



Press release

November 10, 2022

RONSON Development's financial results. The developer's margin is 36% higher than last year

- **298 units sold in Q1-3 2022**
- **Revenues came at the level of PLN 199.4 million in Q1-3 2022 – decrease by PLN 150,0 million, which is primarily explained by lower number of units delivered – 466 units delivered to the customers during the nine months ended 30 September 2022, comparing to the 625 units delivered during the nine months ended 30 September 2021, which is according to the Company's planned completion of projects**
- **Gross margin during Q1-3 2022 amounted 24.5% (28% for Q3 2022) and increased comparing to 18% in Q1-3 2021. The main projects effecting the gross margin are Ursus Centralny IIa with the margin of 24.2%, Ursus Centralny Ib with the margin of 27.0% and Nowe Warzymice II with the gross margin of 27.2%. During the Q1-3 2021 the main projects effecting the gross margin were Ursus Ia and Vitalia III with the margin of 18% and Viva Jagodno I with the margin of 25,1%**
- **Operating profit came in at PLN 28.0 million in Q1-3 2022 vs. PLN 41.7 million in Q1-3 2021, net profit was PLN 12.1 million in Q1-3 2022 vs. PLN 28.8 million in Q1-3 2021**
- **Operating CF net cash outflow from operating activities for the nine months ended 30 September 2022 amounted to PLN 75.2 m, comparing to a net cash inflow from**

operating activities during the nine months ended 30 September 2021 amounting to PLN 57.4 m

- **RONSON purchased new land in 7 locations during Q1-3 2022**
- **RONSON's land bank is secured for 5 475 units in Warsaw, Poznań and Szczecin – 578 units from the total amount is dedicated to PRS**
- **1 009 units in 8 projects were commenced to the market in Q1-3 2022 (including new projects and new stages of ongoing projects)**
- **2 037 units under construction with 109,827 m², of which 1,317 units are in Warsaw; 473 units in Poznan and Wroclaw and 247 units in Szczecin**
- **Projects expected to be completed during 2022 – Nowe Warzymice III and Viva Jagodno II**
- **LivinGo – RONSON's PRS platform – total 1 337 units owned by the Company**

RONSON Development, one of the leading and significant real estate developers in Poland, published Q1-3 2022 financial report. Company's total revenue amounted to PLN 199.4 million, versus PLN 349.4 million in Q1-3 2021. The revenue decreased by PLN 150 million, which is primarily explained by lower number of units delivered – 466 units delivered to the customers during the nine months ended 30 September 2022, comparing to the 625 units delivered during the nine months ended 30 September 2021 (in terms of fully owned projects).

Gross margin during Q1-3 2022 amounted 24.5% and increased comparing to 18% in Q1-3 2021. The main projects affecting the gross margin are Ursus Centralny IIa with the margin of 24.2%, Ursus Centralny Ib with the margin of 27.0% and Nowe Warzymice II with the gross margin of 27.2%. During the Q1-3Q 2021 the main projects affecting the gross margin were Ursus Ia and Vitalia III with the margin of 18% and Viva Jagodno I with the margin of 25.1%. Operating profit came in at PLN 28.0 million in Q1-3 2022 vs. PLN 41.7 million in Q1-3 2021, net profit was PLN 12.1 million in Q1-3 2022 vs. PLN 28.8 million in Q1-3 2021.

Majority of the Company's revenues in Q1-3 2022 came from the projects: Ursus Centralny II a (38%), Ursus Centralny I b (22%), Nowe Warzymice II (10%) and Miasto Moje IV

(9%). Contribution in gross profit from the same projects: Ursus Centralny II a (38%), Ursus Centralny I b (24%), Nowe Warzymice II (11%) and Miasto Moje IV (9%).

In Q1-3 2022 RONSON sold 298 units. The main sales drivers in this period were Miasto Moje (81 units), Ursus Centralny (76 units), Viva Jagodno (56 units) and Nowe Warzymice (39 units).

*– The financial and sales results of RONSON Development reflect the current economic situation. High inflation, increases in interest rates and, as a result, a slowdown in the mortgage loan market have made cash customers the most active group on the market – says **Boaz Haim**, CEO of RONSON Development. However, he adds – The reason for satisfaction is the margin level achieved, which was higher by 36% compared to the previous year. Our goal is now to prepare for the market rebound, which is why we are constantly expanding our land bank. In the reporting period, we bought 7 new plots of land in Warsaw, where over 2 000 apartments will be built.*

Andrzej Gutowski, Vice President and Sales Director of RONSON Development, adds that the very large, currently unsatisfied demand will return with a double force in the first half of 2024 – *We are now getting ready for this time to start projects with full power. In 2023, we will focus on securing financing after the pre-sale of new stages and new projects launched, improving cost efficiency, as well as all preparatory activities, such as obtaining building permits for all planned projects. 2023 will therefore be a time of hard work, but not towards expansion, but maintaining the market position.*

Yaron Shama, CFO of RONSON Development – *RONSON has been working on the Polish market for the last 20 years. In general, the residential market was experiencing cycles during the past years and RONSON was successfully overcoming such changes. RONSON has the ability to adjust quickly to the new market conditions by scaling its activity level to the actual situation. Observing the market slowdown in opening new projects, we witness minor effect on construction costs – building material prices remain stable in the past quarter and contractors offers were negotiable to satisfactory level allowing us to maintain the positive project margins. RONSON entered to this market situation with relatively strong financial standing. RONSON is facing number of financial challenges – the main one are high interest rates as well as decreasing sales, which impacts the Company's cashflow. Nevertheless RONSON does not experience any problem with liquidity or in raising bank loans for its on-*

going projects. RONSON secured financial position is allowing us to focus on the preparation of our planned projects and preparing them to the moment in which the market will bounce back.

About RONSON Development

RONSON Development is an experienced, dynamically expanding developer, conducting housing investments in the largest Polish cities, mainly in Warsaw, as well as in Poznań, Wrocław and Szczecin. From the beginning of its operation in 2000 RONSON gained the trust of thousands of customers, making it one of the leading development companies in Poland. RONSON creates spaces where you feel good and live comfortable. It is a pioneer of the ecological solutions that are introduced with climate protection and living cost reduction of the customers in mind. Currently, the company's offer includes tailoring flats to the needs of various customer groups - there are both apartments, as well as premises from the popular segment. RONSON Development is a member of the Polish Association Development Companies.

The evidence of customers' trust in the company are numerous awards and certificates including an award in the developer services category in the Orły Polskiego Budownictwa 2014 competition, and the Emblem of the Developer of the Year 2013, awarded by the Central National Certification Bureau. RONSON is also of many prestigious awards granted by the group analysts and stock market investors. In 2013, the company reached first place in the Stock Exchange ranking Company of the Year in the "Investor Relations" category, organized by the Puls Biznesu daily. In turn, in 2017, the Company's website was awarded the title of the Issuer's Golden Website, in a competition organized by the Association of Stock Exchange Issuers. In 2020 The company was at the forefront of the National Ranking of the Best Developers Housing 2020, organized by the Dziennik Gazeta Prawna's Economic Zone Magazine. In 2021, the Company was awarded the title of Business Superbrands 2021.

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