



Press release

Warsaw, 7 November 2018

Ronson Development reports rapid growth in its financial results for the first three quarters of 2018

- **In the first nine months of 2018, Ronson Development's sales were PLN 253.3 million, i.e. up 39% versus the corresponding period of 2017. Taking into account the value of the units delivered to customers in the City Link I joint venture project, its total revenues were PLN 277.4 million (45% growth y/y).**
 - From the beginning of January to the end of September Ronson handed over to its clients the keys to a total of 707 units (44% more than last year), with 66 of these units in the City Link I project in which the Company has a 50% stake.
- **The consolidated gross profit on sales for the first three quarters of this year was PLN 42.1 million, signifying 44% growth year on year.**
 - The average gross margin commanded by the residential investments delivered to clients in the first nine months of this year (including City Link I) was 17.9% versus 16.1% last year.
- **In the first nine months of 2018, the net profit attributable to the shareholders of Ronson Development was PLN 15.8 million compared to ca. break-even in the corresponding period of 2017 and PLN 9.5 million in the full year last year.**

The sales revenue recognized by Ronson Development during the third quarter of 2018 alone totaled PLN 83 million, i.e. double the level reported in the same period of last year when it was PLN 36 million. The gross profit on sales during the third quarter of this year was PLN 14.5 million, signifying growth of more than three times in comparison with Q3 2017 when it was PLN 4.7 million. In turn, the net profit attributable to the shareholders of the parent company was PLN 5.5 million compared to a net loss of PLN 2.5 million last year.

"The first out of eight planned stages of the Miasto Moje project in Białołęka generated the largest share in the last quarter's results. We handed over to clients the keys to 123 residential units there worth a total of PLN 34.6 million and a gross margin in excess of 24%. Moreover, the Nova Królikarnia project in Mokotów made a significant contribution to the reported results. In fact, in Q3 we handed over "only" 29 units there, but those units were apartments with large floor plans and a high unit price of roughly PLN 1 million on average – the total value of the units delivered in this project was PLN 29 million", pointed out **Rami Geris, Management Board member and CFO of Ronson Development.**

In terms of current sales, the Company posted comparable results year on year giving consideration to the number of units sold, while reporting higher sales in terms of their value. In the third quarter alone Ronson Development contracted for the sale of 203 units with a total value of PLN 90.1 million (versus 206 units worth PLN 74.7 million in Q3 2017). Year-to-date

in the first nine months of the year buyers acquired 639 units with a total value of PLN 263.7 million (versus 645 units worth a total of PLN 242 million sold in the first three quarters of 2017). The average value of the units sold from January to September 2018 has trended up as a result to PLN 413 thousand from PLN 375 thousand in the corresponding period of last year.

“Our best-selling projects are our two investments in Warsaw: City Link and Miasto Moje. We are also reporting robust sales results outside the capital city: our newest project in Poznań called Grunwald2, our Vitalia project in Wrocław and our Panoramika project in Szczecin have all enjoyed extensive interest”, said **Andrzej Gutowski, Management Board member, Director of Sales and Marketing at Ronson Development.**

At the end of Q3 the Company’s sales offer consisted of a total of 678 units, of which 583 were in projects under construction and 95 were in completed investment projects.

“We are preparing to kick off the execution of four investments consisting of a total of 480 units before the end of this year. Three of them call for the continuation of projects currently underway: Miasto Moje III (where we have already started pre-sales) and Nova Królikarnia in Warsaw as well as Panoramika V in Szczecin. Moreover, as we have announced, we plan to start a totally new project in Warsaw called Ursus Centralny where we intend to build 151 units during the first stage and ultimately we will build approximately 1,600 units”, announced **Andrzej Gutowski.**

After first three quarters of 2018 and outlook for this year’s last quarter, what are the management board’s expectations for the entire year?

“Taking into account the challenging times developers are experiencing, the company’s results achieved by its great team with extensive accumulated experience are to be appreciated. Thanks to them, we will achieve our target of delivering approximately 800 units to our clients in 2018”, remarked **Nir Netzer, CEO of Ronson Development.** *“Next year will be even better in this respect. For in 2019 we plan to complete projects consisting of a total of more than 1,100 units, of which 745 had already been sold prior to the end of September of this year”*, **Nir Netzer** added.

On 4 October 2018, few days after balance sheet date, Ronson Development paid its shareholders a dividend of PLN 0.06 per share (totaling more than PLN 9.8 million). According to its updated dividend policy for the upcoming years, the Company intends to share its profits with its shareholders regularly by allocating 50% of its consolidated net profit or 0.06 PLN per share, depending on which is higher.

Another important recent event was the finalization of the process of relocating Ronson Development’s registered office from The Netherlands to Poland. As of 31 October 2018, the Company’s registered office is located in Warsaw.

Highlights of Ronson Development’s consolidated financial performance

PLN million	Q3 2018	Q3 2017	yoy change	9M 2018	9M 2017	yoy change
Sales revenues	83.0	36.0	+130%	253.3	182.2	+39%
Gross sales profit	14.5	4.7	+211%	42.1	29.3	+43%
Net profit / (loss) ¹⁾	5.5	(2.5)	-	15.8	0.1	+12371%

1) Net profit / (loss) attributable to the parent company’s shareholders

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, as well as 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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