



Press release

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Strong Q1 2021 for RONSON Development in terms of sales volume, further development of offer

- **355 units sold in Q1 2021 +28% y/y**
- **the difference related to number of project completed, the date of scheduled completion and the number of units available for delivery comparing to the Q1 2020 influencing the revenues in the first quarter of 2021: 185 units delivered in vs 387 in Q1 2020; total revenue PLN 92.8 million in Q1 2021 (vs PLN 167.2 in fully owned projects)**
- **gross margin 18.6% in Q1 2021 with contribution from diversified projects vs 27.4% in Q1 2020 steamed by high-profitable City Link III project, with further effect on operating profit and net profit dynamics: operating profit in Q1 2021 PLN 10.4 million vs PLN 38.2 million, net profit PLN 7.6 million vs PLN 29.4 million**
- **strong market position and sound financial position (net debt to equity not incl. cash on MRP: 27.9%) enabling another successful issuance of bonds for PLN 100 million and constant expansion of sales offer as well as land bank**
- **10 projects (including new projects and new stages of ongoing projects) comprising 807 units to be commenced in 2021**
- **764 units sold in ongoing projects (out of 961 in total sold in ongoing projects) with the value of PLN 343.8 million are scheduled to be finished by the end of 2021**

RONSON Development, one of the leading and significant real estate developers in Poland, published Q1 2021 financial report. Company's total revenue amounted to PLN 92.8 million versus PLN 167.2 million in Q1 2020. The revenues are influenced by the rhythm of projects completion: in Q1 2021 185 units were delivered vs 387 in Q1 2020. Gross margin was 18.6% vs 27.4% in Q1 2020. It should be noted that gross margin in Q1 2020 was influenced by high-profitable City Link III project (38.3% margin), which has further effect on operating profit and net profit dynamics y/y. Operating profit in Q1 2021 amounted to PLN 10.4 million vs PLN 38.2 million last year; net profit came at PLN 7.6 million vs PLN 29.4 million in Q1 2020.

Majority of Company's revenues in Q1 2021 came from Vitalia III project (38%), Miasto Moje III project (30%), Nova Królikarnia 2c project (10%) and Grunwald2 (8%). Contrary to 1Q2020 contribution of gross profit came from several projects with highest share of Vitalia III covered 37% of the gross profit for the period, Miasto Moje III 25% and Grunwald2 10%.

In Q1 2021 RONSON Development sold 355 units, which is 28% more y/y. The main sales drivers in this period were Miasto Moje (89 units), Ursus Centralny (85), Viva Jagodno (39), Nowe Warzymice (38) and Panoramika (33).

We improved our wonderful sales results from 2020 with a very satisfying Q1 2021 – we increased the volume by 28% y/y and please remember that Q1 last year was already very strong (+59% y/y). The number of deliveries is according to our plan for 2021 and was lower yoy due to the rhythm of projects completion, but this will be changing throughout 2021. It is worth mentioning, that majority of the gross profit last year was generated by our very good project City Link III, but this year we have more balanced sales and gross profit composition, coming from several projects with “2 digits profit”. We remain focused on our sales and deliveries plan in order to make the best use of the market environment and momentum. In Q1 2021 we completed 3 projects with 242 units and commenced 2 projects with 360 units. Our plan is to commence 10 more projects (including new projects and new stages of ongoing projects) comprising 807 units this year. This gives us strong foundation for further increase of sales and financial results in the coming years - says Boaz Haim, CEO of RONSON Development.

As of the end of March 2021 RONSON had 764 units sold in ongoing projects (out of 961 in total sold in ongoing projects) with the value of PLN 343.8 million that are scheduled to be finished by the end of 2021. As of the end of Q1 2021 there were 655 units available for sale in the offer - 43 units in finished projects and 612 in ongoing projects that may contribute to P&L during 2021 and 2022.

Today it is crucial to have a wide, diverse offer to maintain appropriate level of sales pace. Thanks to the fact that we have a significant land bank for approx. 4220 units, which is being constantly expanded, we can meet various needs of our clients. Whether they are looking for their first or bigger flat to live, one for rent, an apartment or perhaps a compact house – we already have it in the offer or will have it this year. Our creative design, sales and marketing teams are also working hard to make our projects stand out in the market. Taking into account our sales performance in Q1 it is safe to say, that RONSON's offer responds to the market demand very well and we are on track to repeat or improve the sales result of 2020 – says Andrzej Gutowski, Vice-President and Sales Director at RONSON Development.

Our net debt to equity ratio not incl. cash on MRP as of the end of March 2021 remained at a safe level of 27.9% and 22.1% calculated in accordance with the bond covenants RONSON did not have any bank loans. The investors appreciate our high market position, strong balance sheet and very good financial results. As a result, shortly after the Q1 2021 ended, for the second time in RONSON's history we raised PLN 100 million from a single issue of bonds. The demand for our bonds exceeded our current needs and reached PLN 125 million. With this issuing we have secured our midterm financial needs, secures our further development plans including the development of new projects as well as expansion of our land bank and allows us to repurchase and redeem bond series maturing this year – comments Yaron Shama, RONSON Development's Vice-President and CFO.

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. In 2020, the Company was at the forefront of the National Ranking of the Best Housing Developers 2020, organized by the Strefa Gospodarki magazine of Dziennik Gazeta Prawna.

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