

Letter from the Management Board of

J.W. Construction Holding S.A.

Ząbki, 21 March 2019

Dear Shareholders,

Our history began 25 years ago in the area near Warsaw. Gradually we were building the structure of the company. From the very beginning we have been inspired by the energy and extraordinary ideas of the founder of JWCH S.A., Józef Wojciechowski. We are a large, harmonious and dynamic team with various competences. Each department knows its responsibilities, fulfils them and initiates positive changes. Together we have built many housing estates - both large and small. Satisfaction of residents and customers is the best award for us.

The year 2018, despite the difficulties in the labour market in the construction industry and the rapid increase in costs, was another successful year for our company, which was reflected in the financial results. Our own general contracting once again proved to be very helpful in case of problems with gaining work force. The past year can be regarded as a successful and very hardworking year, in which, while taking care of the developer segment, we undertook further actions aimed at diversification of revenues. We successfully continued our hotel business. In Warsaw, we opened the second aparthotel - Varsovia Apartamenty, this time at Kasprzaka Street, which is the implementation of the previously announced strategy related to the construction and management of aparthotels. Moreover, the J.W. Construction Holding Group is preparing to develop some of its land for the construction of logistics parks.

Group JW. In 2018 Construction Holding SA sold a total of 1,248 premises. Net revenues from sales in 2018 amounted to PLN 404 million, with 1,087 units transferred. Gross profit on sales amounted to PLN 74.5 million and operating profit to PLN 18.8 million. The Group recorded a net profit of nearly PLN 16.5 million. Good results are mainly a consequence of transfers of premises from the investments completed in 2018, mainly the stage of CK Bliska Wola (457 premises) and the Zielona Dolina II stage II estate (570 premises) in Warsaw. In 2018, we obtained occupancy permits for a total of 1,317 units on completed projects.

The Group has expanded its land bank by adding plots of land in Gdańsk, Łódź, near Warsaw, Kraków and Poznań. The total value of purchases is nearly PLN 100 million. Taking into account the latest purchases and plots purchased in previous years, the Group has a land bank enabling the construction of nearly 5,040 premises.

In 2018, we successively introduced new projects and continued the construction of further stages of the already started investments. In 2018, we commenced the development of a total of 1,588 units, including stage D of Bliska Wola, as well as the Wrzosowa Aleja project in Warsaw. In 2018, a total of 15 residential and commercial projects were underway, out of a total of 4,959 units, with an area of over 226,000 square metres.

In 2019, it is planned to commence new residential projects in, among others, Warsaw and its surroundings, in Poznań, in the Tricity, as well as near Cracow, with a total of approximately 2,800 units. The Group's priority for 2019 is to operate at a level that ensures satisfactory results and cashflows.

We would like to thank for the commitment and trust that the Shareholders have placed in us.

In accordance with the Group's development strategy, we will strive for 2019 to be the next year of development of J.W. Construction Holding S.A.

J.W. Construction Holding S.A. Management Board