

# PRESENTATION OF THE RESULTS FOR THE FIRST QUARTER OF 2019



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# Basic economic and financial parameters – Q1 2019

Residential and  
commercial space  
developer

In Q1 2019, construction of **11 investments** for a number of **3,642 units** with an area of over **171,000 m2** was carried out :

- ❑ **residential projects** with an area of over **133,000 m2**,
- ❑ **aparthotel-commercial projects** with an area of over **38,000 m2**.

**Other 21 investments were being prepared for launch, for a total of 5,375 units** with an area of over **454,000 m2** (including warehouse, hotel and commercial space of over **188,000 m2**):

- ❑ **in Warsaw and the surrounding area** for a number of **1.904 units** with a usable area of almost **179,000 m2** (including almost **82.000 m2** of warehouse-commercial space)
- ❑ **outside of Warsaw** for a number of **3.471 units** with an area of over **275,000 m2** in Cracow, Poznan, Łódz, Szczecin and Gdansk (including 106,000 m2 of warehouse, hotel and commercial space).

Hotels and  
aparthotels manager

**Almost 20 years of experience on the hotel market**

- ❑ **7 hotels and aparthotels** built
- ❑ **1 174 rooms and apartments**
- ❑ **2 638 beds**
- ❑ **3 060 conference seats**
- ❑ **1 677 restaurant seats**

The Company sold 280 units in Q1 2019

## Key events in Q1 2019

- ❑ Maintaining a good sales rate as anticipated – a total of **280 units** sold in Q1 2019

Further expansion of the land bank by the purchase of real estate - total value of PLN 26 million.:  
(the value of land purchased in the last 2 years is about PLN 200 million.)

- ❑ At **Celna St. in Szczecin** - **810 units, Useable Area: 48 800 m<sup>2</sup> \***
- ❑ At **Kilińskiego St. in Łódź** - **245 units, Useable Area: 10 300 m<sup>2</sup>**
- ❑ At **Modlińska in Warsaw** - **280 units, Useable Area: 12 500 m<sup>2</sup>**

\* Usable area and number of units for plots purchased in December 2018 and January 2019.

## Key events in Q1 2019

- ❑ Completion of the **Bliska Wola residential estate - Stage EK (commercial and residential part)** in Warsaw, Kasprzaka Street, for **433 units**. The procedure for obtaining the occupancy permit is in progress.
- ❑ Completion of the **Kamerata** residential estate in Gdynia at Sochaczewska Street for **55 units**. The occupancy permit was obtained in the second quarter of this year.
- ❑ Completion of the construction of **Alicja terraced houses (rank D)** near Ozarow Mazowiecki for **21 houses**. The procedure for obtaining an occupancy permit is in progress.



# Key events in Q1 2019

- ❑ Continuation of the construction of the final stage of the flagship project "Bliska Wola" at Kasprzaka St. **Stage D, i.e. Bliska Wola Tower** (27 storeys above ground level) - **1,500** flats and apartments with a total area of almost **62,000 m2**.
- ❑ Continuation of other investments **for 1.656 units**:
  - ❑ **Bliska Wola - Stage EM** in Warsaw at Kasprzaka St. – residential part for **671 units**,
  - ❑ **Hanza Tower** Szczecin at Wyzwolenia Av. for **508 units**,
  - ❑ **Nowe Tysiąclecie stage III** Katowice at Tysiąclecia Av. for **346 units**,
  - ❑ **Wrzosowa Aleja** in Białołęka – Warsaw for **81 units**
  - ❑ **Alicja Terraced Houses rank E** near Ożarów Mazowiecki for **20 houses**.
  - ❑ **Alicja Terraced Houses rank F** near Ożarów Mazowiecki for **30 houses**.



# Factors affecting company's activity now and in the near future

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## Related to utilising Group's potential:

- ❑ The Group has the potential to transfer premises for the next **3 years** – as at 31 March 2019 there were **3.900 not transferred units**, including:
  - ❑ **approx. 2.400 units** sold and not transferred,
  - ❑ **approx. 1.500 units** for sale.
- ❑ The Company plans to launch approximately **5,400 units** for sale in the coming periods. Together with the current offer, this means **6,900 units**, so the Group has a guaranteed offer for **more than 4 years**.
- ❑ **High balance of cash** on accounts (**over PLN 121 million**) and low net debt.

## Related to favourable external conditions:

- ❑ Increase in average prices of flats in the largest urban agglomerations sold in the first quarter of 2019 by more than 9% compared to the same period of the previous year \*.
- ❑ Low interest rates, which are estimated to last until at least 2022\*\*, favour real estate purchases as an alternative form of investment.
- ❑ High inclination to consumption and investment: low unemployment rate and rising average wages.

\*According to REAS

\*\*According to NBP

# Factors affecting company's activity now and in the near future

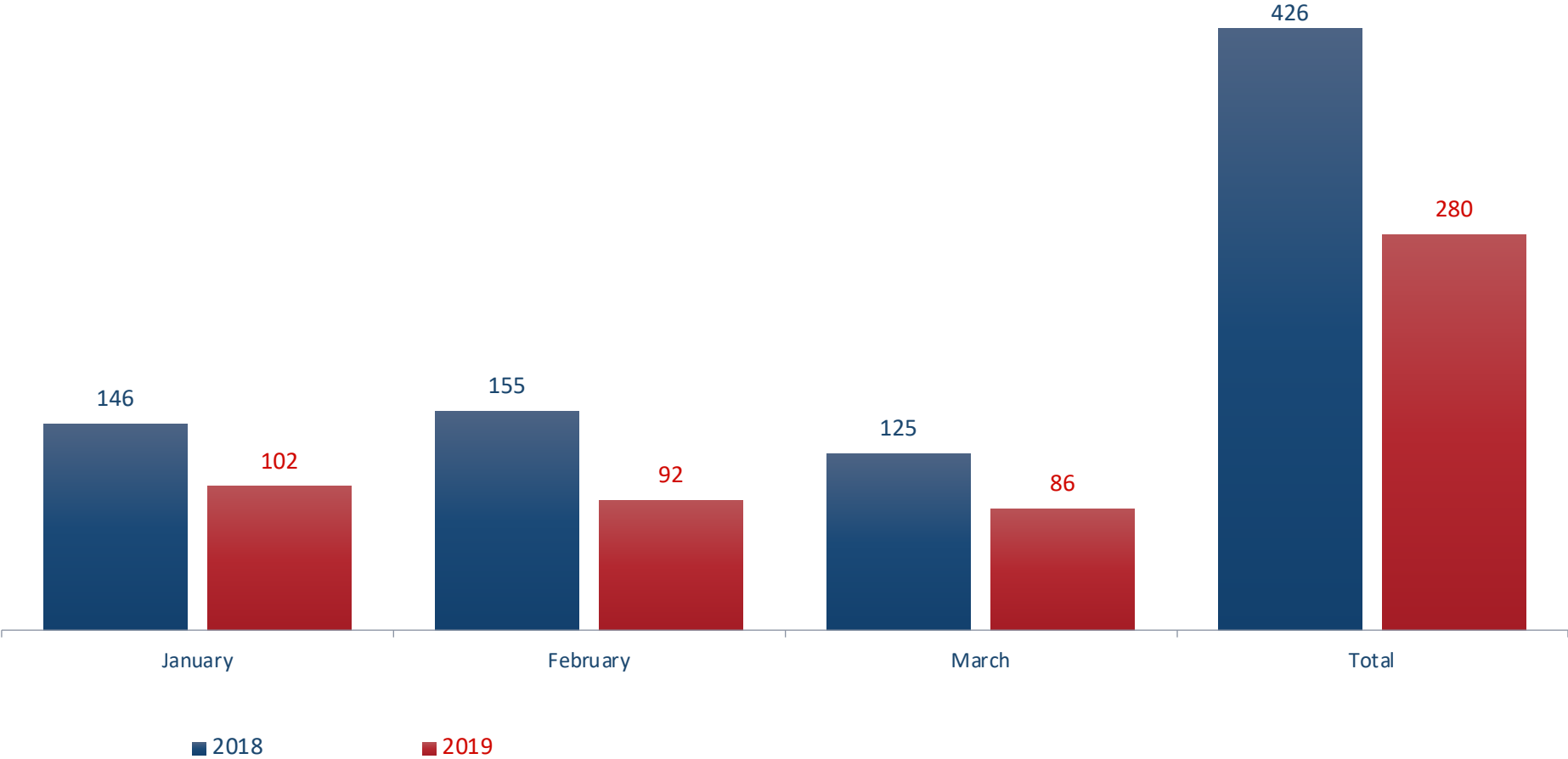
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- ❑ Uncertainty about legal changes related to the real estate market. Among other things, the planned amendment to the Act on the protection of rights of the purchaser of an apartment or a single-family house, providing, among other things, for the introduction of obligatory contributions to the Developer Guarantee Fund, constitutes a risk which may affect the Group's operations and financial results.
- ❑ Shrinking workforce in the construction industry and difficulties in recruiting contractors may affect investment commencement and completion dates.
- ❑ Higher costs of materials, construction and purchase of investment land.
- ❑ Decrease in the sales rate of flats in the largest urban agglomerations in Q1 2019 by 10% compared to the same period last year\*.
- ❑ Long-lasting process of obtaining necessary administrative decisions for current and planned projects.

\*According to REAS



# Sales of premises in Q1 2019



■ The Group sold 280 units in Q1 2019.

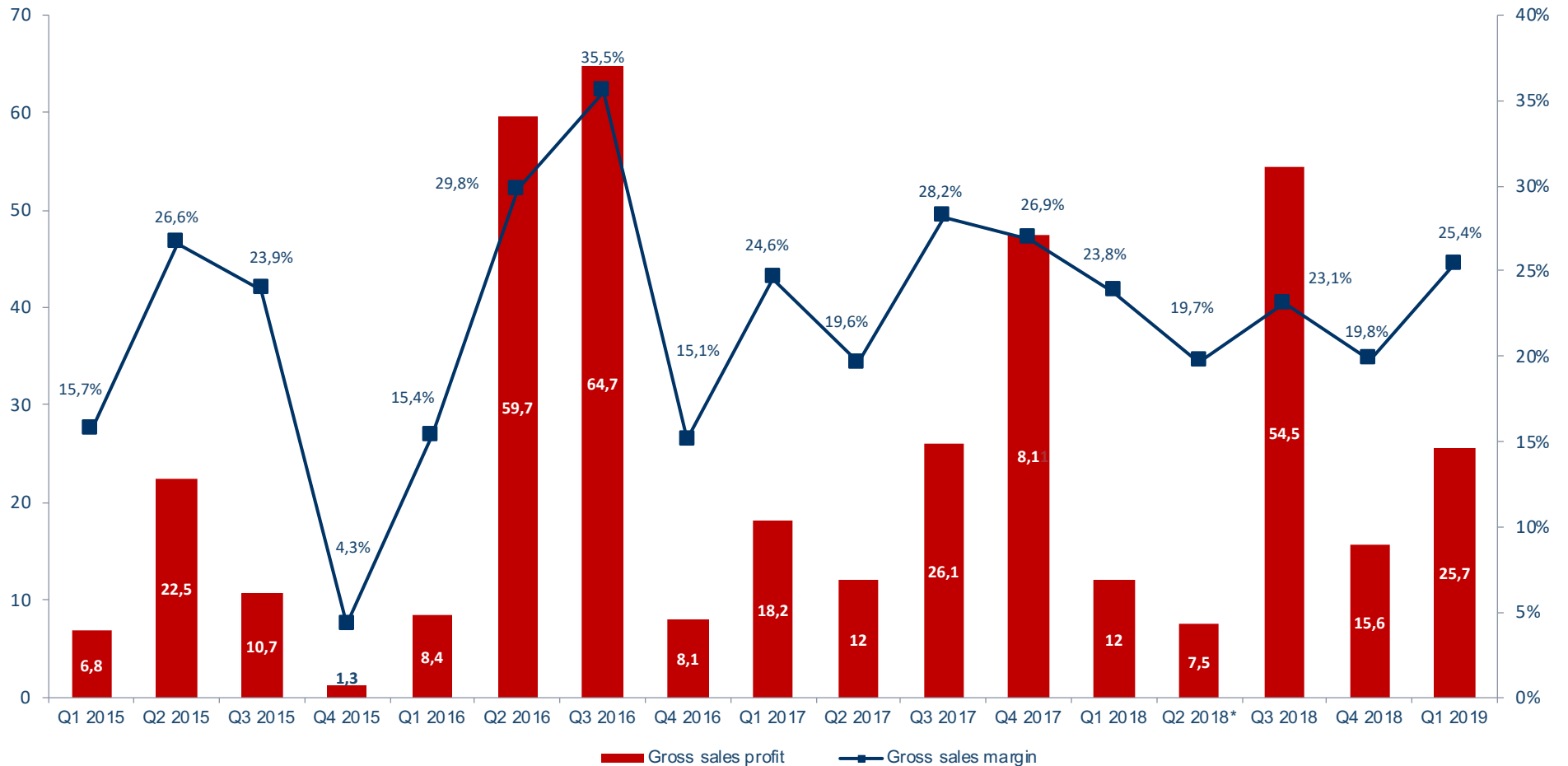
## Selected consolidated financial data for Q1 2019

Selected financial data	Q1 2019	Q1 2018	Change
Sales revenue*	PLN 101,3 m	PLN 50,5 m	100 %
Gross sales profit	PLN 25,7 m	PLN 12,0 m	114 %
Gross sales margin	25,4%	23,8 %	1,6 p.p.
Profit on operations	PLN 10,4 m	PLN -3,6 m	388 %
Net profit	PLN 6,8 m	PLN 0,8 m	721 %

- ▣ Over 2x increase in revenues in the first quarter of 2019 as compared to the corresponding period of the previous year.
- ▣ Over 8x increase in net profit compared to the same period of the previous year.

\* Including revenues of PLN 18,8 m from hotels and apart-hotels.

# Gross sales margin vs gross sales profit

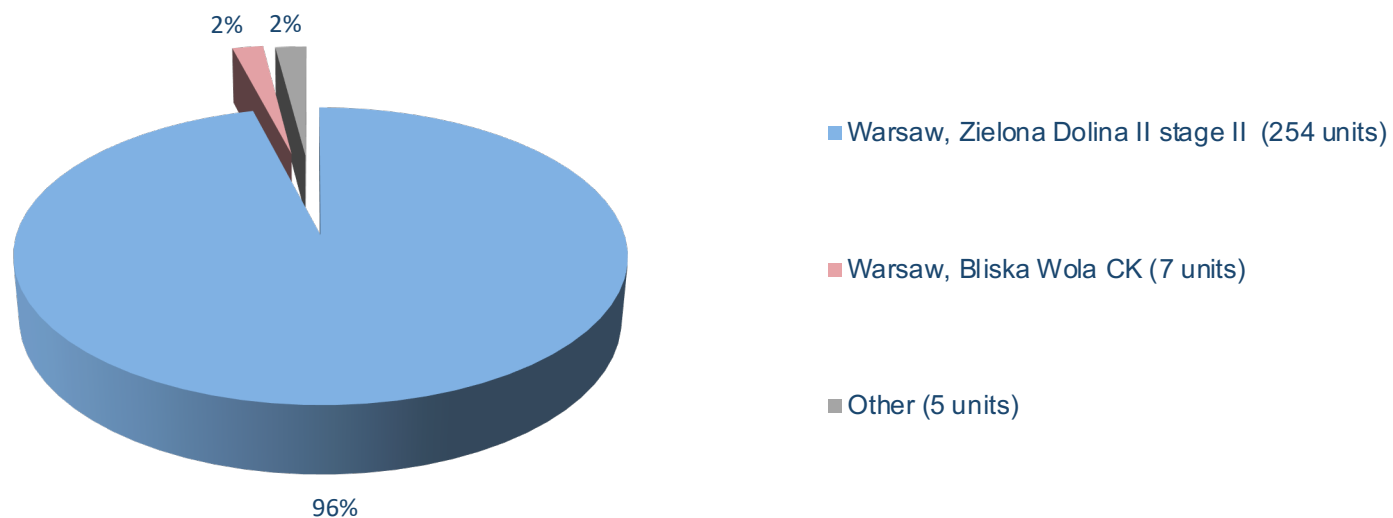


\*For the second quarter of 2018, the margin was presented without taking into account the one-off transaction of sale of a plot of land in Wrocław, as the transaction is not related to the typical, current activity of the Company.i.

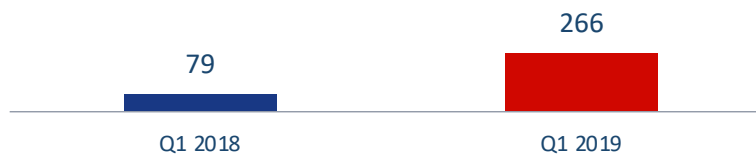
□ Gross sales margin in the long term remains at the level of approx. 20-25%

## Gross profit realisation in Q1 2019

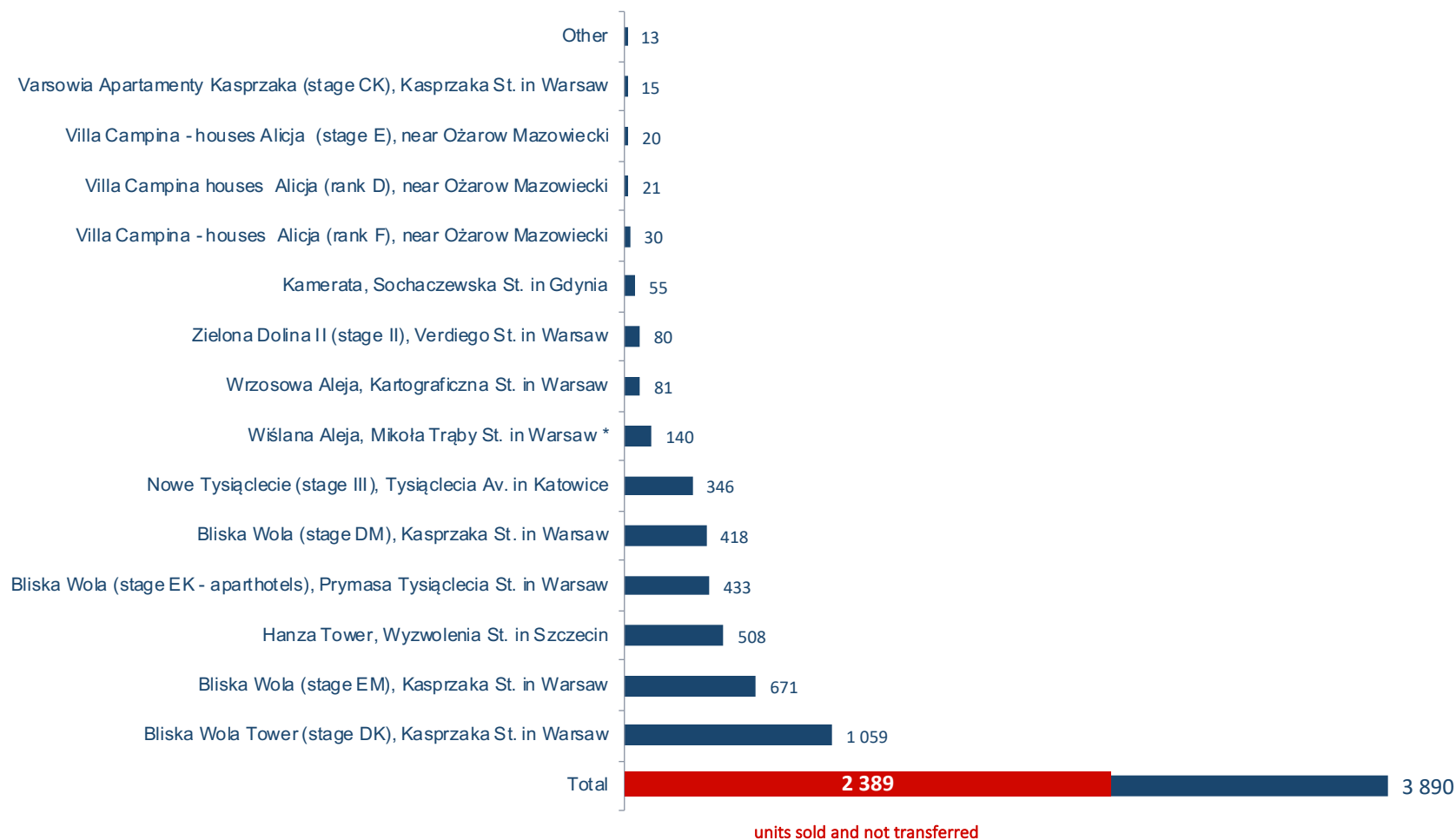
- The level of gross profit on sales in Q1 2019 amounts to **PLN 25.7 million**.  
Percentage share of developer projects recognized in the sales profit:



- Units recognized in the financial result for **Q1 2018** vs. **Q1 2019**



# Units from ongoing and completed investments to be recognized in next quarters



# Ongoing investments in Q1 2019

□ In Q1 2019 the Group was developing 11 **investments** with a total usable area of over **171 000 m<sup>2</sup>**

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

## Investments planned for launching as at 31.03.2019

- The Company, on the basis of its land bank, plans to launch the construction of **5.375 units** as well as warehouse and commercial space with a total area of **454.374 m<sup>2</sup>**

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

\*\*reservation sale

\*\* Preliminary purchase agreemen

## Key events and marketing and sales policy in Q1 2019

- ❑ Conducting effective advertising activities in all effective communication channels. Directing the advertising message to potential customers of a wide range of Company's products
- ❑ Preparation and pre-sale of a new project of Villa Wiślana located at Mikołaja Trąby Street in Warsaw
- ❑ Advertising activities related to the continuation of sponsorship cooperation with Onico Warsaw volleyball club
- ❑ Investment promotion at the spring edition of industry events: Real estate fairs in Warsaw and Katowice and the organization of Open Days and Investor Days in retail offices and investments.
- ❑ Preparation to launch new products in Pruszków (Osiedle Stacja Centrum), Poznań (Osiedle Gościnne) and Gdańsk (Osiedle Horizon).

# Willa Wiślana

**PRZEDSPRZEDAŻ MIESZKAŃ!**  
**2 POKOJE od 224 000 zł**



### Prizes and awards:

#### Czarny Potok Hotel

For the 5th time awarded with "Certificate of Excellence 2019" and "HALL OF FAME - Galeria Sław".

#### Dana Hotel

Quality Certificate 2019 of TripAdvisor portal





# Attachments

## Investments planned for launching in the next months: Mikołaja Trąby St., Warsaw– commenced in Q2 2019

Investment	Warsaw, Willa Wiślana
Location	Warsaw, Mikołaja Trąby St.
Number of units	140
Useable area (m <sup>2</sup> )	5 847 m <sup>2</sup>



Characteristics
<ul style="list-style-type: none"> <li>❑ Multi-family, 5-storey residential building</li> <li>❑ Two and three room flats with an area of 28-51 m<sup>2</sup></li> <li>❑ Attractive room layouts, exceptional two-room flats with a compact size.</li> <li>❑ Service premises in the building on the ground floor</li> <li>❑ Location in Tarchomin, which combines green areas and rich infrastructure: proximity of schools, kindergartens, shopping malls.</li> </ul>



## Investments planned for launching in the next months: Pruszków, Waryńskiego St.

Investment	Pruszków, Stacja Centrum
Location	Pruszków, Waryńskiego St.
Number of units	446
Useable area (m <sup>2</sup> )	PUM 19 709 m <sup>2</sup> PU 1 929 m <sup>2</sup>



### Characteristics

- ❑ Location in the centre of Pruszków, by the railway station
- ❑ Excellent design - room layouts and metric areas designed in response to the expectations of future purchasers
- ❑ Proximity to agglomeration facilities: schools, kindergartens, shopping centres
- ❑ Quick access to the centre of Warsaw
- ❑ Perfect for families with children



# Investments planned for launching in the next months: Gdańsk, Starowiejska St.

Investment	Gdańsk, Horizon
Location	Gdańsk, Starowiejska St.
Number of units	638
Useable area (w m <sup>2</sup> )	PUM: 32 521 m <sup>2</sup> PU: 629 m <sup>2</sup>



## Characteristics

- ❑ The key advantage is the excellent location in the revitalized part of Gdańsk, a district with the potential to attract investors and people seeking to buy an apartment. The development of the district, apart from the construction of the Energa Gdańsk Stadium and additional infrastructure, included the construction of a tunnel under the Martwa Wisła river, which connected Wisła Portowa with the western part of the city.
- ❑ Modern design, metric areas desired on the market
- ❑ A magnificent view from the top floors

# Investments planned for launching in the next months: Skórzewo near Poznan, Poznańska St.

Investment	Skórzewo near Poznan,
Location	Skórzewo near Poznan, Poznańska St.
Number of units	280
Useable area (m <sup>2</sup> )	14 500 m <sup>2</sup>



Characteristics
<ul style="list-style-type: none"><li>Very good location, considered to be one of the most attractive for people looking for flats in the vicinity of Poznan.</li><li>Proximity of green areas - Marcelinski Park</li><li>Combination of nature with urbanised part of the city, proximity of facilities: schools, kindergartens, shopping centres</li><li>Modern design, attractive both visually and in terms of functionality of flats and common areas.</li></ul>



# Warehouse investments planned for launching in the next months in Szczecin

Investment	Park Logistyczny, Szczecin
Location	Szczecin
Total area	approx. 80 000 m <sup>2</sup>



## Characteristics

- The advantage of the Park is its location. The investment is located within the city borders (the northern part of Szczecin, just 10 km from the city centre and 50 km from the airport in Goleniów) and at the same time in the vicinity of the Polish-German border, with good access to the A6 motorway leading to Berlin.





# Hotels and Aparthotels of J.W. Construction Holding S.A

J.W. Construction Holding S.A. manages 5 hotels: in Tarnow Podgorny, Strykow, Zegrze, Krynica-Zdroj, Szczecin and Aparthotels in Warsaw

Ultimately, the group of clients of the hotel chain include both individual and institutional clients, i.e. companies and institutions that are looking for facilities suitable for the organization of large conferences or seminars. On the other hand, Aparthotel's clients are corporate and individual clients, including those for long-term stays.

UNIT	LOCATION	NUMBER OF ROOMS/APARTMENTS	NUMBER OF BEDS	NUMBER OF CONFERENCE SEATS	RESTAURANT SEATS
<b>Hotel 500</b>	Tarnowo Podgórne	170	338	600	150
<b>Hotel 500</b>	Stryków	115	230	340	130
<b>Hotel 500</b>	Zegrze	128	250	570	390
<b>Hotel Dana</b>	Szczecin	100	176	250	54
<b>Hotel Czarny Potok Resort SPA &amp; Conference</b>	Krynica Zdrój	236	535	1300	790
<b>Apartamenty Varsovia Jerolimskie</b>	Warszawa	114	234	0	38
<b>Apartamenty Varsovia Kasprzaka*</b>	Warszawa	311	875	0	125
<b>TOTAL</b>		<b>1174</b>	<b>2638</b>	<b>3060</b>	<b>1677</b>

\*Unit managed solely by Varsovia Kasprzaka





HOTEL 500 ZEGRZE



HOTEL 500 STRYKÓW



HOTEL 500 ZEGRZE



HOTEL 500 TARNOWO PODGÓRNE





**Thank you for your attention**

**INVESTMENT RELATIONS**

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