



Press release

Warsaw, 8 August 2018

Ronson Development markedly improves its financial results

- **Ronson Development's revenues recognized in the first half of 2018 surpassed PLN 170 million, up by more than 16% compared to the same period of last year. Taking into account the value of residential units delivered to clients in the City Link I joint venture project, its total revenues in H1 2018 soared to PLN 194 million, signifying growth of 35% y/y.**
 - In the first half of this year Ronson delivered the keys to clients to 517 units in total, the number 39% higher than 371 units delivered during the same period of 2017.
 - 64 of the units delivered in H1 2018 were in the City Link I project in which Ronson has a 50% stake.
- **The consolidated gross profit on sales in H1 2018 was PLN 27.6 million, 12% higher compared to the gross profit on sales of PLN 24.7 million in H1 2017, while the total economic result in H1 2018 (including 100% of the gross profit in the City Link I project) was PLN 33.6 million.**
 - The average gross margin on the residential investments delivered to clients from January to June of this year (including the City Link I project) was 17.3% compared to 15% last year.
- **In H1 2018, the net profit attributable to the shareholders of Ronson Development was PLN 10.3 million, nearly four times (381%) the level in the same period of last year when it was less than PLN 2.7 million.**

Commentary regarding the financial results:

"Thanks to a stellar second quarter, we completed the entire first half of 2018 with markedly higher financial results at every level of the profit and loss.. From the outset of this year we have delivered 517 units in total to our clients, i.e. 39% more than same period last year, and this has translated into rapid revenue expansion. The Espresso project in Warsaw's Wola district made the greatest contribution to the financial results as in the first half of the year we delivered 137 units to clients worth more than PLN 56 million and earned a gross margin of nearly 22%. In the first stage of the Miasto Moje project, completed in May of this year and located in Białołęka, during Q2 we managed to deliver 60 units worth nearly PLN 17 million with a gross margin of almost 25%. In addition, 134 units (PLN 40 million) in Miasto Moje I were already sold at the end of June and expected to be delivered and recognized in the income statement in Q3 of this year", said **Rami Geris, Management Board member and CFO of Ronson Development.**

“In the first half of the year we delivered 24 units in the Nova Królikarnia project in Mokotów. These are chiefly more luxurious units that are more spacious and have a higher average unit price – the total value of the delivered units is nearly PLN 19 million while the gross margin topped 12%. Here it is worthwhile to remember that the total expected revenue from entire project (including the stages under call option) is nearly PLN 450 million”, added **Rami Geris**.

Sales results in H1 2018

The first half of this year, especially Q2 was also a successful period for Ronson Development in terms of the current sales of residential units. From April to June we contracted the sale of 248 units, or almost 38% more than last year. During the H1 2018, Ronson Development has found buyers for 436 residential units in total.

“We have observed very robust sales results in our Warsaw-based projects: City Link and Miasto Moje and in our projects outside the capital, such as in the Poznań-based Grunwald² project, the Szczecin-based Panoramika project and the Wrocław-based Vitalia project”, emphasized **Andrzej Gutowski, Management Board member, Director of Sales and Marketing at Ronson Development**.

At the end of June of this year, the company had a total of 881 residential units for sale. *“To sustain the pace of sales, we must undoubtedly enlarge our offering in the upcoming months. In the latter half of the year we intend to kick off projects with a total of more than 600 units. These projects will include the further stages of investments in progress to date: Miasto Moje and Nova Królikarnia in Warsaw and Vitalia in Wrocław as well as projects in totally new locations: in Warsaw’s Ursus district and in Wrocław’s Jagodno district”,* announced **Andrzej Gutowski**.

Plans for the rest of 2018

“We are sticking to our plans that call for us to deliver approximately 800 units to our clients in full year 2018. Accordingly, we expect that similarly to H1 this will enable us to generate satisfactory financial performance in the latter half of the year. In keeping with the dividend policy presented recently, we intend to share our earnings with our shareholders regularly, by distributing 50% of every year’s net profit attributable to shareholders, while this figure should not fall below PLN 9.8 million. That yields PLN 0.06 per share with the current number of shares. The company’s stable financial standing allows us to pay a dividend in that amount before the end of this year. Please recall that an Extraordinary General Meeting of Ronson Development has been convened to be held on 14 September 2018 to vote on a proposed dividend payment of PLN 0.06 per share from the retained earnings reserve. In addition we are expecting to finish the Company’s migration process by the end of the year and becoming EU company with registered seat in Poland, our home from day one,” pointed out **Nir Netzer, CEO of Ronson Development**.

Highlights of Ronson Development's consolidated financial performance (PLN million)

	Q2 2018	Q2 2017	yoy change	H1 2018	H1 2017	yoy change
Sales revenues	90.0	36.1	+149%	170.2	146.2	+16%
Gross sales profit	17.0	6.1	+179%	27.6	24.7	+12%
Net profit / loss ¹⁾	6.4	-3.2	n.a.	10.3	2.7	+281%

1) Net profit attributable to the parent company's shareholders

Ronson Development

Ronson Development is an experienced and rapidly growing property developer running residential investment projects in Poland's largest cities, mainly in Warsaw, Poznań, Wrocław and Szczecin.

From the outset of its operations in 2000 Ronson has gained the trust of thousands of clients, making it one of the leading property development companies in Poland. The Company has been listed on the Warsaw Stock Exchange since 2007.

Ronson creates space for people to live comfortably and well. Presently, the company's offering contains residential units aligned to the needs of different client groups: larger more luxurious apartments and popular segment residential units.

Ronson Development is a member of the Polish Union of Developers. The numerous awards and certificates it has received, including the award in the developer services category in the Eagles of the Polish Construction Industry in 2014 competition and the emblem of the Developer of the Year in 2013 awarded by the Central Domestic Certification Office serve as proof of the trust clients place in the firm.

Ronson has also received many prestigious awards conferred by stock market analysts and investors. In 2013, the company took first place in the ranking entitled "Public Company of the Year" in the "Investor Relations" category organized by the *Puls Biznesu* daily. In turn, in 2017 the Company's website received the Issuer's Golden Website distinction in a contest organized by the Polish Association of Listed Companies.

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