

Current Report No. 5 / 2017

Report Date: 27 January 2017

Abbreviated name of the issuer: Ronson Europe N.V.

Subject: **Conclusion of significant preliminary conditional agreements**

Legal basis: Article 17 section 1 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

The Report:

The management board of Ronson Europe N.V., a company listed on the Warsaw Stock Exchange (the “**Issuer**”), hereby announces that, on 27 January 2017, two of the Issuer’s subsidiaries, i.e. Ronson Development spółka z o.o. – City 3 sp. komandytowa and Ronson Development Construction Sp. z o.o. (the “**Companies**”), entered into conditional sale agreements with legal entities (the “**Sellers**”) concerning the acquisition of real properties located in Warsaw, Ursus district, and into certain cooperation agreements (the “**Conditional Sale Agreements**”).

The Properties are covered by a local zoning plan (Polish: *miejscowy plan zagospodarowania przestrzennego*) which allows for the development of multi-family housing projects on the Properties. If the conditional sale agreements are performed, the Issuer’s subsidiaries will become the perpetual usufructuaries of the land properties which are planned to be used by the Issuer for the development of housing projects targeted at approximately 1,600 apartments.

The total sale price for the acquisition of the Properties plus the value of the work which must be performed to allow the Companies to carry out the housing projects (such work being the responsibility of the Sellers) has been agreed at PLN 82 million net (the “**Total Price**”).

The individual final agreements covered by the transaction are planned to be concluded in stages by December 2019. The conclusion of the final agreements is made conditional upon satisfaction of a number of conditions precedent relating mostly to the preparation of infrastructure and utilities in such a manner that would allow the Issuer’s subsidiaries to implement the housing projects in accordance with the adopted guidelines. The Companies are required to pay a portion of the price worth PLN 45 million net plus applicable VAT within two business days of the conclusion of the Conditional Sale Agreements. Subsequent payments towards the Total Price will be made in accordance with the schedule adopted by the Companies and the Sellers for the years 2017 – 2019. The Companies’ interest will be secured by mortgages on the Properties, appropriate entries in the land and mortgage registers kept for the Properties, and the Sellers’ guarantees. The Issuer expects that the first stage of the housing project to be developed on the Properties will commence in the first quarter of 2018.

The remaining provisions of the Agreements concluded by the Companies do not depart from standard provisions commonly used for these types of agreements.

Information about the execution of the Agreement is considered by the Issuer to constitute inside information due to the importance of the agreement resulting from the potential acquisition of new real properties.