

Ronson Development SE

Interim Financial Report
for the six months
ended
30 June 2020

Including the Interim Condensed Consolidated Financial Statements of Ronson Development SE
for the 6 months ended 30 June 2020
and the Interim Condensed Company Financial Statements of Ronson Development SE
for the 6 months ended 30 June 2020

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Management Board Report

Introduction

Ronson Development SE ('the Company'), formerly named Ronson Europe N.V., is an European Company with its statutory seat in Warsaw, Poland. The registered office is located at al. Komisji Edukacji Narodowej 57. The Company was incorporated in the Netherlands on 18 June 2007 as Ronson Europe N.V. with statutory seat in Rotterdam. During 2018, the Company changed its name and was transformed into an European Company (SE) and, effectively as of 31 October 2018, transferred its registered office of the Company from the Netherlands to Poland.

The shares of the Company are traded on the Warsaw Stock Exchange since 5 November 2007. According to publicly available information, as at 30 June 2020, 66.06% of the shares are controlled by Amos Luzon Development and Energy Group Ltd. ('A. Luzon Group') and 0.45% of the shares are held by the Company. The remaining 33.49% of the outstanding shares are held by other investors including Nationale Nederlanden Otwarty Fundusz Emerytalny and Metlife Otwarty Fundusz Emerytalny. The number of shares held by the investors is equal to the number of votes, as there are no privileged shares issued by the Company. It shall be noted that as at 30 June 2020, the Company held 734,522 own shares (0.45%) and, in accordance with art. 364 § 2 of the Code of Commercial Companies, it does not exercise voting rights from own shares. For an overview of shares, voting rights and major shareholders of the Company reference is made to page 26.

On 10 August 2020, the market price was PLN 1.35 per share giving the Company a market capitalization of PLN 221.4 million.

Overview of the Activity of the Company and the Group

The Company (together with its subsidiaries, 'the Group') is active in the development and sale of residential units, primarily apartments, in residential real-estate projects to individual customers in Poland. The Company has been operating through its subsidiaries on the following markets in Poland: Warsaw, Wrocław, Poznań and Szczecin.

During the six months ended 30 June 2020, the Group realized sales of 426 units with the total value of PLN 196 million, which compares to sales of 345 units with the total value PLN 148.0 million during the six months ended 30 June 2019.

As at 30 June 2020, the Group has 810 units available for sale in 12 locations, of which 704 units are in ongoing projects and the remaining 106 units are in completed projects. The ongoing projects comprise a total of 1,453 units, with an aggregate floor space of 87,000 m². The construction of 433 units with a total area of 28,900 m² is expected to be completed during remaining period of 2020.

The Group has a pipeline of 12 projects in different stages of preparation, representing approximately 4,000 units with an aggregate floor space of approximately 256,000 m² for future development in Warsaw, Poznań, Wrocław and Szczecin. During the remaining period of 2020, the Group is considering commencement of 3 stages of the currently running projects comprising 331 units with a total area of 18,100 m².

On 31 March 2020, the Company (via its subsidiary) entered into a preliminary agreement concerning the purchase of the ownership right of an undeveloped property located in Poznań, Grunwald district. The project will comprise 80 units with an aggregate floor space of 3,400 m². The final agreement was signed on 28 of April 2020, while the price of the property has been fixed at PLN 3.0 million and paid.

On 9 April 2020, the Company (via its subsidiary) exercised the last call option, based on call option agreements concluded on 10 April 2018 with Global City Holdings B.V. (hereinafter "Call Option Agreements"), as a result of this transaction the Company acquired shares in company holding one substage of the Nova Królikarnia project with an aggregate floor space of 3,300 m² for a total value of PLN 9.9 million.

Management Board Report

Overview of the Activity of the Company and the Group

The Company's group structure and information on the Company's organizational structure

The table below presents the structure of the Company's group and the Company's interest in the share capital:

Entity name	Year of incorporation	Share of ownership & voting rights at the end of	
		30 June 2020	31 December 2019
Share of ownership & voting rights at the end of			
a. held directly by the Company:			
1 Ronson Development Management Sp. z o.o.	1999	100%	100%
2 Ronson Development 2000 Sp. z o.o. ⁽²⁾	2000	-	100%
3 Ronson Development Warsaw Sp. z o.o.	2000	100%	100%
4 Ronson Development Investment Sp. z o.o.	2011	100%	100%
5 Ronson Development Metropol Sp. z o.o.	2011	100%	100%
6 Ronson Development Properties Sp. z o.o. ⁽²⁾	2002	-	100%
7 Apartments Projekt Sp. z o.o. ⁽²⁾	2003	-	100%
8 Ronson Development Enterprise Sp. z o.o. ⁽²⁾	2004	-	100%
9 Ronson Development Company Sp. z o.o. ⁽²⁾	2005	-	100%
10 Ronson Development Creations Sp. z o.o.	2005	100%	100%
11 Ronson Development Buildings Sp. z o.o. ⁽²⁾	2005	-	100%
12 Ronson Development Structure Sp. z o.o. ⁽²⁾	2005	-	100%
13 Ronson Development Poznań Sp. z o.o. ⁽²⁾	2005	-	100%
14 E.E.E. Development Sp. z o.o. ⁽²⁾	2005	-	100%
15 Ronson Development Innovation Sp. z o.o. ⁽²⁾	2006	-	100%
16 Ronson Development Wrocław Sp. z o.o. ⁽²⁾	2006	-	100%
17 Ronson Development Capital Sp. z o.o. ⁽²⁾	2006	-	100%
18 Ronson Development Sp. z o.o.	2006	100%	100%
19 Ronson Development Construction Sp. z o.o.	2006	100%	100%
20 City 2015 Sp. z o.o.	2006	100%	100%
21 Ronson Development Village Sp. z o.o. ⁽¹⁾	2007	100%	100%
22 Ronson Development Conception Sp. z o.o. ⁽²⁾	2007	-	100%
23 Ronson Development Architecture Sp. z o.o. ⁽²⁾	2007	-	100%
24 Ronson Development Skyline Sp. z o.o.	2007	100%	100%
25 Continental Development Sp. z o.o. ⁽²⁾	2007	-	100%
26 Ronson Development Universal Sp. z o.o. ⁽¹⁾	2007	100%	100%
27 Ronson Development Retreat Sp. z o.o. ⁽²⁾	2007	-	100%
28 Ronson Development South Sp. z o.o.	2007	100%	100%
29 Ronson Development Partner 5 Sp. z o.o.	2007	100%	100%
30 Ronson Development Partner 4 Sp. z o.o.	2007	100%	100%
31 Ronson Development North Sp. z o.o.	2007	100%	100%
32 Ronson Development Providence Sp. z o.o.	2007	100%	100%
33 Ronson Development Finco Sp. z o.o.	2009	100%	100%
34 Ronson Development Partner 2 Sp. z o.o.	2009	100%	100%
35 Ronson Development Skyline 2010 Sp. z o.o. w likwidacji ⁽²⁾	2010	-	100%
36 Ronson Development Partner 3 Sp. z o.o.	2012	100%	100%

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The Company's group structure and information on the Company's organizational structure

Entity name	Year of incorporation	Share of ownership & voting rights at the end of	
		30 June 2020	31 December 2019
Share of ownership & voting rights at the end of			
b. held indirectly by the Company :			
37 Nova Królikarnia B.V. (Company with the registered office in the Netherlands)	2016	100%	100%
38 AGRT Sp. z o.o.	2007	100%	100%
39 Ronson Development Partner 4 Sp. z o.o. – Panoramika Sp.k.	2007	100%	100%
40 Ronson Development Sp z o.o. - Estate Sp.k.	2007	100%	100%
41 Ronson Development Sp. z o.o. - Home Sp.k.	2007	100%	100%
42 Ronson Development Sp z o.o. - Horizon Sp.k.	2007	100%	100%
43 Ronson Development Partner 3 Sp. z o.o. - Sakura Sp.k.	2007	100%	100%
44 Destiny Sp. z o.o. ⁽⁶⁾	2007	100%	100%
45 Ronson Development Millenium Sp. z o.o. ⁽⁶⁾	2007	100%	100%
46 Ronson Development Partner 3 sp. z o.o. – Viva Jagodno sp. k.	2009	100%	100%
47 Ronson Development Sp. z o.o. - Apartments 2011 Sp.k.	2009	100%	100%
48 Ronson Development Sp. z o.o. - Idea Sp.k.	2009	100%	100%
49 Ronson Development Partner 2 Sp. z o.o. – Destiny 2011 Sp.k.	2009	100%	100%
50 Ronson Development Partner 2 Sp. z o.o. - Enterprise 2011 Sp.k.	2009	100%	100%
51 Ronson Development Partner 2 Sp. z o.o. - Retreat 2011 Sp.k.	2009	100%	100%
52 Ronson Development Partner 5 Sp. z o.o - Vitalia Sp.k.	2009	100%	100%
53 Ronson Development Sp. z o.o. - 2011 Sp.k.	2009	100%	100%
54 Ronson Development Sp. z o.o. - Gemini 2 Sp.k.	2009	100%	100%
55 Ronson Development Sp. z o.o. - Verdis Sp.k.	2009	100%	100%
56 Ronson Espresso Sp. z o.o.	2006	100%	100%
57 Ronson Development Apartments 2010 Sp. z o.o. ⁽⁶⁾	2010	100%	100%
58 Ronson Development 2010 Sp. z o.o. ⁽⁶⁾	2010	100%	100%
59 Retreat Sp. z o.o.	2010	100%	100%
60 Enterprise 2010 Sp. z o.o. ⁽⁶⁾	2010	100%	100%
61 Wrocław 2010 Sp. z o.o. ⁽⁶⁾	2010	100%	100%
62 E.E.E. Development 2010 Sp. z o.o. ⁽⁶⁾	2010	100%	100%
63 Ronson Development Nautica 2010 Sp. z o.o.	2010	100%	100%
64 Gemini 2010 Sp. z o.o. ⁽⁶⁾	2010	100%	100%
65 Ronson Development Sp. z o.o. - Naturalis Sp.k.	2011	100%	100%
66 Ronson Development Sp. z o.o. - Impressio Sp.k.	2011	100%	100%
67 Ronson Development Partner 3 Sp. z o.o.- Nowe Warzymice Sp. k	2011	100%	100%
68 Ronson Development Sp. z o.o. - Providence 2011 Sp.k.	2011	100%	100%
69 Ronson Development Partner 2 Sp. z o.o. - Capital 2011 Sp. k.	2011	100%	100%
70 Ronson Development Partner 5 Sp. z o.o. - Miasto Marina Sp.k.	2011	100%	100%
71 Ronson Development Partner 5 Sp. z o.o. - City 1 Sp.k.	2012	100%	100%
72 Ronson Development Partner 2 Sp. z o.o. - Miasto Moje Sp. k.	2012	100%	100%
73 Ronson Development sp. z o.o. – Ursus Centralny Sp. k.	2012	100%	100%
74 Ronson Development Sp. z o.o. - City 4 Sp.k.	2016	100%	100%
75 Ronson Development Partner 2 Sp. z o.o. – Grunwald Sp.k.	2016	100%	100%
76 Ronson Development Sp. z o.o. - Projekt 2 Sp.k. (The company changed the name as at 24 July 2020 for "Ronson Development Sp. z o.o. Grunwaldzka" Sp.k.)	2016	100%	100%
77 Ronson Development Sp. z o.o. - Projekt 3 Sp.k.	2016	100%	100%
78 Ronson Development Sp. z o.o. - Projekt 4 Sp.k.	2017	100%	100%
79 Ronson Development Sp. z o.o. - Projekt 5 Sp.k.	2017	100%	100%
80 Ronson Development Sp. z o.o. - Projekt 6 Sp.k.	2017	100%	100%
81 Ronson Development Sp. z o.o. - Projekt 7 Sp.k.	2017	100%	100%
82 Ronson Development Sp. z o.o. - Projekt 8 Sp.k.	2017	100%	100%
83 Ursus 2017 Sp. z o.o. ⁽⁴⁾	2017	-	100%
84 Projekt City Sp. z o.o. ⁽⁵⁾	2017	-	100%
85 Bolzanus Limited (Company with the registered office in Cyprus)	2013	100%	100%
86 Park Development Properties Sp. z o.o. - Town Sp.k.	2007	100%	100%
87 Tras Sp. z o.o. ⁽⁷⁾	2015	100%	100%
88 Pod Skocznią Project Sp. z o.o. ⁽⁷⁾	2015	100%	100%
89 District 20 Sp. z o.o. ⁽⁷⁾	2015	100%	100%
90 Arkadia Development Sp. z o.o. ⁽⁷⁾	2015	100%	100%
91 Królikarnia 2015 Sp. z o.o. ⁽⁷⁾	2015	100%	100%
92 Tras 2016 Sp. z o.o.	2011	100%	100%
93 Pod Skocznią Projekt 2016 Sp. z o.o. ⁽³⁾	2011	-	100%

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Entity name	Year of incorporation	Share of ownership & voting rights at the end of	
		30 June 2020	31 December 2019
Share of ownership & voting rights at the end of			
b. held indirectly by the Company :			
94 District 20 – 2016 Sp. z o.o. ⁽³⁾	2011	-	100%
95 Arkadia Development 2016 Sp. z o.o. ⁽³⁾	2011	-	100%
96 Królikarnia 2016 Sp. z o.o. ⁽³⁾	2011	-	100%
97 Kroli Development Sp. z o.o. ⁽³⁾	2012	-	100%
98 Park Development Properties Sp. z o.o.	2011	100%	100%
99 Jasminova 2016 Sp. z o.o.	2016	100%	100%
100 Town 2016 Sp. z o.o.	2016	100%	100%
101 E.E.E. Development 2016 Sp. z o.o. ⁽⁷⁾	2016	100%	100%
102 Enterprise 2016 Sp. z o.o.	2016	100%	100%
103 Wrocław 2016 Sp. z o.o.	2016	100%	100%
104 Darwen Sp. z o.o.	2017	100%	100%
105 Truro Sp. z o.o.	2017	100%	100%
106 Tregaron Sp. z o.o.	2017	100%	100%
107 Totton Sp. z o.o.	2017	100%	100%
108 Tring Sp. z o.o.	2017	100%	100%
109 Thame Sp. z o.o.	2017	100%	100%
110 Troon Sp. z o.o.	2017	100%	100%
c. other subject to consolidation:			
111 Coralchief sp. z o.o.	2018	50%	50%
112 Coralchief sp. z o.o. - Projekt 1 sp. k.	2016	n/a	n/a
113 Ronson IS sp. z o.o.	2009	50%	50%
114 Ronson IS sp. z o.o. sp. k.	2012	n/a	n/a

- (1) *The Company has the power to govern the financial and operating policies of this entity and to obtain benefits from its activities, whereas Kancelaria Radcy Prawnego Jarosław Zubrzycki holds the legal title to the shares of this entity.*
- (2) *In connection with the merger, registered in the National Court Register on 4 May 2020, the company was taken over by the Ronson Development South sp. z o.o. and by law from 4 May 2020 Ronson Development South sp. z o.o. took over all the rights and obligations of the company*
- (3) *In connection with the merger, registered in the National Court Register on 7 May 2020, the company was taken over by the Tras 2016 sp. z o.o. and by law from 7 May 2020 Tras 2016 sp. z o.o. took over all the rights and obligations of the company.*
- (4) *In connection with the merger, registered in the National Court Register on 1 April 2020, the company was taken over by the Destiny sp. z o.o. and by law from 1 April 2020 Destiny sp. z o.o. took over all the rights and obligations of the company.*
- (5) *In connection with the merger, registered in the National Court Register on 1 April 2020, the company was taken over by the Ronson Development 2010 sp. z o.o. and by law from 1 April 2020 Ronson Development 2010 sp. z o.o. took over all the rights and obligations of the company.*
- (6) *In connection with the merger, registered in the National Court Register on 1 July 2020, the company was taken over by the Ronson Development South sp. z o.o. and by law from 1 July 2020 Ronson Development South sp. z o.o. took over all the rights and obligations of the company*
- (7) *In connection with the merger, registered in the National Court Register on 1 July 2020, the company was taken over by the Tras 2016 sp. z o.o. and by law from 1 July 2020 Tras 2016 sp. z o.o. took over all the rights and obligations of the company.*

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Business highlights during the six months ended 30 June 2020

A. *Projects completed*

The table below presents information on the projects that were completed (i.e. completing all construction works and receiving occupancy permit) during the six months ended 30 June 2020:

Project name	Location	Number of units	Area of units (m ²)
Grunwald2	Poznań	268	14,400
Total		268	14,400

For additional information see section 'B. Results breakdown by project' below.

B. *Results breakdown by project*

Revenue from the sale of residential units is recognized when the performance obligations are satisfied and when the customer obtains control of the good, i.e. upon signing of the protocol of technical acceptance and the transfer of the key to the buyer of the residential unit and total payment obtained. Revenue from sales and services of residential projects recognized during the six months ended 30 June 2020 amounted to PLN 252.6 million, whereas cost of sales amounted to PLN 186.3 million, that resulted in a gross profit amounting to PLN 66.3 million representing a gross margin of 26.3%. Total economic revenue from sales and services of residential projects, when results from joint ventures are presented on a fully consolidated basis, amounted to PLN 254.5 million, whereas cost of sales amounting to PLN 187.6 million, that resulted in a gross profit amounting to PLN 66.9 million, representing a gross margin of 26.3%.

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Business highlights during the six months ended 30 June 2020

The following table specifies revenue, cost of sales, gross profit and gross margin during the six months ended 30 June 2020 on a project by project basis:

Project	Information on the delivered units		Revenue ⁽¹⁾		Cost of sales ⁽²⁾		Gross profit	Gross margin
	Number of units	Area of units (m2)	PLN thousands	%	PLN thousands	%	PLN thousands	%
City Link III	280	13,709	143,707	56.9%	88,130	47.3%	55,577	38.7%
Panoramika IV	91	4,616	25,030	9.9%	24,796	13.3%	234	0.9%
Miasto Marina ⁽⁵⁾	102	4,171	36,537	14.5%	36,408	19.5%	129	0.4%
Miasto Moje I & II	1	56	515	0.2%	413	0.2%	102	19.9%
Nova Królikarnia 1a - 1e	3	327	3,331	1.3%	2,743	1.5%	588	17.7%
Nova Królikarnia 2a & 2b	3	367	4,075	1.6%	3,657	2.0%	418	10.3%
Grunwald2	119	5,741	38,126	15.1%	29,042	15.6%	9,084	23.8%
Other	1	44	1,284	0.5%	1,064	0.6%	220	n.a.
Total / Average	600	29,031	252,605	100%	186,252	100%	66,353	26.3%
City Link I & II ⁽³⁾	2	116	1,897		1,387		510	26.9%
Economic results⁽⁴⁾	602	29,147	254,502		187,639		66,863	26.3%

(1) Revenue is recognized when the performance obligations are satisfied and when the customer obtains control of the good, i.e. upon signing of the protocol of technical acceptance and the transfer of the key of the residential unit to the buyer and total payment obtained.

(2) Cost of sales allocated to the delivered units proportionally to the total expected revenue of the project.

(3) The project presented in the Consolidated Financial Statements under Investment in joint ventures; the Company's share is 50%.

(4) Under the assumption that the results from joint ventures are presented on a fully consolidated basis (100%).

(5) The final permit for use is subject to additional minor fit-out works appropriate to the apart-hotel functionality. During the six months ended 30 June 2020 the Company completed such fit out works for 102 units.

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Business highlights during the six months ended 30 June 2020

B. Results breakdown by project

City Link III

The construction of the third (and last) stage of the City Link III project (the Company's share in the project is 100%) was completed in November 2019. The project was developed on a land strip located in the Wola district in Warsaw at Skierniewicka Street. City Link III project comprises 364 apartments and 4 commercial units with an aggregate floor space of 18,700 m². During the six months ended 30 June 2020, the company delivered 280 units (during the six months ended 30 June 2019: nil) and recognized sale revenue of PLN 143.7 million (during the six months ended 30 June 2019: nil).

Panoramika IV

The construction of the fourth stage of the Panoramika project was completed in December 2019. The fourth stage of the Panoramika project was developed on a part of land strip located in Szczecin at Duńska Street and is a continuation of the Panoramika I - III projects. The Panoramika IV project comprises 111 apartments and an aggregate floor space of 5,800 m². During the six months ended 30 June 2020, the company delivered 91 units (during the six months ended 30 June 2019: nil) and recognized sale revenue of PLN 25.0 million (during the six months ended 30 June 2019: nil).

Miasto Marina

The construction of the Miasto Marina project was completed in June 2019. The Miasto Marina project was developed on a land strip located in Wrocław at Na Grobli Street, and comprises 151 units with an aggregate floor space of 6,200 m². The Company received a permit for use of the buildings, while the final permit for use of the units, due to the purpose of the project, will be received after completion of minor fit-out works appropriate to the apart-hotel functionality. During the six months ended 30 June 2020, the Company completed such fit-out works for 102 units (during the six months ended 30 June 2019: nil) and recognized sale revenue of PLN 36.5 million (during the six months ended 30 June 2019: nil).

Miasto Moje I & II

The construction of the first and second stage of the Miasto Moje project was completed in May 2018 and February 2019, respectively. The projects were developed on a land strip located in the Białołęka district in Warsaw at Marywilska Street. The Miasto Moje I project comprises 191 apartments and 14 commercial units with an aggregate floor space of 10,900 m². The Miasto Moje II project comprises 145 apartments and 3 commercial units with an aggregate floor space of 8,100 m². During the six months ended 30 June 2020, the company delivered 1 unit (during the six months ended 30 June 2019: 145 units) and recognized sale revenue of PLN 0.5 million (during the six months ended 30 June 2019: PLN 48.2 million).

Nova Królikarnia 1a - 1e

The construction of the Nova Królikarnia 1a - 1e projects were completed in 2018. The projects were developed on a land strip located in the Mokotów district in Warsaw near to Jaśminowa Street. The Nova Królikarnia 1a - 1e projects comprise 98 apartments and 8 commercial units and an aggregate floor space of 10,800 m². During the six months ended 30 June 2020, the company delivered 3 units (during the six months ended 30 June 2019: 14 units) and recognized sale revenue of PLN 3.3 million (during the six months ended 30 June 2019: PLN 18.9 million).

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Business highlights during the six months ended 30 June 2020

B. Results breakdown by project

Nova Królikarnia 2a & 2b

The construction of the Nova Królikarnia 2a and 2b was completed in March 2019 and May 2019, respectively. The projects were developed on a land strip located in the Mokotów district in Warsaw near Jaśminowa Street. The Nova Królikarnia 2a project comprises 45 apartments and an aggregate floor space of 3,200 m². The Nova Królikarnia 2b project comprises 28 apartments and an aggregate floor space of 2,300 m². During the six months ended 30 June 2020, the company delivered 3 units (during the six months ended 30 June 2019: 41 units) and recognized sale revenue of PLN 4.1 million (during the six months ended 30 June 2019: PLN 30.2 million).

Grunwald2

The construction of the Grunwald2 project was completed in April 2020. The project was developed on a land strip located in Poznań at Świerzawska Street. The Grunwald2 project comprises 267 apartments and 1 commercial unit with an aggregate floor space 14,455 m². During the six months ended 30 June 2020, the company delivered 119 units (during the six months ended 30 June 2019: nil) and recognized sale revenue of PLN 38.1 million (during the six months ended 30 June 2019: nil).

Other (old) projects

Other revenues are mainly associated with fee incomes related to management services provided to joint ventures projects and with rental revenues, as well as with the delivery of 1 unit, parking places and storages in other projects that were completed in previous years.

City Link I & II

The construction of the first and second stage of the City Link project was completed in September 2017 and March 2019, respectively. The project was developed on part of a land strip located in the Wola district in Warsaw at Skierniewicka Street. The first stage of this project comprises 301 apartments and 21 commercial units with an aggregate floor space of 14,700 m². The second stage of this project comprises 184 apartments and 5 commercial units with an aggregate floor space of 8,850 m². The project is presented in the Interim Condensed Consolidated Financial Statements under investment in joint ventures. The Company's share in the project is 50%. During the six months ended 30 June 2020, the company delivered 2 units (during the six months ended 30 June 2019: 143 units) and recognized sale revenue of PLN 1.9 million (during the six months ended 30 June 2019: PLN 60.0 million).

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Business highlights during the six months ended 30 June 2020

C. Units sold during the period

The table below presents information on the total number of units sold (i.e. total number of units for which the Company signed the preliminary sale agreements with the clients), during the six months ended 30 June 2020:

Project name	Location	Units sold until 31 December 2019	Units sold during the period ended 30 June 2020	Units for sale as at 30 June 2020	Total
Miasto Moje I & II ⁽¹⁾	Warsaw	346	3	4	353
Miasto Moje III ⁽²⁾	Warsaw	123	39	34	196
Miasto Moje IV ⁽²⁾	Warsaw	33	40	103	176
Nova Królikarnia 1a - 1e	Warsaw	-	-	2	2
Nova Królikarnia 2a - 2b	Warsaw	-	-	1	1
Nova Królikarnia 2c ⁽²⁾	Warsaw	5	-	13	18
Nova Królikarnia 3a ⁽²⁾	Warsaw	-	13	18	31
Nova Królikarnia 3b ⁽²⁾	Warsaw	14	2	7	23
Nova Królikarnia 3c ⁽²⁾	Warsaw	-	5	18	23
Ursus Centralny Ia ⁽²⁾	Warsaw	98	25	15	138
Ursus Centralny Iia ⁽²⁾	Warsaw	-	126	125	251
City Link III ⁽¹⁾	Warsaw	350	6	12	368
Młody Grunwald ⁽¹⁾	Poznań	381	1	11	393
Grunwald2 ⁽¹⁾	Poznań	195	28	45	268
Miasto Marina ⁽¹⁾	Wrocław	126	13	12	151
Vitalia III ⁽²⁾	Wrocław	32	15	34	81
Viva Jagodno I ⁽²⁾	Wrocław	8	21	92	121
Panoramika IV ⁽¹⁾	Szczecin	94	12	5	111
Panoramika V ⁽²⁾	Szczecin	53	39	23	115
Panoramika VI ⁽²⁾	Szczecin	-	-	76	76
Nowe Warzymice I ⁽²⁾	Szczecin	-	10	44	54
Other (old) projects		-	-	14	14
Total excluding JV		1,858	398	708	2,964
Wilanów Tulip ^{(2)/(3)}	Warsaw	20	28	102	150
Total including JV		1,878	426	810	3,114

(1) For information on the completed projects see "Business highlights during the six months ended 30 June 2020 – B. Results breakdown by project".

(2) For information on current projects under construction, see "Outlook for the remaining period of 2020 – B. Current projects under construction and/or on sale".

(3) The project presented in the Interim Condensed Consolidated Financial Statements under investment in joint ventures; the Company's share is 50%.

Management Board Report

Business highlights during the six months ended 30 June 2020

C. Units sold during the period

The table below presents further information on the units sold (i.e. total number of units for which the Company signed the preliminary sale agreements with the clients), including net saleable area (in m²) of the units sold and net value (exclusive of VAT) of the preliminary sales agreements (including also parking places and storages) executed by the Company:

Project name	Location	Number of units	Sold During the period ended 30 June 2020	
			Net saleable area (m ²)	Value of the preliminary sales agreements (in PLN thousands)
Miasto Moje I & II ⁽¹⁾	Warsaw	3	163	1,139
Miasto Moje III ⁽²⁾	Warsaw	39	2,396	16,291
Miasto Moje IV ⁽²⁾	Warsaw	40	1,667	12,402
Nova Królikarnia 2c ⁽²⁾	Warsaw	-	-	-
Nova Królikarnia 3a ⁽²⁾	Warsaw	13	1,189	14,028
Nova Królikarnia 3b ⁽²⁾	Warsaw	2	225	2,588
Nova Królikarnia 3c ⁽²⁾	Warsaw	5	550	5,607
Ursus Centralny Ia ⁽²⁾	Warsaw	25	1,632	12,531
Ursus Centralny IIa ⁽²⁾	Warsaw	126	6,667	51,412
City Link III ⁽¹⁾	Warsaw	6	668	7,782
Młody Grunwald ⁽¹⁾	Poznań	1	111	721
Grunwald2 ⁽¹⁾	Poznań	28	1,404	11,828
Miasto Marina ⁽¹⁾	Wrocław	13	955	5,875
Vitalia III ⁽²⁾	Wrocław	15	1,160	8,321
Viva Jagodno I ⁽²⁾	Wrocław	21	1,211	8,649
Panoramika IV ⁽¹⁾	Szczecin	12	874	5,231
Panoramika V ⁽²⁾	Szczecin	39	2,124	12,616
Nowe Warzymice I ⁽²⁾	Szczecin	10	467	2,958
Other (old) projects		-	-	359
Total excluding JV		398	23,463	180,337
Wilanów Tulip ^{(2)/(3)}	Warsaw	28	1,805	15,788
Total including JV		426	25,268	196,125

(1) For information on the completed projects see "Business highlights during the six months ended 30 June 2020 – B. Results breakdown by project".

(2) For information on current projects under construction, see "Outlook for the remaining period of 2020 – B. Current projects under construction and/or on sale".

(3) The project presented in the Interim Condensed Consolidated Financial Statements under investment in joint ventures; the Company's share is 50%.

The table below presents further information on the value of the preliminary sales agreements (with a breakdown per city, exclusive of VAT) executed by the Group:

Location	Value of the preliminary sales agreements sold during the period ended		Increase/(decrease)	
	30 June 2020	30 June 2019	In PLN	%
<i>In thousands of Polish Zlotys (PLN)</i>				
Warsaw	139,568	89,485	50,083	56%
Wrocław	22,844	19,782	3,062	15%
Szczecin	20,805	11,064	9,741	88%
Poznań	12,549	26,911	(14,362)	-53%
Other	359	804	(445)	n.a.
Total	196,125	148,046	48,079	32%

Management Board Report

Business highlights during the six months ended 30 June 2020

D. Commencements of new projects

During the six months ended 30 June 2020, the Company commenced the sales process and construction of the Ursus Centralny IIa project in Warsaw, comprising 243 apartments and 8 commercial units with an aggregate floor space of 13,500 m² and the commencement of sale process of the Panoramika VI Project in Szczecin comprising 76 apartments with aggregated area of 3,590 m².

For additional information see section “Outlook for the remaining period of 2020 – B. Current projects under construction and/or on sale”.

E. Agreements significant for the business activity of the Group

Exercise of the third call option agreement – Nova Królikarnia

On 9 April 2020, the Company exercised the third (last) call option under the Call Option Agreements for the total price of PLN 9.9 million as a result of which the Company (via its subsidiary) acquired shares in company holding substage of Nova Królikarnia project comprising an aggregate floor space of around 3,300 m². The total price for the third option was paid in April 2020.

Agreement of purchase of plot in Poznań

On 31 March 2020, the Company (via its subsidiary) entered into a preliminary agreement concerning the purchase of the ownership right of an undeveloped property located in Poznań, Grunwald district. According to the valid zoning conditions, the plot is designated for development of residential multifamily project. The project will comprise 80 units with an aggregate floor space of 3,400 m². The final agreement was signed on 28 of April 2020, while the price of the property has been fixed at PLN 3.0 million and paid.

Management Board Report

Business highlights during the six months ended 30 June 2020

Financial information

The Interim Condensed Consolidated Financial Statements as included in this Interim Financial Report on pages 31 through 69 have been prepared in accordance with IAS 34 “Interim financial reporting”.

The Interim Condensed Consolidated Financial Statements do not include all the information and disclosures required in annual consolidated financial statements prepared in accordance with International Financial Reporting Standards as endorsed by the European Union (“IFRS”) and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2019 which have been prepared in accordance with IFRS. At the date of authorization of these Interim Condensed Consolidated Financial Statements, in light of the nature of the Group’s activities, the IFRSs applied by the Group are not different from the IFRSs endorsed by the European Union. IFRSs comprise standards and interpretations accepted by the International Accounting Standards Board (“IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”). For additional information, see Note 3 of the Interim Condensed Consolidated Financial Statements.

The Interim Condensed Company Financial Statements as included in this Interim Financial Report on pages 70 through 80 have been prepared in accordance with IAS 34 “Interim financial reporting”.

The Interim Condensed Company Financial Statements do not include all the information and disclosures required in annual company financial statements prepared in accordance with International Financial Reporting Standards as endorsed by the European Union (“IFRS”) and should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2019 which have been prepared in accordance with IFRS. At the date of authorization of these Interim Condensed Company Financial Statements, in light of the nature of the Company’s activities, the IFRSs applied by the Company are not different from the IFRSs endorsed by the European Union. IFRSs comprise standards and interpretations accepted by the International Accounting Standards Board (“IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”).

Management Board Report

Overview of results

The net profit attributable to the equity holders of the parent company for the six months ended 30 June 2020 was PLN 40,641 thousand and can be summarized as follows:

	For the six months ended	
	30 June	
	2020	2019
	PLN	
	(thousands, except per share data)	
Revenue from sales and services of residential projects	253,099	136,457
Revenue from sales of land	-	6,500
Revenues	253,099	142,957
Cost of sales of residential units	(186,252)	(112,184)
Cost of sales of land	-	(6,312)
Cost of sales	(186,252)	(118,496)
Gross profit	66,847	24,461
Selling and marketing expenses	(2,945)	(2,584)
Administrative expenses	(12,638)	(9,467)
Share of profit/(loss) from joint venture	(545)	6,481
Other income/ (expense)	8	(1,236)
Result from operating activities	50,727	17,655
Finance income	367	386
Finance expense	(2,565)	(2,580)
Net finance income/(expense)	(2,198)	(2,194)
Profit/(loss) before taxation	48,529	15,461
Income tax benefit/(expenses)	(7,888)	(3,297)
Net profit/(loss) for the period attributable to the equity holders of the parent	40,641	12,164
Net earnings/(loss) per share attributable to the equity holders of the parent (basic and diluted)	0.249	0.074

Management Board Report

Overview of results

Revenue from sales and services of residential projects

The revenue from sales and services of residential units increased by PLN 116.6 million (85%) from PLN 136.5 million during the six months ended 30 June 2019 to PLN 253.1 million during the six months ended 30 June 2020, is primarily explained by the delivery of 600 units to the customers during the six months ended 30 June 2020, comparing to the 291 units delivered during the six months ended 30 June 2019.

Cost of sales of residential units

Cost of sales of residential units increased by PLN 74.1 million (66%) from PLN 112.2 million during the six months ended 30 June 2019 to PLN 186.2 million during the six months ended 30 June 2020, is primarily explained by an increase in the amount of apartments delivered to the customers in fully owned projects from 291 units delivered during the six months ended 30 June 2019 to 600 units delivered the six months ended 30 June 2020.

Gross margin

The gross margin from sales and services of residential units during the six months ended 30 June 2020 was 26.3% which compares to 17.8% during the six months ended 30 June 2019. The change in gross margin relates to a different mix of projects delivered to the customers characterized by a different profitability during the six months ended 30 June 2020 compared to the mix of projects delivered to customers during the six months ended 30 June 2019. The most profitable project, which significantly impacted revenues and profitability of the Group was project City Link III in Warsaw (with a gross profit margin of 38.7%).

Selling and marketing expenses

Selling and marketing expenses increased by PLN 0.3 million (12%) from PLN 2.6 million during the six months ended 30 June 2019 to PLN 2.9 million during the six months ended 30 June 2020, is primarily explained by the commencement of 3 new locations during the last months of 2019 that still required higher involvement of selling and marketing expenses during first half of 2020 and the increase of sale commissions due to high sales during the first half of 2020.

Administrative expenses

Administrative expenses increased by PLN 3.1 million (33.5%) from PLN 9.5 million during the six months ended 30 June 2019 to PLN 12.6 million during the six months ended 30 June 2020. The increase is primarily explained by higher personnel expenses as well as higher expenses due to changes in Management Board.

Result from operating activities

As a result of the factors described above, the Company's operating result increased by PLN 33 million, from an operating profit of PLN 17.6 million for six months ended 30 June 2019 to an operating profit of PLN 50.7 million for six months ended 30 June 2020.

Management Board Report

Overview of results

Net finance income/(expenses)

Finance income/(expenses) is accrued and capitalized as part of the cost price of inventory to the extent that is directly attributable to the construction of residential units. Unallocated finance income/(expenses) not capitalized is recognized in the statement of comprehensive income.

The table below shows the finance income/(expenses) before capitalization into inventory and the total finance income/(expenses) capitalized into inventory:

	For the period ended 30 June 2020			
	PLN (thousands)			
	<u>Total amount</u>	<u>Amount capitalized</u>	<u>Amount capitalized (under IFRS 16)</u>	<u>Recognized as profit or loss</u>
Finance income	367	-	-	367
Finance expense	(6,381)	3,825	-	(2,556)
Net finance income/(expense) before impact of IFRS 16	(6,014)	3,825	-	(2,189)
Finance expense - on lease liabilities	(486)	-	477	(9)
Net finance income/(expense) after impact of IFRS 16	(6,500)	3,825	477	(2,198)

	For the period ended 30 June 2019			
	PLN (thousands)			
	<u>Total amount</u>	<u>Amount capitalized</u>	<u>Amount capitalized (under IFRS 16)</u>	<u>Recognized as profit or loss</u>
Finance income	386	-	-	386
Finance expense	(7,207)	4,646	-	(2,561)
Net finance income/(expense) before impact of IFRS 16	(6,821)	4,646	-	(2,175)
Finance expense - on lease liabilities	(1,101)	-	1,082	(19)
Net finance income/(expense) after impact of IFRS 16	(7,922)	4,646	1,082	(2,194)

Net finance expenses before capitalization and before impact of IFRS 16 decreased by PLN 0.8 million (11.8%) from PLN 6.8 million during the six months ended 30 June 2019 to PLN 6.0 million during the six months ended 30 June 2020. Is mainly explained by lower interest rates in the first half of 2020 comparing to the first half of 2019.

Management Board Report

Overview of selected details from the Interim Condensed Consolidated

Statement of Financial Position

The following table presents selected details from the Interim Condensed Consolidated Statement of Financial Position in which material changes had occurred.

As at	30 June 2020	31 December 2019
	PLN (thousands)	
Inventory and Residential landbank	690,581	762,381
Advances received	173,182	254,970
Loans and borrowings	184,321	203,182

Inventory and Residential landbank

The balance of Inventory and Residential landbank is PLN 690.6 million as at 30 June 2020 compared to PLN 762.4 million as at 31 December 2019. The decrease is primarily explained by cost of sales recognized for a total amount of PLN 186.2 million during the six months ended 30 June 2020. The decrease is partly offset by the Group's investments associated with direct construction costs for a total amount of PLN 117.1 million.

Advances received

The balance of advances received is PLN 173.2 million as at 30 June 2020 compared to PLN 255.0 million as at 31 December 2019. The decrease is primarily explained by the revenues recognized from the sale of residential units for a total amount of PLN 252.6 million during the six months ended 30 June 2020. The decrease is offset in part by the advances received from clients regarding sales of residential units for a total amount PLN 171.8 million

Loans and borrowings

The total of short-term and long-term loans and borrowings is PLN 184.3 million as at 30 June 2020 compared to PLN 203.2 million as at 31 December 2019. The decrease in loans and borrowings is primarily explained by the effect of net repayment of bank loans for a total amount of PLN 12.5 million and repayment of bond loans for a total amount of PLN 10.0 million. Of the mentioned PLN 184.3 million, an amount of PLN 101.2 million comprises facilities maturing no later than 30 June 2021.

The balance of loans and borrowings may be split into two categories: 1) Bond loans and 2) Bank loans related to residential projects which are completed or under construction.

Bond loans as at 30 June 2020 amounted to PLN 178.0 million (as at 31 December 2019: PLN 188.0 million) comprising a bond loan principal amount of PLN 177.3 million plus accrued interest of PLN 1.6 million minus one-time costs directly attributed to the bond issuances which are amortized based on the effective interest method (PLN 0.9 million). For additional information see Note 13 of the Interim Condensed Consolidated Financial Statements.

The bank loans supporting completed projects or projects under construction are to the progress in construction works and sales. As at 30 June 2020, loans in this category amounted to PLN 0.6 million (as at 31 December 2019: PLN 12.9 million). For additional information see Note 14 of the Interim Condensed Consolidated Financial Statements.

Management Board Report

Overview of cash flow results

The Group funds its day-to-day operations principally from cash flow provided by its operating activities, loans and borrowings under its loan facilities.

The following table sets forth the cash flow on a consolidated basis:

	For the 6 months ended 30 June 2020	For the 6 months ended 30 June 2019
	<u>PLN (thousands)</u>	<u>PLN (thousands)</u>
Cash flows from/(used in) operating activities	<u>10,741</u>	<u>43,703</u>
Cash flow from/(used in) investing activities	<u>(1,173)</u>	<u>(5,029)</u>
Cash flow (used in)/from financing activities	<u>(25,359)</u>	<u>(43,352)</u>

Cash flow from/(used in) operating activities

The Company's net cash inflow from operating activities for the six months ended 30 June 2020 amounted to PLN 10.7 million which compares to a net cash inflow from operating activities during the six months ended 30 June 2019 amounted to PLN 43.7 million. The decrease is primarily explained by:

- a net cash outflow used in connection with acquisition of the Nova Królikarnia project amounted to PLN 36.9 million and payment for new lands (Poznań) amounting to PLN 3.0 million, comparing to the period during the six months ended 30 June 2019 where the company did not purchase any new lands;

The above-mentioned effect was offset in part by:

- increase of advances received from clients regarding sales of residential units amounting from PLN 160.7 million during the six months ended 30 June 2019 to PLN 170.8 million during the six months ended 30 June 2020;

Cash flow from/(used in) investing activities

The Company's net cash outflow used in investing activities amounted to PLN 1.2 million during the six months ended 30 June 2020 compared to a net cash outflow from investing activities amounted to PLN 5.0 million during the six months ended 30 June 2019. The increase is primarily explained by:

- no significant net cash outflow related to the investment in joint ventures during the six months ended 30 June 2020 compared to a net cash outflow related to loans granted to joint ventures amounting to PLN 10.9 million and net cash inflow dividends received from joint ventures 6.7 million during the six months ended 30 June 2019.

Management Board Report

Overview of cash flow results

Cash flow from/(used in) financing activities

The Company's net cash outflow used in financing activities amounted to PLN 25.4 million during the six months ended 30 June 2020 compared to a net cash inflow from financing activities amounted to PLN 43.4 million during the six months ended 30 June 2019. The increase is primarily explained by:

- repayment of bond loans amounting to PLN 10.0 million during the six months ended 30 June 2020 compared to a net proceeds from bond loans amounting to PLN 8.4 million during the six months ended 30 June 2019;
- no significant net cash outflow related to payment of dividend during the six months ended 30 June 2020 compared to PLN 9.8 million during the six months ended 30 June 2019;
- net repayment of secured bank loans amounting to PLN 12.5 million during the six months ended 30 June 2020 compared to a net repayment of secured bank loans amounting to PLN 22.5 million during the six months ended 30 June 2019.

Management Board Report

Selected financial data

Source: National Bank of Poland ("NBP")

PLN/EUR

	Average exchange rate	Minimum exchange rate	Maximum exchange rate	Period end exchange rate
2020 (6 months)	4.414	4.228	4.604	4.466
2019 (6 months)	4.292	4.252	4.340	4.252
2019 (12 months)	4.299	4.241	4.389	4.259

Exchange rate of Polish Zloty versus Euro

	EUR		PLN	
	(thousands, except per share data)			
	For the period ended 30 June			
	2020	2019	2020	2019
Revenues	57,336	33,292	253,099	142,957
Gross profit	15,143	5,697	66,847	24,461
Profit/(loss) before taxation	10,993	3,601	48,529	15,461
Net profit/(loss) for the period attributable to the equity holders of the parent	9,207	2,833	40,641	12,164
Cash flows from/(used in) operating activities	2,433	10,178	10,741	43,703
Cash flows from/(used in) investing activities	(266)	(1,171)	(1,173)	(5,029)
Cash flows from/(used in) financing activities	(5,745)	(10,096)	(25,359)	(43,352)
Increase/(decrease) in cash and cash equivalents	(3,577)	(1,089)	(15,791)	(4,678)
Average number of equivalent shares (basic)	163,285,842	163,873,259	163,285,842	163,873,259
Net earnings/(loss) per share (basic and diluted)	0.056	0.017	0.249	0.074

	EUR		PLN	
	(thousands)			
	As at			
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Inventory and Land designated for development	154,631	179,005	690,581	762,381
Total assets	190,296	221,456	849,861	943,183
Advances received	38,778	59,866	173,182	254,970
Long term liabilities	20,295	37,861	90,636	161,248
Short term liabilities (including advances received)	84,635	101,301	377,980	431,441
Equity attributable to the equity holders of the parent	85,366	82,295	381,245	350,494

Management Board Report

Outlook for the remaining period of 2020

A. Completed projects

The table below presents information on the total residential units in the completed projects/stages that the Group expects to sell and deliver during the remaining period of 2020:

Project name	Location	Number of residential units delivered ⁽¹⁾			Number of residential units expected to be delivered ⁽¹⁾			Total project
		Until 31 December 2019	During the period ended 30 June 2020	Total units delivered	Units sold as at 30 June 2020	Units for sale as at 30 June 2020	Total units expected to be delivered	
Miasto Moje I & II	Warsaw	346	1	347	2	4	6	353
City Link III	Warsaw	66	280	346	10	12	22	368
Nova Królikarnia 1a - 1e	Warsaw	101	3	104	-	2	2	106
Nova Królikarnia 2a & 2b	Warsaw	67	3	70	-	1	1	71
Miasto Marina ⁽²⁾	Wrocław	21	102	123	16	12	28	151
Młody Grunwald	Poznań	381	-	381	1	11	12	393
Panoramika IV	Szczecin	9	91	100	6	5	11	111
Grunwald2	Poznań	-	119	119	104	45	149	268
Other (old) projects		-	1	1	3	14	17	18
Total excluding JV		991	600	1,591	140	106	245	1,836
City Link I & II ⁽³⁾	Warsaw	509	2	511	-	-	-	511
Total including JV		1,500	602	2,102	140	106	245	2,347

(1) For the purpose of disclosing information related to the particular projects, the word “sell” (“sold”) is used, with relation to signing the preliminary sale agreement with the client for the sale of the apartment; whereas the word “deliver” (“delivered”) relates to the transferring of significant risks and rewards of the ownership of the residential unit to the client.

(2) The final permit for use is subject to additional minor fit-out works appropriate to the apart-hotel functionality..

(3) The project is presented in the Interim Condensed Consolidated Financial Statements under Investment in joint ventures; the Company's share in the project is 50%.

For information on the completed projects see “Business highlights during the six months ended 30 June 2020 - B. Results breakdown by project”.

Management Board Report

Outlook for the remaining period of 2020

B. Current projects under construction and/or on sale

The table below presents information on projects for which completion is scheduled in the remaining period of 2020 and in 2021. The Company has obtained construction permits for all projects/stages and has commenced construction and /or sales.

Project name	Location	Units sold until 30 June 2020	Units for sale as at 30 June 2020	Total units	Total area of units (m ²)	Expected completion of construction
Panoramika V	Szczecin	92	23	115	6,000	2020
Panoramika VI	Szczecin	-	76	76	3,600	2021
Miasto Moje III	Warsaw	162	34	196	10,200	2020
Vitalia III	Wrocław	47	34	81	6,800	2020
Nova Królikarnia 2c	Warsaw	5	13	18	3,600	2020
Nova Królikarnia 3b	Warsaw	16	7	23	2,300	2020
Nova Królikarnia 3a	Warsaw	13	18	31	3,200	2021
Miasto Moje IV	Warsaw	73	103	176	8,900	2021
Ursus Centralny Ia	Warsaw	123	15	138	7,600	2021
Viva Jagodno I	Wrocław	29	92	121	6,200	2021
Nowe Warzymice I	Szczecin	10	44	54	3,200	2021
Nova Królikarnia 3c	Warsaw	5	18	23	2,330	2021
Ursus Centralny IIa	Warsaw	126	125	251	13,500	2021
Subtotal excluding JV		701	602	1,303	77,430	
Wilanów Tulip ⁽¹⁾	Warsaw	48	102	150	9,600	2021
Subtotal including JV		749	704	1,453	87,030	

(1) The project is presented in the Interim Condensed Consolidated Financial Statements under Investment in joint venture; the Company's share in the project is 50%.

Panoramika V

Description of project

The Panoramika V project is being developed on a land strip located in Szczecin at Duńska Street, and is a continuation of the Panoramika I-IV projects. The fifth stage of this project will comprise 115 apartments with an aggregate floor space of 6,000 m².

Stage of development

The construction of the Panoramika V project commenced in March 2019, while completion is expected in the third quarter of 2020.

Panoramika VI

Project description

The Panoramika VI project is being developed on a land strip located in Szczecin at Dunska street , and is a continuation of Panoramika I-V projects. The sixth stage of this project will comprise 76 apartments with an aggregated floor space of 3,600 m².

Stage of development

The sales of the Panoramika VI project started on June 2020. Completion of the project is expected in the fourth quarter of 2021."

Management Board Report

Outlook for the remaining period of 2020

B. Current projects under construction and/or on sale

Miasto Moje III

Description of project

The Miasto Moje III project is being developed on a land strip located in the Białołęka district in Warsaw at Marywilska Street, and is a continuation of the Miasto Moje I and II projects. The project will comprise 196 units with an aggregate floor space of 10,200 m².

Stage of development

The construction of the Miasto Moje III commenced in March 2019, while completion is expected in the fourth quarter of 2020.

Vitalia III

Description of project

The third (and last) stage of the Vitalia project is being developed on a land strip located in Krzyki district in Wrocław at Jutrzenki Street, and is a continuation of the Vitalia I and II projects. The third stage of this project will comprise 81 apartments with an aggregate floor space of 6,800 m².

Stage of development

The construction of the Vitalia III project commenced in May 2019, while completion is expected in the fourth quarter of 2020.

Nova Królikarnia 2c

Description of project

The Nova Królikarnia 2c project is being developed on a land strip located in the Mokotów district in Warsaw near Jaśminowa Street and will comprise 18 houses with an aggregate floor space of 3,600 m².

Stage of development

The construction of the Nova Królikarnia 2c project commenced in December 2018, while completion is expected in the third quarter of 2020.

Nova Królikarnia 3a, b & c

Description of project

The Nova Królikarnia 3a, b and c projects are being developed on a land strip located in the Mokotów district in Warsaw near Jaśminowa Street and will comprise 77 apartments with an aggregate floor space of 7,800 m².

Stage of development

The construction of the Nova Królikarnia 3b project commenced in July 2019, while completion is expected in the fourth quarter of 2020. The construction of the Nova Królikarnia 3a project commenced in November 2019, while completion is expected in the first quarter of 2021. The construction of the Nova Królikarnia 3c project commenced in December 2019, while completion is expected in the second quarter of 2021.

The pre-sale of this project commenced in December 2019 and the construction works in January 2020, while completion is expected in the third quarter of 2021.

Management Board Report

Outlook for the remaining period of 2020

B. Current projects under construction and/or on sale

Miasto Moje IV

Description of project

The Miasto Moje IV project is being developed on a land strip located in the Białołęka district in Warsaw at Marywilka Street, and is a continuation of the Miasto Moje I, II and III projects. The project will comprise 176 apartments with an aggregate floor space of 8,900 m².

Stage of development

The pre-sale of this project commenced in December 2019 and the construction works in January 2020, while completion is expected in the third quarter of 2021.

Ursus Centralny Ia

Description of project

The Ursus Centralny Ia project is being developed on a land strip located in Warsaw, Ursus district, at Gierdziejewskiego street. The project will comprise 129 apartments and 9 commercial units with an aggregate floor space of 7,600 m².

Stage of development

The construction of the Ursus Centralny Ia project commenced in June 2019, while completion is expected in the first quarter of 2021.

Ursus Centralny IIa

Description of project

The Ursus Centralny IIa project is being developed on a land strip located in Warsaw, Ursus district, at Gierdziejewskiego street. The project will comprise 243 apartments and 8 commercial units with an aggregate floor space of 13,500 m².

Stage of development

The pre sale of the Ursus Centralny IIa project commenced in February 2020, while the construction of the project was commenced in May 2020. The completion is expected in the fourth quarter of 2021.

Viva Jagodno I

Description of project

The Viva Jagodno I project is being developed on a land strip located in the Jagodno district in Wrocław at Buforowa Street. The project will comprise 121 apartments with an aggregate floor space of 6,200 m².

Stage of development

The construction of the Viva Jagodno I project commenced in September 2019, while completion is expected in the second quarter of 2021.

Nowe Warzymice I

Description of project

The Nowe Warzymice I project is being developed on a land strip located in Szczecin at Do Rajkowa Street. The project will comprise 54 apartments with an aggregate floor space of 3,200 m².

Stage of development

The construction of the project Nowe Warzymice I project commenced in December 2019, while completion is expected in the second quarter of 2021.

Management Board Report

Outlook for the remaining period of 2020

B. Current projects under construction and/or on sale

Wilanów Tulip

Description of project

The Wilanów Tulip project (the Company's share in the project is 50%) is being developed on a land strip located in Warsaw, Wilanów district, at Syta street. The project comprise 150 apartments with an aggregate floor space of 9,600 m².

Stage of development

The construction of the Wilanów Tulip project commenced in March 2019, while completion is expected in the first quarter of 2021.

C. Projects for which construction work is planned to commence during the remaining period of 2020

As the Company is aware of the increasing competition in the market, the Company is constantly analyzing the market situation in order to optimize the number of new projects and the makeup of such projects to target clients' demand. During the remaining period of 2020, the Company is considering the commencement of 3 stages for ongoing projects (comprising in total 331 units with a total area of 18,100 m²), which the management believes are well-suited to current customer requirements, including smaller apartments at more economical prices. Furthermore, in order to minimize market risk, the Company's management dividing new projects into relatively smaller stages. In the event of any market disruption or difficulties with securing financing by the banks for the considered projects, the management may further suspend or postpone the commencement of some of those plans. The above mentioned is the subject to the additional analysis in relation to the COVID pandemic, for more information please see note 19.

New stages of ongoing projects

The table below presents information on projects for which the commencement of construction works is scheduled in the remaining period of 2020.

Project name	Location	Total units	Total area of units (m²)
Miasto Moje V	Warsaw	170	8,500
Nowe Warzymice II	Szczecin	64	4,000
Ursus Centralny Ib	Warsaw	97	5,600
Total		331	18,100

Management Board Report

Outlook for the remaining period of 2020

D. Value of the preliminary sales agreements signed with clients for which revenue has not been recognized in the Consolidated Statement of Comprehensive Income

The current volume and value of the preliminary sales agreements signed with the clients do not impact the Interim Condensed Consolidated Statement of Comprehensive Income immediately but only after final settlement (i.e. upon signing of protocol for technical acceptance and transfer of the key to the client as well as obtaining full payment for the unit purchased) of the contracts with the customers. The table below presents the value of the preliminary sales agreements (excluding VAT) executed with the Company's clients in particular for units that have not been recognized in the Interim Condensed Consolidated Statement of Comprehensive Income:

Project name	Location	Value of the preliminary sales agreements signed with clients	Completed / expected completion of construction
City Link III	Warsaw	7,098	Completed
Miasto Marina	Wrocław	6,903	Completed
Panoramika IV	Szczecin	2,925	Completed
Nova Królikarnia 2a - 2b	Warsaw	1,419	Completed
Grunwald2	Poznań	36,685	Completed
Miasto moje I & II	Warsaw	995	Completed
Młody Grunwald	Poznań	708	Completed
Other (old) projects		1,694	Completed
<i>Subtotal completed projects</i>		<i>58,427</i>	
Panoramika V	Szczecin	26,012	2020
Miasto Moje III	Warsaw	54,050	2020
Nova Królikarnia 2c	Warsaw	12,621	2020
Vitalia III	Wrocław	25,241	2020
Nova Królikarnia 3b	Warsaw	16,794	2020
Nova Królikarnia 3a	Warsaw	14,028	2021
Nova Królikarnia 3c	Warsaw	5,607	2021
Ursus Centralny Ia	Warsaw	50,113	2021
Viva Jagodno I	Wrocław	10,364	2021
Miasto Moje IV	Warsaw	21,418	2021
Nowe Warzymice I	Szczecin	2,958	2021
Ursus Centralny IIa	Warsaw	51,412	2022
<i>Subtotal ongoing projects</i>		<i>290,618</i>	
City Link I & II ^{(1)/(3)}	Warsaw	3,933	Completed
Wilanów Tulip ^{(2)/(3)}	Warsaw	25,844	2021
<i>Subtotal project held by joint venture</i>		<i>29,777</i>	
Total		378,822	

(1) For information on the completed projects see "Business highlights during the six months ended 30 June 2020 – B. Results breakdown by project".

(2) For information on current projects under construction and/or on sale, see under "B".

(3) This project is presented in the Interim Condensed Consolidated Financial Statements under Investment in joint ventures; the Company's share in this project is 50%.

Management Board Report

Additional information to the report

Major shareholders

To the best of the Company's knowledge, as at 11 August 2020, the following shareholders are entitled to exercise over 5% of the voting rights at the General Meeting of Shareholders in the Company:

Shares

	As at 11 August 2020 Number of shares / % of shares	Change in number of shares	As at 30 June 2020 Number of shares / % of shares	Change in number of shares	As at 31 December 2019 Number of shares / % of shares
Shares issued:	164,010,813	-	164,010,813	-	164,010,813
I.T.R. Dori B.V. ⁽¹⁾	108,349,187	-	108,349,187	-	108,349,187
	66.06%	-	66.06%	-	66.06%
Nationale Nederlanden Otwarty Fundusz Emerytalny	23,738,456	-	23,738,456	(145,635)	23,884,091
	14.47%	-	14.47%	-0,09 p.p.	14.56%
Metlife Otworthy Fundusz Emerytalny	n.a.	-	n.a.	n.a.	n.a.
	Between 5%-10%	-	Between 5%-10%	-	Between 5%-10%

Votes

	As at 11 August 2020 Number of votes / % of votes	Change in votes ⁽²⁾	As at 30 June 2020 Number of votes / % of votes	Change in votes ⁽²⁾	As at 31 December 2019 Number of votes / % of votes
No. of votes⁽²⁾:	163,111,706	(164,585)	163,276,291	(59,622)	163,335,913
I.T.R. Dori B.V. ⁽¹⁾	108,349,187	-	108,349,187	-	108,349,187
	66.43%	0.07 p.p.	66.36%	0.02 p.p.	66.34%
Nationale Nederlanden Otwarty Fundusz Emerytalny	23,738,456	-	23,738,456*	-	23,884,091
	14.55%	0.01 p.p.	14.54%	-0.08 p.p.	14.62%
Metlife Otworthy Fundusz Emerytalny	n.a.	n.a.	n.a.	n.a.	n.a.
	Between 5%-10%	n.a.	Between 5%-10%	n.a.	Between 5%-10%

(1) The subsidiaries of A. Luzon Group.

(2) The overall number of votes decreased by the amount of votes resulting from own shares held by the Company, as in accordance with art. 364 § 2 of the Code of Commercial Companies, it does not exercise voting rights from own shares.

The total number of own shares held by the Company as at 30 June 2020 was equal to 734,522 shares, which constitute 0.45% of the share capital of the Company and votes at the General Meeting. As at 11 August 2020, the Company held 899,107 own shares representing 0.55% of total shares issued by the Company.

Management Board Report

Additional information to the report

Changes in ownership of shares and rights to shares by Management and Supervisory Board members during the six months ended 30 June 2020 and until the date of publication of this report

Mr Amos Luzon, member of the Supervisory Board, as at 31 December 2019, 30 June 2020 and at the day preceding the publication of this report held 64.19% of the shares and voting rights in A. Luzon Group (through A. Luzon Properties and Investments Ltd., a private company owned by Mr Amos Luzon “99%”), and as a result, thus indirectly held a 41.98% of shares in the Company. Taking into account own shares held by the Company as at 31 December 2019, 30 June 2020 and as at the day preceding the publication of this report, Mr. Amos Luzon indirectly controlled following percentage of votes at those dates: 42.15%, 42.17%, and 42.22%, respectively.

Mr Piotr Palenik, member of the Supervisory Board, as at 31 December 2019, 30 June 2020 and at the day preceding the publication of this report held 0.012% of the shares and voting rights in the Company (in total 20 thousand shares). Number of shares owned by the Company did not influence the percentage of votes held by Mr. Piotr Palenik after rounding.

Changes in the Management and Supervisory Board during the six months ended 30 June 2020 and until the date of publication of this report

On 20 December 2019, Mr Rami Geris submitted his resignation as Finance Vice President and as member of the Management Board of the Company with effective date as of 31 January 2020.

On 16 January 2020, the Supervisory Board of the Company appointed Mr Yaron Shama to the position of member of the Management Board of the Company and Finance Vice President as of 1 February 2020 for a five-year joint term of office of the Management Board, which commenced on 1 April 2019.

Seasonality

The Group’s activities are not of a seasonal nature. Therefore, the results presented by the Group do not fluctuate significantly during the year due to the seasonality.

Influence of results disclosed in the report on fulfillment of result forecasts

The Management Board of Ronson Development SE does not publish any financial forecasts concerning the Group and the Company.

Management Board Report

Additional information to the report

Related parties transactions

There were no transactions and balances with related parties during the six months ended 30 June 2020 other than the remuneration of the Management Board, loans granted to related parties within the Group, the reimbursement of audit review costs and the consulting services agreement with A. Luzon Group, the major (indirect) shareholder, for a total monthly amount of PLN 70 thousand and covering travel and out of pocket expenses. All transactions with related parties were performed based on market conditions.

Quarterly reporting by the Company

As a result of requirements pertaining to A. Luzon Group, the Company's controlling shareholder, whose ultimate parent company is listed on the Tel Aviv Stock Exchange, the first quarter reports, semi-annual reports and third quarter reports are subject to a full scope review by the Company's auditors. For the Company itself, being domiciled in Poland and listed on the Warsaw Stock Exchange, only the semi-annual report is subject to a review. The Company has agreed with A. Luzon Group that the costs for the first and third quarter review will be shared between the Company and its shareholder. The Company considers having its first and third quarter report provided with a review report a benefit to all of its shareholders.

The Company prepared this Interim Financial Report for the six months ended 30 June 2020 in both English and Polish languages, while the Polish version is binding.

Disclosure obligations of controlling shareholder

Please note that A. Luzon Group, the Company's controlling shareholder, is a company listed on the Tel Aviv Stock Exchange with the registered office in Raanana, Israel, and is subject to certain disclosure obligations. Some of the documents published by A. Luzon Group in performance of such obligations, available here: <http://maya.tase.co.il> (some of which are only available in Hebrew), may contain certain information relating to the Company.

Material court cases

There is no proceeding pending before a court, a complement arbitration authority or a public administration authority concerning liabilities or claims of Ronson Development SE or its subsidiaries, the value of which equaled at least 10% of the Company's equity.

Guarantees provided by the Company

During the six months ended 30 June 2020, the Company did not grant any guarantees.

Employees

The average number of personnel employed by the Group – on a fulltime equivalent basis – during the six months ended 30 June 2020 was 74 compared to 77 during the six months ended 30 June 2019. There were no personnel employed in the Company.

Management Board Report

Additional data for the Company

The Company is mainly a holding company and management services provider with respect to the development of residential projects for its subsidiaries. The majority of the Company income are from the following sources: (i) interests from loans granted to subsidiaries for the development of projects, (ii) management fee received from subsidiaries for the provision of management services, and (iii) dividend received from subsidiaries. All above revenues are being eliminated on a consolidated level.

Below section presents main data on the Company activity that were not covered in other sections of this Management Board Report.

PLN/EUR	Exchange rate of Polish Zloty versus Euro			
	Average exchange rate	Minimum exchange rate	Maximum exchange rate	Period end exchange rate
2020 (6 months)	4.414	4.228	4.604	4.466
2019 (6 months)	4.292	4.252	4.340	4.252
2019 (12 months)	4.299	4.241	4.389	4.259

Source: National Bank of Poland ("NBP")

Selected financial data	EUR		PLN	
	(thousands, except per share data)		(thousands, except per share data)	
	For the 6 months ended 30 June			
	2020	2019	2020	2019
Revenues from management services	1,088	607	4,804	2,606
Financial income (Wise majority from loans granted to subsidiaries)	813	953	3,587	4,091
Financial expenses (Wise majority from Interest on bonds)	(1,162)	(1,375)	(5,128)	(5,903)
Profit including results from subsidiaries	9,207	2,833	40,640	12,164
Cash flows from/(used in) operating activities	(394)	(3,680)	(1,737)	(15,803)
Cash flows from/(used in) investing activities	846	7,664	3,735	32,908
Cash flows from/(used in) financing activities	(1,809)	(4,324)	(7,985)	(18,567)
Increase/(decrease) in cash and cash equivalents	(1,356)	(340)	(5,987)	(1,462)
Average number of equivalent shares (basic)	163,285,842	163,873,259	163,285,842	163,873,259
Net earnings/(loss) per share (basic and diluted)	0.056	0.017	0.249	0.074

	EUR		PLN	
	(thousands)		(thousands)	
	As at			
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Investment in subsidiaries	95,234	98,576	425,314	419,835
Loan granted to subsidiaries	33,046	26,727	147,584	113,829
Total assets	128,941	127,542	575,850	543,203
Long term liabilities	17,182	35,473	76,735	151,078
Short term liabilities	26,393	9,775	117,873	41,631
Equity	85,366	82,295	381,242	350,494

Management Board Report

Responsibility statement

The Management Board of Ronson Development SE hereby declares that:

- a) to the best of its knowledge, the Interim Condensed Consolidated Financial Statements and Interim Condensed Company Financial Statements and comparative data have been prepared in accordance with the applicable accounting principles and that they reflect in a true, reliable and clear manner financial position of the Company, the Group and its financial result,
- b) the Management Board Report contains a true picture of the Company's and Group's development and achievements, as well as a description of the main threats and risks;

This Management Board Report of activities of the Company and the Group during the six months period ended 30 June 2020 was prepared and approved by the Management Board of the Company on 11 August 2020.

The Management Board

Boaz Haim

President of the Management Board

Yaron Shama

Finance Vicepresident of the Management Board, CFO

Andrzej Gutowski

Vicepresident of the Management Board,
Sales and Marketing Director

Alon Haver

Member of the Management Board

Warsaw, 11 August 2020

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020

Interim Condensed Consolidated Statement of Financial Position

As at

		30 June 2020	31 December 2019
<i>In thousands of Polish Zlotys (PLN)</i>	<i>Note</i>	(Reviewed)	(Audited)
Assets			
Property and equipment		8,865	8,552
Investment property		9,267	10,098
Investment in joint ventures	22	11,332	10,617
Deferred tax assets	16	3,585	6,935
Land designated for development	9	48,059	44,321
Total non-current assets		81,108	80,523
Inventory	9	642,522	718,060
Trade and other receivables and prepayments	10	25,427	24,745
Income tax receivable		248	130
Loans granted to joint ventures	22	2,025	1,977
Other current financial assets		18,731	22,157
Cash and cash equivalents		79,800	95,591
Total current assets		768,753	862,660
Total assets		849,861	943,183
Equity			
Share capital		12,503	12,503
Share premium		150,278	150,278
Treasury shares		(630)	(580)
Retained earnings		219,094	188,293
Total equity		381,245	350,494
Liabilities			
Bond loans	13	76,735	151,078
Deferred tax liability	16	13,339	9,618
Lease liabilities related to perpetual usufruct of investment properties	11	562	552
Total non-current liabilities		90,636	161,248
Trade and other payables and accrued expenses		70,760	97,715
Bond loans	13	101,236	36,891
Secured bank loans	14	636	12,875
Interest bearing deferred trade payables		5,714	2,338
Advances received	17	173,182	254,970
Income tax payable		648	1,087
Provisions		1,502	2,016
Lease liabilities related to perpetual usufruct of land	11	14,461	23,549
Dividend payable		9,841	
Total current liabilities		377,980	431,441
Total liabilities		468,616	592,689
Total equity and liabilities		849,861	943,183

The notes included on pages 35 to 69 are an integral part of these interim condensed consolidated financial statements

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020

Interim Condensed Consolidated Statement of Comprehensive Income

		For the 6 months ended 30 June 2020	For the 3 months ended 30 June 2020	For the 6 months ended 30 June 2019	For the 3 months ended 30 June 2019
<i>PLN (thousands, except per share data and number of shares)</i>	<i>Note</i>	(Reviewed) / (unaudited)	(Reviewed) / (unaudited)	(Reviewed) / (unaudited)	(Reviewed) / (unaudited)
Revenue from residential projects	17	252,605	85,629	134,843	76,108
Revenue from the sale of land		-	-	6,500	-
Revenue from sale of services		494	243	1,614	826
Revenue		253,099	85,872	142,957	76,934
Cost of sales		(186,252)	(64,872)	(112,184)	(64,307)
Cost of sales of land		-	-	(6,312)	-
Gross profit		66,847	21,000	24,461	12,627
Selling and marketing expenses		(2,945)	(1,504)	(2,584)	(1,400)
Administrative expenses		(12,638)	(6,944)	(9,467)	(5,013)
Share of profit/(loss) in joint ventures		(545)	(499)	6,481	6,291
Other expenses		(1,016)	(68)	(1,823)	(837)
Other income		1,024	501	587	313
Result from operating activities		50,727	12,486	17,655	11,981
Finance income		367	127	386	182
Finance expense		(2,565)	(1,507)	(2,580)	(1,196)
Net finance income/(expense)		(2,198)	(1,380)	(2,194)	(1,014)
Profit/(loss) before taxation		48,529	11,106	15,461	10,967
Income tax benefit/(expense)	15	(7,888)	147	(3,297)	(2,287)
Profit for the period		40,641	11,253	12,164	8,680
Total comprehensive income/(expense) for the period, net of tax		40,641	11,253	12,164	8,680
Total profit/(loss) for the period attributable to: equity holders of the parent		40,641	11,253	12,164	8,680
Weighted average number of ordinary shares (basic and diluted)		163,285,842	163,873,259	163,873,259	163,743,841
<i>In Polish Zlotys (PLN)</i>					
Net earnings/(loss) per share attributable to the equity holders of the parent (basic and diluted)		0.249	0.069	0.074	0.053

The notes included on pages 35 to 69 are an integral part of these interim condensed consolidated financial statements

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020

Interim Condensed Consolidated Statement of Changes in Equity

<i>In thousands of Polish Zlotys (PLN)</i>	Attributable to the Equity holders of parent				
	Share capital	Share premium	Treasury shares	Retained earnings	Total equity
Balance at 1 January 2020	12,503	150,278	(580)	188,293	350,494
<i>Comprehensive income:</i>					
Profit for the six months ended 30 June 2020	-	-	-	40,641	40,641
Other comprehensive income	-	-	-	-	-
Total comprehensive income/(expense)	-	-	-	40,641	40,641
Own shares acquired	-	-	(50)	-	(50)
Dividend	-	-	-	(9,840)	(9,840)
Balance at 30 June 2020 (Reviewed/ Unaudited)	12,503	150,278	(630)	219,094	381,245

<i>In thousands of Polish Zlotys (PLN)</i>	Share capital	Share premium	Treasury shares	Retained earnings ⁽¹⁾	Total equity
Balance at 1 January 2019	12,503	150,278	-	180,699	343,480
<i>Comprehensive income:</i>					
Profit for the six months ended 30 June 2019	-	-	-	12,164	12,164
Other comprehensive income	-	-	-	-	-
Total comprehensive income/(expense)	-	-	-	12,164	12,164
Repurchase of own shares	-	-	(307)	-	(307)
Payment of dividends	-	-	-	(9,820)	(9,820)
Balance at 30 June 2019 (Reviewed/ Unaudited)	12,503	150,278	(307)	183,043	345,517

(1) In order to fund the purchase of own shares under the buyback program, a capital reserve (within retained earnings) is established for an amount of PLN 2,000 thousand. The capital reserve is subsequently reduced by the amount of the consideration paid for the shares bought back. The amount capital reserve as at 30 June 2019 amounted to PLN 1,693 thousand and was presented as a part of the retained earnings.

The notes included on pages 35 to 69 are an integral part of these interim condensed consolidated financial statements

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020

Interim Condensed Consolidated Statement of Cash Flows

For the period ended 30 June	2020	2019
<i>In thousands of Polish Zlotys (PLN)</i>	<i>Note</i>	
Cash flows from/(used in) operating activities		
Profit/(loss) for the period	40,641	12,164
<i>Adjustments to reconcile profit for the period to net cash used in operating activities</i>		
Depreciation	547	493
Finance expense	2,498	2,580
Finance income	(367)	(386)
Loss/(profit) on sale of property and equipment	(14)	(90)
Share of loss /(profit) from joint ventures	545	(6,481)
Income tax expense/(benefit)	7,888	3,297
Subtotal	51,738	11,577
Decrease/(increase) in inventory and land designated for development	9	68,343
Acquisition of Nova Królikarnia project	12	(36,924)
Decrease/(increase) in trade and other receivables and prepayments	5,021	(1,111)
Decrease/(increase) in other current financial assets	3,426	(4,348)
Increase/(decrease) in trade and other payables and accrued expenses	7,956	14,910
Increase/(decrease) in provisions	(514)	(246)
Increase/(decrease) in advances received	17	(81,788)
Subtotal	17,258	51,992
Interest paid	(4,989)	(6,273)
Interest received	180	301
Income tax received/(paid)	(1,708)	(2,317)
Net cash from/(used in) operating activities	10,741	43,703
Cash flows from/(used in) investing activities		
Acquisition of property and equipment	-	(918)
Loans granted to joint ventures	(1,126)	(10,946)
Dividend received from joint ventures	-	6,745
Proceeds from sale of property and equipment	(47)	90
Net cash from/(used in) investing activities	(1,173)	(5,029)
Cash flows (used in)/from financing activities		
Proceeds from bank loans, net of bank charges	14	25,036
Repayment of bank loans	14	(37,578)
Proceeds from bond loans, net of issue costs	13	-
Repayment of bond loans	13	(10,000)
Repayment of loans from Others	(1,500)	-
Payment of dividend	-	(9,820)
Payment of perpetual usufruct rights	(1,267)	(2,275)
Buy-back of shares	(50)	(307)
Net cash from/(used in) financing activities	(25,359)	(43,352)
Net change in cash and cash equivalents	(15,791)	(4,678)
Cash and cash equivalents at beginning of period	95,591	100,828
Cash and cash equivalents at end of period	79,800	96,150

* Including restricted cash that amounted to PLN 615 thousand and PLN 49,867 thousand as 30 June 2020 and as 30 June 2019, respectively.

The notes included on pages 35 to 69 are an integral part of these interim condensed consolidated financial statements

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020

Notes to the Interim Condensed Consolidated Financial Statements**Note 1 – General and principal activities**

Ronson Development SE ('the Company'), formerly named Ronson Europe N.V., is an European Company with its statutory seat in Warsaw, Poland. The registered office is located at al. Komisji Edukacji Narodowej 57. The Company was incorporated in the Netherlands on 18 June 2007 as Ronson Europe N.V. with statutory seat in Rotterdam. During 2018, the Company changed its name and was transformed into an European Company (SE) and, effectively as of 31 October 2018, transferred its registered office of the Company from the Netherlands to Poland.

The shares of the Company are traded on the Warsaw Stock Exchange since 5 November 2007. According to publicly available information, as at 30 June 2020, 66.06% of the shares are controlled by Amos Luzon Development and Energy Group Ltd. ('A. Luzon Group') and 0.45% of the shares are held by the Company. The remaining 33.49% of the outstanding shares are held by other investors including Nationale Nederlanden Otwarty Fundusz Emerytalny and Metlife Otwarty Fundusz Emerytalny. The number of shares held by the investors is equal to the number of votes, as there are no privileged shares issued by the Company. It shall be noted that as at 30 June 2020, the Company held 734,522 own shares (0.45%) and, in accordance with art. 364 § 2 of the Code of Commercial Companies, it does not exercise voting rights from own shares.

The Interim Condensed Consolidated Financial Statements of the Company have been prepared for the six months ended 30 June 2020 and contain comparative data for the six months ended 30 June 2019 and as at 31 December 2019. The Interim Condensed Consolidated Financial Statements of the Company for the six months ended 30 June 2020 with all its comparative data have been reviewed by the Company's external auditors.

As at 30 June 2020, the Groups' market capitalization was below the value of net assets. The Company's Management took appropriate steps to review the accounts in respect if there is any additional impairment required and found no basis for it. The Management verified that the forecast margin potential in respect of the inventory is significantly positive.

The information about the companies from which the financial data are included in these Interim Condensed Consolidated Financial Statements and the extent of ownership and control are presented in Note 7.

The Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020 were authorized for issuance by the Management Board on 11 August 2020 in both English and Polish languages, while the Polish version is binding.

Note 2 – Basis of preparation of Interim Condensed Consolidated Financial Statements

These Interim Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34 "Interim financial reporting".

The Interim Condensed Consolidated Financial Statements do not include all the information and disclosures required in annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2019 prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the European Union. At the date of authorization of these Interim Condensed Consolidated Financial Statements, in light of the nature of the Group's activities, the IFRSs applied by the Group are not different from the IFRSs endorsed by the European Union. IFRSs comprise standards and interpretations accepted by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC"). The Consolidated Financial Statements of the Group for the year ended 31 December 2019 are available upon request from the Company's registered office at Al. Komisji Edukacji Narodowej 57, Warsaw, Poland or at the Company's website: www.ronson.pl.

These Interim Condensed Consolidated Financial Statements have been prepared on the assumption that the Group is a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of its operations. Further explanation and analyzes on significant changes in financial position and performance of the Company during the six months ended 30 June 2020 are included in the Management Board Report on pages 1 through 30.

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020

Notes to the Interim Condensed Consolidated Financial Statements**Note 3 – Summary of significant accounting policies**

Except as described below, the accounting policies applied by the Company in these Interim Condensed Consolidated Financial Statements are the same as those applied by the Company in its consolidated financial statements for the year ended 31 December 2019.

The following standards and amendments became effective as of 1 January 2020:

- Amendments to IAS 1 and IAS 8 (issued on 31 October 2018 and effective for annual periods beginning on or after 1 January 2020);

The above amendments and improvements to IFRSs do not impact the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group.

Note 4 – The use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reporting period. Actual results may differ from these estimates.

According to the IFRS 16 standard that was implemented by the Company the lease payments shall be discounted using the rate implicit in the lease contract, or if this rate cannot be readily determined, the Company's incremental borrowing rate. The Company decided to use incremental borrowing rate ('IBR') that was determined based on reference rate adjusted by margin. The IBR rate was built based on reference rate (30 years state bonds quotation) increased by margin which represents higher credit risk of the Company due to worse ratios, risk related to unusual length of potential financing and no possibility to establish security for such long-term financing.

In preparing these Interim Condensed Consolidated Financial Statements, the significant judgments made by the Management Board in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2019.

Note 5 – Functional and reporting currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in thousands of Polish Zloty ("PLN"), which is the Group's functional and presentation currency.

Transactions in currencies other than the functional currency are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in currencies other than the functional currency are recognized in the statement of comprehensive income.

Note 6 – Seasonality

The Group's activities are not of a seasonal nature. Therefore, the results presented by the Group do not fluctuate significantly during the year due to the seasonality.

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020

Notes to the Interim Condensed Consolidated Financial Statements

Note 7 – Composition of the Group

The details of the companies whose financial statements have been included in these Interim Condensed Consolidated Financial Statements, the year of incorporation and the percentage of ownership and voting rights directly held or indirectly by the Company, are presented below and on the following page.

Entity name	Year of incorporation	Share of ownership & voting rights at the end of	
		30 June 2020	31 December 2019
Share of ownership & voting rights at the end of			
a. held directly by the Company:			
1 Ronson Development Management Sp. z o.o.	1999	100%	100%
2 Ronson Development 2000 Sp. z o.o. ⁽²⁾	2000	-	100%
3 Ronson Development Warsaw Sp. z o.o.	2000	100%	100%
4 Ronson Development Investment Sp. z o.o.	2011	100%	100%
5 Ronson Development Metropol Sp. z o.o.	2011	100%	100%
6 Ronson Development Properties Sp. z o.o. ⁽²⁾	2002	-	100%
7 Apartments Projekt Sp. z o.o. ⁽²⁾	2003	-	100%
8 Ronson Development Enterprise Sp. z o.o. ⁽²⁾	2004	-	100%
9 Ronson Development Company Sp. z o.o. ⁽²⁾	2005	-	100%
10 Ronson Development Creations Sp. z o.o.	2005	100%	100%
11 Ronson Development Buildings Sp. z o.o. ⁽²⁾	2005	-	100%
12 Ronson Development Structure Sp. z o.o. ⁽²⁾	2005	-	100%
13 Ronson Development Poznań Sp. z o.o. ⁽²⁾	2005	-	100%
14 E.E.E. Development Sp. z o.o. ⁽²⁾	2005	-	100%
15 Ronson Development Innovation Sp. z o.o. ⁽²⁾	2006	-	100%
16 Ronson Development Wrocław Sp. z o.o. ⁽²⁾	2006	-	100%
17 Ronson Development Capital Sp. z o.o. ⁽²⁾	2006	-	100%
18 Ronson Development Sp. z o.o.	2006	100%	100%
19 Ronson Development Construction Sp. z o.o.	2006	100%	100%
20 City 2015 Sp. z o.o.	2006	100%	100%
21 Ronson Development Village Sp. z o.o. ⁽¹⁾	2007	100%	100%
22 Ronson Development Conception Sp. z o.o. ⁽²⁾	2007	-	100%
23 Ronson Development Architecture Sp. z o.o. ⁽²⁾	2007	-	100%
24 Ronson Development Skyline Sp. z o.o.	2007	100%	100%
25 Continental Development Sp. z o.o. ⁽²⁾	2007	-	100%
26 Ronson Development Universal Sp. z o.o. ⁽¹⁾	2007	100%	100%
27 Ronson Development Retreat Sp. z o.o. ⁽²⁾	2007	-	100%
28 Ronson Development South Sp. z o.o.	2007	100%	100%
29 Ronson Development Partner 5 Sp. z o.o.	2007	100%	100%
30 Ronson Development Partner 4 Sp. z o.o.	2007	100%	100%
31 Ronson Development North Sp. z o.o.	2007	100%	100%
32 Ronson Development Providence Sp. z o.o.	2007	100%	100%
33 Ronson Development Finco Sp. z o.o.	2009	100%	100%
34 Ronson Development Partner 2 Sp. z o.o.	2009	100%	100%
35 Ronson Development Skyline 2010 Sp. z o.o. w likwidacji ⁽²⁾	2010	-	100%
36 Ronson Development Partner 3 Sp. z o.o.	2012	100%	100%

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020

Notes to the Interim Condensed Consolidated Financial Statements

Note 7 – Composition of the Group

Entity name	Year of incorporation	Share of ownership & voting rights at the end of	
		30 June 2020	31 December 2019
Share of ownership & voting rights at the end of			
b. held indirectly by the Company :			
37 Nova Królikarnia B.V. (Company with the registered office in the Netherlands)	2016	100%	100%
38 AGRT Sp. z o.o.	2007	100%	100%
39 Ronson Development Partner 4 Sp. z o.o. – Panoramika Sp.k.	2007	100%	100%
40 Ronson Development Sp z o.o. - Estate Sp.k.	2007	100%	100%
41 Ronson Development Sp. z o.o. - Home Sp.k.	2007	100%	100%
42 Ronson Development Sp z o.o. - Horizon Sp.k.	2007	100%	100%
43 Ronson Development Partner 3 Sp. z o.o. - Sakura Sp.k.	2007	100%	100%
44 Destiny Sp. z o.o. ⁽⁶⁾	2007	100%	100%
45 Ronson Development Millenium Sp. z o.o. ⁽⁶⁾	2007	100%	100%
46 Ronson Development Partner 3 sp. z o.o. – Viva Jagodno sp. k.	2009	100%	100%
47 Ronson Development Sp. z o.o. - Apartments 2011 Sp.k.	2009	100%	100%
48 Ronson Development Sp. z o.o. - Idea Sp.k.	2009	100%	100%
49 Ronson Development Partner 2 Sp. z o.o. – Destiny 2011 Sp.k.	2009	100%	100%
50 Ronson Development Partner 2 Sp. z o.o. - Enterprise 2011 Sp.k.	2009	100%	100%
51 Ronson Development Partner 2 Sp. z o.o. - Retreat 2011 Sp.k.	2009	100%	100%
52 Ronson Development Partner 5 Sp. z o.o - Vitalia Sp.k.	2009	100%	100%
53 Ronson Development Sp. z o.o. - 2011 Sp.k.	2009	100%	100%
54 Ronson Development Sp. z o.o. - Gemini 2 Sp.k.	2009	100%	100%
55 Ronson Development Sp. z o.o. - Verdis Sp.k.	2009	100%	100%
56 Ronson Espresso Sp. z o.o.	2006	100%	100%
57 Ronson Development Apartments 2010 Sp. z o.o. ⁽⁶⁾	2010	100%	100%
58 Ronson Development 2010 Sp. z o.o. ⁽⁶⁾	2010	100%	100%
59 Retreat Sp. z o.o.	2010	100%	100%
60 Enterprise 2010 Sp. z o.o. ⁽⁶⁾	2010	100%	100%
61 Wrocław 2010 Sp. z o.o. ⁽⁶⁾	2010	100%	100%
62 E.E.E. Development 2010 Sp. z o.o. ⁽⁶⁾	2010	100%	100%
63 Ronson Development Nautica 2010 Sp. z o.o.	2010	100%	100%
64 Gemini 2010 Sp. z o.o. ⁽⁶⁾	2010	100%	100%
65 Ronson Development Sp. z o.o. - Naturalis Sp.k.	2011	100%	100%
66 Ronson Development Sp. z o.o. - Impressio Sp.k.	2011	100%	100%
67 Ronson Development Partner 3 Sp. z o.o.- Nowe Warzymice Sp. k	2011	100%	100%
68 Ronson Development Sp. z o.o. - Providence 2011 Sp.k.	2011	100%	100%
69 Ronson Development Partner 2 Sp. z o.o. - Capital 2011 Sp. k.	2011	100%	100%
70 Ronson Development Partner 5 Sp. z o.o. - Miasto Marina Sp.k.	2011	100%	100%
71 Ronson Development Partner 5 Sp. z o.o. - City 1 Sp.k.	2012	100%	100%
72 Ronson Development Partner 2 Sp. z o.o. - Miasto Moje Sp. k.	2012	100%	100%
73 Ronson Development sp. z o.o. – Ursus Centralny Sp. k.	2012	100%	100%
74 Ronson Development Sp. z o.o. - City 4 Sp.k.	2016	100%	100%
75 Ronson Development Partner 2 Sp. z o.o. – Grunwald Sp.k.	2016	100%	100%
76 Ronson Development Sp. z o.o. - Projekt 2 Sp.k. (The company changed the name as at 24 July 2020 for "Ronson Development Sp. z o.o. Grunwaldzka" Sp.k.)	2016	100%	100%
77 Ronson Development Sp. z o.o. - Projekt 3 Sp.k.	2016	100%	100%
78 Ronson Development Sp. z o.o. - Projekt 4 Sp.k.	2017	100%	100%
79 Ronson Development Sp. z o.o. - Projekt 5 Sp.k.	2017	100%	100%
80 Ronson Development Sp. z o.o. - Projekt 6 Sp.k.	2017	100%	100%
81 Ronson Development Sp. z o.o. - Projekt 7 Sp.k.	2017	100%	100%
82 Ronson Development Sp. z o.o. - Projekt 8 Sp.k.	2017	100%	100%
83 Ursus 2017 Sp. z o.o. ⁽⁴⁾	2017	-	100%
84 Projekt City Sp. z o.o. ⁽⁵⁾	2017	-	100%
85 Bolzanus Limited (Company with the registered office in Cyprus)	2013	100%	100%
86 Park Development Properties Sp. z o.o. - Town Sp.k.	2007	100%	100%
87 Tras Sp. z o.o. ⁽⁷⁾	2015	100%	100%
88 Pod Skocznią Project Sp. z o.o. ⁽⁷⁾	2015	100%	100%
89 District 20 Sp. z o.o. ⁽⁷⁾	2015	100%	100%
90 Arkadia Development Sp. z o.o. ⁽⁷⁾	2015	100%	100%
91 Królikarnia 2015 Sp. z o.o. ⁽⁷⁾	2015	100%	100%
92 Tras 2016 Sp. z o.o.	2011	100%	100%
93 Pod Skocznia Projekt 2016 Sp. z o.o. ⁽³⁾	2011	-	100%

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020

Notes to the Interim Condensed Consolidated Financial Statements

Note 7 – Composition of the Group

Entity name	Year of incorporation	Share of ownership & voting rights at the end of	
		30 June 2020	31 December 2019
Share of ownership & voting rights at the end of			
b. held indirectly by the Company :			
94 District 20 – 2016 Sp. z o.o. ⁽³⁾	2011	-	100%
95 Arkadia Development 2016 Sp. z o.o. ⁽³⁾	2011	-	100%
96 Królikarnia 2016 Sp. z o.o. ⁽³⁾	2011	-	100%
97 Kroli Development Sp. z o.o. ⁽³⁾	2012	-	100%
98 Park Development Properties Sp. z o.o.	2011	100%	100%
99 Jasminova 2016 Sp. z o.o.	2016	100%	100%
100 Town 2016 Sp. z o.o.	2016	100%	100%
101 E.E.E. Development 2016 Sp. z o.o. ⁽⁷⁾	2016	100%	100%
102 Enterprise 2016 Sp. z o.o.	2016	100%	100%
103 Wrocław 2016 Sp. z o.o.	2016	100%	100%
104 Darwen Sp. z o.o.	2017	100%	100%
105 Truro Sp. z o.o.	2017	100%	100%
106 Tregaron Sp. z o.o.	2017	100%	100%
107 Totton Sp. z o.o.	2017	100%	100%
108 Tring Sp. z o.o.	2017	100%	100%
109 Thame Sp. z o.o.	2017	100%	100%
110 Troon Sp. z o.o.	2017	100%	100%
c. other subject to consolidation:			
111 Coralchief sp. z o.o.	2018	50%	50%
112 Coralchief sp. z o.o. - Projekt 1 sp. k.	2016	n/a	n/a
113 Ronson IS sp. z o.o.	2009	50%	50%
114 Ronson IS sp. z o.o. sp. k.	2012	n/a	n/a

- (1) The Company has the power to govern the financial and operating policies of this entity and to obtain benefits from its activities, whereas Kancelaria Radcy Prawnego Jarosław Zubrzycki holds the legal title to the shares of this entity.
- (2) In connection with the merger, registered in the National Court Register on 4 May 2020, the company was taken over by the Ronson Development South sp. z o.o. and by law from 4 May 2020 Ronson Development South sp. z o.o. took over all the rights and obligations of the company
- (3) In connection with the merger, registered in the National Court Register on 7 May 2020, the company was taken over by the Tras 2016 sp. z o.o. and by law from 7 May 2020 Tras 2016 sp. z o.o. took over all the rights and obligations of the company.
- (4) In connection with the merger, registered in the National Court Register on 1 April 2020, the company was taken over by the Destiny sp. z o.o. and by law from 1 April 2020 Destiny sp. z o.o. took over all the rights and obligations of the company.
- (5) In connection with the merger, registered in the National Court Register on 1 April 2020, the company was taken over by the Ronson Development 2010 sp. z o.o. and by law from 1 April 2020 Ronson Development 2010 sp. z o.o. took over all the rights and obligations of the company.
- (6) In connection with the merger, registered in the National Court Register on 1 July 2020, the company was taken over by the Ronson Development South sp. z o.o. and by law from 1 July 2020 Ronson Development South sp. z o.o. took over all the rights and obligations of the company
- (7) In connection with the merger, registered in the National Court Register on 1 July 2020, the company was taken over by the Tras 2016 sp. z o.o. and by law from 1 July 2020 Tras 2016 sp. z o.o. took over all the rights and obligations of the company.

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020

Notes to the Interim Condensed Consolidated Financial Statements

Note 8 – Segment reporting

The Group's operating segments are defined as separate entities developing particular residential projects, which for reporting purposes were aggregated. The aggregation for reporting purpose is based on geographical locations (Warsaw, Poznań, Wrocław and Szczecin) and type of activity (development of apartments, development of houses). Moreover, for two particular assets the reporting was based on type of income: rental income from investment property. The segment reporting method requires also the Company to present separately joint venture within Warsaw segment.

According to the Management Board's assessment, the operating segments identified have similar economic characteristics. Aggregation based on the type of development within the geographical location has been applied since primarily the location and the type of development determine the average margin that can be realized on each project and the project's risk factors. Considering the fact that the construction process for apartments is different from that for houses and considering the fact that the characteristics of customers buying apartments slightly differ from those of customers interested in buying houses, aggregation by type of development within the geographical location has been used for segment reporting and disclosure purposes.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated indirectly based on reasonable criteria. Unallocated assets comprise mainly unallocated cash and cash equivalents and income tax assets. Unallocated liabilities comprise mainly income tax liabilities and Bond loans. The unallocated result (loss) comprises mainly head office expenses.

Data presented in the table below are aggregated by type of development within the geographical location:

<i>In thousands of Polish Zlotys (PLN)</i>													As at 30 June 2020	
	Warsaw				Poznań		Wrocław		Szczecin		Unallocated	IFRS adjustments	Total	
	Apartments	Houses	Joint venture	Rental	Apartments	Houses	Apartments	Houses	Apartments	Houses				
Segment assets	439,492	110,624	43,958	9,267	84,235	-	73,744	-	85,689	-	-	(30,601)	816,408	
Unallocated assets	-	-	-	-	-	-	-	-	-	-	33,453	-	33,453	
Total assets	439,492	110,624	43,958	9,267	84,235	-	73,744	-	85,689	-	33,453	(30,601)	849,861	
Segment liabilities	150,152	35,832	33,271	-	37,029	-	30,531	-	20,670	-	-	(33,271)	274,214	
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	194,402	-	194,402	
Total liabilities	150,152	35,832	33,271	-	37,029	-	30,531	-	20,670	-	194,402	(33,271)	468,616	

<i>In thousands of Polish Zlotys (PLN)</i>													As at 31 December 2019	
	Warsaw				Poznań		Wrocław		Szczecin		Unallocated	IFRS adjustments	Total	
	Apartments	Houses	Joint venture	Rental	Apartments	Houses	Apartments	Houses	Apartments	Houses				
Segment assets	478,448	108,162	34,104	10,098	90,333	-	88,723	-	100,179	-	-	(21,510)	888,537	
Unallocated assets	-	-	-	-	-	-	-	-	-	-	54,646	-	54,646	
Total assets	478,448	108,162	34,104	10,098	90,333	-	88,723	-	100,179	-	54,646	(21,510)	943,183	
Segment liabilities	214,686	38,902	22,090	-	49,344	-	50,928	-	37,333	-	-	(22,090)	391,193	
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	201,496	-	201,496	
Total liabilities	214,686	38,902	22,090	-	49,344	-	50,928	-	37,333	-	201,496	(22,090)	592,689	

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020

Notes to the Interim Condensed Consolidated Financial Statements

Note 8 - Segment reporting

		For the six months ended 30 June 2020												
		Warsaw				Poznań		Wrocław		Szczecin		Unallocated	IFRS adjustments	Total
		Apartments	Houses	Joint venture	Rental	Apartments	Houses	Apartments	Houses	Apartments	Houses			
Revenue⁽¹⁾		151,476	1,400	1,897	418	38,138	-	36,638	-	25,029	-	-	(1,897)	253,099
Segment result		55,340	216	(191)	196	9,082	-	(1,718)	-	(371)	-	-	(354)	62,200
Unallocated result		-	-	-	-	-	-	-	-	-	-	(11,473)	-	(11,473)
Result from operating activities		55,340	216	(191)	196	9,082	-	(1,718)	-	(371)	-	(11,473)	(354)	50,727
Net finance income/ (expenses)		(286)	(11)	(932)	(9)	(15)	-	(366)	-	(9)	-	(1,502)	932	(2,198)
Profit/(loss) before tax		55,054	205	(1,123)	187	9,067	-	(2,084)	-	(380)	-	(12,975)	578	48,529
Income tax expenses														(7,888)
Profit/(loss) for the period														40,641
Capital expenditure														

		For the six months ended 30 June 2019												
		Warsaw				Poznań		Wrocław		Szczecin		Unallocated	IFRS adjustments	Total
		Apartments	Houses	Joint venture	Rental	Apartments	Houses	Apartments	Houses	Apartments	Houses			
Revenue		98,178	10,063	59,954	372	4,710	-	28,720	-	914	-	-	(59,954)	142,957
Segment result		16,792	1,025	14,507	226	(782)	-	3,681	-	(308)	-	-	(8,026)	27,115
Unallocated result		-	-	-	-	-	-	-	-	-	-	(9,460)	-	(9,460)
Result from operating activities		16,792	1,025	14,507	226	(782)	-	3,681	-	(308)	-	(9,460)	(8,026)	17,655
Net finance income/ (expenses)		(33)	3	(79)	-	(15)	-	(7)	-	(8)	-	(2,134)	79	(2,194)
Profit/(loss) before tax		16,759	1,028	14,428	226	(797)	-	3,674	-	(316)	-	(11,594)	(7,947)	15,461
Income tax expenses														(3,297)
Profit/(loss) for the period														12,164
Capital expenditure		516										402		918

(1) Revenue is recognized when the performance obligations are satisfied and when the customer obtains control of the good, i.e. upon signing of the protocol of technical acceptance and the transfer of the key of the residential unit to the buyer and total payment obtained.

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020

Notes to the Interim Condensed Consolidated Financial Statements

Note 8 - Segment reporting

In thousands of Polish Zlotys (PLN)

For the three months ended 30 June 2020

	Warsaw				Poznań		Wroclaw		Szczecin		Unallocated	IFRS adjustments	Total
	Apartments	Houses	Joint venture	Rental	Apartments	Houses	Apartments	Houses	Apartments	Houses			
Revenue	29,636	-	231	418	38,126	-	15,392	-	2,500	-	-	(231)	85,872
Segment result	11,780	32	(390)	(235)	8,964	-	(1,296)	-	(340)	-	-	(109)	18,406
Unallocated result	-	-	-	-	-	-	-	-	-	-	(5,920)	-	(5,920)
Result from operating activities	11,780	32	(390)	(235)	8,964	-	(1,296)	-	(340)	-	(5,920)	(109)	12,486
Net finance income/(expenses)	(201)	(2)	(801)	-	(3)	-	(353)	-	(9)	-	(812)	801	(1,380)
Profit/(loss) before tax	11,579	30	(1,191)	(235)	8,961	-	(1,649)	-	(349)	-	(6,732)	692	11,106
Income tax expenses													147
Profit/(loss) for the period													11,253
Capital expenditure	(70)	-	-	-	-	-	-	-	-	-	-	-	(70)

In thousands of Polish Zlotys (PLN)

For the three months ended 30 June 2019

	Warsaw				Poznań		Wroclaw		Szczecin		Unallocated	IFRS adjustments	Total
	Apartments	Houses	Joint venture	Rental	Apartments	Houses	Apartments	Houses	Apartments	Houses			
Revenue	51,228	1,897	54,666	169	2,195	-	21,445	-	-	-	-	(54,666)	76,934
Segment result	7,480	118	13,410	96	(363)	-	3,510	-	(172)	-	-	(7,119)	16,960
Unallocated result	-	-	-	-	-	-	-	-	-	-	(4,979)	-	(4,979)
Result from operating activities	7,480	118	13,410	96	(363)	-	3,510	-	(172)	-	(4,979)	(7,119)	11,981
Net finance income/(expenses)	23	(22)	(85)	-	(5)	-	5	-	(2)	-	(1,013)	85	(1,014)
Profit/(loss) before tax	7,503	96	13,325	96	(368)	-	3,515	-	(174)	-	(5,992)	(7,034)	10,967
Income tax expenses													(2,287)
Profit/(loss) for the period													8,680
Capital expenditure	516	-	-	-	-	-	-	-	-	-	139	-	655

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020

Notes to the Interim Condensed Consolidated Financial Statements

Note 9 – Inventory and Residential landbank

Inventory

Movements in Inventory during the six months ended 30 June 2020 were as follows:

<i>In thousands of Polish Zlotys (PLN)</i>	As at 31 December 2019	Transferred to finished units	Additions	As at 30 June 2020
Land and related expense	293,592	(9,773)	10,380	294,199
Construction costs	131,467	(60,013)	97,303	168,757
Planning and permits	20,408	(1,581)	3,456	22,283
Borrowing costs ⁽¹⁾	32,291	(2,251)	3,825	33,864
Borrowing costs on lease and depreciation of the perpetual usefruct right ⁽²⁾	1,656	-	572	2,228
Other	4,426	(731)	1,641	5,336
Work in progress	483,840	(74,350)	117,177	526,667

<i>In thousands of Polish Zlotys (PLN)</i>	As at 31 December 2019	Transferred from work in progress	Recognized in the statement of comprehensive income	As at 30 June 2020
Finished goods	217,123	74,350	(187,627)	103,846

<i>In thousands of Polish Zlotys (PLN)</i>	As at 31 December 2019	Revaluation write-down recognized in statement of comprehensive income		As at 30 June 2020
		Increase	Utilization	
Write-down	(6,023)	-	3,280	(2,743)

<i>In thousands of Polish Zlotys (PLN)</i>	As at 31 December 2019	Depreciation	Transfer to Other receivables	As at 30 June 2020
Perpetual usefruct rights ⁽²⁾	23,120	(172)	(8,196)	14,752
Inventory, valued at lower of - cost and net realisable value	718,060			642,522

(1) Borrowing costs are capitalized to the value of inventory with 5.09% average effective capitalization interest rate.

(2) For additional information see note 11.

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020

Notes to the Interim Condensed Consolidated Financial Statements

Note 9 – Inventory and Residential landbank

Inventory

Movements in Inventory during the six months ended 30 June 2019 were as follows:

<i>In thousands of Polish Zlotys (PLN)</i>	As at 31 December 2018	Acquisition of Nova Królikarnia	Transferred to finished units	Additions	As at 30 June 2019
Land and related expense	294,484	34,495	(43,389)	558	286,148
Construction costs	172,340	-	(113,906)	85,969	144,403
Planning and permits	20,359	-	(2,758)	3,413	21,014
Borrowing costs ⁽¹⁾	36,205	-	(6,203)	4,646	34,648
Borrowing costs on lease and deprecation of the perpetual usufruct right ⁽²⁾	-	-	(52)	1,309	1,257
Other	4,772	-	(1,604)	1,459	4,627
Work in progress	528,160	34,495	(167,912)	97,354	492,097

<i>In thousands of Polish Zlotys (PLN)</i>	As at 31 December 2018	Transferred from work in progress	Recognized in the statement of comprehensive income	As at 30 June 2019
Finished goods	78,491	167,912	(111,242)	135,161

<i>In thousands of Polish Zlotys (PLN)</i>	As at 31 December 2018	Revaluation write-down recognized in statement of comprehensive income		As at 30 June 2019
		Increase	Utilization	
Write-down	(9,724)	-	209	(9,515)

<i>In thousands of Polish Zlotys (PLN)</i>	As at 31 December 2018	First adoption of IFRS 16	Depreciation	Transfer to Other receivables	As at 30 June 2019
Perpetual usufruct right ⁽²⁾	-	32,977	(227)	(2,079)	30,671
Inventory, valued at lower of - cost and net realisable value	596,927				648,414

(1) Borrowing costs are capitalized to the value of inventory with 5.63% average effective capitalization interest rate.

(2) For additional information see note 11.

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020

Notes to the Interim Condensed Consolidated Financial Statements

Note 9 – Inventory and Residential landbank

Inventory

Movements in Inventory during the year ended 31 December 2019 were as follows:

<i>In thousands of Polish Zlotys (PLN)</i>	As at 31 December 2018	Acquisition of Nova Królikarnia ⁽¹⁾	Transferred to finished units	Additions	As at 31 December 2019
Land and related expense	294,484	70,108	(74,596)	3,596	293,592
Construction costs	172,340	-	(221,401)	180,528	131,467
Planning and permits	20,359	-	(6,661)	6,710	20,408
Borrowing costs ⁽²⁾	36,205	-	(12,973)	9,059	32,291
Borrowing costs on lease and depreciation of the perpetual usufruct right ⁽³⁾	-	-	(889)	2,545	1,656
Other	4,772	-	(3,543)	3,197	4,426
Work in progress	528,160	70,108	(320,063)	205,635	483,840

<i>In thousands of Polish Zlotys (PLN)</i>	As at 1 January 2019	Transferred from work in progress	Recognized in the statement of comprehensive income	As at 31 December 2019
Finished goods	78,491	320,063	(181,431)	217,123

<i>In thousands of Polish Zlotys (PLN)</i>	As at 1 January 2019	Revaluation write-down recognized in statement of comprehensive income		As at 31 December 2019
		Reversal	Utilization	
Write-down	(9,724)	2,524	1,177	(6,023)

<i>In thousands of Polish Zlotys (PLN)</i>	As at 1 January 2019	First adoption /Recalculation adjustment of IFRS 16	Depreciation	Transfer to Other receivables	As at 31 December 2019
Perpetual usufruct rights ⁽³⁾	-	25,872	(440)	(2,312)	23,120

Inventory, valued at lower of - cost and net realisable value	596,927				718,060
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(1) For additional information see Note 6 of Consolidated Financial Statements for the year ended 31 December 2019

(2) Borrowing costs are capitalized to the value of inventory with 5.78% average effective capitalization interest rate.

(3) For additional information see Note 2(f) of Consolidated Financial Statements for the year ended 31 December 2019.

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020

Notes to the Interim Condensed Consolidated Financial Statements

Note 9 – Inventory and Residential landbank

Residential landbank

Plots of land purchased for development purposes on which construction is not planned within a period of three years has been reclassified as Residential landbank presented within Non-current assets. The table below presents the movement in the Residential landbank:

<i>In thousands of Polish Zloty (PLN)</i>	For the 6 months ended 30 June 2020	For the year ended 31 December 2019
Opening balance	44,321	46,227
Reclassified from inventory	-	-
Addition	3,738	24
Write-down adjustment	-	(1,930)
Total closing balance	48,059	44,321
Closing balance includes:		
Book value	54,941	51,203
Write-down	(6,882)	(6,882)
Total Closing balance	48,059	44,321

Note 10 - Trade and other receivables and prepayments

The table below presents the breakdown of the trade and other receivables and prepayments:

<i>In thousands of Polish Zlotys (PLN)</i>	As at 30 June 2020	As at 31 December 2019
Value added tax (VAT) receivables	7,941	12,361
Trade and other receivables	4,000	3,696
Trade and other receivables - IFRS 16	5,263	1,753
Bid bond	1,437	1,437
Prepayments ⁽¹⁾	6,786	5,498
Total trade and other receivables and prepayments	25,427	24,745

(1) The capitalized costs relating to obtaining the contracts have been presented in this line and amounted to PLN 3.8 m for the 6 months ended 30 June 2020 year and PLN 3.7 m for the year ended 31 December 2019.

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020

Notes to the Interim Condensed Consolidated Financial Statements
Note 11 – IFRS 16

The movement on the right of use assets and lease liabilities during the period ended 30 June 2020 is presented below:

<i>In thousands of Polish Zlotys (PLN)</i>	1 January 2020	Depreciation charge	Fair value adjustment	Completion of projects	30 June 2020
Right of use assets related to inventory	23,120	(172)	-	(8,196)	14,752
Right of use assets related to investment property	553	(4)	-	n.a	549

<i>In thousands of Polish Zlotys (PLN)</i>	1 January 2020	Finance expense	Payments	Completion of projects	30 June 2020
Lease liabilities related to inventory	23,549	477	(1,260)	(8,305)	14,461
Lease liabilities related to investment property	552	10	-	n.a	562

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020**Notes to the Interim Condensed Consolidated Financial Statements****Note 11 – IFRS 16**

The movement on the right of use assets and lease liabilities during the period ended 30 June 2019 is presented below:

<i>In thousands of Polish Zlotys (PLN)</i>	1 January 2019	Depreciation charge	Fair value adjustment	Completion of projects	30 June 2019
Right of use assets related to inventory	32,977	(227)	n.a	(2,079)	30,671
Right of use assets related to investment property	553	n.a	-	n.a	553
<i>In thousands of Polish Zlotys (PLN)</i>	1 January 2019	Finance expense	Payments	Completion of projects	30 June 2019
Lease liabilities related to inventory	32,977	1,082	(2,238)	(1,516)	30,305
Lease liabilities related to investment property	553	19	(37)	n.a	535

The movement on the right of use assets and lease liabilities during the period ended 31 December 2019 is presented below:

<i>In thousands of Polish Zlotys (PLN)</i>	1 January 2019	Depreciation charge	Fair value adjustment	Recalculation adjustment⁽¹⁾	Revenue recognition	31 December 2019
Right of use assets related to inventory	32,977	(440)	-	(7,105)	(2,312)	23,120
Right of use assets related to investment property	553	n.a	-	-	n.a	553
<i>In thousands of Polish Zlotys (PLN)</i>	1 January 2019	Finance expense	Payments	Recalculation adjustment⁽¹⁾	Revenue recognition	31 December 2019
Lease liabilities related to inventory	32,977	2,105	(2,173)	(7,058)	(2,302)	23,549
Lease liabilities related to investment property	553	36	(37)	-	n.a	552

(1) Related to change of perpetual usufruct charge of one of the plot from commercial to residential purposes (from 3% of the value per year to 1%)

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020**Notes to the Interim Condensed Consolidated Financial Statements****Note 12 – Acquisition of Nova Królikarnia**

During the year 2019, the Company (via its subsidiary) exercised first and second call option under the Call Option Agreements for the total price of PLN 33.9 million and PLN 35.1 million, respectively. For more information see Note 6 - Acquisition of the Nova Królikarnia project of the Consolidated Financial Statements for the year ended 31 December 2019.

As at 31 December 2019, the total payables related to acquisition of Nova Królikarnia project amount to PLN 37.0 million and was presented in the Consolidated Statement of Financial Position as a current liability under Trade and other payables and accrued expenses. The outstanding amount is determinate to be paid in three instalments: PLN 5.0 million was paid in February 2020, PLN 22.0 million was paid in April 2020 and PLN 10.0 million is to be paid in October 2020.

On 9 April 2020, the Company (via its subsidiary) exercised the last call option, based on call option agreements concluded on 10 April 2018 with Global City Holdings B.V., as a result of this transaction the Company acquired shares in company holding one substage of the Nova Królikarnia project with an aggregate floor space of 3,300 m² for a total value of PLN 9.9 million. The total price for the third call option was paid on the transaction date.

The table below presents analysis of cash flows on the acquisition of Nova Królikarnia project during the six months ended 30 June 2020:

<i>In thousands of Polish Zlotys (PLN)</i>	
Payables related to acquisition of Nova Królikarnia as at 31 December 2019	37,022
Purchase consideration paid (Nova Królikarnia transaction)	(27,022)
Realization of (Call Option III)	9,900
Purchase consideration paid (Call Option III)	(9,900)
Payables related to acquisition of Nova Królikarnia as at 30 June 2020	10,000

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020**Notes to the Interim Condensed Consolidated Financial Statements****Note 13 – Bond loans**

The table below presents the movement in Bond loans during the six months ended 30 June 2020, during the year ended 31 December 2019 and during the six months ended 30 June 2019 as well as the Current and Non-currents balances as at the end of respective periods:

<i>In thousands of Polish Zloty (PLN)</i>	For the period ended 30 June 2020	For the year ended 31 December 2019	For the period ended 30 June 2019
	(Reviewed/ Unaudited)	(Audited)	(Reviewed/ Unaudited)
Opening balance	187,969	205,547	205,547
Repayment of bond loans	(10,000)	(50,000)	(40,000)
Proceeds from bond loans	-	32,317	32,317
Issue cost	-	(757)	(757)
Issue cost amortization	350	854	470
Accrued interest	4,447	10,351	5,412
Interest repayment	(4,795)	(10,343)	(5,272)
Total closing balance	177,971	187,969	197,717
Closing balance includes:			
Current liabilities	101,236	36,891	22,053
Non-current liabilities	76,735	151,078	175,664
Total Closing balance	177,971	187,969	197,717

New Bond loans issued during the six months ended 30 June 2020:

During the six months ended 30 June 2020, the Company did not issue any bonds loans.

Bond loans issued before 31 December 2019:

The maturity dates and the conditions of the Bonds loans series P, Q, R, S, T and U have been presented in the annual consolidated financial statements for the year ended 31 December 2019.

The series P, Q, S and T bonds are not secured. The series R bonds are secured with a joint mortgage established by the subsidiaries of the Company up to PLN 75,000 thousand. The series U bonds should be secured with a joint mortgage of up to PLN 48,476 thousand, while as at 31 December 2019 joint mortgage was established to the amount of PLN 53,019 thousand.

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020

Notes to the Interim Condensed Consolidated Financial Statements

Note 13 – Bond loans

Financial ratio covenants for series P and Q:

Based on the conditions of bonds P and Q in each reporting period the Company shall test the ratio of Net debt to Equity (hereinafter “Net Indebtedness Ratio”). The Ratio shall not exceed 80% on the Check Date.

The Net Indebtedness Ratio is Non-GAAP Financial Measure and is calculated according to formulas provided below:

Net debt – shall mean the total consolidated balance sheet value of all interest-bearing liabilities (as well as payment guarantees) less the consolidated value of cash and cash equivalents and less cash paid by Company’s clients blocked temporarily on the escrow accounts servicing ongoing projects that are under construction (presented in the Company’s consolidated balance sheet under Other current financial assets).

Equity - shall mean the consolidated balance sheet value of the equity.

Check date – last day of each calendar quarter.

The table presenting the Net Indebtedness Ratio as at the end of the Reporting period:

<i>In thousands of Polish Zlotys (PLN)</i>	As at 30 June 2020 (Reviewed/ Unaudited)
Net Debt	85,790
Equity	381,245
Ratio	22.5%

Financial ratio covenants for series R and S:

Based on the conditions of bonds R and S in each reporting period the Company shall test the ratio of Net debt to Equity (hereinafter “Net Indebtedness Ratio”). The Ratio shall not exceed 80% on the Check Date.

The Net Indebtedness Ratio is Non-GAAP Financial Measure and is calculated according to formulas provided below:

Net debt - shall mean the total consolidated balance sheet value of all interest-bearing liabilities (as well as payment guarantees) less the consolidated value of cash and cash equivalents and less cash paid by Company’s clients blocked temporarily on the escrow accounts servicing ongoing projects that are under construction (presented in the Company’s consolidated balance sheet under Other current financial assets; up to the limit is PLN 40 million).

Equity - shall mean the consolidated balance sheet value of the equity attributable to equity holders of the parent, less the value of the intangible assets (excluding any financial assets and receivables), including specifically (i) the intangible and legal assets, goodwill and (ii) the assets constituting deferred income tax decreased by the value of the provisions created on account of the deferred income tax, however, assuming that the balance of those two values is positive. If the balance of assets and provisions on account of deferred income tax is negative, the adjustment referred to in item (ii) above shall be zero.

Check date – last day of each calendar quarter.

The table presenting the Net Indebtedness Ratio as at the end of the Reporting period:

<i>In thousands of Polish Zlotys (PLN)</i>	As at 30 June 2020 (Reviewed/ Unaudited)
Net Debt	85,790
Equity	381,245
Ratio	22.5%

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020

Notes to the Interim Condensed Consolidated Financial Statements

Note 13 – Bond loans

Financial ratio covenants for series R and S:

In addition to the above, based on the conditions of bonds S, in each reporting period the Company shall test the Net debt to Inventory Ratio (hereinafter “Net Debt to Inventory Ratio”). The Ratio shall not exceed 60% on the Check Date.

The *Net Debt to Inventory Ratio* is Non-GAAP Financial Measure and is calculated according to formulas provided below:

Net debt - shall mean the total consolidated balance sheet value of all interest-bearing liabilities (as well as payment guarantees) less the consolidated value of cash and cash equivalents and cash paid by Company’s clients blocked temporarily on the escrow accounts servicing ongoing projects that are under construction (presented in the Company’s consolidated balance sheet under Other current financial assets; up to the limit is PLN 40 million).

Inventory - shall mean the consolidated balance sheet value of the inventory (including Residential landbank) of the Company less advances received from the customers.

Check date – last day of each calendar quarter.

The table presenting the Net Debt to Inventory Ratio as at the end of the Reporting period:

<i>In thousands of Polish Zlotys (PLN)</i>	As at 30 June 2020 (Reviewed/ Unaudited)
Net Debt	85,790
Inventory and Residential landbank ⁽¹⁾	502,647
Ratio	17.1%

(1) See below “Impact of the implementation of IFRS 16 on financial ratios in bond covenants”

Financial ratio covenants for series T and U:

Based on the conditions of bonds T and U in each reporting period the Company shall test the ratio of Net debt to Equity (hereinafter “Net Indebtedness Ratio”). The Ratio shall not exceed 80% on the Check Date.

The *Net Indebtedness Ratio* is Non-GAAP Financial Measure and is calculated according to formulas provided below:

Net debt - shall mean the total consolidated balance sheet value of all interest-bearing liabilities (as well as payment guarantees) less the consolidated value of cash and cash equivalents and less cash paid by Company’s clients blocked temporarily on the escrow accounts servicing ongoing projects that are under construction (presented in the Company’s consolidated balance sheet under Other current financial assets).

Equity - shall mean the consolidated balance sheet value of the equity.

Check date – last day of each calendar quarter.

The table presenting the Net Indebtedness Ratio as at the end of the Reporting period:

<i>In thousands of Polish Zlotys (PLN)</i>	As at 30 June 2020 (Reviewed/ Unaudited)
Net Debt	85,790
Equity	381,245
Ratio	22.5%

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020

Notes to the Interim Condensed Consolidated Financial Statements**Note 13 – Bond loans***Other covenants (series R, S, T and U):*

Based on the conditions of bonds R, S, T and U, transactions with related-parties (shareholders holding more than 25% of the shares in the Company “within the meaning of IAS 24” or with related parties “including with entities controlling the Company whether jointly or individually, whether directly or indirectly or with their subsidiaries which are not members of the Group) shall not exceed the aggregate amount of PLN 1.0 million during any given calendar year. During the 6 months ended 30 June 2020, the consulting fees related to A. Luzon Group amounted to PLN 420 thousand.

Impact of the implementation of IFRS 16 on financial ratios in bond covenants:

Terms and conditions of issuance of Bonds of the Company (“T&C’s”) provide that only certain, specified types of financial indebtedness should be taken into account when determining the level of financial indebtedness for the purpose of calculating financial ratios in accordance with T&C’s. In particular, certain T&C’s require that financial indebtedness resulting from finance lease agreements (in Polish: umowy leasingu finansowego) should be included in calculation of the financial indebtedness. Those T&C’s do not provide that the indebtedness resulting from finance lease agreements shall also include other financial indebtedness which is recognized as lease liability in accordance with IFRS 16.

Given the above, and taking into the account the type of activities carried out by the Group, despite changes in the IFRS in this respect, the Company concluded that inclusion of other type of financial indebtedness, in particular liabilities from annual fees for perpetual usufruct, for the purposes of calculations of financial ratios would not be in line with T&C’s and therefore the Company does not include such finance lease alike items in such calculations (including, in order to ensure consistency of those calculations, for the purpose of calculation of Inventory for the purpose of Net Debt to Inventory Ratio under T&C of bonds S).

For additional information about IFRS 16 see Note 11.

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020

Notes to the Interim Condensed Consolidated Financial Statements

Note 14 – Secured bank loans

The table below presents the movement in Secured bank loans during the six months ended 30 June 2020, during the year ended 31 December 2019 and during the six months ended 30 June 2019 as well as the Current and Non-currents balances as at the end of respective periods:

	For the 6 months ended 30 June 2020	For the year ended 31 December 2019	For the 6 months ended 30 June 2019
	(Reviewed/ Unaudited)	(Audited)	(Reviewed/ Unaudited)
<i>In thousands of Polish Zloty (PLN)</i>			
Opening balance	12,875	37,687	37,687
New bank loan drawdown	25,106	71,940	35,961
Bank loans repayments	(37,578)	(96,754)	(57,952)
Bank charges	(70)	(740)	(519)
Bank charges amortization	313	786	305
Accrued interest/(interest repayment) on bank loans, net	(10)	(44)	19
Total closing balance	636	12,875	15,501
Closing balance includes:			
Current liabilities	636	12,875	73
Non-current liabilities	-	-	15,428
Total closing balance	636	12,875	15,501

The maturity dates of the loans have been presented in the consolidated financial statements for the year ended 31 December 2019. For more details, see Note 23 Events during the period (Bank Loans). According to Group cash flow projection, liabilities from secured bank loans as at 30 June 2020 will be repaid during the following 12 months. Liabilities from bank loans are presented as Current liabilities.

As at 30 June 2020, as at 31 December 2019 and as at 30 June 2019, the Company has not breached any loan covenant, which would expose the Company for risk of obligatory and immediate repayment of any loan.

Note 15 – Income tax

	For the 6 months ended 30 June 2020	For the 3 months ended 30 June 2020	For the 6 months ended 30 June 2019	For the 3 months ended 30 June 2019
	(Unaudited) / (unreviewed)	(Unaudited) / (unreviewed)	(Unaudited) / (unreviewed)	(Unaudited) / (unreviewed)
<i>In thousands of Polish Zlotys (PLN)</i>				
Current tax expense/(benefit)	817	565	987	237
Deferred tax expense/(benefit)				
Origination and reversal of temporary differences	8,388	(2,070)	5,096	4,062
Expense/(benefit) of tax losses recognized	(1,317)	1,358	(2,786)	(2,012)
Total deferred tax expense/(benefit)	7,071	(712)	2,310	2,050
Total income tax expense/(benefit)	7,888	(147)	3,297	2,287

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020**Notes to the Interim Condensed Consolidated Financial Statements****Note 16 – Deferred tax assets and liabilities**

Movements in Deferred tax assets and liabilities during the six months ended 30 June 2020 were as follows:

<i>In thousands of Polish Zlotys (PLN)</i>	As at 1 January 2020	Recognized in the statement of comprehensive income	As at 30 June 2020
Deferred tax assets			
Tax loss carry forward	2,124	1,317	3,441
Accrued interest	3,704	(1,135)	2,569
Accrued expense	657	499	1,156
Write-down of work in progress and residential landbank	2,452	(570)	1,882
Other*	4,106	(540)	3,566
Total deferred tax assets	13,043	(429)	12,614
Deferred tax liabilities			
Difference between tax base and carrying value of inventory	13,732	6,102	19,834
Accrued interest	437	370	807
Fair value gain on investment property	1,042	-	1,042
Other	515	170	685
Total deferred tax liabilities	15,726	6,642	22,368
Deferred tax assets	13,043		12,614
Deferred tax liabilities	15,726		22,368
Offset of deferred tax assets and liabilities for individual companies	(6,108)		(9,029)
Deferred tax assets reported in the Consolidated Statement of Financial Position	6,935	(3,350)	3,585
Deferred tax liabilities reported in the Consolidated Statement of Financial Position	9,618	3,721	13,339

* Including deferred tax asset from contributions.

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020**Notes to the Interim Condensed Consolidated Financial Statements****Note 16 – Deferred tax assets and liabilities**

Movements in Deferred tax assets and liabilities during the six months ended 30 June 2019 were as follows:

<i>In thousands of Polish Zlotys (PLN)</i>	Opening balance 1 January 2019	Recognized in the statement of comprehensive income	Closing balance 30 June 2019
Deferred tax assets			
Tax loss carry forward	2,058	2,786	4,844
Accrued interest	2,348	37	2,385
Accrued expense	777	(39)	738
Write-down of work in progress and residential landbank	2,788	(39)	2,749
Other	1,437	(190)	1,247
Total deferred tax assets	9,408	2,555	11,963
Deferred tax liabilities			
Difference between tax base and carrying value of inventory	9,521	4,286	13,807
Accrued interest	-	447	447
Fair value gain on investment property	890	-	890
Other	814	132	946
Total deferred tax liabilities	11,225	4,865	16,090
Deferred tax assets	9,408		11,963
Deferred tax liabilities	11,225		16,090
Offset of deferred tax assets and liabilities for individual companies	(3,877)		(6,079)
Deferred tax assets reported in the Consolidated Statement of Financial Position	5,531		5,884
Deferred tax liabilities reported in the Consolidated Statement of Financial Position	7,348		10,011

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020**Notes to the Interim Condensed Consolidated Financial Statements****Note 16 – Deferred tax assets and liabilities**

Movements in Deferred tax assets and liabilities during the year ended 31 December 2019 were as follows:

<i>In thousands of Polish Zlotys (PLN)</i>	As at 1 January 2019	Recognized in the statement of comprehensive income	As at 31 December 2019
Deferred tax assets			
Tax loss carry forward	2,058	66	2,124
Accrued interest	2,348	1,356	3,704
Accrued expense	777	(120)	657
Write-down of inventory and residential landbank	2,788	(336)	2,452
Other*	1,437	2,669	4,106
Total deferred tax assets	9,408	3,635	13,043
Deferred tax liabilities			
Difference between tax base and carrying value of inventory	9,521	4,211	13,732
Accrued interest	-	437	437
Fair value gain on investment property	890	152	1,042
Other	814	(299)	515
Total deferred tax liabilities	11,225	4,501	15,726
Deferred tax assets	9,408		13,043
Deferred tax liabilities	11,225		15,726
Offset of deferred tax assets and liabilities for individual companies	(3,877)		(6,108)
Deferred tax assets reported in the Consolidated Statement of Financial Position	5,531		6,935
Deferred tax liabilities reported in the Consolidated Statement of Financial Position	7,348		9,618

* Including deferred tax asset from contributions.

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020**Notes to the Interim Condensed Consolidated Financial Statements****Note 17 – Advances received**

Advances received during the six months ended 30 June 2020 consist of customer advances for construction work in progress (deferred revenue) and comprise customer advances for the following projects:

<i>In thousands of Polish Zlotys (PLN)</i>	As at 31 December 2019	Revenue recognized during the 6 months ended 30 June 2020	Advances received during the 6 month ended 30 June 2020	As at 30 June 2020
City Link III	120,796	(143,707)	28,032	5,121
Nova Królikarnia 1a-1e	333	(3,331)	2,998	-
Nova Królikarnia 2a & 2b	1,620	(4,075)	3,964	1,509
Nova Królikarnia 2c	8,440	-	2,657	11,097
Nova Królikarnia 3b	3,236	-	5,262	8,498
Nova Królikarnia 3a	-	-	6,182	6,182
Nova Królikarnia 3c	-	-	-	214
Vitalia III	4,878	-	8,288	13,166
Miasto Moje I & II	256	(515)	541	282
Miasto Moje III	14,271	-	21,434	35,705
Miasto Moje IV	639	-	5,699	6,338
Miasto Marina	36,498	(36,537)	5,101	5,062
Panoramika IV	20,412	(25,030)	4,988	370
Panoramika V	4,165	-	9,396	13,561
Grunwald2	32,235	(38,126)	38,628	32,737
Ursus Centralny Ia	6,338	-	15,355	21,693
Ursus Centralny IIa	-	-	8,542	8,542
Viva Jagodno I	167	-	1,754	1,921
Nowe Warzymice I	-	-	386	386
Other	686	(1,284)	1,397	798
Total	254,970	(252,605)	170,604	173,182

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020**Notes to the Interim Condensed Consolidated Financial Statements****Note 17 – Advances received**

Advances received during the six months ended 30 June 2019 consist of customer advances for construction work in progress (deferred revenue) and comprise customer advances for the following projects:

<i>In thousands of Polish Zlotys (PLN)</i>	As at 31 December 2018	Revenue recognized during the 6 months ended 30 June 2019	Advances received during the 6 months ended 30 June 2019	As at 30 June 2019
City Link III	48,216	-	43,653	91,869
Nova Królikarnia 1a-1e	12,932	(18,905)	12,202	6,229
Nova Królikarnia 2a & 2b	28,408	(30,185)	17,118	15,341
Nova Królikarnia 2c	-	-	2,150	2,150
Vitalia I & II	11,875	(22,210)	15,592	5,257
Vitalia III	-	-	124	124
Miasto Moje I & II	28,841	(48,230)	21,011	1,622
Miasto Moje III	-	-	2,943	2,943
Miasto Marina	10,243	-	14,840	25,083
Panoramika II & III	79	(915)	866	30
Panoramika IV	4,034	-	7,277	11,311
Panoramika V	-	-	609	609
Grunwald ²	5,387	-	7,998	13,385
Moko	1,248	(7,194)	6,264	318
Młody Grunwald	209	(2,104)	1,990	95
Espresso	146	(1,189)	1,081	38
Chilli IV	30	(2,096)	3,102	1,036
Ursus Centralny I	-	-	350	350
Other (old projects)	804	(1,815)	1,516	505
Total	152,452	(134,843)	160,686	178,295

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020

Notes to the Interim Condensed Consolidated Financial Statements

Note 18 – Commitments and contingencies

(i) Investment commitments:

The amounts in the table below present uncharged investment commitments of the Group in respect of construction services to be rendered by the general contractors:

<i>In thousands of Polish Zlotys (PLN)</i>	As at 30 June 2020 (Reviewed/ Unaudited)	As at 31 December 2019 (Reviewed/ Unaudited)
Ursus Centralny Ia	21,364	25,589
Viva Jagodno I	19,435	26,590
Panoramika V	1,553	8,472
Vitalia III	12,940	20,598
Miasto Moje III	6,892	22,477
Nove Warzymice I	9,981	12,157
Miasto Moje IV	30,835	37,243
Nova Królikarnia 3a	8,332	15,639
Nova Królikarnia 3b	3,908	6,887
Nova Królikarnia 3c	7,501	11,419
Nova Królikarnia 2c	1,302	7,048
Grunwald2	1,265	12,379
Total	125,308	206,498

(ii) Unutilized construction loans:

The table below presents the list of the construction loan facilities, which the Group arranged for in conjunction with entering into loan agreements with the banks in order to secure financing of the construction and other outstanding costs of the ongoing projects. The amounts presented in the table below include the unutilized part of the construction loans available to the Group:

<i>In thousands of Polish Zlotys (PLN)</i>	As at 30 June 2020 (Reviewed/ Unaudited)	As at 31 December 2019 (Audited)
Grunwald2	-	24,119
Panoramika V	767	19,070
Nova Królikarnia 2c (Wrocław 2016)	20,700	-
Total excluding JV	21,467	43,189
Wilanów Tulip	51,300	-
Total including JV	72,767	43,189

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020

Notes to the Interim Condensed Consolidated Financial Statements**Note 18 – Commitments and contingencies***(iii) Other commitments and contingencies:*

As part of the Nova Królikarnia acquisition (see Note 6 to the Company's Consolidated Financial Statements for the year ended 31 December 2019), the Company and GCH have concluded call option agreements for a total value of PLN 78.9 million, under which the Company has been granted three call options with respect to the shares in the eight other project companies holding the remaining stages of the Nova Królikarnia project. The last option was executed in April 2020. The exercise of the three call options will allow the Company to develop 161 units with an aggregate floor space of approximately 21,500 m².

During 2019, the Company exercised the first and second call option under the Call Option Agreements for the total price of PLN 69 million as a result of which the Company (via its subsidiary) acquired shares in companies holding seven substages of Nova Królikarnia project. The price was determined to be paid in installments: PLN 32.0 million was paid during 2019, PLN 5.0 million was paid in February 2020, PLN 22.0 million was be paid in April 2020 and PLN 10.0 million to be paid in October 2020.

On 9 April 2020, the Company (via its subsidiary) exercised the last call option under Call Option Agreements for a total value of PLN 9.9 million as a result of which the Company (via its subsidiary) acquired shares in company holding one stage of Nova Królikarnia project. The total price for the third call option was paid on the transaction date.

Certain fees in the maximum amount of PLN 11.9 million were to be due by the Company if the Company does not exercise all three call options within certain deadlines. However, the fees were reduced proportionally to the extent options have been exercised. As at the 30 June 2020, as the result of all call options having been exercised, the amount of the fee contingency decreased to nil.

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020**Notes to the Interim Condensed Consolidated Financial Statements****Note 18 – Commitments and contingencies***(iv) Contracted proceeds not yet received:*

The table below presents amounts to be received from the customers having bought apartments from the Group and which are based on the value of the sale and purchase agreements signed with the clients until 30 June 2020 after deduction of payments received at the reporting date (such payments being presented in the Interim Consolidated Statement of Financial Position as Advances received):

As at	As at 30 June 2020 (Reviewed/ Unaudited)	As at 31 December 2019 (Audited)
<i>In thousands of Polish Zlotys (PLN)</i>		
Panoramika IV	2,310	2,065
Panoramika V	12,451	9,276
Vitalia III	11,999	11,961
Grunwald2	4,053	30,751
Miasto Moje I & II	716	117
Miasto Moje III	18,357	23,488
Miasto Moje IV	15,082	8,565
Ursus Centralny I	28,463	31,583
Ursus Centralny IIa	42,912	-
Miasto Marina	2,136	1,068
City Link III	2,075	22,257
Nowe Warzymice I	2,587	-
Nova Królikarnia 1a - 1e	-	2,998
Nova Królikarnia 2a & 2b	1,071	5,033
Nova Królikarnia 2c	1,524	4,181
Nova Królikarnia 3b	8,285	11,001
Nova Królikarnia 3a	8,069	-
Viva Jagodno I	8,319	1,530
Other (old) projects	2,452	2,233
Total	172,861	168,107

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020

Notes to the Interim Condensed Consolidated Financial Statements

Note 19 – Risk management

During the first half of 2020 The Company was facing a challenging period in terms of operation and potential risk. The Company prepared and responded to the upcoming Coronavirus events, and its effect on daily operations, ensuring the safety of its employees, and continuing its day-to-day operations all in order to minimize, as far as possible, the impact of these events on the Company.

Based the Company analysis, the Management Board according to its current knowledge and assessment, has identified the following areas, where influence can be significant for the Group in the long term perspective should the virus continue to be spreading:

- a. Potential decrease in sales volume due to lower demand as an effect of potential tightening of the mortgage loan eligibility criteria by banks;
- b. the risk of delay in finishing projects on time and / or on budget due to possible delays in construction works, caused by potential shortages of the construction personnel and/or interruptions in supplies of material and components and/or prolongation of permitting and other administrative procedures;
- c. Low availability and/or unreasonable terms of new financing in case of banks, bonds and other lenders are materially affected by the extended economic downturn.

The current liquidity position and financial standing of the Company and the Group are stable and unaffected.

During the first half of the year 2020 and up to the date of publishing the company financial reports, the construction on sites is continuing in full format, and sale offices on all signed are opened for potential clients.

Following a very good sale results in the first 3 month of the year, the company witnessed decrease in the number of newly concluded sales contracts in the first month of the second quarter as a result of COVID-19 outbreak, compared to the preceding months of this year and compared to the same month in last year.

Apart from above decrease, the company did not noticed such slow down in sales during the following 2 month which resulted in very good sales for the second quarter of 2020.

Although the good results presented by the company in this quarter in view of the general uncertainty which is still prevailing in Poland and the world, due to the Covid-19 pandemic. the Company is un able to anticipate the duration of the current situation, as well as the Company does not have the ability to quantify the effects of the above on the Company's activities and its financial results in the near future. The company will continue to monitor the situation on an ongoing basis as it evolves in the coming months, and will undertake all the necessary actions in order to mitigate the negative effects.

(i) Financial risk factors

The Group's activities expose it to a variety of financial risks such as credit risk and liquidity risk. The Interim Condensed Consolidated Financial Statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's Annual Consolidated Financial Statements for the year ended 31 December 2019 (Note 37). There have been no changes in the risk management department since year end or in any risk management policies.

(ii) Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash outflows for financial liabilities, except for the assumption of new loans and redemption of existing loans during the six months ended 30 June 2020 as described in Notes 13 and 14.

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020

Notes to the Interim Condensed Consolidated Financial Statements**Note 19 – Risk management***(iii) Fair value estimation*

The Investment property is valued at fair value determined by an independent appraiser.

During the six months ended 30 June 2020 there were no significant changes in the business or economic circumstances that affect the fair value of the group's financial assets, investment property and financial liabilities.

(iv) Interest rate risk

Except for bonds series P amounting to PLN 10.0 million and Interest bearing deferred trade payables , the Group did not enter into any fixed-rate borrowings transaction. The Group's variable-rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not exposed to interest rate risk.

Note 20 – Related party transactions

There were no transactions and balances with related parties during the six months ended 30 June 2020 other than remuneration of Management Board, loans granted to related parties, the reimbursement of audit review costs and an consulting agreement with major (indirect) shareholder, A. Luzon Group, for total monthly amount of PLN 70 thousand and covering travels and out of pocket expenses incurred in connection with rendering services.

All these transactions were already disclosed in the Group's Consolidated Financial Statements for the year ended 31 December 2019.

Note 21 – Impairment losses and provisions

During the six months ended 30 June 2020 and 2019, the Group did not recognize any impairment, nor created any significant provision.

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020

Notes to the Interim Condensed Consolidated Financial Statements

Note 22 – Investment in joint ventures

Share of profit/(loss) of joint venture

<i>In thousands of Polish Zlotys (PLN)</i>	As at 30 June 2020	As at 31 December 2019
Loans granted	14,666	12,311
Share in net equity value of joint ventures	(1,309)	283
The Company's carrying amount of the investment	13,357	12,594
Presented as Loans granted to joint ventures (current assets)	(2,005)	(1,977)
Investment in joint ventures	11,352	10,617

Share of profit/(loss) from joint ventures comprise the Company's shares in four entities where the Group is holding 50% shares and voting rights in each of those entities: Ronson IS Sp. z o.o. and Ronson IS Sp. z o.o. Sp.k. which are running the first two stages of the City Link, as well as Coralchief Sp. z o.o. and Coralchief Sp. z o.o. – Projekt 1 Sp.k. which are running the Wilanów Tulip project.

Loans granted to joint venture

<i>In thousands of Polish Zlotys (PLN)</i>	As at 30 June 2020	As at 31 December 2019
Opening balance	13,166	-
Loans granted	1,126	16,190
Loans repaid	-	(3,450)
Accrued interest	374	514
Interest paid	-	(88)
Total closing balance	14,666	13,166
Offset of the negative result from joint venture during the period	-	(855)
Total closing balance	14,666	12,311

As at 30 June 2020, from the total amount of loans granted to joint ventures (amounting in total to PLN 14,666 thousand) loans in the aggregate amount of PLN 2,005 thousand are maturing no later than 30 June 2021. The short term loans granted to joint ventures cannot be regarded as a part of the investment in joint ventures and are presented in the Interim Condensed Consolidated Statement of the Financial Statement under current assets as Loans granted to joint ventures. The loans granted to joint venture were bear a variable rate of WIBOR 3M plus 4% margin.

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020

Notes to the Interim Condensed Consolidated Financial Statements**Note 23 – Events during the period***Bond loans*

On 25 February 2020, the Company repaid all outstanding 10,000 series M bonds with total nominal value of PLN 10,000 thousand. After this repayment, the total number of outstanding bonds series M amounted to nil.

Bank loans

In March 2020, the Company executed a loan agreement with Alior Bank S.A. related to the Nova Królikarnia 2c project in Warsaw. Under this loan agreement Alior Bank S.A. is to provide financing and re-financing to cover the costs of construction up to a total amount of PLN 20.7 million. Under the loan agreement, the final repayment date is December 2021.

In May 2020, the Company executed a loan agreement with Alior Bank S.A. related to Joint Venture project – Wilanów Tulip in Warsaw. Under the loan agreement Alior Bank is to provide financing and re-financing to cover the costs of construction up to total amount of PLN 51.3 milion. Under the loan agreement, the final repayment date is December 2021.

In May 2020 the Company fully repaid the loan in Grunwald2 project.

Commencements of new projects

In January 2020, the Company commenced the sales of the Ursus Centralny IIa project comprising of 243 apartments and 8 commercial units with an aggregate floor space of 13,500 m².

In June 2020, the Company commenced the sales of Panoramika VI project comprising of 76 apartments with an aggregate floor space of 3,590 m².

Purchase of land

On 28 April 2020 Company (via its subsidiary) executed a final agreement, based on which it purchased the ownership right of an undeveloped property located in Poznań, Grunwald district. According to the valid zoning conditions, the plot is designated for development of residential multifamily project. The purchase price was agreed at PLN 3.0 million and paid. The project will comprise 80 units with an aggregate floor space of 3,400 m².

Dividend payment

During The Ordinary General Meeting held on 30th of June 2020 the shareholder of the Company approved to allocate for the dividend payment the amount of PLN 0.06 (six groszy) per share. The dividend record date (“dzień dywidendy”) was set for 5 August 2020 and the date of dividend payment was set for 24 August 2020.

The total amount of the dividend payment depends on the number of own shares (where there is no right to dividend) held by the Company on the dividend record date and such total amount will not exceed, in any case, PLN 9,841 thousand (nine million eight hundred and forty one thousand zloty).

The number of shares covered by the dividend payment depends on the number of own shares (where there is no right to dividend) held by the Company on the dividend record date and will not exceed, in any case, the total number of shares in the Company, i.e. 164,010,813.

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020

Notes to the Interim Condensed Consolidated Financial Statements**Note 23 – Events during the period***Share buyback program*

In connection with the expiration of the authorization to purchase own shares by the Company granted by the Extraordinary General Meeting of Shareholders held on 24 January 2019 (“Buyback Program of 2019”) and Company’s willingness to continue such purchase, during the Annual General Meeting of Shareholders held on 30 June 2020, the shareholders of the Company resolved to approve a share buyback program. The scope of the new authorization to purchase own shares, is identical to the authorization granted under the Buyback Program of 2019, reduced by the Shares acquired under that authorization and the amount for that acquisition used and extended for a period of 3 years. The Management Board of the Company is authorized to purchase ordinary bearer shares in the Company subject to certain terms and conditions which among others include the following:

1. the Company may purchase own shares with an aggregate nominal value representing no more than 1,07% of the share capital of the Company, i.e. up to 1,765,478 shares;
2. the purchase price for one share cannot be:
 - a) lower than the nominal value of one share in the Company, i.e. EUR 0.02 per share, and
 - b) higher than the book value of the Company per one share (calculated on a basis of audited financial statement for year 2017), i.e. PLN 2.10 per share;
3. the maximum amount allocated for the purchase of own shares shall not be higher than PLN 1,369.8 thousand;
4. the authorization granted to the Management Board for the purchase of own shares shall cover a period lasting until 30 June 2023, however not longer than expiration of the amount allocated for the purchase of own shares.

The Program will be financed from the reserve capital created on the basis of Buyback Program of 2019. The reserve capital then created in the amount of PLN 2.0 million was used in the amount of PLN 630.2 thousand, therefore PLN 1,369.8 thousand remained to be used for the purposes of the new buyback program.

From 1 January 2020 until 24 January 2020, the Company acquired 59,622 own shares for a total price of PLN 50.2 thousand. As at 30 June 2020, the Company held 734,522 own shares representing 0.45% of total shares issued by the Company.

Changes in the Management Board

On 16 January 2020, the Supervisory Board of the Company appointed Mr Yaron Shama to the position of member of the Management Board of the Company and Finance Vice President as of 1 February 2020 for a five-year joint term of office of the Management Board, which commenced on 1 April 2019.

Ursus

On 4 May 2020 the Company (via its subsidiary) signed an agreement for construction works in relation to Ursus Centralny with Karmar S.A. (the General Contractor). The fee to be paid for the execution of the Agreement amounts to PLN 60.25 million. The parties also agreed a deferred payment mechanism upon which a portion of payments due to the Contractor up to a total amount of PLN 12 million may be deferred (in exchange for interest) until 7 working days after obtaining a valid occupancy permit but not later than until end of October 2021.

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020

Notes to the Interim Condensed Consolidated Financial Statements**Note 23 – Events during the period***Remuneration Policy*

On 30 June 2020, the Annual General Meeting of the Company, acting based on Article 90d paragraph 1 of the Act of 29 July 2005 on public offerings and conditions governing the introduction of financial instruments to organized trading, and on public companies, adopted the Remuneration Policy for the members of the Management Board and Supervisory Board of Ronson Development SE (the "Policy"). The purpose of introducing the Policy is to support the business strategy of the Company, its long-term interests and stability. The Policy also provides for measures to be taken to avoid or manage conflicts of interest with regard to remunerating. The Policy has been established taking into account the relevance of the Company, its economic status, market standards for comparable companies in particular in the construction sector and the scope of responsibilities of the members of the Management Board and Supervisory Board.

COVID - 19

During the first half of 2020 the company was facing a challenging period in terms of operation and potential risk. the company prepared and responded to the upcoming coronavirus events, and its effect on daily operations, ensuring the safety of its employees, and continuing its day-to-day operations all in order to minimize, as far as possible, the impact of these events on the company.

Following a very good sale results in the first 3 month of the year, the company witnessed decrease in the number of newly concluded sales contracts in the first month of the second quarter as a result of COVID-19 outbreak, compared to the preceding months of this year and compared to the same month in last year .

Apart from above decrease, the company did not noticed such slowdown in sales during the following 2 months which resulted in very good sales for the second quarter of 2020.

During this period , In order to be accessible to our clients and potential clients The Company initiated alternative marketing procedures in which its sale personal was available and accesable by online and internet channels to show its on going projects . This inovative marketing tool allow the company to build its costumer base and maintain good contact with them as well as secure number of sales contracts .

The Management has been monitoring the progress on the construction sites on an ongoing basis. As of the date of publication of this report, all projects are being executed according to schedule.

The Group has also been preparing for the launch of new investments, with the final dates of commencement for construction and sales of new stages being adjusted to current market conditions. The Management does not predict any delays in the process of delivering units to customers in already completed projects and in projects that are planned to be completed this year.

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020

Notes to the Interim Condensed Consolidated Financial Statements

Note 24 – Subsequent events

Share buyback program

In connection with the implementation of the treasury shares repurchase programme that was approved under resolution No. 21 of the Ordinary General Meeting dated 30 June 2020 regarding the approval of a buy-back programme (the “Authorisation Resolution”), the Management Board of the Company on 1 July 2020 resolved to determine the detailed terms of the repurchase of the shares in the Company (“Buy-back”), which were also approved by the Supervisory Board of the Company. The treasury shares will be acquired under the Buy-back until three years starting from the adoption of the Authorisation Resolution, by way of transactions concluded on the regulated market and on terms similar to those provided in the Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 supplementing Regulation (EU) No. 596/2014 of the European Parliament and of the Council with regards to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures, in particular in terms of determining the price and the number of the shares, which may be acquired pursuant to the Buy-back. The maximum amount allocated for the purchase of all of the shares pursuant to the Buy-back shall not be higher than PLN 1,369,761.99 (one million, three hundred and sixty-nine thousand, seven hundred and sixty-one zloty and 99/100).

From 8 July 2020 until 11 August 2020, the Company acquired 164,585 own shares for a total price of PLN 201.0 thousand.

As at 11 August 2020, the Company held 899,107 own shares representing 0.55% of total shares issued by the Company.

Bond loans

On 29 July 2020, the Company repaid all outstanding 15,000 series Q bonds with total nominal value of PLN 15,000 thousand. After this repayment, the total number of outstanding bonds series Q amounted to nil.

Panoramika VI – building permit

On 6 July 2020, the Company has obtained a legally valid building permit for stage VI of the Panoramika property development in Szczecin.

Panoramika V – occupancy permit

On 30 July 2020, the Company has obtained a legally valid occupancy permit for stage V of the Panoramika property development in Szczecin.

The Management Board

Boaz Haim

President of the Management Board

Yaron Shama

Vicepresident of the Management Board, CFO

Andrzej Gutowski

Vicepresident of the Management Board,
Sales and Marketing Director

Alon Haver

Member of the Management Board

Adriana Pawulska

Person responsible for the accounting records

Warsaw, 11 August 2020

Independent Auditors' Report

Interim Condensed Company Statement of Financial Positions

<i>In thousands of Polish Zlotys (PLN)</i>	<i>Note</i>	30 June 2020	31 December 2019
Assets			
Investment in subsidiaries	6	425,314	419,835
Loan granted to subsidiaries	7	120,138	89,606
Deferred tax assets		891	1,015
Total non-current assets		546,343	510,456
Current assets			
Trade and other receivables and prepayments		225	107
Receivable from subsidiaries		650	1,244
Loan granted to subsidiaries	7	27,446	24,223
Cash and cash equivalents		1,186	7,173
Total current assets		29,507	32,747
Total assets		575,850	543,203
Equity			
Shareholders' equity			
Share capital		12,503	12,503
Share premium reserve		150,278	150,278
Treasury shares		(630)	(580)
Retained earnings		219,091	188,293
Total shareholders' equity	<i>12</i>	381,242	350,494
Liabilities			
Long-term liabilities			
Bond loans	8	76,735	151,078
Total long-term liabilities		76,735	151,078
Current liabilities			
Bond loans	8	101,236	36,891
Loans from subsidiaries		5,684	3,309
Trade and other payables and accrued expenses		1,112	1,431
Dividend payable		9,841	-
Total current liabilities		117,873	41,631
Total liabilities		194,608	192,709
Total shareholders' equity and liabilities		575,850	543,203

The notes included on pages 74 to 80 are an integral part of these interim condensed company financial statements

Independent Auditors' Report

Interim Condensed Company Statement of Comprehensive Income

<i>In thousands of Polish Zlotys (PLN)</i>	<i>Note</i>	For the 6 months	For the 3 months	For the 6 months	For the 3 months
		ended 30 June	ended 30 June	ended 30 June	ended 30 June
		2020	2020	2019	2019
		(Reviewed) /	(Reviewed) /	(Reviewed) /	(Unaudited) /
		(unaudited)	(unaudited)	(unaudited)	(unreviewed)
Revenues from consulting services		4,804	2,928	2,606	1,366
General and administrative expense		(2,715)	(1,551)	(1,784)	(971)
Other expenses		-	-	(8)	-
Operating profit		2,089	1,377	814	395
Result from subsidiaries after taxation	6	40,216	10,638	13,068	9,090
Operating profit after result from subsidiaries		42,305	12,015	13,882	9,485
Finance income		3,587	1,962	4,091	1,923
Finance expense		(5,128)	(2,508)	(5,903)	(2,767)
Net finance income/(expense)		(1,541)	(546)	(1,812)	(844)
Profit/(loss) before taxation		40,764	11,469	12,070	8,641
Income tax benefit/(expense)	9	(124)	(217)	94	39
Profit for the period		40,640	11,252	12,164	8,680
Other comprehensive income		-	-	-	-
Total comprehensive income/(expense) for the period, net of tax		40,640	11,252	12,164	8,680
Weighted average number of ordinary shares (basic and diluted)		163,285,842	163,285,842	163,873,259	163,743,841
<i>In Polish Zlotys (PLN)</i>					
Net earnings/(loss) per share attributable to the equity holders of the parent (basic and diluted)		0.249	0.069	0.074	0.053

The notes included on pages 74 to 80 are an integral part of these interim condensed company financial statements

Independent Auditors' Report

Interim Condensed Company Statement of Changes in Equity

<i>In thousands of Polish Zlotys (PLN)</i>	Share capital	Share premium	Treasury shares	Retained earnings ⁽¹⁾	Total equity
Balance at 1 January 2020	12,503	150,278	(580)	188,293	350,494
Net profit for the period ended 30 June 2020	-	-	-	40,640	40,640
Repurchase of own shares	-	-	(50)	-	(50)
Declaration of dividends	-	-	-	(9,842)	(9,842)
Balance at 30 June 2020	12,503	150,278	(630)	219,091	381,242

(1) In order to fund the purchase of own shares under the buyback program, a capital reserve (within retained earnings) was established for an amount of PLN 2,000 thousand. The capital reserve was subsequently reduced by the amount of the consideration paid for the shares bought back. The amount of capital reserve as at 24 January 2020 (lasting date of authorization granted to the Management Board for the purchase of own shares) amounted to PLN 1,573 thousand and was presented as a part of the retained earnings. As at 25 January 2020 the capital reserve was liquidated.

<i>In thousands of Polish Zlotys (PLN)</i>	Share capital	Share premium	Treasury shares	Retained earnings ⁽¹⁾	Total equity
Balance at 1 January 2019	12,503	150,278	-	180,699	343,480
Net profit for the period ended 30 June 2019	-	-	-	12,164	12,164
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	12,164	12,164
Repurchase of own shares	-	-	(307)	-	(307)
Dividends paid	-	-	-	(9,820)	(9,820)
Balance at 30 June 2019 (Reviewed/ Unaudited)	12,503	150,278	(307)	183,043	345,517

(1) In order to fund the purchase of own shares under the buyback program, a capital reserve (within retained earnings) is established for an amount of PLN 2,000 thousand. The capital reserve is subsequently reduced by the amount of the consideration paid for the shares bought back. The amount of the capital reserve as at 30 June 2019 amounted to PLN 1,693 thousand and was presented as a part of the retained earnings.

The notes included on pages 74 to 80 are an integral part of these interim condensed company financial statements

Independent Auditors' Report

Interim Condensed Company Statement of Cash Flows

For the 6 months period ended 30 June		2020	2019
<i>In thousands of Polish Zlotys (PLN)</i>	<i>Note</i>		
Cash flows from operating activities			
Profit for the year		40,640	12,164
<i>Adjustments to reconcile profit for the period to net cash (used in)/from operating activities:</i>			
Finance income		(3,587)	(4,091)
Finance expense		5,128	5,903
Income tax expense	9	124	(94)
Net results subsidiaries during the year	6	(40,216)	(13,068)
Subtotal		2,089	814
Decrease/(increase) in trade and other receivables and prepayments		(118)	(148)
Decrease/(increase) in receivable from subsidiaries		594	(419)
Increase/(decrease) in payable to subsidiaries		-	-
Increase/(decrease) in trade and other payable and accrued expense		(319)	(13,129)
Subtotal		2,246	(12,882)
Interest paid	7,8	(4,816)	(5,293)
Interest received		833	2,372
Net cash used in operating activities		(1,737)	(15,803)
Cash flows from investing activities			
Loans granted to subsidiaries, net of issue cost	7	(34,000)	(21,962)
Repayment of loans granted to subsidiaries	7	3,000	54,870
Dividend from subsidiary	6	34,737	-
Net cash used in investing activities		3,737	32,908
Cash flows from financing activities			
Treasury shares		(50)	(307)
Dividends paid		-	(9,820)
Repayment of loans from subsidiaries/Loans received from subsidiaries		2,063	-
Proceeds from bond loans, net of issue costs	8	-	31,560
Repayment of bond loans	8	(10,000)	(40,000)
Net cash from financing activities		(7,987)	(18,567)
Net change in cash and cash equivalents		(5,987)	(1,462)
Cash and cash equivalents at 1 January		7,173	2,147
Cash and cash equivalents at the end of the period		1,186	685

The notes included on pages 74 to 80 are an integral part of these interim condensed company financial statements

Independent Auditors' Report

Notes to the Interim Condensed Company Financial Statements**Note 1 – General**

Ronson Development SE ('the Company'), formerly named Ronson Europe N.V., is an European Company with its statutory seat in Warsaw, Poland. The registered office is located at al. Komisji Edukacji Narodowej 57. The Company was incorporated in the Netherlands on 18 June 2007 as Ronson Europe N.V. with statutory seat in Rotterdam. During 2018, the Company changed its name and was transformed into an European Company (SE) and, effectively as of 31 October 2018, transferred its registered office of the Company from the Netherlands to Poland.

The Company (together with its subsidiaries, 'the Group') is active in the development and sale of residential units, primarily apartments, in multi-family residential real-estate projects to individual customers in Poland. For information about companies in the Group which financial data are included in the Interim Condensed Consolidated Financial Statements reference is made to Note 7 in the Interim Condensed Consolidated Financial Statements.

The shares of the Company are traded on the Warsaw Stock Exchange since 5 November 2007. According to publicly available information, as at 30 June 2020, 66.06% of the shares are controlled by Amos Luzon Development and Energy Group Ltd. ('A. Luzon Group') and 0.45% of the shares are held by the Company. The remaining 33.49% of the outstanding shares are held by other investors including Nationale Nederlanden Otwarty Fundusz Emerytalny and Metlife Otwarty Fundusz Emerytalny. The number of shares held by the investors is equal to the number of votes, as there are no privileged shares issued by the Company. It shall be noted that as at 30 June 2020, the Company held 734,522 own shares (0.45%) and, in accordance with art. 364 § 2 of the Code of Commercial Companies, it does not exercise voting rights from own shares.

Note 2 – Basis of preparation of Interim Condensed Company Statements

These Interim Condensed Company Financial Statements of Ronson Development SE have been prepared in accordance with IAS 34 (concerning the preparation of interim financial statements). The Interim Condensed Company Financial Statements do not include all the information and disclosures required in annual financial statements prepared in accordance with the IFRS and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2019, which have been prepared in conformity with IFRS. At the date of authorization of these Interim Condensed Company Financial Statements, the IFRSs applied by the Company are not different from the IFRSs endorsed by the European Union. IFRSs comprise standards and interpretations accepted by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

The Interim Condensed Company Financial Statements of Ronson Development SE have been prepared on the going concern assumption, i.e. the continuation of the Company's business activity in the foreseeable future. As at the day of the approval of these financial statements, there were no circumstances identified implying any threats to the continuation of the Company's activity.

These Interim Condensed Company Financial Statements of Ronson Development SE were approved by the Management Board for publication on 11 August 2020 in both English and Polish languages, while the Polish version is binding.

For additional information about significant accounting policy and the influence of the new accounting standard, see note 3 of the Interim Condensed Consolidated Financial Statements.

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Notes to the Interim Condensed Company Financial Statements

Note 3 – The use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reporting period. Actual results may differ from these estimates.

In preparing these Interim Condensed Company Financial Statements, the significant judgments made by the Management Board in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Consolidated Financial Statements for the year ended 31 December 2019.

Note 4 – Functional and reporting currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The Company Financial Statements are presented in thousands of Polish Zloty ("PLN"), which is the Company's functional and presentation currency.

Transactions in currencies other than the functional currency are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in currencies other than the functional currency are recognized in the statement of comprehensive income.

Note 5 – Seasonality

The Company's activities are not of a seasonal nature. Therefore, the results presented by the Company do not fluctuate significantly during the year due to the seasonality.

Note 6 – Investment in subsidiaries

The subsidiaries of the Company are valued with equity methods.

The table below presents the movement in investment in subsidiaries during the six months ended 30 June 2020, during the year ended 31 December 2019 and during the six months ended 30 June 2019:

The movements in subsidiaries are as follows: For the period ended	For the 6 months ended 30 June 2020	For the 12 months ended 31 December 2019	For the 6 months ended 30 June 2019
<i>In thousands of Polish Zlotys (PLN)</i>			
Balance at beginning of the period	419,835	407,309	407,309
Investments in subsidiaries	-	-	-
Net result subsidiaries during the period	40,216	18,944	13,068
Dividend from subsidiary	(34,737)	(6,418)	-
Movement in Non controlling interests	-	-	-
Balance at end of the period	425,314	419,835	420,377

The Company holds and owns (directly and indirectly) 91 companies. These companies are active in the development and sale of units, primarily apartments, in multi-family residential real-estate projects to individual customers in Poland. For additional information see Note 7 to the Interim Condensed Consolidated Financial Statements.

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Notes to the Interim Condensed Company Financial Statements

Note 7 – Loans granted to subsidiaries

The table below presents movements in loans granted to subsidiaries held directly and indirectly by the Company during the six months ended 30 June 2020, during the year ended 31 December 2019 and during the six months ended 30 June 2019:

	For the 6 months ended 30 June 2020	For the 12 months ended 31 December 2019	For the 6 months ended 30 June 2019
<i>In thousands of Polish Zloty (PLN)</i>	(Reviewed/ Unaudited)	(Audited)	(Reviewed/ Unaudited)
Opening balance	113,829	155,836	155,836
Loans granted	34,000	46,916	22,000
Loans repayment during the year	(3,000)	(88,254)	(54,870)
Charges and fees	-	-	(38)
Amortization of charges and fees	87	215	156
Accrued interest	3,493	7,059	1,563
Repayment of interest	(825)	(7,943)	-
Total closing balance	147,584	113,829	124,647
Closing balance includes:			
Current assets	27,446	24,223	34,432
Non-current assets	120,138	89,606	90,215
Total closing balance	147,584	113,829	124,647

The loans are not secured.

All new loans granted are at the similar conditions to those presented in the Company Financial Statements for the year ended 31 December 2019. For more information see Note 11 of the Company Financial Statements for the year ended 31 December 2019.

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Notes to the Interim Condensed Company Financial Statements

Note 8 – Bonds loans

The table below presents the movement in Bond loans during the six months ended 30 June 2020, during the year ended 31 December 2019 and during the six months ended 30 June 2019:

<i>In thousands of Polish Zloty (PLN)</i>	For the period ended 30 June 2020	For the year ended 31 December 2019	For the period ended 30 June 2019
	(Reviewed/ Unaudited)	(Audited)	(Reviewed/ Unaudited)
Opening balance	187,969	205,547	205,547
Repayment of bond loans	(10,000)	(50,000)	(40,000)
Proceeds from bond loans	-	32,317	32,317
Issue cost	-	(757)	(757)
Issue cost amortization	350	854	470
Accrued interest	4,447	10,351	5,412
Interest repayment	(4,795)	(10,343)	(5,272)
Total closing balance	177,971	187,969	197,717
Closing balance includes:			
Current liabilities	101,236	36,891	22,053
Non-current liabilities	76,735	151,078	175,664
Total Closing balance	177,971	187,969	197,717

For information about bond covenants, reference is made to Note 13 to the Interim Condensed Consolidated Financial Statements.

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Notes to the Interim Condensed Company Financial Statements

Note 9 – Income tax

For the 6 months ended	2020	2019
<i>In thousands of Polish Zlotys (PLN)</i>	(Reviewed/ Unaudited)	(Reviewed / Unaudited)
Current tax expense	-	-
Deferred tax expense		
Origination and reversal of temporary differences	406	329
Tax losses utilized/(recognized)	(282)	(423)
Total deferred tax expense/(benefit)	124	(94)
Total income tax expense/(benefit)	124	(94)

Note 10 – Commitments and contingencies

Nova Królikarnia – Call Option

As part of the Nova Królikarnia acquisition (see Note 6 to the Company's Consolidated Financial Statements for the year ended 31 December 2019), the Company and GCH have concluded call option agreements for a total value of PLN 78.9 million, under which the Company has been granted three call options with respect to the shares in the eight other project companies holding the remaining stages of the Nova Królikarnia project. The last option was executed in April 2020. The exercise of the three call options will allow the Company to develop 161 units with an aggregate floor space of approximately 21,500 m².

On 9 April 2020, the Company (via its subsidiary) exercised the last call option, based on call option agreements concluded on 10 April 2018 with Global City Holdings B.V., as a result of this transaction the Company acquired shares in company holding one substage of the Nova Królikarnia project with an aggregate floor space of 3,300 m² for a total value of PLN 9.9 million. The total price for the third call option was paid on the transaction data.

Certain fees in the maximum amount of PLN 11.9 million were be due by the Company if the Company does not exercise all three call options within certain deadlines. However, the fees were reduced proportionally to the extent options have been exercised. As at the 30 June 2020, as the result of all call options having been exercised, the amount of the fee contingency decreased to nil.

Note 11 – Related parties transactions

There were no transactions and balances with related parties during the six months ended 30 June 2020 other than the remuneration of the Management Board, loans granted to related parties, the reimbursement of audit review costs and the consulting agreement with A. Luzon Group, the major (indirect) shareholder, for a total monthly amount of PLN 70 thousand and covering travel and out of pocket expenses. All transactions with related parties were performed based on market conditions.

Independent Auditors' Report

Notes to the Interim Condensed Company Financial Statements**Note 12 – Equity***Repurchase of own shares*

During the Extraordinary General Meeting of Shareholders held on 24 January 2019, the shareholders of the Company resolved to approve a share buyback program and the establishment of a capital reserve for the purpose of such program, whereby the Management Board of the Company is authorized to purchase ordinary bearer shares in the Company. In order to fund the purchase of own shares under the buyback program a capital reserve (within retained earnings) is established for an amount of PLN 2.0 million. The capital reserve is subsequently reduced by the amount of the consideration paid for the shares bought back.

From 1 January 2020 until 24 January 2020, the Company acquired 59,622 own shares for a total price of PLN 50.2 thousand. The amount of capital reserve as at 24 January 2020 amounted to PLN 1,573 thousand and was presented as a part of the retained earnings. As at 25 January 2020 the capital reserve was liquidated.

As at 30 June 2020, the Company held 734,522 own shares representing 0.45% of total shares issued by the Company.

Note 13 – Events during the period

For events during the period, reference is made to Note 23 to the Interim Condensed Consolidated Financial Statements.

On 2 April 2020, the Annual Shareholders Meeting of Ronson Development Construction Sp. z o.o. decided that the profit for the financial year 2019 in the net amount of PLN 12.7 million shall be allocated to dividend payment. The Company had an obligation against Ronson Development Construction Sp. z o.o. for intercompany loan in amount of PLN 14.9 million. The parties agreed that the Company repay PLN 12.7 million of intercompany loan received. The parties made a deduction of mentioned amounts and as a result of which these obligations were cancelled mutually. As a result the Company still has loan in the amount of PLN 2.2 million left to repay.

On 7 April 2020, the Management Board of Ronson Development Construction Sp. z o. o. decided to pay to the Company the advance towards the expected dividend from the profit for 2020 in the amount of PLN 22.0 million. The advance was already paid on 7 April 2020.

During The Ordinary General Meeting held on 30th of June 2020 the shareholder of the Company approved to allocate for the dividend payment the amount of PLN 0.06 (six groszy) per share. The dividend record date (“dzień dywidendy”) was set for 5 August 2020 and the date of dividend payment was set for 24 August 2020.

The total amount of the dividend payment depends on the number of own shares (where there is no right to dividend) held by the Company on the dividend record date and such total amount will not exceed, in any case, PLN 9,840,649 (nine million eight hundred and forty thousand, six hundred and forty-nine zloty).

The number of shares covered by the dividend payment depends on the number of own shares (where there is no right to dividend) held by the Company on the dividend record date and will not exceed, in any case, the total number of shares in the Company, i.e. 164,010,813.

Independent Auditors' Report

Notes to the Interim Condensed Company Financial Statements

Note 14 – Subsequent events

For further subsequent events, reference is made to Note 24 to the Interim Condensed Consolidated Financial Statements.

The Management Board

Boaz Haim
President of the Management Board

Yaron Shama
Vicepresident of the Management Board, CFO

Andrzej Gutowski
Vicepresident of the Management Board,
Sales and Marketing Director

Alon Haver
Member of the Management Board

Adriana Pawulska
Person responsible for the accounting records

Warsaw, 11 August 2020