

STATEMENT OF THE MANAGEMENT BOARD ON THE ACTIVITY OF J.W. CONSTRUCTION HOLDING S.A. GROUP. FOR THE PERIOD FROM 1 JANUARY 2018 TO 31 DECEMBER 2018



Ząbki, dn. 21.03.2019 r.



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1. Introduction

General information about the dominant entity

J.W. Construction Holding S.A. with its registered office in Ząbki (Dominant Entity) registered in the Register of Entrepreneurs of the National Court Register under no. 0000028142, whose registration files are kept by the District Court for the Capital City of Warsaw in Warsaw, XIV Commercial Division of the National Court Register, is the parent company of the J.W. Construction Holding S.A. Capital Group. ("Group").

The history of the Group begins in 1993. The Company was established as a result of the transformation of Towarzystwo Budowlano Mieszkaniowego Batory Sp. z o.o. with its registered office in Ząbki, which was established (conclusion of the company agreement) on 10 February 1994 and registered on 7 March 1994. The registration of the transformation of the limited liability company into a joint-stock company was made on the basis of a notarial deed dated 28 December 2000 by the District Court for the capital city of Warsaw in Warsaw, XVI Commercial and Registration Department on 15 January 2001.

The registration of the Company in the Register of Entrepreneurs of the National Court Register took place on 16 July 2001, together with the registration of the change of the company name from the former Towarzystwo Budowlano - Mieszkaniowe Batory S.A. to the current one of J.W. Construction Holding S.A.

The Company's share capital amounts to PLN 17,771,888.60 and is divided into 88,859,443 ordinary bearer shares

with a nominal value of PLN 0.20 each. The capital is divided into 54,073,280 series A and B shares and 34,786,163 series C shares.

There are four branches within the Company:

- J.W. Construction Holding S.A. "Hotel 500" Branch in Ząbki - within the framework of which three Hotel 500 chain facilities located in Zegrze Południowe near Warsaw, in Stryków near Łódź and Tarnów Podgórny near Poznań operate.

- J.W. Construction Holding S.A. "Czarny Potok" Branch in Ząbki - where the Czarny Potok resort & spa in Krynica Zdrój operates.

- J.W. Construction Holding S.A. FIRST FLOOR Branch in Ząbki - within which the restaurant located at 31 Kasprzaka Street in Warsaw operates - branch established on 16 January 2019.

- J.W. Construction Holding S.A. Branch of Porta Szczecin in Ząbki - within the framework of which activity is conducted on the assets of the acquired company Porta Transport Sp. z o.o. in Szczecin and the Company's properties adjacent to them - branch established on 16 January 2019.

2. Basic consolidated economic and financial figures

Profit and loss account

Basic items of the profit and loss account for the years 2017 and 2018 in thousand PLN and converted into EUR:

Consolidated profit and loss account item	01-01-2018 to 31-12-2018		01-01-2017 to 31-12-2017	
	PLN	EUR	PLN	EUR
Net revenues from sales of products, goods and materials	404 068	94 698	404 151	95 664
Costs of products, goods and materials sold	329 582	77 241	300 415	71 109
Gross profit (loss) from sales	74 486	17 457	103 735	24 555
Costs of sales	24 088	5 645	24 170	5 721
Overheads	24 194	5 670	24 223	5 734
Profit (loss) from sales	20 927	4 904	53 200	12 593
Profit (loss) on operations	18 823	4 411	48 143	11 396
Gross profit (loss)	9 559	2 240	32 680	7 735
Income tax	-6 974	-1 634	6 744	1 596
Net profit (loss)	16 533	3 875	25 936	6 139

Structure and dynamics of changes in basic items of the profit and loss account:

Profit and loss account item	01-01-2018		01-01-2017	
	to 31-12-2018		to 31-12-2017	
	PLN	% of sales	PLN	dynamics 2018/2017
Net revenues from sales of products, goods and materials	404 068	100%	404 151	0%
Costs of products, goods and materials sold	329 582	82%	300 415	10%
Gross profit from sales	74 486	18%	103 736	-28%
Profit on operations	18 823	5%	48 143	-61%
Gross profit	9 559	2%	32 680	-71%
Net profit	16 533	4%	25 936	-36%

In 2018, the Group generated revenue of PLN 404.1 million, a result at a comparable level as in the previous year. The net result amounted to PLN 16.5 million. The above result was adversely affected by a one-off transaction related to the sale of real estate in Wrocław.

Structure of the Group's revenues in 2018:

In the structure of the Group's revenues in 2018, revenues from the sale of products prevail (75% of revenues), 24% are revenues from the sale of services, and other revenues are from the sale of goods, as presented in the table below.

OPERATING INCOME	01-01-2018	% share	01-01-2017	% share
	to 31-12-2018		to 31-12-2017	
Revenues from sales of products	304 855 596	75%	323 458 741	80%
Revenues from sales of services	95 196 631	24%	78 372 470	19%
Revenues from sales of goods	4 015 666	1%	2 319 549	1%
Total income	404 067 893	100%	404 150 761	100%

Balance

Balance of assets and liabilities as at 31 December 2018 and 31 December 2017 expressed in thousand PLN and EURO:

Consolidated balance sheet item	31-12-2018		31 December 2017	
	PLN	EUR	PLN	EUR
Total assets	1 795 582	417 577	1 690 887	405 401
Fixed assets	753 510	175 235	745 463	178 729
Current assets	1 042 072	242 342	945 425	226 672
Total liabilities and equity	1 795 582	417 577	1 690 887	405 401
Equity	693 704	161 327	678 228	162 609
Non-current liabilities	367 488	85 462	463 811	111 202
Current liabilities	734 390	170 788	548 848	131 590

Structure, dynamics of changes in assets and liabilities as at 31 December 2018 and 31 December 2017, expressed in thousand PLN:

Consolidated balance sheet item	31.12.2018		31.12.2017	
	PLN	% of assets	PLN	Change 2018/2017
Total assets	1 795 582	100%	1 690 887	6%
Fixed assets	753 510	42%	745 463	1%
Current assets	1 042 072	58%	945 425	10%
		% of liabilities		Change 2018/2017
Total liabilities and equity	1 795 582	100%	1 690 887	6%
Equity	693 704	39%	678 228	2%
Non-current liabilities	367 488	20%	463 811	-21%
Current liabilities	734 390	41%	548 848	34%

The structure of the balance sheet as at 31 December 2018 is as follows: fixed assets account for 42% of the balance sheet total, and current assets account for 58% of assets. Compared to 2017, the balance sheet total increased by 6%.

Basic financial indicators

	2018	2017
Profitability ratio		
Gross sales margin	18,4%	25,7%
Net sales margin	4,1%	6,4%
Return on assets	0,9%	1,5%
Return on equity	2,4%	3,8%
Liquidity ratio		
Liquidity ratio I	1,4	1,7
Liquidity ratio II	0,3	0,5
Turnover ratio		
Repayment rate in days	21,8	25,0
Repayment rate of liabilities in days	48,1	48,3
Debt ratios		
Debt ratio	61,4%	59,9%

3. Significant risk factors and threats

The risks identified by the Group include: liquidity risk, interest rate risk, currency risk, credit risk, breach of covenants and termination of financing agreements, legislative risk, risk related to administrative and legislative decisions, risk related to the general macroeconomic situation, risk related to the construction market and risk related to support programmes for apartment purchasers.

Liquidity risk

The Group pays particular attention to the balance between financing its investment activities and timely repayment of liabilities. Liquidity is conditioned by the banks' credit policy with respect to granting both mortgage and investment loans. Lack of financing from banks, especially in connection with the requirements of the Development Act and trust accounts in the case of developers and individual customers may have an impact on: Initiation of new investments, demand for flats, timeliness of payments and thus cash flows.

Interest rate risk

The Group has liabilities on account of loans, for which interest is calculated on the basis of a variable interest rate, as a result of which there is a risk of an increase in these rates in relation to the moment of concluding the agreement. Due to the fact that in the reporting period the Group had both assets and liabilities bearing interest at a variable rate, which balanced the risk, as well as minor interest rate fluctuations in the past periods, and due to the lack of forecasts of rapid changes in interest rates in subsequent reporting periods, the Group did not use interest rate hedges as at 31 December 2018, considering that the interest rate risk is not significant.

Regardless of the current situation, the Group monitors its exposure to interest rate risk and interest rate projections and does not preclude future hedging activities.

The table below shows the sensitivity of the gross financial result to reasonably possible changes in interest rates, assuming that other factors remain unchanged (in connection with variable interest rate liabilities). The impact on the Group's equity is not presented. The analysis did not take into account a loan from TBS Marki Sp. z o.o., which is a preferential loan granted on other terms, where the risk is limited.

Year ended on 31 December 2018		
	% Increase/decrease	Influence on gross profit in thousands of PLN
PLN	1%	-2 987
PLN	-1%	2 987

Currency risk

The Group is exposed to the risk of changes in foreign exchange rates due to loans granted in EUR to a subsidiary which is not subject to consolidation.

The table below shows the sensitivity of the gross financial result to possible changes in the exchange rates of these currencies, assuming that other factors remain unchanged (in connection with receivables and loans in foreign currencies).

Change of EUR/PLN currency rate	Fair value as at 31.12.2018 (thousand of PLN)	Asset's value in relation to initial value	Financial asset value	Change (thousand of PLN)
a 20% decrease	39 569	80%	31 655	7 914
a 10% decrease	39 569	90%	35 612	3 957
no change	39 569	100%	39 569	0
a 10% increase	39 569	110%	43 526	-3 957
a 20% increase	39 569	120%	47 483	-7 914

Credit risk

The Group is exposed to credit risk, understood as the risk that creditors will not meet their obligations . and thus cause the Group to incur losses

In the case of a loan to the Capital Group, this risk is considered immaterial due to the ongoing monitoring of financial standing and control.

The maximum exposure to credit risk is PLN 22,730 thousand as at the balance sheet date and was estimated as the balance sheet value of trade receivables from other companies.

In the opinion of the Management Board of the Dominant Entity, credit risk was recognized in the financial statements through the creation of revaluation write-offs. Credit risk related to bank deposits is considered immaterial as the Group enters into transactions with institutions with an established financial position.

Risk of breach of covenants and termination of financing agreements

The concluded loan and bond issue agreements contain financial indicators (covenants), which the Company is obliged to meet. The Company analyses the level of debt and covenants on an ongoing basis, and is also in contact with financing institutions. In the Company's opinion, there is no threat of termination of the aforementioned agreements.

Legislative risk

The planned amendment to the Act on the protection of rights of the purchaser of an apartment or 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 its financial results.

Administrative decisions risk

Development activity is based on administrative decisions required in connection with current or future projects. Failure to obtain permits, approvals or consents, or failure to obtain them on time, may adversely affect the Company's ability to commence, conduct or complete current and new development projects. All of these factors may therefore affect the Company's financial flows and all of its operations.

General macroeconomic situation risk

The Group's activity and financial results to a large extent depend on the economic situation on the domestic market. Factors shaping the economic situation include: GDP growth rate, average gross salary level, unemployment rate, inflation rate, exchange rates, interest rates, availability of loans, degree of household debt. Despite the ongoing economic recovery in Poland, there is no certainty as to the sustainability of positive trends in the future. There is a risk that if the economic growth rate in Poland slows down, real gross wages and the availability of loans, including mortgages, may fall. This will result in a decrease in demand for products and services offered by the Company, in particular for the basic product, i.e. residential units. As a result, it may have a negative impact on the Company's sales and result in deterioration of financial results.

Construction market

The Group's activity is closely related to the situation on the construction market. In 2018, prices of construction materials and services increased, which may lead to higher investment costs. The shortage of labour and low unemployment rate in Poland causes problems with finding employees and employing subcontractors of construction services, and this translates into increased risk of delays in the implementation of investment projects.

Risk related to support programmes for purchasers of residential units

The housing market in Poland may be affected by the government's "Mieszkanie Plus" programme. At present, it is difficult to predict the scale of its impact on the property development sector. On the one hand, the programme is addressed rather to people who do not have the creditworthiness to buy their own property, i.e. not to the Company's customers. Moreover, the beneficiaries of the programme are to be persons renting flats and not buying them as property. On the other hand, however, the programme may compete with popular flats, especially if it is to include attractive locations in large cities. So far, the programme has been conducted on a limited scale without any significant impact on the housing market or on the Company's operations.

Currently, work is underway on the Act on rental market companies, the so-called REIT - the initial assumptions of the programme assume that it will encourage investment in real estate. However, the final shape of the bill is not known at this moment, so it is difficult to assess its impact on the market.

Atypical factors influencing the financial result

Events of an untypical nature affecting the financial result in 2018 were:

- 1) Sale of real estate constituting a developed right of perpetual usufruct of plots of land No. 12/2, 12/3 and 30 with a total area of 0.3621 ha, located in Wrocław at 20 Powstańców Śląskich Street for the amount of PLN 1,000,000 increased by VAT at the applicable rate. The sale of the said real estate generated a loss in the Company's result in the reporting period in the amount of PLN 15,184,357.

The Company decided to dispose of the property for the amount of PLN 1,000,000 due to the following circumstances:

1. the real estate was purchased by the Company with a mortgage in the total amount of PLN 30,325,000 to the benefit of a bank in order to secure a loan contracted by Develo sp. z o.o., which was justified by the agreement concluded with Develo concerning joint preparation of the investment on the said real estate and the neighbouring real estate, the material conditions of which were not met by Develo and from which the Company withdrew.
 2. failure to meet the technical parameters of the property, as promised in the original purchase agreement, which, in its current form, made it impossible to carry out any investment,
 3. in May this year the mortgage creditor proceeded to enforce the receivables from the real estate (requesting the Company to pay almost PLN 26,000,000) announcing the filing of the suit, which would result in real estate bailiffs' auction and due to the amount secured by the mortgage-backed loan, no benefit for the Company of any funds obtained from the sale
 4. the sale was made to the entity that was the only one to offer the possibility to pay any amount for the property, taking into account its encumbrance.
 5. by a final court judgment, a payment of PLN 10,980,000 was ordered from a natural person (guarantor of Develo's obligations) in favour of the Company to compensate for the costs incurred as a result of the contract.
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- 2) The ruling of 9 March 2018, in which the Supreme Court overturned the Court of Appeal's judgement of 27 September 2016 at the suit of Capital City of Warsaw against the Company, concerning the perpetual usufruct fee for the plot of land No. 2/6 located in Warsaw at 181 Górczewska St. for the years 2009-20013. The plot in question, in accordance with the applicable local land use plan, is intended for transport purposes - construction of the NS route. The appealed ruling ordered a payment of PLN 14,123,786,25 with interest and court costs on behalf of the Capital City of Warsaw. The case was referred for reconsideration by the Court of Appeal as the second instance. As a result of the return of principal amount and interest by the Capital City of Warsaw, interest in the amount of 7,965,869.81 were recognised as financial income in the first quarter of 2018. Provision for the principal amount of 14,123,786.25 was recognised. However, as a result of the re-examination of the case by the Warsaw Court of Appeal, by ruling of 4 June 2018, the Company's appeal against the judgement of the Court of First Instance was once more dismissed. Thus, the ruling of the District Court of 16 April 2014 ordering the Company a payment of PLN 14,123,786.25 with interest and court costs on behalf of the Capital City of Warsaw, has become final. Having received a written justification, the Company will consider the possibility of lodging a cassation appeal to the Supreme Court. In connection with the above, the

amounts paid by the Company to the Capital City of Warsaw resulted in the recognition of PLN 7,965,869.81 in financial costs.

- 3) Establishment of a provision in the amount of PLN 2,733,000 in connection with the disputed fee for perpetual usufruct of plot no. 2/6 located in Warsaw at 181 Górczewska St., fee for the first half of 2018.

4. Development perspectives for the Capital Group

The Group diversifies its revenues, therefore, in addition to the residential offer it introduces aparthotels as well, utilising the most effectively purchased land. The Group manages aparthotels using the knowledge and experience of the real estate, hotel and property management markets, where it has been present for many years. The Group is dedicated primarily to middle-income clients, thus planning and investing in attractive locations– tailored to the financial capacity of potential buyers, investments in Białoleka – Zielona Dolina. In addition, the Group offers prestigious locations such as Bliska Wola phase D in Warsaw or Hanza Tower in Szczecin. The Group offers help to obtain mortgages. As part of the financing offer, programs tailored to the financial capacity of the offer recipients are proposed. The Group, thanks to many years of effective cooperation with the largest banks, has a diversified credit offer based on preferential terms, dedicated exclusively to Clients of the Group.

The Group plans to maintain the sales levels in the next and subsequent years, wishing to maintain the level of 1 500 units a year. It will be possible mainly due to the sale of premises currently being offered by the Company, such as premises from Bliska Wola phase D investment, and thanks to newly introduced investments in Warsaw, the Tri-City, Szczecin, Łódź and ones in the vicinity of Poznań and Cracow.

Despite the focus mainly on property development activities, the Group intends to continue the diversification of its revenues started in previous years by investing in the hotel and aparthotel segments, where it generates good financial results. An example are the hotels owned, which successively generate a surplus using their potential and diversifying sales. Varsovia Apartments Kasprzaka, recently opened in Warsaw, is the second building of this type built by the Company, which manages 311 apartments in this facility, combining hotel comfort, standard of luxury apartments and the atmosphere of a house. Additionally, a restaurant First Floor was created at the aparthotel, owned by the dominant entity JWCH S.A.

At the same time, the Company is consistently preparing the previously announced strategy for the construction of office and warehouse investments, the largest of which will be built in Szczecin. The modern complex will ultimately consist of 3 buildings with a total area of approx. 80,000 m², the development of which will be staged as we move forward in terms of commercialization.

Another example of the Group's revenue diversification is the commencement of production of wooden elements using a fully automated, computer-controlled line. Own production of prefabricated elements will reduce costs and shorten the lead time.

To sum up, regardless of the market situation, the Group diversifies the risk through:

- execution of commenced residential projects,
- expanding the offer with the sale of aparthotel units - apartments for rent,

- geographical diversification of investments,
- continuation of hotel operations and management of hotels,
- real estate management,
- preparations related to the use of land held for the construction of logistic parks.
- preparation of prefabricated production

Investments to be launched:

In the upcoming years, the Group is preparing 20 new residential and commercial developments based on its land bank, for a total of 5,039 premises with a total area of 438,000 m².

In the case of all planned development and warehouse projects, the Capital Group is the owner or perpetual usufructuary of the land or has signed preliminary purchase agreements. In a significant part of the planned projects, the Capital Group has also carried out design and preparation works. The implementation of the investment will be financed from own funds, proceeds from customers in the case of an open trust account and from a bank loan.

The planned projects to be implemented in the upcoming years are presented in the table below.

List of planned development investments - as at 31.12.2018:

Investment	Number of units	useable area	Aparthotel-commercial area
Myślenice near Cracow (stageami)	1223	63 120	
Celna St., Szczecin*	810	34 000	14 796
Starowiejska St., Gdańsk- Letnica	638	32 521	629
Waryńskiego St., Pruszków	475	19 000	
Poznańska St., Skórczewo near Poznań	280	14 000	
Radosława St., Nowogard (in stages)	275	14 710	
Berensona St., Warsaw	264	11 855	
Antoniewska St., Warsaw	221	13 763	
Kilińskiego St., Łódź**	160	10 000	
Houses stage VI and further, Ożarów Mazowiecki	150	15 675	
Lewandów St., - Wrzosowa Aleja III stage II, Warsaw	146	4 709	
Mikołaja Trąby St., Warsaw	140	5 847	
Odkryta St., stage II, Warsaw	104	4 581	
Aluzyjna St., stage II, Warsaw	68	3 670	
Lewandów St., – 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 – (in stages)			80 000
Wielopole/Dietla St., Cracow			10 899
Małopole (warehouses), near Warsaw*** (in stages)			80 000

Total	5 039	252 112	186 324
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* plots purchased in Q1 2019

**final purchase agreement concluded in Q1 of 2019.

***preliminary purchase agreement

Market conditions

The analysis of the real estate market and our own recognition of purchasers' preferences indicate the appropriateness of conducting the current strategy, which consists mainly in satisfying the needs of middle-class customers, but also in skillfully adapting the offer to the requirements of wealthy people, to whom the aparthotel offer will be addressed mainly (flats for rent). Recently, there have been more and more clients who, seeing that the rates of return on bank deposits are not at a satisfactory level for them, are investing in real estate. On the other hand, the needs of middle-income Poles are growing.

The economic situation in the main markets in which the Group operates, in particular in the residential and commercial real estate market and in the hotel market, depends, among other things, on the macroeconomic situation.

The condition of the real estate development market is also influenced by non-economic factors of political, social and cultural nature, including:

- demographic changes affecting population growth and size,
- migration of the population to large urban agglomerations,
- decrease in the scale of emigration and increase in the scale of economic immigration as a result of an increase in the standard of living in the country,
- changes within households - processes of family formation and disintegration (increasing number of divorces),
- implementation of support programmes for young households and social support - Mieszkania Plus.

The main measures of economic activity point to the continuation of good economic situation. According to preliminary estimates, the gross domestic product (GDP) in 2018 was 5.1% higher in real terms compared to 2017. The unemployment rate in December 2018 stood at 5.9% (according to data from the Ministry of Family, Labour and Social Policy), i.e. at a very low level.

According to the NBP's Report on the stability of the financial system, the domestic residential real estate market remained in a phase of high activity. There was still a high level of demand in the largest cities, including investment demand. REAS data show that in 2018 there was a drop in sales of apartments by 11% compared to 2017, but sales were still higher than in a very good year 2016. The Company is aware that the residential market is cyclical, therefore after many years of good economic situation it is prepared for a possible slowdown. In recent years, the company has significantly improved its balance sheet structure, reduced net debt, is diversifying geographically and on the market (apart from the main residential market, operates on the hotel, aparthotel market and plans to enter the warehouse space market), through more than 25 years of operations, the company has acquired experience in operating both in good and bad economic conditions.

5. Primary products of J.W. Construction Holding S.A. Group.

5.1. Real estate development

The Group currently offers premises in the area of development activity, which can be divided into the following market segments:

- Popular residential units: flats in residential buildings and housing estates located mainly outside the very centre of major urban agglomerations. An example of popular flats are, among others, investments: Zielona Dolina and Wrzosowa Aleja (at Lewandów Street in Warsaw)
- High-standard flats: flats in this category are located relatively close to the city centre in popular districts, in buildings of a higher architectural standard. An example of such projects is, among others, the Bliska Wola estate (Warsaw) or the Nowe Tysiąclecie estate (Katowice).
- Terraced houses and detached houses: Villa Campina estate, located not far from Warsaw - in the commune of Ożarów Mazowiecki.

In 2018, flats were offered in both developer standard and turnkey finish. Following the new trends in interior design and arrangement, we proposed 4 programs to our clients: Basic, Silver, Gold and Platinum. The variety of options created the comfort of choice and the possibility of introducing various, personalized solutions tailored to individual tastes and financial capabilities of buyers to the finished interiors. The catalogue of programs included a wide range of finishing materials of renowned manufacturers with a wide selection of patterns and colours of the offered products.

In 2018, the Group was developing 15 residential and commercial projects for a total of 4,959 premises (including apartments and detached houses) with an area of over 226,000 m². The front of the works covered investments all over the country: Bliska Wola - Stage C (residential and aparthotel stage), Stage D (residential and aparthotel stage), Stage E (residential and commercial stage), Osiedle Zielona Dolina II, stages I and II, Zielona Dolina III, Osiedle Wrzosowa Aleja in Warsaw, Osiedle Nowe Tysiąclecia stage III in Katowice, Bernadowo Park stage II and Osiedle Kamerta in Gdynia, Hanza Tower project in Szczecin and 3 stages of terraced houses - Villa Campina near Ożarów Mazowiecki.

The table below presents the investments carried out by the Group in 2018

In 2018, the following investments were being carried out:

Investment	Number of units	useable area	Aparthotel-commercial area	% of units sold as at 31.12.2018.	% advancement of construction works as at 31.12.2018.
Bliska Wola stage D (mieszaniowo-aparthotelowo-komercyjny), Warsaw – J.W. Construction Holding S.A.	1 059	25 417	17 151	16%	3%
Bliska Wola – stage E – część mieszkalna, Warsaw – J.W. Construction Holding S.A.	671	30 454		98%	96%
Zielona Dolina II stage II, Warsaw – J.W. Construction Holding S.A.	570	25 311		87%	98%
Hanza Tower, Szczecin – Hanza Invest S.A.	508	21 957	10 841	53%	38%
Bliska Wola - stage C – część apartotelowa, Warsaw – J.W. Construction Holding S.A.	457		14 501	98%	100%
Bliska Wola - stage E – część komercyjno-mieszaniowa, Warsaw – J.W. Construction Holding S.A.	433	4 549	10 089	97%	97%
Bliska Wola stage D (mieszaniowy), Warsaw – J.W. Construction Holding S.A.	418	19 178		77%	5%
Nowe Tysiąclecie stage III, Katowice – J.W. Construction Holding S.A.	346	18 261		48%	26%
Bernadowo Park stage II, Gdynia – J.W. Construction Holding S.A.	236	13 144		100%	100%
Wrzosowa Aleja, Warsaw – J.W. Construction Holding S.A.	81	2 958		37%	33%
Kamerata, Gdynia – J.W. Construction Holding S.A.	55	3 420		98%	93%
Zielona Dolina III, Warsaw – J.W. Construction Holding S.A.	54	2 247		98%	100%
Villa Campina Houses - Alicja (rank F), Ożarów – J.W. Construction Holding S.A.	30	2 857		7%	11%
Villa Campina Houses - Alicja (rank D), Ożarów – J.W. Construction Holding S.A.	21	2 017		100%	94%
Villa Campina Houses - Alicja (rank E), Ożarów – J.W. Construction Holding S.A.	20	2 003		45%	37%
Total	4 959	173 773	52 582		

Construction commenced in 2018

In 2018, a total of 1,588 units out of the above mentioned investments were started:

Contrustion in 2018	Number of units	Useable area (m2)	Aparthotel-commercial area
Bliska Wola stage D (mieszaniowo-aparthotelowo-komercyjny), Warsaw	1 059	25 417	17 151
Bliska Wola stage D (mieszaniowy), Warsaw	418	19 178	
Wrzosowa Aleja, Warsaw	81	2 958	
Villa Campina Houses - Alicja (rank F), Ożarów,	30	2 857	
TOTAL	1 588	50 410	17 151

Construction sites with occupancy permit in 2018

In 2018, occupancy permits were obtained for a total of 1,317 units:

Investment	Number of units	useable area	Aparthotel-commercial area
Zielona Dolina II stage II, Warsaw	570	25 311	
Bliska Wola - stage C – część apartotelowa, Warsaw	457		14 501
Bernadowo Park stage II, Gdynia	236	13 144	
Zielona Dolina III, Warsaw	54	2 247	
Total	1 317	40 702	14 501

Sales in 2018

Sales in the period from 1 January to 31 December 2018 amounted to 1,248 units.

Transferred units in 2018

In the period from 1 January to 31 December 2018, the company transferred and recognized in its revenues 1,087 units.

From investments carried out in 2018. The total number of units on offer for recognition in the following quarters amounts to 4 132 units, including 4 132 units: 2,405 are units sold and not transferred, 1,727 are units on offer for sale.

In 2018, the Capital Group received the following decisions on permits:

a) *construction permit*

On 10, 12 and 15 January and 13 February 2018. The Company received building permits for a complex of terraced houses located in the commune of Kręczyki Kaputy near Ożarów Mazowiecki. The permit is legally binding

On 2 February 2018 The Company received building permits for a hotel building with services, retail and underground garage, located at Pileckiego Street in Warsaw. On 4 October 2018 The Company received a certificate that the decision of 2 February 2018 on granting a building permit for the construction of a hotel building

with services and trade and an underground garage, located at Pileckiego Street in Warsaw, has become final and legally binding.

On 8 May 2018 The Company received a building permit for the construction of a residential and service complex "Bliska Wola stage D" in the vicinity of Ordonia, Kasprzaka, Prymasa Tysiąclecia Avenue in Warsaw. The permit obtained enables the development of two sub-stages of the investment, for a total of nearly 1,500 units with a residential, hotel and commercial area of almost 62,000 m². The permit is legally binding.

On 10 September 2018 The Company received building permits for a hotel, retail and service complex with technical infrastructure, located at Spokojna Street in Gdynia. The permit is final.

On 9 November 2018. The Company received building permits for a multi-family building with a service part and an underground garage at Mikołaja Trąby Street in Warsaw. The permit is final.

b) occupancy permit

On 19 June 2018. The Company received a permit to use a multi-family residential building with an underground garage in Warsaw at Verdiego Street - Osiedle Zielona Dolina III. The permit is legally binding.

On 2 July 2018 The Company received occupancy permits for residential buildings developed within the housing estate at Leśna and Parkowa Streets in Gdynia - Osiedle Gdynia Bernadowo Park II. The permit is legally binding.

W dniu 18 lipca 2018 r. Spółka otrzymała pozwolenia na użytkowanie apartotelu Varsovia (Bliska Wola stage C, z wyłączeniem 11 lokali) przy ul. Kasprzaka/Ordonia w Warszawie. W dniach 20 września br. (w zakresie 7 lokali) i 3 października 2018 r. (w zakresie 4 lokali) Spółka otrzymała pozwolenia na użytkowanie. Pozwolenia są prawomocne.

W dniu 14 sierpnia 2018 r. Spółka otrzymała pozwolenia na użytkowanie 4 budynków mieszkalnych wielorodzinnych realizowanych w ramach inwestycji mieszkaniowej Zielona Dolina II stage II przy ul. Verdiego w Warszawie. W dniu 17 grudnia 2018 r. Spółka uzyskała pozwolenie w zakresie pozostałych 21 budynków w ramach przedsięwzięcia Zielona Dolina II stage II. Pozwolenia są prawomocne.

5.2. Construction and assembly activities

The Capital Group also includes an entity providing general contracting services (with its own resources and facilities for construction equipment) - this is the company J.W. Construction sp. z o.o. The largest recipient of J.W. Construction Sp. z o.o.'s services are entities from the Capital Group: J.W. Construction Holding S.A., for which it executes a project in Katowice - Nowe Tysiąclecie investment stage III and single-family houses in Ożarów and Hanza Invest, for which the Company JW. Construction Sp. z o.o. realizes investments of Hanza Tower in Szczecin.

5.3. Hotels and managing apart-hotels

In 2018, the Group continued its hotel operations. Currently, the hotel base of the Group includes 5 hotels and 2 apartments. 3 stable and prosperous 500 hotels are located in Zegrze near Warsaw, Tarnów Podgórny and Stryków. In addition, the company owns the luxury facility "Czarny Potok Resort & SPA", opened in 2012 in

Krynica Zdrój and the Dana Business & Conference hotel, whose revitalization was completed by the Company at the end of 2015 (the Dana Hotel operates as a subsidiary of Dana Invest Sp. z o.o.).

In 2016, the Group commissioned and opened its first ever aparthotel - Varsovia Apartamenty Jerozolimskie at Aleje Jerozolimskie in Warsaw. In 2018, another aparthotel at Kasprzaka Street in Warsaw - Varsovia Apartamenty Kasprzaka for 311 fully equipped, air-conditioned apartments was opened. Both aparthotels are managed by a subsidiary of Varsovia Apartamenty Sp. z o.o.

The value of revenue from the sale of hotel services in 2018 amounted to PLN 62,323,345. In 2018 there was an increase of 23% in revenues from hotel operations as compared to the previous year. The structure of hotel customers has remained unchanged for years thanks to the established position of the Hotel 500 chain. It is still dominated by corporations and organized groups of tourists

5.4. Real estate management

The Group also takes care of the proper course of the process of settling the property, starting from the transfer of premises to the Clients, transfer of ownership by notary deed, to the management of the properties built within the framework of the established Housing Communities. The Company performs the function of Manager and Administrator, as well as accounting and debt collection services, which allows to ensure smooth implementation of procedures for the proper functioning of all areas of the Housing Community. Thanks to many years of experience in real estate management, committed staff and transparent rules of operation, the Company is able to adapt to the ever-increasing requirements of customers and the market. Currently, the Company provides administrative services for 25 residential properties.

In 2018, the Group's revenues from sales of products and services by segments were as follows:

	01-01-2018 to 31-12-2018	01-01-2017 to 31-12-2017
Revenues from sales of products and services by segment	400 052 227,24	401 831 211,82
-real estate development	323 525 144,55	337 056 422,25
-business activity related to hotels	62 323 345,45	50 519 180,78
- social building	13 199 693,24	13 124 270,93
-construction	1 004 044,00	1 131 337,86

6. Market information

Due to the fact that sales to third parties are made within the Group in the vast majority by the Dominant Entity, the description concerns mainly its sales markets.

At present, the Warsaw market is the Group's largest and most important market for the operations of the Group. In the Group's opinion, the Warsaw market is the largest and most stable residential market in Poland, with the highest prices per square metre of residential space and the highest levels of profitability.

Taking advantage of its stable position on the property development market and the competitiveness of its offers, the Group successfully continues to develop projects on the markets in other large urban agglomerations such as Gdynia, Szczecin and Katowice.

7. Suppliers and customers

The Group uses the services of various suppliers, which are selected through tenders. The Group acquires materials for production from a number of entities, therefore there is no dependence on any supplier of materials in this respect.

Delivery of services is performed both within the Group (by J.W. Construction sp. z o.o.) and by external entities. In 2018, the largest scope of construction work for the Group was performed by the following external entities:

Company	Value of work performed in 2018.
Hochtief Polska S.A.	PLN 113,2 million
Instalbud Rzeszów Sp. z o.o.	PLN 34,9 million
Eiffage Polska Serwis Sp. z o.o.	PLN 12,7 million
Fabet Konstrukcje Sp. z o.o.	PLN 11,4 million

It is not possible to distinguish one main recipient of services or goods of companies from the Capital Group due to the fact that sales outside the group are carried out mainly by the Company and in its case the vast majority of recipients are individual buyers of residential units.

8. Agreements significant for the operations of the Capital Group

8.1 Construction works contracts

Construction contract

W dniu 28 sierpnia 2018 r. Emitent zawarł z Fabet-Konstrukcje Spółka z o.o. z siedzibą Kielcach jako wykonawcą umowę, której przedmiotem jest wykonanie na terenie inwestycji prowadzonej przez Spółkę w Warszawie przy ul. Kasprzaka stage Dm i Dk inwestycji Bliska Wola prac związanych z konstrukcją budynków obejmujących między innymi :

- comprehensive execution of reinforced concrete works;
- comprehensive execution of masonry works.
- drainage of the trench;
- execution of ground works;
- securing the excavation walls - slurry wall;

The deadline for completion of the works was set at 21 October 2020.

The Contractor's remuneration has been established as a lump-sum based on the scope of works at the amount of PLN 140,262,989.82 plus VAT at the rate applicable on the date of issuing the invoices.

Annex to the investment contract

On 14 November 2018, between the Issuer's subsidiaries Hanza Invest S.A. with its registered office in Ząbki (investor) and J.W. Construction Sp. z o.o. with its registered office in Ząbki (general contractor), an annex to the

agreement of 28 February 2017 for the execution of the Hanza Tower investment in Szczecin was concluded. On the basis of the concluded annex they have been changed:

- the investment is to be completed by 30 July 2020. (obtaining a valid occupancy permit);
- scope of works by increasing the scope of works due to changes resulting from the executive design;
- Lump-sum remuneration agreed between the parties, which was increased to PLN 173,000,000 increased by VAT at the rate binding on the day of issuing the invoices. The increase in remuneration takes into account the costs of works resulting from the increase in the scope of works as well as the higher costs of the construction actually incurred by the Contractor, calculated on the basis of the steel and concrete used.

On 12 December 2018, the Issuer concluded an annex to the agreement of 14 July 2017 with a subsidiary of J.W. Construction Sp. z o.o. with its registered office in Ząbki, being the general contractor for buildings A2, B2 and B3 in the Osiedle Tysiąclecia investment in Katowice, pursuant to which the following have been altered:

1. The deadline for obtaining a valid occupancy permit was set at 31 December 2020.
2. The lump-sum remuneration agreed between the parties was increased to the amount of PLN 82,875,000 increased by VAT at the rate applicable on the date of issuing the invoices.

8.2 Insurance contracts

The companies of the Capital Group conclude various insurance agreements resulting from the nature of their business activity. These are both compulsory and voluntary insurance.

As part of construction projects, insurance policies are taken out to cover potential damages that may occur during the implementation of the investment, including third party liability on account of the works being carried out. Contracts are concluded for the period of investment execution.

The companies have insurance contracts for fixed assets owned by them. The value of policies is determined on the basis of the replacement value of assets in PLN or EUR, depending on the currency of purchase of a given fixed asset. Policies are concluded for a period of 1 year.

The companies have packages of separate third party liability insurance contracts for their operations.

After the completion of the investment and expiration of the construction works insurance, insurance contracts are concluded for the constructed buildings. After the establishment of the housing community, the rights resulting from the insurance agreement are transferred, by way of an annex, to the community management of the insured property.

At 31 December 2018 Group held the following policies

Insurance coverage	Total amount insured	Insurance companies
Liability for business, work, etc.	65.200.000 zł	PZU, Ergo Hestia, Allianz, Compensa, AXA
Insurance of property held	692.414.057 zł	Ergo Hestia, Compensa, PZU, Allianz, Hubb, Gothar
CAR insurance for investments in progress	618.058.075 zł	Ergo Hestia, Allianz, Warta, Compensa

8.3 Real estate contracts

Purchase of real estate

In the reporting period, the Company was purchasing the remaining residential units located in Krakow at 19-21 Wielopole Street, 86,88,90 Dietla Street. As at today, there is a last unit in the building to be purchased.

On 2 February 2018, the Company acquired the ownership right to an undeveloped plot of land with an area of 2.3544 ha located at Poznańska Street in Skórzewo in the municipality of Doplewo. The sale price is set at PLN 9,800,000 net plus VAT at the applicable rate. The property is intended for multi-family residential development. The Company estimates that it will be possible to construct approx. 14,000 m² of usable area of flats on the plot.

On 4 April 2018, in the performance of a conditional sale agreement concluded on 23 March 2018, in connection with the lack of exercising his right of the President's of Pruszków, the Company concluded a contract transferring the right of perpetual usufruct of an undeveloped plot of land No. 215 with an area of 16,902 m² located in Pruszków at Waryński 5/7 St. for the amount of PLN 15,900,000 net plus VAT at the applicable rate. The company plans to build approximately 19,000 m² of residential useable area.

On 5 June 2018, in the performance of a preliminary agreement for the acquisition of the right of perpetual usufruct of land concluded on 6 February 2018, the Company concluded a purchase agreement for two developed plots with a total area of 0.2287 ha located in Gdańsk at Starowiejska St., for PLN 4,250,000 net, plus VAT at the applicable rate.

On 6 June 2018, in the performance of a preliminary agreement for the acquisition of the right of perpetual usufruct of land concluded on 13 June 2017, the Company concluded a purchase agreement for eight developed plots with a total area of 0.8450 ha and a share of 806/1000 in two plots with a total area of 0.1542 located in Gdańsk at 67 Starowiejska St., for PLN 20,500,000 net, plus VAT at the applicable rate. The company plans to build about 33,100 m² of useable area on the plots.

On 11 September 2018, in performance of the contingent purchase agreement of 31 August 2018, the Company entered into an agreement transferring the ownership right to real estate comprising a plot of land No. 555, 556 and 557/1 with a total area of 29.4000 ha located in Zawada, Myślenice Municipality ("Property"). The price for the Property has been determined as PLN 21,000,000 gross. The Company intends to build approx. 63,100 m² of usable area of flats on the plots in question.

On 19 December 2018, in performance of the contingent agreement, the Company acquired the right of perpetual usufruct of undeveloped plots of land No. 5/4, 7/2 and 7/4 with a total area of 1,4471 ha located in Szczecin at Celna Street for the total amount of PLN 14,600,000 net increased by VAT at the applicable rate. The Company, on the plots at Celna Street (purchased in December 2018 and January 2019), intends to build approx. 48,800 m² of usable area of apartments and aparthotels.

Preliminary agreements for the acquisition of real estate

On 19 December 2018 The Company entered into a contingent agreement for the acquisition of the perpetual usufruct right to undeveloped plots with numbers 28/8 and 28/9 with a total area of 0.7471 ha, located in Łódź at Jana Kilińskiego Street, for the amount of PLN 4,725,000 net plus VAT at the applicable rate. The condition for

the purchase of the property was that the city of Łódź did not exercise its pre-emptive right of refusal. The Company intends to construct approx. 10,000 m² of usable area of flats on the plots.

Real estate sales agreements

On 29 May 2018, the City of Katowice exercised its pre-emptive right of perpetual usufruct of the undeveloped plot of land No. 43/1 with an area of 2,066 m² located in Katowice, the Tysiąclecia estate belonging to the Company, for the amount of PLN 897,900.00 gross. The property in question was to be sold to another entity.

On 22 June 2018 The Company sold real estate constituting a developed right of perpetual usufruct of plots of land No. 12/2, 12/3 and 30 with a total area of 0.3621 ha, located in Wrocław at 20 Powstańców Śląskich Street, for the amount of PLN 1,000,000 plus VAT at the applicable rate.

Preliminary agreements for the sale of real estate

On 29 November 2018 The Company entered into a preliminary and contingent agreement for the sale of the ownership right to properties located in Łeba, constituting plots of land No. 78/11 with an area of 1.7405 ha, 78/12 with an area of 3.6367 ha, a share of 546/3822 in the plot of 78/4 and a share of 1613100/1014909090 in plot 79 (road plots) for the net amount of PLN 9,486,000.

8.4 Information on financial agreements entered into and terminated during the financial year

8.4.1 Credits terminated

Both in 2018 and in the period from the balance sheet date to the date of this Report on the Group's activities in 2018, no credit agreements were terminated.

8.4.2 Credits taken out

Detailed information on loan liabilities as at 31 December 2018 is presented in Note 14 to the financial statements.

In 2018, the following events related to credit agreements occurred

Credit repayment:

On 5 February 2018, the Company made a full repayment of the loan for the co-financing of the „Bernardowo Park phase II” residential investment in Gdynia in the amount of PLN 33,700,000 incurred in Millenium Bank S.A

On 28 February 2018, the Company made a full repayment of the revolving credit for co-financing the costs of realization of "Zielona Dolina III" residential investment in Warsaw, in the amount of PLN 5,000,000 incurred in BOŚ Bank SA.

On 17 October 2018 The Company repaid in full the revolving credit intended for co-financing the costs of the residential investment "Zielona Dolina II stage II" in Warsaw, in the amount of PLN 49,500,000 incurred in BOŚ Bank S.A.

Annex to credit agreement:

On 20 April 2018, the Company concluded an Annex to a credit agreement in the current account granted by Plus Bank S.A. Under the Annex, at the Company's request, the credit limit was reduced to PLN 8,000,000 and the deadline for use and repayment date have been postponed. The final repayment date is 25 April 2020.

On 25 April 2018, the Company concluded an Annex to a credit agreement in the current account granted by PKO BP S.A. in the amount of PLN 10,000,000. Under the Annex, the deadline for use and repayment date have been postponed. The final repayment date is 25 April 2019.

On 25 April 2018. J.W. Construction Spółka z o.o., a subsidiary of the Issuer, concluded an annex to the credit agreement in the current account granted by PKO BP S.A. in the amount of PLN 7,000,000. Under the annex, the date of use and repayment of the loan was postponed. The new repayment date was set at 25 April 2019.

On 14 June 2018, the Company concluded an Annex to a credit agreement in the current account granted by Bank Millennium SA in the amount of PLN 16,830,000. Under the Annex, the deadline for use and repayment date have been postponed. The final repayment date is 31 May 2019.

W dniu 13 grudnia 2018 r. Spółka zawarła Aneks do umowy o kredyt inwestycyjny udzielony przez Getin Noble Bank SA na współfinansowanie kosztów realizacji III etapu inwestycji „Osiedle Nowe Tysiąclecie” w Katowicach w wysokości 42.000.000 zł. Na mocy aneksu przesunięto termin wykorzystania i spłaty kredytu. Nowy termin spłaty kredytu ustalono na dzień 31 grudnia 2021 r.

On 28 December 2018 The Company concluded an Annex to the revolving credit agreement granted by Bank Polskiej Spółdzielczości S.A. in the final amount of PLN 4,500,000, earmarked for financing current operations. Under the Annex, the date of use of the loan was postponed. The new repayment date was set at 31 December 2019.

8.4.3 Loans taken out and granted

In the reporting period, the Company granted the following loans:

Creditor	Borrower	Date	Amount and currency	Repayment date	Interest
J.W. Construction Holding S.A.	Yakor House	12.03.2018	PLN 103.706,56	31.12.2021	WIBOR 3M+ margin
J.W. Construction Holding S.A.	Yakor House	28.05.2018	PLN 9.833,28	31.12.2021	WIBOR 3M+ margin
J.W. Construction Holding S.A.	Yakor House	03.07.2018	PLN 77.981,18	31.12.2021	WIBOR 3M+ margin
J.W. Construction Holding S.A.	Yakor House	24.08.2018	PLN 17.010,71	31.12.2021	WIBOR 3M+ margin
J.W. Construction Holding S.A.	Yakor House	25.10.2018	PLN 161.723,68	31.12.2021	WIBOR 3M+ margin
J.W. Construction Holding S.A.	J.W. Construction Bulgaria EOOD	12.03.2018	PLN 18.151,14	31.12.2021	WIBOR 3M+ margin
J.W. Construction Holding S.A.	J.W. Construction Bulgaria EOOD	10.04.2018	PLN 110.632,30	31.12.2021	WIBOR 3M+ margin
J.W. Construction Holding S.A.	J.W. Construction Bulgaria EOOD	24.08.2018	PLN 17.516,40	31.12.2021	WIBOR 3M+ margin
J.W. Construction Holding S.A.	Hanza Invest S.A.	27.06.2018	PLN 2.900.000	31.12.2020	WIBOR 3M+ margin
J.W. Construction Holding S.A.	Hanza Invest S.A.	06.08.2018	PLN 1.000.000	31.12.2020	WIBOR 3M+ margin
J.W. Construction Holding S.A.	Hanza Invest S.A.	19.09.2018	PLN 4.600.000	31.12.2020	WIBOR 3M+ margin
J.W. Construction Holding S.A.	Hanza Invest S.A.	31.08.2018	PLN 4.850.000	31.12.2020	WIBOR 3M+ margin
J.W. Construction Holding S.A.	Hanza Invest S.A.	19.10.2018	PLN 4.621.000	31.12.2020	WIBOR 3M+ margin
J.W. Construction Holding S.A.	J.W. Construction Sp. z o.o.	27.09.2018	PLN 7.700.000	30.06.2020 loan repaid early in the year of granting	WIBOR 3M+ margin
J.W. Construction Holding S.A.	J.W. Construction Sp. z o.o.	06.08.2018	PLN 7.000.000	31.12.2020	WIBOR 3M+ margin
J.W. Construction Holding S.A.	J.W. Construction Sp. z o.o.	28.12.2018	PLN 8.600.000	30.06.2020	WIBOR 3M+ margin
J.W. Construction Holding S.A.	Dana Invest Sp. z o.o.	20.03.2018	PLN 300.000	01.04.2033	WIBOR 3M+ margin
J.W. Construction Holding S.A.	Varsovia Apartamenty Sp. z o.o.	13.12.2018	PLN 1.300.000	31.12.2020	WIBOR 3M+ margin
J.W. Construction Holding S.A.	Wroński Spółka jawna	30.04.2018	PLN 3.000.000	15.05.2021	Interest-free.
J.W. Construction Holding S.A.	Wroński Spółka z o.o. Spółka komandytowa	12.07.2018	PLN 2.000.000	05.07.2021	Interest-free.

In the reporting period, no loan agreement was terminated.

8.5 Agreements concluded between shareholders that would be material to the Group's operations.

The Company is not aware of any agreements concluded between its shareholders that would be material to its business.

8.6. Issuance of securities

Bond processing

In the reporting period, the Company processed the issued bonds.

Interest paid

On 24 April 2018 the Company paid interest on series JWX0116 bonds.

On 15 May 2018 and 15 November 2018 the Company paid interest on bonds marked with the PLJWC0000126 code

On 30 May 2018 and 30 November 2018 the Company paid interest on bonds marked with the ISIN PLJWC0000118 code.

Partial bonds redemption

In the reporting period, the Company partially redeemed the nominal value of the following bonds in accordance with the terms and conditions of the issue of bonds:

On May 30, 2018, the Company made a partial redemption of the nominal value of JWC0520 series bonds, issued in 70,000 units, with a par value of PLN 1,000 each and a total value of PLN 70,000,000, marked in the KDPW system by the ISIN code PLJWC0000118. The redemption covered 10% of the original bond issue value, ie PLN 7,000,000. After redemption, the value of each bond is PLN 900.00 and the total value of PLN 63,000,000.00.

On 15 November 2018, 10% of the value of each bond issued on 17 November 2017 in the number of 94,000 bonds with a nominal value of PLN 1,000.00 each and the total issue value of PLN 94,000,000.00, designated with ISIN code PLJWC0000126, was redeemed. After redemption, the value of each bond is PLN 900.00 and the total value is PLN 84,600,000.00.

8.7. Information on sureties and guarantees granted and received

Surety

In the reporting period, the Company did not grant any sureties exceeding 10% of the Company's equity.

In the reporting period, there was one surety exceeding 10% of the Company's equity granted to Alior Bank S.A. on account of a loan granted to a subsidiary Hanza Invest S.A. with its registered office in Ząbki. The surety was granted on 10 February 2017 up to the amount of PLN 141,789,712 on account of the following loans: Investment in the amount of PLN 138,789,712 and VAT in the amount of PLN 3,000,000. Hanza Invest S.A. took out the said loans in connection with the implementation of the Hanza Tower investment in Szczecin at 46 Wyzwolenia Avenue. The surety was granted until the repayment of the loans, the term of which in the loan agreement was granted as of 30 September 2020. The Company is the only shareholder of Hanza Invest S.A., which is a special purpose vehicle designed to implement the Hanza Tower investment in Szczecin.

In 2018, the Capital Group reported granting the following sureties:

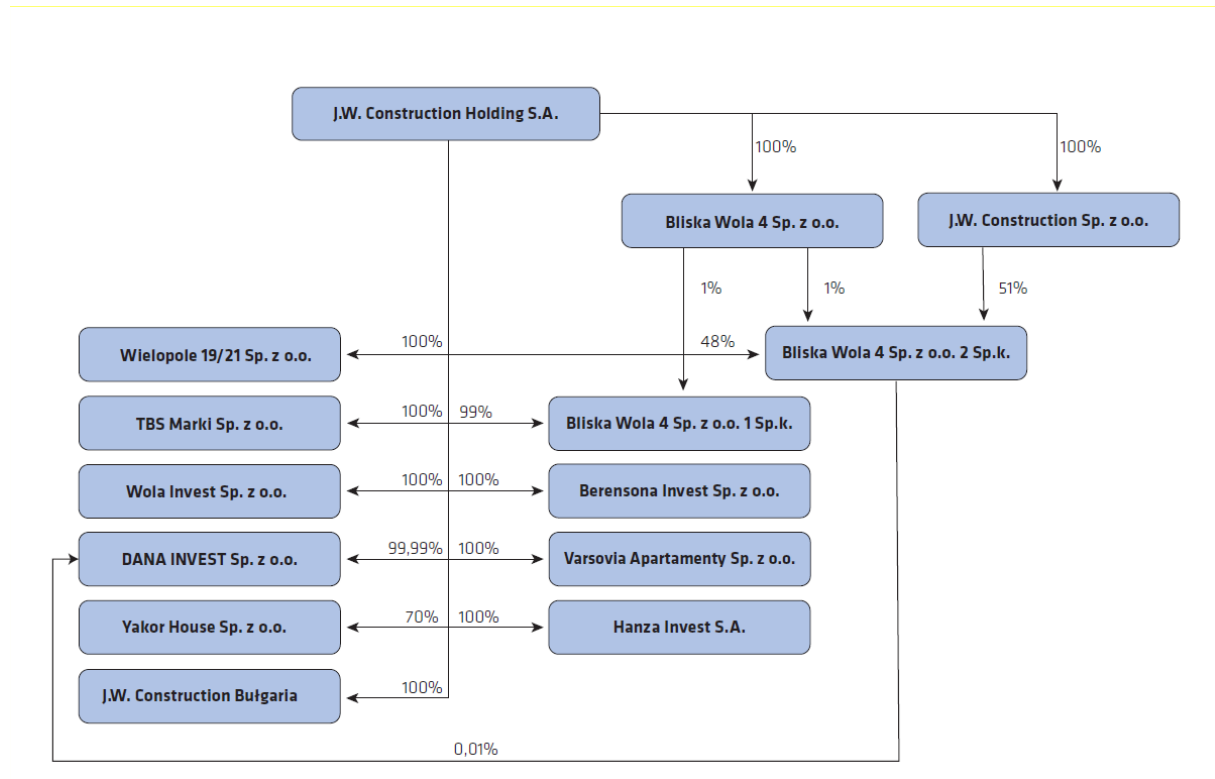
OFF-BALANCE SECURITIES	2018-12-31
Guarantee of J.W. Construction Holding S.A. to the benefit of Hanza Invest SA for a credit loan incurred at Alior Bank S.A.	141 789 712
Guarantee of J.W. Construction Holding S.A. to the benefit of Dana Invest Sp. z o.o. for a credit loan incurred at BZ WBK SA.	29 694 876
Guarantees to the benefit of J.W. Construction Sp. z o.o. by PKO BP for the loan and surety	14 500 000
Sureties to the benefit of TBS "Marki" Sp z o.o.	22 400 000

Guarantees and sureties granted within the Capital Group as at 31 December 2018 is presented in Note 35 to the financial statements.

8.8 Information on the control system for employee share-based incentive schemes

The Company does not have an employee share ownership program.

9. Organisational and capital affiliations of the Group as at 31.12.2018.



J.W. Construction Sp. z o.o.

J.W. Construction Sp. z o.o. with its registered office in Żąbki, registered in the Register of Entrepreneurs under the number KRS 300959. The company holds 100% of shares in J.W. Construction Sp. z o.o. The main activity of J.W. Construction Sp. z o.o. is construction and assembly production and production of prefabricated construction elements.

TBS Marki Sp. z o.o.

TBS Marki Sp. z o.o. with its registered office in Warsaw was entered in the register of entrepreneurs on 28 November 2001 under KRS number 65232. The Company holds 100% of shares in TBS Marki. TBS Marki Sp. z o.o. was established as a social housing association within the meaning of the Act on Certain Forms of Support for Housing Industry. The company owns four housing estates: Lisi Jar and Marki V in Marki, Warszawa Białoleka at Kowalczyka St. and Sochaczew at Piłsudskiego Street.

Yakor House Sp. z o.o.

Yakor House Sp. z o.o. with its registered office in Sochi, Russian Republic, the Company holds 70% of the share capital of the company, which amounts to 10,500,000 rubles. It owns a real estate in Sochi, intended for multi-family development.

J.W. Construction Bułgaria EOOD

J.W. Construction Bułgaria EOOD was registered by the Sofia City Court (Bulgaria) on 8 October 2007. (incorporated under Bulgarian law - the equivalent of a Polish limited liability company).

Currently, J.W. Construction Bulgaria EOOD has its registered office in Varna, where the Company holds 500 (five hundred) shares with a nominal value of BGN 10 (ten) each and a total value of BGN 5,000 (five thousand). These shares represent 100% of the share capital of J.W. Construction Bulgaria EOOD. J.W. Construction Bulgaria EOOD owns property in Złote Piaski

Dana Invest Sp. z o.o.

Dana Invest Sp. z o.o. with its registered office in Ząbki, entered in the register of entrepreneurs on 30 December 2013 under the number KRS 492262. The Company holds directly 99.99% of shares in Dana Invest Sp. z o.o. Dana Invest Sp. z o.o. is the owner of a hotel building in Szczecin.

Bliska Wola 4 Sp. z o.o. 1 Spółka komandytowa

Bliska Wola 4 Spółka z o.o. 1 Spółka Komandytowa with its registered office in Ząbki, entered in the register of entrepreneurs on 29.04.2016 under the number KRS 614745, which resulted from the transformation of Bliska Wola 1 Sp. z o.o. from a limited liability company into a limited partnership. The Company holds directly 99% of profits in Bliska Wola 1 Sp. z o.o.1 Sp. k., the remaining share is held by the Issuer's subsidiary. Through Bliska Wola 4 Sp. z o.o. 1 Sp. k. stage B1 in the investment of Bliska Wola in Warsaw at Kasprzaka Street was executed.

Bliska Wola 4 Sp. z o.o. 2 Spółka komandytowa

Bliska Wola 4 Spółka z o.o. 2 Spółka Komandytowa with its registered office in Ząbki, entered in the register of entrepreneurs on 29.04.2016 under the number KRS 616121, which was established as a result of the transformation of Bliska Wola 2 Sp. z o.o. from a limited liability company into a limited partnership. The Company holds directly 48% of profits in Bliska Wola 1 Sp. z o.o.2 Sp. k., the remaining shares are held by the Issuer's subsidiary. Through Bliska Wola 4 Sp. z o.o. 2 Sp. k. stage B2 of the Bliska Wola investment in Warsaw at Kasprzaka Street was executed.

Wola Invest Sp. z o.o.

Wola Invest Spółka z o.o. with its registered office in Ząbki, entered in the register of entrepreneurs on 23.01.2014 under the number KRS 495616 The Company holds 100 % of shares in Wola Invest Sp. z o.o. The company was planned for managing aparthotels in the investment of Bliska Wola.

Bliska Wola 4 Sp. z o.o.

Bliska Wola 4 Spółka z o.o. with its registered office in Ząbki, entered in the register of entrepreneurs on 24.01.2014 under the number KRS 495669 The Company holds 100% of shares in Bliska Wola 4 Sp. z o.o. The Company is a Partner in two limited partnerships.

Hanza Invest S.A.

Hanza Invest S.A. with its registered office in Ząbki, entered in the register of entrepreneurs on 14.2.2015 under the number KRS 590627. The Company holds 100% of shares in Hanza Invest S.A. Hanza Invest S.A. is a special purpose vehicle within the framework of which the investment of Hanza Tower in Szczecin at 46 Wyzwolenia Avenue is executed.

Varsovia Apartamenty

Bałtycka Invest Sp. z o.o. with its registered office in Ząbki, entered in the register of entrepreneurs on 23.01.2014 under the number KRS 495612 The Company holds 100% of shares in Bałtycka Invest Sp. z o.o. Varsovia Apartamenty Sp. z o.o. is the operator of the aparthotel belonging to the Company, located in Warsaw at 216 Jerozolimskie Avenue and the operator of the aparthotel located in Warsaw at 31 Kasprzaka Street.

Berensona Invest Sp. z o.o.

Berensona Invest Spółka z o.o. with its registered office in Ząbki, entered in the register of entrepreneurs on 28.01.2014 under the number KRS 496087. The Company holds 100% of shares in Berensona Invest Sp. z o.o.

Wielopole 19/21 Sp. z o.o.

Wielopole 19/21 Spółka z o.o. with its registered office in Ząbki, entered in the register of entrepreneurs on 14.12.2016 under the number KRS 652369. The Company holds 100 % of shares in Wielopole 19/21 Sp. z o.o.

10. Changes in the structure of the Capital Group in 2018 and the most important capital investments

Changes in the structure of the Capital Group

The most important changes:

Shares and stocks acquisition:

In the reporting period, the Company acquired 100 shares with a nominal value of PLN 100 each and a total value of PLN 10,000, constituting 100 % of the share capital of Wielopole 19/21 Spółka z o.o. with its registered office in Cracow.

Registration of the Issuer's merger with subsidiaries

On 20 September 2018 The District Court for the Capital City of Warsaw in Warsaw, 14th Commercial Division of the National Court Register, registered the Issuer's merger with the following subsidiaries: Seahouse Spółka z o.o. with its registered office in Ząbki, Łódź Invest Spółka z o.o. with its registered office in Ząbki, Nowe Tysiąclecie Spółka z o.o. with its registered office in Ząbki, Zdziarska Invest Spółka z o.o. with its registered office in Ząbki, Lewandów Invest Spółka z o.o. with its registered office in Ząbki, Porta Transport Spółka z o.o.o. in liquidation with its registered office in Szczecin, a company under the business name J.W. Ergo Energy Spółka z o.o. with its registered office in Ząbki, a company under the business name Towarzystwo Budownictwa Społecznego Nowy Dom Spółka z o.o. with its registered office in Ząbki, a company under the business name J.W. Marka Spółka z o.o. with its registered office in Ząbki and Business Financial Construction Spółka z o.o. with its registered office in Warsaw (" Acquired companies).

The merger was made within the capital group of the Issuer, in all Companies acquired the Issuer held 100% share in the share capital. The merger was carried out pursuant to Art. 492.1.1 of the Polish Commercial Companies Code through the transfer of all the assets of the Acquired Companies to the Issuer - as the sole shareholder

11. Transactions entered into by the Company or its subsidiary with related parties on terms other than market terms and conditions

All transactions with related parties entered into by the companies of the Capital Group are on market terms, and a description of these transactions can be found in Note 30 of the financial statements.

12. Explanation of differences between financial results disclosed in the annual report and previously published result forecasts

In the reporting period, the Company did not prepare and did not publish any results forecasts.

13. Management of financial resources of the Capital Group

Management of financial resources of J.W. Construction Holding S.A. Group involves ensuring its liquidity in all segments of activity, including mainly development activity. The overriding objective of the Group's operations is to ensure sources of financing for all projects under construction while maintaining liquidity ratios at a safe level. The subject of daily analysis is the turnover in the company together with the financing structure in order to ensure current and future liquidity at the optimum level. In 2018 The Group generated satisfactory profits. By monitoring the Group's daily turnover, it repays on an ongoing basis all loans it has taken out for the implementation of its investments. The economic and financial situation is hedged by proceeds from completed investments and investments planned to be transferred in 2019, as well as by other assets. Moreover, the Group has been cooperating with various banks for years, in order to ensure financing of both investment and current operations.

14. Evaluation of the possibility of realization of investment plans of the Capital Group

The Group is preparing to carry out new residential projects, however, it may face formal and legal problems related, to a large extent, to administrative decisions. Failure to obtain permits, approvals or consents, or failure to obtain them within the assumed deadlines, may adversely affect the Company's ability to commence new development projects. The activity will continue to be financed with equity, prepayments made by customers and bank loans based on the Development Act. These will continue to be predominantly loans in the form of safe renewable lines using trust accounts opened, where the balance of funds shortfall during the period will be financed, or trust accounts closed, where all costs related to the investment are financed in excess of the Company's own contribution required by the bank. Acquiring financing is based on many years of very good cooperation with banks, where on the basis of mutual experience credit formulas have been worked out, taking into account the specificity of the construction industry

15. Factors having a significant impact on the operations of the Capital Group

External factors influencing the financial results of the Capital Group in terms of financial results include, among others:

- good economic situation on the residential real estate market,
- low level of interest rates - reduced cost of credit servicing for buyers,
- high interest of buyers buying apartments and apart-hotels for investment purposes,
- good labour market situation: declining unemployment and rising average wages.

Internal factors influencing the dynamics of revenues include :

- constantly expanding offer, including residential offer with investments outside Warsaw as well as introduction of apart-hotels units,
- ongoing marketing activities,
- flexible approach to the customer - prices can be negotiated depending on the amount and schedule of payments,
- free of charge credit advice and constant cooperation with banks, aimed at providing the Company's customers with the best possible financing conditions for the purchase of residential units,
- maximum use of the potential of the land bank, based on adaptation of the process of launching new investments to the existing demand.

Forecasts of the Company's core business development for the following years assume the occurrence of the aforementioned factors in the future. Threats to the Company's sales market are seen primarily in the difficult and long-term process of obtaining the necessary administrative decisions for current and planned projects and the Development Act, which still hinders the rapid procedure for obtaining financing and forces an increase in financial costs. The Group's operations may also be affected by legal changes related to conducting business activity, in particular on the real estate market.

16. Changes in the basic principles of management of the Capital Group's enterprise

In the reporting period there were no changes in the basic principles of management of the Capital Group's enterprise.

17. Number and nominal value of all shares of the Company and shares and stocks in related entities of the Company held by persons managing and supervising the Company

As at 31.12.2018 r.

Shareholder	Company	Number of shares held	Nominal value per share	Total nominal value of shares held	% of shares
Józef Wojciechowski	J.W. Construction Holding S.A.	32.094.963	0,20 zł	PLN 6.418.992,60	36,12 %

18. Proceedings pending before a court, an authority competent for arbitration proceedings or a public administration authority.

As at 31 December 2018, no proceedings to which the Company or any of its subsidiaries, either as plaintiff or defendant, were material to the Company's business.

However, with regard to the previously provided information concerning proceedings brought by the Capital City of Warsaw against the Company, for payment of annual fees (2009-2013) for perpetual usufruct of real estate designated in the local zoning plan for a public road, of which the Company informed in its reports for earlier periods. On 22 December 2018, a cassation appeal was filed with the Supreme Court against the verdict of the Court of Appeals in Warsaw of 4 June 2018 issued as a result of re-examination of the case as a result of the above mentioned verdict of the Supreme Court of 9 March 2018, under which the Company's appeal against the verdict of the Court of First Instance was again dismissed. We are currently awaiting consideration of the cassation complaint.

19. Agreements concluded between the Company and managing persons, providing for compensation in the event of their resignation or dismissal from their position.

Members of the Management Board of the Company do not have any special agreements providing for compensation in the event of resignation or dismissal from their position.

Members of the Management Board are subject to the mandatory provisions of the labour law.

20. Remuneration, awards and benefits for each member of the Company's management or supervisory bodies.

The amount of remuneration, awards and benefits for members of the Company's management and supervisory bodies is presented in Note 31 to the financial statements.

20.1. Non-financial components of remuneration of members of the Management Board and key executives

Non-financial remuneration of members of the Management Board and key executives consists of non-wage components in the form of company cars also used for private purposes.

20.2 Remuneration policy

The remuneration policy for members of the Company's governing bodies and key managers is conducted in accordance

with generally applicable laws and internal rules in the Company. The objective of the policy is to appropriately shape remuneration in relation to the Company's needs and to respond flexibly to market conditions. In the reporting period there were no significant changes in this respect.

20.3 Information on liabilities resulting from pensions and benefits of similar nature for former members of management and supervisory bodies.

The Company has no liabilities on account of pensions and benefits of a similar nature for former members of management and supervisory bodies.

21. Information on agreements known to the Company as a result of which changes in proportions of shares held by current shareholders may occur in the future.

The Company is not aware of any agreements as a result of which changes in proportions of shares held by current shareholders may occur in the future.

22. Information on the agreement with the entity authorized to audit the financial statements and review the financial statements

On 11 July 2018, the Company concluded an agreement with Mazars Audyt Sp. z o.o., an entity authorised to audit financial statements, for an interim review and audit of the financial statements for 2018.

The auditor's remuneration for the audit of the financial statements for the financial year ended 31 December 2018 was set at PLN 167 000, of which PLN 116 000 for the review and individual audit, and PLN 51 000 for the interim review and annual audit of the consolidated financial statements. The auditor's remuneration for services related to the consolidated financial statements for the financial year ended 31 December 2018 amounted to PLN 51 thousand, including PLN 33 000 for the annual audit of the consolidated financial statements, and PLN 18 000 for the review of the interim consolidated financial statements. The auditor's remuneration for services related to the separate financial statements for the financial year ended 31 December 201 amounted to PLN 116 000, including PLN 87 000 for the annual audit of the separate financial statements and PLN 29 000 for the interim review. The amounts are net amounts.

The companies from the Issuer's Capital Group concluded agreements with Mazars Audyt Sp. z o.o. for the audit of financial statements of subsidiaries of the J.W. Construction Holding S.A. Capital Group for 2018: TBS Marki Spółka z o.o. with its registered office in Warsaw: remuneration of 18.5 thousand PLN, J.W. Construction Sp. z o.o. remuneration of 18 thousand PLN, Dana Invest Spółka z o.o. with its registered office in Ząbki: remuneration of 11 thousand PLN and Hanza Invest S.A. with its registered office in Ząbki: remuneration of 14 thousand PLN

Mazars Audyt Sp. z o.o. did not provide other services for the Company.

In the previous financial year, the financial statements were audited by BDO Sp. z o.o. with its registered office in Warsaw.

The auditor's remuneration for the audit of the financial statements for the financial year ended 31 December 2017 was set at PLN 185 000, of which PLN 125 000 for the review and individual audit, and PLN 60 000 for the interim review and annual audit of the consolidated financial statements. The auditor's remuneration for services related to the consolidated financial statements for the financial year ended 31 December 2017 amounted to PLN 60 000, of which PLN 35 000 for the annual audit of the consolidated financial statements and PLN 25 000 for the review of the interim consolidated financial statements. The auditor's remuneration for services related to the separate financial statements for the financial year ended 31 December 2017 amounted to PLN 125 000, including PLN 85 000 for the annual audit of the separate financial statements and PLN 40 000 for the interim review. The amounts are net amounts.

The companies from the Issuer's Capital Group concluded agreements with BDO Sp. z o.o. for the audit of the financial statements of the subsidiaries of the J.W. Construction Holding S.A. Capital Group for 2017: TBS Marki Spółka z o.o. with its registered office in Warsaw, the amount of remuneration 14.5 thousand PLN, J.W. Construction Sp. z o.o. the amount of remuneration 40.5 thousand PLN. The amount of remuneration is PLN 5 thousand, Dana Invest Spółka z o.o. with its registered office in Ząbki - PLN 5 thousand, J.W. Marka Spółka z o.o. with its registered office in Ząbki - PLN 5 thousand and Hanza Invest S.A. with its registered office in Ząbki - PLN 5 thousand.

Moreover, BDO Sp. z o.o. rendered additional services:

- Certifying works for Hanza Invest S.A. on the fair value of the acquired property in accordance with Art. 312.1 of the Code of Commercial Companies, the amount of remuneration 1 thousand PLN.
- Certifying works for the Company consisting in determining the nature of funds spent on the construction of water supply and sewage infrastructure - remuneration of PLN 4.5 thousand.
- Limited financial review of the Company's subcontractor Remuneration amount PLN 12 thousand

23. Statement on application of corporate governance in J.W. Construction Holding S.A. in 2018

a. Principles of corporate governance applied by the Company

In 2018, the Company was subject to the rules indicated in the Code of Best Practice for WSE Listed Companies 2016 adopted by the Exchange Supervisory Board on 13 October 2015.

The Code of Best Practice for WSE Listed Companies is available at:

https://static.gpw.pl/pub/files/PDF/inne/GPW_1015_17_DOBRE_PRAKTYKI_v2.pdf

b. Scope in which the Company abstained from the provisions of the corporate governance rules applied by it, indication of these provisions and explanation of the reasons for the abstaining.

J.W. Construction Holding S.A. did not apply the following rules:

Publishing on the Company's website a diagram of the division of tasks and responsibilities between the members of the Management Board, prepared in accordance with rule II.Z.1(I.Z.1.3.).

The Company does not have a division of tasks and responsibilities between members of the Management Board, which would be formalised and reflected in the form of a document that could be published on the Company's website. Due to their knowledge and education, individual members of the Management Board are leaders in selected areas

Placing on the Company's website information containing a description of the Company's diversity policy in relation to the Company's governing bodies and key managers, the description should include such elements of the diversity policy as gender, education, age, professional experience, as well as indicate the objectives of the diversity policy and the manner of its implementation in a given reporting period; if the Company has not developed and is not implementing the diversity policy, it shall provide an explanation of such a decision on its website (I.Z.1.15.)

The Company does not have a formalised diversity policy with respect to the governing bodies of the Company and its key managers. Members of the Company's governing bodies are selected on the basis of a number of criteria, including: education, professional experience, knowledge, skills, making every effort to ensure that diversity principles such as gender and age are also maintained. However, in the opinion of the Company's Management Board, the application of the diversity policy is now fully applicable to the current composition of the Management Board, Supervisory Board and key managers. Both women and men aged between 30 and 70 with economic, legal, technical and property management education are members of the management and supervisory bodies. These people have been mostly associated with the Company for years, which in the past had the opportunity to be promoted.

Publishing on the Company's website a record of the General Meeting in audio or video form (I.Z.1.20.)

By placing on the agenda of the General Meeting a draft resolution on consent to the recording of the meeting, the Company asks the Shareholders for consent to make a recording. The disposers of the course of the General Meeting are the Shareholders and their consent depends on the consent for the recording of the course of the meeting. Due to the lack of such consent so far, the course of General Meetings was not recorded.

The internal division of responsibility for particular areas of the company's activity among members of the management board should be formulated in an unambiguous and transparent manner, and the division scheme should be available on the company's website (II.Z.1).

The Company does not have a division of tasks and responsibilities between members of the Management Board, which would be formalised and reflected in the form of a document that could be published on the Company's website. Due to their knowledge and education, individual members of the Management Board are leaders in selected areas

Subject to principle III.Z.3., persons responsible for risk management, internal audit and compliance report directly to the President or a member of the Management Board and have the possibility to report directly to the Supervisory Board or audit committee (III.Z.2.).

Due to the size and type of business conducted by the Company, no person responsible solely for risk management, internal audit and compliance has been separated from the Company's structure. The Company applies appropriate procedures in these areas.

With regard to the person in charge of the internal audit function and other persons responsible for the performance of its tasks, the principles of independence set out in generally accepted international standards for the practice of professional internal audit (III.Z.3.) shall apply.

Due to the lack of application of Rule III.Z.2. and lack of a person in charge of the internal audit function, it is not possible to apply, as of today, the rule in question.

At least once a year, the person responsible for internal audit (in the case of separation of such function in the company) and the Management Board shall present to the Supervisory Board their own assessment of the effectiveness of the systems and functions referred to in principle III.Z.1. together with an appropriate report (III.Z.4.).

Due to the lack of application of Rule III.Z.2. and lack of a person in charge of the internal audit function, it is not possible to apply, as of today, the rule in question.

If it is justified due to the shareholding structure of the company, the company shall ensure a commonly available real-time transmission of General Meetings (IV.Z.2.).

This rule is not applied due to the current shareholding structure, the last General Meeting was attended by former shareholders representing 91.36% of shares and votes.

The Company defines in its internal regulations the criteria and circumstances in which a conflict of interest may occur in the Company, as well as the rules for dealing with a conflict of interest or the possibility of its occurrence. The company's internal regulations take into account, inter alia, the ways of preventing, identifying and resolving conflicts of interest, as well as the rules of excluding members of the management board or supervisory board from participation in the consideration of an issue which is or may be subject to a conflict of interest (V.Z.6.).

The Company does not have a formalised procedure regarding possible conflicts of interest, however, members of the Company's governing bodies in the event of a possible conflict of interest inform other persons who assess whether there is a real conflict of interest and the member should be excluded from decision making.

Incentive programmes should be formulated in such a way that, among other things, the level of remuneration of members of the company's management board and its key managers depends on the actual, long-term financial situation of the company and long-term growth of shareholder value and stability of the company's operations (VI.Z.1.).

At present, the company does not have an incentive scheme in place.

c. Main features of internal control and risk management systems applied in the Company's Capital Group in relation to the process of preparing financial statements and consolidated financial statements

In compliance with the recommendations concerning the credibility and reliability of the prepared financial statements, in particular the requirements contained in the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities (...), the Company applies the following control mechanisms:

Defining competencies and responsibilities at different levels of governance

In the Company, all payment documents are approved in terms of substance by designated employees, and then the Management Board is the supreme body approving such documentation. The process of preparation of materials takes place through the organizational units of the accounting and economic departments. Financial materials are reviewed and evaluated by managers of lower level financial and accounting divisions, and then they are accepted by the accounting and economic divisions.

Separation of specialised accounting and financial departments within the organisational structure

Together with the definition of a sequence of activities approving and monitoring financial processes, it became necessary to separate specialized departments within the organizational structures of the company. Thus, the following organisational units have been separated in the Company: investment budgeting department, financial

accounting department, controlling department, financial liquidity management department, internal control department.

Implementation of the integrated IT system - SAP R/3

The Company has implemented an integrated IT system -SAP R/3. This IT tool covers the areas of logistics, warehouse management, investment preparation and execution, accounting and controlling. Accounting books are kept in SAP R/3, at the same time the computer system takes care of the correctness of the records of economic events - from planning, through the request for material or service, ordering from the supplier, to the moment of settlement of the purchase document.

Entrusting the independent external auditor with the control over the periodical reports

The annual financial statements prepared by the Company are audited by an independent auditor, a statutory auditor. Semi-annual reports are subject to review. The audit involves verifying the presented numerical values, as well as confirming the correctness of the methodology of data collection and processing to comply with the accounting principles.

d. Shareholders holding, directly or indirectly, a significant stake in the company

As at 31.12.2018 r.

Shareholder	Number of shares held	% of capital share	Number of votes	% of total number of votes in the General Meeting
Józef Wojciechowski	32.094.963	36,12 %	32.094.963	36,12 %
EHT S.A.	47.846.225	53,84 %	47.846.225	53,84 %

Mr. Józef Wojciechowski controls the Company EHT SA based in Luxembourg.

There were no changes in significant shareholdings during the reporting period.

e. Securities that grant special control rights, their holders and a description of the rights

Pursuant to §14.2 of the Company's Articles of Association, a shareholder holding more than 50% of the Company's shares has the personal right to appoint and dismiss half of the members of the Management Board, including the President of the Management Board. In the case of an odd number of members of the Management Board, the shareholder referred to above shall have the personal right to appoint and dismiss, respectively: two members of the Management Board (in the case of a three-person Management Board), three members of the Management Board (in the case of a five-person Management Board) and four members of the Management Board (in the case of a seven-person Management Board). These rights are exercised by way of a written statement delivered to the Company on appointment or dismissal of a given member of the Management Board or entrusting or releasing a given member of the Management Board from the function of the President of the Management Board.

As at 31 December 2018, Mr Józef Wojciechowski was entitled to the rights described above. In the event of an event as a result of which the entitled shareholder does not hold more than 50% of the Company's shares, the rights granted personally expire and the relevant provisions of the Commercial Companies Code apply, with the proviso that this does not apply to the case in which Józef Wojciechowski holds at least one share of the Company, and together with his subsidiaries within the meaning of the Act on Public Offering or entities over which he exercises control within the meaning of the Accounting Act of 29 September 1994 (i.e. Journal of Laws of 2013, item 330 as amended) in the wording of these acts in force on the date of entry into the Register of

Entrepreneurs of the amendment to the Articles of Association made by resolution of the General Meeting No. 2 of 16 February 2007, will hold jointly, directly and indirectly, more than 50% of the Company's shares.

Pursuant to §16.2 of the Company's Articles of Association, a shareholder holding more than 50% of the Company's shares has the personal right to appoint and dismiss half of the members of the Supervisory Board, including the Chairman of the Supervisory Board. In the case of an odd number of members of the Supervisory Board, the shareholder referred to in the preceding sentence shall have the personal right to appoint and dismiss, respectively: three members of the Supervisory Board (in the case of the Supervisory Board of five persons), four members of the Supervisory Board (in the case of the Supervisory Board of seven persons) and five members of the Supervisory Board (in the case of the Supervisory Board of nine persons). These rights are exercised by way of a written statement delivered to the Company on appointment or dismissal of a given member of the Supervisory Board or entrusting or releasing from the function of the Chairman of the Supervisory Board.

As at 31 December 2018, Mr Józef Wojciechowski was entitled to the rights described above. In the event of an event as a result of which an entitled shareholder does not hold more than 50% of the Company's shares, the rights granted personally expire and the relevant provisions of the Commercial Companies Code apply, with the proviso that this does not apply to the case in which Józef Wojciechowski holds at least one share of the Company, and together with his subsidiaries within the meaning of the Act on Public Offering or entities over which he exercises control within the meaning of the Accounting Act of 29 September 1994 (i.e. Journal of Laws of 2013, item 330 as amended) in the wording of these acts in force on the date of entry into the Register of Entrepreneurs of the amendment to the Articles of Association made by resolution of the General Meeting No. 2 of 16 February 2007, will hold jointly, directly and indirectly, more than 50% of the Company's shares.

f. Restrictions on the exercise of voting rights or provisions under which, in cooperation with the Company, the capital rights attached to securities are separated from the possession of securities.

There are also no statutory or contractual restrictions on the exercise of voting rights, and the capital rights attached to the securities are not separated from the possession of the securities.

g. Restrictions on the transfer of ownership of the Company's securities

There are no statutory or contractual restrictions on the transfer of ownership rights to securities, the restrictions result from the mandatory provisions of law.

h. Rules of appointing and dismissing Management Board members and their rights, in particular the right to make decisions on the issue or redemption of shares

According to the Company's Articles of Association, the Company's Management Board is composed of 3 to 8 members, including the President of the Management Board. The number of members of the Management Board is determined by the Supervisory Board. A shareholder holding more than 50% of the Company's shares shall have the personal right to appoint and dismiss half of the members of the Management Board, including the President of the Management Board. In the event of an odd number of Members of the Management Board, a shareholder holding more than 50% of the Company's shares shall be entitled to appoint, respectively: 3 (in the case of a five-person Management Board) and 4 (in the case of a seven-person Management Board) Members of

the Management Board. The above authorisation is exercised by way of a written statement delivered to the Company on appointment or dismissal of a given Management Board Member. Other Members of the Management Board are appointed and dismissed by the Supervisory Board. Members of the Management Board are appointed for a joint three-year term of office.

The Management Board represents the Company in and out of court. Co-operation of two Members of the Management Board is required to make statements and sign on behalf of the Company.

Share issuance

The Company's shares may be issued in accordance with the general principles provided for in the Commercial Companies Code and require resolutions of the General Meeting.

i. Rules for amending the issuer's articles of association

Pursuant to Art. 430.1 of the Commercial Companies Code, an amendment to the Company's Articles of Association requires a resolution of the General Meeting of Shareholders and an entry in the register. An amendment to the Articles of Association shall be reported to the registry court by the Management Board of the Company. The General Meeting of the Company may authorize the Supervisory Board to determine the consolidated text of the amended Statute or to introduce other editorial changes specified in a resolution of the General Meeting.

j. The manner of operation of the General Meeting and its basic prerogatives as well as the description of shareholders' rights and the manner of exercising them, in particular the rules resulting from the regulations of the General Meeting.

The General Meeting meets as an Ordinary or Extraordinary General Meeting and acts as a governing body of the Company pursuant to the provisions of the Act of 15 September 2000. Commercial Companies Code (Journal of Laws 2000, No. 94, item 1037, as amended), the Company's Articles of Association and the provisions of the Regulations of the General Meeting.

General Meetings of the Company are convened by the Management Board and are held at the Company's registered office (in Zabki) or in Warsaw. The Ordinary General Meeting is held within 6 months after the end of each financial year.

Members of the Management Board and Supervisory Board of the Company participate in the General Meeting without the need to receive invitations. At the invitation of the Management Board, other persons, in particular auditors and experts, may participate in the General Meeting or an appropriate part thereof, if their participation is justified due to the need to present opinions to the participants of the Meeting in the matters under consideration. The certified auditor should be present at the General Meeting whose agenda includes the Company's financial matters.

A Shareholder Meeting shall be convened in the manner and according to the principles indicated in generally applicable regulations. This means that

an announcement of convening a Shareholder Meeting is made in a current report and published on the Company's website (www.jwc.pl) no later than 26 days before the date of the General Meeting. Shareholders

holding the Company's shares on the 16th day before the date of the General Meeting, which is the record date, are entitled to participate in the General Meeting. The basis for allowing a shareholder to participate in the general meeting is the inclusion of the shareholder in the list made available to the Company by the National Depository for Securities no later than one week before the date of the general meeting.

Resolutions are adopted by an absolute majority of valid votes cast, unless the provisions of the Commercial Companies Code or the Articles of Association provide otherwise. Voting may take place using an electronic system for casting and calculating votes.

A resolution concerning removal from the agenda of the General Meeting or abandonment of consideration of matters included in the agenda, placed on the agenda at the request of shareholders, requires for its validity a majority of $\frac{3}{4}$ of votes cast, after the prior consent of all present shareholders who submitted such a request.

After signing the attendance list and checking it, the Chairman puts the agenda to a vote. The General Meeting may adopt the proposed agenda without changes, change the order of the meeting or remove certain matters from the agenda, subject to the provisions of the Statute. The Chairman of the Meeting shall not have the right to remove or change the matters included in the agenda without the consent of the General Meeting.

Each participant of the General Meeting may speak on matters included in the adopted agenda, which are currently being considered. Each participant of the General Meeting may submit a motion on a formal matter. In formal matters, the Chairman shall give the floor outside the order of precedence. Motions on formal matters shall be deemed to be motions on the manner of discussion and voting.

The General Meeting adopts resolutions on matters included in the agenda after voting. Voting is open, subject to the relevant provisions of the Statute and the Commercial Companies Code.

The content of resolutions adopted by the General Meeting is available on the Company's website at: http://inwestor.jwc.pl/pl/walne_meetings/

k. Members of the Management Board, Supervisory Board or Administrative Board of the issuer and their committees, as well as changes that occurred during the last financial year

Management Board

Management Board Members

As at 31.12.2018 Management Board comprised of:

Wojciech Rajchert – Management Board Member

Małgorzata Ostrowska – Management Board Member

Piotr Suprynowicz – Management Board Member

Małgorzata Pisarek – Management Board Member

The following changes were made to the Management Board in 2018:

On September 6, 2018 Małgorzata Pisarek was appointed to the Management Board of the Company on the basis of personal right granted to the Shareholder.

On 27 December 2018, effective as at 31 December 2018, Magdalena Starzyńska resigned from the Management Board of the Company.

Operating principles of the Management Board

The Company's Management Board acted on the basis of the provisions of the Commercial Companies Code, the provisions of the Company's Articles of Association and the Regulations of the Management Board approved by a resolution of the Supervisory Board, as well as in accordance with the principles of Good Practices of Companies Listed on the Warsaw Stock Exchange S.A. Documents of the Company regulating the manner of operation of the Company's Management Board are available on the website.

The Management Board is the executive body of the Company, manages its current operations and represents the Company outside. The Management Board makes decisions in all matters not reserved for the competence of the General Meeting or the Supervisory Board by law, the Articles of Association or a resolution of the General Meeting.

The Management Board may consist of 3 to 8 members, appointed for a joint three-year term of office. In order to make statements and sign on behalf of the Company, the cooperation of two members of the Management Board is required. Resolutions of the Management Board are adopted by an absolute majority of votes. In case of equality of votes, the President of the Management Board has the deciding vote.

When setting strategic objectives and current tasks of the Company, the Management Board was guided by the overriding interest of the Company and legal regulations and took into account the interests of shareholders, employees of the Company and creditors.

In an effort to ensure the transparency and effectiveness of the management system, the Management Board followed the principle of professionalism within the limits of justified economic risk, taking into account the wide range of available information, analyses and opinions.

Supervisory Board

Supervisory Board Members

As at 31 December 2018 the Supervisory Board comprises of:

Józef Wojciechowski – Chairman of the Supervisory Board

Małgorzata Szwarz - Sroka – Supervisory Board Member

Irmína Łopuszyńska Supervisory Board Member

Jacek Radziwiłski – Supervisory Board Member

Barbara Czyż – Supervisory Board Member

Marek Maruszyński – Supervisory Board Member

Ryszard Matkowski – Supervisory Board Member

The following changes were made to the Supervisory Board in 2018:

On 16 January 2018, Barbara Czyż submitted her resignation from the Supervisory Board

On 16 January 2018, Ryszard Matkowski was appointed to the Supervisory Board by the Extraordinary General Meeting

On January 16, 2018 Barbara Czyż was appointed to the Supervisory Board of the Company on the basis of personal right granted to the Shareholder.

Operating principles of the Supervisory Board

The Supervisory Board acted in accordance with the provisions of the Commercial Companies Code, the provisions of the Company's Articles of Association, the Supervisory Board Bylaws adopted by the General

Meeting, which is available on the Company's website, defining its organisation and manner of performing its activities, and the Code of Best Practice for WSE Listed Companies 2016.

The Supervisory Board is a regular supervisory body of the Company in all areas of the Company's activity.

The Supervisory Board consists of 5 to 9 members, the number of members is determined by the General Meeting, it is possible to change the number of members during the term of office of the Supervisory Board.

The Supervisory Board may appoint Audit and Remuneration Committees in its structure.

Resolutions of the Supervisory Board shall be adopted by an absolute majority of votes, provided that in the event of a tie, the vote of the Chairman of the Supervisory Board shall be decisive. However, resolutions on the matter of:

a/ giving consent to the Company's performance for the benefit of a member of the Management Board for any reason whatsoever,

b/ giving consent to the conclusion by the Company of a material agreement whose value exceeds PLN 10,000,000.00 (ten million), and in the case of agreements for the performance of construction works PLN 15,000,000.00 (fifteen million), with an entity belonging to the capital group to which the Company belongs, a member of the Supervisory Board or the Management Board or their relatives (within the meaning of § 16.5 of the Company's Statute),

c/ appointment of a statutory auditor to audit the Company's financial statements,

require for their validity at least one independent member of the Supervisory Board to vote in favour of adopting such a resolution, provided that such member is a member of the Company and provided that any of the independent members is present at a given meeting of the Supervisory Board.

Audit Committee

As at 31 December 2018 the Audit Committee comprises of:

Ryszard Matkowski – Chairman (independent Supervisory Board Member)

Irmina Łopuszyńska – Member

Marek Maruszński – Member (independent Supervisory Board Member)

The following changes were made to the Audit Committee in 2018:

On 30 January 2018, Jacek Radziwiński submitted his resignation from the Audit Committee

On 1 February 2018, Ryszard Matkowski was appointed to the Audit Committee

Person with knowledge and skills in accounting

Irmina Łopuszyńska - completed undergraduate studies in financial management. Numerous courses and trainings in accounting principles confirmed by the Accounting Certificate issued by the Minister of Finance in 2010. She works as an accountant in the Company.

Ryszard Matkowski - Graduate of the Faculty of Economics at the University of Warsaw, PhD in economic sciences, author of many publications in the field of accounting, in particular accounting of entities operating on the real estate market, such as Value of real estate and its shaping, Economics of investment. Financial and ecological aspects. Wydawnictwo Akademii Ekonomicznej w Katowicach, Katowice 2000; Inwestycje w nieruchomości. Poltext . Warsaw 2001; Accounting, Depreciation, Economic and Financial Analysis, Introduction to Property Management, Poltext. In the past, among others: Vice President of economic and financial affairs at, among others, Swarzędzkie Fabryka Mebli S.A. and Agro-Universal sp. z o.o. Since 2017 he has been providing economic and financial advisory services.

Persons with industry knowledge and skills

Ryszard Matkowski, PhD in economic sciences, researcher at the Department of Real Estate at the Warsaw School of Economics, Vice President of the Housing and Urban Development Office in 2001-2003, in the Management Board of the Company in 2003-2007, For over 20 years has been involved in the theoretical and practical real estate market. Apart from J.W. Construction Holding S.A. he managed such companies as Interbud-Lublin S.A., BDC Development S.A. Author of many publications on the real estate market and the activities of development companies. He deals with economic consultancy, including those related to the real estate market. Irmina Łopuszyńska - has been with the Company since 1994, member of the Management Board in the years 2006-2009 and 2011-2014.

I. relations with the audit firm

- The certified auditor auditing the Company's financial statements and the consolidated financial statements of the Company's Capital Group did not provide the Company with permitted non-audit services;
- the key assumptions of the policy for selecting the audit firm to conduct the audit :

It is forbidden to introduce any contractual clauses which would require the Supervisory Board to select an Entity authorised to audit from a specific category or list of entities authorised to audit, such clauses are invalid by operation of law.

The following guidelines have been established with which the Supervisory Board is following during the final selection, and the Audit Committee at the stage of preparing recommendations for the selection of the Entity authorized to audit:

- a) Previous experience of the entity in auditing the financial statements of entities with a business profile similar to that of the Company;
- b) Previous experience of the entity in auditing reports of public interest entities;
- c) Number of persons available to conduct the audit in the Company;
- d) Professional qualifications and experience of persons directly involved in the Company's audit;
- e) Ability to conduct the audit within the time frame specified by the Company;
- f) Price proposed for conducting the audit;
- g) Possibility to ensure a comprehensive audit of both individual and consolidated financial statements of the Company and its subsidiaries;
- h) Conducting the audit in accordance with International Standards on Auditing;
- i) Reputation of the audit entity on financial markets.

- the key assumptions of the audit firm's policy of providing (...) authorised non-audit services:

1. The statutory auditor or audit firm carrying out the statutory audit of the Company or an entity affiliated with an audit firm, or any member of the network to which the audit firm or statutory auditor belongs, shall not provide directly or indirectly to the Company or its controlled entities within the European Union any prohibited non-audit services or audit activities.
2. Prohibited services are not services indicated in Article 136(2) of the Act of 11 May 2017 on statutory auditors, audit firms and public supervisory bodies.
3. The provision of services referred to in item 2 above is possible only to the extent not related to the Company's tax policy, after the Audit Committee has conducted an assessment of threats and correctness of independence protections, which each time grants consent for the provision of a given service.
4. Where appropriate, the Audit Committee shall issue guidelines for the service in question.

- In the reporting period, there was a change of the auditor carrying out the statutory audit of the Company's financial statements, and the selection of a new auditor took place after the Company's selection procedure, in accordance with the applicable criteria.

The Audit Committee met three times during the reporting period, and the members remained in direct contact by teletechnical means of direct contact.

I. diversity policy

The Capital Group does not have a formalised diversity policy with respect to the Company's governing bodies and its key managers. Members of the Company's governing bodies are selected on the basis of a number of criteria, including: education, professional experience, knowledge, skills, making every effort to ensure that the principles of diversity, such as gender and age, are also respected.

However, in the Management Board's view, the application of the Diversity Policy is now fully applicable to the current composition of the Management Board, Supervisory Board and key managers.

The management and supervisory bodies are composed of both women and men aged between 30 and 70, with economic, technical and property management education.

These people mostly have been associated with the Company for years, which in the past had the opportunity to be promoted.

m. Policy of sponsoring, charity and other similar activities.

In 2018, the Group supported institutions operating mainly in the field of sport and culture, as well as charity events through sponsoring activities. In 2018, it continued the agreement with the sports club Onico Warszawa (formerly AZS Politechnika Warszawska), took part in sports events (including the Pekao Szczecin Open tennis tournament, the ATP Challenge Tournament, Triathlon in Szczecin), cultural and entertainment events (including the Kiepurzy Festival) and charity events (including the Noble Parcel Action). The Group participated as a sponsor in prestigious cultural and business events: Forbes Diamonds, Business Eska Award and Pomerania Employers' Gala.

In the field of charity, it has also made donations to social organizations.

The above activity is a result of initiatives of persons and institutions cooperating with the Company for years, in the course of which the positive impact on the conducted activity and its image is taken into account.

In total, nearly 400,000 PLN net was spent on the above initiatives.

24. Corporate affairs

General Meetings

On 16 January 2018, an Extraordinary General Meeting of Shareholders was held, which adopted resolutions on: increasing the number of members of the Supervisory Board of the Company and on appointing Mr Ryszard Matkowski to the Supervisory Board of the Company.

On 16 January 2018, Barbara Czyż submitted her resignation from the Supervisory Board

On January 16, 2018 Barbara Czyż was appointed to the Supervisory Board of the Company on the basis of personal right granted to the Shareholder.

On 30 January 2018, Jacek Radziwiński submitted his resignation from the Audit Committee

On 1 February 2018, Ryszard Matkowski was appointed to the Audit Committee as the Chairman

On 28 March 2018 the Extraordinary General Meeting was held, which adopted a resolution on the merger of the Company with the subsidiaries of Seahouse Spółka z o.o. with its registered office in Ząbki, Łódź Invest Spółka z o.o. with its registered office in Ząbki, Nowe Tysiąclecie Spółka z o.o. with its registered office in Ząbki, Zdziarska Invest Spółka z o.o. with its registered office in Ząbki, Lewandów Invest Spółka z o.o. with its registered office in Ząbki, Porta Transport Spółka z o.o. in liquidation with its registered office in Szczecin, J.W. Ergo Energy Spółka z o.o. with its registered office in Ząbki, Towarzystwo Budownictwa Społecznego Nowy Dom Spółka z o.o. with its registered office in Ząbki, J.W. Marka Spółka z o.o. with its registered office in Ząbki and Business Financial Construction Spółka z o.o. with its registered office in Warsaw ("The Acquired Companies"). The merger was carried out within the Company's capital group, in all the acquired companies the Company holds 100% of the share capital. The merger is executed pursuant to Art. 492.1.1 of the Polish Commercial Companies Codethrough the transfer of all the assets of the Acquired Companies to the Company - as the sole shareholder.

On 14 June 2018, an Ordinary General Meeting of Shareholders was held, which adopted resolutions on the approval of the financial statements and the Management Board statement on operations, the Company's unitary and consolidated financial statements, granted a vote of confidence to members of the Company's governing bodies, and allocated the profit for the previous financial year to the Company's reserve capital.

Merger procedure

On 16 February 2018, the plan of merger of the Company with the following subsidiaries was adopted and signed: Seahouse Spółka z o.o. with its registered office in Ząbki, Łódź Invest Spółka z o.o. with its registered office in Ząbki, Nowe Tysiąclecie Spółka z o.o. with its registered office in Ząbki, Zdziarska Invest Spółka z o.o. with its registered office in Ząbki, Lewandów Invest Spółka z o.o. with its registered office in Ząbki, a company under the business name Porta Transport Spółka z o.o. in liquidation with its registered office in Szczecin, J.W. Ergo Energy Spółka z o.o. with its registered office in Ząbki, Towarzystwo Budownictwa Społecznego Nowy Dom Spółka z o.o. with its registered office in Ząbki, J.W. Marka Spółka z o.o. with its registered office in Ząbki and Business Financial Construction Spółka z o.o. with its registered office in Warsaw ("Acquired companies").

On 28 March 2018, an Extraordinary General Meeting of Shareholders was held to adopt a resolution on the merger of the companies, during this period merger resolutions were adopted in the acquired companies.

On 20 September 2018 The District Court for the capital city of Warsaw in Warsaw, 14th Commercial Division of the National Court Register, registered the merger.

Auditor change

In connection with the mandatory rotation of the auditor in the public interest unit, pursuant to the provisions of the Act on statutory auditors, audit firms and public supervision, on 26 April 2018 the Issuer, by mutual consent, terminated the agreement concluded with BDO Sp. z o.o. of 15 June 2016 within the scope including the audit of the financial statements for 2018. On 5 June 2018 The Issuer's Supervisory Board selected Mazars Audyt Spółka z o.o. with its registered office in Warsaw as the auditor of the Company's financial statements for 2018-2019.

25. Significant events after the balance sheet date

Credit agreement

On 7 February 2018, a subsidiary of the Issuer, Hanza Invest S.A. with its registered office in Ząbki, as an investor, concluded an agreement with Bosnia Bank S.A. under which the Bank granted a revolving credit in the amount of PLN 48,000,000. The loan was granted in order to finance and refinance expenses related to the construction of the Hanza Tower apartment building at Wyzwolenia Avenue and Odzieżowa Street in Szczecin. The loan repayment date was set at 31 March 2021.

Annex to the credit agreement

On 7 February 2019, the Issuer's subsidiary Hanza Invest S.A. terminated the agreement of 10 February 2017 with Alior Bank S.A. with its registered office in Warsaw on granting the following loans to the Investor: investment in the amount of PLN 138,789,712 and VAT in the amount of PLN 3,000,000.

Purchase of real estate

On 25 January 2019. The Company concluded an agreement for the acquisition of the ownership right to real estate located in Szczecin at Celna St., constituting a plot of land No. 5/1 with an area of 0.8219 ha, for the amount of PLN 8,900,000 net plus VAT at the applicable rate.

On February 5, 2019, in performance of the contingent agreement of December 19, 2018, the Company concluded an agreement for the purchase of perpetual usufruct right to undeveloped plots with numbers 28/8 and 28/9 with a total area of 0.7471 ha, located in Łódź at Jana Kilińskiego Street, for the amount of PLN 4,725,000 net plus VAT at the applicable rate.

Sales of real estate

On 31 January 2019, in performance of the concluded preliminary and contingent agreements, the Company concluded an agreement for the sale of the ownership right to properties located in Łeba, constituting plots of land No. 78/11 with an area of 1.7405 ha, 78/12 with an area of 3.6367 ha, a share of 546/3822 in plot 78/4 and a share of 1613100/1014909090 in plot 79 (road plots) for the net amount of PLN 9,486,000.

Corporate affairs

On 15 March 2019, an Extraordinary General Meeting of Shareholders was held, which adopted a resolution on determining the conditions under which the Management Board of the Company may carry out the buy-back of its own shares. In the adopted resolution, the General Meeting authorized the Management Board of the Company for a period of 5 years to purchase not more than 20% of the Company's own shares traded on the Warsaw Stock Exchange within the price limits between PLN 2.18 and PLN 3.40 per share. The purchase may be carried out as part of: transactions on the regulated market, in accordance with Regulation (EU) No. 596/2014 of the European Parliament and of the Council, or by way of invitations to submit an offer for the sale of shares in transactions outside the regulated market.



Signatures of Members of the Management Board

Wojciech Rajchert Management Board Member	Signature
Małgorzata Pisarek Management Board Member	Signature
Małgorzata Ostrowska Management Board Member	Signature
Piotr Suprynowicz Management Board Member	Signature

Ząbki, 21 March 2019
