Ronson Development SE

Standalone Financial Statements
for the year ended 31 December 2023

CONTENT

Standalone Financial Statements for the year ended 31 December 2023

Standalone Statement of Financial Position

As at 31 December		**2023**	**2022**
In thousands of Polish Zlotys (PLN)	***Note***		
Assets			
Intangible assets		-	2
Investment in subsidiaries	*9*	519 740	445 275
Loans granted to subsidiaries	*10*	206 442	266 441
Total non-current assets		**726 181**	**711 717**
Trade and other receivables and prepayments		869	1 410
Receivable from subsidiaries		9 413	-
Loan granted to subsidiaries	*10*	33 853	10 140
Cash and cash equivalents		22 830	6 397
Total current assets		**66 964**	**17 947**
Total assets		**793 145**	**729 664**
Equity			
Shareholders' equity	*11*		
Share capital		12 503	12 503
Share premium reserve		150 278	150 278
Share based payment		1 571	-
Treasury shares		(1 732)	(1 732)
Retained earnings		369 974	289 268
Total Equity/ Equity attributable to the Equity holders of the parent		**532 593**	**450 317**
Liabilities			
Long-term liabilities			
Bond loans	*12*	118 676	158 110
Deferred tax liabilities		5 671	3 323
Liability to shareholders measured at amortised costs	*13*	19 519	-
Total long-term liabilities		**143 866**	**161 433**
Current liabilities			
Bond loans	*12*	99 834	40 000
Other payables - accrued interests on bonds	*12*	6 810	5 260
Trade and other payables and accrued expenses	*14*	3 967	2 148
Liability to shareholders measured at amortised costs	*13*	6 074	-
Financial liability measured at FVPL	*13*	-	70 506
Total current liabilities		**116 685**	**117 914**
Total liabilities		**260 551**	**279 347**
Total shareholders' equity and liabilities		**793 145**	**729 664**

The notes included on pages 5 to 27 are an integral part of these standalone financial statements

Standalone Statement of Comprehensive Income

For the year ended 31 December *In thousands of Polish Zlotys (PLN)*	*Note*	2023	2022
Revenues from consulting services	*4*	12 817	3 904
General and administrative expense	*5,6*	(6 363)	(5 920)
Other revenues/(expenses)		(1 464)	(918)
Net impairment losses on financial assets		-	(1 076)
Operating profit		**4 989**	**(4 010)**
Result from subsidiaries after taxation	*9*	74 460	31 660
Operating profit after result from subsidiaries		**79 449**	**27 650**
Finance income	*7*	26 072	20 681
Finance expense	*7*	(28 517)	(19 570)
Gain/loss in fair value of financial instrument at fair value through profit and loss		6 422	4 121
Net finance income/(expense)		**3 977**	**5 232**
Profit/(loss) before taxation		**83 427**	**32 882**
Income tax benefit/(expense)	*8*	(2 722)	(2 610)
Profit for the period		**80 705**	**30 272**
Other comprehensive income		-	-
Total comprehensive income/(expense) for the period, net of tax		**80 705**	**30 272**
Weighted average number of ordinary shares (basic and diluted)		**162 442 859**	**162 442 859**
In Polish Zlotys (PLN)			
Net earnings/(loss) per share attributable to the equity holders of the parent (basic and diluted)*		**0.497**	**0.186**

** the Company is not required to disclose earnings per share according to IAS 33 „Earnings per share", but it is done voluntarily*

The notes included on pages 5 to 27 are an integral part of these standalone financial statements

Standalone Statement of Changes in Equity

In thousands of Polish Zlotys (PLN)	Share capital	Share premium	Share based payment reserve	Treasury shares	Retained earnings	Total Equity/ Equity attributable to the Equity holders of the parent
	Attributable to the Equity holders of parent					
Balance at 1 January 2023	**12 503**	**150 278**	**-**	**(1 732)**	**289 268**	**450 317**
Comprehensive income:						
Net profit for the period ended 31 December 2023	-	-	-	-	80 705	**80 705**
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income/(expense)	**-**	**-**	**-**	**-**	**80 705**	**80 705**
Shared based Payment	**-**	**-**	1 571	-	**-**	**1 571**
Balance at 31 December 2023	**12 503**	**150 278**	**1 571**	**(1 732)**	**369 973**	**532 593**

In thousands of Polish Zlotys (PLN)	Share capital	Share premium	Treasury shares	Retained earnings	Total Equity/ Equity attributable to the Equity holders of the parent
	Attributable to the Equity holders of parent				
Balance at 1 January 2022	**12 503**	**150 278**	**(1 732)**	**258 996**	**420 045**
Comprehensive income:					
Net profit for the period ended 31 December 2022	-	-	-	30 272	30 272
Other comprehensive income	-	-	-	-	-
Total comprehensive income/(expense)	**-**	**-**	**-**	**30 272**	**30 272**
Balance at 31 December 2022	**12 503**	**150 278**	**(1 732)**	**289 268**	**450 317**

The notes included on pages 5 to 27 are an integral part of these standalone financial statements

Standalone Statement of Cash Flows

For the 12 months period ended 31 December *In thousands of Polish Zlotys (PLN)*	***Note***	**2023**	**2022**
Cash flows from/(used in) operating activities			
Profit for the year		80 705	30 272
Adjustments to reconcile profit for the period to net cash /from/(used in) operating activities:			
Finance income	*7*	(25 267)	(19 244)
Finance expense	*7*	27 746	19 570
Depreciation		2	17
Gain/loss in fair value of financial instrument at fair value through profit and loss		(6 422)	(4 121)
Foreign exchange rates differences gain/loss		(805)	(1 449)
Income tax expense	*8*	2 351	2 609
Impairment on financial assets	*10*	-	1 076
Share based payment		1 571	-
Net results subsidiaries during the year	*9*	(74 460)	(31 660)
Subtotal		**5 421**	**(2 930)**
Decrease/(increase) in trade and other receivables and prepayments		542	(1 288)
Decrease/(increase) in receivable from subsidiaries		(9 413)	473
Increase/(decrease) in trade and other payable and accrued expense		1 819	698
Subtotal		**(1 631)**	**(3 047)**
Interest paid		(22 622)	(15 303)
Interest received		17 752	4 426
Net cash from/(used in) operating activities		**(6 502)**	**(13 924)**
Cash flows from(used in) investing activities			
Loans granted to subsidiaries, net of issue cost	*10*	(14 200)	(106 725)
Repayment of loans granted to subsidiaries	*10*	58 002	43 702
Dividend from subsidiary	*9*	-	44 845
Net investment in subsidiaries	*9*	(5)	(10)
Net cash from/(used in) investing activities		**43 797**	**(18 188)**
Cash flows from/used in) financing activities			
Purchase of Treasury shares	*11*	-	-
Repayment of Liability to shareholders measured at amortised costs	*13*	(40 000)	-
Proceeds from Financial liability measured at FVPL	*13*	-	74 626
Proceeds from bond loans, net of issue costs	*12*	59 137	-
Repayment of bond loans	*12*	(40 000)	(50 000)
Net cash from/(used in) financing activities		**(20 863)**	**24 626**
Net change in cash and cash equivalents		**16 433**	**(7 485)**
Cash and cash equivalents at 1 January		6 397	12 556
Effects of exchange rate changes on cash and cash equivalents		-	1 326
Cash and cash equivalents at 31 December		**22 830**	**6 397**

The notes included on pages 5 to 27 are an integral part of these standalone financial statements

Notes to the Standalone financial statements

Note 1 – General

Ronson Development SE ('the Company'), formerly named Ronson Europe N.V., is an European Company with its statutory seat in Warsaw, Poland. The registered office is located at al. Komisji Edukacji Narodowej 57 in Warsaw. The Company was incorporated in the Netherlands on 18 June 2007 as Ronson Europe N.V. with statutory seat in Rotterdam. During 2018, the Company changed its name and was transformed into an European Company (SE) and, effectively as of 31 October 2018, transferred its registered office of the Company from the Netherlands to Poland.

The Company (together with its subsidiaries, 'the Group') is active in the development and sale of residential units, primarily apartments, in multi-family residential real-estate projects to individual customers in Poland. In 2021 the Management Board of the Company decided to start developing new activity, so-called Private Rent Sector (PRS). PRS is sector of Poland's residential market in which buildings are designed and built specifically for renting. The Company prepared Consolidated Financial Statements for the year ended 31 December 2023, which was authorized for issue on 12 March 2024.

As at 31 December 2023, Amos Luzon Development and Energy Group Ltd. ("A. Luzon Group"), the ultimate parent company, controlled 100% of the Company's shares, including directly holding 32.98% of the Company's shares, indirectly, through its wholly-owned subsidiary Luzon Ronson N.V. (former name I.T.R. Dori B.V.), held 66.06% of the Company's shares and the remaining 0.96% of the Company's shares were treasury shares. On 29 June 2023, the then shareholders of the Company, i.e. A. Luzon Group and I.T.R. Dori B.V. (now under the name Luzon Ronson N.V.) entered into an agreement to reorganize the business of A. Luzon Group. As part of this reorganization, a new Israeli company, Luzon Ronson Properties Ltd. was established, to which the shares in the Company held directly by A. Luzon Group (approximately 32.98% of the share capital) were transferred on 16 January 2024. Subsequently, A. Luzon Group on 25 January 2024 disposed of its entire shareholding in Luzon Ronson Properties Ltd. to Luzon Ronson N.V. (previous name I.T.R. Dori B.V.).

In summary, as at the date of publication of these financial statements, A. Luzon Group, the ultimate parent company, indirectly controls through its subsidiary Luzon Ronson N.V. (former name I.T.R. Dori B.V.) 100% of the Company's share capital, i.e. 164,010,813 ordinary bearer shares, including 1,567,954 (approximately 0.96% of the Company's share capital) of the Company's own shares.

Luzon Ronson N.V. holds 108,349,187 shares (approximately 66.06% of the Company's share capital) directly, and 54,093,672 shares (approximately 32.98% of the Company's share capital) through its wholly-owned subsidiary Luzon Ronson Properties Ltd. and the remaining 1,567,954 (approximately 0.96% of the Company's share capital) are Company's own shares.

The beneficial owner of the Company is Mr Amos Luzon, who is also the Chairman of the Supervisory Board of the Company.

The details of the entities, the year of incorporation and the percentage of ownership and voting rights directly or indirectly held by the Company as at 31 December 2023 and as at 31 December 2022, are presented below and on the following page.

	Entity name	Year of incorporation	Share of ownership & voting rights at the end of	
			31 December 2023	31 Dcember 2022
a.	**held directly by the Company:**			
1	Ronson Development Management Sp. z o.o.	1999	100%	100%
2	Ronson Development Sp. z o.o.	2006	100%	100%
3	Ronson Development Construction Sp. z o.o.	2006	100%	100%
4	City 2015 Sp. z o.o.	2006	100%	100%
5	Ronson Development Village Sp. z o.o.(1)	2007	100%	100%
6	Ronson Development Skyline Sp. z o.o.	2007	100%	100%
7	Ronson Development Universal Sp. z o.o.(1)	2007	100%	100%
8	Ronson Development South Sp. z o.o.(4)	2007	100%	100%
9	Ronson Development Partner 5 Sp. z o.o.	2007	100%	100%
10	Ronson Development Partner 4 Sp. z o.o.	2007	100%	100%
11	Ronson Development Providence Sp. z o.o.	2007	100%	100%
12	Ronson Development Finco Sp. z o.o.	2009	100%	100%

Notes to the Standalone financial statements

Note 1 – General

	Entity name	Year of incorporation	Share of ownership & voting rights at the end of	
			31 December 2023	31 Dcember 2022
a.	**held directly by the Company:**			
13	Ronson Development Partner 2 Sp. z o.o.	2009	100%	100%
14	Ronson Development Partner 3 Sp. z o.o.	2012	100%	100%
15	Ronson Development Studzienna Sp. z o.o.	2019	100%	100%
16	Ronson Development SPV1 Sp. z o.o.	2021	100%	100%
17	Ronson Development SPV2 Sp. z o.o.	2021	100%	100%
18	Ronson Development SPV3 Sp. z o.o.	2021	100%	100%
19	Ronson Development SPV4 Sp. z o.o.	2021	100%	100%
20	Ronson Development SPV5 Sp. z o.o.	2021	100%	100%
21	Ronson Development SPV6 Sp. z o.o.	2021	100%	100%
22	Ronson Development SPV7 Sp. z o.o.	2021	100%	100%
23	Ronson Development SPV8 Sp. z o.o.	2021	100%	100%
24	Ronson Development SPV9 Sp. z o.o.	2021	100%	100%
25	Ronson Development SPV10 Sp. z o.o.	2021	100%	100%
26	Ronson Development SPV11 Sp. z o.o.	2021	100%	100%
27	LivinGO Holding sp. z o.o.(6)	2022	100%	100%
28	Ronson Development SPV14 Sp. z o.o.w organizacji	2023	100%	-
29	Ronson Development SPV15 Sp. z o.o.w organizacji	2023	100%	-
30	Ronson Development SPV16 Sp. z o.o. w organizacji(7)	2023	100%	-
b.	**held indirectly by the Company :**			
31	Ronson Development Partner 4 Sp. z o.o. – Panoramika Sp.k.(2)	2007	-	100%
32	Ronson Development Sp z o.o. - Estate Sp.k.	2007	100%	100%
33	Ronson Development Sp. z o.o. - Home Sp.k.(2)	2007	-	100%
34	Ronson Development Sp z o.o. - Horizon Sp.k.	2007	100%	100%
35	Ronson Development Partner 3 Sp. z o.o. - Sakura Sp.k.(2)	2007	-	100%
36	Ronson Development Partner 3 sp. z o.o. – Viva Jagodno sp. k.	2009	100%	100%
37	Ronson Development Sp. z o.o. - Apartments 2011 Sp.k.	2009	100%	100%
38	Ronson Development Sp. z o.o. - Idea Sp.k.(2)	2009	-	100%
39	Ronson Development Partner 2 Sp. z o.o. – Destiny 2011 Sp.k.(2)	2009	-	100%
40	Ronson Development Partner 2 Sp. z o.o. - Enterprise 2011 Sp.k.(2)	2009	-	100%
41	Ronson Development Partner 2 Sp. z o.o. - Retreat 2011 Sp.k.	2009	100%	100%
42	LivinGO Ursus sp. z o.o.(5)	2022	100%	100%
43	Ronson Development Partner 5 Sp. z o.o - Vitalia Sp.k.	2009	100%	100%
44	Ronson Development Sp. z o.o. - 2011 Sp.k.(2)	2009	-	100%
45	Ronson Development Sp. z o.o. - Gemini 2 Sp.k.(2)	2009	-	100%
46	Ronson Development Sp. z o.o. - Verdis Sp.k.(2)	2009	-	100%
47	Ronson Development Sp. z o.o. - Naturalis Sp.k.	2011	100%	100%
48	Ronson Development Sp. z o.o. - Impressio Sp.k.(2)	2011	-	100%
49	Ronson Development Partner 3 Sp. z o.o.- Nowe Warzymice Sp. k	2011	100%	100%
50	Ronson Development Sp. z o.o. - Providence 2011 Sp.k.	2011	100%	100%
51	Ronson Development Partner 2 Sp. z o.o. - Capital 2011 Sp. k.(2)	2011	-	100%
52	Ronson Development Partner 5 Sp. z o.o. - Miasto Marina Sp.k.	2011	100%	100%
53	Ronson Development Partner 5 Sp. z o.o. - City 1 Sp.k.	2012	100%	100%
54	Ronson Development Partner 2 Sp. z o.o. - Miasto Moje Sp. k.	2012	100%	100%
55	Ronson Development sp. z o.o. – Ursus Centralny Sp. k.	2012	100%	100%
56	Ronson Development Sp. z o.o. - City 4 Sp.k.	2016	100%	100%
57	Ronson Development Partner 2 Sp. z o.o. – Grunwald Sp.k.	2016	100%	100%
58	Ronson Development Sp. z o.o. Grunwaldzka" Sp.k.	2016	100%	100%
59	Ronson Development Sp. z o.o. - Projekt 3 Sp.k.	2016	100%	100%
60	Ronson Development Sp. z o.o. - Projekt 4 Sp.k.	2017	100%	100%
61	Ronson Development Sp. z o.o. - Projekt 5 Sp.k.	2017	100%	100%
62	Ronson Development Sp. z o.o. - Projekt 6 Sp.k.	2017	100%	100%
63	Ronson Development Sp. z o.o. - Projekt 7 Sp.k.	2017	100%	100%
64	Ronson Development Sp. z o.o. - Projekt 8 Sp.k.	2017	100%	100%
65	Bolzanus Limited *(Company with the registered office in Cyprus)*	2013	100%	100%
66	Park Development Properties Sp. z o.o. - Town Sp.k.	2007	100%	100%
67	Tras 2016 Sp. z o.o.	2011	100%	100%
68	Park Development Properties Sp. z o.o.	2011	100%	100%
69	Wrocław 2016 Sp. z o.o.	2016	100%	100%
70	Darwen Sp. z o.o.(3)	2016	-	100%
71	Truro Sp. z o.o.(3)	2017	-	100%
72	Tregaron Sp. z o.o.	2017	100%	100%
73	Totton Sp. z o.o.(3)	2017	-	100%

Notes to the Standalone financial statements

Note 1 – General

	Entity name	Year of incorporation	Share of ownership & voting rights at the end of	
			31 December 2023	31 Dcember 2022
b.	**held indirectly by the Company :**			
74	Tring Sp. z o.o.	2017	100%	100%
75	Thame Sp. z o.o.	2017	100%	100%
76	Troon Sp. z o.o.	2017	100%	100%
77	Tywyn Sp. z o.o.	2018	100%	100%
c.	**other entities not subject to consolidation:**			
78	Coralchief sp. z o.o.	2018	50%	50%
79	Coralchief sp. z o.o. - Projekt 1 sp. k.	2016	50%	50%
80	Ronson IS sp. z o.o.	2009	50%	50%
81	Ronson IS sp. z o.o. sp. k.	2012	50%	50%

1) *The Company has the power to govern the financial and operating policies of this entity and to obtain benefits from its activities, whereas Kancelaria Radcy Prawnego Jarosław Zubrzycki holds the legal title to the shares of this entity.*
2) *Companies merged with Ronson Development South Sp. z o.o. on 27 January 2023*
3) *Companies merged with Wrocław 2016 Sp. z o.o. on 16 March 2023*
4) *99.66% of shares in the company are held by Ronson Development SE, the remaining 0.34% of shares are held by: Ronson Development sp. z o.o. (0.19%), Ronson Development Partner 2 sp. z o.o. (0.09%), Ronson Development Partner 3 sp. z o.o. (0.03%) and Ronson Development Partner 4 sp. z o.o. (0.03%) all of this companies are held 100% by Ronson Development SE.*
5) *The company's business name has been changed to LivinGO Ursus sp. z o.o. from Ronson Development SPV12 Sp. z o.o.*
6) *The company's business name has been changed to LivinGO Holding sp. z o.o. from Ronson Development SPV13 Sp. z o.o.*
7) *Established company in process of organization*

Note 2 - Accounting principles

a) Basis of preparation and statement of compliance

The Standalone Financial Statements of Ronson Development SE have been prepared in accordance with IFRS as endorsed by the European Union ("IFRS"). IFRSs comprise standards and interpretations accepted by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

The Standalone Financial Statements of Ronson Development SE were approved by the Management Board for publication on 12 March 2024 in both English and Polish languages, while the Polish version is binding.

The Standalone Financial Statements of Ronson Development SE have been prepared on the going concern assumption, i.e. the continuation of the Company's business activity in the foreseeable future. As at the day of the approval of these financial statements, there were no circumstances identified implying any threats to the continuation of the Company's activity.

The financial statements have been prepared on a historical cost basis except the SAFE Agreement (financial liability in FVPL) which was measured at fair value until May 25, 2023. With regards to valuation of investment in subsidiaries IAS 27 allows for valuation either at cost or at fair value or in accordance with the equity method. The Company decided to select the equity method, excluding SAFE financial liabilities measured through profit or loss until May 25, 2023.

New and amended standards adopted by the Company

Except as described below, the accounting policies applied by the Company and the Group in these Condensed Standalone Financial Statements are the same as those applied by the Company in its Standalone Financial Statements for the year ended 31 December 2022.

The following standards and amendments became effective as of 1 January 2023:

- Amendments to IAS 1 - "Presentation of Financial Statements" and the IFRS Board's guidance on disclosure of accounting policies in practice;
- Amendments to IAS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors";
- Amendments to IAS 12 – "Income Taxes",
- IFRS 17 "Insurance contracts" and changes to IFRS 17.

Notes to the Standalone financial statements

Note 2 - Accounting principles

The impact of the above amendments and improvements to IFRSs was analyzed by the Management. Based on the assessment the amendments do not impact the Standalone Financial Statements of the Company for the year ended 31 December 2023.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 2023 reporting periods and have not been early adopted by the Group. The Management Board do not expect that these standards have a material impact on the entity or the Group in the current or future reporting periods and on foreseeable future transactions.

b) Functional and reporting currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the “functional currency”). The Standalone financial statements are presented in thousands of Polish Zloty (“PLN”), which is the Company’s functional and presentation currency.

Transactions in currencies other than the functional currency are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in currencies other than the functional currency are recognized in the statement of comprehensive income.

c) Use of estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosure of contingent assets and liabilities at the date of the Standalone Financial Statements, and the reported amounts of income and expenses during the reported period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

Valuation of financial liability at fair value through profit or loss

The fair value of the financial liability at fair value through profit or loss was determined by independent valuator, until signing the annex to original agreement as of May 25, 2023, based on the Monte Carlo simulation model and the Black & Scholes model. The determination of the fair value of the liability requires the use of estimates such as share price, exercise price, loan maturity, risk free interest, credit risk, expected volatility and expected dividend yield. More information in presented in the Note 13.

Estimated impairment of shares in subsidiaries and loans granted

The impairment test is carried out when there are indications that the carrying amount of the investment will not be recovered. The assessment of impairment of shares in subsidiaries is based on an analysis of the fair value of assets and liabilities held by individual entities and on expectations regarding future cash flows from the operations of these entities. In the assessment process, the Company also assesses the duration and extent to which the current value of shares is lower than its purchase price, as well as the prospects of a given entity and plans regarding its investment projects. All significant decreases in the fair value of subsidiaries' assets were recognized by the Management Board as long-term and resulted in a write-down of shares in subsidiaries. In particular, in the case of subsidiaries that did not conduct any significant operating activities as at 31 December 2023, the value of the write-downs corresponds to the total value of the difference between the value of the net assets of a given subsidiary and the purchase price of the shares.
With regard to the allowance for loans granted, the Management Board determines the allowance using the methodology of expected credit losses in accordance with IFRS 9. Allowances for expected losses are recognized based on assumptions regarding the risk of default and expected loss ratios. By adopting these assumptions and selecting data for the calculation of impairment, the Company applies a subjective assessment based on its past history and existing market conditions, as well as estimates regarding the future at the end of each reporting period.

Notes to the Standalone financial statements

Note 3 - Significant accounting policies

The accounting policies applied in the preparation of the attached financial statements are consistent with those applied in the preparation of the financial statements of the Company for the year ended 31 December 2022 and have been applied consistently in all periods presented in the Standalone Financial Statements.

(a) Foreign currency

Transactions in foreign currencies are translated to the respective functional currency at exchange rates prevailing at the dates of the transactions using:

- the purchase or selling rate of the bank whose services are used by the Company – in case of foreign currency sales or purchase transactions, as well in the case as of the debt or liability payment transactions;
- the average rate specified for a given currency by the National Bank of Poland as on the transaction date, unless a customs declaration or other binding document indicates another rate – in case of other transactions.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

(b) Revenue from contracts with customers

Revenue from consulting services represents fees charged by the Company to its subsidiaries. Revenue is recognized when control of the goods or services are transferred at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, which succeed in case of Company at the moment of signing the agreement with general constructor on project level and signing the first notarial deed. More information in note 4.

(c) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.
In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at Amortized cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

For the Company the first category is most relevant. Financial assets at Amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

Notes to the Standalone financial statements

Note 3 - Significant accounting policies

(c) Financial instruments

Financial assets

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).
For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
After initial recognition, interest-bearing loans and borrowings are subsequently measured at Amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

The financial instruments of the Company are classified into one of the following categories:

Category	Statement of financial position item	Measurement
Assets measured at amortized costs	Loans granted to subsidiaries	Amortized cost method
	Cash and cash equivalent	Amortized cost method
	Trade and other receivables and prepayments	Amortized cost method
Liabilities measured at amortized costs	Bond loans	Amortized cost method
	Trade and other payables and accrued expenses	Amortized cost method
	Financial liability measured at amortised cost	Amortized cost method

Investments in subsidiaries

Subsidiaries are entities the Company controls directly or indirectly. The Company accounts, based on IAS 27 par 10(c), for investments in subsidiaries under equity method. Under the equity method of accounting, the investments are initially recognized at cost and adjusted subsequently for the post-acquisition changes in share of the net assets of subsidiaries. Dividends received or receivable from subsidiaries are recognized as a reduction in the carrying amount of the investment. The financial statements of subsidiaries are prepared for the same period as the financial statement of the Company. All subsidiaries keep books of accounts in accordance with accounting policies specified in the Accounting Act dated 29 September 1994 ('the Accounting Act') with subsequent amendments and the regulations issued based on that Act. The Company accounts for investments in subsidiaries based on their financial statements as per books of accounts adjusted in order to bring the financial statements of those entities in conformity with IFRSs as adopted by EU.

Notes to the Standalone financial statements

Note 3 - Significant accounting policies

(d) Equity

(i) Share capital

Share capital includes the proceeds received from the issue of ordinary shares on the nominal value in exchange for cash.

(ii) Share premium

Share premium includes the excess of proceeds received from the issue of shares over the nominal value of shares. Shares issuance costs are deducted from the share premium.

(iii) Treasury shares

Own shares that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(iv)Share based payment

The Group has introduced equity-settled share-based compensation plan for CEO of the Group, under which the entity receives services from CEO for equity instruments (options) of the shareholder of the Group. The fair value of the employee services received in exchange for the grant of options is recognised as an administrative expense and as a credit to Share-based payment reserve. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options or shares determined at the grant date. The proceeds received on exercise of the options net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium. Cancelled awards are deemed to have vested upon cancellation. Any unamortised expense associated with such awards is charged to profit or loss immediately.

(e) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(f) Income tax expense

Income tax expense comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax expense is calculated according to tax regulations in effect in the jurisdiction in which the individual companies are domiciled.

Deferred income tax is provided, using the balance sheet method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, and for tax losses carried forward, except for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. At each reporting date deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(g) Cash and cash equivalents

Cash and cash equivalents in the statement of financial positions comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, except for collateralized deposits.

For the purpose of the consolidated statement cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

Notes to the Standalone financial statements

Note 4 - Revenue

The Company provides services related to the preparation and organization of the investment process with respect to development projects owned by the Company's subsidiaries.
As part of its responsibilities, the Company undertakes the performance of advisory, management, legal and other activities necessary to manage the investment process. The Company recognizes revenues when the obligation to perform the service is fulfilled, i.e. during the service provision period.
The concluded agreements do not contain a significant element of financing. Due to such characteristics of the contracts signed, there are no significant balances of contract assets or contract liabilities, except for trade receivables. Revenues are recognized at the moment when the service is performed.
The increase of revenues by PLN 8,9 million for the year ended 31 December 2023 as compared to the year ended 31 December 2022 results from increase of revenue from management of investment process from PLN 3,9 thousand at year ended 31 December 2022 to PLN 12,8 thousand during the year ended 31 December 2023 being a result of more projects completion during the period ended 31 December 2023 and increase in fees resulted from transfer pricing analysis.

Note 5 - General and administrative expense

For the year ended 31 December *In thousands of Polish Zlotys (PLN)*	**2023**	**2022**
External services	782	1 170
Remuneration fees	4 793	3 852
Other	789	898
Total	**6 363**	**5 920**

Note 6 - Management and Supervisory Board Members' remuneration

Management Board personnel compensation

Management Board personnel compensation, payable by the Company, is presented in the table below. For compensations paid by other entities in the Group reference is made to the Consolidated Financial Statements.

As at 31 December *In thousands of Polish Zlotys (PLN)*	**2023**	**2022**
Salary and other short time benefit	120	120
Management bonus	25	25
Subtotal - Ms Karolina Bronszewska	**145**	**145**
Salary and other short time benefit	264	264
Management bonus	95	95
Other (2)	132	132
Subtotal - Mr Yaron Shama	**491**	**491**
Salary and other short time benefit	200	240
Incentive plan linked to financial results	414	171
Subtotal - Mr Andrzej Gutowski	**614**	**411**
Salary and other short time benefit	1 095	937
Management bonus	762	760
Share based payment	1 571	-
Other (1)	-	951
Subtotal - Mr Boaz Haim	**3 427**	**2 648**
Total	**4 678**	**3 695**

(1) Mainly related to car expenses, flights and accommodation and an American school.
(2) Transactions with related parties.

Notes to the Standalone financial statements

Note 6 - Management and Supervisory Board Members' remuneration

Supervisory Board remuneration

As at 31 December *In thousands of Polish Zlotys (PLN)*	**2023**	**2022**
Mr Ofer Kadouri *(first appointment: 1 March 2017)*	58	56
Mr Alon Kadouri *(first appointment: 1 March 2017)*	58	53
Mr Shmuel Rofe *(first appointment: 20 November 2017, end of term 7 July 2022)*	-	17
Mr Piotr Palenik *(first appointment: 30 June 2017, end of term 7 July 2022)*	-	14
Mr Przemyslaw Kowalczyk *(first appointment: 30 June 2011, end of term 7 July 2022)*	-	17
Total	**116**	**157**

The supervisory directors are entitled to a quarterly fee of EUR 2.225 plus an amount of EUR 1.500 per personal attendance in the Supervisory Board meeting (EUR 750 if attendance is by using means of direct remote communication). The total amount due in respect of Supervisory Board fees during 2023 and 2022 amounted to PLN 116 thousand (EUR 25.3 thousand) and PLN 157 thousand (EUR 33.5 thousand), respectively. In addition, the Company paid social security contributions at the amount of PLN 20.1 thousand in the year ended 31 December 2023.

Mr Amos Luzon did not receive any direct remuneration from the Company nor from any of the Company's subsidiaries.

Note 7 - Net finance income and expense

For the year ended 31 December *In thousands of Polish Zlotys (PLN)*	**2023**	**2022**
Interests and fees on granted loans to subsidiaries	24 325	18 886
Interest income on bank deposits	942	346
Foreign exchange gain	805	1 449
Finance income	**26 072**	**20 681**
Interest expense on bonds measured at amortized cost	(24 133)	(18 086)
Interests and fees on received loans from subsidiaries	-	-
Bank charges	(39)	(101)
Foreign exchange profit (loss)	-	-
Provisions and charges on bonds measured at amortised cost	(1 262)	(1 349)
Reversal of discount factor on liability measured at amortised cost	(2 312)	-
Other	(771)	(34)
Finance expenses	**(28 517)**	**(19 570)**
Gain/loss in fair value of financial instrument at fair value through profit and loss	6 422	4 121
Net finance income	**3 978**	**5 232**

Notes to the Standalone financial statements

Note 8 - Income tax

For the year ended 31 December *In thousands of Polish Zlotys (PLN)*	**2023**	**2022**
Current tax expense/(benefit)		
Current period	374	-
Reversal of withholding tax in the Netherlands	-	-
Total current tax expense	**374**	**-**
Deferred tax expense/(benefit)		
Origination and reversal of temporary differences	1 267	2 507
Expense/(benefit) of tax losses recognized	1 081	103
Total deferred tax expense/(benefit)	**2 348**	**2 610**
Total income tax expense/(benefit)	**2 722**	**2 610**

Note 9 - Investment in subsidiaries

The subsidiaries of the Company are valued with equity pick-up method.

For the year ended 31 December *In thousands of Polish Zlotys (PLN)*	**2023**	**2022**
Balance at beginning of the period	445 275	458 449
Investments in subsidiaries	5	10
Sale of shares	-	-
Net result subsidiaries during the period	74 460	31 660
Dividend from subsidiary	-	(44 845)
Balance at end of the period	**519 740**	**445 275**

In the year 2023 the Company established 3 new entities through creation new Companies. At 31 December 2023 those Companies are in process of organization.

In the period ended 31 December 2023 Company obtained bond security in form of mortgage from subsidiaries in the amount of PLN 771 thousand.

The Company holds and owns (directly and indirectly) 67 companies as at 31 December 2023. For information about companies in the Group, controlled directly and indirectly, which financial data are included in the Note 1 of this Financial Statements. These companies are active in the development and sale of units, primarily apartments, in multi-family residential real-estate projects to individual customers in Poland, as well as development of so-called Private Rented Sector, which the Group decided to develop in the next years. The projects managed by the companies are in various stages of development ranging from being in the process of acquiring land for development to projects which are completed or near completion.

Notes to the Standalone financial statements

Note 10 - Loan granted to subsidiaries

Movements in loans granted to subsidiaries presents the table below:

For the year ended 31 December *In thousands of Polish Zlotys (PLN)*	**2023**	**2022**
Opening balance	**276 581**	**199 828**
Loans granted	14 200	106 725
Loans repayment during the year	(58 002)	(43 702)
Impairments	-	(1 076)
Accrued interest	24 325	18 886
Repayment of interest	(16 809)	(4 080)
Total closing balance	**240 294**	**276 581**
Closing balance includes:		
Current assets	33 853	10 140
Non-current assets	206 441	266 441
Total closing balance	**240 294**	**276 581**

Loans as at 31 December 2023:

In thousands of Polish Zlotys (PLN)	**Currency**	**Nominal interest rate**	**Year of maturity**	**Capital**	**Accrued interest**	**Impairment**	**Carrying va-lue**
Tras 2016 Sp. z o.o.	PLN	Wibor 6M + 4.0%	2023	5 466	2 397	-	7 863
Tras 2016 Sp. z o.o.	PLN	Wibor 6M + 4.0%	2024	20 000	6 911	-	26 911
Ronson Development Finco	PLN	Wibor 6M + 3.2%	2025	7 000	1 313	-	8 313
Ronson Development Finco	PLN	Wibor 6M + 3.2%	2025	3 697	256	-	3 953
Ronson Development Finco	PLN	Wibor 6M + 3.2%	2025	5 000	938	-	5 938
Ronson Development Finco	PLN	Wibor 6M + 3.2%	2025	500	721	-	1 221
Ronson Development Finco	PLN	Wibor 6M + 3.2%	2025	603	445	-	1 048
Ronson Development Finco	PLN	Wibor 6M + 3.2%	2025	12 474	729	-	13 203
Ronson Development Finco	PLN	Wibor 6M + 3.2%	2025	27 200	3 533	-	30 733
Ronson Development Finco	PLN	Wibor 6M + 3.2%	2025	10 000	1 873	-	11 873
Ronson Development Skyline	PLN	6,00%	2026	4 350	5 433	(9 326)	457
Ronson Development Finco	PLN	Wibor 6M + 3.2%	2026	49 250	3 163	(750)	51 663
Ronson Development Finco	PLN	Wibor 6M + 3.2%	2026	43 375	758	-	44 133
Tras 2016 Sp. z o.o.	PLN	Wibor 6M + 3.2%	2026	11 600	1 196	-	12 796
Ronson Development Finco	PLN	Wibor 6M + 3.2%	2026	7 500	77	-	7 577
Tras 2016 (Nova Królikarnia B.V.)	PLN	Wibor 6M + 4.0%	2027	151	2 528	-	2 679
Tras 2016 (Nova Królikarnia B.V.)	PLN	Wibor 6M + 4.0%	2028	5 300	1 641	-	6 941
Tras 2016 Sp. z o.o.	PLN	Wibor 6M + 4.0%	2028	993	1 997	-	2 991
Total loans granted to Subsidiaries				**214 460**	**35 910**	**(10 076)**	**240 294**

Loans as at 31 December 2022:

In thousands of Polish Zlotys (PLN)	**Currency**	**Nominal interest rate**	**Year of maturity**	**Capital**	**Accrued interest**	**Impairment**	**Carrying value**
Tras 2016 Sp. z o.o.	PLN	Wibor 6M + 4.0%	2023	993	1 888	-	2 881
Tras 2016 Sp. z o.o.	PLN	Wibor 6M + 4.0%	2023	5 466	1 793	-	7 259
Tras 2016 (Nova Królikarnia B.V.)	PLN	Wibor 6M + 4.0%	2024	5 300	1 056	-	6 356
Tras 2016 Sp. z o.o.	PLN	Wibor 6M + 4.0%	2024	20 000	4 703	-	24 703
Ronson Development Finco	PLN	Wibor 6M + 3.2%	2025	7 000	596	-	7 596
Ronson Development Finco	PLN	Wibor 6M + 3.2%	2025	3 699	578	-	4 277
Ronson Development Finco	PLN	Wibor 6M + 3.2%	2025	5 000	426	-	5 426
Ronson Development Finco	PLN	Wibor 6M + 3.2%	2025	6 000	511	-	6 511
Ronson Development Finco	PLN	Wibor 6M + 3.2%	2025	10 103	639	-	10 742
Ronson Development Finco	PLN	Wibor 6M + 3.2%	2025	33 474	2 124	-	35 598
Ronson Development Finco	PLN	Wibor 6M + 3.2%	2025	48 200	1 621	-	49 821
Ronson Development Finco	PLN	Wibor 6M + 3.2%	2025	10 000	848	-	10 848
Ronson Development Skyline	PLN	6,00%	2026	4 350	5 172	(9 326)	196
Ronson Development Finco	PLN	Wibor 6M + 3.2%	2026	49 750	2 783	(750)	51 783
Ronson Development Finco	PLN	Wibor 6M + 3.2%	2026	39 875	982	-	40 857
Tras 2016 Sp. z o.o.	PLN	Wibor 6M + 3.2%	2026	8 900	165	-	9 065
Tras 2016 (Nova Królikarnia B.V.)	PLN	Wibor 6M + 4.0%	2027	151	2 511	-	2 662
Total loans granted to Subsidiaries				**258 262**	**28 395**	**(10 076)**	**276 581**

Notes to the Standalone financial statements

Note 10 - Loan granted to subsidiaries

The loans are not secured as at 31 December 2023 and 31 December 2022.

Note 11 - Shareholders' equity

Share capital

The share capital of the Company amounts to three million two hundred and eighty thousand two hundred and sixteen euros and twenty-six cents (€3,280,216.26) and is divided into one hundred and sixty-four million ten thousand eight hundred and thirteen (164,010,813) shares with a par value of two eurocents (EUR 0.02) each. The share capital of the Company was fully covered. The number of issued ordinary shares as at December 31, 2023 and as at December 31, 2022 amounted to 164,010,813. All shares are bearer shares. The number of outstanding shares equals the number of votes, as there are no privileged shares issued by the Company. As at 31 December 2023, the Company held 1,567,954 own shares (0.96%) in treasury (see below) and, in accordance with art. 364 § 2 of the Code of Commercial Companies, it does not exercise voting rights from own shares.

Distribution of the net profit for year 2022

The entire net profit for 2022 in the amount of PLN 30,272 thousand was allocated to the Company's retained earnings.

Proposed profit appropriation

Until the date of approval of the financial statements for publication, the Management Board of Ronson Development SE has not adopted a resolution on the proposed distribution of net profit for 2023.

Treasury shares

During the Extraordinary General Meeting of Shareholders held on 24 January 2019, the shareholders of the Company resolved to approve a share buyback program and the establishment of a capital reserve for the purpose of such program, whereby the Management Board of the Company is authorized to purchase ordinary bearer shares in the Company. In order to fund the purchase of own shares under the buyback program a capital reserve (within retained earnings) is established for an amount of PLN 2.0 million. The capital reserve was subsequently reduced by the amount of the consideration paid for the shares bought back.

Then, on 30 June 2020, the Ordinary General Meeting of the Company adopted a resolution on the adoption of another share buyback program, under which the Management Board of the Company, on 1 July 2020, defined the detailed conditions for the purchase of the Company's own shares, which were also approved by the Supervisory Board of the Company. The maximum amount for the purchase of all shares under the second program was set at PLN 1,369,761.99 (one million three hundred and sixty-nine thousand seven hundred and sixty-one zlotys 99/100).

Currently, due to the fact that the Company is no longer a public company, and all the Company's shares are held directly or indirectly by A. Luzon Group, continuation of the above-mentioned program became irrelevant.

Share based payment

On November 28, 2022, Luzon Group announced a private issuance of options for shares of Amos Luzon Development and Energy Group Ltd. ("Options"). According to the allocation, Mr. Boaz Haim received 9,817,868 Options. Options were allotted free of charge. Each Option entitles to one ordinary share of Luzon Group of NIS 0.01 par value, for an exercise price of 2 NIS (which however will be settled on a net basis, i.e. final number of received shares will be decreased by a number of shares which market value is equal to full exercise price to be paid).
Mr Haim will be entitled to exercise the Options as follows:

(i) after 24 months from the allotment date - up to 40% of allocated Options
(ii) after 36 months from the allotment date - up to 20% of allocated Options
(iii) after 48 months from the allotment date - up to 20% of allocated Options
(iv) after 60 months from the allotment date - up to 20% of allocated Options

Notes to the Standalone financial statements

Note 11 - Shareholders' equity

Share based payment

The Options can be exercised until the end of 7 years from the date of their allocation. Options that were not exercised within the above-mentioned period, expire. Assuming all the Options are exercised, Mr. Haim will hold c.a. 2.38% of the issued and paid-up capital of Luzon Group and about 1.89% of the issued and paid-up capital of Luzon Group on a full dilution basis. The Option program envisages adjustments in options for share allocation in case of various corporate events in Luzon Group (such as the issuance of shares or other options, merger, dividend distribution, etc.). First impact of the program was recognized in year 2023 and amounted to PLN 1.6m. Program is accounted under IFRS 2 standard as a personal expense, part of administrative costs and Share based payment reserve in equity. Total value of the program as of grant sheet date amounted to PLN 4.7 million.

Basic earnings per share amounts are calculated by dividing net profit/(loss) attributable to equity holders of the parent company for the year by the weighted average number of ordinary shares outstanding and in circulation during the year. Diluted earnings per share amounts are calculated by dividing the net profit/(loss) attributable to equity holders of the parent company for the year by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive instruments into ordinary shares, no such instruments exists as at 31 December 2023 and 2022.

As at:	**31 December 2023**	**31 December 2022**
Number of shares	164 010 813	164 010 813
Share Capital	12 503 000	12 503 000
Treasury shares	1 567 954	1 567 954
Value of treasury shares	(1 731 716)	(1 731 716)
% of total shares	**0.96%**	**0.96%**

Until the publication date there were no changes in the value of Treasury shares owned by the Company.

Note 12 - Borrowings

Bonds loans

For the year ended 31 December *In thousands of Polish Zloty (PLN)*	**2023**	**2022**
Opening balance	**203 370**	**249 238**
Repayment of bond loans	(40 000)	(50 000)
Proceeds from bond loans (nominal value)	60 000	-
Issue cost	(863)	-
Issue cost amortization	1 262	1 349
Accrued interest	24 134	18 086
Interest repayment	(22 583)	(15 303)
Total closing balance	**225 320**	**203 370**
Closing balance includes:		
Current liabilities	106 644	45 260
Non-current liabilities	118 676	158 110
Total Closing balance	**225 320**	**203 370**

On 2 October 2023 the Company partially repaid series V bonds in amount of PLN 40.0 million. After these repayments series V bonds amounted to 60.0 million..

As at 31 December 2023 and 31 December 2022, all covenants were met.

Notes to the Standalone financial statements

Note 13 - Investors agreement ("SAFE Agreement")

On 25 May, 2023, the Company and Luzon Group entered into an agreement for settling the return of the amounts received related to the SAFE Agreements and releasing the Company from its obligation towered the SAFE Investors.

Conclusion of this agreement results from the fact that the Company has decided that within the period specified in the SAFE Agreements it will not apply for admission of the Company's shares to trading on the Tel Aviv Stock Exchange. On the basis of the agreement, the Company undertook to return to Luzon Group the financing received from Investors under the SAFE Agreements in the total amount of ILS 60 million (sixty million Israeli shekels), to satisfy Luzon Group's claims against the Company under the SAFE Agreements and applicable Israeli law. Payments to Luzon Group in the total amount of PLN 40 million (approx. ILS 34.3 million) were made in May and November 2023, and subsequent payments will be made in accordance with the schedule agreed by the parties to the agreement, determined taking into account the capital needs of Luzon Group and the liquidity and financial situation of the Company, with the provision that these payments will become due no earlier than 1 January, 2024, and the total amount of payments to Luzon Group in 2024 will not exceed PLN 25 million (approx. ILS 22 million) and the remaining amount will be repaid in 2025. Based on the Company's Management judgment, it was concluded that signing of the agreement of May 25, 2023 resulted in the extinguishments of the liability to investors and the recognition of a new liability to Luzon Group, which was recognized as a financial liability measured at amortized cost with a discounted cash flow rate of 7.14% per annum. The value of the liability does not differ significantly from the value measured at fair value.

The table below presents the movement on the new liability to Luzon Group for the period from May 25, 2023 to the end of the reporting period, i.e. December 31, 2023:

Investor	Liability at amortized cost [in PLN]	Liability recognition date	Repayment of liability [in PLN]	Finance expense related to discount factor reversal [in PLN]	Finance expense related to forex exchange cost [in PLN]	Value of the liability at amortized cost December 31, 2023 [in PLN]
Amos Luzon Development and Energy Group Ltd.	64 083 496	25 May 2023	40 000 000	2 311 279	802 152	25 592 623
					Long term part	19 519 019
					Short term part	6 073 604

The difference between the fair value of the financial liability to investors, which was derecognized, and the fair value of the new liability to Luzon Group as at the date of recognition (25 May 2023), resulted in a financial cost of PLN 2.6 million, recognized in the income statement under Gain/(loss) on a financial instrument measured at fair value through profit and loss, resulting from a change in the discount rate depending on the interest rate on Luzon bonds groups. The Company points out that the financing granted under the SAFE Agreements has been classified in the financial statements as a financial liability of the Company since it was obtained.

As at 25 May 2023, the fair value of the liability towards SAFE Investors was 54,601 thousand Israeli shekels (PLN 61,524 thousand) assuming market conditions of the transaction as at the valuation date with a discounted rate of 9.3% per annum. At the moment of derecognition of liabilities to investors, gain on fair value measurement in the amount of PLN 8.9 million was recognized in the income statement in line gain(loss) in fair value of financial instrument at fair value through profit and loss, no value was recognized in other comprehensive income.

On July 7, 2023, the Company and Luzon Group signed an annex to the above agreement, on the basis of which, after carrying out transfer pricing analyses, they agreed that the remaining amount to be repaid would bear interest at 3% per annum. Interests were already considered in initial recognition of liability towards Luzon.

SAFE Agreement - description of the background of financial liability measured at fair value until derecognition

On 1 February 2022 and 22 February 2022 the Company entered into 5 separate SAFE agreements with Israeli institutional investors ("SAFE Agreements") raising a total amount of ILS 60 million, equivalent of PLN 61.5 million in FVPL as at 25 May 2023 and equivalent of PLN 70.5 million in FVPL as at 31 December 2022.

Notes to the Standalone financial statements

Note 13 - Investors agreement ("SAFE Agreement")

SAFE Agreement - description of the background of financial liability measured at fair value until derecognition

On the 25 May 2023 the company and its main shareholder (Amos Luzon Development and Energy Group Ltd.) signed a settlement agreement which together with original SAFE Agreements resulted in derecognition of financial liability measured at FVPL.

The SAFE Agreements granted the Investors certain rights applicable after the Issuer is delisted from the regulated market of the Warsaw Stock Exchange, including the right to subscribe for shares of the Company at a discounted price and for instruments convertible into shares in the Company, if the shares in the Company are admitted to trading on the Tel-Aviv Stock Exchange, secured by the right to convert their investments into shares or bonds of the Luzon Group if the shares in the Company were not admitted to trading on the Tel-Aviv Stock Exchange.

The above agreements do not impose any restrictive covenants or onerous undertakings on the part of the Group as well as it does not bear any interest.

The respective instrument should be classified as a financial liability because it includes the obligation to deliver cash to investors in the event of change of control and it includes a conversion option that does not meet the fixed-for-fixed criteria. The Group designated the financial liability as measured at FVPL entirely, on initial recognition. No amount was recognized through the other comprehensive income.

The table below presents payments made by Investors and the valuation of the financial liability as at the date of derecognition of the liability (May 25, 2023) and as at December 31, 2022:

Investor	Amount of the investment in Ronson [in ILS]	Date of payment	Paid to Ronson [in EUR]	Paid to Ronson on the transaction date [in PLN]	Fair value 31.12.2022 [in PLN]	Fair value 25.05.2023 [in PLN]	Gain(loss) in fair value of financial instrument at fair value through profit and loss [in PLN]
EJS Galatee Holdings	1 500 000	23 February 2022	413 232	1 876 734	1 773 104	1 547 231	225 873
Sphera Master Fund L.P	26 500 000	18 February 2022	7 264 254	32 753 070	30 944 513	27 002 544	3 941 970
Sphera Small Cap L.P	2 000 000	18 February 2022	551 953	2 488 646	2 351 228	2 051 709	299 519
Moore Provident Funds	15 000 000	23 February 2022	-	18 656 716	17 626 531	15 381 117	2 245 414
Klirmark Opportunity Fund III L.P	15 000 000	24 February 2022	-	18 851 326	17 810 395	15 541 558	2 268 836
Razem	**60 000 000**		**8 229 439**	**74 626 492**	**70 505 771**	**61 524 159**	**8 981 612**

Valuation process and valuation techniques

The valuations of the SAFE agreements until 25 May 2023 was performed by external advisors Prometheus Financial Advisory, which specializes in financial accounting and complex financial instruments. The valuation of the instrument was determined in accordance with the guidelines outlined in the American Institute of Certified Public Accountants Practice Aid, Valuation of Privately-Held-Group Equity Securities Issued as Compensation, (the "AICPA Practice Aid") and according to the principles of valuation of equity securities of private companies issued as part of compensation. The assumptions used in the valuation model are based on the future expectations combined with the Group's management judgement.

Numerous objective and subjective factors to determine the fair value of the ordinary shares as of the date of each option grant, including the following factors:

a) the prices, rights, preferences and privileges of the preferred shares;
b) current business and market conditions and projections;
c) the Group's stage of development;
d) the likelihood of a liquidity event for the ordinary shares underlying these options, such as an initial public offering or sale of the Group, given prevailing market conditions.

For valuation purposes, each of the SAFE agreements consists of two components: equity (assuming a public offering of the Company's shares in Israel and listing of the Company's shares on the Tel Aviv Stock Exchange (collectively, the "IPO")) and debt.

Notes to the Standalone financial statements

Note 13 - Investors agreement ("SAFE Agreement")

Valuation process and valuation techniques

As at the valuation date, i.e. May 25, 2023, the company's Management Board estimates that the probability of an IPO has decreased to 0% due to significant formal complications, in particular tax complications (the administrative complicity of maintaining and tracing share exchange transactions without local broker and connection to polish tax authorities, the obligation to pay capital gains tax by investors; the obligation to pay dividend tax in Poland; registration for tax purposes in Poland and having a taxpayer number; submitting reports on your income on an annual basis) for potential shareholders purchasing the Company's shares on the Tel Aviv Stock Exchange. As of the date of this report, it is already confirmed that the listing of the Company's shares on the Tel Aviv Stock Exchange will not take place.

The valuation focused solely on the valuation of the debt component.

In order to estimate the fair value of SAFE at the date of derecognition of the liability, the investors' loss was reduced by the original amount of SAFE. This amount, which is reflected in the gain on fair value measurement of SAFE liabilities, amounted to PLN 6,376 thousand and was recognized in the Consolidated Statement of Comprehensive Income. The main factor causing the change in the fair value of the financial liability was the change in the YTM of Luzon bonds (series 10) from 6.54% as at December 31, 2022 to 9.3% as at May 25, 2023.

The following table summarizes the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

Description	Fair Value as at		Unobservable input	Range of input (probability weighted average)		Relationship of unobservable inputs to fair value
	25 May 2023 *[PLN thousands]*	**31 December 2022** *[PLN thousands]*		**25.05.2023**	**31.12.2022**	
Financial liability at fair value through profit or loss (SAFE agreement)	61 524	70 506	YTM (Yield to Maturity) discount rate	3%-9.3%	3%-6.54%	A shift of the YMT rate by +1 p.p. results in a lower value of 768 thousands PLN (2022: change in default rate by +1 p.p. decreased FV by PLN ('000) 1 168)

Changes in the other factors do not materially affect the valuation, as it is linked to the observable transaction that was the transfer of cash by Investors.

Note 14 - Trade and other payables and accrued expenses

As at 31 December *In thousands of Polish Zlotys (PLN)*	**2023**	**2022**
Trade payables and accrued expenses	3 967	2 148
Total trade and other payables and accrued expenses	**3 967**	**2 148**

The balance consists mostly of the VAT payable and bonuses for the members of the Management Board.

Note 15 - Commitments and contingencies

Guarantees provided by the Company

The table below present sureties that were provided by the Company as at 31 December 2023 and 31 December 2022 to banks with respect to the construction loan contacts signed by the Company's subsidiaries:

Entity name *In thousands of Polish Zlotys (PLN)*	**Sureties up to the amount of**	**Amount as at 31 December 2023**
mBank S.A.	10 178	-
Total	**10 178**	**-**

Entity name *In thousands of Polish Zlotys (PLN)*	**Sureties up to the amount of**	**Amount as at 31 December 2022**
mBank S.A.	2 179	-
Powszechna Kasa Oszczędności Bank Polski S.A.	11 327	-
Total	**13 506**	**-**

Notes to the Standalone financial statements

Note 16 - Related party transactions

During the financial years ended 31 December 2023 and 31 December 2022, respectively, there were no transactions between the Company on the one hand, and its shareholders, their affiliates and other related parties which would qualify as not being at arm's length.

The Company's related party transactions included primarily investment in subsidiaries, dividends received, loans granted and received revenues from consulting services and remuneration of Management and Supervisory Board Members. Details on the transactions are presented in these financial statements.

Note 17 - Financial risk management, objectives and policies

The Company on standalone basis and as a parent to Ronson Group is exposed to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk and the overall security stability of the EU area due to the Ukraine War. The Company's and Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company and the Group's financial performance. The Management Board reviews and agrees policies for managing each of these risks on the consolidated level.

The Company's principal financial instruments comprise cash balances, bond loans, loans granted, trade receivables, trade payables and financial instruments measured through FVPL (SAFE Agreement). The main purpose of these financial instruments is to manage the Company's liquidity and to raise finance for the Company's and Group's operations. The Company and the Group does not use derivative financial instruments to hedge currency or interest rate risks arising from the Company's or Group's operations and its sources of finance. It is, and has been throughout the year ended 31 December 2023 and 31 December 2022, the Company's and Group's policy that no trading in (derivative) financial instruments shall be undertaken.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially expose the Company to concentrations of credit risk consist principally of cash and cash equivalents, receivables and loans granted to subsidiaries. The carrying amounts of the financial assets represent the maximum credit risk exposure.

The Company does not expect any counter parties to fail in meeting their obligations. In particular with respect to the loans granted to subsidiaries, the Company as a parent, is able to monitor on ongoing basis the financial standing of counter parties. All loans granted were determined as low credit risk instruments at initial recognition and with respect to none loan the credit risk has increased. The Company places its cash and cash equivalents in financial institutions with high credit ratings.

Management has no information that any counterparty will fail to meet its obligations. Concentrations of credit risk with respect to trade receivables are limited due to the large number of customers comprising the Group's customer base, primarily related parties and past history confirm recoverability of amounts due. Given such characteristics of the financial instruments the Management estimates that credit risk loss allowance with respect to all financial instruments, including primarily loans granted, is immaterial.

The carrying amounts of the financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date and as at 31 December 2023 was as follows:

As at 31 December *In thousands of Polish Zloty (PLN)*	**2023**	**2022**
Trade and other receivables	9 463	50
Loans granted to related parties	240 294	276 581
Cash and cash equivalents	22 830	6 397
Total	**272 587**	**283 028**

Notes to the Standalone financial statements

Note 17 - Financial risk management, objectives and policies

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments, such as bond loans, financial instruments measured at amortised cost, bank loans, cash and cash equivalents. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

(i) Foreign currency risk

The Company is exposed to foreign currency risk on receivables and payables denominated in a currency other than PLN to a limited extent only. As at 31 December 2023 and 2022, trade receivables and payables denominated in foreign currencies were insignificant.
The Group's functional currency is polish zloty, as at 31 December 2023 the group has a monetary liabilities to the shareholder measured at amortized costs evaluated in the amount of 25,6 million PLN (2022: PLN 70,5 million, measured in previous period at fair value through profit or loss which is evaluated every reporting period by independent valuator). For more information see Note 13.

As at 31st December 2023, if the Israeli ILS had weakened or strength by 5% against the Polish zloty with all other variables held constant, the profit/Loss attributable to shareholders of the Group would have been PLN 1,3 million (as at 31 December 2022: 3.5 million) higher/lower, arising from foreign exchange gains/Loss taken to the profit and loss account on translation. The sensitivity analysis ignores any offsetting foreign exchange factors and has been determined assuming that the change in foreign exchange rates had occurred at the balance sheet date. There are no other significant monetary balances held by Group entities at 31st December 2023 that are denominated in a non-functional currency and have material effect on the Group results. During the year 2023 the polish zloty was increased its value against the Israeli ILS by 14.2% (2022: value increase by 4.7%).

(ii) Fair value estimation

The financial liabilities (the SAFE agreement) are valued at fair value determined by an independent appraiser (please refer to Note 13). During the period ended 31 December 2023 there were significant changes in the business or economic circumstances that affect the fair value of the group's financial assets and financial liabilities. The impact of this changes has been recognized in the Standalone Statement of Comprehensive Income

(iii) Interest rate risk

The Company did not enter into any fixed-rate borrowings transaction in the year ended 31 December 2023. The Group's variable-rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. The Company's risk is offset by loans granted, which terms and conditions reflects terms and conditions of bond loans received.

The National Benchmark Reform Working Group (NGR), established by the Polish Financial Supervision Authority, is working on the implementation of a new RFR-type reference index - WIRON (Warsaw interest Rate Overnight), which will replace WIBOR and WIBID. The Roadmap which was adopted on September 2022 published by NGR explains that the change is taking place under the BMR Regulation as part of the IBOR reform. Completion of the reform is planned by the end of 2024, while the implementation by market participants of a new offer of financial products using the WIRON index is planned for 2023 and 2024. The Steering Committee of the National Working Group on the reform of benchmarks (KS NGR) decided to change the maximum deadlines for the implementation of the Road Map, which assumes a bottom-up departure from the use of the WIBOR in favor of newly concluded contracts and financial instruments using a fixed interest rate or new RFR reference indicators. KS NGR therefore indicated the final moment of conversion at the end of 2027. At the same time, neither the directions of the reform nor the scopes of the activities planned so far in the Road Map change. The Steering Committee of NGR will monitor the implementation of key elements of the Road Map in order to ensure optimal conditions for the development of the financial market in Poland.

Notes to the Standalone financial statements

Note 17 - Financial risk management, objectives and policies

Market risk

(iii) Interest rate risk

The postponement of the deadline for the completion of the reform will provide adequate time to build the conditions for the popularization and dissemination of the use of RFR reference indicators in financial contracts and instruments, taking into account operational, technical, communication and legal issues, which will be the basis for the development of the market and increasing the resilience of the domestic financial market.

To the end of 31 December 2023 the Company does not have any financial liabilities maturing in the year 2027.

Short-term receivables and payables are not exposed to interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's or Group's reputation.

The Company's liquidity risk is managed with respect to the Group's risk using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g. accounts receivable, other financial assets) and projected cash flows from operations. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and bond loans and other financial instruments.

Effective interest rates and liquidity risk analysis

			As at 31 December 2023					
In thousands of Polish Zlotys (PLN)	***Note***	**Average effective interest rate**	**Total**	**6 months or less**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Fixed rate instruments								
Cash and cash equivalents		0,00%	**3 480**	3 480	-	-	-	-
Loans granted to subsidiaries	*10*	6,00%	**457**	-	-	-	457	-
Cash and cash equivalents		4,49%	**19 350**	19 350	-	-	-	-
Variable rate instruments								
Floating rate bonds	*12*	Wibor 6M + 3.50%-4.30%	**(225 320)**	(66 644)	(40 000)	(59 395)	(59 280)	-
Loans granted to subsidiaries	*10*	Wibor 6M + 3.20%-4.00%	**239 837**	-	33 853	76 282	129 702	-

			As at 31 December 2022					
In thousands of Polish Zlotys (PLN)	***Note***	**Average effective interest rate**	**Total**	**6 months or less**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Fixed rate instruments								
Cash and cash equivalents		0.00%	**4 797**	4 797	-	-	-	-
Loans granted to subsidiaries	*10*	6.00%	**196**	-	196	-	-	-
Cash and cash equivalents		2.50%	**1 600**	1 600	-	-	-	-
Variable rate instruments								
Floating rate bonds	*12*	Wibor 6M + 3.50%-4.30%	**(203 370)**	(5 260)	(40 000)	(99 183)	(58 927)	-
Loans granted to subsidiaries	*10*	Wibor 6M + 3.20%-4.00%	**276 581**	-	10 140	31 058	235 382	-

Notes to the Standalone financial statements

Note 17 - Financial risk management, objectives and policies

Liquidity risk

Sensitivity analysis on the interest rates change

thousands of Polish Zlotys (PLN)	31 December 2023		31 December 2022	
	Increase by 1%	**Decrease by 1%**	**Increase by 1%**	**Decrease by 1%**
Income statement				
Variable interest rate assets	2 398	(2 398)	2 766	(2 766)
Variable interest rate liabilities	(2 253)	2 253	(2 034)	2 034
Total	**145**	**(145)**	**732**	**(732)**
Net assets				
Variable interest rate assets	2 398	(2 398)	2 766	(2 766)
Variable interest rate liabilities	(2 253)	2 253	(2 034)	2 034
Total	**145**	**(145)**	**732**	**(732)**

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period from reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual un-discounted cash flows.

In thousands of Polish Zlotys (PLN)	Year ended 31 December 2023				
	Less than 1 year	**Between 1 and 2 years**	**Between 3 and 5 years**	**Over 5 years**	**Total**
Bond loans (principal)	99 834	59 396	59 280	-	**218 510**
Interests on bond loans	21 315	4 153	1 270	-	**26 738**
Total	121 149	63 549	60 550	-	**245 248**

In thousands of Polish Zlotys (PLN)	Year ended 31 December 2022				
	Less than 1 year	**Between 1 and 2 years**	**Between 3 and 5 years**	**Over 5 years**	**Total**
Bond loans (principal)	40 000	98 881	59 531	-	198 412
Interests on bonds	14 297	14 736	3 396	-	32 429
Total	**54 297**	**113 617**	**62 928**	**-**	**230 841**

Inflation risk

At the beginning of 2023, prices of energy and agricultural commodities were high, significantly exceeding their levels seen since last year. Inflation increased by 6.2% in year 2023 comparing to an increase of 16.6% In the year 2022.

According to the Statistical office of Poland (GUS) consumer prices index in December 2023, stood on 6.2% compared with the corresponding month of the previous year, and comparing to the inflation rate of 8.2% at the end of the third quarter of 2023.

This marked the lowest reading since September 2021, as prices moderated mainly for food & non-alcoholic beverages (6% vs 7.3% in November), clothing & footwear (3.3% vs 4.7%), recreation & culture (5.5% vs 6.5%), and restaurants & hotels (9.9% vs 10.3%). Additionally, transport costs dropped further (-2.8% vs -2.2%). On the other hand, inflation accelerated for housing & utilities (9.2% vs 8.1%), while it remained steady for communication (at 6.7%). On a monthly basis, consumer prices rose by 0.1% in December.

In an effort to stem rising inflation, the Monetary Policy Council of the National Bank of Poland (NBP) in September 2022 raised benchmark interest rates (Wibor) for the eleventh time in a row, resulting in a huge increase in loan instalments for borrowers and consequently worsening the situation of many households. A raise in interest rates has had negative consequences for the Group in the form of higher interest expenses on the debt held - financial costs for the year ended 31.12.2023 amounted to PLN 28,1 million, as compared to PLN 19,6 million in the year ended 31.12.2022. Starting from September 2023 the benchmark interest (WIBOR) has decreased significantly from its historical high (7.35%) and was recorded in the level of 5.82% (WIBOR 6M) which represent a decrease of 19.92% in a period of 12 months.

Notes to the Standalone financial statements

Note 17 - Financial risk management, objectives and policies

Inflation risk

Significance of the above risk factor is assessed by the Company as high because its occurrence had a significant, negative impact on business activity and financial situation of the Company and may have such negative impact in the future. The Company estimates the probability of occurrence of this risk as high. The occurrence of such situation already took place in the near past, and had a significant influence on the operations of the Company and its Group.

Effect of the War Conflict on the Polish economy and real estate industry

In 2022, the global economy was weakened by trade disruptions in the areas of food and fuel prices as a result of the ongoing war in Ukraine. In the second half of 2022, activity in the euro area deteriorated due to disrupted supply chains, increased financial stress and a decline in consumer and business index confidence. The upward trend in global oil, gas and coal prices observed since the beginning of 2021 increased sharply after Russia's invasion of Ukraine due to sanctions imposed on Russia, pushing up inflation to levels not seen in Europe for decades.

According to a recent publications by the main Statistic office for Poland (GUS), Poland's economic growth in 2023 was 0.2% which is close to the 27 EU countries , as the ongoing war in Ukraine has dimmed the prospects for a post-pandemic recovery in Europe. A rebound is expected next year. Poland's economic growth in 2024 should oscillate around 2.3 %, while in the EU the Commission optimistically forecasts 1.3 %.

After a slowdown in 2023, economic growth is set to pick up in 2024 and 2025 supported by a rebound in private consumption, continued expansion of investment, and well performing exports. Inflation is set to recede from 2023 onwards, but phasing out of anti-inflation measures and strong wage growth are projected to result in a gradual decline. Public expenditure is forecast to remain high due to planned investments in defense and social spending, slowing down the rebalancing of the general government budget.

In 2022, the war in Ukraine was a key factor affecting the Polish economy. It caused an increase in inflation particularly related to increases in energy and food prices. The level of Polish inflation in the reporting period was between the top high countries in the European Union with a level of 6.2% increase comparing to last year.

In an effort to stem rising inflation, the Monetary Policy Council of the National Bank of Poland (NBP) in September 2022 raised benchmark interest rates (Wibor) for the eleventh time in a row, resulting in a huge increase in loan instalments for borrowers and consequently worsening the situation of many households (for more information please refer to Inflation risk paragraph).

In spite the on-going armed conflict between Ukraine and Russia the polish market did not suffer any negative impact and the performance in 2023 comparing to 2022 was significantly better.
The marked improvement in the availability of mortgages resulted in the number of granted loans (nationwide) increasing to around 10,000 agreements in March 2023 and staying at this level (10,000-11,000) until July. The real increase took place in the later months of the year when loan agreements under the "BK2" (2% Loan) program were already being signed - the number of loans issued rose to a level of about 24,000 agreements per month (in October and November).
Significance of the above risk factor is assessed by the Company as high because its occurrence had a significant, negative impact on business activity and financial situation of the Company and may have such negative impact in the future. The Company estimates the probability of occurrence of this risk as high. A similar situation with an armed conflict did not occur in the past, or the scale of the impact of other armed conflicts did not have a significant influence on the operations of the Company and its Group.

Notes to the Standalone financial statements

Note 18 - Information about agreed-upon engagements of the Company's auditor

Information about audit agreements and the values from those agreements is disclosed below:

For the year ended 31 December *In thousands of Polish Zlotys (PLN)*	**2023**	**2022**
Audit and review of the standalone and consolidated financial statements remuneration	560	509
Other services	181	-
Reimbursed audit review costs [1]	(95)	(86)
Total remuneration for the expense of the Company	**646**	**423**

(1) Costs in respect of the audit review of the Company's first and third quarter reports have been reimbursed in 50% to Main Company's shareholder.

Note 19 - Other events during the financial year

Bonds issuance

On 3 July, 2023, the Company issued 60,000 series X bonds with a total value of PLN 60,000 thousand. The nominal value of one bond is PLN 1,000 and is equal to its issue value.

The redemption date of series X bonds is 3 July, 2026. The interest rate on series X bonds consists of 6-month WIBOR plus a margin of 4.2%. Interest is payable semi-annually, in January and July, until the maturity date. Series X bonds are secured by a joint mortgage up to the amount of PLN 90,000 thousand rounded, established on following real estate owned by the Company's subsidiaries:

Project Name	**Plot no./ unit no**	**Area of the plot/units (sqm)**	**Value (PLN thousands)**
Marynin / Zaborowska (Ronson Development SPV7)	81, 80/4, 79, 76, 82, 83	6 289	31 656
Dudka (Ronson Development - Projekt 5)	90, 92, 94, 96, 98, 100, 102, 103, 104 115, 126, 127/1, 127/2, 88	64 403	40 373
KEN 57 Ronson headquarters (Ronson Development South)	4, U8, 45, 47, 47/A, 82, 117, 120, 1	953	11 232
Gwiaździsta Office building (Ronson Development Horizon)	1/7	1 423	7 400
Total			**90 661**

The value of security of the series X bonds, until the redemption date, may not be lower than PLN 75,000 thousand.

Approval of Base Prospectus for Bonds issuance

On July 25, 2023, the Polish Financial Supervision Authority approved the base prospectus of the Company's Public Bond Issue Program prepared in connection with the public offering of bearer bonds with a total nominal value not exceeding PLN 175 000 000 (in words: one hundred and seventy-five million zlotys).

Note 20 – Subsequent events

Bonds issuance

On January 19, 2024, the Company's Management Board adopted a resolution on the issuance of Series P2023A bonds and approval of the final terms and conditions for the issuance of Series P2023A bonds (the "Bonds") issued under the Public Bond Issuance Program (the "Program") covered by the base prospectus approved by the Financial Supervisory Commission on July 25, 2023. The subscription for the Bonds began on January 24, 2024 and ended on February 7, 2024. The Bonds were offered through a public offering, in which up to 60,000 unsecured Bonds with a par value of PLN 1,000 each were offered. The Bonds were offered at a fixed issue price equal to the par value of PLN 1,000.

The Bonds were conditionally allotted by the Management Board on February 12, 2024. The final (unconditional) allotment of Bonds was made on February 15, 2024, with an average reduction rate of 61.26%. As a result of the Offering, a total of 60,000 (sixty thousand) Bonds with a total nominal value of PLN 60,000,000.00 (sixty million zlotys) were allocated. Subscriptions for the Bonds were submitted by 1,226 persons (entities). The Bonds were allocated to 1,074 persons (entities). The Bonds were subscribed for cash contributions only.

Notes to the Standalone financial statements

Note 20 – Subsequent events

Bonds issuance

The Bonds are not in documentary form and are dematerialized. The Bonds are traded in the alternative trading system operated by the Warsaw Stock Exchange - as part of the Catalyst market.

The interest rate on the Bonds is variable and will be set at six-month WIBOR (WIBOR 6M) plus a fixed margin of 3.85%. Subject to early redemption, the maturity date of the Bonds has been set for August 15, 2027.

On February 7 2024 the Company acquired for cancellation 14,859 Series V bonds with a nominal value of PLN 1.000 PLN each and a total nominal value of PLN 14,859 thousands issued pursuant to the resolution of the Company's Management Board of 14 September 2020, designated by the Krajowy Depozyt Papierów Wartościowych S.A. (“KDPW") with ISIN code: PLRNSER00201 ("Bonds"). The total value of the acquisition of the Bonds was PLN 9,246 thousands and the average unit purchase price was PLN 622.24 including accrued interest. The Bonds were acquired by means of agreements concluded outside organised trading. The holders of the redeemed Series V bonds became bondholders of the newly issued Series P2023A bonds. The redemption of Bonds took place on 8 March 2024 (date of the operation of withdrawal from the deposit by KDPW). After the redemption, there remained 45,141 Series V Bonds with a maturity date of 2 April 2024.

Establishment of a pledge on the Company's shares

To secure claims from the issuance of debt securities by the Company's shareholder, Luzon Ronson N.V. (formerly under the name of I.T.R. Dori B.V.) and from the trust agreement entered into on November 29, 2023, between Reznik Paz Nevo Trusts Ltd (a company incorporated and existing under Israeli law with its registered office in Tel Aviv) as trustee and pledge administrator (the "Pledgee") and Luzon Ronson N.V, vested in the holders of these securities and the Pledgee, on January 17, 2024, Luzon Ronson N.V., Luzon Ronson Properties Ltd. and the Company entered into agreements to establish a registered pledge in favor of the Pledgee on all of their shares in the Company's share capital. These pledges were established on January 23, 24 and 26, 2024 (the date of registration of the pledges in the pledge register), respectively.
In the case of the Company's own shares, the pledge was established based on the resolution of the Company's Extraordinary General Meeting of January 12, 2024 on consenting to the establishment of a registered pledge on the Company's own shares in favor of the Pledgee. Pursuant to the resolution in question, the pledge was established on 1,567,954 (in words: one million five hundred and sixty-seven thousand nine hundred and fifty-four) of the Company's own shares (which are bearer shares with a nominal value of EUR 0.02 each and a total nominal value of EUR 31,359.08, which represent approximately 0.96% of the Company's share capital) up to the highest security amount of EUR 200,000,000 (in words: two hundred million euros). In addition, the Company has received information that analogous pledge agreements have been signed by shareholders under Israeli law.

The Management Board

Boaz Haim
President of the Management Board

Yaron Shama
Finance Vice-President of the Management Board

Andrzej Gutowski
Sales Vice-President of the Management Board

Karolina Bronszewska
Member of the Management Board
for Marketing and Innovation

Tomasz Kruczyński
Person responsible for
preparation of financial statement

Warsaw, 12 March 2024