



Press release

May 12, 2022

**RONSON Development summarized the 1Q of 2022 – 99 units sold, 283 units delivered and the plan for the extension of the offer in the 2Q of 2022**

- **99 units sold in 1Q 2022;**
- **sales results comparable to the results from the 4Q 2021;**
- **283 units delivered, comparable to 185 in 1Q 2021;**
- **total revenue PLN 112.4 million in 1Q 2022 (compared to PLN 92.8 million in 1Q 2021);**
- **gross margin 22.4% in 1Q 2022 (increase in comparison to 18.7% in 1Q 2021); the main projects affecting the gross margin are Miasto Moje IV with the margin 25% and Ursus Centralny IIa with the margin 24,3%; operating profit in 1Q 2022 PLN 17.9 million PLN vs. PLN 10.4 million in 1Q 2021; net profit PLN 9.6 million vs. PLN 7.6 million in 1Q 2021;**
- **strong market position and sound financial position (net debt 37.2%);**
- **10 projects (including 6 new stages and 4 new projects), comprising 1.027 units to be commenced in 2022;**
- **546 units sold in ongoing projects (out of 688 in total sold in ongoing projects) with the value of PLN 233.5 million – are scheduled to be finished by the end of 2022.**

RONSON Development, one of the leading and significant real estate developers in Poland, published Q1 2022 financial report. Company's total revenue amounted to PLN 112.4 million, versus PLN 92.8 million in Q1 2021. The revenues are influenced by the pace of projects completion: in 1Q 2022 283 units were delivered, vs. 185 in 1Q 2021. Gross margin was 22.4% vs. 18.7% in 1Q 2021. The main projects affecting the gross margin were Miasto Moje IV with the margin 25% and Ursus Centralny IIa with the margin 24,3%. Operating profit in 1Q 2022 amounted to PLN 17.9 million, vs. PLN 10.4 million in 1Q 2021, and net profit came at PLN 9.6 million, vs. PLN 7.6 million in 1Q 2021.

Majority of Company's revenues in 1Q 2022 came from Ursus Centralny IIa project (65%) and Miasto Moje IV project (13%). Major contribution of gross profit came from the same projects – Ursus Centralny IIa (71%) and Miasto Moje IV (14%). In 1Q 2022 RONSON Development sold 99 units. The main sales drivers in this period were Ursus Centralny – 43 units, Miasto Moje – 21 units and Viva Jagodno – 14 units.

**Boaz Haim**, RONSON's CEO, emphasizes that the sales results were influenced by external factors, such as the war in Ukraine and rapid increase in interest rates, we have less "credit buyers" due to increase of interest and prolongation in the approval process of banks. Its unexpected nature – as in the case of pandemic – somewhat cooled the enthusiasm of buyers. – *Exactly the same as at the beginning of the pandemic, we can observe some freezing in the market. Clients adopted the attitude of observers and need time to adapt to new circumstances, including economic ones, with rising interest rates and limited credit availability.* As he adds – *However, we are not slowing down. We plan to start 10 projects in the foreseeable future – 6 of them will be the next stages of the projects implemented so far, and 4 will be a completely novelty. In total, they will cover 1.027 units.*

**Andrzej Gutowski**, Vice President of RONSON, adds that the current sales results are fairly comparable to the results recorded in the fourth quarter of 2021, when RONSON sold 111 apartments. – *RONSON will complete the offer in the second quarter and launch the sale of important new investments. These will be EKO Falenty, Osiedle Vola, Nova Królikarnia and the third stage of the Viva Jagodno project in Wroclaw. Our sales plan for 2022 remains unchanged.*

**Boaz Haim** emphasizes that RONSON invariably focuses on development – *We are constantly expanding our land bank, because only in this way we may maintain the planned level of sales and a satisfactory, diversified offer for our clients. Currently, our land bank is secured for 5,504 units, with 313,000 buildable sq.m (including already secured land for PRS activity). As he adds – The economic situation related to the increase in interest rates and loan installments, as well as the increasingly limited creditworthiness of buyers, change the attitude to lease, and above all – Private Rented Sector, which has many advantages, with security and long-term lease in headed. Investor’s projects are developed in attractive locations and are well designed.*

**Yaron Shama**, Vice President, CFO of RONSON Development, assured that RONSON’s market position is strong and the financial position is sound. – *Our net debt remains at a safe level of 37,2%, as well as reported, RONSON managed to raise funds of approximately PLN 74 million via alternative funding channel (SAFE Agreement) to secure its further midterm cashflow requirements.*