

# CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 9 MONTHS

ended on 30 September 2018

prepared in accordance with International Financial Reporting Standards



Ząbki, 21 November 2018



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## A. INTRODUCTION TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION ABOUT THE DOMINANT ENTITY

**J.W. Construction Holding S.A.**, hereinafter referred to as Company, is a joint-stock company with its registered office in Ząbki, Poland at 326 Radzywińska street, REGON id. no.: 010621332 was initially registered as Towarzystwo Budowlano-Mieszkaniowe Batory Sp. z o.o., a limited liability company, on 7 March 1994 under number RHB 39782. On 15 January 2001 it was transformed into a joint-stock company and registered with the District Court for Warsaw under number RHB 63464. On 16 July 2001 the Company changed its name to the current "J.W. Construction Holding S.A." and was entered into the National Court Register under number KRS 0000028142.

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

As at September 30, 2018, the lifetime of the Company is unlimited. The business year of the Company is a calendar year, i.e. the period between January 1 and December 31.

### 2. RULES FOR PREPARING THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### 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 September 30, 2018 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>				
Towarzystwo Budownictwa Społecznego „Marki” Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
J.W. Construction Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Yakor House Sp. z o.o.	Russia	70,00%	70,00%	full consolidation
Dana Invest Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Varsovia Apartamenty Sp. z o.o. (Bałtycka Invest Sp. z o.o.)	Poland	100,00%	100,00%	full consolidation
Berensona Invest Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Bliska Wola 4 Sp z o.o. 1SK	Poland	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,
- Berensona Invest Sp. z o.o. – development and sale of own properties on its own account,
- Bliska Wola 4 Sp. z o.o. 1SK – development and sale of own properties on its own account,
- Bliska Wola 4 Sp. z o.o. 2SK – development and sale of own properties on its own account,
- Wola Invest Sp. z o.o. – development and sale of own properties on its own account,
- Bliska Wola 4 Sp. z o.o. – managing limited partnerships,
- Hanza Invest S.A. – development and sale of own properties on its own account.

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

#### Consolidated financial statements

The consolidated financial statements for the years 2017-2018 were prepared based on separate financial statements of the companies of the Capital Group of J.W. Construction Holding S.A. and compiled in such a manner as if the Group was one company. The consolidated financial statements cover the financial statements of the parent company -J.W. Construction Holding S.A. and financial statements controlled by the holding entity of the subsidiaries.

The dominant entity, in the years 2017-2018, excluded from an obligation to consolidate the following subsidiaries:





*In 2018:*

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

*In 2017:*

- J.W. Construction Bulgaria Sp. z o.o.-100%
- JW. Ergo Energy -100%
- TBS Nowy Dom Sp. z o.o. – 100%

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

**Going concern basis and comparability of financial statements**

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

**Significant estimations and assumptions**

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

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

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

The principles (policy) of accounting that were used for preparation of this consolidated financial statement for third quarter of 2018 are consistent with those used for preparation of the financial statement for the financial year of 2017, with the exception of changes described below.

The same principles were applied for the current period and the period being compared. A detailed description of the accounting policies adopted by J.W. Construction Holding SA Capital Group was presented in the annual consolidated financial statements for the financial year of 2017, published on 14 March 2018.

- **New standards, interpretations and amendments to published standards that have been approved and published by the European Union and entered into force on or after 1 January 2018**

**IFRS 9 „Financial Instruments”**

IFRS 9 replaced the standard of IAS 39 "Financial Instruments - Recognition and Measurement". The main changes in accounting resulting from the new standard include, among others:

- new rules for classifying financial assets into categories,
- new criteria for qualifying assets to a group of financial assets valued at amortized cost,
- a new model for recognizing impairment losses - a model of expected credit losses,
- new rules for recognizing changes in the fair value of investments in equity financial instruments,
- eliminating the need to separate embedded derivatives from financial assets.

IFRS 9 has been applied since 1 January 2018. The changes introduced have been analysed by the Management Board and they have no significant impact on the financial situation, results of the Group's operations or the scope of information presented in these interim condensed consolidated financial statements.

#### **IFRS 15 „Revenue from contracts with customers”**

IFRS 15 has been approved for use in European Union Member States and applies to financial statements drawn up for periods beginning on or after January 1, 2018. The provisions of IFRS 15 apply to contracts with customers, except for leasing agreements covered by IAS 17, Leases, financial instruments and other contractual rights or obligations covered by IFRS 9 Financial Instruments, IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint arrangements ", IAS 27" Separate Financial Statements ", IAS 28" Investments in Associates and Joint Ventures ", insurance contracts covered by IFRS 4" Insurance Contracts ".

IFRS 15 assumes that revenue recognition should reflect the transfer of promised goods or services to a customer in an amount that corresponds to the consideration that the entity expects in exchange for the goods or services in question. In accordance with IFRS 15, the transfer of goods or services is based on the concept of transferring control over them to a customer, which may occur at a specified time (delivery of goods, product, termination of service) or over time (for example during providing the service or during the creation of an ordered product).

IFRS 15 has been applied since 1 January 2018. Based on the analysis of the impact of the implementation of IFRS 15 (including the analysis of key contracts concluded with customers, broken down into individual business segments, in terms of specific areas of revenue recognition), no contracts were identified for which the implementation of IFRS 15 could have significant impact on the financial statements by changing the principles of revenue recognition.

#### **Other standards**

- Amendments to IFRS 2 „Share-based payment,, - Amendments introduce recognition requirements:
  - (a) the effects of vesting conditions and conditions other than vesting conditions for the valuation of share-based payments in cash,
  - (b) share-based payments that have the function of net settlement with tax liabilities,
  - (c) modifying payment terms on the basis of shares, which change the classification of transactions from those settled in cash to those accounted for in equity instruments.
- Amendments to IFRS 4 "Insurance Contracts" - Amendments were introduced to solve problems resulting from the implementation of the new IFRS 9 "Financial Instruments" before introducing a new standard replacing IFRS 4.).
- Amendments to IAS 40 "Investment real estate" - Investment property transfers specify that an entity transfers individual properties to or from investment properties only when there is evidence of a change in the way they are used. The change of use occurs when a particular property meets or ceases to meet the definition of investment property. Changing the intention of the management as to the manner in which the property is used does not in itself constitute a reason to change the way it is used. The changes also specify that the examples in paragraph 57 do not constitute a closed catalog of examples (before being changed, this list is a closed catalog of examples).
- IFRIC 22 "Foreign Currency Transactions and Advance Consideration" Interpretation. The interpretation specifies that in order to set the exchange rate, the transaction date is the date when the prepayment was first recognized as a non-monetary asset or deferred income liability. If there are multiple payments or imprests, the date of the transaction is determined for each payment or receipts.
- Amendments to IFRS (cycle 2014-2016) - Changes were made as part of the procedure of introducing annual amendments to IFRS. The changes concern IFRS 1, IFRS 12 and IAS 28 and are mainly focused on solving incompatibilities and clarifying vocabulary.

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

#### **▪ Changes implemented by the Group**

The consolidated financial statements are prepared for the period of the third quarter of 2018, in which the companies merged. In connection with the merger, a presentation adjustment was made to comparative data in the Issuer's separate statements for the third quarter of 2017 and as at December 31, 2017.

The impact of the presentation adjustment of comparable data on the Issuer's capital is presented below:

<b>CHANGES IN EQUITY AFTER THE MERGER</b>	<b>31.12.2017</b>	<b>30.09.2017</b>
Primary capital	0,00	0,00
Own shares (stocks) - negative value	0,00	0,00



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Supplementary capital	22 835 402,21	22 783 905,21
Profit (loss) from previous years	-4 724 163,88	-4 785 924,14
Net profit (loss)	2 086 651,66	6 817 025,39
<b>Equity</b>	<b>20 197 889,99</b>	<b>24 815 006,46</b>

The merger was described in 9. Additional Information

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

When approving these financial statements, the Company did not apply the following standards, amendments to standards and interpretations, which were published by the IASB and approved for use in the EU, but which have not yet entered into force:

- Amendments to IFRS 9 "Financial Instruments" Characteristics of the prepayment option with negative offset - modify the existing rights requirements for early termination of the contract to allow the valuation at amortized cost (or, depending on the business model, at fair value through other comprehensive income), in the case of negative compensation payments. The amendments provide that the sign (plus or minus) of the prepayment amount is not material - ie, depending on the interest rate applicable at the time the contract is terminated, a payment may be made to the party resulting in early repayment. The calculation of this compensation must be the same in both the penalty for early repayment as well as in the case of profit due to early repayment. Date of application - an annual period commencing on January 2019 or after that date.
- IFRS 16 "Leases" - In accordance with IFRS 16, the lessee recognizes the right to use an asset and liability under leasing. The right to use an asset is treated similarly to other non-financial assets and depreciated accordingly. Lease liabilities are initially measured at the present value of lease payments payable during the leasing period, discounted by the rate included in the lease, if it is not difficult to determine it, or by the marginal interest rate. IFRS 16 defines the lease period as a total, irrevocable period during which the lessee has the right to use the asset. The leasing period also includes optional periods when the entity is confident of the option of renewing (or failing to complete) the lease.  
Regarding the classification of leasing with the lessors, it is carried out in the same way as in accordance with IAS 17 - i.e. as operating or financial leasing. With a lessor, leasing is classified as a financial lease if it transfers substantially all the risks and rewards incidental to ownership of the related assets. Otherwise, the lease is classified as an operating lease. In a financial lease, the lessor recognizes financial income over the lease term, based on a fixed periodic rate of return on the net investment. The lessor recognizes payments of operating leases in revenues on a straight-line basis or in another systematic manner, if it better reflects the pattern of obtaining benefits from the use of related assets.  
Date of application - an annual period commencing on 1 January 2019 or after that date. Earlier application is permitted for entities that use IFRS 15 Revenue from contracts with customers from or before the date of first application of this standard.

According to the Company's estimates, the amendment to IFRS 9 will not have a significant impact on the financial statements in the period of its first application.

The company did not use the option of early application of IFRS 16 and will apply the standard from 1 January 2019. As part of the implementation of the new standard, the Company commenced the assessment of contracts in order to identify whether the contract meets the definition of leasing and estimation of the leasing period. The new requirements eliminate the concept of operating lease, and thus off-balance sheet recognition of assets used on this basis. All assets used and related obligations to pay rent will have to be included in the balance sheet. This will change the basis for calculating commonly used financial ratios. The company plans to take advantage of the exemption from applying the standard requirements for short-term leasing and low-value asset leasing. With regard to the Company, as a lessor - the principles for recognizing lease agreements and their settlement will remain largely unchanged.

- **New standards, interpretations and amendments to published standards, which have been published by the International Accounting Standards Board (IASB) and are awaiting approval by the European Union**

IFRS in the form approved by the EU does not differ significantly from the regulations adopted by the International Accounting Standards Board (IASB), except for the following standards, amendments to standards and interpretations, which as at 16 April 2018 have not yet been adopted for use in the EU (the following dates of entry into force relate to the standards in the full version):



- IFRS 17 "Insurance Contracts" - the new standard requires the valuation of insurance liabilities in the amount of the current payment value and provides a more uniform approach to the valuation and presentation of all insurance contracts. These requirements are aimed at achieving a consistent recognition of insurance contracts based on specific accounting principles. IFRS 17 replaces IFRS 4 "Insurance Contracts" and related interpretations as of the date of application of the new standard. Date of application - an annual period commencing on 1 January 2021 or after that date.
- Amendments to IAS 19 "Employee benefits" - change, limitation or settlement of the plan require that after the plan change, apply the updated valuation assumptions in order to determine current service costs and net interest for the remaining part of the reporting period. Date of application - an annual period commencing on 1 January 2019 or after that date.
- Amendments to IAS 28 "Investments in Associates and Joint Ventures" - long-term shares in associates and joint ventures have been introduced to clarify that an entity applies IFRS 9 (including impairment regulations) to long-term shares in associates or joint ventures, which are included in the net investment in an associate or joint venture, for which the equity method was not applied. The amendments also remove paragraph 41, as it was considered that this paragraph only repeated the requirements contained in IFRS 9 and caused confusion regarding the settlement of long-term shares. Date of application - an annual period commencing in January 2019 or after that date.
- Interpretation of IFRIC 23 "Uncertainty over income tax treatments" - it may be unclear how the tax law relates to a specific transaction or circumstance or whether the tax authority will accept taxation of the entity. IAS 12, Income Taxes, defines how current and deferred taxes are settled, but does not reflect the effects of uncertainty. IFRIC 23 contains guidelines that complement the requirements of IAS 12, specifying how to reflect the effects of uncertainty when recognizing income tax. Date of application - an annual period commencing on 1 January 2019 or after that date.
- Amendments to IFRS (cycle 2015-2017) - changes made as part of the process of introducing annual amendments to IFRS (IFRS 3, IFRS 11, IAS 12 and IAS 23) mainly focused on solving incompatibilities and refinement of vocabulary (valid for annual periods beginning with on January 1, 2019 or after that date)

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





Condensed consolidated financial statements  
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**CONSOLIDATED FINANCIAL STATEMENTS**

**1. Consolidated statement on the financial situation**

<b>ASSETS</b>	<b>Note</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
<b>FIXED ASSETS</b>		<b>786 833 045,71</b>	<b>745 462 743,34</b>
Intangible assets	1	12 840 244,07	12 489 047,53
Tangible assets	2	418 957 788,89	413 497 228,56
Investment real estate	3	238 535 966,04	279 544 497,36
Other financial assets	4	66 633 311,16	3 753 010,25
Deferred income tax assets		46 878 300,08	33 146 685,79
Trade and other receivables	5	2 987 435,47	3 032 273,85
<b>CURRENT ASSETS</b>		<b>1 023 699 358,00</b>	<b>945 424 569,82</b>
Inventories	6	28 688 193,21	30 400 513,03
Construction contracts	7	748 326 860,05	629 595 306,51
Trade and other receivables	8	40 177 467,13	42 139 203,55
Other financial assets	9	2 099 504,91	55 725 214,89
Cash and cash equivalents	10	187 150 008,34	174 271 089,37
Accruals	11	17 257 324,36	13 293 242,47
<b>Total assets</b>		<b>1 810 532 403,71</b>	<b>1 690 887 313,15</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>		<b>692 614 979,71</b>	<b>678 227 625,57</b>
Share capital		17 771 888,60	17 771 888,60
Revaluation capital		7 493 208,19	7 490 208,19
Other capital	13	696 576 901,60	643 347 486,83
Retained earnings		-44 425 612,23	-16 318 050,13
Net profit / loss		15 198 593,56	25 936 092,09
<b>LIABILITIES</b>		<b>1 117 917 423,99</b>	<b>1 012 659 687,57</b>
<b>Non-current liabilities</b>		<b>412 371 512,08</b>	<b>463 811 348,81</b>
Borrowings	12	107 531 246,00	144 689 144,73
Deferred income tax liabilities		42 707 138,83	37 474 920,23
Retirement benefit obligations		241 204,48	241 204,48
Provision for other liabilities and charges	15	54 494 770,48	54 578 877,99
Other liabilities	14	207 397 152,28	226 827 201,37
<b>Current liabilities</b>		<b>705 545 911,91</b>	<b>548 848 338,76</b>
Trade and other payables	15	71 537 564,53	60 625 467,65
Construction contracts	7	509 286 414,01	377 519 939,66
Borrowings	12	53 652 673,44	60 247 273,99
Provision for other liabilities and charges	15	27 608 810,19	27 735 675,12
Other liabilities	16	43 460 449,75	22 719 982,34
<b>Total equity and liabilities</b>		<b>1 810 532 403,71</b>	<b>1 690 887 313,15</b>



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2. Consolidated statement on the result and total earnings

	Note	01-01-2018 to 30-09-2018	01-01-2017 to 30-09-2017	01-07-2018 to 30-09-2018	01-07-2017 to 30-09-2017
<b>Net revenues from sales of products, goods and materials, of which:</b>	<b>17</b>	<b>325 418 148,07</b>	<b>227 718 769,79</b>	<b>235 667 780,84</b>	<b>92 408 938,49</b>
Net revenues from sales of products		323 235 175,65	226 170 863,03	235 693 003,16	91 440 551,19
Net revenues from sales of goods and materials		2 182 972,42	1 547 906,76	-25 222,32	968 387,30
<b>Costs of products, goods and materials sold, of which:</b>	<b>18</b>	<b>266 495 298,45</b>	<b>171 478 778,41</b>	<b>181 151 041,96</b>	<b>66 357 766,66</b>
Manufacturing cost of products sold		264 319 149,47	169 903 962,16	181 180 705,44	65 358 252,82
Value of goods and materials sold		2 176 148,98	1 574 816,25	-29 663,48	999 513,84
<b>Gross profit (loss) on sales</b>		<b>58 922 849,62</b>	<b>56 239 991,38</b>	<b>54 516 738,88</b>	<b>26 051 171,83</b>
<b>Sales costs</b>		<b>16 944 366,13</b>	<b>16 301 772,32</b>	<b>6 616 361,54</b>	<b>5 147 154,25</b>
<b>Overheads</b>		<b>18 294 478,07</b>	<b>16 335 301,21</b>	<b>6 562 877,89</b>	<b>5 760 743,58</b>
<b>Revaluation of investment properties</b>		<b>-4 795 776,22</b>	<b>-2 261 638,01</b>	<b>-743 573,34</b>	<b>-615 281,95</b>
<b>Profit (loss) on sales</b>		<b>18 888 229,20</b>	<b>21 341 279,83</b>	<b>40 593 926,11</b>	<b>14 527 992,05</b>
Other operating income	19	1 888 074,08	1 237 193,22	969 929,12	435 385,70
Other operating expenses	20	5 973 805,03	8 241 546,66	2 094 214,94	1 433 961,65
<b>Operating profit (loss)</b>		<b>14 802 498,25</b>	<b>14 336 926,39</b>	<b>39 469 640,29</b>	<b>13 529 416,10</b>
Financial Revenues	21	11 037 244,99	2 054 884,41	-50 130,42	904 014,29
Financial costs	22	19 108 264,38	12 358 956,13	5 118 708,04	3 481 515,62
<b>Profit (loss) on business activity</b>		<b>6 731 478,86</b>	<b>4 032 854,67</b>	<b>34 300 801,83</b>	<b>10 951 914,77</b>
<b>Gross profit (loss)</b>		<b>6 731 478,86</b>	<b>4 032 854,67</b>	<b>34 300 801,83</b>	<b>10 951 914,77</b>
Income tax		-8 467 114,70	974 089,85	-2 332 821,01	4 355 002,05
<b>Net profit (loss)</b>		<b>15 198 593,56</b>	<b>3 058 764,82</b>	<b>36 633 622,84</b>	<b>6 596 912,71</b>
<b>Other comprehensive income:</b>		<b>-519 555,86</b>	<b>-580 131,40</b>	<b>-423 384,03</b>	<b>60 056,94</b>
Foreign exchange rate operation differences		-519 555,86	-580 131,40	-423 384,03	60 056,94
Profit/loss from acquisitions		0,00	0,00	0,00	0,00
Profit from revaluation of tangible fixed assets		0,00	0,00	0,00	0,00
Other comprehensive income		0,00	0,00	0,00	0,00
<b>Total revenue</b>		<b>14 679 037,70</b>	<b>2 478 633,42</b>	<b>36 210 238,81</b>	<b>6 656 969,65</b>

<b>CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE</b>		<b>01-01-2018 to 30-09-2018</b>	<b>01-01-2017 to 30-09-2017</b>	<b>01-07-2018 to 30-09-2018</b>	<b>01-07-2017 to 30-09-2017</b>
<b>Profits</b>					
(A) Profits of the Group disclosed in the consolidated financial statements		15 198 593,56	3 058 764,82	36 210 238,81	6 656 969,65
<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	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	88 859 443	88 859 443
<b>Basic earnings per share = (A)/(B)</b>		<b>0,17</b>	<b>0,03</b>	<b>0,41</b>	<b>0,07</b>
<b>Diluted earnings per share = (A)/(B)</b>		<b>0,17</b>	<b>0,03</b>	<b>0,41</b>	<b>0,07</b>

\*In accordance with IAS 33 "Earnings per share" for the purpose of calculating basic earnings per share, the weighted average number of shares in a given period was assumed as the number of shares. It was established as the number of shares at the beginning of a given period, adjusted by the number of shares bought or issued during the period weighted with the ratio reflecting the period of these shares (number of days the shares occur until the total number of days in a given period - from the date of registration increase in share capital) . In the analyzed period, there were no factors that would affect the dilution of the number of shares.



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### 3. Statement on changes in equity

	Share capital	Own shares (negative figure)	Revaluation capital	Supplementary capital	Other capital	Capital from the valuation of security transactions and foreign exchange differences	Retained earnings	Net earnings	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 presentationchange	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 share 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	-519 555,86	0,00	0,00	-519 555,86
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 including a company for consolidation	0,00	0,00	3 000,00	0,00	0,00	0,00	-294 683,56	0,00	-291 683,56
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	-3 442 316,38	-16 612 733,69	25 936 092,09	677 416 386,15
Net profit (loss) for the accounting year	0,00	0,00	0,00	0,00	0,00	0,00	0,00	15 198 593,56	15 198 593,56
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	-3 442 316,38	-16 612 733,69	41 134 685,64	692 614 979,71
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 30 September 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>-3 442 316,38</b>	<b>-44 425 612,23</b>	<b>15 198 593,56</b>	<b>692 614 979,71</b>



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	Share capital	Own shares (negative figure)	Revaluation capital	Supplementary capital	Other capital	Capital from the valuation of security transactions and foreign exchange differences	Retained earnings	Net earnings	EQUITY
<b>As at 31 December 2016</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 490 208,19</b>	<b>646 600 115,53</b>	<b>7 947 307,60</b>	<b>-2 021 991,29</b>	<b>-49 573 465,57</b>	<b>24 978 238,97</b>	<b>653 192 302,02</b>
Basic error corrections	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Adjustments due to presentation change	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>As at 1 January 2017</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 490 208,19</b>	<b>646 600 115,53</b>	<b>7 947 307,60</b>	<b>-2 021 991,29</b>	<b>-49 573 465,57</b>	<b>24 978 238,97</b>	<b>653 192 302,02</b>
Share issuance	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Purchase of own shares	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Own share redemption	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Foreign exchange rate differences due to the calculation of financial statements of foreign subsidiaries	0,00	0,00	0,00	0,00	0,00	-900 769,23	0,00	0,00	-900 769,23
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	0,70	0,00	0,70
Including a company for consolidation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total profit / loss recognized directly in equity	17 771 888,60	0,00	7 490 208,19	646 600 115,53	7 947 307,60	-2 922 760,52	-49 573 464,87	24 978 238,97	<b>652 291 533,49</b>
Net profit (loss) for the accounting year	0,00	0,00	0,00	0,00	0,00	0,00	0,00	25 936 092,09	<b>25 936 092,09</b>
Total profit / (loss) recognized in equity and the net result	17 771 888,60	0,00	7 490 208,19	646 600 115,53	7 947 307,60	-2 922 760,52	-49 573 464,87	50 914 331,06	<b>678 227 625,58</b>
Increase / decrease from profit distribution	0,00	0,00	0,00	-8 277 175,78	0,00	0,00	33 255 414,75	-24 978 238,97	0,00
<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>678 227 625,58</b>





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	Share capital	Own shares (negative figure)	Revaluation capital	Supplementary capital	Other capital	Capital from the valuation of security transactions and foreign exchange differences	Retained earnings	Net earnings	EQUITY
<b>As at 31 December 2016</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 490 208,19</b>	<b>646 600 115,53</b>	<b>7 947 307,60</b>	<b>-2 021 991,29</b>	<b>-49 573 465,57</b>	<b>24 978 238,97</b>	<b>653 192 302,02</b>
Basic error corrections	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Adjustments due to presentation change	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>As at 1 January 2017</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 490 208,19</b>	<b>646 600 115,53</b>	<b>7 947 307,60</b>	<b>-2 021 991,29</b>	<b>-49 573 465,57</b>	<b>24 978 238,97</b>	<b>653 192 302,02</b>
Share issuance	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Purchase of own shares	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Own share redemption	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Foreign exchange rate differences due to the calculation of financial statements of foreign subsidiaries	0,00	0,00	0,00	0,00	0,00	-580 131,40	0,00	0,00	-580 131,40
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	0,72	0,00	0,72
Including a company for consolidation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total profit / loss recognized directly in equity	17 771 888,60	0,00	7 490 208,19	646 600 115,53	7 947 307,60	-2 602 122,69	-49 573 464,85	24 978 238,97	652 612 171,34
Net profit (loss) for the accounting year	0,00	0,00	0,00	0,00	0,00	0,00	0,00	3 058 764,82	3 058 764,82
Total profit / (loss) recognized in equity and the net result	17 771 888,60	0,00	7 490 208,19	646 600 115,53	7 947 307,60	-2 602 122,69	-49 573 465,57	28 037 003,78	655 670 935,44
Increase / decrease from profit distribution	0,00	0,00	0,00	-7 948 553,58	0,00	0,00	32 926 792,55	-24 978 238,97	0,00
<b>As at 30 September 2017</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 490 208,19</b>	<b>638 651 561,95</b>	<b>7 947 307,60</b>	<b>-2 602 122,69</b>	<b>-16 646 672,31</b>	<b>3 058 764,82</b>	<b>655 670 936,16</b>



Condensed consolidated financial statements  
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4. Condensed statement on the cash flow

	01-01-2018 to 30-09-2018	01-01-2017 to 30-09-2017
<b>Operating cash flow - two-step method</b>		
<b>Net profit (loss)</b>	<b>15 198 593,56</b>	<b>3 058 764,82</b>
<b>Item adjustments</b>	<b>8 142 615,29</b>	<b>18 068 998,61</b>
Depreciation and amortization	8 457 801,56	8 169 371,33
(Profits) loss on foreign exchange differences	-933 093,62	1 096 280,52
(Profits) loss from investment activities	0,00	1 075 250,00
(Profits) loss from investment activities - shares	0,00	0,00
Interest and dividends	5 422 786,46	9 575 697,83
Changes in provisions and accruals	-8 890 492,06	-3 529 108,39
Other adjustments	4 085 612,95	1 681 507,33
- write-off of investment real estate	4 795 776,22	2 261 638,01
- other adjustments	-710 163,27	-580 130,68
<b>Changes in working capital</b>	<b>161 453 703,75</b>	<b>75 225 598,41</b>
Change in inventories	1 712 319,82	406 381,71
Change in construction contracts	136 709 898,15	50 850 139,77
Change in investment real estate	0,00	0,00
Change in receivables	3 006 574,80	4 821 943,19
Changes in current liabilities, except for borrowings	20 024 910,98	19 147 133,74
	<b>0,00</b>	<b>0,00</b>
<b>Operational activity cash flow - net</b>	<b>184 794 912,60</b>	<b>96 353 361,84</b>
<b>Investment activity cash flows</b>		
Disposal of tangible and intangible assets and other non-current assets	0,00	561 750,00
Purchase of tangible and intangible assets and other non-current assets	-100 062 729,32	-22 089 035,70
Expenses related to assets intended for sale	0,00	0,00
Purchase of equity and debt instruments	-1 560 000,00	-37 000 000,00
Disposal of equity and debt instruments	0,00	18 773 609,00
Loans granted	-6 643 805,03	-140 265,97
Interest received	0,00	26 391,00
Disposal of subsidiaries	0,00	0,00
Acquisitions of subsidiaries	-203 312,00	0,00
<b>Net investment cash flow</b>	<b>-108 469 846,35</b>	<b>-39 867 551,67</b>
<b>Financial activities cash flow</b>		
Net revenue from issue of shares and other capital instruments and additional payments to capital	0,00	0,00
Purchase of own shares or share redemption	0,00	0,00
Credits and loans granted	18 595 162,88	38 100 586,04
Credits and loans repaid	-61 826 317,07	-49 459 978,23
Debt securities issued	0,00	70 000 000,00
Debt securities redeemed	-7 000 000,00	0,00
Payments under financial lease agreements	-973 383,14	-986 847,53
Dividends and other profit shares	0,00	0,00
Interest paid	-12 356 025,45	-10 396 269,99
Other financial proceeds (including notes)	114 415,51	0,00
Other financial expenditures (including notes)	0,00	-2 250 000,00
<b>Net financial activities cash flow</b>	<b>-63 446 147,27</b>	<b>45 007 490,29</b>
<b>NET DECREASE / (INCREASE) IN CASH</b>	<b>12 878 918,98</b>	<b>101 493 300,46</b>
Cash and cash equivalents at the beginning of the year	174 271 089,37	88 312 239,72
- change in cash and cash equivalents due to differences in foreign exchange rate	0,00	0,00
<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>187 150 008,34</b>	<b>189 805 540,18</b>

## C. EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. FIXED ASSETS

Note 1. Intangible assets

<b>INTANGIBLE ASSETS</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) research and development expenses	0,00	0,00
b) goodwill from consolidation	12 389 648,22	12 389 648,22
c) other intangible assets	450 595,85	99 399,31
d) advances on intangible assets	0,00	0,00
<b>Total intangible assets</b>	<b>12 840 244,07</b>	<b>12 489 047,53</b>

Note 2. Tangible assets

<b>TANGIBLE ASSETS</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) fixed assets, including:	399 994 344,91	399 910 708,06
- land (including right of perpetual usufruct)	41 475 107,91	41 475 107,91
- buildings and structures	330 921 925,17	328 504 635,75
- plant and machinery	14 948 173,48	15 947 875,40
- motor vehicles	1 409 427,62	2 400 907,49
- other fixed assets	11 239 710,73	11 582 181,51
b) constructions in progress	16 202 928,53	13 586 520,50
c) advances on constructions in progress	2 760 515,45	0,00
<b>Total tangible assets</b>	<b>418 957 788,89</b>	<b>413 497 228,56</b>

Note 3. Investment real estate

<b>Other long-term investments</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) Investment real estate	238 535 966,04	279 544 497,36
b) other	0,00	0,00
<b>Total other long-term investments</b>	<b>238 535 966,04</b>	<b>279 544 497,36</b>

<b>CHANGE IN INVESTMENT REAL ESTATE</b>	<b>According to fair value</b>	<b>According to historical cost</b>	<b>Total value of investment properties</b>
<b>a) Opening balance</b>	<b>211 115 853,59</b>	<b>68 428 643,77</b>	<b>279 544 497,36</b>
expenditure incurred	126 827 749,06	65 525 085,71	192 352 834,77
financial expenses	14 891 508,16	2 903 558,06	17 795 066,22
revaluation value	69 396 596,37	0,00	69 396 596,37
<b>b) increase (due to)</b>	<b>4 462 600,80</b>	<b>84 932 112,96</b>	<b>89 394 713,76</b>
expenditure incurred	4 448 687,00	80 842 159,91	85 290 846,91
financial expenses	0,00	4 089 953,05	4 089 953,05
revaluation value	13 913,80	0,00	13 913,80
reclassification from construction contracts	0,00	0,00	0,00
<b>c) decrease (due to)</b>	<b>130 403 245,08</b>	<b>0,00</b>	<b>130 403 245,08</b>
expenditure incurred-sale, corrections	0,00	0,00	0,00
financial expenses	10 219 797,45	0,00	10 219 797,45
revaluation value	4 809 690,02	0,00	4 809 690,02
reclassification to construction contracts / goods	115 373 757,61	0,00	115 373 757,61
<b>d) closing balance</b>	<b>85 175 209,31</b>	<b>153 360 756,73</b>	<b>238 535 966,04</b>
expenditure	68 697 228,07	146 367 245,62	215 064 473,69
financial expenses	4 671 710,71	6 993 511,11	11 665 221,82
revaluation value	11 806 270,53	0,00	11 806 270,53

Note 4. Other financial assets

<b>LONG-TERM FINANCIAL ASSETS</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) shares	421 716,98	221 907,98
b) loans granted	45 868 728,95	112 067,95
c) Other long-term investments	20 342 865,23	3 419 034,32
<b>Total long-term financial assets</b>	<b>66 633 311,16</b>	<b>3 753 010,25</b>

<b>LONG-TERM FINANCIAL ASSETS</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) in subsidiaries	39 744 811,58	124 425,93
- shares	213 166,98	12 357,98
- security papers	204 615,85	0,00
- other security papers	0,00	0,00
- loans granted	39 327 028,75	112 067,95
- other long-term financial assets	0,00	0,00
b) in other units	26 888 499,58	3 628 584,32
- shares	208 550,00	209 550,00
- security papers	0,00	0,00
- other security papers	20 138 249,38	3 419 034,32
- loans granted	6 541 700,20	0,00
- other long-term financial assets	0,00	0,00
c) Other long-term investments	0,00	0,00
<b>Total long-term financial assets</b>	<b>66 633 311,16</b>	<b>3 753 010,25</b>



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	Name of a unit and its legal form	Registered office	Type of business activity	Affiliation type	Consolidation method	Date of assuming control	Value of shares/interest at acquisition price	Revaluation adjustment value	Write-offs up to book value of in-kind contribution	Carrying value of shares	% of total number of votes in the General Meeting
1	TBS Marki Sp.z o.o.	Warsaw	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 activity	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 activity	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	prefabricated unit production for the building industry	subsidiary	full consolidation	19.02.2008	70 197 456,00	0,00	36 125 456,00	34 072 000,00	100,00%
5	Dana Invest Sp z o.o.	Ząbki	real estate development activity	subsidiary	full consolidation	22.11.2013	14 308 350,00	0,00	0,00	14 308 350,00	99,99%
6	Varsovia Apartamenty Sp. z o.o.	Ząbki	real estate development activity	subsidiary	full consolidation	23.01.2014	305 000,00	0,00	0,00	305 000,00	100,00%
7	Berensona Invest Sp. z o.o.	Ząbki	real estate development activity	subsidiary	full consolidation	28.01.2014	5 000,00	0,00	0,00	5 000,00	100,00%
8	Bliska Wola 4 Sp z o.o. 1 SK	Ząbki	real estate development activity	subsidiary	full consolidation	22.01.2014	44 800 300,00	0,00	0,00	44 800 300,00	99,00%
9	Bliska Wola 4 Sp z o.o. 2 SK	Ząbki	real estate development activity	subsidiary	full consolidation	29.01.2014	6 769 550,00	0,00	0,00	6 769 550,00	48,00%
10	Wola Invest Sp z o.o.	Ząbki	real estate development activity	subsidiary	full consolidation	23.01.2014	5 000,00	0,00	0,00	5 000,00	100,00%
11	Bliska Wola 4 Sp z o.o.	Ząbki	real estate development activity	subsidiary	full consolidation	24.01.2014	5 000,00	0,00	0,00	5 000,00	100,00%
12	Hanza Invest S.A.	Ząbki	real estate development activity	subsidiary	full consolidation	26.10.2016	75 117 223,20	0,00	0,00	75 117 223,20	100,00%
13	WIELOPOLE 19/21 SP.Z O.O.	Ząbki	real estate development activity	subsidiary	not consolidated	29.03.2018	203 312,00	0,00	0,00	203 312,00	100,00%





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Partial affiliation											
1	Bliska Wola 4 Sp z o.o.2SK	Ząbki	real estate development activity	subsidiary	full consolidation	26.02.2016	12 745 500,00	0,00	0,00	12 745 500,00	51,00%
2	Bliska Wola 4 Sp z o.o.1SK	Ząbki	real estate development activity	subsidiary	full consolidation	26.02.2016	211,74	0,00	0,00	211,74	1,00%
3	Bliska Wola 4 Sp z o.o.2SK	Ząbki	real estate development activity	subsidiary	full consolidation	26.02.2016	178,00	0,00	0,00	178,00	1,00%
4	Dana Invest Sp. z o.o.	Ząbki	real estate development activity	subsidiary	full consolidation	27.11.2014	50,00	0,00	0,00	50,00	0,01%
5	Karczma Regionalna Sp.z o.o.	Krynica Górska	hotel sevices	subsidiary	not consolidated	16.12.2004	208 550,00	0,00	0,00	208 550,00	8,06%

Note 5. Non-current receivables

<b>NON-CURRENT RECEIVABLES</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) guarantee receivables	2 987 435,47	3 032 273,85
b) deposit receivables (leasing)	0,00	0,00
b) other receivables	0,00	0,00
<b>Total receivables</b>	<b>2 987 435,47</b>	<b>3 032 273,85</b>

**2. CURRENT ASSETS**

Note 6. Inventories

<b>INVENTORIES</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) materials	2 203 907,53	2 591 802,87
b) semi-finished products and work in progress	0,00	0,00
c) finished products	249 627,77	249 627,77
d) goods	25 387 366,09	27 482 711,03
e) trade advances	847 291,82	76 371,36
<b>Total inventories</b>	<b>28 688 193,21</b>	<b>30 400 513,03</b>

Note 7. Construction contracts

<b>CONSTRUCTION CONTRACTS</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
<b>CONSTRUCTION CONTRACTS (Current assets)</b>		
a) semi-finished products and work in progress	693 273 117,31	580 192 722,05
b) finished products	37 042 393,75	32 089 840,45
c) trade advances	17 387 629,92	17 114 540,28
d) short-term accruals	623 719,07	198 203,74
<b>Total construction contracts</b>	<b>748 326 860,05</b>	<b>629 595 306,51</b>

<b>CONSTRUCTION CONTRACTS (Current liabilities)</b>		
a) Accruals	509 286 414,01	377 519 939,66
<b>Total construction contracts</b>	<b>509 286 414,01</b>	<b>377 519 939,66</b>

construction contracts

<b>Accruals</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
- advances on premises	504 280 521,06	373 504 903,13
- work reserves	4 073 542,07	2 839 681,53
- other	932 350,88	1 175 355,00
<b>Total accruals</b>	<b>509 286 414,01</b>	<b>377 519 939,66</b>

The Companies of the Group, in connection with the business activities, incur loans that are secured with the mortgage on the property. As at 30 January 2018, the companies of the group established securities in the form of mortgages presented in inventories and construction contracts with the value of PLN 632,1 million. The value of the mortgage is established on the amount of the credit granted (or higher), therefore, this amount exceeds the value of the property shown in assets of the Companies of the Group. As at 30 June 2018, the loan liabilities amounted to PLN 160,8 million (excluding the credits of TBS Marki Sp. z o.o., liabilities amount to PLN 72,5 million).

Note 8. Current receivables

<b>CURRENT RECEIVABLES</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) trade receivables - related parties	0,00	7 783,70
b) trade receivables - other parties	20 435 925,63	25 576 919,46
c) taxes, subsidies, customs duties, social health insurance and other payments	16 794 351,93	12 436 070,61
d) other	2 947 189,57	4 118 429,78
<b>Total receivables</b>	<b>40 177 467,13</b>	<b>42 139 203,55</b>

Note 9. Other financial assets



Condensed consolidated financial statements  
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<b>SHORT-TERM INVESTMENTS</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) shares	0,00	0,00
b) loans granted	861 047,46	39 683 837,60
c) other investments	1 238 457,45	16 041 377,29
<b>Total short-term investments</b>	<b>2 099 504,91</b>	<b>55 725 214,89</b>

<b>SHORT-TERM INVESTMENTS</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) in subsidiaries	805 562,92	39 683 837,60
- shares	0,00	0,00
- security papers	0,00	0,00
- other security papers	0,00	0,00
- loans granted	805 562,92	39 683 837,60
- other current financial assets	0,00	0,00
b) in other units	1 293 941,99	16 041 377,29
- shares	0,00	0,00
- security papers	0,00	0,00
- other security papers	1 238 457,45	16 041 377,29
- loans granted	55 484,54	0,00
- other current financial assets	0,00	0,00
c) other short-term investments	0,00	0,00
<b>Total short-term investments</b>	<b>2 099 504,91</b>	<b>55 725 214,89</b>

Note 10. Cash and cash equivalents

<b>CASH AND CASH EQUIVALENTS</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) cash on hand and with bank	180 875 416,19	173 027 606,33
b) other cash	5 937 778,75	1 015 460,11
c) other cash assets	336 813,40	228 022,93
<b>Total cash and cash equivalents</b>	<b>187 150 008,34</b>	<b>174 271 089,37</b>

	<b>30.09.2018</b>	<b>31.12.2017</b>
<b>cash on escrow accounts</b>	<b>145 690 183,43</b>	<b>45 584 183,26</b>
JW. Construction Holding SA	116 456 458,06	37 174 715,67
Hanza Invest SA	29 233 725,37	8 401 700,44
Nowe Tysiąclecie Sp. z o.o.	0,00	7 767,15

Note 11. Accruals

<b>ACCRUALS</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) short-term accruals	17 257 324,36	13 293 242,47
<b>Total accruals</b>	<b>17 257 324,36</b>	<b>13 293 242,47</b>

<b>Accruals</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
- property insurance	292 383,24	116 644,20
- interest	1 112 491,04	1 418 486,12
- commission expenses	11 890 664,73	10 275 254,20
- property tax, perpetual usufruct, road tax	1 742 818,05	14 811,00
- other	2 218 967,30	1 468 046,95
<b>Total accruals</b>	<b>17 257 324,36</b>	<b>13 293 242,47</b>

### 3. LIABILITIES

#### Note 12. Borrowings

<b>BORROWINGS</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) credits	160 808 053,58	204 039 207,77
<i>of which: long-term</i>	107 531 246,00	144 689 144,73
<i>short-term</i>	53 276 807,58	59 350 063,04
b) loans	375 865,86	897 210,95
<i>of which: long-term</i>	0,00	0,00
<i>short-term</i>	375 865,86	897 210,95
<b>Total borrowings</b>	<b>161 183 919,44</b>	<b>204 936 418,72</b>
<b>Borrowings - long-term</b>	<b>107 531 246,00</b>	<b>144 689 144,73</b>
<b>Borrowings - short-term</b>	<b>53 652 673,44</b>	<b>60 247 273,99</b>

<b>CREDITS PER MATURITY</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
Up to 1 year	53 276 807,58	59 350 063,04
Over 1 year up to 2 years	11 525 025,23	46 682 411,57
Over 2 years up to 5 years	23 099 161,61	19 388 653,94
Over 5 years	72 907 059,16	78 618 079,22
<b>Total credits, including</b>	<b>160 808 053,58</b>	<b>204 039 207,77</b>
- long-term	107 531 246,00	144 689 144,73
- short-term	53 276 807,58	59 350 063,04

<b>LOANS PER MATURITY</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
Up to 1 year	375 865,86	897 210,95
Over 1 year up to 2 years	0,00	0,00
Over 2 years up to 5 years	0,00	0,00
Over 5 years	0,00	0,00
<b>Total loans, including:</b>	<b>375 865,86</b>	<b>897 210,95</b>
- long-term	0,00	0,00
- short-term	375 865,86	897 210,95

Including the loans taken by TBS Marki Sp. z o.o.

<b>BORROWINGS</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) credits	88 281 095,94	90 903 238,42
<i>of which: long-term</i>	84 061 259,55	85 736 830,84
<i>short-term</i>	4 219 836,39	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>88 281 095,94</b>	<b>90 903 238,42</b>
<b>Borrowings - long-term</b>	<b>84 061 259,55</b>	<b>85 736 830,84</b>
<b>Borrowings - short-term</b>	<b>4 219 836,39</b>	<b>5 166 407,58</b>

<b>CREDITS PER MATURITY</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
Up to 1 year	4 219 836,39	5 166 407,58
Over 1 year up to 2 years	4 219 875,23	5 166 407,58
Over 2 years up to 5 years	15 954 827,06	15 085 505,94
Over 5 years	63 886 557,26	65 484 917,32
<b>Total credits, including</b>	<b>88 281 095,94</b>	<b>90 903 238,42</b>
- long-term	84 061 259,55	85 736 830,84
- short-term	4 219 836,39	5 166 407,58

TBS Marki Sp. z o.o. took the loan from the National Housing Fund on an entirely separate conditions, regulated by the Ordinance of 26 October 1995 in the Act on Some Forms of Supporting Housing Construction (Journal of Laws 00.98.1070.unitary text.):.

Note 13. Other capital

<b>OTHER CAPITAL</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) Supplementary capital	692 071 910,38	638 322 939,75
b) Other capital	7 947 307,60	7 947 307,60
c) conversion differences	-3 442 316,38	-2 922 760,52
<b>Total other capital</b>	<b>696 576 901,60</b>	<b>643 347 486,83</b>

Note 14. Other non-current liabilities

<b>OTHER NON-CURRENT LIABILITIES</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) lease obligations	55 434,83	598 298,02
b) deposit liabilities	31 116 724,18	22 035 243,99
c) Other non-current liabilities	5 124 993,27	5 093 659,36
d) note liabilities	0,00	0,00
e) bonds	171 100 000,00	199 100 000,00
<b>Total other non-current liabilities</b>	<b>207 397 152,28</b>	<b>226 827 201,37</b>

All lease obligations are presented in PLN. The fair value of receivables corresponds to the book value and on 30 September 2018 amounts to PLN 1.004.166,87 of which PLN 55.434,83 constitutes a non-current liability.

Prospect leasing payments are payable, including:

	<b>Minimum leasing payments</b>	<b>Interest</b>	<b>Current value of liability</b>
	<b>30.09.2018</b>	<b>30.09.2018</b>	<b>30.09.2018</b>
under 1 year	966 691,31	17 959,27	948 732,04
between 1 and 5 years	56 123,35	688,52	55 434,83
Over 5 years	0,00	0,00	0,00
	<b>1 022 814,66</b>	<b>18 647,79</b>	<b>1 004 166,87</b>

	<b>Minimum leasing payments</b>	<b>Interest</b>	<b>Current value of liability</b>
	<b>31.12.2017</b>	<b>31.12.2017</b>	<b>31.12.2017</b>
under 1 year	1 434 668,84	55 416,85	1 379 251,99
between 1 and 5 years	621 704,87	23 406,85	598 298,02
Over 5 years	0,00	0,00	0,00
	<b>2 056 373,71</b>	<b>78 823,70</b>	<b>1 977 550,01</b>

Current value of leasing liabilities presented in the report:

	<b>30.09.2018</b>	<b>31.12.2017</b>
Current liabilities	948 732,04	1 379 251,99
Non-current liabilities	55 434,83	598 298,02
	<b>1 004 166,87</b>	<b>1 977 550,01</b>

Note 15. Trade and other payables

<b>TRADE AND OTHER PAYABLES</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) trade payables - other parties	53 368 031,14	46 702 569,04
b) trade payables- related parties	0,00	0,00
c) taxes, customs duties, insurance and other payables	3 958 242,20	3 568 122,28
d) salaries	2 513 225,43	2 388 654,25
e) trade advances received	0,00	0,00
f) other	11 698 065,76	7 966 122,08
<b>Total trade and other payables</b>	<b>71 537 564,53</b>	<b>60 625 467,65</b>



<b>PROVISIONS FOR OTHER LIABILITIES</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
<b>a) short-term, including:</b>	<b>27 608 810,19</b>	<b>27 735 675,12</b>
- Passive accruals, including:	11 564 096,67	13 057 926,22
- <i>interest accrued</i>	1 102 946,05	1 122 006,79
- <i>rent deposit</i>	480 433,64	480 433,64
- <i>hotel advances</i>	1 594 479,53	3 879 548,64
- <i>other</i>	8 386 237,45	7 575 937,15
- other provisions, including:	16 044 713,52	14 677 748,90
- <i>provisions for future liabilities</i>	0,00	0,00
- <i>provisions for warranty repairs</i>	1 509 355,90	1 509 355,90
- <i>other provisions</i>	14 535 357,62	13 168 393,00
<b>a) long-term, including:</b>	<b>54 494 770,48</b>	<b>54 578 877,99</b>
- Passive accruals, including:	54 494 770,48	54 578 877,99
- <i>participation in costs of construction - TBS Marki</i>	48 492 090,66	48 525 652,37
- <i>deferred income- loan remittance-TBS Marki</i>	6 002 679,82	6 053 225,62
<b>Provision for other liabilities and charges razem</b>	<b>82 103 580,67</b>	<b>82 314 553,11</b>

Note 16. Other liabilities

<b>OTHER LIABILITIES</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) debt securities issue liabilities	42 511 717,72	20 767 451,05
b) note liabilities	0,00	573 279,31
c) lease obligations	948 732,04	1 379 251,99
d) Other liabilities finansowe	0,00	0,00
<b>Total other non-current liabilities</b>	<b>43 460 449,76</b>	<b>22 719 982,35</b>

All lease obligations are presented in PLN. The fair value of receivables corresponds to the book value and on 30 September 2018 amounts to PLN 1 004 166,87 of which PLN 948 732,04 constitutes a short-term liability

#### 4. OPERATING INCOME AND EXPENSES

Note 17. Operating income

<b>OPERATING INCOME</b>	<b>01-01-2018 to 30-09-2018</b>	<b>01-01-2017 to 30-09-2017</b>	<b>01-07-2018 to 30-09-2018</b>	<b>01-07-2017 to 30-09-2017</b>
Revenues from sales of products	251 798 975,55	169 596 322,67	212 345 381,87	71 648 975,56
Revenues from sales of services	71 436 200,10	56 574 540,36	23 347 621,29	19 791 575,63
Revenues from sales of goods	2 182 972,42	1 547 906,76	-25 222,32	968 387,30
<b>Total income</b>	<b>325 418 148,07</b>	<b>227 718 769,79</b>	<b>235 667 780,84</b>	<b>92 408 938,49</b>

	<b>01-01-2018 to 30-09-2018</b>	<b>01-01-2017 to 30-09-2017</b>	<b>01-07-2018 to 30-09-2018</b>	<b>01-07-2017 to 30-09-2017</b>
<b>Proceeds from sales, including:</b>	<b>325 418 148,07</b>	<b>227 718 769,79</b>	<b>235 667 780,84</b>	<b>92 408 938,49</b>
- sales of products - units, plots, buildings	257 178 950,45	169 596 322,67	212 499 853,41	71 648 975,56
- sales of goods - other	0,00	0,00	0,00	0,00
- sales of services	66 056 225,20	56 574 540,36	23 193 149,75	19 791 575,63
- sales of goods	2 182 972,42	1 547 906,76	-25 222,32	968 387,30

	<b>01-01-2018 to 30-09-2018</b>	<b>01-01-2017 to 30-09-2017</b>	<b>01-07-2018 to 30-09-2018</b>	<b>01-07-2017 to 30-09-2017</b>
<b>Revenues from sales of products and services by segment</b>	<b>323 235 175,65</b>	<b>226 170 863,03</b>	<b>235 693 003,16</b>	<b>91 440 551,19</b>
-real estate development activity	266 977 448,95	178 006 516,14	215 659 574,32	74 683 772,43
-hotel services	46 324 347,89	36 662 278,89	17 243 586,00	13 715 100,51
-social building	9 933 378,81	10 445 200,73	2 989 447,84	3 383 378,25
-transport services	0,00	0,00	0,00	-341 700,00
-construction	0,00	1 056 867,27	-199 605,00	0,00

	01-01-2018 to 30-09-2018	01-01-2017 to 30-09-2017	01-07-2018 to 30-09-2018	01-07-2017 to 30-09-2017
<b>Revenues from sales of products - premises, plots, buildings per geographic segments</b>	<b>257 178 950,45</b>	<b>169 596 322,67</b>	<b>212 499 853,41</b>	<b>71 648 975,56</b>
-Warsaw and the surrounding area	163 308 691,73	77 285 412,18	127 594 214,67	67 225 479,35
-Gdynia	88 032 615,04	58 038 259,89	84 742 915,17	1 144 954,54
- Łódź	6 768,30	243 239,61	0,00	0,00
- Poznań	0,00	34 032 858,96	-442 648,45	3 281 989,64
- Katowice	450 900,48	-3 447,97	450 900,48	-3 447,97
- plots and networks	5 379 974,90	0,00	154 471,54	0,00

	01-01-2018 to 30-09-2018	01-01-2017 to 30-09-2017	01-07-2018 to 30-09-2018	01-07-2017 to 30-09-2017
<b>Revenue from hotel services by geographical segment</b>	<b>46 324 347,89</b>	<b>36 662 278,89</b>	<b>17 243 586,00</b>	<b>13 715 100,51</b>
- Zegrze	4 689 413,10	4 304 715,21	1 912 692,10	1 637 206,85
- Tarnowo	4 826 613,74	4 263 625,95	1 409 884,09	1 466 906,76
- Stryków	3 077 621,46	3 002 094,78	1 082 744,23	950 859,41
- Szczecin	4 908 426,15	3 743 297,11	1 721 791,53	1 159 883,88
- Krynica Górská	25 509 255,57	21 092 859,58	9 127 567,72	8 244 557,35
- Varsovia Apartamenty Warsaw	3 313 017,87	255 686,26	1 988 906,33	255 686,26

Note 18. Operating expenses

<b>OPERATING EXPENSES</b>	01-01-2018 to 30-09-2018	01-01-2017 to 30-09-2017	01-07-2018 to 30-09-2018	01-07-2017 to 30-09-2017
Costs on sale of products	215 711 485,67	130 236 146,13	162 698 045,82	51 859 005,14
Costs on sale of services	48 607 663,80	39 667 816,03	18 482 659,62	13 499 247,68
Costs on sale of goods	2 176 148,98	1 574 816,25	-29 663,48	999 513,84
<b>Total costs of products, services and goods sold</b>	<b>266 495 298,45</b>	<b>171 478 778,41</b>	<b>181 151 041,96</b>	<b>66 357 766,66</b>

<b>Sales and overhead expenses</b>	01-01-2018 to 30-09-2018	01-01-2017 to 30-09-2017	01-07-2018 to 30-09-2018	01-07-2017 to 30-09-2017
Sales costs	16 944 366,13	16 301 772,32	6 616 361,54	5 147 154,25
Overheads	18 294 478,07	16 335 301,21	6 562 877,89	5 760 743,58
<b>Sales and overhead expenses in total</b>	<b>35 238 844,20</b>	<b>32 637 073,53</b>	<b>13 179 239,43</b>	<b>10 907 897,83</b>

<b>Costs by type</b>	01-01-2018 to 30-09-2018	01-01-2017 to 30-09-2017	01-07-2018 to 30-09-2018	01-07-2017 to 30-09-2017
Depreciation and amortization	8 665 213,70	8 375 972,78	4 692 600,96	2 856 557,90
Cost of materials and energy	97 811 041,28	19 600 627,81	32 488 366,98	6 540 017,71
Third party services	220 654 501,16	195 728 252,92	100 421 574,96	63 062 722,68
Taxes and fees	9 301 259,23	8 786 060,04	4 936 539,64	2 731 163,76
Remunerations	29 135 754,43	29 334 787,86	14 827 339,83	10 167 490,03
Social security and other payments	5 271 038,27	4 656 398,79	2 586 423,28	1 419 290,01
Other costs of type	8 058 895,95	6 699 641,98	3 720 341,59	2 726 312,61
<b>Costs by type in total</b>	<b>378 897 704,02</b>	<b>273 181 742,18</b>	<b>163 673 187,24</b>	<b>89 503 554,70</b>

Note 19. Other operating income

<b>OPERATING INCOME</b>	01-01-2018 to 30-09-2018	01-01-2017 to 30-09-2017	01-07-2018 to 30-09-2018	01-07-2017 to 30-09-2017
a) income from sale of non-financial fixed assets	39 456,66	93 315,74	6 793,06	91 607,32
b) other operating income	1 848 617,42	1 143 877,48	963 136,06	343 778,38
<b>Total operating income</b>	<b>1 888 074,08</b>	<b>1 237 193,22</b>	<b>969 929,12</b>	<b>435 385,70</b>



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for the period of 9 months ended on 30 September 2018

<b>OPERATING INCOME</b>	<b>od 01-01-2018 to 30-09-2018</b>	<b>od 01-01-2017 to 30-09-2017</b>	<b>od 01-07-2018 to 30-09-2018</b>	<b>od 01-07-2017 to 30-09-2017</b>
a) income from sale of non-financial fixed assets	39 456,66	93 315,74	6 793,06	91 607,32
b) bank charges	0,00	112 729,70	-132 548,86	34 868,60
c) reserves	0,00	243 042,80	0,00	243 042,80
d) other (including contractual penalties, damages)	1 848 617,42	788 104,92	1 095 684,92	65 866,92
<b>Total operating costs</b>	<b>1 888 074,08</b>	<b>1 237 193,16</b>	<b>969 929,12</b>	<b>435 385,64</b>

Note 20. Other operating expenses

<b>OPERATING EXPENSES</b>	<b>01-01-2018 to 30-09-2018</b>	<b>01-01-2017 to 30-09-2017</b>	<b>01-07-2018 to 30-09-2018</b>	<b>01-07-2017 to 30-09-2017</b>
a) loss on sale of non-financial fixed assets	0,00	0,00	0,00	0,00
b) revaluation of non-financial assets	0,00	0,00	-60 673,07	0,00
c) other operating expenses	5 973 805,03	8 241 546,66	2 154 888,01	1 433 961,65
<b>Total operating costs</b>	<b>5 973 805,03</b>	<b>8 241 546,66</b>	<b>2 094 214,94</b>	<b>1 433 961,65</b>

<b>OPERATING EXPENSES</b>	<b>01-01-2018 to 30-09-2018</b>	<b>01-01-2017 to 30-09-2017</b>	<b>01-07-2018 to 30-09-2018</b>	<b>01-07-2017 to 30-09-2017</b>
a) loss on sale of non-financial fixed assets	0,00	0,00	0,00	0,00
b) revaluation of non-financial assets	0,00	0,00	-60 673,07	0,00
c) reserves	1 366 964,62	6 375 196,55	-47 000,00	683 482,31
d) compensations, penalties, damages	3 277 765,36	525 721,75	1 429 145,02	177 998,10
e) compensation	0,00	983,00	0,00	0,00
f) costs of discontinued investments	0,00	0,00	0,00	0,00
g) other	1 329 075,05	1 339 645,36	772 742,99	572 481,24
<b>Total operating costs</b>	<b>5 973 805,03</b>	<b>8 241 546,66</b>	<b>2 094 214,94</b>	<b>1 433 961,65</b>

Note 21. Financial Revenues

<b>FINANCIAL REVENUES</b>	<b>01-01-2018 to 30-09-2018</b>	<b>01-01-2017 to 30-09-2017</b>	<b>01-07-2018 to 30-09-2018</b>	<b>01-07-2017 to 30-09-2017</b>
a) dividends	0,00	0,00	0,00	0,00
b) interest	10 009 360,41	1 986 442,98	776 593,10	869 206,20
c) profit on disposal of investment	0,00	0,00	0,00	0,00
d) other	1 027 884,58	68 441,43	-826 723,52	34 808,09
<b>Total financial revenues</b>	<b>11 037 244,99</b>	<b>2 054 884,41</b>	<b>-50 130,42</b>	<b>904 014,29</b>

<b>Financial Revenues</b>	<b>01-01-2018 to 30-09-2018</b>	<b>01-01-2017 to 30-09-2017</b>	<b>01-07-2018 to 30-09-2018</b>	<b>01-07-2017 to 30-09-2017</b>
a) dividends	0,00	0,00	0,00	0,00
b) interest from customers	188 745,14	145 745,83	126 753,01	64 111,70
c) loan interest	387 357,11	361 273,91	154 871,92	112 960,68
d) deposit interest	784 142,40	770 481,82	250 429,10	476 168,78
e) notes interest	675 583,41	708 890,68	242 600,48	215 941,63
f) other interest	7 973 532,25	50,74	1 938,49	23,41
g) profit on disposal of investment	0,00	0,00	0,00	0,00
h) foreign exchange rate differences	0,00	0,00	0,00	0,00
i) other	1 027 884,58	68 441,43	-826 723,52	34 808,09
<b>Total</b>	<b>11 037 244,89</b>	<b>2 054 884,41</b>	<b>-50 130,52</b>	<b>904 014,29</b>

Note 22. Financial expenses

<b>FINANCIAL EXPENSES</b>	<b>01-01-2018 to 30-09-2018</b>	<b>01-01-2017 to 30-09-2017</b>	<b>01-07-2018 to 30-09-2018</b>	<b>01-07-2017 to 30-09-2017</b>
a) interest	19 034 417,81	10 929 728,28	5 100 378,22	4 126 449,01
b) loss on disposal of investment	30 384,75	0,00	0,00	0,00
c) other	43 461,82	1 429 227,85	18 329,82	-644 933,39
<b>Total financial expenses</b>	<b>19 108 264,38</b>	<b>12 358 956,13</b>	<b>5 118 708,04</b>	<b>3 481 515,62</b>

<b>FINANCIAL EXPENSES</b>	<b>01-01-2018 to 30-09-2018</b>	<b>01-01-2017 to 30-09-2017</b>	<b>01-07-2018 to 30-09-2018</b>	<b>01-07-2017 to 30-09-2017</b>
a) interest, commissions and loans	3 085 758,28	3 444 552,29	1 013 565,49	951 832,83
b) interest-leasing	46 386,18	87 155,03	12 524,21	30 560,70
c) interest- loans	-8 193,89	118 115,71	0,00	39 434,45
d) interest- notes	33,33	195 448,13	0,00	56 518,38
e) interest- bond issuance	4 002 825,14	6 341 358,88	1 350 049,02	2 642 098,63
f) other interest	11 907 608,77	743 098,24	2 724 239,50	406 004,02
g) loss on disposal of investment	30 384,75	0,00	0,00	0,00
h) other	43 461,82	1 429 227,85	18 329,82	-644 933,39
<b>Total financial expenses</b>	<b>19 108 264,38</b>	<b>12 358 956,13</b>	<b>5 118 708,04</b>	<b>3 481 515,62</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.

During the period covered by the report the following significant events took place:

##### Corporate matters :

##### Appointment to the Management Board

On 6 September 2018, Małgorzata Pisarek, the company's chief accountant, was appointed to the Management Board on the basis of a personal right granted to a significant shareholder.

##### Registration of the Issuer's merger with its subsidiary

On 20 September 2018, the District Court for the Capital City of Of Warsaw in Warsaw, 14th Commercial Division of the National Court Register, entered into the Registry the merger of the Issuer with its subsidiary: Seahouse Sp. z o.o. based in Ząbki, Łódź Invest Sp. z o.o. based in Ząbki, Nowe Tysiąclecie Sp. z o.o. based in Ząbki, Zdziarska Invest Sp z o.o. based in Ząbki, Lewandów Invest Sp. z o.o. based in Ząbki, Porta Transport Sp z o.o. in liquidation based in Szczecin, J.W. Ergo Energy Sp. z o.o. based in Ząbki, Towarzystwo Budownictwa Społecznego Nowy Dom Sp. z o.o. based in Ząbki, J.W. Marka Sp. z o.o. based in Ząbki and Business Financial Construction Sp. z o.o. based in Warsaw („acquired companies”).

The merger is being carried out within the capital group of the Company, and in all the companies being acquired, the Company holds a 100% interest in the share capital. The merger is being carried out pursuant to art. 492 §1 point 1 of CCC by transferring all assets of the acquired companies to the Company - as the sole shareholder.

##### Real estate purchase agreement

On 11 September 2018, in the performance of a conditional purchase agreement from 31 August 2018, the Company concluded an agreement transferring ownership of the plots of land No. 555, 556 and 557/1 with a total area of 29.4000 ha located in Zawada in Myślenice borough (Property). The price for the Property was set at PLN 21,000,000 gross. The contract was concluded following the fulfilment of the condition of not exercising the pre-emptive right by the State Treasury represented by State Forests. Pre-emptive right privilege under art. 37a of the Act of 28 September 1991 on forests (Journal of Laws of the Republic of Poland of 2015, item 2100, as amended). Pre-emptive right privilege for the Starost of Myślenice under art. 217 par.13 of the Act of 20 July 2017 on Water Law (Journal of Laws of the Republic of Poland of 2017, item 1566.). The Company plans to build about 79 600 m2 of useable area on the plot.

##### Occupancy permit

On 2 July 2018, the Company received occupancy permit for residential buildings implemented as part of a housing estate at Leśna and Parkowa St. in Gdynia - Osiedle Gdynia Bernadowo Park II. The permit is final.

On 18 July 2018, the Company received occupancy permit for the Varsovia aparthotel (Bliska Wola phase C) at Kasprzaka / Ordonia St. in Warsaw, the permit does not cover 11 premises other than aparthotel ones, where finishing works were underway. The permit is final.

On 14 August 2018, the Company received occupancy permit for 4 multi-family residential buildings being developed as part of the Zielona Dolina II phase II housing investment at Verdi St. in Warsaw. The permit is final.

On 20 September 2018, the Company received occupancy permit for 7 units in aparthotel Varsovia building (Bliska Wola phase C) at Kasprzaka/Ordonia St. in Warsaw. The permit is final.

### **Building permit**

On 10 September 2018, the Company received building permit for the construction of a hotel and commercial complex with technical infrastructure, located at Spokojna St. in Gdynia. The permit is not final.

### **Contract for construction works**

On 28 August 2018, the Issuer entered into contract with Fabet-Konstrukcje Sp. z o.o. registered in Kielce (Contractor). The subject matter of the contract is the execution of the following works at the Company's investment site at Kasprzaka St. Phases Dm and Dk:

- trench drainage;
- performing groundworks;
- securing the trench walls – slurry wall;
- comprehensive performance of reinforced concrete works;
- comprehensive performance of masonry works.

The deadline for completion of works has been set for 21 October 2020.

The Contractor's remuneration has been set as a lump-sum based on the scope of works for the amount of PLN 140.262.989,82 plus VAT at the rate applicable on the day of issuing invoice.

### **Sales**

Sales for the period from 1 January to 30 September 2018 was 968 units.

### **Transferring properties**

In the period from 1 January to 30 September 2018, the company transferred and recognized in its revenue a total of 872 units.

From investments carried out in the third quarter of the year and projects completed or launched as part of the booking sale, before the commencement of construction, the premises on offer to be recognized in the following quarters constitute a total of 4,347 units, including: 2,407 sales and non-transferred, 1,940 units for sale.

### **Ongoing investments**

In Q3 2018 Company carried out 12 investments for a total of 4,213 with 196 463 m<sup>2</sup>, including aparthotels and terraced houses. Construction included:

- in Warsaw: Bliska Wola (phases D and E), Osiedle Zielona Dolina II phase II, Osiedle Wrzosowa Aleja, as well as terraced houses – Villa Campina (3 phases) near Warszawą, near Ożarów Mazowiecki,
- in Gdynia: Osiedle Kamerata,
- in Katowice: Osiedle Nowe Tysiąclecie phase III,
- in Szczecin: Hanza Tower.



### Ongoing investments in Q3 2018:

Investments	Units	Useable area	Aparthotel and commercial space	% of units sold as at 30 September 2018	% of construction completion as at 30 September 2018
Bliska Wola phase D (residential-aparthotel-commercial), Warsaw	1 060	25 417	17 151	11%	1%
Bliska Wola - Phase E - residential part, Warsaw	671	30 454		97%	84%
Zielona Dolina II phase II, Warsaw	570	25 311		76%	93%
Hanza Tower, Szczecin	508	21 957	10 841	50%	34%
Bliska Wola - Phase E – część komercyjno-mieszkaniowa, Warsaw	433	4 549	10 089	96%	81%
Bliska Wola phase D (residential), Warsaw	418	19 178		75%	0%
Nowe Tysiąclecie phase III, Katowice	346	18 261		36%	25%
Wrzosowa Aleja, Warsaw	81	2 958		22%	15%
Kamerata, Gdynia	55	3 420		100%	83%
Villa Campina Houses - Alicja (rank F), Ożarów,	30	2 857		0%	0%
Villa Campina Houses - Alicja (rank D), Ożarów,	21	2 017		100%	70%
Domy Villa Campina - Alicja (rank E), Ożarów	20	2 003		40%	15%
<b>Total</b>	<b>4 213</b>	<b>158 382</b>	<b>38 081</b>		

### Construction commenced in Q3 2018

From the aforementioned investments in the third quarter of 2018, investments for a total of 1 508 units commenced:

Construction commenced in Q3 2018	Number of units	useable area (m2)	aparthotel and commercial area
Bliska Wola phase D (residential-aparthotel-commercial), Warsaw	1 060	25 417	17 151
Bliska Wola phase D (residential), Warsaw	418	19 178	
Domy Villa Campina - Alicja (rank F), Ożarów,	30	2 857	
<b>TOTAL</b>	<b>1 508</b>	<b>47 452</b>	<b>17 151</b>

### Investments that received occupancy permit in Q3 2018

In Q3 2018 occupancy permit for a total of 793 units was received:

Investment	Number of units	useable area (m2)	aparthotel and commercial area
Bliska Wola - Phase C – aparthotel part, Warsaw*,**	453		14 349
Bernadowo Park phase II, Gdynia*	236	13 144	
Zielona Dolina II phase II (buildings no.22-25), Warsaw	104	4 508	
<b>Total</b>	<b>793</b>	<b>17 652</b>	<b>14 349</b>

\* Construction finished in H1 2018, occupancy permit received in Q3 2018.

\*\* 4 units with a useable area of 152 m2 received occupancy permit in Q4 2018.

### Planned investments

In the next few years, the Group, based on its land bank, is preparing, 22 new residential, aparthotel and warehouse projects, for a total of 5,770 units with a total useable area of 421,000. m2.

For all planned property development, aparthotel and warehouse projects, the Capital Group is the owner or perpetual usufructuary of the land or has signed preliminary purchase agreements. In a large part of the planned projects, the Company carried out design and preparatory work. The implementation of the investment will be financed from own funds, proceeds from clients in the case of an open escrow account and a bank loan.

Projects planned for implementation in the coming years are presented in the table below.

**List of projects planned for implementation- as at 30 September 2018:**

Investment	Number of units	Useable area	Aparthotel and commercial area
Myślenice near Cracow	1 769	79 605	
ul. Celna, Szczecin <sup>1)</sup>	623	18 862	14 796
ul. Starowiejska, Gdańsk- Letnica	600	31 000	
ul. Waryńskiego, Pruszków	475	19 000	
ul. Poznańska, Skórzewo near Poznan	280	14 000	
ul. Radosława, Nowogard	275	14 710	
ul. Berensona, Warsaw	264	11 855	
Varsovia Apartamenty ul. Pileckiego – Aparthotel, Warsaw	239		8 497
ul. Antoniewska, Warsaw	221	13 763	
ul. Spokojna – aparthotel, Gdynia	257		9 414
Domy phase VI i dalsze, Ożarów	150	15 675	
Lewandów Park III phase II, Warsaw	146	4 709	
ul. Mikołaja Trąby, Warsaw	140	5 847	
ul. Odkryta, phase II, Warsaw	104	4 581	
ul. Jesionowa/Partyzantów, Gdańsk <sup>1)</sup>	74	3 800	
ul. Aluzyjna, phase II, Warsaw	68	3 670	
Lewandów Park III phase I, Warsaw	40	1 631	
ul. Aluzyjna, phase I, Warsaw	32	1 850	
ul. Nowodworska, Warsaw	13	1 180	
Port (warehouses), Szczecin			80 000
Małopole (warehouses), near Warsaw <sup>1)</sup>			52 000
ul. Wielopole/ul. Dietla, Kraków			10 899
<b>Total</b>	<b>5 770</b>	<b>245 738</b>	<b>175 606</b>

preliminary contract/conditional purchase of real estate

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

In the third quarter of 2018, except for those described in this report, there were no events of unusual nature affecting the 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.**

**Building permit**



On October 4, 2018, the Company received a certificate that the decision of February 2, 2018 regarding the granting of a building permit for the construction of a hotel with services and an underground garage, located at Pileckiego St. in Warsaw, became final.

On 9 November 2018, the Company received building permit for the construction of a multi-family building with a service part and an underground garage at Mikołaja Trąby St. in Warsaw. The permit is not final.

#### Occupancy permit

On 3 October 2018, the Company received occupancy permit for remaining four premises in the Varsovia aparthotel (Bliska Wola phase C) at Kasprzaka / Ordona St. in Warsaw. The permit is valid.

#### Credit repayment

On 17 October 2018, the Company made a full repayment of the revolving credit for co-financing the costs of realization of "Zielona Dolina II phase II" residential investment in Warsaw, in the amount of PLN 49,500,000 incurred in BOŚ Bank SA.

#### Annex to the contract for the implementation of investment

On 14 November 2018, the Issuer's subsidiaries, Hanza Invest S.A. based in Ząbki (investor) and J.W. Construction Sp. z o.o. based in Ząbki (Contractor) signed an annex to the agreement of February 28, 2017 for the implementation of the Hanza Tower investment in Szczecin. Based on the annex, the following changes have been made:

- deadline for completing the investment was set for 30 July 2020 (obtaining a final occupancy permit);
- scope of works was increased due to changes resulting from the detailed design;
- The lump sum agreed by the parties was increased to PLN 173,000,000 increased by VAT at the rate applicable on the day the invoices were issued. The increase in remunerations includes the costs of works resulting from the increase of the scope of works, as well as the construction costs already incurred by the Contractor, calculated on the basis of the steel and concrete used.

#### Purchase of real estate - conditional agreement

On October 26, 2018, the Issuer concluded a conditional agreement to acquire the right of perpetual usufruct of undeveloped plots of land no. 5/4, 7/2 and 7/4 with a total area of 1.4471 ha located in Szczecin at Celna St. for a total amount of PLN 14,600,000 net plus VAT at the applicable rate. A deposit was paid in the amount of PLN 1,500,000 net, plus VAT at the applicable rate. The contract was concluded in the performance of the preliminary agreement to the conditional agreement of April 25, 2018. The company plans to build about 33,700 m<sup>2</sup> of usable area of apartments and aparthotels on the plot.

### 7. Contingent liabilities

In conducting economic activity, conditional instruments securing transactions are applied. Especially, based on the current loan agreements, banks in case of the company failure to fulfil the Group's obligations resulting from the signed agreements may seek compensation based on the created securities. Securities are created from the sum of granted credit multiplied by a certain factor. The multiplier depending on the type of credit agreement, security type, financing bank and other factors varies between 100% and 200%. Regardless of the number and the sum of created securities the bank may seek compensation from the sum of real debt with due interest. As at 30 September 2018, the amount of debt was equal PLN 160,8 million (including debts of TBS Marki Sp. z o.o. – PLN 88,3 million) and there were no reasons that could indicate that any credit loan could not be paid on time.

In case of J.W. Construction Holding S.A. the standard safeguards applied by banks include real estate mortgages.

Below is the list of mortgage securities:

OFF-BALANCE SECURITIES	30-09-2018
The sum for securities on owned real estate*	632 073 086

\* including securities on real estate owned by TBS Marki Sp. z o.o. – PLN 22,4 mln

For one credit agreement, typically several securities are applied that exceed the credit amount. However, it is impossible to sum up the sums of securities as the value of a possible claim would be strictly related to the security sum, and a entitled entity could choose a type of security. In addition to mortgage security, there are other forms of securities, such as writs of execution, promissory notes, powers of attorney to accounts or liens on accounts. In addition, in case of investment credits, the security instruments are transfers from contracts related to concrete constructions (for instance, general contractorship agreements, insurance agreements, good quality guarantees). Also, if a borrower is a subsidiary of J.W. Construction Holding S.A., banks typically require also a guarantee from the Company, and in some other cases - lien on the shares of a subsidiary.

Below is the value of granted guarantees:

OFF-BALANCE SHEET COLLATERALS - other	30-09-2018
Guarantee of J.W. Construction Holding S.A. to the benefit of Hanza Invest SA for an investment loan incurred at Alior Bank SA	141 789 712



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Guarantee of J.W. Construction Holding S.A. to the benefit of Dana Invest Sp. z o.o. investment loan incurred at Bank BZ WBK SA	29 694 876
Registered pledge on J.W. Construction Holding S.A. Dana Invest Sp. z o.o.	23 499 582
Guarantees to the benefit of J.W. Construction Sp. z o.o. for the loan and surety at PKO BP	14 500 000
Guarantees to the benefit of TBS "Marki" Sp. z o.o.	22 400 000

As at 30 September 2018, there were bank and insurance securities regarding the removal of defects granted by banks and insurance companies that the companies of the Capital Group were the beneficiary of. In addition, blank promissory notes were issued to the benefit of the Capital Group companies as a security for the customer guarantees that the Companies may use at any time to the sum corresponding to the costs corresponding to removal of defects. The total value of sureties as at 30 September 2018 was PLN 33,86m and EUR 37 thousand (J.W. Construction Holding S.A.), PLN 13,94 million and EUR 961 thousand (J.W. Construction Sp. z o.o)

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

In order to convert the balance sheet data on the last day of the period between 1 January and 30 September 2018, the exchange rate of euro was adopted, which was determined by the National Bank of Poland to be PLN 4,2714 per 1 euro.

In order to convert the balance sheet data on the last day of the period between 1 January – 31 December 2017, exchange rate of euro was adopted, which was determined by the National Bank of Poland to be PLN 4,1709 per 1 euro.

In order to convert the profit and loss account data for the period between 01.01.2018 and 30.09.2018, the exchange rate of euro was adopted, calculated as the arithmetic average of the rates from the last day of each month in a given period, determined by the National Bank of Poland for this day, i.e PLN 4,2535 per 1 euro

In order to convert the profit and loss account data for the period between 01.01.2017 and 30.09.2017, the exchange rate of euro was adopted, calculated as the arithmetic average of the rates from the last day of each month in a given period, determined by the National Bank of Poland for this day, i.e PLN 4,2300 per 1 euro.

Balance sheet item	30.09.2018		31.12.2017	
	PLN	EUR	PLN	EUR
<b>Total assets</b>	<b>1 810 532</b>	<b>423 873</b>	<b>1 690 887</b>	<b>405 401</b>
Fixed assets	786 833	184 210	745 463	178 729
Current assets	1 023 699	239 664	945 425	226 672
<b>Total equity and liabilities</b>	<b>1 810 532</b>	<b>423 873</b>	<b>1 690 887</b>	<b>405 401</b>
Equity	692 615	162 152	678 228	162 609
Non-current liabilities	412 372	96 542	463 811	111 202
Current liabilities	705 546	165 179	548 848	131 590



Condensed consolidated financial statements  
for the period of 9 months ended on 30 September 2018

Profit and loss account item	01.01.2018 to 30.09.2018		01.01.2017 to 30.09.2017	
	PLN	EUR	PLN	EUR
Net revenues from sales of products, goods and materials	325 418	76 506	227 719	53 834
Costs of sold products, goods and materials	266 495	62 654	171 479	40 539
<b>Gross profit (loss) on sales</b>	<b>58 923</b>	<b>13 853</b>	<b>56 240</b>	<b>13 295</b>
Sales costs	16 944	3 984	16 302	3 854
Overheads	18 294	4 301	16 335	3 862
Profit (loss) on sales	18 888	4 441	21 341	5 045
Operating profit (loss)	14 802	3 480	14 337	3 389
<b>Gross profit (loss)</b>	<b>6 731</b>	<b>1 583</b>	<b>4 033</b>	<b>953</b>
Income tax	-8 467	-1 991	974	230
<b>Net profit (loss)</b>	<b>15 199</b>	<b>3 573</b>	<b>3 059</b>	<b>723</b>

Balance sheet item	30.09.2018		31.12.2017	
	PLN	EUR	PLN	EUR
<b>Total assets</b>	<b>1 686 843</b>	<b>394 916</b>	<b>1 601 064</b>	<b>383 865</b>
Fixed assets	832 404	194 879	763 972	183 167
Current assets	854 438	200 037	837 092	200 698
<b>Total equity and liabilities</b>	<b>1 686 843</b>	<b>394 916</b>	<b>1 601 064</b>	<b>383 865</b>
Equity	751 651	175 973	731 428	175 365
Non-current liabilities	269 603	63 118	342 552	82 129
Current liabilities	665 589	155 824	527 084	126 372

Profit and loss account item	od 01.01.2018 do 30.09.2018		od 01.01.2017 do 30.09.2017	
	PLN	EUR	PLN	EUR
Net revenues from sales of products, goods and materials	311 818	73 309	211 075	49 899
Costs of sold products, goods and materials	253 646	59 633	162 153	38 334
<b>Gross profit (loss) on sales</b>	<b>58 172</b>	<b>13 676</b>	<b>48 921</b>	<b>11 565</b>
Sales costs	15 968	3 754	14 858	3 513
Overheads	15 354	3 610	14 542	3 438
Profit (loss) on sales	22 053	5 185	17 260	4 080
Operating profit (loss)	18 217	4 283	10 499	2 482
<b>Gross profit (loss)</b>	<b>12 260</b>	<b>2 882</b>	<b>8 242</b>	<b>1 948</b>
Income tax	-8 583	-2 018	4 390	1 038
<b>Net profit (loss)</b>	<b>20 843</b>	<b>4 900</b>	<b>3 852</b>	<b>911</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.**

On 20 September 2018, the District Court for the Capital City of Of Warsaw in Warsaw, 14th Commercial Division of the National Court Register, entered into the Registry the merger of the Issuer with its subsidiary: Seahouse Sp. z o.o. based in Ząbki, Łódź Invest Sp. z o.o. based in Ząbki, Nowe Tysiąclecie Sp. z o.o. based in Ząbki, Zdziarska Invest Sp z o.o. based in Ząbki, Lewandów Invest Sp. z o.o. based in Ząbki, Porta Transport Sp z o.o. in liquidation based in Szczecin, J.W. Ergo Energy Sp. z o.o. based in Ząbki, Towarzystwo Budownictwa Społecznego Nowy Dom Sp. z o.o. based in Ząbki, J.W. Marka Sp. z o.o. based in Ząbki and Business Financial Construction Sp. z o.o. based in Warsaw („acquired companies”).

The merger is being carried out within the capital group of the Company, and in all the companies being acquired, the Company holds a 100% interest in the share capital. The merger is being carried out pursuant to art. 492 §1 point 1 of CCC by transferring all assets of the acquired companies to the Company - as the sole shareholder.

**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 and 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 is PLN 17.771.888.60 and is divided into 88.859.443 ordinary bearer shares of series A and B and C with a nominal value of 0.20 PLN each. Each share entitles to one vote at the General Meeting of the Company.

As at 21 November 2018

Shareholder	Number of shares held	% of share capital	Number of votes	% of total number of votes at 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 %

Józef Wojciechowski controls the Company EHT SA based in Luxemburg.

In the period from 19 September 2018 (the date of publication of the last periodic report, which was a report for the first half of 2018), no changes have occurred in significant blocks of Issuer's shares by the date of submission of this report.

**12. Summary of the Issuer's shares or rights (options) held by persons managing and supervising the Issuer as at the day of publication of the quarterly report, along with an indication of changes in the possession status in the period from the submission of the previous quarterly report, separately for each person.**

As at 21 November 2018

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

In the period from the publication of the last quarterly report, there have been no changes.

**13. Lawsuits.**

As at 30 September 2018, no proceedings involving the Company or any of its subsidiaries, as both the plaintiff and the defendant, were relevant to the business operations conducted by the Company.

The company, however, would like to draw attention to the following ruling in the case brought by the City of Warsaw for payment of annual fees (2009-2013) for perpetual usufruct of the real estate designated in the local zoning plan for the public road, which was reported in the reports for earlier periods, as at 30 September 2018, the Company did not receive the reasons for the judgment of the Court of Appeal in Warsaw of 4 June 2018 as a result of a re-examination of the case following the above-mentioned ruling of the Supreme Court of 9 March 2018, pursuant to which the Company's appeal against the judgment The Court of First Instance was again dismissed. The company filed a request for justification to analyse the possibility of sending a cassation appeal to the Supreme Court.



**14. Information on the conclusion by the Issuer or its subsidiary of one or more transactions with related entities, if individually or jointly they are significant and have been concluded on other terms than market conditions.**

COMPANY	Receivables from related companies	
	30.09.2018	31.12.2017
TBS Marki Sp. z o.o.	134 368,52	127 222,70
J.W. Construction Sp. z o.o.	945 320,84	3 599 498,60
Dana Invest Sp. z o.o.	7 099,31	127 429,95
Bliska Wola 4 Sp.z o.o.1 SK	3 816,32	210 414,04
Bliska Wola 4 Sp.z o.o. 2 SK	409 253,56	517 261,58
Wola Invest Sp zo.o.	23 692,26	23 692,26
Bliska Wola 4 Sp. z o.o.	20 834,80	20 834,80
Berensona Invest Sp. z o.o.	26 644,26	26 644,26
Varsovia Apartamenty Sp.z o.o.	932 435,58	208 158,13
Hanza Invest S.A.	835 432,71	22 724,53

COMPANY	Liabilities towards related companies	
	30.09.2018	31.12.2017
TBS Marki Sp. z o.o.	30 698 275,29	29 779 250,20
J.W. Construction Sp. z o.o.	807 987,72	3 845 230,61
Bliska Wola 4 Sp.z o.o.1 SK	5 196,00	4 212,00
Varsovia Apartamenty	0,00	13 035,47
Hanza Invest SA	0,00	0,00

**J.W. Construction Holding S.A. as the party buying goods or services (transactions over PLN 100,000)**

THE OTHER PARTY OF TRANSACTION	TRANSACTION/AGREEMENT SUBJECT	01.01.2018 to 30.09.2018
<b>Related entities subject to consolidation</b>		
J.W. Construction Sp. z o.o.	construction works Ożarów houses	934 356,00
J.W. Construction Sp. z o.o.	construction works Ożarów blocks of flats	322 619,03
J.W. Construction Sp. z o.o.	construction works Katowice	8 952 629,24
J.W. Construction Sp. z o.o.	staffing services Kasprzaka CK	899 715,00

**J.W. Construction Holding S.A. as the party providing (selling) services (transactions over PLN 100,000),**

THE OTHER PARTY OF TRANSACTION	TRANSACTION/AGREEMENT SUBJECT	01.01.2018 to 30.09.2018
<b>Related entities subject to consolidation</b>		
TBS Marki Sp. z o.o.	administrative services	119 358,27
J.W. Construction Sp. z o.o.	re invoicing -electrical energy	139 040,37
J.W. Construction Sp. z o.o.	warranty repairs	1 319 867,97
J.W. Construction Sp. z o.o.	real estate rental	109 521,00
Hanza Invest SA	administrative services	1 697 097,00
Hanza Invest SA	sales services	551 002,42
Varsovia Apartamenty Sp. z o.o.	re invoicing (other)	953 870,28

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

**15. Information on granting by the Issuer or a subsidiary credit or loan guarantees to one entity or a subsidiary of that entity, if the total value of existing sureties or guarantees is the equivalent of at least 10% of the Issuer's equity.**

In the reporting period, the Company did not grant any sureties or guarantees whose value would be equivalent to 10% of its equity.

**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:

- Adhering to construction schedules, conditioning the possibility of transferring premises onto tenants on investments in the following quarters, in particular: Bliska Wola phase C (aparthotel), Zielona Dolina II phase II, Gdynia Kamerata.
- Maintaining a high rate of sales along with further offer expansion, despite the difficult market due to difficulties in obtaining subcontractors, conditioned on:
  - Launching new investments,
  - Accessibility of mortgage loans on real estate market,
  - Low level of interest rates - reduced cost of servicing the loan for the Company and the purchaser of flat. It may have a positive impact on the pace of real estate sales,
  - Expanding the offer for new aparthotel and warehouse units,
  - Commencing investments on schedule.
- Economic situation, especially on 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.

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

**Industry segments**

It was assumed that the basic division into business segments is the division by industry segments. The Group operates mainly in three segments:

- real estate development activity,
- 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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01.01.2018-30.09.2018	Real estate development activity	Hotel activity, apart-hotels	Social building	Other	Total
<b>Net revenues from sales of products, goods and materials, of which:</b>	<b>261 612 642,15</b>	<b>46 333 653,48</b>	<b>9 942 027,10</b>	<b>7 529 825,34</b>	<b>325 418 148,07</b>
Net revenues from sales of products	259 447 623,61	46 324 347,89	9 933 378,81	7 529 825,34	323 235 175,65
Net revenues from sales of goods and materials	2 165 018,54	9 305,59	8 648,29	0,00	2 182 972,42
<b>Costs of products, goods and materials sold, of which:</b>	<b>204 672 431,26</b>	<b>33 088 255,25</b>	<b>5 997 152,45</b>	<b>22 737 459,49</b>	<b>266 495 298,45</b>
Manufacturing cost of products sold	202 514 236,15	33 078 949,67	5 988 504,16	22 737 459,49	264 319 149,47
Value of goods and materials sold	2 158 195,11	9 305,58	8 648,29	0,00	2 176 148,98
<b>Gross profit (loss) on sales</b>	<b>56 940 210,89</b>	<b>13 245 398,23</b>	<b>3 944 874,65</b>	<b>-15 207 634,15</b>	<b>58 922 849,62</b>
<b>Sales costs</b>	12 045 120,83	4 899 245,30	0,00	0,00	<b>16 944 366,13</b>
<b>Overheads</b>	14 140 094,99	3 124 472,94	1 029 910,14	0,00	<b>18 294 478,07</b>
<b>Revaluation of investment properties</b>	-4 795 776,22	0,00	0,00	0,00	<b>-4 795 776,22</b>
<b>Profit (loss) on sales</b>	<b>25 959 218,85</b>	<b>5 221 679,99</b>	<b>2 914 964,51</b>	<b>-15 207 634,15</b>	<b>18 888 229,20</b>
Other operating income	1 852 971,96	27 595,15	1 487,95	6 019,02	1 888 074,08
Other operating expenses	5 834 816,72	31 648,00	107 333,71	6,60	5 973 805,03
<b>Profit (loss) on operations</b>	<b>21 977 374,09</b>	<b>5 217 627,14</b>	<b>2 809 118,75</b>	<b>-15 201 621,73</b>	<b>14 802 498,25</b>
Financial Revenues	10 268 970,45	18 356,48	740 752,17	9 165,89	11 050 933,47
Financial costs	16 570 587,12	781 345,92	1 756 294,87	36,47	19 108 264,38
<b>Profit (loss) on business activity</b>	<b>15 675 757,42</b>	<b>4 454 637,70</b>	<b>1 793 576,05</b>	<b>-15 192 492,31</b>	<b>6 731 478,86</b>
<b>Gross profit (loss)</b>	<b>15 675 757,42</b>	<b>4 454 637,70</b>	<b>1 793 576,05</b>	<b>-15 192 492,31</b>	<b>6 731 478,86</b>
Income tax	0,00	0,00	0,00	32 281,00	32 281,00
Podatek odroczoney	-8 336 414,38	628 676,68	0,00	-791 658,00	-8 499 395,70
<b>Net profit (loss)</b>	<b>24 012 171,80</b>	<b>3 825 961,02</b>	<b>1 793 576,05</b>	<b>-14 433 115,31</b>	<b>15 198 593,56</b>



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01.01.2017-30.09.2017	Real estate development activity	Hotel activity, aparthotels	Social building	Other	Total
<b>Net revenues from sales of products, goods and materials, of which:</b>	<b>178 549 620,36</b>	<b>36 674 470,43</b>	<b>10 459 072,13</b>	<b>2 035 606,87</b>	<b>227 718 769,79</b>
Net revenues from sales of products	177 027 776,54	36 662 278,89	10 445 200,73	2 035 606,87	226 170 863,03
Net revenues from sales of goods and materials	1 521 843,82	12 191,54	13 871,40	0,00	1 547 906,76
<b>Costs of products, goods and materials sold, of which:</b>	<b>136 093 193,15</b>	<b>29 024 745,86</b>	<b>5 964 483,37</b>	<b>396 356,03</b>	<b>171 478 778,41</b>
Manufacturing cost of products sold	134 544 411,84	29 012 582,32	5 950 611,97	396 356,03	169 903 962,16
Value of goods and materials sold	1 548 781,31	12 163,54	13 871,40	0,00	1 574 816,25
<b>Gross profit (loss) on sales</b>	<b>42 456 427,21</b>	<b>7 649 724,57</b>	<b>4 494 588,76</b>	<b>1 639 250,84</b>	<b>56 239 991,38</b>
<b>Sales costs</b>	<b>12 146 737,24</b>	<b>4 155 035,08</b>	<b>0,00</b>	<b>0,00</b>	<b>16 301 772,32</b>
<b>Overheads</b>	<b>11 419 328,87</b>	<b>2 605 235,88</b>	<b>816 543,59</b>	<b>1 494 192,87</b>	<b>16 335 301,21</b>
<b>Revaluation of investment properties</b>	<b>-2 261 638,01</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>-2 261 638,01</b>
<b>Profit (loss) on sales</b>	<b>16 628 723,08</b>	<b>889 453,61</b>	<b>3 678 045,17</b>	<b>145 057,97</b>	<b>21 341 279,83</b>
Other operating income	1 209 124,04	20 080,17	6 280,08	1 708,93	1 237 193,22
Other operating expenses	8 159 865,01	32 604,10	49 076,38	1,17	8 241 546,66
<b>Profit (loss) on operations</b>	<b>9 677 982,11</b>	<b>876 929,68</b>	<b>3 635 248,87</b>	<b>146 765,73</b>	<b>14 336 926,39</b>
Financial Revenues	630 404,40	1 692,93	726 204,06	696 583,02	2 220 002,12
Financial costs	10 170 863,99	976 102,88	1 211 989,14	0,12	12 358 956,13
<b>Profit (loss) on business activity</b>	<b>137 522,52</b>	<b>-97 480,27</b>	<b>3 149 463,79</b>	<b>843 348,63</b>	<b>4 032 854,67</b>
<b>Gross profit (loss)</b>	<b>137 522,52</b>	<b>-97 480,27</b>	<b>3 149 463,79</b>	<b>843 348,63</b>	<b>4 032 854,67</b>
<b>Net profit (loss)</b>	<b>-816 892,56</b>	<b>20 485,96</b>	<b>3 141 263,79</b>	<b>713 907,63</b>	<b>3 058 764,82</b>

## E. ISSUER'S FINANCIAL STATEMENTS

### 1. Statement on the financial situation

ASSETS	Note	30.09.2018	31.12.2017 (converted data)
<b>FIXED ASSETS</b>		<b>832 404 438,79</b>	<b>763 971 757,07</b>
Intangible assets	1	12 796 354,05	12 453 626,18
Tangible assets	2	246 222 124,87	243 209 900,86
Investment real estate	3	240 030 966,04	281 039 497,36
Other financial assets	4	298 661 422,72	205 876 958,10
Deferred income tax assets		34 329 023,80	21 027 227,17
Trade and other receivables	5	364 547,31	364 547,40
<b>CURRENT ASSETS</b>		<b>854 438 121,66</b>	<b>837 092 348,18</b>
Inventories	6	27 717 296,03	29 512 779,26
Construction contracts	7	626 166 671,13	536 491 388,32
Trade and other receivables	8	35 898 364,56	41 370 778,03
Other financial assets	9	3 182 524,37	60 196 836,89
Cash and cash equivalents	10	146 259 875,37	157 132 776,26
Accruals	11	15 213 390,20	12 387 789,42
<b>Total assets</b>		<b>1 686 842 560,45</b>	<b>1 601 064 105,25</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>		<b>751 651 063,58</b>	<b>731 428 290,36</b>
Share capital		17 771 888,60	17 771 888,60
Revaluation capital		7 493 208,19	7 493 208,19
Other capital		712 418 618,30	681 855 943,65
Retained earnings		-6 875 467,37	-4 724 163,88
Net profit / loss		20 842 815,86	29 031 413,80
<b>LIABILITIES</b>		<b>935 191 496,87</b>	<b>869 635 814,89</b>
<b>Non-current liabilities</b>		<b>269 602 935,23</b>	<b>342 551 756,29</b>
Borrowings	12	10 781 180,55	45 819 151,99
Deferred income tax liabilities		41 063 243,73	36 376 766,31
Retirement benefit obligations		200 416,45	200 416,45
Provision for other liabilities and charges	14	0,00	0,00
Other liabilities	13	217 558 094,50	260 155 421,54
<b>Current liabilities</b>		<b>665 588 561,64</b>	<b>527 084 058,60</b>
Trade and other payables	14	91 878 977,52	69 250 620,22
Construction contracts	7	458 430 767,94	357 013 809,05
Borrowings	12	48 779 269,05	54 246 609,41
Provision for other liabilities and charges	14	23 039 097,37	23 853 037,57
Other liabilities	15	43 460 449,76	22 719 982,35
<b>Total equity and liabilities</b>		<b>1 686 842 560,45</b>	<b>1 601 064 105,25</b>

## 2. Statement on the comprehensive income

	Note	01-01-2018 to 30-09-2018	01-01-2017 to 30-09-2017 (converted data)	01-07-2018 to 30-09-2018	01-07-2017 to 30-09-2017 (converted data)
<b>Net revenues from sales of products, goods and materials, of which:</b>	<b>16</b>	<b>311 817 799,07</b>	<b>211 074 719,66</b>	<b>231 496 713,23</b>	<b>87 836 648,21</b>
Net revenues from sales of products		308 916 591,29	209 692 798,11	230 939 179,26	86 819 232,63
Net revenues from sales of goods and materials		2 901 207,78	1 381 921,55	557 533,97	1 017 415,58
<b>Costs of products, goods and materials sold, of which:</b>	<b>17</b>	<b>253 646 204,66</b>	<b>162 153 281,11</b>	<b>176 419 891,63</b>	<b>62 711 327,29</b>
Manufacturing cost of products sold		250 747 107,41	160 783 384,59	175 866 298,81	61 713 184,29
Value of goods and materials sold		2 899 097,25	1 369 896,52	553 592,82	998 143,00
<b>Gross profit (loss) on sales</b>		<b>58 171 594,41</b>	<b>48 921 438,55</b>	<b>55 076 821,60</b>	<b>25 125 320,92</b>
<b>Sales costs</b>		15 968 458,81	14 858 427,01	6 216 756,24	4 664 476,15
<b>Overheads</b>		15 354 493,49	14 541 840,58	5 245 050,78	4 589 540,66
<b>Revaluation of investment properties</b>		-4 795 776,22	-2 261 638,01	-743 573,34	-615 281,95
<b>Profit (loss) on sales</b>		<b>22 052 865,89</b>	<b>17 259 532,95</b>	<b>42 871 441,24</b>	<b>15 256 022,16</b>
Other operating income	18	1 621 910,79	542 004,86	862 749,32	244 490,19
Other operating expenses	19	5 458 205,15	7 302 607,98	1 951 997,44	1 203 674,86
<b>Operating profit (loss)</b>		<b>18 216 571,53</b>	<b>10 498 929,83</b>	<b>41 782 193,12</b>	<b>14 296 837,49</b>
Financial Revenues	20	12 514 198,54	12 092 526,25	-213 428,87	839 983,41
Financial costs	21	18 470 992,42	14 349 284,71	4 844 519,19	3 400 200,32
<b>Profit (loss) on business activity</b>		<b>12 259 777,65</b>	<b>8 242 171,37</b>	<b>36 724 245,06</b>	<b>11 736 620,58</b>
<b>Gross profit (loss)</b>		<b>12 259 777,65</b>	<b>8 242 171,37</b>	<b>36 724 245,06</b>	<b>11 736 620,58</b>
Income tax		-8 583 038,21	4 390 010,20	-2 798 164,58	4 379 701,52
<b>Net profit (loss)</b>		<b>20 842 815,86</b>	<b>3 852 161,17</b>	<b>39 522 409,64</b>	<b>7 356 919,06</b>
<b>Other comprehensive income:</b>		<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
Foreign exchange rate operation differences		0,00	0,00	0,00	0,00
Profit/loss from acquisitions		0,00	0,00	0,00	0,00
Profit from revaluation of tangible fixed assets		0,00	0,00	0,00	0,00
Other comprehensive income		0,00	0,00	0,00	0,00
<b>Total revenue</b>		<b>20 842 815,86</b>	<b>3 852 161,17</b>	<b>39 522 409,64</b>	<b>7 356 919,06</b>

<b>CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE</b>		01-01-2018 to 30-09-2018	01-01-2017 to 30-09-2017 (converted data)	01-07-2018 to 30-09-2018	01-07-2017 to 30-09-2017 (converted data)
<b>Profits</b>					
(A) Profits of the Group disclosed in the consolidated financial statements		20 842 815,86	3 852 161,17	39 522 409,64	7 356 919,06
<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	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	88 859 443,00	88 859 443,00
<b>Basic earnings per share = (A)/(B)</b>		<b>0,23</b>	<b>0,04</b>	<b>0,44</b>	<b>0,08</b>
<b>Diluted earnings per share = (A)/(B)</b>		<b>0,23</b>	<b>0,04</b>	<b>0,44</b>	<b>0,08</b>





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3. Statement on changes in equity

	Share capital	Own shares (negative figure)	Revaluation capital	Supplementary capital	Other capital	Retained earnings	Net earnings	Equity
<b>As at 31 December 2017</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
Consolidation adjustments	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 share redemption	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
Dividend paid	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profit (loss) 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
Profit (loss) from revaluation of assets for sale	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profit (loss) from 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 items referred directly to equity	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profit/loss from acquisitions (unitary jwch)	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profit/loss from including company for consolidation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Adjustments due to merger	0,00	0,00	0,00	0,00	0,00	0,00	-620 042,64	-620 042,64
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>-620 042,64</b>	<b>-620 042,64</b>
Net profit (loss) for the accounting year	0,00	0,00	0,00	0,00	0,00	0,00	20 842 815,86	20 842 815,86
<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>20 222 773,22</b>	<b>20 222 773,22</b>
Increase / decrease from profit distribution	0,00	0,00	0,00	30 562 674,65	0,00	-2 151 303,49	-28 411 371,16	0,00
<b>As at 30 September 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>-6 875 467,37</b>	<b>20 842 815,86</b>	<b>751 651 063,58</b>



Condensed consolidated financial statements  
for the period of 9 months ended on 30 September 2018

	Share capital	Own shares (negative figure)	Revaluation capital	Supplementary capital	Other capital	Retained earnings	Net earnings	Kapitał własny (converted data)
<b>As at 31 December 2016</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 493 208,19</b>	<b>672 160 065,67</b>	<b>5 731 587,19</b>	<b>-17 298 865,46</b>	<b>16 737 295,83</b>	<b>702 595 180,03</b>
Basic error corrections	0,00	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>
Adjustments for conversion to IFRS	0,00	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>
<b>As at 1 January 2017</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 493 208,19</b>	<b>672 160 065,67</b>	<b>5 731 587,19</b>	<b>-17 298 865,46</b>	<b>16 737 295,83</b>	<b>702 595 180,03</b>
Share issuance	0,00	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>
Own share redemption	0,00	0,00	0,00	0,00	0,00	0,00	0,00	<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>
Dividend paid	0,00	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>
Profit (loss) 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>
Profit (loss) from revaluation of assets for sale	0,00	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>
Profit (loss) from 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 items referred directly to equity	0,00	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>
Adjustments due to merger	0,00	0,00	0,00	0,00	0,00	0,00	-198 303,46	<b>-198 303,46</b>
Profit/loss from including company for 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>-198 303,46</b>	<b>-198 303,46</b>
Net profit (loss) for the accounting year	0,00	0,00	0,00	0,00	0,00	0,00	29 031 413,80	<b>29 031 413,80</b>
<b>Total profit / (loss) recognized inequity 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>28 833 110,34</b>	<b>28 833 110,34</b>
Increase / decrease from profit distribution	0,00	0,00	0,00	3 964 290,79	0,00	12 574 701,58	-16 538 992,37	<b>0,00</b>
<b>As at 31 December 2017</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>



Condensed consolidated financial statements  
for the period of 9 months ended on 30 September 2018

	Share capital	Own shares (negative figure)	Revaluation capital	Supplementary capital	Other capital	Retained earnings	Net earnings	Kapitał własny (converted data)
<b>As at 31 December 2016</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 493 208,19</b>	<b>672 160 065,67</b>	<b>5 731 587,19</b>	<b>-17 298 865,46</b>	<b>16 737 295,83</b>	<b>702 595 180,03</b>
Basic error corrections	0,00	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>
Adjustments for conversion to IFRS	0,00	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>
<b>As at 1 January 2017</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 493 208,19</b>	<b>672 160 065,67</b>	<b>5 731 587,19</b>	<b>-17 298 865,46</b>	<b>16 737 295,83</b>	<b>702 595 180,03</b>
Share issuance	0,00	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>
Own share redemption	0,00	0,00	0,00	0,00	0,00	0,00	0,00	<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>
Dividend paid	0,00	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>
Profit (loss) 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>
Profit (loss) from revaluation of assets for sale	0,00	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>
Profit (loss) from 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 items referred directly to equity	0,00	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>
Adjustments due to merger	0,00	0,00	0,00	0,00	0,00	0,00	-311 560,70	<b>-311 560,70</b>
Profit/loss from including company for 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>-311 560,70</b>	<b>-311 560,70</b>
Net profit (loss) for the accounting year	0,00	0,00	0,00	0,00	0,00	0,00	3 852 161,17	<b>3 852 161,17</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>3 540 600,47</b>	<b>3 540 600,47</b>
Increase / decrease from profit distribution	0,00	0,00	0,00	3 912 793,79	0,00	12 512 941,34	-16 425 735,13	<b>0,00</b>
<b>As at 30 September 2017</b>	<b>17 771 888,60</b>	<b>0,00</b>	<b>7 493 208,19</b>	<b>676 072 859,46</b>	<b>5 731 587,19</b>	<b>-4 785 924,12</b>	<b>3 852 161,17</b>	<b>706 135 780,49</b>

#### 4. Statement on cash flow

	01-01-2018 to 30-09-2018	01-01-2017 to 30-09-2017 (converted data)
<b>Operating cash flow - two-step method</b>		
<b>Net profit (loss)</b>	<b>20 842 815,86</b>	<b>3 852 161,17</b>
<b>Item adjustments</b>	<b>5 435 086,12</b>	<b>10 950 500,06</b>
Depreciation and amortization	6 437 920,98	6 024 068,14
(Profits) loss on foreign exchange differences	-1 921 912,27	3 653 369,20
(Profits) loss from investment activities	-5 154,07	1 075 250,00
Interest and dividends	5 195 048,52	-896 967,99
Changes in provisions and accruals	-8 470 902,22	-875 229,32
Change in investment real estate	4 795 776,22	2 261 638,01
Other item adjustments:	-595 691,04	-291 627,98
- other adjustments	-595 691,04	-291 627,98
<b>Changes in working capital</b>	<b>157 414 760,07</b>	<b>51 303 819,36</b>
Change in inventories	1 795 483,23	159 633,62
Change in construction contracts	135 416 653,42	50 573 027,78
Change in receivables	6 502 798,31	4 101 506,26
Changes in current liabilities, except for borrowings	13 699 825,11	-3 530 348,30
<b>Cash flow in operations</b>	<b>183 692 662,05</b>	<b>66 106 480,60</b>
<b>Investment activity cash flows</b>		
Disposal of tangible and intangible assets and other non-current assets	0,00	561 750,00
Purchase of tangible and intangible assets and other non-current assets	-95 538 053,03	-21 633 200,48
Disposal of equity and debt instruments	69 275,97	0,00
Loans granted	-32 111 776,76	-3 034 468,37
Loans repaid	54 168,03	0,00
Other acquisitions of financial assets	-1 530 000,00	-900 000,00
Other disposal of financial assets	0,00	0,00
Dividends received	0,00	3 582 792,25
Interest received	22 413,29	0,00
Acquisitions of subsidiaries	-203 312,00	-300 000,00
<b>Net investment cash flow</b>	<b>-129 237 284,50</b>	<b>-21 723 126,60</b>
<b>Financial activities cash flow</b>		
Credits and loans granted	6 726 312,55	34 098 188,36
Credits and loans repaid	-46 710 279,26	-37 271 218,58
Debt securities issued	0,00	70 000 000,00
Debt securities redeemed	-7 000 000,00	0,00
Payments under financial lease agreements	-973 383,14	-986 847,53
Dividends and other profit shares	0,00	0,00
Interest paid	-11 480 927,60	-8 324 833,37
Other financial proceeds (including notes)	0,00	28 626 391,00
Other financial expenditures (including notes)	-5 890 000,00	-54 145 807,00
<b>Net financial activities cash flow</b>	<b>-65 328 277,45</b>	<b>31 995 872,88</b>
<b>NET DECREASE / (INCREASE) IN CASH</b>	<b>-10 872 899,90</b>	<b>76 141 881,55</b>
Cash and cash equivalents at the beginning of the year	157 132 776,26	81 827 234,99
- change in cash and cash equivalents due to differences in foreign exchange rate		
<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>146 259 875,37</b>	<b>158 285 632,27</b>

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

### 1. FIXED ASSETS

Note 1. Intangible assets

<b>INTANGIBLE ASSETS</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) research and development expenses	0,00	0,00
b) goodwill	12 389 648,22	12 389 648,22
c) other intangible assets	406 705,83	63 977,96
d) advances on intangible assets	0,00	0,00
<b>Total intangible assets</b>	<b>12 796 354,05</b>	<b>12 453 626,18</b>

Note 2. Tangible assets

<b>TANGIBLE ASSETS</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) fixed assets, including:	239 670 621,45	237 980 900,49
- land (including right of perpetual usufruct)	16 000 958,39	16 000 958,39
- buildings and structures	204 234 722,30	200 863 407,91
- plant and machinery	11 022 844,14	11 780 446,04
- motor vehicles	1 409 427,62	2 395 132,49
- other fixed assets	7 002 669,00	6 940 955,66
b) constructions in progress	6 551 503,42	5 229 000,37
c) advances on constructions in progress	0,00	0,00
<b>Total tangible assets</b>	<b>246 222 124,87</b>	<b>243 209 900,86</b>

Note 3. Investment real estate

<b>Other long-term investments</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) Investment real estate	240 030 966,04	281 039 497,36
b) other	0,00	0,00
<b>Total other long-term investments</b>	<b>240 030 966,04</b>	<b>281 039 497,36</b>

Note 4. Other financial assets

<b>LONG-TERM FINANCIAL ASSETS</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) shares	198 979 140,18	198 775 828,18
b) loans granted	98 131 583,61	6 370 832,30
c) Other long-term investments	1 550 698,93	730 297,62
<b>Total long-term financial assets</b>	<b>298 661 422,72</b>	<b>205 876 958,10</b>

<b>LONG-TERM FINANCIAL ASSETS</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) in subsidiaries	293 913 929,11	205 145 208,48
- shares	198 770 590,18	198 567 278,18
- other security papers	418 700,51	207 098,00
- loans granted	94 724 638,42	6 370 832,30
- other long-term financial assets	0,00	0,00
b) in other units	4 747 493,61	731 749,62
- shares	208 550,00	208 550,00
- other security papers	1 131 998,42	523 199,62
- loans granted	3 406 945,19	0,00
- other long-term financial assets	0,00	0,00
<b>Total long-term financial assets</b>	<b>298 661 422,72</b>	<b>205 876 958,10</b>

Note 5. Non-current receivables

<b>NON-CURRENT RECEIVABLES</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) guarantee receivables	0,00	0,00
b) deposit receivables (leasing)	0,00	0,00
b) other receivables	364 547,31	364 547,40
<b>Total receivables</b>	<b>364 547,31</b>	<b>364 547,40</b>

**2. CURRENT ASSETS**

Note 6. Inventories

<b>INVENTORIES</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) materials	1 482 638,12	1 953 696,87
b) semi-finished products and work in progress	0,00	0,00
c) finished products	0,00	0,00
d) goods	25 387 366,09	27 482 711,03
e) trade advances	847 291,82	76 371,36
<b>Total inventories</b>	<b>27 717 296,03</b>	<b>29 512 779,26</b>

Note 7. Construction contracts

<b>CONSTRUCTION CONTRACTS</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) semi-finished products and work in progress	575 809 818,53	488 115 616,49
b) finished products	35 793 269,34	31 500 510,65
c) trade advances	14 563 583,21	16 869 634,08
d) short-term accruals	0,05	5 627,10
<b>Total construction contracts</b>	<b>626 166 671,13</b>	<b>536 491 388,32</b>

<b>CONSTRUCTION CONTRACTS</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) Accruals	458 430 767,94	357 013 809,05
<b>Total construction contracts</b>	<b>458 430 767,94</b>	<b>357 013 809,05</b>

<b>Accruals</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
- advances on premises	453 609 117,97	353 176 257,36
- work reserves	3 925 352,41	2 696 824,13
- other	896 297,56	1 140 727,56
<b>Total accruals</b>	<b>458 430 767,94</b>	<b>357 013 809,05</b>

Note 8. Trade and other receivables

<b>CURRENT RECEIVABLES</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) trade receivables - related parties	3 502 564,93	4 968 243,35
b) trade receivables - other parties	17 275 862,29	22 106 529,27
c) taxes, subsidies, customs duties, social health insurance and other payments	13 396 364,54	10 971 802,85
d) other	1 723 572,80	3 324 202,56
<b>Total receivables</b>	<b>35 898 364,56</b>	<b>41 370 778,03</b>

Note 9. Other financial assets

<b>SHORT-TERM INVESTMENTS</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) shares	0,00	0,00
b) loans granted	1 944 066,92	59 646 179,66
c) other securities	1 238 457,45	550 657,23
d) other short-term investments	0,00	0,00

<b>Total long-term financial assets</b>	<b>3 182 524,37</b>	<b>60 196 836,89</b>
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<b>SHORT-TERM INVESTMENTS</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) in subsidiaries	1 888 582,38	59 646 178,67
- shares	0,00	0,00
- other security papers	0,00	-0,99
- loans granted	1 888 582,38	59 646 179,66
- other current financial assets	0,00	0,00
b) in other units	1 293 941,99	550 658,22
- shares	0,00	0,00
- other security papers	1 238 457,45	550 658,22
- loans granted	55 484,54	0,00
- other current financial assets	0,00	0,00
<b>Total short-term investments</b>	<b>3 182 524,37</b>	<b>60 196 836,89</b>

Note 10. Cash and cash equivalents

<b>CASH AND CASH EQUIVALENTS</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) cash on hand and with bank	144 613 777,57	156 110 544,52
b) other cash	1 600 747,80	1 015 460,11
c) other cash assets	45 350,00	6 771,63
<b>Total cash and cash equivalents</b>	<b>146 259 875,37</b>	<b>157 132 776,26</b>

<b>CASH ON ESCROW ACCOUNTS</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
<b>cash on escrow accounts</b>	<b>116 456 458,06</b>	<b>37 174 715,67</b>
JW. Construction Holding SA	116 456 458,06	37 174 715,67

Note 11. Accruals

<b>ACCRUALS</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) short-term accruals	15 213 390,20	12 387 789,42
<b>Total accruals</b>	<b>15 213 390,20</b>	<b>12 387 789,42</b>

<b>Accruals</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
- property insurance	212 555,97	146 079,49
- interest	1 067 951,78	1 373 946,86
- commission expenses	10 978 397,00	9 636 039,13
- property tax, perpetual usufruct, road tax	1 536 181,92	0,00
- other	1 418 303,53	1 231 723,94
<b>Total accruals</b>	<b>15 213 390,20</b>	<b>12 387 789,42</b>

### 3. LIABILITIES

Note 12. Borrowings

<b>BORROWINGS</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) credits	59 184 583,74	99 168 550,45
<i>of which: long-term</i>	<i>10 781 180,55</i>	<i>45 819 151,99</i>
<i>short-term</i>	<i>48 403 403,19</i>	<i>53 349 398,46</i>
b) loans	375 865,86	897 210,95
<i>of which: long-term</i>	<i>0,00</i>	<i>0,00</i>
<i>short-term</i>	<i>375 865,86</i>	<i>897 210,95</i>
<b>Total borrowings</b>	<b>59 560 449,60</b>	<b>100 065 761,40</b>
<b>Borrowings - long-term</b>	<b>10 781 180,55</b>	<b>45 819 151,99</b>
<b>Borrowings - short-term</b>	<b>48 779 269,05</b>	<b>54 246 609,41</b>



<b>CREDITS PER MATURITY</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
Up to 1 year	48 403 403,19	53 349 398,46
Over 1 year up to 2 years	6 454 868,00	41 516 003,99
Over 2 years up to 5 years	4 326 312,55	4 303 148,00
Over 5 years	0,00	0,00
<b>Total credits, including</b>	<b>59 184 583,74</b>	<b>99 168 550,45</b>
- long-term	10 781 180,55	45 819 151,99
- short-term	48 403 403,19	53 349 398,46

<b>LOANS PER MATURITY</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
Up to 1 year	375 865,86	897 210,95
Over 1 year up to 2 years	0,00	0,00
Over 2 years up to 5 years	0,00	0,00
Over 5 years	0,00	0,00
<b>Total loans, including:</b>	<b>375 865,86</b>	<b>897 210,95</b>
- long-term	0,00	0,00
- short-term	375 865,86	897 210,95

Note 13. Other non-current liabilities

<b>OTHER NON-CURRENT LIABILITIES</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) lease obligations	55 434,83	598 298,02
b) deposit liabilities	42 568 667,48	34 553 543,90
c) bonds	171 100 000,00	199 100 000,00
d) other non-current liabilities	0,00	0,00
e) note liabilities- related parties	3 833 992,19	14 205 796,02
f) note liabilities- other parties	0,00	0,00
g) loans received- subsidiaries	0,00	11 697 783,60
<b>Total other non-current liabilities</b>	<b>217 558 094,50</b>	<b>260 155 421,54</b>

Note 14. Trade and other payables

<b>TRADE AND OTHER PAYABLES</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) trade payables - other parties	39 752 901,33	34 629 245,42
b) trade payables- related parties	1 196 304,40	4 250 907,39
c) taxes, customs duties, insurance and other payables	3 123 364,11	2 921 883,46
d) salaries	1 981 941,45	2 045 777,94
e) trade advances received	0,00	0,00
f) loans received- subsidiaries	24 180 054,07	11 962 254,65
g) promissory notes liabilities - related parties	11 356 112,07	6 630 255,72
h) other	10 288 300,09	6 810 295,64
<b>Total trade and other payables</b>	<b>91 878 977,52</b>	<b>69 250 620,22</b>

<b>PROVISIONS FOR OTHER LIABILITIES</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
<b>a) short-term, including:</b>	<b>23 039 097,37</b>	<b>23 853 037,57</b>
- Passive accruals, including:	8 700 222,92	10 881 127,74
- <i>interest accrued</i>	1 102 946,05	1 152 514,04
- <i>rent deposit</i>	480 433,64	480 433,64
- <i>advances _ hotels</i>	1 443 195,14	3 843 839,55
- <i>other</i>	5 673 648,09	5 404 340,51
- other provisions, including:	14 338 874,45	12 971 909,83
- <i>provisions for future liabilities</i>	0,00	0,00
- <i>provisions for warranty repairs</i>	0,00	0,00
- <i>other reserves</i>	14 338 874,45	12 971 909,83
<b>a) long-term, including:</b>	<b>0,00</b>	<b>0,00</b>
- Passive accruals, including:	0,00	0,00

<b>Provision for other liabilities and charges in total</b>	<b>23 039 097,37</b>	<b>23 853 037,57</b>
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Note 15. Other liabilities

<b>OTHER LIABILITIES</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
a) debt securities issue liabilities	42 511 717,72	20 767 451,05
b) promissory notes liabilities- other parties	0,00	573 279,31
c) leasing obligations	948 732,04	1 379 251,99
d) Other financial liabilities	0,00	0,00
<b>Total other non-current liabilities</b>	<b>43 460 449,76</b>	<b>22 719 982,35</b>

#### 4. OPERATING INCOME AND EXPENSES

Note 16. Operating income

<b>OPERATING INCOME</b>	<b>01-01-2018 to 30-09-2018</b>	<b>01-01-2017 to 30-09-2017</b>	<b>01-07-2018 to 30-09-2018</b>	<b>01-07-2017 to 30-09-2017</b>
Revenues from sales of products	257 160 239,07	163 615 667,00	212 464 855,04	71 935 086,86
Revenues from sales of services	51 756 352,22	46 077 131,11	18 474 324,22	14 884 145,77
Revenues from sales of goods	2 901 207,78	1 381 921,55	557 533,97	1 017 415,58
<b>Total income</b>	<b>311 817 799,07</b>	<b>211 074 719,66</b>	<b>231 496 713,23</b>	<b>87 836 648,21</b>

	<b>01-01-2018 to 30-09-2018</b>	<b>01-01-2017 to 30-09-2017</b>	<b>01-07-2018 to 30-09-2018</b>	<b>01-07-2017 to 30-09-2017</b>
<b>Proceeds from sales, including:</b>	<b>311 817 799,07</b>	<b>211 074 719,66</b>	<b>231 496 713,23</b>	<b>87 836 648,21</b>
- sales of products - units, plots, buildings	257 160 239,07	163 615 667,00	212 464 855,04	71 935 086,86
- sales of services	51 756 352,22	46 077 131,11	18 474 324,22	14 884 145,77
- sales of goods	2 901 207,78	1 381 921,55	557 533,97	1 017 415,58

	<b>01-01-2018 to 30-09-2018</b>	<b>01-01-2017 to 30-09-2017</b>	<b>01-07-2018 to 30-09-2018</b>	<b>01-07-2017 to 30-09-2017</b>
<b>Revenues from sales of products and services by segment</b>	<b>308 916 591,29</b>	<b>209 692 798,11</b>	<b>230 939 179,26</b>	<b>86 819 232,63</b>
-real estate development activity	263 063 487,13	170 641 967,13	214 019 060,33	72 411 394,68
-hotel services	38 102 903,87	32 663 295,52	13 532 888,14	12 299 530,37
-real estate management	7 750 200,29	6 387 535,46	3 387 230,79	2 108 307,58

	<b>01-01-2018 to 30-09-2018</b>	<b>01-01-2017 to 30-09-2017</b>	<b>01-07-2018 to 30-09-2018</b>	<b>01-07-2017 to 30-09-2017</b>
<b>Revenues from sales of products - premises, plots, buildings per geographic segments</b>	<b>257 160 239,07</b>	<b>163 615 667,00</b>	<b>212 464 855,04</b>	<b>71 935 086,86</b>
-Warsaw and the surrounding area	163 289 980,35	70 462 109,91	127 576 478,90	67 229 898,21
-Gdynia	88 032 615,04	58 038 259,89	84 742 915,17	1 144 954,54
- Łódź	6 768,30	0,00	0,00	0,00
- Szczecin	0,00	0,00	0,00	-561 750,00
- Katowice	450 900,48	34 553 547,20	-9 010,57	3 560 234,11
- Poznań	0,00	0,00	0,00	0,00
- plots and networks	5 379 974,90	561 750,00	154 471,54	561 750,00

	<b>01-01-2018 to 30-09-2018</b>	<b>01-01-2017 to 30-09-2017</b>	<b>01-07-2018 to 30-09-2018</b>	<b>01-07-2017 to 30-09-2017</b>
<b>Revenue from hotel services by geographical segment</b>	<b>38 102 903,87</b>	<b>32 663 295,52</b>	<b>13 532 888,14</b>	<b>12 299 530,37</b>
-Warsaw and the surrounding area	4 689 413,10	4 304 715,21	1 912 692,10	1 637 206,85
- Tarnowo	4 826 613,74	4 263 625,95	1 409 884,09	1 466 906,76
- Stryków	3 077 621,46	3 002 094,78	1 082 744,23	950 859,41
- Krynica Górská	25 509 255,57	21 092 859,58	9 127 567,72	8 244 557,35

Note 17. Operating expenses

<b>OPERATING EXPENSES</b>	<b>01-01-2018 to 30-09-2018</b>	<b>01-01-2017 to 30-09-2017</b>	<b>01-07-2018 to 30-09-2018</b>	<b>01-07-2017 to 30-09-2017</b>
Costs on sale of products	216 371 280,28	126 925 216,68	162 555 601,12	52 085 654,09
Costs on sale of services	34 375 827,13	33 858 167,91	13 310 697,69	9 627 530,20
Costs on sale of goods	2 899 097,25	1 369 896,52	553 592,82	998 143,00
<b>Total costs of products, services and goods sold</b>	<b>253 646 204,66</b>	<b>162 153 281,11</b>	<b>176 419 891,63</b>	<b>62 711 327,29</b>

<b>Sales and overhead expenses</b>	<b>01-01-2018 to 30-09-2018</b>	<b>01-01-2017 to 30-09-2017</b>	<b>01-07-2018 to 30-09-2018</b>	<b>01-07-2017 to 30-09-2017</b>
Sales costs	15 968 458,81	14 858 427,01	6 216 756,24	4 664 476,15
Overheads	15 354 493,49	14 541 840,58	5 245 050,78	4 589 540,66
<b>Sales and overhead expenses in total</b>	<b>31 322 952,30</b>	<b>29 400 267,59</b>	<b>11 461 807,02</b>	<b>9 254 016,81</b>

<b>Costs by type</b>	<b>01-01-2018 to 30-09-2018</b>	<b>01-01-2017 to 30-09-2017</b>	<b>01-07-2018 to 30-09-2018</b>	<b>01-07-2017 to 30-09-2017</b>
Depreciation and amortization	6 437 920,98	6 024 068,33	2 168 168,60	2 069 585,08
Cost of materials and energy	91 754 433,54	15 331 240,78	46 529 377,18	5 216 487,42
Third party services	193 095 554,00	189 078 587,98	62 037 226,39	60 541 071,35
Taxes and fees	7 968 896,70	6 781 149,79	3 199 896,61	2 099 604,38
Remunerations	23 615 481,32	22 507 438,69	8 391 862,06	7 673 857,72
Social security and other payments	4 296 174,58	3 526 752,75	1 447 918,80	1 132 240,89
Other costs of type	6 703 258,14	8 906 507,51	727 733,64	3 774 578,14
<b>Costs by type in total</b>	<b>333 871 719,26</b>	<b>252 155 745,83</b>	<b>124 502 183,28</b>	<b>82 507 424,98</b>

Note 18. Other operating income

<b>OPERATING INCOME</b>	<b>01-01-2018 to 30-09-2018</b>	<b>01-01-2017 to 30-09-2017</b>	<b>01-07-2018 to 30-09-2018</b>	<b>01-07-2017 to 30-09-2017</b>
a) income from sale of non-financial fixed assets	5 154,07	2 052,32	-849,22	1 807,32
b) other operating income	1 616 756,72	539 952,54	863 598,54	242 682,87
<b>Total operating income</b>	<b>1 621 910,79</b>	<b>542 004,86</b>	<b>862 749,32</b>	<b>244 490,19</b>

<b>OPERATING INCOME</b>	<b>01-01-2018 to 30-09-2018</b>	<b>01-01-2017 to 30-09-2017</b>	<b>01-07-2018 to 30-09-2018</b>	<b>01-07-2017 to 30-09-2017</b>
a) income from sale of non-financial fixed assets	5 154,07	2 052,32	-849,22	1 807,32
b) bank charges, fines	0,00	0,00	-132 548,86	-77 861,10
c) reserves, write-offs	0,00	243 042,80	0,00	243 042,80
d) assets disclosure	0,00	0,00	0,00	0,00
e) other (including damages)	1 616 756,72	296 909,74	996 147,40	77 501,17
<b>Total operating income</b>	<b>1 621 910,79</b>	<b>542 004,86</b>	<b>862 749,32</b>	<b>244 490,19</b>

Note 19. Other operating expenses

<b>OPERATING EXPENSES</b>	<b>01-01-2018 to 30-09-2018</b>	<b>01-01-2017 to 30-09-2017</b>	<b>01-07-2018 to 30-09-2018</b>	<b>01-07-2017 to 30-09-2017</b>
a) loss on sale of non-financial fixed assets	0,00	0,00	0,00	0,00
b) revaluation of non-financial assets	0,00	0,00	0,00	0,00
c) other operating expenses	5 458 205,15	7 302 607,98	1 951 997,44	1 203 674,86
<b>Total operating costs</b>	<b>5 458 205,15</b>	<b>7 302 607,98</b>	<b>1 951 997,44</b>	<b>1 203 674,86</b>

<b>OPERATING EXPENSES</b>	<b>01-01-2018 to 30-09-2018</b>	<b>01-01-2017 to 30-09-2017</b>	<b>01-07-2018 to 30-09-2018</b>	<b>01-07-2017 to 30-09-2017</b>
a) loss on sale of non-financial fixed assets	0,00	0,00	0,00	0,00
b) revaluation of non-financial assets	0,00	0,00	0,00	0,00
c) reserves	1 366 964,62	6 174 985,55	-47 000,00	683 482,31
d) compensations, penalties and damages	3 272 843,45	525 721,75	1 429 237,49	177 998,10
e) compensation	0,00	983,00	0,00	0,00
f) court costs	98 292,49	229 800,23	98 292,49	139 514,07
g) costs of discontinued investments	0,00	0,00	0,00	0,00
h) other (including the perpetual usufruct lawsuit)	720 104,59	371 117,45	471 467,46	202 680,38
<b>Total operating costs</b>	<b>5 458 205,15</b>	<b>7 302 607,98</b>	<b>1 951 997,44</b>	<b>1 203 674,86</b>

Note 20. Other Financial Revenues

<b>FINANCIAL REVENUES</b>	<b>01-01-2018 to 30-09-2018</b>	<b>01-01-2017 to 30-09-2017</b>	<b>01-07-2018 to 30-09-2018</b>	<b>01-07-2017 to 30-09-2017</b>
a) dividends	0,00	10 294 440,26	0,00	0,00
b) interest	9 999 222,13	1 795 652,98	805 961,08	838 905,89
c) revaluation of investment	0,00	0,00	0,00	0,00
d) profit on disposal of investment	0,00	0,00	0,00	0,00
e) other	2 514 976,41	2 433,01	-1 019 389,95	1 077,52
<b>Total financial revenues</b>	<b>12 514 198,54</b>	<b>12 092 526,25</b>	<b>-213 428,87</b>	<b>839 983,41</b>

<b>Financial Revenues</b>	<b>01-01-2018 to 30-09-2018</b>	<b>01-01-2017 to 30-09-2017</b>	<b>01-07-2018 to 30-09-2018</b>	<b>01-07-2017 to 30-09-2017</b>
a) dividends	0,00	10 294 440,26	0,00	0,00
b) interest from customers	157 355,07	115 442,77	109 509,23	54 215,14
c) loan interest	1 116 776,07	894 844,54	449 581,20	301 069,57
d) deposit interest, bank	688 919,01	709 066,69	207 736,62	463 255,17
e) notes interest	62 616,05	25 004,73	31 447,91	11 655,06
f) other interest	7 973 555,93	51 294,25	7 686,12	8 710,95
g) foreign exchange rate differences	1 918 430,15	0,00	-1 191 486,30	0,00
h) revaluation of investment	0,00	0,00	0,00	0,00
i) profit on disposal of investment	0,00	0,00	0,00	0,00
j) other	596 546,26	2 433,01	172 096,35	1 077,52
<b>Total</b>	<b>12 514 198,54</b>	<b>12 092 526,25</b>	<b>-213 428,87</b>	<b>839 983,41</b>

Note 21. Other financial expenses

<b>FINANCIAL EXPENSES</b>	<b>01-01-2018 to 30-09-2018</b>	<b>01-01-2017 to 30-09-2017</b>	<b>01-07-2018 to 30-09-2018</b>	<b>01-07-2017 to 30-09-2017</b>
a) interest	18 440 131,66	10 455 629,25	4 844 652,59	3 880 228,23
b) revaluation of investment	0,00	0,00	0,00	0,00
c) loss on disposal of investment	30 384,75	0,00	0,00	0,00
d) other	476,01	3 893 655,46	-133,40	-480 027,91
<b>Total financial expenses</b>	<b>18 470 992,42</b>	<b>14 349 284,71</b>	<b>4 844 519,19</b>	<b>3 400 200,32</b>



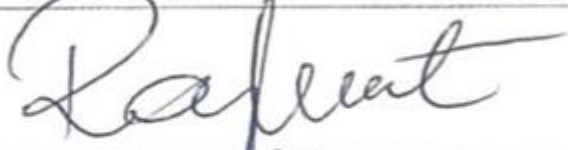
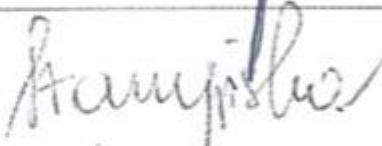
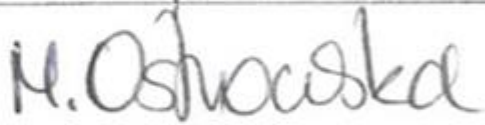


Condensed consolidated financial statements  
for the period of 9 months ended on 30 September 2018

<b>FINANCIAL EXPENSES</b>	<b>01-01-2018 to 30-09-2018</b>	<b>01-01-2017 to 30-09-2017</b>	<b>01-07-2018 to 30-09-2018</b>	<b>01-07-2017 to 30-09-2017</b>
a) interest, commissions and loans	1 434 387,39	1 890 516,04	335 127,75	399 673,12
b) interest- leasing	46 386,18	87 155,03	12 524,21	30 560,70
c) interest- loans	511 821,93	641 248,18	173 130,83	213 811,94
d) interest- notes	429 284,50	1 128 980,73	99 271,60	322 487,31
e) interest- bond issuance	4 002 825,14	6 341 358,88	1 350 049,02	2 642 098,63
f) other interest	12 015 426,52	366 370,39	2 874 549,18	271 596,53
g) foreign exchange rate differences	0,00	3 667 608,70	0,00	-606 074,67
h) loss on disposal of investment	30 384,75	0,00	0,00	0,00
i) other	476,01	226 046,76	-133,40	126 046,76
<b>Total financial expenses</b>	<b>18 470 992,42</b>	<b>14 349 284,71</b>	<b>4 844 519,19</b>	<b>3 400 200,32</b>

Podpis osoby sporządzającej Sprawozdanie Finansowe

<p>Małgorzata Pisarek Główny Księgowy</p>	<p>Podpis </p>
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Podpisy Członków Zarządu

<p>Wojciech Rajchert Członek Zarządu</p>	<p>Podpis </p>
<p>Magdalena Starzyńska Członek Zarządu</p>	<p>Podpis </p>
<p>Małgorzata Ostrowska Członek Zarządu</p>	<p>Podpis </p>
<p>Piotr Suprynowicz Członek Zarządu</p>	<p>Podpis </p>
<p>Małgorzata Pisarek Członek Zarządu</p>	<p>Podpis </p>

Ząbki, 21 listopada 2018 r.