

INVESTOR PRESENTATION ADDRESSING FY 2017 RESULTS

8 MARCH 2018

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TODAY'S PRESENTING TEAM MANAGEMENT BOARD, DIRECTORS A



ANDRZEJ GUTOWSKI

- Sales and Marketing Director
- 2003 – present – Ronson Europe N.V. (Sales and Marketing Manager)
- 1994 – 2003 – Emmerson Sp. z o.o. (leading real estate agency & advisory company in the Polish market); Director of Primary Markets; member of the management board



NIR NETZER

- CEO, since 20 November 2017
- 2009 – 2017 - CEO of DEN Group
- 2008 – 2009 – CEO of G.H. Eastern Europe (real estate residential developer)
- 2003 – 2008 - CFO of Engel East Europe N.V. (EEE, real estate residential developer)
- 1998 - 2003 – Auditor at PWC Israel



RAMI GERIS

- CFO, since June 2017
- Financial Controller; since 2007
- 2006 – 2007 – Auditor at EY Israel
- 2004 – 2006 – Auditor at Zev Salomon & Co.- accountants Israel

I.

COMPANY OVERVIEW

EXPERIENCED RESIDENTIAL REAL ESTATE DEVELOPER WELL ESTABLISHED IN POLAND

- Present in Poland since 2000
- Active in 4 cities (Warsaw, Wrocław, Poznań and Szczecin)
- Focused on mid-class residential projects
- Adequate project mix and size enabling accelerated Company growth
- Shareholders with sector knowledge

Current operations include:

7 projects ongoing

and

11 completed projects offered for sale

(as at 31 December Ronson's offer includes 976 units)

13 further projects

in preparation for 3,655 units
+ Ursus project for 1,600 units
(in total 5,255 units)

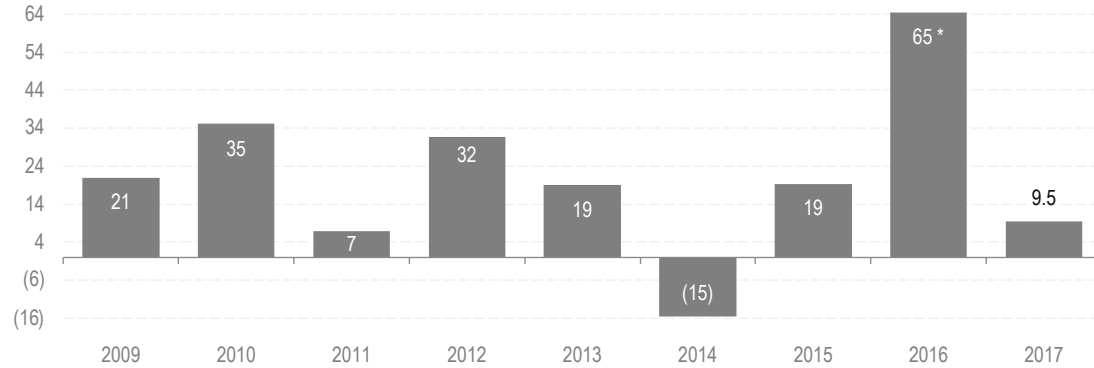
**ATTRACTIVE LAND BANK IS ONE OF RONSON'S ADVANTAGES
DECIDING ABOUT ITS GROWTH POTENTIAL.**



COMPANY HIGHLIGHTS IN CHARTS

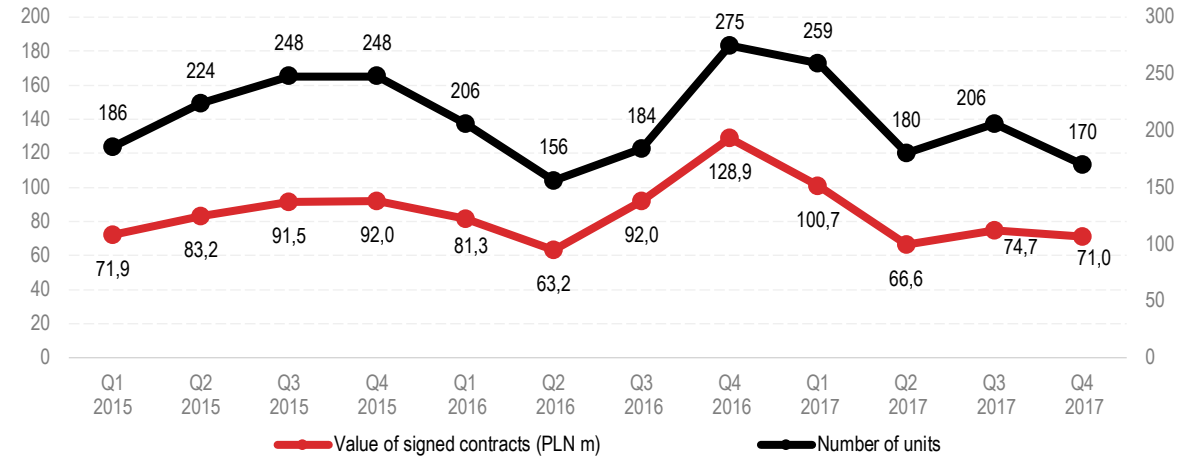
(BASED ON COMPANY'S FINANCIAL STATEMENTS)

NET PROFIT (PLN MILLION)

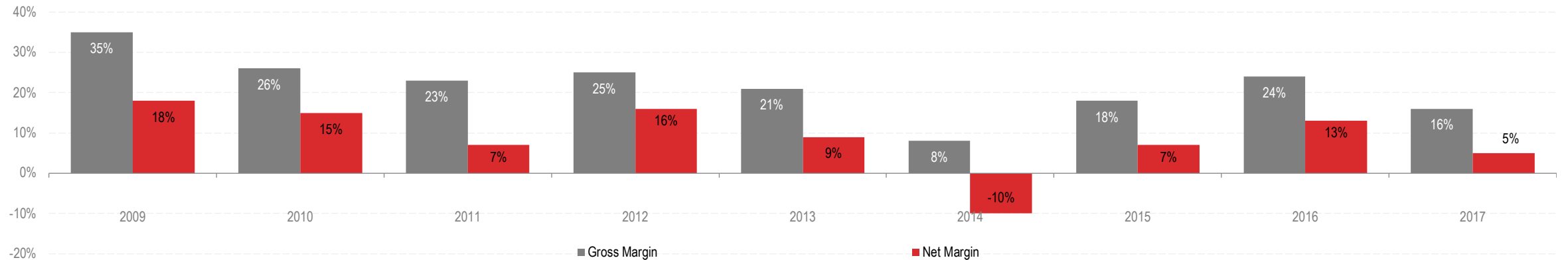


* Majority coming from one time event of selling Nova Królikarnia

815 UNITS SOLD DURING THE YEAR 2017



STRONG MARGINS RECORD (%)



1,401 UNITS UNDER PREPARATION WITH NEARLY 71,300 M², OF WHICH 1,056 UNITS ARE IN WARSAW



CITY LINK II

- Commenced Q2 2016
- Expected completion Q4 2018
- 184 apartments and 5 commercial units with an aggregate area 8,800 m²
- Location: Warsaw, Wola
- The Company's share in this projects is 50%



CITY LINK III

- Commenced Q2 2017
- Expected completion Q4 2019
- 364 apartments and 4 commercial units with an aggregate area 18,700 m²
- Location: Warsaw, Wola
- The Company's share in this project is 100%



MIASTO MOJE I AND II

- Commenced Q2 2016 and Q3 2017
- Expected completion Q1 2018 and Q4 2018
- Miasto moje I: 191 apartments and 14 commercial units with an aggregate area 10,900 m²
- Miasto moje II: 145 apartments and 3 commercial units with an aggregate area of 8,100 m²
- Location: Warsaw, Białoleka



ESPRESSO IV

- Commenced Q1 2016
- Completed during Q1 2018
- 135 apartments and 11 commercial units with an aggregate area 8,100 m²
- Location: Warsaw, Wola

1,401 UNITS UNDER PREPARATION WITH NEARLY 71,300 M², OF WHICH 345 ARE IN WROCŁAW AND SZCZECIN



VITALIA II

- Commenced in Q4 2017
- Expected completion Q2 2019
- 83 apartments with an aggregate area 4,700 m²
- Location: Krzyki district in Wrocław



MIASTO MARINA

- Commenced in Q3 2017
- Expected completion Q1 2019
- 151 units with an aggregate area 6,200 m²
- Location: Wrocław, Na Grobli Street

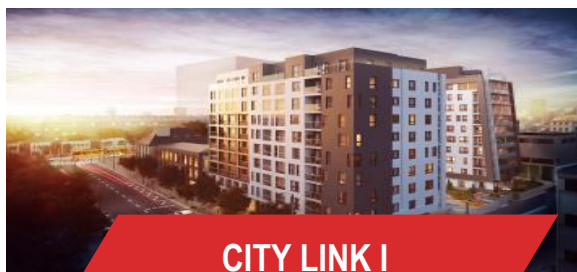


PANORAMIKA IV

- Commenced in Q4 2017
- Expected completion Q4 2019
- 111 apartments with an aggregate area 5,800 m²
- Location: Szczecin, Duńska Street

COMPLETED PROJECTS OFFERED FOR SALE

AS AT 31 DECEMBER 173 COMPLETED UNITS WITH 14,400 M² WERE OFFERED FOR SALE IN 11 PROJECTS (4 CITIES)



CITY LINK I

- As at 31 December, 6 units offered for sale
- In total 301 apartments and 21 commercial units
- Location: Warsaw, Wola



VITALIA I

- As at 31 December, 11 units offered for sale
- In total 139 apartments
- Location: Wrocław , Jutrzenki Street



MOKO I-II

- As at 31 December, 28 units offered for sale
- In total 326 apartments and 19 commercial units
- Location: Warsaw, Mokotów



MŁODY GRUNWALD I - III

- As at 31 December, 45 units offered for sale
- In total 372 apartments and 21 commercial units
- Location: Poznań, Grunwald



PANORAMIKA II AND III

- As at 31 December, 31 units offered for sale
- In total: 229 apartments
- Location: Szczecin, Duńska Street



SAKURA I - IV

- As at 31 December, 5 units offered for sale
- In total 488 apartments and 27 commercial units
- Location: Warsaw, Mokotów



VERDIS I - IV

- As at 31 December, 9 units offered for sale
- In total 418 apartments and 23 commercial units
- Location: Warsaw, Wola

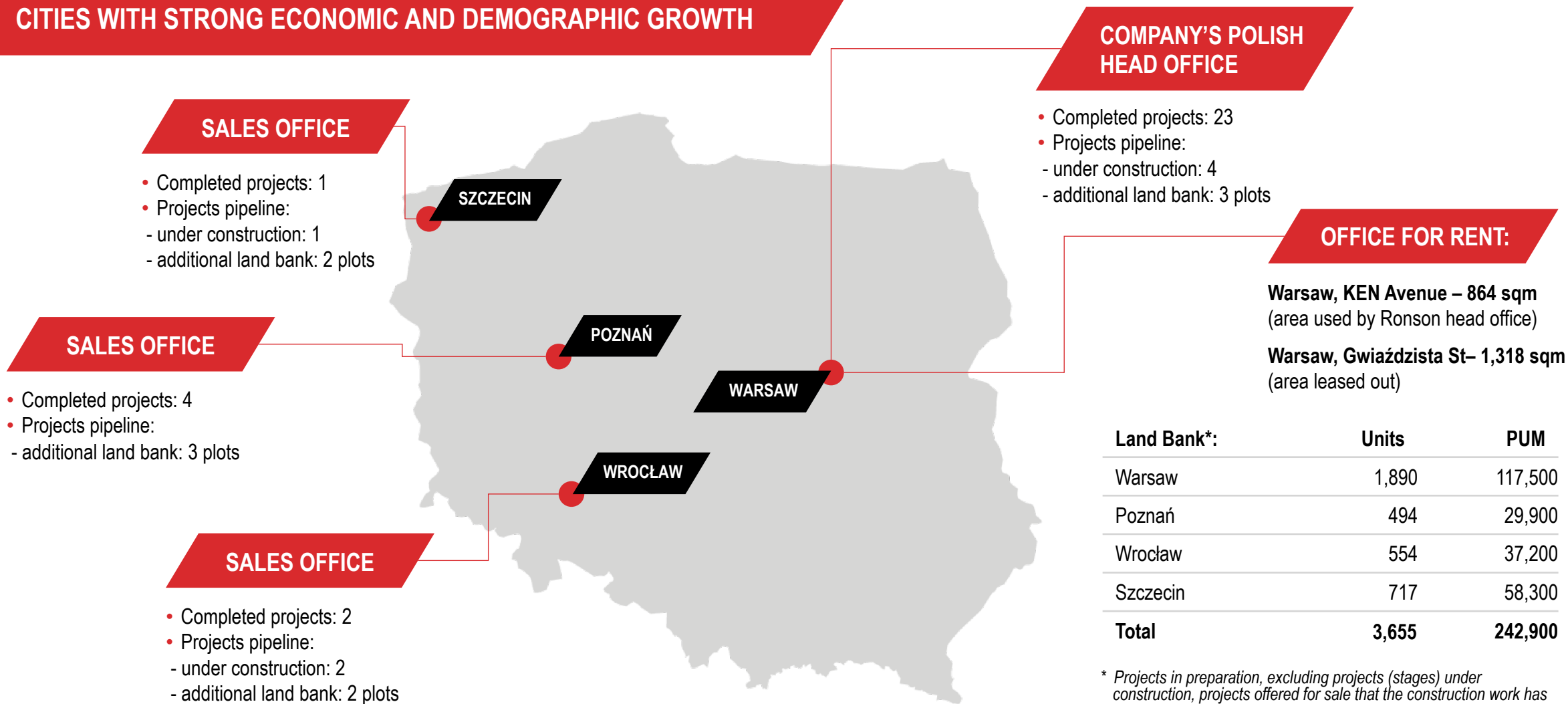


CHILLI IV

- As at 31 December, 29 units offered for sale
- In total: 45 apartments
- Location: Poznań, Tulce

Moreover the Company's offer includes 9 completed units in the following projects: Espresso I-III (4), Kamienica Jeżyce I-II (2), Impressio I-II (1), Chilli I (1), Panoramika I (1).

CITIES WITH STRONG ECONOMIC AND DEMOGRAPHIC GROWTH



* Projects in preparation, excluding projects (stages) under construction, projects offered for sale that the construction work has not commenced and finished projects.

RONSON LAND BANK

Project name	Location	Total no. of units	PUM (m ²)
1 Naturalis - stages in preparation	Warsaw	345	20,600
2 Panoramika - stages in preparation	Szczecin	175	8,800
3 Chilli - stages in preparation	Poznań	176	12,300
4 Vitalia - stages in preparation	Wrocław	81	6,800
5 Miasto Moje - stages in preparation	Warsaw	1,161	57,600
Subtotal - remaining stages of the projects currently under construction/on sale		1,938	106,100
1 Chopin	Szczecin	467	38,300
2 Matisse I	Wrocław	373	24,400
3 Matisse II	Wrocław	100	6,000
4 Falenty	Warsaw	160	23,500
5 Renaissance	Warsaw	224	15,800
6 Bulgarska	Poznań	268	14,400
7 Vivaldi	Szczecin	75	11,200
8 Belchatowska 28	Poznań	50	3,200
Subtotal - remaining projects, still in preparation		1,717	136,800
Total		3,655	242,900

** does not include project in Ursus in Warsaw dedicated for c.a.1,600 units (acquisition not completed yet)*

II.

FINANCIAL RESULTS REVIEW

FOR THE YEAR ENDED 31 DECEMBER 2017

UNITS DELIVERED / REVENUES / GROSS MARGIN

Project	Location	1Q2017		2Q2017		3Q2017		4Q2017		Revenues		Gross margin / profit	
		Units	PLN m	Units	PLN m	Units	PLN m	Units	PLN m	Units	PLN m	%	PLN m
Espresso II & III	Warsaw	120	43.5	24	12.1	3	1.6	-	0.1	147	57.3	17.4%	10.0
Kamienica Jeżyce	Poznań	138	39.2	23	8.8	8	3.2	1	0.3	170	51.5	6.3%	3.2
Moko	Warsaw	20	14.5	8	6.0	9	7.1	15	13.5	52	41.1	31.5%	13.0
Vitalia I	Wrocław	-	-	-	-	52	13.5	59	15.9	111	29.4	21.4%	6.3
Młody Grunwald I & II	Poznań	1	0.4	2	1.0	6	3.2	7	3.0	16	7.6	-1.9%	(0.1)
Młody Grunwald III	Poznań	-	-	-	-	-	-	36	11.7	36	11.7	-0.3%	-
Panoramika II	Szczecin	6	1.8	3	1.1	2	0.8	2	0.6	13	4.3	1.6%	0.1
Chilli IV	Poznań	-	-	-	-	-	-	5	1.3	5	1.3	7.6%	0.1
Impressio	Wrocław	4	1.8	2	0.7	1	0.4	-	-	7	2.9	-3.9%	(0.1)
Sakura	Warsaw	2	1.3	9	4.4	2	1.0	-	-	13	6.7	6.6%	0.4
Tamka	Warsaw	2	2.6	-	-	1	1.6	-	-	3	4.2	30.1%	1.3
Verdis	Warsaw	2	0.8	1	0.6	1	0.5	-	0.1	4	2.0	20.6%	0.4
Naturalis I, II & III	Warsaw	4	1.6	-	-	-	-	1	0.5	5	2.1	6.7%	0.1
Sales of land		-	-	-	-	-	1.6	-	-	-	1.6	23.7%	0.4
Other (*)		-	2.6	-	1.5	-	1.4	2	2.5	2	8.0	n.a	6.3
Write-down adjustment		-	-	-	-	-	-	-	-	-	-	n.a	(3.3)
Total excluding JV		299	110.1	72	36.2	85	35.9	128	49.5	584	231.7	16.4%	38.1
City Link I (**)	Warsaw	-	-	-	-	36	13.1	213	81.8	249	94.9	30.2%	28.6
Total including JV		299	110.1	72	36.2	121	49.0	341	131.3	833	326.6	20.4%	66.7

- Total number of units delivered during the year 2017 amounted to 833 (from them 249 units from City Link project – Company share 50%).
- The Company completed the construction of the City Link I (the Company's share is 50%), Vitalia I, Chilli IV, Młody Grunwald III and Panoramika III project during the year 2017, however big portion of units that were delivered to customers in this period came from two projects completed in late 2016, i.e. from Espresso and Kamienica Jeżyce, as well as from City Link I and Vitalia I completed during 3Q 2017.
- Average price of apartments delivered during the year 2017 amounted to PLN 384 thousand (net of VAT) compare to PLN 394 thousand (net of VAT) during 2016.
- Write-down adjustments amounting in total to PLN 3.3m (of which PLN 2.8m was attributed to Panoramika).

* Other revenues are mainly associated with fee income for management services provided to joint ventures and to Nova Krolikarnia project and with rental revenues, as well as with sales of parking places and storages in other projects that were completed in previous years, as well as 2 units delivered in Constans and Espresso I project.

** Numbers presenting 100% of results of JV.

	YE 2017	YE 2016	% change	4Q2017	4Q2016	% change
Revenue from residential projects	224.3	307.6	-27%	48.5	106.4	-54%
Revenue from sale of services	5.8	2.1	176%	1.0	0.7	43%
Revenue from sale of land	1.6	175.1	-99%	-	175.1	-100%
Total revenue	231.7	484.8	-52%	49.5	282.2	-82%
Cost of sales residential projects	(192.4)	(248.2)	-22%	(40.8)	(86.7)	-53%
Cost of sales of land	(1.2)	(117.9)	-99%	-	(117.9)	-100%
Cost of sales	(193.6)	(366.1)	-47%	(40.8)	(204.6)	-80%
Gross profit from residential projects	31.9	59.4	-46%	7.7	19.7	-61%
Gross profit from sale of land	0.4	57.2	-99%	-	57.2	-100%
Gross profit	38.1	118.7	-68%	8.7	77.6	-89%
Selling and marketing expenses	(5.7)	(8.1)	-30%	(2.0)	(2.3)	-13%
Administrative expenses	(19.3)	(22.2)	-13%	(5.0)	(7.9)	-37%
Share of profit/(loss) from joint ventures	11.3	(1.4)	-907%	11.8	(0.5)	-2460%
Net other income/(expense)	(3.6)	(2.4)	50%	(0.5)	(0.8)	-38%
Operating profit/(loss)	20.8	84.6	-75%	13.0	66.1	-80%
Net finance expense	(6.9)	(7.0)	-1%	(1.6)	(1.9)	-16%
Profit/(loss) before tax	13.9	77.6	-82%	11.4	64.2	-82%
Income tax benefit/(expenses)	(2.6)	(12.5)	-	(2.1)	(10.6)	-
Net profit/(loss)	11.3	65.1	-83%	9.3	53.6	-83%
Profit/(loss) for the period attributable to equity holders of the parent	9.5	64.5	-85%	9.3	53.7	-83%
Gross margin from residential projects	14.2%	19.3%	-	15.6%	18.4%	-
Gross margin from sale of land	25.0%	32.7%	-	n.a	32.7%	-
Gross margin	16.4%	24.5%	-	17.6%	27.5%	-
Net Margin	4.9%	13.4%	-	18.8%	19.0%	-
EPS (PLN)	0.058	0.239	-	0.057	0.204	-

P&L HIGHLIGHTS YEAR ENDED 31 DECEMBER 2017

- Revenues decreased by 27% to PLN 224.3 m (number of units delivered decreased by 25%, i.e. 584 (excluding 249 units delivered in City Link I – company holds 50% shares in the project) vs. 781 during 2016).
- Selling and marketing expenses decreased during 2017. The decrease is primarily explained by decrease in fees for real-estate agencies as well as decrease in total marketing expenses which is related to the fact that during 2017 the Company commenced the construction of 5 projects/stages with 861 units compared to 7 projects/stages with 921 units that were commenced during the year 2016.
- Administrative expenses decreased by PLN 2.9 m. The decrease is primarily explained by a decrease in the Management Board bonus which is calculated in proportion to the profit before tax and a decrease in personnel expenses. The decrease was offset in part by an increase in costs of consulting services related to various restructuring initiatives of the Group
- During the Q3 2017 Company received occupancy permit for City Link I project (under JV). Net profit of the JV as at 31 December 2017 amounted to PLN 21,994 thousand (of which 50% amounting to PLN 10,997 thousand was allocated to the Company, before adjusting intercompany interest that amounted to PLN 314 thousand)
- Net other expenses increased by PLN 1.1 m. The increase is primarily explained by increase in maintenance expenses for unsold units.

ECONOMIC RESULTS

(PLN M) YEAR ENDED 31 DECEMBER 2017

	YE 2017	YE 2016	% change
Revenue from residential projects	319.3	307.6	4%
Revenue from sale of services	0.6	-	n.a.
Revenue from sale of land	1.6	175.1	n.a.
Total Revenue	321.5	482.7	-33%
Cost of sales residential projects	(258.7)	(248.2)	4%
Cost of sales of land	(1.2)	(117.9)	n.a.
Cost of sales	(259.9)	(366.1)	-29%
Gross profit from residential projects	60.6	59.4	2%
Gross profit	61.5	116.6	-47%
Selling and marketing expenses	(5.9)	(8.8)	-33%
Administrative expenses	(20.0)	(22.3)	-10%
Net other income/(expense)	(3.6)	(2.5)	48%
Operating profit	32.0	83.1	-62%
Net finance expense	(7.1)	(7.5)	-5%
Profit/(loss) before tax	24.9	75.6	-67%
Income tax benefit/(expenses)	(2.6)	(12.5)	-79%
Net profit	22.3	63.1	-65%
Profit for the period attributable to equity holders of the parent	9.5	64.5	-85%
Gross margin from residential projects	19.0%	19.3%	-
Gross margin	19.1%	24.2%	-
Net Margin	6.9%	13.1%	-
EPS (PLN)	0.058	0.239	-

P&L HIGHLIGHTS YEAR ENDED 31 DECEMBER 2017

- The table presents the Company economic results during the year ended 31 December 2017, under the assumption that the results from joint ventures are presented on a fully consolidated basis (100%).

BALANCE SHEET DATA (PLN M)

Operating CF during 2017 was positive (PLN 27.4 million).

The positive CF from JV (City Link) amounting to PLN 16.1 million is presented in the CF from investment activity.

**NET DEBT / EQUITY:
43% AS AT THE END OF DECEMBER 2017**

	As of 31-Dec-17	As of 31-Dec-16	As of 31-Dec-15
Equity	337.9	359.6	457.7
Banking debt	13.9	1.9	56.9
Floating rate bond	197.3	222.6	190.3
Loans from third parties (net)	-	1.6	2.9
Cash and cash equivalents	64.9	69.1	99.5
Inventory	512.1	574.1	701.3
Total Assets	705.8	743.4	874.8
Net Debt	146.3	157.0	150.6
Net debt / Equity	43.3%	43.7%	32.9%
Net debt / Total Assets	20.7%	21.1%	17.2%
Net assets per share (PLN)	2.06	2.19	1.68

INVENTORY AS AT 31 DECEMBER 2017

YEAR ENDED 31 DECEMBER 2017

	PLN million
Finished goods	138.5
Ongoing projects	166.8
Land bank*	206.8
Total	512.1

* Including all costs capitalized, i.e. purchase price, transaction costs, land preparation costs, architect planning, financial costs and other.

Excluding City Link I and II projects, which is not consolidated (Ronson share in this project amounts to 50%).

FINISHED PROJECTS

Comprising: 360 units (193 units were sold).

ONGOING PROJECTS, OF WHICH:

Under construction and/or on sale:

Espresso IV, Miasto Moje I and II, Marina Miasto, City Link III, Panoramika IV and Vitalia II.

ATTRACTIVE BANK OF LANDS (3,655 UNITS, 242,900 PUM)

Categorised by city:

Warsaw	1,890 units;	117,500 PUM
Poznań	494 units;	29,900 PUM
Wrocław	554 units;	37,200 PUM
Szczecin	717 units;	58,300 PUM

Categorised by book value per PUM:

Below	PLN 1,000	165,000 PUM (68%)
Between	PLN 1,000–2,000	74,700 PUM (31%)
Over	PLN 2,000	3,200 PUM (1%)

DEBT POSITION AS AT 31 DECEMBER 2017

YEAR ENDED 31 DECEMBER 2017

	PLN million
Bond loans	197.3
Bank loans	13.9
Total	211.2

BANKING DEBT

Maturity of loans tailored to construction cycle of the projects.

Interest expense with respect to projects under construction are capitalized into inventory.

BOND DEBT

** bonds secured by mortgage*

Serial	Catalyst Ref. No.	Nominal value (PLN)	Nominal interest	Coupon	Issue date	Maturity date
F*	RON 0518	22,160,000	WIBOR 6M + 3,50%	Semi-annual	20/05/2014	20/05/2018
H	RON 0218	5,000,000	WIBOR 6M + 4,25%	Semi-annual	23/05/2014	23/02/2018
I	RON 0119	10,000,000	WIBOR 6M + 4,00%	Semi-annual	26/01/2015	25/01/2019
J	RON 0419	15,500,000	WIBOR 6M + 3,60%	Semi-annual	21/04/2015	19/04/2019
K	RON 0619	4,500,000	WIBOR 6M + 3,60%	Semi-annual	18/06/2015	18/06/2019
L	RON 1218	15,000,000	WIBOR 6M + 3,50%	Semi-annual	29/12/2015	28/12/2018
M	RON 0220	10,000,000	WIBOR 6M + 3,65%	Semi-annual	25/02/2016	25/02/2020
N	RON 0919	10,000,000	WIBOR 6M + 3,60%	Semi-annual	17/03/2016	14/09/2019
O	ROE 0419	10,000,000	WIBOR 6M + 3,50%	Semi-annual	08/04/2016	08/04/2019
P	RON 0820	10,000,000	5,25% (fixed)	Quarterly	18/08/2016	18/08/2020
Q	RON 0720	15,000,000	WIBOR 6M + 3,50%	Semi-annual	29/07/2016	29/07/2020
R*	RON 0521	50,000,000	WIBOR 6M + 2,85%	Semi-annual	24/05/2017	24/05/2021
S	(not listed)	20,000,000	WIBOR 6M + 3,40%	Semi-annual	19/06/2017	19/06/2021
Total		197,160,000				

The tranche F and R bonds are secured with the mortgage.

Interest expense with respect to the bonds are capitalized into inventory, based on the requirements of IAS 23 as indirect borrowing expenses.

Bond loans as 31 December 2017 amounted to PLN 197.3 m comprising a loan principal amount of PLN 197.2 m plus accrued interest of PLN 1.7 m minus one-time costs directly attributed to the bond issuances which are amortized based on the effective interest method (PLN 1.6 m).

DEBT POSITION AS AT 31 DECEMBER 2017

YEAR ENDED 31 DECEMBER 2017

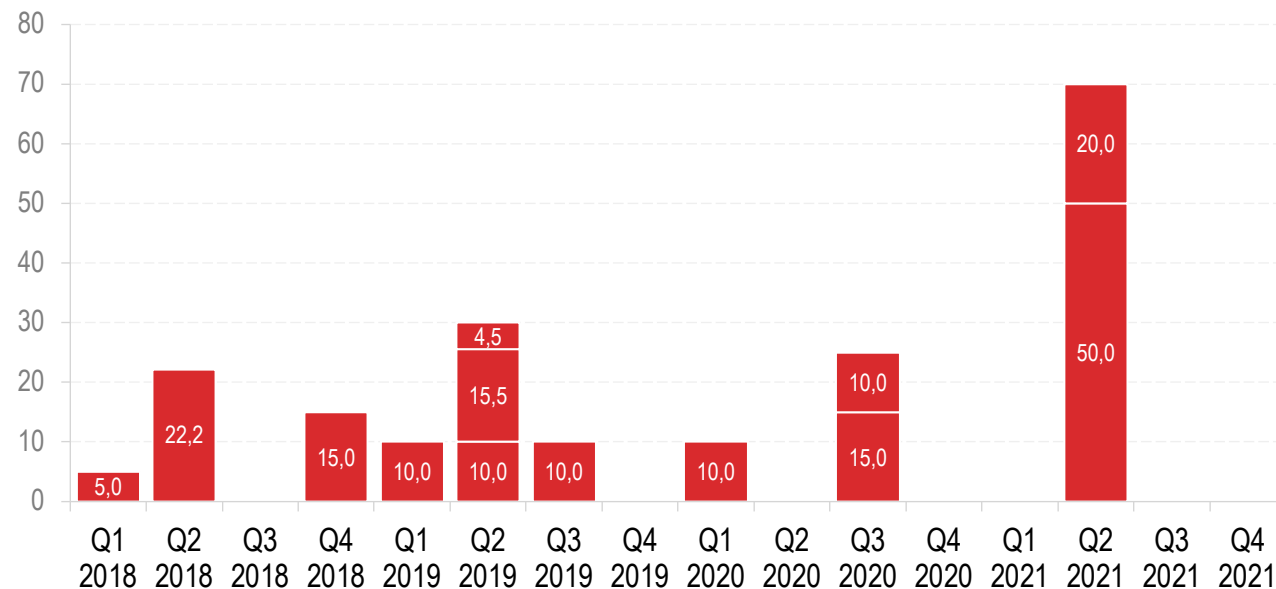
	PLN million
Bond loans	197.3
Bank loans	13.9
Total	211.2

BANK LOANS

Maturity of loans tailored to construction cycle of the projects.

Interest expense with respect to projects under construction are capitalized into inventory.

BOND MATURITY (PLN M / QUARTERLY)



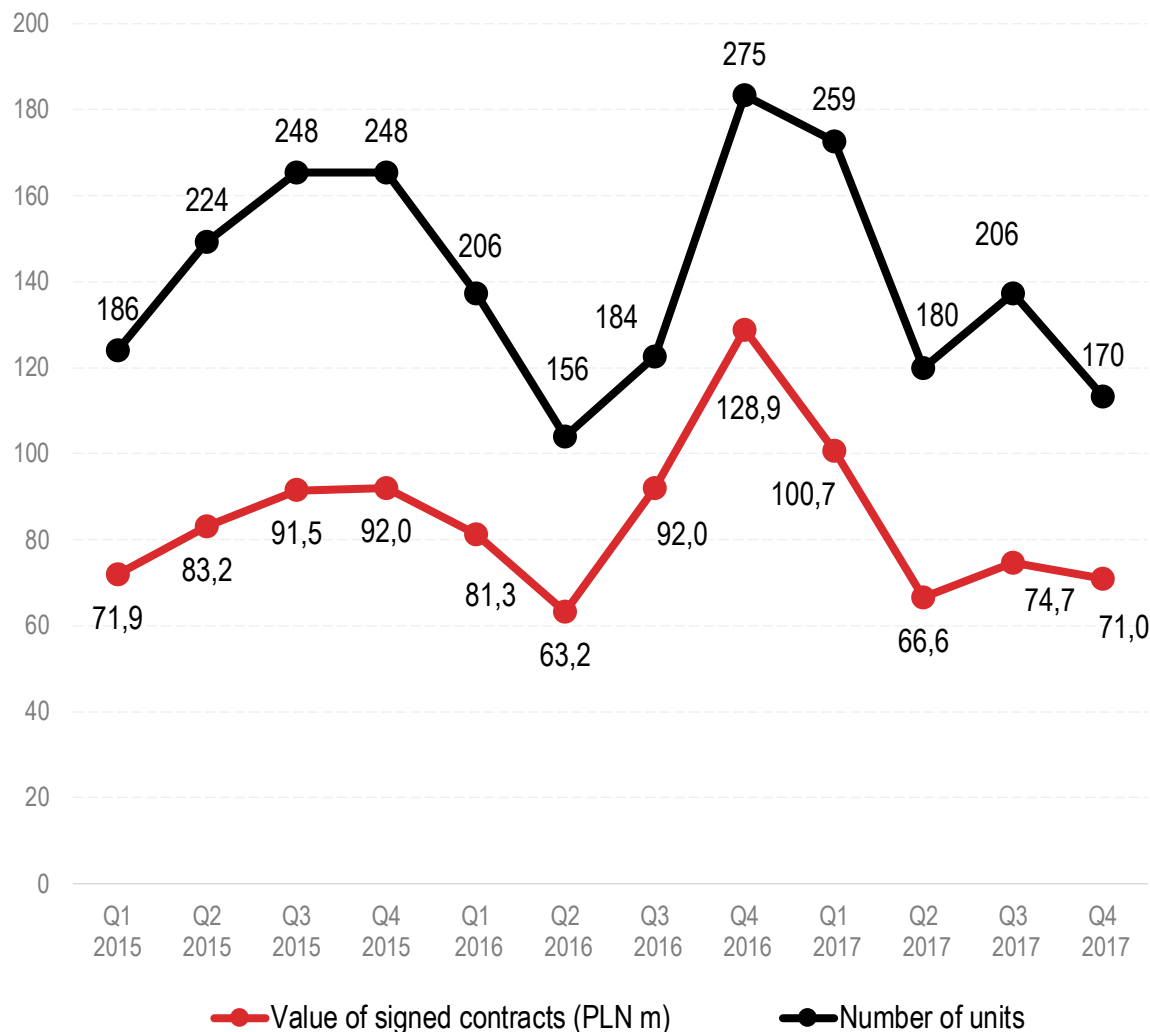
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815 UNITS SOLD DURING THE YEAR 2017

YEAR ENDED 31 DECEMBER 2017



Total sales during the year 2017 amounted to 815 units, compare to 821 during the year 2016.

Best selling projects were City Link, Miasto Moje and Espresso in Warsaw as well as Panoramika in Szczecin and Vitalia in Wrocław.

Average price of apartments sold during 2017 amounts to PLN 384 thousand and is lower than the average price recorded during 2016 (PLN 445 thousand), which included many units in Nova Królikarnia and in Tamka projects.

NUMBER OF UNITS SOLD DURING THE YEAR 2017 (815 IN TOTAL)

Completed projects

Chilli IV	10
City Link I	52
Espresso II & III	17
Impressio	2
Kamienica Jeżyce	19
Młody Grunwald III	46
Młody Grunwald I & II	18
Moko	41
Panoramika II	10
Panoramika III	84
Sakura	12
Tamka	1
Verdis	2
Vitalia I	99
Other (old) projects	2

Total 415

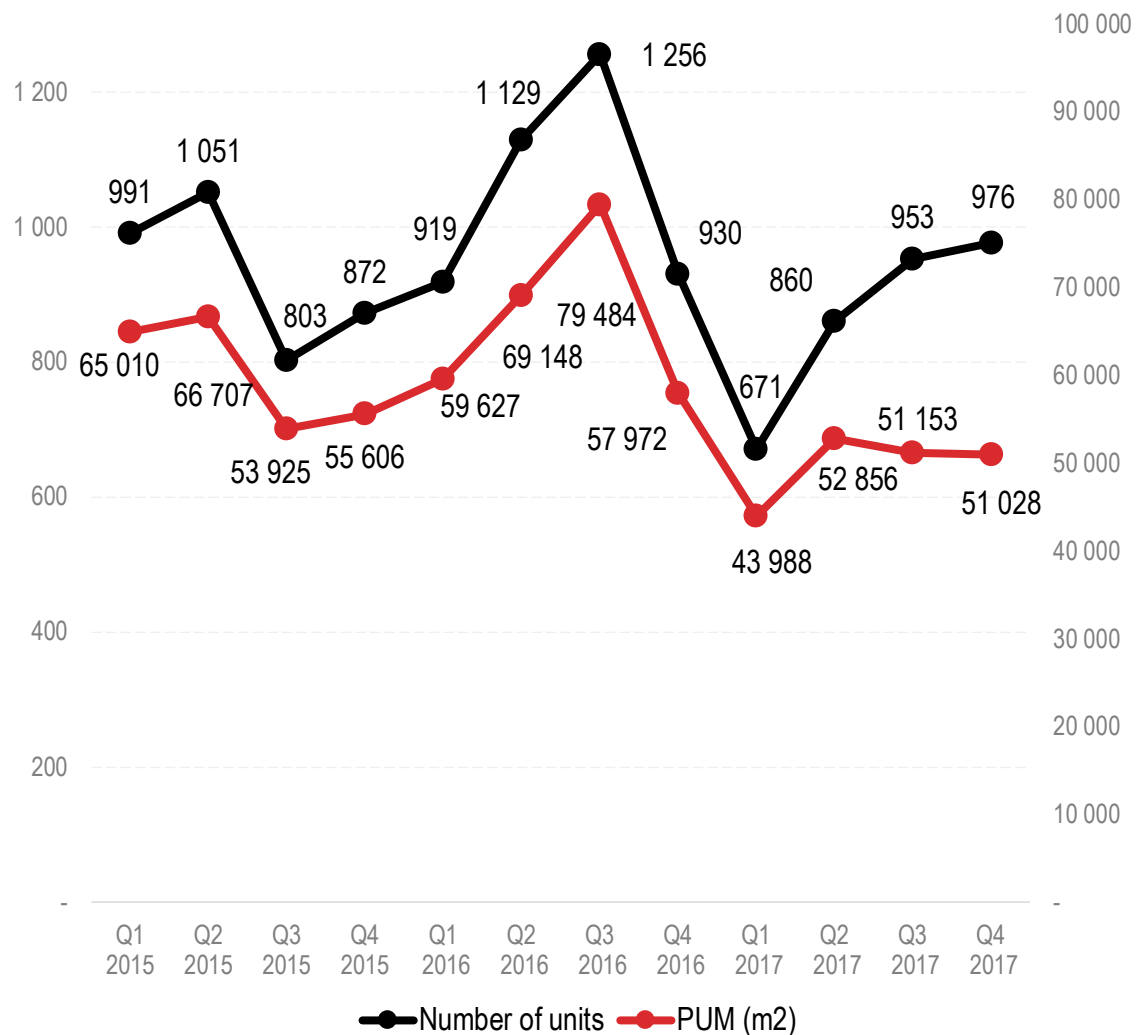
Projects under construction

City Link II	83
City Link III	91
Espresso IV	80
Marina Miasto	15
Miasto Moje I	115
Miasto Moje II	8
Panoramika IV	2
Vitalia II	6

Total 400

UNITS OFFERED FOR SALE AS AT THE END OF THE QUATERS

YEAR ENDED 31 DECEMBER 2017



The Company continued introducing new projects keeping between 800 to 1,200 units.

Very low offer as end of March 2017 reflected very good sales results in the previous quarters as well as sale of project Nova Królikarnia.

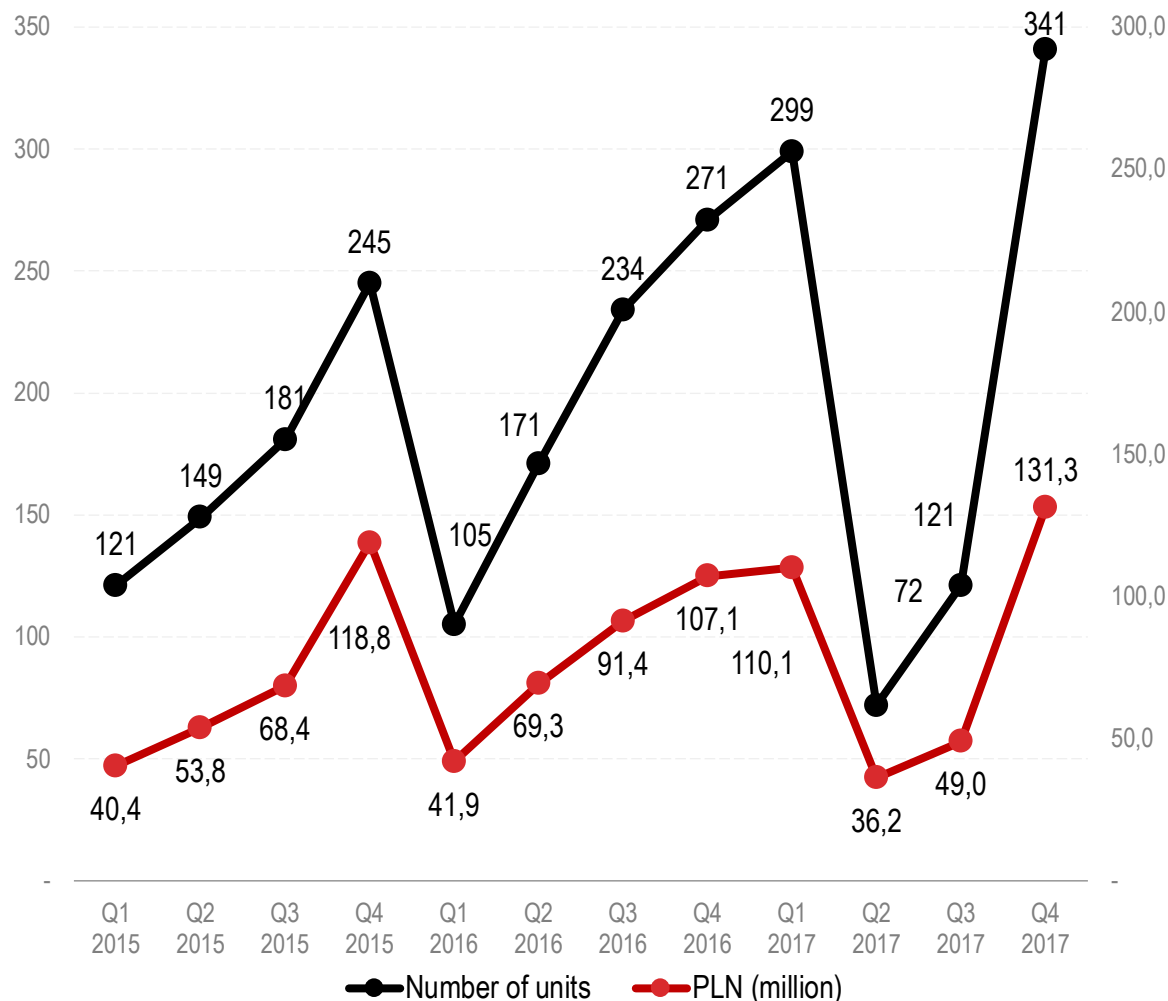
Improving offer by adding City Link III, Miasto Marina, Miasto Moje II during Q3 2017 and Panoramika IV and Vitalia II during Q4 2017 translated into better sales results during 2017.

UNITS OFFERED FOR SALE (976 IN TOTAL)

Completed projects		Projects under construction	
Espresso II & III	4	City Link II	11
Kamienica Jezyce	2	Espresso IV	2
Moko	28	Miasto Moje I	51
Vitalia I	11	Miasto Moje II	140
Młody Grunwald I & II	16	City Link III	277
Młody Grunwald III	29	Marina Miasto	136
Panoramika II	7	Panoramika IV	109
Panoramika III	24	Vitalia II	77
Chilli IV	29		
Sakura	5		
Verdis	9		
Impressio	1		
City Link I	6		
Old projects	2		
Total	173	803	

QUARTERLY DELIVERIES (REVENUES RECOGNIZED IN P&L)

YEAR ENDED 31 DECEMBER 2017



Majority of the Company's revenues during 1Q 2017 came from deliveries of apartments in Espresso and Kamienica Jezyce projects which were completed in December 2016. As the Company has not finished any new project during HY 2017 the number of units delivered to the customers during 2Q 2017 was record low.

Completions of City Link I and Vitalia I in September 2017 allowed for improvement of results during 3Q, however the main contribution from these projects was during 4Q 2017, as well as from Młody Grunwald III that was completed during 4Q 2017.

UNITS SOLD BUT NOT DELIVERED (858 UNITS AND PLN 315.9 MILLION IN TOTAL)

Completed projects	Units	PLN million	Projects under construction	Units	PLN million
Espresso II & III	1	0.6	City Link II	178	78.2
Moko	9	8.3	Espresso IV	144	59.2
Vitalia I	17	5.5	Miasto Moje I	154	45.2
Panoramika II	2	0.6	Miasto Moje II	8	3.6
Panoramika III	98	20.5	City Link III	91	37.0
Młody Grunwald I & II	3	1.6	Marina Miasto	15	4.3
Młody Grunwald III	43	14.3	Vitalia II	6	1.8
Chilli IV	11	2.6	Panoramika IV	2	0.5
Naturalis I, II & III	1	0.5			
Sakura	2	1.2			
Verdis	3	1.5			
City Link I	67	26.4			
Impressio	2	1.7			
Other (old) projects	1	0.8			
Total	260	86.1	Total	598	229.8

III.

**BRIEF SUMMARY OF COMPANY'S
ACHIEVEMENTS DURING 2017
& OUTLOOK FOR 2018**

COMPANY'S ACHIEVEMENTS DURING THE YEAR 2017 AND THE MOST RECENT DEVELOPMENTS

THE COMPANY'S ACHIEVEMENTS DURING THE YEAR ENDED 31 DECEMBER 2017 INCLUDE:

- Pre-sales of 815 units;
- Delivery of 584 units to the customers and recognition of consolidated revenues in the amount of PLN 231.7 m and economic revenues in the amount of PLN 326.7 m (833 units);
- Total profit PLN 11.3 m, from it profit attributable to the shareholders of the parent company PLN 9.5 m;
- Write-down adjustment on 2 projects Młody Grunwald PLN 0.5 m and Panoramika PLN 2.8 m;
- Positive operating CF amounting to over PLN 27.4 m (advances received from clients regarding sales of residential units amounting to PLN 226.0 m offset in part related to direct construction costs for development of ongoing projects amounting to PLN 114.5 m as well as for new land purchases (including advances for land) amounted to PLN 43.2 m);
- Low net debt position 43%;
- Commencement of sales and construction of 861 units with 43,500 PUM: *City Link III (368 units), Miasto Moje II (148 units), Marina Miasto (151 units), Vitalia II (83 units) and Panoramika IV (111 units)*;
- Completion of 736 units with 37,700 PUM: *Vitalia I (139 units), City Link I (322 units), Młody Grunwald III (108 units), Chilli IV (45 units) and Panoramika III (122 units)*;
- Entered into transaction for purchasing plot of land in Warsaw, Ursus district, for the amount of PLN 81.75 m, which allows for the development of multi-family housing project of approximately 1,600 units.

815 units
Pre-sales*

833 units
Deliveries**

PLN 11.3 m
Net profit***

* Including sales of 135 units in City Link I and II (company share 50%).

** Including delivery of 249 units in City Link I (company share 50%).

*** The net profit attributable to shareholders of the parent Company amounted to PLN 9.5 m.

THE COMPANY'S PLANS FOR 2018 INCLUDE:

Pre-sales at similar level as during 2017, i.e. over 750 units to be sold during 2018

Delivery of around 800 units to our customers

Preparation and commencement of sales and construction of 6 new projects/phases comprising 850 units

Completion of construction works in 4 projects comprising 688 units in total

Extension of the land bank by acquisition of new lands mainly in Warsaw

Further strengthening of Ronson's brand name

Finalise the transformation of RE NV from Dutch to European entity (SE) and moving seat to Poland

THREE NEW PROJETS / LOCATIONS



URSUS IN WARSAW

Total no. of units 1,600; first stage with 151 units to be commenced during 2018

BULGARSKA / ŚWIERZAWSKA IN POZNAŃ

Total no. of units: 268; entire project to be commenced during 2018

MATISSE IN WROCLAW

Total no. of units 373; first stage, with 127 units to be commenced during 2018

NEXT STAGES OF CURRENTLY RUNNING PROJECTS

- Chilli City V, 32 units
- Vitalia III, 81 units
- Miasto Moje III, 192 units

**IN TOTAL:
6 NEW PROJECTS / STAGES
COMPRISING 851 UNITS**

PROJECTS THAT MAY CONTRIBUTE TO P&L DURING THE 2018 – COMPLETED PROJECTS

As of end of December 2017, there were 433 units completed that were not delivered to the customers, of which 260 were pre-sold and 173 were offered by the Company for sale.

Total value of pre-sold units amounted to PLN 86.1 m. It shall be expected that majority of those units will be delivered to the customers during 1Q 2018.

Name of project	Signed contracts		Units for sale	Units in total	Gross margin
	(PLN m)	Units (no.)	(no.)	(no.)	(%)
Espresso II & III	0.6	1	4	5	17.4%
Moko	8.3	9	28	37	31.5%
Vitalia I	5.5	17	11	28	21.4%
Panoramika II	0.6	2	7	9	1.6%
Panoramika III	20.5	98	24	122	n.a
Młody Grunwald I & II	1.6	3	16	19	-1.9%
Młody Grunwald III	14.3	43	29	72	-0.3%
Chilli IV	2.6	11	29	40	7.6%
Naturalis I,II & III	0.5	1	0	1	6.7%
Sakura	1.2	2	5	7	6.6%
Verdis	1.5	3	9	12	20.6%
Impressio	1.7	2	1	3	-3.9%
Other (old) projects	0.8	1	4	5	n.a
Total excluding JV	59.7	193	167	360	
City Link I	26.4	67	6	73	30.2%
Total including JV	86.1	260	173	433	

ONGOING PROJECTS THAT MAY CONTRIBUTE TO P&L DURING 2018 AND 2019

Current projects in pipeline (as end of December 2017) assumes completion of 688 units during 2018 and 713 during 2019

Name of project	Commencement Date	Completion Date	Units sold (no.)	Units for sale (no.)	Units in total (no.)
Espresso IV	2016 Q1	2018 Q1	144	2	146
Miasto Moje I	2016 Q2	2018 Q1	154	51	205
City Link II (company share 50%)	2016 Q2	2018 Q4	178	11	189
Miasto Moje II	2017 Q3	2018 Q4	8	140	148
Subtotal 2018			484	204	688
Marina Miasto	2017 Q3	2019 Q1	15	136	151
City Link III	2017 Q2	2019 Q4	91	277	368
Vitalia II	2017 Q4	2019 Q2	6	77	83
Panoramika IV	2017 Q4	2019 Q4	2	109	111
Subtotal 2019			114	599	713
Total			598	803	1,401

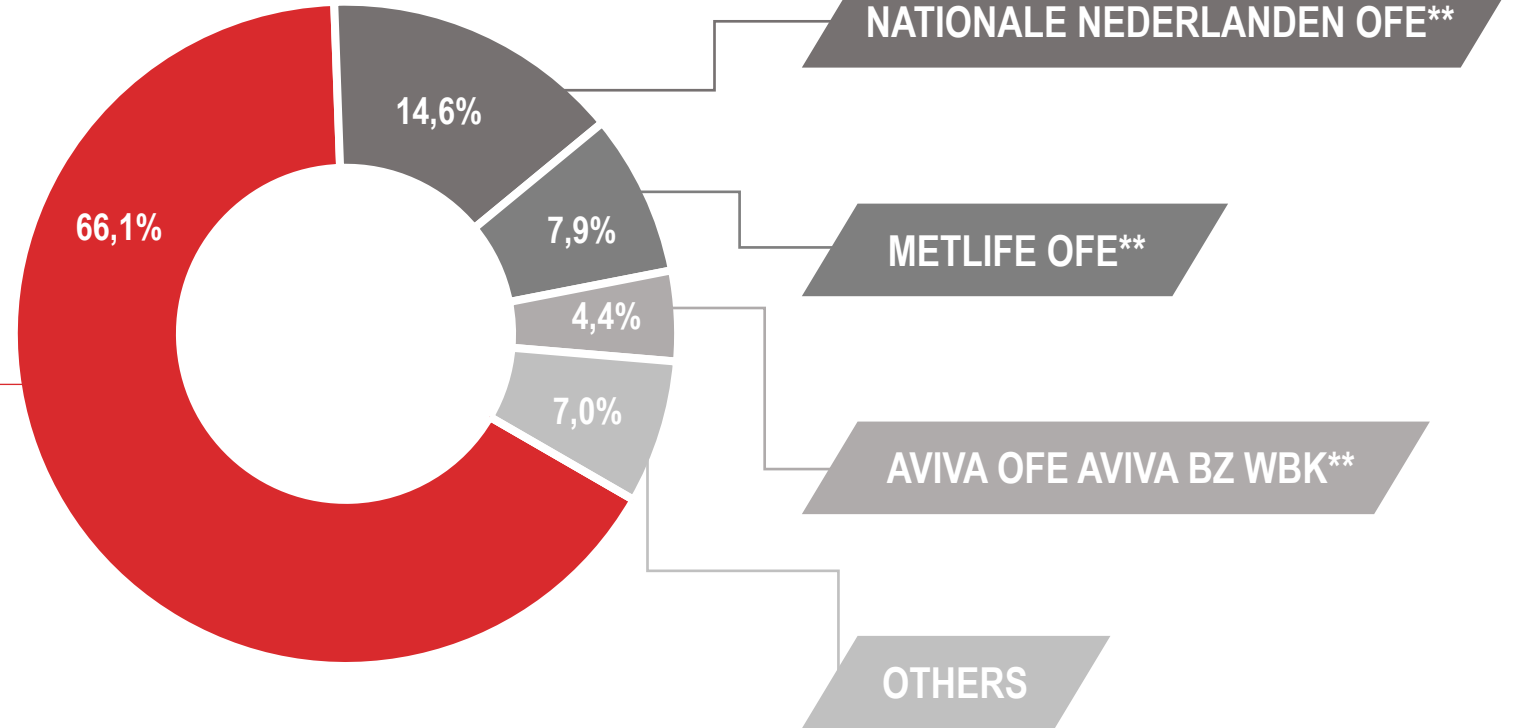
The next projects that will be added on the Company's offer will be completed in 2019 and 2020.

APPENDIX



A. LUZON DEVELOPMENT AND ENERGY GROUP LTD.*

- Established in 1961, a public company listed for trading on the Tel Aviv Stock Exchange
- One of the leading developers and construction companies in Israel



* Indirectly by ITR Dori BV and RN Residential BV

** Based on the notifications submitted by the shareholders to AFM following redemption of own shares by the Company on 1st of March 2017