

Ronson Europe shareholders have unanimously agreed to a deal with Global City Holdings

The General Meeting of Ronson Europe Shareholders has agreed to a transaction that will allow Global City Holdings (GCH), one of the Company's two major shareholders, to leave the Company. Ronson is going to buy a package of nearly 40% of its own shares from the GCH for redemption. In return, Ronson is going to sell its Nova Królikarnia project in Warsaw to the GCH at a price which is much higher than this project's carrying value. The transaction has gained the support of all the minority shareholders participating in the General Meeting. The agreement is to be concluded in the coming days.

Pursuant to the conditional agreement of 9 November 2016, the implementation of which has been approved by all the shareholders today, all the shares of Ronson Europe held by the GCH (i.e. 108,349,187 shares) are to be bought by the Company at PLN 1.30 per share, i.e. nearly PLN 140.9 million for the entire package. The agreed price includes a discount in relation to the average rate over the six months preceding the agreement conclusion (about PLN 1.42), and in relation to the book value per share (PLN 1.64 at the end of September 2016.).

Settlement of the share purchase price shall take place with a simultaneous sale, to the GCH, of the Nova Królikarnia project being implemented at Jaśminowa Street in Warsaw. The project selling price was originally set at PLN 161.8 million, and it shall be partly paid by the GCH in cash. At the agreement's conclusion in November, the payment was estimated at around PLN 21 million, however, the Parties agreed that the final amount would be determined at the deal's finalization after taking all project-related expenditures into consideration. On 21 December 2016 Ronson and the GCH concluded an amendment to the agreement according to which the cash payment was to be increased by an additional amount of PLN 9.9 million.

Thanks to the change of the agreement terms the Company's profit from the sale of the Nova Królikarnia project will be higher by PLN 9.9 million.

- We are going to finalize the transaction in the coming days. Thanks to this transaction we will have a high profit from the Nova Królikarnia project immediately and not over the next four or five years. This also means a considerable injection of cash that we can spend on buying new plots and paying the dividend - Tomasz Łapiński, Board Member and Ronson Europe Financial Director, has said. - What is more, purchase of our own shares at a price lower than their book value and their redemption while gaining a significant profit from the Nova Krolikarnia project will translate into a significant increase in book value per share - he has added.

The transaction will stabilize the shareholding situation of Ronson Europe. The Company will have only one sector major shareholder, i.e. Luzon Group (previously: U. Dori Group), whose share will increase from the nearly 40% now to about 66%. The shares of all minority shareholders are also going to increase significantly - their total share will reach approximately 34% (compared to approx. 20.4% now).

Although the consent of the General Meeting to the Company's conclusion of the transaction consisting in buying its own shares from the GCH in order to redeem them required a simple

majority of votes, it was necessary to get the support of 90% of the minority shareholders present at the General Meeting in order for Luzon Group to take a sole control without the necessity to announce a public call for all the shares of the Company. Finally, today 100% of the minority shareholders, that were registered for the EGM, voted “for” the proposed resolution (votes of the two major shareholders, i.e. GCH and Luzon Group, were not taken into account in the voting).

The transaction was also approved earlier by the Management Board and the Supervisory Board.

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