



## Investors Presentation addressing 1Q 2023 Results

15th May 2023

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# MANAGEMENT



**BOAZ HAIM - CEO**

Serves as CEO of the Company since November 2019 and as a board member of the Company since April 2019. Prior to that, he was a partner in the law firm of Keinan, Haim & Co.



**KAROLINA BRONSZEWSKA - MARKETING AND INOVATION DIRECTOR**

In Ronson from 2007 working as Marketing Manager. Since 2021 she was appointed Marketing and Innovation Director of the company. Prior to that, a real estate consultant at Ober-Haus Real Estate.



**YARON SHAMA - CFO**

Serves as the Company's CFO as of February 2020. Prior to that, he served as CFO of Bellport Corp. Has experience in various managerial positions in real estate companies in Poland.



**ANDRZEJ GUTOWSKI - SALES DIRECTOR**

In Ronson since 2003, appointed as director of marketing and sales for the Company, before that he served as marketing director and board member of the Emerson consulting agency.



קבוצת עמוס לוזון יזמות ואנרגיה בע"מ

As of March 2022, Ronson is fully owned by the Luzon Group - which is led by the owner, CEO and director Amos Luzon.

# COMPANY OVERVIEW

# COMPANY SUMMARY

**EXPERIENCED RESIDENTIAL REAL ESTATE DEVELOPER  
WELL ESTABLISHED IN POLAND**

- Present in Poland since 2000
- Active in 4 cities (Warsaw, Wrocław, Poznań and Szczecin)
- Focused on mid-class residential projects
- Adequate project mix and size enabling accelerated Company growth
- Shareholders with sector knowledge

**Current operations include:**

**12** projects  
ongoing

and

**10** completed projects  
offered for sale

(at 31 March 2023 Ronson  
offer 1,164 units)

**15** Further residential  
projects

in preparation for around 4,132 units

**7** PRS projects

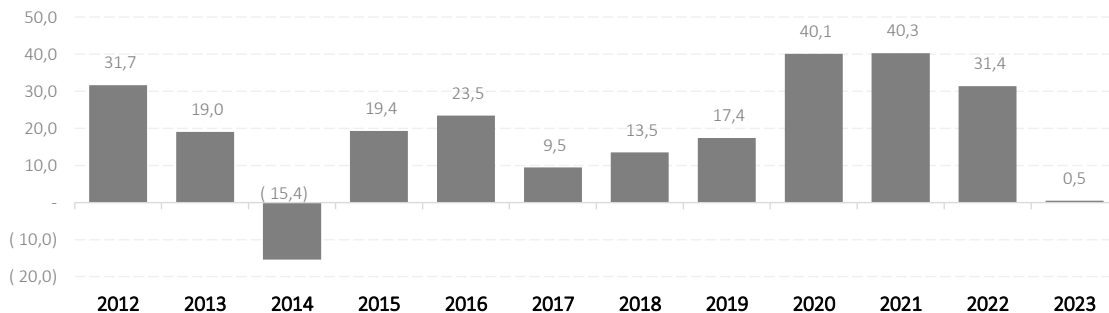
in preparation for around 1,472 units

**ATTRACTIVE LAND BANK IS ONE OF RONSON'S ADVANTAGES  
DECIDING ABOUT ITS GROWTH POTENTIAL**

# COMPANY HIGHLIGHTS

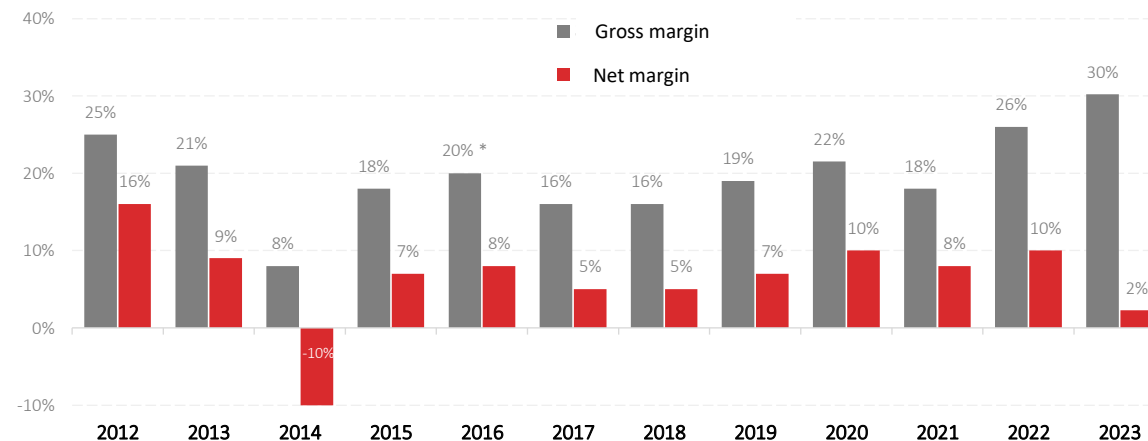
## (BASED ON: COMPANY'S FINANCIAL STATEMENTS)

### NET PROFIT (PLN MILLION)



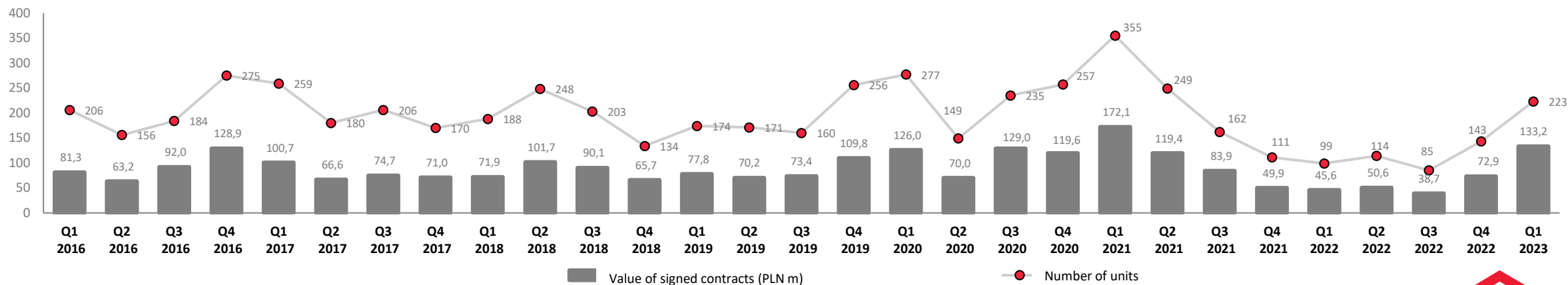
\* Excluding one time event of selling Nova Krolikarnia (net profit PLN 41 million)

### MARGINS (%)



\* Excluding one time event of selling Nova Krolikarnia

### 223 UNITS SOLD DURING 1Q 2023






# **BRIEF SUMMARY OF COMPANY'S ACHIEVEMENTS DURING 1Q 2023**

# COMPANY'S ACHIEVEMENTS DURING THE PERIOD ENDED

31 MARCH 2023

	1Q 2023	1Q 2022	FY 2022
Pre-sales	 <b>223</b> units (PLN 133.2 m)	<b>99</b> units (PLN 45.6 m)	<b>441</b> units (PLN 207.8 m)
Deliveries *	 <b>44</b> units (PLN 23 m)	<b>283</b> units (PLN 122 m)	<b>745</b> units (PLN 317.1 m)
Commenced Projects	 <b>11</b> units	<b>117</b> units	<b>1,020</b> units
Completed Projects	 <b>433</b> units	No Completion	<b>471</b> units
Net Profit	 PLN <b>0.5</b> m	PLN <b>9.6</b> m	PLN <b>31.4</b> m
Net debt to equity **	 <b>48.3%</b>	<b>37.2%</b>	<b>53.0%</b>

\* Including delivery of 2 units (PLN 1.5 m) in 2023 and delivery of 147 units (PLN 84.4 m) in YE 2022 in Wilanów Tulip (company share 50%)

\*\* not including money on escrow account



# COMPANY'S ACHIEVEMENTS DURING THE PERIOD ENDED 31 MARCH 2023

- **Sale of 223 units:**

Ursus Centralny - <b>62</b> units	Nowe Warzymice – <b>15</b> units	Nowa Północ – <b>8</b> units	Nova Królikarnia 4b1 – <b>1</b> unit
Miasto Moje – <b>36</b> units	Między Drzewami – <b>17</b> units	Osiedle Vola – <b>30</b> units	Other projects – <b>2</b> units
Viva Jagodno – <b>48</b> units	Grunwaldzka – <b>3</b> units	Wilanów Tulip – <b>1</b> units	

- **Delivery of 44 units** (for details see slide „P&L HIGHLIGHTS, REVENUE AND GROSS MARGIN”)

- **Commencement of 1 Projects Sale / Construction 11 units**

**Start of Sales and Construction:**

- **Nova Królikarnia 4b1** in February of **11** units with total area of **2,566 m<sup>2</sup>**

- **Completion of 2 Projects**

- **Ursus Centralny IV (2B)** project – **206** units with total area **11,758 m<sup>2</sup>**
- **Miasto Moje VI** – **227** units with total area **11,722 m<sup>2</sup>**

- **Acquisition of land**

- On March 2, 2023, the Company (through a subsidiary) signed a final agreement for the purchase of the right to perpetual usufruct of a plot of land located in Warsaw, Ochota district, with an area of 0,2484 ha for the amount of PLN 7,100 thousand net. The above property also includes the ownership right to two buildings: the main building with a usable area of 2,404 m<sup>2</sup> and a transformer station with a usable area of 116 m<sup>2</sup>



# COMPANY'S ACHIEVEMENTS DURING THE PERIOD ENDED 31 MARCH 2023

- **Agreements for construction works**
  - **Miasto Moje VII** - agreement with Hochtief Polska S.A. for **PLN 70.4 m** signed on 01.03.2023
  - **Ursus Centralny VI (2E)** - agreement with Techbau Budownictwo Sp. z o. o. for **PLN 96.9 m** signed on 10.03.2023
  - **Nova Królikarnia 4b1** - agreement with TOTALBUD S.A. for **PLN 17.4 m** signed on 10.03.2023
- **Building permit**
  - **Miasto Moje VIII** – valid building permit received 12 January 2023
- **Occupancy Permit**
  - **Ursus Centralny 2B** - occupancy permit received 30 March 2023
  - **Miasto Moje VI** – occupancy permit received 7 February 2023

# COMPANY'S ACHIEVEMENTS DURING THE PERIOD ENDED 31 MARCH 2023

## Purchase of land:

### Final agreements signed until 31 March 2023

Location	Type of agreement	Signed date	Agreement net value (PLN million)	Paid net till 31 March 2023 (PLN million)	Number of units	Potential PUM
Warsaw, Ochota	Final	11 Aug 2022, 2 March 2023	7.1	7.1	67	3,700
<b>Total</b>			<b>7.1</b>	<b>7.1</b>	<b>67</b>	<b>3,700</b>

### Preliminary agreements signed until 31 March 2023

Location	Type of agreement	Signed date	Agreement net value (PLN million)	Paid net till 31 March 2023 (PLN million)	Number of units	Potential PUM
Warsaw, Białołęka <sup>(1)</sup>	preliminary	23 Nov 2020	1.5	1.45	n/a	n/a
Warsaw, Ursus	preliminary	17 Jan 2022	140.0	10.0	1,860	85,000
Warsaw, Włochy	preliminary	29 Dec 2021	16.0	2.0	142	8,400
Warsaw, Bielany <sup>(2)</sup>	preliminary	21 Mar 2022	11.0	1.0	242	4,559
<b>Total</b>			<b>168.5</b>	<b>14.5</b>	<b>2,244</b>	<b>97,959</b>

(1) The remaining plot to be purchased in Epopei project.

(2) The land designated for PRS activity

# COMPANY'S ACHIEVEMENTS DURING THE PERIOD ENDED 31 MARCH 2023

## RECENT DEVELOPMENTS (AFTER 31 MARCH 2023)

- **Occupancy permit**
  - **Nowe Warzymice IV (II)** - occupancy permit received on 28th of April 2023
  - **Viva Jagodno IIb** – occupancy permit received on 11th of May 2023
- **Projects Financing**
  - Credit Agreement for financing **Osiedle Vola** project for the aggregated value of **PLN 44.779 m** was signed on 12th of April 2023
- **Acquisition of land**
  - On 8th of May 2023 the annex to the main agreement relating purchase of the land in **Wolska** was signed. According to the new provisions payment for the land has been extended till 31st of July 2023

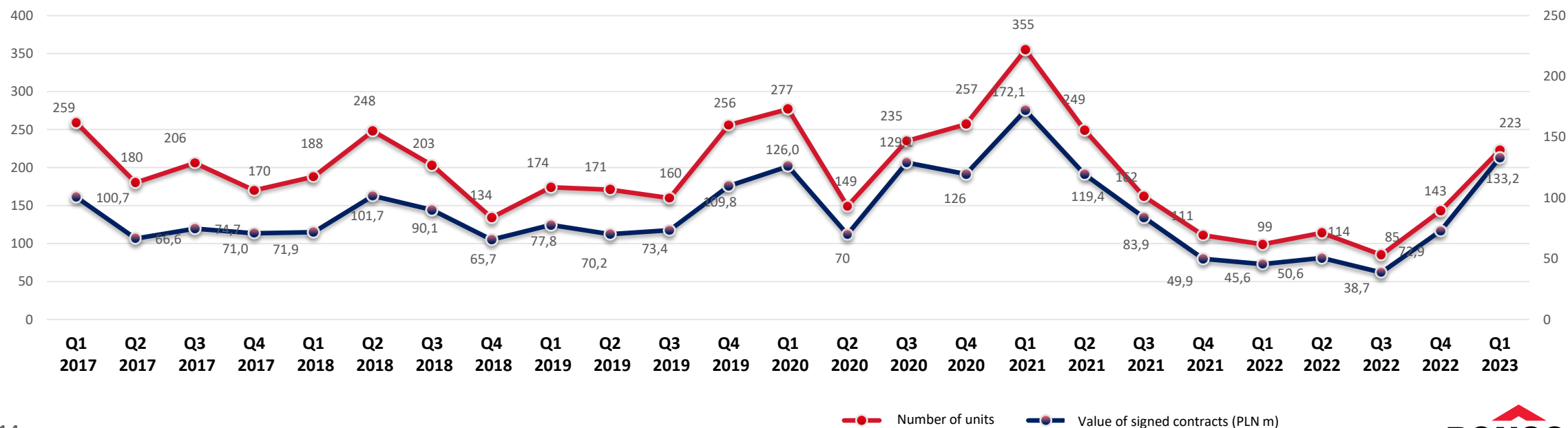


# **BRIEF SUMMARY OF COMPANY'S SALES AND PROJECTS FOR 1Q 2023**

# COMPANY'S ACHIEVEMENTS DURING THE PERIOD ENDED 31 MARCH 2023 QUARTERLY AND YEARLY SALES

## 223 UNITS SOLD DURING 1Q 2023

- **Total number of units sold** during the 1Q 2023 amounted to **223**, compared to **99** units sold during the 1Q 2022.
- Best-selling projects were: **Ursus Centralny** (62 units), **Miasto Moje** (36 units) and **Osiedle Vola** (30 units) in Warsaw, **Viva Jagodno** in Wroclaw (48 units) and **Grunwald Między Drzewami** in Poznań (17 units).
- **The average price** of apartments sold during 1Q 2023 amounted to **PLN 597 thousand**, which was higher than the average price of apartments sold during the 1Q 2022 (PLN 460 thousand). The increase of the average price was in general due to change of market trend and high demand as well it was impacted by starting the sales of Nowa Królikarnia 4b1 and Osiedle Vola project with high selling price per unit.



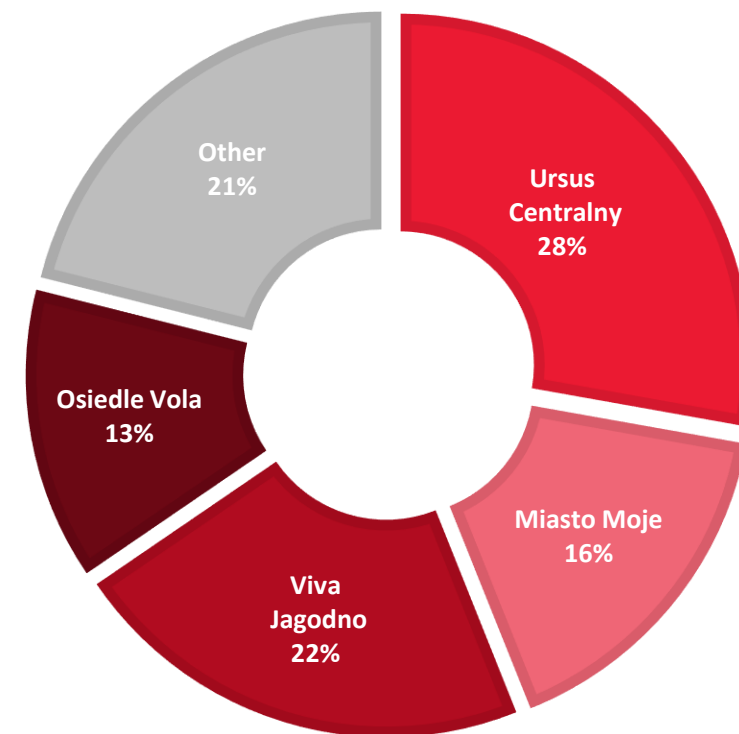
# COMPANY'S ACHIEVEMENTS DURING THE PERIOD ENDED 31 MARCH 2023

## QUARTERLY AND YEARLY SALES

### 223 UNITS SOLD DURING 1Q 2023

Completed projects	Completion date	1Q 2023
Nowe Warzymice I	Q2 2021	1
Nowe Warzymice II	Q2 2022	-
Miasto Moje V	Q3 2022	10
Nowe Warzymice III	Q4 2022	3
Viva Jagodno IIa	Q4 2022	2
Miasto Moje VI	Q1 2023	26
Ursus Centralny IV (2b)	Q1 2023	40
Wilanow Tulip (under JV – 50%)	Q3 2021	1
Other	before 2021	1
<b>Completed projects total</b>		<b>84</b>
<b>Ongoing projects</b>		<b>1Q 2023</b>
Ursus Centralny V (2c)		22
Viva Jagodno IIb		46
Nowe Warzymice IV		11
Grunwaldzka		3
Eko Falenty I		1
Osiedle Vola (Stuzienna)		30
Viva Jagodno III		-
Miasto Moje VII		-
Ursus Centralny VI (2e)		-
Nowa Północ Ia		8
Między Drzewami		17
Nova Królikarnia 4b1 (Thame)		1
<b>Ongoing projects total</b>		<b>139</b>
<b>Total</b>		<b>223</b>

### SALES 1Q 2023



# ONGOING PROJECTS (1/4)

1,426 UNITS UNDER CONSTRUCTION WITH 77,894 M<sup>2</sup>, OF WHICH 902 UNITS ARE IN WARSAW



Project Name	URSUS CENTRALNY IIC	URSUS CENTRALNY IIE	NOVA KRÓLIKARNIA 4B1 (THAME)	OSIEDLE VOLA
Location	Warsaw, Ursus	Warsaw, Ursus	Warsaw, Mokotow	Warsaw, Wola
Start date	Q4 2021	Q1 2023	Q1 2023	Q2 2022
End date	Q2 2023	Q2 2025	Q2 2024	Q4 2023
Area	11,124 m <sup>2</sup>	16,246 m <sup>2</sup>	2,556 m <sup>2</sup>	4,851 m <sup>2</sup>
Units	219*	291	11	84

\* 121 units are designated for PRS activity of the Company of an aggregate floor space of 4,935 m<sup>2</sup>.



# ONGOING PROJECTS (2/4)

1,426 UNITS UNDER CONSTRUCTION WITH 77,894 M<sup>2</sup>, OF WHICH 902 UNITS ARE IN WARSAW



## MIASTO MOJE VII

Warsaw, Białołęka

Q1 2023

Q4 2024

11,725 m<sup>2</sup>

255



## EKO FALENTY I

Falenty Nowe

Q1 2022

Q3 2023

4,304 m<sup>2</sup>

42

**Project Name**

**Location**

**Start date**

**End date**

**Area**

**Units**

# ONGOING PROJECTS (3/4)

1,426 UNITS UNDER CONSTRUCTION WITH 77,894 M<sup>2</sup>, OF WHICH 397 UNITS ARE IN WROCŁAW AND POZNAŃ



**VIVA  
JAGODNO IIB**



**VIVA  
JAGODNO III**



**GRUNWALDZKA**



**MIĘDZY  
DRZEWAMI**

**Project Name**

**Location**

**Start date**

**End date**

**Area**

**Units**

Wrocław

Q4 2021

Q3 2023\*\*

8,876 m<sup>2</sup>

152

Wrocław

Q1 2023\*

Q4 2024\*

3,140 m<sup>2</sup>

58

Poznań

Q2 2021

Q1 2023

3,351 m<sup>2</sup>

70

Poznań

Q4 2022

Q3 2024

5,803 m<sup>2</sup>

117

\*Project which the Company started the sales but did not start the construction

\*\*VJ IIB - occupancy permit received on 11th of May 2023

# ONGOING PROJECTS (4/4)

1,426 UNITS UNDER CONSTRUCTION WITH 77,894 M<sup>2</sup>, OF WHICH 185 UNITS ARE IN SZCZECIN



## NOWE WARZYMICE IV\*

Szczecin

Q1 2022

Q2 2023

3,818 m<sup>2</sup>

75



## NOWA PÓŁNOC IA

Szczecin

Q3 2022

Q4 2023

5,230 m<sup>2</sup>

110

\*NWIV - occupancy permit received on 28th of April 2023

# ONGOING PROJECTS

## ONGOING PROJECTS THAT MAY CONTRIBUTE TO P&L DURING 2023-2025

Name of project	Location	Commencement	Completion	Area	Units sold	Units for sale	Units in total	
<b>Expected to be completed during 2023</b>								
1	Grunwaldzka	Poznań	Q1 2021	Q2 2023	3,351	55	15	70
2	Ursus Centralny IIc*	Warsaw	Q4 2021	Q2 2023	11,124	96	123	219
3	Viva Jagodno IIb	Wrocław	Q1 2022	Q3 2023	8,876	110	42	152
4	Nowe Warzymice IV	Szczecin	Q1 2022	Q2 2023	3,818	42	33	75
5	Eko Falenty I	Warsaw	Q2 2022	Q3 2023	4,304	5	37	42
6	Osiedle Vola	Warsaw	Q2 2022	Q4 2023	4,851	44	40	84
7	Nowa Północ Ia	Szczecin	Q2 2022	Q4 2023	5,230	22	88	110
<b>Subtotal 2023</b>					<b>41,553</b>	<b>374</b>	<b>378</b>	<b>752</b>
<b>Projects under construction expected to be completed after 2023</b>								
1	Między Drzewami	Poznań	Q2 2022	Q3 2024	5,803	41	76	117
2	Miasto Moje VII	Warsaw	Q2 2022	Q4 2024	11,725	2	253	255
3	Ursus Centralny IIe	Warsaw	Q2 2022	Q2 2025	16,246	5	286	291
4	Nova Królikarnia 4b1 (Thame)	Warsaw	Q1 2023	Q2 2024	2,566	1	10	11
<b>Subtotal after 2023</b>					<b>36,340</b>	<b>49</b>	<b>625</b>	<b>674</b>
<b>Projects where sales started, but the construction not yet</b>								
1	Viva Jagodno III	Wrocław	Q2 2022	Q4 2024	3,140	3	55	58
<b>Subtotal</b>					<b>3,140</b>	<b>3</b>	<b>55</b>	<b>58</b>
<b>Total</b>					<b>81,034</b>	<b>426</b>	<b>1,058</b>	<b>1,484</b>

\*121 units are designated for PRS activity of the Company of an aggregate floor space of 4,935 m<sup>2</sup>

# UNITS OFFERED FOR SALE AS AT 31 MARCH 2023 (1/2)

## UNITS OFFERED FOR SALE (1,164 IN TOTAL)

During 1Q 2023 the Company commenced the sales of:

- **11 units** in **Nova Królikarnia 4b1 (Thame)** project

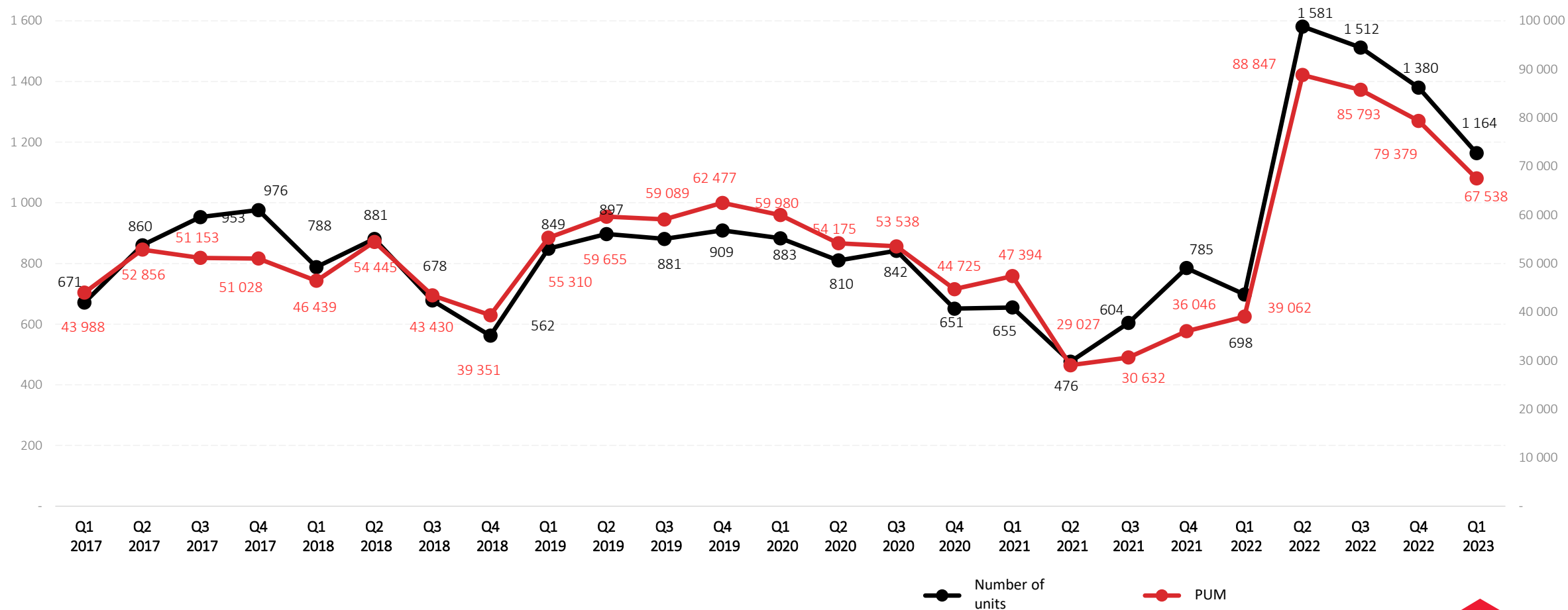
In total **11 units** in 1Q 2023 were commenced to the market.

Finished projects		Ongoing projects	
Nowe Warzymice I	2	Nowe Warzymice IV	33
Nowe Warzymice II	2	Grunwaldzka	15
Other (old) projects	4	Eko Falenty I	37
Nowe Warzymice III	1	Miasto Moje VII	253
Viva Jagodno IIa	11	Ursus Centralny IIc	123*
Miasto Moje VI	74	Ursus Centralny IIe	286
Ursus Centralny IIb	12	Viva Jagodno IIb	42
		Viva Jagodno III	55
		Nowa Północ Ia	88
		Osiedle Vola	40
		Między Drzewami	76
		Nova Królikarnia 4b1 (Thame)	10
<b>Total</b>	<b>106</b>	<b>Total</b>	<b>1,058</b>

*\*121 units are designated for PRS activity of the Company of an aggregate floor space of 4,935 m<sup>2</sup>*

# UNITS OFFERED FOR SALE AS AT 31 MARCH 2023 (2/2)

## UNITS OFFERED FOR SALE (1,164 IN TOTAL)



# COMPLETED PROJECTS OFFERED FOR SALE

AS AT 31 MARCH 2023, 106 COMPLETED UNITS WITH 7,327 M2 WERE OFFERED FOR SALE IN 10 PROJECTS



**MIASTO MOJE VI**

- 74 units offered for sale
- In total: 227 units
- Location: Warszawa, Marywilska Street



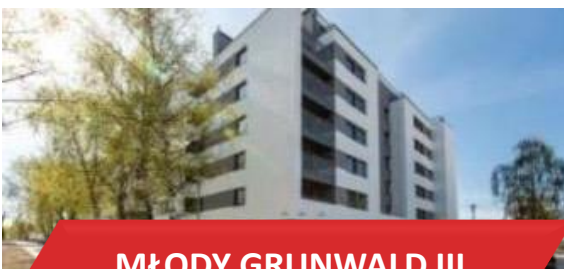
**VIVA JAGODNO I-IIA**

- 12 units offered for sale
- In total: 197 units
- Location: Wrocław, Buforowa Street



**URSUS CENTRALNY IV**

- 12 units offered for sale
- In total: 206 units
- Location: Warszawa, Gierdziewskiego Street



**MŁODY GRUNWALD III**

- 1 commercial unit offered for sale
- In total: 108 units
- Location: Poznań, Grunwald



**NOWE WARZYMICE I-III**

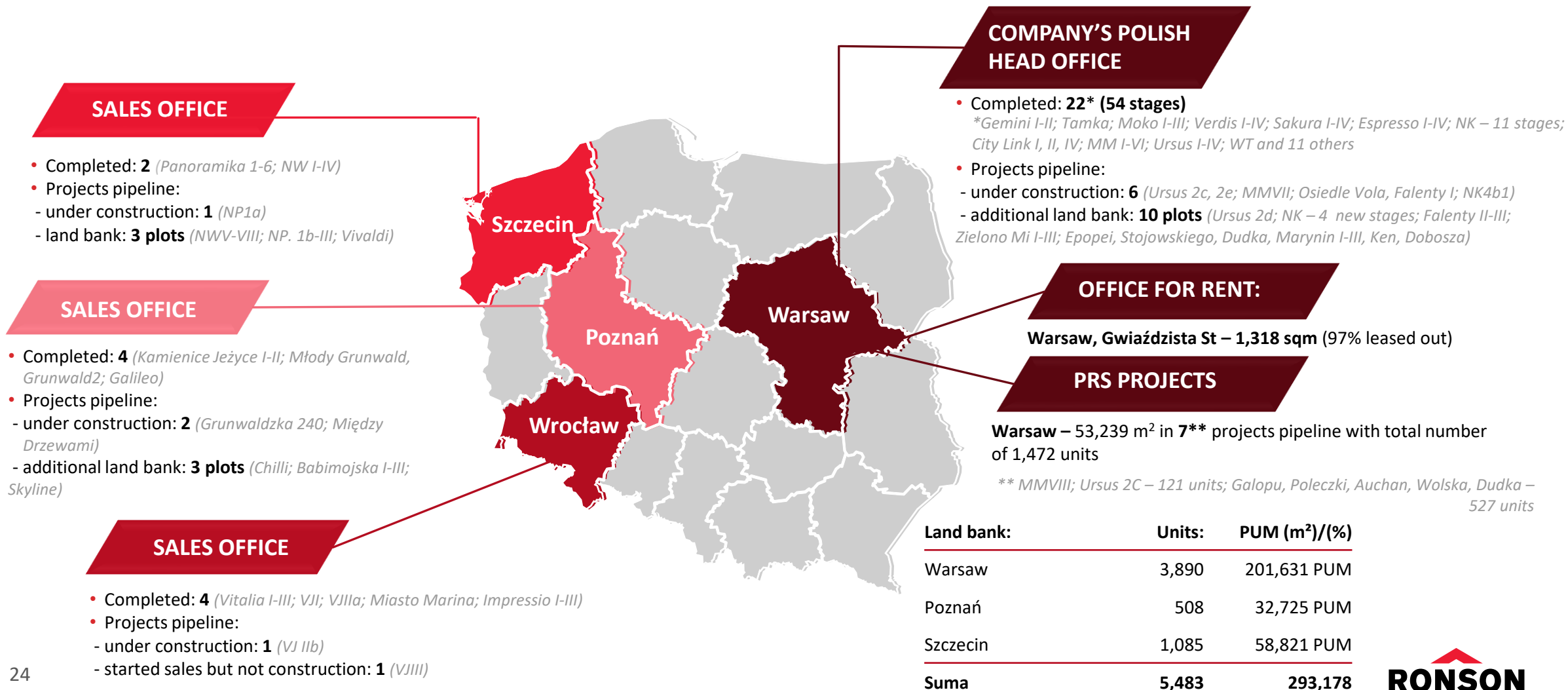
- 5 units offered for sale
- In total: 182 units
- Location: Szczecin, Rajkowa Street

Moreover the Company's offer includes 2 completed units in the following projects:  
Sakura (1),  
Nova Królikarnia 1d (1)

# PROJECTS IN PREPARATION

## SELECTIVE GEOGRAPHIC DIVERSIFICATION IN POLAND

### CITIES WITH STRONG ECONOMIC AND DEMOGRAPHIC GROWTH





# RONSON APARTMENTS FOR RENT

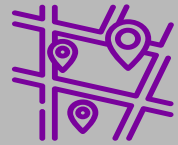
## LivingGO



Creating a constant flow to the company



Focus on major cities



Attractive land bank



Utilizing the significant increase in demand for rental apartments



Creating a leading brand in the field of residential rental in Poland

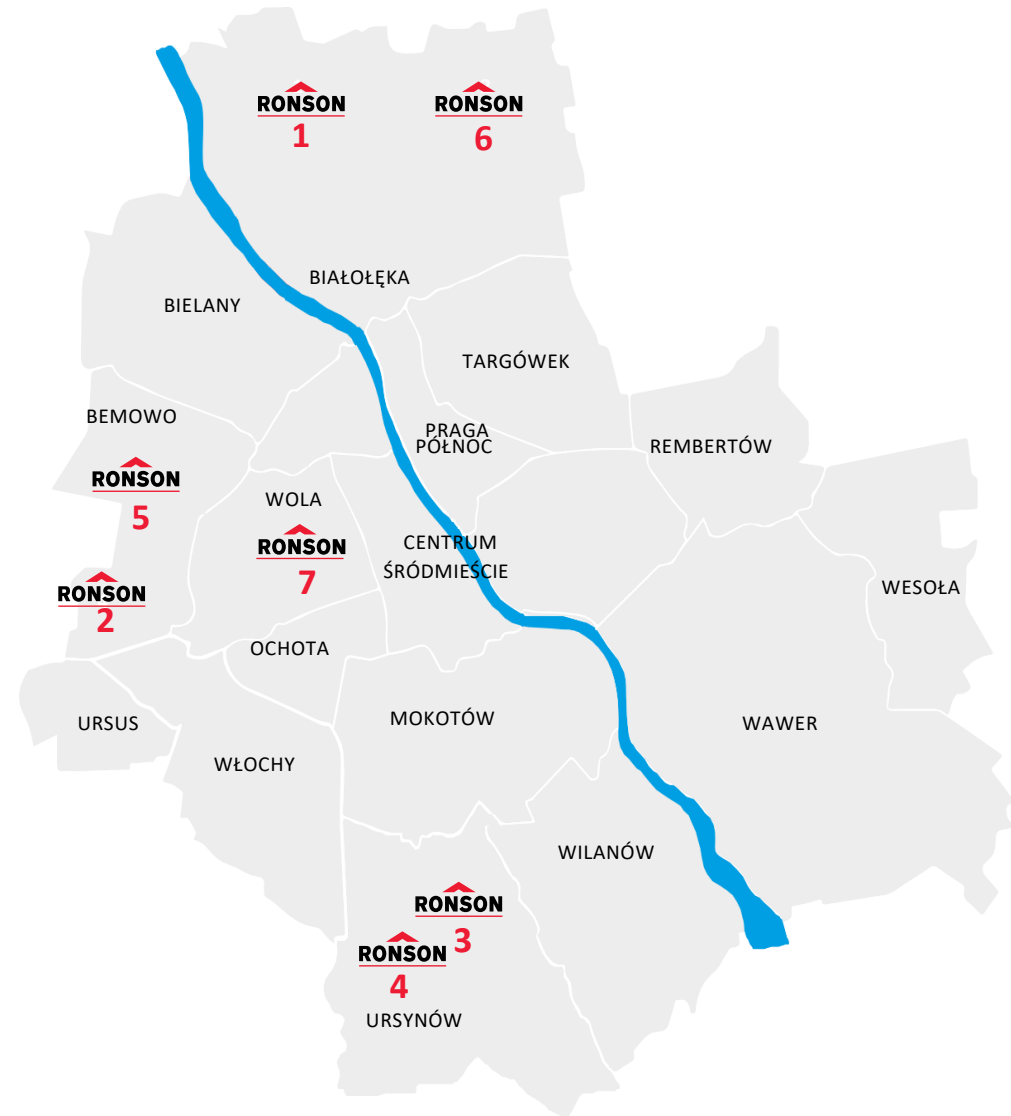
### RONSON Leasing

Total 1,472 units owned by the Company  
(53,239 m<sup>2</sup>)

Projects owned and dedicated for **LivingGO**

1. Miasto Moje VIII (147 units)
2. Ursus Centralny IV (Ilc) (121 units)
3. Poleczki (85 units)
4. Galopu (100 units)
5. Auchan (101 units)
6. Dudka (527 units)
7. Wolska (391 units)

Another over **242** units are in the pipeline under preliminary purchase agreements (Biograficzna).





	Project name	Location	Total no of units	PUM (m <sup>2</sup> )
1	Ursus Centralny VII (IId)	Warsaw	361	19,099
2	Nova Królikarnia 3d, 4a, 4b2, 4c, 6	Warsaw	44	11,640
3	Nowe Warzymice V-VIII	Szczecin	251	17,638
4	Falenty II-III	Warsaw	240	21,256
5	Nowa Północ Ib-III	Szczecin	440	22,153
	<b>Subtotal - remaining stages of the projects currently under construction/ on sale</b>		<b>1,336</b>	<b>24%</b>
				<b>91,786</b>
6	Chilli	Poznań	172	14,617
	<b>Subtotal - remaining stages of the projects that were under construction</b>		<b>172</b>	<b>3%</b>
				<b>14,617</b>
7	Renaissance	Warsaw	278	15,450
8	Bełchatowska 28	Poznań	44	4,096
9	Vivaldi	Szczecin	394	19,030
10	Babimojska	Poznań	292	14,013
11	Epopei	Warsaw	332	16,314
12	Stojowskiego	Warsaw	234	11,339
13	Dudka*	Warsaw	1,095	45,480
14	Marynin	Warsaw	321	18,701
15	Ken Orange	Warsaw	94	5,700
16	Dobosza	Warsaw	67	3,700
	<b>Subtotal - remaining projects, still in preparation</b>		<b>3,151</b>	<b>57%</b>
				<b>153,823</b>
17	Galopu	Warsaw	100	3,919
18	Poleczki	Warsaw	85	3,500
19	Auchan	Warsaw	101	4,183
20	Wolska	Warsaw	391	13,670
21	Miasto Moje VIII	Warsaw	147	7,680
	<b>Subtotal - PRS projects</b>		<b>824</b>	<b>15%</b>
				<b>32,952</b>
	<b>Total as at 31.03.2023</b>		<b>5,483</b>	<b>100%</b>
				<b>293,178</b>

\* Part of the project 527 units with total area of approximately 20,400 m<sup>2</sup> is designated to PRS activity

# PROJECTS PLANNED FOR COMMENCEMENT DURING 2023

Project Name	Location	Total units	Total area of units (m2)
Nova Królikarnia 3d	Warsaw	15	2,191
Zielono Mi I	Warsaw	92	5,440
Skyline	Poznań	48	4,100
<b>Total</b>		<b>155</b>	<b>11,731</b>



# **FINANCIAL RESULTS REVIEW**

**FOR PERIOD ENDED 31 MARCH 2023**

# P&L HIGHLIGHTS

## P&L HIGHLIGHTS ON Y/Y BASIS DURING THE PERIOD ENDED 31 MARCH 2023

	2023	2022	y/y change	y/y difference
Revenue from residential projects and services	21.8	112.4	-81%	(90.6)
Revenue from sale of land	-	-	n.a	-
<b>Total Revenue</b>	<b>21.8</b>	<b>112.4</b>	<b>-81%</b>	<b>(90.6)</b>
<b>Cost of sales of residential projects</b>	<b>(15.2)</b>	<b>(87.2)</b>	<b>-83%</b>	<b>72.0</b>
<b>Cost of sales of land</b>	<b>-</b>	<b>-</b>	<b>n.a</b>	<b>-</b>
<b>Gross profit</b>	<b>6.6</b>	<b>25.2</b>	<b>-74%</b>	<b>(18.6)</b>
Changes in the value of investment property	-	-	n.a	-
Selling and marketing expenses	(1.4)	(0.9)	50%	(0.4)
Administrative expenses	(6.4)	(6.2)	2%	(0.1)
Share of profit/(loss) from joint ventures	(0.6)	0.7	-193%	(1.3)
Net other income/(expense)	0.3	(0.8)	-131%	1.1
<b>Operating profit/(loss)</b>	<b>(1.5)</b>	<b>17.9</b>	<b>-108%</b>	<b>(19.4)</b>
Net finance income/(expense)	3.9	(4.4)	-188%	8.3
<b>Profit/(loss) before tax</b>	<b>2.4</b>	<b>13.5</b>	<b>-82%</b>	<b>(11.1)</b>
Income tax benefit/(expenses)	(1.9)	(3.9)	-52%	2.0
<b>Net profit/(loss)</b>	<b>0.5</b>	<b>9.6</b>	<b>-95%</b>	<b>(9.1)</b>
<b>Profit/(loss) for the period attributable to equity holders of the parent</b>	<b>0.5</b>	<b>9.6</b>	<b>-95%</b>	<b>(9.1)</b>
<b>Gross margin</b>	<b>30.2%</b>	<b>22.4%</b>	<b>35%</b>	<b>0.1</b>
<b>Net Margin</b>	<b>2.3%</b>	<b>8.5%</b>	<b>-74%</b>	<b>-0.1</b>

- **Revenue from sales of residential units** decreased by **80,6%** (PLN 90.6 m), which is primarily explained by lower amount of units delivered – 42 units delivered to the customers during the three months ended 31 March 2023, comparing to the 268 units delivered during the three months ended 31 March 2022 (in terms of project 100% owned by the Group).
- **Cost of sales** decreased by **83%** (PLN 72 m), from PLN 87.2 million during the three months ended 31 March 2022 to PLN 15.2 m during the three months ended 31 March 2023. The decrease relates to a lower amount of delivered units in projects fully owned by the Group from 268 units during the three months ended 31 March 2022 compared to 42 units delivered to customers during the three months ended 31 March 2023 (in terms of project 100% owned by the Group).
- **Gross profit PLN 6.6 m** decreased by **74%** by PLN 18.6 m. The decrease relates to lower number of units delivered during the three months ended 31 March 2023 but with higher average gross margin. In Q1 2023 the project Miasto Moje VI contributed 50.3%, Miasto Moje V contributed 34.7% of the gross profit.
- **Gross margin** during the three months ended 31 March 2023 was 30.2% which increased comparing to 22.4% during the three months ended 31 March 2022. The main projects that significantly impacted revenues and profitability of the Group are **Miasto Moje VI** with the margin of **32.3%**, **Miasto Moje V** with the margin of **31.2%** and **Viva Jagodno IIb** with the gross margin of **19.1%**. During three months ended 31 March 2022 the main projects that effected the gross margin were **Ursus Centralny IIa** with the margin of **24.3%**, **Miasto Moje IV** with margin of **25%**.
- **Selling and marketing expenses** increased by **PLN 0.4 m** (50%) due to higher invested marketing resources in the company running projects and new starting stages, in order to achieve higher sales. As a result higher number of units sold during the reporting period increase of 125% (223 units sold during the period ended 31 March 2023 comparing to 99 units sold during the period ended 31 March 2022).
- **Finance income after capitalization** - In the three months period ended 31 March 2023, the Group recorded a net income on financial operations of **PLN 3.9 million** compared to a net expenses of PLN 4.4 million in the corresponding period of 2022. This variation is mainly due to a net profit on fair value measurement of a financial instrument generated as well as a gain on foreign exchange rates of 5.7 million, compared to a loss of 4.4 million on this account in the corresponding period of 2022.

# P&L HIGHLIGHTS. REVENUE AND GROSS MARGIN

## PERIOD ENDED 31 MARCH 2023

### UNITS DELIVERED / REVENUE / GROSS MARGIN

Project	Location	1Q2023		Revenues		Gross margin / profit		Contribution		Unit Average price
		Units	PLN m	Units	PLN m	%	PLN m	in revenues	in gross profit	PLN Th
Miasto Moje VI	Warsaw	23	10.3	23	10.3	32.3%	3.3	44%	67%	447.3
Miasto Moje V	Warsaw	13	7.4	13	7.4	31.2%	2.3	32%	46%	565.5
Viva Jagodno IIa	Wrocław	3	1.3	3	1.3	19.1%	0.2	6%	5%	430.0
Moko I	Warsaw	1	1.2	1	1.2	29.3%	0.3	5%	7%	1 162.0
Nowe Warzymice III	Szczecin	1	0.7	1	0.7	27.7%	0.2	3%	4%	651.0
Miasto Moje IV	Warsaw	1	0.6	1	0.6	28.0%	0.2	2%	3%	562.0
Other*			0.5	0	0.5	n/a	0.0	2%	1%	
<b>Total excluding JV</b>		<b>42</b>	<b>21.8</b>	<b>42</b>	<b>21.8</b>	<b>30.1%</b>	<b>6.6</b>	<b>94%</b>	<b>132%</b>	<b>519.8</b>
Write-off adjustment									0%	
<b>Result</b>		<b>42</b>	<b>22</b>	<b>42</b>	<b>21.8</b>	<b>30.1%</b>	<b>6.6</b>	<b>94%</b>	<b>132%</b>	<b>519.8</b>
Wilanów Tulip	Warsaw	2	1.5	2	1.5	n/a	-1.6	6%	-32%	728.0
<b>Total including JV</b>		<b>44</b>	<b>23.3</b>	<b>44</b>	<b>23.3</b>	<b>21.4%</b>	<b>5.0</b>	<b>100%</b>	<b>100%</b>	<b>530.2</b>

\* Other revenues:

- Rental revenues
- Sales of old units

# BALANCE SHEET DATA

## BALANCE SHEET DATA (PLN M)

- **Inventory** - increase by **PLN 69.6 m** is primarily due to direct construction costs which occurred in the total amount of PLN 53.4 m, land purchase costs amounted PLN 7.7 m, capitalized finance costs totaling PLN 6.3 m and perpetual usufruct asset PLN 13.9 m. This increase was partly offset by recognised costs of sales in the total amount of PLN 15 m;
- **Loans and Borrowings** decreased by **PLN 5.4 m**. The decrease in loans and borrowings is primarily explained by change in bank loans of PLN 5.7 m (loans received and the use of credit lines in the amount of PLN 27.8 m with a simultaneous bank loans repayments of PLN 33.9 m and interests accrued of PLN 0.5 m);
- **Advances received** - increase by **PLN 53.2 m** is explained by advances received from clients regarding sales of units during the period ended 31 March 2023 for a total amount PLN 68.9 m, which was offset by the revenues recognized from the sale of residential units for a total amount of PLN 21.8 m during the three months ended 31 March 2023;
- **Financial liability measured at fair value through profit and loss** - decrease by **PLN 5.6 m** is primarily explained by new valuation done.

As at	31.03.2023	31.12.2022	Change
Inventory and Residential landbank	838.0	768.4	<b>69.6</b>
Cash and cash equivalents	50.8	51.2	(0.4)
Other assets	172.6	182.5	(9.9)
<b>Total Assets</b>	<b>1 061.4</b>	<b>1 002.1</b>	<b>59.3</b>
Loans and borrowings	214.2	219.7	<b>(5.4)</b>
Advances received	193.1	139.9	<b>53.2</b>
Financial liability measured at fair value through profit and loss	64.9	70.5	<b>(5.6)</b>
Other liabilities	105.4	102.6	2.8
Lease liabilities related to perpetual usufruct of land	31.4	18.0	<b>13.4</b>
<b>Total liabilities</b>	<b>609.0</b>	<b>550.7</b>	<b>58.3</b>
Equity attributable to the parent	452.4	451.4	1.0
Net Debt	228.6	239.3	(10.7)
Net debt / Equity	50.5%	53.0%	<b>n.a.</b>
Net debt ( including cash on MRP) / Equity	48.3%	50.5%	<b>n.a.</b>
Net debt / Total Assets	21.5%	23.9%	<b>n.a.</b>
Net assets per share (PLN)	2.76	2.75	<b>n.a.</b>

### RATIOS AS AT THE END OF 31 MARCH 2023

NET DEBT / EQUITY: 50.5%

NET DEBT / EQUITY: 48.3%(\*)

\*calculated in accordance to the bond covenants

# CASH FLOW DURING THE PERIOD ENDED 31 MARCH 2023

## OVERVIEW OF CASH FLOW RESULTS

**Operating CF** net cash inflow from operating activities in the three months ended 31 March 2023 amounted to PLN 5.7 m compared to negative net cash flows from these activities in the corresponding period ended 31 March 2022 of PLN 36.4 m. The increase of PLN 42.1 m is primarily explained by:

- an increase in cash inflow of PLN 16.1 m due to an increase in advances received from customers from PLN 58.0 m in the 3 months ended 31 March 2022 to PLN 74.7 m received in the 3 months ended 31 March 2023;
- decrease in cash outflow related to land purchase and advances for land purchase of PLN 28.9 m during the 3 months ended on 31 March 2022, comparing to no purchase of land during the 3 months of 31 March 2023;
- decrease in cash outflow related to corporate income tax payment in the amount of PLN 2.7 m from PLN 4.4 m for the 3 months ended on 31 March 2022 to PLN 1.6 m during the 3 months ended on 31 March 2023.

The above mentioned positive effect on the operational cash flow was partly offsetted by:

- increase of cash outflow in the amount of PLN 4 m related to interest payments in the amount of PLN 6.3 m in the 3 months ended on 31 March 2023 comparing to interest payment of PLN 2.3 m during the 3 months ended on 31 March 2022.

**Investing activity CF** amounted to **PLN 0.5 m** (31 March 2022: **PLN 0.2 m**). The change is primarily explained by net cash inflow due to dividends received from joint ventures in the total amount of PLN 1.1 m.

**Finance activity CF** amounted to **PLN 6.5 m** (31 March 2022: **PLN 74.6 m**). The increase is primarily explained by:

- the absence in three months period ended 31 March 2023 of net inflow of proceeds received from the SAFE agreement in the amount of PLN 74.6 m;
- net cash outflow related to repayments of bank loans during the period of three months ended 31 March 2023 in the total amount of PLN 5.6 m compared to PLN 1 m net inflow during analogical period ended on 31 March 2022.

	For the year ended 31 March	
	2023	2022
	PLN (thousands)	
Cash flows from/(used in) operating activities	5.700	(36.380)
Cash flow from/(used in) investing activities	502	161
Cash flow (used in)/from financing activities	(6.546)	74.613



# INVENTORY AND INVESTMENT PROPERTIES

AS AT 31 MARCH 2023

	Units	PLN m
Finished goods	446	147.5
Ongoing projects	1,484	216.3
Land bank*	4,659	442.1
Perpetual usufruct rights**	-	31.9
<b>Total inventory</b>	<b>6,589</b>	<b>837.9</b>
Investment property PRS	824	54.7
Investment property office lease	-	9.0
<b>Total investment property</b>	<b>824</b>	<b>63.7</b>
<b>Total Ronson investment</b>	<b>7,413</b>	<b>901.6</b>

## FINISHED PROJECTS

Comprising: **446 units**, 340 of which units are already sold.

## ONGOING PROJECTS (81,034 PUM) OF WHICH:

**12 projects / stages under construction and/or on sale total of 1,058 units, of which 426 are already sold:**

Miasto Moje VII, Ursus Centralny IIc, IIe, Viva Jagodno IIb-III, Grunwaldzka 240, Nowe Warzymice IV (valid PnU - 28th of April 2023), Eko Falenty I, Osiedle Vola, Nowa Północ Ia, Między Drzewami, Nova Królikarnia 4b1 (Thame)

## ATTRACTIVE BANK OF LANDS (5,483 UNITS; 293,18 PUM)

### Categorised by city:

Warsaw	3,890 units;	201,631 PUM
Poznań	508 units;	32,726 PUM
Szczecin	1,085 units;	58,821 PUM

### Categorised by book value per

#### PUM:

Below	PLN 1,000	121,479 PUM
Between	PLN 1,000 –2,000	127,981 PUM
Over	PLN 2,000	43,723 PUM

\* Including all costs capitalized, i.e. purchase price, transaction costs, land preparation costs, architect planning, financial costs and other.

\*\* Implementation of the IFRS 16

# FINISHED GOODS

## COMPLETED PROJECTS THAT MAY CONTRIBUTE TO P&L DURING 2023

Name of project	Signed contracts	Units for sale	Units in total	
	(PLN m)	Units (no.)	(no.)	(no.)
Ursus Centralny IIb	105.0	194	12	206
Miasto Moje VI	57.0	130	74	204
Viva Jagodno IIa	2.4	3	11	14
Nowe Warzymice III	1.5	3	1	4
Młody Grunwald I	1.0	2	0	2
Miasto Moje V	1.9	2	0	2
Other (old) projects	3.5	6	8	14
<b>Total</b>	<b>172.3</b>	<b>340</b>	<b>106</b>	<b>446</b>

As of Q1 2023, there were **340 units** completed and sold that were not delivered to the customers, and 106 which are available for sale. Total value of pre-sold units amounted to PLN 172.3 m. It shall be expected that majority of those units will be delivered to the customers during 2023.

# DEBT POSITION AS AT 31 MARCH 2023

	PLN m
Bond loans	203.58
Bank loans	10.64
<b>Total</b>	<b>214.22</b>

## BANK LOANS

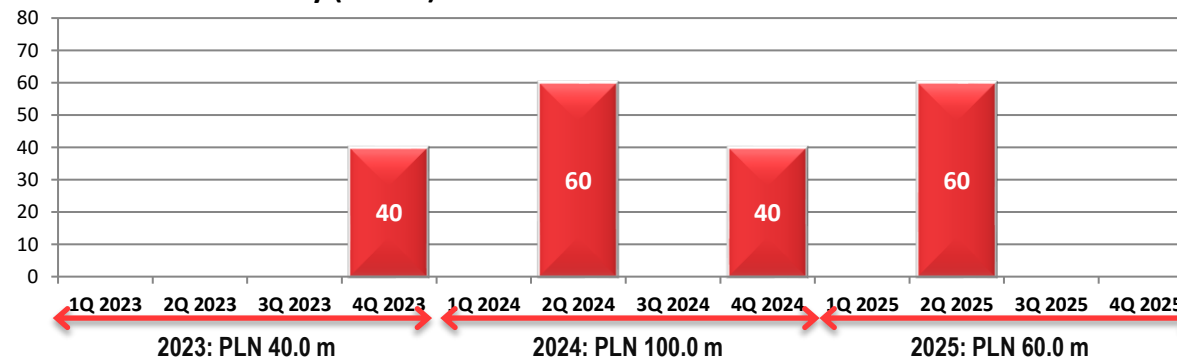
As at 31 March 2023 the Company did use bank loans lines on the following projects:

- **Miasto Moje VI** in the amount **PLN 17 thousand**
- **Ursus Centralny IIC** in the amount **PLN 5,156 thousand**
- **Nowe Warzymice IV** in the amount **PLN 5,095 thousand**
- **Viva Jagodno IIb** in the amount **PLN 10 thousand**
- **Grunwaldzka** in the amount **PLN 361 thousand**

As at 31 March 2023 all bank credit line were presented as short-term.

## BOND DEBT

Bond debt maturity (PLN m)



Seria	Catalyst Ref. No.	Nominal value (PLN)	Nominal interest	Coupon	Issue date	Maturity date
V	RON 0424	100,000,000	WIBOR 6M + 4,30%	semi-annually	2020-10-02	2024-04-02*
W	RON 0425	100,000,000	WIBOR 6M + 4,00%	semi-annually	2021-04-15	2025-04-15**
<b>Total</b>		<b>200,000,000</b>				

\* 40% mandatory depreciation at the end of 6 th interest period (on 2 October 2023)

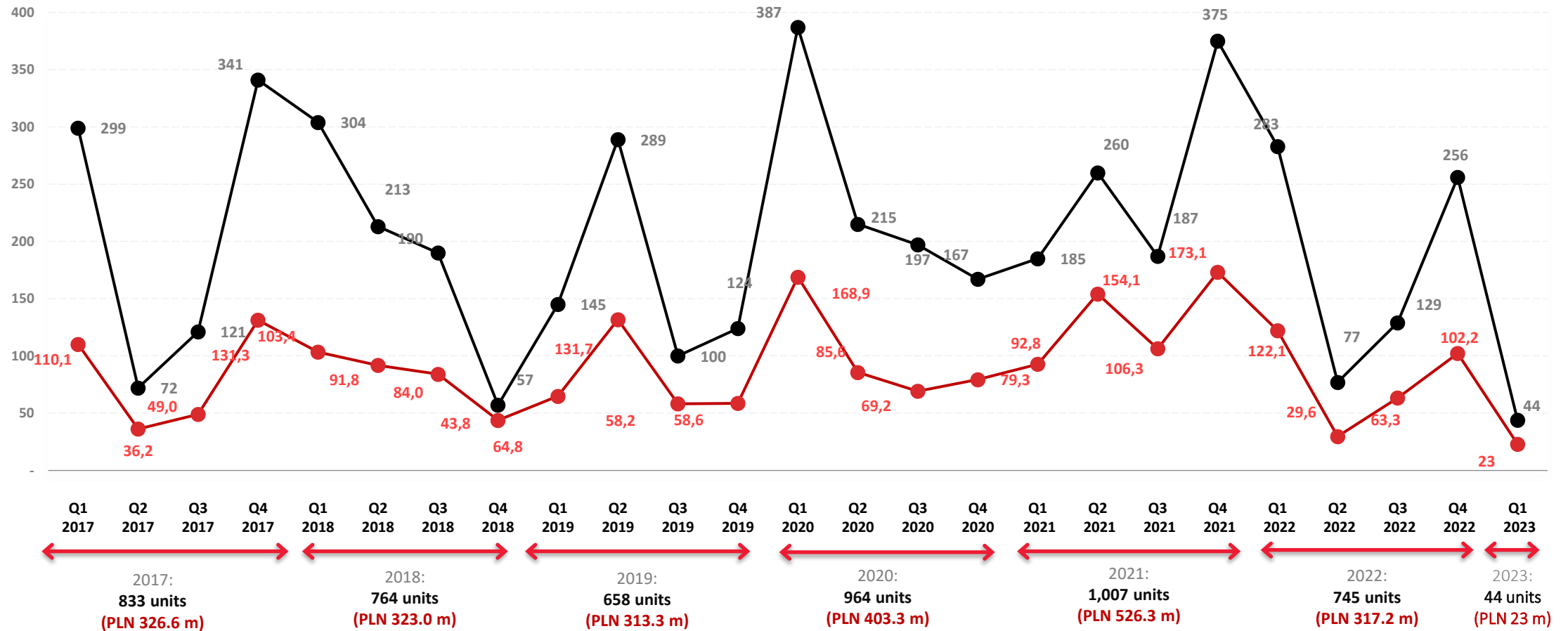
\*\* 40% mandatory depreciation at the end of 7 th interest period (on 15 October 2024)

Interest expense with respect to the bonds are capitalized into inventory, based on the requirements of IAS 23 as indirect borrowing expenses.

Bond loans as at 31 March 2023 amounted to **PLN 203.58 m** (as at 31 December 2022: PLN 203.4 m). The balance of liabilities on bonds issued consists of: the face value of bonds in the amount of PLN 200.0 million, accrued interest in the amount of PLN 5.2 m minus one-time costs directly attributable to the issuance of bonds, which are recognized at amortized cost including the effective interest rate (PLN 1.6 m).

# OUTLOOK FOR 2023 (1/2)

## INCOME RECOGNISED DURING THE QUARTERS



# OUTLOOK FOR 2023 (2/2)

## UNITS SOLD BUT NOT DELIVERED (766 UNITS AND PLN 380 M IN TOTAL)

Finished projects	Units	mIn PLN	Ongoing projects	Units	mIn PLN
Ursus Centralny IIb	194	105.0	Ursus Centralny IIc	96	52.2
Miasto Moje VI	130	57.0	Viva Jagodno IIb	110	46.1
Viva Jagodno IIa	3	2.4	Osiedle Vola	44	32.1
Miasto Moje V	2	1.9	Grunwaldzka	55	22.9
Nowe Warzymice III	3	1.5	Między Drzewami	41	19.5
Other (old) projects	8	4.4	Nowe Warzymice IV	42	16.0
			Nowa Północ Ia	22	6.7
			Nova Królikarnia 4b1 (Thame)	1	4.8
			Eko Falenty I	5	4.4
			Ursus Centralny IIe	5	1.5
			Viva Jagodno III*	3	0.9
			Miasto Moje VII	2	0.6
<b>Total</b>	<b>340</b>	<b>172.3</b>	<b>Total</b>	<b>426</b>	<b>207.7</b>

\* Project which the Company started the sales but did not start construction.

The table presents the value of the preliminary sales agreements (excluding VAT thousands of PLN) executed with the Company's clients in particular for units that have not been recognized in the Consolidated Statement of Comprehensive Income till 31.03.2023.

Out of 426 units sold in Ongoing projects, **398 units** with the total value of **PLN 194.7 m signed agreements**, represent the total amount of sold units which **projects are scheduled to be finished during the year 2023.**





  
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