

# INVESTOR PRESENTATION ADDRESSING Q4 & FY 2019 RESULTS

11 MARCH 2020

## DISCLAIMER

This presentation does not constitute or form any part of any offer or invitation or inducement to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of Ronson Development SE (the “Company”), nor shall it or any part thereof or the fact of its distribution form the basis of, or be relied on in connection with, any contract therefore.

The information in this presentation is subject to change without notice, its accuracy is not guaranteed and it does not contain all material information concerning the Company. Any forward-looking statements contained in this presentation are, by necessity, based upon a number of assumptions and estimates that, while considered reasonable by the Company, are inherently subject to significant business, operational, economic and competitive uncertainties and contingencies, many of which are beyond the Company’s control, and also upon assumptions with respect to future business decisions that are subject to change. Actual results may differ materially from those projected. Certain numerical information and other amounts and percentages set forth in this presentation may not sum due to rounding. In addition, certain figures herein have been rounded to the nearest whole number.

This presentation may not be directly or indirectly distributed to or within the United States of America, Australia, Canada or Japan.



**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



**BOAZ HAIM**

- CEO, since December 2019
- Management Board Member since 1 April 2019
- 2010 – 2019 – attorney / partner / managing partner in TIK, GILAD, KEYNAN Law Office (now Keynan, Haim & Co.)
- 2007 – 2010 – attorney in J.D. Shachor Law Firm



**YARON SHAMA**

- CFO, since February 2020
- 2011 – 2019 – CFO at Bellport Corp.
- 2001 – 2011 - various managerial functions in companies conducting real estate development activities in Poland

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:

**9** projects  
ongoing

and

**8** completed projects  
offered for sale

(at 31 December 2019 Ronson offer  
included 909 units)

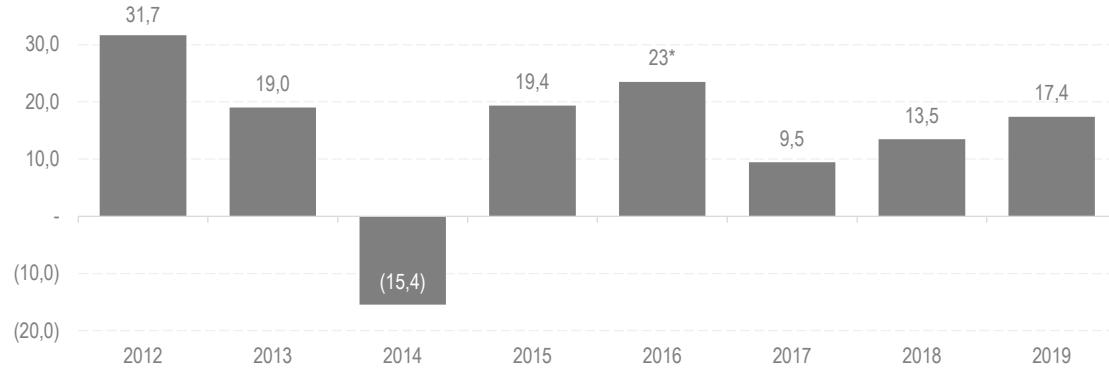
**12** further  
projects

in preparation for around 4,200 units

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

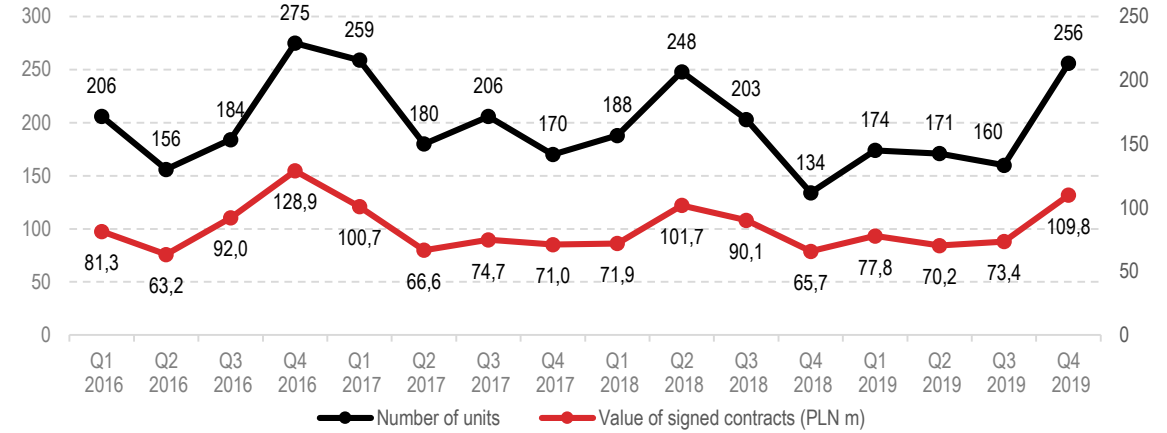


## NET PROFIT (PLN MILLION)

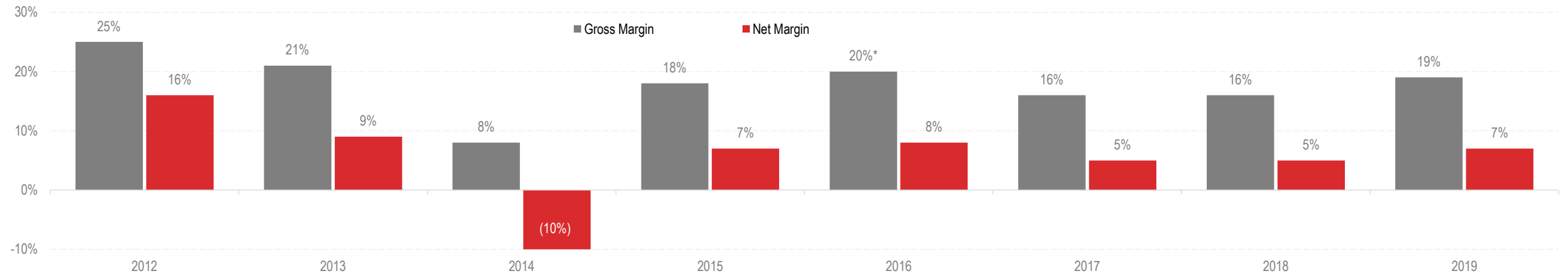


\* Excluding one time event of selling Nova Krolikarnia (net profit PLN 41 million)

## 761 UNITS SOLD DURING YEAR 2019



## MARGINS (%)



\* Excluding one time event of selling Nova Krolikarnia

## PROJECTS THAT MAY CONTRIBUTE TO P&L DURING 2020 AND 2021

Name of project	Commencement Date	Completion Date	Units sold (no.)	Units for sale (no.)	Units in total (no.)
<b>Expected to be completed during 2020</b>					
Grunwald2	2018 Q2	2020 Q2	195	73	268
Panoramika V	2019 Q1	2020 Q3	53	62	115
Nova Królikarnia 2c	2018 Q4	2020 Q3	5	13	18
Miasto Moje III	2019 Q1	2020 Q4	123	73	196
Vitalia III	2019 Q2	2020 Q4	32	49	81
Nova Królikarnia 3b	2019 Q3	2020 Q4	14	9	23
<b>Subtotal 2020</b>			<b>422</b>	<b>279</b>	<b>701</b>
<b>Expected to be completed during 2021</b>					
Ursus Centralny Ia	2019 Q2	2021 Q1	98	40	138
Wilanów Tulip (under JV – 50%)	2019 Q1	2021 Q1	20	130	150
Nova Królikarnia 3a	2019 Q4	2021 Q1	-	31	31
Viva Jagodno I	2019 Q3	2021 Q2	8	113	121
Nowe Warzymice I	2019 Q4	2021 Q2	-	54	54
Nova Królikarnia 3c	2019 Q4	2021 Q2	-	23	23
Miasto Moje IV	2019 Q4	2021 Q3	33	143	176
<b>Subtotal 2021</b>			<b>159</b>	<b>534</b>	<b>693</b>
<b>Total</b>			<b>581</b>	<b>813</b>	<b>1,394</b>

1,394 UNITS UNDER CONSTRUCTION WITH NEARLY 84,400 M<sup>2</sup>, OF WHICH 755 UNITS ARE IN WARSAW



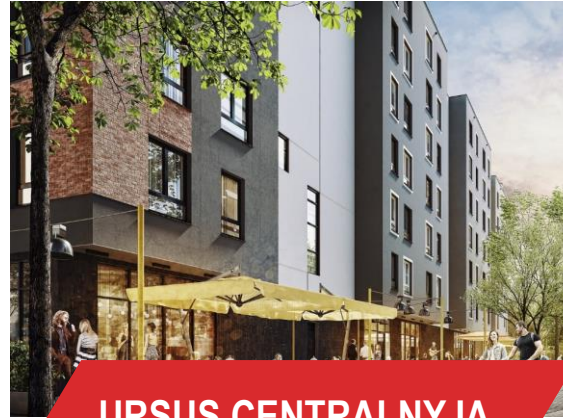
**MIASTO MOJE III**

- Commenced 1Q 2019
- Expected completion 4Q 2020
- 196 apartments with aggregate area of 10,200 m<sup>2</sup>
- Location: Warsaw, Białołęka



**MIASTO MOJE IV**

- Commenced 4Q 2019
- Expected completion 3Q 2021
- 176 apartments with aggregate area of 8,900 m<sup>2</sup>
- Location: Warsaw, Białołęka



**URSUS CENTRALNY IA**

- Commenced 2Q 2019
- Expected completion 1Q 2021
- 129 apartments and 9 commercial units with aggregate area of 7,600 m<sup>2</sup>
- Location: Warsaw, Ursus



**WILANÓW TULIP**

- Commenced 1Q 2019
- Expected completion 1Q 2021
- 150 apartments with aggregate area of 9,600 m<sup>2</sup>
- Location: Warsaw, Wilanów
- The Company's share in this project is 50%



1,394 UNITS UNDER CONSTRUCTION WITH NEARLY 84,400 M<sup>2</sup>, OF WHICH 755 UNITS ARE IN WARSAW



**NOVA KRÓLIKARNIA 2C**

- Commenced 4Q 2018
- Expected completion 3Q 2020
- 18 houses with aggregate area of 3,600 m<sup>2</sup>
- Location: Warsaw, Mokotów



**NOVA KRÓLIKARNIA 3B**

- Commenced 3Q 2019
- Expected completion 4Q 2020
- 23 apartments with aggregate area of 2,300 m<sup>2</sup>
- Location: Warsaw, Mokotów



**NOVA KRÓLIKARNIA 3A**

- Commenced 4Q 2019
- Expected completion 1Q 2021
- 31 apartments with aggregate area of 3,200 m<sup>2</sup>
- Location: Warsaw, Mokotów



**NOVA KRÓLIKARNIA 3C**

- Commenced 4Q 2019
- Expected completion 2Q 2021
- 23 apartments with aggregate area of 2,300 m<sup>2</sup>
- Location: Warsaw, Mokotów

1,394 UNITS UNDER CONSTRUCTION WITH NEARLY 84,400 M<sup>2</sup>, OF WHICH 639 ARE IN POZNAŃ, WROCŁAW AND SZCZECIN



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

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



**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



**VIVA JAGODNO I**  
( PREVIOUSLY NAMED MATISSE)

- Commenced in 3Q 2019
- Expected completion 2Q 2021
- 121 apartments with aggregate area of 6,200 m<sup>2</sup>
- Location: Wrocław, Buforowa Street

1,394 UNITS UNDER CONSTRUCTION WITH NEARLY 84,400 M<sup>2</sup>, OF WHICH 639 ARE IN POZNAŃ, WROCŁAW AND SZCZECIN



**PANORAMIKA V**

- Commenced in 1Q 2019
- Expected completion 3Q 2020
- 115 apartments with aggregate area of 6,000 m<sup>2</sup>
- Location: Szczecin, Duńska Street



**NOWE WARZYMICE I**  
(PREVIOUSLY NAMED CHOPIN)

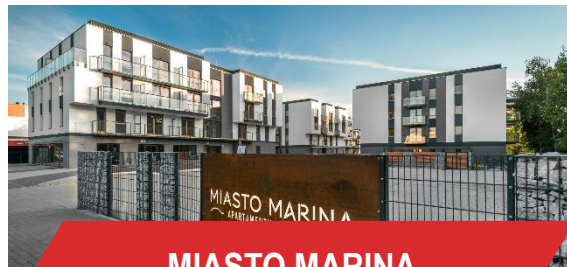
- Commenced in 4Q 2019
- Expected completion 2Q 2021
- 54 apartments with aggregate area of 3,200 m<sup>2</sup>
- Location: Szczecin, Do Rajkowa Street

AS AT 31 DECEMBER 2019, 96 COMPLETED UNITS WITH 7,600 M<sup>2</sup> WERE OFFERED FOR SALE IN 8 PROJECTS



### MIASTO MOJE I & II

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



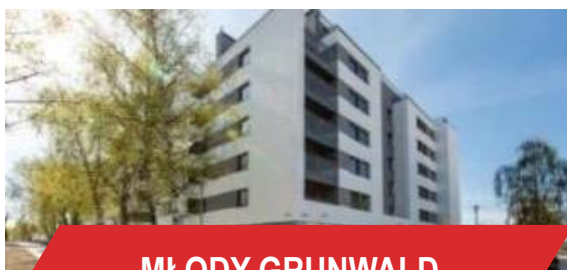
### MIASTO MARINA

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



### NOVA KRÓLIKARNIA 1A-1E, 2A & 2B

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



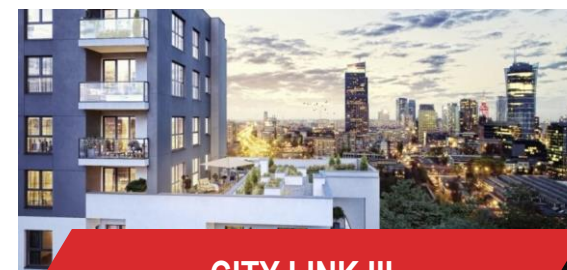
### MŁODY GRUNWALD

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



### PANORAMIKA IV

- 17 units offered for sale
- In total: 111 apartments
- Location: Szczecin, Duńska Street.

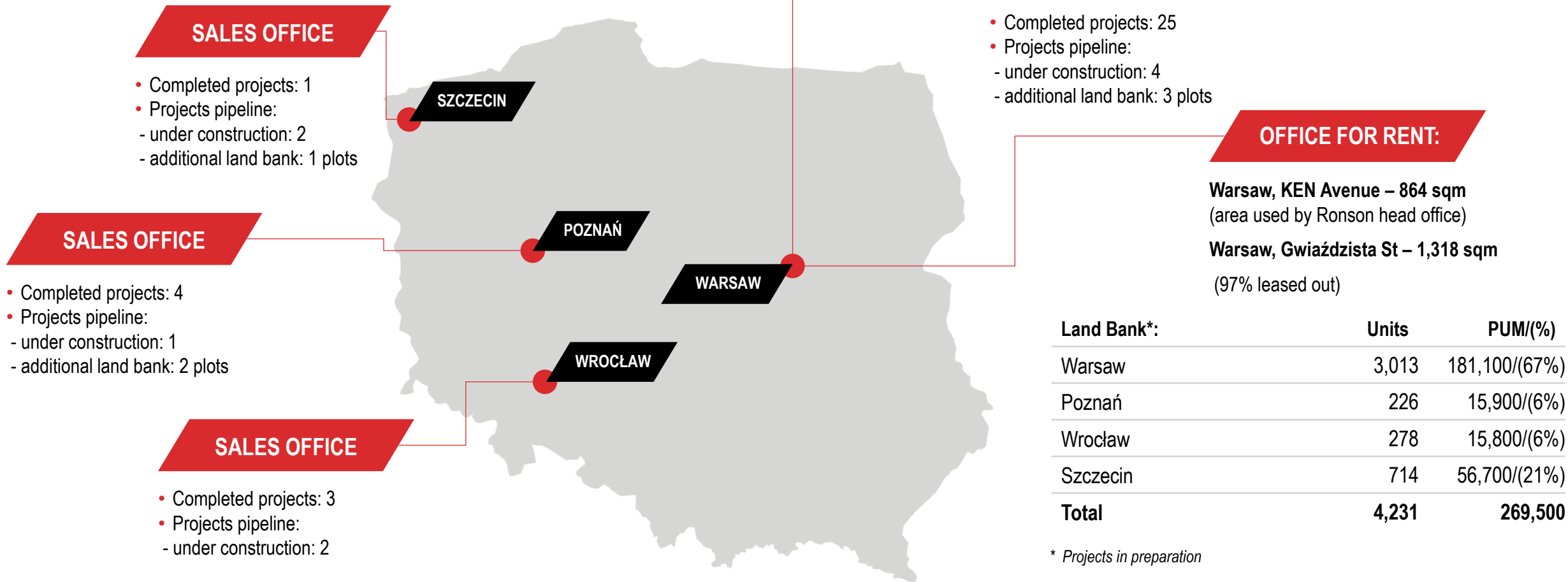


### CITY LINK III

- 18 units offered for sale
- In total 364 apartments and 4 commercial units
- Location: Warsaw, Wola

Moreover the Company's offer includes 14 completed units in the following projects: Verdis(8), Sakura (2), Espresso (1), Vitalia I - II (1), Panoramika (1) and Moko (1).

**CITIES WITH STRONG ECONOMIC AND DEMOGRAPHIC GROWTH**



**RONSON LAND BANK**

Project name	Location	Total no. of units	%	PUM (m <sup>2</sup> )
Panoramika - stages in preparation	Szczecin	76		3,600
Miasto Moje - stages in preparation	Warsaw	789		39,000
Ursus Centralny - stages in preparation	Warsaw	1,462		76,200
Nova Królikarnia 3d, 4a - 4c*	Warsaw	59		11,000
Viva Jagodno - stages in preparation	Wrocław	278		15,800
Nowe Warzymice - stages in preparation	Szczecin	413		35,100
<b>Subtotal - remaining stages of projects currently under construction / on sale</b>		<b>3,077</b>	<b>73%</b>	<b>180,700</b>
Naturalis	Warsaw	345		20,600
Chilli	Poznań	176		12,300
<b>Subtotal - remaining stages of projects to be relaunched</b>		<b>521</b>	<b>12%</b>	<b>32,900</b>
Falenty	Warsaw	160		23,500
Renaissance	Warsaw	198		10,800
Bełchatowska 28	Poznań	50		3,600
Vivaldi	Szczecin	225		18,000
<b>Subtotal - remaining projects, still in preparation</b>		<b>633</b>	<b>15%</b>	<b>55,900</b>
<b>Total as at 31.12.2019</b>		<b>4,231</b>	<b>100%</b>	<b>269,500</b>

\* Does not include Nova Królikarnia land 3,300 m<sup>2</sup> under remaining call option.

II.

# FINANCIAL RESULTS REVIEW

FOR YEAR ENDED 31 DECEMBER 2019

	12M 2019	12M 2018	y/y change	Q4 2019	Q4 2018	y/y change
Revenue from residential projects and services	226.1	294.1	-23%	53.6	40.8	31%
Revenue from sale of land	6.5	-	-	-	-	-
<b>Total Revenue</b>	<b>232.6</b>	<b>294.1</b>	<b>-21%</b>	<b>53.6</b>	<b>40.8</b>	<b>31%</b>
<b>Cost of sales of residential projects</b>	<b>(182.0)</b>	<b>(248.4)</b>	<b>-27%</b>	<b>(39.9)</b>	<b>(37.2)</b>	<b>7%</b>
<b>Cost of sales of land</b>	<b>(6.3)</b>	-	-	-	-	-
<b>Gross profit</b>	<b>44.3</b>	<b>45.7</b>	<b>-3%</b>	<b>13.7</b>	<b>3.6</b>	<b>281%</b>
Changes in the value of investment property	0.8	-	-	0.8	-	-
Selling and marketing expenses	(5.8)	(5.1)	14%	(1.8)	(1.3)	38%
Administrative expenses	(20.2)	(17.7)	14%	(6.2)	(4.8)	29%
Share of profit/(loss) from joint ventures	9.1	2.8	225%	0.1	0.1	-
Net other income/(expense)	(2.0)	(2.4)	-17%	(0.5)	(0.8)	-
<b>Operating profit/(loss)</b>	<b>26.2</b>	<b>23.3</b>	<b>12%</b>	<b>6.1</b>	<b>(3.2)</b>	-
Net finance expense	(4.1)	(4.7)	-13%	(0.9)	(0.9)	-
<b>Profit/(loss) before tax</b>	<b>22.1</b>	<b>18.6</b>	<b>19%</b>	<b>5.2</b>	<b>(4.1)</b>	-
Income tax benefit/(expenses)	(4.7)	(3.6)	31%	(1.0)	0.3	-
<b>Net profit/(loss)</b>	<b>17.4</b>	<b>15.0</b>	<b>16%</b>	<b>4.2</b>	<b>(3.8)</b>	-
<b>Profit/(loss) for the period attributable to equity holders of the parent</b>	<b>17.4</b>	<b>13.5</b>	<b>29%</b>	<b>4.2</b>	<b>(2.3)</b>	-
<b>Gross margin on sales and services of residential projects</b>	<b>19.5%</b>	<b>15.5%</b>	-	<b>25.6%</b>	<b>8.8%</b>	-
<b>Gross Margin</b>	<b>19.0%</b>	<b>15.5%</b>	-	<b>25.6%</b>	<b>8.8%</b>	-
<b>Net Margin</b>	<b>7.5%</b>	<b>5.1%</b>	-	<b>7.8%</b>	<b>-9.3%</b>	-

## P&L HIGHLIGHTS DURING YEAR ENDED 31 DECEMBER 2019

- **Revenue from residential projects decreased by 23%**, i.e. by **PLN 68.8 m**, which is primarily explained by a **decrease of 228 apartments** delivered to the customers **in projects 100% owned by the company**. The decrease was offset in part by the increase in average selling price per m<sup>2</sup>.
- **Cost of sales decreased by 27%**, i.e. by **PLN 66.4 m**, which is primarily explained by a **decrease of 228 delivered apartments** to the customers **in projects 100% owned by the company**.
- **Selling and marketing expenses increased by 14%**, i.e. by **PLN 0.7 m**, which is primarily explained by the **commencement of additional 3 new locations** (excluding Wilanów Tulip) during the year 2019 compared to 1 new location during the year 2018.
- **Gross profit margin on residential projects** during the year 2019 was **19.5%** as compared to **15.5%** during the year 2018. The main projects contributing to the gross profit during the year 2019 were: **City link III** (contributed 27% of the gross profit), **Miasto Moje** (contributed 26% of the gross profit) and **Nova Królikarnia** (contributed 20% of the gross profit).
- **Administrative expenses increased by 14%**, i.e. by **PLN 2.5 m**, which is primarily explained by an increase in the Management Board remuneration (related to changes in the Management Board) and a general increase in personnel expenses.
- **Share of profit/(loss) from joint ventures** increased by **PLN 6.3 m**, which is primarily explained by delivery of 191 units in City Link I & II projects during year 2019, as compared to 69 units delivered in these projects during year 2018.



## UNITS DELIVERED / REVENUE / GROSS MARGIN

Project	Location	1Q2019		2Q2019		3Q2019		4Q2019		Revenues		Gross margin / profit	
		Units	PLN m	Units	PLN m	Units	PLN m	Units	PLN m	Units	PLN m	%	PLN m
Miasto Moje I & II	Warsaw	105	33.8	40	14.4	6	2.7	2	1.1	153	52.0	21.8%	11.3
Vitalia I & II	Wrocław	1	0.8	65	21.4	18	7.1	1	0.5	85	29.8	17.2%	5.1
City Link III	Warsaw	-	-	-	-	-	-	66	31.0	66	31.0	38.8%	12.0
Nova Królikarnia 1a - 1e	Warsaw	10	13.9	4	5.0	4	6.6	3	2.7	21	28.2	14.3%	4.0
Nova Królikarnia 2a & 2b	Warsaw	4	3.1	37	27.1	18	15.3	8	5.5	67	51.0	10.0%	5.1
Chilli IV	Poznań	2	0.6	6	1.5	11	2.9	4	1.1	23	6.1	3.7%	0.2
Miasto Marina	Wrocław	-	-	-	-	-	-	21	4.4	21	4.4	-	-
Panoramika IV	Szczecin	-	-	-	-	-	-	9	2.2	9	2.2	-	-
Moko	Warsaw	2	2.0	5	5.2	-	0.3	1	1.3	8	8.8	26.0%	2.3
Młody Grunwald	Poznań	2	1.4	1	0.7	1	0.7	1	1.0	5	3.8	-	-
Other*		6	3.9	1	1.7	-	0.4	2	2.8	9	8.8	-	3.5
<b>Total excluding JV</b>		<b>132</b>	<b>59.5</b>	<b>159</b>	<b>77.0</b>	<b>58</b>	<b>36.0</b>	<b>118</b>	<b>53.6</b>	<b>467</b>	<b>226.1</b>	<b>19.3%</b>	<b>43.5</b>
Write-down adjustment		-	-	-	-	-	-	-	-	-	-	-	0.6
<b>Total / Average</b>		<b>132</b>	<b>59.5</b>	<b>159</b>	<b>77.0</b>	<b>58</b>	<b>36.0</b>	<b>118</b>	<b>53.6</b>	<b>467</b>	<b>226.1</b>	<b>19.5%</b>	<b>44.1</b>
City Link I & II**	Warsaw	13	5.3	130	54.6	42	22.3	6	5	191	87.2	25.1%	21.9
<b>Total including JV</b>		<b>145</b>	<b>64.8</b>	<b>289</b>	<b>131.6</b>	<b>100</b>	<b>58.3</b>	<b>124</b>	<b>58.6</b>	<b>658</b>	<b>313.3</b>	<b>21.1%</b>	<b>66.0</b>

- **Delivered units:** during year 2019 we delivered **658 units** (including 191 units delivered in JV projects City Link I & II);
- **Completion of Projects:** Miasto Moje II, City Link II (JV), City Link III, Nova Królikarnia 2a&2b, Vitalia II, Miasto Marina and Panoramika IV. Majority of revenue during the period were from the projects: **Nova Królikarnia** (contributed 35% of the revenue) and **Miasto Moje** (contributed 23% of the revenue).
- **Best Profitable Project:** **City Link III** in which the company delivered 66 units. The project is with **39% gross margin** which **contributed 28%** of total gross profit for 2019.
- **Average price of apartments** delivered during the year 2019 amounted to **PLN 471 thousand** (net of VAT) as compared to **PLN 418 thousand** (net of VAT) in 2018. The increase is mainly explained by the units delivered in **Nova Królikarnia** and **City Link** with higher price per m2, as well as increase in the average selling price per unit in most of the projects.

\* **Other revenues** are mainly related to:

- **Management services** provided to joint ventures (City Link I & II and Wilanów Tulip)
- **Rental revenues**
- Sales of older units, parking places and storages in other projects that were completed in previous years.

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

NET DEBT / EQUITY:  
 30.7 % AS AT THE END OF DECEMBER 2019

BOND NET DEBT / EQUITY:  
 24.4 % AS AT THE END OF DECEMBER 2019

## BALANCE SHEET (PLN M)

	As at 31-Dec-19	As at 31-Dec-18	As at 31-Dec-17
Equity	350.5	343.5	337.9
Banking debt	12.9	37.7	13.9
Bond loans	188.0	205.6	197.3
Interest bearing payables	2.3	-	-
Advances received	255.0	152.5	102.2
Cash and cash equivalents	95.6	100.8	64.9
Inventory and Residential Landbank	762.4	643.2	512.1
<b>Total Assets</b>	<b>943.2</b>	<b>805.1</b>	<b>705.8</b>
Net Debt	107.6	142.4	146.3
<b>Net debt / Equity</b>	<b>30.7%</b>	<b>41.5%</b>	<b>43.3%</b>
<b>Net debt (including cash on MRP) / Equity</b>	<b>24.4%</b>	<b>37.3%</b>	<b>42.3%</b>
Net debt / Total Assets	11.4%	17.7%	20.7%
Net assets per share (PLN)	2.14	2.09	2.06

## OVERVIEW OF CASH FLOW RESULTS

	During year ended 31 December	
	2019	2018
	(PLN thousands)	
Cash flow from / (used in) operating activities	52,705	14,095
Cash flow from / (used in) investing activities	(1,338)	1,708
Cash flow from / (used in) financing activities	(56,604)	20,165

- **Operating CF was positive and amounted to PLN 52.7 m**, mainly related to:
  - advances received from clients regarding sales of residential units amounting to **PLN 326.0 m** (2018: PLN 279.8 m)
  - Partly offset by:
    - payments related to direct construction costs for development of ongoing projects amounting to **PLN 180.5 m** (2018: PLN 145.6 m)
    - payment for NK project amounting to **PLN 46.1 m** (2018: PLN 68.1 m).
- **Investing CF was negative and amounted to PLN 1.3m**, mainly related to the acquisition of property and equipment of PLN 1.5 m.
- **Financing CF was negative and amounted to PLN 56.6 m**, mainly related to:
  - net repayment of loans in the amount of **PLN 25.6 m** (2018: net proceeds of PLN 22.8 m),
  - net repayment of bonds in the amount of **PLN 18.4 m** (2018: net proceeds of PLN 7.2 m),
  - Payment of dividend in the amount of **PLN 9.8 m**.

# INVENTORY AS AT 31 DECEMBER 2019

	PLN m
Finished goods	211.9
Ongoing projects	237.9
Land bank*	289.5
Perpetual usufruct rights**	23.1
<b>Total***</b>	<b>762.4</b>

## FINISHED PROJECTS

Comprising: **583 units in 7 projects**, from them 487 units are already sold (including 284 units in City Link III project which will contribute to 1Q 2020 results).

## ONGOING PROJECTS, OF WHICH:

Under construction and/or on sale:

Miasto Moje III, Miasto Moje IV, Panoramika V, Vitalia III, Grunwald2, Nova Królikarnia 2c, Nova Królikarnia 3a – 3c, Ursus Centralny Ia, Viva Jagondo I and Nowe Warzymice I.

## ATTRACTIVE BANK OF LANDS (4,231 UNITS, 269,500 PUM)

Categorised by city:

Warsaw	3,013 units;	181,100 PUM*
Poznań	226 units;	15,900 PUM
Wrocław	278 units;	15,800 PUM
Szczecin	714 units;	56,700 PUM

Categorised by book value per PUM:

Below	PLN 1,000	200,000 PUM (74%)*
Between	PLN 1,000–2,000	44,100 PUM (16%)
Over	PLN 2,000	25,400 PUM (10%)

\* Does not include Nova Królikarnia land 3,300 m2 under remaining call option.

\* 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 44.3 m presented as non-current assets.

\*\* Implementation of the IFRS 16

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

## PROJECTS THAT MAY CONTRIBUTE TO P&L DURING 2020 – COMPLETED PROJECTS

- As of end of December 2019, there were **583 units completed** that were not delivered to customers, of which **487 units sold** and **96 units** are offered by the Company for sale. Total value of pre-sold units amounted to **PLN 216.4m**. It shall be expected that majority of those units **will be delivered** to customers during **1H 2020**.
- In addition, 2 units were sold and not delivered to customers in City Link I & II projects in which the Company has 50% shares (JV). Total value of pre-sold units in those projects amounted to PLN 2.0m. It shall be expected that those units will be delivered to customers during 1H 2020.

Name of project	Signed contracts		Units for sale	Units in total	Gross margin
	(PLN m)	Units (no.)	(no.)	(no.)	(%)
Miasto Moje I - II	-	-	7	7	21.8%
Nova Królikarnia 1a - 1e	3.3	3	2	5	14.3%
Nova Królikarnia 2a & 2b	6.7	5	1	6	10.0%
City Link III	143.0	284	18	302	38.8%
Panoramika IV	22.5	85	17	102	-
Miasto Marina	37.6	105	25	130	-
Młody Grunwald	-	-	12	12	-
Moko	-	-	1	1	26.0%
Other	3.3	5	13	18	-
<b>Total excluding JV</b>	<b>216.4</b>	<b>487</b>	<b>96</b>	<b>583</b>	
City link I & II	2.0	2	-	2	25.1%
<b>Total including JV</b>	<b>218.4</b>	<b>489</b>	<b>96</b>	<b>585</b>	

# DEBT POSITION AS AT 31 DECEMBER 2019

	PLN m	<b>BOND DEBT</b>						
		Serial	Catalyst Ref. No.	Nominal value (PLN)	Nominal interest	Coupon	Issue date	Maturity date
Bond loans	188.0	M***	RON 0220	10,000,000	WIBOR 6M + 3,65%	Semi-annual	2016-02-25	2020-02-25
Bank loans	12.9	P	RON 0820	10,000,000	5,25% (fixed)	Quarterly	2016-08-18	2020-08-18
Interest bearing trade payables*	2.3	Q	RON 0720	15,000,000	WIBOR 6M + 3,50%	Semi-annual	2016-07-29	2020-07-29
<b>Total</b>	<b>203.2</b>	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>187,317,000</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.

\* As part of the construction agreement for the development of Ursus Centralny Ia project signed in June 2019, the Company agreed with the General Contractor that part of the due payments from each invoice will be delayed up to the amount of PLN 12m max for 15 months. The delayed payment will bear fixed interest rate of 4.9%.

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

\*\* 15% mandatory depreciation at the end of 4<sup>th</sup> and 6<sup>th</sup> interest period ( on 31 January 2021 and 31 January 2022)

\*\*\* Series M bonds repaid in February 2020

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

Bond loans as at 31 December 2019 amounted to PLN 188.0 m (as at 31 December 2018: PLN 205.5 m) comprising a bond loan principal amount of PLN 187.3 m plus accrued interest of PLN 2.0 m minus one-time costs directly attributed to the bond issuances which are amortized based on the effective interest method (PLN 1.3 m).

# DEBT POSITION AS AT 31 DECEMBER 2019

	PLN m
Bond loans	188.0
Bank loans	12.9
Interest bearing trade payables*	2.3
<b>Total</b>	<b>203.2</b>

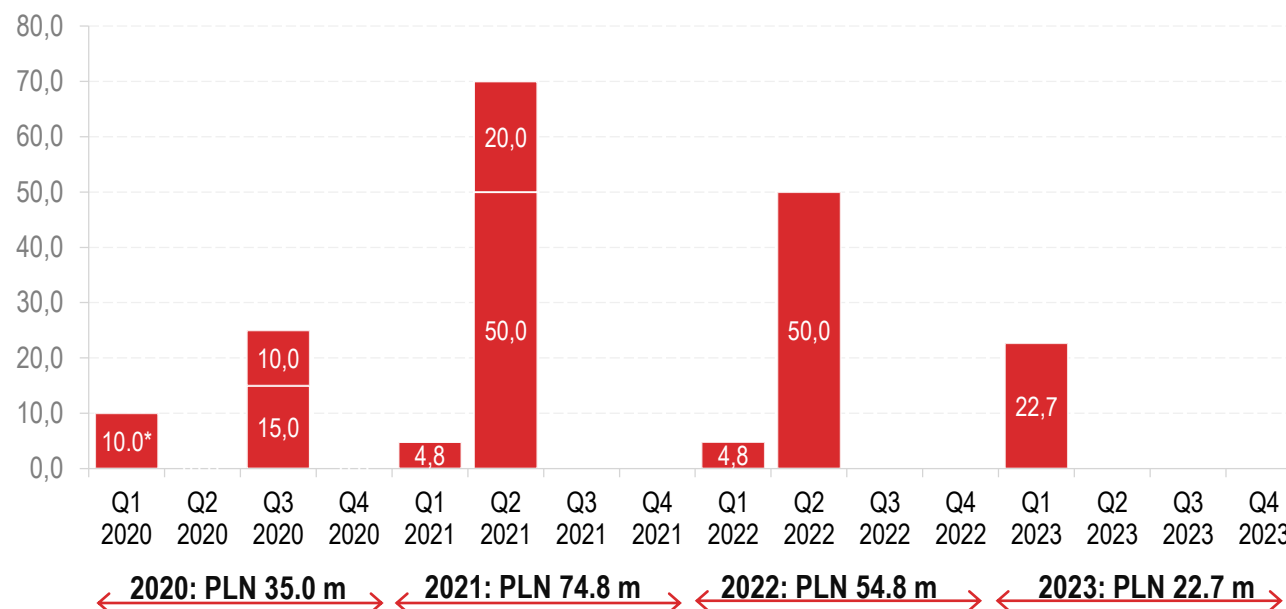
## BANK LOANS

Maturity of loans tailored to construction cycle of the projects.

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

\*As part of the construction agreement for the development of Ursus Centralny Ia project signed in June 2019, the Company agreed with the General Contractor that part of the due payments from each invoice will be delayed up to the amount of PLN 12m max for 15 months. The delayed payment will bear fixed interest rate of 4.9%.

## BOND MATURITY (PLN M / QUARTERLY)

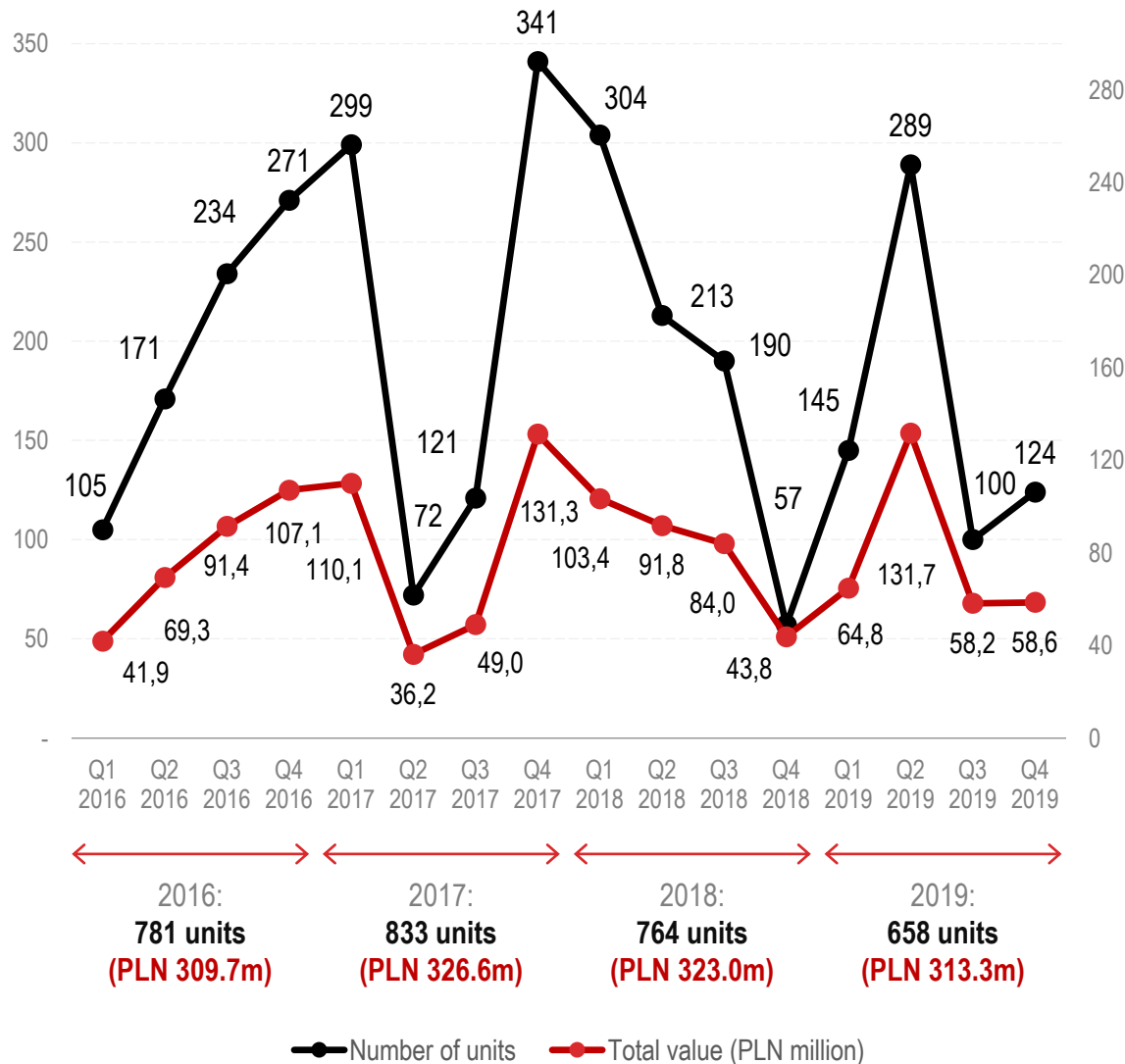


\* Series M bonds repaid in February 2020

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 loans as at 31 December 2019 amounted to PLN 188.0 m (as at 31 December 2018: PLN 205.5 m) comprising a bond loan principal amount of PLN 187.3 m plus accrued interest of PLN 2.0 m minus one-time costs directly attributed to the bond issuances which are amortized based on the effective interest method (PLN 1.3 m).

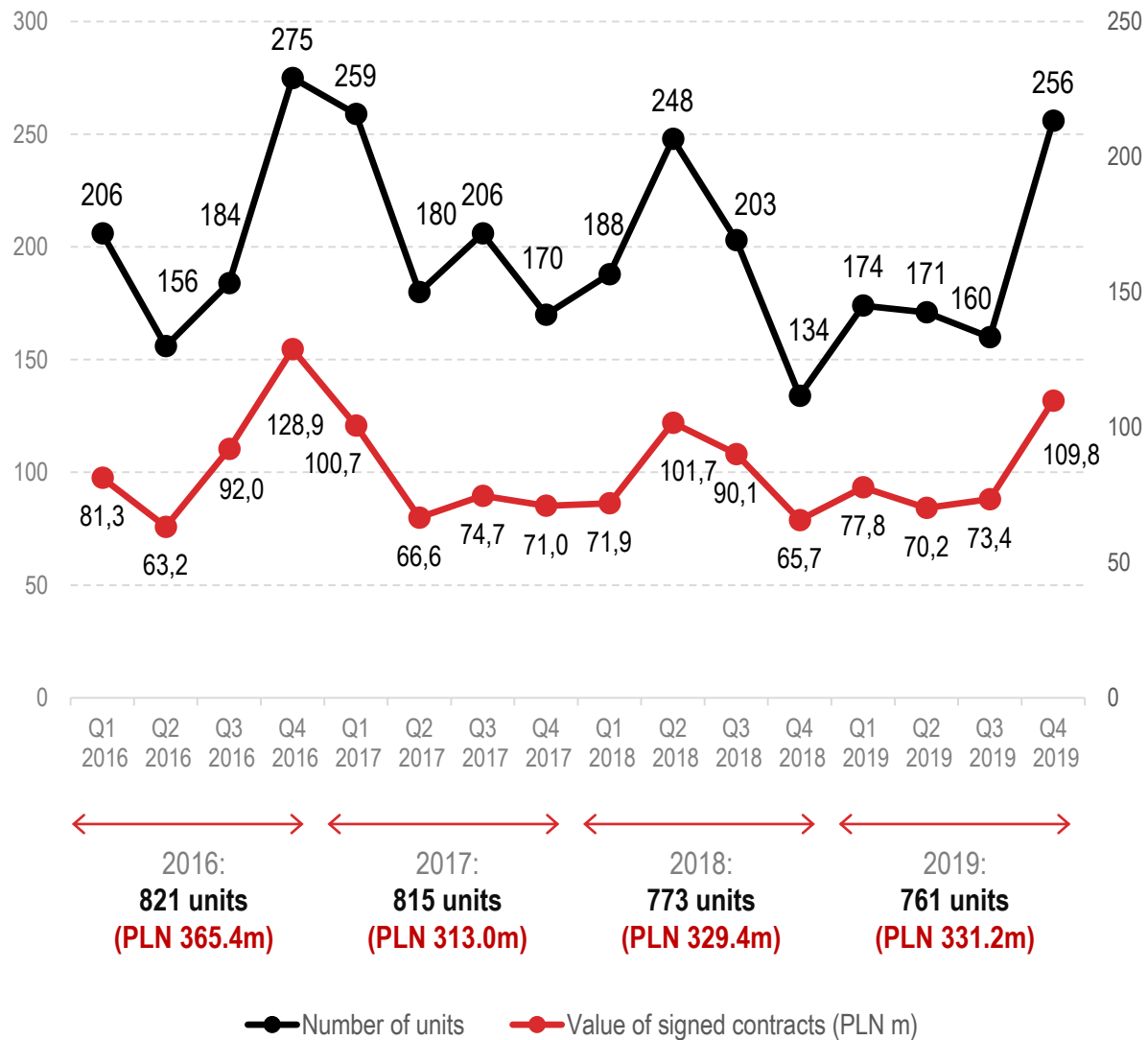


- Total number of **units delivered** to customers during year 2019 amounted to **658**, of which **467 units** were recognised in the Group's revenue (PLN 226.2m), while **191 units** (PLN 87.2) were delivered in City Link I & II (under JV).
- During the year 2019, the Company completed the construction of **8 projects** with **1,123 units**.
- During the year 2019, majority of the Company's revenues came from Miasto Moje project and Nova Królikarnia project, while City Link III project with gross margin of 38,8% contributed 28% of the total gross profit.

### UNITS SOLD BUT NOT DELIVERED (1,070 UNITS AND PLN 434,6 MILLION IN TOTAL)

Completed projects	Units	PLN million	Projects under construction	Units	PLN million
City Link III	284	143.0	Grunwald2	195	63.0
Miasto Marina	105	37.6	Miasto Moje III	123	37.8
Panoramika IV	85	22.5	Ursus Centralny Ia	98	37.6
Nova Królikarnia 2a & 2b	5	6.7	Panoramika V	53	13.4
Nova Królikarnia 1a - 1e	3	3.3	Miasto Moje IV	33	9.0
City link I & II	2	2.0	Vitalia III	32	16.8
Other (old) projects	5	3.3	Wilanów Tulip	20	10.1
			Nova Królikarnia 3b	14	14.2
			Viva Jagodno I	8	1.7
			Nova Królikarnia 2c	5	12.6
<b>Total</b>	<b>489</b>	<b>218.4</b>	<b>Total</b>	<b>581</b>	<b>216.2</b>





- **Total sales** during year 2019 amounted to **761 units**, as compared to **773 units** sold during year 2018.
- Best-selling projects were Miasto Moje and City Link in Warsaw, Grunwald<sup>2</sup> in Poznań, Panoramika in Szczecin, as well as Ursus Centralny Ia project.
- The average price of apartments sold during year 2019 amounted to PLN 435 thousand and was slightly higher than the average price recorded during 2018 (PLN 426 thousand).

## 761 UNITS SOLD DURING YEAR 2019

### Completed projects

City Link III	64
Miasto Marina	50
Panoramika IV	37
Miasto Moje I & II	25
Chilli IV	21
Vitalia I & II	16
Nova Królikarnia 2a & 2b	13
Nova Królikarnia 1a - 1e	10
Młody Grunwald	4
Moko	2
City Link I & II	1
Other (old) projects	8

### Projects under construction

Grunwald2	124
Miasto Moje III	123
Ursus Centralny Ia	98
Panoramika V	53
Miasto Moje IV	33
Vitalia III	32
Wilanów Tulip	20
Nova Królikarnia 3b	14
Viva Jagodno I	8
Nova Królikarnia 2c	5

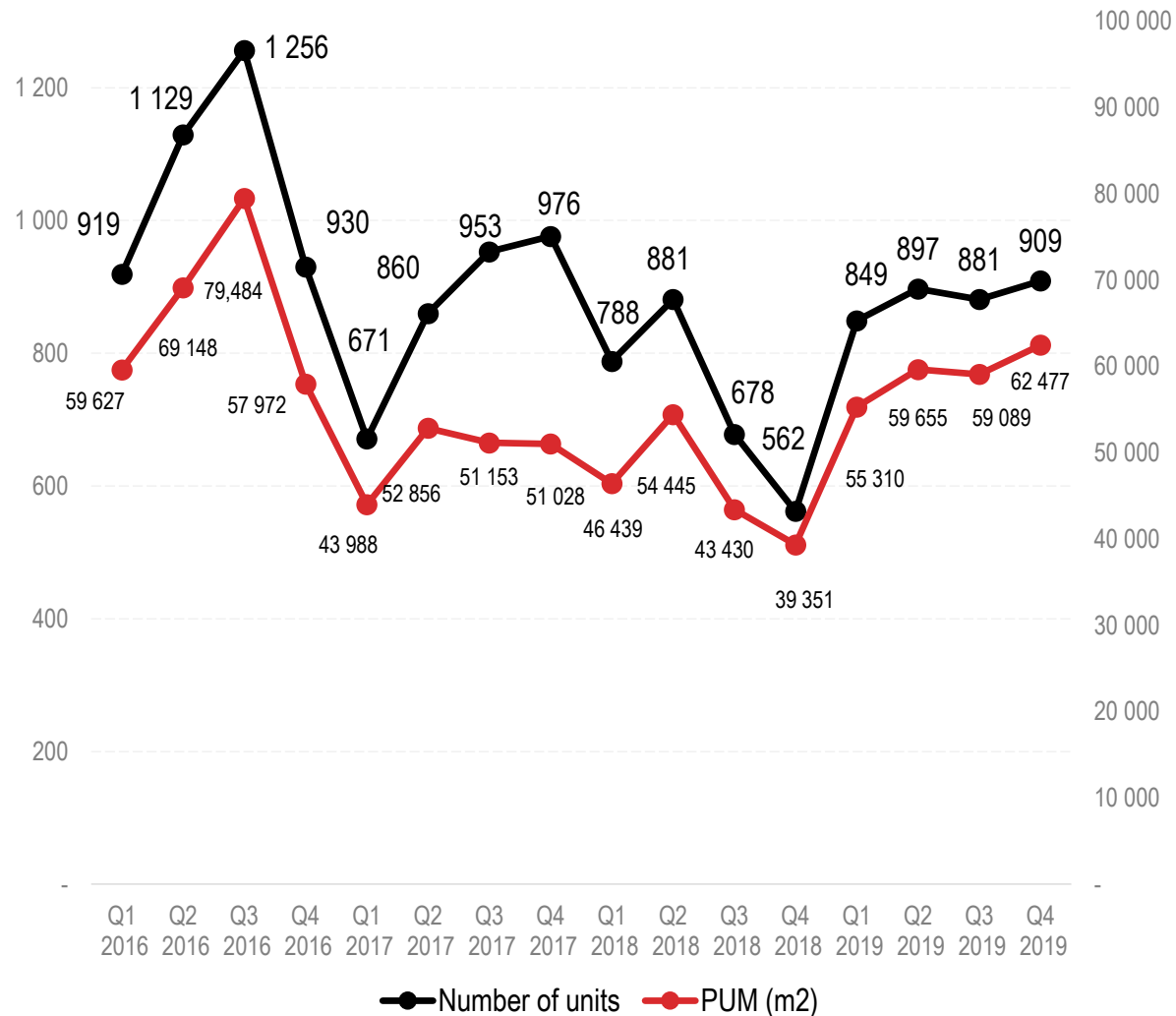
**Total**

**251**

**Total**

**510**

# UNITS OFFERED FOR SALE AS AT THE END OF QUARTERS



- During year 2019, the Company commenced the construction of **1,108 units**, including **4 new projects**: Viva Jagodno I with 121 units in Wrocław, Ursus Centralny Ia with 138 units and Wilanów Tulip (50% share) with 150 units in Warsaw and Nowe Warzymice I with 54 units in Szczecin.

## UNITS OFFERED FOR SALE (909 IN TOTAL)

### Completed projects

Marina Miasto	25
City link III	18
Panoramika IV	17
Młody Grunwald	12
Miasto Moje I & II	7
Nova Królikarnia 1a - 1e	2
Nova Królikarnia 2a & 2b	1
Vitalia I & II	1
Moko	1
Other (old) projects	12

### Projects under construction

Wilanów Tulip	130
Viva Jagodno I	113
Grunwald2	73
Miasto Moje III	73
Miasto Moje IV	143
Panoramika V	62
Nowe Warzymice I	54
Vitalia III	49
Ursus Centralny Ia	40
Nova Królikarnia 2c	13
Nova Królikarnia 3b	9
Nova Królikarnia 3a	31
Nova Królikarnia 3c	23

**Total**

**96**

**Total**

**813**

III.

**BRIEF SUMMARY OF COMPANY'S  
ACHIEVEMENTS DURING YEAR 2019  
& OUTLOOK FOR 2020**

## THE COMPANY'S ACHIEVEMENTS DURING THE YEAR ENDED 31 DECEMBER 2019 INCLUDE:

	2019	2018
Pre-sales	↓ <b>761</b> units (331.2 m)	<b>773</b> units (329.4 m)
Deliveries *	↓ <b>658</b> units (313.3 m)	<b>764</b> units (323.0 m)
Commenced Projects	↑ <b>1,108</b> units	<b>314</b> units
Completed Projects	↑ <b>1,123</b> units	<b>457</b> units
Net Profit	↑ <b>17.4</b> m	<b>13.5</b> m
Net debt to equity **	↓ <b>24%</b> lowest level over last 6 years	<b>37%</b>

\* Including delivery of 191 units (87.2 m) in City Link I & II (company share: 50%); (2018: 69 units, 28.9 m)

\*\* Including money on escrow account.

## THE COMPANY'S ACHIEVEMENTS DURING THE YEAR ENDED 31 DECEMBER 2019 INCLUDE:

- **New Project:** Concluding final purchase of the Wilanów Tulip project with 150 units and 9,600 m<sup>2</sup> for the amount of PLN 15.0 m (under JV – Company share PLN 7.5 m).
- **Completion of 1,123 units** with a total area of **57,900 m<sup>2</sup>**:
  - City Link II – 189 units (JV 50%),                      Miasto Moje II – 148 units                      Miasto Marina – 151 units (conditional using permit)
  - City Link III – 368 units                      Nova Królikarnia 2a & 2b – 73 units
  - Vitalia II – 83 units                      Panoramika IV – 111 units
- **Commencement of construction of 1,108 units** with a total area of **66,300 m<sup>2</sup>**, from it **4 New** projects with **463** units and **26,600 m<sup>2</sup>**.
  - Wilanów Tulip -150 units (New JV 50%)      Ursus Centralny Ia – 138 units (New)                      Miasto Moje IV – 176 units
  - Viva Jagodno I – 121 units (New)                      Nowe Warzymice I – 54 units (New)                      Vitalia III – 81 units
  - Nova Królikarnia 3a-3c – 77 units                      Panoramika V – 115 units                      Miasto Moje III – 196 units
- **Bonds Issuance:** U series, **PLN 32.3 m** with the maturity date January 2023, bearing interest rate Wibor 6M + 3.5%.
- **Buy-back programme:** Adoption and execution of a buyback of up to 2.5 m shares, not higher than PLN 2.0 m. As at 31 December 2019 **purchased 674,900 shares**, which constitute 0.41% of the share capital of the Company.
- **Dividend Payment** in the total amount of **PLN 9,820 thousand** on 25 June 2019.
- **Nova Królikarnia (two call options)** for the value of **PLN 69 m** – acquired **7 substages** of Nova Królikarnia project comprising **128 units** with **18,200 m<sup>2</sup>** (PLN 32 m paid during 2019, 5.0 m paid in February 2020, PLN 22.0 m to be paid in April 2020 and 10.0 m to be paid in October 2020).

## RECENT DEVELOPMENTS (AFTER 31 DECEMBER 2019) INCLUDE:

- Commencement of pre sales of **Ursus Centralny Ila** project (251 units with a total area of 13,500 m<sup>2</sup>). As of the date of this presentation there are **100 reservations**.

## THE COMPANY'S PLANS FOR 2020

Commencement of construction of over 900 units

Completion of construction of over 700 units in total

Pre-sales at higher level than in previous years – over 950 units

Delivery of around 950 units to customers

Very high delivery potential for 1Q 2020 (as at 31.12.2019):  
489 units sold and completed, including 284 in high margin City Link III project

Acquisition of new landbank

## NEXT STAGES OF ONGOING PROJECTS



- Miasto Moje V, 170 units
- Viva Jagodno IIa, 76 units
- Nowe Warzymice II, 64 units
- Panoramika VI, 76 units



- Ursus Centralny Ib, 97 units
- Ursus Centralny IIa, 251 units
- Ursus Centralny IIb, 206 units

**IN TOTAL:  
7 NEW STAGES COMPRISING  
940 UNITS**

**THANK YOU**

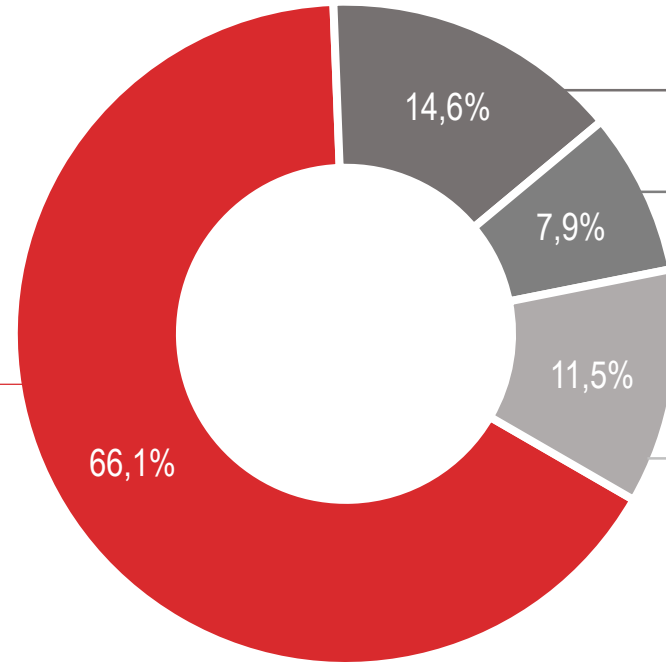


# APPENDIX



**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



NATIONALE NEDERLANDEN OFE\*\*

METLIFE OFE\*\*

OTHERS (INCLUDING AVIVA) & RONSON TREASURY SHARES (0.41%)

\* Indirectly by ITR Dori BV

\*\* Based on publicly available information