



Press release

Warsaw, 14 March 2019

Ronson Development presents its 2018 financial results

- **Ronson Development's 2018 revenues topped PLN 294 million and were up 27% over 2017. If the residential units delivered to clients in the joint venture project were included, total revenues came in at PLN 323 million.**
 - Last year the Company delivered 764 units to clients with 695 of them subject to full consolidation and 69 in the City Link I project in which Ronson Development has a 50% stake.
- **Consolidated gross profit on sales in 2018 was PLN 45.7 million, signifying 20% growth versus 2017.**
 - The average gross margin on the residential projects delivered to clients last year (including City Link I) was 16.8%.
- **The net profit attributable to Ronson Development's shareholders in 2018 was PLN 13.5 million, up 42% from the year before when it was PLN 9.5 million.**

In 2018 Ronson Development completed the execution of investments comprising a total of 457 units in Warsaw, including the fourth stage of the Espresso project in the Wola district, the first stage of the Miasto Moje property development in Białołęka and the first stage of the Nova Królikarnia project in Mokotów.

"In 2018 we delivered a total of 764 units to clients versus 833 the year before. In turn, last year the number of units handed over in projects in which we have a 100% stake rose substantially to 695 (584 in 2017), thereby translating into significant growth in reported revenues. Our Warsaw-based investments – Miasto Moje, Espresso and Nova Królikarnia – contributed most to our 2018 results. In addition, last year we also sold the final pool of units in our high-margin Moko project, and this is positively reflected in our 2018 financial performance", pointed out **Rami Geris, Vice-President and Chief Financial Officer of Ronson Development.**

Warsaw-based projects were responsible for more than 70% of the revenues recognized by Ronson Development last year and for the clear majority of earnings. Regarding investments outside Warsaw, last year the Company recognized revenues on the following projects which were completed prior to 2018: Młody Grunwald in Poznań, Panoramika in Szczecin and Vitalia in Wrocław.

In 2018 Ronson Development posted current sales results similar to its performance in 2017.

"Last year we sold slightly fewer units than the year before that, i.e. 773 versus 815 in 2017, but the value of the sales contracts was higher as we topped PLN 329 million versus just under PLN 313 million in 2017. The average price of the units sold in 2018 was PLN 426 thousand

versus PLN 384 thousand one year earlier. The best-selling projects in 2018 were two of our Warsaw-based best-sellers, i.e. City Link in Wola where we sold 211 units and Miasto Moje in Białołęka where we found buyers for 159 units. Our non-Warsaw-based investments also enjoyed tremendous popularity: Vitalia and Miasto Marina in Wrocław, Panoramika in Szczecin and Grunwald² in Poznań. In addition, we pay special attention to units and related components (like parking spaces and storages) in finished projects and reduced even further the inventory for sale at the yearend”, stated **Andrzej Gutowski, Vice-President of Ronson Development, responsible for sales and marketing.**

At the end of 2018 the Company’s sales offer consisted of 562 units, including 82 units in already completed projects and 480 units in projects under construction.

“We began 2019 with an offer that was strongly sold out. Our priority is to bolster our offer greatly in the upcoming months, even further to what we’ve already commenced since the beginning of 2019. We assume that this year we will kick off four totally new investment projects, with two of them in Warsaw: Ursus Centralny and Wilanów Tulip, as well as Matisse in Wrocław and Chopin in Szczecin. Moreover, we plan to launch the subsequent stages of projects that are already drawing to a close, such as Miasto Moje, Vitalia and Panoramika. In total, these investments span more than 1,000 units. Furthermore, if we exercise the option to buy more stages in the Nova Królikarnia project, our offer may be enlarged by another 85 homes and apartments to be built in this prestigious property development in Mokotów”, said **Nir Netzer, CEO of Ronson Development.**

This year may turn out to be a record-breaking year for Ronson Development in terms of the number of units delivered to clients. “Assuming that construction works will proceed according to plan, this year we intend to complete investments consisting of a total of 1,123 units, with 858 of them having already been sold before yearend 2018. In addition, the completed projects have another 35 units that have also already been sold, though they have not yet been handed over to their buyers”, remarked **Nir Netzer.**

From among these 1,123 units whose construction is to be completed this year, 189 of them are in the City Link II project in which Ronson Development has a 50% stake. The other projects are subject to full consolidation, and thus those sales revenues will be recognized in full in Ronson Development’s profit and loss account.

Highlights of Ronson Development’s consolidated financial performance (PLN m)

	2018	2017	YoY change
Sales revenues	294.1	231.7	+27%
Gross profit on sales	45.7	38.1	+20%
Net profit ¹⁾	13.5	9.5	+42%

1) Net profit 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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