

FINANCIAL RESULTS PRESENTATION FOR Q1 OF 2018



Table of contents

	page
❑ Basic economic and financial parameters – Q1 of 2018	3
❑ Most important events in Q1 of 2018	4-6
❑ Sales and marketing policy in Q1 of 2018	7
❑ Factors influencing current and future business activity	8-9
❑ Sales of units in Q1 of 2018	10
❑ Selected consolidated data for Q1 of 2018	11
❑ Gross sales margin vs gross sales profit	12
❑ Realization of gross sales profit for Q1 of 2018	13
❑ Overheads vs. employment	14
❑ Units to be recognized in next quarters from completed and carried-out investments	15
❑ Investments completed in Q1 of 2018	16
❑ Investments planned for launching as at March 31, 2018	17
❑ Attachments	18-24

Basic economic and financial parameters – Q1 of 2018

Developer of
residential and
commercial
properties

In Q1 2018, **the construction of 12 investments with 3.446 units** with an area of **161.800 sq. m. was carried out:**

- ❑ **Residential projects** with an area of approx. **126,400 sq.m.,**
- ❑ **Aparthotel and commercial investments** with an area of almost **35.400 sq.m.**

Prepared for launching were another 25 investments with the total of 5.322 units and an area of almost **396.000 sq.m.** (including storage and aparthotel-business spaces with an area of 192.000 sq.m.):

- ❑ **in Warsaw and the surrounding area** with **3,390 units** with a total useable area exceeding **208,000 m²**
(including 77.000 sq.m. of the storage, aparthotel and commercial space),
- ❑ **outside Warsaw** with **1,932 units** with an area of approx. **188,000 m²**
- in Cracow, Poznan, Szczecin, and the Tricity (Gdansk, Gdynia, Sopot)
(including 115,000 m² of the storage, aparthotel, and commercial space).

In Q1, **426 units** were sold, including **60 office and aparthotel units**

Most important events in Q1 of 2018

- ❑ An ongoing good sales rate – **an increase of sold units by 6%** in relation to the previous year: **426 units in Q1 of 2018** in relation to 401 units in the analogous period of 2017
- ❑ Start of the construction of the **Wrzosowa Aleja** community with **81 units** in the area of Kartograficzna and Lewandów streets in Warsaw's Białołęka.
- ❑ Completion of the construction of an **aparthotel at Kasprzaka street** in Warsaw (commercial part of phase C) with **457 units**. The procedure for obtaining a certificate of occupancy has been initiated.
- ❑ Completion of the construction of **Zielona Dolina phase III community** in Warsaw with **54 units**. The procedure for obtaining a certificate of occupancy has been initiated.



Most important events in Q1 of 2018

□ Continuation of the construction of remaining investments **for 2,854 units:**

- **Bliska Wola - Phase E (residential part)** in Warsaw with **671 units,**
- **Zielona Dolina II phase II** in Warsaw with **570 units,**
- **Hanza Tower** in Szczecin with **502 units,**
- **Bliska Wola –phase E (commercial and residential part)** in Warsaw with **433 units,**
- **Nowe Tysiąclecie phase III** in Katowice with **346 units,**
- **Bernadowo Park phase II** in Gdynia with **236 units,**
- **Kamerata** in Gdynia with **55 units,**
- **Alicja-type homes D row** with **21 homes,**
- **Alicja-type homes E row** with **20 homes.**



Most important events in Q1 of 2018

- ❑ Obtaining a construction permit for the construction of an **aparthotel at Pileckiego street** in Warsaw with **240 units** (the permit is not final and binding).
- ❑ Obtaining a final and binding permit for the construction of another phase of **townhouse-like homes near Ożarów Mazowiecki**; the permit encompasses **30 homes**.
- ❑ Last works related to obtaining a permit for the construction of the last phase of the Bliska Wola flagship investment at Kasprzaka street in Warsaw. **Phase D** complementing the community encompasses two subphases with approx. **1,500 units in total with a residential, commercial, and aparthotel area close to 62,000 m²**. The permit was obtained in Q2 of 2018 (the permit is not final and binding).
- ❑ Extending the land inventory through the purchase of real estate:
 - ❑ **at Poznańska street in Skórzew near Poznan for 280 units** (final and binding agreement),
 - ❑ **at Waryńskiego street in Pruszków for 475 units** (a preliminary agreement in Q1 of 2018, a final and binding agreement in Q2 of 2018),
 - ❑ **at Starowiejska street in Gdańsk for 75 units** (a preliminary agreement),
 - ❑ **at Celną street in Szczecin for 623 units** (a preliminary agreement in Q2).



Marketing and sales policy in Q1 of 2018

- ❑ Carrying-out effective advertisement campaigns in all effective communication channels. Implementation of Internet advertisement novelties. Directing the advertisement of a broad range of company products to potential customers:
 - ❑ Intensive social media campaign - operating social media profiles and running advertisement activities to its full potential.
 - ❑ A full-scope advertising campaign for ready apartments at the Zielona Dolina community; extending the campaign with additional activities aimed at the native speakers of the Russian language.
 - ❑ Directing the advertisement to investors expecting stable and reliable revenue, including the projects in Warsaw and Szczecin.
 - ❑ Continuation of the promotional activities with regard to projects in Warsaw, Gdynia, and Katowice.
 - ❑ Initiating special promotional activities with special bonuses: voucher for a stay in Czarny Potok hotel for the purchasers of the Villa Campina single-family homes as well as apartments on the Nowe Tysiąclecie community, a special Leroy Merlin discount card. Promoting investments on local trade shows: Real estate trade shows in Warsaw as well as the organization of Open Days and Investor Days in sales offices.



**GOTOWE
MIESZKANIA!**



Factors influencing the current and future activity

P
O
S
I
T
I
V
E

Related to the utilization of the Group's potential:

- ❑ The company has a potential to transfer units to its owners for the nearest **3 years**. As of March 31, 2018, it was **4,044 non-transferred units either under construction or completed**:
 - ❑ **2,891 units** sold and not transferred,
 - ❑ **1,153 units** available for sale.
- ❑ The Group had a guaranteed offer for more than 3 years owing to more than **6,000 units not sold** (1,153 on offer and another 4,904 that the company plans to start selling in the nearest future).
- ❑ **High cash surplus** on accounts (**more than PLN 163m**) and a low debt level.

Related to positive external conditions:

- ❑ Good, ongoing prosperity on the real estate market; according to REAS, there has been a sales growth at approx. 9% over the last quarters.
- ❑ The increase of average prices of sold units in Q1 by more than 5% in relation to the analogous period of last year.
- ❑ Low interest rates that are estimated to remain at the same level until at least 2018, which benefits investor purchasing living and aparthotel units.
- ❑ Good situation on the labor market: low unemployment rate and growing average wages.

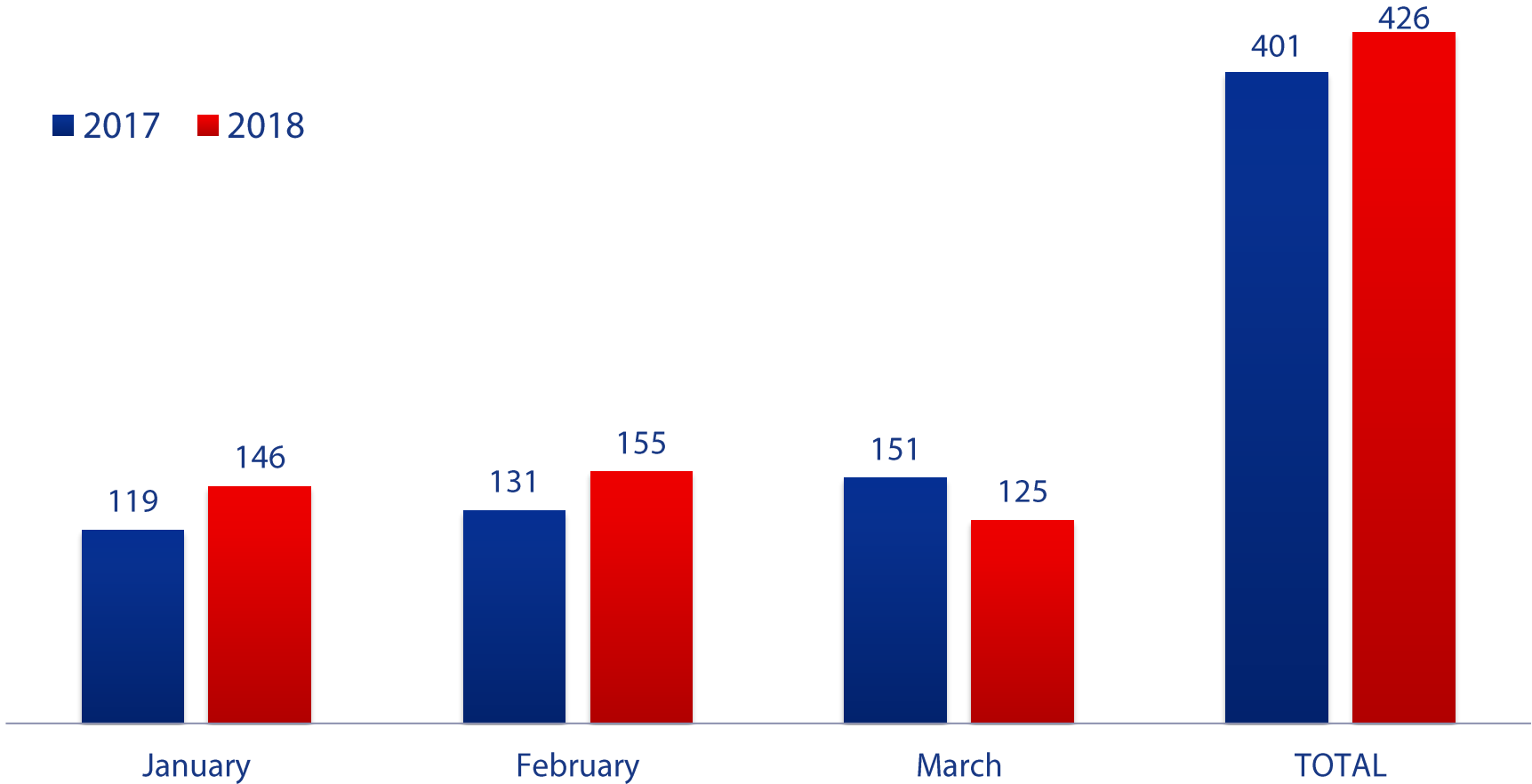
*According to the declarations of the president of the National Bank of Poland

Factors influencing the current and future activity

N
E
G
A
T
I
V
E

- ❑ Exhausting funds available under the MmM program and a lack of plans supporting people buying apartments.
- ❑ A lack of certainty regarding the influence of the Mieszkanie Plus program on the real estate development market.
- ❑ Increase of construction costs and difficulties in finding contractors.
- ❑ A long-term process regarding the acquisition of administrative decisions for current and planned projects.
- ❑ A lack of certainty with regard to legal changes in the scope of real estate market.

Apartment sales in Q1 of 2018



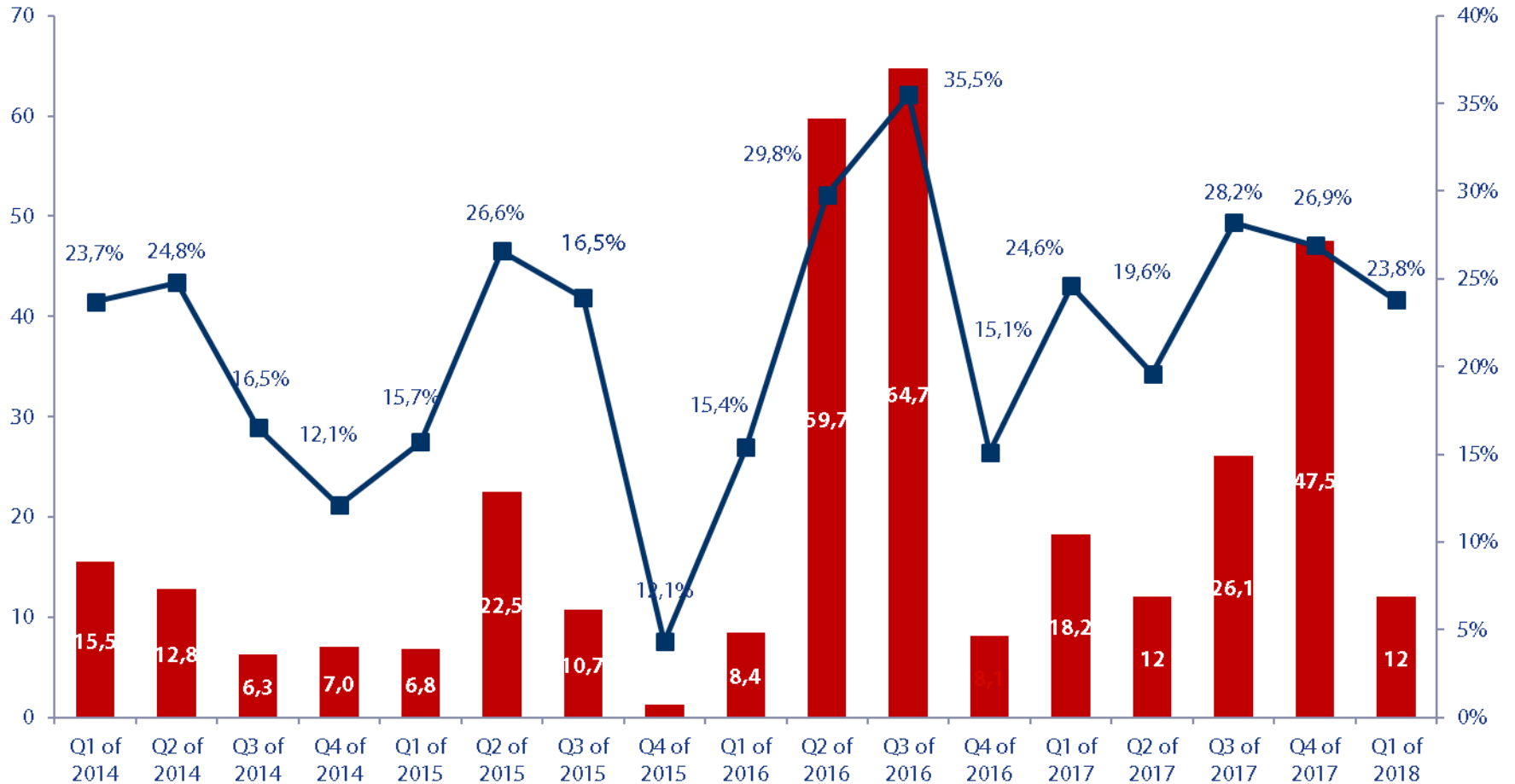
□ In Q1, 2018, the Company sold **426 units**, which is a **6%** growth in comparison with the analogous period of the past year,

Selected consolidated financial data for Q1 of 2018

Selected consolidated data	Q1 of 2018	Q1 of 2017	Change
Net revenues from sales	PLN 50,5m	PLN 74,0m	-31,7%
Gross profit from sales	PLN 12,0m	PLN 18,2m	-33,9%
Gross margin from sales	23,8%	24,6%	- 0,8 p.p.
Result on the operations	-PLN 3,6m	PLN 6,5m	-155,2%
Net result	PLN 0,8m	PLN 2,1m	-59,9%

- ❑ Lower revenue as a result of a lower number of units being taken into consideration in the financial result.
- ❑ The company recorded the sales revenue at the level of PLN 50,5 and a net profit equal to PLN 0,8m.

Gross sales margin vs gross sales profit

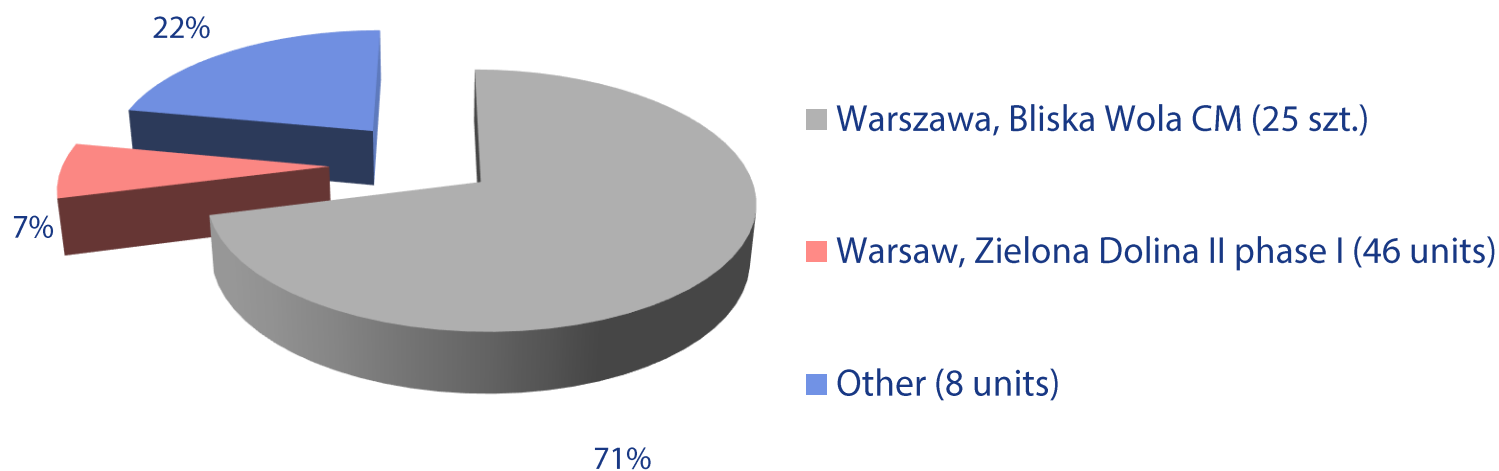


□ Gross sales margin has remained the same level of approx. **25%** over a considerable period of time.

■ Gross sales profit ■ Gross sales margin

Realization of gross profit from sales for Q1 of 2018.

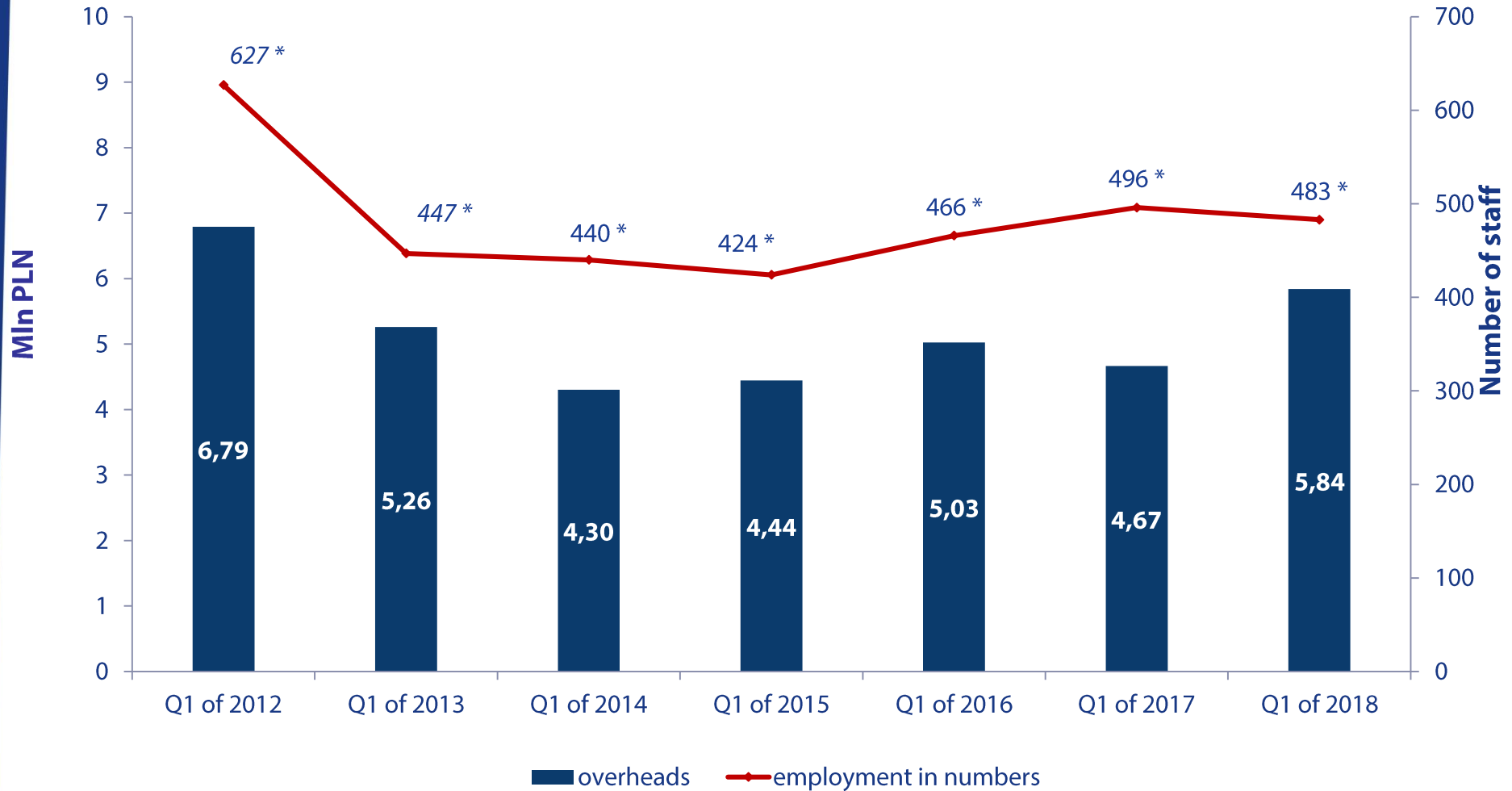
- The level of generated gross sales profit for Q1 is PLN **12m**.
 The percentage of real estate development projects recognized in the sales profit:



- Units recognized in **Q1 for vs. Q1 of 2017**



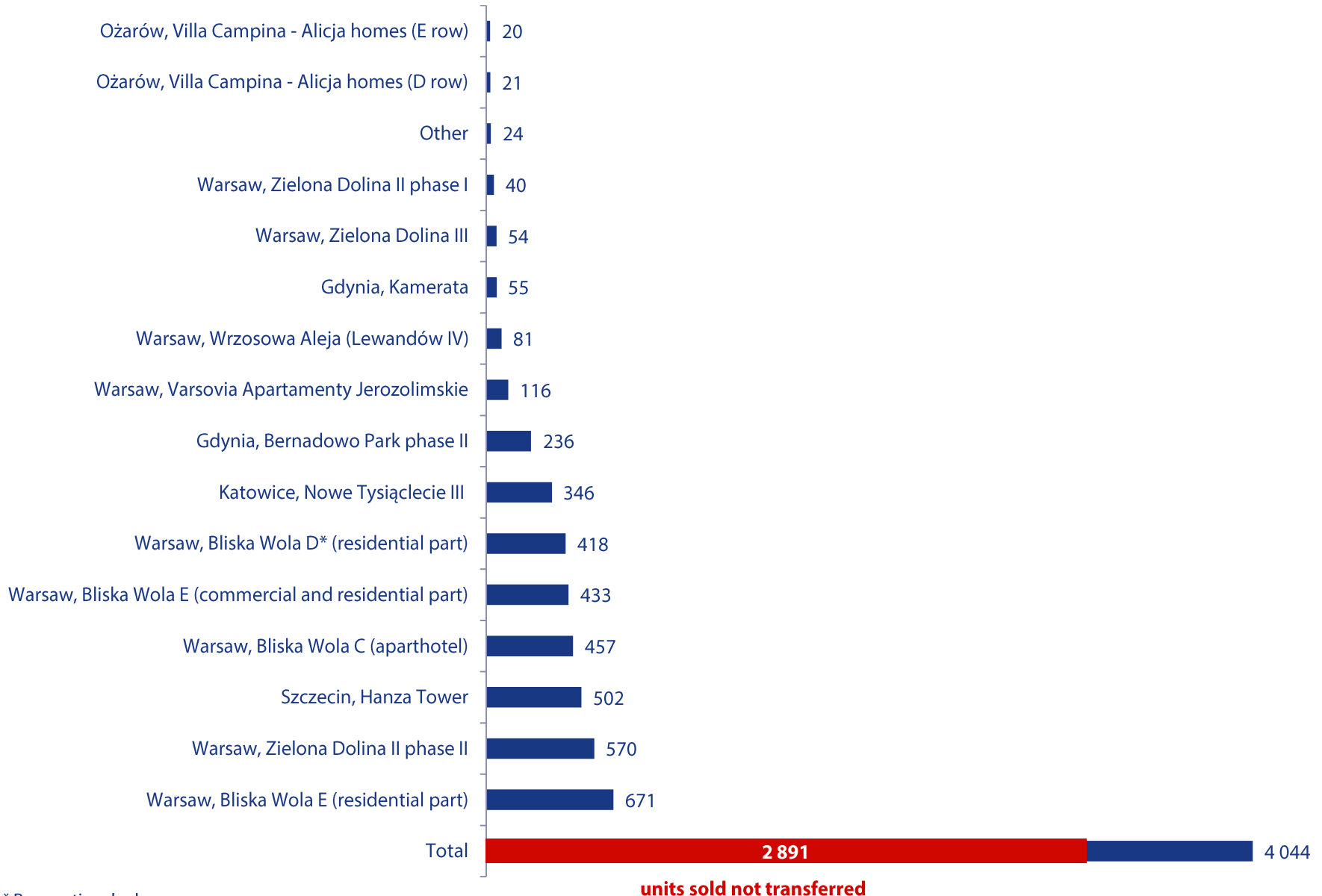
Overheads vs. employment



*Including employment in hotels:

Year	Q1 2012	Q1 2013	Q1 2014	Q1 2015	Q1 2016	Q1 2017	Q1 2018
Number of staff	99	140	140	134	188	211	210

Units to be recognized in the financial results in next quarters from the completed and finished investments



* Reservational sales

Investments realized in Q1 of 2018

□ In Q1 2018, the Group realized **12 investments with 3,446 units** with a total useable area of **161,821 m²**

Investment name	Total number of units	Total useable area	Aparthotel and commercial area	% of sold units	% of completed construction works
Bliska Wola - phase E - residential part, Warsaw	671	30,454		99%	52%
Zielona Dolina II phase II, Warsaw	570	25,360		54%	81%
Hanza Tower, Szczecin.	502	21,957	10,844	44%	22%
Bliska Wola - phase C - residential part, Warsaw	457		14,501	97%	96%
Bliska Wola - phase C - residential and commercial part, Warsaw	433	4,549	10,089	95%	42%
Nowe Tysiąclecie phase 3, Katowice	346	18,261		28%	19%
Bernadowo Park phase II, Gdynia	236	13,184		98%	96%
Wrzosowa Aleja, Warsaw	81	2,958		10%	1%
Kamerata, Gdynia	55	3,420	-	98%	63%
Zielona Dolina III, Warsaw, J.W. Construction Holding S.A.	54	2,247		85%	98%
Villa Campina single-family homes - Alicja (D row), Ożarów Mazowiecki	21	2,017		90%	33%
Villa Campina single-family homes - Alicja (E row), Ożarów Mazowiecki	20	1,980		25%	1%
In total	3,446	126,387	35,434		

Investments planned for launching as at March 31, 2018



- Based on its land inventory, the company plans to launch the construction of **5,322 living units** and a commercial and warehouse area with the total size of **395,996 m²**

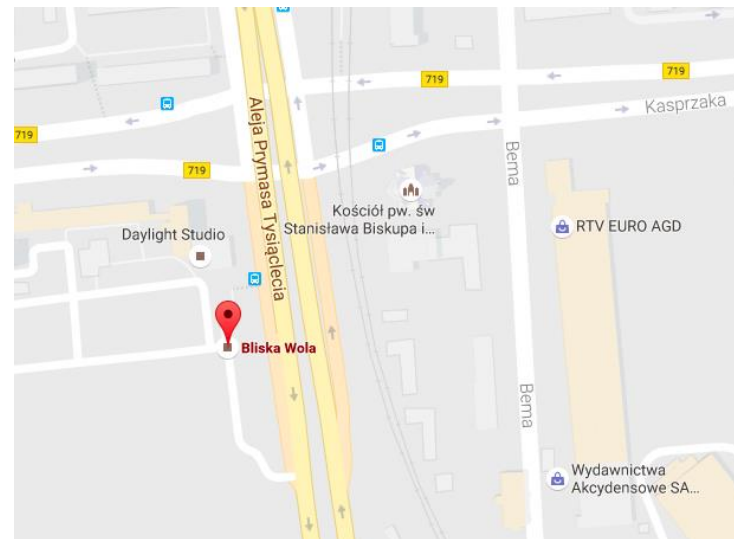
Investment name	Total number of units	Useable area/ Useable area(m ²)	Aparthotel and commercial area (m ²)
Bliska Wola phase D (residential, aparthotel, commercial), Warsaw	1,059	25,416	17,058
ul. Celna, Szczecin ^{1) 2)}	623	18,862	14,796
ul. Starowiejska, Gdańsk- Letnica ¹⁾	527	26,203	
ul. Waryńskiego, Pruszków ²⁾	475	19,000	
Bliska Wola phase D (residential), Warsaw ³⁾	418	19,178	
ul. Poznańska - Skórzewo near Poznan	280	14,000	
ul. Berensona, Warsaw	264	11,855	
Varsovia Apartamenty Pileckiego – Aparthotel, Warsaw	240		8,013
ul. Antoniewska, Warsaw	221	13,763	
ul. Spokojna – aparthotel, Gdynia	257		9,414
Single-family homes, phase VI and later, Ożarów Mazowiecki	150	15,675	
Lewandów Park III phase II, Warsaw	146	4,709	
ul. Mikołaja Trąby, Warsaw	130	5,895	
ul. Odkryta, phase II, Warsaw	104	4,581	
ul. Radosława, Nowogard	96	4,800	
ul. Starowiejska, Gdańsk- Letnica II ¹⁾	75	5,090	
ul. Jesionowa/Partyzantów, Gdańsk- Wrzeszcz ¹⁾	74	4,000	
ul. Aluzyjna, phase II, Warszawa	68	3,670	
Lewandów Park III phase I, Warsaw	40	1,631	
ul. Aluzyjna, phase I, Warszawa	32	1,850	
Villa Campina single-family homes, phase V, Ożarów	30	2,857	
ul. Nowodworska, Warsaw	13	1,180	
Port (warehouses), Szczecin			80,000
Małopole (warehouses), near Warsaw ¹⁾			52,000
ul. Wielopole 19-21 street, Dietla 86,88, and 90 street in Krakow			10,500
IN TOTAL	5,322	204,215	191,781

1) preliminary contracts for land purchase, 2) purchase in Q2 of 2018, 3) investments entered to sales as at March 31, 2018

Attachments

Projects planned for launching in the coming months: Warsaw, Bliska Wola, Phase D – residential units and an aparthotel

Project	in Warsaw Bliska Wola
Location	Warsaw, Wola
Number of units	1,477
Total useable area	44,594
Useable area of commercial and aparthotel units,	17,058



Characteristics

- ❑ a unique, multifunctional project
- ❑ perfect location - only 3km from the very city center
- ❑ well-developed communications infrastructure
 - Rondo Daszyńskiego Metro station (underground railway)
- ❑ recreational terrain inside the community
- ❑ interesting and modern building infrastructure

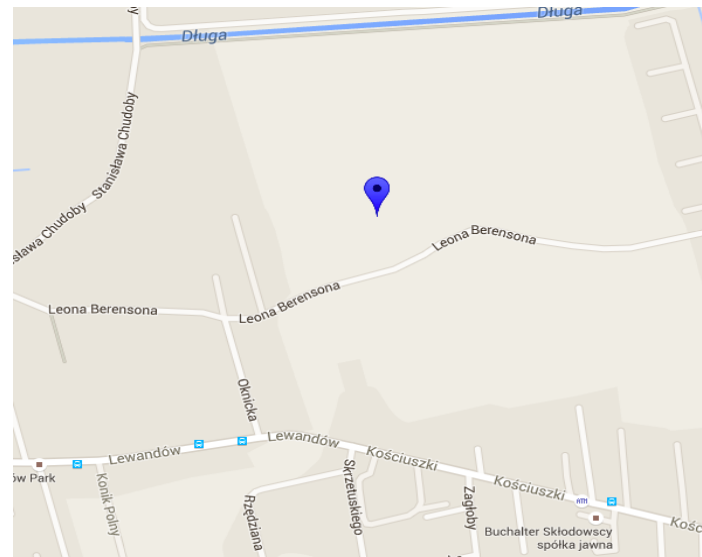


Projects planned for launching in the coming months: in Warsaw at Berensona street

Project	in Warsaw ul. Berensona street
Location	in Warsaw at Berensona street
Number of living units	264
Useable area (in m ²)	11,855

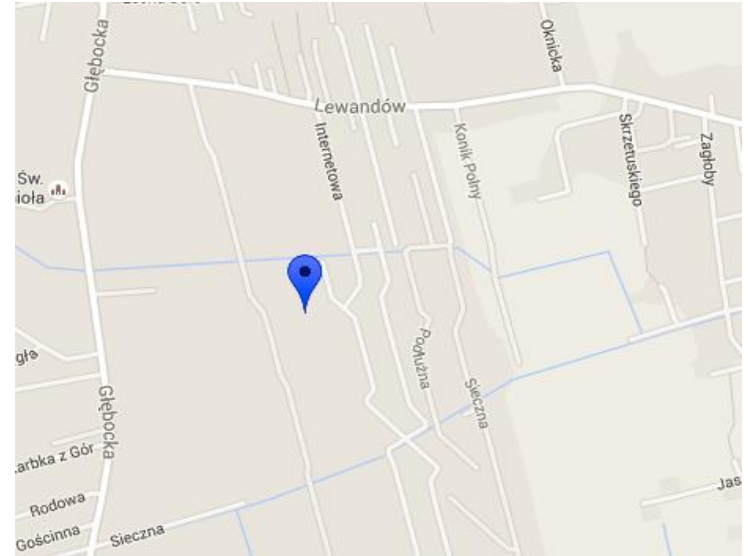
Characteristics

- ❑ the project has 12 buildings
- ❑ low, prestigious infrastructure
- ❑ located in the Białołęka district – the fastest developing district of Warsaw
- ❑ safe playing grounds on the community territory
- ❑ close proximity of big city amenities, such as schools, kindergartens, shopping centers
- ❑ quick drive to the city center



Projects planned for launching in the coming months: Warszawa, Lewandów Park III phases I and II (Wrzosowa Aleja)

Project	in Warsaw Lewandów Park (Wrzosowa Aleja)
Location	in Warsaw at at Lewandów street
Number of living units	Lewandów Park III phase I – 40 Lewandów Park III phase II – 146
Useale area (in m ²)	6,340



Characteristics

- ❑ low, prestigious infrastructure
- ❑ safe playing grounds on the community territory
- ❑ quick drive to the city center and recreational areas – Zalew Zegrzyński lake
- ❑ safe playing grounds on the community territory
- ❑ friendly location in Białołęka - most frequently chosen district among people looking for the first apartments
- ❑ close proximity of big city amenities - shopping malls, schools, cinemas, restaurants



Projects planned for launching in the coming months: single-family homes in Warsaw at Nowodworska street

Project	in Warsaw Single-family homes
Location	in Warsaw at at Nowodworska street
Number of homes	13
Useale area (in m ²)	1,180



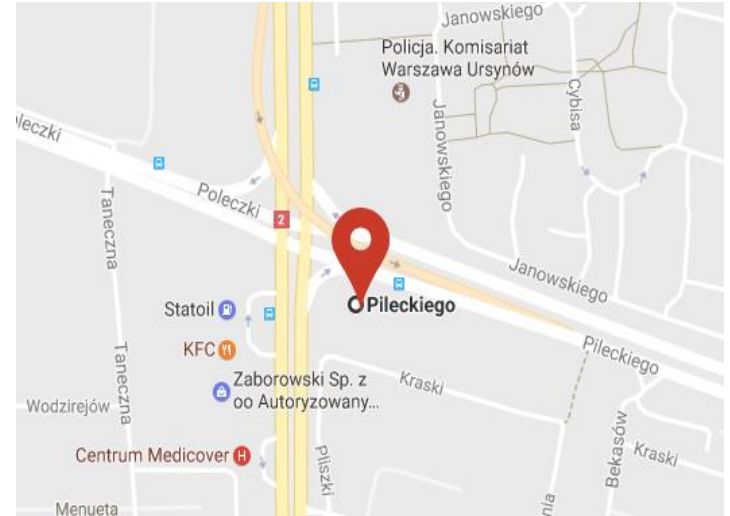
Characteristics

- ❑ the project has 13 single-family, townhouse homes
- ❑ every building has 3 levels above the ground, including the attic
- ❑ homes located in Warsaw's Nowodwory in the Białołęka district with a quick access to the Młociny metro station
- ❑ guaranteed close proximity of the city infrastructure, quick access to kindergartens, schools, health care, attractive shopping centers, recreational terrains, and sports facilities



Projects planned for launching in the coming months: Aparthotel at Kasprzaka street in Warsaw

Project	Warsaw, Pileckiego Aparthotel
Location	in Warsaw at Pileckiego street
Number of aparthotel units	224
Number of business units	16
Useable area of commercial and aparthotel units (in m ²)	8,013



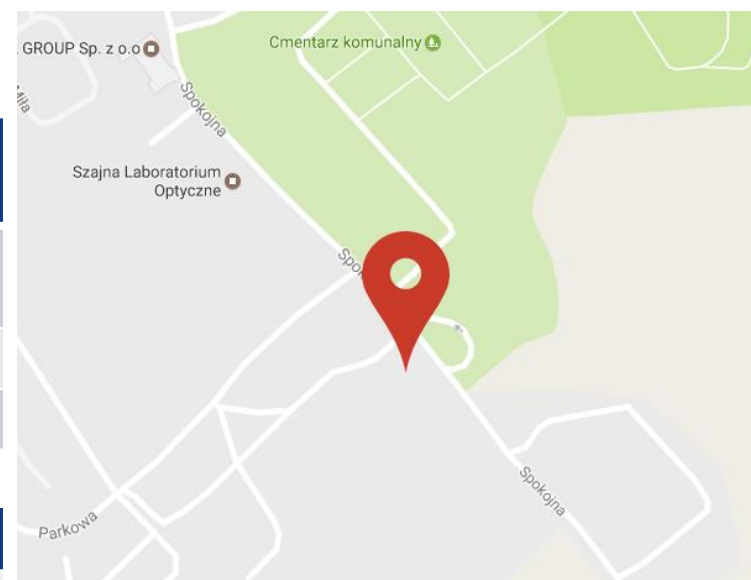
Characteristics

- ❑ the project has 224 aparthotel units with the sizes starting from 17m² and a commercial space
- ❑ amenities for prospect residents, including reception and a laundrette, services
- ❑ attractive location in Ursynów at Puławska street
- ❑ quick drive to city center, international airport, railway station and main communication arteries



Projects planned for launching in the coming months: Aparthotel at Spokojna street in Gdynia

Project	Gdynia, Aparthotel Spokojna
Location	in Gdynia at Spokojna street
Number of units	257
Useable area (in m ²)	9,414 m ²



Characteristics

- ❑ compact mini-apartments from 20m²
- ❑ amenities for prospect residents, including reception, services among other things
- ❑ close proximity of recreational terrains of the Trójmiejski Landscape Park
- ❑ attractive location





Thank you for your attention

INVESTOR RELATIONS:

Małgorzata Szwarc-Sroka

Member of the Supervisory Board J.W. Construction Holding S.A.

Monika Matejuk

Aleksander Oksiuta

E-mail: relacje.inwestorskie@jwc.pl