

# PRESENTATION OF THE RESULTS FOR THE FIRST HALF OF 2019



# Table of contents

	page
❑ Basic economic and financial parameters– H1 2019	3
❑ Key events in H1 2019	4-6
❑ Factors affecting company's activity now and in the near future	7-8
❑ Sales of premises in H1 2019	9
❑ Selected consolidated financial data for H1 2019	10
❑ Gross sales margin vs gross sales profit	11
❑ Gross profit realisation in H1 2019	12
❑ Units from ongoing and completed investments to be recognized in next quarters	13
❑ Ongoing investments in H1 2019	14
❑ Investments planned for launching as at 30.06.2019	15
❑ Key events and marketing and sales policy in H1 2019	16
❑ Attachments	17-24

# Basic economic and financial parameters – H1 2019

In H1 2019, construction **12 investments for 3 782 units** and area of over **177,000 m<sup>2</sup>** was carried out, including:

- ❑ **residential** space with an area of almost **139,000 m<sup>2</sup>**,
- ❑ **commercial** space with an area of over **38,000 m<sup>2</sup>**.

Residential and  
commercial space  
developer

Other **19 investments were being prepared for launch, for a total of 5,131 units with an area of over 417,000 m<sup>2</sup> (including warehouse, and commercial space of over 168,000 m<sup>2</sup>):**

- ❑ **in Warsaw and surrounding area** for **1.660 units** and area of over **168,000 m<sup>2</sup>**  
(including almost 82,000 m<sup>2</sup> of warehouse-commercial area),
- ❑ **outside of Warsaw** for **3.471 units** and area of over **248,000 m<sup>2</sup>**
  - in Cracow, Poznan, Łodz, Szczecin and Gdańsk (including 79,000 m<sup>2</sup> of warehouse-hotel-commercial space)

Real-estate manager,  
including hotels and  
aparthotels

## Real-estate management

- ❑ **30 housing communities**
- ❑ **11,000 dwellings**

## 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**

# Key events in H1 2019

- ❑ Completion of the **Bliska Wola residential estate - Stage EM (residential part)** in Warsaw, Kasprzaka Street, with **671 units**. The occupancy permit was obtained in the 3rd quarter (almost 100% of the apartments were sold).
- ❑ Completion of the **Bliska Wola residential estate - Stage EK (commercial and residential part)** in Warsaw, Kasprzaka Street, with **433 units**. The procedure for obtaining the occupancy permit is in progress (almost 100% of flats sold).
- ❑ Completion of the construction of **terraced houses Alicja rank D, near Ozarow Mazowiecki for 21 houses**. The Group has obtained occupancy permit for 17 houses (4 houses in the second quarter of this year, 13 houses in the third quarter of this year). To date, the Group has built and is constructing a total of 183 houses in this area.
- ❑ The occupancy permit for the **Kamerata** residential estate in Gdynia at Sochaczewska Street for **55 units** has been obtained.
- ❑ Commencement of **Willa Wiślana** investment in Warsaw at Mikołaja Trąby St. for **140 units**.



# Key events in H1 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 **985 units**:
  - ❑ **Hanza Tower** in Szczecin at Wyzwolenia Av. for **508 units**,
  - ❑ **Nowe Tysiąclecie stage III** in Katowice at Tysiąclecia Av. for **346 units**,
  - ❑ **Wrzosowa Aleja** in Białoleka – 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**.



## Key events in H1 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** for **810 units, Useable Area: 48 800 m<sup>2</sup>\***
- ❑ At **Kilińskiego St. in Łódz** for **245 units, Useable Area : 10 400 m<sup>2</sup>**
- ❑ At **Modlińska St. in Warsaw** for **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

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

P  
O  
S  
I  
T  
I  
V  
E

## Related to utilising Group's potential:

- ❑ The Group has the potential to transfer premises for the next **3 years** – as at 30 June 2019 there were **3.800 not transferred units**, including: :
  - ❑ **almost 2.450 units** sold and not transferred,
  - ❑ **almost 1.350 units** for sale (ready and under construction)
- ❑ The Company plans to launch approximately **5,100 units** for sale in the coming periods. Together with the current offer, this means **6,500 units**, so the Group has a guaranteed offer for **more than 4 years**.
- ❑ **High balance of cash** on accounts (**over PLN 102 million**) and low net debt..

## Related to favourable external conditions:

- ❑ Increase in the prices of flats sold in the largest urban agglomerations sold in the second quarter of 2019 by over 8% compared to the same period of the previous year (in the first quarter of 2019 there was an increase in the prices sold in the largest urban agglomerations by over 9% compared to the same period of the previous year).\*
- ❑ Low interest rates, which are estimated to last until the end of 2021, and even according to the announcement of the President of the National Bank of Poland, there is room for interest rate cuts. Low interest rates favour real estate purchases as an alternative form of investment. \*\*
- ❑ High inclination towards consumption and investment: low unemployment rate and rising average wages.
- ❑ In the second quarter of 2019, banks granted 59.3 thousand housing loans worth PLN 16.44 billion. This increase in comparison to the previous quarter was by 17.2 and 21%, respectively. A similarly high sales result was recorded recently in 2008. \*\*\*

\*According to REAS data

\*\*According to NBP President

\*\*\* According to AMRON-SAR-FIN analysis centre

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

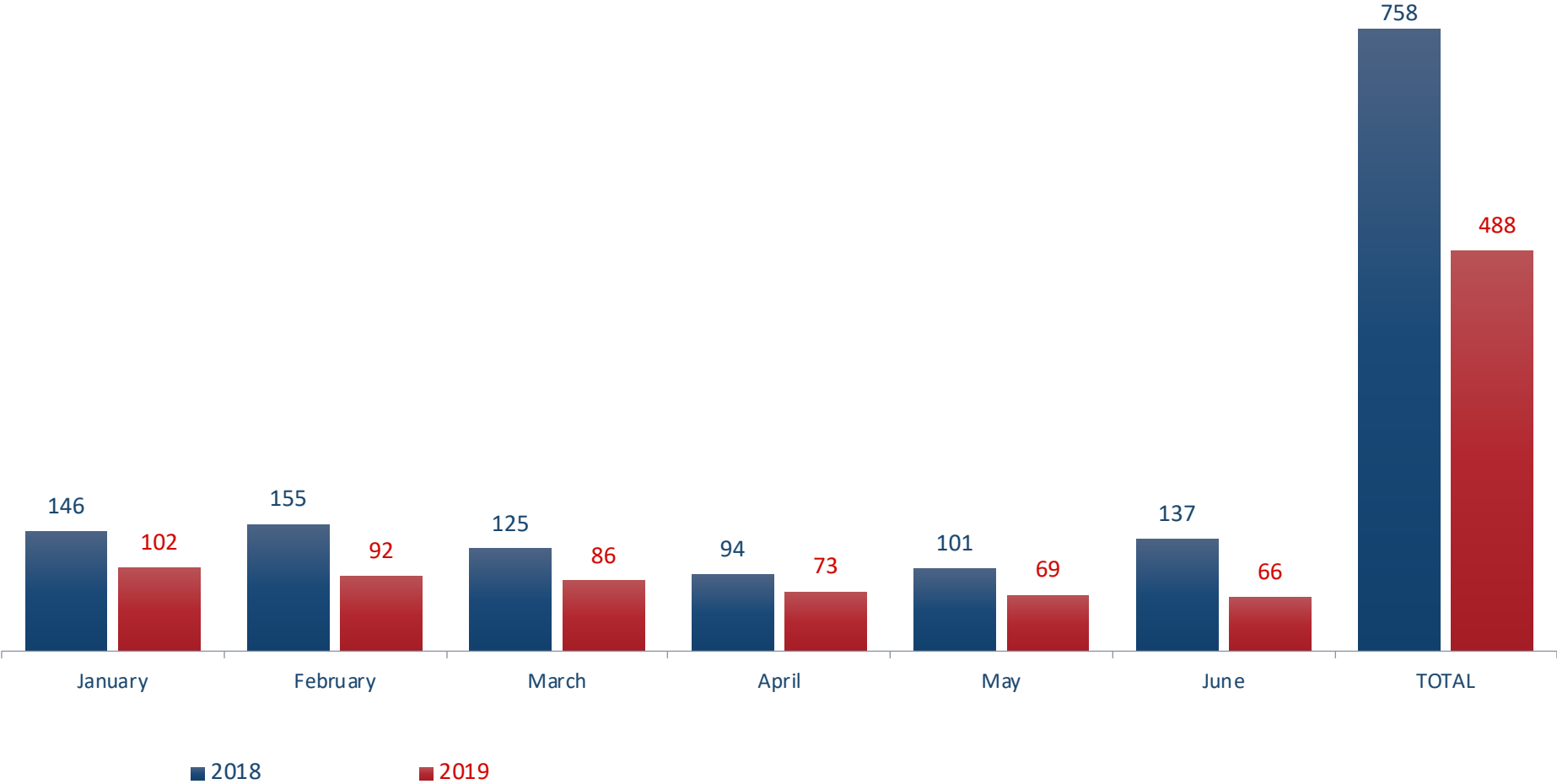
N  
E  
G  
A  
T  
I  
V  
E

- ❑ Uncertainty regarding legal changes related to the real estate market. Among other things, the planned amendment to the Act on the Protection of the Rights of the Buyer of an Apartment or a Single-Family House, which provides, among other things, for the introduction of obligatory contributions to the Developer Guarantee Fund, constitutes a risk that may affect the Group's operations and financial results.
- ❑ Shrinking workforce in the construction industry and difficulties in obtaining contractors for construction work may affect the dates of commencement and completion of the investment.
- ❑ Higher costs of materials, construction and purchase of investment land.
- ❑ Decrease in the sales rate of flats in the largest urban agglomerations in the second quarter of 2019, by over 3% compared to the corresponding period of the previous year (in the first quarter of 2019 there was a decrease in the sales of flats in the largest urban agglomerations by over 10% compared to the corresponding period of the previous year).\*
- ❑ Long-term process of obtaining necessary administrative decisions for current and planned projects.
- ❑ Lack of supply of land with clear legal situation and ready for development.

\*According to REAS data



# Sales of premises in H1 2019



□ In H1 2019 the Group sold 488 units.

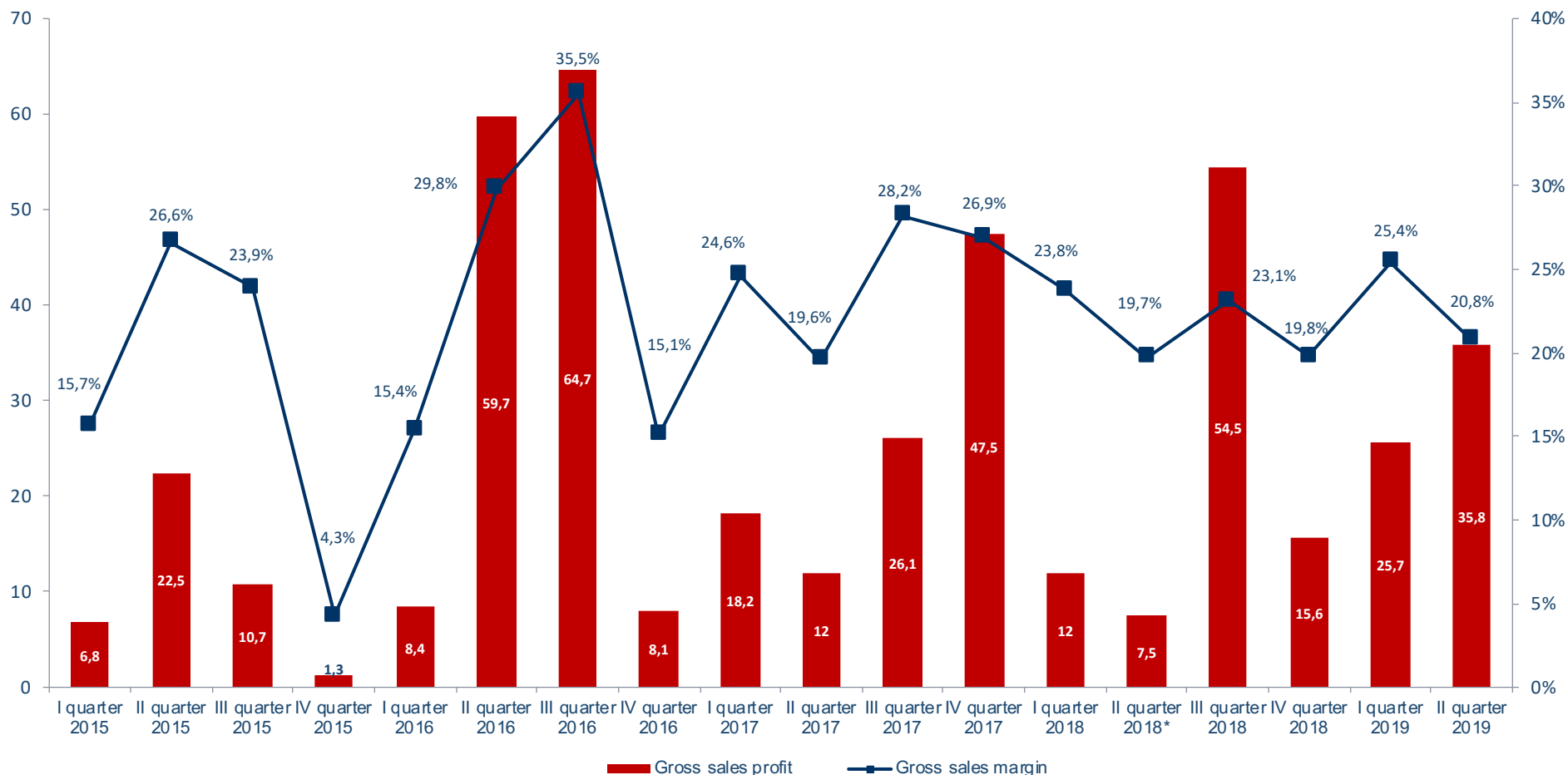
## Selected consolidated financial data for H1 2019

Selected financial data	H1 2019	H1 2018 *	Change
Sales revenue	PLN 172,1 m**	PLN 89,8 m	92 %
Gross sales profit	PLN 35,8 m	PLN 4,4 m	713 %
Gross sales margin	20,8 %	4,9 %	15,9 p.p.
Profit on operations	PLN 5,4 m	PLN -24,7 m	122 %
Net profit	PLN 1,4 m	PLN -21,4 m	107 %

- ❑ Almost 2-fold increase in revenues in the first half of 2019 compared to the corresponding period of the previous year
- ❑ Over 8-fold increase in gross profit in the first half of 2019 as compared to the corresponding period of the previous year
- ❑ \* The result for the 1st half of 2018 was adversely affected by a one-time transaction related to the sale of real estate in Wrocław. The sale of this property generated a loss of over PLN 15 million.

\*\* Including revenues of PLN 37,5 m from hotels and aparthotels..

# Gross sales margin vs gross sales profit

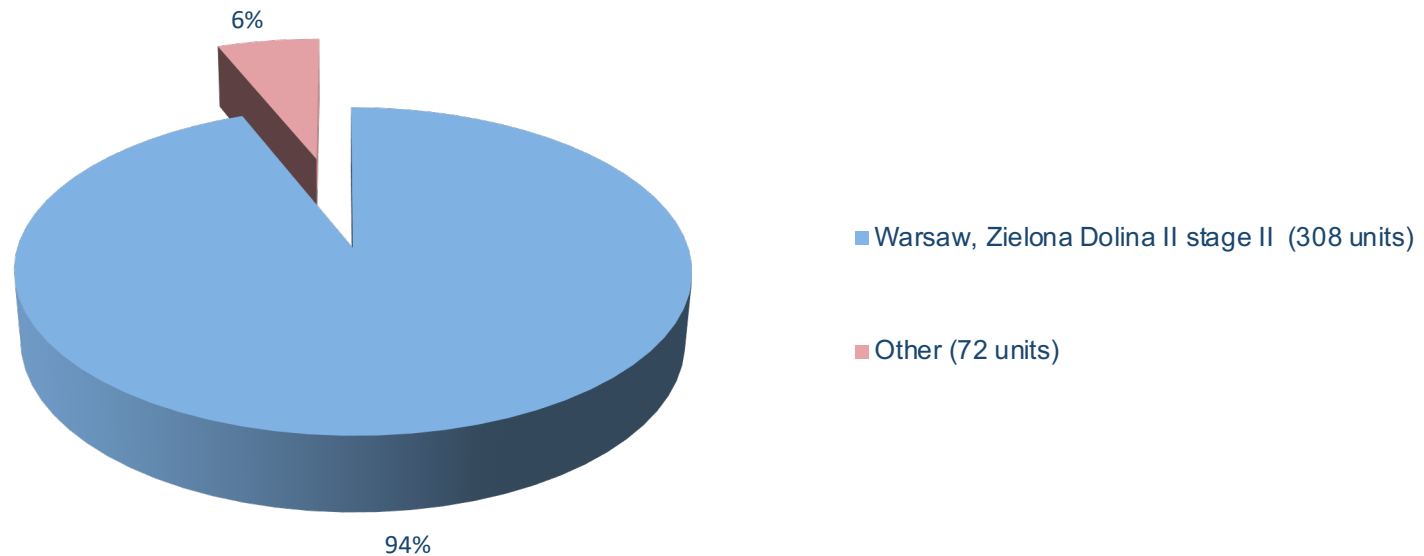


\*For the second quarter of 2018, the margin was presented without taking into account the one-off transaction of sale of a plot of land in Wrocław, as the transaction is not related to the typical, current activity of the Company.

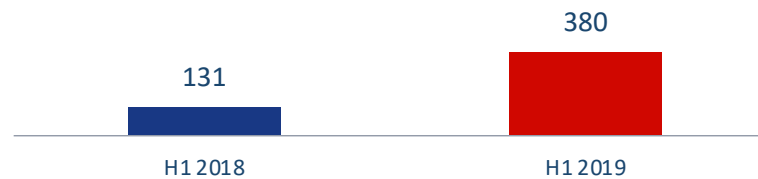
□ Gross sales margin in the long term remains at the level of approx. 20-25%.

# Gross profit realisation in H1 2019

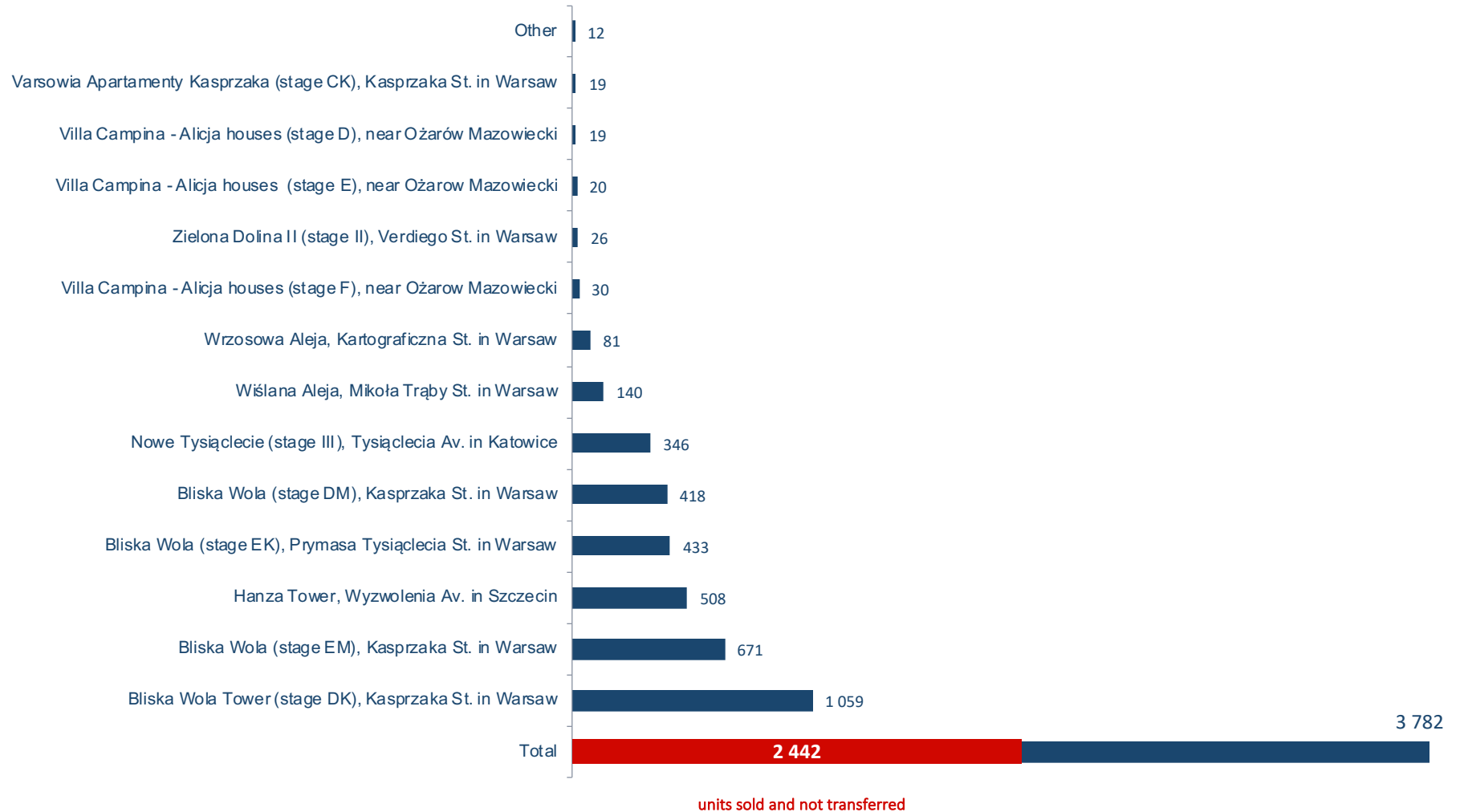
- The level of gross profit on sales in H1 2019 amounts to **PLN 35.8 million**. Percentage share of developer projects recognized in the sales profit:



- Units recognised in financial results for **H1 2018** vs. **H1 2019**



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



# Ongoing investments in H1 2019

□ In H1 2019 the Group was developing **12 investments** with a total usable area of over **177 000 m<sup>2</sup>**

Investment	Units	Useable area	Commercial area	% of units sold as at 30.06.2019	% of construction completion as at 30.06.2019
Bliska Wola - stage D (residential-commercial), Warsaw - J.W. Construction Holding S.A.	1 059	25 417	17 078	24%	11%
Bliska Wola - stage D (residential), Warsaw - J.W. Construction Holding S.A.	418	19 178		94%	5%
Bliska Wola - stage E (residential), Warsaw - J.W. Construction Holding S.A.	671	30 452		99%	100%
Bliska Wola - stage E (residential-commercial), Warsaw - J.W. Construction Holding S.A.	433	4 535	10 074	99%	100%
Hanza Tower, Szczecin - Hanza Invest S.A.	508	21 950	11 034	63% *	51%
Nowe Tysiąclecie - stage III, Katowice - J.W. Construction Holding S.A.	346	18 261		59%	44%
Willa Wiślana, Warsaw - J.W. Construction Holding S.A.	140	5 847		23%	15%
Wrzosowa Aleja, Warsaw - J.W. Construction Holding S.A.	81	2 958		98%	70%
Kamerata, Gdynia - J.W. Construction Holding S.A.	55	3 435		100%	100%
Villa Campina Houses - Alicja (rank F), Ożarów - J.W. Construction Holding S.A.	30	2 857		43%	28%
Villa Campina Houses - Alicja (rank D), Ożarów - J.W. Construction Holding S.A.	21	2 017		100%	100%
Villa Campina Houses - Alicja (rank E), Ożarów - J.W. Construction Holding S.A.	20	2 003		70%	64%
<b>Total</b>	<b>3 782</b>	<b>138 910</b>	<b>38 186</b>		

\*residential units

# Investments planned for launching as at 30.06.2019

- The Company, on the basis of its land bank, plans to launch the construction of **5.131 units** as well as warehouse and commercial space with a total area of **417.035 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	32 550	589
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	100
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	
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	
Małopole (warehouses), near Warsaw			80 000
Port (warehouses), Szczecin			53 000
Wielopole/Dietla St., Cracow			10 899
<b>Total</b>	<b>5 131</b>	<b>255 722</b>	<b>161 313</b>

# Key events and marketing and sales policy in H1 2019

- ❑ Conducting effective advertising activities in all effective communication channels. Directing the advertising message to potential customers of a wide range of the Company's products
- ❑ Introduction to sale and promotion of the new Willa Wiślana project located at Mikołaja Trąby Street in Warsaw
- ❑ Investment promotion at the spring edition of branch events: Real estate fairs in Warsaw and Katowice and the organization of Open Days and Investor Days in retail offices and investments.
- ❑ Conducting special actions combined with bonuses: "Holidays at the Czarny Potok Resort & SPA Hotel in the Hotel" for the Villa Campina project, discount card for Leroy Merlin for clients of Warsaw projects.
- ❑ Preparation to launch new products in Pruszków (Osiedle Stacja Centrum), Poznań (Osiedle Gościnne) and Gdańsk (Osiedle Horizon).



SPRAWDŹ

**OSTATNI TYDZIEŃ SPRZEDAŻY!**  
**2 POKOJE OD 252 000 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: Waryńskiego St., Pruszków

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



Characteristics
<ul style="list-style-type: none"><li>❑ Location in the Pruszków Centre, next to the railway station</li><li>❑ Excellent design - room and metre layouts designed in response to the expectations of future buyers</li><li>❑ Proximity to the facilities of the agglomeration: schools, kindergartens, shopping centres</li><li>❑ Quick access to Warsaw city centre</li><li>❑ Ideal for families with children</li></ul>



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

Investment	Gdańsk, Horizon
Location	Gdańsk, Starowiejska St.
Number of units	638
Useable area (m <sup>2</sup> )	residential useable area: 32 550 m <sup>2</sup> useable area: 589 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 wishing 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 and areas desired on the market
- ❑ A magnificent panorama of the top floors



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

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



### Characteristics

- ❑ Very good location, considered to be one of the most attractive for people looking for flats in the vicinity of Poznan.
- ❑ Proximity of green areas - Marcelinski Park
- ❑ Combination of nature with urbanised part of the city, proximity of facilities: schools, kindergartens, shopping centres
- ❑ Modern design, attractive both visually and in terms of functionality of flats and common areas



# Investments planned for launching in the next months in Szczecin

Investment	Park Logistyczny, Szczecin
Location	Szczecin
Total planned area	approx. 53 000 m <sup>2</sup>



### Characteristics

- The advantage of the Park is its location. The investment is located within the city limits (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 h 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 Jerozolimskie</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 CZARNY POTOK RESORT SPA & CONFERENCE



VARSOVIA APARTAMENTY JEROZOLIMSKIE



HOTEL DANA



VARSOVIA APARTAMENTY KASPRZAKA



HOTEL 500 ZEGRZE



HOTEL 500 STRYKÓW



HOTEL 500 ZEGRZE



HOTEL 500 TARNOWO PODGÓRNE







**Thank you for your attention**

**INVESTMENT RELATIONS**

e-mail: [relacje.inwestorskie@jwc.pl](mailto:relacje.inwestorskie@jwc.pl)