



Press release

November 10, 2021

Successful Q1-3 2021 for RONSON Development in terms of sales volume, revenues and cash position

- **766 units sold in Q1-3 2021, +16% y/y**
- **Revenues came at the level of PLN 349.4 million in Q1-3 2021 (vs PLN 322 million in fully owned projects) driven by 625 units delivered in Q1-3 2021 vs 797 in Q1-3 2020**
- **Gross Margin at the level of 18% in Q1-3 2021 with contribution from diversified projects vs 23.4% in Q1-3 2020 steamed by high-profitable City Link III project**
- **Following gross margin, operating profit came in at PLN 41.6 million in Q1-3 2021 vs PLN 51.8 million y/y, net profit was PLN 28.7 million in Q1-3 2021 vs PLN 37.5 million y/y**
- **RONSON's cash position at the end of Q3 2021 was PLN 203.4 million steamed by positive Operating Cash Flow amounting to PLN 57.4 million and successful bond issue during reporting period**
- **RONSON expanded its land bank with 9 new plots in Q1-3 2021, and at the end of Q3 2021 has secured land bank for 3.772 units**
- **5 projects (including new projects and new stages of ongoing projects) comprising 720 units commenced in Q1-3 2021 and further 3 comprising 361 units to be commenced in 2021**
- **492 units sold in ongoing projects with the value of PLN 190 million are scheduled to be finished by the end of 2021 and 166 units are sold in finished projects with the value of PLN 101.2 million that may contribute to P&L in 2021**

RONSON Development, one of the leading and significant real estate developers in Poland, published Q1-3 2021 financial report. Company's total revenue amounted to PLN 349.4 million versus PLN 322 million in Q1-3 2020. The revenues are influenced by the rhythm of projects completion: in Q1-3 2021 625 units were delivered vs 797 in Q1-3 2020. Gross margin was 18% vs 23.4% in Q1-3 2020. It should be noted that gross margin in 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 Q1-3 2021 amounted to PLN 41.6 million vs PLN 51.8 million last year; net profit came at PLN 28.7 million vs PLN 37.5 million in Q1-3 2020.

Majority of Company's revenues in Q1-3 2021 came from Nova Królikarnia projects (31%) Ursus Centralny Ia project (16%), Vitalia III (13%), Viva Jagodno I (12%) and Miasto Moje III project (10%). Contrary to Q1-3 2020 contribution of gross profit came from several projects

with highest share of Nova Królikarnia projects (23%), Ursus Centralny Ia (16%), Viva Jagodno I (16%), Vitalia III 13% and Miasto Moje III 9%.

In Q1-3 2021 RONSON Development sold 766 units, which is 16% more y/y. The main sales drivers in this period were Ursus Centralny (226 units), Miasto Moje (185), Nowe Warzymice (106), Viva Jagodno (67) and Panoramika (46).

The demand situation on the market remains favorable and we are doing our best to have an interesting offer for our clients – whether they are looking for a place to live or want to protect the value of their savings. In Q1-3'21 we commenced 5 projects (including new projects and new stages of ongoing projects) comprising 720 units and further 3 comprising 361 will be launched by the end of the year. Taking into account the demanding situation in terms of operating costs, we are carefully monitoring the market and adjusting the sales pace to the current and expected market conditions. The level of sales as well as financial results in Q1-3'21 are in line with our budget assumptions and corresponding with the size of our offer. We expanded our land bank with 3 new and secured (preliminary agreement) additional 5 plots during the reporting period and in addition to the above we have signed agreements (final and preliminary) for another 4 plots. It is important to have a large land bank and strong financial position these days - RONSON is well prepared to further strengthen its market position in every respect - says Boaz Haim, CEO of RONSON Development.

As of the end of September 2021 RONSON had 492 units sold in ongoing projects with the value of PLN 190 million that are scheduled to be finished by the end of 2021 and 166 units sold in finished projects with the value of PLN 101.2 million, that may contribute to P&L in 2021.

As of the end of Q3 2021 there were 604 units available for sale in the offer (in ongoing and finished projects) that may contribute to P&L during 2021, 2022 and 2023.

Since the beginning of the year, due to the high demand for new apartments, our offer has gradually decreased. At the end of September 2021, we managed to rebuild it to the level of over 600 units. By the end of this year, we intend to introduce to the offer another stage of ongoing projects Ursus Centralny and Viva Jagodno as well as a completely new project in Dolny Mokotów. In the beginning of 2022, we will commence a new project in Wola district and debut in the market with a new product – mini houses with gardens in Falenty near Warsaw. The pandemic has permanently changed the habits of many people when it comes to the way they work. It turned out that in many industries, everyday presence in the office is no longer a necessity. Therefore, we believe that compact houses will be an interesting alternative to living in the center of Warsaw for some clients. As of the end of September 2021 we had a secured land bank for 3,772 apartments and we are preparing further interesting projects for launch in the coming quarters – says Andrzej Gutowski, Vice-President and Sales Director at RONSON Development.

Despite lower number of deliveries in the reporting period yoy we have recorded 9% higher revenues due to higher average sale price of apartments. Comparison of gross margin yoy remains under pressure of high base effect of a recognition of a very good project City Link III last year. We have reached 18% gross margin in Q1-3'21, and what is important, it comes from a mix of several projects. Operating and Net profit are following lower yoy gross margin and came at the level of PLN 41.6 million and PLN 28.7 million respectively. We have a very safe level of net debt to equity ratio - as of the end of September the ratio not incl. cash on MRP was 12.3% and 10.3% calculated in accordance with the bond covenants. This puts us in a very comfortable situation when it comes to the possibility of financing our current and planned

business activities. – 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. In 2021, the Company was awarded the title of Business Superbrands 2021.

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