



Press release

Warsaw, 14 May 2019

Ronson Development proposes to pay out a PLN 0.06 dividend per share from its 2018 profit and posts its financial results for Q1 2019

- The Ronson Development Management Board recommends earmarking PLN 0.06 per share, or a total of PLN 9.8 million to be paid out as a dividend from its 2018 profit. This amount corresponds to more than 70% of 2018 net profit attributable to the Company's shareholders.
- In Q1 2019 Ronson Development generated revenue of PLN 66 million, of which PLN 59.5 million was from delivering 132 units to clients (in projects under full consolidation) and PLN 6.5 million from selling a plot of land in Wrocław. In the corresponding period of last year, the Company recognized total revenue of PLN 80.2 million from delivering 243 units (in projects under full consolidation).
- Even though the number of units delivered during Q1 2019 was lower than in Q1 2018, the gross margin from residential projects expanded substantially to 19.6% from 13.2% in Q1 2018.
- The net profit attributable to Ronson Development's shareholders in Q1 2019 amounted to PLN 3.5 million and was close to the level generated in the corresponding period of 2018 (PLN 3.9 million).

More than 70% of last year's net profit allocated as a dividend

The dividend payout to shareholders proposed by the Ronson Management Board has been endorsed by the developer's supervisory board and is consistent with the dividend policy adopted last year. It calls for earmarking as a dividend at least 50% of consolidated net profit, though no less than PLN 0.06 per share (around PLN 9.8 million). The Management Board proposed to pay a dividend of precisely that amount. This amount corresponds to 73% of last year's net profit attributable to the Company's shareholders, which amounted to PLN 13.5 million.

"Ronson Development's financial standing is sound; that is why we want to continue our practice of sharing the earnings we generate with our shareholders," said **Nir Netzer, CEO of Ronson Development.**

The Company's shareholder meeting will make the final decision concerning the 2018 dividend. It is slated to be convened in the first half of June. The Management Board proposes to set the record date for 18 June and for the dividend to be paid out on 25 June of this year.

Higher margins on units

In the first quarter of this year Ronson handed over a total of 145 units to clients with 132 of them subject to full consolidation and 13 in the City Link I and II project in which Ronson Development has a 50% stake.

“The Miasto Moje project in Warsaw’s Białołęka district generated the highest percentage of revenue and profit recognized in the first quarter of this year where the gross sales margin exceeds 22%. The average gross margin on all the units delivered to clients in the first three months of this year was 19.6%. In the corresponding period of last year we handed over many more units to buyers, but the average gross margin was only 13.2%. That was because of two projects with a margin close to zero (Panoramika in Szczecin and Młody Grunwald in Poznań). As a result, in the first quarter of this year, despite revenue being lower, we posted clear improvement in profitability measured by gross sales profit”, pointed out **Rami Geris, Vice-President of the Management Board and CFO of Ronson Development**.

At the end of Q1 2019 there was a total of 357 units in the Company’s completed projects that had not yet been delivered to clients, of which 276 units had already been sold, while 81 were still up for sale. Moreover, by the end of this year Ronson Development plans to complete the execution of investments involving a total of 741 units among which 580 had already been sold by March of this year.

Ronson plans to deliver approximately 800 units in the full year of 2019 (versus 764 in 2018).

Sales start the year well

During Q1 2019 Ronson sold 174 units versus 188 in Q1 2018. In turn, the total value of the signed contracts was up 8% yoy to PLN 77.8 million (versus PLN 71.9 million in Q1 2018).

“The 174 units sold in Q1 should be seen as an outstanding result considering the fact that we started the year with a heavily sold out offer of just 562 units. The result for the first three months of this year was substantially better than in the last quarter of 2018. From the beginning of the year we have greatly strengthened and diversified our offer. At the end of the first quarter, it spanned 849 units. Taking into account the other interesting projects we are preparing, we have a positive mindset when it comes to executing our plans calling for the sale of roughly 800 units in the full year”, stated **Andrzej Gutowski, Vice-President of the Management Board, Director of Sales and Marketing at Ronson Development**.

In Q1 2019 Ronson Development began the construction of three projects with a total of 461 units, while this year it intends to commence the execution of a total of eight investment projects numbering in total more than 1,000 units.

The next stage of Nova Królikarnia in the Company’s portfolio

The list of new investments Ronson Development will kick off this year may get even longer. In April the Company exercised its option to purchase another stage of the Nova Królikarnia project involving the construction of 84 units with a total floor plan of 9.2 thousand square meters.

“Nova Królikarnia is the most prestigious project in our portfolio. We are very pleased with the results it has produced thus far. That is why we have taken advantage of the option to acquire

another stage of this project on attractive terms. We are giving consideration to its commencement already this year”, 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, 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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