



Press release

November 10th, 2020

RONSON Development with significant increase of financial results and sales volume in Q1-Q32020

- **total revenue up by 80% y/y to 321.9 PLN million in Q1-Q3 2020, gross margin on sales and services of residential projects 23.2% vs 17.6% in Q1-Q32019.**
- **gross profit up by 146% y/y to 75.3 PLN million in Q1-Q3 2020**
- **operating profit increase by 158% y/y to 51.8 PLN million, net profit attributable to equity holders of the parent company increase by 184% y/y to 37.5 PLN million**
- **799 units delivered (+128% y/y) and 661 units sold (+31% y/y) despite pandemic**
- **strong market position and sound financial position (net debt to equity incl. cash on MRP: 21.4%) enabling successful issuance of bonds – a record 100 PLN million in Company's history**

RONSON Development, one of the leading and significant real estate developers in Poland, published Q3 2020 financial report. Company's total revenue increased in the period of Q1-Q3 2020 by 80% y/y to 321.9 PLN million and the revenue from sales and services of residential units increased by 87% to 321.9 PLN million. Gross margin on sales and services of residential projects reached 23.2% versus 17.6% last year and gross profit went up by 146% y/y to 75.3 PLN million in Q1-Q3 2020. Majority of Company's revenues in this period came from Citylink III project (46%), Grunwald2 (23%) and Miasto Marina (14%); Citylink III with gross margin of 38.5% covered 76% of the gross profit in Q1-Q3 2020.

We had a very satisfactory period of 9 months 2020. We have increased revenues significantly and reported a strong gross margin – mainly thanks to Citylink III – what resulted in more than two times higher net profit for the period than in the whole 2019. We are also very pleased to announce, that the third quarter of 2020 was one of the best quarters in the history of RONSON in terms of sales and deliveries. The value of units sold in Q3 was the record high in Company's history, what is great prediction of future revenues. As of the end of September 2020, there were 182 units completed that were not delivered to the customers, of which 82 were sold and 100 which are available for sale. We are expecting that majority of those units will be delivered to the customers during Q42020. Thanks to our ability to adapt to a changing market situation in a quick and creative way we were able to stay in touch with our customers not only during the lockdown period, but also during their home office periods and even summer holidays. Also worth mentioning - construction progress of all our projects is in-line with the schedule despite turbulent pandemic situation. Our performance is appreciated by investors, which resulted in a very successful bond issuance of 100 PLN million, a record amount in Company's history and an oversubscription. This enables us to expand our land bank, so that we can expand our offer and prepare more efficient projects for commencement in the coming quarters. Our land

bank as of the end of September enabled us to construct 3 850 units (approximately 238 500 m² PUM) and we are closely monitoring the market in search for attractive new plots – says Boaz Haim, CEO of RONSON Development.

In Q1-Q3 2020 RONSON Development delivered 799 units, which means an increase of 128% y/y. Sales in this period increased by 31% y/y to 661 units. The main sales driver in this period were Ursus Centralny project (215 units) and Miasto Moje project (119 units) in Warsaw, Panoramika in Szczecin (73 units) and Grunwald 2 in Poznań (43 units). In the ongoing and completed projects there are 741 units available for sale as of the end of September 2020, that may contribute to P&L during 2020, 2021 and 2022.

Our main goals nowadays are to stay in touch with our customers and create a safe environment for them and our sales staff during the sales process. Creative approach to marketing, safety procedures implemented by RONSON and an offer well-adapted to the market situation resulted in significant sales levels in Q3 2020. As at the end of September we had 1,587 units under construction with nearly 91,700 sqm, of which 1,255 units were in Warsaw and 332 in Wrocław and Szczecin. In September we have commenced sales of 170 units with a total area of 8,500 m² in Miasto Moje V project and 97 units with a total area of 5,700 m² in Ursus Centralny Ib project. For the coming months we are preparing new projects for commencement, including small houses in Falenty and a project in surrounded by greenery fast-developing part of Mokotów district. We believe that they will meet the expectations of our clients in the changing environment connected to the pandemic – says Andrzej Gutowski, Vice-President and Sales Director at RONSON Development.

Entering turbulent pandemic times with a strong balance sheet enabled us to stick to our priorities and develop projects with attractive margins. Parallely we are able to start new projects and expand our landbank. This will be supported by the proceeds from our latest bonds issue. Once again RONSON proved to be a reliable partner for the investors. The Company intended to raise up to PLN 55 million, but in light of the great demand during the road show, we decided to increase the issuance to PLN 100 million. Finally, the demand for our series V bonds reached over PLN 150 million. This is a clear confirmation for us, that the investors appreciate our current business activity, very good financial results and further development plans. The Company will allocate a surplus of proceeds of over PLN 60 million for the purpose of refinancing the existing bond debt – comments Yaron Shama, RONSON Development's Vice-President and CFO.

At the beginning of Q42020 RONSON issued 100,000 series V bonds with a nominal value and issue price of PLN 1,000 per bond and an aggregate nominal value and issue price of PLN 100,000,000. In Q1-Q32020 the Company repaid series M bonds with total nominal value of PLN 10 million and series Q bonds with total nominal value of PLN 15 million and series P with total nominal value of PLN 10 million. In October 2020, the Company signed the final agreement for the purchase for early redemption of all series S bonds with a total nominal value of PLN 20 million plus interest. Bonds were repurchased by the Company at a lower price, i.e. PLN 990 for each. The Company also purchased for redemption series R bonds with a value of PLN 2,141,000 (settled without cash (by set-off), except for accrued interest on series R bonds).

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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