



Press release

Warsaw, 7 November 2019

Ronson Development generated over PLN 13 million in net profit during the first three quarters of 2019

- **In the first 9 months of 2019, Ronson Development recognized total revenue of PLN 179 million, of which PLN 172.5 million was for delivering 349 units to clients in residential projects subject to full consolidation.**
- **Furthermore the Company delivered 185 units with a total value of PLN 82.2 million in the City Link I and II projects executed under a joint venture. Profit from the joint venture attributable to Ronson Development was PLN 9 million.**
- **In the first three quarters of 2019, net profit attributable to Ronson Development's shareholders was PLN 13.2 million.**

The average gross margin on the sales of units that were delivered to clients and recognized in revenue posted in the first three quarters of 2019 was 17.6%, compared to 16.6% in the corresponding period of 2018. The average gross margin on the City Link I and II projects in which Ronson Development has a 50% stake reached 25.1%.

"In the fourth quarter of this year, we intend to complete the City Link III project in which the expected gross margin is even greater than in the previous two stages of this development. Importantly, Ronson Development holds a 100% stake in City Link III, meaning that all revenues and profits from this project will be recognized in our profit and loss account. Our intention is to deliver the first pool of units to our clients before the end of this year. A total of 368 units will be built under the City Link III project, of which 343 units were already sold as at the end of September of this year for the total contractual value of PLN 169 million," said **Rami Geris, Vice-President of the Management Board and CFO of Ronson Development.**

"In the fourth quarter, we also intend to complete stage IV of our Panoramika project in Szczecin, consisting of 111 units. Until the end of the third quarter, we sold 90 of them for the total price of almost PLN 23 million. We assume that some of these units will be handed over to clients and recognized in our revenues before the end of this year," **Rami Geris** added.

The largest share in Ronson Development's revenues and profits generated during the first three quarters of this year was attributable to two projects located in Warsaw, namely Miasto Moje in the Białołęka district (a total of 151 units delivered) and Nova Królikarnia in the Mokotów district (77 units delivered), and the Vitalia project in Wrocław (84 units delivered).

From January to September of this year, Ronson Development delivered a total of 534 units to its clients (including 185 units in the City Link I and II projects). The plan for the whole 2019 calls for the handover of keys to approx. 700 units.

“During the first nine months of 2019, we began the construction and sales of 3 new projects and 4 new stages of ongoing projects comprising a total of 824 units. Till the end of this year we intend to launch 4 additional projects / new stages comprising a total of 281 units. Together, this will be more than 1,100 units commenced during one year, a record-high number in the history of Ronson Development,” emphasized **Boaz Haim, a member of the Ronson Development Management Board**, who on 1 December will replace Nir Netzer, stepping down from the position of the Company’s CEO.

“At the same time, in the whole 2019, we plan to complete the construction of the similar number of units, i.e. over 1,100 units, which will also be a record result for Ronson,” added **Boaz Haim**.

During the first three quarters of this year, the Company contracted the sale of 505 units. Moreover, at the end of September, 88 units were covered by reservation agreements. Most of them were already converted into development agreements in October.

“We are determined to achieve the planned target presented at the beginning of this year, calling for the sale of approx. 800 units during the calendar year,” said **Andrzej Gutowski, Vice-President of the Management Board, Director of Sales and Marketing at Ronson Development**.

“As at the end of September of this year, we had 881 units available for sale. In recent weeks, we significantly enriched our offering by launching presales of 176 units in stage IV of our best-selling Miasto Moje development in Warsaw’s Białołęka district. Soon, we will also launch a completely new project in the Szczecin market: Nowe Warzymice (previously named Chopin), where we intend to build 54 units in stage I of this development. Due to the very high demand and rapid sales of stage I of our new Ursus Centralny project in Warsaw, it is possible that before the end of this year we will launch presales of stage II of this development,” concluded **Andrzej Gutowski**.

Highlights of Ronson Development’s consolidated financial performance

(PLN million)	Q3 2019	Q3 2018	yoy change	Q1-Q3 2019	Q1-Q3 2018	yoy change
Revenue	36.0	83.0	-57%	179.0	253.3	-29%
Gross profit on sales	6.1	14.5	-58%	30.6	42.1	-27%
Share in profit from a joint venture	2.5	-	-	9.0	2.7	+233%
Net profit ¹⁾	1.0	5.5	-82%	13.2	15.8	-16%

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.

Follow us on Twitter: twitter.com/Ronson_SE