

CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2020 TO 31 DECEMBER 2020

PREPARED IN ACCORDANCE WITH IFRS



Ząbki, 31 March 2021



Consolidated financial statements
for the period from 1 January 2020 to 31 December 2020

Table of contents

A. INTRODUCTION TO CONSOLIDATED FINANCIAL STATEMENTS.....	3
1. GENERAL INFORMATION ABOUT THE DOMINANT ENTITY	3
2. ADOPTED PRINCIPLES (POLICY) OF ACCOUNTING.....	6
B. CONSOLIDATED FINANCIAL STATEMENTS	16
C. ADDITIONAL INFORMATION	20
D. EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	20
The above tables present only the amounts of principal without interest.	37
E. EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	44
F. OTHER EXPLANATORY NOTES.....	46

A. INTRODUCTION TO CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION ABOUT THE DOMINANT ENTITY

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

Registered office: 326 Radzyńska St., 05-091 Ząbk

Country of registration: Poland

Description of the nature and scope of the core business: real estate development and sales for own account

Registered office: 326 Radzyńska St., 05-091 Ząbk

Change in the name of the reporting entity: N/A

Legal form of the entity: public limited liability company

Name of parent company: None

Name of reporting entity: J.W. Construction Holding S.A.

Name of the group head entity: J.W. Construction Holding S.A.

Primary place of business: The company operates in Poland

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

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

1.2 1.2 Lifetime, financial year

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

1.3 Governing Bodies of the Dominant Entity

Management Board

As at 31 December 2020 the Management Board comprised of:

Wojciech Rajchert – Management Board Member

Małgorzata Pisarek – Management Board Member

Piotr Suprynowicz – Management Board Member

In 2020:

On 21 July 2020, the Company received a declaration from an eligible shareholder to appoint Ms. Małgorzata Ostrowska as a member of the Management Board for another term of office on the basis of personal entitlement.

On 21 July 2020, the Company received a declaration from an eligible shareholder to appoint Ms. Małgorzata Pisarek as a member of the Management Board for another term of office on the basis of personal entitlement.

On 21 July 2020, the Supervisory Board appointed Mr. Wojciech Rajchert as a member of the Management Board for another term of office.

On 21 July 2020, the Supervisory Board appointed Mr. Piotr Suprynowicz as a member of the Management Board for another term of office.

On 28 September 2020, Ms. Małgorzata Ostrowska resigned from her position as a Member of the Company's Management Board.

As at the date of preparing these financial statements the Management Board comprises of:

Wojciech Rajchert – Management Board Member
Małgorzata Pisarek – Management Board Member
Piotr Suprynowicz – Management Board Member

Supervisory Board

As at 31 December 2020 the Supervisory Board comprises of:

Józef Wojciechowski – Chairman of the Supervisory Board
Małgorzata Szwarc - Sroka – Supervisory Board Member
Irmína Łopuszyńska Supervisory Board Member
Barbara Czyż – Supervisory Board Member
Ryszard Matkowski – Supervisory Board Member
Kazimierz Krupa - Supervisory Board Member

In 2020:

On 21 July 2020, the Company received a statement from an eligible shareholder on the appointment of Mr. Józef Wojciechowski as Chairman of the Supervisory Board for another term of office.

On 21 July 2020, the Company received a statement from an eligible shareholder on the appointment of Ms. Barbara Czyż as a member of the Supervisory Board for another term of office.

On 21 July 2020, the Company received a statement from an eligible shareholder on the appointment of Ms. Irmína Łopuszyńska as a member of the Supervisory Board for another term of office.

On 21 July 2020, the Ordinary General Meeting of Shareholders appointed Mr. Ryszard Matkowski as a member of the Supervisory Board for another term of office.

On 21 July 2020, the Ordinary General Meeting of Shareholders appointed Mr. Marek Maruszyński as a member of the Supervisory Board for another term of office.

On 21 July 2020, the Ordinary General Meeting of Shareholders appointed Ms. Małgorzata Szwarc-Sroka as a member of the Supervisory Board for another term of office.

On 3 November 2020, Mr. Marek Maruszyński was dismissed from the Supervisory Board of the Company.

On 3 November 2020, Mr. Kazimierz Krupa was appointed to the Supervisory Board of the Company.

As at the date of preparing these financial statements the Supervisory Board comprises of:

Józef Wojciechowski – Chairman of the Supervisory Board
Małgorzata Szwarc - Sroka – Supervisory Board Member
Irmína Łopuszyńska Supervisory Board Member
Barbara Czyż – Supervisory Board Member
Ryszard Matkowski – Supervisory Board Member
Kazimierz Krupa - Supervisory Board Member

1.4 Approval of the financial statements for publishing

This report was approved by the Management Board on 31 March 2021. If significant changes requiring disclosure are made, the financial statements may be amended after their preparation, prior to their approval, solely by the Company's Management Board.

1.5 1.5 Going concern basis and comparability of financial statement

J.W. Construction Holding S.A. assumes continuation of business activity and comparability of financial statements. As at the balance sheet date, J.W. Construction Holding S.A. does not find any circumstances indicating a threat to the continuation of operations. Financial reporting is prepared in accordance with the historical cost principle, except for certain financial instruments and certain transactions which, in accordance with IFRS 9, are measured or settled at fair value.

The Company is monitoring the situation with regard to the valuation of assets, in particular the hotel segment, which generated significantly lower revenues in 2020 due to the pandemic. Asset impairment tests carried out, did not indicate any impairment in the case of own assets. Should the value change, the adjustments will be reflected in the Company's records.

In the reporting period, the measurement method was not changed, which ensures comparability of financial data included in the presented unconsolidated financial statements.

Due to the introduction of the unified electronic reporting system (ESEF), the Company has reviewed its accounting policy and principle and made presentation adjustments to the following items in the statement of financial position and statement of comprehensive income. The following adjustments have no impact on the financial result and total assets. As a result of the presentation adjustments, corresponding changes have been made to the presentation of the comparative figures as at 31.12.2019. The following reclassifications do not materially affect the statement of financial position

Statement on the financial position

Items from the approved report as at 31.12.2019	PLN	Item after change in presentation as at 31.12.2019
FUTURE LONG-TERM DISCOUNTED LEASE PAYMENTS	9 346 603,50	Other long-term liabilities
FUTURE SHORT-TERM DISCOUNTED LEASE PAYMENTS	1 558 538,89	Other current liabilities

Statement on the comprehensive income

Items from the approved report as at 31.12.2019	PLN	Item after change in presentation as at 31.12.2019
Net revenues from sales of products, goods and materials, including:	605 313 800,49	
Net revenues from sales of products	596 646 650,96	Net revenues from sales of products, goods and materials
Net revenues from sales of goods and materials	8 667 149,53	Net revenues from sales of products, goods and materials
Costs of products, goods and materials sold, including:	458 192 396,55	
Cost of products sold	449 632 442,81	Costs of products, goods and materials sold
Value of goods and materials sold	8 559 953,74	Costs of products, goods and materials sold

1.6 Period covered by the report

The presented consolidated financial statements cover the period from 1 January 2020 to 31 December 2020, and the comparable financial data and explanatory notes cover the period from 1 January 2019 to 31 December 2019.

1.7 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 at December 31, 2020 is presented in the table below:

Company	Country of registration	Parent company's share in share capital	Parent company's share in voting rights	Consolidation method
Subsidiaries				
TBS Marki Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
J.W. Construction Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Yakor House Sp. z o.o.	Russia	70,00%	70,00%	full consolidation
Dana Invest Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Varsovia Apartamenty Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Berensona Invest Sp. z o.o.	Poland	100,00%	100,00%	full consolidation
Bliska Wola 4 Sp z o.o. 1SK	Poland	99,00%	99,00%	full consolidation
Bliska Wola 4 Sp z o.o. 2SK	Poland	99,00%	99,00%	full consolidation
Wola Invest Sp. z o.o. (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
J.W. Construction Bulgaria Sp. z o.o.	Bulgaria	100,00%	100,00%	full consolidation

The core business of the Group's companies is:

- Towarzystwo Budownictwa Społecznego „Marki” Sp. z o.o. – sale and administration of social building estates,
- J.W. Construction Sp. z o.o. – construction activity, prefabricated units production for the building industry,
- Yakor House Sp. z o.o. - development and sale of own properties on its own account,
- Dana Invest Sp. z o.o. – development and sale of own properties on its own account,
- Varsovia Apartamenty Sp. z o.o. – hotels and accommodations,
- Berensona Invest Sp. z o.o. – development and sale of own properties on its own account,
- Bliska Wola 4 Sp. z o.o. 1SK – development and sale of own properties on its own account,
- Bliska Wola 4 Sp. z o.o. 2SK – development and sale of own properties on its own account,
- Wola Invest Sp. z o.o. – development and sale of own properties on its own account,
- Bliska Wola 4 Sp. z o.o. – management of limited partnerships,
- Hanza Invest S.A. – development and sale of own properties on its own account.
- J.W. Construction Bułgaria Sp. z o.o. - development and sale of own properties on its own account,

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

Preparation of the consolidated financial statement

The consolidated financial statements for the years 2019-2020 were prepared based on separate financial statements of the companies of the Capital Group of J.W. Construction Holding S.A. and compiled in such a way that the Group constitutes a single entity. The consolidated financial statements cover the financial statements of the parent company -J.W. Construction Holding S.A. and financial statements controlled by the dominant entity of the subsidiaries.

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

In 2019:

- Wielopole 19/21 Sp. z o.o. – 100%

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 information. According to these assumptions, the benefits gained from the information obtained should exceed the costs of providing it. It was found that the cost of obtaining information on non-consolidated subsidiaries and the cost of including them in the consolidation exceeds the benefits derived therefrom. Furthermore, when making the exclusion of subordinated companies from consolidation, the driven fact was that they were not essential for a true and fair presentation of the financial position and results of the Capital Group.

2. ADOPTED PRINCIPLES (POLICY) OF ACCOUNTING

2.1 Statement of unconditional compliance with IFRS

These consolidated financial statements for the period from 1 January 2020 to 31 December 2020 have been prepared in accordance with the applicable IAS/IFRS approved by the European Union (the approval by the European Union means the announcement of standards or interpretations in the form of regulations of the European Commission), effective as at 31 December 2020. To the extent not covered by the above standards, these consolidated financial statements have been prepared in accordance with the requirements of the Accounting Act of 29 September 1994 (Journal of Laws of 2019, item 351, as amended) and the executive regulations issued on its basis. In these unconsolidated financial statements, the general term IFRS is used both in relation to International Financial Reporting Standards and International Accounting Standards.

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

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

2.2 Measurement and financial statements currency

The items included in the unconsolidated financial statement are valued in the currency of the basic economic environment in which the Company operates (functional currency). The functional and presentation currency of the dominant entity is the Polish zloty (PLN). The reporting currency of the financial statements is the Polish zloty (PLN).

2.3 Significant estimations and assumptions

The assessments and evaluations are periodically verified by the Company. When making estimations J.W. Construction Holding S.A. makes the following assumptions referring to the future:

- Estimation of impairment allowance regarding receivables. Impairment allowance is established taking account of expected risk connected with receivables and created collateral having impact on effective debt collection. Although the assumptions are made using the best knowledge, real results may be different than expected.

- Estimations connected with establishing deferred tax assets in accordance with IAS 12. Due to the highly volatile economy it may happen that real earnings and tax income are different than planned.
- Estimation of potential costs of fiscal and court proceedings pending against the Dominant Entity. When preparing the financial statements, each time the chances and risks related to the conducted proceedings are examined and, according to the results and outcomes of such analyses, provisions are made for potential losses. 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 true value of the investment real estate is estimated by independent, professional entities specialized in real estate valuation. The Management Board verifies the valuations of the real estate by comparing them against similar market transactions and other information regarding possible prices for the real estate being verified,
- Estimates related to impairment analysis of groups of fixed assets generating long-term cash flows (hotels within the hotel business). In preparing the financial statements, impairment indicators are analysed on a case-by-case basis on the grounds of the analysis of future cash flows (EBITDA) in the period of planned use of the hotel facilities owned by the Company.

2.4 Changes to accounting policy

The accounting principles (policy) applied to prepare these financial statements for 2020 are consistent with those applied to prepare the annual financial statements for 2019, except for the changes described below. The same principles were applied for the current and comparable period.

2.5 The results of applying new standards of accounting and changes to accounting policy

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

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

- Amendments to IFRS 4 "Insurance contracts" - The key changes include: deferring the date of first application of IFRS 17 by two years to annual reporting periods beginning on or after 1 January 2023, extending the temporary exemption from the application of IFRS 9 by two years. As a result, entities that qualify will be required to apply IFRS 9 for annual reporting periods beginning on 1 January 2023
- or after.
- Amendments to IFRS 9 'Financial Instruments', IFRS 7 'Financial Instruments: Disclosures', IFRS 17 (amendment) 'Insurance Contracts', IFRS 16 (amendment) 'Leases' - the key changes include:
 - a) accounting for modifications to financial assets, financial liabilities and lease liabilities required as a direct consequence of reforms in interest rate indices and made on an economically equivalent basis, by updating the effective interest rate,
 - b) the reform of interest rate indices does not directly cause the discontinuation of hedge accounting. Hedging relationships (and related documentation) must be amended to reflect modifications to the hedged item, the hedging instrument and the risk being hedged. The modified hedging relationships should meet all the qualifying criteria for hedge accounting, including effectiveness requirements,
 - c) to enable users to understand the nature and extent of risks arising from interest rate indices reforms to which the entity is exposed and how the entity manages those risks, and the entity's progress in transitioning from interest rate indices to alternative reference rates and how the entity manages that transition, the changes require disclosing:
 - ⇒ information on how the transition from reference interest rates to alternative reference rates is being managed, the progress made at the reporting date and the risks arising from the transition,
 - ⇒ quantitative information on non-derivative financial assets, non-derivative financial liabilities and derivatives that are still subject to the reference interest rate indices being reformed, listed by significant interest rate indices,
 - ⇒ information to the extent that the reform of interest rate indices has resulted in changes in the entity's risk management strategy, a description of those changes and how the entity manages those risks.

Date of application - an annual period commencing on 1 January 2019 or after that date.

2. New standards, interpretations and amendments to published standards that have been issued by the International Accounting Standards Board (IASB) and are awaiting approval by the European Union

- IFRS 17 "Insurance Contracts" - effective date - annual period beginning on or after 1 January 2023.
- Amendments to IAS 1 "Presentation of financial statements" - effective date - annual period beginning on or after 1 January 2023.

- Amendments to IFRS 3 "Business Combinations" - effective date - annual period beginning on or after 1 January 2022
- Amendments to IAS 16 "Property, plant and equipment" - effective date - annual period beginning on or after 1 January 2022
- Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" - effective date - annual period beginning on or after 1 January 2022.
- Amendments to IAS 8 "Accounting policies, changes in accounting estimates and errors" - effective date - annual period beginning on or after 1 January 2023.
- Amendments to IFRS 16 "Leases" - effective date - period beginning on or after 1 April 2021.

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

3. Accounting policy

Intangible assets

Intangible assets are priced at cost and include proprietary rights such as: concessions, patents, licenses, trademarks, copyrights, know-how and computer software. Intangible assets are identifiable non-monetary assets. Intangible assets are recognizable if:

- they are identifiable,
- the company controls such assets, due to which it is entitled to future economic benefits that are attributable to them and is able to restrict third party access to such benefits,
- they generate future economic benefits which may occur in the form of revenues from sales or cost savings for the Company,
- the acquisition price or manufacturing cost of a given asset can be measured reliably.

Intangible assets with a specified useful life are amortized in accordance with the straight-line method in a period corresponding to an estimated period of their economic life, which is as follows:

- Computer software from 10% to 50%

Intangible assets of an indefinite useful life (goodwill) are not amortized but tested for impairment on an annual basis, in accordance with IAS 36.

Tangible assets

Tangible assets cover resources controlled by the company (owned by the Company) resulting from past events, which future economic benefits are expected to flow to the company and which are kept by the same for use in production or supply of goods and services, for rendering them for use to other entities under lease agreements or for the purpose of administration, and which are expected to be used for over one year. The company recognizes tangible assets as assets when they are usable, complete and their cost (acquisition price or manufacturing cost) may be measured reliably.

Tangible assets are measured at acquisition price or manufacturing cost. Tangible assets are depreciated with the straight-line method for the period of their useful life as follows:

- Buildings and structures: the depreciation rates from 1,25% – 4,5%
- Machinery and equipment: 5% - 30%
- Motor vehicles: 12,5% - 20%
- Other fixed assets: 5% - 50%

Subsequent expenditure on an item of tangible assets is added to the carrying amount of the asset if it is probable that future economic benefits will be received by the entity that exceed those expected to be derived from the originally estimated level of performance of the assets already held. The costs of day-to-day operations and repairs are charged to the costs of the period.

Low-value fixed assets with a value below PLN 3,500.00 are depreciated once under the date of purchase. In case of fixed assets, which permanently lost their economic usefulness, unplanned depreciation charge included in other operating costs is made.

The Company verified the value of their assets. Fixed assets that are disclosed in the financial statements do not differ from their assumed cost.

Impairment of tangible assets and intangible assets

If there are indications of impairment of tangible and intangible assets held, an impairment test is carried out and the established amounts of impairment losses reduce the carrying amount of the asset to which they relate and are charged to the profit and loss account.

Write-downs on assets previously revalued, adjust the revaluation reserve up to the amount recognised in the capital, and below the purchase price, are recognised in the profit and loss account. The amount of revaluation write-offs is determined as the excess of the balance sheet value of these components over their recoverable value. The recoverable amount is the higher of the following values: net selling price or value in use.

Revaluation write-downs are reversed if the reasons justifying their creation disappear. The effects of reversal of revaluation write-offs are recognized in the profit and loss account, except for the values which reduced the revaluation capital earlier and then adjust this capital to the amount of its decreases.

Investments in subsidiaries, associates and joint ventures

The Company measures investments in subsidiaries, joint ventures and associates in accordance with IAS 27.10.a, i.e. at acquisition cost. As at each balance sheet date, investments in subsidiaries, joint ventures and associates are analysed for possible impairment and if premises for impairment are identified, impairment tests are conducted in accordance with IAS 36.

The Company values shares in other entities in accordance with IFRS9, i.e. at fair value. Revaluation to fair value is recognised in profit or loss or other comprehensive income depending on the classification of a given asset for valuation purposes.

Investment real estate

Investment real estate is real estate (land, building or a part of the same, or both) treated by the owner as a source of revenues from rents or held for growth in value. Such real estate is not used in production, supply of goods and services or administration activities, neither is it held for sale in an ordinary course of business. Investment real estate is in particular land kept for its long-term growth in value or land whose future use is presently undetermined. Investment real estate is initially measured at acquisition price or manufacturing cost including transaction expenses.

After initial recognition, an entity using a model of fair value measurement, measures at the fair value all investment properties and investment properties under construction, with the exception of cases where an entity cannot reliably determine the fair value of investment properties. The gain or loss arising from changes in fair value of investment property affects net profit or net loss for the period.

Leasing

At the time of entering into each new contract, the Company assesses whether the contract is a lease or involves a lease. A lease has been defined as an agreement whereby the right to control the use of an identified asset is transferred for a specified period in exchange for consideration. To identify leases, contracts are assessed against 3 criteria:

- whether the contract relates to an identified asset that is explicitly identified in the contract or can be implicitly identified when the asset is made available for use,
- whether the entity has the right to obtain essentially all the economic benefits from the use of the identified asset throughout the useful life of the asset in accordance with the applicable contract,
- whether the entity has the right to manage the use of the identified asset throughout its lifetime.

The Company recognises a right-of-use asset and a lease liability at the commencement date. The right-of-use is measured at the commencement date at cost comprising the amount of the initial measurement of the lease liability, any lease payments made at the commencement date, initial direct costs, estimated costs expected to be incurred in dismantling and removing the underlying asset and lease payments made at or before the commencement date.

Use rights are amortised on a straight-line basis from the commencement date to the end of the use period of the use right or the end of the lease term, whichever occurs first. The rights of use are tested for impairment in accordance with IAS 36 when indications of impairment are recognised.

At the commencement date, the Company measures the lease liability at the present value of the lease payments outstanding at that date. Lease payments are discounted using the interest rate implicit in the lease if that rate is easily determinable. Otherwise, the lessee applies the lessee's marginal interest rate.

At the commencement date, lease payments included in the measurement of the lease liability comprise fixed lease payments less any lease incentive payable, variable lease payments based on indices or rates, amounts expected to be paid under the guaranteed residual value and payments upon exercise of a call option if it can be assumed with reasonable certainty that the lessee will exercise the option.

In subsequent periods, the lease liability is increased by accrued interest on the lease liability and decreased by lease payments made.

The valuation of the lease liability is updated in the event of changes in the lease agreements relating to the lease term, the occurrence of an option to buy the underlying asset, the guaranteed residual value, the occurrence of changes in payments due to changes in indices or rates.

The revaluation of the liability is recognised as an adjustment to the value of the right-of-use asset.

The Company applies the standard's permitted practical solutions to short-term leases and leases of small value. For such contracts, lease payments are recognised in profit or loss on a straight-line basis over the lease term.

Fixed assets used under finance leases are depreciated according to the rules applicable to own assets. If there is no credible guarantee that the Company will be granted ownership at the end of the lease, the assets are depreciated over the shorter of the lease term and the economic lifetime.

Inventories

Inventories comprising materials, work in progress, finished products, goods and trade advances are:

- materials or raw materials designated for use during production or supply of services,
- produced for the purpose of sale in an ordinary course of business,
- held for sale in an ordinary course of business.

Finished products

Finished products are components of the completed projects (residential homes, multifamily housing), such as apartments, commercial spaces, basements, garage and parking places. This item comprises other finished products used in the production process of the company. Finished products are measured at the lower of acquisition price (manufacturing cost - including direct costs and a substantiated part of indirect costs as well as costs of borrowings incurred until the production completion date) and a net realizable value.

Should the acquisition price or manufacturing cost be higher than the expected net realizable value, the company discloses an impairment loss adjusting costs of goods sold. The depletion of finished products is performed through detailed identification of particular items.

Work in progress

Work in progress covers expenditures made on building housing estates and costs connected with auxiliary production. Auxiliary production is valued at production costs. Work in progress is presented in the balance sheet under "Construction contracts" according to IFRS 15 "Revenue from contracts with customers".

Borrowing costs

Costs of borrowings comprise interest, exchange losses and other financial expenses incurred by the company due to borrowings. The Company defers costs of borrowings that may be allocated directly to acquisition (land and construction services), construction or manufacturing of an asset as a part of acquisition price or manufacturing cost of such asset. The said costs are deferred until the production or construction completion date. Other costs of borrowings are recognized in the period in which they are incurred, regardless of the manner of using the borrowings.

Financial instruments

The Company recognises a financial asset or financial liability in the statement of financial position if, and only if, it becomes bound by the provisions of the instrument agreement.

The Company ceases to recognise a financial asset when the contractual rights to receive cash flows from that asset expire or until the rights to receive cash flows from the financial asset are transferred in a transaction transferring substantially all the significant risks and benefits resulting from their ownership.

Classification of financial instruments

The entity classifies financial instruments in accordance with the requirements of IFRS 9.

Classification of financial instruments is based on the business model of managing groups of financial assets and characteristics of contractual cash flows for a given financial asset and liability. Classification is made at the moment of initial recognition, with the exception of items reported at the moment of first application of IFRS 9. Classification of derivatives depends on their purpose and compliance with the requirements of IFRS 9.

In connection with the implementation of IFRS 9, the Company has classified financial instruments into the following categories:

- Financial assets valued at amortised cost.

An asset is recognized as measured at amortized cost if it meets the following conditions:

- a) It is maintained in accordance with a business model whose purpose is to maintain financial assets to generate contractual cash flows,
- b) The contractual terms and conditions of a financial asset give rise to cash flows on specified dates, which are merely the repayment of the principal and interest on the principal outstanding,
- c) It is not intended for trading.

Financial assets measured at amortised cost include trade receivables (trade receivables), granted loans, other receivables and cash and cash equivalents. These items are measured as at the balance sheet date at amortised cost using the effective interest rate. Financial assets measured at amortised cost are measured taking into account expected credit losses.

- Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss include financial assets held for trading, investments in capital instruments quoted on an active market and financial assets that are not classified as assets measured at amortised cost or at fair value through comprehensive income. In connection with the classification, changes in the fair value of financial assets (which were classified into this category) during the period in which they arose are recognised in the financial result. The financial result also includes revenues from interest and dividends received from capital instruments listed on the active market.

- Financial assets at fair value through other comprehensive income

This group includes investments in equity instruments that are measured at fair value (other than those relating to investments in subsidiaries and associates) that are not classified as financial assets at fair value through profit or loss and debt financial assets that meet the criteria of a basic loan agreement received under a business model for cash flows or sales. The result on the valuation of investments in equity instruments and debt instruments classified in this category is recognized in other comprehensive income. Interest income from investments in debt instruments is recognised in the financial result. Dividends on equity instruments measured at fair value through profit or loss are recognised in profit or loss as income. In the case of disposal of equity instruments classified as at fair value through other comprehensive income, the revaluations recognised in equity are accounted for within equity (they do not affect the financial result of the period). If debt financial assets classified as at fair value through other comprehensive income are disposed of, the gains or losses accumulated in equity are recognised (reclassified) in profit or loss.

Financial liabilities measured at amortised cost

The Company classifies for measurement at amortised cost loans received, borrowings taken, liabilities due to debt securities, trade liabilities (trade liabilities) and other liabilities subject to IFRS 9. Interest expenses are recognized by the Company in the financial result, except for situations when they qualify for recognition in the initial value of assets. Financial liabilities are measured at amortised cost using the effective interest rate.

Impairment of financial assets

The entity shall determine impairment losses in accordance with the expected credit loss model for items subject to IFRS 9 for impairment losses.

The expected loss model applies to financial assets measured at amortised cost and debt financial assets measured at fair value through other comprehensive income, as well as to financial guarantees and loan commitments granted (except for those measured at fair value).

In the case of trade receivables (trade receivables), the Company applies a simplified approach to determining the write-down for expected credit losses - it defines it in the amount equal to expected credit losses throughout the life of the receivables.

In the case of other financial assets, the Company measures a write-down for expected credit losses in the amount of 12 months of expected credit losses, unless there has been a significant worsening of credit risk or a default. If the credit risk associated with a given financial instrument has increased significantly since its initial recognition, the Company measures the allowance for expected credit losses on account of the financial instrument in the amount equal to the expected credit losses over the remaining life of the instrument. As at each reporting date, the Company analyses whether there are indications of a significant increase in the credit risk of its financial assets.

Current and non-current receivables

The company's receivables not classified as financial assets subject to IFRS 9 are disclosed in the financial statements at the amount of the payment due less impairment losses. The value of receivables is updated taking into account the probability of their repayment by making a revaluation write-down. Write-downs on receivables are included in other operating costs or financial costs, respectively, depending on the type of receivables to which the write-down relates. Receivables that are remitted, overdue or uncollectible decrease the previously made write-downs. Receivables that have been written off, overdue or uncollectible, for which no revaluation write-offs have been made or write-offs have been made in an incomplete amount, are included in other operating costs or financial costs respectively.

Trade receivables (trade receivables) are initially recognised at the transaction price resulting from the contract, and then measured at amortised cost using the effective interest rate method, less write-downs for expected credit losses. An impairment loss on trade receivables is created based on the calculation of expected losses.

The Company calculates expected credit losses for trade receivables on the basis of historical data on repayments of receivables by counterparties, adjusted, where appropriate, for the impact of future information and macroeconomic expectations. Impairment losses are analysed as at each reporting date.

Guarantee deposits

Guarantee deposits being parts of receivables, retained by customers under contractual provisions as security for the guarantee and warranty period, are disclosed in assets of Company.

Guarantee deposits securing the claims of sub-contractors against the Company are disclosed in payables as liabilities. Deposits are measured as at the balance sheet date at amortised cost using the effective discount rate. In the case of deposits recognised as an asset, the entity shall also write off any expected credit losses.

Cash and cash equivalents

Cash at bank and in hand, as well as short-term deposits held to maturity, are valued at amortised cost, approximated by the nominal value plus interest due as at the balance sheet date.

Prepayments and accrued expenses

The Company activates prepayments if they meet the definition of assets and it is probable that the costs incurred relate to more than one reporting period, taking into account the principles of materiality and diligence. The most important criterion for costs to be settled over time is that they must be included in the assets of the entity, i.e. resources of a reliably determinable value, arising from past events that will result in future economic benefits to the entity.

Provisions for liabilities

Provisions are liabilities whose amount or payment deadline is not known. Provisions in the company are created when all of the following conditions are met:

- the Company is under an existing obligation (legal or customary) resulting from past events,
- it is probable that fulfilment of the obligation will result in the necessity of outflow of resources constituting economic benefits,
- the amount of the obligation can be reliably estimated.

Provisions for liabilities in J.W. Construction Holding S.A. constitute:

- provision for future liabilities
- provision for warranty repairs, which is recognized in the amount of from past periods concerning costs of warranty repairs,
- provision for unused holidays of employees, which is created on the basis of the list of unused holidays of individual employees for a given day, and their gross daily remuneration, increased by ZUS contributions of the employer,
- provision for retirement severance payments,
- provision for deferred income tax.

Long-term contracts for property development services

The core business of the Issuer is the realization of development contracts. The characteristic feature of developer contracts is the construction of apartments that are generally financed by the principal over the whole project, by way of contractually agreed advances, and then - after the investment process has been completed - the ownership right is transferred to the apartment buyer. Such contracts are performed for over 12 months. Advances paid by the purchasers for the signed contracts are recorded in deferred income. Costs by type incurred in a given period are recognized in inventories, which, for the purposes of presentation in the balance sheet, were separated as construction contracts. The value of inventories is determined in accordance with IAS 2 "Inventories". In connection with the application of IFRS 15, the Company has not changed the previous method of revenue recognition.

Starting from 2009, the Company recognizes revenues from property development contracts - sale of real estate (flats and commercial premises) at the moment of transferring control and significant ownership risk to the buyer. The transfer of control and significant risk due to ownership of an apartment or commercial premises takes place no later than on the date of conclusion of the sale agreement concluded in the form of a notarial deed.

The Company recognizes revenues from the sale of real estate under the following conditions:

- construction is complete;
- property transfer protocol has been received

Long-term contracts for construction services

The Company, as the contractor for construction services, applies the provisions of IFRS 15 "Revenue from contracts" to accounting for and recognition of construction services.

In connection with the concluded contracts, the entity identifies separate benefits for the customer resulting from the contract. Most construction contracts meet the criteria for performance over time, and an entity recognises revenue during performance using the following approaches:

a) Zero-profit method

The zero-profit method is applied when it is not possible to measure the stage of completion of an unfinished construction service reliably. Revenue on account of not completed construction service, according to this method, is determined at the end of the month in the amount of costs incurred in this period, but not higher than the costs which are likely to be covered in the future by the ordering party. If the invoiced revenue is higher than the incurred costs, an appropriate part of the revenue is transferred to deferred income.

b) Percentage-of-completion method

The percentage-of-completion method is applied when it is possible to measure the stage of completion of an unfinished construction service reliably. Revenues from an unfinished construction contract are disclosed pro rata to costs incurred at a given moment of its performance. Revenues, expenses and profits are disclosed proportionally to the stage of work completion.

When determining the degree of advancement of the construction contract, the Company applies such a method which will allow it to reliably determine the state of completion of works at a given date. These methods may, depending on the nature of the contract, include:

- establishing the proportion of contract costs incurred for work performed to date in relation to the estimated total contract costs,
- measurement of works performed,
- comparing physically completed parts of work with contractual works.

When establishing the stage of completion of a construction service, based on contractual expenses incurred to date, costs of the said works include only those contractual expenditures that can be allocated to the stage of completed work.

Borrowings

Borrowings are recognized at acquisition price equal to fair value of received cash less costs of acquisition. Borrowings are subsequently measured at acquisition price adjusted with an effective interest rate. All effects relating to the adjusted purchase price and the effects of removing the liability from the balance sheet or recognizing its impairment are disclosed in the statement of comprehensive income.

Deferred income tax

Deferred income tax assets and liabilities are estimated based on temporary differences between the value of assets and liabilities disclosed in books and their tax value and a tax loss deductible in future from the tax base.

The provision for deferred tax is created in relation to positive temporary differences in the amount of income tax that will have to be paid in the future.

Deferred income tax assets are determined in the amount to be deducted from income tax in the future, in connection with negative temporary differences and tax loss deductible under the prudence principle. The carrying amount of a deferred tax asset is reviewed at each balance sheet date if it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered. Deferred tax assets and provisions for deferred tax are measured at the tax rates that will apply in the period when the asset will be realised or the provision dissolved, based on the tax rates effective as at the balance sheet date.

The Company offsets assets on account of deferred income tax with liabilities on account of deferred income tax if and only if they concern income tax imposed by the same tax authority and if the entity has an enforceable legal title to carry out offsetting of receivables on account of current tax with liabilities on account of current tax.

Held-for-sale assets and discontinued operations

Fixed assets available for sale

Fixed assets available for sale are assets classified in this category or their group and are recognised in the financial statements at an amount lower than their carrying amount or fair value less selling costs.

Assets can be classified to that company when active operations are performed to locate a buyer, it is highly probable that assets will be sold within one year of their classification and they are available for immediate sale.

Discontinued operations

Discontinued operations are an element of the entity that has been disposed of or is classified as held for sale and:

- is a distinct, important field of activity or geographical area of activity,
- is part of a single coordinated divestiture plan for a separate major business or geographical area of operations, or
- is a subsidiary acquired exclusively for the purpose of its sale.

Liabilities

Liabilities are obligations of the Company, arising from future events, the value of which can be measured reliably and which will cause the use of present or future assets of the Company.

Based on their characteristics, liabilities can be divided into:

- current liabilities,
- non-current liabilities,
- financial liabilities,
- contingent liabilities.

Current liabilities are a set of trade liabilities as well as all or that part of other liabilities which became due within 12 months from the balance sheet date. Non-current liabilities are the part of liabilities on account of other than supplies and services, which become due within more than 12 months from the balance sheet date.

Financial liabilities are obligations of the company to deliver financial assets or to exchange a financial instrument with another company on unfavourable conditions.

Contingent liabilities are obligations to provide services, the occurrence of which depends on the occurrence of specific events. These liabilities are disclosed in additional information and explanations.

Liabilities that are not financial liabilities are measured at the balance sheet date at the amount due. Financial liabilities subject to IFRS 9 are measured as at the balance sheet date at fair value or at amortized cost, depending on the classification of items.

Accrued expenses

Accrued expenses are made in the amount of probable liabilities for the current reporting period.

Revenues

IFRS 15 sets out the principles for recognising revenue from contracts with customers. By reference, the regulations also apply to some aspects of recognition of sales of non-financial assets.

Revenue is measured at the transaction price, which is the amount of consideration expected to be received by the entity in exchange for the transfer of promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, some sales taxes). The consideration specified in the customer contract may include fixed amounts, variable amounts or both. The amount of consideration is usually reflected in the amount received or receivable, net of expected rebates, refunds and similar deductions, including value added tax and other sales taxes other than excise duty, and contractual penalties.

If payment is deferred, the entity shall assess whether the agreement provides for a significant element of financing. If a significant element of financing is identified, the entity recognises revenue at the date of origin at the discounted amount. The discount value is interest income (financial) recognised at the effective interest rate over the deferred payment period. Revenue is not discounted if the payment date does not exceed one year.

The Company measures unfinished services as at the balance sheet date as benefits provided over time. In relation to such transactions, revenue is determined if its amount can be reliably estimated and it is probable that the economic benefits associated with the transaction will flow to the entity and if the costs incurred can be reliably measured. This revenue is measured by reference to the stage of completion of the transaction at the balance sheet date.

In the case of identifying separate benefits for the customer resulting from the agreement, the remuneration is settled for these benefits, and the moment of recognition of revenues is determined separately.

Revenues from the sale of developer services - apartments are recognised in the manner described in section "Long-term contracts for development services".

Revenues from construction services are presented under "Long-term contracts for construction services".

The Company grants a warranty for the sold apartments in accordance with the applicable laws.

Costs

Costs are recognised in profit or loss on the date they are incurred, i.e. on the date when assets are derecognised or liabilities to which they correspond or are recognised as assets if they are part of the cost of inventories, investment property, property, plant and equipment, intangible assets (development work) or the cost of performing a service contract (including construction work). The costs of performance of a service contract are capitalised in the balance sheet as assets if the following conditions are met:

- costs are directly related to the contract or the intended contract that the entity can clearly identify;
- costs lead to the generation or improvement of the entity's resources that will be used to meet (or continue to meet) future service obligations; and
- the entity expects these costs to be recovered.

Along with the progressing completion of the service and the recognition of revenues, the costs of service provision capitalised in the balance sheet are charged to the financial result. The financial result may also be charged to the financial result at the moment of recognition of impairment. Employee benefit costs are recognised in the period in which the employees render their services.

Borrowing costs are recognised as an expense in the period in which they are incurred, except for costs that are directly attributable to the acquisition, construction or production of a qualifying asset. In such a case, the entity shall capitalise borrowing costs as part of the cost of that asset in accordance with IAS 23 Borrowing Costs.



Consolidated financial statements
for the period from 1 January 2020 to 31 December 2020

Other income, expenses, gains and losses

Other operating income and expenses are income and expenses not connected directly with operating activities.

Financial income and expenses comprise, among other things: interest connected with loans and credits granted and used, default interest received and paid, foreign exchange gains and losses, commissions paid and received, gains and losses on sale of securities, provisions dissolved and created in the burden of financial expenses.

Taxes

Corporate income tax expense is calculated based on taxable earnings (tax base) for a given accounting year. Tax profit (loss) differs from net book profit (loss) due to exclusion of next-year taxable income and tax-deductible costs, as well as permanently non-taxable income and expenses. Tax expense is calculated at a tax rate applicable in a given trading year.

B. CONSOLIDATED FINANCIAL STATEMENTS

consolidated statement of financial position

ASSETS	Note	31-12-2020	31-12-2019
FIXED ASSETS		765 030 962,59	817 302 742,39
Intangible assets	1	7 067 041,10	7 109 446,85
Tangible assets	3	443 563 951,38	447 464 133,67
Investment real estate	4	297 661 442,61	319 408 609,49
Non-current financial assets	5	11 254 521,82	33 843 467,85
Deferred income tax assets		0,00	0,00
Trade and other receivables	6	2 915 247,83	2 828 104,82
Use rights assets	3a	2 568 757,85	6 648 979,71
CURRENT ASSETS		1 197 111 087,07	851 506 349,19
Inventories	7	24 047 302,88	30 357 562,09
Construction contracts	7	898 989 494,30	665 940 029,15
Trade and other receivables	8	21 387 546,30	23 661 326,55
Other financial assets	9	28 617 570,72	8 187 700,76
Cash and cash equivalents	10	210 365 181,93	108 468 058,98
Accruals	11	10 231 215,50	10 635 608,89
Use rights assets	3a	3 472 775,44	4 256 062,77
Total assets		1 962 142 049,66	1 668 809 091,58
LIABILITIES			
EQUITY		717 312 573,80	727 912 851,70
Primary capital	12	17 771 888,60	17 771 888,60
Revaluation reserve		7 493 208,19	7 493 208,19
Own shares		-17 492 694,76	-17 410 415,37
Other capitals	13	765 229 764,52	716 049 067,69
Retained earnings		-55 689 592,75	4 009 102,59
including: Net profit / loss		-12 137 181,96	63 397 314,27
Equity attributable to shareholders of the dominant entity		717 312 573,80	727 912 851,70
Equity attributable to non-controlling shareholders		0,00	0,00
LIABILITIES		1 244 829 475,86	940 896 239,88
Non-current liabilities		301 952 691,42	364 117 821,95
Borrowings	14	124 838 373,59	159 416 478,47
Deferred income tax liabilities	15	1 990 732,73	13 732 924,37
Retirement benefits liabilities	16	241 204,47	241 204,48
Provisions for other liabilities	17	54 299 517,46	54 362 613,85
Other liabilities	18	120 582 863,17	136 364 600,78
Current liabilities		942 876 784,44	576 778 417,93
Trade and other payables	19	57 777 353,53	66 969 666,41
Construction contracts	7	669 163 777,32	348 226 651,27
Borrowings	14	127 018 143,53	39 922 578,92
Provisions for other liabilities and other charges	17	32 621 113,28	32 484 937,03
Other liabilities	19	56 296 396,78	89 174 584,30
Total liabilities and equity		1 962 142 049,66	1 668 809 091,58

Consolidated Statement of comprehensive income

	Note	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
Net revenues from sales of products, goods and materials	23	182 153 089,48	605 313 800,49
Costs of products, goods and materials sold	24	150 291 643,08	458 192 396,55
Gross profit (loss) from sales		31 861 446,40	147 121 403,94
Costs of sales	24	18 817 216,99	30 983 964,63
Overheads	24	23 198 210,79	29 650 721,84
Revaluation of investment property		13 883 227,36	4 663 010,09
Profit (loss) from sales		3 729 245,98	91 149 727,56
Other operating income	25	5 094 086,28	6 182 804,82
Other operating expenses	26	12 459 506,72	9 484 632,77
Profit (loss) on operations		-3 636 174,46	87 847 899,61
Financial revenues	27	3 573 376,03	3 919 865,85
Financial costs	28	15 446 753,37	11 957 932,14
Gross profit (loss)		-15 509 551,80	79 809 833,32
Income tax	21	-3 372 369,84	16 412 519,05
Profit (loss) on continuing operations		-12 137 181,96	63 397 314,27
Net profit (loss)		-12 137 181,96	63 397 314,27

Other comprehensive income:		1 619 183,44	-464 221,48
Other comprehensive income to be reclassified to profit or loss when certain conditions are met		1 619 183,44	-464 221,48
Foreign exchange rate operation differences		1 619 183,44	-464 221,48
Other comprehensive income not to be reclassified to profit or loss		0,00	0,00
Profit from revaluation of tangible fixed assets		0,00	0,00
Total revenue		-10 517 998,52	62 933 092,79
Net profit attributable to shareholders of the dominant entity		-12 137 181,96	63 397 314,27
Net profit attributable to non-controlling shareholders		0,00	0,00
Comprehensive income attributable to shareholders of the dominant entity		-10 517 998,52	62 933 092,79
Comprehensive income attributable to non-controlling shareholders		0,00	0,00

CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE

		01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
Profits			
(A) Profit resulting from the financial statements		-12 137 181,96	63 397 314,27
Number of shares			
(B) Number of ordinary shares and preferred shares (as to the right to vote in the General Meeting of the Company) for the purpose of calculating earnings per share*		82 873 083	87 788 953
(C) Number of ordinary shares and preferred shares (as to the right to vote in the General Meeting of the Company) for the purpose of calculating diluted earnings per share		82 873 083	87 788 953
Basic earnings per share = (A)/(B)		-0,15	0,72
Diluted earnings per share = (A)/(C)		-0,15	0,72

Consolidated statement of cash flows

Cash flows from operating activities - indirect method	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
Net profit (loss)	-12 137 181,96	63 397 314,27
Item adjustment	-14 727 537,08	43 538 473,00
Depreciation and amortization	14 653 470,13	12 481 069,46
(Profit) loss on foreign exchange differences concerning financial and business activity	-2 370 642,41	0,00
Profit (loss) on investment activities	-20 566 350,10	2 243 660,42
Interest and dividends	9 872 127,51	7 015 757,20
Changes in provisions and accruals	-4 541 689,95	20 805 622,20
Other adjustments	-11 774 452,26	992 363,72
- investment property write-off	-13 583 641,48	-4 663 010,09
- other adjustments	1 809 189,22	5 655 373,81
Changes in working capital	129 306 059,63	-38 868 997,37
Changes in inventories	6 310 259,21	-1 237 076,89
Change in the status of development investments	131 056 290,30	-51 757 166,32
Changes in receivables	2 186 637,24	15 819 371,07
Change in current liabilities	-10 247 127,12	-1 694 125,23
Cash flows from operations	102 441 340,59	68 066 789,90
Income tax paid	-7 500 000,00	0,00
Net cash flows from operating activities	94 941 340,59	68 066 789,90
Investment activity cash flows		
Disposal of tangible and intangible assets and other noncurrent assets	30 419 434,76	20 811 985,86
Acquisition of tangible and intangible assets and other noncurrent assets	-20 376 657,62	-73 301 947,95
Acquisition of equity and debt instruments	-8 050 000,00	-1 043 000,00
Disposal of equity and debt instruments	2 300 000,00	0,00
Loans granted	0,00	-12 065 349,45
Loans paid	4 972 222,10	4 138 888,85
Interest received	765 779,40	216 460,00
Disposal of subsidiaries	0,00	0,00
Acquisition of subsidiaries	0,00	0,00
Net investment activity cash flow	10 030 778,64	-61 242 962,69
Cash flows from financing activities		
Net proceeds from issue of shares	0,00	0,00
Acquisition of own shares or repayment of shares	-82 279,39	-17 410 415,37
Loans and borrowings granted	143 481 340,96	105 578 443,43
Loans and borrowing paid	-90 963 881,23	-48 644 762,48
Issuance of security papers	0,00	0,00
Redemption of debt securities	-34 550 000,00	-70 300 000,00
Payments under financial lease agreements	-5 253 865,65	-3 233 461,65
Dividends and other shares in profits	0,00	0,00
Interest paid	-15 706 310,97	-14 505 018,23
Other financial revenues	0,00	27 674 945,73
Other financial expenditure	0,00	0,00
Net financing cash flow	-3 074 996,28	-20 840 268,57
DECREASE/(INCREASE) IN CASH BEFORE EXCHANGE RATE DIFFERENCES	101 897 122,95	-14 016 441,36
- change in cash due to exchange rate differences	0,00	0,00
NET DECREASE / (INCREASE) IN CASH	101 897 122,95	-14 016 441,36
Opening balance of cash and cash equivalents	108 468 058,98	122 484 500,32
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	210 365 181,93	108 468 058,98



Consolidated financial statements
for the period from 1 January 2020 to 31 December 2020

Consolidated Statements of changes in equity

	Share capital	Own shares (negative value)	Revaluation reserve	Reserve capital*	Other reserve capitals*	Exchange rate differences on consolidation*	Retained earnings	Equity attributable to shareholders of the dominant entity	Equity attributable to non-controlling shareholders	Equity
As at 31 December 2019	17 771 888,60	-17 410 415,37	7 493 208,19	662 258 543,33	57 947 307,60	-4 156 783,24	4 009 102,59	727 912 851,70	0,00	727 912 851,70
Basic error corrections	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Adjustments due to change of presentation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
As at 1 January 2020	17 771 888,60	-17 410 415,37	7 493 208,19	662 258 543,33	57 947 307,60	-4 156 783,24	4 009 102,59	727 912 851,70	0,00	727 912 851,70
Net profit (loss) for the accounting year	0,00	0,00	0,00	0,00	0,00	0,00	-12 137 181,96	-12 137 181,96	0,00	-12 137 181,96
Other comprehensive income	0,00	0,00	0,00	0,00	0,00	1 619 183,44	0,00	1 619 183,44	0,00	1 619 183,44
Total revenue	0,00	0,00	0,00	0,00	0,00	1 619 183,44	-12 137 181,96	-10 517 998,52	0,00	-10 517 998,52
Share issuance	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Purchase of own shares	0,00	-82 279,39	0,00	0,00	0,00	0,00	0,00	-82 279,39	0,00	-82 279,39
Own shares redemption	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Consolidating company	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Increase / decrease from profit distribution	0,00	0,00	0,00	47 561 513,39	0,00	0,00	-47 561 513,39	0,00	0,00	0,00
Other adjustments	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
As at 31 December 2020	17 771 888,60	-17 492 694,76	7 493 208,19	709 820 056,72	57 947 307,60	-2 537 599,80	-55 689 592,75	717 312 573,80	0,00	717 312 573,80

	Share capital	Own shares (negative value)	Revaluation reserve	Reserve capital*	Other reserve capitals*	Exchange rate differences on consolidation*	Retained earnings	Equity attributable to shareholders of the dominant entity	Equity attributable to non-controlling shareholders	Equity
As at 31 December 2018	17 771 888,60	0,00	7 493 208,19	692 071 910,38	7 947 307,60	-3 692 561,76	-27 887 704,03	693 704 048,98	0,00	693 704 048,98
Basic error corrections	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Adjustments due to change of presentation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
As at 1 January 2019	17 771 888,60	0,00	7 493 208,19	692 071 910,38	7 947 307,60	-3 692 561,76	-27 887 704,03	693 704 048,98	0,00	693 704 048,98
Net profit (loss) for the accounting year	0,00	0,00	0,00	0,00	0,00	0,00	63 397 314,27	63 397 314,27	0,00	63 397 314,27
Other comprehensive income	0,00	0,00	0,00	0,00	0,00	-464 221,48	0,00	-464 221,48	0,00	-464 221,48
Total revenue	0,00	0,00	0,00	0,00	0,00	-464 221,48	63 397 314,27	62 933 092,79	0,00	62 933 092,79
Share issuance	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Purchase of own shares	0,00	-17 410 415,37	0,00	-50 000 000,00	50 000 000,00	0,00	0,00	-17 410 415,37	0,00	-17 410 415,37
Own shares redemption	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Consolidating company	0,00	0,00	0,00	0,00	0,00	0,00	-11 313 874,71	-11 313 874,71	0,00	-11 313 874,71
Increase / decrease from profit distribution	0,00	0,00	0,00	20 186 632,95	0,00	0,00	-20 186 632,94	0,01	0,00	0,00
Other adjustments	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
As at 31 December 2019	17 771 888,60	-17 410 415,37	7 493 208,19	662 258 543,33	57 947 307,60	-4 156 783,24	4 009 102,59	727 912 851,70	0,00	727 912 851,70

* - the capital movement reflected in the columns: Reserve capital, Other reserve capital and Exchange rate differences on consolidation correspond to the item Other capitals item in the Balance Sheet

C. ADDITIONAL INFORMATION

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

In these Financial Statements of the Group, no other significant events related to previous years, other than those described earlier, have been disclosed.

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

The Financial Statements of the Group prepared for 2020 include all events that occurred until the date of preparation of the Statements, i.e. until 31 March 2020 and had an impact on the Consolidated Financial Statements of the Group for the period from 1 January 2020 to 31 December 2020.

CHANGES IN ACCOUNTING PRINCIPLES (POLICY) IN THE FINANCIAL YEAR

In 2020, the Group did not change its accounting policy.

MEASUREMENT AND FINANCIAL STATEMENTS CURRENCY

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

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

D. EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Note 1. Intangible assets

INTANGIBLE ASSETS	31-12-2020	31-12-2019
a) research and development expenses	0,00	0,00
b) goodwill on consolidation	5 996 590,90	5 996 590,90
c) other intangible assets	1 070 450,19	1 112 855,95
d) advances on intangible assets	0,00	0,00
Total intangible assets	7 067 041,09	7 109 446,85

The initial presentation of intangible values takes place in accordance with the cost of acquisition or the creation thereof. After the initial presentation, intangible assets are valued according to the costs of acquisition or creation decreased by a write-down or a write-off due to permanent loss of value. Intangible assets are amortized on a straight-line basis over their estimated useful lives. The depreciation period and method are verified at the end of each financial year.

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

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

As at 31 December 2020 there is no impairment of goodwill. This value is bound to a real estate investment, from which future cash flow is expected. Once a year, the Company's Management Board analyses the impairment of assets in accordance with IAS 36, inter alia, by comparing the carrying value of the property with its recoverable value. The last analysis was made as at 31 December 2020.

Consolidated financial statements
for the period from 1 January 2020 to 31 December 2020

Asset group 01-01-2020 to 31-12- 2020	Goodwill	Other intangible assets	Total other intangible assets
Gross value as at the beginning of period	5 996 590,90	16 544 323,82	22 540 914,72
Mergers	0,00	0,00	0,00
Total after merger	5 996 590,90	16 544 323,82	22 540 914,72
Merger	0,00	0,00	0,00
Revenues	0,00	353 223,54	353 223,54
Contributed in kind	0,00	0,00	0,00
Impairment allowance	0,00	2 890,00	2 890,00
Gross value as at the end of period	5 996 590,90	16 894 657,36	22 891 248,26
Redemption as at the beginning of period	0,00	15 431 467,87	15 431 467,87
Mergers	0,00	0,00	0,00
Total after merger	0,00	15 431 467,87	15 431 467,87
Merger	0,00	0,00	0,00
Year depreciation	0,00	395 629,30	395 629,30
Increase	0,00	0,00	0,00
Decrease	0,00	2 890,00	2 890,00
Contributed in kind	0,00	0,00	0,00
Redemption as at the end of period	0,00	15 824 207,17	15 824 207,17
As at the beginning of period (net)	5 996 590,90	1 112 855,95	7 109 446,85
As at the end of period (net)	5 996 590,90	1 070 450,19	7 067 041,09

Asset group 01-01-2019 to 31-12- 2019	Goodwill	Other intangible assets	Total other intangible assets
Gross value as at the beginning of period	12 389 648,22	15 733 871,07	28 123 519,29
Mergers	0,00	0,00	0,00
Total after merger	12 389 648,22	15 733 871,07	28 123 519,29
Merger	0,00	0,00	0,00
Revenues	0,00	810 452,75	810 452,75
Contributed in kind	0,00	0,00	0,00
Impairment allowance	6 393 057,32	0,00	6 393 057,32
Gross value as at the end of period	5 996 590,90	16 544 323,82	22 540 914,72
Redemption as at the beginning of period	0,00	15 213 074,30	15 213 074,30
Mergers	0,00	0,00	0,00
Total after merger	0,00	15 213 074,30	15 213 074,30
Merger	0,00	0,00	0,00
Year depreciation	0,00	218 393,57	218 393,57
Increase	0,00	0,00	0,00
Decrease	0,00	0,00	0,00
Contributed in kind	0,00	0,00	0,00
Redemption as at the end of period	0,00	15 431 467,87	15 431 467,87
As at the beginning of period (net)	12 389 648,22	520 796,77	12 910 444,99
As at the end of period (net)	5 996 590,90	1 112 855,95	7 109 446,85

Note 2. Goodwill of subsidiaries

N/A

Note 3. Tangible assets

TANGIBLE ASSETS	31-12-2020	31-12-2019
a) fixed assets, including:	431 781 245,73	438 576 003,92
- land (including perpetual usufruct)	41 484 707,91	41 475 107,91
- buildings, premises and civil engineering structures	340 437 801,94	345 748 690,96
- technical equipment and machinery	38 584 486,02	37 639 440,02
- motor vehicles	4 632 058,61	4 680 574,87
- other fixed assets	6 642 191,25	9 032 190,16
b) fixed assets under construction	11 585 741,37	8 673 103,07
c) advances on fixed assets under construction	196 964,28	215 026,68
Total tangible assets	443 563 951,38	447 464 133,67

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

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

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

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

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

At the end of 2020, the Group identified indicators of impairment of property, plant and equipment. Accordingly, impairment tests were carried out which showed no impairment and no need for an impairment loss on this account.



Consolidated financial statements
for the period from 1 January 2020 to 31 December 2020

Asset group 01-01-2020 to 31-12-2020	land (including perpetual usufruct)	buildings, premises and civil engineering structures	technical equipment and machinery	motor vehicles	other fixed assets	Total fixed assets	Fixed assets under construction	Advances on fixed assets	Total tangible assets
Gross value as at the beginning of period	43 423 586,61	418 566 877,79	61 466 392,16	10 726 407,51	29 521 252,82	563 704 516,89	8 673 103,07	215 026,68	572 592 646,64
Merger/updates	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total after merger	43 423 586,61	418 566 877,79	61 466 392,16	10 726 407,51	29 521 252,82	563 704 516,89	8 673 103,07	215 026,68	572 592 646,64
Revenues	9 600,00	341 386,01	785 519,82	65 090,25	231 462,59	1 433 058,67	3 368 404,66		4 801 463,33
Movements	0,00	3 376 390,53	1 579 452,98	1 708 350,86	15 081,24	6 679 275,61	866 367,14		7 545 642,75
Expenditure	1 907 780,70	11 975 664,08	2 217 818,77	138 145,52	76 574,67	16 315 983,74	455 766,36	18 062,40	16 789 812,50
Gross value as at the end of period	41 525 405,91	410 308 990,25	61 613 546,19	12 361 703,10	29 691 221,98	555 500 867,43	12 452 108,51	196 964,28	568 149 940,22
Redemption as at the beginning of period	1 948 478,70	72 818 186,83	23 826 952,23	6 045 832,64	20 489 062,57	125 128 512,97	0,00	0,00	125 128 512,97
Merger	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total after merger	1 948 478,70	72 818 186,83	23 826 952,23	6 045 832,64	20 489 062,57	125 128 512,97	0,00	0,00	125 128 512,97
Year depreciation	0,00	5 584 166,74	4 196 784,12	1 821 957,37	2 636 542,83	14 239 451,06	0,00	0,00	14 239 451,06
Consolidation adjustment	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Increases	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Decrease	1 907 780,70	11 413 182,26	2 112 659,18	138 145,52	76 574,67	15 648 342,33	0,00	0,00	15 648 342,33
Redemption as at the end of period	40 698,00	66 989 171,31	25 911 077,17	7 729 644,49	23 049 030,73	123 719 621,70	0,00	0,00	123 719 621,70
Change in write-offs	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Write-downs at the end of period	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
As at the beginning of period (net)	41 475 107,91	345 748 690,96	37 639 439,93	4 680 574,87	9 032 190,25	438 576 003,92	8 673 103,07	215 026,68	447 464 133,67
As at the end of period (net)	41 484 707,91	340 437 801,94	38 584 486,02	4 632 058,61	6 642 191,25	431 781 245,73	11 585 741,37	196 964,28	443 563 951,38



Consolidated financial statements
for the period from 1 January 2020 to 31 December 2020

Asset group 01-01-2019 to 31-12-2019	land (including perpetual usufruct)	buildings, premises and civil engineering structures	technical equipment and machinery	motor vehicles	other fixed assets	Total fixed assets	Fixed assets under construction	Total tangible assets
Gross value as at the beginning of period	43 423 586,61	402 262 879,00	38 996 127,60	9 078 984,14	28 632 153,45	522 393 730,80	15 780 597,73	538 174 328,53
Merger/updates	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total after merger	43 423 586,61	402 262 879,00	38 996 127,60	9 078 984,14	28 632 153,45	522 393 730,80	15 780 597,73	538 174 328,53
Revenues	0,00	464 805,81	1 285 356,12	343 559,83	782 423,74	2 876 145,50	14 082 567,13	16 958 712,63
Movements	0,00	15 864 869,90	21 570 118,60	3 624 832,69	106 675,54	41 166 496,73	866 367,14	42 032 863,87
Expenditure	0,00	25 676,92	385 210,07	2 320 969,15	0,00	2 731 856,14	22 056 428,93	24 788 285,07
Gross value as at the end of period	43 423 586,61	418 566 877,79	61 466 392,25	10 726 407,51	29 521 252,73	563 704 516,89	8 673 103,07	572 377 619,96
Redemption as at the beginning of period	1 948 478,70	67 617 688,13	21 502 255,24	6 592 061,21	17 798 541,54	115 459 024,82	0,00	115 459 024,82
Merger	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total after merger	1 948 478,70	67 617 688,13	21 502 255,24	6 592 061,21	17 798 541,54	115 459 024,82	0,00	115 459 024,82
Year depreciation	0,00	5 204 173,71	2 693 084,20	1 672 996,95	2 692 421,03	12 262 675,89	0,00	12 262 675,89
Consolidation adjustment	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Increases	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Decrease	0,00	3 675,01	368 387,21	2 219 225,52	1 900,00	2 593 187,74	0,00	2 593 187,74
Redemption as at the end of period	1 948 478,70	72 818 186,83	23 826 952,23	6 045 832,64	20 489 062,57	125 128 512,97	0,00	125 128 512,97
Change in write-offs	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Write-downs at the end of period	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
As at the beginning of period (net)	41 475 107,91	334 645 190,87	17 493 872,36	2 486 922,93	10 833 611,92	406 934 705,99	15 780 597,73	422 715 303,72
As at the end of period (net)	41 475 107,91	345 748 690,96	37 639 440,02	4 680 574,87	9 032 190,16	438 576 003,92	8 673 103,07	447 249 106,99

On 11 December 2019, the Dominant Entity concluded a contract of sale of land and an office building at 326 Radzymińska Street in Żąbki for a total net amount of 40 108 617.00. On the same day, a leaseback agreement was concluded for the above-mentioned land and real estate for 10 years (until 2029). According to the provisions of the agreement, the Company has the right to purchase back at the end of the lease term as referred to in note 15. This transaction has been classified as a finance lease under IFRS 15, par. B 66 (a). Thus, the Company continues to recognize in its balance sheet fixed assets subject to sale transactions and continues to depreciate them, as well as to recognize a liability due to transfer of rights to fixed assets.

Note 3a. Rights of use of assets under lease

THE RIGHT TO USE ASSETS UNDER LEASE	Perpetual usufruct of land	Land	Buildings and structures	Machinery and equipment	Motor vehicles	TOTAL
Gross value as at 01-01-2020	10 905 042,47	1 328 613,00	14 214 029,40	18 276 783,00	4 009 483,61	48 733 951,48
Increases						
<i>Conclusion of new lease agreements</i>	0,00	0,00	0,00	4 254 167,88	1 708 563,14	5 962 731,02
<i>change of contract period</i>	698 040,17	0,00	0,00	0,00	0,00	0,00
Decrease						
<i>Depreciation for the period 1.01-31.12.2020</i>	1 482 135,81	0,00	244 494,65	1 766 359,10	1 673 349,51	5 166 339,07
<i>sale</i>	4 079 413,55	0,00	0,00	0,00	0,00	4 079 413,55
Net value as at 31-12-2020	6 041 533,28	1 328 613,00	13 969 534,75	20 764 591,78	4 044 697,24	46 148 970,05

THE RIGHT TO USE ASSETS UNDER LEASE	Perpetual usufruct of land	Land	Buildings and structures	Machinery and equipment	Motor vehicles	TOTAL
Gross value as at 01-01-2019	11 754 486,20	0,00	0,00	2 811 750,92	1 675 985,31	16 242 222,43
Increases						
<i>Conclusion of new lease agreements</i>	371 009,73	1 328 613,00	14 214 029,40	15 958 245,61	3 624 832,68	35 496 730,42
Decrease						
<i>Depreciation for the period 1.01-31.12.2019</i>	95 847,85	0,00	0,00	493 213,53	1 291 334,38	1 880 395,76
<i>Shortening the contract period</i>	1 124 605,61	0,00	0,00	0,00	0,00	1 124 605,61
Net value as at 31-12-2019	10 905 042,48	1 328 613,00	14 214 029,40	18 276 783,00	4 009 483,61	48 733 951,49

The values from the columns 'Land', 'Buildings and structures', 'Machinery and equipment' and 'Motor vehicles' given in the table are also included in the table in note 3 'Tangible fixed assets'.

These items for a total net amount of PLN 40,107,436.77 are included in the statement of financial position under "Property, plant and equipment"

The item of land use rights presented in the above table has been included in the statement of financial position under the item "Use rights assets " in section of fixed and current assets.

In 2020, the Company did not use short-term lease agreements or lease agreements for low-value assets.

The total cash outflow from lease agreements during 2020 amounted to PLN 5 253 865.70.

Note 4. Investment real estate

Other long-term investments	31-12-2020	31-12-2019
a) investment real estate	297 661 442,61	319 408 609,49
b) other	0,00	0,00
Value of other long-term investments	297 661 442,61	319 408 609,49

CHANGES IN INVESTMENT REAL ESTATE	According to fair value	According to historical cost	Total value of investment real estate
a) opening balance	193 465 000,00	125 943 609,49	319 408 609,49
expenditure incurred	167 837 894,90	121 273 455,40	289 111 350,30
financial expenses	9 486 298,88	4 670 154,09	14 156 452,97
revaluation value	16 140 806,22	0,00	16 140 806,22
b) increase (due to)	33 901 516,58	6 207 490,15	40 109 006,73
expenditure incurred	7 995 301,08	3 675 084,21	11 670 385,29
financial expenses	3 683 400,47	161 763,53	3 845 164,00
revaluation value	22 222 815,03	0,00	22 222 815,03
reclassification from construction contracts	0,00	0,00	0,00
valuation - exchange rate differences	0,00	2 370 642,41	2 370 642,41

Consolidated financial statements
for the period from 1 January 2020 to 31 December 2020

c) decrease (due to)	61 856 173,61	0,00	52 709 443,75
incurred expenses - sale, corrections	35 805 429,07	0,00	35 805 429,07
financial expenses	9 146 729,86	0,00	
revaluation value	1 542 518,32	0,00	1 542 518,32
reclassification to construction contracts	8 513 414,35	0,00	8 513 414,35
d) closing balance	6 848 082,01	0,00	6 848 082,01
expenditures	165 510 342,97	132 151 099,64	297 661 442,61
financial expenses	130 881 037,05	127 319 182,02	258 200 219,07
revaluation value	11 627 181,03	4 831 917,62	16 459 098,65
valuation - exchange rate differences	23 002 124,89	0,00	23 002 124,89

J.W. Construction Holding S.A. Capital Group, for the purposes of investment property valuation, commissions independent Property Experts, holding appropriate rights, to prepare valuation reports with a market value. In order to determine the valuation, the property valuer use the principles in accordance with General National Principles of Valuation adopted by the Polish Federation of Valuers' Associations where the market value is the most probable price obtainable on the market at the measurement date.

In the hierarchy of the fair value estimation of the investment properties are classified to Level 3 where:

1 - Quoted prices, which are not adjusted, in an active market for identical assets and liabilities that the entity can access at the measurement date.

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

3 - Unobservable inputs.

The hierarchy is established based on the lowest level of the input data. In the reporting period there were no transfers between hierarchy levels.

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

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

- income-based valuation method
- pair-comparison method
- residual method.

Note 5. Other financial assets

LONG-TERM FINANCIAL ASSETS	31-12-2020	31-12-2019
a) shares	208 550,00	411 862,00
b) loans granted	2 808 330,80	13 500 613,62
c) other long-term investments	11 115 505,48	19 930 992,23
Gross value of non-current financial assets	14 132 386,28	33 843 467,85
WRITE-OFFS		
As at the beginning of period:	0,00	0,00
a) shares	0,00	0,00
b) loans granted	0,00	0,00
c) other long-term investments	0,00	0,00
Increase/decrease in the write-off:	2 877 864,46	0,00
a) shares	0,00	0,00
b) loans granted	0,00	0,00
c) other long-term investments	2 877 864,46	0,00
Total wright-offs	2 877 864,46	31 588 168,32
LONG-TERM FINANCIAL ASSETS		
a) shares	208 550,00	411 862,00
b) loans granted	2 808 330,80	13 500 613,62
c) other long-term investments	8 237 641,02	19 930 992,23
Net value of non-current financial assets	11 254 521,82	33 843 467,85



Consolidated financial statements
for the period from 1 January 2020 to 31 December 2020

LONG-TERM FINANCIAL ASSETS	31-12-2020	31-12-2019
a) in subsidiaries	0,00	203 312,00
- shares	0,00	203 312,00
- debt securities	0,00	0,00
- other security papers	0,00	0,00
- loans granted	0,00	0,00
- other long-term financial assets	0,00	0,00
b) in other units	11 254 521,82	33 640 155,85
- shares	208 550,00	208 550,00
- debt securities	0,00	0,00
- other security papers	8 237 641,02	19 930 992,23
- loans granted	2 808 330,80	13 500 613,62
- other long-term financial assets	0,00	0,00
c) other long-term investments	0,00	0,00
Total long-term financial assets	11 254 521,82	33 843 467,85

As a result of the conducted tests, the promissory notes were found impaired in the total amount of PLN 2,877,864.46. Therefore, in the period for which the financial statements were prepared, a write-down was created for the value of the bills of exchange.

The impact of the write-downs described above on the consolidated net result was minus PLN 2.3 million.



Consolidated financial statements
for the period from 1 January 2020 to 31 December 2020

	Name of a unit (and its legal form)	Registered office	Company business	Affiliation type	Consolidation method	Date of assuming control	Value of shares/interest at acquisition price	Write-downs (total)	Write-offs up to book value of in-kind contribution	Carrying value of shares	% of total number of votes in the General Meeting
1	TBS Marki Sp. z o.o.	Warsaw	social building	subsidiary	full consolidation	14.11.2003	13 360 000,00	0,00	0,00	13 360 000,00	100,00%
2	J.W. Construction Bulgaria Sp. z o.o.	Varna (Bulgaria)	real estate development	subsidiary	full consolidation	08.10.2007	9 854,98	9 854,98	0,00	0,00	100,00%
3	Yakor House Sp. z o.o.	Sochi (Russia)	real estate development	subsidiary	full consolidation	07.12.2007	9 810 000,00	9 810 000,00	0,00	0,00	70,00%
4	J.W. Construction Sp. z o.o.	Ząbki	production of prefabricated goods for construction	subsidiary	full consolidation	19.02.2008	70 197 456,00	0,00	36 125 456,00	34 072 000,00	100,00%
5	Dana Invest Sp z o.o.	Ząbki	real estate development	subsidiary	full consolidation	22.11.2013	14 308 350,00	0,00	0,00	14 308 350,00	99,99%
6	Varsovia Apartamenty Sp. z o.o.	Ząbki	real estate development	subsidiary	full consolidation	23.01.2014	305 000,00	305 000,00	0,00	0,00	100,00%
7	Berensona Invest Sp. z o.o.	Ząbki	real estate development	subsidiary	full consolidation	28.01.2014	5 000,00	0,00	0,00	5 000,00	100,00%
8	Bliska Wola 4 Sp z o.o. 1 SK	Ząbki	real estate development	subsidiary	full consolidation	22.01.2014	44 800 300,00	3 261 941,32	16 264 650,00	25 273 708,68	99,00%
9	Bliska Wola 4 Sp z o.o. 2 SK	Ząbki	real estate development	subsidiary	full consolidation	29.01.2014	19 642 505,00	9 805 235,55	0,00	9 837 269,45	99,00%
10	Wola Invest Sp z o.o.	Ząbki	real estate development	subsidiary	full consolidation	23.01.2014	50 000,00	0,00	0,00	50 000,00	100,00%
11	Bliska Wola 4 Sp z o.o.	Ząbki	real estate development	subsidiary	full consolidation	24.01.2014	5 000,00	0,00	0,00	5 000,00	100,00%
12	Hanza Invest S.A.	Ząbki	real estate development	subsidiary	full consolidation	26.10.2016	75 117 223,20	0,00	0,00	75 117 223,20	100,00%

Partial affiliation

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

Note 6. Non-current receivables

NON-CURRENT RECEIVABLES	31-12-2020	31-12-2019
a) deposit receivables	2 915 247,83	2 828 104,82
b) deposit receivables (leasing)	0,00	0,00
b) other receivables	0,00	0,00
Total receivables	2 915 247,83	2 828 104,82

Note 7. Inventories and construction contracts

Costs related to the creation of revaluation write-offs on inventories were recognised in the profit and loss account under other operating activities.

INVENTORIES	31-12-2020	31-12-2019
a) materials	2 973 924,27	3 269 455,02
b) semi-finished products and work in progress	0,00	163 585,66
c) finished products	42 732,26	1 516 296,85
d) goods	24 378 195,71	25 295 102,08
e) trade advances	229 813,04	430 134,35
Total gross inventories	27 624 665,28	30 674 573,96
WRITE-OFFS		
As at the beginning of period	317 011,87	317 011,87
d) goods	317 011,87	317 011,87
Increase in the write-off	3 260 350,53	0,00
d) goods	3 260 350,53	0,00
Total write-offs	3 577 362,40	317 011,87
INVENTORIES		
a) materials	2 973 924,27	3 269 455,02
b) semi-finished products and work in progress	0,00	163 585,66
c) finished products	42 732,26	1 516 296,85
d) goods	20 800 833,31	24 978 090,21
e) trade advances	229 813,04	430 134,35
Total net inventories	24 047 302,88	30 357 562,09

The Company analysed the premises for impairment and concluded that there were premises for impairment of goods (networks). A write-down was made for the value of the networks in the amount of PLN 3,260,350.53. Within the framework of paid transfer of networks to water and sewage companies, the Company received payments as a return of a part of expenditures incurred for their construction. The expenditure written off was incurred on elements that the water and sewerage companies are not interested in taking over as of today.

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

CONSTRUCTION CONTRACTS	31-12-2020	31-12-2019
CONSTRUCTION CONTRACTS (current assets)		
a) semi-finished products and work in progress	736 174 047,56	620 914 597,04
b) finished products	153 420 134,77	31 539 886,57
c) advances for supplies	9 395 311,97	13 433 469,97
d) short-term prepayments and accruals	0,00	52 075,56
Total construction contracts	898 989 494,30	665 940 029,15
CONSTRUCTION CONTRACTS (current liabilities)		
a) accruals	669 163 777,32	348 226 651,27
Total construction contracts	669 163 777,32	348 226 651,27

Within the framework of construction contracts in progress, the Company activates costs of external financing (Bonds), which are used to finance the implemented investments. In 2020 activated costs of financing with external capital amounted to PLN 3 845 164.00.

Accruals	31-12-2020	31-12-2019
- advances on premises	667 095 883,58	346 262 227,06
- provision for works	2 067 893,75	1 937 224,21
- other	0,00	27 200,00
Total accruals	669 163 777,33	348 226 651,27

In connection with their operations, the companies of the Capital Group take out loans, which are secured, among others, with a mortgage on real estate. As at 31 December 2020, the Group companies established collateral in the form of a mortgage on real estates presented in inventories and construction contracts as well as in fixed assets with a total value of PLN 601.2 million. The value of the mortgage is established for the amount of the granted loan (or higher), therefore it significantly exceeds the value of real estates disclosed in the assets of the Companies of the Group. As at 31 December 2020, liabilities by virtue of credits disbursed amount to PLN 251.5 million (excluding credits of TBS Marki Sp. z o.o. liabilities amount to PLN 172.8 million).

Note 8. Current receivables

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

CURRENT RECEIVABLES	31-12-2020	31-12-2019
a) trade receivables - related parties	0,00	6 229,95
b) trade receivables - other parties	12 172 050,93	13 086 129,76
c) taxes, subsidies, customs duties, social and health insurance and other payments	5 662 058,87	8 282 522,12
d) other	3 553 436,50	2 286 444,72
Total receivables	21 387 546,30	23 661 326,55

AGE STRUCTURE OF TRADE RECEIVABLES	31-12-2020	31-12-2019
not overdue	11 472 159,79	12 095 458,55
Overdue up to 3 months	128 627,67	331 552,38
Overdue between 3 and 6 months	35 872,05	258 724,25
Overdue between 6 months and 1 year	105 669,07	160 437,68
Overdue over 1 year	429 722,35	246 186,85
Receivables on account of deliveries and services - gross	12 172 050,93	13 092 359,71
Write-offs updating receivables	0,00	0,00
Receivables on account of deliveries and services - net	12 172 050,93	13 092 359,71

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

Note 9. Other financial assets

SHORT-TERM INVESTMENTS	31-12-2020	31-12-2019
a) shares	0,00	0,00
b) loans granted	8 161 635,41	2 587 371,13
c) other investments	20 455 935,31	5 600 329,63
Total short-term investments	28 617 570,72	8 187 700,76

SHORT-TERM INVESTMENTS	31-12-2020	31-12-2019
a) in subsidiaries	0,00	0,00
- shares	0,00	0,00
- debt securities	0,00	0,00
- other security papers	0,00	0,00
- loans granted	0,00	0,00
- other current financial assets	0,00	0,00
b) in other units	28 617 570,72	8 187 700,76
- shares	0,00	0,00
- debt securities	0,00	0,00
- other security papers	20 455 935,31	5 600 329,63
- loans granted	8 161 635,41	2 587 371,13
- other current financial assets	0,00	0,00
c) other short-term investments	0,00	0,00
Total short-term investments	28 617 570,72	8 187 700,76

Note 10. Cash and cash equivalents

Consolidated financial statements
for the period from 1 January 2020 to 31 December 2020

CASH AND CASH EQUIVALENTS	31-12-2020	31-12-2019
a) cash on hand and with bank	208 119 139,76	99 342 801,66
b) other cash	2 223 054,30	9 024 854,13
c) other cash assets	22 987,88	100 403,20
Total cash	210 365 181,93	108 468 058,98

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

	31-12-2020	31-12-2019
cash in escrow accounts	64 284 014,16	46 999 878,62
JW. Construction Holding SA	47 843 857,59	19 862 177,25
Hanza Invest SA	16 440 156,57	27 137 701,37

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

The above item of cash in escrow accounts is included in cash on hand and in bank.

Note 11. Accruals

ACCRUALS	31-12-2020	31-12-2019
a) short-term accruals	10 231 215,50	10 635 608,89
Total accruals	10 231 215,50	10 635 608,89

In the "other prepaid expenses" item, the Company recognizes, e.g. costs incurred in connection with deferred income. The main item are expenses incurred on commissions received by salesmen for sale of apartments. These commissions are assigned to specific units/locations sold by the Company and are activated until the investment is completed.

Accruals	31-12-2020	31-12-2019
- property insurance	421 341,14	575 195,65
- interest	400 300,01	1 493 059,27
- commission expenses	8 528 544,55	6 984 645,23
- property tax, perpetual usufruct, road tax	0,00	4 048,30
- other	881 029,80	1 578 660,44
Total accruals	10 231 215,50	10 635 608,89

Note 12. Primary capital

Primary capital and other capitals

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

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

Information on the Company Shareholders as at 31 December 2020

Shareholder	Number of shares held	% of capital share	Number of votes	% of total number of votes in the General Meeting
Józef Wojciechowski	28.594.963	32,18 %	28.594.963	32,18 %

Consolidated financial statements
for the period from 1 January 2020 to 31 December 2020

EHT S.A.	47.846.225	53,84 %	47.846.225	53,84 %
Wielopole 19/21 Sp. z o.o.	1.037.000	1,17 %	1.037.000	1,17 %
Company – shares for redemption	5.996.429	6,75 %	5.996.429	6,75 %
Others	5.384.826	6,06%	5.384.826	6,06%

EHT S.A. based in Luxembourg and Wielopole 19/21 Sp. z o.o. are controlled by Mr Wojciechowski.

Information of the company shareholders as of the day of preparation of the financial statement:

Shareholder	Number of shares held	% of capital share	Number of votes	% of total number of votes in the General Meeting
Józef Wojciechowski	28.594.963	32,18 %	28.594.963	32,18 %
EHT S.A.	47.846.225	53,84 %	47.846.225	53,84 %
Wielopole 19/21 Sp. z o.o.	1.037.000	1,17 %	1.037.000	1,17 %
Company – shares for redemption	5.996.429	6,75 %	5.996.429	6,75 %
Others	5.384.826	6,06%	5.384.826	6,06%

EHT S.A. based in Luxembourg and Wielopole 19/21 Sp. z o.o. are controlled by Mr Wojciechowski.

Note 13. Other capitals

OTHER CAPITALS	31-12-2020	31-12-2019
a) reserve capital	709 820 056,72	662 258 543,33
b) other reserve capitals	57 947 307,60	57 947 307,60
- including reserve capital for the purchase of own shares	50 000 000,00	50 000 000,00
c) conversion differences	-2 537 599,80	-4 156 783,24
Total other capitals	765 229 764,52	716 049 067,69

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

Note 14. Borrowings

BORROWINGS	31-12-2020	31-12-2019
a) credits	251 480 651,26	198 963 191,53
<i>of which: long-term</i>	124 838 373,59	159 416 478,47
<i>short-term</i>	126 642 277,67	39 546 713,06
b) loans	375 865,86	375 865,86
<i>of which: long-term</i>	0,00	0,00
<i>short-term</i>	375 865,86	375 865,86
Total borrowings	251 856 517,12	199 339 057,39
Borrowings - long-term	124 838 373,59	159 416 478,47
Borrowings - short-term	127 018 143,53	39 922 578,92

CREDITS PER MATURITY	31-12-2020	31-12-2019
Up to 1 year	126 642 277,67	39 546 713,06
Between 1 and 2 years	37 594 550,92	58 417 455,37
Between 2 and 5 years	26 747 783,03	31 760 648,73
Over 5 years	60 496 039,65	69 238 374,37
Total credits, including	251 480 651,26	198 963 191,53
- long-term	124 838 373,59	159 416 478,47
- short-term	126 642 277,67	39 546 713,06

LOANS PER MATURITY	31-12-2020	31-12-2019
Up to 1 year	375 865,86	375 865,86
Between 1 and 2 years	0,00	0,00
Between 2 and 5 years	0,00	0,00
Over 5 years	0,00	0,00
Total loans	375 865,86	375 865,86
- long-term	0,00	0,00
- short-term	375 865,86	375 865,86

Consolidated financial statements
for the period from 1 January 2020 to 31 December 2020

In the financial year 2020 and from the balance sheet date to the date of preparation of these financial statements, none of the loan agreements concluded so far have been terminated by the Bank.

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

BORROWINGS	31-12-2020	31-12-2019
a) credits	78 687 799,44	83 619 012,27
of which: long-term	74 614 571,15	79 615 799,22
short-term	4 073 228,29	4 003 213,05
b) loans	0,00	0,00
of which: long-term	0,00	0,00
short-term	0,00	0,00
Total borrowings	78 687 799,44	83 619 012,27
Borrowings - long-term	74 614 571,15	79 615 799,22
Borrowings - short-term	4 073 228,29	4 003 213,05

CREDITS PER MATURITY	31-12-2020	31-12-2019
Up to 1 year	4 073 228,29	4 003 213,05
Between 1 and 2 years	4 541 688,96	4 217 438,14
Between 2 and 5 years	17 073 673,18	14 056 226,62
Over 5 years	52 999 209,02	61 342 134,47
Total credits, including	78 687 799,44	83 619 012,27
- long-term	74 614 571,15	79 615 799,22
- short-term	4 073 228,29	4 003 213,05

Note 15. Deferred income tax assets

The applicable rate of income tax in 2020 and 2019 was 19%.

DEFERRED INCOME TAX ASSETS AND A RESERVE FOR DEFERRED INCOME TAX 31-12-2020	Deferred income tax assets	Deferred income tax reserve	Net value
Tangible assets	10 583 919,21	3 484 281,16	7 099 638,05
Investment real estate	0,00	4 370 403,73	-4 370 403,73
Inventories and construction contracts	6 324,95	20 904 025,56	-20 897 700,61
Trade and other receivables	7 951 754,68	120 534,92	7 831 219,76
Borrowings	2 579 330,60	4 034 989,89	-1 455 659,29
Reserves	4 138 640,28	0,00	4 138 640,28
Trade and other payables	334 179,42	0,00	334 179,42
Other financial liabilities	0,00	0,00	0,00
Other, including tax losses	12 531 579,08	7 202 225,68	5 329 353,40
Deferred tax assets / reserve shown in the balance sheet	38 125 728,22	40 116 460,95	-1 990 732,73

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

CHANGE IN DEFERRED INCOME TAX	31-12-2020	31-12-2019
Change of the assets towards the deferred tax	2 438 394,51	-7 024 406,86
Change of the reserves towards the deferred tax	9 303 797,14	-9 388 112,20
Total change in deferred tax	11 742 191,63	-16 412 519,07
Deferred tax disclosed in the profit and loss account	-11 742 191,63	16 412 519,07
Deferred tax recognised in comprehensive income	0,00	0,00

Note 16. Retirement benefits liabilities

CHANGE IN RETIREMENT BENEFITS LIABILITIES	31-12-2020	31-12-2019
As at the beginning of period	241 204,48	241 204,48
Increases	0,00	0,00
Decrease	0,00	0,00
As at the end of period	241 204,48	241 204,48

Retirement benefits are the calculation of retirement benefits in accordance with the Labour Code and are not created in accordance with IAS 19.

Note 17. Provisions for other liabilities and other charges

PROVISIONS FOR OTHER LIABILITIES AND CHARGES	31-12-2020	31-12-2019
a) short-term, of which:	32 621 113,28	32 484 937,03
- accrued expenses, including:	10 171 323,64	12 946 419,95
- interest charged	1 205 581,60	1 269 566,63
- rent deposits	480 433,64	480 433,64
- hotel down payments	1 501 542,08	4 001 580,98
- other	6 983 766,32	7 194 838,70
- other provisions, including:	22 449 789,64	19 538 517,08
- provision for future liabilities	874 625,14	259 021,95
- provisions for guaranteed repairs	607 474,22	607 474,22
- other provisions (including perpetual usufruct of Górczewska)	20 967 690,28	18 672 020,91
a) long-term, of which:	54 299 517,46	54 362 613,85
- accrued expenses, including:	54 299 517,46	54 362 613,85
- participation in construction costs - TBS Marki	48 340 357,44	48 360 916,07
- deferred income - redemption of loans-TBS Marki	5 959 160,02	6 001 697,78
Total provisions for other liabilities and charges	86 920 630,74	86 847 550,88

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

PROVISIONS - CHANGES	31-12-2020	31-12-2019
As at the beginning of period	86 847 550,88	94 630 667,64
Establishing provisions during the financial year	2 911 272,56	4 257 625,51

Consolidated financial statements
for the period from 1 January 2020 to 31 December 2020

Utilisation/release of provisions during the financial year	2 838 192,70	1 064 063,80
Reclassification	0,00	10 976 678,47
As at the end of period	86 920 630,74	86 847 550,88

Note 18. Other long-term liabilities

OTHER LONG-TERM LIABILITIES	31-12-2020	31-12-2019
a) lease obligations	39 960 311,38	42 346 162,07
b) deposit liabilities	14 579 481,74	33 062 590,94
c) other long-term liabilities	10 019 476,81	109 244,26
d) promissory notes liabilities	0,00	0,00
e) bonds	51 500 000,00	51 500 000,00
f) future discounted payments for rights to use the asset	4 523 593,23	9 346 603,50
Total other liabilities	120 582 863,17	136 364 600,78

In 2020, the company redeemed the previously issued bonds in the amount of PLN 34,550,000.

All lease liabilities are denominated in PLN. The fair value of lease liabilities corresponds to its book value and as at 31 December 2020 amounts to PLN 49 637 428.87, of which PLN 39 960 311.38 is a non-current liability.

Prospect leasing payments are payable as follows:

	Minimum lease payments	Interest	Current value of liability
	31-12-2020	31-12-2020	31-12-2020
under 1 year	11 555 815,23	1 878 697,74	9 677 117,49
between 1 and 5 years	24 257 242,60	5 269 359,32	18 987 883,28
over 5 years	24 603 045,48	3 630 617,38	20 972 428,10
	60 416 103,31	10 778 674,44	49 637 428,87

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

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

	31-12-2020	31-12-2019
current liabilities	9 677 117,49	6 302 343,17
non-current liabilities	39 960 311,38	42 346 162,07
	49 637 428,87	48 648 505,24

Financial liabilities	31-12-2020	31-12-2019
Loans	375 865,86	375 865,86
Promissory notes	0,00	0,00
Bonds	96 601 265,20	132 813 702,24
Credits	251 480 651,26	198 963 191,53
Leasing	49 637 428,87	48 648 505,24
Total	398 095 211,19	380 801 264,87

Note 19. Trade and other payables

TRADE AND OTHER PAYABLES	31-12-2020	31-12-2019
a) trade payables - other parties	25 499 608,38	44 422 945,51
b) trade payables - affiliated parties	0,00	0,00
c) axes, customs duties, insurance and other payments	18 112 930,92	7 162 828,16

Consolidated financial statements
for the period from 1 January 2020 to 31 December 2020

d) salaries	2 023 423,63	3 657 863,34
e) trade advances received	0,00	0,00
f) other	12 141 390,60	11 726 029,39
Total trade and other payables	57 777 353,53	66 969 666,41

OTHER LIABILITIES	31-12-2020	31-12-2019
a) debt securities issue liabilities	45 101 265,20	81 313 702,24
b) promissory notes liabilities	0,00	0,00
c) leasing liabilities	9 677 117,49	6 302 343,17
d) other financial liabilities	0,00	0,00
e) future discounted payments for rights to use the asset	1 518 014,09	1 558 538,89
Total other liabilities	56 296 396,78	89 174 584,30

All lease liabilities are denominated in PLN. The fair value of lease liabilities corresponds to its book value and as at 31 December 2020 amounts to PLN 49 637 428.87, of which PLN 6 302 343.17 is a current liability.

Note 20. Financial risk management

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

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

The situation with the Covid-19 virus affects the hotel services business as well. Hotels were forced to suspend operations from mid-March to the end of May 2020, as well as from mid-November to mid-February 2021, due to uncertainty regarding:

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

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

Interest rate risk

The Group has credit liabilities, for which interest are calculated on the basis of the variable interest rate, and therefore there is a risk of growth of interest in relation to the moment of the agreement conclusion. Due to the fact that the Group had, in the reporting period, both assets and liabilities bearing interest at a variable rate, which balanced the risk. Significant reductions in interest rates in 2020 resulted in interest savings on loans and leases for the Group. The Group did not use interest rate hedges as at 31 December 2020, deeming the interest rate risk not significant.

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

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

Year ended on 31 December 2020	% Increase/decrease	Influence on gross profit in thousands of PLN
PLN	1%	-3 931
PLN	-1%	3 931

Currency risk

The Group is not exposed to the risk of changes in foreign exchange rates due to the lack of transactions (credits, loans) in foreign currencies.

Credit risk

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

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

The maximum exposure to credit risk as at the balance sheet date was PLN 26,057,264.97 and was estimated as the balance sheet value of trade receivables from other companies in the amount of PLN 12,172,050.93, receivables from deposits paid in the amount of PLN 2,915,247.83, receivables from loans granted to third parties in the amount of PLN 10,969,966.21.

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

Liquidity risk

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

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

The financial liquidity risk is diversified through:

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

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

31-12-2020	Total	0-6 months	6-12 months	1-3 years	Over 3 years
Trade payables	25 499 608,38	25 499 608,38	0,00	0,00	0,00
Loans	0,00	0,00	0,00	0,00	0,00
Promissory notes	0,00	0,00	0,00	0,00	0,00
Bonds	94 250 000,00	42 750 000,00	0,00	51 500 000,00	0,00
Credits	251 480 651,26	28 998 872,76	100 524 638,63	56 953 726,95	65 003 412,92
Leasing	49 637 428,87	4 161 524,15	5 515 593,34	12 876 447,63	27 083 863,75
Total	420 867 688,51	101 410 005,29	106 040 231,97	121 330 174,58	92 087 276,67

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

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

From the consolidated point of view, at the moment of the report, i.e. 31-12-2020, the ratio of covering liabilities up to 6 months was equal to 100%, which consisted of cash and cash equivalents (PLN 146.1 million - excluding trust accounts).

Risk of breach of covenants and termination of financing agreements

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

Risks resulting from the provisions of the Developer's Act

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

- ✓ preparing and making the prospectus available (under pain of criminal liability for failure to do so),
- ✓ participation (in equal part with the purchaser) in incurring notarial costs of concluding a development contract
- ✓ incurring court costs in perpetual usufruct proceedings related to registration in the land and mortgage register of the buyer's rights under the concluded development contract.
- ✓ an obligation to conclude an agreement to maintain an open or closed escrow account.

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

Legislative risk

The planned amendment to the Act on the protection of rights of the purchaser of an apartment or single-family house, providing, among other things, for the introduction of obligatory contributions to the Developer Guarantee Fund, constitutes a risk which may affect the Group's operations and its financial results. Currently, the bill has undergone the first reading at the session of the Sejm on 17 March and shall be further processed. In its current form, the bill stipulates that the amount of the contribution to the Fund will be calculated as a product of the percentage rate and: 1) the value of the payment made by the purchaser to the housing trust account or 2) the value of the payment made by the developer

The maximum percentage rate would be: 2% - for an open housing trust account or 0.2% - for a closed housing trust account.

Administrative decisions risk

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

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

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

the construction process may result in the suspension or delay of the investment process. The above factors may therefore have a material adverse effect on the Group's operations and financial position.

General macroeconomic situation risk

The Company's operations and financial results largely depend on the economic situation on the domestic market. Factors shaping the economic situation include: GDP growth rate, average gross salary level, unemployment rate, inflation rate, exchange rates, interest rates, credit availability, household debt level. Despite the ongoing economic upturn in Poland, there is no certainty about the sustainability of positive trends in the future. There is a risk that if the economic growth rate in Poland slows down, real gross wages and salaries may decrease and the availability of loans, including mortgage loans, may decrease. This will result in a reduction in demand for the products and services offered by the Company, and in particular for the primary product, i.e. flats. As a consequence, it may have a negative impact on the Company's sales and result in a deterioration of financial results. Increase in the prices of building materials and services may be reflected in higher investment implementation costs. Another factor is the shortage of workforce. The low unemployment rate in Poland causes problems with obtaining employees, which results in an increased risk of delays in the execution of construction contracts.

Risks related to the hotel industry economic situation

The scale of the hotel business at this point in time is determined by administrative decisions regarding the COVID-19 pandemic and restrictions related to it. Typically, in the absence of restrictions, the hotel business (hotels and aparthotels) is dependent on the situation in the tourism industry. There is a risk that under the influence of adverse factors, other than the pandemic condition, the performance of the hotel segment may deteriorate. The most important factors that may affect this area of the Capital Group's operations include:

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

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

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

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

Risk related to the schedule of implementation of development projects

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

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

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

Risk of increased costs of real estate development projects

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

Risks arising from liability for payment of remuneration to subcontractors

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

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

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

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

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

CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
Profits		
(A) Group's Profit/loss resulting from the consolidated financial statements	-12 137 181,96	63 397 314,27
Number of shares		

Consolidated financial statements
for the period from 1 January 2020 to 31 December 2020

(B) Number of ordinary shares and preferred shares (as to the right to vote in the General Meeting of the Company) for the purpose of calculating earnings per share*	82 873 083	87 788 953
(C) Number of ordinary shares and preferred shares (as to the right to vote in the General Meeting of the Company) for the purpose of calculating diluted earnings per share	82 873 083	87 788 953
Basic earnings per share = (A)/(B)	-0,15	0,72
Diluted earnings per share = (A)/(C)	-0,15	0,72

*In accordance with IAS 33 "Earnings Per Share" the number of shares assumed for calculation of basic earnings per share was the weighted average number of shares during a given period. The said number was established as the number of shares as at the beginning of the given period adjusted by the number of shares bought back or issued during such period, weighted with an index reflecting the period of such number of shares (number of days of existence of shares to total number of days in a given period - from the day of share capital increase registration). In the analysed period, series C shares were issued, which had an impact on the average number of shares.

Note 21. Income tax

INCOME TAX	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
a) current income tax	8 369 821,80	0,00
b) deferred income tax	-11 742 191,64	16 412 519,06
Total income tax	-3 372 369,84	16 412 519,06

Reconciliation of effective tax rate	01-01-2019 to 31-12-2019	01-01-2019 to 31-12-2019
Gross Profit / (loss) before tax from continuing operations	-15 509 551,80	79 809 833,32
Gross Profit / (loss) before tax from discontinued operations	0	0,00
Gross Profit / (loss) before tax	-15 509 551,80	79 809 833,32
Income exempt from TBS	-1 186 847,35	-1 189 203,82
Gross Profit / (loss) before tax	-16 696 399,15	78 620 629,50
Income tax reported (charge) in profit and loss account	-3 372 369,84	16 412 519,06
<i>including</i>		
current	8 369 821,80	0,00
deferred	-11 742 191,64	16 412 519,06
Tax in accordance with a 19% tax rate	-3 172 315,84	14 937 919,60
Unrealised tax losses	-7 648 021,81	-7 648 021,81
Differences resulting from unrealized reserves and assets in previous years	4 879 341,68	3 297 304,53
Expenditure not constituting tax deductible expenses -permanent differences	1 715 764,34	10 637 459,77
Uncreated assets from tax losses	0	1 474 307,26
Adjusted income tax	-17 749 314,94	86 381 679,24
Tax at effective rate	-3 372 369,84	16 412 519,06

Note 22 . Segment reporting

Business segments

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

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

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

- real estate development
- social building
- hotel activities

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



Consolidated financial statements
for the period from 1 January 2020 to 31 December 2020

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

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

As part of the development activity, the individual statements of companies conducting this type of activity were consolidated.> Basic type of commodities and services within each industry segment:

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



Consolidated financial statements
for the period from 1 January 2020 to 31 December 2020

01.01.2020-31.12.2020	Real estate development	Hotels, aparthotels and restaurants	Social building	Other operations	Total
Net revenues from sales of products, goods and materials, including:	125 404 647,08	39 412 652,66	14 747 037,23	2 588 752,51	182 153 089,48
Net revenues from sales of products	122 015 592,99	39 383 580,74	14 734 272,67	2 588 752,51	178 722 198,91
Net revenues from sales of goods and materials	3 389 054,09	29 071,92	12 764,56	0,00	3 430 890,57
Costs of products, goods and materials sold, including:	96 531 809,36	41 941 168,43	9 673 046,32	2 145 618,97	150 291 643,08
Cost of products sold	93 399 974,27	41 912 096,51	9 660 281,76	2 145 618,97	147 117 971,51
Value of goods and materials sold	3 131 835,09	29 071,92	12 764,56	0,00	3 173 671,57
Gross profit (loss) from sales	28 872 837,72	-2 528 515,77	5 073 990,91	443 133,54	31 861 446,40
Costs of sales	14 130 588,64	4 686 628,35	0,00	0,00	18 817 216,99
Overheads	18 375 260,52	3 244 539,08	1 578 411,19	0,00	23 198 210,79
Revaluation of investment property	14 166 422,63	0,00	0,00	-283 195,27	13 883 227,36
Profit (loss) from sales	10 533 411,19	-10 459 683,20	3 495 579,72	159 938,27	3 729 245,98
Other operating income	3 841 145,97	1 081 328,74	98 728,10	72 883,47	5 094 086,28
Other operating expenses	13 467 423,62	646 272,99	109 218,69	1 114 455,88	15 337 371,18
Profit (loss) on operations	907 133,54	-10 024 627,45	3 485 089,13	-881 634,14	-6 514 038,92
Financial revenues	2 841 826,43	32 648,00	696 400,81	2 500,79	3 573 376,03
Financial costs	10 592 737,31	525 641,54	1 268 780,32	181 729,74	12 568 888,91
Profit / loss from inclusion/exclusion to/from consolidation					0,00
Profit (loss) on business activity	-6 843 777,34	-10 517 620,99	2 912 709,62	-1 060 863,09	-15 509 551,80
Gross profit (loss)	-6 843 777,34	-10 517 620,99	2 912 709,62	-1 060 863,09	-15 509 551,80
Income tax	8 369 821,80	0,00	0,00	0,00	8 369 821,80
Deferred tax	-12 308 383,06	566 191,42	0,00	0,00	-11 742 191,64
Net profit (loss)	-2 905 216,08	-11 083 812,41	2 912 709,62	-1 060 863,09	-12 137 181,96
Segment assets	1 531 898 317,34	251 357 915,29	177 119 462,17	1 766 354,86	1 962 142 049,66
Segment liabilities	1 062 489 423,07	42 399 232,66	139 580 713,46	360 106,67	1 244 829 475,86



Consolidated financial statements
for the period from 1 January 2020 to 31 December 2020

01-01-2019 to 31-12-2019	Real estate development	Hotels, aparthotels and restaurants	Social building	Other operations	Total
Net revenues from sales of products, goods and materials, including:	500 187 085,94	78 540 500,75	14 038 215,30	12 547 998,50	605 313 800,49
Net revenues from sales of products	491 567 822,66	78 531 824,04	13 999 005,76	12 547 998,50	596 646 650,96
Net revenues from sales of goods and materials	8 619 263,28	8 676,71	39 209,54	0,00	8 667 149,53
Costs of products, goods and materials sold, including:	371 042 591,70	63 314 841,67	8 287 384,45	15 547 578,73	458 192 396,55
Cost of products sold	362 530 524,21	63 306 164,96	8 248 174,91	15 547 578,73	449 632 442,81
Value of goods and materials sold	8 512 067,49	8 676,71	39 209,54	0,00	8 559 953,74
Gross profit (loss) from sales	129 144 494,24	15 225 659,08	5 750 830,85	-2 999 580,23	147 121 403,94
Costs of sales	24 283 941,30	6 700 023,33	0,00	0,00	30 983 964,63
Overheads	22 688 358,63	5 556 861,00	1 405 502,21	0,00	29 650 721,84
Revaluation of investment property	3 221 674,19	0,00	0,00	1 441 335,90	4 663 010,09
Profit (loss) from sales	85 393 868,50	2 968 774,75	4 345 328,64	-1 558 244,33	91 149 727,56
Other operating income	5 388 277,73	106 196,66	537 952,77	150 377,66	6 182 804,82
Other operating expenses	8 248 377,03	1 056 261,45	179 992,76	1,53	9 484 632,77
Profit (loss) on operations	82 533 769,20	2 018 709,96	4 703 288,65	-1 407 868,20	87 847 899,61
Financial revenues	2 938 508,88	13 362,37	967 994,60	0,00	3 919 865,85
Financial costs	8 731 541,16	769 580,80	2 275 086,06	181 724,12	11 957 932,14
Profit / loss from inclusion/exclusion to/from consolidation					0,00
Profit (loss) on business activity	76 740 736,92	1 262 491,53	3 396 197,19	-1 589 592,32	79 809 833,32
Gross profit (loss)	76 740 736,92	1 262 491,53	3 396 197,19	-1 589 592,32	79 809 833,32
Income tax	0,00	0,00	0,00	0,00	0,00
Deferred tax	16 248 440,95	164 078,11	0,00	0,00	16 412 519,06
Net profit (loss)	60 492 295,97	1 098 413,42	3 396 197,19	-1 589 592,32	63 397 314,27

E. EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Note 23. Operating income

OPERATING INCOME	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
Revenues from sales of products	76 656 578,57	471 607 947,73
Revenues from sales of services	102 065 620,34	125 038 703,23
Revenues from sales of goods	3 430 890,57	8 667 149,53
Total income	182 153 089,48	605 313 800,49

Detailed information on the number of units sold is included in the Management Board's report on operations for 2019.

	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
Proceeds from sales, including:	182 153 089,48	605 313 800,49
-sales of products – properties, plots, buildings	108 341 746,48	490 577 372,23
- sales of products - other	0,00	6 300,00
-from sales of services	70 380 452,43	106 062 978,73
-from sales of goods	3 430 890,57	8 667 149,53

	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
Revenues from sales of products and services by segment	178 722 198,91	596 646 650,96
-real estate development	124 599 458,50	503 843 432,16
-business activity related to hotels	39 383 580,74	78 531 824,04
- social building	14 734 272,67	13 999 005,76
-construction	4 887,00	272 389,00

	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
Revenues from sales of products – premises, plots, buildings by geographical segment	108 341 746,48	490 577 372,23
-Warsaw and the surrounding area	76 399 989,62	445 781 453,98
-Gdynia	0,00	25 194 272,80
- Łódź	150 680,02	19 230,63
- Katowice	103 469,91	600 999,26
- Poznań	2 439,02	5 691,06
- parcels and networks	31 685 167,91	18 975 724,50

	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
Revenues from sales of hotel and aparthotel services per geographic segments	39 383 580,74	78 531 824,04
-Warsaw and the surrounding area	3 630 847,11	9 689 359,46
- Tarnowo	2 231 406,31	6 539 857,02
- Stryków	1 574 514,62	4 339 501,07
- Szczecin	2 860 748,19	7 884 086,30
- Krynica Górská	22 406 006,47	34 611 850,19
- Varsovia Apartamenty	6 680 058,04	15 467 170,00

Note 24. Operating expenses

OPERATING EXPENSES	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
Costs of sales of products	78 878 176,02	361 545 680,78
Costs of sales of services	68 239 795,49	88 086 762,03
Costs of sales of goods	3 173 671,57	8 559 953,74
Total costs of products, services and goods sold	150 291 643,08	458 192 396,55
Sales and overhead expenses	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019

Consolidated financial statements
for the period from 1 January 2020 to 31 December 2020

Costs of sales	18 817 216,99	30 983 964,63
Overheads	23 198 210,79	29 650 721,84
Total sales and overheads expenses	42 015 427,78	60 634 686,47

Expenses per type	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
Depreciation and amortization	14 653 470,16	12 481 069,46
Depreciation of the right to use the asset	95 849,86	95 847,85
Materials and energy cost, land purchase	31 382 517,09	84 643 772,98
Third party services	279 172 649,81	244 077 133,89
Taxes and charges	11 590 912,45	11 553 289,81
Remunerations	38 993 476,27	45 566 354,31
Social security and other payments	7 298 757,21	8 307 059,72
Other expenses per type	11 232 717,74	17 663 269,38
Total expenses per type	394 420 350,59	424 387 797,40

Note 25. Other operating income

OTHER OPERATING INCOME	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
a) profit on sale of non-financial fixed assets	639 697,88	1 381 774,18
b) subsidies	1 418 810,93	0,00
b) other operating income	3 035 577,47	4 801 030,64
Total operating income	5 094 086,28	6 182 804,82

OTHER OPERATING INCOME	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
a) profit on sale of non-financial fixed assets	639 697,88	1 381 774,18
b) subsidies	1 418 810,93	0,00
c) handling fees	88 623,88	340 909,90
d) reserves	659 801,95	0,00
e) other	2 287 151,64	4 460 120,74
Total operating income	5 094 086,28	6 182 804,82

Note 26. Other operating expenses

OTHER OPERATING EXPENSES	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
a) loss on sale of non-financial fixed assets	0,00	23 664,00
b) revaluation of non-financial assets	3 268 062,41	105 374,77
c) other operating expenses	9 191 444,31	9 355 594,00
Total operating income	12 459 506,72	9 484 632,77

OTHER OPERATING EXPENSES	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
a) loss on sale of non-financial fixed assets	0,00	23 664,00
b) revaluation of non-financial assets	3 268 062,41	105 374,77
c) reserves	2 277 754,76	3 423 989,64
d) compensations, penalties, damages	632 028,40	604 434,68
e) compensations for breach of contracts	0,00	0,00
f) costs of court proceedings	547 684,60	441 950,65
g) other	5 733 976,55	4 885 219,03
Total operating income	12 459 506,72	9 484 632,77

The assets revaluation amount consists of a write-down for goods in the amount of PLN 3 260 350,53.

Note 27. Financial revenues

FINANCIAL REVENUES	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
a) dividends	0,00	0,00
b) interest	1 987 334,87	3 021 547,07
c) profit on disposal of investment	0,00	0,00
d) other	1 586 041,16	898 318,78

Consolidated financial statements
for the period from 1 January 2020 to 31 December 2020

Total financial revenues	3 573 376,03	3 919 865,85
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Financial revenues	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
a) dividends	0,00	0,00
b) interest from customers	170 638,45	693 807,18
c) loan interest	291 453,54	198 620,15
d) deposit interest	175 350,45	911 380,27
e) promissory notes interest	926 820,54	984 012,60
f) other interest	423 071,89	233 726,87
g) profit on disposal of investment	0,00	0,00
h) foreign exchange rate differences	0,00	0,00
i) other	1 586 041,16	898 318,78
Total	3 573 376,03	3 919 865,85

Note 28. Financial costs

FINANCIAL EXPENSES	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
a) interest	12 050 510,37	11 774 000,24
b) loss on disposal of investment	0,00	0,00
c) other	3 396 243,00	183 931,90
Total financial expenses	15 446 753,37	11 957 932,14

FINANCIAL EXPENSES	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
a) interest, commissions, loans	6 560 718,55	4 550 046,58
b) interest - leasing	1 493 590,83	383 985,66
c) interest - loans	0,00	0,00
d) interest - promissory notes	0,00	0,00
e) interest - bond issuance	2 820 430,12	3 411 783,11
f) other interest	1 175 770,87	3 428 184,89
g) loss on disposal of investment	0,00	0,00
h) other	3 396 243,00	183 931,90
Total financial expenses	15 446 753,37	11 957 932,14

The item "other" consists of a write-down on bills of exchange in the amount of PLN 2,877,865.46.

F. OTHER EXPLANATORY NOTES

Note 29. Transactions with affiliates

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

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

Entities related to the Issuer as at 31 December 2020, with whom the Issuer entered into transactions in the reporting period, are listed below:

- The main shareholders of the company, i.e.: EHT S.A. and Mr Józef Wojciechowski (personal relationship) and entities related to those entities;
- subsidiaries belonging to the J.W. Construction Holding Capital Group, i.e.:
 - J.W. Construction sp. z o.o.
 - TBS Marki sp. z o.o.
 - Dana Invest sp. z o.o.
 - Varsovia Apartamenty sp. z o.o.
 - Hanza Invest S.A.
 - Bliska Wola 4 sp. z o.o. 1 sk

Consolidated financial statements
for the period from 1 January 2020 to 31 December 2020

- Bliska Wola 4 sp. z o.o. 2 sk
- Bliska Wola 4 sp. z o.o.
- Yakor House sp. z o.o.
- J.W. Construction Bulgaria Sp. z o.o.
- Wola Invest sp. z o.o.
- Berensona Invest sp. z o.o.
- J.W. Tennis Support Foundation – Fundacja Wspierania Tenisa i Rozwoju I Aktywności Fizycznej

- Transactions with Members of the Management Board or Supervisory Board

Transactions with affiliates of the Group

As part of its operations, the Company enters into transactions with affiliated companies, in particular in the scope of sales services, administrative services, property rental, performance of works, granting guarantees, financing.

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

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

The value of receivables and liabilities as well as sales and purchase transactions with related companies concluded in the normal course of business are presented below. The value of transactions between the Issuer and its subsidiaries in the reporting period and the balance of settlements as at 31 December 2020 were also presented.

The following statements present only companies that have a balance as at a given day or with which transactions in a given period exceeded PLN 100 thousand. Zero balances are not presented.

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

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

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

COMPANY NAME	31-12-2020	31-12-2019
TBS Marki Sp. z o.o.	29 491,78	25 142,55
J.W. Construction Sp. z o.o.	3 699 627,55	2 595 456,62
Dana Invest Sp. Z o.o.	37 168,14	113 744,64
Varsovia Apartamenty Sp. z o.o.	1 949 387,21	1 277 196,79
Berensona Invest Sp. Z o.o.	6 199,20	41 859,36
Bliska Wola 4 Sp. z o.o.1 SK	16 035,76	318 554,21
Bliska Wola 4 Sp. z o.o. 2 SK	32 203,22	398 650,41
Wola Invest Sp. z o.o.	12 398,40	6 199,20
Bliska Wola 4 Sp. Z o.o.	6 588,94	27 034,00
Hanza Invest S.A.	636 987,93	4 225 040,08
JW TENNIS SUPPORT FOUNDATION	16 605,00	14 898,99

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

COMPANY NAME	31-12-2020	31-12-2019
TBS Marki Sp. z o.o.	1 254,21	0,00
J.W. Construction Sp. z o.o.	19 157 430,10	20 838 742,33
Dana Invest Sp. Z o.o.	0,00	4 684,49
Bliska Wola 4 Sp. z o.o. 1 SK	5 196,00	5 196,00
Varsovia Apartamenty Sp. z o.o.	14 054,75	0,00
J.W. Tennis Support Foundation	0,00	11 310,00

Transactions concluded in the course of normal operations concern construction services provided mainly by J.W. Construction Sp. z o.o. Additionally, the companies reinvoice the costs of energy and other utilities, lease real estate and equipment, and sell design and administrative services.



Consolidated financial statements
for the period from 1 January 2020 to 31 December 2020

J.W. Construction Holding S.A. as an entity rendering or services (seller) - related entities subject to consolidation

	TRANSACTION/AGREEMENT SUBJECT	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
TBS Marki Sp. z o.o.	real estate management	218 255,16	159 144,36
TBS Marki Sp. z o.o.	loan surety	784 000,00	784 000,00
J.W. Construction Sp. z o.o.	reinvoices - construction in Katowice	394 553,18	0,00
J.W. Construction Sp. z o.o.	sale of goods, materials	0,00	359 056,28
J.W. Construction Sp. z o.o.	administrative services	541 600,00	580 000,00
J.W. Construction Sp. z o.o.	lease of real estate (office building)	146 028,00	146 028,00
J.W. Construction Sp. z o.o.	re invoicing -energy	230 021,83	184 232,33
J.W. Construction Sp. z o.o.	guaranteed repairs services	831 369,17	1 319 079,19
J.W. Construction Sp. z o.o.	car rental	119 819,51	46 788,16
J.W. Construction Sp. z o.o.	land lease	68 409,94	148 659,43
J.W. Construction Sp. z o.o.	coordination and supervision of construction work Katowice	2 116 733,70	0,00
J.W. Construction Sp. z o.o.	liabilities under INLOGIC guarantee	191 246,80	0,00
Varsovia Apartamenty Sp. z o.o.	administrative services	575 992,00	315 528,00
Varsovia Apartamenty Sp. z o.o.	restaurant lease	190 000,00	0,00
Varsovia Apartamenty Sp. z o.o.	lease of real estate Jerozolimskie Av.	55 033,27	593 476,67
Varsovia Apartamenty Sp. z o.o.	catering	87 609,86	1 473 527,38
Varsovia Apartamenty Sp. z o.o.	reinvoices-including utilities	68 879,97	219 028,37
Hanza Invest S.A.	administrative services	80 700,00	1 497 398,00
Hanza Invest S.A.	sales service	523 342,24	1 237 132,61

J.W. Construction Holding S.A. as an entity buying products or services - related entities subject to consolidation

COMPANY NAME	TRANSACTION/AGREEMENT SUBJECT	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
J.W. Construction Sp. z o.o.	construction works Ożarów Houses	1 546 627,57	1 514 413,16
J.W. Construction Sp. z o.o.	materials - Ożarów houses	5 876 776,05	640 601,82
J.W. Construction Sp. z o.o.	construction works Katowice	30 192 228,02	38 463 070,00
J.W. Construction Sp. z o.o.	assembly of houses - Ożarów	857 099,93	0,00
J.W. Construction Sp. z o.o.	construction works Kasprzaka	913 221,00	1 291 085,00
J.W. Construction Sp. z o.o.	Design documentation-Aluzyjna	111 198,38	0,00
J.W. Construction Sp. z o.o.	Management of the Villa Campina investment project	318 420,72	0,00

FINANCING TRANSACTIONS

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

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

Receivables on account of the financing granted

The balances of the following receivables were covered by write-downs.

Yakor House sp. z o.o. in the amount of PLN 7 233 958.45

J.W. Construction Bulgaria EOOD in the amount of PLN 4 061 353.83

Varsovia Apartamenty Sp. z o.o. in the amount of PLN 2 755 063.89

Affiliated units subject to consolidation

COMPANY NAME	31-12-2020	31-12-2019
Yakor House Sp. z o.o.	15 238 300,00	21 769 000,00
J.W. Construction Bulgaria EOOD	37 139 000,00	40 730 226,10
J.W. Construction Sp. z o.o.	5 969 114,77	10 254 500,00
Dana Invest Sp. z o.o.	859 147,73	550 621,79
Hanza Invest Sp. z o.o.	27 836 754,81	23 895 185,88
Bliska Wola 4 Sp. z o.o. 2SK	0,00	5 636,94
Bliska Wola 4 Sp. z o.o. 1SK	5 666 263,12	0,00
Varsovia Apartamenty Sp. z o.o.	1 811 463,65	1 655 985,80

Receivables on account of loans granted - related entities subject to consolidation

COMPANY NAME	31-12-2020	31-12-2019
Yakor House Sp. z o.o.	15 238 300,00	21 769 000,00
- principal	2 735 408,93	9 618 642,11
- interest	7 670 039,38	7 091 999,75
- valuation	4 832 851,69	5 058 358,14
J.W. Construction Bulgaria EOOD	37 139 000,00	40 730 226,10
- principal	18 999 974,19	26 456 951,90
- interest	9 010 077,22	8 536 678,61
- valuation	9 128 948,59	5 736 595,59
J.W. Construction Sp. z o.o.	5 969 114,77	10 254 500,00
- principal	5 754 500,00	10 254 500,00
- interest	214 614,77	0,00
- valuation	0,00	0,00
Dana Invest Sp. z o.o.	626 051,44	324 865,50
- principal	590 000,00	300 000,00
- interest	36 051,44	24 865,50
- valuation	0,00	0,00
Hanza Invest S.A.	27 836 754,81	23 895 185,88
- principal	25 434 000,00	22 331 000,00
- interest	2 402 754,81	1 564 185,88
- valuation	0,00	0,00
Bliska Wola 4 Sp. z o.o. 2SK	0,00	5 636,94
- principal	0,00	0,00
- interest	0,00	5 636,94
- valuation	0,00	0,00
Varsovia Apartamenty Sp. z o.o.	1 811 463,65	1 655 985,80
- principal	1 674 936,11	1 600 000,00
- interest	136 527,54	55 985,80
- valuation	0,00	0,00

Consolidated financial statements
for the period from 1 January 2020 to 31 December 2020

Receivables on account of promissory notes issued - related entities subject to consolidation

COMPANY NAME	31-12-2020	31-12-2019
Dana Invest Sp. z o.o.	233 096,29	225 756,29
- principal	200 000,00	200 000,00
- interest	33 096,29	25 756,29
Bliska Wola 4 Sp. z o.o. 1SK	2 866 263,12	0,00
- principal	2 800 000,00	0,00
- interest	66 263,12	0,00

Financial revenue from granted financing

COMPANY NAME	TRANSACTION/A GREETMENT SUBJECT	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
Yakor House Sp. z o.o.	loan granted	578 039,63	769 047,79
J.W. Construction Bulgaria EOOD	loan granted	473 398,61	464 464,88
J.W. Construction Sp. z o.o.	loan granted	214 614,77	694 683,35
Dana Invest Sp. z o.o.	loan granted	11 185,94	14 155,00
Dana Invest Sp. z o.o.	promissory note issued	0,00	9 336,64
Hanza Invest S. A.	loan granted	838 568,93	1 048 774,33
Bliska Wola 4 Sp. z o.o. 1SK	promissory note issued	0,00	0,00
Varsovia Apartamenty Sp. z o.o.	loan granted	80 541,74	55 278,02
J.W. Tennis Support Foundation	donation	0,00	393 600,00

Launches on account of financing granted

COMPANY NAME	TRANSACTION/A GREETMENT SUBJECT	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
Yakor House Sp. z o.o.	loan granted	350 725,27	356 407,98
J.W. Construction Bulgaria EOOD	loan granted	205 457,20	142 224,07
J.W. Construction Sp. z o.o.	loan granted	0,00	16 000 000,00
Hanza Invest S. A.	loan granted	3 103 000,00	500 000,00
Bliska Wola 4 Sp. z o.o. 1SK	promissory note issued	4 800 000,00	0,00
Varsovia Apartamenty Sp. z o.o.	loan granted	2 830 000,00	1 100 000,00
J.W. Tennis Support Foundation	donation	0,00	393 600,00

Payables on account of financing received - related entities subject to consolidation

COMPANY NAME	31-12-2020	31-12-2019
TBS Marki Sp. z o.o.	29 621 171,51	29 862 475,04
Bliska Wola 4 Sp. z o.o. 1 Sp. K.	0,00	1 018 628,73
Bliska Wola 4 Sp. z o.o. 2 Sp. K.	0,00	966 039,85

Payables on account of loans received - related entities subject to consolidation

COMPANY NAME	31-12-2020	31-12-2019
TBS Marki Sp. z o.o.	22 902 845,78	23 306 897,93
- principal	16 120 533,66	16 986 621,94
- interest	6 782 312,12	6 320 275,99
Bliska Wola 4 Sp. z o.o. 1 Sp. K.	0,00	0,00
- principal	0,00	0,00
- interest	0,00	0,00
Bliska Wola 4 Sp. z o.o. 2 Sp. K.	0,00	0,00
- principal	0,00	0,00
- interest	0,00	0,00

Payables on account of promissory notes received - related entities subject to consolidation

COMPANY NAME	31-12-2020	31-12-2019
TBS Marki Sp. z o.o.	6 718 325,73	6 555 577,11
- <i>principal</i>	5 573 583,43	5 573 583,43
- <i>interest</i>	1 144 742,30	981 993,68
Bliska Wola 4 Sp. z o.o. 1 Sp. K.	0,00	1 018 628,73
- <i>principal</i>	0,00	349 944,00
- <i>interest</i>	0,00	668 684,73
Bliska Wola 4 Sp. z o.o. 2 Sp. K.	0,00	966 039,85
- <i>principal</i>	0,00	119 305,00
- <i>interest</i>	0,00	846 734,85

Financial costs of the financing received

COMPANY NAME	TRANSACTION/AGREEMENT SUBJECT	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
TBS Marki Sp. z o.o.	loan received	462 036,13	666 311,92
TBS Marki Sp. z o.o.	promissory note received	162 748,62	218 391,58
Bliska Wola 4 Sp. z o.o. 1 Sp. K.	promissory note received	6 357,72	15 811,62
Bliska Wola 4 Sp. z o.o. 1 Sp. K.	loan received	9 043,15	0,00
Bliska Wola 4 Sp. z o.o. 2 Sp. K.	promissory note received	2 188,00	175 876,54
Bliska Wola 4 Sp. z o.o. 2 Sp. K.	loan received	5 294,25	0,00

Launches on account of financing received

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

OTHER TRANSACTIONS

Below is presented the value of other transactions concluded by the Issuer with related companies, mainly related to dividends granted, license fees, capital contributions, share purchases and sales of real estate. The value of transactions between the Issuer and these companies in the reporting period and the balance of settlements as at 31 December 2020 were also presented.

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

Dividends

No dividends were paid in the reporting period.

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

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

OTHER PARTY TO TRANSACTION	TRANSACTION/AGREEMENT SUBJECT	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
J.W. Construction Sp. z o.o.	Shares in BW4 sp. z o.o. 2SK	0	12 745 500,00
Wola Invest Sp. z o.o.	Capital injection - agreement	0	45 000,00
Berensona Invest sp. z o.o.	Capital contribution - repayable	60 000,00	45 000,00



Consolidated financial statements
for the period from 1 January 2020 to 31 December 2020

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

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

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

Sales of real estate

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

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

As at 31 December 2020, the Issuer did not have any receivables or liabilities on this account.

Transactions with major shareholders and related companies of major shareholders

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

Companies and persons indirectly related to the Issuer:

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

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

Transactions with major shareholders and related companies of major shareholders are presented below. The value of transactions between the Issuer and these companies in the reporting period and the balance of settlements as at 31 December 2020 were also presented.

The following statements present only companies that have a balance as at a given day or with which transactions in a given period exceeded PLN 100 thousand. Zero balances are not presented.

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

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

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

COMPANY NAME	31-12-2020	31-12-2019
Józef Wojciechowski	515,90	1 895,94
Załubice Development Sp. z o.o.	2 418 375,59	3 009 662,34
J.W. Energy S.A.	173 983,50	1 292 320,66
ZPM Metalcon Sp. z o.o.	575 199,61	575 199,61
Deweloper Sp. z o.o.	8 033,13	8 033,13
Osada Wiślana Sp. z o.o.	19 483,20	37 650,30
W.J. Invest Sp. z o.o.	81 023,91	374 685,56
Wielopole 19/21 sp. z o.o.	6 229,95	6 229,95
Zabaleta Sp. z o.o.	38 710,62	58 876,47
ZEUP S.A.	1 775 777,89	545 309,20

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

COMPANY NAME	31-12-2020	31-12-2019
Deweloper Sp. z o.o.	7 674,00	7 674,00
W.J. Invest Sp. z o.o.	5 671 915,46	5 671 915,46
Zabaleta Sp. z o.o.	100 000,00	100 000,00
ZEUP S.A.	733 559,92	754 894,46

J.W. Construction Holding S.A. as an entity rendering or services (seller) - Entities indirectly related to the dominant entity

	TRANSACTION/AGREEMENT SUBJECT	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
J.W. Energy S.A.	land lease	127 050,00	126 000,00
W.J. Invest Sp. z o.o.	sales service	88 550,18	197 700,00
ZEUP S.A.	administrative services	96 000,00	96 000,00
ZEUP S.A.	electricity infrastructure Kasprzaka EK	442 621,61	0,00
ZEUP S.A.	electricity infrastructure Kasprzaka EM	634 413,49	0,00

J.W. Construction Holding S.A. as an entity buying products or services - indirectly related entities

COMPANY NAME	TRANSACTION/AGREEMENT SUBJECT	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
ZEUP S.A.	electricity - Czarny Potok	653 442,96	630 693,17
ZEUP S.A.	electricity - Zegrze	97 547,12	119 360,40
ZEUP S.A.	electricity - BW CK	7 421,80	396 989,08
ZEUP S.A.	electricity - BW EM	88 249,30	116 859,11
ZEUP S.A.	electricity - BW EK	343 741,14	138 728,99
ZEUP S.A.	electricity - office building	130 632,25	112 001,83
ZEUP S.A.	electricity - other Kasprzaka	42 933,22	278 086,10
ZEUP S.A.	electricity -Porta	429 873,96	0,00
ZEUP S.A.	electricity - other	62 199,62	602 038,80
ZEUP S.A.	connection to the power grid - Kasprzaka	430 005,28	805 836,08

FINANCING TRANSACTIONS

The table below presents the value of receivables and liabilities and interest on transactions with major shareholders and related companies of major shareholders as part of financing granted and received, mainly in the form of promissory notes, loans and bonds. The value of transactions between the Issuer and these entities in the reporting period and the balance of settlements as at 31 December 2020 were also presented.

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

Receivables on account of the financing granted

. The balances of the following receivables were covered by write-downs.

J.W. Energy SA in the amount of PLN 2 877 864.46

Receivables on account of financing granted - indirectly related entities

COMPANY NAME	31-12-2020	31-12-2019
Wojciechowski Józef	13 606,70	13 606,70
J.W. Energy S.A.	0,00	2 795 286,66
Zakład Energetyczny Użyteczności Publicznej S.A.	425 004,69	411 067,70
Deweloper sp. z o.o.	7 581,90	7 581,90
Wielopole 19/21 Sp. z o.o.	223 119,23	215 960,89

Receivables on account of loans granted - indirectly related entities

COMPANY NAME	31-12-2020	31-12-2019
Wojciechowski Józef	13 606,70	13 606,70
- principal	0,00	0,00
- interest	13 606,70	13 606,70
Deweloper sp. z o.o.	7 581,90	7 581,90
- principal	0,00	0,00
- interest	7 581,90	7 581,90

Receivables on account of promissory notes issued – indirectly related entities

COMPANY NAME	31-12-2020	31-12-2019
J.W. Energy S.A.	2 877 864,46	2 795 286,66
- principal	2 581 632,77	2 581 632,77
- interest	296 231,69	213 653,89
Zakład Energetyczny Użyteczności Publicznej S.A.	425 004,69	411 067,70
- principal	385 000,00	385 000,00
- interest	40 004,69	26 067,70
Wielopole 19/21 Sp. z o.o.	223 119,23	215 960,89
- principal	200 000,00	200 000,00
- interest	23 119,23	15 960,89

Financial revenue from granted financing

COMPANY NAME	TRANSACTION/AGREEMENT SUBJECT	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
J.W. Energy S.A.	promissory note issued	0,00	102 161,04
ZEUP S.A.	promissory note issued	0,00	17 780,59

Launches on account of financing granted

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

Payables on account of financing received - indirectly related entities

COMPANY	31-12-2020	31-12-2019
Wojciechowski Józef	373 649,26	373 649,26

Payables on account of loans received - indirectly related entities

COMPANY NAME	31-12-2020	31-12-2019
Wojciechowski Józef	373 649,26	373 649,26
- principal	0,00	0,00
- interest	373 649,26	373 649,26

Launches on account of financing received

There were no in the reporting period

Bonds (principal and accrued interest)

In 2013, the Issuer issued bonds in the amount of PLN 91.2 million. The JWX0116 series bonds were acquired by companies indirectly related to J.W. Construction Holding S.A. The value of outstanding principal and accrued interest as at 31 December 2020 and as at 31 December 2019 is shown in the table below:

Company	date	principal value of the contract
W.J. Invest Sp. z o.o.	24-04-2013	34 940 000,00
W.J. Invest Sp. z o.o.	24-04-2013	10 650 000,00
W.J. Invest Sp. z o.o.	24-04-2013	5 910 000,00

Payables on account of bonds

COMPANY NAME	31-12-2020	31-12-2019	interest for 2020	interest for 2019
W.J. Invest Sp. z o.o.	36 093 642,23	36 410 466,67	1 826 490,91	2 138 339,51
- principal	34 940 000,00	34 940 000,00		
- interest	1 153 642,23	1 470 466,67		
W.J. Invest Sp. z o.o.	11 001 639,67	11 098 210,37	556 729,50	655 616,94
- principal	10 650 000,00	10 650 000,00		

Consolidated financial statements
for the period from 1 January 2020 to 31 December 2020

- interest	351 639,67	448 210,37		
W.J. Invest Sp. z o.o.	6 105 883,30	6 158 725,20	309 693,71	360 701,08
- principal	5 910 000,00	5 910 000,00		
- interest	195 883,30	248 725,20		

OTHER TRANSACTIONS

The value of other transactions with significant shareholders and related companies of significant shareholders, mainly concerning dividends granted, licence fees, capital contributions, share purchases and sales of real estate, is presented below. The value of transactions between the Issuer and these companies in the reporting period and the balance of settlements as at 31 December 2020 were also presented.

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

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

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

Sales of real estate

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

Transactions with Management Board and Supervisory Board members

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

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

Payables on account of supplies and services, deposits, advance payments for supplies to persons related to the Issuer and its subsidiaries personal relationships (Management Board Members, Supervisory Board Members)

COMPANY NAME	31-12-2020	31-12-2019
MS Consulting Małgorzata Szwarc-Sroka	40 713,00	40 713,00
IJ Konsulting Irmina Łopuszyńska	38 406,75	38 406,75

The Issuer and its subsidiaries as buyers of services or products - transactions with members of the Management Board, Supervisory Board

	TRANSACTION/AGREEMENT SUBJECT	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
MS Consulting Małgorzata Szwarc-Sroka	consultancy and advisory services	449 077,71	402 360,00
IJ Konsulting Irmina Łopuszyńska	consultancy and advisory services	428 676,15	379 860,00

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

Receivables on account of supplies and services, deposits, advance payments for supplies from persons related to the Issuer and its subsidiaries personal relationships (Management Board Members, Supervisory Board Members)

COMPANY NAME	31-12-2020	31-12-2019
MS Consulting Małgorzata Szwarc-Sroka	0,00	500,00

The Issuer and its subsidiaries as buyers of services or products - transactions with members of the Management Board, Supervisory Board

	TRANSACTION/ AGREEMENT/SUBJECT	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
MS Consulting Małgorzata Szwarc-Sroka	office rental	5 160,00	3 440,00
MS Consulting Małgorzata Szwarc-Sroka	re invoicing	243,90	0,00
IJ Konsulting Irmina Łopuszyńska	cell phone sold	0,00	406,50

Consolidated financial statements
for the period from 1 January 2020 to 31 December 2020

IJ Konsulting Irmina Łopuszyńska	office rental	5 160,00	5 160,00
IJ Konsulting Irmina Łopuszyńska	re invoicing	372,90	82,75

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

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

Note 30. Remuneration of members of the governing bodies of the Capital Group, employment structure

The remuneration for 2020 is presented below. The tables contain the total data of the members of the governing bodies of the Capital Group, broken down into remuneration received for the functions performed in the companies of the Group, employment in the companies of the Group

JW Construction Holding S.A.	01-01-2020 to 31-12-2020
Management Board	
Rajchert Wojciech	44 167,22
Ostrowska Małgorzata	18 402,36
Suprynowicz Piotr	48 740,00
Pisarek Małgorzata	50 304,00

JW Construction Holding S.A.	01-01-2020 to 31-12-2020
Supervisory Board	
Wojciechowski Józef	0,00
Czyż Barbara	17 814,14
Krupa Kazimierz	7 161,73
Łopuszyńska Irmina	17 523,72
Maruszyński Marek	37 713,46
Matkowski Ryszard	44 787,86
Szwarc-Sroka Małgorzata	17 932,82

JW Construction Holding S.A., other contracts	01-01-2020 to 31-12-2020
Management Board	
Rajchert Wojciech	0,00
Ostrowska Małgorzata	146 409,77
Suprynowicz Piotr	103 790,39
Pisarek Małgorzata	134 563,34

Other companies of the Capital Group, other agreements	01-01-2020 to 31-12-2020
Management Board	
Rajchert Wojciech	225 360,00
Ostrowska Małgorzata	14 827,09
Suprynowicz Piotr	0,00
Pisarek Małgorzata	0,00

Other companies of the Capital Group, other agreements	01-01-2020 to 31-12-2020
Supervisory Board	
Wojciechowski Józef	0,00
Czyż Barbara	61 282,17
Krupa Kazimierz	0,00
Łopuszyńska Irmina	0,00
Maruszyński Marek	0,00
Matkowski Ryszard	0,00
Szwarc-Sroka Małgorzata	0,00

Information on average employment in the Capital Group, broken down by professional groups

Company	31-12-2020	31-12-2019
Management Board	1	2
Directors	30	25
Administration	205	265
Other employees	220	246
Total	456	538

Contracts	31-12-2020	31-12-2019
Employment contract	456	538
Fee-for-task contract	195	324
Specific work contract	1	25

Note 31. Significant events in the financial year
Corporate affairs

Extraordinary General Meeting

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

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

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

On 3 November 2020, an Extraordinary General Meeting was held which amended the composition of the Company's Supervisory Board by dismissing Mr Marek Maruszyński and appointing Mr Kazimierz Krupa.

Ordinary General Meeting

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

Conclusion of the share buy-back programme.

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

Changes to the Management Board

On 28 September 2020, Ms. Małgorzata Ostrowska resigned from her position as a Member of the Company's Management Board.

Changes to Supervisory Board

On 3 November 2020, Mr. Marek Maruszyński was dismissed from the Supervisory Board of the Company.
On 3 November 2020, Mr. Kazimierz Krupa was appointed to the Supervisory Board of the Company.

Administrative decisions related to the construction process:

a) construction permit

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

On 27 July 2020 the company received a building permit for a complex of 3 multi-family residential buildings (161 units) with underground garages in Zawada, Myślenice municipality near Cracow. The permit is final.

On 2 October 2020, the company received a building permit for a complex of multi-family residential buildings with underground garages - Stage I, for a total of 110 units at Kościuszki Street in Chorzów. The permit is final.

On 22 December 2020, the Company received a building permit for a complex of multi-family residential buildings with underground garages - Stage II, for a total of 154 units at Kościuszki Street in Chorzów. The permit is final.

On 22 December 2020, the Company received a building permit for a complex of multi-family residential buildings with underground garages - Stage I (445 units) and Stage II (191 units) at Starowiejska Street in Gdansk. The permit is final.

b) occupancy permit

As part of the complex of terraced houses - "Alicja Stage E" located in Kręczy Kaputy, Ożarów Mazowiecki commune, the Company received occupancy permits for 20 single family terraced houses. The permits are final.

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

Credit Agreements

Credit agreement

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

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

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

On 28 August 2020, the Company concluded a credit agreement with Bank Pekao S.A. with its registered office in Warsaw, on the basis of which the Bank granted the Company a credit in the current account in the amount of PLN 23,800,000, to be used to finance the Company's current operations. The repayment date of the loan was set at 30 July 2022.

Annex to credit agreement:

On 9 April 2020 and 23 October 2020, J.W. Construction Spółka z o.o., a subsidiary of the Issuer, concluded annexes to the overdraft agreement, granted by PKO BP S.A., in the amount of 7.000.000 PLN. Under the annexes, the date of use and repayment of the loan have been postponed. The new loan repayment date was set at 24 October 2022.

On 9 April 2020 and 23 October 2020, the Company concluded annexes to the overdraft agreement, granted by PKO BP S.A. in the amount of PLN 15.000.000. Under the annexes, the date of use and repayment of the loan have been postponed. Under the annexes, as in previous periods, the agreement was renewed, the date of utilisation and repayment

of the loan were postponed. The annex concluded in October additionally introduced changes: the agreement was covered by a multi-purpose limit; the amount of the loan was increased by PLN 10,100,000 and the term of the Agreement was extended to 24 months. The credit limit was granted until 24 October 2022.

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

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

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

On 9 November 2020, Hanza Invest S.A., the Issuer's subsidiary, concluded an annex to the investment credit agreement for co-financing the Hanza Tower investment in Szczecin. Under the annex, the term of use and repayment of the loan was postponed by 3 months. The new loan repayment date was set at 30 June 2021.

Credit repayment

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

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

Bond processing

Interest paid

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

On 15 May, 16 November and 18 December 2020, the Company paid interest on bonds of series JW10522 with ISIN code PLJWC0000126.

On 29 May, 12 June, 11 and 18 December 2020, the Company paid interest on bonds series JWC0522 with ISIN code PLJWC0000118

JWX0116 bonds

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

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

JW10522 ISIN PLJWC0000126 bonds

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

- 1) change of the final redemption date of the Bonds from the previously set date of November 16, 2020 to the new date of May 16, 2022;
- 2) introduction of additional dates of partial bonds redemptions;
- 3) change of the name of the Bonds series from the current JWC1120 to the new JW10522;
- 4) The collateral for the Bonds and bonds of the JWC0620 series marked with ISIN code PLJWC0000118 ("JWC0620 Bonds") shall be secured with a contractual joint mortgage, constituting 150 % of the nominal value of the outstanding Bonds and JWC0620 Bonds, on real estate covered by the land and mortgage registers:
 - a) maintained by the District Court for Kraków Podgórze in Kraków no: KR1P/00568567/6, KR1P/00568568/3, KR1P/00568569/0, KR1P/00568570/0, KR1P/00568571/7, KR1P/00568581/0, KR1P/00568582/7, KR1P/00568583/4, KR1P/00568584/1, KR1P/00568585/8, KR1P/00568586/5, KR1P/00568587/2, KR1P/00568588/9, KR1P/00568589/6, KR1P/00568590/6, KR1P/00568591/3, KR1P/00568592/0, KR1P/00568593/7, KR1P/00568594/4, KR1P/00568595/1, KR1P/00568596/8, KR1P/00568597/5, KR1P/00574796/5, KR1P/00574797/2, KR1P/00574798/9, KR1P/00574799/6, KR1P/00574800/7, KR1P/00574803/8, KR1P/00574805/2, KR1P/00574807/6, KR1P/00574808/3, KR1P/00574809/0, KR1P/00574810/0, and
 - b) maintained by the District Court for Warsaw Mokotów in Warsaw no. WA2M/00110066/5 and
 - c) maintained by the District Court for Warsaw Mokotow in Warsaw no. WA3M/00506268/1 („Mortgage”);
- 5) Change of interest periods after 16 November 2020 for three-month periods;
- 6) Change the interest rate on the Bonds by establishing that it is determined on the basis of 3M WIBOR, and for the period until 16 November 2020 on the basis of 6M WIBOR, increased by a margin of 5%, and until the entry of the Mortgage increased by a margin of 6%, per year.

On 15 June 2020. the Company established all the securities provided for in the amended terms and conditions of the Bonds issue. The mortgages were entered respectively in the land and mortgage registers maintained by the District Court for Kraków Podgórze in Kraków on 12 October 2020 and by the District Court for Warsaw Mokotów in Warsaw on 30 October and 2 November 2020.

JWC0520 ISIN PLJWC0000118 bonds

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

1. change of the final redemption date of the Bonds from the previously set date of June 12, 2020 to the new date of May 12, 2022;
2. introduction of additional dates of partial bonds redemptions.
3. change the name of the Bond series to JWC0522
4. The collateral for the Bonds and bonds of the JWC1120 series marked with ISIN code PLJWC0000126 ("JWC1120 Bonds") shall be secured with a contractual joint mortgage, constituting 150 % of the nominal value of the outstanding Bonds and JWC1120 Bonds, on real estate covered by the land and mortgage registers:
 - a) maintained by the District Court for Cracow Podgórze in Cracow no: KR1P/00568567/6, KR1P/00568568/3, KR1P/00568569/0, KR1P/00568570/0, KR1P/00568571/7, KR1P/00568581/0, KR1P/00568582/7, KR1P/00568583/4, KR1P/00568584/1, KR1P/00568585/8, KR1P/00568586/5, KR1P/00568587/2, KR1P/00568588/9, KR1P/00568589/6, KR1P/00568590/6, KR1P/00568591/3, KR1P/00568592/0, KR1P/00568593/7, KR1P/00568594/4, KR1P/00568595/1, KR1P/00568596/8, KR1P/00568597/5, KR1P/00574796/5, KR1P/00574797/2, KR1P/00574798/9, KR1P/00574799/6, KR1P/00574800/7, KR1P/00574803/8, KR1P/00574805/2, KR1P/00574807/6, KR1P/00574808/3, KR1P/00574809/0, KR1P/00574810/0 and
 - b) maintained by the District Court for Warsaw Mokotów in Warsaw no. WA2M/00110066/5 and

- c) maintained by the District Court for Warsaw Mokotow in Warsaw no. WA3M/00506268/1 („Mortgage”);
- 3) Change of interest periods after 11 December 2020 for three-month periods;
- 4) Change the interest rate on the Bonds by establishing that it is determined on the basis of 3M WIBOR, and for the period until 11 December 2020 on the basis of 6M WIBOR, increased by a margin of 5%, and until the entry of the Mortgage increased by a margin of 6%, per year.

On 15 June 2020, the Company established all the securities provided for in the amended terms and conditions of the Bonds issue. The mortgages were entered respectively in the land and mortgage registers maintained by the District Court for Kraków Podgórze in Kraków on 9 October 2020 and by the District Court for Warsaw Mokotów in Warsaw on 30 October and 2 November 2020.

Bond redemption

JW10522 ISIN PLJWC0000126 bonds

On 16 November 2020, the Company partially redeemed, in accordance with the terms of the bond issue, 15% of the original nominal value of the bonds of series JWC10522, with ISIN code PLJWC0000126,

On 18 December 2020, the Company carried out an early redemption of 5.00% of the original nominal value of the bond series JW10522, ISIN code PLJWC0000126.

Cumulatively, from the date of issue, as at 31 December 2020, the Company redeemed PLN 70,500,000 which represented 75% of the original nominal value of the series JW10522 bonds, designated with ISIN code PLJWC0000126, issued pursuant to the Resolution of the Company's Management Board of 2 November 2017 with a maturity date of 16 May 2022, in a total number of 94,000, with an initial nominal value of PLN 1,000 each bond and a total issue value of PLN 94,000,000. Upon redemption, the value of each Bond was PLN 270 and the total value of the Bonds outstanding was PLN 23,500,000.

JWC0520 ISIN PLJWC0000118 bonds

On 12 June 2020, the Company partially redeemed the bonds of series JWC0522 marked with ISIN code PLJWC0000118 for the amount of PLN 11,900,000, in accordance with the terms and conditions of the bond issue.

On 18 December 2020, the Company carried out an early redemption of 5.50% of the original nominal value of the series JWC0522 bonds with ISIN code PLJWC0000118.

Cumulatively, from the date of issue, the Company redeemed PLN 50,750,000 as at 31 December 2020, representing 72.5% of the original nominal value of the bonds of series JWC0522, designated with ISIN code PLJWC0000118. The bonds were issued pursuant to a Resolution of the Company's Management Board dated 15 May 2017 with a maturity date of 12 May 2022, in the total number of 70,000, in the initial nominal value of PLN 1,000 each bond and in the total issue value of PLN 70,000,000. After the redemption, the value of each bond was PLN 275, and the total value of outstanding Bonds is PLN 19,250,000.

Construction works contracts

In the reporting period, the agreement concluded on 28 February 2017 between the Company's subsidiaries: Hanza Invest S.A. with its registered office in Ząbki as the Investor ("Investor") and J.W. Construction Spółka z o.o. with its registered office in Ząbki as the General Contractor ("Contractor") was annexed. The subject of the contract is completion by the Contractor of the construction of a residential and commercial building in Szczecin at Wyzwolenia Avenue, Odzieżowa Street, entitled "Hanza Tower":

- On 7 August 2020, an annex was concluded, under which the deadlines for the completion of the works, which was set at 31 December 2020, and for obtaining a valid occupancy permit, which was set at 31 January 2021, were altered;

- on 30 December 2020, an annex was concluded under which the following were amended:

1. Scope of works by increasing the scope of works due to additional works inside and outside the building.
2. Due to the change (increase) in the agreed scope of works and the change in prices of materials and services, the remuneration under the contract was increased to PLN 216,526,500 net plus VAT at the applicable rate.
3. Deadlines: for completion of the works, which is set at 31 March 2021, and for obtaining a valid occupancy permit, which is set at 30 April 2021.

Real estate

Purchase of real estate

In the reporting period, the Company, pursuant to preliminary purchase agreements, entered into two agreements with natural persons under which it acquired real properties located in Małopole, Dąbrowka commune, with a total area of 4.4728 ha for PLN 3,595,210. The purchased properties are intended for a warehouse project planned by the Company, which ultimately provides for a total warehouse area of 90,000 m².

Sales:

Letter of Intent

In the reporting period the Company was a party to a letter of intent concluded with Polish Hospitality Group Luxury Hotels Sp. z o.o. with its registered office in Krakow ("PHGLH") on 24 February 2020, the subject of which was determining the initial terms and conditions of sale of the developed property located in Cracow at 19-21 Wielopole and 86-90 Dietla St. ("Real Estate"), the sale price of which the Parties agreed to be not less than PLN 100,000,000 net. The letter expired on 8 June 2020.

Preliminary property sales agreement:

On 30 July 2020, the Company and Lux Investment Spółka z o.o. with its registered office in Warsaw ("the Buyer") entered into a preliminary agreement ("Agreement") on the sale of real estate ("Real Estate") owned by the Company and located in Warsaw at 10 Antoniewska Street, constituting plot no. 16/1 in the 1-05-07 precinct, with an area of 1.5763 ha ("Real Estate") for the net price of PLN 17,000,000. The contract was terminated due to the failure to make payment of 10% of the sale price within the timeframe stipulated in the contract.

Real estate sales agreements:

On 15 December 2020, the Company concluded two final agreements for the sale of the right of perpetual usufruct to real properties located in Szczecin in the region of Franciszka Ksawerego Druckiego - Lubeckiego Street covering plots of land numbered 10/1, 11/1, 12/1 from area 101, No. 10 from area 19, No. 11 from area 326201_1. 3019 and No. 9/2 of the Area 97, 8/5, 8/6 and 8/7 of the Area 3019, with the total area of 13.2569 ha, for the total net price of PLN 28,339,490 to Milo 9 Spółka z o.o. with its registered office in Warsaw.

The sale agreements were concluded in performance of the obligation under the preliminary sale agreement and the preliminary agreement to the conditional sale agreement concluded on 2 June 2020.

The sale process entailed the Buyer conducting a survey of the legal status of the property, a warehouse project prepared by the Company, the design documentation of which was also the subject of the sale.

Note 32. The events that took place after the balance sheet date

Credit repayment

On 15 February 2021, the Company repaid in full the investment loan granted in the amount of PLN 48,000,000 by Getin Noble Bank for co-financing the implementation of the investment project Nowe Tysiąclecie III in Katowice.

Annex to credit agreement:

On 28 January 2021, Hanza Invest S.A., the Issuer's subsidiary, concluded an annex to the investment credit agreement for co-financing the Hanza Tower investment in Szczecin. Under the annex, the term of use and repayment of the loan was postponed by 4 months. The new loan repayment date was set at 30 October 2021.

Payment of interest on bonds

On 12 March 2021, the Company paid interest on the bonds of series JWC0522 with ISIN code PLJWC0000118.

On 15 March 2021, the Company paid interest on the bonds of series JW10522 with ISIN code PLJWC0000126.



Consolidated financial statements
for the period from 1 January 2020 to 31 December 2020

Bond redemption

On 12 March 2021, the Company made an early redemption of the entire outstanding nominal value of the bonds of series JWC0522 (formerly: JWC0520), marked with ISIN code PLJWC0000118, issued pursuant to the Resolution of the Management Board of the Company dated 15 May 2017 with a maturity date of 12 May 2022 in the total number of 70,000, with an initial nominal value of PLN 1,000 each bond ("Bonds").

The Company repaid PLN 275 per Bond; the total amount of the redemption made was PLN 19,250,000.

The redemption was made early at the request of the Company in accordance with the Terms and Conditions of the Bonds along with the payment of interest.

On 15 March 2021, the Company made an early redemption of the entire outstanding nominal value of the bonds of series JW10522 (formerly: JWC1120), marked with ISIN code PLJWC0000126, issued pursuant to the Resolution of the Management Board of the Company of 2 November 2017 with a maturity date of 16 May 2022 in the total number of 94,000, with an initial nominal value of PLN 1,000 each bond ("Bonds").

The Company repaid PLN 250 per Bond; the total amount of the redemption made was PLN 23,500,000.

The redemption was made early at the request of the Company in accordance with the Terms and Conditions of the Bonds along with the payment of interest.

Sales of real estate

On 10 March 2021, the Company entered into an agreement with Robyg 19 Spółka z o.o., with its registered office in Warsaw, for the sale of the real estate owned by the Company and located in Warsaw at 10 Antoniewska Street, constituting number 16/1 of the 1-05-07 precinct, with an area of 1.5763 ha (the "Real Estate"). The sale price of the Real Estate amounted to PLN 17,000,000.00 net, plus VAT at the applicable rate. The conclusion of the sale agreement completed the process of sale of the property initiated on 26 January 2021 with the signing of a letter of intent between the Parties. The Company sold the Real Estate as the achievable development intensity parameters did not allow for a satisfactory return on investment.

Conclusion of a significant agreement

On 5 March 2021, the Company concluded an agreement with PORR S.A. with its registered office in Warsaw as the General Contractor ("Contractor"), on the basis of which it commissioned the construction on a real property in Gdansk Letnica at 65A and 67 Starowiejska Street in the general contractor system together with obtaining the final decision on the occupancy permit, of the "Horizon" Residential and Service Development Complex (Stage I and II) along with external infrastructure necessary for the functioning of the complex.

The parties have agreed the following terms of the agreement:

The deadline for obtaining the final occupancy permit has been set at 18 September 2023.

The Contractor's remuneration was established as a lump sum based on the scope of works amounting to PLN 157,000,000.00 plus VAT at the rate applicable on the day of invoicing.

The Contractor has provided the Company with a 72-month warranty for the completed works, the term of which starts from the date of obtaining the occupancy permit.

The Contractor shall secure the performance of the contract and the warranty period for the completed works by providing the Company with bank guarantees in the amounts commonly used for this type of contract.

Note 33. Selected financial data including basic items of the consolidated financial statement in thousands PLN

To convert the balance sheet data as at the last day of the period from 1 January to 31 December 2020, the EUR exchange rate set by the National Bank of Poland as at that day, i.e. 4.6148 PLN/EUR was adopted.

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

For the conversion of the profit and loss account data for the period from 1 January 2020 to 31 December 2020, the average EUR rate was adopted, calculated as the arithmetic mean of the rates in force on the last day of each month in a given period, determined by the National Bank of Poland on that day, i.e. 4.4742 PLN/EURO rate.

For the conversion of the profit and loss account data for the period from 1 January 2019 to 31 December 2019, the average EUR rate was adopted, calculated as the arithmetic mean of the rates in force on the last day of each month in a given period, determined by the National Bank of Poland on that day, i.e. 4.3018 PLN/EURO rate.

Consolidated financial statements
for the period from 1 January 2020 to 31 December 2020

balance sheet item consolidated	31-12-2020	31-12-2020	31-12-2019	31-12-2019
	PLN	EUR	PLN	EUR
Total assets	1 962 142	425 185	1 668 809	391 877
Fixed assets	765 031	165 778	817 303	191 923
Current assets	1 197 111	259 407	851 506	199 955
Total liabilities and equity	1 962 142	425 185	1 668 809	391 877
Equity	717 313	155 437	727 913	170 932
Non-current liabilities	301 953	65 431	364 118	85 504
Current liabilities	942 877	204 316	576 778	135 442

Profit and loss account item consolidated	01-01-2020 to 31-12-2020	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019	01-01-2019 to 31-12-2019
	PLN	EUR	PLN	EUR
Net revenues from sales of products, goods and materials	182 153	40 712	605 314	140 713
Costs of products, goods and materials sold	150 292	33 591	458 192	106 513
Gross profit (loss) from sales	31 861	7 121	147 121	34 200
Costs of sales	18 817	4 206	30 984	7 203
Overheads	23 198	5 185	29 651	6 893
Profit (loss) from sales	3 729	834	91 150	21 189
Profit (loss) on operations	-6 514	-1 456	87 848	20 421
Gross profit (loss)	-15 510	-3 466	79 810	18 553
Income tax	-3 372	-754	16 413	3 815
Net profit (loss)	-12 137	-2 713	63 397	14 738

balance sheet item Issuer	31-12-2020	31-12-2020	31-12-2019	31-12-2019
	PLN	EUR	PLN	EUR
Total assets	1 669 198	361 705	1 437 921	337 659
Fixed assets	747 314	161 938	826 991	194 198
Current assets	921 884	199 767	610 930	143 461
Total liabilities and equity	1 669 198	361 705	1 437 921	337 659
Equity	752 567	163 077	763 024	179 177
Non-current liabilities	159 770	34 621	204 146	47 939
Current liabilities	756 861	164 007	470 751	110 544

account item profit and loss	01-01-2020 to 31-12-2020	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019	01-01-2019 to 31-12-2019
	PLN	EUR	PLN	EUR
Net revenues from sales of products, goods and materials	163 591	36 564	576 316	133 972
Costs of products, goods and materials sold	125 943	28 149	430 949	100 180
Gross profit (loss) from sales	37 648	8 415	145 367	33 792
Costs of sales	17 667	3 949	29 611	6 883
Overheads	22 356	4 997	26 518	6 164
Profit (loss) from sales	11 508	2 572	93 901	21 829
Profit (loss) on operations	-12 611	-2 819	82 867	19 264
Gross profit (loss)	-15 204	-3 398	53 757	12 496
Income tax	-4 829	-1 079	11 015	2 561
Net profit (loss)	-10 375	-2 319	42 742	9 936

Note 34. Off-balance-sheet items

In business practice, contingent transaction hedge instruments are used. In particular, under the applicable credit agreements, banks providing financing may pursue claims based on the established collaterals in the event of the Group's failure to perform its obligations under the agreements. Collaterals are established up to the amount of the loan granted multiplied by a specific ratio. Depending on the type of loan agreement, type of collateral, financing bank and other criteria, the ratio varies from 100% to 200%. Regardless of the number and amount of securities established, the bank may pursue claims up to the amount of the actual debt together with the interest due. As at 31 December 2020, the value of debt on

Consolidated financial statements
for the period from 1 January 2020 to 31 December 2020

account of loans was equal to PLN 251.5 million (including the debt of TBS Marki Sp. z o.o. - PLN 78.7 million) and there were no indications that any of the loans might not be repaid on time.

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

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

OFF-BALANCE SECURITIES	31-12-2020
Amount of security on own real estate*	601 381 769

*including collaterals on real estate of TBS Marki Sp. z o.o. - PLN 164.7 million

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

Apart from the mortgage, there are also other forms of collateral, e.g. enforcement titles, guarantees from Bank Gospodarstwa Krajowego under the PLG FGP portfolio guarantee line secured with a promissory note, powers of attorney to accounts or pledges on accounts. In addition, in the case of investment loans, cessions from contracts related to specific constructions (e.g. General contracting agreements, insurance contracts, performance bonds) are a hedging instrument. Moreover, if the borrower is a subsidiary of the Issuer, banks usually require an additional guarantee from the Issuer, and in some cases a pledge on the shares of the subsidiary.

The value of sureties and guarantees granted is presented below:

OFF-BALANCE SECURITIES - other	31-12-2020
Guarantee of J.W. Construction Holding S.A. to the benefit of Hanza Invest SA for an investment loan incurred at Bank Ochrony Środowiska S.A.	72 000 000
Guarantee of J.W. Construction Holding S.A. to the benefit of Dana Invest Sp. z o.o. for a credit loan incurred at BZ WBK SA.	29 694 876
Guarantees to the benefit of J.W. Construction Sp. z o.o. for loans, guarantees in PKO BP and leases	26 658 575
Sureties to the benefit of TBS "Marki" Sp z o.o.	22 400 000

In the period from 1 January 2020 to 31 December 2020, the Company's bank loans in the total amount of PLN 123.53 million were secured by guarantees granted by Bank Gospodarstwa Krajowego under the PLG FGP portfolio guarantee line in the total amount of PLN 98.82 million, which were secured by the Company by promissory notes issued to Bank Gospodarstwa Krajowego.

As at 31 December 2020, insurance and bank guarantees were also granted to remove defects and faults, granted by banks and insurance institutions, whose beneficiaries were the Capital Group Companies. Moreover, blank promissory notes were issued for the companies of the Capital Group as a security for their rights resulting from guarantees granted by contractors, which the Companies have the right to fill in at any time for the amount corresponding to the costs of removal of defects and faults. Total value of guarantees as at 31 December 2020 amounted to PLN 45.92 million and EUR 1.74 million (Issuer), PLN 4.73 million and EUR 236.45 thousand (JW. Construction sp. z o.o.).

Moreover, the bonds issued by the Company, marked with ISIN codes PLJWC0000118 and PLJWC0000126 are currently secured with joint mortgages, bills of exchange and enforcement rigours under art. 777 of the code of civil procedure.

On account of bonds marked with ISIN code PLJWC0000118 the total mortgage up to the amount of PLN 34.65 million, the rigour of enforcement under Article 777 of the Code of Civil Procedure up to the amount of PLN 34.65 million and blank promissory notes that can be filled in up to the amount of PLN 34.65.

On account of bonds marked with ISIN code PLJWC0000126 the total mortgage up to the amount of PLN 63.45 million, the rigour of enforcement under Article 777 of the Code of Civil Procedure up to the amount of PLN 63.45 million and blank promissory notes that can be filled in up to the amount of PLN 63.45 million.

Note 35. Significant issues in litigation

As at 31 December 2020, no proceedings to which the Company or any of its subsidiaries, either as plaintiff or defendant, were material to the Company's business.

Note 36. Financial instruments and hedge accounting

The Group does not use derivative financial instruments. The Group uses bank credits, loans, financial lease agreements and issues bonds.

The main financial assets of the Capital Group are a loan to a related non-consolidated Capital Group and cash and cash equivalents.

a) The fair values of particular classes of financial instruments

Consolidated financial statements
for the period from 1 January 2020 to 31 December 2020

The following table shows a comparison of the balance sheet values and fair values of all financial instruments of the Group, divided into different classes and categories of assets and liabilities

	Category	Balance sheet value	Balance sheet value	Fair value	Fair value	Fair value
	<i>in accordance with IFRS 9</i>	31-12-2020	31-12-2019	31-12-2020	31-12-2019	
Financial assets						
Long term financial assets in other entities	Fair value through profit or loss	208 550,00	208 550,00	208 550,00	208 550,00	3
Long-term loans	Amortised cost	2 808 330,80	13 500 613,62	2 808 330,80	13 500 613,62	2
Short-term loans	Amortised cost	8 161 635,41	2 587 371,13	8 161 635,41	2 587 371,13	2
Trade and other receivables	Amortised cost	15 725 487,43	15 378 804,43	15 725 487,43	15 378 804,43	2
Cash and cash equivalents	Amortised cost	210 365 181,93	108 468 058,98	210 365 181,93	108 468 058,98	2
Financial liabilities						
Loans with a floating interest rate	Amortised cost	251 480 651,26	198 963 191,53	251 480 651,26	198 963 191,53	2
Loans from subsidiaries, and other entities	Amortised cost	375 865,86	375 865,86	375 865,86	375 865,86	3
Long-term financial lease obligations	Amortised cost	39 960 311,38	42 346 162,07	39 960 311,38	42 346 162,07	2
Short-term financial lease obligations	Amortised cost	9 677 117,49	6 302 343,17	9 677 117,49	6 302 343,17	2
Delivery and service liabilities and other	Amortised cost	25 499 608,38	44 422 945,51	25 499 608,38	44 422 945,51	2
Bonds	Amortised cost	96 601 265,20	132 813 702,24	96 601 265,20	132 813 702,24	2

b) Interest rate risk

The following table presents the carrying amount of the Group's financial instruments which are exposed to interest rate risk, in division into particular age categories.

31 December 2020 - Floating interest rate	Up to 1 year	1 to 2 years	2 to 5 years	over 5 years	Total
Cash assets	210 365 181,93	0,00	0,00	0,00	210 365 181,93
Financial assets - short-term loans	8 161 635,41	0,00	0,00	0,00	8 161 635,41
Loans from subsidiaries, and other entities	375 865,86	0,00	0,00	0,00	375 865,86
Credit loans	126 642 277,67	37 594 550,92	26 747 783,03	60 496 039,65	251 480 651,26
Financial lease obligations	45 101 265,20	51 500 000,00	0,00	0,00	96 601 265,20

c) Securities

The Company does not apply hedge accounting.

Note 37. Changes in the composition of the Management Board and Supervisory Board of the Dominant Entity in the J.W. Construction Holding SA Capital Group

Governing Bodies

Management Board

As at 31 December 2020 the Management Board comprised of:

Wojciech Rajchert – Management Board Member
Małgorzata Pisarek – Management Board Member
Piotr Suprynowicz – Management Board Member

In 2020:

On 21 July 2020, the Company received a declaration from an eligible shareholder to appoint Ms. Małgorzata Ostrowska as a member of the Management Board for another term of office on the basis of personal entitlement.

On 21 July 2020, the Company received a declaration from an eligible shareholder to appoint Ms. Małgorzata Pisarek as a member of the Management Board for another term of office on the basis of personal entitlement.

On 21 July 2020, the Supervisory Board appointed Mr. Wojciech Rajchert as a member of the Management Board for another term of office.

On 21 July 2020, the Supervisory Board appointed Mr. Piotr Suprynowicz as a member of the Management Board for another term of office.

On 28 September 2020, Ms. Małgorzata Ostrowska resigned from her position as a Member of the Company's Management Board.

As at the date of preparing these financial statements the Management Board comprises of:

Wojciech Rajchert – Management Board Member
Małgorzata Pisarek – Management Board Member
Piotr Suprynowicz – Management Board Member

Supervisory Board

As at 31 December 2020 the Supervisory Board comprises of:

Józef Wojciechowski – Chairman of the Supervisory Board
Małgorzata Szwarc - Sroka – Supervisory Board Member
Irmína Łopuszyńska Supervisory Board Member
Barbara Czyż – Supervisory Board Member
Ryszard Matkowski – Supervisory Board Member
Kazimierz Krupa - Supervisory Board Member

In 2020:

On 21 July 2020, the Company received a statement from an eligible shareholder on the appointment of Mr. Józef Wojciechowski as Chairman of the Supervisory Board for another term of office.

On 21 July 2020, the Company received a statement from an eligible shareholder on the appointment of Ms. Barbara Czyż as a member of the Supervisory Board for another term of office.

On 21 July 2020, the Company received a statement from an eligible shareholder on the appointment of Ms. Irmína Łopuszyńska as a member of the Supervisory Board for another term of office.

On 21 July 2020, the Ordinary General Meeting of Shareholders appointed Mr. Ryszard Matkowski as a member of the Supervisory Board for another term of office.

On 21 July 2020, the Ordinary General Meeting of Shareholders appointed Mr. Marek Maruszyński as a member of the Supervisory Board for another term of office.

On 21 July 2020, the Ordinary General Meeting of Shareholders appointed Ms. Małgorzata Szwarc-Sroka as a member of the Supervisory Board for another term of office.

On 3 November 2020, Mr. Marek Maruszyński was dismissed from the Supervisory Board of the Company.

On 3 November 2020, Mr. Kazimierz Krupa was appointed to the Supervisory Board of the Company.

As at the date of preparing these financial statements the Supervisory Board comprises of:

Józef Wojciechowski – Chairman of the Supervisory Board
Małgorzata Szwarc - Sroka – Supervisory Board Member
Irmína Łopuszyńska Supervisory Board Member
Barbara Czyż – Supervisory Board Member
Ryszard Matkowski – Supervisory Board Member
Kazimierz Krupa - Supervisory Board Member

Audit Committee

As at 31 December 2020 the Audit Committee comprised of:

Ryszard Matkowski– Chairman (independent Supervisory Board Member)
Irmína Łopuszyńska – Member
Kazimierz Krupa – Member (independent Supervisory Board Member)

In 2020:

On 21 July 2020, the Supervisory Board appointed an Audit Committee comprising the following members

Ryszard Matkowski– Chairman (independent Supervisory Board Member)

Irmína Łopuszyńska – Member

Marek Maruszyński – Member (independent Supervisory Board Member)

On 3 November 2020, Mr. Marek Maruszyński ceased to be a member of the Audit Committee due to his dismissal from the Supervisory Board.

On 5 November 2020, Mr. Kazimierz Krupa was appointed to the Audit Committee.

Note 38. Capital management

The Group manages its capital in order to maintain its ability to continue as a going concern, taking into account the implementation of planned investments, so that it can generate returns for shareholders and benefit other stakeholders.

In accordance with market practice, the Group monitors its capital, among other things, on the basis of equity ratio and the ratio of loans, credits and other financing sources / EBITDA.

The equity ratio is calculated as the ratio of net tangible assets (equity diminished by the value of intangible assets) to total assets.

The ratio of credits, loans and other sources of financing / EBITDA is calculated as the ratio of credits, loans and other sources of funding to EBITDA. Loans, borrowings and other sources of financing mean the total amount of liabilities on account of loans, borrowings and leasing, whereas EBITDA is the operating profit after adding depreciation and amortization. In order to maintain financial liquidity and creditworthiness to obtain external financing at a reasonable level of costs, the Group assumes that the equity ratio shall not be lower than 0.3.

	31-12-2020	31-12-2019
Interest-bearing loans and borrowings	199 339 057,39	199 339 057,39
Trade and other payables	1 039 448 811,15	730 652 040,10
Less cash and cash equivalents	-210 365 181,93	-108 468 058,98
Net debt	1 028 422 686,60	821 523 038,50
Equity	717 312 573,80	727 912 851,70
Net unrealized gains reserves	0,00	0,00
Total capital	717 312 573,80	727 912 851,70
Capital and net debt	1 745 735 260,40	1 549 435 890,20
Equity ratio	41,09%	46,98%
Credit ratio	58,91%	53,02%

Note 39. Information on the agreement with the entity authorized to audit the consolidated financial statement and conduct reviews thereof.

The auditor's remuneration for the audit of the financial statements for the financial year ended on 31.12.2020 was set at PLN 167 thousand, of which PLN 116 thousand for the review and the individual audit, and PLN 51 thousand for the interim review and annual audit of the consolidated financial statements. The auditor's remuneration for services related to the consolidated financial statements for the financial year ended on 31.12.2020 amounted to PLN 51 thousand, including PLN 33 thousand for the annual consolidated audit and PLN 18 thousand for the review of the interim consolidated financial statements. The auditor's remuneration for services related to the non-consolidated financial statements prepared for the financial year ended on 31.12.2020 amounted to 116 thousand PLN, including 87 thousand PLN for the annual non-consolidated financial statement audit and 29 thousand PLN for the interim financial statement audit. The amounts indicated are net amounts

The companies from the Issuer's Capital Group concluded agreements with Mazars Audyt Sp. z o.o. for the audit of financial statements of subsidiaries of the J.W. Construction Holding S.A. Capital Group for 2020: TBS Marki Spółka z o.o. with its registered office in Warsaw: remuneration of 18.5 thousand PLN, J.W. Construction Sp. z o.o. remuneration of 18 thousand PLN, Dana Invest Spółka z o.o. with its registered office in Ząbki: remuneration of 11 thousand PLN and Hanza Invest S.A. with its registered office in Ząbki: remuneration of 14 thousand PLN, Mazars Audyt Sp. z o.o. in 2021, in the preparation of the 2020 report, provided an additional assurance service consisting of an opinion on the compliance of the consolidated financial statements for the period ending on 31 December 2020 prepared in the uniform electronic reporting format (consolidated financial statements in ESEF format) with the requirements set out in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards concerning the specifications of the uniform electronic reporting format, the remuneration for this service was set at PLN 6 thousand.

The auditor's remuneration for the audit of the financial statements for the financial year ended on 31.12.2019 was set at PLN 167 thousand, of which PLN 116 thousand for the review and the non-consolidated financial statements audit, and PLN 51 thousand for the interim review and annual audit of the consolidated financial statements. The auditor's remuneration for services related to the consolidated financial statements for the financial year ended on 31.12.2019 amounted to 51 thousand PLN, of which 33 thousand PLN for the annual consolidated audit and 18 thousand PLN for the review of the interim consolidated financial statements. The auditor's remuneration for services related to the non-consolidated financial statements drawn up for the financial year ended on 31.12.2019 amounted to 116 thousand PLN, of which 87 thousand PLN for the annual non-consolidated audit and 29 thousand PLN for the interim review. The amounts indicated are net amounts

The companies from the Issuer's Capital Group concluded agreements with Mazars Audyt Sp. z o.o. for the audit of financial statements of subsidiaries of the J.W. Construction Holding S.A. Capital Group for 2019: TBS Marki Spółka z o.o. with its registered office in Warsaw: remuneration of 18.5 thousand PLN, J.W. Construction Sp. z o.o. remuneration of 18 thousand PLN, Dana Invest Spółka z o.o. with its registered office in Ząbki: remuneration of 11 thousand PLN and Hanza Invest S.A. with its registered office in Ząbki: remuneration of 14 thousand PLN,



Consolidated financial statements
for the period from 1 January 2020 to 31 December 2020

Note 40. Information on approval of the financial statements for the previous year

The consolidated financial statements for 2019 were approved by the General Meeting of Shareholders on 21 July 2020.



Consolidated financial statements
for the period from 1 January 2020 to 31 December 2020

Signature of the person drawing up the Financial Statements

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

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

Ząbki, 31 March 2021