

Press Release

Warsaw, December 23rd, 2016

Ronson has sold its Nova Królikarnia project for over PLN 175 million.

Ronson Europe has finalized the transaction with Global City Holdings (GCH) under which it has sold its Nova Królikarnia project in Warsaw to the GCH at PLN 175.1 million. The selling price has been paid in cash - in the amount of PLN 34.3 million and, moreover, the Company has purchased from the GCH a package of almost 40% of its own shares for almost PLN 140.9 million (PLN 1.30 per share). Profit from the project's sale will increase the results of Ronson Europe for 2016.

Pursuant to the agreement concluded on 9 November 2016 and amended on 21 December 2016, the final selling price of the Nova Królikarnia project includes all the expenditures incurred so far by the Company related to this investment's implementation.

The Nova Królikarnia project selling price has been paid in the following way:

- In cash – almost PLN 34.3 million, out of which PLN 24.4 million was paid to Ronson directly after the agreement's conclusion, and the additional PLN 9.9 million shall be paid by 1 June 2017
- as settlement of the own shares purchased by the Company from the GCH (total price of the package is nearly PLN 140.9 million).

The sale of the Nova Królikarnia project is to increase the Company's profits for the 4th quarter of 2016. The Management Board estimates that as a result of the transaction, Ronson's profit before tax will amount to approx. PLN 55 million (the final amount of the profit will be specified in the report for 2016, after all the costs related to the transaction have been settled).

According to the agreement concluded with the GCH, Ronson is going to continue managing the Nova Królikarnia project, i.e. its further implementation and sale of flats, on a commercial basis.

The Company's own shares purchased from the GCH are going to be redeemed. Consequently, the share of the sector major shareholder, i.e. Luzon Group (previously: Dori Group), will rise from the current nearly 40% to about 66%. The total shares of all the minority shareholders will increase to nearly 34% compared to approx. 20% before the transaction.

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