

Ronson presents financial results for 2017

- **Ronson Group's revenue from residential projects reached more than PLN 230 million in 2017. Taking into account the value of units delivered to clients at the City Link I joint venture project, total revenue exceeded PLN 325 million. For comparison, the Group's total revenue from residential units delivered in 2016 was close to PLN 310 million (in addition, in 2016 Ronson recognised one-off revenue of more than PLN 175 million from the sale of project Nova Królikarnia).**
 - In 2017, Ronson delivered all times record high 833 units to clients, which is 7% more than the 781 units in the preceding year.
 - 584 of the units delivered last year were from fully consolidated investments, while 249 units from the City Link I project, in which Ronson holds a 50% stake.
- **Ronson Group's gross profit on sales of residential units in 2017 exceeded PLN 38 million (not taking into account the nearly PLN 29 million gross profit from the City Link I project) compared to almost PLN 62 million in 2016 (excluding PLN 57 million gained from the sale of Nova Królikarnia).**
 - Reported gross margin on residential projects delivered to clients in 2017 was 14%, compared to 19% in 2016. Gross margin on City Link I joint venture was 30%.
 - When comparing economic results, total gross margin on residential projects was similar y/y and amounted to ca. 19%.
- **In 2018, Ronson plans to deliver approx. 800 apartments and execute new sales contracts for over 750 units.**

Comments on 2017 financial results

*"Last year, we delivered record high 833 units to clients, of which ca. 30% were the units delivered at City Link I, a 50% joint venture. Incomes from City Link I are not presented as revenues in the financial statements, but the 50% part of the operating income from JV. Setting off the effect of Nova Królikarnia, one time transaction from 2016, and taking into account economically the entire results of City Link I, the Group's gross margin in 2017 was ca. 19%, i.e. similar y/y, and higher than the reported margin of 14%," explained **Rami Geris, member of Ronson Europe's management board and CFO.***

*"By selling the Nova Królikarnia project in December 2016, we made a significant profit on this investment immediately rather than over the next several years. The transaction increased our 2016 revenue by more than PLN 175 million and gross profit on sales by over PLN 57 million," added **Rami Geris.***



Pre-sales in 2017

Last year, Ronson sold a total of 815 units, similar to 2016 (821 units sold) and slightly higher than the Company's initial sales plans for 2017. The total value of contracts executed last year was PLN 313 million, compared to over PLN 365 million in the preceding year.

"The average price of apartments sold by us in 2018 was PLN 384 000, compared to PLN 445 000 in 2016. This, of course, does not result from declines in apartment prices per square metre as these are in an uptrend from year to year. However, this data shows well the current market tendencies: clients are increasingly looking for smaller apartments and a large portion of such purchases are units being purchased for investment purposes, for rent, as seen at our bestselling investment City Link in Wola. Moreover, comparing the prices of apartments sold by us over the past two years, it should be noted that a large contribution to our sales results in 2016 was made by apartments with high unit values at prestigious projects such as Tamka in Śródmieście or Nova Królikarnia in Mokotów. In 2017, the Miasto Moje project in Białołęka had a substantial share in total sales, as well as investments outside Warsaw: Panoramika in Szczecin and Vitalia in Wrocław," indicated **Andrzej Gutowski, management board member and head of sales and marketing.**

Ronson Development's plans for 2018

At the end of 2017, Ronson Development's offer included a total of 976 units, of which 173 are units in projects that are already complete.

"We expect our sales to exceed 750 units in 2018, a level similar to 2017. This year, we plan to start six new investments, of which three will be extensions of already implemented projects and three concern completely new locations. One of them will be the first stage of an investment in Warsaw's Ursus district, where we are finalising the purchase of a large plot of land, the best in the area, situated in the direct vicinity of planned green areas and very well connected to the city centre. Eventually, we will build about 1,600 flats on this plot of land," said **Nir Netzer, Ronson Development's CEO.**

As at the end of December last year, Ronson Development had 433 units in complete projects that have not yet been handed over to clients, of which 260 had already been sold. The total value of pre-sale contracts reached over PLN 86 million, and a majority of these units will be delivered to clients in Q1 2018.

"We are also expecting to complete four projects this year, with a total of 688 units, and we expect to deliver to clients approx. 800 units. We will also be searching for land for future investments, mainly in Warsaw," announced **Nir Netzer.**

About Ronson Development

Ronson Development is an experienced, well established, dynamically expanding real estate developer with residential investments in major Polish cities, mainly in Warsaw, but also in Poznań, Wrocław and Szczecin.



Since its foundation in 2000, Ronson has gained the trust of thousands of clients, making it one of the leading real estate developers in Poland. The company has been listed on the Warsaw Stock Exchange since 2007.

Ronson creates spaces for good and convenient living. The company's portfolio currently includes units tailored to the needs of various client groups – including both apartments and popular flats.

Ronson Development is a member of the Polish Association of Real Estate Developers. Numerous awards and certificates confirm clients' trust in the company. These include an award in the development services category of the Polish Construction Eagles 2014 competition as well as the Developer of the Year 2013 award from the Central Office for National Certification.

Ronson is also the recipient of numerous prestigious awards from stock market analysts and investors. In 2013, the company placed 1st in the "Investor Relations" category of the Listed Company of the Year ranking hosted by daily Puls Biznesu. In 2017, the Company's website received the Issuer's Golden Website award in a competition organized by the Polish Association of Listed Companies.

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