



*Mission of Taxus Fund SA - to be an innovative Real Estate Fund.*

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# **TEASER**

## **Taxus Fund SA,**

### **Version 1.5**

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Warsaw, October 7, 2022



**Taxus Fund SA** with its seat at ul. Kolady 3, 02-691 Warsaw.

Registered in the District Court for the capital city of Warsaw in Warsaw, XIII Commercial Division of the National Court Register under the number KRS 0000325419, NIP 7272697415, REGON 100340394.

Share capital of PLN 213,789,348.20 contributed in full.

[www.taxusfund.pl](http://www.taxusfund.pl), e-mail: [info@taxusfund.pl](mailto:info@taxusfund.pl)



Letter from the President of the Management Board of Taxus Fund SA

**Ladies and Gentlemen, dear Shareholders, Investors and Partners,**

On behalf of Taxus Fund SA, I present this TEASER, it consists of publicly available information and can be downloaded from the company's website.

<https://www.taxusfund.pl/o-firmie>

This is an update of the first version, so it may be significantly not perfect yet, however, I hope that the message will go to Investors who will finally invest in the Housing Fund being created.

We invite people who want to invest in the Fund to contact us, the company is also interested in taking over real estate, in particular apartments for its own shares - [info@taxusfund.pl](mailto:info@taxusfund.pl)

There have been a lot of changes in the company, as announced by the Management Board below.

*"A journey of a thousand miles begins with one step" - Confucius*

Signed electronically

.....

Krzysztof Bzymek

Chairman of the Board



## 1. The history of the company with a description of the market

### Establishment of the Company

Taxus Fund Spółka Akcyjna, hereinafter referred to as the "Company", was transformed from the company "DFP Doradztwo Finansowe Spółka Akcyjna - Private Equity Fund" Spółka komandytowo-akcyjna on October 3, 2008 on the basis of a notarial deed drawn up by notary public Zbigniew Jacek Lipke, running the Notary's Office in Łódź, at ul. Piotrkowska 55 (Rep. A no. 5713/08).

The transformation in question was registered with the National Court Register on March 10, 2009.

### Company name

The legal name of the Company as at the date of publication of the teaser was the name of its company, ie: Taxus Fund Spółka Akcyjna.

The company uses alternately with the legal trade name, Fundusz Nieruchomościowy Taxus Fund SA or Fundusz Mieszkaniowy Taxus Fund SA, allowing, inter alia, Investors can identify the profile of its activity faster.

### Market description

Taxus Fund SA becomes the first public Housing Fund in Poland. The Issuer directs its current activity in particular towards flats for rent for the poorest social class who cannot afford to rent a whole flat, even a studio apartment or students of the so-called rental of apartments for rooms. This method of renting is also the safest from the point of view of the property owner. The fund envisages maintaining high rental rates over a long period of time and assumes the adoption of a Western European trend on the Polish market towards renting flats rather than buying them.

The fund will purchase both used and new flats. In the long-term perspective, it is also possible to establish its own developer to build apartments for rent.

Large apartments are the cheapest per square meter on the secondary market, so the Fund also counts on their large increase in value over time.

In the first steps, the Fund will operate on the Polish market on which it will focus, however, it is possible in later years to also operate on foreign markets.

The Management Board will recommend to the general meetings of shareholders of Taxus Fund SA that future profits should be reinvested in business development (in particular, the purchase of next apartments for rent), which will increase the value of the company for the Shareholders. With a large number of the target number of apartments for rent, these will be significant funds on an annual basis.

It is also worth adding that business entities are not obliged to pay dividends to shareholders - the decision is always made by voting at general meetings.

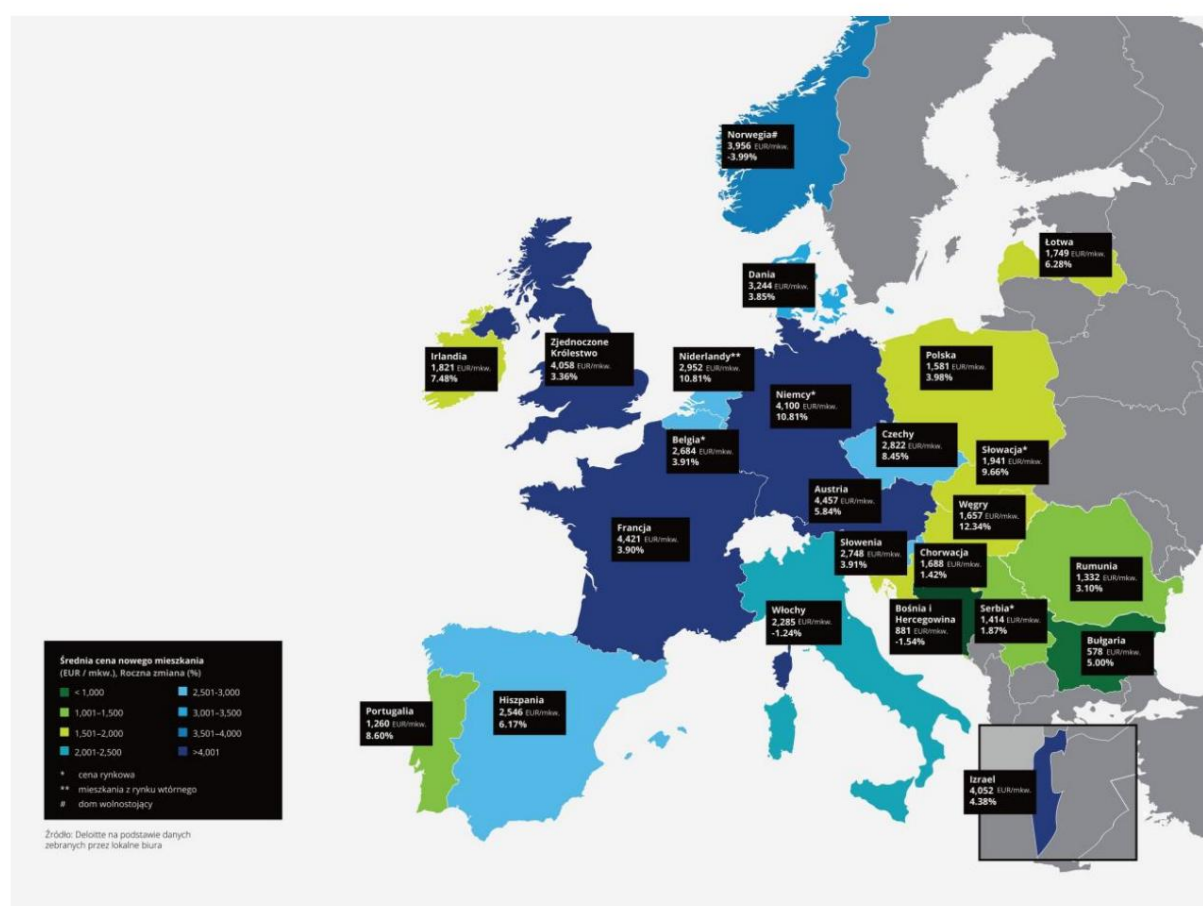
According to the Deloitte report, the situation on the Polish market for new apartments is as follows compared to the entire European market

The full text of the report is available at

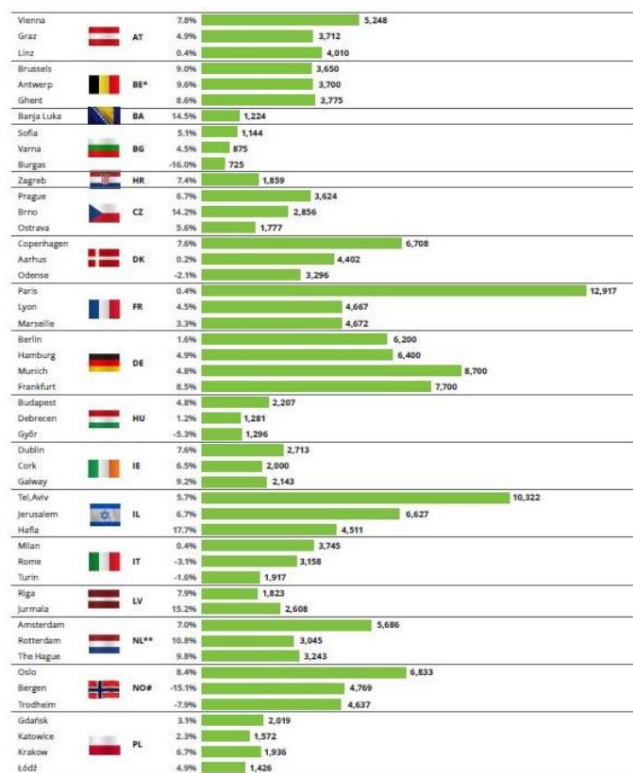
<https://www2.deloitte.com/pl/pl/pages/real-estate0/articles/raport-property-index-2021.html>

According to the data from the above report, collected by Deloitte, in Poland the average price per square meter of new housing is EUR 1,582. Austria achieved the highest average price for 1 sq m. new apartment (EUR 4457 / sq m). The countries with the highest average prices also included France (EUR 4,421 / sq m), Germany (EUR 4,100 / sq m), the United Kingdom (EUR 4,058 / sq m) and Norway (EUR 3,956 / sq m).

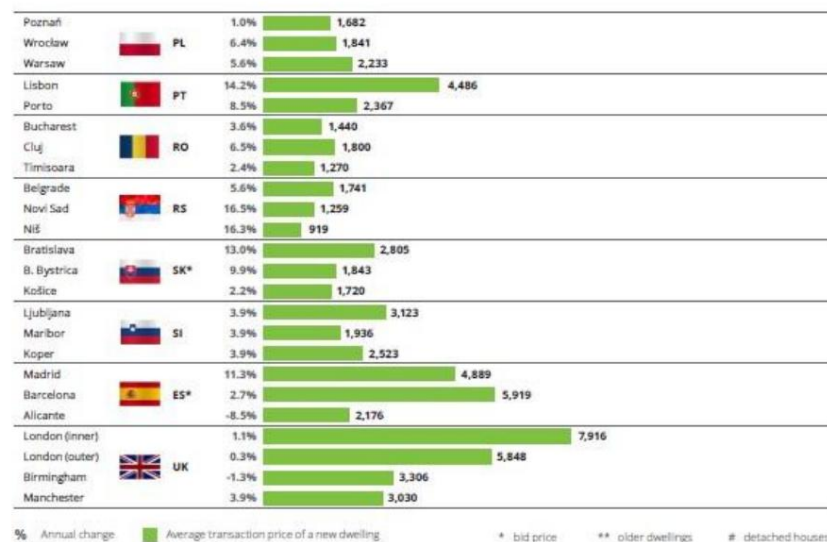
Bulgaria (EUR 578 / sq m) and Bosnia and Herzegovina (EUR 881 / sq m) were at the opposite end of the ranking in terms of average price per square meter.



Average Transaction Price of a New Dwelling (EUR/sqm) and annual change



20



% Annual change    Average transaction price of a new dwelling    \* bid price    \*\* older dwellings    # detached houses

Source: Deloitte national offices

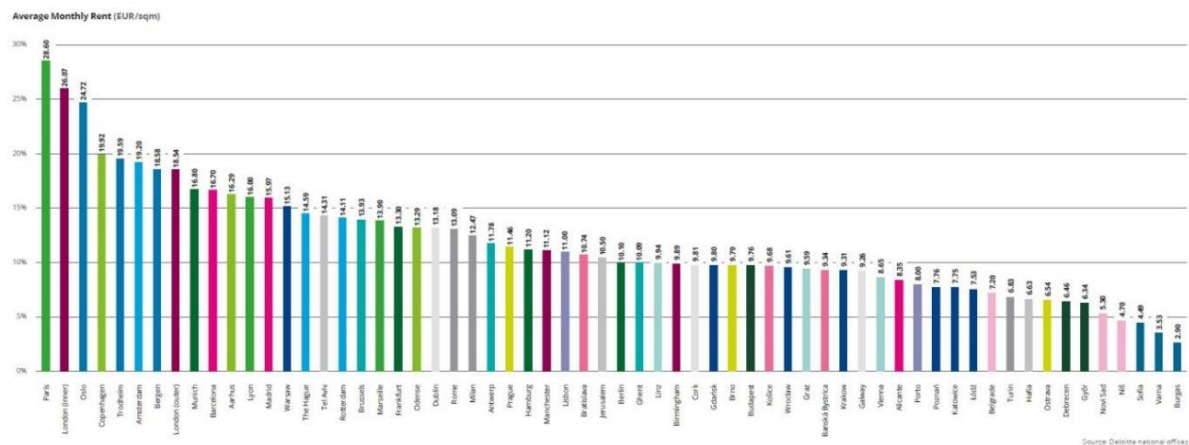
Paris is the most expensive city in terms of price per sqm. housing - average prices on the primary market in 2020 were at the level of over 12.9 thousand. EUR / sq m Prices above 10,000 EUR / sqm. Also recorded in Tel Aviv, Berlin EUR 6,200 / sq m. and Warsaw EUR 2,233 / sq m

**The Management Board of Taxus Fund SA points out that the average purchase price per square meter of a new apartment for Warsaw is much lower than for Berlin, and the average rent is much higher.** The Issuer believes that if this situation persists in the future, the Fund will

transferring its quotations to the regulated market may also attract foreign investors to the shareholding structure.

Housing prices in European capitals are rising. The exception in 2020 was Rome, which recorded a drop in the price per sq m. by 3.11%.

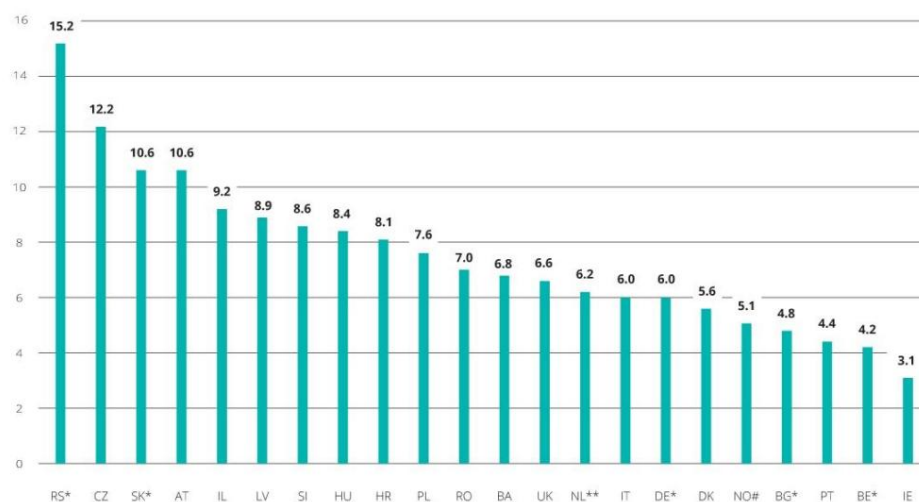
**Among the cities in Central Europe - Warsaw is the leader when it comes to apartment rental prices - the average price per sqm. / month is 15.1 EUR. Prague posted EUR 11.5, Bratislava, , EUR 10.7, and Berlin, EUR 10.1 / sq m. / mc. Paris remains the most expensive city in Europe in terms of lease, as in the case of transaction prices, with average rents at the level of EUR 28.6 / sq m.**



In Serbia, in order to buy a 70-square meter apartment, you have to set aside an average of 15.2 annual gross salaries, which makes it the least affordable country in terms of owning a home. In Poland, an average of 7.6 gross annual salaries is needed. The best situation in this respect is in Ireland, where the purchase of an average flat requires 3.1 times the average annual salary.

#### Przystępność zakupu mieszkania

Wielokrotność rocznego wynagrodzenia brutto potrzebnego do nabycia 70 mkw. mieszkania



\* cena rynkowa \*\* mieszkania z rynku wtórnego # dom wolnostojący

Źródło: Deloitte na podstawie danych zebranych przez lokalne biura



It is worth pointing out that the change of the business profile of Taxus Fund SA to 1 listed Housing Fund in Poland was started before the information about the creation of the Flow startup, a similar startup is being created in the US and has already collected 350 million US and its valuation at the level of the idea is \$ 1 billion, which gives almost PLN 5 billion of the initial valuation.

VC Andreessen Horowitz (a16z) invested in it.

A16 co-founder Marc Andreessen has published a letter explaining the motives behind investing in Flow:

<https://a16z.com/2022/08/15/investing-in-flow/>

*"The demographic trends driving the US housing market are impossible to ignore: our country builds households faster than it builds houses. The structural scarcity of available homes for sale increases housing prices, while young people remain lonely longer and increasingly concentrate in urban centers. These factors put enormous pressure on rents in the most dynamic cities of the country, clearly revealing the disturbing realities of two historical models of the housing market ... "*

**For comparison, the initial valuation of Taxus Fund SA (without the first flats purchased yet) as a project of 1 listed Housing Fund in Poland amounts to approximately PLN 214 million, with the planned initial issue price of new shares of PLN 0.10 apiece.**

The issue price of new shares or those sold by the Main Shareholder will gradually increase along with the development of the project.

The Main Shareholder will be privileged as regards the issue price of the new shares - issue at the nominal price of PLN 0.10 per share, even with a very high potential future stock exchange price.

The Main Shareholder is a long-term investor, the so-called the Eternal Fund.

The Main Shareholder has no intention of ever going below the hard controlling stake of 51 percent of the Fund's shares. When approaching the threshold of 59 percent of shares, the company will start using only debt, e.g. using only the housing mortgages it owns to start its own development projects on special purpose vehicles. The Management Board is considering taking out foreign loans with interest rates for special purpose projects. The repayment will be made from the lease of individual apartment blocks, the Main Shareholder is ready to provide technical guarantees for the construction sites until the mortgages are established on the special purpose vehicles and the mortgage-secured loans of the resulting blocks are finally transferred to them, it may even be possible to obtain financing directly from the special purpose vehicles using sureties - time will show .

The Main Shareholder is focused on long-term building of the Fund's value growth.

<https://strefainwestorow.pl/artykuly/nieruchomosci/20220818/inwestycja-flow-adam-neumann-Rynek-Nieruchomosci-usa>

<https://mamstartup.pl/adam-neumann-pozyskal-350-mln-dolarow-na-swoj-nowy-startup-poprzedni-musial-opuscic-po-nieudaniem-ipo/>

There are already foreign companies operating on the Polish market that buy entire blocks from developers in order to rent entire apartments, taking advantage of the low purchase price per square meter of a new apartment compared to other European countries and high rental prices, for example:

*„ In April 2022, the Swedish company Heimstaden Bostad purchased 400 apartments with a total area of 19.5 thousand. sqm in four blocks that will be built by Dantex on,*





*calculated for nine buildings (two are already ready) and 900 apartments, the Aurora estate at Jutrzenki Street, in the Warsaw district of Włochy. The transaction was included in the forward funding formula. The contract provides for the delivery of turnkey apartments by mid-2024. These will be studios, rooms with a kitchen, two and three rooms with a kitchen, finished and equipped, with an average area of 49 sq m.*

*It was the fourth purchase of flats by Heimstaden in Poland. Earlier, in December 2020, the Swedish company bought 640 from Eiffage, in January 2021 - 700 from Marvipol and, in May 2021, 2.5 thousand. - from Budimex Nieruchomości. They are all not yet built. The first ones are to be ready by the end of 2022 "*

*„ Heimstaden is one of the largest residential real estate companies in the northern part of Europe. Our portfolio of apartments and commercial premises covers Sweden, Denmark, Norway, the Netherlands, Germany, Iceland, Finland and now also the Czech Republic.*

*In just ten years, we have transformed from a relatively small company into one of the largest players in Europe. And although we already operate in a total of six European countries, it is still a key task for us to be close to all tenants. That is why, in all the countries, cities and municipalities where we operate, we make sure that Heimstaden employees are always present there. "*

<http://rynekprawniczy.pl/2022/07/29/21366/>

<http://rynekprawniczy.pl/2020/12/18/dentons-dwf-i-konieczny-wierzbicki-w-zakupach-przyszlych-Mieszkan-do-wynajecia/>

<http://rynekprawniczy.pl/2021/02/02/dentons-i-greenberg-traurig-w-kolejnym-szwedzkim-zakupie-Przylych-Mieszkan-do-wynajecia/>

<http://rynekprawniczy.pl/2021/06/07/dentons-i-linklaters-w-trzecim-szwedzkim-hurtowym-zakupie-Przylych-Mieszkan-do-wynajecia/>

<https://pl.heimstaden.cz/pl/o-nas-1>

The insufficient supply of housing drives investments in the European market

The Colliers study indicates a significant increase in the volume of residential investments in Europe in 2021.

Warsaw, April 28, 2022 - The discrepancy between the huge demand for housing and the limited supply is driving investment growth in the housing sector in Europe. According to the latest report from Colliers' European Living Snapshot, geopolitical and economic uncertainty will not weaken this trend.

According to the Colliers report, in 2021 the volume of residential investment in Europe increased by 89%. and for the first time exceeded the 30 percent mark. all real estate investments in this region. At the root of this growth is the level of supply insufficient to meet the market needs resulting from the increase in the number of households in cities.

- In the era of prolonged economic instability, the housing sector is attractive for capital seeking safe investments, resistant to economic cycles, with many





market entry opportunities. Due to the limited availability of existing resources on the housing market, for example, build to rent (BtR - Build to Rent), as well as investments in social and affordable housing (the so-called "affordable" housing) are gaining popularity - comments Luke Dawson, Director EMEA Cross-Border Capital Markets at Colliers.

Another noteworthy trend in much of Europe is investment in the purpose built student accommodation (PBSA) sector, especially in university cities with internationally recognized universities, attracting students from both home and abroad.

- More and more investors are focusing their activities on niche areas related to specific demographic factors, e.g. housing offer addressed to students.

The student housing sector enjoys great interest in markets such as Italy, Spain and Central and Eastern Europe - says Damian Harrington, Head of the Capital Markets Research Department at Colliers and Research Department Director in the EMEA region.

**One of the noticeable trends is the expansion of investor interest - from the largest and most famous cities in Europe to smaller, local markets where a significant increase in activity was recorded in 2021. In this respect, the European market is beginning to resemble the American market, where residential investments are increasingly concentrated in smaller cities such as Charleston, Tucson and San Antonio.**

The most important conclusions from the report

The scope, scale and strategies of investing in residential real estate vary significantly depending on the region of the world. In Europe, the fastest-growing markets are those that are at the same time characterized by a significant share of residential investments. In this respect, Berlin is the leader among European cities. It also records better and better results

Barcelona, where the investment market is growing thanks to the dynamic development of the residential sector. The situation is similar on the markets in Madrid, Manchester and Dublin, as well as in Scandinavian cities such as Stockholm, Helsinki, Malmo, Gothenburg and Copenhagen.

In Poland, the development of the PRS trend

Although the Polish rental market is based on apartments owned by private persons (approx. 1.2 million units), there is a noticeable increase in activity in the institutional rental sector. The current supply of BtR investments includes 7.5 thousand. dwellings, while another 23 thousand are under construction or at the stage of obtaining permits. premises.

- We are seeing increasing investor involvement in the implementation of housing investments for rent, which in 2021 accounted for EUR 0.6 billion, of which 75% were forward purchase and joint venture transactions. Last year, transactions in the residential sector, including PRS, were among the largest in Poland and in the entire CEE region among all sectors. A prime example is the acquisition by the joint venture Cornerstone Partners & Crestyl Budimex Nieruchomości for PLN 1.51 billion. As part of this transaction, Heimstaden Bostad committed to acquire 2.5 thousand. apartments for rent in the next 5 years. The largest transactions in 2021 also include the acquisition of Archicom by Echo Investment, as well as the acquisition of Roby by Tag Immobilien - one of the key players on the PRS market. This is a harbinger of a dynamic market development that will take place in the coming years - says Dorota Wysokińska-Kuzdra, Director of Corporate Finance and Living Services for Central and Eastern Europe at Colliers.



With rising interest rates and inflation, and rising construction costs - both in material and labor prices - more and more people will choose to lease a flat. The first harbinger of this upcoming trend is a significant drop in mortgage applications - by 20% between December 2021 and January 2022.

- Capitalization rates for PRS / BtR units in Poland are higher than in more mature European markets. The challenge for investors, however, is the insufficiency of the already built assets available for purchase. We expect that with the development of existing platforms and the emergence of new platforms in the BtR sector, the market for the sale of already operating assets will also develop in the coming years.

Germany is the leader

Thanks to the transaction of taking over Deutsche Wohnen by Vonovia at the end of 2021, as a result of which the company became a housing giant with a portfolio of approx. housing, Berlin has strengthened its position as the fastest growing residential investment market in Europe. This was due to the extremely high ratio of the number of tenants to the number of apartment owners in Germany, which could potentially increase further with the influx of refugees from Ukraine looking for premises to be kept. The biggest challenges facing the German residential investment market in the near future include the requirement to comply with stricter energy efficiency regulations as well as rising construction costs.

In France, low supply reduces investors' appetite

The value of housing transactions in the French real estate market in 2021 amounted to EUR 7.4 billion, which is 7%. an increase compared to 2020 and a double increase compared to 2019. Despite the high interest of investors, a very low asset turnover ratio limits their activity. A noticeable trend is the entry of former social housing operators into the market, taking over significant shares in newly emerging housing portfolios.

Ireland faces a significant housing shortage

Ireland is facing a housing crisis with the supply of homes for sale or rent at a record low and inflation pushed home prices to soar in 2021.

This resulted in an increase in the number of new BTR investments, supported by term financing or forward sales transactions to domestic and international investors. New blocks built for rent are exempt from the higher rate of stamp duty on the purchase of 10 or more apartments, up to 10%. This proves the importance of this type of investment for solving the problem of the housing crisis.

The Italian market is focused on young people

In Italy, there is a noticeable increase in housing investment in university cities such as Bologna, as well as in centers with a large population of educated young professionals and a high level of employment, such as Milan. Investors are entering a market that has traditionally been dominated by apartment owners and those who have decided to rent them. Building a better-quality housing stock is an opportunity for market development, which may, however, be constrained by soaring construction costs.

United Kingdom: The market for investments built for rent is growing in strength

In 2021, over 14,500 BtR units (built for rent) were completed in the United Kingdom, an increase of 24% compared to the previous year. The value of investments increased by 33%. and reached a record level of EUR 5.6 billion. This increase has raised concerns about the possibility of oversupply, but data from Manchester, the UK's most mature BTR market, suggest something else - rent inflation rates are among the highest there in the UK.

country. Housing to let currently account for only 9% of total UK property investment, compared with 35% in the US, making market saturation unlikely any time soon.

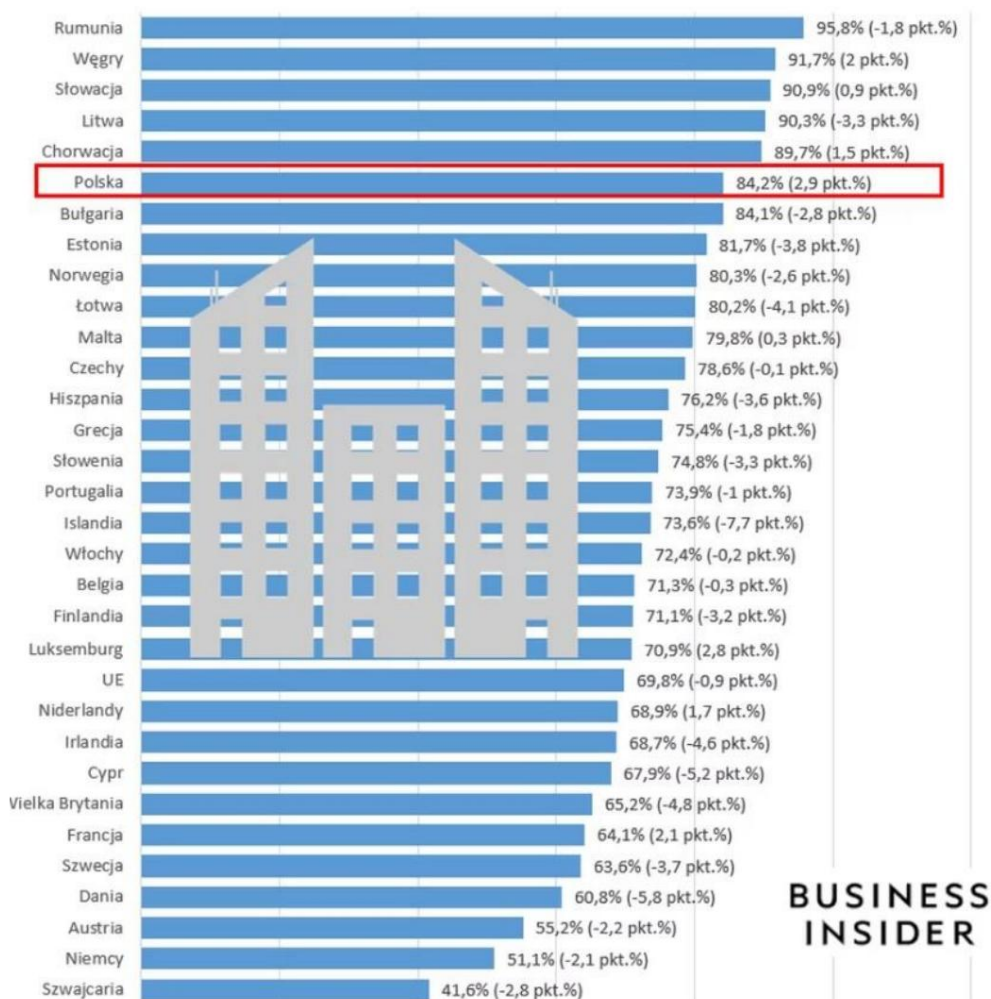
<https://www.skarbiec.biz/inwestycje/rynek-nieruchomosci/niewidzajaca-podaz-mieszkan-napedza-investments-on-the-European-market.html>

The richest in Europe live in rented apartments. Poles prefer their own

The more we earn, the more we want to live in our own apartment and we do everything to achieve this goal. This is what the statistics show. In the last decade, Poland was the European leader in the growth of the owner-occupied housing market. Rental is evidently treated with us as something worse than ownership. Meanwhile, in Europe it is exactly the opposite. In the richest countries, renting is the norm and there is even a clear trend away from ownership.

## Własność czy wynajem? Bogata Europa wybiera drugą opcję

procent właścicieli mieszkań w populacji w 2019 (w nawiasie zmiana 2010-2019)



Źródło: Eurostat

**BUSINESS  
INSIDER**



**The housing market in the German capital Berlin looks very interesting, it is actually a market mainly for rent. Approximately 1.6 million apartments are offered for rent, which corresponds to 84-percentage of the market share. In the remaining 300 thous. their owner lives - gives Berliner Zeitung ".**

<https://businessinsider.com.pl/finanse/makroekonomia/wykieta-a-wlasne-mieszkanie-bogaci-pickaja-rent-we-inverse / z6k1310>

<https://www.tvp.info/54831721/sondaz-wiekszosc-berlinczykow-wynajmuje-mieszkania-ale-marza o-wlasnym-m>

There is a shortage of 2 million apartments in Poland. Soon it could get even worse. Therefore, the data on the real estate market is worrying. According to HRE Investments analysts, the market may soon struggle with much larger problems that cannot be solved in a few weeks or even months. I am talking about the supply side.

Developers are holding back with investments in the Polish real estate market

According to the analysis of HRE Investments. In 2024, an alarmingly few apartments will be built, in August 2022, developers started the construction of 5.2 thousand apartments. apartments in Poland. Importantly, this means a decrease by 63% compared to the corresponding month of the previous year. Analysts clearly point to a slowdown in dynamics and lower optimism. It is also a big problem considering the ever-growing market demand.

August was the second month in which a decrease in the number of new projects was recorded. HRE Investments mainly points to a decline, which is supposed to be the reason for the high base recorded last year. It is worth recalling that developer activity last year was record-breaking.

However, the influence of the widely discussed amendment to the developer law, which has recently entered into force, is already noticeable. On its basis, new costs and obligations will be imposed. One of them is the necessity to make contributions to the Development Guarantee Fund.

Considering that the statistical duration of the construction of a residential block is 24 months, in 2024 developers in Poland will commission significantly fewer apartments. According to many forecasts, the economic situation in the country is to improve already in 2023, so it seems necessary to ensure high supply. If access to credit is easier, the demand will also increase. And if there are fewer flats on the market, this may again affect prices.

The drop in the number of apartments built today also means that the housing sector is clearly slowing down at a time when Poland is not only short of housing, but is missing even more than a year or two ago due to migration (HRE Investments analysts estimate the shortages at about 2 millions of places). This is particularly evident in the rental market, where compared to last year, there are fewer vacancies, and prices have clearly increased (by around 20-30% y / y).

Developers currently have problems not only with loans, but also with rising prices of building materials. In difficult conditions, they also want to protect their margins, which leads to a stalemate on the market.

HRE also indicates the number of developer permits issued. In August it was 14.1 thousand, which is 14.5% less than in the same period last year. It may be disturbing, therefore, that much less investments are planned.

The effect of such action is easy to predict. Considering that the statistical construction of a residential block in Poland takes 2 years, we can forecast that in 2024 developers will put into use much fewer apartments.

<https://Obserwatorgospodarczy.pl/2022/09/22/w-polsce-brakuje-2-mln-mieszkan-wkrotce-moze-beyc-even-worse/>

The real estate market froze in terms of the number of transactions, now it is time for prices to fall, according to analyses by PKO BP

In Q2 2022, developers sold over 50% fewer apartments on the six largest markets than in the corresponding period of last year, the q / q change is -12%. These results clearly indicate a cooling down in the real estate market in Poland. Moreover, the Analysis Center of PKO Bank Polski in its report "Housing Market 3q22" predicts a real decline in home prices in the coming quarters.

Sharply declining number of transactions.

There is no trace of the records in the number of transactions from last year. Already in Q1 this year, we observed a decrease in the number of transactions by 80% compared to Q1 y / y.

TABLE "Dynamics of the number of transactions on the primary and secondary market"

#### Dynamika liczby transakcji - rynek pierwotny (CBN)

Rynek pierwotny	1h20	2h20	1h21	2h21	1h22
Warszawa	-12	-20	58	23	-51
Kraków	-20	-28	63	81	-43
Łódź	-25	-34	100	56	-74
Wrocław	-32	-44	74	110	-59
Poznań	-23	-32	83	24	-69
Gdańsk	-40	-29	164	66	-62
Szczecin	-34	-17	22	31	-64
Bydgoszcz	-38	-2	143	95	-67
Lublin	-8	-36	44	19	-61
Katowice	-28	-35	26	27	-52
Białystok	-7	-22	64	27	-81
Kielce	-16	2	-5	-5	-56
Rzeszów	-19	1	71	0	-71
Olsztyn	-10	-61	61	138	-70
Opole	8	60	58	13	-68
Zielona Góra	-25	-33	83	21	-73

#### Dynamika liczby transakcji - rynek wtórny (CBN)

Rynek wtórny	1h20	2h20	1h21	2h21	1h22
Warszawa	-18	-26	18	49	-45
Kraków	-34	-33	38	58	-45
Łódź	-19	-32	4	61	-44
Wrocław	-30	-26	7	58	-50
Poznań	-13	-21	26	42	-50
Gdańsk	-21	-38	2	92	-46
Szczecin	8	-32	5	77	-52
Bydgoszcz	3	-21	3	48	-52
Lublin	-16	-26	2	45	-39
Katowice	-37	-30	7	53	-34
Białystok	-22	-17	7	32	-39
Kielce	-28	-22	31	31	-80
Rzeszów	-18	-35	10	60	-55
Olsztyn	20	-28	34	76	-62
Opole	-38	-61	12	88	-66
Zielona Góra	9	-4	43	-2	-56

Source: PKO Bank Polski

The table below shows that the primary market reacts more rapidly, especially in smaller cities. As it was written in the analysis of PKO Bank Polski, such significant drops may lead to extreme situations, but also to a more difficult assessment of market trends.

"There may be more dire situations when the average consists of cheaper, smaller apartments in the suburbs, with uninteresting detailed locations, or in smaller centers, and attractive apartments in the city center or a year-round holiday resort (they usually keep the price)."

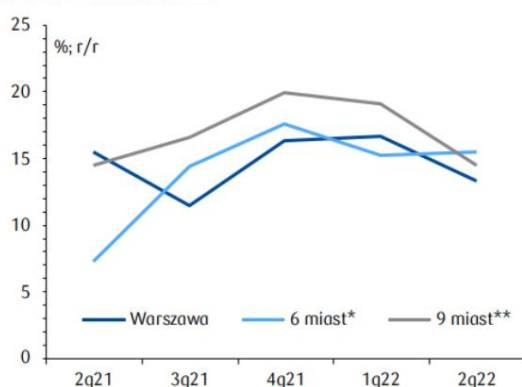
we read in the analysis.

In Q2, a slowdown in real home price growth in the primary market was observed, with particular emphasis on Warsaw and smaller voivodeships. Nominal growth was still there two-digit, year on year.

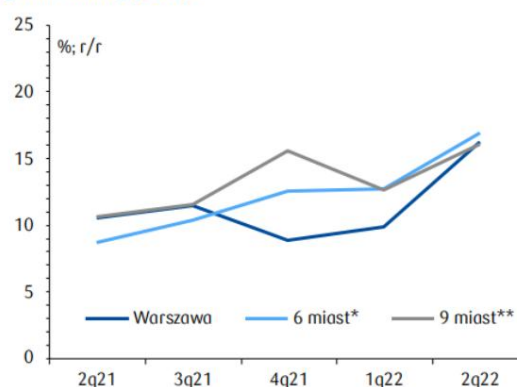


In recent years, according to NBP estimates based on customer surveys, approx. 65-75% of flats are purchased for their own needs (first flat or improvement of living conditions), they are usually financed with a predominance of a bank loan. On the other hand, investment purchases (for rent or with the intention of reselling in a favorable period) have so far accounted for approx. 35% of purchased apartments, with the majority of financing with own funds (approx. 80%). In 2q22, in the opinion of developers (press release), the share of investment purchases reached even 70% -80% with sharply falling purchases with the share of loans.

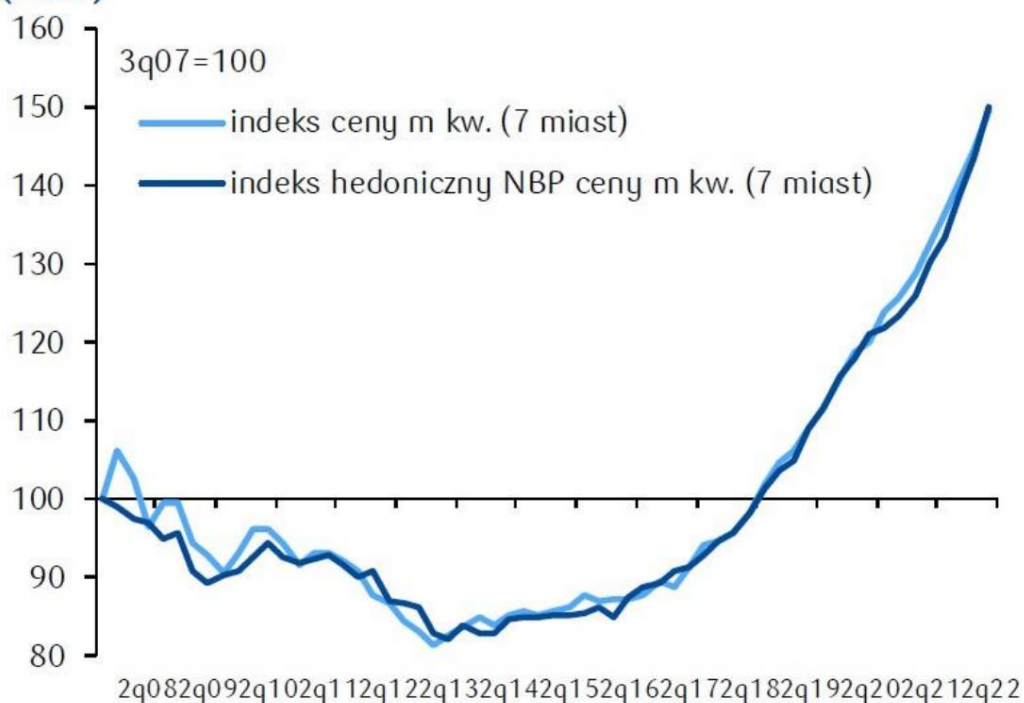
Wyk. 1 Zmiana ceny transakcyjnej metra mieszkania rynek pierwotny (CBN)



Wyk. 2 Zmiana ceny transakcyjnej metra mieszkania rynek wtórny (CBN)



Wyk. 6 Cena m kw. mieszkania w największych miastach\* (NBP)



\* Warszawa, Kraków, Łódź, Wrocław, Poznań, Gdańsk, Gdynia

Wyk. 3 Ceny transakcyjne mieszkań (CBN)-rynek pierwotny



\* Kraków, Łódź, Wrocław, Poznań, Gdańsk, Szczecin \*\* Białystok, Bydgoszcz, Katowice, Kielce, Lublin, Olsztyn, Opole, Rzeszów, Zielona Góra

Wyk. 4 Ceny transakcyjne mieszkań (CBN)-rynek wtórny



Source: PKO Bank Polski

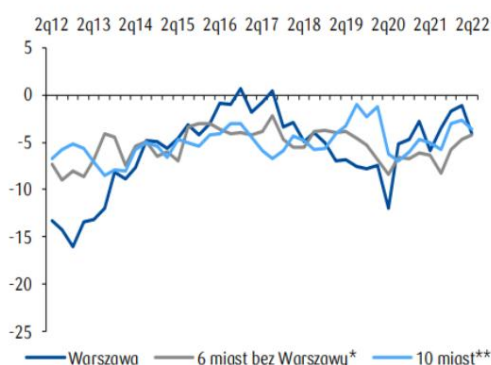
On the other hand, in the secondary market, prices were similar in relation to the quarter, but remained in an upward trend.

If we compare the transaction and offer prices of apartments on the primary market in Q2, the spread slightly increased, it is worth noting here that there is now room for price negotiations.

On the secondary market, the difference in transaction and offer prices is greater.

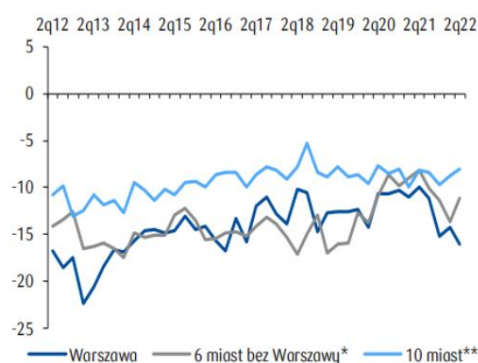
"On the secondary market, the transaction price of an apartment is generally more different than the offer price (by 8-16%), especially in the largest agglomerations, which results naturally from a greater diversification of the offer" - it was written in the report.

Wyk. 7 Cena transakcyjna vs ofertowa na rynku pierwotnym w największych miastach w okresie 2q12-2q22



\* 6 miast: Kraków, Łódź, Wrocław, Poznań, Gdańsk, Gdynia; \*\* 10 miast: Białystok, Bydgoszcz, Katowice, Kielce, Lublin, Olsztyn, Opole, Rzeszów, Szczecin, Zielona Góra;  
Źródło: obliczenia własne na podstawie BaRN NBP

Wyk. 8 Cena transakcyjna vs ofertowa na rynku wtórnym w największych miastach w okresie 2q12-2q22



Source: PKO Bank Polski



The market is responding to rising interest rates

The series of increases in NBP interest rates and the tightening of the Polish Financial Supervision Authority, which have been in force since April this year, reduce the creditworthiness of Poles. In addition, since December 2021, both the number and value of inquiries for new financing have been regularly declining.

In particular, the PFSA recommends banks to: (1) take into account the higher costs of maintaining a household when calculating creditworthiness; (2) for calculating creditworthiness, assuming the interest rate increased by 5 pp (and not 2.5 pp as before); (3) the DSTI ratio (monthly debt servicing costs to disposable income) is to not exceed 40% for the lower and 50% for the higher incomes of the borrower. The aim of the Polish Financial Supervision Authority is to reduce the level of credit risk in a situation of borrowers' debt servicing costs increasing along with the increase in interest rates.

Pursuant to the amendment to Recommendation S on good practices in the management of mortgage-secured credit exposures from 1 July'21, when assessing the creditworthiness of a client applying for a mortgage, banks must count it for a maximum of 25 years, even if the borrower intends to take out a loan for a longer period, that is, for example, 30 or 35 years.

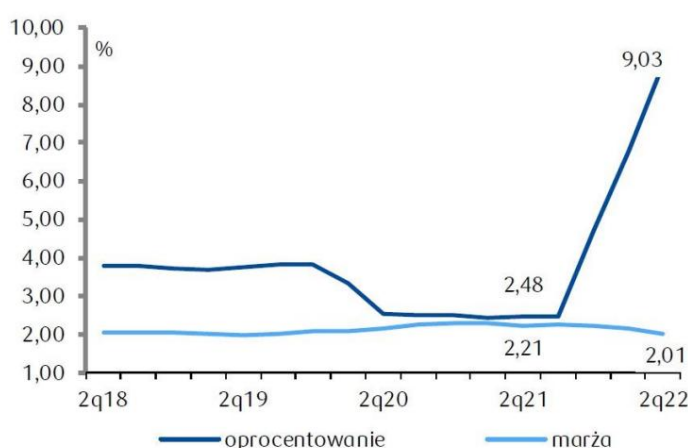
The amendment also introduced further restrictions in the case of foreign currency loans - in the case of the borrower's income obtained in a foreign currency when calculating the creditworthiness, it must be artificially depreciated / lowered by 50% due to the exchange rate risk (unfavorable exchange rate change).

Another recommendation of the Polish Financial Supervision Authority is to introduce a fixed-rate loan to the offer of every bank (except for cooperative ones).

According to the latest data from the Credit Information Bureau (BIK), the value of inquiries in August 2022 by over 70% y / y, in July it was -66.8%, and in June 60% y / y. The August number of inquiries decreased by 70.9%. According to official data, the August reading of BIK Indexes was the lowest since January 2008 and confirms the slowdown in the housing loan market.

Briefly, in Q2 we saw a significant drop in demand for flats on the market, at the same time greater supply of housing.

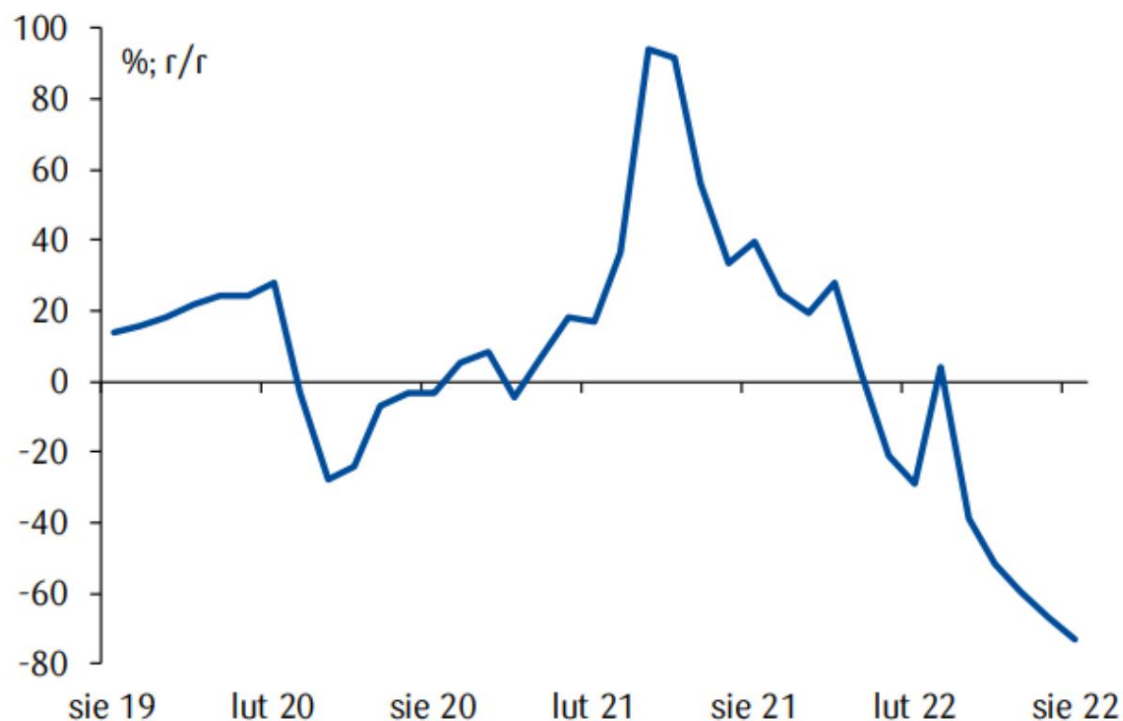
## Wyk. 12 Średnie oprocentowanie i marża kredytu hipotecznego\*



\* kredyt 300 tys. zł na 25 lat przy LTV 75%

Źródło: AMRON na podstawie ofert banków; Raport AMRON-SARFIN 2/2022

### Wyk. 13 Wartość wnioskowanych kredytów mieszkaniowych (BIK Indeks – popytu na kredyty mieszkaniowe)

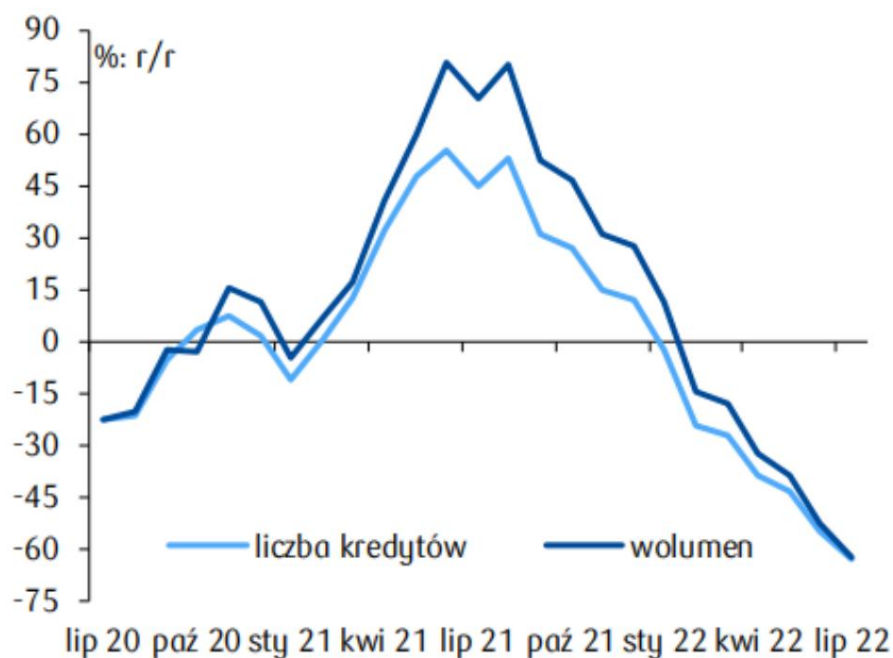


Źródło: BIK, Informacja prasowa z września'19-września'22

In turn, according to AMRON data, at the end of Q2, the interest rate on a housing loan (for PLN 300,000 and 25 years) was over 9%. It is true that in this period the average mortgage margin decreased, but slightly to 1.98%. This clearly had an impact on the demand for loans, but also on the competition between banks.

In Q2, banks granted 38.4 thousand. new loans, i.e. 42% less than in Q2 2021 and 19.6% less than in Q1 22. These are the lowest values since Q1 2009. The value of loans granted decreased by 39% y / y , by 20% q / q amounted to PLN 13.5 billion.

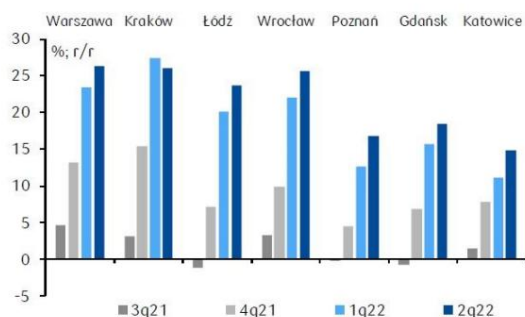
## Wyk. 14 Dynamika udzielonych kredytów mieszkaniowych



Źródło: Newsletter kredytowy BIK z sierpnia'20-sierpnia'22

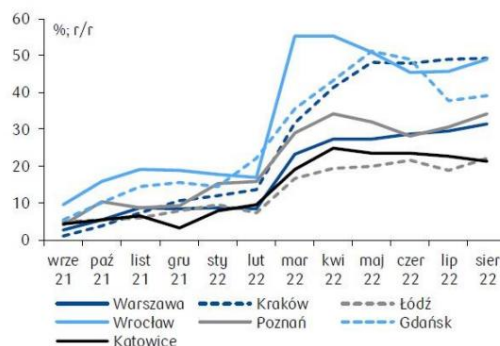
In the rental market, rates continued to grow in 2q22, albeit slower than in 1q22. This is the result of the housing needs of war refugees from Ukraine and the increased demand for renting a flat from people who do not have creditworthiness after the tightening of banks' lending policy, as well as the effect of expectations of a higher rate of return by investors as a consequence of an increase in market interest rates. With short-term limited supply of apartments for rent and high demand, rental rates are likely to remain high for longer.

Wyk. 15 Zmiana stawek wynajmu w największych aglomeracjach w ostatnich 4 kwartałach



Źródło: Mzuri dla AMRON; PKO Bank Polski

Wyk. 16 Zmiana stawek ofertowych wynajmu r/r w największych aglomeracjach



Źródło: dane z portali z ogłoszeniami; PKO Bank Polski



From the outbreak of the war, 5.96 million people came to Poland by the end of August, and 4.16 million left for Ukraine; it is estimated that at least approx. 750 thousand people will stay in Poland for longer. Another reason for the increase in rental rates in 2q22 was also a greater demand for renting a flat from people who do not have creditworthiness with the currently tightened credit policy of banks, as well as students who often look for a flat for the next year at the end of the academic year.

According to the monitoring of Mzuri (the manager of approx. 7,000 premises in 64 cities), in 2q22 the rates increased the most y / y in Warsaw (26.3% vs 23.5% in 1q22), Kraków (26.1% vs 27.5% % in 1q22) and Wrocław (25.7% vs 22.1% in 1q22); in the remaining largest cities analyzed, the increase was double-digit within the range of 15-24%.

The analysis of bid rates in the following 3q22 months indicates their further, but slower growth; Since September 21, rates have been above the level recorded before the outbreak of the COVID-19 epidemic. With short-term limited supply of rental housing and high demand for these apartments, rental rates are likely to remain high for longer, encouraging investment in this market. The limitation may be the regulatory uncertainty, often affecting this market (recently announcements of regulations on the taxation of vacancy).

Mzuri monitors rental rates on the basis of amounts owed to landlords before tax (excluding additional rental costs such as utilities or management fees). These rates depend on the size of the flat (three categories of flats: studios, flats). The average rent for a flat (regardless of the number of rooms) is the highest in Warsaw, followed by Gdańsk and Wrocław; the lowest is in Katowice.

**The potential of the flat rental market is indicated by the small - compared to other European countries - scale of market rental in Poland in 2020 (3.3% vs 20.4% in the EU), with the strengthening of preferences of some households (especially young) for such households observed in recent years. how to meet housing needs.**

In the area of market rental, there is institutional rental - an offer of comprehensive tenant service by a professionally dealing with this operator, addressed to people who cannot afford to buy a flat (and who at the same time do not qualify for a social flat), as well as to people who prefer to rent housing against ownership (purchase on credit) of an apartment. The development of the PRS (Private Rented Sector) segment in Poland was significantly strengthened by the consequences of the pandemic for the real estate markets - foreign investors were looking for relatively safe assets (including residential assets) in the face of structural problems in other real estate segments - in particular commercial and office real estate.

There are currently 7.3 thousand on the market. apartments ready for institutional rent, they are located mainly in the largest agglomerations. The largest number of flats is offered by Resi4Rent (2,300 flats) and the Housing Fund for Rent (2,000 flats). There is a total of approx. 25,000 sq m under construction or in the planning phase. apartments.

**According to the estimates of the Rental Market Foundation, the PRS resource in the perspective of 2028 may amount to approx. 100 thousand. flats (including flats under construction and investment announcements in total).**

In 2021, funds from the PRS market bought 5.9 thousand. premises, i.e. 17% of the total sales of developers related to the capital market (in 2020 it was 0.9 thousand and 4% respectively). Weakening demand from individual clients amid high inflation and interest rates prompts developers to sell entire projects to funds - this is attractive from the point of view of



liquidity management and risk mitigation, it also allows to maintain production capacity and assumed sales levels. He announced the launch of operations in the PRS segment in 2022. Ronson, Develia and Grupa Antczak are also entering the institutional rental market. The aforementioned approx. 100 thousand flats in institutional rental in the next 7 years compared to the current approx. 1.2 million flats in market rent (and 15.2 million flats in total in Poland), however, still illustrates the complementary nature of this form of satisfying housing needs.

<https://strefainwestorow.pl/artykuly/nieruchomosci/20220923/rynek-nieruchomosci-analiza-pko-bp>  
<https://www.pkobp.pl/centrum-analiz/nieruchomosci/nieruchomosci-mieszkaniowe/rynek-Mieszkowy-3q22-slower-price-increase-less-and-less-transactions/>

PULSE REAL ESTATE: AAAAA STUDENT LOOKS FOR APARTMENT

September and October are the periods of the greatest interest in renting a flat on the part of students. Mainly stationary students are interested in this form of satisfying housing needs, but part-time students have a larger budget at their disposal.

**Long-term students relatively more often than part-time students share a rented apartment with other tenants. About a third of them choose to share a room.**

The challenge for students in the 2022/23 academic year will be to find an apartment within an acceptable budget. The influx of refugees with the outbreak of the war in Ukraine significantly limited the offer of flats and increased rental rates. We estimate that the interest in a place in a dormitory may be significantly higher than in previous years, especially in cities with a high influx of refugees (Wrocław, Kraków, Gdańsk), with the possible maintenance of the limitation in the number of places in student dormitories as a consequence of the Covid-19 pandemic.

We estimate that rental rates in the housing rental market will remain under upward pressure in the coming months due to a strong increase in interest rates recently. We see chances of slowing down the upward trend in rental rates in the second half of 2023, with the beginning of the interest rate reduction cycle we are expecting.

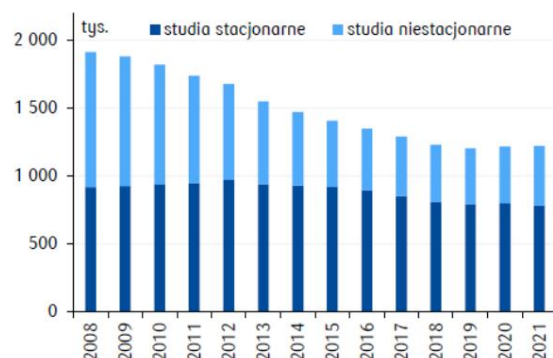
September and October are the time when students look for a flat for rent. In the previous two years, when, due to the extraordinary circumstances of the pandemic, learning was conducted entirely remotely or in a hybrid mode, some of the students who would potentially end up on the rental market stayed at home. Currently, students no longer have any doubts as to whether they will study in a full-time mode and have returned to the rental market in the largest academic centers.

Renting an apartment is especially popular with full-time students

Since 2006, the number of students has been declining year by year and is now over a third lower than 15 years ago. The drop in the number of students is recorded mainly in the case of part-time studies. Currently, about 64% of all students study in full-time studies, while in the first decade of this century the number of full-time students was equal to number of extramural students. It is worth adding that long-term students relatively more often look for a flat to rent. According to the cyclical survey conducted by the AMRON Center, 48% of full-time students lived in the rented property, compared to 27% of part-time students. In the case of extramural mode, a much more frequent form of satisfying the housing need is living with a family, as well as in one's own real estate. Part-time students relatively

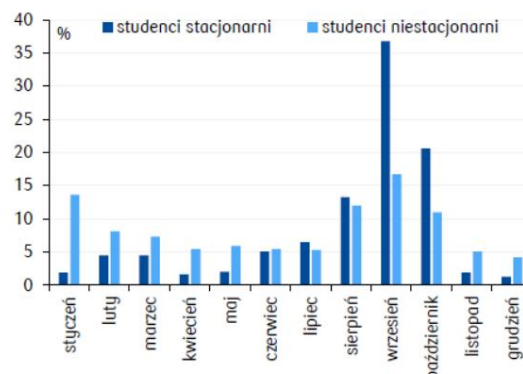
less often they share the rented property, and in the case of sharing, they live in less dense premises.

**Liczba studentów w Polsce**



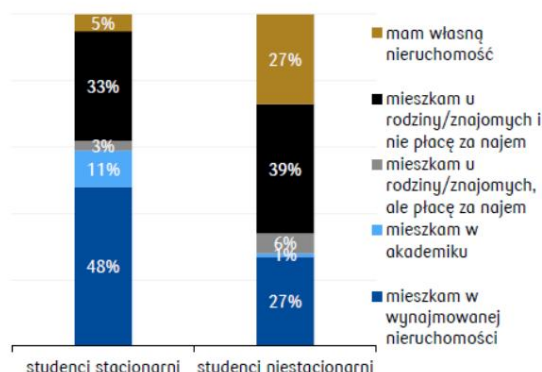
Źródło: GUS

**Miesiąc zawierania umowy najmu**



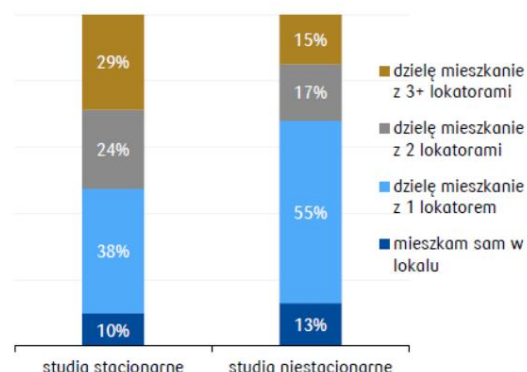
Źródło: Studenci na rynku nieruchomości, Raport 2022, Centrum AMRON

**Status mieszkaniowy studentów**



Źródło: Studenci na rynku nieruchomości, Raport 2022, Centrum AMRON

**Współdzielenie najmowanej nieruchomości**



Źródło: Studenci na rynku nieruchomości, Raport 2022, Centrum AMRON

The student is looking for a lease in the cheaper segment

The student budget to cover the rental costs is not high. In the case of full-time students, it usually ranges from PLN 750 to PLN 1000. When confronted with the market rental prices of residential premises, this means that the average student has to look for a flat in remote locations or of a lower standard. One solution to stay within the budget is to share a room with another tenant - every third student decides to do so.

The cheapest way to accommodate a student is to rent a room in a university dormitory - this solution is about 30% cheaper than renting a room in a private property. Interest in student housing in 2022/23 may be clearly stronger than in previous years due to strong increases in rents on the rental market. It is worth adding that the number of places in dormitories may still be under negative pressure to reduce room density during the Covid-19 pandemic.

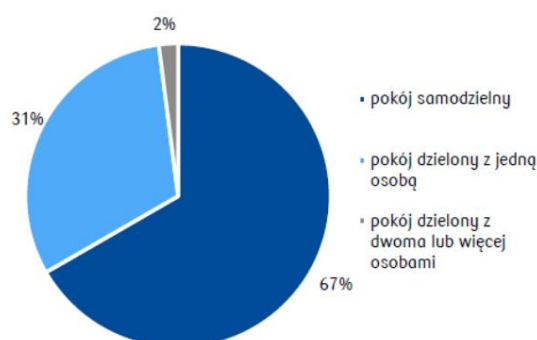
Part-time students, although they are much less likely to look for a place to rent, have a significantly higher budget. As much as 37% of this group pay monthly for a flat above PLN 1,250, which definitely allows you to rent a room in a private property on your own.



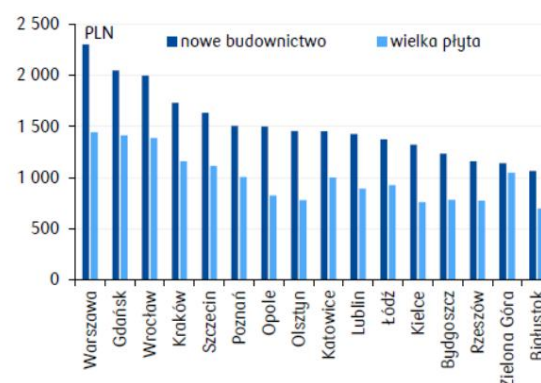
Due to significant budget constraints, full-time students mostly share the inhabited property with at least two tenants. The comfort of living for part-time students is significantly higher, as in this group less than a third of people decide to live with at least two additional tenants.

**After a strong increase in rental rates in recent months, the propensity to share a flat or a room may have increased.**

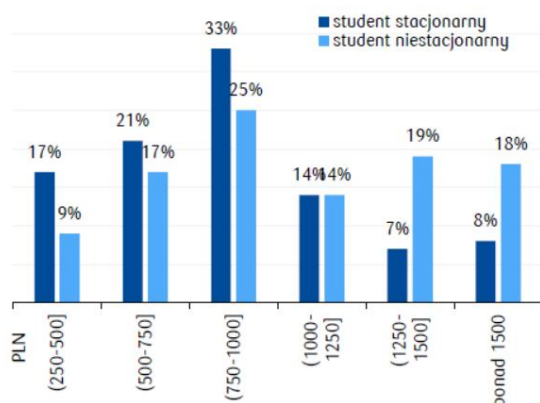
Współdzielenie pokoju w nieruchomości



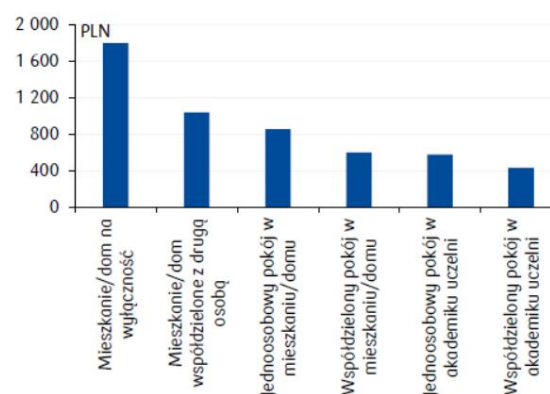
Średnie rynkowe ceny najmu za pokój



Deklarowane przez studentów przeciętne koszty najmu



Deklarowane przez studentów średnie koszty najmu w Warszawie w zależności od rodzaju nieruchomości



Taxus Fund SA Housing Fund will not rent rooms in owned apartments for periods shorter than two or three years, with a focus on a three-year contract. They will there are exceptions, for example, helping young families when another owner puts forward a fait accompli and asks to move out of the apartment within, for example, a week - such cases or worse, unfortunately, happen on the market. Such a rental is correspondingly more expensive than in the three-year contract, but still much cheaper than a hotel, in particular, for example for 3 people. There is no option for tenants not to pay for rented rooms, even if they do not live in them during the summer - ideas mainly for full-time students. Therefore, the best group of students for the Fund are people already permanently working there, at all, such a problem is not discussed from experience, which perfectly coincides with the diagram of concluding contracts by students. Taking into account the experience, the Management Board will be reluctant to rent one room to two unrelated tenants (despite the fact that such room is rented for a large



market share) from practice is just a problem - sharing a room in a dormitory system (2 or even 3 unrelated people in one room).

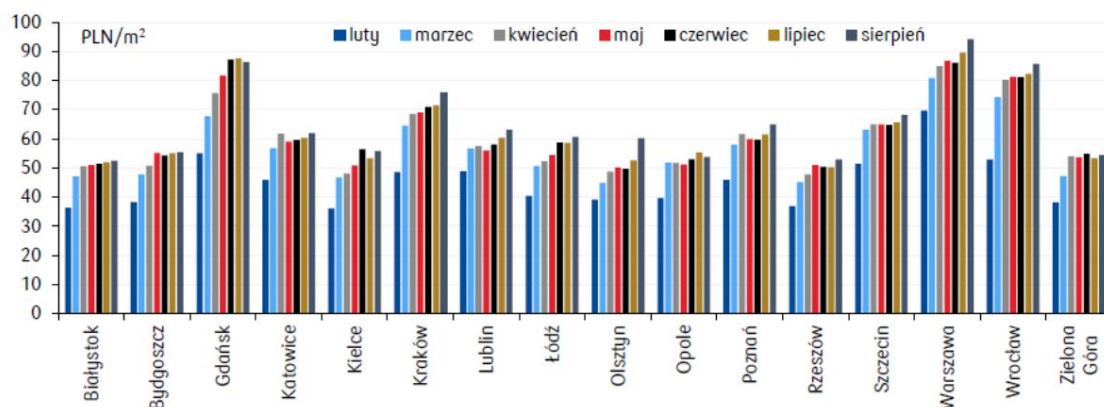
**Every young person wants to have their own life, so it is better to prepare the rooms so that one person, a couple or a couple with a child can function in the best possible way.**

From the practice of the Management Board, it happened that on the market an inexperienced owner removed from a rented apartment a pregnant woman with 2 small children and a partner - in this particular case, renting a room for a short-term period (more than six months) gave this family the freedom to find a new apartment for rent and save money. cash.

The family in question never had rent arrears and even paid ahead of schedule.

Rental costs are rising due to higher interest rates and the influx of immigrants

#### Średnie rynkowe ceny najmu



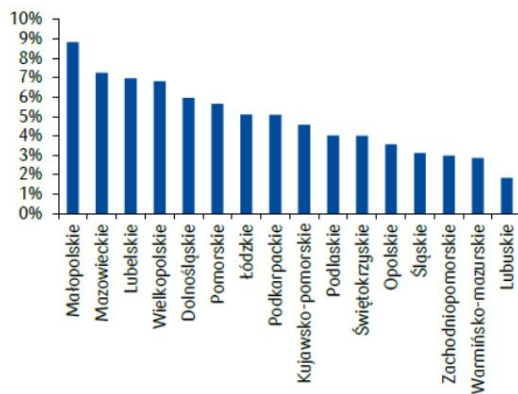
Źródło: Grupa PKO Banku Polskiego, Studenci na rynku nieruchomości, Raport 2022, Centrum AMRON

Finding accommodation within an acceptable budget may be a challenge for students in the 2022/23 academic year no less than the examination session. With the outbreak of the war in Ukraine in February, the number of rental offers decreased dramatically - in some cities, such as Gdańsk, Kraków or Wrocław, the supply of vacant flats decreased by 70% within two months. In the following months, we saw a gradual increase in the offer along with the outflow of some refugees, but at present it is still approx. 40% lower than before the outbreak of the war. In response to the strong demand shock, rental rates rose sharply. In the above-mentioned Wrocław, Gdańsk and Kraków, rent is currently more than a half more expensive than in February. And it is in these cities that we observe the largest increase in applications for a dormitory space - by 30% y / y.

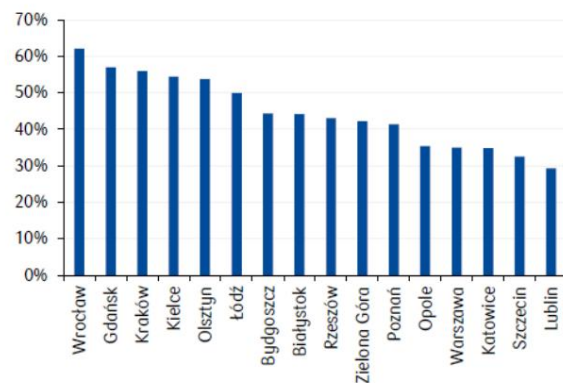
We estimate that rents will remain under increasing pressure in the coming months. This is due to a strong increase in interest rates, which reduced creditworthiness and forced some potential buyers to rent a flat. In addition, apartment owners have increased their expectations as to the rate of return on investment. It is also worth noting that currently the price for renting a flat is temporarily lower than the interest installment on the loan, which increases the interest in the rental market. This situation occurs when the long-term interest rate, which determines the capitalization rate on the rental market and affects the amount of rents, is lower than the short-term interest rate, which affects the amount of the loan installment. A yield curve inversion is rare - only 13% of the time in the last 20 years we have had

dealing with such a phenomenon. The expected interest rate cuts and the normalization of the yield curve in the second half of 2023 should slow down the rate of growth in rental rates.

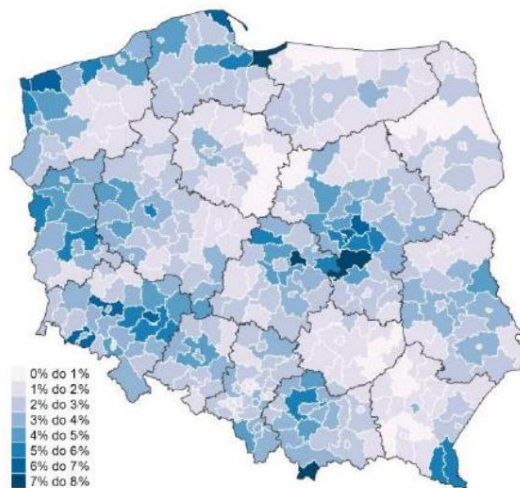
Studenci jako odsetek ludności miejskiej



Wzrost kosztów najmu w okresie luty-sierpień 2022

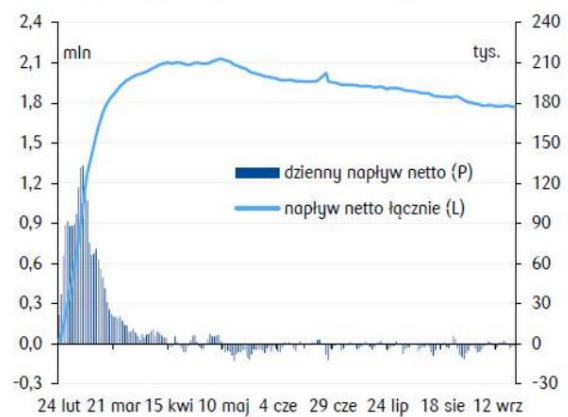


Zarejestrowani uchodźcy w relacji do liczby ludności powiatów



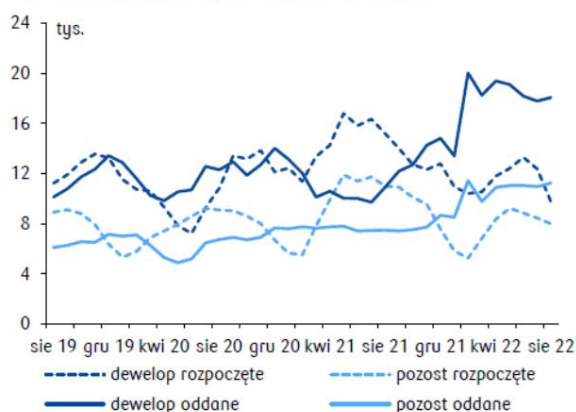
Źródło: GUS, Straż Graniczna, Grupa PKO Banku Polskiego

Przepływy na granicy polsko-ukraińskiej



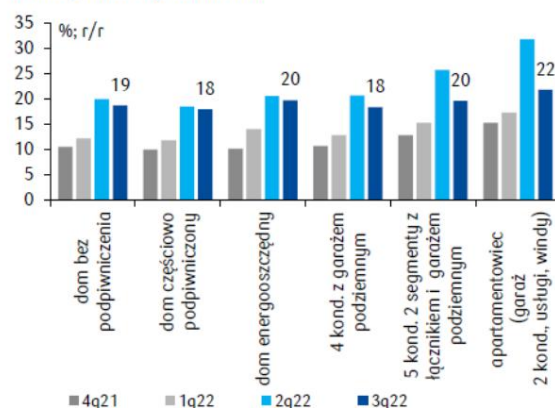
## The real estate market on charts

Mieszkania rozpoczęte i oddane do użytku



Źródło: GUS, PKO Bank Polski

Koszty budowy mieszkań



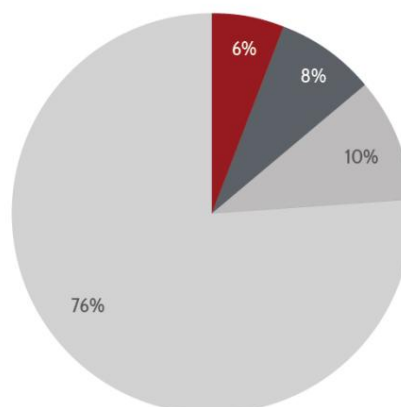
Źródło: Sekocenbud, PKO Bank Polski

According to the research carried out by the AMRON Center, the student rental market in Poland is very popular among investors and private persons.

**Renting in Poland is not as popular as in Western European countries, but it can be observed that Poles are becoming more and more convinced of this form of securing their housing needs. The largest percentage of landlords are young people, and in particular students, for whom the purchase of their own apartment is often unattainable for financial reasons. Some of them, however, despite the possibility of owning a flat, at such a young age do not decide to take this step, pointing to a strong tendency to migrate and a lower need for life stabilization.**

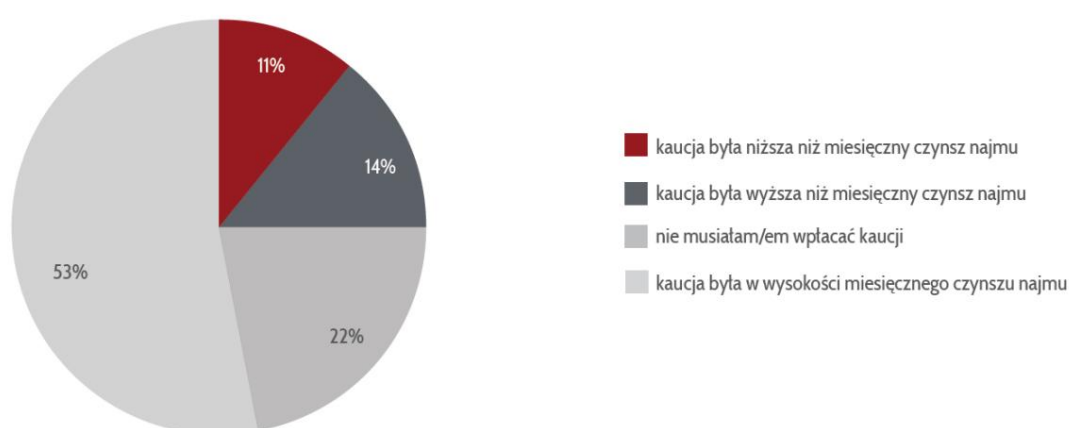
The report also shows that over of the students agreed to the terms proposed by the property owners. Only 10% of respondents declare that they managed to negotiate a lower price. A small part of the students replied that the price in the contract was higher than the price stated in the offer.

- płać więcej, niż było podane w ogłoszeniu
- nie wiem
- udało mi się wynegocjować z właścicielem cenę i płać mniej, niż było podane w ogłoszeniu
- zgodziłam/em się najmować nieruchomość za stawkę podaną w ogłoszeniu



Wykres 11. Ceny najmu w ogłoszeniu a umowie najmu

A deposit is usually charged when concluding a rental agreement. It is usually equal to one month's rent. For the tenant, it is a form of securing the performance of the contract, and gives property owners the option to collect funds in a situation where they do not receive the agreed fee from the tenant. In addition, when the tenant causes damage and fails to remove it, the landlord may use this money to satisfy your claim. Approx. However, 22% of students declared that in their case no deposit was required.



Wykres 13. Kaucja w umowach najmu zawieranych przez studentów

The Management Board has developed such a solution when renting a single room that it charges a deposit in the amount of 1 month's rent with advance payments for all fees calculated on a monthly basis on the day of issuing the keys and signing the contract, and one full monthly fee in advance.

It often happens that tenants do not have such an amount, so if a given person convinces the Lessor, he can receive the keys with a lower payment, the rest is broken into free installments.

The Management Board also uses sureties in the contract of relatives or friends. Over the years, the Management Board has developed a principle that if a given tenant has no cash, even the minimum amount, and no surety where the guarantee of a person with a permanent source of income is worth more than the minimum payment - the Management Board does not rent because there is a high probability that a given person is strongly addicted to drugs, alcohol, gambling may be prone to aggression, etc. pathological behavior. Choosing conciliatory people, especially those who are not pathological (the worst are strong drug and alcohol addiction) is important because in such an apartment where there are 3 or 4 rooms, usually one person lives per room, but there are also couples with children, even one pathological person may disturb the peace of the current life. Better to rent a moment later than to badly rent. An interesting observation is that if there are young parents with a child in a given property, the rest of the people living there try to help with the child.

From experience, if a person has funds for a full monthly fee and a full deposit, it does not make sense to somehow grind it intensively with the payment due because, from experience, even people who lose their job quickly find it again. With recurring payment slippages, the Management Board worked out a solution, ie increasing the deposit by the amount of the next monthly rent broken down by PLN 100 to further compensate for the lack of timely payments. Often, in the case of construction workers who are settled on a weekly basis, there are situations where these people, for some various reasons, do not receive payments on time - this is just the climate we have ...

The Management Board allows you to smoke cigarettes and drink alcohol in the rented rooms, and the Fund will adopt the same principle, provided that it does not disturb the functioning of others.

The Management Board categorically does not allow animals to stay in rented rooms under penalty a contractual PLN 1,000 per day. From experience, people, in particular young dogs, cannot control the current functioning of, for example, young dogs, and they cause a lot of damage (both the owner's equipment and the property of roommates) and often, with improper care, they take care of their physiological needs in the common parts of the apartment, which makes the life of roommates extremely difficult, so looking through the prism of the owner's complaints.

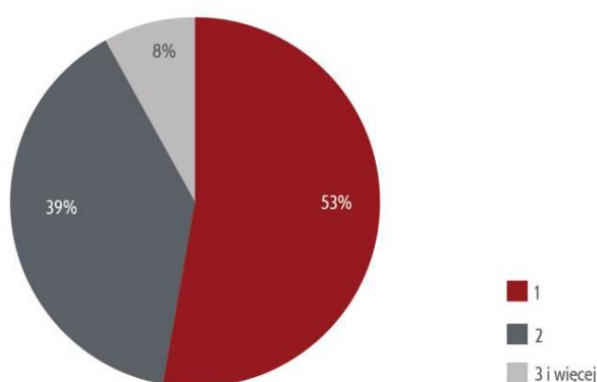
Terms and prices of student rental according to the detailed data of the AMRON Center

Among the surveyed students studying in a full-time mode, only 10% live independently in a rented property. Approx. 38% of full-time students share a flat with one tenant, and more than half - with two or more people.

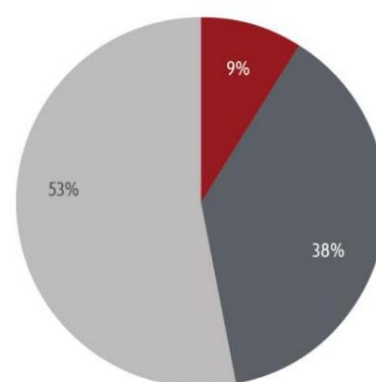
When asked about the number of rooms in rented properties, the most common answer was that these are studios. The results include those who rent a flat themselves, as well as those who share a flat or a house. For better comparison, the results are presented in separate graphs. In both cases, the results are in line with those of last year's report. Studio apartments are the most popular among people who live alone, which is associated with lower rental costs. In turn, only 8% of people who rent a flat alone decided to rent a flat 3-room or larger.

**Among people sharing an apartment with other people, the most popular are large apartments - 3 or more rooms (53% of them).**

Only 9% decided to share a one-room apartment. Two-room apartments were chosen by 39% of people living alone and 38% sharing a rented property.



Wykres 16. Łączna liczba pokoi znajdujących się w mieszkaniach lub domach najmowanych przez studentów w pojedynkę

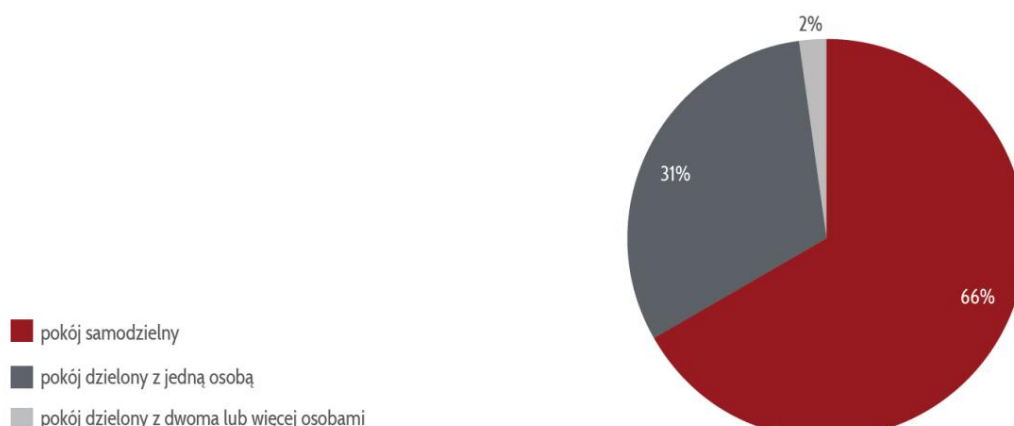


Wykres 17. Łączna liczba pokoi znajdujących się w najmowanej nieruchomości przez studentów z innymi lokatorami

**In the group of people sharing a flat, as many as 66% of respondents rented a separate room, and 31% shared a room with one person. Only 2% share a room with two or more people.**

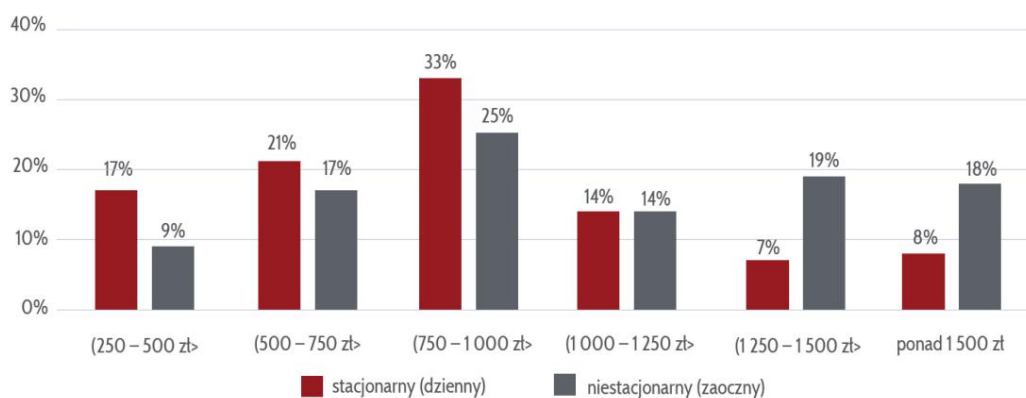
**The results obtained are very similar to those from the report "Students on the real estate market" from 2021.**





Wykres 18. Udział studentów współdzielących pokój w nieruchomości prywatnej w 2022 r.

The study of monthly rental costs showed that in the case of about 1/3 of full-time and 1/4 of part-time students, their accommodation fees ranged from PLN 750 to 1000. There is also a visible disproportion between the distribution of costs depending on the mode of study. Long-term students more often opted for cheaper accommodation. Approximately 17% of the questioned full-time students, and only 9% of extramural students, decided to find accommodation in the price range up to PLN 500. On the other hand, 8% of students studying in the full-time mode and as much as 18% in the part-time mode decided to incur costs above PLN 1,500.



Wykres 19. Deklarowane przeciętne miesięczne koszty najmu wśród studentów stacjonarnych i niestacjonarnych w 2022 r. przy uwzględnieniu przedziałów kwotowych

The number of people sharing a rented apartment or house affects individual costs.

**For students, renting the entire apartment is almost twice as expensive as renting a room only.**

**Not surprisingly, the higher the number of roommates, the lower the fees.** The cheapest form of accommodation for full-time students is living in a room in a university dormitory. The average monthly cost is PLN 429 for a shared room and PLN 573 for a single room. **The fees for renting a room in a private dormitory exceed the cost of renting a room in a private property.** This is often due to a higher standard and additional amenities for dormitory residents. Self-renting fees

living or sharing it with another person in the case of full-time students and

extramural students are at a similar level - over PLN 1700 for an independent apartment and nearly PLN 1100 for shared with another person.

In the 2021/22 academic year, extramural students had to pay an average of PLN 640 for a shared room, and PLN 879 for a single room. Their classmates paid a little less on average - about PLN 600 (a multi-bed room) and PLN 853 (a single room). In the case of an exclusive flat, the fees were on average PLN 1724, and in the case of sharing with another person - PLN 1177.

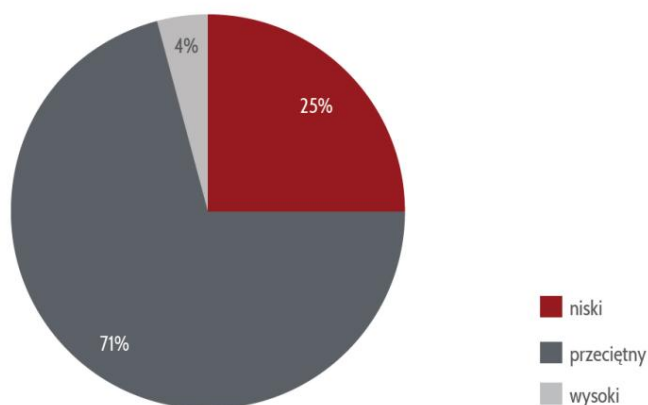
#### Standard of rented real estate

The respondents' task was to define the standard of the properties they rented in 3-graduated scale - low / average / high standard. Due to the subjective nature of the concept of real estate standard, the students' task was to choose from among the presented photos the one in which the presented apartment most resembles the one they rented.

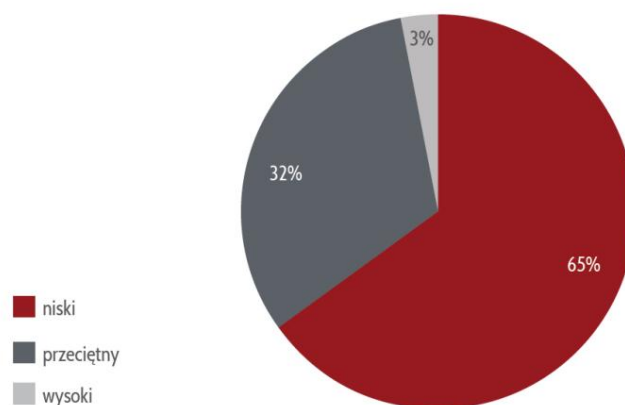
When analyzing the standard of rented real estate, students most often choose the average option (over 70% of the respondents).

Approx. A quarter of full-time students chose worse housing conditions to pay less for accommodation. Only 4% of respondents in this group assessed the standard of the properties they rent as high.

In the opinion of students living in university dormitories, their standard in most cases was classified as low (approx. 65% of respondents in this group). Only 3% of students consider halls of residence as a place with a high standard of living.



Wykres 22. Ocena standardu najmowanych nieruchomości prywatnych przez studentów stacjonarnych w 2022 r.

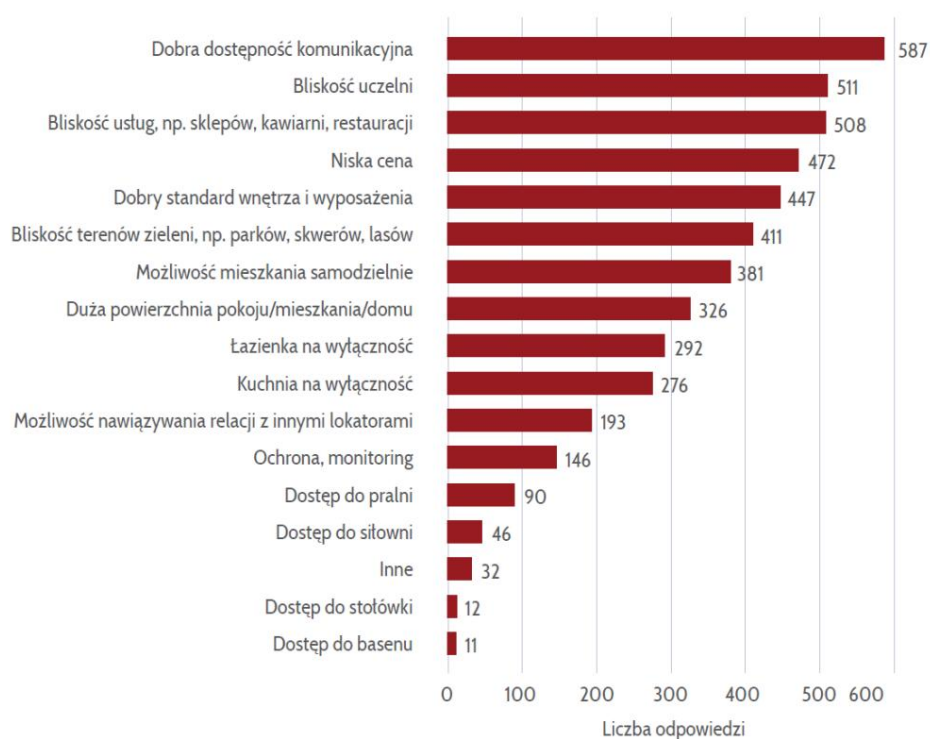


Wykres 23. Ocena standardu akademików uczelnianych przez studentów stacjonarnych w 2022 r.

The respondents were asked to indicate the positive and negative aspects of living in a rented room / flat / house or a room in a dormitory. As an advantage of rented real estate, students most often indicated accessibility to communication and the proximity of universities. They also noted the availability of service outlets and shops.

In rented rooms or flats, the respondents are most disturbed by their small size. They also consider the necessity to share common spaces with other people, i.e. kitchen or bathroom, burdensome. Both in the case of positive and negative assessments, aspects such as the proximity of green areas or additional amenities were indicated less frequently, which indicates their smaller importance in the overall assessment of leased real estate.





Wykres 24. Pozytywne aspekty mieszkania w najmowanym przez studentów pokoju/mieszkania/domu lub pokoju w akademiku

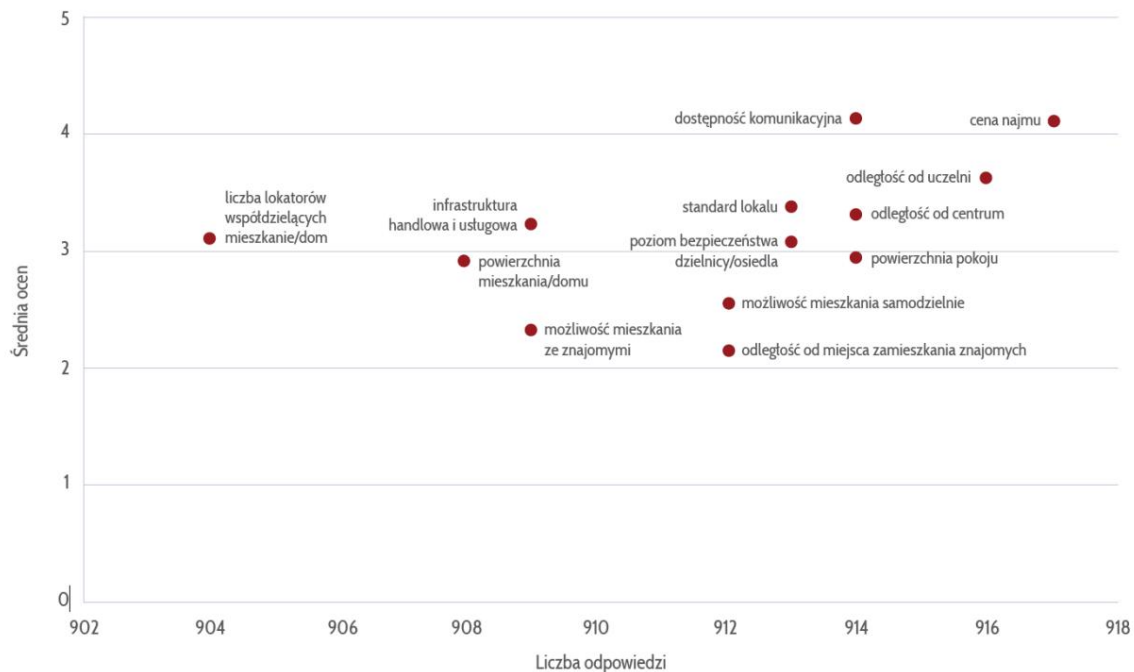


Wykres 25. Negatywne aspekty mieszkania w najmowanym przez studentów pokoju/mieszkania/domu lub pokoju w akademiku

### Choosing a leased property

The respondents were asked to indicate to what extent (on a scale from 1 to 5) the given factors determined the choice of the property they rented. The most frequent answer was "rental price". The mean response for this factor was 4.14. On the second place

The distance from the university was ranked, but the average for this factor was 3.65. The highest average, 4.17, was achieved by transport accessibility. The value of 5 was dominant in the case of the rental price, transport accessibility, distance from the university and the city center and the number of flatmates.



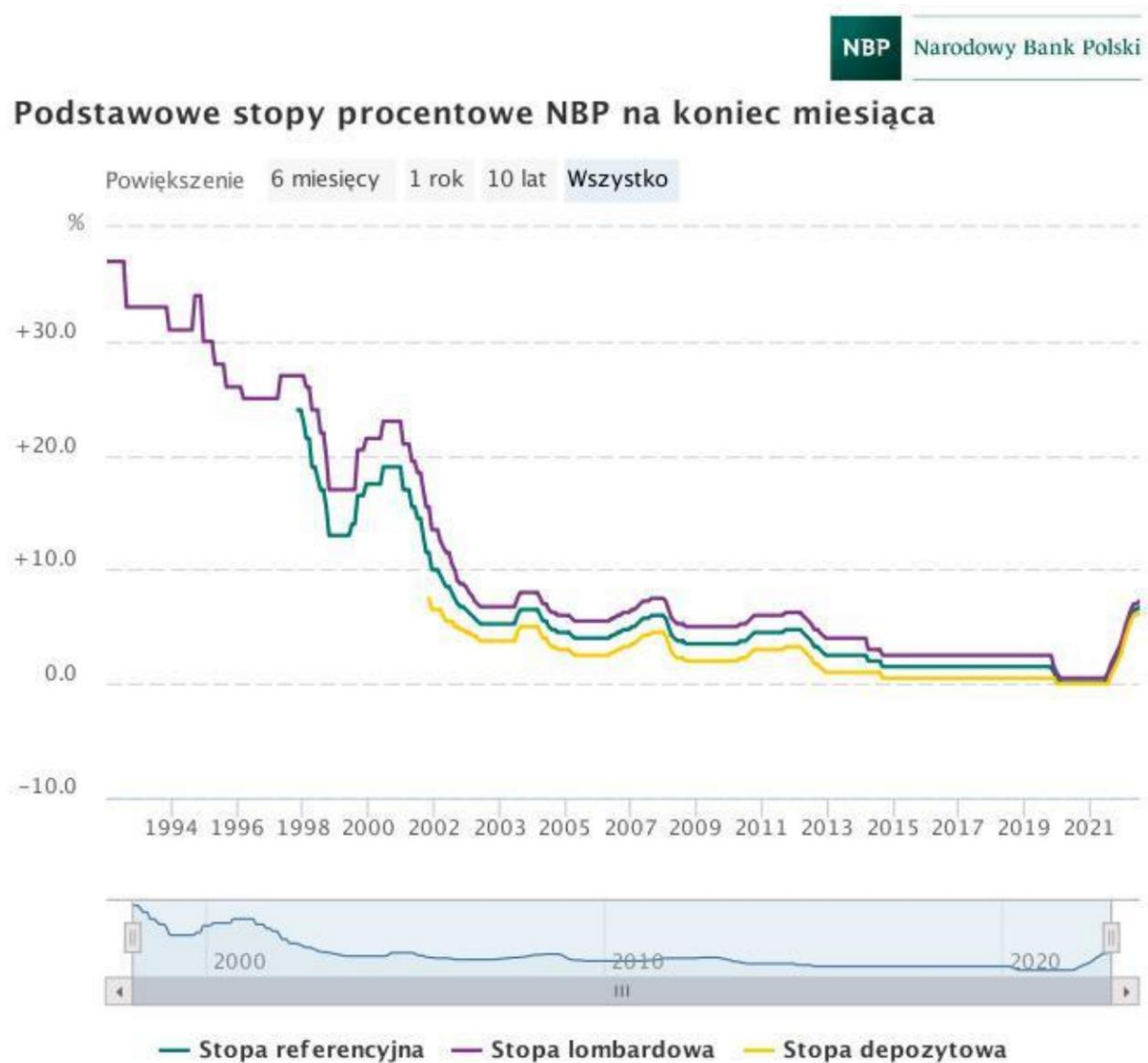
Wykres 26. Wpływ czynników decydujących o wyborze najmowanej przez studentów nieruchomości

**The Management Board of Taxus Fund SA presents the situation on the student rental market in such detail in the case of sharing a flat, because these are people who may, after graduation, continue to be customers of the so-called vending machine Fund for many years.**

<https://www.pkobp.pl/centrum-analiz/nieruchomosci/nieruchomosci-mieszkaniowe/pulsruchomosci-aaaaa-student-searched-flat/>

<https://www.amron.pl/strona.php?tytul=studenci-na-rynku-nieruchomosci>

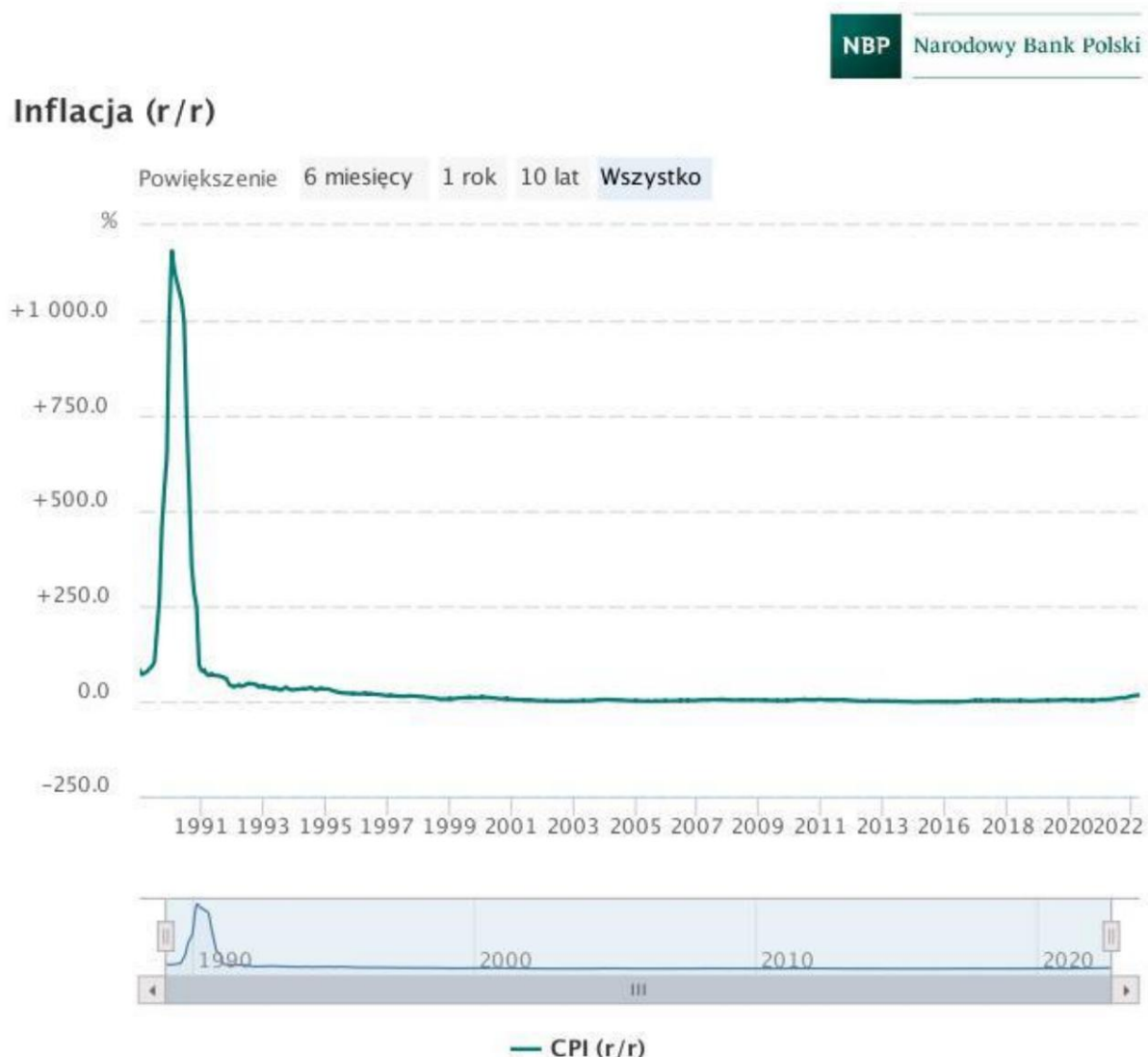
## Interest rates in Poland



Ostatnia aktualizacja danych: 2022-09-16

Źródło: NBP

## Inflation in Poland



Ostatnia aktualizacja danych: 2022-09-16

Źródło: NBP, GUS

In the opinion of the Management Board of Taxus Fund SA, inter alia high interest rates reduced the creditworthiness of Poles. People who, in other economic conditions, would become the owner of their first home on credit, must stay on the rental market or continue to live with their parents.

Due to the lack of a sufficient number of flats, less earning people can take advantage of renting a single room as a way to meet their housing needs and also to save more funds in a shorter time on their own contribution.

Bearing in mind that some of the readers of this report have not encountered room rental, I explain that it is a type of rental where, for example, a 4-room flat, the Fund rents 4 different tenants, providing each of them with one separate room. The rooms will have key locks and will not be passers-by (a nightmare of, for example, the Great Plate construction).



Such a lease has many advantages, eg in the event of payment problems, the Fund, for example, is delayed by one tenant in four. Also, the rotation does not cause a loss in rent to the cooperative in the amount of 100 percent.

For many years, the Management Board has been a private investor on the market of renting real estate for rooms for a long period of rent, preferably calculated in years, with a 2 or 3-year contract, so it wants to transfer all the procedures developed over the years to the Fund.

It is worth pointing out that, from the point of view of legal security, the owner of the property rents only the Tenant's room, leaving it at his disposal, if necessary, in rare situations. a kitchen room having access to it twenty-four hours seven days a week.

Investors often ask why the Fund does not intend to rent flats for a short-term period - playing in the hotel industry. From experience, such a rental is much more absorbing, namely the costs of cleaning and washing. There are frequent boisterous alcohol parties, the neighbors complain, it takes time. No deposit is collected, so damages caused during events are usually charged to the Owner. In addition, which is the most important in terms of profitability, it is very difficult to predict the occupancy rate is not possible to reach 75 percent and in long-term lease you can easily get an annual average of 80 percent and more room rents -

there is little rotation. A significant recurring high cost is also the commission for the short-term rental of such an apartment for the booking portal. During long-term lease, satisfied tenants even attract their friends from inferior real estate (e.g. old decaying tenement houses that have individual heating in a given apartment, e.g. tiled coal-fired stoves or those converted into electric ones that are very expensive to maintain) and recommend the owner to conclude a contract in the period when they know that someone is moving out, e.g. due to a change of job and migration to another city. In addition, when such an old tenement house is not fully rented, thermal energy penetrates into empty spaces and the flat is still cold despite the expenditure, such tenants appreciate the change for the better. The fund will mainly purchase flats with a central district heating system.

It is also worth adding that there are also apartments for rent on the market, where, for example, the owner stays permanently in one room out of three available. Such flats are very burdensome for landlords because they are often elderly people who have their own habits and impose additional restrictions, e.g. you cannot come back later than 10 pm, bring guests, and living with a partner is sometimes forbidden from the machine. By issuing a room, the Fund will make it available twenty-four hours a day, seven days a week. Without limiting inviting and staying friends, alerting not to disturb other Tenants and Neighbors. From the experience, after a few months, such people reach out and explain any irregularities, the Owner's intervention is rather rare. Moreover, the Management Board leaves direct contact with the Neighbors informing the Tenants about such fact and if something is wrong the information is immediate.

**The Management Board believes that long-term rental of flats for rooms faster will also allow to achieve the effect of a large scale of development of the Fund, which will translate into an increase in the value of Taxus Funs SA shares in the long term - which will ultimately settle the passage of time.**

For short-term rentals, there is also a huge risk of a pandemic return on this market, the known scenario may repeat overnight, that tourists will stop coming, there will be fairs, concerts, etc. events that were the main traffic generator for such apartments in the "hotel" system

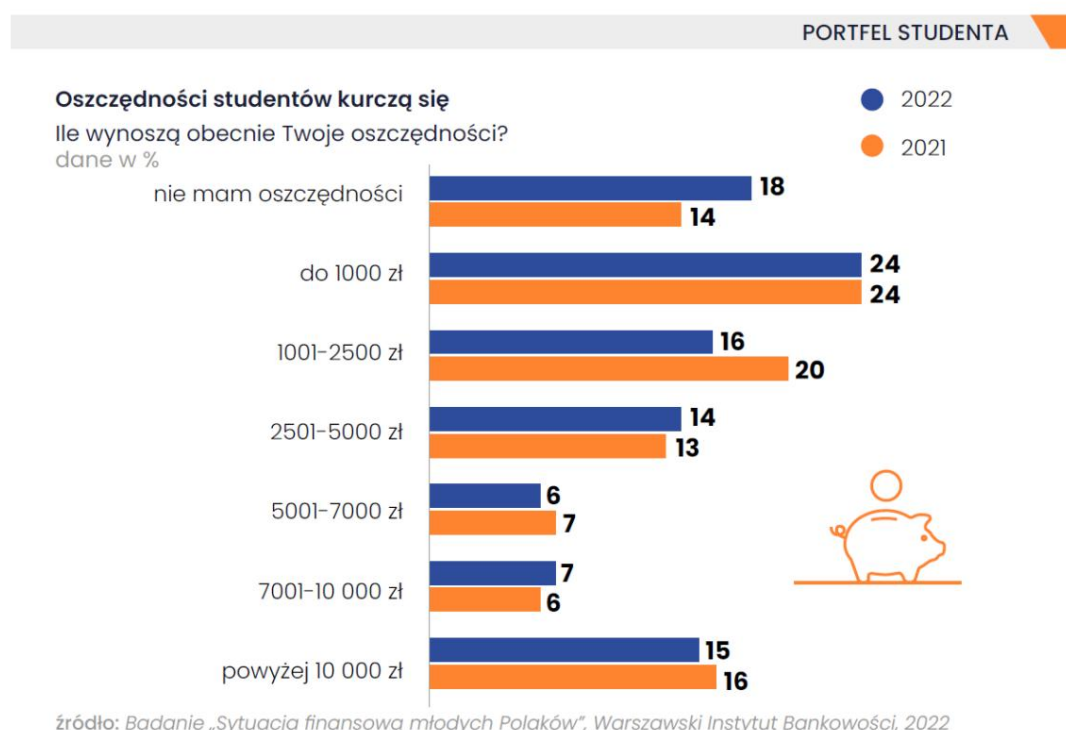
The Fund will also not accept flats for management, the only type of possible cooperation other than the purchase from the Fund's own resources, it will be taking over ownership of flats or other real estate in exchange for own shares.

The Management Board believes that some refugees from Ukraine will stay in Poland for a longer period or even permanently and to a large extent they will satisfy their housing needs by renting.

The target group of clients are also people with housing facilities, however, those who commute long distances to the workplace, sometimes this job is also multi-shift. With a distance of more than 100 km and the lack of their own car or leaving it at the family's disposal, such people also look for rooms to rent and leave the family, for example, every weekend. A room in a long-term lease is also much cheaper than the hotel, and not all hotels can prepare food and store it in a generally available refrigerator or freezer. Access to a washing machine is also rare in hotels. From experience, the Fund will provide the largest possible refrigerator with a freezer in the kitchen area and the largest washing machine, these are very important parts of equipment for people looking for rooms to rent - these will be new devices.

Obligatory equipment is also unlimited wireless Internet which is needed when looking for or changing jobs and also for entertainment. Room tenants usually use my smartphones, computers or tablets and view ads in this way, however, even if a given person only has an older phone, someone from their roommates always helps them to view the ads and send notifications. In the case of a crisis related to the current lack of work and funds, including paying for the Internet, access to the unforgiving Internet is not as obvious as it seems commonly. In crisis situations, the management board also provides current information if needed

support, e.g. for the purchase of a top-up to the phone so that the person could call for a month without restrictions regarding a job and find it as soon as possible. Unfortunately, downtime at work for more than a month is a significant liquidity problem for most tenants. The management board knows what it looks like from practice and from the statistical data it looks like this on the example of the student portfolio report.



<https://www.wib.org.pl/publikacje/>



The fund will also provide other basic housing equipment needed for the daily functioning of, inter alia, electric kettle, microwave oven.

The fund does not plan to operate in the premium segment.

The main interest of the Management Board are second-hand flats made in decent traditional technology that will be usable for dozens of years. The management board does not intend to buy flats in old tenement houses and a large slab, unless the price is attractive.

Due to the constantly growing high maintenance prices of large 3 or 4-room apartments, for example, single people will want to sell such apartments and buy or rent a much smaller apartment in order to maintain them from a low pension or disability pension.

Clients for long-term rental of rooms will also include persons in the course of bailiffs' execution. The amount free of attachment allows you to pay for the room, buy food and pay off debts.

Often these are people who led to this state of high-interest loans, the so-called payday loans where, with low income, they were not able to control debt service. Also, such a situation may occur to people who do not take a loan, but only guarantee and pay a very high penalty for failure to repay the person whom they have guaranteed.

Working students are the obvious group of tenants (described in detail above). If they are not employed, the contract will be concluded with them as adults and the parents will be the guarantor directly in the contract. The Fund will not rent rooms to minors. With experience, there are a lot of problems with such tenants who will feel the "first freedom", besides, parents do not want to pay for the holiday period.

The worst group of potential customers are those who are heavily addicted to drugs. At first glance, they look and function normally (deceptively better than, for example, construction workers), however, with a strong addiction, all funds are allocated to drugs on purpose, these people often change jobs and fall behind with payments, this is the worst type of customers, compared to the nuisance of people abusing alcohol. smaller (80 to 20) otherwise a person under the influence is easy to recognize both by the behavior and the smell of alcohol. Both the Fund and the roommates do not want to have burdensome tenants, so the experience always clarifies the situation within a few months and such a tenant, especially when it is inconvenient for roommates, must quickly look for a new place to live.

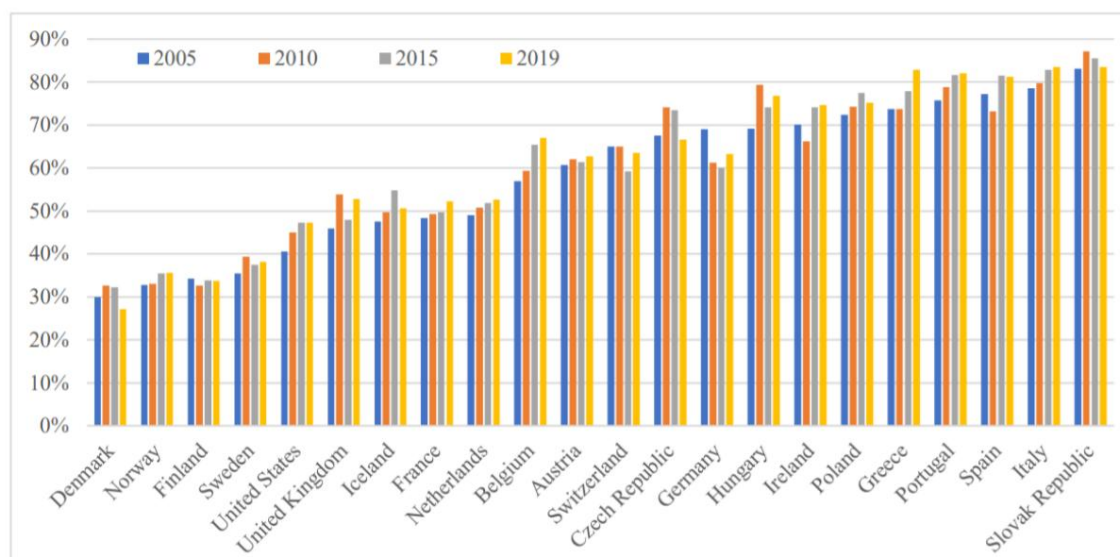
**There is also a very large group of potential tenants on the market who, even before the outbreak of the crisis, could not afford to rent the entire apartment and can afford to rent a single room - in detail about this group in very interesting research by EU Statistics and the Central Statistical Office.**

75% of young Poles live with their parents

Despite the very low unemployment in the country, the percentage of young people living with their parents in Poland is one of the highest in the entire EU - according to EU Statistics on Income and Living Conditions (EU SILC). As many as 3 out of 4 young people aged 18 to 29 live with at least one parent. Despite a slight improvement compared to 2015, the situation is worse than a few years earlier.



Figure 3: Share of 18-29 Years Old Living with at Least One Parent, European Countries and United States



Source: EU-SILC for European Countries, July CPS for United States

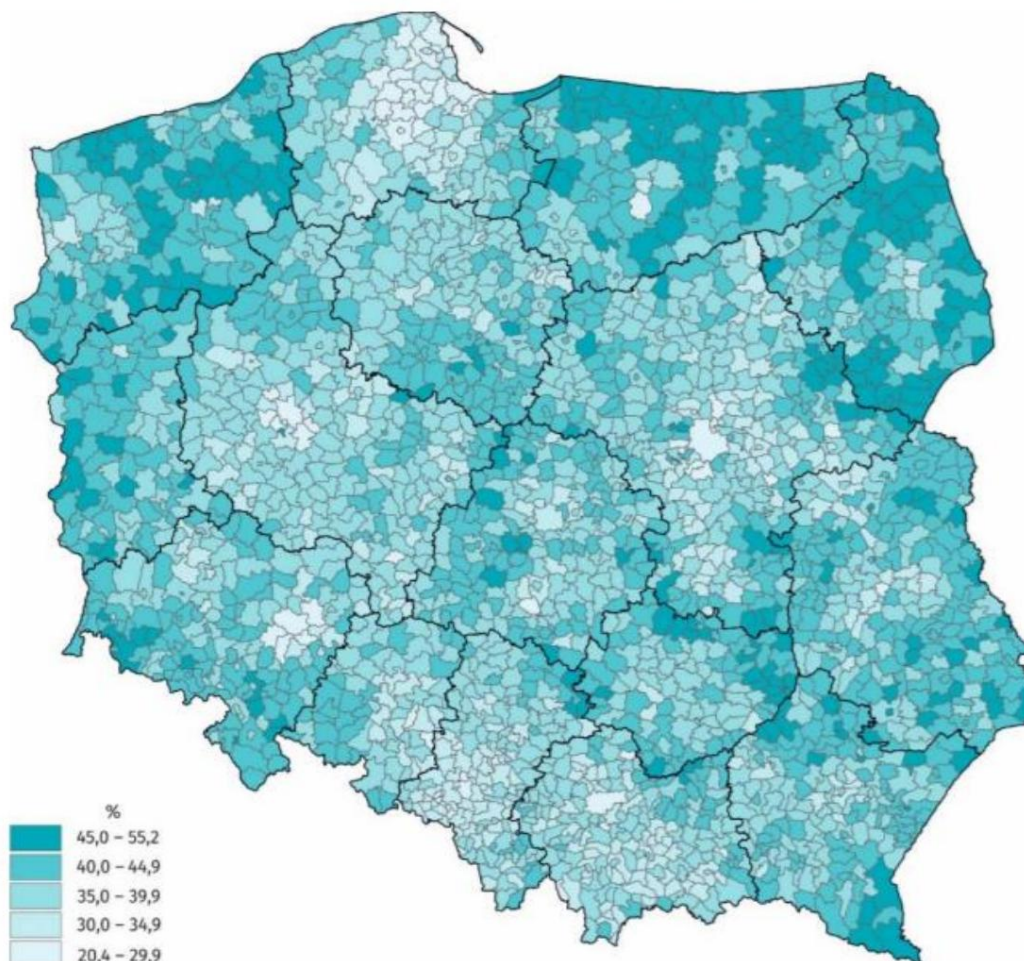
Among the reasons, apart from the low supply of housing, one should look for a relatively low ratio of remuneration to GDP or low professional activity of young Poles. It is worth adding that while the overall unemployment is among the lowest in the entire EU, youth unemployment does not look so good in our country. This contributes to the fact that many people in their 20s still live with their parents. This phenomenon is so disturbing that even the Central Statistical Office has created a special report describing young people living with their parents.

Nesters, or young people on their parents' pot

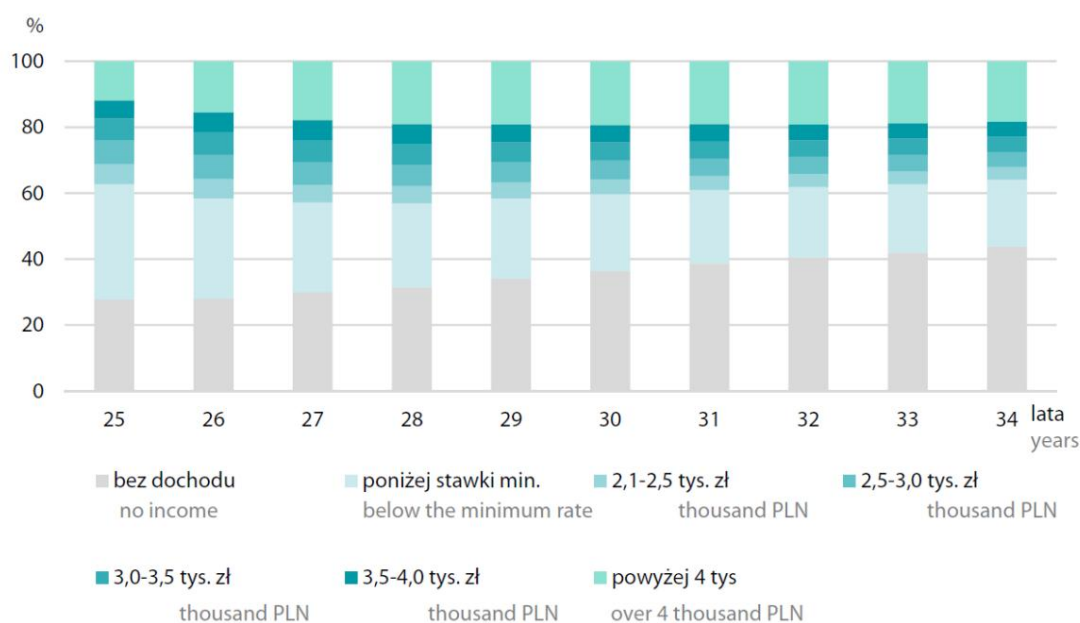
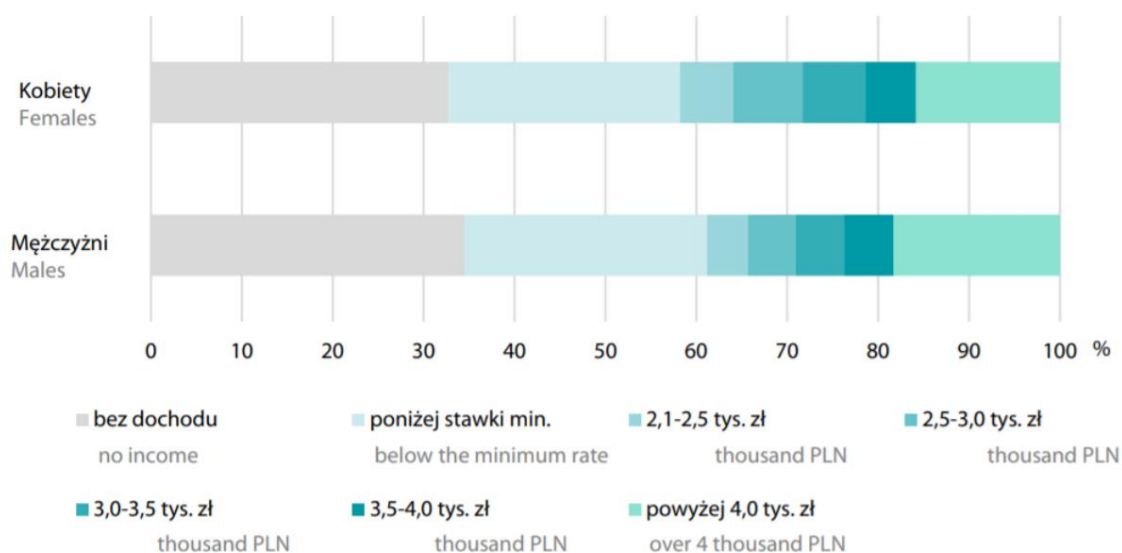
According to the data from the EU-SILC survey, in 2018 45.1% of Poles aged 25 to 34 lived with at least one of their parents, belonging to the group of the so-called nestlings. The level of nesting in Poland is much higher than the European Union average, which was 28.6% in 2018. Compared to 2005, the percentage of people in the analyzed age group who lived with their parents in Poland increased by nearly 9 percentage points. In the European Union, in 2011-2018, the scale of the occurrence of the phenomenon remained at a stable level, slightly exceeding 28%.

Polish nesters come mainly from the periphery of the country. However, there are regions where their share is really low. In Kashubia, the percentage of nestlings is at the "EU" level. It is presented in the following map by the Central Statistical Office - The share of nest-breeds in the total number of people aged 25–34.

**Map 1. Share of young adults living with parents in the total number of population aged 25-34**



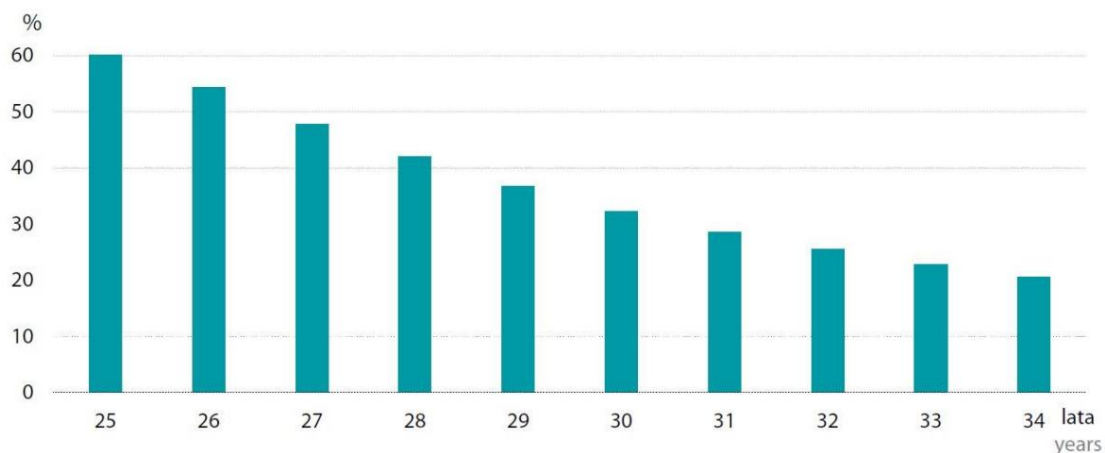
Among the youngest nesters, 18% studied or studied. This percentage decreases with age, and around the age of 29, only 5% of nestlings learn or study. So studying is not the main reason to live with your parents. Instead, it is a weak position in the labor market. Every third nestbox did not have any income. Only 1 in 3 nestlings earned more than the minimum income, and the income exceeded 4,000. gross PLN was reached by every fifth. While some people could live with their parents by choice, in the case of 60% of them it was probably due to the lack of their own resources.

**Wykres 8. Średnie miesięczne dochody (brutto) gniazdowników według wieku**
**Chart 8. Average monthly (gross) wages and salaries of young adults living with parents by age**

**Wykres 10. Średnie miesięczne dochody (brutto) gniazdowników według płci**
**Chart 10. Average monthly (gross) wages and salaries of young adults living with parents by sex**


The percentage of nests in Poland clearly changes with their age. In older years, the share of people living with their parents is decreasing. While 61% of the 25-year-olds were nesters, in the group of 34-year-olds this percentage was almost three times lower and amounted to less than 21%.

#### Wykres 1. Gniazdownicy według wieku

Chart 1. Young adults living with parents by age



**It is worth pointing out that the data of the Central Statistical Office (GUS) are accepted as a Nester - a person aged 25-34 who lives with his parents, does not have a spouse and is not a parent himself. The population of nests does not include divorced people and widowers, and the groups in question excluded from the above data are also potential clients for the rental of single rooms that will be offered by the Fund.**

Since the beginning of the 1990s, significant changes in demographic behavior related to family formation and its development have been observed in Poland. For nearly 30 years, the median age of newlyweds has increased by over 5 years (for women from 22 in 1990 to less than 28 in 2018, for men from 25 in 1990 to 30 in 2018), which also resulted in an increase in age middle women giving birth to their first child (from 23 in 1990 to 28 in 2017). The fertility rate also dropped significantly (from 1.991 in 1990 to 1.435 in 2018).

Postponing the decision to start a family, have fewer children, or even live alone are the result of transformations in the behavior of young people who first invest in professional development, and only then in starting a family and enlarging it. In the concept of the life cycle (course) of an individual and family (Szukalski 2018, Balcerzak-Paradowska 2018), commonly used in demography and sociology, phases are distinguished which are ordered sequences of development stages of an individual, determined by the occurrence of specific demographic events (family, educational, migration, professional) and their interrelationships (Kotowska 2018).

The pattern of transition to adulthood is defined by the occurrence of such events as: completing formal education, taking up the first job, leaving the family home, establishing a relationship (cohabitation, marriage) and giving birth to the first child (Kotowska 2018). Comparison



typical life biographies of two generations (people born in 1950-1954 and people born in 1975-1979) indicate a delay in the process of transition to adulthood, but also a de-standardization and greater complexity of paths among younger generations (Kotowska et al.

2016). Achieving adulthood is also very often perceived in individualistic and psychological terms, as the ability to make decisions based on one's own beliefs and values or taking responsibility for one's actions (Piszczałowska-Olesiewicz 2014). The event that connects both perspectives is leaving the family home and becoming independent from parents.

[https:// Obserwatorgospodarczy.pl/2022/01/10/75-mlodych-polakow-w-wieku-18-29-zyje-z-parents /](https://Obserwatorgospodarczy.pl/2022/01/10/75-mlodych-polakow-w-wieku-18-29-zyje-z-parents/)

<https://stat.gov.pl/statystyka-eksperymentalne/jakosc-zycia/pokieta-gojoownikow-w-polsce,6,1.html>

Inflation is driving up home prices around the world

Real estate prices in Istanbul have risen by more than 180% over the year, suggests the latest Knight Frank report. Outside Turkey, price increases were less impressive, but in most locations, last year saw an increase in rates per meter. Prices rise particularly quickly where there is high inflation.

The latest data from Knight Frank on the dynamics of housing price changes in 150 cities around the world suggest that during the year there was an increase in rates in as many as 138 of them. Moreover, in as many as 66 cities the annual dynamics of price increases exceeded 10%. There was a revaluation correction in only 12 cities.

Turkey at the forefront of price increases

Real estate prices rose the most in Turkey (Istanbul, Ankara, Izmir). The annual dynamics there is estimated at between 151% and 185%. Only at first glance, such a result may surprise. This is because deeper reflection provides quite a reasonable justification for such dynamic changes. Firstly, it should be recalled that the central bank in Turkey has, to put it mildly, an unorthodox approach to monetary policy. It simply responds to rising inflation not by increasing interest rates, but on the contrary - by keeping them at an inadequately low level or even by reducing them. For example, in August 2022, despite inflation at around 80% per annum, the Turkish central bank decided to lower the interest rate from 14% to 13%.

From the point of view of the housing market, it is also important that the rapidly growing costs of building new housing are limiting the activity of developers in Turkey. The offer is therefore modest, and on the other hand, there is no shortage of people willing to buy apartments. The demand for flats is stimulated by the aforementioned extremely negative real interest rates, i.e. the fact that banks charge interest on both deposits and loans incomparably slower than inflation consumes the purchasing power of money. The desire to protect the property against inflation may simply encourage the purchase of real estate.





In the last year, this market even made it possible to earn real money. If real estate in Istanbul rose by almost 185% during the year, and inflation actually amounted to almost 74% (data for the second quarter), the real profit of the owner of an apartment in Istanbul amounted to an average of almost 64% during the year. Worse if the unofficial data on inflation in Turkey are true. Those for the second quarter of this year. suggest that the prices of goods and services increased by an average of 164% in this country, according to ENAGrup data. Even in this case, however, the owner of an average Istanbul property made real profit during the period under review. For the record, it should be added that Turkish measures of inflation - both official and unofficial in the third quarter of this year. grew a little more.

After rapid increases, Wellington was hit by markdowns.

At the other extreme of the list prepared by Knight Frank, we find Wellington (New Zealand). During the year there, apartment prices dropped by 12.2%. This is also not the case. First, New Zealand's central bank is in the process of increasing interest rates (the current base rate is 3%, compared to 0.25% in August 2021). But that's not all. In Wellington, we had to deal with very rapid price increases quite recently. The data collected by Knight Frank in the third quarter of 2021 showed that real estate in Wellington increased by 34% during the year. Today, therefore, we are also dealing with a rebound of these crazy gains.

The authors of the report also point out that increases in the level of interest rates in the world should lead to a decline in the observed dynamics of increases in real estate prices in many of the analyzed cities. Knight Frank analysts point out that where there are sharp increases in interest rates, the housing market may respond with corrections (as in Wellington), but gradual increases in the cost of money should lead to a lower dynamics of price increases than to reductions.

Real estate can win over inflation

But that's not all. The data collected by HRE Investments suggest that the prices of flats in the analyzed period grew significantly faster in those locations with higher inflation. The correlation between inflation and the dynamics of changes in real estate prices is high (0.93). This is fully justified, because higher inflation means the loss of purchasing power by money, while at the same time the apartments do not lose their usefulness. In addition, with higher inflation, wages (at least nominal) should also rise, and construction costs should go up. This means that the construction of a new apartment is becoming more and more expensive, so its price should, in principle, also go up.



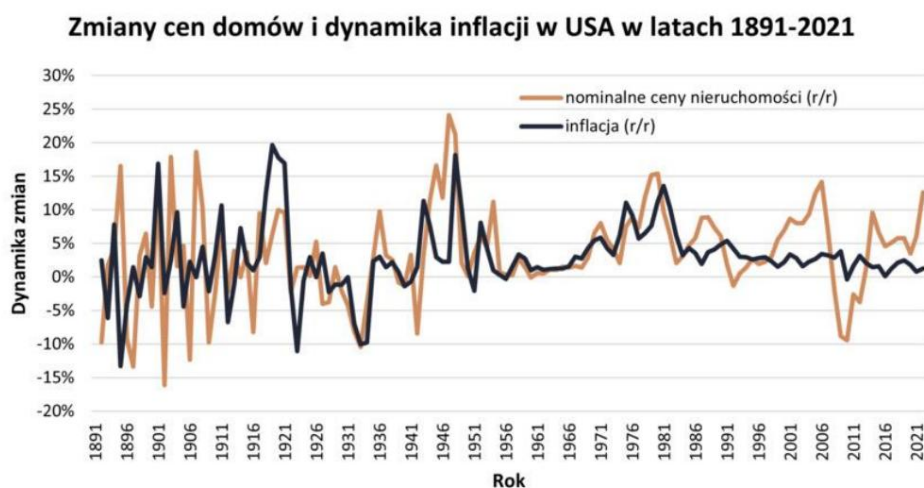
**Roczne zmiany ceny nieruchomości na tle inflacji w poszczególnych miastach na świecie**

Miasto, Państwo	Nominalny wzrost cen (r/r)	Inflacja (r/r)	Realna zmiana cen	Miasto, Państwo	Nominalny wzrost cen (r/r)	Inflacja (r/r)	Realna zmiana cen
Stambuł, Turcja	185%	74%	64%	Edynburg, Wlk. Brytania	9%	9%	0%
Ankara, Turcja	165%	74%	53%	Bengaluru, Indie	9%	7%	1%
Izmir, Turcja	151%	74%	44%	Birmingham, Wlk. Brytania	9%	9%	0%
Miami, USA	34%	9%	25%	Cardiff, Wlk. Brytania	9%	9%	-1%
Halifax, Wlk. Brytania	31%	9%	20%	Walencja, Hiszpania*	9%	8%	1%
Dallas, USA	31%	9%	22%	Saloniki, Grecja*	8%	7%	2%
Phoenix, USA	30%	9%	21%	Genewa, Szwajcaria	8%	3%	5%
Tallinn, Estonia	30%	20%	9%	Kopenhaga, Dania*	8%	5%	3%
Atlanta, USA	26%	9%	19%	Sewilla, Hiszpania*	8%	8%	0%
Adelaide, Australia	26%	6%	18%	Seul, Korea Południowa	8%	5%	2%
San Diego, USA	26%	9%	17%	Calgary, Kanada	8%	8%	0%
Hamilton, Kanada	25%	8%	16%	Darwin, Australia	7%	6%	1%
Seattle, USA	23%	9%	15%	Lille, Francja*	7%	4%	3%
Bratysława, Słowacja	23%	12%	10%	Perth, Australia	7%	6%	0%
Denver, USA	22%	9%	14%	Delhi, Indie	7%	7%	-1%
Reykjavik, Islandia	22%	6%	16%	Hangzhou, Chiny	6%	2%	4%
Los Angeles, USA	22%	9%	13%	Bruksela, Belgia*	6%	9%	-2%
Wilno, Litwa*	21%	14%	6%	Londyn, Wlk. Brytania	6%	9%	-3%
San Francisco, USA	21%	9%	12%	Barcelona, Hiszpania*	6%	8%	-2%
Brisbane, Australia	20%	6%	13%	Bombaj, Indie	6%	7%	-1%
Hobart, Australia	20%	6%	13%	Pune, Indie	6%	7%	-1%
Praga, Czechy	20%	15%	4%	Bukareszt, Rumunia*	6%	8%	-2%
Toronto, Kanada	20%	8%	11%	Pekin, Chiny	6%	2%	3%
Rijad, Arabia Saudyjska*	19%	2%	17%	Berno, Szwajcaria	6%	3%	3%
Jerozolima, Izrael	19%	4%	14%	Oslo, Norwegia	6%	6%	-1%
Tel Awiw, Izrael	18%	4%	13%	Tajpej, Tajwan*	6%	3%	3%
Hajfa, Izrael	18%	4%	13%	Meksyk, Meksyk	6%	8%	-2%
Utrecht, Holandia	18%	10%	7%	Mediolan, Włochy	5%	7%	-2%
Amsterdam, Holandia	17%	10%	6%	Sydney, Australia	5%	6%	-1%
Montreal, Kanada	17%	8%	9%	Oksford, Wlk. Brytania	5%	9%	-4%
Skopje, Macedonia*	17%	8%	8%	Bangkok, Tajlandia	5%	6%	-2%
Rotterdam, Holandia	16%	10%	5%	Chennai, Indie	5%	7%	-3%
Zagrzeb, Chorwacja*	16%	6%	9%	Limassol, Cypr*	5%	6%	-1%
Boston, USA	16%	9%	7%	Melbourne, Australia	4%	6%	-2%
Nagoja, Japonia	16%	2%	13%	Sao Paulo, Brazylia	4%	12%	-7%
Ottawa, Kanada	15%	8%	7%	Osaka, Japonia	4%	2%	2%
Detroit, USA	15%	9%	6%	Hajdarabad, Indie	4%	7%	-3%
Nowy Jork, USA	15%	9%	6%	Xi'An, Chiny	4%	2%	2%
Ryga, Łotwa	15%	16%	-2%	Kalkuta, Indie	4%	7%	-3%
Vancouver, Kanada	14%	8%	6%	Changsha, Chiny	4%	2%	2%
Goteborg, Szwecja*	14%	5%	9%	Shenzhen, Chiny	4%	2%	1%
Wiedeń, Austria	13%	8%	5%	Turyn*, Włochy	4%	7%	-4%
Chicago, USA	13%	9%	4%	Szanghaj, Chiny	3%	2%	1%
Porto, Portugalia	13%	8%	4%	Chongqing, Chiny	3%	2%	1%
Sztokholm, Szwecja*	13%	5%	8%	Paryż, Francja*	3%	4%	-1%
Glasgow, Wlk. Brytania	13%	9%	3%	Ahmedabad, Indie	3%	7%	-4%
Exeter, Wlk. Brytania	13%	9%	3%	Rio De Janeiro, Brazylia	3%	12%	-8%
Winnipeg, Kanada	13%	8%	5%	Aberdeen, Wlk. Brytania	2%	9%	-6%
Malmö, Szwecja*	12%	5%	7%	Qingdao, Chiny	2%	2%	0%
Waszyngton, USA	12%	9%	4%	Dżakarta, Indonezja	2%	4%	-2%
Tokio, Japonia	12%	2%	9%	Rzym*, Włochy	2%	7%	-5%
Kijów, Ukraina	12%	19%	-6%	Wuxi, Chiny	2%	2%	-1%
Sofia, Bułgaria*	12%	9%	3%	Lublana, Słowenia*	2%	6%	-5%
Dublin, Irlandia	12%	8%	3%	Abu Zabi, ZEA*	2%	3%	-2%
Berlin, Niemcy	12%	8%	3%	Palermo*, Włochy	1%	7%	-6%
Minneapolis, USA	12%	9%	3%	Lyon, Francja*	1%	4%	-3%
Hamburg, Niemcy	11%	8%	3%	Nikozja, Cypr*	1%	6%	-4%
Dubaj, ZEA*	11%	3%	8%	Ningbo, Chiny	1%	2%	-1%
Manchester, Wlk. Brytania	11%	9%	2%	Edmonton, Kanada	1%	8%	-6%
Lizbona, Portugalia	11%	8%	2%	Nankin, Chiny	1%	2%	-2%
Monachium, Niemcy	11%	8%	2%	Helsinki, Finlandia	1%	7%	-6%
Singapur, Singapur	11%	6%	4%	Kanton, Chiny	0%	2%	-2%
Luksemburg, Luksemburg*	11%	7%	3%	Florencja*, Włochy	0%	7%	-7%
Quebec, Kanada	11%	8%	3%	Kuala Lumpur, Malezja*	-1%	7%	-7%
Marsylia, Francja*	10%	4%	6%	Wenecja*, Włochy	-2%	7%	-9%
Canberra, Australia	10%	6%	4%	Auckland, NZ	-2%	7%	-9%
Ateny, Grecja*	10%	7%	3%	Genewa*, Włochy	-2%	7%	-9%
Malaga, Hiszpania*	10%	8%	2%	Lima, Peru*	-2%	6%	-8%
Frankfurt, Niemcy	10%	8%	1%	Hong Kong**, Chiny	-2%	2%	-5%
Madryt, Hiszpania*	10%	8%	1%	Tianjin, Chiny	-3%	2%	-5%
Warszawa, Polska	13%	13%	0%	Wuhan, Chiny	-3%	2%	-5%
Zurych, Szwajcaria	9%	3%	7%	Zhengzhou, Chiny	-4%	2%	-6%
Bristol, Wlk. Brytania	9%	9%	0%	Rabat, Maroko*	-4%	4%	-8%
Bogota, Kolumbia*	9%	8%	1%	Wellington, NZ	-12%	7%	-18%

\*Dane za 1 kw. 2022

Opracowanie HRE Investments na podstawie Knight Frank, Eurostat, Trading Economics, urzędy statystyczne

So it is no coincidence that history shows that periods of heightened inflation are often times when property prices rise, thus protecting the capital invested in them. This is confirmed by data from the American market from the last 130 years. They show a very clear correlation between changes in real estate prices and inflation. Even more - many years of research conducted in developed markets suggest that in the long term real estate prices tend to rise with an average annual dynamics of 1-2 points. percent higher than the prices of goods and services (inflation).



Opracowanie HRE Investments na podstawie danych S&P/CoreLogic/Case-Shiller, BLS, Warren&Pearson, Grebler, Five-CityMedian, PHCPI

<https://heritagere.pl/analizy/inflacja-podkuje-ceny-mieszkan-na-swiecie/182>

#### Office of the company

As at the teaser publication date, the seat of Taxus Fund SA was in Warsaw at ul. Kolady 3.

The company did not have any branches in the reporting period and as at the date of this report.

#### Company mission

**Mission of Taxus Fund SA - to be an innovative Real Estate Fund.**

#### Company strategy

**The recently binding strategy of the Taxus Fund SA Fund was revoked due to the decision of the Polish Financial Supervision Authority and the change of the business profile from Venture Capital to only real estate-related business.**



The new strategy of the Taxus Fund Housing Fund SA will be adopted in the coming months, in the first place the Management Board plans to put in order all formal arrears in order to restore the Company's quotation.

**The Management Board described this state in detail in the ESPI release 5/2019 of November 25, 2019.**

Link to the full text of the stock exchange announcement

[https://newconnect.pl/komunikat?geru\\_id=159839&title=Repeal of+ by+KNF+in+all+decisions  
+ o + refusal + entry + company + to + register + managers + ASI + and + other + important + information.](https://newconnect.pl/komunikat?geru_id=159839&title=Repeal+of+by+KNF+in+all+decisions+o+refusal+entry+company+to+register+managers+ASI+and+other+important+information.)

#### The share capital of the Company

As at the teaser publication date, the share capital of the Venture Capital Taxus Fund SA amounted to PLN 213,789,348.20 and was divided into 2,137,893,482 shares:

- 1) 14,208,162 (fourteen million, two hundred and eight thousand, one hundred and sixty-two) shares with a nominal value of PLN 0.10 (ten groszy) each, marked as series AB shares.
- 2) 200,000,000 (two hundred million) shares with a nominal value of PLN 0.10 (ten groszy) each, marked as series B01 shares.
- 3) 34,404,800 (thirty four million four hundred four thousand eight hundred) shares with a nominal value of PLN 0.10 (ten groszy) each share, marked as series E1 shares.
- 4) 6,020,840 (six million twenty thousand eight hundred and forty) shares with a nominal value of PLN 0.10 (ten groszy) each share, marked as series E2 shares.
- 5) 200,000,000 (two hundred million) shares with a nominal value of PLN 0.10 (ten groszy) each, marked as series B02 shares.
- 6) 200,000,000 (two hundred million) shares with a nominal value of PLN 0.10 (ten groszy) each, marked as series B03 shares.
- 7) 200,000,000 (two hundred million) shares with a nominal value of PLN 0.10 (ten groszy) each, marked as series B04 shares.
- 8) 1,000,000 (one million) shares with a nominal value of PLN 0.10 (ten groszy) each, marked as series D2 shares.
- 9) 3,180,000 (three million, one hundred and eighty thousand) shares with a nominal value of PLN 0.10 (ten groszy) each, marked as A01 series shares.
- 10) 1,520,000 (one million five hundred and twenty thousand) shares with a nominal value of PLN 0.10 (ten groszy) each, marked as A02 series shares.
- 11) 200,000 (two hundred thousand) shares with a nominal value of PLN 0.10 (ten groszy) each, marked as series A04 shares



12) 30,000 (thirty thousand) shares with a nominal value of PLN 0.10 (ten groszy) each, marked as series A05 shares,

13) 1,000,000 (one million) shares with a nominal value of PLN 0.10 (ten groszy) each, marked as series A06 shares

14) 200,000,000 (two hundred million) shares with a nominal value of PLN 0.10 (ten groszy) each, marked as series B05 shares.

15) 200,000,000 (two hundred million) shares with a nominal value of PLN 0.10 (ten groszy) each, marked as series B06 shares.

16) 200,000,000 (two hundred million) shares with a nominal value of PLN 0.10 (ten groszy) each, marked as series B07 shares.

17) 200,000,000 (two hundred million) shares with a nominal value of PLN 0.10 (ten groszy) each, marked as series B08 shares.

18) 200,000,000 (two hundred million) shares with a nominal value of PLN 0.10 (ten groszy) each, marked as series B09 shares.

19) 104,305,680 (one hundred and four million, three hundred and five thousand, six hundred and eighty) shares with a nominal value of PLN 0.10 (ten groszy) each, marked as series B10 shares.

20) 172,024,000 (one hundred and seventy-two million and twenty-four thousand) shares with a nominal value of PLN 0.10 (ten groszy) each, marked as series E3 shares.

The subject of trading in the alternative trading system on the NewConnect market, organized by the Warsaw Stock Exchange, is 8,118,950 dematerialized shares of AB series, marked in the National Depository for Securities with ISIN code: *PLTXSFN00012*.

Taxus Fund SA LEI code - 259400C14GZLEN59I747

**Note there was a change in the policy regarding the admission of shares to trading on NewConnect.**

**The company intends to gradually admit all issued shares (over 2 billion) to trading on NewConnect. Priority in the admission will be given to series AB shares of the Main Shareholder who has always supported the company even in theoretical situations without a solution and intends to sell (after admitting) some of its shares (both in block transactions outside the market to Professional Investors and through the NewConnect market) to financially provide the Issuer (first with loans), ultimately taking up shares of new issues at the issue price of PLN 0.10 or more, together with other Investors. The next admission of the Shares will be carried out in a simplified manner on the basis of the following point of the ASO regulations.**

*„ § 3b 1. The obligation to prepare an information document shall not apply if the issuer's shares covered by the application for introduction constitute less than 10% of all the issuer's shares of the same type introduced to - 8 -*

*alternative trading system, subject to subpara. 2. This provision shall apply accordingly to the rights to these shares and the subscription rights to these shares. "*



Link to the full text of the ASO legal regulations

<https://newconnect.pl/regulacje>

Link to the guide to the market on which the Issuer is listed

[https://newconnect.pl/pub/NEWCONNECT/pwiedzni/GPW\\_PRZEWODNIK\\_NC\\_Net.pdf](https://newconnect.pl/pub/NEWCONNECT/pwiedzni/GPW_PRZEWODNIK_NC_Net.pdf)

As at the date of this tester, the Company does not hold any treasury shares.

The shareholding structure of Taxus Fund SA as at the date of publication of the tester:

No.	Specification	Number of shares	% share in share capital Companies	Number of votes	% share in votes at the General Meeting The Meeting of the Company
1.	<b>Foundation for Poland Innovation</b>	1 868 200 206	87.39%	1 868 200 206	87.39%
2.	<b>APJ Trust sp. z oo sp. j.</b>	172 024 000	8.05%	172 024 000	8.05%
3.	<b>The rest</b>	97 669 276	4.56%	97 669 276	4.56%
	<b>TOGETHER</b>	<b>2 137 893 482</b>	<b>100.00%</b>	<b>2 137 893 482</b>	<b>100.00%</b>

## 2. Place of registration of the Company

Taxus Fund Spółka Akcyjna is currently registered with the District Court for the capital city of Warsaw in Warsaw, XIII Commercial Division of the National Court Register under the number KRS 0000325419.

## 3. Financial year

Pursuant to § 30 sec. 1 of the Articles of Association of Taxus Fund Spółka Akcyjna, the Company's financial year is the calendar year.

## 4. Company bodies

As at the teaser publication date, the single-person Management Board of Taxus Fund SA included:

• Krzysztof Bzymek - President of the Management Board

Composition of the Supervisory Board of Taxus Fund SA, as at the date of this teaser:



• Krzysztof Paweł Nowanski - Chairman of the Supervisory Board,  
 • Jarosław Jabłonowski - Member of the Supervisory Board,  
 • Marek Filipiak - Member of the Supervisory Board,  
 • Sylwia Małgorzata Szwed - Member of the Supervisory Board,  
 • Ryszard Józef Gýdek - Member of the Supervisory Board.

##### 5. Selected financial data for 2020, including the basic items of the annual of the financial statements also converted into euros

Taxus Fund SA presents selected financial data below, including the main items of the annual financial statements (also converted into euro); in accordance with § 5 sec. 6.1 point 2 of Annex 3 to the Alternative Trading System Regulations - "Current and periodic information provided in the alternative trading system on the NewConnect market" and the Accounting Act.

1) Exchange rates used to convert PLN into EUR with respect to the data achieved in 2019 (in the period from 01/01/2019 to 31/12/2019): balance sheet items according to the average NBP exchange rate as at 31 December 2019 (EUR 1 = PLN 4.2585); items in the profit and loss account and the cash flow statement at the exchange rate being the arithmetic mean of average NBP exchange rates at the end of each month of 2019 (EUR 1 = PLN 4.3018)

1) Exchange rates used to convert PLN into EUR with respect to the data achieved in 2020 (in the period from 01/01/2020 to 31/12/2020): balance sheet items according to the average NBP exchange rate as at 31 December 2020 (EUR 1 = 4 PLN, 6,148); items in the profit and loss account and the cash flow statement at the exchange rate being the arithmetic mean of the average NBP exchange rates at the end of each month of 2020 (EUR 1 = PLN 4.4742)

Description	in PLN		in EUR	
	2019	2020	2019 <sup>1</sup>	2020 <sup>1</sup>
Fixed assets	0	0	0.00 EUR	0
Long term investments	0	0	0.00 EUR	0
Assets	44,006.76	32,609.45	EUR 10 333.86	EUR 7,066.28
short-term receivables	8328.00	5,486.03	EUR 1 955.62	EUR 1 188.79
Assets liabilities together	44,006.76	32,609.45	EUR 10 333.86	EUR 7,066.28
Net assets (equity)	-221,857.80	-241,738.80	-52 097.64 EUR	-52 383.38 EUR
Liabilities and provisions for liabilities	265,864.56	274 348.25	EUR 62,431.50	EUR 59,449.65
Long-term liabilities	0.00	0	0.00 EUR	0.00 EUR
Current liabilities	229,487.56	243 821.25	EUR 53 889.29	EUR 52 834.63





Sales revenue and equalized with them	0	0	0.00 EUR	0
Operating expenses	1004.48	7 433.51	233.50 EUR	EUR 1 661.42
Profit (loss) on sales	-1004.48	-7,433.51	-233.50 EUR	-1 661.42 EUR
Profit (loss) from activity operational	-8547.48	-10,083.51	-1 986.95 EUR	-2 253.70 EUR
Financial income	1.00	0	0.23 EUR	0
Financial costs	8462.63	9,797.49	EUR 1 967.23	2 189.77 EUR
profit (loss) Gross	-17009.11	-19,881.00	-3,953.95 EUR	-4,443.48 EUR
Net profit (loss)	-17009.11	-19,881.00	-3,953.95 EUR	-4,443.48 EUR
Net cash flows from operating activities	-19979.60	-8,555.34	-4,644.47 EUR	-1 912.15 EUR
Net cash flow from activities investment	0	0	0.00 EUR	0
Net cash flows from financing activities	0	0	0.00 EUR	0
Total net cash flow	-19979.60	-8,555.34	-4,644.47 EUR	-1 912.15 EUR

The financial statements for 2020 of Taxus Fund SA have been prepared in the XML format.

The Ministry of Finance has prepared a free e-Financial Reports application enabling opening financial statements saved in XML format.

Link

<https://e-sprawozdania.mf.gov.pl/ap/>

Link to the published financial statements for 2020

[https://newconnect.pl/komunikat?geru\\_id=199149&title=Raport+ Roczny+Taxus+Fund+SA+za+2020](https://newconnect.pl/komunikat?geru_id=199149&title=Raport+Roczny+Taxus+Fund+SA+za+2020)  
[+ year](#)

It is worth pointing out that the loss from previous years indicated in the report for 2020 results from closing

Venture Capital activities in connection with the decision of the Polish Financial Supervision Authority made in 2019.



The Management Board described this state in detail in the ESPI release 5/2019 of November 25, 2019.

Link to the full text of the stock exchange announcement

[https://newconnect.pl/komunikat?geru\\_id=159839&title=Repeal of+ by+KNF+in+all+decisions+o + refusal + entry + company + to + register + managers + ASI + and + other + important + information.](https://newconnect.pl/komunikat?geru_id=159839&title=Repeal+of+by+KNF+in+all+decisions+o+refusal+entry+company+to+register+managers+ASI+and+other+important+information)

In connection with the decision of the Polish Financial Supervision Authority of October 29, 2019, No. DFF.4023.156.2019.MH and resolution No. 2/11/2019 of November 25, 2019 (full text of the documents available at the link above) on the subject closing the mixfirm.com project and write-off of the value of the subsidiary MixFirm sp. z oo (KRS 0000422111) up to PLN 0. (in words zero zlotys), the head of the unit decided in the Ordinance of 23 October 2020 on the write-off of long-term investments from PLN 255,639,138.40 to PLN 0 in the company's financial statements for 2017, pursuant to Article 54 of the Accounting Act.

All shares in MixFirm sp. Z oo were sold for PLN 1 on 30/12/2019 after earlier write-off to PLN 0, currently the mixfirm.com project has completely ceased to exist.

Bearing in mind that on the date of the financial statements for 2020 (2022) the 100% company, due to the above decision of the Polish Financial Supervision Authority, does not perform Venture Capital activities, and did not regain full operational capacity, the Management Board decided to prepare the report financial for 2020 assuming no going concern.

The loss indicated in the financial statements in 2020 will be gradually covered in accordance with Article 396 of the Commercial Companies Code from the Company's supplementary capital and from future issues of shares above their face value. Proposed by the Management Board to the General Meeting of Shareholders in the manner Article 395 of the Commercial Companies Code is to cover at least 1 million losses per year. The Management Board shall convene the General Meeting immediately The Meeting of Shareholders so that the Shareholders can adopt a resolution pursuant to article 397 of the Commercial Companies Code because the formal condition was met because the loss in the financial statements for 2017 exceeds the sum of reserve capital and one third of the share capital, therefore

a resolution should be adopted pursuant to article 397 of the Commercial Companies Code on the continued existence of the company.

In 2023 and the following years, the Taxus Fund SA will conduct a number of issues public and private, both directed to Investors from Poland and abroad, to, inter alia, start real estate investments and, in the following years, create special purpose vehicles for the needs the construction of entire blocks or housing estates for rent as well as in long-term plans is to create own developer. From the amount of capital raised and the development of companies taken over or created companies will depend on the financial result obtained in the future.

As at the date of publication of this teaser, Taxus Fund SA does not own any real estate.



In the opinion of the Management Board, the company will obtain full operational capacity in a few months, i.e. in the first half of 2023.

The company after it starts public issues must put the past in order, in particular publish overdue financial reports and lead to the resumption of quotation of the Issuer's shares so there is still a lot of work ahead of the Management Board.

After admitting the Main Shareholder's shares to trading on NewConnect, the company will obtain an indirect one a method of financing by granting loans ultimately convertible into shares from sale of shares held by the Main Shareholder through the NewConnect market or through sale of block shares (outside the market with a possible initial discount to the issue price new emissions) admitted to trading, including funds that show interest An issuer due to both the new business profile and the attractive potential share price Also of the new issue, it is PLN 0.10 per share at the beginning.

The Main Shareholder, despite seemingly difficult situations with no solution, continues to support Taxus Fund SA

The Management Board hopes that in the near future, faith in the final success of the remaining Fund will be regained Shareholders who can also actively start supporting financially with loans (convertible ultimately on shares) Fund "on a new way of life" or at a later stage include new ones share issues.

*"A journey of a thousand miles begins with one step" - Confucius*

## **6. Employment of the Company**

The number of people employed by Taxus Fund SA as at the date of publication of this teaser, converted into full-time jobs, is 0.

The President of the Management Board of the Company as well as members of the Supervisory Board perform their functions due to the appointment, they do not receive any remuneration and do not have any remuneration provided for at present.

Taking into account the new subject of the Issuer's activity, the employment status will be gradually changing.

The method of remunerating both the Management Board and the Supervisory Board will also change.

## **7. Significant contracts related to the current operations of the Company**

**Currently none**

The Taxus Fund SA is a public company whose shares are listed in the alternative trading system on the NewConnect market, which means that the Company is subject to, inter alia, information obligations resulting from the Act of July 29, 2005 on Public Offering and Conditions



introducing financial instruments to an organized trading system and on public companies (i.e. Journal of Laws of 2009, No. 185, item 1439) and the Act of July 29, 2005 on Trading in Financial Instruments (i.e. Journal of Laws of 2010, No. 211, item 1384), as well as the Regulations of the Alternative Trading System (the regulations as adopted by Resolution No. 147/2007 of the WSE Management Board of March 1, 2007, as amended). In addition, from July 3, 2016, the company is obliged to apply, inter alia, provisions of Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse "MAR Regulation" - the Company publishes the required information (i.e. to the extent required by the relevant legal acts), including, in relating to the activities carried out by the Company, through relevant public current reports of the EIB and ESPI and public periodic reports (consolidated quarterly reports as well as individual and consolidated annual reports), which are published on an ongoing basis, inter alia, on the website:

Reports of the EBI of the Taxus Fund SA:

<https://newconnect.pl/spolka?isin=PLTXSFN00012#reportsTab2>

ESPI reports from Taxus Fund SA:

<https://newconnect.pl/spolka?isin=PLTXSFN00012#reportsTab1>

#### **8. Information of the Management Board on the fulfillment of previously published forecasts of results for 2019 and the following years**

The company did not publish any results forecasts for 2020 and the following years.

#### **9. Description of the organization of the capital group, indicating the entities subject to consolidation.**

Taxus Fund SA, as at the date of the smaller teaser, does not form a capital group.

#### **10. Information on the off-balance sheet asset**

The Management Board of Taxus Fund SA informs that the Company does not have any off-balance sheet assets as at the date of publication of the smaller teaser.

#### **11. Risk factors affecting the operations of the Company and its results**

**The Issuer does not disclose the risks related to the Venture Capital activities, because as at the date of publication of this teaser, it no longer performs such activities.**



**As at the date of publication of the smaller teaser, the Issuer conducts business activities solely related to real estate, which, compared to Venture Capital activities, is significantly less risky.**

The Management Board described this state in detail in the ESPI release 5/2019 of November 25, 2019.

Link to the full text of the stock exchange announcement

**[https://newconnect.pl/komunikat?geru\\_id=159839&title=Repeal of+ by+KNF+in+all+decisions  
+ o + refusal + entry + company + to + register + managers + ASI + and + other + important + information.](https://newconnect.pl/komunikat?geru_id=159839&title=Repeal+of+by+KNF+in+all+decisions+o+refusal+entry+company+to+register+managers+ASI+and+other+important+information)**

Risk factors, as uncertain events, are embedded in every business activity. Each of the risks discussed below may have a negative impact on the operations, financial condition and development prospects of the Company. Thus, it may have a negative impact on the price of the Shares or the Investors' rights under these Shares, as a result of which Investors may lose some or all of their invested funds.

When presenting the risk factors in the following order, the Management Board of the Company was not guided by the probability of their occurrence or the assessment of their importance.

- **Risk related to hacker attacks**

The Issuer is exposed to various types of hacker attacks that may lead to difficulties or temporarily prevent the proper performance of economic activity, which could happen translate into the Issuer's result.

- **Risk related to the COVID -19 (coronavirus) pandemic**

The ongoing COVID-19 pandemic undoubtedly has a significant impact on all areas of social and economic life. Its effects include: a temporary ban on certain activities or running them under the new sanitary regime, disruptions in the continuity of production and the supply chain, temporary restrictions in the availability of employees for health reasons and childcare, a decrease in demand for many goods and services e.t.c.

- **The risk related to the limited possibility of the Issuer's influence on the activities of the companies portfolio**

**Currently, this risk does not exist as the Issuer does not have any subsidiaries as at the date of publication. The risk in question may occur in the future when the Issuer commences development activities through special purpose vehicles.**

The issuer, as a shareholder or shareholder, supports the management and supervisory bodies of portfolio companies in creating and implementing their business strategies. Selected people, among others with the participation of the Issuer, they perform functions in supervisory boards or are members of the management boards of portfolio companies, however, there is no certainty that these persons will have full knowledge and



experience in the field of relevant sectors of the economy relevant to the activities of portfolio companies.

The influence of the Issuer on the operating strategy and selection of the management staff of portfolio companies depends on the amount of the share in the share capital and votes at the general meetings of these entities (the greater the share, the greater the influence). The limited influence on the decisions of individual entities creates the risk of failure to implement the strategic goals set by the portfolio companies in cooperation with the Issuer.

- **Risk related to low employment**

The activities of the Company, including investing in the real estate market is based mainly on the experience of the Issuer's Management Board. The current size of the Company and its investment possibilities did not, in the opinion of the Issuer's Management Board, justify employing a large number of employees on the basis of an employment contract. As at the balance sheet date, the Issuer does not employ any employees under an employment contract. Taxus Fund SA currently represents a business model focused on outsourcing accounted for by the effect.

As at the date of this report, the situation has not changed, however, the Management Board plans to hire employees in the future.

- **The risk related to the economic situation in Poland**

The economic situation in Poland has a significant impact on the financial results achieved by the Issuer. The state of Poland's economic growth is determined by the values of the main aggregated macroeconomic indicators on the basis of which the forecast economic growth can be estimated. The most important ones include GDP per capita, unemployment level, consumption value, investment value, net export value, money supply, inflation rate, etc.

Any reduction in the economic growth rate may adversely affect the financial situation of the Issuer.

In addition, the prospects for the development of the Issuer's operations and the further possibility of continuing the Company's operations are directly related to the economic situation on the markets.

- **The risk related to the economic policy in Poland**

The implementation of strategic goals by the Issuer will be conditioned to some extent by macroeconomic factors, independent of the Issuer's activities, including government policy and decisions made by the National Bank of Poland and the Monetary Policy Council that affect the level of inflation; the size of the budget deficit and foreign debt, unemployment rate, structure of the population's income, etc. Unfavorable changes in the macroeconomic environment may have a significant negative impact on the activity and economic results achieved by the Issuer. In order to reduce this risk, the Issuer's Management Board monitors changes in the above-described area on an ongoing basis, adjusting the Issuer's strategy to the changes in advance.

- **The risk of changes in legal regulations or their interpretation**





Considering that the specificity of the Polish legal system is significant and difficult to predict variability, and often low quality of legislative work, a significant risk for the dynamics and development of the Issuer's operations may be changes in regulations or their interpretation, in particular in the field of commercial and tax law. and related to financial markets. The result of the above-mentioned unfavorable changes may be a reduction in the dynamics of activities and deterioration of the financial condition of the Issuer, and thus a decrease in the value of the Issuer's assets. In order to reduce this risk, the Issuer's Management Board monitors changes in key legal provisions and the way of their interpretation on an ongoing basis, trying to adjust the Issuer's strategy to the changes in advance.

- **The risk of unfavorable changes in tax regulations**

Instability and non-transparency of the Polish tax system, caused by changes in regulations and inconsistent interpretations of tax law, relatively new tax regulations, a high degree of formalization of tax regulations and stringent rehabilitation regulations may cause uncertainty as to the final tax effects of business decisions made by the Issuer. Additionally, there is a risk of changes in tax regulations, which may increase the effective fiscal burden and, as a result, affect the Issuer's financial results. The Issuer's Management Board monitors the changes of the key tax regulations from the Issuer's point of view and the way of their interpretation on an ongoing basis, trying to adjust the Issuer's strategy to the existing

changes.

- **The risk of competition**

The market of entities conducting activities similar to the Issuer's is a highly competitive market. In particular, there are many entities with a much greater financial potential than the Issuer.

- **The risks associated with investing in equities**

The risk associated with investing in shares is much higher than in the case of investments in bonds, treasury securities or even participation units in investment funds. Depending on the supply and demand, the price of the Issuer's Shares traded in the Alternative Trading System on the NewConnect market may be subject to significant fluctuations both in the short and long term. Due to many factors -

among others, such as the financial situation of the Issuer, the number and liquidity of listed shares, or current trends on domestic and foreign capital markets - the current market price of the shares may fall below their purchase price. Therefore, there is a risk of incurring losses resulting from the sale of shares at a price lower than the price for which they were purchased.

- **The risk of very low liquidity on the NewConnect market**

The liquidity and price of shares of companies listed on the NewConnect market depends on the number and size of buy and sell orders placed by investors. The behavior of investors is influenced by various factors, including those that are not directly related to the Issuer's financial situation, such as the situation on European and world stock exchanges and markets, the macroeconomic situation in Poland, changes in global or global, regional or national economic and political factors .

Therefore, there is a risk that the Issuer's shares may not be an active object



trading and thus may not obtain adequate liquidity on the NewConnect market. Therefore, there is a risk that the investor who owns the Issuer's shares will not be able to sell them at any time at a satisfactory price.

• **Risk related to issuing a decision to suspend or exclude the Issuer's shares from trading in the Alternative Trading System**

Pursuant to § 11 par. 1 of the Alternative Trading System Regulations, GPW SA in Warsaw, as the Alternative System Organizer, may suspend trading in financial instruments:

1. At the issuer's request,
2. If it decides that it is required by the safety of trading or the interests of its participants.
3. If the issuer breaches the regulations of the alternative system.

Pursuant to § 11 of the ATS Regulations, in cases specified by law, the Stock Exchange, as the ATS Organizer, suspends trading in financial instruments for the period provided for in these regulations or specified in the decision of the competent authority.

Pursuant to § 12 sec. 3 of the ATS Regulations, the Exchange, as the ATS Organizer, may suspend trading in financial instruments before making a decision to exclude these financial instruments from trading.

Pursuant to § 17c para. 3 of the ATS Regulations, the Exchange, as the ATS Organizer, may suspend trading in the Issuer's financial instruments if the Issuer does not comply with the penalty imposed on it or, despite its imposition, still does not comply with the rules or regulations in force in the alternative trading system.

Pursuant to Art. 78 sec. 2 in connection with art. 16 sec. 3 of the Act on Trading, if it is required by the safety of trading in the alternative trading system or the interests of investors are at stake, the Exchange, as an organizer of an alternative trading system, shall, at the request of the Commission, suspend the introduction of financial instruments to trading in this alternative trading system or suspend the commencement of trading in the indicated instruments. financial statements for a period not longer than 10 days.

Pursuant to Art. 78 sec. 3 in conjunction art. 16 sec. 3 of the Act on Trading, if trading in certain financial instruments is carried out in circumstances indicating a possibility of a threat to the proper functioning of the alternative trading system or the security of trading in this alternative trading system, or infringement of investors' interests, at the request of the Commission, the Exchange as the organizer of the alternative trading system suspends trading in these financial instruments.



Pursuant to § 12 sec. 1 of the Rules of the Alternative Trading System, the WSE may exclude financial instruments from trading:

- 1) at the issuer's request, subject to the possibility of making the decision dependent, including the scope of the fulfillment of additional conditions by the issuer,
- 2) if it decides that it is required by the safety of trading or the interests of its participants,
- 3) if the issuer persistently breaches the provisions of the alternative system,
- 4) as a result of opening the liquidation of the issuer,
- 5) as a result of a decision to merge the issuer with another entity, its division or transformation, and the exclusion of financial instruments from trading may take place, respectively, not earlier than on the merger date, on the division (spin-off) date or on the transformation date

Pursuant to § 12 sec. 2 of the Rules of the Alternative Trading System of the WSE, the issuer's financial instruments are obligatorily excluded from the alternative trading system on the NewConnect market in the following situations:

- 1) in cases specified by law,
- 2) if the marketability of these instruments has become limited,
- 3) if the dematerialisation of these instruments has been abolished,
- 4) after 6 months from the date on which the decision declaring the issuer's bankruptcy becomes final or the court dismisses the bankruptcy petition due to the fact that the issuer's assets are insufficient or only sufficient to cover the costs of the proceedings or the decision to discontinue bankruptcy proceedings by the court due to the fact that the issuer's assets are insufficient or sufficient only to cover the costs of the proceedings, subject to point 5 and sec. 2a and 2b,
- 5) if the decision declaring bankruptcy of the issuer of debt financial instruments becomes legally binding or the decision to dismiss the bankruptcy petition by the court due to the fact that the property of the issuer of debt financial instruments is insufficient or only sufficient to cover the costs of the proceedings or the decision on redemption by the court bankruptcy proceedings due to the fact that the assets of the issuer of debt financial instruments are insufficient or only sufficient to cover the costs of the proceedings - with the proviso that this exclusion applies to debt financial instruments of that issuer.

Pursuant to § 17 c para. 3 point 3 of the Alternative Trading System Rules, the WSE may exclude the Issuer's financial instruments from trading in the alternative trading system if the latter fails to comply with the imposed penalty or, despite its imposition, still fails to comply with the rules or regulations applicable in the alternative trading system.



Pursuant to Art. 78 sec. 4 in conjunction art. 16 sec. 3 of the Act on Trading, at the request of the Commission, the Exchange, as the organizer of the alternative trading system, excludes from trading financial instruments indicated by the Commission, if their trading significantly threatens the proper functioning of the alternative trading system or the security of trading carried out in this alternative trading system, or infringement of investors' interests.

If the decision to suspend the issuer's financial instruments is issued as a sanction for the issuer's failure to comply with the obligations set out in the ATS Regulations, the period of suspension of trading may last longer than 3 months.

The Issuer cannot guarantee that the above-mentioned situations will not apply to its financial instruments.

- **Risk related to fines imposed by the WSE**

If the Issuer does not comply with the rules or regulations in force in the alternative trading system or fails to perform or improperly performs the obligations set out in Chapter V of the ATS Regulations, the WSE may, inter alia, depending on the degree and scope of the breach or default:

1. remind the Issuer (§ 17 c section 1 point 1 of the ATS Regulations),
2. impose on the Issuer a fine of up to PLN 50,000 (§ 17 c section 1 point 2 of the ATS Regulations).

Pursuant to § 17 c para. 2 of the GPW ATS Regulations, when deciding to impose a warning or a fine, may set the Issuer a deadline to discontinue existing violations or take action to prevent such violations in the future, in particular, may oblige the Issuer to publish certain documents or information in the manner and under the terms of the alternative trading system.

Pursuant to § 17 c para. 3 point 1 of the Alternative Trading System Rules, the WSE may impose a fine on the Issuer, where this penalty together with the fine imposed pursuant to § 17 c subpara. 1 point 2 of the ATS Regulations may not exceed PLN 50,000, if the Issuer does not comply with the penalty imposed on it or, despite its imposition, still does not comply with the rules or regulations in force in the alternative trading system or does not perform or improperly performs the obligations set out in Chapter V of the ATS Regulations, or does not perform the obligations imposed on him under § 17 c para. 2 of the ASO Regulations.

Pursuant to § 17 c para. 7 of the ATS Regulations, the WSE may decide to impose a fine together with the penalty of suspension of trading or the penalty of being excluded from trading.

Full content incl. Of the GPW ASO Regulations can be found on the subpage below.



<https://newconnect.pl/regulacje-prawne>

The full text of the current Act of July 29, 2005 on trading in financial instruments can be found on the following subpage

<http://prawo.sejm.gov.pl/isap.nsf/DocDetails.xsp?id=WDU20051831538>

The full text of the current Act of July 29, 2005 on public offering and conditions for introducing financial instruments to an organized trading system and on public companies can be found on the following subpage

<http://prawo.sejm.gov.pl/isap.nsf/DocDetails.xsp?id=WDU20051841539>

The Taxus Fund SA is a public company whose shares are listed in the alternative trading system on the NewConnect market, which means that the Company is subject to, inter alia, information obligations resulting from the Act of July 29, 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies (i.e. Journal of Laws of 2009, No. 185, item 1439) and the Act of July 29 2005 on trading in financial instruments (i.e. Journal of Laws of 2010, No. 211, item 1384), as well as the Regulations of the Alternative Trading System (the regulations as adopted by Resolution No. 147/2007 of the WSE Management Board of March 1, 2007, as amended). In addition, from July 3, 2016, the company is obliged to apply, inter alia, provisions of Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse "MAR Regulation" - the Company publishes the required information (i.e. to the extent required by the relevant legal acts), including, in relating to the activities carried out by the Company, through relevant public current reports of the EIB and ESPI and public periodic reports (consolidated quarterly reports as well as individual and consolidated annual reports), which are published on an ongoing basis, inter alia, on the website:

Reports of the EBI of the Taxus Fund SA:

<https://newconnect.pl/spolka?isin=PLTXSFN00012#reportsTab2>

ESPI reports from Taxus Fund SA:

<https://newconnect.pl/spolka?isin=PLTXSFN00012#reportsTab1>

## **12. Discussion of the prospects for the development of the Company's operations in the coming years.**

Taxus Fund SA becomes the first public Housing Fund. The Issuer directs its current activity in particular towards flats for rent for the poorest social class who cannot afford to rent a whole flat, even a studio apartment or students of the so-called



rental of apartments for rooms. This method of renting is also the safest from the point of view of the property owner.

Large apartments are the cheapest per square meter on the secondary market, so the Fund also counts on their large increase in value over time.

The Issuer's Management Board conducts talks with Investors who want to purchase shares from the Main Shareholder in a package faster and take up the planned new issues, however, the final decision depends in particular on the resumption of the Issuer's shares and admission of the shares in question to trading, which should take place after the publication of overdue reports and ultimately admitting all shares after the preparation and publication of the information document and the issuance of a relevant resolution by the WSE.

After putting the past in order, the Management Board also plans to conduct public issues, including subscription rights, in order to purchase, in particular, flats for rent.

The fund plans to be a long-term investor of individual real estate and does not intend to run the so-called quick sale (so-called flipping), but only buy, renovate and rent rooms in the purchased apartments for a long-term period, preferably counted in years.

The Issuer's long-term plans include establishing a subsidiary - a developer that would build entire blocks for rent for Taxus Fund SA. For this purpose, the fund will carry out further public issues, and in the next stage, it is considered taking out bank loans (for example, already owning 1 block to the bank pledge) for individual further special-purpose projects (blocks or housing estates) - ultimately for construction and lease, excluding practically selling apartments in the developer's standard. The Management Board will look for such financing that will enable the repayment of loans taken directly from the lease without the need to issue further shares for the next individual development projects. Thanks to this, the future group will obtain additional profit in the form of profit on independent construction and operationally concentration of many apartments in one place will facilitate project management.

The Main Shareholder is ready to pledge some of his shares in the future to a future financing bank for the start of targeted projects - the nominal value of these shares is currently over PLN 180 million. The Main Shareholder expects that the market value in question will increase over the years, taking into account the new business profile - which will ultimately settle the passage of time.

It is worth pointing out that the Issuer has active developers in the Shareholders, whose experience the Management Board intends to use.

*"The best way to predict the future is to create it" - Peter Drucker*





Warsaw, October 7, 2022

On behalf of the Management Board of Taxus Fund SA:

Signed electronically

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Krzysztof Bzymek

Chairman of the Board