



Press release

August 12th, 2020

Ronson Development with triple-digit net profit increase and double-digit revenue increase in H12020

- **total revenue up by 77% y/y to 253.1 PLN million in H12020, gross margin on sales and services of residential projects 26.3% vs 17.8% in H12019**
- **operating profit increase by 187% y/y to 50.7 PLN million, net profit attributable to equity holders of the parent company increase by 234% y/y to 40.6 PLN million**
- **602 units delivered (+76% y/y) and 426 units sold (+23% y/y) despite pandemic**
- **sound financial position (net debt to equity incl. cash on MRP: 22.5%) enabling buyback and dividend payment of 0.06 PLN per share amounting to PLN 9.84 million**

Ronson Development, one of the leading real estate developers in Poland, published H1 2020 financial report. Company's total revenue increased in the reporting period by 77% y/y to 253.1 PLN million. Gross margin on sales and services of residential projects reached 26.3% versus 17.8% last year. Majority of Company's revenues in this period came from Citylink III project (57%), Grunwald2 (15.1%) and Miasto Marina (14.5%); Citylink III with gross margin of 39% covered 84% of the gross profit in H1 2020.

We are more than satisfied with the financial results of H1 2020. Double-digit increase of revenues combined with strong gross margin in Citylink III resulted in significant increase of profitability with a more than two times higher net profit comparing to H1 2019. What is also important – construction progress of all our projects is in-line with the schedule despite the lockdown period and turbulent pandemic situation. Moreover – recently we have completed Panoramika V project three months ahead of the schedule. Thanks to excellent organization of our team we were able to adjust to the changing environment immediately in every area of our business activity. As of end of June, there were 245 units completed in our projects that were ready to be delivered to the customers, of which 139 were sold and 106 which were available for sale. We expect majority of them to be delivered in Q3 2020. Our land bank enables us to construct 3 984 units (255 800 m² PUM) and we are preparing to launch new projects and project stages closely monitoring market situation – says Boaz Haim, CEO of Ronson Development.

In H1 2020 Ronson Development delivered 602 units, which means an increase of 76% y/y. Sales in this period increased by 23% y/y to 426 units. The main sales driver in this period were Ursus Centralny project (151 units) and Miasto Moje project (82 units). In the ongoing and completed projects there are 810 units available for sale as of the end of June 2020, that may contribute to P&L during 2020 and 2021.

The beginning of Q2 2020 was a difficult period for every business activity and residential market was no exception. Thanks to commitment and creativity of the team we were able to adapt quickly and develop new ways of reaching potential customers, such as virtual open days in our projects. As a result, after a weaker April we saw a rebound in May and in June we recorded sales levels which did not differ from the levels achieved before the pandemic outbreak. Also the beginning of holidays season was quite satisfactory when it comes to sales which once again brings us to a conclusion, that well prepared, wide and diversified portfolio is the key even in such demanding times. We are cautious-optimistic when it comes to sales in H2 2020 – we believe that our current and planned projects are well-adapted to the market situation – says Andrzej Gutowski, Vice-President and Sales Director at Ronson Development.

Care for a sound financial situation of the Company has always been a priority. We have entered turbulent pandemic times prepared very well. As of the end of June 2020 we had 79.8 PLN million cash and cash equivalents and our net debt to equity ratio was at the safe level of 22.5% (incl. cash om MRP). As a result, not only do we have full capacity to finance ongoing and planned projects, but we can also monitor the market in search for attractive plots to buy and stick to our dividend policy. It is also worth mentioning, that we maintain excellent business relations with banks and other financing institutions, such as bondholders, and we are treated as a reliable business partner – comments Yaron Shama, Ronson Development's Vice-President and CFO.

Extraordinary General Meeting of Shareholders decided that Ronson Development will pay 0.06 PLN per share in dividend, amounting to PLN 9.84 million (in line with the policy). The dividend record date was 5th of August 2020 and the payment date is 24th of August 2020. The Company is also continuing buyback program. In H1 2020 Ronson Development repaid series M bonds with total nominal value of PLN 10 million and in July series Q bonds with total nominal value of PLN 15 million.

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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