RONSON DEVELOPMENT SE

Interim Financial Report for the nine months ended 30 September 2024

Including the Interim Condensed Consolidated Financial Statements of Ronson Development SE for the nine months ended 30 September 2024 and the Interim Condensed Separate Financial Statements of Ronson Development SE for the nine months ended 30 September 2024

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Introduction

Ronson Development SE ("the Company") is a European Company with its statutory seat in Warsaw, Poland at al. Komisji Edukacji Narodowej 57. 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 business name and was transformed into a European Company (SE) and, effectively as of 31 October 2018, transferred its registered office of the Company from the Netherlands to Poland.

As of 30 September 2024, Amos Luzon Development and Energy Group Ltd. („A. Luzon Group"), the ultimate parent company, indirectly controlled the Company through its subsidiary Luzon Ronson N.V. (former name I.T.R. Dori B.V.), in which it held more than 70% of the shares. As of 30 September 2024, Luzon Ronson N.V. held 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. The remaining 1,567,954 shares (approximately 0.96% of the Company's share capital) were treasury shares of the Company.

However, it should be pointed out that the shareholding status described above is a result of the reorganization of the A. Luzon Group and related changes that took place in January 2024. Namely, as of 31 December 2023, A. Luzon Group controlled 100% of the Company's shares, such that it directly held 32.98% of the Company's shares, and 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 16 January 2024, the Company's shares held directly by A. Luzon Group (approximately 32.98% of the share capital) were transferred to Luzon Ronson Properties Ltd. 100% fully owned company by A. Luzon Group (which was established as part of the reorganization of A. Luzon Group's operations). As part of the restructuring, A. Luzon Group on 25 January 2024 disposed of all its shares in Luzon Ronson Properties Ltd. to Luzon Ronson N.V. (former name I.T.R. Dori B.V.). Transfer of shares has been executed as transfer without benefit to A. Luzon Group.

As of the date of publication of these Interim Condensed Consolidated Financial Statements, A. Luzon Group, the ultimate parent company, indirectly controls through its subsidiary Luzon Ronson N.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.

Overview of the Activity of the Company and the Group

The Company together with its subsidiaries, ('the Group') is active in the development and sale of residential units, primarily apartments, in residential real-estate projects to individual customers in Poland as well as in the PRS ("Private Rented Sector") where development first started in 2021. The Company has been operating through its subsidiaries on the following markets in Poland: Warsaw, Wrocław, Poznań and Szczecin.

During the nine months ended 30 September 2024 the Group realized sales of 388 units with the total value of PLN 291.9 million, which is a decrease of 51,6% (in number of units) comparing to sales of 801 units with the total value PLN 453.2 million during the nine months ended 30 September 2023.

Until 30 September 2024 the Group delivered 454 units in 100% owned projects which represent a total revenue of PLN 275.9 million comparing to delivery of 665 units in 100% owned projects with a total revenue value of PLN 318.9 million for nine months period ended 30 September 2023.

As at 30 September 2024, the Group has 808 units available for sale in 11 locations, of which 775 units are in ongoing projects and the remaining 33 units are in completed projects. The ongoing projects comprise a total of 1 426 units, with an aggregate floor space of 77 624 m^2. The construction of 546 units with a total area of 27 852 m^2 is expected to be completed during the remaining period of 2024.

The Group has a pipeline of 15 projects in different stages of preparation, representing approximately 3 970 units with an aggregate floor space of approximately 224 388 m^2 for future development of the residential activity, in such cities as: Warsaw, Poznań, Szczecin and 4 projects representing approximately 528 units with an aggregate floor space of 16 312 m^2 for future development of PRS in Warsaw.

In addition to the above as at 30 September 2024 the Group is in various stages of process for finalizing the purchase of two plots located in Warsaw with a total projected PUM of 81 929 m^2 with an estimated 1 495 units for construction for a total purchase price of PLN 141.5 million and one plot located in Wroclaw with a total projected PUM of 11 520 m^2 with estimated 198 units for a total purchase price of PLN 25.0 million.

Business highlights during the nine months ended 30 September 2024

A. Results breakdown by project

The following table specifies revenue, cost of sales, gross profit and gross margin during the nine months ended 30 September 2024 on a project by project basis:

Project	Information on the delivered units		Revenue (1)		Cost of sales (2)		Gross profit	Gross margin
	Number of units	Area of units *(m²)*	PLN thousands	%	PLN thousands	%	PLN thousands	%
Ursus Centralny IIc	154	7 320	90 115	32.7%	46 934	25.1%	43 181	47.9%
Osiedle Vola	83	4 755	71 201	25.8%	51 546	27.5%	19 654	27.6%
Nowa Północ 1A	92	4 155	35 006	12.7%	25 889	13.8%	9 116	26.0%
Między Drzewami I	54	2 594	27 084	9.8%	22 717	12.1%	4 368	16.1%
Eko Falenty I	31	3 085	23 758	8.6%	20 764	11.1%	2 994	12.6%
Miasto Moje VI	10	689	7 220	2.6%	4 731	2.5%	2 489	34.5%
Viva Jagodno IIb	11	1 025	8 325	3.0%	5 017	2.7%	3 308	39.7%
Viva Jagodno IIa	5	436	3 655	1.3%	2 571	1.4%	1 083	29.6%
Grunwaldzka	5	338	3 316	1.2%	2 817	1.5%	499	15.1%
Nowe Warzymice IV	7	306	2 724	1.0%	1 922	1.0%	803	29.5%
Others(4)	2	148	3 491	1.3%	2 219	1.2%	1 272	36.4%
Total / Average	**454**	**24 852**	**275 894**	**100%**	**187 128**	**100%**	**88 766**	**32.2%**
Impairment recognized	n.a.	n.a.	n.a.		n.a.		n.a.	n.a.
Results after write-down adjustment	**454**	**24 852**	**275 894**		**187 128**		**88 766**	**32.2%**
Wilanów Tulip(3)	-	-	26		20		6	21.6%
City Link(3)	-	-	29		19		11	36.4%
Economic results	**454**	**24 852**	**275 949**		**187 167**		**88 782**	**32.2%**

(1) Revenue is recognized when the performance obligations are satisfied and when the customer obtains control of the goods, i.e., upon signing of the protocol of technical acceptance and the transfer of the key to the residential unit to the buyer and total payment obtained.
(2) Cost of sales allocated to the delivered units proportionally to the total expected revenue of the project.
(3) The project presented in the Interim Condensed Consolidated Financial Statements under investment in joint ventures; the Company's share is 50%. Amount recognized using the equity method in accordance with IAS 28.
(4) The amount includes old projects delivery of units and parking places as well as revenue from leasing of buildings.

Revenue from the sale of residential units is recognized when the customer takes control of the unit, i.e., when the technical acceptance protocol is signed, the keys to the unit are handed over and full payment is received. Revenue from sales of apartments and service units of residential projects recognized during the nine months ended 30 September 2024 amounted to PLN 275.9 million, whereas cost of sales before write-down adjustment amounted to PLN 187.1 million. Resulting in a gross profit before write-down adjustment amounting to PLN 88.8 million and a gross margin of 32.2%. Total economic revenue from sales of residential projects, is not materially effected by the results from joint ventures. When presented on a fully consolidated basis, the results in PLN millions do not change and revenue amounts to PLN 275.9 million, whereas cost of sales amounts to PLN 187.2 million, that results in a gross profit amounting to PLN 88.8 million and a gross margin of 32.2%.

Projects completed during the nine months ended on 30 September 2024

The table below presents information on the projects that were completed (i.e., completing all construction works and receiving occupancy permit) during the nine months ended 30 September 2024:

Project name	Location	Completion date	Number of units	Area of units *(m2)*	Total units sold until 30 September 2024	Units delivered in 2024	Units sold not delivered as at 30 September 2024
Osiedle Vola	Warsaw	Q1 2024	84	4 851	83	83	-
Nowa Północ 1A	Szczecin	Q2 2024	110	5 230	100	92	8
Między Drzewami I	Poznań	Q3 2024	117	5 803	114	54	60
Total			**311**	**15 884**	**297**	**229**	**68**

Business highlights during the nine months ended 30 September 2024

A. Results breakdown by project

Projects completed in previous years with their impact on current year results

The table below presents information on the projects that were completed (i.e. construction works are finished and the occupancy permit was received) in previous years and the income that was recognized based on units delivered during the nine months ended 30 September 2024:

Project name	Location	Completion date	Total Project Units	Total Area of units *(m^2)*	Total units sold until 30 Sept. 2024	Total units delivered until 31 Dec. 2023	Units delivered during 2024	Recognized income during year 2024 *(PLN'000)*	Units sold not delivered as at 30 Sept. 2024	Units for sale as at 30 Sept. 2024	Left to sale/ deliver after 30 Sept. 2024
Ursus Centralny IIc	Warsaw	Q3 2023	223	11 124	223	67	154	90 115	2	–	2
Eko Falenty I	Warsaw	Q4 2023	42	4 304	35	–	31	23 758	4	7	11
Viva Jagodno IIb	Wrocław	Q2 2023	152	8 876	148	137	11	8 325	–	4	4
Miasto Moje VI	Warsaw	Q1 2023	227	11 722	224	213	10	7 220	1	3	4
Viva Jagodno IIa	Wrocław	Q4 2022	76	4 329	74	69	5	3 655	–	2	2
Grunwaldzka	Poznań	Q2 2023	70	3 351	70	65	5	3 316	–	–	–
Nowe Warzymice IV	Szczecin	Q2 2023	75	3 818	75	68	7	2 724	–	–	–
Miasto Moje V	Warsaw	Q3 2022	170	8 559	170	169	1	1 210	–	–	–
Ursus Centralny IIb	Warsaw	Q1 2023	206	11 758	205	204	1	834	–	1	1
Miasto Moje IV	Warsaw	Q4 2021	176	8 938	176	176	–	222	–	–	–
Ursus Centralny IIa	Warsaw	Q4 2021	251	13 509	251	251	–	168	–	–	–
Nova Królikarnia 1d	Warsaw	Q2 2018	12	1 488	12	12	–	121	–	–	–
Moko I	Warsaw	Q4 2016	178	11 238	178	178	–	51	–	–	–
Nowe Warzymice III	Szczecin	Q4 2021	62	3 537	62	62	–	32	–	–	–
Nowe Warzymice II	Szczecin	Q2 2022	66	3 492	66	66	–	31	–	–	–
Miasto Moje II	Warsaw	Q1 2019	148	8 095	148	148	–	15	–	–	–
Vitalia III	Wrocław	Q1 2021	81	6 790	81	81	–	4	–	–	–
Młody Grunwald I	Poznań	Q2 2014	148	8 575	148	146	–	–	2	–	2
Verdis I-IV	Warsaw	Q4 2015	441	26 062	441	440	–	–	1	–	1
Verdis Idea	Warsaw	Q4 2015	11	772	11	10	–	–	1	–	1
Sakura Idea	Warsaw	Q3 2015	26	1 854	26	25	–	–	1	–	1
Nowe Warzymice I	Szczecin	Q2 2021	54	3 234	53	53	–	–	–	1	1
Młody Grunwald III	Poznań	Q4 2017	108	7 091	107	107	–	–	–	1	1
Total excluding JV			**3 003**	**172 514**	**2 984**	**2 747**	**225**	**141 803**	**12**	**19**	**31**
Wilanów Tulip	Warsaw	Q3 2021	149	9 574	149	149	–	26	–	–	–
City Link I-II	Warsaw	Q3 2017	312	14 068	312	312	–	29	–	–	–
Total including JV			**3 464**	**196 156**	**3 445**	**3 208**	**225**	**141 858**	**12**	**19**	**31**

Business highlights during the nine months ended 30 September 2024

B. Units sold during the period

The table below presents information on the total number of units sold (i.e. total number of units for which the Company signed the preliminary sale agreements with the clients), including net saleable area (in m²) of the units sold and net value (without VAT) of the preliminary sales agreements (including also parking places and storages) sold by the Group during nine months ended 30 September 2024:

Project name	Location	Total Project Saleable area *(m²)*	Total project units	Units sold until 31 December 2023	Units sold during 9 months ended 30 September 2024	Net Sold area *(m²)*	Value of the preliminary sales agreements *(in PLN thousands)*	Units for sale as at 30 September 2024
Ursus Centralny IIe	Warsaw	16 127	291	144	89	4 935	68 084	58
Miasto Moje VII	Warsaw	11 725	255	157	81	4 049	49 131	17
Zielono Mi I	Warsaw	5 702	92	–	36	2 378	38 652	56
Miasto Moje VIII	Warsaw	7 734	152	–	32	1 556	22 452	120
Ursus Centralny IId	Warsaw	19 432	361	–	27	1 321	19 083	334
Nova Królikarnia 4b1	Warsaw	2 503	11	3	3	735	15 919	5
Między Drzewami II	Poznań	3 822	78	–	25	1 122	13 716	53
Ursus Centralny IIc	Warsaw	11 124	223	212	11	718	9 493	–
Viva Jagodno III	Wrocław	3 140	58	13	14	696	8 284	31
Nowa Północ Ia	Szczecin	5 230	110	82	18	951	8 236	10
Nowe Warzymice V.1	Szczecin	942	12	–	11	851	7 516	1
Nowe Warzymice V.2	Szczecin	2 263	27	–	9	742	7 004	18
Eko Falenty I	Warsaw	4 304	42	27	8	822	6 629	7
Między Drzewami	Poznań	5 803	117	107	7	450	4 867	3
Viva Jagodno IIb	Wrocław	8 876	152	144	4	379	3 275	4
Nowa Północ Ib	Szczecin	4 234	89	–	7	275	2 826	82
Osiedle Vola	Warsaw	4 851	84	82	1	144	2 264	1
Viva Jagodno IIa	Wrocław	4 329	76	72	2	166	1 504	2
Miasto Moje VI	Warsaw	11 722	227	223	1	52	769	3
Nowe Warzymice IV	Szczecin	3 818	75	74	1	59	694	–
Sakura Idea	Warsaw	1 854	26	25	1	70	642	–
Miasto Moje V	Warsaw	8 559	170	170	–	–	218	–
Ursus Centralny IIb	Warsaw	11 758	206	205	–	–	164	1
Nova Królikarnia 1d	Warsaw	1 488	12	12	–	–	121	–
Ursus Centralny IIa	Warsaw	13 509	251	251	–	–	115	–
Grunwaldzka	Poznań	3 351	70	70	–	–	104	–
Verdis Idea	Warsaw	772	11	11	–	–	30	–
Moko I	Warsaw	11 238	178	178	–	–	29	–
Miasto Moje II	Warsaw	8 095	148	148	–	–	15	–
Nowe Warzymice II	Szczecin	3 492	66	66	–	–	9	–
Vitalia III	Wrocław	6 790	81	81	–	–	4	–
Nowe Warzymice I	Szczecin	3 234	54	53	–	–	–	1
Młody Grunwald III	Poznań	7 091	108	107	–	–	–	1
Total excluding JV		**218 910**	**3 913**	**2 717**	**388**	**22 472**	**291 852**	**808**
Wilanów Tulip***	Warsaw	9 574	149	149	–	–	26	–
Total including JV		**228 484**	**4 062**	**2 866**	**388**	**22 472**	**291 878**	**808**

** For information on the completed projects see "Business highlights during the nine months ended 30 September 2024 – A. Results breakdown by project".*
*** For information on current projects under construction, see "Outlook for the remaining period of 2024 – B. Current projects under construction and/or on sale".*
**** The project presented in the Interim Condensed Consolidated Financial Statements under investment in joint ventures; the Company's share is 50%.*

Business highlights during the nine months ended 30 September 2024

B. Units sold during the period

The table below presents further information on the value of the preliminary sales agreements (with a breakdown per city, without VAT) executed by the Group:

Location	Value of the preliminary sales agreements sold during nine months ended		Increase/(decrease)	
In thousands of Polish Zlotys (PLN)	30 September 2024	30 September 2023	In PLN	%
Warsaw	233 837	329 961	(96 124)	-29%
Szczecin	26 287	40 897	(14 610)	-36%
Poznań	18 687	37 510	(18 823)	-50%
Wrocław	13 067	44 823	(31 756)	-71%
Total	**291 878**	**453 191**	**(161 313)**	**-36%**

C. Agreements significant for the business activity of the Group

The table below presents the summary of the signed preliminary purchase agreements for which the final agreements will be signed during the next periods:

Location	Type of agreement	Signed date	Agreement net value *(PLN million)*	Paid net till 30 September 2024 *(PLN million)*	Number of units	Potential PUM
Warsaw, Białołęka	preliminary	23 Nov 2020	1.5	1.5	n/a	n/a
Warsaw, Ursus	preliminary	17 Jan 2021	140.0	20.0	1 495	81 929
Wrocław, Zakrzów*	preliminary	24 May 2024	25.0	-	198	11 520
			166.5	**21.5**	**1 693**	**93 449**

**Plot purchased with building permit for total amount of PLN 25.5 million, where PLN 0.5 million are design works*

Selected financial data

PLN/EUR	Exchange rate of Polish Zloty versus Euro: Average exchange rate	Minimum exchange rate	Maximum exchange rate	Period end exchange rate
2024 (9 months)	**4.3063**	4.2499	4.4016	**4.2791**
2023 (9 months)	4.5845	4.4135	4.7895	4.6356
2023 (12 months)	4.5437	4.3053	4.7895	4.3480

Source: National Bank of Poland ("NBP")

	EUR		PLN	
	(thousands, except per share data)			
	For the period ended 30 September			
	2024	2023	2024	2023
Revenues	**64 068**	69 561	**275 894**	318 898
Gross profit	**20 613**	23 699	**88 766**	108 646
Profit/(loss) before taxation	**13 178**	16 427	**56 749**	75 308
Net profit/(loss) for the period attributable to the equity holders of the parent	**11 363**	13 003	**48 931**	59 610
Cash flows from/(used in) operating activities	**17 470**	30 739	**75 231**	140 924
Cash flows from/(used in) investing activities	**(160)**	83	**(689)**	381
Cash flows from/(used in) financing activities	**6 456**	7 142	**27 801**	32 741
Increase/(decrease) in cash and cash equivalents	**23 766**	37 962	**102 343**	174 035
Average number of equivalent shares (basic)	**162 442 859**	162 442 859	**162 442 859**	162 442 859

Selected financial data

	EUR		PLN	
	(thousands)			
	As at			
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
Inventory and Land designated for development	**187 410**	187 247	**801 946**	814 151
Total assets	**301 895**	276 817	**1 291 839**	1 203 599
Advances received	**67 131**	53 858	**287 260**	234 175
Long term liabilities	**68 102**	40 309	**291 414**	175 265
Short term liabilities (including advances received)	**108 796**	113 768	**465 550**	494 662
Equity attributable to the equity holders of the parent	**124 997**	122 740	**534 876**	533 672

Overview of results

The net profit attributable to the equity holders of the parent company for the nine months ended 30 September 2024 was PLN 48.9 million and can be summarized as follows:

	For the period of 9 months ended 30 September		change	
	2024	2023		
	PLN			
	(thousands, except per share data)		nominal	%
Revenue from sales of residential units	275 894	318 898	(43 004)	-13%
Revenues	**275 894**	**318 898**	**(43 004)**	**-13%**
Cost of sales of residential units	(187 128)	(210 253)	23 125	-11%
Cost of sales	**(187 128)**	**(210 253)**	**23 125**	**-11%**
Gross profit	**88 766**	**108 646**	**(19 880)**	**-18%**
Changes in the value of investment property	-	(842)	842	-100%
Selling and marketing expenses	(5 282)	(4 196)	(1 086)	26%
Administrative expenses	(23 952)	(19 239)	(4 713)	24%
Share of profit/(loss) from joint venture	10	(729)	739	-101%
Other Incomes /(expense)	2 903	(4 897)	7 800	-159%
Result from operating activities	**62 445**	**78 744**	**(16 299)**	**-21%**
Finance income	5 159	2 729	2 430	89%
Finance expense	(10 855)	(12 587)	1 732	-14%
Gain/(loss) on a financial instrument measured at fair value through profit and loss	-	6 422	(6 422)	-100%
Net finance income/(expense)	**(5 696)**	**(3 436)**	**(2 260)**	**66%**
Profit/(loss) before taxation	**56 749**	**75 308**	**(18 559)**	**-25%**
Income tax benefit/(expenses)	(7 818)	(15 698)	7 880	-50%
Net profit/(loss) for the period before non-controlling interests	**48 931**	**59 610**	**(10 679)**	**-18%**
Net profit/(loss) for the period attributable to the equity holders of the parent	**48 931**	**59 610**	**(10 679)**	**-18%**

Overview of results

Revenue from sales of residential units

The revenue from recognized sales in residential units decreased by PLN 43.0 million (13%) from PLN 318.9 million (665 units) during the nine months ended 30 September 2023 to PLN 275.9 million (454 units) during the nine months ended 30 September 2024, which is explained by lower number of units delivered in the reporting period compering to corresponding period in previous year. Additionally, the difference was partly off-set due to higher average price of 606.1 TPLN per unit delivered during the nine months ended 30 September 2024, comparing to the average price of 478.3 TPLN per unit delivered during the nine months ended 30 September 2023 (in terms of project 100% owned by the Group).

Cost of sales of residential units

Cost of sales of residential units decreased by PLN 23.1 million (11%) from PLN 210.2 million during the nine months ended 30 September 2023 to PLN 187.1 million during the nine months ended 30 September 2024. The decrease relates to a lower number of units delivered till September 2024 compering to the corresponding period last year. Overall, the average development cost per unit had grown. In the reported period it amounted to 412.2 TPLN per unit in delivered units, in projects fully owned by the Group compering to 316.2 TPLN per unit delivered during the nine months ended 30 September 2023.

Gross margin

The gross margin from sales of residential units during the nine months ended 30 September 2024 was 32.2%, it decreased comparing to 34.1% during the nine months ended 30 September 2023. The change in gross margin relates to mix of projects delivered to the customers characterized by a different profitability during the nine months ended 30 September 2024 compared to the mix of projects delivered to customers during the nine months ended 30 September 2023.

During nine months ended 30 September 2024 the project that significantly impacted profitability of the Group were Ursus Centralny IIc, Osiedle Vola and Nowa Północ 1A which contributed respectively PLN 43.2 million, 19.6 million and 9.1 million representing a gross margin of 47.9%, 27.6% and 26.0% respectively.

Compering to the period ended 30 September 2023 the projects that significantly impacted profitability of the of the Group were Ursus Centralny IIb, Miasto Moje VI, Viva Jagodno IIb which contributed respectively PLN 39.1 million, PLN 31.6 million and PLN 20.1 million representing a gross margin of 36.5%, 35.6% and 39.6% respectively.

Selling and marketing expenses

Selling and marketing expenses increased by PLN 1.1 million (26%) from PLN 4.2 million during the nine months ended 30 September 2023 to PLN 5.3 million during the nine months ended 30 September 2024. The rise is related to the increase in marketing services prices mainly outdoor advertising, rebranding of the Group and launching the sales of 7 new projects until September 2024 comparing to only 1 new project that started in 2023.

Administrative expenses

Administrative expenses increased by PLN 4.7 million (24%) from PLN 19.2 million in the period ended 30 September 2023 to PLN 23.9 million in the period ended 30 September 2024 which is primarily explained by increase in remuneration costs by 4.6 million PLN.

Net finance income/(expenses)

Finance expenses are accrued and capitalized as part of the cost price of inventory to the extent that is directly attributable to the construction of residential units. Unallocated finance income or financial expenses not capitalized, is recognized in the statement of comprehensive income. In the nine months period ended 30 September 2024 the Group recorded a net expense on financial operations of PLN 5.7 million compared to a net expense of PLN 3.4 million in the corresponding period of 2023. This difference is mainly due to a prior's year net profit on fair value measurement of a financial instrument as well as a gain on foreign exchange rates totaling 6.4 million generated last year, compared to no impact of such measurement in the corresponding period of 2024. For more information about the Finance expenses that took place please see Note 15 of the Interim Condensed Consolidated Financial Statements.

Overview of selected details from the Interim Condensed Consolidated Statement of Financial Position

The following table presents selected details from the Interim Condensed Consolidated Statement of Financial Position in which material changes had occurred.

	As at 30 September 2024	As at 31 December 2023
	PLN (thousands)	
Inventory and Residential landbank	801 946	814 151
Investment properties	58 616	83 220
Assets held for sale	24 752	-
Advances received	287 260	234 175
Loans, bonds and borrowings	340 996	234 135
Liability to shareholder measured at amortised cost	-	25 593

Inventory and residential landbank

The value of inventories and residential landbank on 30 September 2024 amounted to PLN 801.9 million compared to PLN 814.1 million as at 31 December 2023. The decrease was observed due to recognized costs of sales in the total amount of PLN 185.2 million, which was partially offset by direct construction costs occurred in 2024 in the total amount of PLN 173.2 million.

Investment properties

The balance of Investment properties is PLN 58.6 million as at 30 September 2024 compared to PLN 83.2 million as at 31 December 2023. The decrease is a result of reclassification of one of the investment property in the amount of PLN 24.2 million to assets held for sale (for additional information see Note 14). As at 30 September 2024 the balance consists of property held for long-term rental yields and capital appreciation as well as investment lands purchased to build investment property for long-term so-called institutional rental and capital appreciation.

Assets held for sale

The balance of Assets held for sale is due to reclassification of one investment property which was designated for institutional rental, the sale of the assets was realized after the reporting period for more information see Note 17 for the Consolidated Financial Statements.

Advances received

The balance of advances received is PLN 287.3 million as at 30 September 2024 compared to PLN 234.2 million as at 31 December 2023. The increase is explained by advances received from clients regarding sales of units during the period ended 30 September 2024 for a total amount PLN 329.3 million which was offset by the revenues recognized from the sale of residential units for a total amount of PLN 275.9 million during the nine months ended 30 September 2024.

Loans, bonds and borrowings

The total of short-term and long-term loans and bonds is PLN 341 million as at 30 September 2024 compared to PLN 234.1 million as at 31 December 2023. The increase in loans and bonds is primarily explained by issuance of bonds series P2023A and series Y in the nominal amount of PLN 220.0 million and was offset by the repayment of bonds series V in the amount of 60.0 million and partial repayment of bonds series W in amount of 41.2 million.

The level of debt from bonds as at 30 September 2024 amounted to PLN 339.2 million, out of which an amount of PLN 58.8 million comprises facilities maturing no later than 31 December 2024. The balance of bonds comprises of principal amount of PLN 338.8 million plus accrued interest of PLN 5.1 million minus one-time costs directly attributed to the bond issuances which are amortized based on the effective interest method (PLN 4.7 million). For additional information see Note 16 of the Interim Condensed Consolidated Financial Statements.

Liability to shareholder measured at amortised cost

On 25 May 2023, the Company and Luzon Group entered into an agreement for settling the return of the amounts received from Israeli Investors in 2022 related to the SAFE Agreements and releasing the Company from its obligation to the SAFE Investors.

On 14 March 2024, the Company and A. Luzon Group entered into an addendum to the aforementioned agreement dated 25 May 2023 on the SAFE Agreements. The addendum provided for a change in the payment schedule such that the remaining payments under the aforementioned agreement in the amount of approximately ILS 24.7 million would be paid on 2 April 2024, and upon payment, the Agreement would be executed and terminated. On 5 April 2024, the Company made the payment of the remaining liability balance amount. For more information, see Note 15 of the Interim Condensed Consolidated Financial Statements.

Overview of cash flow results

The Group funds its day-to-day operations principally with funds generated from sales, as well as proceeds from loans, borrowings, and bonds.
The following table sets forth the cash flow on a consolidated basis:

	For the period of nine months ended 30 September	
	2024	2023
	PLN (thousands)	
Cash flows from/(used in) operating activities	75 231	140 924
Cash flow from/(used in) investing activities	(689)	381
Cash flow (used in)/from financing activities	27 801	32 741

Cash flow from/(used in) operating activities

The Company's positive net cash flow from operating activities for the nine months ended 30 September 2024 amounted to PLN 75.2 million compared to positive net cash flows from these activities in the corresponding period ended 30 September 2023 of PLN 140.9 million. The decrease of PLN 65.7 million is primarily explained by:

- Payment of advance for land in the amount of PLN 3.9 million against no payment made during the 9 months ended on 30 September 2023;
- Increase of PLN 6.3 million repayment of interest on bonds and loans which accounted to total amount of PLN 18.8 million in the nine month period ended on 30 September 2024 comparing to PLN 12.5 million in the nine month period ended on 30 September 2023;
- Repayment of Interest-bearing deferred trade payables (credit line from general constructor) at the amount of PLN 9.5 million;
- Decrease in Advances received from clients by PLN 2 million for period ended 30 September 2024;
- Increase of PLN 5.1 million in settlements with contractors on investments of total amount of PLN 160 million in the nine month period ended on 30 September 2024 from PLN 154.9 million in the nine month period ended on 30 September 2023;
- Increase in payment for remuneration to employees and service providers (B2B) including ZUS and PIT of 3.8 million PLN;
- Decrease in VAT return in the amount of PLN 14.6 million, amount returned in the reporting period PLN 6.5 million comparing to PLN 21.1 million in the corresponding period in 2023;
- Increase of PLN 21.4 million in income tax paid from PLN 5.4 million in the nine months period ended on 30 September 2023 to PLN 26.8 million paid in the nine months period ended on 30 September 2024;
- Decrease of 1.29 million of money received on escrow accounts.

The above mentioned negative effect on the operational cash flow was partly offset by:

- Increase of PLN 0.9 million in the interest generated on deposits from PLN 2.5 million in the nine months period ended on 30 September 2023 to PLN 3.4 million for the nine months period ended on 30 September 2024;
- Decrease in VAT payments in amount of PLN 1.4 million in period ended 30 September 2024.

Cash flows from financial activities

The Company's net cash inflow from financing activities amounted to PLN 27.8 million during the nine months ended 30 September 2024 compared to a net cash inflow from financing activities amounted to PLN 32.7 million during the nine months ended 30 September 2023.

The Decrease of PLN 4.9 million is primarily explained by:

- Cash outflow in the amount of PLN 81.1 million related to cash repayment of bonds series V and partial repayment of series W during the 9 months ended on 30 September 2024 comparing to no repayment of bonds during the 9 months ended on 30 September 2023;
- Increase in the cash outflow in the amount of PLN 48.7 million related to payment of dividend in the 9-month period ended September 30, 2024, compared to no dividend in the period ended September 30, 2023
- Increase in the net cash outflow in the amount of PLN 7.0 million related to bank loans during the period of 9 months ended 30 September 2024;
- Increase in the net cash outflow in the amount of PLN 2.2 million related to repayment of a liability to shareholders in the amount of PLN 27.2 million in the 9-month period ended September 30, 2024, compared to PLN 25.0 million in the period ended September 30, 2023.

The above-mentioned negative effect on the Cash flow from financial activity was partly offset by:

- Increase in cash inflow from bonds in amount of PLN 136.5 million related to issuance of bonds series P2023A and series Y in amount of PLN 195.6 million in the reporting period, comparing to issuance of bonds series X in amount of PLN 59.1 million during the same period in year 2023.

Outlook for the remaining period of 2024

A. Completed projects

The table below presents information on the total residential units in the completed projects/stages that the Group expects to sell and deliver during the remaining period of 2024:

Project name	Location	Number of residential units delivered (1)			Number of residential units expected to be delivered (1)			Total project
		Until 31 Dec. 2023	During the period ended 30 Sept. 2024	Total units delivered	Units sold not delivered as at 30 Sept. 2024	Units for sale as at 30 Sept. 2024	Total units expected to be delivered	
Ursus Centralny IIc	Warsaw	67	154	221	2	–	2	223
Nowa Północ 1A	Szczecin	–	92	92	8	10	18	110
Osiedle Vola	Warsaw	–	83	83	–	1	1	84
Grunwald Między Drzewami I	Poznań	–	54	54	60	3	63	117
Eko Falenty I	Warsaw	–	31	31	4	7	11	42
Viva Jagodno IIb	Wrocław	137	11	148	–	4	4	152
Miasto Moje VI	Warsaw	213	10	223	1	3	4	227
Nowe Warzymice IV	Szczecin	68	7	75	–	–	–	75
Viva Jagodno IIa	Wrocław	69	5	74	–	2	2	76
Grunwaldzka	Poznań	65	5	70	–	–	–	70
Ursus Centralny IIb	Warsaw	204	1	205	–	1	1	206
Miasto Moje V	Warsaw	169	1	170	–	–	–	170
Nowe Warzymice I	Szczecin	53	–	53	–	1	1	54
Młody Grunwald I	Poznań	146	–	146	2	–	2	148
Młody Grunwald III	Poznań	107	–	107	–	1	1	108
Verdis I-IV	Warsaw	440	–	440	1	–	1	441
Verdis Idea	Warsaw	10	–	10	1	–	1	11
Sakura Idea	Warsaw	25	–	25	1	–	1	26
Total		**1 773**	**454**	**2 227**	**80**	**33**	**113**	**2 340**

(1) For the purpose of disclosing information related to the particular projects, the word "sell" ("sold") is used, with relation to signing the preliminary sale agreement with the client for the sale of the apartment; whereas the word "deliver" ("delivered") relates to the transferring of significant risks and rewards of the ownership of the residential unit to the client and receiving 100% of the agreement price.

For information on the completed projects see "Business highlights during the nine months ended 30 September 2024 – A. Results breakdown by project".

B. Current projects under construction and/or on sale

The table below presents information on projects for which completion is scheduled in the remaining period of 2024, and for the years 2025-2027. The Company has obtained valid building permits for all projects/stages and has commenced construction and /or sales.

Project name	Location	Start date of construction/sale	Units sold until 30 Sept. 2024	Units for sale as at 30 Sept. 2024	Total units	Total area of units (m^2)	Expected completion of construction
Miasto Moje VII	Warsaw, Białołęka, Marwilska st.	Q2 2022	238	17	255	11 725	Q4 2024
Ursus Centralny IIe	Warsaw, Ursus, Gierdziejewskiego st.	Q2 2022	233	58	291	16 127	Q4 2024
Nova Królikarnia 4b1	Warsaw, Mokotów, Srebrnych Świerków st.	Q1 2023	6	5	11	2 503	Q2 2025
Nowe Warzymice V.1	Szczecin, Do Rajkowa st.	Q1 2024	11	1	12	942	Q2 2025
Zielono Mi I	Warsaw, Mokotów, Ananasowa st.	Q1 2024	36	56	92	5 702	Q3 2025
Viva Jagodno III	Wrocław, Jagodno, Buforowa st.	Q1 2024	27	31	58	3 140	Q3 2025
Nowa Północ Ib	Szczecin, Bogusława Świątkiewicza st.	Q1 2024	7	82	89	4 234	Q3 2025
Nowe Warzymice V.2	Szczecin, Do Rajkowa st.	Q2 2024	9	18	27	2 263	Q3 2025
Miasto Moje VIII	Warsaw, Białołęka, Marwilska st.	Q3 2024	32	120	152	7 734	Q2 2026
Między Drzewami II*	Poznań, Babimojska st.	Q2 2024	25	53	78	3 822	Q4 2026
Ursus Centralny IId*	Warsaw, Ursus, Gierdziejewskiego st.	Q3 2024	27	334	361	19 432	Q1 2027
Subtotal			**651**	**775**	**1 426**	**77 624**	

** Project on sale*

Outlook for the remaining period of 2024

C. Value of the preliminary sales agreements signed with clients for which revenue has not been recognized in the Consolidated Statement of Comprehensive Income

The current volume and value of the preliminary sales agreements signed with the clients do not impact the Interim Condensed Consolidated Statement of Comprehensive Income immediately but only after final settlement (i.e. upon signing of protocol for technical acceptance and transfer of the key to the client as well as obtaining full payment for the unit purchased) of the contracts with the customers. The table below presents the value of the preliminary sales agreements of units (without VAT) executed with the Company's clients that have not been recognized in the Interim Condensed Consolidated Statement of Comprehensive Income:

Project name	Location	Number of the sold but not delivered units signed with Clients	Value of the preliminary sales agreements signed with clients	Completed / expected completion of construction
Między Drzewami	Poznań	60	31 560	Completed
Nowa Północ Ia	Szczecin	8	3 682	Completed
Eko Falenty I	Warsaw	4	3 525	Completed
Ursus Centralny IIc	Warsaw	2	2 143	Completed
Miasto Moje VI	Warsaw	1	1 790	Completed
Młody Grunwald I	Poznań	2	964	Completed
Sakura Idea	Warsaw	1	642	Completed
Verdis Idea	Warsaw	1	467	Completed
Miasto Moje V	Warsaw	-	344	Completed
Verdis I-IV	Warsaw	1	277	Completed
Viva Jagodno IIb	Wrocław	-	255	Completed
Miasto Moje IV	Warsaw	-	111	Completed
Ursus Centralny IIb	Warsaw	-	28	Completed
Ursus Centralny IIa	Warsaw	-	27	Completed
Subtotal completed projects(1)		**80**	**45 816**	
Miasto Moje VII	Warsaw	238	123 067	Q4 2024
Ursus Centralny IIe	Warsaw	233	155 409	Q4 2024
Nova Królikarnia 4b1	Warsaw	6	29 990	Q2 2025
Nowe Warzymice V.1	Szczecin	11	7 516	Q2 2025
Zielono Mi I	Warsaw	36	38 652	Q3 2025
Nowa Północ Ib	Szczecin	7	2 826	Q3 2025
Nowe Warzymice V.2	Szczecin	9	7 004	Q3 2025
Viva Jagodno III	Wrocław	27	14 784	Q3 2025
Miasto Moje VIII	Warsaw	32	22 452	Q2 2026
Między Drzewami II	Poznań	25	13 716	Q4 2026
Ursus Centralny IId	Warsaw	27	19 083	Q1 2027
Subtotal ongoing projects(2)		**651**	**434 500**	
Total		**731**	**480 316**	

(1) For information on the completed projects see "Business highlights during the nine months ended 30 September 2024 – A. Results breakdown by project".
(2) For information on current projects under construction and/or on sale, see under "B".

Additional information about the Company

The Company is mainly a holding company and management services provider with respect to the development of residential projects for its subsidiaries. The majority of the Company income are from the following sources: (i) interests from loans granted to subsidiaries for the development of projects, (ii) management fee received from subsidiaries for the provision of projects management services, and (iii) dividend received from subsidiaries. All above revenues are being eliminated on a consolidation level.

Below section presents the main data on the Company activity that were not covered in other sections of this Management Board Report.

	Exchange rate of Polish Zloty versus Euro			
PLN/EUR	**Average exchange rate**	**Minimum exchange rate**	**Maximum exchange rate**	**Period end exchange rate**
2024 (9 months)	**4.3063**	4.2499	4.4016	**4.2791**
2023 (9 months)	4.5845	4.4135	4.7895	4.6356
2023 (12 months)	4.5437	4.3053	4.7895	4.3480

Selected financial data	**EUR**		**PLN**	
	(thousands, except per share data)			
	For the 9 months ended 30 September			
	2024	**2023**	**2024**	**2023**
Revenues from management services	**2 424**	367	**10 438**	4 814
Financial income (majority from loans granted to subsidiaries)	**3 774**	2 922	**16 251**	19 597
Financial expenses (majority from Interest on bonds and fair value measurement of the financial instrument)	**(4 992)**	(1 300)	**(21 498)**	(21 414)
Net Profit including results from subsidiaries	**11 363**	5 720	**48 931**	59 614
Cash flows from/(used in) operating activities	**3 310**	(2 313)	**14 252**	(9 924)
Cash flows from/(used in) investing activities	**7 994**	6 936	**34 425**	30 002
Cash flows from/(used in) financing activities	**12 210**	(5 402)	**52 580**	34 137
Increase/(decrease) in cash and cash equivalents	**23 514**	(779)	**101 257**	54 215
Average number of equivalent shares (basic)	**162 442 859**	162 442 859	**162 442 859**	162 442 859

	EUR		**PLN**	
	(thousands)			
	As at			
	30 September 2024	**31 December 2023**	**30 September 2024**	**31 December 2023**
Investment in subsidiaries	**131 905**	119 535	**564 437**	519 740
Loan granted to subsidiaries	**46 479**	55 265	**198 889**	240 294
Total assets	**207 943**	182 416	**889 811**	793 145
Long term liabilities	**64 734**	33 088	**277 004**	143 866
Short term liabilities	**18 464**	26 837	**79 011**	116 685
Equity	**124 745**	122 492	**533 797**	532 593

Additional information to the report

Changes in the Management and Supervisory Board during the nine months ended 30 September 2024 and until the date of publication of this report

During the period ended 30 September 2024 and until the date of publication of this report, there were no changes in the Company's Management Board or Supervisory Board.

Changes in ownership of shares and rights to shares by Management and Supervisory Board members during the nine months ended 30 September 2024 and until the date of publication of this report

Members of the Company's Management Board and Supervisory Board do not hold shares or rights to shares in the Company, and there were no changes in this regard during the nine months ended 30 September 2024. However, it should be pointed out, Mr. Amos Luzon, who is Chairman of the Company's Supervisory Board and is as well its beneficial owner.

All of the Company's shares (other than treasury shares, which represent approximately 0.96% of the Company's share capital) are held by Luzon Ronson N.V. (former name I.T.R Dori B.V.), of which 108,349,187 shares (representing approximately 66.06% of the Company's share capital) are held directly, while 54,093,672 shares (representing approximately 32.98% of the Company's share capital) are held through a wholly owned subsidiary, Luzon Ronson Properties Ltd.

In summary, as of the date of publication of these Interim Condensed Consolidated Financial Statements, A. Luzon Group, the ultimate parent company, indirectly controls the Company through its subsidiary Luzon Ronson N.V. (in which it holds more than 70% of shares).

Disclosure obligations of the controlling shareholder

The controlling shareholder of the Company, i.e., A. Luzon Group, is a company listed on the Tel Aviv Stock Exchange, registered in Ganei Tikva, Israel, and is subject to certain disclosure obligations. Certain documents published in connection with such obligations by A. Luzon Group are available at: http://maya.tase.co.il (some documents are available only in Hebrew) and may contain certain information regarding the Company. Also, Luzon Ronson N.V., which directly or indirectly holds all of the Company's shares, is a company listed on the Tel Aviv Stock Exchange, and is required to comply with certain disclosure obligations. Some of the documents published in connection with such obligations by Luzon Ronson N.V. are available at: http://maya.tase.co.il (some documents are available only in Hebrew) and may contain certain information regarding the Company.

Agreements with shareholders

A subsidiary of the Company (Ronson Development Management sp. z o. o.) was a party to a consulting agreement with A. Luzon Group during the nine months ended 30 September 2024. Pursuant to this agreement (signed on June 30, 2017), Ronson Development Management Sp. z o.o. paid A. Luzon Group the amount of PLN 70.0 thousand per month and covered travel and accommodation expenses incurred in connection with the provision of services. As of 1 February 2024, the aforementioned agreement was terminated. In its place, a new consulting agreement was concluded on 1 February 2024, to which the Company and Luzon Ronson N.V. are parties. The subject of the agreement is the mutual provision of services by the parties to it. The remuneration payable to Luzon Ronson N.V. for services rendered to the Company under the aforementioned agreement has been set at a lump sum of PLN 83.0 thousand per month (plus any applicable VAT), while the remuneration payable to the Company for services rendered to Luzon Ronson N.V. has been set at a lump sum of PLN 25.0 thousand per month (plus any applicable VAT). Settlement of expenses incurred by both parties in connection with the provision of services (such as travel or accommodation costs) will be made in each case based on copies of receipts documenting the incurrence of such expenses by the respective Party.

The Company is not aware of any existing agreements between shareholders.

Changes in the Company's group structure

During the nine months ended 30 September 2024, the only changes that took place in the Group's structure were the registration of three limited liability companies in the Register of Entrepreneurs of the National Court Register, i.e.: Ronson Development SPV14 sp. z o. o., Ronson Development SPV15 sp. z o. o. and Ronson Development SPV16 sp. z o. o.

The Company's group structure as at 30 September 2024 and 31 December 2023 is presented in the Note 7 to the Interim Condensed Consolidated Financial Statements.

Seasonality

The Group's activities are not of a seasonal nature. Therefore, the results presented by the Group do not fluctuate significantly during the year due to the seasonality.

Additional information to the report

Influence of results disclosed in the report on fulfillment of result forecasts

Pursuant to Article 35(1a) of the Act of 15 January 2015. on bonds ('Bond Act'), the Company, as an issuer of bonds, is obliged, until the bonds issued by it are fully redeemed, to publish on its website, at the latest on the last day of each subsequent financial year, information as at the last day of the following financial year concerning the forecast of the development of the Company's and the Group's financial liabilities, including an indication of the estimated value of financial liabilities and the estimated financing structure, understood as the value and percentage of liabilities from loans and borrowings, issuance of debt securities, leasing in the total liabilities of the balance sheet. In fulfilment of the above statutory obligation, on 31 December 2023, the Company published on its website a forecast of the development of the Company's and the Group's financial liabilities as of 31 December 2024.

In each annual financial report published in the period from the date of issuance to the date of redemption of the bonds, the Company will be required to indicate and explain material differences between the published information on the forecast of the development of financial liabilities as of the last day of the fiscal year and the financial liabilities resulting from the books as of that date. Apart from the financial forecasts required to be prepared and published under the Bond Act, the Company does not publish any other financial forecasts relating to the Company's and the Group's operations.

Related parties transactions

On 25 May 2023, the Company and Luzon Group entered into an agreement in respect of the SAFE Agreements to settle the reimbursement of amounts received from Israeli investors in 2022 under the SAFE Agreements and to release the Company from its obligation to those investors.

On 14 March 2024, the Company and A. Luzon Group entered into an addendum to the aforementioned agreement dated 25 May 2023. The addendum provided for a change in the payment schedule such that the remaining payments to be made under the aforementioned agreement in the amount of approximately ILS 24.7 million would be paid on 2 April 2024, and upon payment, the Agreement would be executed and terminated. On 5 April 2024, the subject payment was made by the Company.

During the period ended 30 September 2024, transactions and balances with related parties included: remuneration of the Management Board, loans to related parties within the Group and a consulting services agreement with A. Luzon Group, for a monthly amount of PLN 70 thousand (ended by the parties on January 31 2024), and a consulting services agreement with Luzon Ronson N.V. for a monthly amount of PLN 83 thousand, as well as payment of travel and out-of-pocket expenses. All transactions with related parties were carried out at arm's length. During the nine months ended 30 September 2024, the Group paid a total of PLN 734 thousand.

In addition, during the period ended 30 September 2024, the Group recognized income from one apartment sold in 2022 to a company owned by Mr. Andrzej Gutowski, Vice-President of the Company's Management Board, for a total net amount (excluding VAT) of PLN 295.4 thousand. Furthermore, the Group sold one parking place to Ms. Karolina Bronszewska for a net amount (excluding VAT) of PLN 29.0 thousand. The transactions were made on an arm's length basis and in accordance with the Group's policy on transactions with related parties.

Option program

On 28 November 2022, A. 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 A. Luzon Group of ILS 0.01 par value, for an exercise price of 0.2 ILS (which however will be settled by Amos Luzon Development and Energy Group Ltd. 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. Boaz 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 39 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

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. Boaz Haim will hold c.a. 2.38% of the issued and paid-up capital of A. Luzon Group and about 1.89% of the issued and paid-up capital of A. Luzon Group on a full dilution basis. The Option program envisages adjustments in options for share allocation in case of various corporate events in A. Luzon Group (such as the issuance of shares or other options, merger, dividend distribution, etc.). The initial effect of the program was recognized in year 2023 in the amount of PLN 1.6 million and cost for nine months of year 2024 amounted to PLN 1.0 million. The program is accounted under IFRS 2 standard as an employee expense, part of administrative costs and share-based payment expense in equity. Total value of the program as of grant date amounted to PLN 4.7 million.

Additional information to the report

Quarterly reporting by the Company

As a result of requirements pertaining to A. Luzon Group, the Company's controlling shareholder, whose ultimate parent company is listed on the Tel Aviv Stock Exchange, the first quarter reports, semi-annual reports and third quarter reports are subject to a full-scope review by the Company's auditors. For the Company itself, being domiciled in Poland, only the semi-annual and yearly report is subject to a review/audit.

Material court cases

As at 30 September 2024, the Company and the Group were not party to any individual proceedings before a court, arbitration body or public administration authority concerning liabilities or receivables whose value would exceed 10% of the Company's equity.

Nevertheless, Group companies are parties to various court proceedings as both defendants and plaintiffs - these are mainly disputes concerning premises sold, claims against general contractors and designers, as well as disputes related to the acquisition of certain land properties and proceedings for the disclosure of the debtor's assets. In particular:

a) Ronson Development sp. z o.o. - Ursus Centralny sp.k. is in dispute with the State Treasury over the determination of the amount of the annual fee for perpetual usufruct of real estate. For more information of material court cases please see Note 23 of Interim Condensed Consolidated Financial Statements;
b) Ronson Development Sp. z o.o. - Estate Sp. k., which ran the Galileo development project, is a defendant in several cases for a reduction in the price of the units due to their defects, as well as a plaintiff in a case against the general contractor of the Galileo development project, its insurer and other entities involved in the development and their insurers, the subject of which is the acknowledgement of the liability of these entities for damage to the above-mentioned company related to the improper execution of the project and for damages. Due to transformations within the Ronson Development group, in some cases the defendant is Ronson Development South Sp. z o. o. For more information of material court cases please see Note 23 of Condensed Consolidated Financial Statements;
c) from the applications of three Group companies, i.e. Ronson Development sp. z o.o. - Projekt 3 sp. k., Ronson Development sp. z o.o. - Projekt 4 sp. k. and Ronson Development SPV4 sp. z o.o., multiple (over ten) enforcement proceedings were pending in the period of 9 months ended 30 September 2024 are pending against several related companies that were sellers (or otherwise participated in real estate sales transactions); these proceedings are aimed at enforcing receivables for repayment of down payments or payment of down payments in the double amount, as well as for repayment of the loan granted). For more information of material court cases please see Note 23 of Condensed Consolidated Financial Statements;
d) from an action brought by the three aforementioned Group companies, i.e. Ronson Development sp. z o.o. - Projekt 3 sp. k., Ronson Development sp. z o.o. - Projekt 4 sp. k. and Ronson Development SPV4 sp. z o.o. during the 9 months ended 30 September 2024 there are also 3 pending court proceedings - two for payment and one for reconciliation of the land and mortgage register with the actual legal status - two of these proceedings against the two companies referred to in point c above and one against their sole member of the management board with all of these proceedings ended as a result of a judgment or order for payment favorable to the Ronson Group companies or, in the case of proceedings for reconciliation of the land and mortgage register with the actual legal status, withdrawal of the action as a result of a settlement and removal of the mortgage from the land and mortgage register. For more information of material court cases please see Note 23 of Condensed Consolidated Financial Statements.

Guarantees / Securities provided by the Company or its subsidiaries

The Company did not issue any guarantees during the nine months ended 30 September 2024.

Employees

The average number of personnel employed by the Group – on a fulltime equivalent basis – during the nine months ended 30 September 2024 was 69 during comparing to 65 in the same period of the year 2023. The Company itself did not and does not employ any employees.

Responsibility statement

The Management Board of Ronson Development SE hereby declares that:

a) to the best of its knowledge, the Interim Condensed Consolidated Financial Statements and Interim Condensed Standalone Financial Statements and comparative data have been prepared in accordance with the applicable accounting principles and that they reflect in a true, reliable and clear manner financial position of the Company, the Group and its financial result;

b) the Management Board Report contains a true picture of the Company's and Group's development and achievements, as well as a description of the main threats and risks.

This Management Board Report of activities of the Company and the Group during the nine months period ended 30 September 2024 was prepared and approved by the Management Board of the Company on 12 November 2024.

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

Warsaw, 12 November 2024

Interim Condensed Consolidated Statement of Financial Position

In thousands of Polish Zlotys (PLN)	*Note*	As at 30 September 2024 (Reviewed/Unaudited)	As at 31 December 2023 (Audited)
Assets			
Property and equipment		7 650	7 506
Investment property	*9*	58 616	83 220
Intangible fixed assets		412	468
Investments in joint ventures	*26*	499	532
Deferred tax assets	*19*	7 302	6 369
Land designated for development	*10*	22 280	21 663
Total non-current assets		**96 759**	**119 759**
Inventory	*10*	779 666	792 488
Assets held for sale	*14*	24 752	-
Trade and other receivables and prepayments	*11*	47 453	53 539
Advances for Land	*12*	21 450	17 550
Income tax receivable		2 332	3 450
Loans granted to joint ventures	*26*	153	145
Other current financial assets		13 520	12 809
Cash and cash equivalents		305 754	203 860
Total current assets		**1 195 081**	**1 083 841**
Total assets		**1 291 839**	**1 203 599**
Equity			
Share capital		12 503	12 503
Share premium		150 278	150 278
Share based payment expense		2 576	1 571
Treasury shares		(1 732)	(1 732)
Retained earnings		371 251	371 052
Total equity/Equity attributable to equity holders of the parent		**534 876**	**533 672**
Liabilities			
Non-current liabilities			
Floating rate bonds	*16*	275 587	118 676
Liability to shareholders measured at amortised cost	*15*	-	19 519
Deferred tax liability	*19*	15 107	36 350
Lease liabilities related to perpetual usufruct of investment properties	*13*	720	720
Total non-current liabilities		**291 414**	**175 265**
Current liabilities			
Trade and other payables and accrued expenses	*17*	48 092	89 762
Liabilities associated with assets classified as held for sale	*14*	23 450	-
Floating rate bonds	*16*	58 548	99 834
Other payables - accrued interests on bonds	*16*	5 116	6 810
Secured bank loans	*16*	1 745	8 815
Interest bearing deferred trade payables	*17*	-	9 538
Advances received	*20*	287 260	234 175
Income tax payable		2 598	534
Provisions		2 986	3 103
Lease liabilities related to perpetual usufruct of land	*13*	35 755	36 017
Liability to shareholders measured at amortised cost	*15*	-	6 074
Total current liabilities		**465 550**	**494 662**
Total liabilities		**756 963**	**669 927**
Total equity and liabilities		**1 291 839**	**1 203 599**

Interim Condensed Consolidated Statement of Comprehensive Income

PLN (thousands, except per share data and number of shares)	*Note*	For the 9 months ended 30 September 2024 (Reviewed) / (unaudited)	For the 3 months ended 30 September 2024 (Unreviewed) / (unaudited)	For the 9 months ended 30 September 2023 (Reviewed) / (unaudited)	For the 3 months ended 30 September 2023 (Unreviewed) / (unaudited)
Revenue from residential projects	*21*	275 894	39 631	318 898	142 467
Revenue		**275 894**	**39 631**	**318 898**	**142 467**
Cost of sales	*21*	(187 128)	(32 111)	(210 253)	(89 994)
Gross profit		**88 766**	**7 519**	**108 646**	**52 473**
Changes in the fair value of investment property		-	-	(842)	-
Selling and marketing expenses		(5 282)	(1 981)	(4 196)	(1 170)
Administrative expenses		(23 952)	(7 671)	(19 239)	(5 928)
Share of profit/(loss) in joint ventures		10	(1)	(729)	(3)
Other expenses		(2 976)	(1 280)	(6 075)	(1 276)
Other income		5 879	1 987	1 178	209
Result from operating activities		**62 445**	**(1 427)**	**78 743**	**44 306**
Finance income		5 159	1 040	2 729	1 401
Finance expense		(10 855)	(2 838)	(12 587)	(5 504)
Gain (loss) on financial instrument measured at fair value through profit and loss	*15*	-	-	6 422	46
Net finance income/(expense)		**(5 696)**	**(1 798)**	**(3 436)**	**(4 057)**
Profit/(loss) before taxation		**56 749**	**(3 225)**	**75 308**	**40 249**
Income tax (expense)	*18*	(7 818)	1 749	(15 698)	(7 104)
Profit for the period		**48 931**	**(1 476)**	**59 610**	**33 145**
Other comprehensive income		-	-	-	-
Total comprehensive income for the period, net of tax		**48 931**	**(1 476)**	**59 610**	**33 145**
Total profit/(loss) for the period attributable to:					
Equity holders of the parent		48 931	(1 476)	59 610	33 145
Non-controlling interests		-	-	-	-
Total profit for the period, net of tax		**48 931**	**(1 476)**	**59 610**	**33 145**
Total profit/(loss) for the period attributable to:					
Equity holders of the parent		48 931	(1 476)	59 610	33 145
Non-controlling interests		-	-	-	-
Total comprehensive income for the period, net of tax		**48 931**	**(1 476)**	**59 610**	**33 145**

The notes included on pages 23 to 54 are an integral part of these Interim Condensed Consolidated Financial Statements

Interim Condensed Consolidated Statement of Changes in Equity

	Attributable to the Equity holders of parent					
In thousands of Polish Zlotys (PLN)	Share capital	Share premium	Share based payment expense	Treasury shares	Retained earnings	Total equity
Balance at 1 January 2024	**12 503**	**150 278**	**1 571**	**(1 732)**	**371 052**	**533 672**
Comprehensive income:						
Profit for the nine months ended 30 September 2024	–	–	–	–	48 931	48 931
Total comprehensive income	**–**	**–**	–	**–**	**48 931**	**48 931**
Share based payment expense	–	–	1 004	–	–	1 004
Dividend payment	–	–	–	–	(48 733)	(48 733)
Balance at 30 September 2024 (Reviewed/ Unaudited)	**12 503**	**150 278**	**2 576**	**(1 732)**	**371 251**	**534 876**

	Attributable to the Equity holders of parent					
In thousands of Polish Zlotys (PLN)	Share capital	Share premium	Share based payment expense	Treasury shares	Retained earnings	Total equity
Balance at 1 January 2023	**12 503**	**150 278**	**-**	**(1 732)**	**290 347**	**451 396**
Comprehensive income:						
Profit for the nine months ended 30 September 2023	–	–	–	–	59 610	59 610
Total comprehensive income/(expense)	**–**	**–**	**–**	**–**	**59 610**	**59 610**
Share based payment expense	–	–	1 232	–	–	1 232
Balance at 30 September 2023 (Reviewed/ Unaudited)	**12 503**	**150 278**	**1 232**	**(1 732)**	**349 357**	**512 238**

Interim Condensed Consolidated Statement of Cash Flows

For the nine months ended 30 September		2024	2023
In thousands of Polish Zlotys (PLN)	***Note***		
Cash flows from/(used in) operating activities			
Profit/(loss) for the period		48 931	59 610
Adjustments to reconcile profit for the period to net cash used in operating activities			
Depreciation		602	651
(Increase)/decrease in fair value of investment property		-	842
Finance expense		9 750	11 464
Finance income		(3 950)	(2 700)
Foreign exchange rates differences gain/(loss)		(104)	1 094
(Gain)/loss on a financial instrument measured at fair value through profit and loss	*15*	-	(6 422)
Reversal of write-off of receivables		(861)	-
Share of loss /(profit) from joint ventures		11	730
Share based payment expense		1 005	1 232
Income tax expense/(benefit)		7 818	15 698
Subtotal		**63 202**	**82 198**
Decrease/(increase) in inventory and land designated for development		27 023	16 833
Profit on sale of property, plant and equipment		(32)	(38)
Decrease/(increase) in advances for land		(3 900)	-
Decrease/(increase) in trade and other receivables and prepayments		3 667	20 352
Decrease/(increase) in other current financial assets		(711)	577
Decrease/(increase) in trade and other payables and interests bearing deferred trade payables		(24 884)	22 501
Increase/(decrease) in provisions		(117)	(535)
Increase/(decrease) in advances received	*20*	53 085	14 455
Subtotal		**117 333**	**156 342**
Interest paid		(18 768)	(12 517)
Interest received		3 450	2 522
Income tax received/(paid)		(26 784)	(5 423)
Net cash from/(used in) operating activities		**75 231**	**140 924**
Cash flows from/(used in) investing activities			
Acquisition of property and equipment		(661)	(163)
Payments for investment property	*9*	(102)	(583)
Dividends received from joint ventures		-	1 073
Proceeds from sale of property and equipment		73	53
Net cash from investing activities		**(689)**	**381**
Cash flows (used in)/from financing activities			
Proceeds from bank loans, net of bank charges	*16*	114 400	83 393
Repayment of bank loans	*16*	(123 663)	(83 439)
Proceeds from bonds, net of charges		195 630	59 137
Repayment of bonds	*16*	(81 085)	-
Repayment of Liability to shareholders measured at amortised cost		(27 232)	(25 000)
Payment of perpetual usufruct rights	*13*	(1 516)	(1 351)
Payment of dividend		(48 733)	-
Net cash (used in)/from financing activities		**27 801**	**32 741**
Net change in cash and cash equivalents		**102 343**	**174 045**
Cash and cash equivalents at beginning of period		203 860	51 185
Effects of exchange rate changes on cash and cash equivalents		-	(10)
Cash and cash equivalents at end of period*		**306 203**	**225 220**
Including: cash presented as assets held for sale		449	-

** Including restricted cash that amounted to PLN 45 294 thousand and PLN 14 313 thousand as at 30 September 2024 and as at 30 September 2023, respectively. Restricted cash as at 31 December 2023 amounted to PLN 13 903 thousand.*

The notes included on pages 23 to 54 are an integral part of these Interim Condensed Consolidated Financial Statements

Notes to the Interim Condensed Consolidated Financial Statements

Note 1 – General and principal activities

Ronson Development SE ('the Company') is a 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 a 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.

As of 30 September 2024, A. Luzon Group, the ultimate parent company, indirectly controlled the Company through its subsidiary Luzon Ronson N.V. (former name I.T.R. Dori B.V.), in which it holds more than 70% of the shares. As of 30 September 2024, Luzon Ronson N.V. held 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. The remaining 1,567,954 shares (approximately 0.96% of the Company's share capital) were treasury shares of the Company.

It should be pointed out that the shareholding status described above is a result of the reorganization of the A. Luzon Group and related changes that took place in January 2024. Namely, as of 31 December 2023, A. Luzon Group controlled 100% of the Company's shares, such that it directly held 32.98% of the Company's shares, and 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 16 January 2024, the Company's shares held directly by A. Luzon Group (approximately 32.98% of the share capital) were transferred to Luzon Ronson Properties Ltd. (which was established as part of the reorganization of A. Luzon Group's operations). Subsequently, A. Luzon Group on January 25, 2024 disposed of all of its shares in Luzon Ronson Properties Ltd. to Luzon Ronson N.V. (former name I.T.R. Dori B.V.).

The Company's beneficial owner and ultimate controlling party is Mr. Amos Luzon, who is also Chairman of the Company's Supervisory Board.

Projects carried out by Group companies are at various stages of advancement, ranging from the phase of searching for land for purchase to projects completed or nearing completion.

The Interim Condensed Consolidated Financial Statements of the Company have been prepared for the nine months ended 30 September 2024 and contain comparative data for the nine months ended 30 September 2023 and as at 31 December 2023. The Interim Condensed Consolidated Financial Statements of the Company for the nine months ended 30 September 2024 with all its comparative data have been reviewed by the Company's external auditors.

The information about the companies from which the financial data are included in these Interim Condensed Consolidated Financial Statements and the extent of ownership and control are presented in Note 7.

The Interim Condensed Consolidated Financial Statements for the nine months ended 30 September 2024 were authorized for issuance by the Management Board on 12 November 2024 in both English and Polish languages, while the Polish version is binding.

Note 2 – Basis of preparation of Interim Condensed Consolidated Financial Statements

These Interim Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34 "Interim financial reporting".

The Interim Condensed Consolidated Financial Statements do not include all the information and disclosures required in Annual Consolidated Financial Statements, and should be read in conjunction with the Group's Annual Consolidated Financial Statements as at 31 December 2023 prepared in accordance with IFRS Accounting Standards as endorsed by the European Union.

At the date of authorization of these Interim Condensed Consolidated Financial Statements, in light of the nature of the Group's activities, the IFRS Accounting Standards issued by IASB are not different from the IFRS Accounting Standards endorsed by the European Union.

IFRS Accounting Standards comprise standards and interpretations accepted by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC"). The Consolidated Financial Statements of the Group for the year ended 31 December 2023 are available upon request from the Company's registered office at Al. Komisji Edukacji Narodowej 57, Warsaw, Poland or at the Company's website: ronson.pl

Notes to the Interim Condensed Consolidated Financial Statements

Note 2 – Basis of preparation of Interim Condensed Consolidated Financial Statements

These Interim Condensed Consolidated Financial Statements have been prepared on the assumption that the Group is a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of its operations. Further explanation and analysis of significant changes in financial position and performance of the Company during the nine months ended 30 September 2024 are included in the Management Board Report on pages 3 through 18.

Note 3 – Summary of material accounting policies

Except as described below, the accounting policies applied by the Company and the Group in these Interim Condensed Consolidated Financial Statements are the same as those applied by the Company in its Consolidated Financial Statements for the year ended 31 December 2023.

The following standards and amendments became effective as of 1 January 2024:

- Amendment to IFRS 16 "Leases"
- Amendments to IAS 1 "Presentation of Financial Statements"
- Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures" – Disclosure of financial arrangements with suppliers ("supplier finance arrangement")

The impact of the above amendments and improvements to IFRS Accounting Standards was analyzed by the Management. Based on the assessment the amendments do not materially impact on the Annual Consolidated Financial Statements of the Group nor the Interim Condensed Consolidated Financial Statements of the Group.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 2024 reporting periods and have not been early adopted by the Group. These standards, besides described below IFRS 18, are not expected to have a material impact on the entity or the Group in the current or future reporting periods and on foreseeable future transactions.

IFRS 18 "Presentation and Disclosures in Financial Statements"– in April 2024, the IASB issued a new standard, IFRS 18 "Presentation and Disclosures in Financial Statements." The standard is intended to replace IAS 1 – Presentation of Financial Statements and will be effective as of 1 January 2027. Changes to the superseded standard mainly concern three issues: the statement of profit or loss, required disclosures for certain performance measures, and issues related to the aggregation and disaggregation of information contained in financial statements. The published standard will be effective for financial statements for periods beginning on or after 1 January 2027.

As of the date of these Interim Condensed Consolidated Financial Statements, the amendments have not yet been approved by the European Union. Based on the Management Board analysis above mentioned standard could have a substantial impact on the presentational aspect of the financial statements.

Note 4 – The use of estimates and judgments

The preparation of financial statements in conformity with IFRS Accounting Standards requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reporting period. Actual results may differ from these estimates.

In preparing these Interim Condensed Consolidated Financial Statements, the significant judgments made by the Management Board in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Consolidated Financial Statements for the year ended 31 December 2023.

Note 5 – Functional and reporting currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Interim Condensed Consolidated Financial Statements are presented in thousands of Polish Zloty ("PLN"), which is the functional currency of the Parent Company and the Group's 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.

Notes to the Interim Condensed Consolidated Financial Statements

Note 6 – Seasonality

The Group's activities are not of a seasonal nature. Therefore, the results presented by the Group do not fluctuate significantly during the year due to the seasonality.

Note 7 – Composition of the Group

The details of the companies whose financial statements have been included in these Interim Condensed Consolidated Financial Statements, the year of incorporation and the percentage of ownership and voting rights directly held or indirectly by the Company, are presented below and on the following page.

	Entity name	Year of incorporation	Country of registration	Share of ownership & voting rights at the end of 30 September 2024	Share of ownership & voting rights at the end of 31 December 2023
a.	**held directly by the Company:**				
1	Ronson Development Management Sp. z o.o.	1999	Poland	100%	100%
2	Ronson Development Sp. z o.o.	2006	Poland	100%	100%
3	Ronson Development Construction Sp. z o.o.	2006	Poland	100%	100%
4	City 2015 Sp. z o.o.	2006	Poland	100%	100%
5	Ronson Development Village Sp. z o.o.(1)	2007	Poland	100%	100%
6	Ronson Development Skyline Sp. z o.o.	2007	Poland	100%	100%
7	Ronson Development Universal Sp. z o.o.(1)	2007	Poland	100%	100%
8	Ronson Development South Sp. z o.o.(2)	2007	Poland	100%	100%
9	Ronson Development Partner 5 Sp. z o.o.	2007	Poland	100%	100%
10	Ronson Development Partner 4 Sp. z o.o.	2007	Poland	100%	100%
11	Ronson Development Providence Sp. z o.o.	2007	Poland	100%	100%
12	Ronson Development Finco Sp. z o.o.	2009	Poland	100%	100%
13	Ronson Development Partner 2 Sp. z o.o.	2009	Poland	100%	100%
14	Ronson Development Partner 3 Sp. z o.o.	2012	Poland	100%	100%
15	Ronson Development Studzienna Sp. z o.o.	2019	Poland	100%	100%
16	Ronson Development SPV1 Sp. z o.o.(3)	2021	Poland	100%	100%
17	Ronson Development SPV2 Sp. z o.o.	2021	Poland	100%	100%
18	Ronson Development SPV3 Sp. z o.o.	2021	Poland	100%	100%
19	Ronson Development SPV4 Sp. z o.o.	2021	Poland	100%	100%
20	Ronson Development SPV5 Sp. z o.o.	2021	Poland	100%	100%
21	Ronson Development SPV6 Sp. z o.o.	2021	Poland	100%	100%
22	Ronson Development SPV7 Sp. z o.o.	2021	Poland	100%	100%
23	Ronson Development SPV8 Sp. z o.o.	2021	Poland	100%	100%
24	Ronson Development SPV9 Sp. z o.o.	2021	Poland	100%	100%
25	Ronson Development SPV10 Sp. z o.o.	2021	Poland	100%	100%
26	Ronson Development SPV11 Sp. z o.o.	2021	Poland	100%	100%
27	LivinGO Holding sp. z o.o.	2022	Poland	100%	100%
28	Ronson Development SPV14 Sp. z o.o.	2023	Poland	100%	100%
29	Ronson Development SPV15 Sp. z o.o.	2023	Poland	100%	100%
30	Ronson Development SPV16 Sp. z o.o.	2023	Poland	100%	100%
b.	**held indirectly by the Company:**				
31	Ronson Development Sp z o.o. - Estate Sp.k.	2007	Poland	100%	100%
32	Ronson Development Sp z o.o. - Horizon Sp.k.	2007	Poland	100%	100%
33	Ronson Development Partner 3 sp. z o.o. – Viva Jagodno sp. k.	2009	Poland	100%	100%
34	Ronson Development Sp. z o.o. - Apartments 2011 Sp.k.	2009	Poland	100%	100%
35	Ronson Development Partner 2 Sp. z o.o. - Retreat 2011 Sp.k.	2009	Poland	100%	100%
36	LivinGO Ursus sp. z o.o.	2022	Poland	100%	100%
37	Ronson Development Partner 5 Sp. z o.o. - Vitalia Sp.k.	2009	Poland	100%	100%
38	Ronson Development Sp. z o.o. - Naturalis Sp.k.	2011	Poland	100%	100%
39	Ronson Development Partner 3 Sp. z o.o.- Nowe Warzymice Sp. k	2011	Poland	100%	100%
40	Ronson Development Sp. z o.o. - Providence 2011 Sp.k.	2011	Poland	100%	100%
41	Ronson Development Partner 5 Sp. z o.o. - Miasto Marina Sp.k.	2011	Poland	100%	100%
42	Ronson Development Partner 5 Sp. z o.o. - City 1 Sp.k.	2012	Poland	100%	100%
43	Ronson Development Partner 2 Sp. z o.o. - Miasto Moje Sp. k.	2012	Poland	100%	100%
44	Ronson Development sp. z o.o. – Ursus Centralny Sp. k.	2012	Poland	100%	100%
45	Ronson Development Sp. z o.o. - City 4 Sp.k.	2016	Poland	100%	100%
46	Ronson Development Partner 2 Sp. z o.o. – Grunwald Sp.k.	2016	Poland	100%	100%
47	Ronson Development Sp. z o.o. Grunwaldzka" Sp.k.	2016	Poland	100%	100%
48	Ronson Development Sp. z o.o. - Projekt 3 Sp.k.	2016	Poland	100%	100%
49	Ronson Development Sp. z o.o. - Projekt 4 Sp.k.	2017	Poland	100%	100%
50	Ronson Development Sp. z o.o. - Projekt 5 Sp.k.	2017	Poland	100%	100%
51	Ronson Development Sp. z o.o. - Projekt 6 Sp.k.	2017	Poland	100%	100%
52	Ronson Development Sp. z o.o. - Projekt 7 Sp.k.	2017	Poland	100%	100%
53	Ronson Development Sp. z o.o. - Projekt 8 Sp.k.	2017	Poland	100%	100%
54	Bolzanus Limited	2013	Cyprus	100%	100%
55	Park Development Properties Sp. z o.o. - Town Sp.k.	2007	Poland	100%	100%

Notes to the Interim Condensed Consolidated Financial Statements

Note 7 – Composition of the Group

	Entity name	Year of incorporation	Country of registration	Share of ownership & voting rights at the end of	
				30 September 2024	31 December 2023
56	Tras 2016 Sp. z o.o.	2011	Poland	100%	100%
57	Park Development Properties Sp. z o.o.	2011	Poland	100%	100%
58	Wrocław 2016 Sp. z o.o.	2016	Poland	100%	100%
59	Tregaron Sp. z o.o.	2017	Poland	100%	100%
60	Tring Sp. z o.o.	2017	Poland	100%	100%
61	Thame Sp. z o.o.	2017	Poland	100%	100%
62	Troon Sp. z o.o.	2017	Poland	100%	100%
63	Tywyn Sp. z o.o.	2018	Poland	100%	100%
c.	**other entities not subject to consolidation:**				
64	Coralchief sp. z o.o.	2018	Poland	50%	50%
65	Coralchief sp. z o.o. - Projekt 1 sp. k.	2016	Poland	50%	50%
66	Ronson IS sp. z o.o.	2009	Poland	50%	50%
67	Ronson IS sp. z o.o. sp. k.	2012	Poland	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)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.

(3)100% of the shares in Ronson Development SPV1 Sp. z o.o. were sold by the Company on October 15, 2024. For more information, see Note 28, "Events after the balance sheet date."

Note 8 – Segment reporting

The Group's operating segments are defined as separate entities developing particular residential projects, which for reporting purposes were aggregated. The aggregation for reporting purpose is based on geographical locations (Warsaw, Poznań, Wrocław and Szczecin) and type of development (apartments, of houses). Moreover, for particular assets the reporting was based on type of income: rental income from investment property. The segment reporting method requires also the Company to present separately joint venture within Warsaw segment. There have been no changes in the basis of segmentation or in the basis of measurement of segment profit or loss from the last Annual Consolidated Financial Statements. There is no concentration of the customers (i.e. the revenues from single customer does not exceed 10% of revenue), the revenue is distracted to many clients, mostly individual clients.

According to the Management Board's assessment, the operating segments identified have similar economic characteristics. Aggregation based on the type of development within the geographical location has been applied since primarily the location and the type of development determine the average margin that can be realized on each project and the project's risk factors. Considering the fact that the construction process for apartments is different from that for houses and considering the fact that the characteristics of customers buying apartments slightly differ from those of customers interested in buying houses, aggregation by type of development within the geographical location has been used for segment reporting and disclosure purposes.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated indirectly based on reasonable criteria. Unallocated assets comprise mainly of holding and financing company cash and cash equivalents, fixed assets and income tax assets. Unallocated liabilities comprise mainly income tax liabilities, deferred tax liabilities, bonds and financial liability measured at amortised cost. The unallocated result (loss) comprises mainly head office expenses. IFRS adjustments represent the elimination of the Joint venture segment for reconciliation of the profit (loss), assets and liabilities to the consolidated numbers as well as the effect of measurement of liability at amortised costs. Joint ventures are accounted using the equity method.

The Group evaluates its performance on a segment basis mainly based on sale revenues, own cost of sales from residential projects and rental activity, allocated marketing costs and others operating costs/income assigned to each segment. Additionally, the Group analyses the profit and gross margin on sales, as well as result before tax (including financial costs and income assigned to the segment) generated by the individual segments.

Notes to the Interim Condensed Consolidated Financial Statements

Note 8 – Segment reporting

Data presented in the table below are aggregated by type of development within the geographical location:

In thousands of Polish Zlotys (PLN) — **As at 30 September 2024**

	Warsaw				Poznań		Wrocław		Szczecin				
	Apartments	Houses	Joint venture	Rental	Apartments	Houses	Apartments	Houses	Apartments	Houses	Unallocated	IFRS adjust ments	Total
Segment assets	679 114	120 443	1 680	85 224	131 291	10 294	32 455	–	89 367	–	–	(1 028)	1 148 840
Unallocated assets	–	–	–	–	–	–	–	–	–	–	142 999	–	142 999
Total assets	**679 114**	**120 443**	**1 680**	**85 224**	**131 291**	**10 294**	**32 455**	**–**	**89 367**	**–**	**142 999**	**(1 028)**	**1 291 839**
Segment liabilities	285 344	24 800	718	24 204	35 435	127	9 027	–	19 433	–	–	(718)	398 370
Unallocated liabilities	–	–	–	–	–	–	–	–	–	–	358 593	–	358 593
Total liabilities	**285 344**	**24 800**	**718**	**24 204**	**35 435**	**127**	**9 027**	**–**	**19 433**	**–**	**358 593**	**(718)**	**756 963**

In thousands of Polish Zlotys (PLN) — **As at 31 December 2023**

	Warsaw				Poznań		Wrocław		Szczecin				
	Apartments	Houses	Joint venture	Rental	Apartments	Houses	Apartments	Houses	Apartments	Houses	Unallocated	IFRS Adjust-ments	Total
Segment assets	636 135	131 709	1 698	87 602	125 184	9 679	38 041	–	108 338	–	–	(943)	1 137 442
Unallocated assets	–	–	–	–	–	–	–	–	–	–	66 157	–	66 157
Total assets	**636 135**	**131 709**	**1 698**	**87 602**	**125 184**	**9 679**	**38 041**	**–**	**108 338**	**–**	**66 157**	**(943)**	**1 203 599**
Segment liabilities	264 326	27 490	717	24 267	33 574	2	3 306	–	22 174	–	–	(717)	375 139
Unallocated liabilities	–	–	–	–	–	–	–	–	–	–	294 788	–	294 788
Total liabilities	**264 326**	**27 490**	**717**	**24 267**	**33 574**	**2**	**3 306**	**–**	**22 174**	**–**	**294 788**	**(717)**	**669 927**

In thousands of Polish Zlotys (PLN) — **For the nine months ended 30 September 2024**

	Warsaw				Poznań		Wrocław		Szczecin				
	Apartments	Houses	Joint venture	Rental	Apartments	Houses	Apartments	Houses	Apartments	Houses	Unallocated	IFRS Adjust-ments	Total
Revenue/Revenue from external customers[(1)]	171 179	23 879	55	658	30 401	–	11 983	–	37 794	–	–	(55)	275 893
Segment result	67 279	1 796	30	373	4 787	(20)	3 987	–	9 052	–	–	(30)	87 254
Unallocated result	–	–		–	–	–	–	–	–	–	(24 348)	–	(24 348)
Depreciation	(157)	(1)	–	–	–	–	–	–	(5)	–	(297)		(460)
Result from operating activities	**67 122**	**1 795**	**30**	**373**	**4 787**	**(20)**	**3 987**	**–**	**9 047**	**–**	**(24 645)**	**(30)**	**62 445**
Net finance income/expenses	1 102	86	–	(28)	203	(3)	417	–	235	–	(7 707)	–	(5 969)
Gain/loss on a financial instrument measured at fair value through profit and loss													
Profit/(loss) before tax	**68 223**	**1 880**	**30**	**345**	**4 990**	**(23)**	**4 404**	**–**	**9 282**	**–**	**(32 352)**	**(30)**	**56 749**
Income tax expenses													(7 818)
Profit/(loss) for the period													**48 931**

(1) *Revenue in Apartments Segments and Houses Segments is recognized at the point in time when the customer takes control of the premises, i.e. on the basis of a signed protocol of technical acceptance, handover of keys to the purchaser of the premises and receipt of full payment.*

Notes to the Interim Condensed Consolidated Financial Statements

Note 8 – Segment reporting

In thousands of Polish Zlotys (PLN) **For the nine months ended 30 September 2023**

	Warsaw				Poznań		Wrocław		Szczecin		Unallocated	IFRS Adjust-ments	Total
	Apartments	Houses	Joint venture	Rental	Apartments	Houses	Apartments	Houses	Apartments	Houses			
Revenue/Revenue from external customers(1)	210 633	-	1 473	722	26 262	-	56 432	-	24 387	-	462	(1 473)	318 899
Segment result	70 235	(713)	(1 773)	(398)	4 903	-	21 221	-	6 325	-	-	1 773	101 572
Unallocated result	-	-	-	-	-	-	-	-	-	-	(22 278)	-	(22 278)
Depreciation	(156)	-	-	-	-	-	-	-	(3)	-	(392)	-	(551)
Result from operating activities	70 080	(713)	(1 773)	(398)	4 903	-	21 221	-	6 322	-	(22 670)	1 773	78 743
Net finance income/expenses	908	(21)	44	41	308	(3)	217	-	(12)	-	(4 899)	(44)	(3 437)
Gain/loss in fair value of financial instrument at fair value through profit and loss	-	-	-	-	-	-	-	-	-	-	6 422	-	6 422
Profit/(loss) before tax	70 988	(735)	(1 729)	(357)	5 211	(3)	21 438	-	6 334	-	(27 569)	1 729	75 308
Income tax expenses													(15 698)
Profit/(loss) for the period													59 610

(1) Revenue in Apartments and Houses segments is recognized at the point in time when the customer takes control of the premises, i.e. on the basis of a signed protocol of technical acceptance, handover of keys to the purchaser of the premises and receipt of full payment.

Note 9 – Investment properties

In thousands of Polish Zlotys (PLN)	For the 9 months ended 30 September 2024	For the year ended 31 December 2023
Balance at 1 January	83 220	63 139
IFRS 16 adjustment	20	71
Purchase of investment property land	-	11 000
Investment expenditures incurred	(412)	717
Transferred to assets held for sale	(24 212)	
Change in fair value during the period	-	8 293
Balance as of the balance sheet date, including:	**58 616**	**83 220**
Cost at the time of purchase	***44 920***	***69 412***
IFRS 16	***763***	***744***
Fair value adjustments	***12 932***	***13 064***

As at 30 September 2024, the investment property balance included:

- property held for long-term rental yields and capital appreciation, and were not occupied by the Group;
- three investment land purchased to build investment property for long-term so-called institutional rental and capital appreciation.

During the period ended 30 September 2024 the Group decided to reclassify investment property related to Wolska project to assets held for sale in amount of PLN 24.2 million. The subsequent sale took place as of 15 October 2024.

Measurement of the fair value

Investment properties and investment properties under construction are measured initially at cost, including transaction costs.

At the end of each reporting year, the Management Board conducts an assessment of the fair value of each property, taking into account the most up-to-date appraisals. Profits or losses resulting from changes in the fair value of investment properties are recognized in the statement of comprehensive income in the period in which they arise. The result on the valuation of investment properties is presented in the increase/ decrease in fair value of investment property.

The Management Board determines the value of the property within the range of reasonable estimates of the fair value. The best evidence to determine fair value is the current prices of similar properties in an active market.

Notes to the Interim Condensed Consolidated Financial Statements

Note 9 – Investment properties

In the absence of such information, management analyzes information from various sources, including:

- current prices from an active market for other types of real estate or recent prices of similar properties from a less active market, adjusted to take account of these differences (comparison method),
- discounted cash flow forecasts based on reliable estimates of future cash flows (income approach),
- capitalized income forecasts based on net market income and capitalization rate estimates derived from market data analysis.

All fair value estimates of real estate based on above mentioned approach, except for investment land, are considered to be level 3. For land, the comparison method is being used, the key input data are prices per square meter of comparable (in terms of location and size) plots in the same region obtained in sales transactions in the current year (Level 2 of the fair value hierarchy). The unobservable input data on the Level 3 was the average period of comparable transactions. For the comparison approach the external appraiser used the transactions from the period 2022-2024 to perform the valuation.

Note 10 – Inventory and Residential landbank

Inventory

Movements in Inventory during the nine months ended 30 September 2024 were as follows:

In thousands of Polish Zlotys (PLN)	As at 1 January 2024	Transferred from land designated for development	Transferred to finished units	Additions	As at 30 September 2024
Land and related cost	401 358	-	(27 502)	655	374 511
Construction costs	173 298	-	(96 309)	148 662	225 651
Planning and permits	19 987	-	(2 634)	5 197	22 551
Borrowing costs	51 421	-	(5 790)	14 843	60 474
Borrowing costs on lease and depreciation perpetual usufruct right (1)	7 363	-	-	2 136	9 499
Other	2 990	-	(2 173)	1 727	2 543
Work in progress	**656 417**	**-**	**(134 409)**	**173 221**	**695 228**

In thousands of Polish Zlotys (PLN)	As at 1 January 2024	Transferred from work in progress	Recognized in the statement of comprehensive income	As at 30 September 2024
Finished goods	**109 608**	134 409	(185 206)	**58 811**

In thousands of Polish Zlotys (PLN)	As at 1 January 2024	Transferred from land designated for development	Write-down recognized in statement of comprehensive income		As at 30 September 2024
			Increase	Utilization/ Reversal	
Write-down	**(4 577)**	-	-	**-**	**(4 577)**

In thousands of Polish Zlotys (PLN)	As at 1 January 2024	Recalculation adjustment	Depreciation	Transferred to Land designated for development	Transfer to Other receivables	As at 30 September 2024
Perpetual usufruct right(1)	**31 041**	789	(513)	-	(1 113)	**30 204**

Inventory, valued at lower of - cost and net realisable value	**792 488**	**779 666**

(1) For additional information see Note 13.

Notes to the Interim Condensed Consolidated Financial Statements

Note 10 – Inventory and Residential landbank

Inventory

For the year ended 31 December 2023

In thousands of Polish Zlotys (PLN)	As 1 January 2023	Transferred to land for development	Transferred from land designated for development	Transferred to finished units	Additions	As at 31 December 2023
Land and related expense	421 324	-	7 445	(44 342)	16 930	401 358
Construction costs	205 595	-	45	(257 120)	224 778	173 298
Planning and permits	22 322	-	722	(7 911)	4 853	19 987
Borrowing costs (2)	48 453	-	1 123	(16 458)	18 303	51 421
Borrowing costs on lease and depreciation perpetual usufruct right (1)	3 923	-	-	(425)	3 866	7 363
Other	3 755	-	190	(6 588)	5 633	2 990
Work in progress	**705 372**	**-**	**9 525**	**(332 843)**	**274 363**	**656 417**

In thousands of Polish Zlotys (PLN)	As 1 January 2023	Transferred from fixed assets	Transferred from work in progress	Recognized in the Statement of Comprehensive Income	As at 31 December 2023
Finished goods	**28 059**	**-**	332 843	(251 294)	**109 608**

In thousands of Polish Zlotys (PLN)	As 1 January 2023	Transferred to land for development	Transferred from land designated for development	Revaluation write-down recognized in Statement of Comprehensive Income		As at 31 December 2023
				Increase	Utilization/Reversal	
Write-down	(2 970)	-	(1 608)	-	-	(4 577)

In thousands of Polish Zlotys (PLN)	As 1 January 2023	Recalculation adjustment (3)	Depreciation	Transferred from land designated for development	Transfer to Other receivables	As at 31 December 2023
Perpetual usufruct right (1)	16 793	19 611	(682)	(1 674)	(3 008)	31 041

Inventory, valued at lower of – cost and net realisable value	**747 254**	**792 488**

(1) For additional information see Note 13.
(2) Borrowing costs are capitalized to the value of inventory with 9.912% average effective capitalization interest rate.
(3) Related to change in the perpetual usufruct payments from 2023. Amount of PLN 19,611 thousand of the recalculation adjustment described in Note 23 (iv) Litigation – Ursus Centralny, and to changes in perpetual usufruct payment in Miasto Moje project

Residential landbank

Plots of land purchased for development purposes on which construction is not planned within a period of three years has been reclassified as Residential landbank presented within Non-current assets. The table below presents the movement in the Residential landbank:

In thousands of Polish Zlotys (PLN)	For the 9 months ended 30 September 2024	For the year ended 31 December 2023
Opening balance	**21 663**	**21 094**
Moved from Inventory (perpetual land use assets – IFRS 16)	-	1 674
Capital expenditure	617	1 018
Transferred from work in progress and advances for land to land designated for development	-	7 402
Transferred to Inventory	-	(9 525)
Total closing balance	**22 280**	**21 663**
Closing balance includes:		
Book value(1)	29 260	28 643
Write-down	(6 980)	(6 980)
Total closing balance	**22 280**	**21 663**

(1) Includes IFRS 16 asset

Notes to the Interim Condensed Consolidated Financial Statements

Note 11 – Trade and other receivables and prepayments

In thousands of Polish Zlotys (PLN)	As at 30 September 2024	As at 31 December 2023
Value added tax (VAT) receivables	19 557	23 017
Trade receivables	2 033	3 313
Other receivables	13 252	13 361
Trade and other receivables – IFRS 16 (impact of perpetual usufruct)	286	2 800
Prepayments(1)	12 325	11 048
Total trade and other receivables and prepayments	**47 453**	**53 539**

(1) The capitalized contract costs relating to signed agreements with clients have been presented in this line and amounted to PLN 2.6 million for the 9 months ended 30 September 2024 and PLN 2.4 million for the year ended 31 December 2023.

During the period ended 30 September 2024 and the year ended 31 December 2023, the Group booked allowance for expected credit losses in the amount of PLN 2.1 million and PLN 3.8 million respectively included in trade and other receivables.

Other receivables balance consists mostly of receivables under dispute described in Note 23. As at balance sheet date, based on current status of the proceedings and best estimation of the management board amount of PLN 13.9 million related to the case is fully recoverable.

Ronson Development Sp. z o.o. – Projekt 3 Sp.k.

On 7 February 2024, Ronson Development Sp. z o.o. – Projekt 3 sp.k. ("Projekt 3") was served with the result of a customs and fiscal inspection conducted on 6 February 2024 by the Head of the Mazovian Customs and Fiscal Office in Warsaw (UCS) concerning the settlements of Projekt 3 in the tax on goods and services for the period from February to April 2021.

The Head of the Customs and tax office (“UCS”) claims they found irregularities in Project 3's VAT settlements and questioned Project 3's right to deduct input VAT from invoices issued in connection with Project 3's acquisition of land property. In the opinion of the Head of the UCS, the inclusion by Projekt 3 of the invoices in question in the VAT purchase registers and then in VAT returns constitutes a breach of Article 88(3a)(4a) of the VAT Act (according to which issued invoices and customs documents do not constitute grounds for a reduction in output tax and a refund of the difference in tax or a refund of input tax in the event that they state activities which have not been carried out – in the part concerning these activities). Project 3, disagreeing with the findings of the Head of the UCS, did not correct its VAT returns for the periods from February to April 2021.

By a decision dated 16 August 2024, the termination date of the proceedings was set for 24 October 2024. The completion date of the proceedings is subject to change.

Based on the current status of the proceedings and the Management Board's assessment, the entire amount of VAT covered by the proceedings is recoverable.

Ronson Development sp. z o.o. – Projekt 6 sp.k.

On 29 January 2024, Ronson Development Sp. z o.o. – Projekt 6 sp.k. ("Projekt 6") was served with the result of a customs and fiscal inspection issued by the Head of the Mazovian Customs and Fiscal Office in Warsaw on 17 January 2024 in respect of Projekt 6's settlements of goods and services tax for the period of August 2021.

The Head of the Customs and tax office (“UCS”) claimed they found irregularities in Project 6's settlements in value added tax and questioned Project 6's right to deduct input VAT from invoices issued in connection with Project 6's acquisition of land property. In the opinion of the Head of the UCS, the inclusion by Project 6 of the invoices in question in the VAT purchase registers and then in VAT returns constitutes a breach of Article 88(3a)(4a) of the VAT Act (according to which issued invoices and customs documents do not constitute grounds for a reduction in output tax and a refund of the difference in tax or a refund of input tax in the event that they state activities which have not been carried out – in the part concerning these activities). Project 6, disagreeing with the findings of the Head of the UCS, did not correct its VAT return for August 2021.

On 17 April 2024, Project 6 was served with a ruling on the conversion of the customs and fiscal control into tax proceedings.

On 4 October, Projekt 6 received the Protocol for Examination of Tax Books from the Head of the UCS. On October 18, 2024, it filed objections to this Protocol.

By order dated 16 August 2024, the deadline for completion of the proceedings was set for October 24, 2024. The termination date of the proceedings is subject to change.

Based on the current status of the proceedings and the Management Board's assessment, the entire amount of VAT covered by the proceedings is recoverable.

Notes to the Interim Condensed Consolidated Financial Statements

Note 12 – Advances for land

The table below presents the lists of advances for land paid as at 30 September 2024 and 31 December 2023:

Investment location *In thousands of Polish Zlotys (PLN)*	**As at 30 September 2024**	**As at 31 December 2023**
Warsaw, Białołęka	1 450	1 450
Warsaw, Ursus[1]	20 000	16 100
Total	**21 450**	**17 550**

[1] as a security for the advance paid there is a mortgage in favor of Ronson subsidiary.

During the period ended 30 September 2024 group paid next tranche of payment for land in Ursus district in amount PLN 3.9 million – payment was done accordingly to the agreement schedule.

Note 13 – Right-of-use assets and lease liabilities (IFRS 16)

The movement on the right-of-use assets and lease liabilities during the period ended 30 September 2024 is presented below:

In thousands of Polish Zlotys (PLN)	**1 January 2024**	**Transferred to Land designated for development**	**Additions/ Disposal net**	**Depreciation charge**	**Fair value adjustment**	**Recalculation adjustment**	**Transfer to trade receivables**	**30 September 2024**
Right of use assets related to inventory	31 040	-	-	(513)	-	789	(1 112)	30 204
Right of use assets related to investment property	744	-	-	(14)	34	-	-	763
Right of use assets related to land designated for development	1 625	-	-	80	-	-	-	1 546
Right of use assets related to fixed assets	558	-	152	(117)	-	-	-	593

In thousands of Polish Zlotys (PLN)	**1 January 2024**	**Transferred to Land designated for development**	**Additions/ Disposal net**	**Finance expense**	**Payments**	**Recalculation adjustment**	**Transfer to trade payables**	**30 September 2024**
Lease liabilities related to inventory	35 368	-	-	1 622	(1 567)	915	(1 235)	35 103
Lease liabilities related to fixed assets	650	-	-	2	-	-	-	652
Lease liabilities related to investment property	720	-	-	69	(69)	-	-	720

Notes to the Interim Condensed Consolidated Financial Statements

Note 13 – Right-of-use assets and lease liabilities (IFRS 16)

The movement on the right of use assets and lease liabilities during the period ended 31 December 2023 is presented below:

In thousands of Polish Zlotys (PLN)	1 January 2023	Transferred to Land designated for development	Additions	Disposals	Depreciation charge	Fair value adjustment	Recalculation adjustment (1)	Transfer to trade receivables	31 December 2023
Right of use assets related to inventory	16 793	(1 674)	-	-	(682)	-	19 612	(3 008)	31 040
Right of use assets related to investment property	673	-	-	-	(20)	91	-	-	744
Right of use assets related to Land designated for development	-	1 674	-	-	(49)	-	-	-	1 625
Right of use assets related to fixed assets	364	-	381	(119)	(68)	-	-	-	558

In thousands of Polish Zlotys (PLN)	1 January 2023	Additions	Disposals	Finance expense	Payments	Recalculation adjustment (1)	Transfer to trade payables	31 December 2023
Lease liabilities related to inventory	16 888	-	-	3 115	(1 244)	19 569	(2 960)	35 368
Lease liabilities related to fixed assets	434	320	(105)	1	-	-	-	650
Lease liabilities related to investment property	663	-	-	46	(46)	57	-	720

(1) Relates to change in the perpetual usufruct payments from 2023 and purchased land with perpetual usufruct. Amount of PLN 14,215 thousand of the recalculation adjustments is described in Note 23 (iv) Litigation- Ursus Centralny.

Note 14 – Assets held for sale and related liabilities

In thousands of Polish Zlotys (PLN)	As at 30 September 2024
Investment property	24 212
Trade and other receivables	47
Deferred tax assets	45
Cash and cash equivalents	449
Total assets	**24 752**

In thousands of Polish Zlotys (PLN)	As at 30 September 2024
Trade and other payables	23 450
Total liabilities	**23 450**

In September 2024, the Group decided to sell its subsidiary Ronson Development SPV1 Sp. z o.o. (SPV1) for a price equal to the nominal value of the shares in this company. As of September 30, 2024, the company was the owner and perpetual user of a combined property in Warsaw, with SPV1 having paid for the property only a portion of the price required to pay VAT, which was subsequently returned to SPV1.

Notes to the Interim Condensed Consolidated Financial Statements

Note 15 – Financial liability to Shareholder

On 25 May 2023, the Company and Luzon Group entered into an agreement for settling the return of the amounts received from Israeli Investors in 2022 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. Based on the Company's Management judgment, it was concluded that signing of the agreement of May 25, 2023 resulted in the canceling of the liability to investors and the recognition of a new liability to Luzon Group, which was recognized as a financial liability measured at amortised costs with a discounted cash flow rate of 7.14% per annum. Payments to Luzon Group in total amount of PLN 40 million (approx. ILS 34.3 million) were made in May and November 2023.

As of 14 March 2024, new annex was signed about earlier settling of liability towards shareholder which would become due under new annex in April 2024. Based on that Group recognized PLN 1.9 million of finance cost of discount reversal on amortised costs related to change in maturity assumption and it was treated as a modification of the original liability.

On 5 April 2024, the financial liability to Shareholder has been fully paid.

The table below presents the movement on the new liability to Luzon Group for the period from 31 December 2023 to the end of the reporting period, i.e., 30 September 2024:

Investor	**Value of the liability at amortised costs December 31, 2023** [in PLN]	**Repayment of liability** [in PLN]	**Finance expense related to discount factor reversal** [in PLN]	**Finance income related to forex exchange cost** [in PLN]	**Value of the liability at amortised costs September 30, 2024** [in PLN]
Amos Luzon Development and Energy Group Ltd.	25 592 623	(27 231 660)	1 851 769	(212 732)	-
Long term part	19 519 018				
Short term part	6 073 604				

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

Investor	**Liability at amortised costs as of May 25, 2023** [in PLN]	**Liability recognition date**	**Repayment of liability** [in PLN]	**Finance expense related to discount factor reversal** [in PLN]	**Finance income related to forex exchange cost** [in PLN]	**Value of the liability at amortised costs December 31, 2023** [in PLN]
Amos Luzon Development and Energy Group Ltd.	64 083 496	25 May 2023	40 000 000	2 311 279	885 677	25 592 623
					Long term part	19 519 018
					Short term part	6 073 604

Notes to the Interim Condensed Consolidated Financial Statements

Note 16 – Loans and Bonds

Bonds

The table below presents the movements in bonds during the nine months ended 30 September 2024 and during the year ended 31 December 2023 as well as the Current and Non-currents balances as at the end of respective periods:

In thousands of Polish Zloty (PLN)	For the period ended 30 September 2024 (Reviewed/ Unaudited)	For the year ended 31 December 2023 (Audited)
Opening balance	**225 320**	**203 370**
Repayment of bond	(81 085)	(40 000)
Redemption of bonds at new issuance (1)	(20 114)	-
Proceeds from bonds (nominal value)	220 000	60 000
Issue cost	(4 256)	(863)
Issue cost amortization	1 080	1 262
Accrued interest	17 074	24 134
Interest repayment	(18 768)	(22 583)
Total closing balance	**339 251**	**225 320**
Closing balance includes:		
Current liabilities	63 664	106 644
Non-current liabilities	275 587	118 676
Total Closing balance	**339 251**	**225 320**

(1) At the issuance date of new series P2023A part of the bonds V were redeemed. At the issuance date of new series Y part of the bonds W were redeemed – for more details please refer to Note 27.

Bonds as at 30 September 2024:

In thousands of Polish Zlotys (PLN)	Currency	Nominal interest rate	Year of maturity	Capital	Accrued interest	Charges and fees	Carrying value	Fair value(2)
Bonds series W(1)	PLN	6-month Wibor + 4.00%	2025	58 801	2 669	(253)	61 217	58 907
Bonds series X(3)	PLN	6-month Wibor + 4.20%	2026	60 000	1 472	(504)	60 967	61 200
Bonds series P2023A(4)	PLN	6-month Wibor + 3.85%	2027	60 000	735	(1 320)	59 416	60 900
Bonds series Y(5)	PLN	6-month Wibor + 3.30%	2028	160 000	241	(2 590)	157 651	160 000
Total				**338 801**	**5 116**	**(4 667)**	**339 251**	**341 007**

1. *As announced in current report (ESPI) 17/2024 dated 13 September 2024, the Company decided to fully redeem the series W bonds at the end of the seventh interest period, i.e. on 15 October 2024. In addition, the Company repurchased on 24 September and 25 September 2024, for redemption, series W bonds with a total nominal value of PLN 41,199,000.*
2. *The fair value is set based on the bond price on Catalyst as at 30 September 2024. Classified as level 1 of fair value hierarchy.*
3. *The series X bonds issued on July 2023 are secured by joint mortgage up to the amount of 90.0 million Polish zlotys.*
4. *The series P2023A were issued in February 2024 on basis of approved base prospectus for the Company's Public Bond Issuance Program, drawn up in connection with the public offering of bearer bonds with an aggregate nominal value of no more than 175 million Polish zlotys which was expired on 25 July 2024.*
5. *In accordance with the Terms and Conditions of the Bonds, the Bonds will be repaid in two installments: (i) at the end of the seventh interest period (24 March 2028), so that after this redemption the balance of the Bonds will be no more than 50% of the originally issued Bonds, and (ii) on 24 September 2028, by paying the remaining part value of the Bonds.*

Bonds as of 31 December 2023:

In thousands of Polish Zlotys (PLN)	Currency	Nominal interest rate	Year of maturity	Capital	Accrued interest	Charges and fees	Carrying value	Fair value(3)
Bonds series V(1)	PLN	6-month Wibor + 4.30%	2024	60 000	1 472	(166)	61 306	60 120
Bonds series W(2)	PLN	6-month Wibor + 4.00%	2025	100 000	2 021	(605)	101 416	100 890
Bonds series X(4)	PLN	6-month Wibor + 4.20%	2026	60 000	3 318	(720)	62 597	60 240
Total				**220 000**	**6 810**	**(1 491)**	**225 320**	**221 250**

1. *Series V bonds issued on October 2020 are repayable in two tranches: 40% (PLN 40.0 million) of the value plus accrued interest were repaid in October 2023, additional amount of 8.9 million was redeemed against new issuing of Serial P2023A issued on February 2024, the remaining part (PLN 51.1 million) plus accrued interest were repaid in April 2024.*
2. *The series W bonds issued on April 2021 are subject to repayment in 2 tranches 40% (PLN 40.0 million) of the amount together with accumulated interest to be repaid by October 2024 and the remaining amount of 60% (PLN 60.0 million) together with accumulated interest to be paid by April 2025.*
3. *The fair value is set based on the bond price on Catalyst as at 31 December 2023. classified as level 1 of fair value hierarchy.*
4. *The series X bonds issued in July 2023 are secured by joint mortgage up to the amount of 90.0 million Polish zlotys. The series X bonds are to be repaid in July 2026.*

Notes to the Interim Condensed Consolidated Financial Statements

Note 16 – Loans and Bonds

Financial ratio covenants

In the terms and conditions of the issue of the Series W Bonds, the Company undertook that the net debt to equity ratio ('Ratio' or 'Net Debt Ratio') would not exceed 80% at any time.

In the terms and conditions of the issue of the series X bonds, the series P2023A bonds, and the series Y bonds, the Company undertook that the Net Debt Ratio would not exceed 100% at any time.

Exceeding the aforementioned levels of the Ratio will result in an increase in the margin of the respective bond series and may lead to the obligation of the Company to redeem the respective bonds. The Group analyses level of the ratio on monthly basis.

As at the date of publication of this report, as at 30 September 2024 and as at 31 December 2023, the Company has not exceeded any of the Ratios contained in the Terms and Conditions of the Bonds.

The Net Debt Ratios as at 30 September 2024 and 31 December 2023 are set out below:

In thousands of Polish Zlotys (PLN)	**As at 30 September 2024**	**As at 31 December 2023**
Bonds	339 251	225 320
Secured bank loans	1 745	8 815
Liability to shareholders measured at amortised cost	-	25 593
IFRS 16 - Lease liabilities related to cars	546	489
Less: cash on individual escrow accounts (other current financial assets)	(13 520)	(12 809)
Less: Cash and cash equivalents(1)	(306 203)	(203 860)
Net Debt	**21 819**	**43 547**
Equity	534 876	533 672
Ratio	**4.1%**	**8.2%**
Max Ratio series W	**80.0%**	**80.0%**
Max Ratio series X and P2023A	**100.0%**	**100.0%**

**Including cash classified as assets held for sale PLN 449 thousands.*

Other covenants

Pursuant to Terms and Conditions of Issue of Series W Bonds, transactions of purchase of services, products or assets from a shareholder of the Company holding more than 25 percent of the Company's shares or from a related entity (within the meaning of IAS 24, including an entity controlling the Company jointly or individually, in a direct or indirect manner) or from a subsidiary outside the Group, may not in total exceed PLN 1.0 million during a given calendar year.

Pursuant to the Terms and Conditions of Issue of the series X bonds, the series P2023A bonds, and the series Y bonds, transactions of purchase of services, products or assets from a shareholder of the Company holding more than 25 percent of the Company's shares (within the meaning of IAS 24) or from a related entity (including an entity controlling the Company jointly or individually, in a direct and indirect manner, the Company) or from its subsidiary outside the Group may not in total exceed the amount of PLN 2,0 million in any calendar year and, for the avoidance of doubt, the reimbursement of expenses incurred by such shareholder or entity in connection with the purchase of services, products or assets for the Group from third parties does not constitute an acquisition of such services, products or assets from such shareholder or entity.

During the period ended 30 September 2024 and period ended 30 September 2023, the consulting fees related to A. Luzon Group amounted to PLN 734 thousand and PLN 638 thousand respectively.

Impact of the implementation of IFRS 16 on financial ratios in bond covenants

Terms and conditions of issuance of Bonds of the Company ("T&C's") provide that only certain, specified types of financial indebtedness should be taken into account when determining the level of financial indebtedness for the purpose of calculating financial ratios in accordance with T&C's. In particular, certain T&C's require that financial indebtedness resulting from finance lease agreements (in Polish: umowy leasingu finansowego) should be included in calculation of the financial indebtedness. Those T&C's do not provide that the indebtedness resulting from finance lease agreements shall also include other financial indebtedness which is recognized as lease liability in accordance with IFRS 16.

Given the above, and taking into the account the type of activities carried out by the Group, despite changes in the IFRS in this respect, the Company concluded that inclusion of other type of financial indebtedness, in particular liabilities from annual fees for perpetual usufruct, for the purposes of calculations of financial ratios would not be in line with T&C's and therefore the Company does not include such finance lease alike items in such calculations. For additional information about IFRS 16 see Note 13.

Notes to the Interim Condensed Consolidated Financial Statements

Note 16 – Loans and Bonds

Secured bank loans

In thousands of Polish Zloty (PLN)	**For the period ended 30 September 2024 (Reviewed/ Unaudited)**	**For the year ended 31 December 2023 (Audited)**
Opening balance	**8 815**	**16 297**
New bank loan drawdown	116 593	96 538
Bank loans repayments	(123 663)	(104 020)
Interests accrued	510	1 361
Interests repayment	(510)	(1 361)
Bank charges paid	(2 192)	(987)
Bank charges presented as prepayments	142	874
Bank charges amortization (capitalized on Inventory)	2 050	112
Total closing balance	**1 745**	**8 815**
Closing balance includes:		
Current liabilities	1 745	8 815
Non-current liabilities	–	–
Total closing balance	**1 745**	**8 815**

Bank loans as at 30 September 2024

Investment	**Currency**	**Nominal interest rate**	**Signing date**	**Year of maturity**	**Credit line amount in ('000 PLN)**	**Balance as at 30 September 2024** *('000 PLN)*
Nova Królikarnia 4b1	PLN	1 Month Wibor + 2.90%	23 Jun 2023	2026	29 000	764
Ursus Centralny IIe	PLN	3 Month Wibor + 2.10%	11 Jan 2024	2027	121 400	980
Zielono Mi I	PLN	1 Month Wibor + 2.70%	11 Jun 2024	2027	45 500	–
Total					**195 900**	**1 745**

Bank loans as at 31 December 2023

Investment	**Currency**	**Nominal interest rate**	**Signing date**	**Year of maturity**	**Credit line amount in** *('000 PLN)*	**Balance as at 31 December 2023** *('000 PLN)*
Osiedle Vola	PLN	1 Month Wibor + 2.80%	12 Apr 2023	2026	44 779	730
Nova Królikarnia 4b1	PLN	1 Month Wibor + 2.80%	23 Jun 2023	2026	29 000	1 717
Między Drzewami I	PLN	1 Month Wibor + 2.80%	23 Jun 2023	2026	40 500	6 368
Total					**114 279**	**8 815**

In the case of bank loans, the fair value does not differ significantly from the carrying amount because the interest payable on these liabilities is close to the current market rates or the liabilities are short-term. For unquoted financial instruments, the discounted cash flow model was used and classified to the second level of the fair value hierarchy.

All credit bank loans are secured. For additional information about unutilized credit loans see Note 23. The bank loans are presented as short-term due to the fact that those are the credit lines used by the Group and repaid during normal course of business (up to 12 months from each tranche loan drawdown).

Notes to the Interim Condensed Consolidated Financial Statements

Note 17 – Trade and other payables and accrued expenses

In thousands of Polish Zlotys (PLN)	As at 30 September 2024	As at 31 December 2023
Trade payables	11 757	26 728
Trade payable related to purchase of land	-	23 450
Accrued expenses	27 477	29 656
Guarantees for construction work	5 059	2 663
Value added tax (VAT) and other tax payables	2 634	3 536
Non-trade payables	779	969
Other trade payables - IFRS 16	386	2 761
Total trade and other payables and accrued expenses	**48 091**	**89 762**

Trade and non-trade payables are non-interest bearing and are normally settled on 30-day terms.

Interest bearing deferred trade payables

Group had also Credit line from General Constructor with WIBOR 6M interests rate. As of 31 December 2023, the Group concluded that this payable should be treated as normal payable to the General constructor taking into consideration character and substance of the transaction, as well as fact that settlements with general constructors are normal operational course of business of the Group. Value of the interests bearing deferred trade payable amounted to PLN 9.5 million as of 31 December 2023. During the period ended 30 September 2024 the Credit line was fully repaid.

Trade payable related to purchase of land

The balance relates to purchase of land transaction held on 19 September 2022 in which the Group via its subsidiary signed final agreement for the purchase of the land on Wolska Street in Warsaw. In September 2024, the Group decided to sell its subsidiary Ronson Development SPV1 Sp. z o.o. (SPV1) for a price equal to the nominal value of the shares in this company. Therefore, the Group decided to transfer these liabilities to current liabilities related to assets classified as held for sale. For additional information, see Note 14 of the Interim Condensed Consolidated Financial Statements.

Note 18 – Income tax

In thousands of Polish Zlotys (PLN)	For the 9 months ended 30 September 2024 (Reviewed) / (unaudited)	For the 3 months ended 30 September 2024 (Unreviewed) / (unaudited)	For the 9 months ended 30 September 2023 (Reviewed) / (unaudited)	For the 3 months ended 30 September 2023 (Unreviewed) / (unaudited)
Current tax expense				
Current period	29 845	6 832	5 590	414
Taxes in respect of previous periods	195	144	2 963	3 226
Total current tax expense	**30 040**	**6 976**	**8 553**	**3 639**
Deferred tax expense				
Origination and reversal of temporary differences	(22 451)	(10 996)	8 360	2 801
Deferred tax asset recognized from the tax losses	229	2 270	(1 215)	664
Total deferred tax (benefit)/expense	**(22 222)**	**(8 725)**	**7 145**	**3 465**
Total income tax expense	**7 818**	**(1 749)**	**15 698**	**7 104**

The effective income tax rate in the period ended 30 September 2024 amounted to 13.8% (20.8% in comparative period). The effective interest rate for the period of nine months ended 30 September 2024 was the result of using interests under thin capitalization from previous years on which deferred tax asset was not created and creating deferred tax assets on remaining amount of these interests.

Notes to the Interim Condensed Consolidated Financial Statements

Note 19 – Deferred tax assets and liabilities

Movements in Deferred tax assets and liabilities during the nine months ended 30 September 2024 were as follows:

In thousands of Polish Zlotys (PLN)	Opening balance 1 January 2024	Recognized in the statement of comprehensive income	Closing balance 30 September 2024
Deferred tax assets			
Tax loss carry forward	4 915	(249)	4 666
Not used interests in previous periods	-	2 951	2 951
Difference between tax and accounting basis of inventory	36 741	(24 035)	12 706
Accrued interest	1 294	(322)	972
Accrued expense	1 117	(267)	850
Write-down on work in progress	2 635	-	2 635
Fair value valuation of Investment property	423	-	423
Other	797	(71)	726
Total deferred tax assets	**47 922**	**(21 991)**	**25 931**
Deferred tax liabilities			
Difference between tax and accounting revenue recognition	63 903	(45 018)	18 886
Difference between tax base and carrying value of capitalized finance costs on inventory	9 811	1 178	10 989
Accrued interest	567	3	570
Fair value gain on investment property	2 754	39	2 793
Difference on tax value on liability to shareholders	431	(431)	-
Other	438	60	498
Total deferred tax liabilities	**77 904**	**(44 168)**	**33 736**
Total deferred tax benefit (see Note 18)		**(22 177)**	
Deferred tax assets	47 922		25 931
Deferred tax liabilities	77 904		33 736
Offset of deferred tax assets and liabilities for individual companies	(41 554)		(18 629)
Deferred tax assets reported in the statement of financial position	**6 369**		**7 302**
Deferred tax liabilities reported in the statement of financial position	**36 350**		**15 107**

Note 20 – Advances received

Payments from customers on account of the purchase of apartments and parking places are recorded as deferred income until the time that they are delivered to the buyer and are recognized in the income statement as "sales revenue". This balance sheet item is closely dependent over time on the relationship between the sales rate (which as it increases, increases this item) and the deliveries rate (which as it decreases, decreases this item).

In thousands of Polish Zlotys (PLN)	As at 30 September 2024	As at 31 December 2023
Deferred income related to the payments received from customers for the purchase of products, not yet included as income in the income statement		
Opening balance	231 008	139 911
- increase (advances received)	329 278	485 505
- decrease (revenue recognized)	(275 093)	(394 408)
Total advances received	**285 192**	**231 088**
Other (deferred income)*	2 068	3 167
Total	**287 260**	**234 175**

** Deferred income from invoices issued for premises delivered but not fully paid as well as reservation fees for apartments paid at 30 September 2024.*

Additional information regarding contracted proceeds not yet received which are a result of signed agreements with the clients, please see Note 23.

Revenues from contracts will be recognized at the time of handover the apartment to the client, completion of construction process and obtaining all necessary administrative decisions (occupancy permit), which usually takes from 1 to 3 months from the completion of construction stage.

Notes to the Interim Condensed Consolidated Financial Statements

Note 21 – Sales revenue and cost of sales

In thousands of Polish Zlotys (PLN)	For the 9 months ended 30 September 2024 (Reviewed) / (unaudited)	For the 3 months ended 30 September 2024 (Unreviewed) / (unaudited)	For the 9 months ended 30 September 2023 (Reviewed) / (unaudited)	For the 3 months ended 30 September 2023 (Unreviewed) / (unaudited)
Sales revenue				
Revenue from residential projects	275 894	39 631	318 898	142 467
Total sales revenue	**275 894**	**39 631**	**318 898**	**142 467**
Cost of sales				
Cost of finished goods sold	(187 128)	(32 111)	(210 253)	(89 994)
Total cost of sales	**(187 128)**	**(32 111)**	**(210 253)**	**(89 994)**
Gross profit on sales	**88 766**	**7 519**	**108 646**	**52 473**
Gross profit on sales %	**32%**	**19%**	**34%**	**37%**

Note 22 – Impairment losses and provisions

During the nine months period ended 30 September 2024, the Group analysed inventories for valuation to net realizable value and did not identify indications of an impairment of inventories and the necessity to recognize inventory write-downs.

Note 23 – Commitments and contingencies

(i) Investment commitments

The amounts in the table below present uncharged investment commitments of the Group in respect of construction services to be rendered by the general contractors:

In thousands of Polish Zlotys (PLN)	Contracted amount as at 30 September 2024	Commitments as at 30 September 2024	Contracted amount as at 31 December 2023	Commitments as at 31 December 2023
Hochtief Polska S.A.	153 273	69 000	70 300	33 657
EBUD – Przemysłówka Sp. z o.o.	22 800	15 979	43 178	4 162
ARKOP Sp. z o.o. Sp. k.	20 538	12 161	-	-
KMJ Developer Sp. z o.o.	17 050	11 299	-	-
TechBau Budownictwo Sp. z o.o.	96 918	11 220	96 918	49 342
Totalbud S.A.	17 836	4 092	17 434	11 914
Leancon Sp. z o.o.	32 500	2 799	32 510	3 455
W.P.I.P. – Mardom Sp. z o.o.	36 600	912	36 000	13 966
Karmar S.A.	-	-	112 078	2 192
Total	**397 515**	**127 463**	**408 418**	**118 687**

Notes to the Interim Condensed Consolidated Financial Statements

Note 23 – Commitments and contingencies

(ii) Unutilized construction loans

The table below presents the list of the construction loan facilities, which the Group arranged for in conjunction with entering into bank loan agreements in order to secure financing of the construction and other costs of the ongoing projects. The amounts presented in the table below include the unutilized part of the construction loans available to the Company/Group:

In thousands of Polish Zlotys (PLN)	**As at 30 September 2024**	**As at 31 December 2023**
Osiedle Vola	–	22 429
Nova Królikarnia 4b1	16 826	27 283
Między Drzewami I	–	23 892
Miasto Moje VII	–	–
Ursus Centralny IIe	53 400	–
Zielono Mi I	45 500	–
Total	**115 726**	**73 604**

(iii) Contracted proceeds not yet received

The table below shows the amounts that the Group expects to receive from clients undersigned agreements for the sale of apartments, i.e. expected payments undersigned agreements with clients up to 30 September 2024, net of amounts received up to the balance sheet date (which are presented in the Interim Condensed Consolidated Statement of Financial Position as advances received):

		As at 30 September 2024 (Reviewed/Unaudited)			**As at 31 December 2023 (Audited)**		
In thousands of Polish Zlotys (PLN)	**Completion date***	**Total value of preliminary sales agreements signed with clients**	**Advances received from Clients until 30 September 2024**	**Contracted payments not received yet as at 30 September 2024**	**Total value of preliminary sales agreements signed with clients**	**Advances received from Clients until 31 December 2023**	**Contracted payments not received yet as at 31 December 2023**
Ursus Centralny IIe	Q4 2024	155 409	98 662	56 747	87 325	19 391	67 934
Miasto Moje VII	Q4 2024	123 067	99 113	23 954	73 936	25 722	48 214
Zielono Mi I	Q3 2025	38 652	13 821	24 831	–	–	–
Między Drzewami	Q3 2024	31 560	28 433	3 127	53 777	17 613	36 164
Nova Królikarnia 4b1 (Thame)	Q2 2025	29 990	18 419	11 571	14 071	4 743	9 329
Miasto Moje VIII	Q2 2026	22 452	1 779	20 672	–	–	–
Ursus Centralny IId	Q1 2027	19 083	1 233	17 850	–	–	–
Viva Jagodno III	Q3 2025	14 784	5 637	9 147	6 499	438	6 062
Między Drzewami II	Q2 2026	13 716	567	13 150	–	–	–
Nowe Warzymice V.1	Q2 2025	7 516	5 001	2 516	–	–	–
Nowe Warzymice V.2	Q3 2025	7 004	2 543	4 461	–	–	–
Nowa Północ Ia	Q1 2024	3 682	1 623	2 059	30 451	15 354	15 097
Eko Falenty I	Q4 2023	3 525	2 188	1 336	20 653	14 288	6 365
Nowa Północ IB	Q3 2025	2 826	665	2 161	–	–	–
Ursus Centralny IIc	Q3 2023	2 143	1 535	608	82 765	71 746	11 019
Miasto Moje VI	Q1 2023	1 790	1 088	701	8 240	6 116	2 125
Miasto Moje V	Q3 2022	344	287	57	1 336	383	953
Viva Jagodno IIb	Q2 2023	255	259	-4	5 305	1 330	3 976
Miasto Moje IV	Q4 2021	111	97	15	334	229	105
Ursus Centralny IIb	Q1 2023	28	28	–	699	691	7
Nowe Warzymice III	Q4 2022	–	6	(6)	32	37	(4)
Osiedle Vola	Q1 2024	–	(7)	7	68 937	49 593	19 344
Grunwaldzka	Q2 2023	–	–	–	3 213	778	2 435
Nowe Warzymice IV	Q2 2023	–	(24)	24	2 030	598	1 432
Nowe Warzymice II	Q2 2022	–	6	(6)	22	28	(6)
Viva Jagodno IIa	Q4 2022	–	2	(2)	2 151	226	1 925
Other (old) projects		2 378	2 233	145	1 810	1 706	104
Total (excluding JV)		**480 316**	**285 195**	**195 121**	**463 587**	**231 008**	**232 578**
Wilanów Tulip	Q3 2021	–	–	–	8 833	5 023	3 810
Total (including JV)		**480 316**	**285 195**	**195 121**	**472 419**	**236 031**	**236 389**

**From the completion date the assumed recognition of the advances as revenue is between 3-9 months*

Notes to the Interim Condensed Consolidated Financial Statements

Note 23 – Commitments and contingencies

(iv) Litigations

Ursus Centralny

Ronson Development sp. z o.o. - Ursus Centralny sp.k. ('Ursus Centralny Company') is a party to court proceedings to determine the amount of the perpetual usufruct fee for the land owned by the State Treasury, located in Warsaw at 6, 6A Taylora Street. The Group treats this as a contingent liability.

In the court proceedings pending in the case, an expert property appraiser's opinion valuing the property at PLN 124,928,900.00 (in words: one hundred and twenty-four million, nine hundred and twenty-eight thousand, nine hundred zloty) was issued on 14 March 2024. The subject of the valuation was plot of land with registration number 98/2. The date on which the value and condition of the subject of the valuation was determined is 19 November 2021, i.e. the date on which the President of the Capital City of Warsaw gave notice of termination of the annual fee. The expert opinion is based on the comparative method and the indirect price adjustment method. Ursus Centralny Company raised objections to the expert opinion. As a result of the objections raised, the court issued an order on 16 May 2024 to admit evidence of a supplementary opinion to answer the questions raised in the objections. In the supplementary opinion, the expert did not address the objections to the opinion raised by the Ursus Central Company. Accordingly, Ursus Central Company filed objections to the expert's supplementary opinion. As a result of the objections filed to the supplementary opinion, the court set a hearing date for 28 January 2025, at which the expert is scheduled to be heard.

Adjudication is not expected in 2024, and it is difficult to assess the adjudication of the case itself at this stage.

From the analysis of the agreement on the change of perpetual usufruct for the plots of land currently marked with registration numbers: 98/7, 98/8, 98/9 and 225 (former 98/10), as well as the agreement on the future conclusion of a change of perpetual usufruct agreement for plot 226 (former 98/11), it follows that after the court proceedings on the perpetual usufruct fee are over, the Ursus Centralny Company will have to pay the difference between twice the fee established in a final court ruling or a concluded settlement agreement, with the fee already paid (amounting to twice the fee in effect before the termination).

This means that regardless of the amounts already paid as a result of the conclusion of the agreement to change the purpose of perpetual usufruct, Ursus Centralny Company will have to pay the difference calculated on the basis of the final decision, ending the pending proceedings.

However, taking into account the progress of the land change and current market practice in similar cases, the Group decided to reassess the right-of-use liability and asset, as a result of which additional right-of-use assets relating to inventory were recognized, and the right-of-use lease liabilities relating to inventory amounted to PLN 13,916 thousand and were recognized during the year ended 31 December 2023.

Galileo

On 3 February 2023, in a case against Ronson Development Sp. z o.o. - Estate Sp. k., a subsidiary of the Company that operated the Galileo development project (the "Galileo Company"), a judgment was issued obligating the Galileo Company to pay the plaintiff (the purchaser of a unit in this project) the amount of PLN 80 thousand with statutory interest from the date of filing the lawsuit (May 28, 2013) as a reduction in the price of the unit due to its defects. The judgment was issued by the court of second instance and is final and has been executed. In connection with its issuance, the Galileo Company decided to establish a provision for other similar cases in the total amount of PLN 2.1 million, as of 31 December 2022, and from which the amount of PLN 535 thousand was released in the previous year. To date, the Galileo Company has reached settlements in four cases in which the price reduction claims have been paid, and the parties have agreed to enter into court settlements under which the lawsuits will be withdrawn.

At the same time, Galileo Company is a plaintiff in a case against Eiffage Polska Budownictwo S.A. the general contractor of the Galileo development project ("Eiffage"), its insurer and others involved in the development and their insurers, the subject of which is the recognition of the liability of Eiffage and others for Galileo Company's damages related to the improper implementation of the project and compensation. In addition, Galileo Company has already received partial compensation from the designers and their insurer for damage caused in the implementation of this project. The settlement of this litigation is not expected in 2024.

In the first quarter of 2024 two judgments have been issued in the first instance. The first one awards the plaintiff a total amount of 669,003.41 (six hundred and sixty-nine thousand three 41/100) with statutory interest for delay from the date of the summons for payment, which at the moment is close to the amount of the main claim. The case in which the verdict was issued is special in that it involved 4 units in the investment, owned by one person - hence the amount awarded by the Court is so high. Galileo Company plans to appeal the verdict.

Notes to the Interim Condensed Consolidated Financial Statements

Note 23 – Commitments and contingencies

(iv) Litigations

Galileo

The second judgment, handed down in the first quarter of 2024, dealt with the issue of the plaintiffs' exceeding the deadline for filing warranty claims, which, according to them, did not occur due to the concealment of defects. The court in the judgment dismissed the claim in its entirety. The claimants filed an appeal against the judgment. In the appeal, the plaintiffs raised new arguments regarding the basis of their claim, citing Galileo Company's contractual liability (Article 471 of the Civil Code). Up to now, the plaintiffs have indicated only warranty liability as the basis of their claim.

A response to the appeal has been filed in the case, in which, among other things, the plaintiffs' claim for contractual liability is alleged to be time-barred. An appeal hearing date has not yet been set. A similar state of facts as in this case is the subject of yet another proceeding before the court, with new arguments on the basis of the claim having been raised by the plaintiffs in a written closing statement prior to the first instance court's judgment.

During the year 2024 the Group did not use or create new provision in respect to this matter.

The remaining cases involving the Galileo Company remain pending before the court of first instance. Currently, Galileo Company is a participant in a total of 8 proceedings (of which 6 are in the court of first instance, 1 in the court of second instance and 1 before the Supreme Court).

Matters relating to the acquisition of certain real estate

Three Group companies, namely Ronson Development sp. z o.o. - Projekt 3 sp.k. ('Project 3'), Ronson Development SPV4 sp. z o. o. ('SPV4') and Ronson Development sp. z o.o. - Projekt 4 sp.k. ('Projekt 4') are several enforcement proceedings, against a group of several related companies that were sellers or otherwise involved in the sale of certain land properties. The claims of the Group companies are, in particular, claims for the return of down payments made or demands for payment of double the amount, claims for the return of a loan granted, or claims for the payment of damages.

On June 5, 2024, of the 11 pending enforcement proceedings, one was discontinued due to the lack of foreclosure on the property. A new foreclosure on this property will not be able to be initiated until 9 months after the date of the second auction. At the same time, due to the validity of the payment order issued on January 4, 2024 in one of the pending court cases, another enforcement proceeding has been initiated after it was granted an enforcement clause. In view of the above, as of the date of this report, a total of 11 enforcement proceedings are pending. In addition, Group companies have filed four motions with the court to disclose the debtor's assets, the cases have been given references and the first hearings have already been held, and the dates of the next hearings have been set for September 2024.

Based on current status of the proceedings and best estimation of the management board, Group recognized write off in amount of PLN 2.6 million during the period ended 31 December 2023 and estimated that rest of the Group's assets are recoverable. Due to signing below mentioned agreement Group reversed PLN 0.9 million of write off and recover these assets during the period ended 30 September 2024.

In July 2024, the Ronson Group companies involved in the above disputes entered into an agreement with the main shareholder and the sole member of the management board of the entities with which these disputes are pending and with some of these entities. Pursuant to this agreement: (i) all of the obligations of these entities to the aforementioned Ronson Group companies were confirmed and acknowledged, (ii) additional security was provided for the repayment of the Ronson Group companies' receivables in the form of a voluntary submission to enforcement by the aforementioned shareholder and member of the Management Board, and by one of these entities, (iii) consent to the removal of the mortgage from the real estate of the Ronson group company and acknowledgment of the action to remove this mortgage has been granted and as of the date of this report the mortgage has already been removed from the land and mortgage register, (iv) the amount covered by one of the above claims has been deposited and in September 2024 has been released to the Group company. In addition, a future claims transfer agreement has been entered into, under which other claims of Group companies may be settled. In return, one of the Group companies agreed to discontinue enforcement proceedings against the selected property.

In connection with the deletion of the mortgage from the property of the Ronson Group company referred to above, that company withdrew its claim in this regard. In connection with the disbursement to the Group company of the amount covered by one of the claims referred to above, the Group company agreed not to enforce the claim despite the fact that there was a final judgment awarding the claim in favor of the Group company.

Notes to the Interim Condensed Consolidated Financial Statements

Note 24 – Risk management

The Group's activities expose it to a variety of risks: Global risks, Market risks and financial risk factors (currency risk, liquidity risk, fair value measurement risk, interest rate risk). The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Management Board reviews and updates policies for managing each of these risks and they are summarized below. The Group also monitors the market price risk arising from all financial instruments.

The Group does not use derivative financial instruments to hedge currency or interest rate risks arising from the Group's operations and its sources of finance. Throughout the year ended 31 December 2023, which continued into the period ended 30 September 2024, the Group's policy was not to trade in (derivative) financial instruments.

The Group's principal financial instruments comprise cash balances, other current financial assets, loans granted to JVs and Group subsidiaries, bank loans, bonds, financial instruments measured at amortised costs, trade receivables and trade payables. The main purpose of these financial instruments is to manage the Group's liquidity and to raise finance for the Group's operations.

In terms of risks specific for the sector, in which the Group operates, the Group is exposed to potential increase in construction costs, potential increase in interest rates, the challenge of securing lands for reasonable prices which can lead to the significant negative impact on the margins of projects, a prolongation of administrative procedures as well as an increasing competition in the market are considered to be the most significant uncertainties for the financial period ending 30 September 2024.

Global risks - The impact on the Polish economy and the real estate industry

After a slowdown in 2023, economic growth is set to pick up in 2024 and 2025. According to a recent publication by the main Statistic office for Poland (GUS), Poland's economic growth in 2024 should oscillate around 3.4%. It will be supported by strong private, as well as public, consumption, while the trade balance is expected to hold back growth. Investment is set to contribute positively to growth in 2024, less than in 2023, but to accelerate in 2025. Inflation is projected to ease in 2024 and 2025, but price pressures are set to remain elevated in the context of rising domestic demand, increasing labour costs, and gradual unfreezing of energy prices. Investments in defense and social spending are delaying fiscal consolidation. Inflation is expected to decrease from 10,9% at the end of 2023 to around 4,9% at the end of September 2024.

The general government deficit is expected to increase to 5.7% of GDP in 2024 according to the polish government plan. Spending on defense is set to further expand.

The unemployment rate is set to rise marginally in 2024 but remain at a historical low of close to 5% in August amid negative demographic trends. The unemployment Rate in Poland is expected to be 5.5% by 30th September 2024.

Employment is projected to stagnate in 2024 and 2025. Wages are expected to continue growing at a fast pace, with an expected increase of a 23% in minimum wage in 2024 and as much as 9.8% in the average wages. Real wages are set to increase significantly in both 2024 and 2025.

In 2025, the GDP is forecast to increase by 3.2%. Private consumption is set to remain the key driver of growth amid accelerating EU-funded investment while growth of public consumption slows. The negative contribution from net exports is expected to shrink. Risks to the outlook relate mainly to further delays in the implementation of EU-funded investment and a higher saving rate of households.

The war in Ukraine was a key factor affecting the Polish economy in the last 2 years. It caused an increase in inflation particularly related to increases in energy and food prices. The level of Polish inflation in 2023 was at the level of 6.2% and went down to 4,9% in the end of September 2024.

Wibor rate remains on the same level with small changes during the period since January 2024.

Starting from July 2023 the 6-month WIBOR interest rate gradually decreased from the level of 6.95% to the level of 5.85% by the end of the third quarter. The effect of the decreased interest rates will have positive consequences for the Group in the form of lower interests expenses in the coming years. Interest expenses for the period ended 30 September 2024 amounted to PLN 17.1 million, as compared to PLN 17.9 million in (including costs capitalized in stock) for the period ended 30 September 2023, the decrease in the financial costs is manly due to lower interests rates and lower margin on newly drawn financial debts.

The first half year of 2024 started with strong sales which later decreased due to uncertainty related to the new government plan for subsidized loans as well as the delay of approving it.

The main key factor affecting the market in the first half year of 2024 was the fact that at the end of December 2023, it was no longer possible to apply for subsidized loans (BK21 loans). Throughout the first half year, however, banks analysed previously submitted applications and granted loans, resulting in a significant number of developer agreements being signed. The number of subsidized loans granted to buyers of first flats in Poland exceeded the preliminary assumptions. According to not final data, at the end of March 2024, there were already nearly 100,000 of subsidized loans, and in April there were still some applications waiting to be considered. It can be estimated that several thousand such loans (12,000-15,000) were granted at the primary market in the six largest agglomerations in the first quarter of 2024

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[1] *BK2, which can be translated to English as Secure Loan 2% programme*

Notes to the Interim Condensed Consolidated Financial Statements

Note 24 – Risk management

Global risks - The impact on the Polish economy and the real estate industry

In April 2024, the new elected government finalized the first draft of the project of subsidies for mortgage loans– "Mieszkanie na start" for further information on the details of the plan please review note 23 for the financial statement for the second quarter of 2024. For now, the future of "Mieszkanie na start" is uncertain, and further decisions will depend on the government's ability to overcome internal disputes and make the necessary changes.
In the period ended on 30th September 2024, the major cities experienced drop in demand due to the end of the 2% Safe Mortgage Program (BK2) which caused a decrease in sales in the six largest cities by 44.0% comparing to corresponding period of 2023 and as much as 6.9% decrease concerning sales in Q3 2024 comparing to Q2 2024.
Third quarter of 2024 was another quarter of waiting for decisions on new loan programme "Mieszkanie na Start". Developers who prepared an offer for this program in the first half of 2024 slowed down the introduction of new projects for sale. This was the fourth consecutive quarter when developers sold fewer apartments than they introduced to their offer. The supply of flats on the market was growing, and with it the pressure to slow down price growth. The offer at the end of September for 6 biggest markets totaled 52,200 units.
Due to lower sales in recent months and in view of the prolonged waiting period for the new loan programme " Mieszkanie na Start", developers were more flexible in their approach to negotiations, as in the previous quarter. They offered promotions and discounts in selected investments or apartment pools. However, these offers were still officially limited and, as was the case two years ago, they focused on selected elements related to the apartment, most often such as a discount on the price of a parking space, a storage room, or the cost of a notarial deed included in the price.

The Group has observed the above situation and is preparing an appropriate offer.

Market risk - Inflation risk

According to the Statistical office of Poland (GUS) Poland's annual inflation rate was confirmed at 4.9% in September 2024, the highest level since last December, from 4.3% in the previous month.

The Main upward pressure came from food and non-alcoholic beverages (4.7% vs 4.1% in August), housing and utilities (9.7% vs 9%), health (6.1% vs 2.7%), communication (2.6% vs 1%), and recreation & culture (5.4% vs 4.1%). On the other hand, prices decreased for transport (-1.5% vs -1.4%) and clothing and footwear (-1.8% vs -1.4%). On a monthly basis, consumer prices increased 0.1% in September, in line with preliminary estimates, the same as in August.

The inflation rate and with it the interbank interest which was stabilized during the reporting period still affects the polish economy in many aspects and the real estate residential sector in the following:

- the risk of average mortgage rates increases which might result in decline in volume of mortgages lending which will influence reduction of the demand from individual clients;
- risk of increase in construction costs, related to problems of manufacturing, energy, labour costs and transportation;
- risk of slowdown in sales due to not clear government policy with respect to the new subsidized mortgage loan plan;
- risk in delay or withholding of starting new projects due to high costs and slowdown in sales.

The Management Board is continuing monitoring the situation, and adopt further actions, if necessary, in order to reduce as much as it possible the effect of the inflation and interest rates increase on the Company's operations and strategy.

Despite of the above results the significance of the above risk factor is assessed by the Company as high, because its occurrence has 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.

Market risk - Construction cost risk and nonperformance by General contractors

The Group's activities expose it to a variety of construction costs risks such as construction cost increase risk, row material cost increase, shortage of qualified workforce, increase in labour costs and delay in obtaining the necessary permits to start construction.

The construction costs have significantly risen within the last two years, reaching their peak in the second half of 2022 and stabilized during 2023. There is still a risk that construction costs may continue to rise in 2024.

The increase so far has been mainly due to rising prices of construction materials and energy, which has translated directly and indirectly into production costs, in addition to the continuation of the Russian-Ukrainian conflict causing energy prices to rise across Europe and shortages of construction workers as well as increase in labour costs due to increase in higher minimum average remuneration to employees as well as Construction costs labour costs which have increase by approximately 14.2% according to published information on June 2024.

Notes to the Interim Condensed Consolidated Financial Statements

Note 24 – Risk management

Market risk – Construction cost risk and nonperformance by General contractors

The Company and the Group do not conduct construction business, however, for each project an agreement with an external general contractor is concluded. The general contractor is responsible for the construction works and completion of the project, including obtaining all permits necessary for safe use of the residential units. Significance of the above risk factor is assessed by the Company as high because its occurrence has 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 risk related to improper performance of the agreement by the general contractor may cause delays in the project or have a significant impact on the Company's and Group's operations, financial conditions, or results. The Company sees potential sources of improper performance of the obligations by the general contractor in a lack of access to qualified workforce, increase in salaries/wages, costs of construction materials and increase in energy prices.

Improper performance of the agreement may result in claims against the general contractor, and the general contractor may not be able to satisfy the claims of the Company and Group. An important criterion in selecting a general contractor based on its experience, professionalism and financial situation (including his ability for providing bank or insurance guarantees), as well as the quality of the insurance policy to cover all risks associated with the construction process. Significance of the above risk factor is assessed by the Company as high, because its occurrence has 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.

Market risk – Risk related to financing of the Group's operations

The real estate development business, in which the Company and the Group operates, requires significant initial expenditures to purchase land and to cover construction, infrastructure, and design costs.

As such, the Company and the Group, in order to continue and develop its business, require significant amounts of cash through external financing banks and issuance of bonds. The Company's and Group's ability to obtain such financing depend on many factors in particular, on market conditions which are beyond the Company's and the Group's control. In the event of difficulties to obtain the required financing, there is a risk that the scale of the Company's and Group's development and pace of achieving its strategic objectives may differ from what was originally planned. In such situation as described above, there is no certainty whether the Company and the Group will be able to obtain the required financing, nor whether financial resources will be obtained under conditions that are favorable to the Company and the Group. In order to mitigate the risk of insufficient financial resources, the Company is continuously exploring other possibilities of financial resources which will provide the necessary required financing and favorable conditions.

Significance of the above risk factor is defined by the Company as medium, because in the event of its occurrence, the scale of the negative impact on business activity and financial situation of the Company could be significant. The Company estimates the probability of occurrence of this risk as medium.

Market risk – Risk related to the development of PRS Business inf the Group's structures

At the end of 2021, the Group decided to start its business activities in the Private Rented Sector – PRS. This segment has been identified as a promising and complementary one for the Group's residential business. Despite many years of business experience in the housing market, starting business in a new segment involves a number of financial, legal and image risks (including an increase in capital commitment, an increase in the level of debt, a reduction in flexibility in responding to market signals, a reduction in the competitiveness of a given company, the risk of underperformance compared to predictions, the risk of negative PR) that may arise during its operation. Despite analyses conducted in advance confirming the profitability of investments, the results of such projects may differ from the original assumptions and may adversely affect the Company's operations and financial position.

As at 30 September 2024, the carrying amount Investment Property was PLN 58.6 million and land held for development in the PRS segment was PLN 50.3 million, representing approximately 3.9% of the Group's assets.

As at 30 September 2024 the company reclassified one of it assets in the total amount of PLN 24.2 million to Assets for sale due to the inability of the company to fulfil proper development plan which was initially designated for the asset. The subsidiary was sold on 15 October 2024.

As the activities of the PRS segment are complementary to the Group's core business, the risk of lack of success in this segment will not significantly affect the Company's financial position. If there is no success in the rental area, the completed units will mostly be able to be sold by the Group on the market as ordinary flats.

Notes to the Interim Condensed Consolidated Financial Statements

Note 24 – Risk management

Market risk - Risk related to the development of PRS Business inf the Group's structures

The Interim Condensed Consolidated Financial Statements for the period ended on 30 September2024 do not include all financial risk management information and disclosures required in the Annual Financial Statements and should be read in conjunction with the Group's Annual Consolidated Financial Statements for the year ended 31 December 2023 (Note 31). There have been no changes in the risk management measurements performed by the Company since year end or in any risk management policies

Market risk - Legislation and administrative risk

The Polish legal environment is characterised by frequent changes, inconsistency and lack of uniform interpretation of laws and tax regulations subject to frequent amendments, which contributes to risk factors related to the legal environment in which the Company and the Group operate.

Legislative and administrative risks identified by the Company mean that the Company's and its Group's operations cannot be conducted in isolation from the legal environment, which consists of both applicable laws and the practice of applying them. Since laws and the interpretation and practice of their application are subject to changes that are not always favorable to the Company's operations, these changes must be taken into account by the Company when conducting its operations, especially when planning future projects.

The amendment to the Planning and Development Act, which came into force on 30 September 2023 (despite the fact that many of its solutions will in fact be in force from 1 January 2026 or from the adoption of a general plan by a municipality), has introduced significant changes and these should be taken into account as early as 2024. Indeed, among the most important changes introduced in the aforementioned law, it is necessary to point out:

- resignation from the study of spatial development conditions and directions in favor of a general plan, which will cover the area of the entire municipality and will be an act of local law,
- establishment of new rules for issuing decisions on land development conditions,
- repealing as of 31 December 2025 the so-called lex developer and introducing a new planning tool in the form of integrated investment plans.

In addition, on 1 July 2024, the transitional period of the existing 2011 Development Act ended and, as of 2 July 2024, the sale of flats in ongoing development projects is already being carried out in full in accordance with the new Act of 20 May 2021 on the protection of the rights of the purchaser of a dwelling or single-family house and the Developer Guarantee Fund (the so-called Development Act).

Moreover, on 1 August 2024, the Ordinance of the Minister of Development and Technology of 27 October 2023 amending the Ordinance on technical conditions to be met by buildings and their location will come into force. The amendment to the technical conditions particularly concerns the requirements for multi-family residential buildings, the most important of which include:

- a change in the distance between buildings (as a rule, the minimum distance of a multi-family residential building of more than 4 overground stories, facing the wall with windows or doors towards the plot boundary is to be at least 5 meters);
- an obligation to provide for a biologically active area of at least 25% of the area of building plots intended, inter alia, for the construction of multi-family residential buildings, unless a different percentage results from the local spatial development plan;
- a change in the minimum area of commercial premises, which will be 25 sq. m;
- an increase in the requirements for the organization of child-friendly playgrounds and recreation areas for persons with special needs next to multi-family buildings (the amended regulations introduce requirements for the minimum area of a playground in relation to the number of flats in a multi-family residential building or a complex of such buildings. They also set out requirements for the equipment of playgrounds and their fencing or surfacing);
- an obligation to provide a storage room for bicycles and prams with an area of at least 15 square meters.

The above-described legislative changes are some of the most important changes that, in the opinion of the Management Board, may pose a risk and thus have a direct or indirect impact on the Company's and the Group's operations and results.

However, given the Company's and the Group's long-standing experience in the market, its ability to adapt quickly to new market conditions, its financial position and its reputation in the market, the Board believes that these changes will have less impact on the Company than on other developers.

Notes to the Interim Condensed Consolidated Financial Statements

Note 24 – Risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks such as currency risk, liquidity risk, fair value measurement risk and interest rate risk.

The Interim Condensed Consolidated Financial Statements for the period ended on 30th September do not include all financial risk management information and disclosures required in the Annual Financial Statements and should be read in conjunction with the Group's Annual Consolidated Financial Statements for the year ended 31 December 2023 (Note 32). There have been no changes in the risk management measurements performed by the Company since year end or in any risk management policies.

(i) Currency risk

Entities within the Group are exposed to foreign exchange risk in relation to receivables, payables and financial instrument measured trough profit and loss denominated in currencies other than the Polish zloty.

The Group does not hedge its investments or liabilities in foreign operations.

As of 30th September there are no significant monetary balances held by the Group that are denominated in a non-functional currency and have material effect on the Group results.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group'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 Group's reputation. The table below analyses the Group'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 undiscounted cash flows.

	Period ended 30 September 2024				
In thousands of Polish Zlotys (PLN)	**Less than 1 year**	**Between 1 and 2 years**	**Between 3 and 5 years**	**Over 5 years**	**Total**
Bond loans (principal only)	58 548	59 496	216 091	-	334 135
Interests on bond loans	31 833	25 012	30 481	-	87 326
Secured bank loans	1 745	-	-	-	1 745
Lease liabilities related to perpetual usufruct of land and investment property	1 486	1 486	4 457	29 047	36 475
Trade and other payables	48 092	-	-	-	48 092
Total	**141 703**	**85 993**	**251 029**	**29 047**	**507 772**

	Year ended 31 December 2023				
In thousands of Polish Zlotys (PLN)	**Less than 1 year**	**Between 1 and 2 years**	**Between 3 and 5 years**	**Over 5 years**	**Total**
Bond loans (principal only)	99 834	59 396	59 280	-	218 510
Interests on bond loans	20 178	7 616	3 031	-	30 825
Secured bank loans	8 815	-	-	-	8 815
Lease liabilities related to perpetual usufruct of land and investment property	1 628	1 628	4 883	28 599	36 738
Interest bearing deferred trade payables	9 538	-	-	-	9 538
Trade and other payables	89 761	-	-	-	89 761
Liability to shareholders measured at amortised costs	6 322	22 410	-	-	28 732
Total	**236 077**	**91 050**	**67 194**	**28 599**	**422 919**

The Group is exposed to liquidity risk as a result of mismatching maturity of assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash, bank loans, bonds.

The Group constantly looks for other opportunities to obtain funds which will ensure necessary financing and their favourable conditions.

Notes to the Interim Condensed Consolidated Financial Statements

Note 24 – Risk management

Financial risk factors

(iii) Fair value measurement risk

The Investment properties are valued at fair value determined by an independent appraiser (please refer to Note 9). During the nine months ended 30th September 2024.

For the balance as at 30th September the company reclassified one of its assets in the total amount of PLN 24.2 million to assets for sale due to the in ability of the company to fulfil a proper development plan which was initially designated for. The asset was sold on 15 October 2024. Other then this there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets, investment property

(iiii) Interest rate risk

The vast majority of loans and bonds (including under issued bonds) obtained by the Group bear interest at a floating rate based on WIBOR plus a margin. As of September 2024, the WIBOR6M was 5.85% (as of 31 December 2023, it was 5.82%). The Company's bonds are based on WIBOR6M plus margin, while bank loans are based on WIBOR3M or WIBOR1M plus margin. Changes in the WIBOR rate will have a significant impact on the Group's cash flow and profitability.

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. For further information about the Road Map and its time schedule please refer to Note 32 to the Financial Statements ended on 31.12.2023.
As at 30th September 2024 the WIRON6M rate is 5.206%.

The table below presents the sensitivity analysis and its impact on net assets and income statement assuming if the variable interest rate changes by 1% assuming that all other variables remain unchanged:

	30 September 2024		31 December 2023	
In thousands of Polish Zlotys (PLN)	**Increase by 1%**	**Decrease by 1%**	**Increase by 1%**	**Decrease by 1%**
Income statement				
Variable interest rate assets	2 185	(2 185)	1 682	(1 682)
Variable interest rate liabilities	(3 410)	3 410	(2 437)	2 437
Total	**(1 225)**	**1 225**	**(755)**	**755**
Net assets				
Variable interest rate assets	2 185	(2 185)	1 682	(1 682)
Variable interest rate liabilities	(3 410)	3 410	(2 437)	2 437
Total	**(1 225)**	**1 225**	**(755)**	**755**

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

Significance of the above risk factor is assessed by the Company as medium, because its occurrence has had a moderate effect on the 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.

Note 25 – Related party transactions

The main related parties' transactions arise on:

- Agreement with the major shareholder;
- Transactions with key management personnel;
- Liability to shareholder measured at amortised cost;
- Share based payment.

Agreement with the major shareholder

Consulting services agreement with A. Luzon Group, for a monthly amount of PLN 70 thousand (ended by the parties on 31 January 2024), and a consulting services agreement with Luzon Ronson N.V. for a monthly amount of PLN 83 thousand (effective from 1 February 2024), as well as payment of travel and out-of-pocket expenses. All transactions with related parties were carried out at arm's length. During the nine months ended 30 September 2024, the Group incurred costs of PLN 734 thousand and 638 PLN for the period ended 30 September 2023.

Notes to the Interim Condensed Consolidated Financial Statements

Note 25 – Related party transactions

Transactions with key management personnel

During the period ended 30 September 2024 and 30 September 2023, key management personnel of the Company included the following members of the Management Board and Supervisory 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
Mr. Ofer Kadouri – Member of Supervisory Board
Mr. Alon Kadouri – Member of Supervisory Board
Mr. Amos Luzon – Chairman of Supervisory Board

Compensation paid and due or payable to members of the Management and Supervisory Board in the period of 9 months ended 30 September 2024 and in the period of 9 months ended 30 September 2023:

	For 9 months ended 30 September 2024			For 9 months ended 30 September 2023		
Compensation of the Management Board:	**From the Company**	**In other subsidiaries of the Group**	**Total**	**From the Company**	**In other subsidiaries of the Group**	**Total**
In thousands of Polish Zlotys (PLN)						
Salary and other short time benefit	1 638	1 669	**3 307**	1 277	1 467	**2 745**
Management bonus	48	90	**138**	-	-	**-**
Incentive plan linked to financial results	204	-	**204**	368	-	**368**
Share based payment	1 005	-	**1 005**	1 232	-	**1 232**
Other (1)	99	554	**653**	99	462	**561**
Total	**2 994**	**2 313**	**5 307**	**2 975**	**1 930**	**4 905**
Compensation of the Supervisory Board:						
Salary and other short time benefit	83	-	**83**	89	-	**89**
Total	**3 077**	**2 313**	**5 390**	**3 064**	**1 930**	**4 994**

(1) Mainly contractual benefits related to accommodation, private school and car expenses.

Liability to shareholder measured at amortised cost.

On 25 May 2023, the Company and Luzon Group entered into an agreement in respect of the SAFE Agreements to settle the reimbursement of amounts received from Israeli investors in 2022 under the SAFE Agreements and to release the Company from its obligation to those investors.

On 14 March 2024, the Company and A. Luzon Group entered into an addendum to the aforementioned agreement dated 25 May 2023. The addendum provided for a change in the payment schedule such that the remaining payments to be made under the aforementioned agreement in the amount of approximately ILS 24.7 million would be paid on 2 April 2024, and upon payment, the Agreement would be executed and terminated. On 5 April 2024, the subject payment was made by the Company. For more information, please refer to note 15.

Share based payment expense

On 28 November 2022, A. 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 A. Luzon Group of NIS 0.01 par value, for an exercise price of 2 NIS (which however will be settled by Amos Luzon Development and Energy Group Ltd. 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 39 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 Interim Condensed Consolidated Financial Statements

Note 25 – Related party transactions

Share based payment expense

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 A. Luzon Group and about 1.89% of the issued and paid-up capital of A. Luzon Group on a full dilution basis.

The Option program envisages adjustments in options for share allocation in case of various corporate events in A. Luzon Group (such as the issuance of shares or other options, merger, dividend distribution, etc.).

The initial effect of the program was recognized in year 2023 in amount of PLN 1.6 million and cost for three quarters of 2024 amounted to PLN 1.0 million. Program is accounted under IFRS 2 standard as a personnel expense, part of administrative costs and share based payment expense in equity. Total value of the program as of grant date amounted to PLN 4.7 million.

Note 26 – Investment in joint ventures

Share of profit/(loss) of joint venture

In thousands of Polish Zlotys (PLN)	As at 30 September 2024	As at 31 December 2023
Loans granted	153	145
Share in net equity value of joint ventures	499	532
The Company's carrying amount of the investment	**652**	**677**
Presented as Loans granted to joint ventures (current assets)	(153)	(145)
Investment in joint ventures	**499**	**532**

Share of profit/(loss) from joint ventures comprise the Group's shares in four entities where the Group is holding 50% shares and voting rights in each of those entities: Ronson IS Sp. z o.o. and Ronson IS Sp. z o.o. Sp.k. which are running the first two stages of the City Link project, as well as Coralchief Sp. z o.o. and Coralchief Sp. z o.o. – Projekt 1 Sp.k. which are running the Wilanów Tulip project. Both projects are residential sector which is the same as the Group.

Loans granted to joint venture

In thousands of Polish Zlotys (PLN)	As at 30 September 2024	As at 31 December 2023
Opening balance	**145**	**133**
Loans repaid	-	-
Accrued interest	8	12
Total closing balance	**153**	**145**

As of 30 September 2024, loans granted to joint ventures were presented in full as current assets. Short-term loans granted to joint ventures should not be treated as investments in joint ventures and are presented within current assets in the Interim Consolidated Financial Statements as "Loans granted to joint ventures." Loans granted to joint ventures bore interest at a fixed rate of 5%.

Note 27 – Other events during the period

Occupancy permits

Project name	Location	Occupancy permit date	Number of units	Area of units (m²)
Osiedle Vola	Warsaw	13 March 2024	84	4 851
Nowa Północ 1a	Szczecin	26 April 2024	110	5 230
Między Drzewami I	Poznań	23 July 2024	117	5 803
Total			**311**	**15 884**

Building permits

Project name	Location	Building permit date	Number of units	Area of units *(m²)*
Między Drzewami II	Poznań	25 January 2024	78	3 822
Nowa Północ II-III	Szczecin	16 February 2024	340	16 632
Nova Królikarnia 4a	Warsaw	20 February 2024	5	1 213
Eko Falenty II	Warsaw	15 April 2024	92	8 440
Bełchatowska*	Poznań	29 May 2024	48	4 078
Nova Królikarnia 4b2	Warsaw	6 June 2024	12	2 652
Nowe Warzymice VII-VIII	Szczecin	28 June 2024	116	8 397
Total			**691**	**45 234**

** The Final Building Permit was given but appeals against the voivode's decision were filed to the Administrative Court.*

Notes to the Interim Condensed Consolidated Financial Statements

Note 27 – Other events during the period

Conclusion of a material agreement for General contractors

Project name	Location	Number of units	General contractor	Agreement signing date	Agreement net value *(PLN million)*	Additional provisions
Viva Jagodno III	Wrocław	58	Przedsiębiorstwo Budowlane ARKOP Sp. z o.o. Sp. k.	12 January 2024	20.6	None
Zielono Mi I	Warsaw	92	Hochtief Polska S.A.	15 January 2024	32.5	None
Nowe Warzymice V.1	Szczecin	12	KMJ Deweloper Sp. z o.o.	15 February 2024	4.8	None
Nowa Północ IB	Szczecin	89	EBUD – Przemysłówka Sp. z o.o.	15 March 2024	22.8	None
Nowe Warzymice V.2	Szczecin	27	KMJ Deweloper Sp. z o.o.	28 June 2024	12.3	None
Miasto Moje VIII	Warsaw	152	Hochtief Polska S.A.	16 July 2024	50.3	None
Total		**430**			**143.3**	

Construction Bank Loan agreements

On 20th of December 2023 financing of Ursus Centralny 2E and Miasto Moje VII was signed, respectively for a total value of PLN 121,400 thousand and 77,900 thousand. 11 January 2024 is the date on which all financing formalities were completed, i.e., both loan and collateral agreements were signed by that date.

On 11th of June 2024 financing of Zielono Mi was signed for a total value of PLN 45,500 thousand.

Purchase of New Land

On 24 May 2024 the Company signed a preliminary agreement for purchasing a plot of land in Wroclaw for the total amount of PLN 25.5 million, the land area of approximately 8.900 which will dedicated for a building of total salable area of about 11,500 sqm, on the date of signing the agreement the company deposited PLN 3.1 million on a notary deposit, whereby the deposit was returned to the Company due to the failure to fulfill the condition for its payment (the failure to record a security for its return in the land register of the property subject to the transaction).

Bonds issuance

On 15 February 2024, the final (unconditional) allotment of 60,000 (sixty thousand) P2023A Bonds with a total nominal value of PLN 60,000,000.00 (sixty million) was made. The P2023A Bonds were offered by way of a public offering, under the Public Bond Issue Program covered by the base prospectus approved by the Financial Supervision Authority on 25 July 2023. The interest rate on the P2023A Bonds is variable and set at the six-month WIBOR rate (WIBOR 6M) plus a fixed margin of 3.85%. The P2023A Bonds are set to mature on 15 August 2027. The P2023A Bonds are in uncertificated form and dematerialized. The P2023A Bonds are traded in the alternative trading system operated by the Warsaw Stock Exchange S.A. - as part of the Catalyst market.

On 7 February 2024 the Company acquired for redemption 14,859 Series V bonds with a nominal value of PLN 600 PLN each and a total nominal value of PLN 8,915 thousand. The holders of the redeemed V Bonds became bondholders of the newly issued P2023A Bonds. After the redemption, 45,141 V Bonds remained with a maturity date of 2 April 2024.

On 2 April 2024, the Company redeemed all of the remaining V Bonds, 85,141 in number, with a nominal value of PLN 600 each, in accordance with their maturity, and also paid the interest accrued on these V Bonds. The V Bonds were thus fully redeemed.

On 24 September 2024, the final (unconditional) allotment of 160,000 (one hundred and sixty thousand) Series Y Bonds with a total nominal value of PLN 160,000,000 (one hundred and sixty million zlotys) was made. The interest rate on the Series Y Bonds is variable and set at the six-month WIBOR rate (WIBOR 6M) plus a fixed margin of 3.3%. The Bonds will be repaid in two installments: (i) at the end of the seventh interest period (24 March 2028), so that after this redemption the balance of the Bonds will be no more than 50% of the originally issued bonds, and (ii) on 24 September 2028, by paying the remaining par value of the Bonds. The Series Y Bonds were subscribed for cash contributions only. The Series Y Bonds are not in documentary form and are dematerialized. Series Y Bonds are traded in the alternative trading system operated by the Warsaw Stock Exchange - as part of the Catalyst market.

On 24 and 25 September 2024, the Company repurchased Series W Bonds with a total nominal value of PLN 41,199,000 for redemption, of which 11,199,000 Series W Bonds were repurchased cashless (by offset against the issue price of the Series Y Bonds). Holders of the redeemed Series W Bonds became bondholders of the newly issued Series Y Bonds. After the redemption, 58,801 Series W Bonds remained, maturing in April 2025, with the Company deciding on 13 September 2024 to redeem the Series W Bonds in full at the end of the seventh interest period, i.e. on 15 October 2024.

Notes to the Interim Condensed Consolidated Financial Statements

Note 27 – Other events during the period

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 29 November 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 17 January 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 12 January 2024 on consenting to the establishment of as 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, and 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.

Resolution and payment of dividends to shareholders of the Company

On 17 June 2024, the Company's Ordinary General Meeting of Shareholders adopted a resolution on the distribution of net profit for 2023 in the amount of PLN 80,705,000 (eighty million seven hundred and five thousand zlotys) in such a way that: (i) to allocate the amount of PLN 40,352,500 (forty million three hundred and fifty-two thousand five hundred zlotys) for the payment of dividends to the Company's shareholders, (ii) to leave the remaining part of the Company's net profit for 2023, i.e. the amount of PLN 40,352,500 (forty million three hundred and fifty-two thousand five hundred zlotys) undistributed.

The distribution of profit as specified above was conditioned on the fact that the payment would not affect the Company's development plans. The fulfillment or non-fulfillment of this condition was to be determined by the Extraordinary General Meeting of the Company no later than 29 November 2024. In the case of the payment of the dividend described above, the date according to which the list of shareholders entitled to the payment of the dividend referred to in item 1 above is determined (the dividend date) was set for 13 September 2024 and the dividend payment date was set for the 12 December 2024.

The above resolution was in accordance with the proposal of the Company's Management Board regarding the distribution of the Company's net profit for 2023, and the Supervisory Board gave a positive opinion of the said proposal of the Management Board.

On 14 August 2024, the Extraordinary General Meeting of Shareholders of the Company passed:

1. a resolution to amend the resolution on distribution of net profit for 2023 with regard to: (i) the amount allocated for the payment of dividends to the Company's shareholders - a total amount of PLN 48,732,857.70 (forty-eight million seven hundred and thirty-two thousand eight hundred and fifty-seven zlotys and seventy cents) has been allocated for the payment of dividends to the Company's shareholders, which, in view of the fact that the Company holds 1,567. 954 treasury shares, which do not entitle to receive dividends, means that the above dividend per share will be 30 cents, (ii) the dividend date and dividend payment date - the list of shareholders entitled to dividend payment (dividend date) has been set for 21 August 2024, and the dividend payment date for 27 August 2024.
2. a resolution containing a statement by the Extraordinary General Meeting of Shareholders of the Company that the payment of dividends will not affect the Company's development plans, so the condition regarding the distribution of profit for 2023 and the payment of dividends to the Company's shareholders is fulfilled, taking into account the changes described in item 1 above.

The dividend was paid to the Company's shareholders in accordance with the above resolutions.

Note 28 – Subsequent events

Occupancy permits

Project name	Location	Occupancy permit date	Number of units	Area of units (m²)
Miasto Moje VII	Warsaw	23 October 2024	255	11 725
Total			**255**	**11 725**

Notes to the Interim Condensed Consolidated Financial Statements

Note 28 – Subsequent events

Conclusion of a material agreement for General contractors

Project name	Location	Number of units	General contractor	Agreement signing date	Agreement net value *(PLN million)*	Additional provisions
Między Drzewami II	Poznań	78	W.P.I.P. MARDOM Spółka z o. o.	11 October 2024	26.2	None
Total		**78**			**26.2**	

Sale of a subsidiary holding real estate

The company announces that on 15 October 2024 it entered into an agreement to sell its subsidiary Ronson Development SPV1 Sp. z o.o. (SPV1) for a price equal to the nominal value of the shares in that company. The company was the owner and perpetual usufructuary of real estate located in Warsaw's Wola district, with SPV1 having paid for the real estate only a portion of the price required to pay VAT, which was subsequently returned to SPV1.

Repurchase and redemption of all existing series W bonds

On 15 October 2024 the Issuer made a redemption of all existing 58,801 series W bonds of the Issuer with a nominal value of PLN 1,000 each, as well as paid interest accrued on these bonds. In addition, in relation to some of the bonds that are not subject to mandatory amortization in accordance with item 15 of the Terms and Conditions of the Series W Bonds, the Company paid an early redemption premium provided for in those Terms and Conditions. Thus, the series W bonds have been fully redeemed.

Construction Bank Loan agreements

On 8th of November 2024 financing of Viva Jagodno III was signed, for a total value of PLN 24,500 thousand.

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
Marketing and Innovation Director

____
Tomasz Kruczyński
Person responsible for financial statements preparation

Warsaw, 12 November 2024

Interim Condensed Standalone Statement of Financial Positions

As of *In thousands of Polish Zlotys (PLN)*	***Note***	**As at 30 September 2024 (Reviewed/Unaudited)**	**As at 31 December 2023 (Audited)**
Assets			
Investment in subsidiaries	*6*	564 437	519 740
Loans granted to subsidiaries	*7*	163 169	206 441
Total non-current assets		**727 606**	**726 181**
Trade and other receivables and prepayments		1 208	869
Receivable from subsidiaries		1 190	9 413
Loan granted to subsidiaries	*7*	35 720	33 853
Cash and cash equivalents		124 087	22 830
Total current assets		**162 205**	**66 964**
Total assets		**889 811**	**793 145**
Equity			
Share capital		12 503	12 503
Share premium reserve		150 278	150 278
Share based payment expense		2 576	1 571
Treasury shares		(1 732)	(1 732)
Retained earnings		370 172	369 974
Total shareholders' equity		**533 797**	**532 593**
Liabilities			
Long-term liabilities			
Floating rate bonds	*9*	275 587	118 676
Deferred tax liabilities		1 417	5 671
Liability to shareholders measured at amortised cost	*12*	-	19 519
Total long-term liabilities		**277 004**	**143 866**
Current liabilities			
Floating rate bonds	*9*	58 548	99 834
Other payables - accrued interests on bonds	*9*	5 116	6 810
Loans from subsidiaries	*8*	14 132	-
Trade and other payables and accrued expenses		1 215	3 967
Liability to shareholders measured at amortised cost	*12*	-	6 074
Total current liabilities		**79 011**	**116 685**
Total liabilities		**356 015**	**260 551**
Total shareholders' equity and liabilities		**889 811**	**793 145**

The notes included on pages 59 to 65 are an integral part of these Interim Condensed Standalone Financial Statements

Interim Condensed Standalone Statement of Comprehensive Income

In thousands of Polish Zlotys (PLN)	***Note***	**For the 9 months ended 30 September 2024 (Reviewed) / (unaudited)**	**For the 3 months ended 30 September 2024 (Unreviewed) / (unaudited)**	**For the 9 months ended 30 September 2023 (Reviewed) / (unaudited)**	**For the 3 months ended 30 September 2023 (Unreviewed) / (unaudited)**
Revenues from consulting services		10 438	2 162	4 814	3 114
General and administrative expense		(4 494)	(1 780)	(4 280)	(1 481)
Other income/(expenses)		(52)	1	(1 380)	(1 371)
Operating profit / (loss)		**5 892**	**383**	**(846)**	**261**
Share of profit/loss from the investments in subsidiaries accounted for using the equity method	*6*	44 692	(876)	57 814	35 791
Operating profit after result from subsidiaries		**50 584**	**(492)**	**56 968**	**36 052**
Finance income	*10*	16 251	4 807	19 596	6 075
Finance expense	*10*	(21 498)	(6 420)	(21 414)	(9 021)
Gain/loss in fair value of financial instrument at fair value through profit and loss	*12*	-	-	6 422	46
Net finance income/(expense)		**(5 247)**	**(1 614)**	**4 605**	**(2 900)**
Profit/(loss) before taxation		**45 337**	**(2 106)**	**61 573**	**33 152**
Income tax benefit/(expense)		3 594	630	(1 959)	685
Profit for the period		**48 931**	**(1 476)**	**59 614**	**33 838**
Other comprehensive income		**-**	**-**		
Total comprehensive income/(expense) for the period, net of tax		**48 931**	**(1 476)**	**59 614**	**33 838**

The notes included on pages 59 to 65 are an integral part of these Interim Condensed Standalone Financial Statements

Interim Condensed Standalone Statement of Changes in Equity

	Attributable to the Equity Owners					
In thousands of Polish Zlotys (PLN)	**Share capital**	**Share premium**	**Share based payment expense**	**Treasury shares**	**Retained earnings**	**Total equity**
Balance at 1 January 2024	**12 503**	**150 278**	**1 571**	**(1 732)**	**369 974**	**532 593**
Net profit for the period ended 30 September 2024	–	–	–	–	48 931	**48 931**
Total comprehensive income/(expense)	–	–	–	–	**48 931**	**48 931**
Share based payment expense	–	–	1 005	–	**-**	**1 005**
Dividend	–	–	–	–	**(48 733)**	**(48 733)**
Balance at 30 September 2024	**12 503**	**150 278**	**2 576**	**(1 732)**	**370 172**	**533 797**

	Attributable to the Equity Owners					
In thousands of Polish Zlotys (PLN)	**Share capital**	**Share premium**	**Share based payment expense**	**Treasury shares**	**Retained earnings**	**Total equity**
Balance at 1 January 2023	**12 503**	**150 278**	**-**	**(1 732)**	**289 268**	**450 317**
Net profit for the period ended 30 September 2023	–	–	–	–	59 614	**59 614**
Total comprehensive income/(expense)	–	–	–	–	**59 614**	**59 614**
Share based payment expense	–	–	1 232	–		**1 232**
Balance at 30 September 2023	**12 503**	**150 278**	**1 232**	**(1 732)**	**348 882**	**511 162**

The notes included on pages 59 to 65 are an integral part of these Interim Condensed Standalone Financial Statements

Interim Condensed Standalone Statement of Cash Flows

For the 9 months period ended 30 September *In thousands of Polish Zlotys (PLN)*	***Note***	**2024**	**2023**
Cash flows from operating activities			
Profit for the year		48 931	59 614
Adjustments to reconcile profit for the period to net cash (used in)/from operating activities:			
Finance income	*10*	(15 046)	(19 579)
Finance expense	*10*	20 422	20 334
Depreciation		–	2
(Gain)/loss in fair value of financial instrument at fair value through profit and loss	*12*	–	(6 422)
Foreign exchange rates differences (gain)/loss		(129)	1 063
Income tax expense / (benefit)		(3 594)	1 853
Share based payment expense		1 005	1 232
Share of profit/loss from the investments in subsidiaries accounted for using the equity method	*6*	(44 692)	(57 804)
Subtotal		**6 897**	**292**
Decrease/(increase) in trade and other receivables and prepayments		(329)	(134)
Decrease/(increase) in receivable from subsidiaries		8 237	(1 618)
Increase/(decrease) in trade and other payable and accrued expense		(2 729)	(584)
Subtotal		**12 076**	**(2 044)**
Income tax paid		(843)	–
Interest paid (including commissions and fees)	*9*	(19 002)	(11 524)
Interest received		22 021	3 643
Net cash used in operating activities		**14 252**	**(9 924)**
Cash flows from investing activities			
Loans granted to subsidiaries, net of issue cost	*7*	(585)	(6 500)
Proceeds from loans granted to subsidiaries	*7*	35 015	36 502
Dividend from subsidiary		–	–
Contribution to subsidiaries		(5)	–
Net cash used in investing activities		**34 425**	**30 002**
Cash flows from financing activities			
Dividends paid		(48 733)	–
Loans received from subsidiaries		14 000	–
Proceeds from bond issuance, net of issuance costs	*9*	195 630	59 137
Repayment of financial liability measured at amortised costs		(27 232)	(25 000)
Repayment of bonds	*9*	(81 085)	–
Net cash from financing activities		**52 580**	**(34 137)**
Net change in cash and cash equivalents		**101 257**	**54 215**
Cash and cash equivalents at 1 January		22 830	6 397
Effects of exchange rate changes on cash and cash equivalents		–	–
Cash and cash equivalents at the end of the period		**124 086**	**60 612**

The notes included on pages 59 to 65 are an integral part of these Interim Condensed Standalone Financial Statements

Notes to the Interim Condensed Standalone Financial Statements

Note 1 – General

Ronson Development SE ("the Company")., is a European Company with its statutory seat in Warsaw, Poland at al. Komisji Edukacji Narodowej 57. 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 business name and was transformed into a European Company (SE) and, effectively as of 31 October 2018, transferred its registered office of the Company from the Netherlands to Poland.

As of 30 September 2024, A. Luzon Group, the ultimate parent company, indirectly controlled the Company through its subsidiary Luzon Ronson N.V. (former name I.T.R. Dori B.V.), in which it held more than 70% of the shares. As of 30 September 2024, Luzon Ronson N.V. held 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. The remaining 1,567,954 shares (approximately 0.96% of the Company's share capital) were treasury shares of the Company.

However, it should be pointed out that the shareholding status described above is a result of the reorganization of the A. Luzon Group and related changes that took place in January 2024. Namely, as of December 31, 2023, A. Luzon Group controlled 100% of the Company's shares, such that it directly held 32.98% of the Company's shares, and 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 January 16, 2024, the Company's shares held directly by A. Luzon Group (approximately 32.98% of the share capital) were transferred to Luzon Ronson Properties Ltd. 100% fully owned company by A. Luzon Group (which was established as part of the reorganization of A. Luzon Group's operations). As part of the restructuring, A. Luzon Group on January 25, 2024 disposed of all its shares in Luzon Ronson Properties Ltd. to Luzon Ronson N.V. (former name I.T.R. Dori B.V.).

The Company's beneficial owner and ultimate controlling party is Mr. Amos Luzon, who is also Chairman of the Company's Supervisory Board.

Note 2 – Basis of preparation of Interim Condensed Standalone Financial Statements

These Interim Condensed Standalone Financial Statements of Ronson Development SE have been prepared in accordance with IAS 34 (concerning the preparation of interim financial statements). The Interim Condensed Standalone Financial Statements do not include all the information and disclosures required in Annual Financial Statements prepared in accordance with the IFRS Accounting Standards and should be read in conjunction with the Company's Annual Financial Statements for the year ended 31 December 2023, which have been prepared in conformity with IFRS Accounting Standards. At the date of authorization of these Interim Condensed Standalone Financial Statements, the IFRS Accounting Standards applied by the Company are not different from the IFRS Accounting Standards endorsed by the European Union. IFRS Accounting Standards comprise standards and interpretations accepted by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

In order to fully understand the financial situation and results of operations of the Company as the Parent of the Group, these standalone financial statements should be read together with the consolidated financial statements of the Ronson Group for the interim reporting period ended 30 September 2024. These consolidated financial statements are available together with standalone financial statements in this Interim Financial Report.

The Interim Condensed 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 Company does not run separate operating segments, in the opinion of the Management Board, the only operating segment is the holding activity of the Group companies.

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

For additional information about material accounting policy information and the influence of the new accounting pronouncements, see Note 3 of the Interim Condensed Consolidated Financial Statements.

Note 3 – The use of estimates and judgments

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.

Notes to the Interim Condensed Standalone Financial Statements

Note 4 – 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 Company 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.

Note 5 – Seasonality

The Company's activities are not of a seasonal nature. Therefore, the results presented by the Company do not fluctuate significantly during the year due to the seasonality.

Note 6 – Investment in subsidiaries

The subsidiaries of the Company are valued with equity method.

The table below presents the movement in investment in subsidiaries during the nine months ended 30 September 2024 and during the year ended 31 December 2023:

Changes in the value of shares in subsidiaries:

In thousands of Polish Zlotys (PLN)	**For the 9 months ended 30 September 2024**	**For the 12 months ended 31 December 2023**
Balance at beginning of the period	519 740	445 275
Investments in subsidiaries	5	5
Net result subsidiaries during the period	44 692	74 460
Dividend from subsidiary	-	-
Balance at end of the period	**564 437**	**519 740**

As at 30 September 2024 the Company holds and owns (directly and indirectly) 67 companies. 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. The projects carried out by the various Group companies are at various stages of advancement, ranging from the land search phase for acquisition to projects completed or nearing completion.

For additional information see Note 7 to the Interim Condensed Consolidated Financial Statements.

The net result of the investments in subsidiaries in the period of nine months ended 30 September 2024 amounted PLN 44.7 million.

Note 7 – Loans granted to subsidiaries

The table below presents movements in loans granted to subsidiaries held directly and indirectly by the Company during the nine months ended 30 September 2024 and during the year ended 31 December 2023:

In thousands of Polish Zloty (PLN)	**For the 9 months ended 30 September 2024 (Reviewed/ Unaudited)**	**For the 12 months ended 31 December 2023 (Audited)**
Opening balance	**240 294**	**276 581**
Loans granted	585	14 200
Loans repayment during the period	(35 015)	(58 002)
Accrued interest	14 370	24 325
Repayment of interest	(21 345)	(16 809)
Total closing balance	**198 889**	**240 294**
Current assets	35 720	33 853
Non-current assets	163 169	206 441
Total closing balance*	**198 889**	**240 294**

** Including the ECL on Loans granted to subsidiaries as at 30 September 2024 and 31 December 2023 in amount of PLN 10.1 million*

The company estimates the credit risk on its loans as minimal. All loans were granted within the Group, where the main shareholder Ronson SE, which, as the main company in the Group, manages its subsidiaries.

Notes to the Interim Condensed Standalone Financial Statements

Note 7 – Loans granted to subsidiaries

The loans are not secured.

All new loans granted are at similar conditions to those presented in the Company Financial Statements for the year ended 31 December 2023 (additional information was presented in Note 10 of the Company Financial statements for the year ended 31 December 2023). The fair value of loans received and granted is not materially different from their carrying amount.

Note 8 – Loans borrowed from subsidiaries

The table below presents movements in loans borrowed from subsidiaries held directly and indirectly by the Company during the nine months ended 30 September 2024 and during the year ended 31 December 2023:

In thousands of Polish Zloty (PLN)	**For the 9 months ended 30 September 2024 (Reviewed/ Unaudited)**	**For the 12 months ended 31 December 2023 (Audited)**
Opening balance	**-**	**-**
Loans borrowed	14 000	-
Accrued interest	132	-
Total closing balance	**14 132**	**-**
Non-current assets	14 132	-
Total closing balance	**14 132**	**-**

Note 9 – Bonds

The table below presents changes in bonds during the period ended 30 September 2024 and during the period ended 31 December 2023:

In thousands of Polish Zloty (PLN)	**For the period ended 30 September 2024 (Reviewed/ Unaudited)**	**For the year ended 31 December 2023 (Audited)**
Opening balance	**225 320**	**203 370**
Repayment of bonds	(81 085)	(40 000)
Redemption of bonds at new issuance	(20 114)	-
Proceeds from bond issuance – nominal value	220 000	60 000
Bonds issuance costs	(4 256)	(863)
Issue cost amortization	1 080	1 262
Accrued interest	17 074	24 134
Interest repayment	(18 768)	(22 583)
Total closing balance	**339 251**	**225 320**
Closing balance includes:		
Current liabilities	63 664	106 644
Non-current liabilities	275 587	118 676
Total Closing balance	**339 251**	**225 320**

For information about bond covenants, reference is made to Note 17 to the Interim Condensed Consolidated Financial Statements.

Notes to the Interim Condensed Standalone Financial Statements

Note 10 – Finance costs and income

In thousands of Polish Zlotys (PLN)	For the period of 9 months ended 30 September 2024	For the period of 3 months ended 30 September 2024	For the period of 9 months ended 30 September 2023	For the period of 3 months ended 30 September 2023
Interests and fees on granted loans to subsidiaries	14 370	4 646	18 815	5 846
Interest income on bank deposits	676	159	764	707
Foreign exchange gain	1 205	2	18	(477)
Finance income	**16 251**	**4 807**	**19 596**	**6 075**
Interest expense on bonds measured at amortised costs	(17 074)	(5 656)	(17 875)	(6 681)
Interest and fees on loans received from subsidiaries	(132)	(132)	-	132
Bank charges	(234)	(202)	(71)	-
Discount factor reversal on liability measured at amortised cost	(1 852)	-	(1 080)	(1 080)
Commissions and fees	(1 130)	(416)	(907)	(352)
Other	(1 076)	(15)	(1 480)	(989)
Finance expense	**(21 498)**	**(6 420)**	**(21 414)**	**(8 971)**
Gain/loss in fair value of financial instrument at fair value through profit and loss	**-**	-	6 422	46
Net finance income/(expense)	**(5 247)**	**(1 614)**	**4 605**	**(2 850)**

Note 11 – Related parties transactions

In the period of nine months ended 30 September 2024 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 main related parties' transactions arise on:

- Agreement with the major shareholder;
- Transactions with key management personnel;
- Liability to shareholder measured at amortised cost;
- Share based payment.

Agreement with the major shareholder

Consulting services agreement with Luzon Ronson N.V. for a monthly amount of PLN 83 thousand (effective from 1 February 2024), as well as payment of travel and out-of-pocket expenses. All transactions with related parties were carried out at arm's length. During the nine months ended 30 September 2024, the Group incurred costs of PLN 663 thousand and 629 thousand PLN for the period ended 30 September 2023 (in comparable period fee was paid from Ronson Development Management Sp. z o.o.).

Transactions with key management personnel

During the period ended 30 September 2024 and 30 September 2023, key management personnel of the Company included the following members of the Management Board and Supervisory 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
Mr. Ofer Kadouri – Member of Supervisory Board
Mr. Alon Kadouri – Member of Supervisory Board
Mr. Amos Luzon – Chairman of Supervisory Board

Notes to the Interim Condensed Standalone Financial Statements

Note 11 – Related parties transactions

Compensation paid and due or payable to members of the Management and Supervisory Board in the period of 9 months ended 30 September 2024 and in the period of 9 months ended 30 September 2023:

Compensation of the Management Board:	**For the 9 month period ended 30 September 2024**	**For the 9 month period ended 30 September 2023**
In thousands of Polish Zlotys (PLN)		
Salary and other short time benefit	1 638	1 277
Management bonus	48	-
Incentive plan linked to financial results	204	368
Share based payment	1 005	1 232
Other(1)	99	99
Total	**2 994**	**2 975**
Compensation of the Supervisory Board:		
Salary and other short time benefit	83	89
Total	**3 077**	**3 064**

(1) Mainly contractual benefits related to accommodation, private school and car expenses.

Liability to shareholder measured at amortised cost

On 25 May 2023, the Company and Luzon Group entered into an agreement in respect of the SAFE Agreements to settle the reimbursement of amounts received from Israeli investors in 2022 under the SAFE Agreements and to release the Company from its obligation to those investors.

On 14 March 2024, the Company and A. Luzon Group entered into an addendum to the aforementioned agreement dated 25 May 2023. The addendum provided for a change in the payment schedule such that the remaining payments to be made under the aforementioned agreement in the amount of approximately ILS 24.7 million would be paid on 2 April 2024, and upon payment, the Agreement would be executed and terminated. On 5 April 2024, the subject payment was made by the Company. For more information, please refer to Note 12.

Share based payment expense

On 28 November 2022, A. 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 A. Luzon Group of NIS 0.01 par value, for an exercise price of 2 NIS (which however will be settled by Amos Luzon Development and Energy Group Ltd. 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 39 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

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 A. Luzon Group and about 1.89% of the issued and paid-up capital of A. Luzon Group on a full dilution basis. The Option program envisages adjustments in options for share allocation in case of various corporate events in A. Luzon Group (such as the issuance of shares or other options, merger, dividend distribution, etc.).

The initial effect of the program was recognized in year 2023 in amount of PLN 1.6 million and cost for three quarters of 2024 amounted to PLN 1.0 million. Program is accounted under IFRS 2 standard as a personnel expense, part of administrative costs and share based payment expense in equity. Total value of the program as of grant date amounted to PLN 4.7 million.

Note 12 – Financial liability to shareholder

On 25 May 2023, the Company and Luzon Group entered into an agreement for settling the return of the amounts received from Israeli Investors in 2022 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.

Notes to the Interim Condensed Standalone Financial Statements

Note 12 – Financial liability to shareholder

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. Based on the Company's Management judgment, it was concluded that signing of the agreement of May 25, 2023 resulted in the canceling of the liability to investors and the recognition of a new liability to Luzon Group, which was recognized as a financial liability measured at amortised costs with a discounted cash flow rate of 7.14% per annum. Payments to Luzon Group in total amount of PLN 40 million (approx. ILS 34.3 million) were made in May and November 2023.

As of 14 March 2024, a new annex was signed about earlier settling of liability towards shareholder which would become due under new annex in April 2024. Based on that Group recognized PLN 1.9 million of finance cost of discount reversal on amortised costs related to change in maturity assumption and it was treated as a modification of the original liability. On 5 April 2024 the financial liability to Shareholder has been fully paid.

The table below presents the movement on the new liability to Luzon Group for the period from December 31, 2023 to the end of the reporting period, i.e. September 30, 2024:

Investor	**Value of the liability at amortised costs December 31, 2023** [in PLN]	**Repayment of liability** [in PLN]	**Finance expense related to discount factor reversal** [in PLN]	**Finance income related to forex exchange cost** [in PLN]	**Value of the liability at amortised costs September 30, 2024** [in PLN]
Amos Luzon Development and Energy Group Ltd.	25 592 623	(27 231 660)	1 851 769	(212 732)	-
Long term part	19 519 018				
Short term part	6 073 604				

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 previous year reporting period, i.e. December 31, 2023:

Investor	**Liability at amortised costs as of May 25, 2023** [in PLN]	**Liability recognition date**	**Repayment of liability** [in PLN]	**Finance expense related to discount factor reversal** [in PLN]	**Finance income related to forex exchange cost** [in PLN]	**Value of the liability at amortised costs December 31, 2023** [in PLN]
Amos Luzon Development and Energy Group Ltd.	64 083 496	25 May 2023	40 000 000	2 311 279	885 677	25 592 623
					Long term part	19 519 018
					Short term part	6 073 604

Note 13 – Risk management

Liquidity risk

Liquidity risk is the risk that the Entity will not be able to meet its financial obligations as they fall due. The Entity'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 Entity's reputation.

Notes to the Interim Condensed Standalone Financial Statements

Note 13 – Risk management

Liquidity risk

The table below analyses the Entity'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 undiscounted cash flows.

	Period ended 30 September 2024				
In thousands of Polish Zlotys (PLN)	**Less than 1 year**	**Between 1 and 2 years**	**Between 3 and 5 years**	**Over 5 years**	**Total**
Bond loans (principal only)	58 548	59 496	216 091	-	334 135
Interests on bond loans	31 833	25 012	30 481	-	87 326
Total	**90 381**	**84 508**	**246 572**	**-**	**421 460**

	Period ended 31 December 2023				
In thousands of Polish Zlotys (PLN)	**Less than 1 year**	**Between 1 and 2 years**	**Between 3 and 5 years**	**Over 5 years**	**Total**
Bond loans (principal only)	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**

Note 14 – Subsequent events

Sale of a subsidiary that owns real estate

The company announces that on October 15, 2024, it entered into an agreement to sell its subsidiary Ronson Development SPV1 Sp. z o.o. (SPV1) for a price equal to the nominal value of the shares in that company. This company was the owner and perpetual usufructuary of real estate located in Warsaw, in the Wola district, with SPV1 paying for the real estate only a portion of the price required to pay VAT, which was subsequently returned to SPV1.

Repurchase and redemption of all existing series W bonds

On 15 October 2024 the Issuer made a redemption of all existing 58,801 series W bonds of the Issuer with a nominal value of PLN 1,000 each, as well as paid interest accrued on these bonds. In addition, in relation to some of the bonds that are not subject to mandatory amortization in accordance with item 15 of the Terms and Conditions of the Series W Bonds, the Company paid an early redemption premium provided for in those Terms and Conditions. Thus, the series W bonds have been fully redeemed.

The Management Board

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Boaz Haim
President of the Management Board

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Yaron Shama
Financial Vice-President of the Management Board

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Andrzej Gutowski
Sales Vice-President of the Management Board,

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Karolina Bronszewska
Member of the Management Board
Marketing and Innovation Director

____

Tomasz Kruczyński
Person responsible for financial statements preparation

Warsaw, 12 November 2024