

### Ronson Development presents financial results for Q1 2018

- **In the first quarter of 2018, sales revenues reported by Ronson Development amounted to PLN 80.2 million and taking into account the value of apartments delivered to customers in the City Link I joint venture project, its total revenues reached PLN 103.4 million. In the first quarter of 2017, revenues amounted to PLN 110.1 million.**
  - During the first three months of this year, Ronson delivered 304 units to its customers, compared with 299 in the corresponding period last year.
  - Of the units delivered to customers in the first quarter of the year, 243 were in fully consolidated projects, and 61 apartments in the City Link I project, in which Ronson Development holds a 50% stake.
- **The gross profit on sales recognized by the Company in Q1 2018 was PLN 10.6 million, while the total economic result (including 100% of the gross profit in the City Link I project) was PLN 16.6 million, compared to PLN 18.6 million gross profit on sales in Q1 2017.**
  - The average gross profit margin earned on the residential projects delivered to customers in the first quarter of 2018 (including City Link I) was 17% and was at a level comparable to the corresponding period of 2017.
- **In Q1 2018, the net profit attributable to the shareholders of the parent company was PLN 3.9 million compared to PLN 5.9 million in the same period of the previous year.**

#### Commentary on financial results

*"In the first quarter of this year, our customers received keys to a total of 304 units, which is one of the best quarterly performances in the history of Ronson Development. The largest contributor to the financial results in this period was the Espresso project in the Wola district in Warsaw, completed in February, where we delivered to customers 59 apartments worth PLN 23.5 million and earned gross margin of 21.5%. The Moko project in the Mokotów district also contributed significantly to the gross profit; in this project we delivered to customers "only" 10 apartments worth PLN 9.3 million, but the gross margin in this project is as high as 29.9%. We earned a very similar margin of 30% in the City Link I project where, in the first quarter of the year, we delivered to customers 61 apartments with a total value of PLN 23.2 million. Since Ronson Development owns 50% of this project, we recognize just half of the operating result of this joint venture project in our profit and loss account, plus our fee for managing the project,"* said **Rami Geris, Management Board Member and CFO of Ronson Development.**

*"Our low-margin projects, such as Młody Grunwald in Poznan and Panoramika in Szczecin, also contributed materially to the number of units delivered to our customers in the first quarter of the year, as well as had positive impact on the cash flows from operating activity.*

As a result, our average gross profit margin earned on the residential projects delivered to customers in this period (including City Link I) was 17%, which was comparable to the figures in the first quarter of 2017,” **Rami Geris** added.

### Sales results in Q1 2018

In the first quarter of the year, Ronson Development contracted the sale of 188 units, of which 174 worth PLN 63.5 million in fully consolidated projects and 14 units worth PLN 8.4 million in the City Link I and II projects, where the Company holds a 50% interest.

*“The sales results for the first quarter of this year are higher than our assumptions for this quarter, but slightly lower than in the comparable period of last year. Also, they do not include the sales results of the Nova Królikarnia project in Mokotów, which was added to our portfolio in the beginning of April this year, following the transaction concluded with Global City Holdings. In the first quarter, acting as the manager of this project, we sold 16 apartments in Nova Królikarnia,”* said **Andrzej Gutowski, Management Board Member and Director of Sales and Marketing at Ronson Development.**

At the end of March, without the Nova Królikarnia project, the Company’s sales offering included a total of 788 apartments.

In April, Ronson Development launched the pre-sales of apartments in the Grunwald<sup>2</sup> project on ul. Świerzawska in Poznań, where 268 apartments will be built. *“The customers have been eagerly waiting for this project and it enjoys significant interest. This is shown by the fact that almost 30% out of the 133 units offered in the first stage of this project have already been reserved in the pre-sales period,”* **Andrzej Gutowski** stated.

### Plans for the rest of 2018

The 2018 plans of Ronson Development, presented along with the publication of the 2017 financial results, included sales of more than 750 units and delivery of about 800 units to customers. Therefore after the first quarter, the fulfillment of these intentions reached 25% and 38%, respectively.

*“When we presented our plans for the current year, the Nova Królikarnia project, prestigious investment located right in the heart of the Old Mokotów district, was in our dreams, but not yet in our portfolio, and we are convinced that now, once we completed purchasing it, the project will have a positive impact on our sales performance and financial results starting in the second quarter of this year. 80% of the units offered for sale in the first stage had been sold by the end of March”* said **Nir Netzer, CEO of Ronson Development.**

Moreover, at the end of Q1 2018, the completed Ronson Development projects included a total of 275 apartments that have not yet been delivered to customers, out of which 148 apartments with an aggregate value of PLN 65.5 million have already been sold. Most of those apartments will be delivered to customers in the second quarter of the year.

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### **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 1<sup>st</sup> 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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