 831,56	747,80
c) other cash assets	9 224,37	10 134,45
<b>Total cash</b>	<b>92 087 882,89</b>	<b>84 207 681,80</b>

<b>CASH IN ESCROW ACCOUNTS</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
<b>cash in escrow accounts</b>	<b>44 324 640,77</b>	<b>61 483 631,37</b>
JW. Construction Holding SA	44 324 640,77	61 483 631,37

Note 11. Accruals

<b>ACCRUALS</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) short-term accruals	18 684 401,37	14 946 417,94
<b>Total accruals</b>	<b>18 684 401,37</b>	<b>14 946 417,94</b>

<b>Accruals</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
- property insurance	265 303,84	342 641,77
- interest	1 192 380,01	2 739 700,01
- commission expenses	12 080 215,65	11 146 865,43
- property tax, perpetual usufruct, road tax	4 054 055,94	0,00
- other	1 092 445,93	717 210,73
<b>Total accruals</b>	<b>18 684 401,37</b>	<b>14 946 417,94</b>

### 3. LIABILITIES

#### Note 12. Borrowings

<b>BORROWINGS</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) credits	53 516 057,47	41 515 044,84
<i>of which: long-term</i>	38 012 018,63	6 727 681,01
<i>short-term</i>	15 504 038,84	34 787 363,83
b) loans	375 865,86	375 865,86
<i>of which: long-term</i>	0,00	0,00
<i>short-term</i>	375 865,86	375 865,86
<b>Total borrowings</b>	<b>53 891 923,33</b>	<b>41 890 910,70</b>
<b>Borrowings - long-term</b>	<b>38 012 018,63</b>	<b>6 727 681,01</b>
<b>Borrowings - short-term</b>	<b>15 879 904,70</b>	<b>35 163 229,69</b>

<b>CREDITS PER MATURITY</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
Up to 1 year	15 504 038,84	34 787 363,83
Between 1 and 2 years	17 964 959,81	2 151 428,00
Between 2 and 5 years	20 047 058,82	4 576 253,01
Over 5 years	0,00	0,00
<b>Total credits, including</b>	<b>53 516 057,47</b>	<b>41 515 044,84</b>
- long-term	38 012 018,63	6 727 681,01
- short-term	15 504 038,84	34 787 363,83

<b>LOANS PER MATURITY</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
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
<b>Total loans</b>	<b>375 865,86</b>	<b>375 865,86</b>
- long-term	0,00	0,00
- short-term	375 865,86	375 865,86

#### Note 13. Other capitals

<b>OTHER CAPITALS</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) reserve capital	640 422 381,11	706 687 031,11
b) other reserve capitals	55 731 587,19	5 731 587,19
- including capital for the purchase of own shares	50 000 000,00	0,00
<b>Total other capitals</b>	<b>696 153 968,30</b>	<b>712 418 618,30</b>

#### Note 14. Other long-term liabilities

<b>OTHER LONG-TERM LIABILITIES</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) lease obligations	907 358,19	833 587,68
b) deposit liabilities	43 179 712,38	43 714 469,38
c) liabilities from securities	128 800 000,00	128 800 000,00
d) other long-term liabilities	0,00	0,00
e) promissory notes liabilities- related companies	11 063 563,76	10 960 675,76
f) promissory notes liabilities- unrelated companies	0,00	0,00
g) loans received- affiliates	23 747 513,57	23 573 603,57
<b>Total other liabilities</b>	<b>207 698 147,90</b>	<b>207 882 336,39</b>

Note 15. Trade and other payables

<b>TRADE AND OTHER PAYABLES</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) trade payables - other parties	17 543 631,48	28 244 378,92
b) trade payables - affiliated parties	2 189 520,65	3 626 926,40
c) axes, customs duties, insurance and other payments	4 949 151,09	2 547 023,23
d) salaries	2 081 470,06	2 118 570,66
e) trade advances received	0,00	0,00
f) loans received- affiliates	0,00	0,00
g) promissory notes – affiliated parties	4 340 225,22	4 336 270,86
h) other	11 051 538,08	13 121 603,18
<b>Total trade and other payables</b>	<b>42 155 536,58</b>	<b>53 994 773,25</b>

<b>PROVISIONS FOR OTHER LIABILITIES AND CHARGES</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
<b>a) short-term, of which:</b>	<b>25 227 456,22</b>	<b>25 709 542,56</b>
- accrued expenses, including:	8 838 134,84	10 003 703,49
- <i>interest charged</i>	1 132 336,13	1 110 399,96
- <i>rent deposits</i>	480 433,64	480 433,64
- <i>advance payments - hotels</i>	2 092 692,16	3 301 197,35
- <i>other</i>	5 132 672,91	5 111 672,54
- other provisions, including:	16 389 321,38	15 705 839,07
- <i>provision for future liabilities</i>	0,00	0,00
- <i>provisions for guaranteed repairs</i>	0,00	0,00
- <i>other provisions</i>	16 389 321,38	15 705 839,07
<b>a) long-term, of which:</b>	<b>0,00</b>	<b>0,00</b>
- accrued expenses, including:	0,00	0,00
<b>Total provisions for other liabilities and charges</b>	<b>25 227 456,22</b>	<b>25 709 542,56</b>

Note 16. Other liabilities

<b>OTHER LIABILITIES</b>	<b>31.03.2019</b>	<b>31.12.2018</b>
a) debt securities issue liabilities	76 719 371,11	75 941 216,10
b) promissory note liabilities - other	0,00	0,00
c) leasing liabilities	869 272,32	1 027 965,21
d) other financial liabilities	0,00	0,00
<b>Total other liabilities</b>	<b>77 588 643,43</b>	<b>76 969 181,31</b>

#### 4. OPERATING INCOME AND EXPENSES

Note 17. Operating income

<b>OPERATING INCOME</b>	<b>01-01-2019 to 31-03-2019</b>	<b>01-01-2018 to 31-03-2018</b>
Revenues from sales of products	74 158 536,40	26 094 114,09
Revenues from sales of services	19 885 272,73	18 558 991,28
Revenues from sales of goods	1 507 755,20	1 088 507,37
<b>Total income</b>	<b>95 551 564,33</b>	<b>45 741 612,74</b>

	<b>01-01-2019 to 31-03-2019</b>	<b>01-01-2018 to 31-03-2018</b>
<b>Proceeds from sales, including:</b>	<b>95 551 564,33</b>	<b>45 741 612,74</b>
-sales of products – properties, plots, buildings	74 158 536,40	26 094 114,09
-from sales of services	19 885 272,73	18 558 991,28
-from sales of goods	1 507 755,20	1 088 507,37

	<b>01-01-2019 to 31-03-2019</b>	<b>01-01-2018 to 31-03-2018</b>
<b>Revenues from sales of products and services by segment</b>	<b>94 043 809,13</b>	<b>44 653 105,37</b>
-real estate development	77 706 417,58	29 416 446,80
-business activity related to hotels	14 202 034,13	13 777 258,35
-catering services	599 476,32	0,00
-real estate management	1 535 881,10	1 459 400,22

	<b>01-01-2019 to 31-03-2019</b>	<b>01-01-2018 to 31-03-2018</b>
<b>Revenues from sales of products – premises, plots, buildings by geographical segment</b>	<b>74 158 536,40</b>	<b>26 094 114,09</b>
-Warsaw and the surrounding area	64 548 959,16	23 998 986,92
-Gdynia	100 000,00	1 818 486,81
- Katowice	23 577,24	276 640,36
- parcels and networks	9 486 000,00	0,00

	<b>01-01-2019 to 31-03-2019</b>	<b>01-01-2018 to 31-03-2018</b>
<b>Revenues from sales of hotel services per geographic segments</b>	<b>14 202 034,13</b>	<b>13 777 258,35</b>
-Warsaw and the surrounding area	842 279,23	705 150,97
- Tarnowo	1 493 400,74	1 639 638,98
- Stryków	1 023 896,05	923 747,49
- Krynica Górská	10 842 458,11	10 508 720,91

Note 18. Operating expenses

<b>OPERATING EXPENSES</b>	<b>01-01-2019 to 31-03-2019</b>	<b>01-01-2018 to 31-03-2018</b>
Costs of sales of products	53 711 661,92	21 882 340,72
Costs of sales of services	13 948 361,81	11 548 589,20
Costs of sales of goods	1 497 158,62	1 092 187,44
<b>Total costs of products, services and goods sold</b>	<b>69 157 182,35</b>	<b>34 523 117,36</b>

<b>Sales and overhead expenses</b>	<b>01-01-2019 to 31-03-2019</b>	<b>01-01-2018 to 31-03-2018</b>
Costs of sales	4 913 480,15	4 635 764,78
Overheads	6 951 551,31	4 993 583,61
<b>Total sales and overheads expenses</b>	<b>11 865 031,46</b>	<b>9 629 348,39</b>

<b>Expenses per type</b>	<b>01-01-2019 to 31-03-2019</b>	<b>01-01-2018 to 31-03-2018</b>
Depreciation and amortization	2 420 668,49	1 990 787,26
Materials and energy cost	31 498 561,09	14 595 790,90
Third party services	35 095 786,86	66 554 788,69
Taxes and charges	2 322 467,02	2 267 464,73
Remunerations	8 432 629,73	7 039 411,29
Social security and other payments	1 614 601,52	1 332 791,72
Other expenses per type	2 677 524,43	1 950 848,23
<b>Total expenses per type</b>	<b>84 062 239,14</b>	<b>95 731 882,82</b>



Note 19. Other operating income

<b>OPERATING INCOME</b>	<b>01-01-2019 to 31-03-2019</b>	<b>01-01-2018 to 31-03-2018</b>
a) profit on sale of non-financial fixed assets	22 699,33	6 002,51
b) other operating income	361 634,95	293 961,36
<b>Total operating income</b>	<b>384 334,28</b>	<b>299 963,87</b>

<b>OPERATING INCOME</b>	<b>01-01-2019 to 31-03-2019</b>	<b>01-01-2018 to 31-03-2018</b>
a) profit on sale of non-financial fixed assets	22 699,33	6 002,51
b) handling fees, penalties	33 641,86	80 603,73
c) reserves, write-offs	8 925,73	0,00
d) asset disclosure	0,00	0,00
e) other (including damages)	319 067,36	213 357,63
<b>Total operating income</b>	<b>384 334,28</b>	<b>299 963,87</b>

Note 20. Other operating expenses

<b>OPERATING EXPENSES</b>	<b>01-01-2019 to 31-03-2019</b>	<b>01-01-2018 to 31-03-2018</b>
a) loss on sale of non-financial fixed assets	0,00	0,00
b) revaluation of non-financial assets	0,00	0,00
c) other operating expenses	1 587 958,80	1 796 371,32
<b>Total operating income</b>	<b>1 587 958,80</b>	<b>1 796 371,32</b>

<b>OPERATING EXPENSES</b>	<b>01-01-2019 to 31-03-2019</b>	<b>01-01-2018 to 31-03-2018</b>
a) loss on sale of non-financial fixed assets	0,00	0,00
b) revaluation of non-financial assets	0,00	0,00
c) reserves	683 482,31	683 482,31
d) compensations, penalties, damages	413 006,34	664 453,18
e) compensations for breach of contracts	0,00	0,00
f) costs of court proceedings	122 877,50	16 955,39
g) costs of discontinued investments	0,00	0,00
h) other (including perpetual usufruct _ lawsuit)	368 592,65	431 480,44
<b>Total operating income</b>	<b>1 587 958,80</b>	<b>1 796 371,32</b>

Note 21. Other operating income

<b>FINANCIAL REVENUES</b>	<b>01-01-2019 to 31-03-2019</b>	<b>01-01-2018 to 31-03-2018</b>
a) dividends	0,00	0,00
b) interest	898 674,98	8 345 679,37
c) investment revaluation	0,00	0,00
d) loss on disposal of investment	0,00	0,00
e) other	579 883,45	208 467,75
<b>Total financial revenues</b>	<b>1 478 558,43</b>	<b>8 554 147,12</b>

<b>Financial revenues</b>	<b>01-01-2019 to 31-03-2019</b>	<b>01-01-2018 to 31-03-2018</b>
a) dividends	0,00	0,00
b) interest from customers	53 897,10	26 095,66
c) loan interest	706 454,46	140 320,40
d) deposit interest	53 764,40	201 072,41
e) promissory notes interest	27 375,74	12 321,09
f) other interest	57 183,28	7 965 869,81
g) foreign exchange rate differences	383 829,69	0,00
h) investment revaluation	0,00	0,00
i) profit on disposal of investment	0,00	0,00
j) other	196 053,76	208 467,75
<b>Total</b>	<b>1 478 558,43</b>	<b>8 554 147,12</b>

Note 22. Other financial costs

<b>FINANCIAL EXPENSES</b>	<b>01-01-2019 to 31-03-2019</b>	<b>01-01-2018 to 31-03-2018</b>
a) interest	2 621 213,14	4 266 226,68
b) investment revaluation	0,00	0,00
c) loss on disposal of investment	0,00	30 384,75
d) other	67,41	258,97
<b>Total financial expenses</b>	<b>2 621 280,55</b>	<b>4 296 870,40</b>

<b>FINANCIAL EXPENSES</b>	<b>01-01-2019 to 31-03-2019</b>	<b>01-01-2018 to 31-03-2018</b>
a) interest, commissions, loans	756 289,21	493 463,93
b) interest-leasing	16 313,53	18 781,06
c) interest - loans	173 910,00	151 496,02
d) interest - promissory notes	106 842,36	11 567,44
e) interest - bond issuance	871 893,70	2 722 562,92
f) other interest	695 964,34	868 355,31
g) foreign exchange rate differences	0,00	0,00
h) loss on disposal of investment	0,00	30 384,75
i) other	67,41	258,97
<b>Total financial expenses</b>	<b>2 621 280,55</b>	<b>4 296 870,40</b>

Signature of the person drawing up the Financial Statements

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

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

Ząbki, 30 May 2019