

# INVESTOR PRESENTATION ADDRESSING HY 2019 RESULTS

13 AUGUST 2019

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**ANDRZEJ GUTOWSKI**

- Sales and Marketing Director
- 2003 – present – Ronson Development SE (Sales and Marketing Manager)
- 1994 – 2003 – Emmerson Sp. z o.o. (leading real estate agency & advisory company in the Polish market); Director of Primary Markets; member of the management board



**NIR NETZER**

- CEO, since 20 November 2017
- 2009 – 2017 – CEO of DEN Group
- 2008 – 2009 – CEO of G.H. Eastern Europe (real estate residential developer)
- 2003 – 2008 - CFO of Engel East Europe N.V. (EEE), (real estate residential developer)
- 1998 – 2003 – Auditor at PWC Israel



**RAMI GERIS**

- CFO, since June 2017
- Financial Controller; since 2007
- 2006 – 2007 – Auditor at EY Israel
- 2004 – 2006 – Auditor at Zev Salomon & Co.-accountants Israel

I.

# COMPANY OVERVIEW

## EXPERIENCED RESIDENTIAL REAL ESTATE DEVELOPER WELL ESTABLISHED IN POLAND

- Present in Poland since 2000
- Active in 4 cities (Warsaw, Wrocław, Poznań and Szczecin)
- Focused on mid-class residential projects
- Adequate project mix and size enabling accelerated Company growth
- Shareholders with sector knowledge

Current operations include:

**8** projects  
ongoing

and

**9** completed projects  
offered for sale

(at 30 June 2019 Ronson offer  
included 897 units)

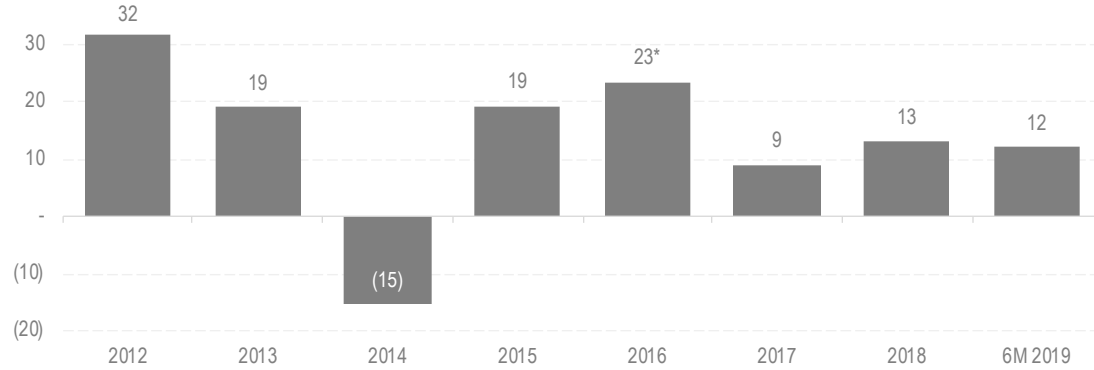
**12** further  
projects

In preparation for around 4,500  
units, in addition Nova Królikarnia  
project under remaining call option  
agreements

ATTRACTIVE LAND BANK IS ONE OF RONSON'S ADVANTAGES  
DECIDING ABOUT ITS GROWTH POTENTIAL

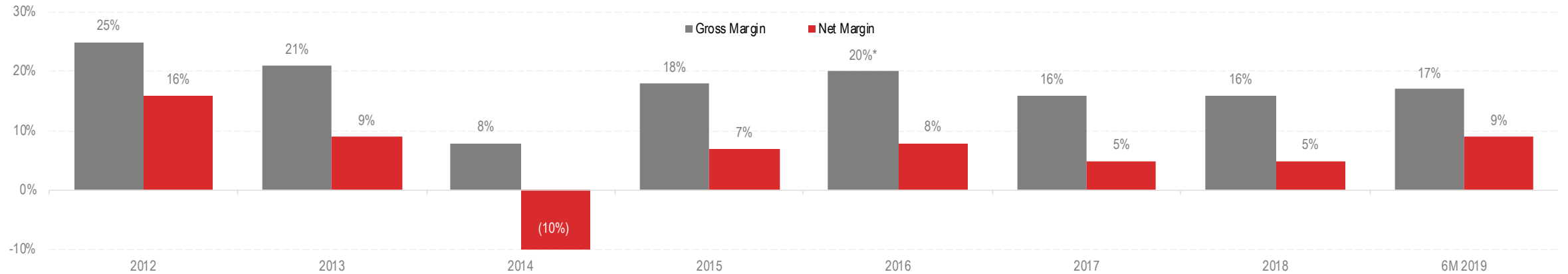


## NET PROFIT (PLN MILLION)



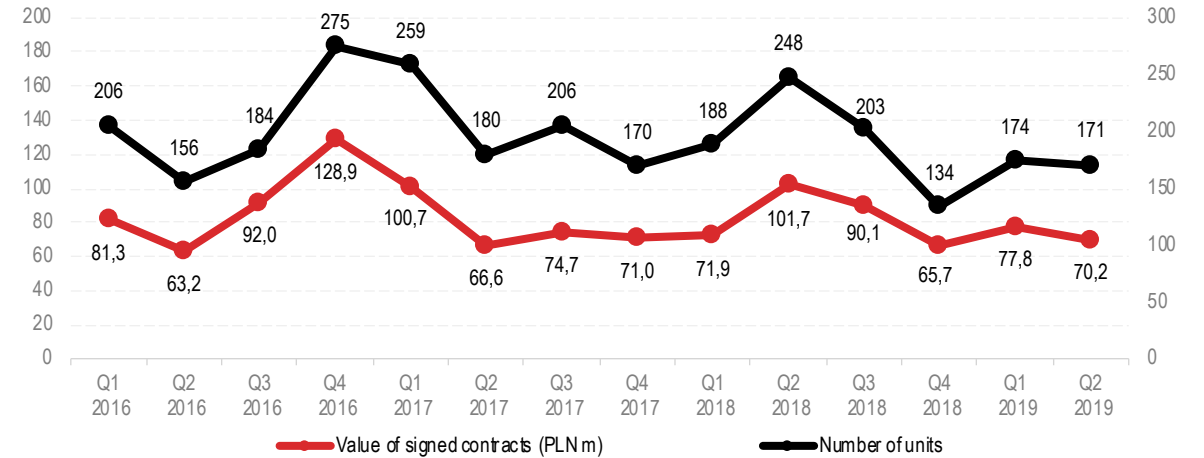
\* Excluding one time event of selling Nova Krolikarnia (net profit PLN 41 million)

## MARGINS (%)



\* Excluding one time event of selling Nova Krolikarnia

## 345 UNITS SOLD DURING 6M 2019 \*



\* In addition 70 reservation agreements in Ursus Centralny I project.

1,445 UNITS UNDER CONSTRUCTION WITH NEARLY 82,800 M<sup>2</sup>, OF WHICH 870 UNITS ARE IN WARSAW



**WILANÓW TULIP**

- Commenced Q1 2019
- Expected completion Q4 2020
- 150 apartments with aggregate area of 9,600 m<sup>2</sup>
- Location: Warsaw, Wilanów
- The Company's share in this project is 50%



**CITY LINK III**

- Commenced Q2 2017
- Expected completion Q4 2019
- 364 apartments and 4 commercial units with aggregate area of 18,700 m<sup>2</sup>
- Location: Warsaw, Wola
- The Company's share in this project is 100%



**MIASTO MOJE III**

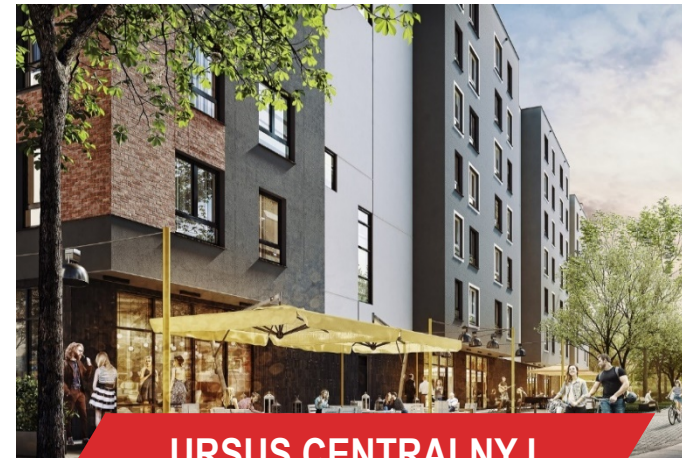
- Commenced Q1 2019
- Expected completion Q4 2020
- 196 apartments with aggregate area of 10,200 m<sup>2</sup>
- Location: Warsaw, Białoleka

1,445 UNITS UNDER CONSTRUCTION WITH NEARLY 82,800 M<sup>2</sup>, OF WHICH 870 UNITS ARE IN WARSAW



**NOVA KRÓLIKARNIA 2C**

- Commenced Q4 2018
- Expected completion Q3 2020
- 18 houses with aggregate area of 3,600 m<sup>2</sup>
- Location: Warsaw, Mokotów



**URSUS CENTRALNY I**

- Commenced Q2 2019
- Expected completion Q1 2021
- 129 apartments and 9 commercial units with aggregate area of 7,600 m<sup>2</sup>
- Location: Warsaw, Ursus

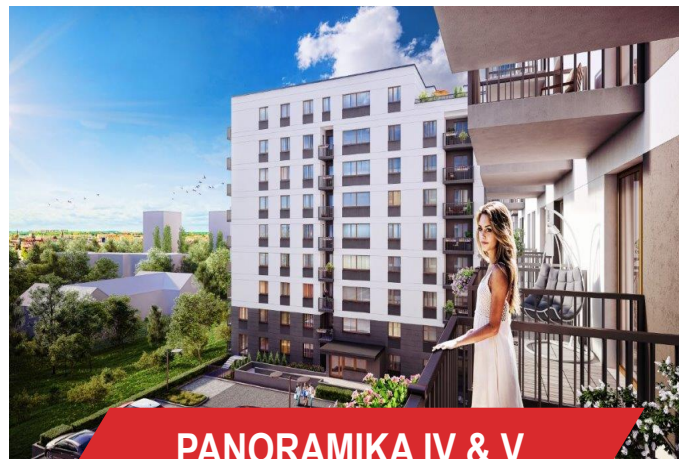


1,445 UNITS UNDER CONSTRUCTION WITH NEARLY 82,800 M<sup>2</sup>, OF WHICH 575 ARE IN WROCLAW, SZCZECIN AND POZNAŃ



**VITALIA III**

- Commenced in 2Q 2019
- Expected completion 4Q 2020
- 81 apartments with aggregate area of 6,800 m<sup>2</sup>
- Location: Krzyki district in Wrocław



**PANORAMIKA IV & V**

- Commenced in Q4 2017 and Q1 2019
- Expected completion Q4 2019 and Q3 2020
- 111 apartments with aggregate area of 5,800 m<sup>2</sup>
- 115 apartments with aggregate area of 6,000 m<sup>2</sup>
- Location: Szczecin, Duńska Street

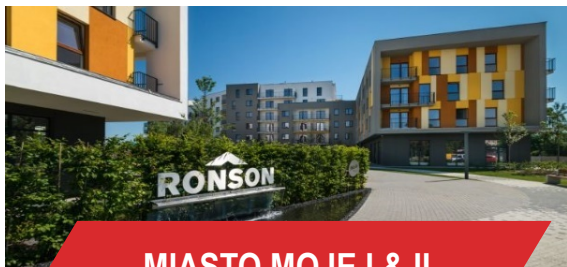


**GRUNWALD<sup>2</sup>**

- Commenced in Q2 2018
- Expected completion Q2 2020
- 267 apartments and 1 commercial unit with aggregate area of 14,500 m<sup>2</sup>
- Location: Poznań, Świerzawska Street

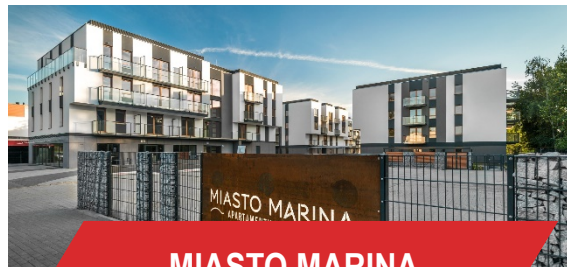
# COMPLETED PROJECTS OFFERED FOR SALE

AS AT 30 JUNE 2019, 105 COMPLETED UNITS WITH 7,800 M<sup>2</sup> WERE OFFERED FOR SALE IN 9 PROJECTS



**MIASTO MOJE I & II**

- 10 units offered for sale
- In total 336 apartments and 17 commercial units
- Location: Warszawa , Marywilska Street



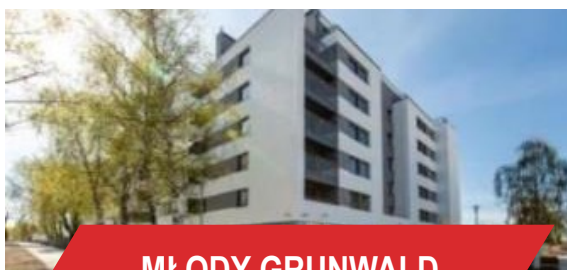
**MIASTO MARINA**

- 46 units offered for sale
- In total: 151 apartments
- Location: Na Grobli, Wrocław



**NOVA KRÓLIKARNIA  
1A-1E, 2A & 2B**

- 11 units offered for sale
- In total 171 apartments and 8 commercial units
- Location: Warsaw, Mokotów



**MŁODY GRUNWALD**

- 13 units offered for sale
- In total 372 apartments and 21 commercial units
- Location: Poznań, Grunwald



**CHILLI CITY IV**

- 3 units offered for sale
- In total: 45 apartments
- Location: Poznań, Tulce

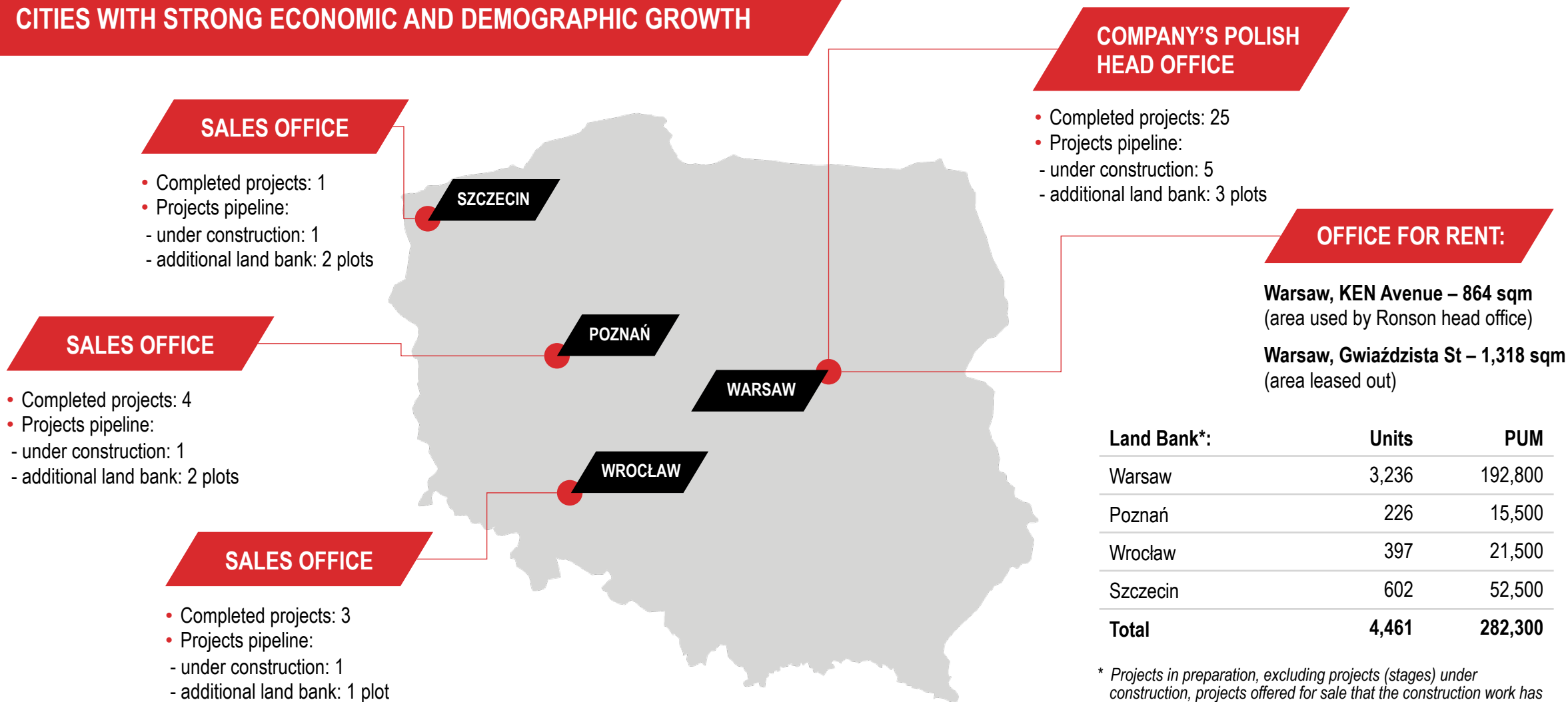


**MOKO**

- 2 units offered for sale
- In total 326 apartments and 19 commercial units
- Location: Warsaw, Mokotów

Moreover the Company's offer includes 20 completed units in the following projects: Verdis(8), Sakura (3), Espresso (2), Vitalia I - II (2), Kamienica Jeżyce (1), Impressio (1), Panoramika (1) and City Link (2).

**CITIES WITH STRONG ECONOMIC AND DEMOGRAPHIC GROWTH**



\* Projects in preparation, excluding projects (stages) under construction, projects offered for sale that the construction work has not commenced and finished projects.

**RONSON LAND BANK**

Project name	Location	Total no. of units	PUM (m <sup>2</sup> )
Panoramika - stages in preparation	Szczecin	60	3,000
Miasto Moje - stages in preparation	Warsaw	961	47,500
Ursus Centralny - stages in preparation	Warsaw	1,462	76,200
Nova Królikarnia 3a-3d - stages in preparation	Warsaw	84	9,200
<b>Subtotal - remaining stages of projects currently under construction / on sale</b>		<b>2,567</b>	<b>135,900</b>
Matisse I	Wrocław	397	21,500
Chopin	Szczecin	467	38,300
Falenty	Warsaw	160	23,500
Renaissance	Warsaw	224	15,800
Bełchatowska 28	Poznań	50	3,200
Naturalis	Warsaw	345	20,600
Chilli	Poznań	176	12,300
Vivaldi	Szczecin	75	11,200
<b>Subtotal - remaining projects, still in preparation</b>		<b>1,894</b>	<b>146,400</b>
<b>Total as at 30.06.2019</b>		<b>4,461</b>	<b>282,300</b>

*\* Does not include Nova Królikarnia land 12,300 PUM under remaining 2 call options.*

II.

# FINANCIAL RESULTS REVIEW

FOR 6 MONTHS ENDED 30 JUNE 2019

(PLN million)	HY 2019	HY 2018	y/y change	Q2 2019	Q2 2018	y/y change
Revenue from residential projects and services	136.5	170.2	-20%	77.0	90.0	-14%
Revenue from sale of land	6.5	-	n.a.	-	-	n.a.
<b>Total Revenue</b>	<b>143.0</b>	<b>170.2</b>	<b>-16%</b>	<b>77.0</b>	<b>90.0</b>	<b>-14%</b>
Cost of sales of residential projects	(112.2)	(142.6)	-21%	(64.3)	(73.0)	-12%
Cost of sales of land	(6.3)	-	n.a.	-	-	-
<b>Gross profit</b>	<b>24.5</b>	<b>27.6</b>	<b>-11%</b>	<b>12.7</b>	<b>17.0</b>	<b>-25%</b>
Selling and marketing expenses	(2.6)	(2.4)	7%	(1.4)	(1.3)	8%
Administrative expenses	(9.5)	(9.6)	-1%	(5.0)	(5.0)	0%
Share of profit/(loss) from joint ventures	6.5	2.7	n.a.	6.3	-	n.a.
Net other expenses	(1.2)	(1.1)	9%	(0.6)	(0.5)	20%
<b>Operating profit/(loss)</b>	<b>17.7</b>	<b>17.2</b>	<b>3%</b>	<b>12.0</b>	<b>10.2</b>	<b>18%</b>
Net finance expense	(2.2)	(2.8)	-21%	(1.0)	(1.3)	-23%
<b>Profit/(loss) before tax</b>	<b>15.5</b>	<b>14.4</b>	<b>8%</b>	<b>11.0</b>	<b>8.9</b>	<b>24%</b>
Income tax benefit/(expenses)	(3.3)	(2.6)	27%	(2.3)	(1.5)	53%
<b>Net profit/(loss)</b>	<b>12.2</b>	<b>11.8</b>	<b>3%</b>	<b>8.7</b>	<b>7.4</b>	<b>18%</b>
<b>Profit/(loss) for the period attributable to equity holders of the parent</b>	<b>12.2</b>	<b>10.3</b>	<b>18%</b>	<b>8.7</b>	<b>6.4</b>	<b>36%</b>
<b>Gross margin on residential projects</b>	<b>17.8%</b>	<b>16.2%</b>	<b>1.6 pp</b>	<b>16.5%</b>	<b>18.9%</b>	<b>-2.4 pp</b>
<b>Gross margin</b>	<b>17.1%</b>	<b>16.2%</b>	<b>0.9 pp</b>	<b>16.5%</b>	<b>18.9%</b>	<b>-2.4 pp</b>
<b>Net Margin</b>	<b>8.5%</b>	<b>6.9%</b>	<b>1.6 pp</b>	<b>11.3%</b>	<b>8.2%</b>	<b>3.1 pp</b>

## P&L HIGHLIGHTS DURING 6 MONTHS ENDED 30 JUNE 2019

- Revenue from sales of residential units and services decreased by PLN 33.7m (19.8%) from PLN 170.2m during 6M 2018 to PLN 136.5m during 6M 2019, which is primarily explained by the decrease in apartments delivered to customers in terms of area size (in m<sup>2</sup>). The decrease was offset in part by the increase in average selling price per sqm.
- Revenue from sale of land located in Wrocław, at Buforowa Street, amounted to 6.5m.
- Cost of sales of residential units decreased by PLN 30.4m (21.3%) from PLN 142.6m during 6M 2018 to PLN 112.2m during 6M 2019, which is primarily explained by the decrease in apartments delivered to the customers in terms of area size (in m<sup>2</sup>). The decrease was offset in part by the increase in construction cost per sqm.
- Selling and marketing expenses increased by PLN 0.2m (7.0%) from PLN 2.4 million during 6M 2018 to PLN 2.6m during 6M 2019, which is primarily explained by the commencement of 4 new projects/stages with a total of 530 units (excluding Wilanow Tulip) during 6M 2019 compared to 2 new projects/stages with a total of 296 units commenced during 6M 2018.
- Administrative expenses decreased mainly because of implementation of IFRS 15 (capitalization of PLN 1.0 m to Prepayments).

## UNITS DELIVERED / REVENUE / GROSS MARGIN

Project	Location	Q1 2019		Q2 2019		Revenue		Gross margin / profit	
		Units	PLN m	Units	PLN m	Units	PLN m	%	PLN m
Miasto Moje I & II	Warsaw	105	33.8	40	14.4	145	48.2	22.2%	10.7
Vitalia I & II	Wrocław	1	0.8	65	21.4	66	22.2	17.2%	3.8
Nova Królikarnia 1a - 1e	Warsaw	10	13.9	4	5.0	14	18.9	14.6%	2.8
Nova Królikarnia 2a & 2b	Warsaw	4	3.1	37	27.1	41	30.2	10.3%	3.1
Espresso	Warsaw	3	1.2	-	-	3	1.2	15.8%	0.2
Moko	Warsaw	2	2.0	5	5.2	7	7.2	25.7%	1.9
Młody Grunwald	Poznań	2	1.4	1	0.7	3	2.1	n.a.	-
Panoramika II & III	Szczecin	2	0.9	-	-	2	0.9	n.a.	-
Chilli IV	Poznań	2	0.6	6	1.5	8	2.1	n.a.	-
Other*		1	1.8	1	1.7	2	3.5	n.a.	1.8
<b>Total excluding JV</b>		<b>132</b>	<b>59.5</b>	<b>159</b>	<b>77.0</b>	<b>291</b>	<b>136.5</b>	<b>17.8%</b>	<b>24.3</b>
Sales of land		-	6.5	-	-	-	6.5	n.a.	0.2
<b>Total / Average</b>		<b>132</b>	<b>66.0</b>	<b>159.0</b>	<b>77.0</b>	<b>291</b>	<b>143.0</b>	<b>17.1%</b>	<b>24.5</b>
City Link I & II**	Warsaw	13	5.3	130	54.6	143	59.9	25.1%	15.0
<b>Total including JV**</b>		<b>145</b>	<b>71.3</b>	<b>289</b>	<b>131.6</b>	<b>434</b>	<b>202.9</b>	<b>19.5%</b>	<b>39.5</b>

- Total number of units delivered during 6M 2019 amounted to 434 (including 143 units delivered in City Link I & II projects).
- During 6M 2019 the Company completed the construction of 644 units from the following projects: Miasto Moje II, Nova Królikarnia 2a & 2b, Vitalia II, Miasto Marina and City Link II. Majority of revenue recognised during the period were from these projects. The Miasto Moje project, with 22% gross margin, contributed 35% to revenue.
- Average price of apartments delivered during 6M 2019 amounted to PLN 449 thousand (net of VAT) as compared to PLN 418 thousand (net of VAT) during 2018. The increase is mainly explained by the units delivered in Nova Królikarnia and City Link projects with higher price per m<sup>2</sup>, as well as the increase in the average selling price per unit.

\*Other revenues are mainly associated with fee income for management services provided to joint ventures and with rental revenues, as well as with 2 units delivered, parking places and storages in other projects that were completed in previous years.

\*\* Numbers presenting 100% of results of JV.

**NET DEBT / EQUITY:**  
**33.9 % AS AT THE END OF JUNE 2019**

**BOND NET DEBT / EQUITY:**  
**30.2% AS AT THE END OF JUNE 2019**

## BALANCE SHEET (PLN M)

	As at 30-Jun-19	As at 31-Dec-18	As at 31-Dec-17
Equity	345.5	343.5	337.9
Banking debt	15.5	37.7	13.9
Bond loans	197.7	205.6	197.3
Advances received	178.3	152.5	102.2
Cash and cash equivalents	96.2	100.8	64.9
Inventory and Residential Landbank	694.7	643.2	512.1
<b>Total Assets</b>	<b>865.5</b>	<b>805.1</b>	<b>705.8</b>
Net Debt	117.0	142.5	146.3
Net debt / Equity	33.9%	41.5%	43.3%
Net debt / Total Assets	13.5%	17.7%	20.7%
Net assets per share (PLN)	2.11	2.09	2.06



## OVERVIEW OF CASH FLOW RESULTS

	During 6 months ended 30 June	
	2019	2018
	(PLN thousands)	
Cash flow from / (used in) operating activities	43,703	10,976
Cash flow from / (used in) investing activities	(5,029)	4,276
Cash flow from / (used in) financing activities	(43,352)	7,150

- Operating CF was positive and amounted to PLN 43.7m, mainly related to advances received from clients regarding sales of residential units amounting to PLN 160.7 m (2018: PLN 133.4 m), that partly offset related to direct construction costs for development of ongoing projects amounting to PLN 86.0 m (2018: PLN 65.5 m) and payment for NK project amounting to PLN 20.6 m (2018: PLN 38.1 m).
- Investing CF was negative and amounted to PLN 5.0 m, related to net investment in JV amounting to PLN 4.2m;
- Financing CF was negative and amounted to PLN 43.4m, mainly related to net repayment of loans for the amount of PLN 22.5 m (2018: PLN 15 m) and net repayment of bonds for the amount of PLN 8.4 m (2018: proceeds PLN 22.2 m), as well as payment of dividend for the amount of PLN 9.8 m.

# INVENTORY AS AT 30 JUNE 2019

	PLN million
Finished goods	130.6
Ongoing projects	240.7
Land bank*	292.7
Perpetual usufruct rights**	30.7
<b>Total</b>	<b>694.7</b>

## FINISHED PROJECTS

Comprising: 280 units, from them 177 units are already sold.

## ONGOING PROJECTS, OF WHICH:

Under construction and/or on sale (1,295 units):  
 Miasto Moje III, City Link III, Panoramika IV and Panoramika V,  
 Vitalia III, Grunwald2 , Nova Królikarnia 2c and Ursus Centralny I.

## LAND BANK (4,461 UNITS, 282,300 PUM)

### Categorised by city:

Warsaw	3,236 units;	192,800 PUM*
Poznań	226 units;	15,500 PUM
Wrocław	397 units;	21,500 PUM
Szczecin	602 units;	52,500 PUM

### Categorised by book value per PUM:

Below	PLN 1,000	207,000 PUM (73%)*
Between	PLN 1,000–2,000	62,900 PUM (22%)
Over	PLN 2,000	12,400 PUM (1%)

\*Does not include Nova Królikarnia land 12,300 PUM under remaining 2 call options.

*Excluding City Link I and II and Wilanów Tulip projects, that were not consolidated (Ronson share in this project amounts to 50%).*

*\*Including all costs capitalized, i.e. purchase price, transaction costs, land preparation costs, architect planning, financial costs and other. Including Land designated for development for the total amount of PLN 46.3m presented as non-current assets.*

*\*\* Implementation of the IFRS 16 (see slide 25)*

# DEBT POSITION AS AT 30 JUNE 2019

	PLN m
Bonds	197.7
Bank loans	15.5
<b>Total</b>	<b>213.2</b>

## BANK LOANS

Maturity of loans tailored to construction cycle of the projects.

Interest expense with respect to projects under construction are capitalized into inventory.

## BOND DEBT

Seria	Catalyst Ref. No.	Nominal value (PLN)	Nominal interest	Coupon	Issue date	Maturity date
M	RON 0220	10,000,000	WIBOR 6M + 3,65%	Semi-annual	2016-02-25	2020-02-25
N	RON 0919	10,000,000	WIBOR 6M + 3,60%	Semi-annual	2016-03-17	2019-09-14
P	RON 0820	10,000,000	5,25% (fixed)	Quarterly	2016-08-18	2020-08-18
Q	RON 0720	15,000,000	WIBOR 6M + 3,50%	Semi-annual	2016-07-29	2020-07-29
R*	RON 0521	50,000,000	WIBOR 6M + 2,85%	Semi-annual	2017-05-24	2021-05-24
S		20,000,000	WIBOR 6M + 3,40%	Semi-annual	2017-06-19	2021-06-19
T	RON 0522	50,000,000	WIBOR 6M + 3,50%	Semi-annual	2018-05-07	2022-05-09
U*	RON 0123	32,317,000	WIBOR 6M + 3,50%	Semi-annual	2019-01-31	2023-01-31
<b>Total</b>		<b>197,317,000</b>				

\* The tranche R and U bonds are secured with the mortgage.

Interest expense with respect to the bonds are capitalized into inventory, based on the requirements of IAS 23 as indirect borrowing expenses.

Bond debt as at 30 June 2019 amounted to PLN 197.7m (as at 31 December 2018: PLN 205.5 m) comprising a bond loan principal amount of PLN 197.3m plus accrued interest of PLN 2.1m minus one-time costs directly attributed to the bond issuances which are amortized based on the effective interest method (PLN 1.7m).

# DEBT POSITION AS AT 30 JUNE 2019

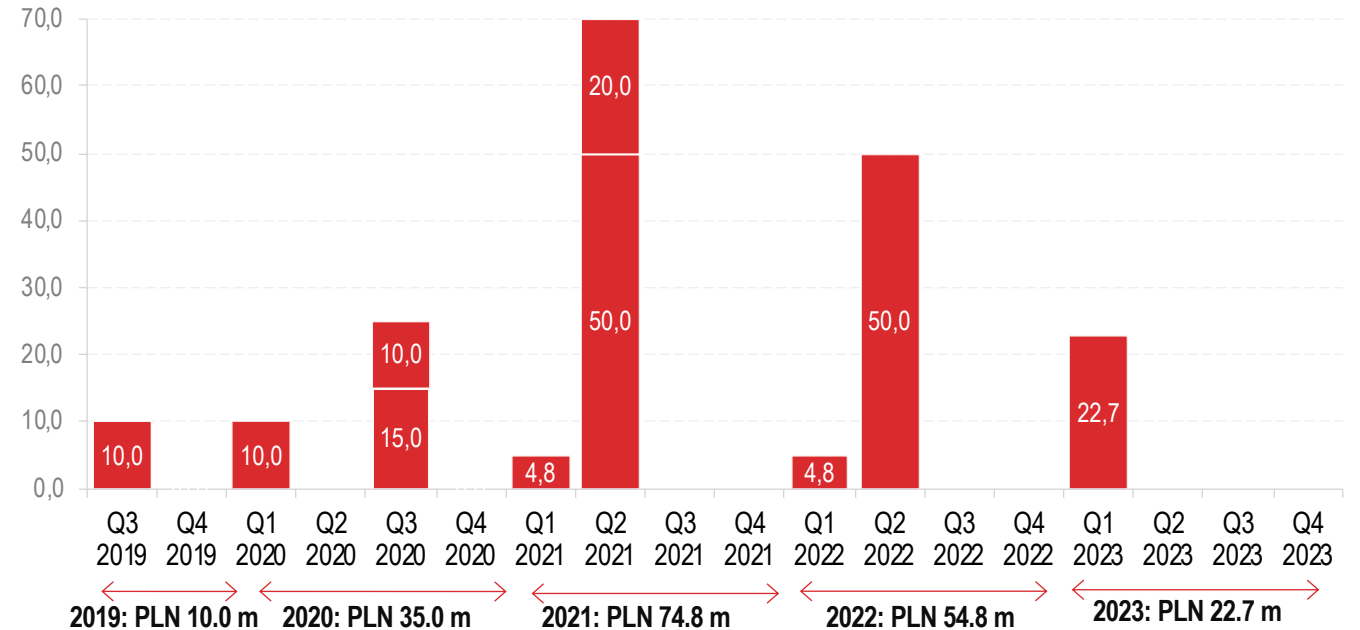
	PLN m
Bonds	197.7
Bank loans	15.5
<b>Total</b>	<b>213.2</b>

## BANK LOANS

Maturity of loans tailored to construction cycle of the projects.

Interest expense with respect to projects under construction are capitalized into inventory.

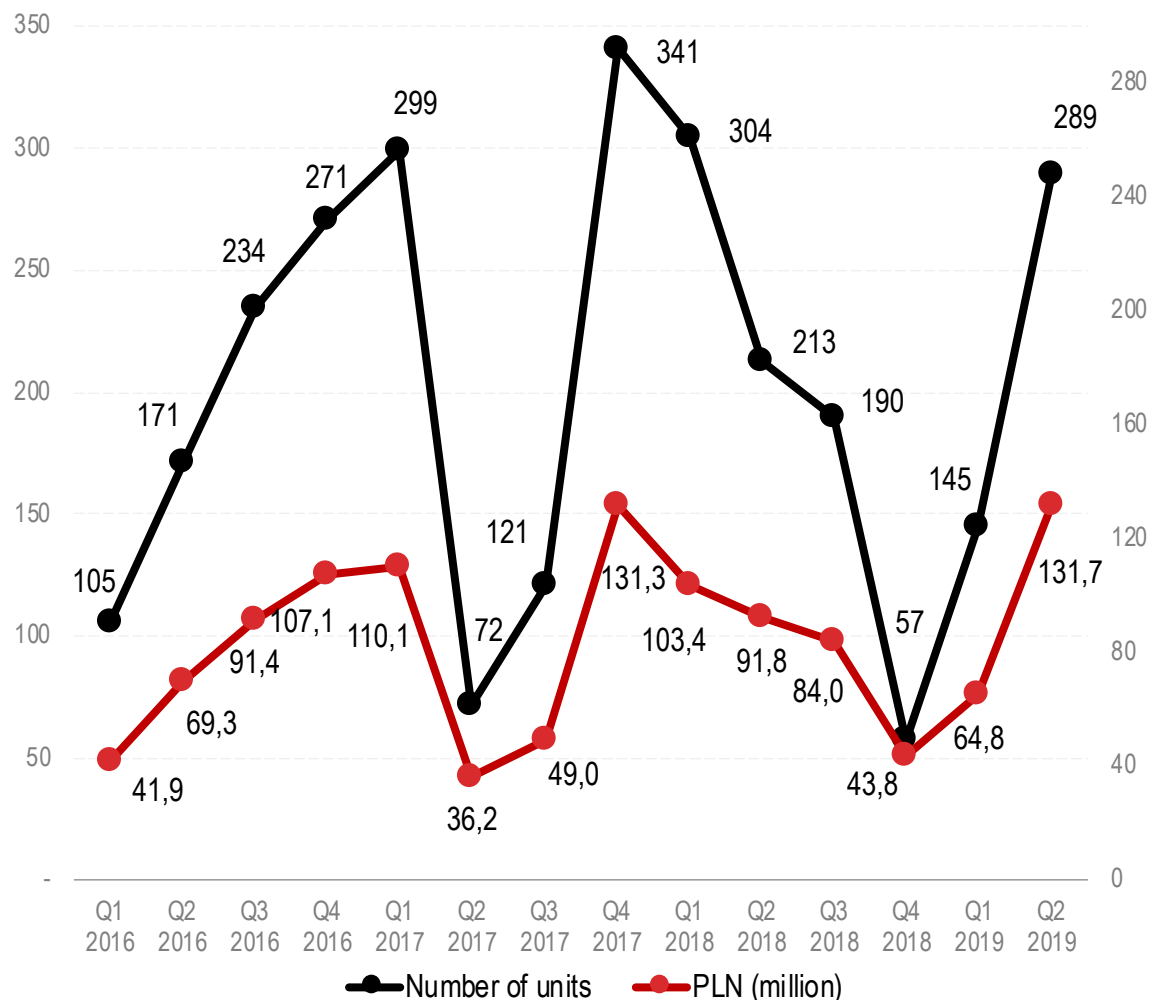
## BOND MATURITY (PLN M / QUARTERLY)



Interest expense with respect to the bonds are capitalized into inventory, based on the requirements of IAS 23 as indirect borrowing expenses.

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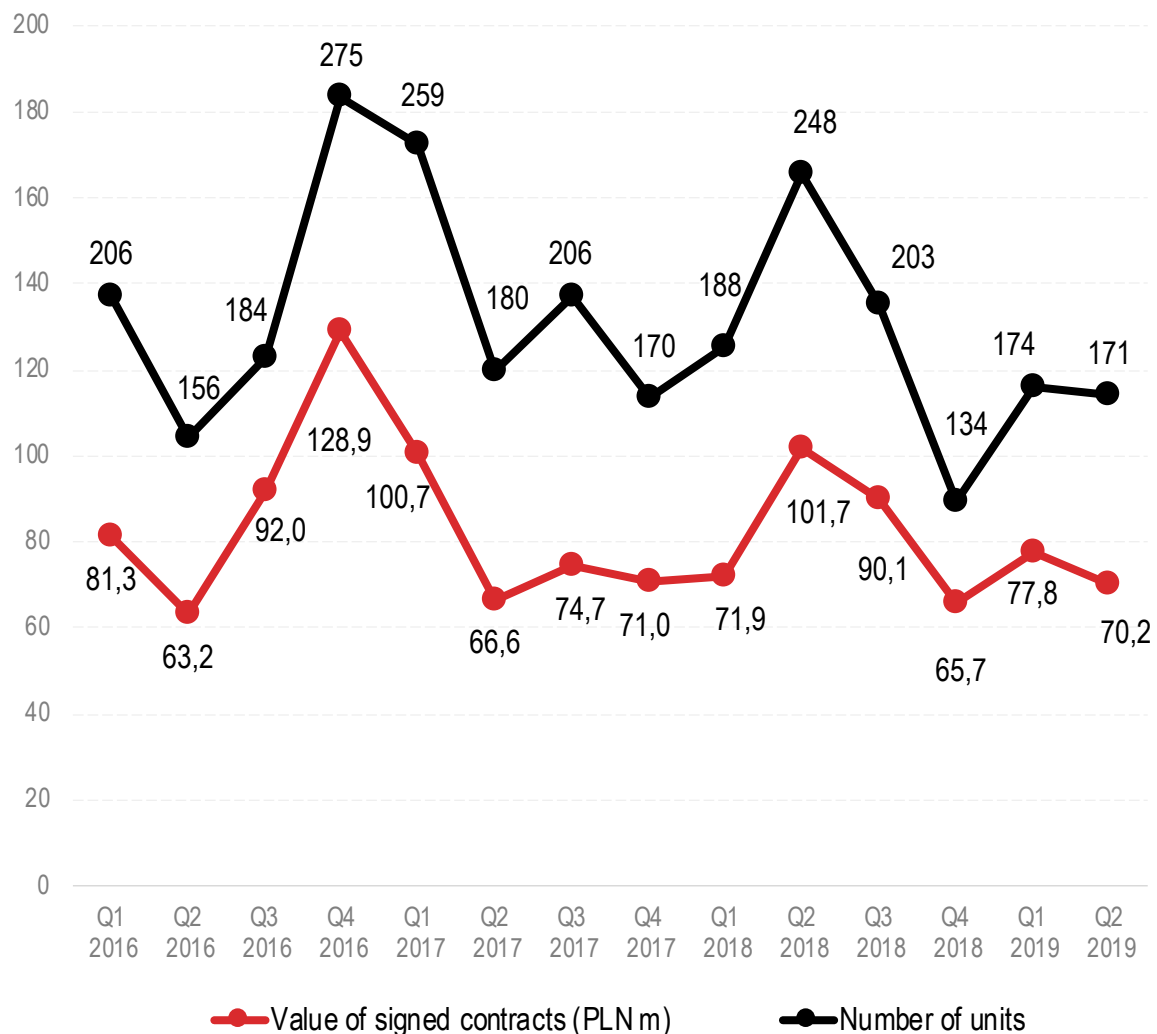
# QUARTERLY DELIVERIES (REVENUE RECOGNIZED IN P&L)



- During 6M 2019, the Company completed the construction of 6 projects with 644 units.
- During 6M 2019, majority of the Company's revenues came from Miasto Moje I & II (II stage completed in February 2019), Nova Królikarnia 1a–1e, 2a & 2b.
- Total number of units delivered to customers during 6M 2019 amounted to 434, of which 291 units were recognised in the Group's revenue (PLN 136.5m), while 143 units (PLN 60.0) were delivered in City Link I & II (under JV).

## UNITS SOLD BUT NOT DELIVERED (878 UNITS AND PLN 365.5 MILLION IN TOTAL)

Completed projects	Units	PLN million	Projects under construction	Units	PLN million
Miasto Marina	105	33.6	City Link III	329	159.5
City link I & II	48	26.6	Grunwald <sup>2</sup>	135	40.8
Nova Królikarnia 2a & 2b	27	22.3	Miasto Moje III	79	21.1
Nova Królikarnia 1a - 1e	6	8.2	Panoramika IV	81	20.1
Vitalia I & II	18	7.1	Panoramika V	14	3.5
Chilli IV	12	3.1	Vitalia III	7	3.5
Miasto Moje I & II	5	2.8	Nova Królikarnia 2c	4	10.1
Młody Grunwald	1	0.7	Wilanów Tulip	4	1.7
Other (old) projects	3	0.8			
<b>Total</b>	<b>225</b>	<b>105.2</b>	<b>Total</b>	<b>653</b>	<b>260.3</b>



- Total sales during 6M 2019 amounted to 345 units, as compared to 436 units sold during 6M 2018. In addition, the Company signed 70 reservation agreements in the Ursus Centralny I project.
- Best selling projects were Miasto Moje and City Link in Warsaw, Grunwald<sup>2</sup> in Poznań, as well as Panoramika in Szczecin.
- The average price of apartments sold during 6M 2019 amounted to PLN 429 thousand and was similar to the average price recorded during 2018 (PLN 426 thousand).

## 345 UNITS SOLD DURING 6M 2019

### Completed projects

Miasto Marina	29
Miasto Moje I & II	22
Chilli IV	18
Vitalia I & II	15
Nova Królikarnia 2a & 2b	9
Nova Królikarnia 1a - 1e	6
Młody Grunwald	3
Espresso	2
Panoramika II & III	1
Moko	1
City Link I & II	(1)
Other (old) projects	1

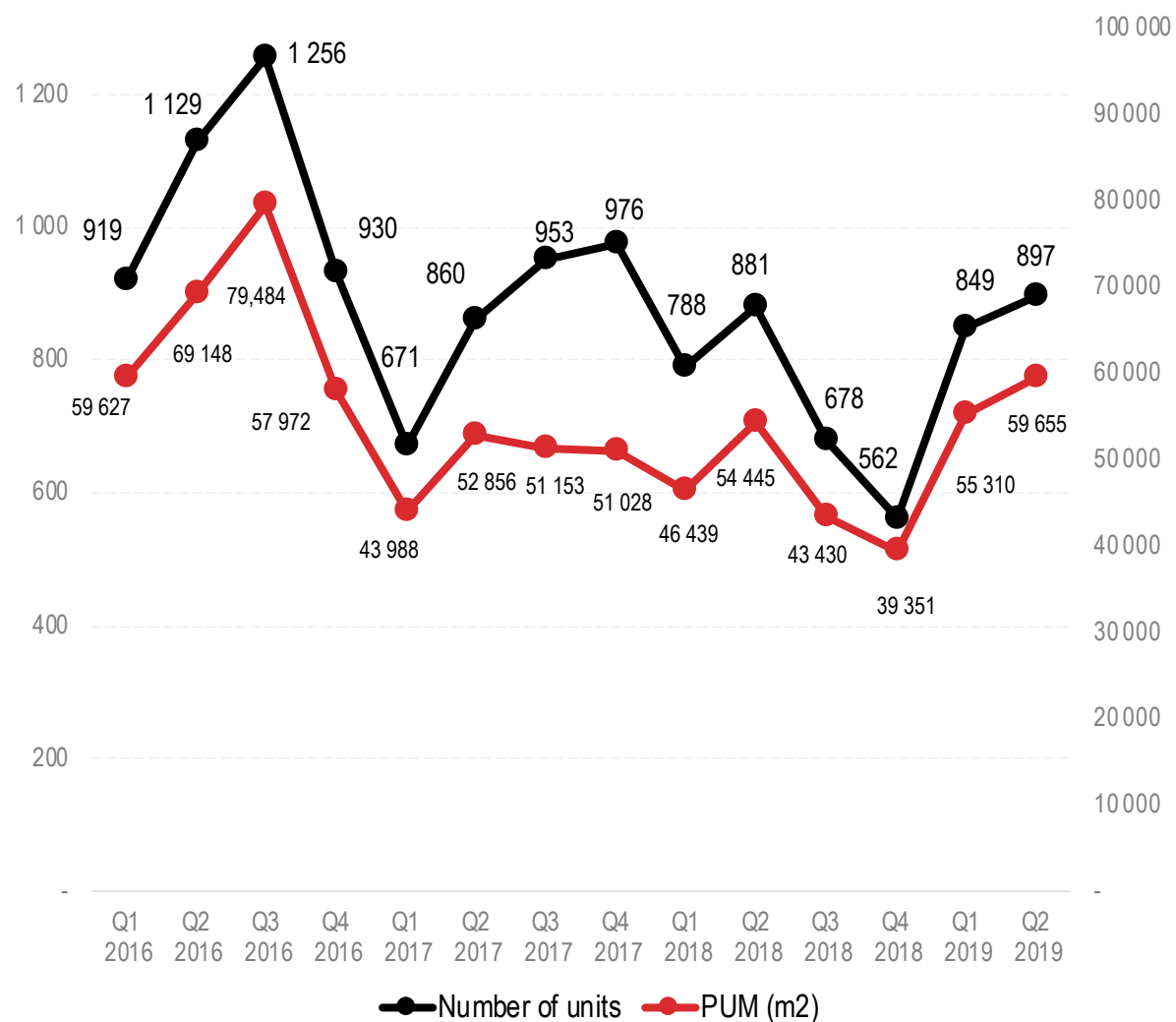
**Total** **106**

### Projects under construction

Miasto Moje III	79
Grunwald2	64
City Link III	43
Panoramika IV	24
Panoramika V	14
Vitalia III	7
Nova Królikarnia 2c	4
Wilanów Tulip	4

**Total** **239**

# UNITS OFFERED FOR SALE AS AT THE END OF QUARTERS



- The Company continued introducing new projects keeping between 700 to 1,200 units in its sales offer.
- During 6M 2019, the Company commenced the construction of 680 units (Miasto Moje III – 196 units with 10,200 PUM, Panoramika V – 115 units with 6,000 PUM, Wilanów Tulip (50% share) – 150 units with 9,600 PUM, Vitalia III – 81 units with 6,800 PUM and Ursus Centralny I – 138 unit with 7,600 PUM).
- Out of 138 units offered in the Ursus Centralny I project, by 30 June 2019 the Company signed 70 reservation agreements for the total value of PLN 25.3m.

## UNITS OFFERED FOR SALE (897 IN TOTAL)

### Completed projects

Marina Miasto	46
Młody Grunwald	13
Miasto Moje I & II	10
Nova Królikarnia 1a - 1e	6
Nova Królikarnia 2a & 2b	5
Chilli IV	3
Espresso	2
Vitalia I & II	2
City Link I & II	2
Moko	2
Other (old) projects	14

**Total** 105

### Projects under construction

Wilanów Tulip	146
Ursus Centralny I	138
Grunwald2	133
Miasto Moje III	117
Panoramika V	101
Panoramika IV	30
Vitalia III	74
City link III	39
Nova Królikarnia 2c	14

**Total** 792

III.

**BRIEF SUMMARY OF COMPANY'S  
ACHIEVEMENTS DURING HY 2019  
& OUTLOOK FOR REMAINDER OF 2019**



**THE COMPANY'S ACHIEVEMENTS DURING 6 MONTHS ENDED 30 JUNE 2019**

- Pre-sales of 345 units (PLN 148.0m) vs. 436 units (PLN 173.6m) during 6M 2018;
- 70 reservation agreements in the Ursus Centralny I project (PLN 25.3 m);
- Delivery of 291 units (PLN 136.5m of revenue recognised in P&L) and 434 units in total (PLN 196.4m, including 100% JV), vs. 453 units (PLN 170.2 m) and 517 units (PLN 195.2 m), respectively, during 6M 2018;
- Net profit of PLN 12.2m;
- Low net debt to equity ratio: 33.9% (30.2% including money on escrow account);
- Acquisition of the Wilanów Tulip project with 150 units and 9,600 m<sup>2</sup> for total amount of PLN 15.0m (under JV – Company share: PLN 7.5m).
- Acquisition of 4 substages of the Nova Królikarnia project comprising 84 units with 9,200 m<sup>2</sup> – exercised the first call option for PLN 33.9m (7.0m paid in April 2019, 16.9m to be paid in October 2019 and 10.0m in October 2020).
- Completion of the construction of 644 units with a total area of 33,400 m<sup>2</sup>;
- Commencement of the construction of 680 units with a total area of 40,200 m<sup>2</sup>;
- Dividend payment in total amount of PLN 9,82m (PLN 0.06 per share) on 25 June 2019.
- Issuance of bonds U, PLN 32.3 m with the maturity date January 2023 that bearing interest rate Wibor 6M + 3.5%.

**RECENT DEVELOPMENTS (AFTER 30 JUNE 2019)**

- Commencement of the construction of the Nova Królikarnia 3b project with 23 units;

**345 units**  
Pre-sales**434 units**  
Deliveries\***PLN 12.2m**  
Net profit

\* Including delivery of 143 units in City Link I & II (Company share: 50%).

### THE COMPANY'S PLANS FOR 2019

Pre-sales at similar level as during 2018, i.e. around 800 units to be sold during 2019

Delivery of around 800 units to our customers

Preparation and commencement of sales and construction of over 1,000 units

Completion of construction works of over 1,100 units in total

Further strengthening of Ronson's brand name

## NEW PROJECTS

- Matisse I, 121 units
- Chopin I, 54 units



## NEXT STAGES OF ONGOING PROJECTS



- Miasto Moje IV, 176 units
- Nova Królikarnia 3a, 28 units
- Nova Królikarnia 3b, 23 units (commenced in July 2019)

**IN TOTAL:  
5 NEW PROJECTS/STAGES  
COMPRISING 402 UNITS**

## COMPLETED PROJECTS THAT MAY CONTRIBUTE TO P&L DURING THE REMAINDER OF 2019 AND 2020

- As at the end of June 2019, there were 280 completed units that were not delivered to customers, of which 177 already sold and 103 still offered for sale. Total value of pre-sold units amounted to PLN 78.6m. It shall be expected that majority of those units will be delivered to customers during remainder of 2019 and 2020.
- In addition, there were 50 completed units that were not delivered to customers in the City Link I & II projects, in which the Company has 50% share (JV), of which 48 already sold. Total value of pre-sold units amounted to PLN 26.6m. It shall be expected that majority of those units will be delivered to the customers during remainder of 2019.

Name of project	Signed contracts		Units for sale	Units in total	Gross margin
	(PLNm)	Units (no.)	(no.)	(no.)	( % )
Miasto Moje I & II	2.8	5	10	15	22.2%
Nova Królikarnia 1a - 1e	8.2	6	6	12	14.6%
Nova Królikarnia 2a & 2b	22.3	27	5	32	10.3%
Vitalia I & II	7.1	18	2	20	17.2%
Młody Grunwald	0.7	1	13	14	n.a.
Chilli IV	3.1	12	3	15	n.a.
Miasto Marina (*)	33.6	105	46	151	n.a.
Other	0.8	3	18	21	n.a.
<b>Total excluding JV</b>	<b>78.6</b>	<b>177</b>	<b>103</b>	<b>280</b>	
City link I & II	26.6	48	2	50	25.1%
<b>Total including JV</b>	<b>105.2</b>	<b>225</b>	<b>105</b>	<b>330</b>	

(\*) The Company received an occupancy permit for buildings, while the final occupancy permit for units, due to the specific purpose of the project, will be received after carry out minor fit-out works appropriate to the apart-hotel functionality, therefore part of the units might be delivered during 2020.

## PROJECTS THAT MAY CONTRIBUTE TO P&L DURING REMAINDER OF 2019, 2020 AND 2021

Name of project	Commencement Date	Completion Date	Units sold (no.)	Units for sale (no.)	Units in total (no.)
City Link III	2017 Q2	2019 Q4	329	39	368
Panoramika IV	2017 Q4	2019 Q4	81	30	111
<b>Subtotal 2019</b>			<b>410</b>	<b>69</b>	<b>479</b>
Grunwald2	2018 Q2	2020 Q2	135	133	268
Nova Królikarnia 2c	2018 Q4	2020 Q3	4	14	18
Miasto Moje III	2019 Q1	2020 Q4	79	117	196
Panoramika V	2019 Q1	2020 Q3	14	101	115
Wilanów Tulip (under JV – 50%)	2019 Q1	2020 Q4	4	146	150
Vitalia III	2019 Q2	2020 Q4	7	74	81
<b>Subtotal 2020</b>			<b>243</b>	<b>585</b>	<b>828</b>
Ursus Centralny I (*)	2019 Q2	2021 Q1	-	138	138
<b>Subtotal 2021</b>			<b>-</b>	<b>138</b>	<b>138</b>
<b>Total</b>			<b>653</b>	<b>792</b>	<b>1,445</b>

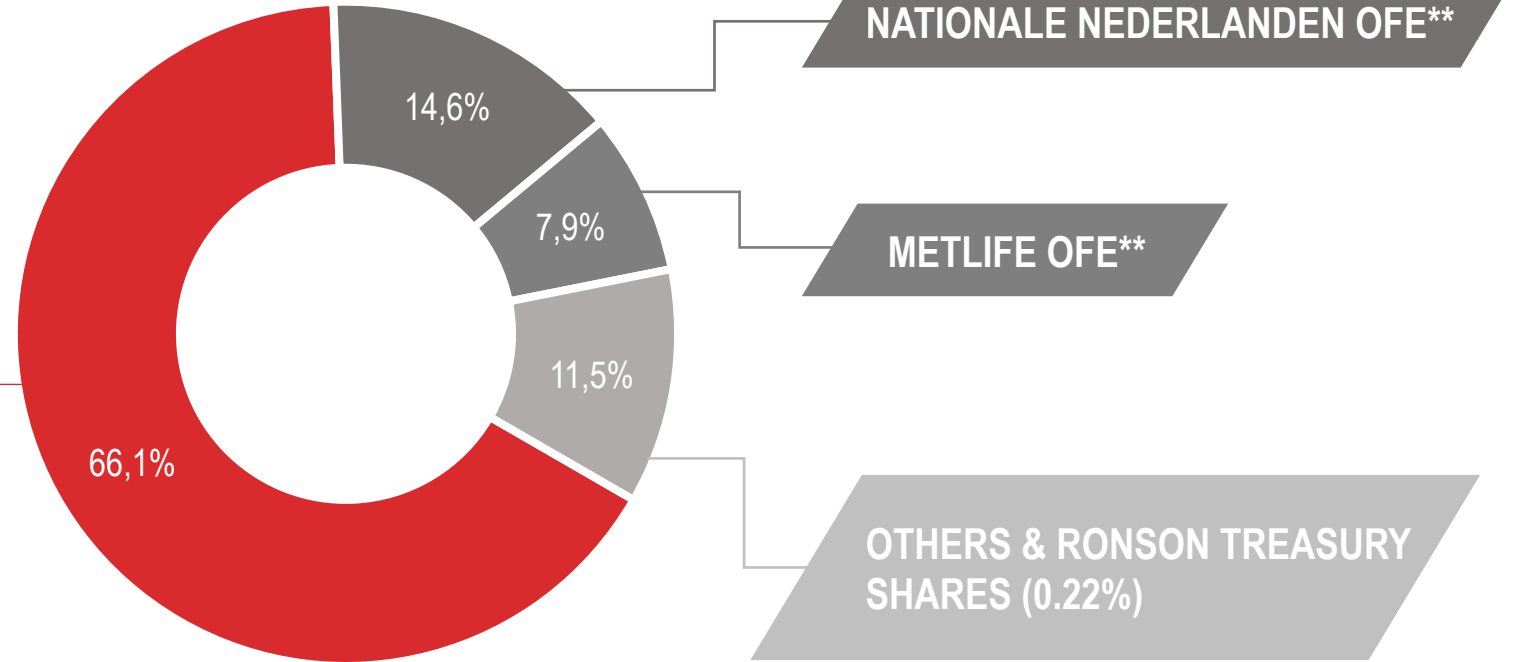
(\*) By 30 June 2019, the Company signed 70 reservation agreements in the Ursus Centralny I project for the total value of PLN 25.3 million. The reservation agreements were not converted to the preliminary purchased agreements yet.

# APPENDIX



## A. LUZON DEVELOPMENT AND ENERGY GROUP LTD.\*

- Established in 1961, a public company listed for trading on the Tel Aviv Stock Exchange
- One of the leading developers and construction companies in Israel



\* Indirectly by ITR Dori BV

\*\* Based on publicly available information