

Ronson Development SE

**Interim Financial Report
for the three months
ended
31 March 2021**

**Including the Interim Condensed Consolidated Financial Statements of Ronson Development SE
for the three months ended 31 March 2021
and the Interim Condensed Company Financial Statements of Ronson Development SE
for the three months ended 31 March 2021**

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Management Board Report

Introduction

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

The shares of the Company are traded on the Warsaw Stock Exchange since 5 November 2007. According to publicly available information, as at 31 March 2021, 66.06% of the shares are controlled by Amos Luzon Development and Energy Group Ltd. ('A. Luzon Group') and 0.96% of the shares are held by the Company. The remaining 32.98% of the outstanding shares are held by other investors including Nationale Nederlanden Otworthy Fundusz Emerytalny and Metlife Otworthy Fundusz Emerytalny. The number of shares held by the investors is equal to the number of votes, as there are no privileged shares issued by the Company. It shall be noted that as at 31 March 2021, the Company held 1,567,954 own shares (0.96%) and, in accordance with art. 364 § 2 of the Code of Commercial Companies, it does not exercise voting rights from own shares. For an overview of shares, voting rights and major shareholders of the Company reference is made to page 16.

On 11 May 2021, the market price was PLN 1.88 per share giving the Company a market capitalization of PLN 308.3 million.

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. The Company has been operating through its subsidiaries on the following markets in Poland: Warsaw, Wrocław, Poznań and Szczecin.

During the three months ended 31 March 2021, the Group realized sales of 355 units with the total value of PLN 172.1 million, which compares to sales of 277 units with the total value PLN 126.0 million during the three months ended 31 March 2020.

During the three months ended 31 March 2021, the Group completed three projects with total number of units 242 and a total area 16.602 m². Until 31 March 2021 the Group delivered 67 units.

As at 31 March 2021, the Group has 655 units available for sale in 14 locations, of which 612 units are in ongoing projects and the remaining 43 units are in completed projects. The ongoing projects comprise a total of 1,573 units, with an aggregate floor space of 88,700 m². The construction of 880 units with a total area of 50,500 m² is expected to be completed during remaining period of 2021.

The Group has a pipeline of 15 projects in different stages of preparation, representing approximately 4,220 units with an aggregate floor space of approximately 274,992 m² for future development in Warsaw, Poznań, Wrocław and Szczecin. During the remaining period of 2021, the Group is considering commencement of 7 stages of the currently running projects and 3 new projects comprising 807 units with a total area of 51,950 m².

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Business highlights during the three months ended 31 March 2021

A. Results breakdown by project

The following table specifies revenue, cost of sales, gross profit and gross margin during the three months ended 31 March 2021 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	%
Miasto Moje III	81	4,121	28,013	30.2%	23,709	30.5%	4,304	15.4%
Vitalia III	65	5,254	35,693	38.5%	29,252	37.6%	6,441	18.0%
Grunwald2	15	1,112	7,392	8.0%	5,638	7.3%	1,753	23.7%
Panoramika V	5	281	1,762	1.9%	1,732	2.2%	31	1.8%
Marina Miasto	4	185	1,670	1.8%	1,670	2.1%	-	0.0%
Nova Królikarnia 2c	4	790	9,087	9.8%	8,186	10.5%	901	9.9%
Panoramika IV	2	145	779	0.8%	767	1.0%	12	1.6%
Verdis I-IV	2	167	1,235	1.3%	1,030	1.3%	205	16.6%
City Link III	2	174	2,061	2.2%	1,270	1.6%	790	38.3%
Nova Królikarnia 3b	2	207	2,280	2.5%	2,029	2.6%	250	11.0%
other	3	324	2,819	3.0%	2,436	3.1%	383	n.a.
Total / Average	185	12,758	92,792	100%	77,719	100%	15,072	16.2%
Impairment recognized	n.a.	n.a.	n.a.		(2,200)		2,200	n.a.
Results after write-down adjustment	185	12,758	92,792		75,519		17,273	18.6%
	-	-	-		-		-	n.a.
Economic results	185	12,758	92,792		75,519		17,273	18.6%

(1) Revenue is recognized when the performance obligations are satisfied and when the customer obtains control of the good, i.e. upon signing of the protocol of technical acceptance and the transfer of the key of 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.

Revenue from the sale of residential units is recognized when the performance obligations are satisfied and when the customer obtains control of the good, i.e. upon signing of the protocol of technical acceptance and the transfer of the key to the buyer of the residential unit and total payment obtained. Revenue from sales and services of residential projects recognized during the three months ended 31 March 2021 amounted to PLN 92.8 million, whereas cost of sales before reversal of write-down adjustment amounted to PLN 77.7 million, that resulted in a gross profit before write-down adjustment amounting to PLN 15.1 million representing a gross margin of 16.2%.

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Business highlights during the three months ended 31 March 2021

A. Results breakdown by project

Projects completed during the three months ended on 31 March 2021

The table below presents information on the projects that were completed (i.e. completing all construction works and receiving occupancy permit) during the three months ended 31 March 2021:

Project name	Location	Number of units	Area of units (m ²)	Total units sold until 31 March 2021	Units delivered in 2021	Units sold not delivered as at 31 March 2021
Vitalia III	Wrocław	81	6,790	81	65	16
Ursus Centralny Ia	Warsaw	138	7,542	137	-	137
Nove Królikarnia 3b	Warsaw	23	2,270	22	2	20
Total		242	16,602	240	67	173

Vitalia III

The construction of Vitalia III project was completed in March 2021. The project was developed on a land strip located in Wrocław at Kabaczkowa Street. The Vitalia III project comprises 81 apartments with an aggregate floor space 6,790 m². Until 31 March 2021 the Company sold all units. During the three months ended 31 March 2021, the Company delivered 65 units and recognized sale revenue of PLN 35.7 million.

Ursus Centralny Ia

The Ursus Centralny Ia project was completed in March 2021. The project was developed on a land strip located in Warsaw, Ursus district, at Gierdziejewskiego street. The project comprises 129 apartments and 9 commercial units with an aggregate floor space of 7,542 m². Until 31 March 2021 the Company sold 137 units. During the three months ended 31 March 2021 the Company did not delivered any units. Delivery is planned for Q2 2021.

Nova Królikarnia 3b

The construction of the Nova Królikarnia 3b was completed in February 2021, respectively. The project was developed on a land strip located in the Mokotów district in Warsaw near Jaśminowa Street. The Nova Królikarnia 3b project comprises 23 apartments and an aggregate floor space of 2,270 m². Until 31 March 2021 the Company sold 22 units. During the three months ended 31 March 2021 the Company delivered 2 units and recognized sale revenue of PLN 2.3 million.

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. completing all construction works and receiving occupancy permit) in previous years and the income that was recognised base on units delivered during the three months ended 31 March 2021:

Project name	Location	Completion date	Total Project Units	Total Area of units (m ²)	Total units sold until 31 March 2021	Total units delivered until 31 December 2020	Units delivered in Q1 2021	Recognised income in Q1 2021 (PLN'000)	Units sold not delivered as at 31 March 2021	Units for sale as at 31 March 2021	Left to sale/ deliver after 31 March 2021
Miasto Marina	Wrocław	06/2019	151	6,196	151	146	4	1,670	1	-	1
Grunwald2	Poznań	05/2020	268	14,456	263	236	15	7,391	12	5	17
Panoramika V	Szczecin	07/2020	115	5,990	105	95	5	1,762	5	10	15
Nova Królikarnia 2c	Warsaw	08/2020	18	3,612	17	7	4	9,087	6	1	7
Miasto Moje III	Warsaw	11/2020	196	10,176	194	98	81	28,013	15	2	17
Others			48	3,215	25	-	9	6,306	16	23	39
Total			796	43,644	755	582	118	54,229	55	41	96

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Business highlights during the three months ended 31 March 2021

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 (exclusive of VAT) of the preliminary sales agreements (including also parking places and storages) executed by the Company during the three months ended 31 March 2021:

Project name	Location	Total Project Saleable area (m ²)	Total project units	Units sold until 31 December 2020	Units sold during 3 months ended 31 March 2021	Net Sold area (m ²)	Value of the preliminary sales agreements (in PLN thousands)	Units for sale as at 31 March 2021
Vitalia III ⁽¹⁾	Wrocław	6,790	81	69	12	1,247	7,997	-
Miasto Moje III ⁽¹⁾	Warsaw	10,176	196	182	12	803	5,226	2
Grunwald2 ⁽¹⁾	Poznań	14,456	268	253	10	810	5,527	5
Panoramika V ⁽¹⁾	Szczecin	5,990	115	99	6	431	2,854	10
City Link III ⁽¹⁾	Warsaw	18,763	368	363	4	454	5,237	1
Młody Grunwald I-III ⁽¹⁾	Poznań	16,595	393	383	3	324	2,143	7
Marina Miasto ⁽¹⁾	Wrocław	6,196	151	148	3	138	1,241	-
Nova Królikarnia 2c ⁽¹⁾	Warsaw	3,612	18	15	2	409	5,439	1
Verdis I-IV ⁽¹⁾	Warsaw	26,062	441	435	1	51	503	5
Panoramika IV ⁽¹⁾	Szczecin	5,835	111	110	1	72	396	-
Sakura I-IV ⁽¹⁾	Warsaw	29,320	515	513	1	71	504	1
Nova Królikarnia 3b ⁽¹⁾	Warsaw	2,270	23	21	1	133	1,629	1
Ursus Centralny Ia ⁽¹⁾	Warsaw	7,542	138	136	1	83	744	1
Miasto Moje V ⁽²⁾	Warsaw	8,559	170	51	46	2,325	17,404	73
Ursus Centralny IIa ⁽²⁾	Warsaw	13,509	251	194	43	2,439	19,387	14
Ursus Centralny Ib ⁽²⁾	Warsaw	5,740	97	34	40	2,477	20,074	23
Viva Jagodno I ⁽²⁾	Wrocław	6,241	121	64	39	2,064	14,650	18
Miasto Moje IV ⁽²⁾	Warsaw	8,938	176	118	31	1,893	13,674	27
Panoramika VI ⁽²⁾	Szczecin	3,591	75	46	26	1,295	8,666	3
Nowe Warzymice II ⁽²⁾	Szczecin	3,492	66	-	25	1,172	7,412	41
Nowe Warzymice I ⁽²⁾	Szczecin	3,234	54	29	13	826	5,029	12
Nova Królikarnia 3a ⁽²⁾	Warsaw	3,188	31	22	6	656	8,418	3
Nova Królikarnia 3c ⁽²⁾	Warsaw	2,298	23	17	2	228	2,867	4
Ursus Centralny IIb ⁽²⁾	Warsaw	11,758	206	-	1	64	548	205
Viva Jagodno IIa ⁽²⁾	Wrocław	8,646	154	-	-	-	-	154
Other		n.a.	n.a.	n.a.	-	n.a.	202	9
Total excluding JV		232,801	4,242	3,302	329	20,464	157,772	620
Wilanów tulip ⁽²⁾⁽³⁾	Warsaw	9,574	149	88	26	1,660	14,297	35
Total including JV		242,374	4,391	3,390	355	22,124	172,069	655

(1) For information on the completed projects see "Business highlights during the three months ended 31 March 2021 – A. Results breakdown by project".

(2) For information on current projects under construction, see "Outlook for the remaining period of 2021 – B. Current projects under construction and/or on sale".

(3) The project presented in the Interim Condensed Consolidated Financial Statements under investment in joint ventures; the Company's share is 50%.

The table below presents further information on the value of the preliminary sales agreements (with a breakdown per city, exclusive of VAT) executed by the Group:

Location <i>In thousands of Polish Zlotys (PLN)</i>	Value of the preliminary sales agreements sold during the year ended		Increase/(decrease)	
	31 March 2021	31 March 2020	In PLN	%
Warsaw	115,952	96,166	19,786	20.6%
Wrocław	23,887	11,085	12,802	115.5%
Szczecin	24,358	11,545	12,813	111.0%
Poznań	7,669	6,873	796	11.6%
Other	202	322	(120)	-37.1%
Total	172,069	125,991	46,078	36.6%

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Business highlights during the three months ended 31 March 2021

C. Commencements of new projects

The table below presents information on the projects for which the construction and/or sales process commenced during the three months ended 31 March 2021:

Project name	Location	Number of units	Area of units (m ²)
Ursus Centralny IIb	Warsaw	206	11,500
Viva Jagodno IIa	Wrocław	154	8,600
Total		360	20,100

For additional information see section “Outlook for the remaining period of 2021 – B. Current projects under construction and/or on sale”.

D. Agreements significant for the business activity of the Group

Agreement of purchase of plot in Poznań

On 11 February 2021 the Company (via its subsidiaries) entered into final agreements concerning the purchase of the ownership rights of a plot of land located in Poznań, at Smardzewska street, with an area of c.a. 17,000 m². The final price was net PLN 26 million and was fully paid.

Agreement of purchase of plots in Warsaw

On 27 January 2021 the Company (via its subsidiary) entered into preliminary agreement concerning the purchase of the perpetual usufruct right of a plot of land located in Warsaw, Ursus district. The price of the Property was established at PLN 1,500 net per PUM however not higher than PLN 150 million. According to initial evaluation it shall be feasible to construct on the Property a complex of multi-family residential buildings with underground car parks, commercial areas on the ground floors and the necessary infrastructure with a total area of 100 thousand m². The conclusion of the final agreement will take place only upon fulfillment of conditions precedent, including conducting by the Company satisfactory due diligence process of the Property and after such a change in the purpose and permitted use of the Property to enable the development project to be carried out on it, as described above. The parties also reserved the right to withdraw from the Agreement by either party if the PUM is lower than 90 thousand m². The conclusion of the final agreement shall take place not later than 31 December 2027. On the 7 April 2021 the Company paid PLN 10.0 million +VAT deposit to the notary after completing a positive preliminary Due diligence.

On 18 February 2021 the Company (via its subsidiary) entered into a final agreement concerning the purchase of two plots of land located in Warsaw, Białołęka district, with an area of c.a 3.9 thousands m² as part of the Company’s purchase plan for the whole project in Epopei street. The price of the property was established in the level of PLN 3.7 million net. The amount was paid in total on the date of signing the agreement. As at 31 March 2021 the Company paid also PLN 7.5 million advances and PLN 2.7 million to a notary account for other plots being part of the purchase.

On 3 March 2021 the Company (via its subsidiary) entered into preliminary agreement concerning the purchase of the perpetual usufruct right of a plot of land located in Warsaw, Ursynów district, with an area of c.a. 2.4 thousand m². The price of the property was established at PLN 15.9 million net. According to the Company’s initial evaluation it shall be feasible to construct on the property a multifamily residential building with underground car parks, commercial areas and the necessary infrastructure with a total usable area of approx. 5.7 thousand m². In order to secure the purchase the company paid a deposit of PLN 1 million +VAT to a notary account. On 13 April 2021 the Company signed an annex to the agreement prolonging signing the final agreement not later than 31 December 2023.

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Selected financial data

Source: National Bank of Poland ("NBP")

PLN/EUR

	Exchange rate of Polish Zloty versus Euro			
	Average exchange rate	Minimum exchange rate	Maximum exchange rate	Period end exchange rate
2021 (3 months)	4.547	4.477	4.660	4.660
2020 (3 months)	4.326	4.228	4.604	4.552
2020 (12 months)	4.445	4.228	4.633	4.615

Selected financial data

Selected financial data	EUR		PLN	
	(thousands, except per share data)			
	for the period ended 31 March			
	2021	2020	2021	2020
Revenues	20,409	38,656	92,792	167,227
Gross profit	3,799	10,598	17,273	45,847
Profit/(loss) before taxation	2,094	8,651	9,519	37,423
Net profit/(loss) for the period attributable to the equity holders of the parent	1,673	6,793	7,608	29,388
Cash flows from/(used in) operating activities	(882)	5,168	(4,011)	22,357
Cash flows from/(used in) investing activities	-	(13)	-	(56)
Cash flows from/(used in) financing activities	(2,762)	(3,168)	(12,560)	(13,704)
Increase/(decrease) in cash and cash equivalents	(3,645)	1,987	(16,571)	8,597
Average number of equivalent shares (basic)	162,451,847	163,285,842	162,451,847	163,285,842
Net earnings/(loss) per share (basic and diluted)	0.010	0.042	0.047	0.180

Selected financial data

Selected financial data	EUR		PLN	
	(thousands)			
	As at			
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Inventory and Land designated for development	154,393	153,906	719,518	710,247
Total assets	202,509	203,209	943,755	937,767
Advances received	51,886	48,597	241,805	224,267
Long term liabilities	39,020	40,204	181,847	185,534
Short term liabilities (including advances received)	80,381	80,700	374,602	372,416
Equity attributable to the equity holders of the parent	83,108	82,304	387,306	379,817

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Overview of results

The net profit attributable to the equity holders of the parent company for the three months ended 31 March 2021 was PLN 7,608 thousand and can be summarized as follows:

	For 3 months ended			
	31 March			
	2021	2020	change	
	PLN		nominal	%
	(thousands, except per share data)			
Revenue from sales of residential units	92,792	167,227	(74,435)	-44.5%
Revenues	92,792	167,227	(74,435)	-44.5%
Cost of sales of residential units	(75,519)	(121,380)	45,861	-37.8%
Cost of sales	(75,519)	(121,380)	45,861	-37.8%
Gross profit	17,273	45,847	(28,574)	-62.3%
Selling and marketing expenses	(1,278)	(1,441)	163	-11.3%
Administrative expenses	(5,588)	(5,694)	106	-1.9%
Share of profit/(loss) from joint venture	(231)	(46)	(185)	402.2%
Other expense	200	(425)	625	-147.0%
Result from operating activities	10,376	38,241	(27,865)	-72.9%
Finance income	125	240	(115)	-47.9%
Finance expense	(982)	(1,058)	76	-7.2%
Net finance income/(expense)	(857)	(818)	(39)	4.8%
Profit/(loss) before taxation	9,519	37,423	(27,904)	-74.6%
Income tax benefit/(expenses)	(1,911)	(8,035)	6,124	-76.2%
Net profit/(loss) for the period before non-controlling interests	7,608	29,388	(21,780)	-74.1%
Net profit/(loss) for the period attributable to the equity holders of the parent	7,608	29,388	(21,780)	-74.1%
Net earnings/(loss) per share attributable to the equity holders of the parent (basic and diluted)	0.047	0.180	(0.133)	-73.9%

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Overview of results

Revenue from sales and services of residential projects

The revenue from sales and services of residential units decreased by PLN 74.4 million (44.5%) from PLN 167.2 million during the three months ended 31 March 2020 to PLN 92.8 million during the three months ended 31 March 2021, is primarily explained by the delivery of 185 units to the customers during the three months ended 31 March 2021, comparing to the 385 units delivered during the three months ended 31 March 2020.

Cost of sales of residential units

Cost of sales of residential units decreased by PLN 45.9 million (37.8%) from PLN 121.4 million during the three months ended 31 March 2020 to PLN 75.5 million during the three months ended 31 March 2021. The decrease in costs of sales is primarily explained by a decrease in the amount of apartments delivered to the customers in fully owned projects from 385 units delivered during the three months ended 31 March 2020 to 185 units delivered the three months ended 31 March 2021.

Gross margin

The gross margin from sales and services of residential units during the three months ended 31 March 2021 was 18.6% which compares to 27.4% during the three months ended 31 March 2020. The change in gross margin relates to a different mix of projects delivered to the customers characterized by a different profitability during the three months ended 31 March 2021 compared to the mix of projects delivered to customers during the three months ended 31 March 2020. During three months ended 31 March 2021 the projects that significantly impacted revenues and profitability of the Group were Vitalia III and Miasto Moje III (contributed respectively PLN 6.4 million and PLN 4.3 million to the gross profit which represents a gross profit margin of 18.0% and 15.4%). During three months ended 31 March 2020 the project that significantly impacted revenues and profitability of the Group was project City Link III in Warsaw (contributed PLN 56.9 million to the gross profit which represents a gross profit margin of 38.5%).

Selling and marketing expenses

Selling and marketing expenses decreased by PLN 0.1 million (11.3%) from PLN 1.4 million during the three months ended 31 March 2020 to PLN 1.3 million during the three months ended 31 March 2021, which is primarily explained by more effective management of selling and marketing costs and very high demand for apartment purchase. During the pandemic period the Company adopted new marketing strategy, which contributed significantly to the increase of the number of units sales by 78 units reaching to 355 units in the period ended 31 March 2021 comparing to 277 units in the 3 months ended on 31 March 2020.

Net finance income/(expenses)

Finance income/(expenses) is 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/(expenses) not capitalized is recognized in the statement of comprehensive income. Net finance expenses after capitalization and impact of IFRS 16 increased by PLN 39 thousand (5%) from PLN 818 thousand during the three months ended 31 March 2020 to PLN 857 thousand during the three months ended 31 March 2021. Is mainly explained by higher bonds borrowing compared to the 3 months ended on 31 March 2020 and partially compensated by lower interest rates during the period ended on 31 March 2021 comparing to the period ended on 31 March 2020.

Income tax benefit/(expense)

During the three months ended 31 March 2021, the income tax expense amounted to PLN 1.9 million (20.1%), in comparison to a tax expense amounted to PLN 8.0 million for the three months ended 31 March 2020 (21.5%). The lower effective tax rate in 2021 was mainly explained by the reversal of lower amount of the surplus between the purchase price and the net assets value related to Nova Królikarnia purchase deal as at the transaction date (April 2018), which was allocated to the inventory (goodwill), that for it deferred income tax was not recognized.

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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 31 March 2021	As at 31 December 2020
	PLN (thousands)	
Inventory and Land designated for development	719,518	710,247
Advances received	241,805	224,267
Loans and borrowings	224,831	230,072
Trade and other payables and accrued expenses	51,379	58,347

Inventory and Residential landbank

The balance of Inventory and Residential landbank is PLN 719.5 million as at 31 March 2021 compared to PLN 710.2 million as at 31 December 2020. The increase is primarily explained by purchases of land during the three months ended 31 March 2021 in the amount of PLN 29.7 million and investments in direct construction costs for a total amount of PLN 54.3 million. The increase is partly offset by the recognized costs of sales in the total amount of PLN 76.8 million.

Advances received

The balance of advances received is PLN 241.8 million as at 31 March 2021 compared to PLN 224.3 million as at 31 December 2020. The increase is primarily explained by advances received from clients regarding sales of units during the period ended 31 March 2021 for a total amount PLN 110.1 million, partially offset by the revenues recognized from the sale of residential units for a total amount of PLN 92.8 million during the three months ended 31 March 2021.

Loans and borrowings

The total of short-term and long-term loans and borrowings is PLN 224.8 million as at 31 March 2021 compared to PLN 230.1 million as at 31 December 2020. The decrease in loans and borrowings is primarily explained by the effect of repayment of bond loans for a total amount of PLN 4.8 million. Of the mentioned PLN 224.8 million, an amount of PLN 54.1 million comprises facilities maturing no later than 31 March 2022. The balance of bond loans comprises of: principal amount of PLN 225.3 million plus accrued interest of PLN 1.4 million minus one-time costs directly attributed to the bond issuances which are amortized based on the effective interest method (PLN 1.9 million). For additional information see Note 13 of the Interim Condensed Consolidated Financial Statements.

Trade and other payables and accrued expenses

The balance of trade and other payables and accrued expenses is PLN 51.3 million as at 31 March 2021 compared to PLN 58.3 million as at 31 December 2020. The decrease is mainly explained by decrease of trade accounts payables related to constructions work (decrease by the total amount of PLN 5.0 million).

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Overview of cash flow results

The Group funds its day-to-day operations principally from cash flow provided by its operating activities, loans and borrowings under its loan facilities.

The following table sets forth the cash flow on a consolidated basis:

	For the year ended 31 March	For the year ended 31 March
	2021	2020
	PLN (thousands)	PLN (thousands)
Cash flows from/(used in) operating activities	(4,011)	22,357
Cash flow from/(used in) investing activities	-	(56)
Cash flow (used in)/from financing activities	(12,560)	(13,704)

Cash flow from/(used in) operating activities

The Company's net cash outflow from operating activities for the three months ended 31 March 2021 amounted to PLN 4.0 million which compares to a net cash inflow from operating activities during the three months ended 31 March 2020 amounted to PLN 22.4 million. The decrease is primarily explained by:

- a higher net cash outflow due to purchase of landbank in amount of PLN 29.7 million in the period ended 31 March 2021 in comparison to the period ended 31 March 2020 whereas the Company paid advances for land and payments for Nova Królikarnia project in total amount of PLN 8 million.;
- a higher cash outflow due to decrease in trade accounts payable in the amount PLN 7.1 million in the period ended 31 March 2021 in comparison to decrease in amount PLN 2.2 million in the period ended 31 March 2020.

Cash flow from/(used in) financing activities

The Company's net cash outflow used in financing activities amounted to PLN 12.5 million during the three months ended 31 March 2021 compared to a net cash outflow from financing activities amounted to PLN 13.7 million during the three months ended 31 March 2020. The decrease is primarily explained by:

- a net repayment of secured bank loans amounting to PLN 3.6 million during the three months ended 31 March 2020, while there was no repayments in the period ended 31 March 2021;
 - repayment of loans from others amounting to PLN 6.6 million during the three months ended 31 March 2021 compared to no loan repayment to others during the three months ended 31 March 2020;
- which are being partially offset by:
- repayment of bond loans amounting to PLN 4.8 million during the three months ended 31 March 2021 compared to net repayment of bond loans amounting to PLN 10.0 million during the three months ended 31 March 2020.

Management Board Report

Outlook for the remaining period of 2021

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 2021:

Project name	Location	Number of residential units delivered ⁽¹⁾			Number of residential units expected to be delivered ⁽¹⁾			Total units in the project
		Until 31 December 2020	During the period ended 31 March 2021	Total units delivered	Units sold not delivered as at 31 March 2021	Units for sale as at 31 March 2021	Total units expected to be delivered	
Miasto Moje III	Warsaw	98	81	179	15	2	17	196
Vitalia III	Wrocław	-	65	65	16	-	16	81
Grunwald2	Poznań	236	15	251	12	5	17	268
Panoramika V	Szczecin	95	5	100	5	10	15	115
Marina Miasto	Wrocław	146	4	150	1	-	1	151
Nova Królikarnia 2c	Warsaw	7	4	11	6	1	7	18
Panoramika IV	Szczecin	109	2	111	-	-	-	111
Verdis I-IV	Warsaw	430	2	432	4	5	9	441
City Link III	Warsaw	354	2	356	11	1	12	368
Nova Królikarnia 3b	Warsaw	-	2	2	20	1	21	23
Ursus Centralny Ia	Warsaw	-	-	-	137	1	138	138
Młody Grunwald I-III	Poznań	383	2	385	1	7	8	393
Sakura I-IV	Warsaw	513	1	514	-	1	1	515
Other (old) projects		-	-	-	-	9	9	9
Total		2,371	185	2,556	228	43	271	2,827

(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.

For information on the completed projects see "Business highlights during the three months ended 31 March 2021-A. Results breakdown by project".

Management Board Report

Outlook for the remaining period of 2021

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 2021 and in 2022. The Company has obtained construction permits for all projects/stages and has commenced construction and /or sales.

Project name	Location	Start date of construction	Units sold until 31 March 2021	Units for sale as at 31 March 2021	Total units	Total area of units (m ²)	Expected completion of construction
Nova Królikarnia 3a	Warsaw, Mokotów, Jaśminowa st.	Q4 2019	28	3	31	3,188	Q2 2021
Nova Królikarnia 3c	Warsaw, Mokotów, Jaśminowa st.	Q4 2019	19	4	23	2,298	Q2 2021
Nowe Warzymice I	Szczecin, Duńska st.	Q4 2019	42	12	54	3,234	Q2 2021
Viva Jagodno I	Wrocław, Jagodno, Buforowa st.	Q3 2019	103	18	121	6,241	Q2 2021
Ursus Centralny IIa	Warsaw, Ursus, Gierdziejewskiego st.	Q2 2020	237	14	251	13,509	Q4 2021
Miasto Moje IV	Warsaw, Białoleka , Marwilska st.	Q1 2020	149	27	176	8,938	Q4 2021
Panoramika VI	Szczecin, Panoramiczna st.	Q2 2020	72	3	75	3,591	Q4 2021
Nowe Warzymice II	Szczecin, Duńska st.	Q4 2020	25	41	66	3,492	Q2 2022
Ursus Centralny Ib	Warsaw, Ursus, Gierdziejewskiego st.	Q4 2020	74	23	97	5,740	Q3 2022
Miasto Moje V	Warsaw, Białoleka , Marwilska st.	Q4 2020	97	73	170	8,559	Q4 2022
Ursus Centralny IIb	Warsaw, Ursus, Gierdziejewskiego st.	Q1 2021	1	205	206	11,758	Q4 2022
Viva Jagodno IIa	Wrocław, Jagodno, Buforowa st.	Q1 2021	-	154	154	8,646	Q4 2022
Subtotal excluding JV			847	577	1,424	79,194	
Wilanów Tulip ⁽¹⁾	Warsaw, Wilanów, Syta st.	Q1 2019	114	35	149	9,574	Q2 2021
Subtotal excluding JV			961	612	1,573	88,768	

(1) The project is presented in the Interim Condensed Consolidated Financial Statements under Investment in joint venture; the Company's share in the project is 50%.

C. Projects for which construction work is planned to commence during the remaining period of 2021

During the remaining period of 2021, the Company is considering the commencement of 7 stages for ongoing projects and 3 new projects (comprising in total 807 units with a total area of 51,950 m²), which the management believes are well-suited to current customer requirements, including smaller apartments at more economical prices. Furthermore, in order to minimize market risk, the Company's management dividing new projects into relatively smaller stages. In the event of any market disruption or difficulties with securing bank financing for the considered projects, the management may decide to suspend , postpone or alter its plan for the commencement of some of those projects.

The table below presents information on projects for which the commencement of construction works is scheduled in the remaining period of 2021.

Project name	Location	Total units	Total area of units (m ²)
Grunwaldzka	Poznań	72	3,300
Nowe Warzymice III	Szczecin	64	4,200
Renaissance I (Siekierki)	Warsaw	92	4,800
Falenty I	Warsaw	40	3,300
Miasto Moje VI	Warsaw	227	11,500
Ursus Centralny IIc	Warsaw	195	11,000
Viva Jagodno IIb	Wrocław	74	4,500
Nova Królikarnia 3d	Warsaw	15	2,200
Nova Królikarnia 4a	Warsaw	5	1,350
Nova Królikarnia 4b	Warsaw	23	5,800
Total		807	51,950

Management Board Report

Outlook for the remaining period of 2021

D. 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 (excluding VAT) executed with the Company's clients in particular for units 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
Vitalia III ⁽¹⁾	Wrocław	16	9,950	Completed
Grunwald2 ⁽¹⁾	Poznań	12	6,361	Completed
Nova Królikarnia 2c ⁽¹⁾	Warsaw	6	15,351	Completed
City Link III ⁽¹⁾	Warsaw	11	12,823	Completed
Miasto Moje III ⁽¹⁾	Warsaw	15	6,515	Completed
Panoramika V ⁽¹⁾	Szczecin	5	2,555	Completed
Nova Królikarnia 3b ⁽¹⁾	Warsaw	20	22,601	Completed
Ursus Centralny Ia ⁽¹⁾	Warsaw	137	57,000	Completed
Other (old) projects		6	2,952	Completed
Subtotal completed projects		228	136,109	
Nowe Warzymice I ⁽²⁾	Szczecin	42	14,148	2021
Ursus Centralny IIa ⁽²⁾	Warsaw	237	98,113	2021
Nova Królikarnia 3c ⁽²⁾	Warsaw	19	22,918	2021
Viva Jagodno I ⁽²⁾	Wrocław	103	37,433	2021
Miasto Moje IV ⁽²⁾	Warsaw	149	51,555	2021
Panoramika VI ⁽²⁾	Szczecin	72	21,957	2021
Nova Królikarnia 3a ⁽²⁾	Warsaw	28	34,427	2021
Miasto Moje V ⁽²⁾	Warsaw	97	32,686	2022
Nowe Warzymice II ⁽²⁾	Szczecin	25	7,701	2022
Ursus Centralny Ib ⁽²⁾	Warsaw	74	34,637	2022
Ursus Centralny IIb ⁽²⁾	Warsaw	1	548	2022
Subtotal ongoing projects		847	356,124	
Wilanów Tulip ⁽²⁾⁽³⁾	Warsaw	114	63,242	2021
Subtotal project held by joint venture		114	63,242	
Total		1,189	555,475	

For information on the completed projects see "Business highlights during the three months ended 31 March 2021–A. Results breakdown by project".

(1) For information on current projects under construction and/or on sale, see under "B".

(2) This project is presented in the Interim Condensed Consolidated Financial Statements under Investment in joint ventures; the Company's share in this project is 50%.

Management Board Report

Additional information to the report

Major shareholders

To the best of the Company's knowledge, as at 11 May 2021, the following shareholders are entitled to exercise over 5% of the voting rights at the General Meeting of Shareholders in the Company:

	As of 11 May 2021		As of 31 March 2021		As of 31 December 2020
<i>Shares</i>	Number of shares / % of shares	Change in number of shares	Number of shares / % of shares	Change in number of shares of shares	Number of shares / % of shares
Shares issued:	164 010 813	-	164 010 813	-	164 010 813
I.T.R. Dori B.V. (1)	108 349 187 66.06%	-	108 349 187 66.06%	- N/A	108 349 187 66.06%
Nationale Nederlanden Otwarty Fundusz Emerytalny	23 884 091 14.56%	-	23 884 091 14.56%	4 091 0%	23 880 000 14.56%
Metlife Otworthy Fundusz	N/A	-	N/A	N/A	N/A
Emerytalny	Between 5%-10%	-	Between 5%-10%	N/A	Between 5%-10%

	As of 11 May 2021		As of 31 March 2021		As of 31 December 2020
<i>Votes</i>	Number of shares / % of shares	Change in number of shares ⁽²⁾	Number of shares / % of shares	Change in number of shares	Number of shares / % of shares
Shares issued⁽²⁾:	162 600 297	-	162 600 297	(78 719)	162 521 578
I.T.R. Dori B.V. (1)	108 349 187 66.64%	-	108 349 187 66.64%	- (0.03%)	108 349 187 66.67%
Nationale Nederlanden Otwarty Fundusz Emerytalny	23 884 091 14.69%	-	23 884 091 14.69%	4 091 0.00%	23 880 000 14.69%
Metlife Otworthy Fundusz	N/A	-	N/A	N/A	N/A
Emerytalny	Between 5%-10%	-	Between 5%-10%	N/A	Between 5%-10%

(1) The subsidiaries of A. Luzon Group.

(2) The overall number of votes decreased by the amount of votes resulting from own shares held by the Company, as in accordance with art. 364 § 2 of the Code of Commercial Companies, it does not exercise voting rights from own shares.

The total number of own shares held by the Company as at 31 March 2021 was equal to 1,567,954 shares, which constitute 0.96% of the share capital of the Company and votes at the General Meeting. There were no changes in own shares until the publication date.

Management Board Report

Additional information to the report***Changes in ownership of shares and rights to shares by Management and Supervisory Board members during the three months ended 31 March 2021 and until the date of publication of this report***

Mr Amos Luzon, member of the Supervisory Board, as at 31 December 2020 held 83.83%, while as at 31 March 2021 held 72.25% and at the day preceding the publication of this report held 72.73% of the shares and voting rights in A. Luzon Group (to the best of the company's knowledge, inter alia through A. Luzon Properties and Investments Ltd., a private company owned by Mr Amos Luzon "99%"), and as a result, thus indirectly held a 54.83% of shares in the Company as at 31 December 2020, 47.25% as at 31 March 2021 and 47.57% at the day preceding the publication of this report. Taking into account own shares held by the Company as at 31 December 2020, 31 March 2021 and as at the day preceding the publication of this report, Mr. Amos Luzon indirectly controlled following percentage of votes at those dates: 55.33%, 47.71% and 48.03%, respectively.

Mr Piotr Palenik, member of the Supervisory Board, as at 31 December 2020, 31 March 2021 and at the day preceding the publication of this report held 0.012% of the shares and voting rights in the Company (in total 20 thousand shares). Number of shares owned by the Company did not influence the percentage of votes held by Mr. Piotr Palenik after rounding.

Changes in the Management and Supervisory Board during the three months ended 31 March 2021 and until the date of publication of this report

There were no changes in the Management and Supervisory Board during the three months ended 31 March 2021.

Changes in the Company's group structure

During the three months ended 31 March 2021 there were the following changes in the Company's group structure:

1) Creation of new Companies:

- Ronson Development SPV1 Sp. z o.o.
- Ronson Development SPV2 Sp. z o.o.
- Ronson Development SPV3 Sp. z o.o.
- Ronson Development SPV4 Sp. z o.o.

All the above companies are 100% owned by Ronson Development SE.

The Company's group structure as at 31 March 2021 and 31 December 2020 is presented in the Note 7 to the Interim Condensed Consolidated Financial Statements.

Management Board Report

Additional information to the report

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.

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

The Management Board of Ronson Development SE does not publish any financial forecasts concerning the Group and the Company.

Related parties transactions

There were no transactions and balances with related parties during the three months ended 31 March 2021 other than the remuneration of the Management Board, loans granted to related parties within the Group, the reimbursement of audit review costs and the consulting services agreement with A. Luzon Group, the major (indirect) shareholder, for a total monthly amount of PLN 70 thousand and covering travel and out of pocket expenses. All transactions with related parties were performed based on market conditions.

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 and listed on the Warsaw Stock Exchange, only the semi-annual report is subject to a review. The Company has agreed with A. Luzon Group that the costs for the first and third quarter review will be shared between the Company and its shareholder. The Company considers having its first and third quarter report provided with a review report a benefit to all of its shareholders.

The Company prepared this Interim Financial Report for the three months ended 31 March 2021 in both English and Polish languages, while the Polish version is binding.

Disclosure obligations of controlling shareholder

Please note that A. Luzon Group, the Company's controlling shareholder, is a company listed on the Tel Aviv Stock Exchange with the registered office in Raanana, Israel, and is subject to certain disclosure obligations. Some of the documents published by A. Luzon Group in performance of such obligations, available here: <http://maya.tase.co.il> (some of which are only available in Hebrew), may contain certain information relating to the Company.

Material court cases

There is no proceeding pending before a court, a complement arbitration authority or a public administration authority concerning liabilities or claims of Ronson Development SE or its subsidiaries, the value of which equaled at least 10% of the Company's equity.

Guarantees provided by the Company

During the three months ended 31 March 2021, the Company did not grant any guarantees.

Employees

The average number of personnel employed by the Group – on a fulltime equivalent basis – during the three months ended 31 March 2021 was 73 compared to 73 during the three months ended 31 March 2020. There were no personnel employed in the Company.

Management Board Report

Additional data for 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 consolidated level.

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

PLN/EUR	Exchange rate of Polish Zloty versus Euro			
	Average exchange rate	Minimum exchange rate	Maximum exchange rate	Period end exchange rate
2021 (3 months)	4.547	4.477	4.660	4.660
2020 (3 months)	4.326	4.228	4.604	4.552
2020 (12 months)	4.445	4.228	4.633	4.615

Source: National Bank of Poland ("NBP")

Selected financial data	EUR		PLN	
	(thousands, except per share data)			
	for the 3 months ended 31 March			
	2021	2020	2021	2020
Revenues from management services	217	434	986	1,876
Financial income (Wise majority from loans granted to subsidiaries)	338	376	1,538	1,625
Financial expenses (Wise majority from Interest on bonds)	(599)	(606)	(2,724)	(2,620)
Profit including results from subsidiaries	1,673	6,793	7,608	29,388
Cash flows from/(used in) operating activities	(751)	(114)	(3,414)	(494)
Cash flows from/(used in) investing activities	2,641	(1,156)	12,006	(5,000)
Cash flows from/(used in) financing activities	(2,984)	1,098	(13,568)	4,750
Increase/(decrease) in cash and cash equivalents	(1,094)	(172)	(4,976)	(744)
Average number of equivalent shares (basic)	162,451,847	163,285,842	162,451,847	163,285,842
Net earnings/(loss) per share (basic and diluted)	0.010	0.042	0.047	0.180

Selected financial data	EUR		PLN	
	(thousands)			
	As at			
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Investment in subsidiaries	95,426	94,451	444,713	435,874
Loan granted to subsidiaries	31,698	34,746	147,720	160,347
Total assets	132,326	135,910	616,680	627,199
Long term liabilities	37,451	40,676	174,533	187,712
Short term liabilities	11,768	12,930	54,841	59,670
Equity	83,108	82,304	387,306	379,817

Management Board Report

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 Company 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 three months period ended 31 March 2021 was prepared and approved by the Management Board of the Company on 12 May 2021.

The Management Board

Boaz Haim

President of the Management Board

Yaron Shama

Finance Vicepresident of the Management Board, CFO

Andrzej Gutowski

Vicepresident of the Management Board,
Sales and Marketing Director

Alon Haver

Member of the Management Board

Warsaw, 12 May 2021

Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2021

Interim Condensed Consolidated Statement of Financial Position

<i>In thousands of Polish Zlotys (PLN)</i>	<i>Note</i>	As at 31 March 2021 (Unaudited/Reviewed)	As at 31 December 2020 (Audited)
Assets			
Property and equipment		8,524	8,797
Investment property		8,954	8,956
Intangible fixed assets		41	39
Investment in joint ventures	23	8,614	8,902
Deferred tax assets	16	9,271	9,037
Land designated for development	9	46,900	45,486
Total non-current assets		82,304	81,217
Inventory	9	672,618	664,761
Trade and other receivables and prepayments	10	36,083	37,374
Advances for Land		10,200	3,700
Income tax receivable		294	338
Investment in associates		1,276	1,039
Other current financial assets		22,452	14,239
Cash and cash equivalents		118,528	135,099
Total current assets		861,451	856,550
Total assets		943,755	937,767
Equity			
Share capital		12,503	12,503
Share premium		150,278	157,905
Treasury shares		(1,732)	(1,613)
Retained earnings		226,257	211,022
Total equity		387,306	379,817
Liabilities			
Bond loans	13	170,732	175,382
Deferred tax liability	16	10,516	9,562
Lease liabilities related to perpetual usufruct of investment properties	11	599	590
Total non-current liabilities		181,847	185,534
Trade and other payables and accrued expenses		51,379	58,347
Bond loans	13	52,676	52,625
Other payables - interests accrued on bonds	13	1,423	2,065
Interest bearing deferred trade payables		1,698	8,482
Advances received	17	241,805	224,267
Income tax payable		12,287	11,734
Provisions		711	994
Lease liabilities related to perpetual usufruct of land	11	12,623	13,902
Total current liabilities		374,602	372,416
Total liabilities		556,449	557,950
Total equity and liabilities		943,755	937,767

The notes included on pages 25 to 46 are an integral part of these interim condensed consolidated financial statements

Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2021

Interim Condensed Consolidated Statement of Comprehensive Income

		For the 3 months ended 31 March 2021	For the 3 months ended 31 March 2020
		(Unaudited) / (unreviewed)	(Reviewed) / (unaudited)
<i>PLN (thousands, except per share data and number of shares)</i>	<i>Note</i>		
Revenue from residential projects	18	92,552	166,976
Revenue from sale of services		240	251
Revenue		92,792	167,227
Cost of sales	18	(75,519)	(121,380)
Gross profit		17,273	45,847
Selling and marketing expenses		(1,278)	(1,441)
Administrative expenses		(5,588)	(5,694)
Share of profit/(loss) in joint ventures		(231)	(46)
Other expenses		(808)	(948)
Other income		1,007	523
Result from operating activities		10,376	38,241
Finance income		125	240
Finance expense		(982)	(1,058)
Net finance income/(expense)		(857)	(818)
Profit/(loss) before taxation		9,519	37,423
Income tax benefit/(expense)	15	(1,911)	(8,035)
Profit for the period		7,608	29,388
Other comprehensive income		-	-
Total comprehensive income/(expense) for the period, net of tax		7,608	29,388
Total profit/(loss) for the period attributable to:			
equity holders of the parent		7,608	29,388
Non-controlling interests		-	-
Total profit/(loss) for the period, net of tax		7,608	29,388
Total profit/(loss) for the period attributable to:			
equity holders of the parent		7,608	29,388
Non-controlling interests		-	-
Total comprehensive income/(expense) for the period, net of tax		7,608	29,388
Weighted average number of ordinary shares (basic and diluted)		162,451,847	163,285,842
<i>In Polish Zlotys (PLN)</i>			
Net earnings/(loss) per share attributable to the equity holders of the parent basic		0.047	0.180
Net earnings/(loss) per share attributable to the equity holders of the parent diluted		0.047	0.180

The notes included on pages 25 to 46 are an integral part of these interim condensed consolidated financial statements

Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2021

Interim Condensed Consolidated Statement of Changes in Equity
attributable to the Equity holders of the parent

	<u>Share capital</u>	<u>Share premium</u>	<u>Treasury shares</u>	<u>Retained earnings</u>	<u>Total equity</u>
<i>In thousands of Polish Zlotys (PLN)</i>					
Balance at 1 January 2021	12,503	157,905	(1,613)	211,022	379,817
<i>Comprehensive income:</i>					
Profit for the three months ended 31 March 2021	-	-	-	7,608	7,608
Other comprehensive income	-	-	-	-	-
Total comprehensive income/(expense)	-	-	-	7,608	7,608
Own shares acquired	-	-	(119)	-	(119)
Reclassification of 2019 net result from Share premium to retained earnings	-	(7,627)	-	7,627	-
Balance at 31 March 2021 (Reviewed/ Unaudited)	12,503	150,278	(1,732)	226,257	387,306

	<u>Share capital</u>	<u>Share premium</u>	<u>Treasury shares</u>	<u>Retained earnings</u>	<u>Total equity</u>
<i>In thousands of Polish Zlotys (PLN)</i>					
Balance at 1 January 2020	12,503	150,278	(580)	188,293	350,494
<i>Comprehensive income:</i>					
Profit for the three months ended 31 March 2020	-	-	-	29,388	29,388
Other comprehensive income	-	-	-	-	-
Total comprehensive income/(expense)	-	-	-	29,388	29,388
Repurchase of own shares	-	-	(50)	-	(50)
Dividend	-	-	-	-	-
Balance at 31 March 2020 (Reviewed/ Unaudited)	12,503	150,278	(630)	217,681	379,832

The notes included on pages 25 to 46 are an integral part of these interim condensed consolidated financial statements

Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2021

Interim Condensed Consolidated Statement of Cash Flows

For the three months ended 31 March	2021	2020
<i>In thousands of Polish Zlotys (PLN)</i>	<i>Note</i>	
Cash flows from/(used in) operating activities		
Profit/(loss) for the period	7,608	29,388
Adjustments to reconcile profit for the period to net cash used in operating activities		
Depreciation	273	290
Write-down of inventory	(2,259)	-
Finance expense	982	1,058
Finance income	(125)	(240)
Purchases of land	(29,691)	-
Loss/(profit) on sale of property and equipment	-	(14)
Share of loss /(profit) from joint ventures	184	46
Income tax expense/(benefit)	1,911	8,035
Subtotal	(21,117)	38,563
Decrease/(increase) in inventory and land designated for development	9 22,287	70,853
Acquisition of Nova Królikarnia project	12 -	(5,000)
Decrease/(increase) in advances for land	(1,291)	(3,000)
Decrease/(increase) in trade and other receivables and prepayments	(2,325)	814
Decrease/(increase) in other current financial assets	(8,213)	6,934
Increase/(decrease) in trade and other payables and accrued expenses	(7,126)	(2,242)
Increase/(decrease) in provisions	(279)	(198)
Increase/(decrease) in advances received	17 17,538	(81,706)
Subtotal	(526)	25,018
Interest paid	(2,890)	(2,215)
Interest received	-	149
Income tax received/(paid)	(595)	(595)
Net cash from/(used in) operating activities	(4,011)	22,357
Cash flows from/(used in) investing activities		
Acquisition of property and equipment	-	(70)
Proceeds from sale of property and equipment	-	14
Net cash from/(used in) investing activities	-	(56)
Cash flows (used in)/from financing activities		
Proceeds from bank loans, net of bank charges	-	14,991
Repayment of bank loans	-	(18,645)
Repayment of bond loans	13 (4,848)	(10,000)
Repayment of loans from other	(6,674)	-
Payment of perpetual usufruct rights	(919)	-
Buy-back of shares	(119)	(50)
Net cash from/(used in) financing activities	(12,560)	(13,704)
Net change in cash and cash equivalents	(16,571)	8,597
Cash and cash equivalents at beginning of period	135,099	95,591
Cash and cash equivalents at end of period	118,528	104,188

* Including restricted cash that amounted to PLN 2,018 thousand and PLN 3,461 thousand as 31 March 2021 and as 31 March 2020, respectively

The notes included on pages 25 to 46 are an integral part of these interim condensed consolidated financial statements

Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2021**Notes to the Interim Condensed Consolidated Financial Statements****Note 1 – General and principal activities**

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

The shares of the Company are traded on the Warsaw Stock Exchange since 5 November 2007. According to publicly available information, as at 31 March 2021, 66.06% of the shares are controlled by Amos Luzon Development and Energy Group Ltd. ('A. Luzon Group') and 0.96% of the shares are held by the Company. The remaining 32.98% of the outstanding shares are held by other investors including Nationale Nederlanden Otwarty Fundusz Emerytalny and Metlife Otwarty Fundusz Emerytalny. The number of shares held by the investors is equal to the number of votes, as there are no privileged shares issued by the Company. It shall be noted that as at 31 March 2021, the Company held 1,567,954 own shares (0.96%) and, in accordance with art. 364 § 2 of the Code of Commercial Companies, it does not exercise voting rights from own shares.

The Interim Condensed Consolidated Financial Statements of the Company have been prepared for the three months ended 31 March 2021 and contain comparative data for the three months ended 31 March 2020 and as at 31 December 2020. The Interim Condensed Consolidated Financial Statements of the Company for the three months ended 31 March 2021 with all its comparative data have been reviewed by the Company's external auditors.

As at 31 March 2021, the Groups' market capitalization was below the value of net assets. The Company's Management took appropriate steps to review the accounts in respect if there is any additional impairment required and found no basis for it. The Management verified that the forecast margin potential in respect of the inventory is significantly positive.

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 three months ended 31 March 2021 were authorized for issuance by the Management Board on 12 May 2021 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 2020 prepared in accordance with International Financial Reporting Standards ("IFRS") 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 IFRSs applied by the Group are not different from the IFRSs endorsed by the European Union. IFRSs 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 2020 are available upon request from the Company's registered office at Al. Komisji Edukacji Narodowej 57, Warsaw, Poland or at the Company's website: www.ronson.pl.

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 analyzes on significant changes in financial position and performance of the Company during the three months ended 31 March 2021 are included in the Management Board Report on pages 3 through 20.

Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2021

Notes to the Interim Condensed Consolidated Financial Statements**Note 3 – Summary of significant accounting policies**

Except as described below, the accounting policies applied by the Company 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 2020.

The following standards and amendments became effective as of 1 January 2021:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS4 and IFRS 16 due to IBOR reform;
- Amendments to IFRS4: Implementation of IFRS 9 “Financial instruments”.

The impact of the above amendments and improvements to IFRSs is being analysed by the Management. Based on the first assessment the amendments do not materially impact the annual consolidated financial statements of the Group nor the interim condensed consolidated financial statements of the Groups.

Note 4 – The use of estimates and judgments

The preparation of financial statements in conformity with IFRS 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 2020.

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 consolidated financial statements are presented in thousands of Polish Zloty (“PLN”), which is the Group’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 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.

Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2021

Notes to the Interim Condensed Consolidated Financial Statements

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	Share of ownership & voting rights at the end of	
		31 March 2021	31 December 2020
a. held directly by the Company:			
1 Ronson Development Management Sp. z o.o.	1999	100%	100%
2 Ronson Development Warsaw Sp. z o.o.	2000	100%	100%
3 Ronson Development Investment Sp. z o.o.	2011	100%	100%
4 Ronson Development Metropol Sp. z o.o.	2011	100%	100%
5 Ronson Development Creations Sp. z o.o.	2005	100%	100%
6 Ronson Development Sp. z o.o.	2006	100%	100%
7 Ronson Development Construction Sp. z o.o.	2006	100%	100%
8 City 2015 Sp. z o.o.	2006	100%	100%
9 Ronson Development Village Sp. z o.o. ⁽¹⁾	2007	100%	100%
10 Ronson Development Skyline Sp. z o.o.	2007	100%	100%
11 Ronson Development Universal Sp. z o.o. ⁽¹⁾	2007	100%	100%
12 Ronson Development South Sp. z o.o.	2007	100%	100%
13 Ronson Development Partner 5 Sp. z o.o.	2007	100%	100%
14 Ronson Development Partner 4 Sp. z o.o.	2007	100%	100%
15 Ronson Development North Sp. z o.o.	2007	100%	100%
16 Ronson Development Providence Sp. z o.o.	2007	100%	100%
17 Ronson Development Finco Sp. z o.o.	2009	100%	100%
18 Ronson Development Partner 2 Sp. z o.o.	2009	100%	100%
19 Ronson Development Partner 3 Sp. z o.o.	2012	100%	100%
20 Ronson Development Studzienna Sp. z o.o. (previously: ACG 23 Sp. z o.o.)	2019	100%	100%
21 Ronson Development SPV1 Sp. z o.o. ⁽²⁾	2021	100%	n/a
22 Ronson Development SPV2 Sp. z o.o. ⁽²⁾	2021	100%	n/a
23 Ronson Development SPV3 Sp. z o.o. ⁽²⁾	2021	100%	n/a
24 Ronson Development SPV4 Sp. z o.o. ⁽²⁾	2021	100%	n/a
b. held indirectly by the Company :			
25 Nova Królikarnia B.V. (Company with the registered office in the Netherlands)	2016	100%	100%
26 AGRT Sp. z o.o.	2007	100%	100%
27 Ronson Development Partner 4 Sp. z o.o. – Panoramika Sp.k.	2007	100%	100%
28 Ronson Development Sp. z o.o. - Estate Sp.k.	2007	100%	100%
29 Ronson Development Sp. z o.o. - Home Sp.k.	2007	100%	100%
30 Ronson Development Sp. z o.o. - Horizon Sp.k.	2007	100%	100%
31 Ronson Development Partner 3 Sp. z o.o. - Sakura Sp.k.	2007	100%	100%
32 Ronson Development Partner 3 sp. z o.o. – Viva Jagodno sp. k.	2009	100%	100%
33 Ronson Development Sp. z o.o. - Apartments 2011 Sp.k.	2009	100%	100%
34 Ronson Development Sp. z o.o. - Idea Sp.k.	2009	100%	100%
35 Ronson Development Partner 2 Sp. z o.o. – Destiny 2011 Sp.k.	2009	100%	100%
36 Ronson Development Partner 2 Sp. z o.o. - Enterprise 2011 Sp.k.	2009	100%	100%
37 Ronson Development Partner 2 Sp. z o.o. - Retreat 2011 Sp.k.	2009	100%	100%
38 Ronson Development Partner 5 Sp. z o.o - Vitalia Sp.k.	2009	100%	100%
39 Ronson Development Sp. z o.o. - 2011 Sp.k.	2009	100%	100%
40 Ronson Development Sp. z o.o. - Gemini 2 Sp.k.	2009	100%	100%

Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2021

Notes to the Interim Condensed Consolidated Financial Statements

Note 7 – Composition of the Group

Entity name		Year of incorporation	Share of ownership & voting rights at the end of	
			31 March 2021	31 December 2020
b.	held indirectly by the Company :			
41	Ronson Development Sp. z o.o. - Verdis Sp.k.	2009	100%	100%
42	Ronson Espresso Sp. z o.o.	2006	100%	100%
43	Retreat Sp. z o.o.	2010	100%	100%
44	Ronson Development Nautica 2010 Sp. z o.o.	2010	100%	100%
45	Ronson Development Sp. z o.o. - Naturalis Sp.k.	2011	100%	100%
46	Ronson Development Sp. z o.o. - Impressio Sp.k.	2011	100%	100%
47	Ronson Development Partner 3 Sp. z o.o.- Nowe Warzymice Sp. k	2011	100%	100%
48	Ronson Development Sp. z o.o. - Providence 2011 Sp.k.	2011	100%	100%
49	Ronson Development Partner 2 Sp. z o.o. - Capital 2011 Sp. k.	2011	100%	100%
50	Ronson Development Partner 5 Sp. z o.o. - Miasto Marina Sp.k.	2011	100%	100%
51	Ronson Development Partner 5 Sp. z o.o. - City 1 Sp.k.	2012	100%	100%
52	Ronson Development Partner 2 Sp. z o.o. - Miasto Moje Sp. k.	2012	100%	100%
53	Ronson Development sp. z o.o. – Ursus Centralny Sp. k.	2012	100%	100%
54	Ronson Development Sp. z o.o. - City 4 Sp.k.	2016	100%	100%
55	Ronson Development Partner 2 Sp. z o.o. – Grunwald Sp.k.	2016	100%	100%
56	Ronson Development Sp. z o.o. Grunwaldzka” Sp.k.	2016	100%	100%
57	Ronson Development Sp. z o.o. - Projekt 3 Sp.k.	2016	100%	100%
58	Ronson Development Sp. z o.o. - Projekt 4 Sp.k.	2017	100%	100%
59	Ronson Development Sp. z o.o. - Projekt 5 Sp.k.	2017	100%	100%
60	Ronson Development Sp. z o.o. - Projekt 6 Sp.k.	2017	100%	100%
61	Ronson Development Sp. z o.o. - Projekt 7 Sp.k.	2017	100%	100%
62	Ronson Development Sp. z o.o. - Projekt 8 Sp.k.	2017	100%	100%
63	Bolzanus Limited (Company with the registered office in Cyprus)	2013	100%	100%
64	Park Development Properties Sp. z o.o. - Town Sp.k.	2007	100%	100%
65	Tras 2016 Sp. z o.o.	2011	100%	100%
66	Park Development Properties Sp. z o.o.	2011	100%	100%
67	Jasminova 2016 Sp. z o.o.	2016	100%	100%
68	Town 2016 Sp. z o.o.	2016	100%	100%
69	Enterprise 2016 Sp. z o.o.	2016	100%	100%
70	Wrocław 2016 Sp. z o.o.	2016	100%	100%
71	Darwen Sp. z o.o.	2017	100%	100%
72	Truro Sp. z o.o.	2017	100%	100%
73	Tregaron Sp. z o.o.	2017	100%	100%
74	Totton Sp. z o.o.	2017	100%	100%
75	Tring Sp. z o.o.	2017	100%	100%
76	Thame Sp. z o.o.	2017	100%	100%
77	Troon Sp. z o.o.	2017	100%	100%
78	Tywyn Sp. z o.o.	2018	100%	100%
c.	other which are not subject to consolidation:			
79	Coralchief sp. z o.o.	2018	50%	50%
80	Coralchief sp. z o.o. - Projekt 1 sp. k.	2016	n/a	n/a
81	Ronson IS sp. z o.o.	2009	50%	50%
82	Ronson IS sp. z o.o. sp. k.	2012	n/a	n/a

(1) The Company has the power to govern the financial and operating policies of this entity and to obtain benefits from its activities, whereas Kancelaria Radcy Prawnego Jarosław Zubrzycki holds the legal title to the shares of this entity.

(2) Companies created and registered in KRS in first quarter of 2021

Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2021

Notes to the Interim Condensed Consolidated Financial Statements

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 activity (development of apartments, development of houses). Moreover, for two 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 has been no changes in the basis of segmentation or in the basis of measurement of segment profit or loss from the last annual financial statements.

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 unallocated cash and cash equivalents and income tax assets. Unallocated liabilities comprise mainly income tax liabilities and Bond loans. The unallocated result (loss) comprises mainly head office expenses.

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

In thousands of Polish Zlotys (PLN)

	As at 31 March 2021												IFRS adjustments	Total
	Warsaw				Poznań		Wroclaw		Szczecin		Unallocated			
	Apartments	Houses	Joint venture	Rental	Apartments	Houses	Apartments	Houses	Apartments	Houses				
Segment assets	554,614	114,349	65,035	9,743	33,642	-	64,645	-	82,108	-	-	(55,145)	868,990	
Unallocated assets	-	-	-	-	-	-	-	-	-	-	74,765	-	74,765	
Total assets	554,614	114,349	65,035	9,743	33,642	-	64,645	-	82,108	-	74,765	(55,145)	943,755	
Segment liabilities	262,028	11,490	57,414	795	1,281	-	23,472	-	18,135	-	-	(57,414)	317,200	
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	239,249	-	239,249	
Total liabilities	262,028	11,490	57,414	795	1,281	-	23,472	-	18,135	-	239,249	(57,414)	556,449	

In thousands of Polish Zlotys (PLN)

As at 31 December 2020														
	Warsaw				Poznań		Wrocław		Szczecin		Unallocated	IFRS adjustments	Total	
	Apartments	Houses	Joint venture	Rental	Apartments	Houses	Apartments	Houses	Apartments	Houses				
Segment assets	417,474	224,241	57,143	9,797	39,602	-	86,106	-	72,486	-	-	(47,202)	859,648	
Unallocated assets	-	-	-	-	-	-	-	-	-	-	78,119	-	78,119	
Total assets	417,474	224,241	57,143	9,797	39,602	-	86,106	-	72,486	-	78,119	(47,202)	937,767	
Segment liabilities	187,191	64,058	48,937	1,552	5,601	-	45,123	-	11,047	-	-	(48,937)	314,572	
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	243,378	-	243,378	
Total liabilities	187,191	64,058	48,937	1,552	5,601	-	45,123	-	11,047	-	243,378	(48,937)	557,950	

Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2021

Notes to the Interim Condensed Consolidated Financial Statements

Note 8 - Segment reporting

In thousands of Polish
Zlotys (PLN)

	For the period ended 31 March 2021												Total
	Warsaw				Poznań		Wrocław		Szczecin		Unallocated	IFRS adjustments	
	Apartments	Houses	Joint venture	Rental	Apartments	Houses	Apartments	Houses	Apartments	Houses			
Revenue from external services	34,411	9,087	25	197	9,135	-	37,419	-	2,542	-	-	(25)	92,792
Segment result	5,078	1,207	(205)	(59)	3,072	-	6,110	-	587	-	-	205	15,996
Unallocated result	-	-	-	-	-	-	-	-	-	-	(5,620)	-	(5,620)
Result from operating activities	5,078	1,207	(205)	(59)	3,072	-	6,110	-	587	-	(5,620)	205	10,376
Net finance income/ (expenses)	5	(27)	47	111	0	-	(28)	-	(72)	-	(844)	(47)	(857)
Profit/(loss) before taxation	5,083	1,179	(158)	52	3,072	-	6,082	-	514	-	(6,464)	158	9,519
Income tax expense													(1,911)
Profit/(loss) for the period													7,608
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-

In thousands of Polish Zlotys (PLN)

	For the three months ended 31 March 2020												Total
	Warsaw				Poznań		Wrocław		Szczecin		Unallocated	IFRS adjustments	
	Apartments	Houses	Joint venture	Rental	Apartments	Houses	Apartments	Houses	Apartments	Houses			
Revenue ⁽¹⁾	121,840	1,400	1,666	200	12	-	21,246	-	22,529	-	-	(1,666)	167,227
Segment result	43,560	184	199	431	118	-	(422)	-	(31)	-	-	(245)	43,794
Unallocated result	-	-	-	-	-	-	-	-	-	-	(5,553)	-	(5,553)
Result from operating activities	43,560	184	199	431	118	-	(422)	-	(31)	-	(5,553)	(245)	38,241
Net finance income/ (expenses)	(85)	(9)	(131)	(9)	(12)	-	(13)	-	-	-	(690)	131	(818)
Profit/(loss) before tax	43,475	175	68	422	106	-	(435)	-	(31)	-	(6,243)	(114)	37,423
Income tax expenses													(8,035)
Profit/(loss) for the period													29,388
Capital expenditure	-	-	-	-	-	-	-	-	-	-	70	-	70

(1) Revenue is recognized when the performance obligations are satisfied and when the customer obtains control of the good, i.e. upon signing of the protocol of technical acceptance and the transfer of the key of the residential unit to the buyer and total payment obtained.

Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2021**Notes to the Interim Condensed Consolidated Financial Statements****Note 9 – Inventory and Residential landbank***Inventory*

Movements in Inventory during the three months ended 31 March 2021 were as follows:

<i>In thousands of Polish Zlotys (PLN)</i>	As at 31 December 2020		Transferred to finished units	Additions	As at 31 March 2021
Land and related expense	294,430	-	(18,484)	30,933	306,879
Construction costs	194,539	-	(83,442)	48,134	159,231
Planning and permits	16,760	-	(2,011)	746	15,495
Borrowing costs ⁽¹⁾	34,844	-	(2,333)	1,909	34,420
Borrowing costs on lease and depreciation perpetual usufruct right	2,758	-	(127)	259	2,890
Other	3,839	-	(886)	2,015	4,968
Work in progress	547,170	-	(107,284)	83,996	523,883

<i>In thousands of Polish Zlotys (PLN)</i>	As at 31 December 2020		Transferred from work in progress	Recognized in the statement of comprehensive income	As at 31 March 2021
Finished goods	109,419	-	107,284	(76,821)	139,882

**Revaluation write-down recognized in
statement of comprehensive income**

<i>In thousands of Polish Zlotys (PLN)</i>	As at 31 December 2020		Increase	Utilization	As at 31 March 2021
Write-down	(5,503)	-	-	1,171	(4,332)

<i>In thousands of Polish Zlotys (PLN)</i>	As at 31 December 2020	Recalculation adjustment	Depreciation	Transfer to Other receivables	As at 31 March 2021
Perpetual usufruct right	13,675	32	(45)	(477)	13,184
Inventory, valued at lower of - cost and net realisable value	664,761	-			672,618

(1) Borrowing costs are capitalized to the value of inventory with 3.97% average effective capitalization interest rate.

(2) For additional information see note 11.

Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2021**Notes to the Interim Condensed Consolidated Financial Statements****Note 9 – Inventory and Residential landbank***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:

	For the 3 months ended 31 March 2021	For the year ended 31 December 2020
<i>In thousands of Polish Zloty (PLN)</i>		
Opening balance	45,486	44,321
Reclassified from inventory	-	31,920
Moved to inventory	-	(28,750)
Write-down adjustment	1,414	(2,005)
Total closing balance	46,900	45,486
Closing balance includes:		
Book value	50,043	50,043
Write-down	(3,142)	(4,557)
Total Closing balance	46,900	45,486

Note 10 - Trade and other receivables and prepayments

	As at 31 March 2021	As at 31 December 2020
<i>In thousands of Polish Zlotys (PLN)</i>		
Value added tax (VAT) receivables	15,336	12,748
Trade and other receivables	7,959	8,649
Trade and other receivables - IFRS 16	1,377	1,377
Bid bond	1,437	1,437
Notary's deposit	2,725	6,765
Prepayments ⁽¹⁾	7,249	6,398
Total trade and other receivables and prepayments	36,083	37,374

(1) The capitalized costs relating to obtaining the contracts have been presented in this line and amounted to PLN 3.4 m for the 3 months ended 31 March 2021 year and PLN 3.7 m for the year ended 31 December 2020.

Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2021**Notes to the Interim Condensed Consolidated Financial Statements****Note 11 – IFRS 16**

The movement on the right of use assets and lease liabilities during the period ended 31 March 2021 is presented below:

<i>In thousands of Polish Zlotys (PLN)</i>	1 January 2021	New acquisitions	Depreciation charge	Fair value adjustment	Recalculation adjustment	Completion of projects	31 March 2021
Right of use assets related to inventory	13,675	-	(45)	-	32	(477)	13,184
Right of use assets related to investment property	553	-	(2)	-	-	n.a	551

<i>In thousands of Polish Zlotys (PLN)</i>	1 January 2021	New acquisitions	Finance expense	Payments	Recalculation adjustment	Completion of projects	31 March 2021
Lease liabilities related to inventory	13,902	-	214	(919)	(90)	(484)	12,623
Lease liabilities related to investment property	590	-	9	-	-	n.a	599

The movement on the right of use assets and lease liabilities during the period ended 31 December 2020 is presented below:

<i>In thousands of Polish Zlotys (PLN)</i>	1 January 2020	Depreciation charge	Fair value adjustment	Recalculation adjustment	Transfer to trade receivables	31 December 2020
Right of use assets related to inventory	23,120	(268)	-	-	(9,177)	13,675
Right of use assets related to investment property	553	n.a	-	-	n.a	553

<i>In thousands of Polish Zlotys (PLN)</i>	1 January 2020	Finance expense	Payments	Recalculation adjustment	Transfer to trade payables	31 December 2020
Lease liabilities related to inventory	23,549	912	(1,268)	-	(9,291)	13,902
Lease liabilities related to investment property	552	37	-	-	n.a	590

Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2021**Notes to the Interim Condensed Consolidated Financial Statements****Note 12 – Acquisition of Nova Królikarnia**

During the year 2019, the Company (via its subsidiary) exercised first and second call option under the Call Option Agreements for the total price of PLN 33.9 million and PLN 35.1 million, respectively. Additionally On 9 April 2020, the Company (via its subsidiary) exercised that last (third) call option under the Call Option Agreement in total amount of PLN 9.9 million. All payments concerning realization of all three call options were made according to the abovementioned schedule. As at 31 December 2020 all payables related to Acquisition of Nova Królikarnia Project were reduced to nil. For more information about the transaction and its details please refer to Note 5 in the Consolidated Annual Financial Statements ended 31 December 2020.

Note 13 – Bond loans

The table below presents the movement in Bond loans during the three months ended 31 March 2021 and during the year ended 31 December 2020 as well as the Current and Non-currents balances as at the end of respective periods:

	For the year ended 31 March 2021	For the year ended 31 December 2020
	(Reviewed/ Unaudited)	(Audited)
<i>In thousands of Polish Zloty (PLN)</i>		
Opening balance	230,072	187,969
Repayment of bond loans	(4,848)	(57,141)
Proceeds from bond loans	-	100,000
Issue cost	-	(1,636)
Issue cost amortization	248	783
Accrued interest	2,248	8,429
Interest repayment	(2,890)	(8,331)
Total closing balance	224,831	230,072
Closing balance includes:		
Current liabilities	54,099	54,690
Non-current liabilities	170,732	175,382
Total Closing balance	224,831	230,072

During the three months ended 31 March 2021 the Company did not issue any bonds loans.

On 1 February 2021, the Company repaid 15% of outstanding series U bonds with value of PLN 4,848 thousand. After this repayment, the nominal value was set as PLN 850 per bond and the total amount of outstanding series U bonds amounted to PLN 27,469 thousand.

Borrowings and bonds as at 31 March 2021:

<i>In thousands of Polish Zlotys (PLN)</i>	Currency	Nominal interest rate	Year of maturity	Capital	Accrued interest	Charges and fees	Carrying value
Bonds loans series R	PLN	Wibor + 2.85%	2021	47,859	517	(30)	48,346
Bonds loans series T	PLN	Wibor + 3.50%	2022	50,000	739	(190)	50,549
Bonds loans series U ⁽¹⁾	PLN	Wibor + 3.50%	2023	27,469	167	(295)	27,341
Bonds loans series V ⁽²⁾	PLN	Wibor + 4.30%	2024	100,000	-	(1,405)	98,595
Total				225,328	1,423	(1,920)	224,831

1) The series U bonds are subject to mandatory depreciation at the end of the 6th interest period (and 31 January 2022, respectively) by reducing the nominal value of each Bond each time in the amount of PLN 150 for each bond.

2) The series V bonds are subject to repayment in 2 tranches 40% (PLN 40 million) of the amount together with accumulated interest to be repaid by October 2023 and the remaining amount of 60% (PLN 60 million) together with accumulated interest to be paid by April 2024.

Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2021**Notes to the Interim Condensed Consolidated Financial Statements****Note 13 – Bond loans****Borrowings and bonds as at 31 December 2020:**

<i>In thousands of Polish Zlotys (PLN)</i>	Currency	Nominal interest rate	Year of maturity	Capital	Accrued interest	Charges and fees	Carrying value
Bonds loans series R	PLN	Wibor + 2.85%	2021	47,859	151	(81)	47,929
Bonds loans series T	PLN	Wibor + 3.50%	2022	50,000	277	(233)	50,045
Bonds loans series U ⁽¹⁾	PLN	Wibor + 3.50%	2023	32,317	512	(334)	32,495
Bonds loans series V ⁽²⁾	PLN	Wibor + 4.30%	2024	100,000	1,124	(1,521)	99,604
Total				230,176	2,065	(2,168)	230,072

1) The series U bonds are subject to mandatory depreciation at the end of the 4th and the 6th interest period (on 31 January 2021 and 31 January 2022, respectively) by reducing the nominal value of each Bond each time in the amount of PLN 150 for each bond.

2) The series V bonds are subject to repayment in 2 tranches 40% (PLN 40 million) of the amount together with accumulated interest to be repaid by October 2023 and the remaining amount of 60% (PLN 60 million) together with accumulated interest to be paid by April 2024.

The series V and T bonds are not secured. The series R bonds are secured with a joint mortgage established by the subsidiaries of the Company up to PLN 75,000 thousand (the ratio must be higher than 125% pledged assets to secured bonds). The series U bonds should be secured with a joint mortgage of up to PLN 48,476 thousand (the ratio must be higher than 150% pledged assets to secured bonds).

As at 31 March 2021 and as at 31 December 2020 the Company did not breach any bonds loan covenants, which will expose the Company for risk of obligatory and immediate repayment of any loan.

Financial ratio covenants for series R:

Based on the conditions of bonds R in each reporting period the Company shall test the ratio of Net debt to Equity (hereinafter “Net Indebtedness Ratio”). The Ratio shall not exceed 80% on the Check Date.

The table presenting the Net Indebtedness Ratio as at the end of the Reporting period and as at 31 December 2020:

	As at 31 March 2021	As at 31 December 2020
<i>In thousands of Polish Zlotys (PLN)</i>		
Loans and borrowings	224,831	230,072
Guarantees	-	-
Interest bearing liabilities	1,698	8,482
Less cash on individual escrow accounts ⁽¹⁾	(22,452)	(14,239)
Less Cash and cash equivalents	(118,528)	(135,099)
Net Debt	85,549	89,216
Equity	387,306	379,817
Ratio	22.1%	23.5%
Max Ratio	80.0%	80.0%

1) Base on the bonds covenants for calculation of net debt to equity the amount that shall be taken for calculating the % related to amounts in escrow account shall not be higher than PLN 40 million.

Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2021**Notes to the Interim Condensed Consolidated Financial Statements****Note 13 – Bond loans***Financial ratio covenants for series T, U, V:*

Based on the conditions of bonds T, U and V in each reporting period the Company shall test the ratio of Net debt to Equity (hereinafter “Net Indebtedness Ratio”). The Ratio shall not exceed 80% on the Check Date.

The table presenting the Net Indebtedness Ratio as at the end of the Reporting period:

	As at 31 March 2021	As at 31 December 2020
<i>In thousands of Polish Zlotys (PLN)</i>		
Loans and borrowings	224,831	230,072
Guarantees	-	-
Interest bearing liabilities	1,698	8,482
Less cash on individual escrow accounts	(22,452)	(14,239)
Less Cash and cash equivalents	(118,528)	(135,099)
Net Debt	85,549	89,216
Equity	387,306	379,817
Ratio	22.1%	23.5%
Max Ratio	80.0%	80.0%

Other covenants:

Based on the conditions of bonds R, T, U and V transactions with related-parties (shareholders holding more than 25% of the shares in the Company “within the meaning of IAS 24” or with related parties “including with entities controlling the Company whether jointly or individually, whether directly or indirectly or with their subsidiaries which are not members of the Group) shall not exceed the aggregate amount of PLN 1.0 million during any given calendar year. During the three months ended 31 March 2021, the consulting fees related to A. Luzon Group amounted to PLN 210 thousand.

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 (including, in order to ensure consistency of those calculations, for the purpose of calculation of Inventory for the purpose of Net Debt to Inventory Ratio under T&C of bonds S).

For additional information about IFRS 16 see Note 11.

Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2021**Notes to the Interim Condensed Consolidated Financial Statements****Note 14 – Bank loans**

As at 31 March 2021 and 31 December 2020 there were no used credit lines and bank loans by the Group.

On 30 March 2021 the Company signed agreements for bank loans for Miasto Moje V project in amount up to PLN 35.3 million and for Ursus Centralny Ib in amount up to PLN 26.7 million. As at 31 March 2021 and as at 31 December 2020 the Company did not utilized any amounts from abovementioned loans.

For additional information about unutilized credit loans see Note 20.

Note 15 – Income tax

For the period ended	3 months ended	3 months ended
<i>In thousands of Polish Zlotys (PLN)</i>	31 March 2021	31 March 2020
Current tax expense		
Current period	1,355	252
Taxes in respect of previous periods	(163)	-
Total current tax expense	1,191	252
Deferred tax expense		
Origination and reversal of temporary differences	3,104	10,458
Tax losses utilized/(recognized)	(2,384)	(2,675)
Total deferred tax (benefit)/expense	720	7,783
Total income tax expense	1,911	8,035

Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2021**Notes to the Interim Condensed Consolidated Financial Statements****Note 16 – Deferred tax assets and liabilities**

Movements in Deferred tax assets and liabilities during the three months ended 31 March 2021 were as follows:

<i>In thousands of Polish Zlotys (PLN)</i>	Opening balance 1 January 2021	Recognized in the statement of comprehensive income	Closing balance 31 March 2021
Deferred tax assets			
Tax loss carry forward	3,491	2,384	5,875
Accrued interest	4,560	(2,362)	2,198
Accrued expense	719	38	757
Write-down on work in progress	1,602	254	1,856
Other*	3,668	-	3,668
Total deferred tax assets	14,040	314	14,354
Deferred tax liabilities			
Difference between tax and accounting revenue recognition	4,212	694	4,906
Difference between tax base and carrying value of capitalized finance costs on inventory	8,573	(504)	8,069
Accrued interest	166	22	188
Fair value gain on investment property	1,031	-	1,031
Other	582	822	1,404
Total deferred tax liabilities	14,564	1,034	15,598
Total deferred tax benefit (see Note 15)		720	
Deferred tax assets	14,040		14,354
Deferred tax liabilities	14,564		15,598
Offset of deferred tax assets and liabilities for individual companies	(5,003)		(5,083)
Deferred tax assets reported in the statement of financial position	9,037		9,271
Deferred tax liabilities reported in the statement of financial position	9,562		10,516

* Including deferred tax asset from contributions.

Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2021**Notes to the Interim Condensed Consolidated Financial Statements****Note 17 – Advances received**

Payments from customers on account of the purchase of apartments and parking spaces are recorded as deferred income until the time that they are delivered to the buyer and are recognised 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).

<i>In thousands of Polish Zlotys (PLN)</i>	As at 31 March 2021	As at 31 December 2020
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	219,645	254,970
- increase (advances received)	110,190	364,932
- decrease (revenue recognized)	(92,552)	(400,256)
Total advances received	237,283	219,645
Other (deferred income)*	4,522	4,622
Total	241,805	224,267

* deferred income due to issued invoices for delivered apartments but not fully paid as at 31 December 2020 and 31 March 2021.

Note 18 - Sales revenue and cost of sales

For the 3 months ended 31 March	2021	2020
<i>In thousands of Polish Zlotys (PLN)</i>	(Unaudited) / (unreviewed)	(Unaudited) / (unreviewed)
Sales revenue		
Revenue from residential projects	92,552	166,976
Revenue from sale of services	240	251
Total sales revenue	92,792	167,227
Cost of sales		
Cost of finished goods sold	(77,719)	(121,380)
Inventory write down/ net reversal to the net realisable value	2,200	-
Total cost of sales	(75,519)	(121,380)
Gross profit on sales	17,273	45,847
Gross profit on sales %	19%	27%

Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2021**Notes to the Interim Condensed Consolidated Financial Statements****Note 19 – Impairment losses and provisions**

During the three months ended 31 March 2021, as a result of Net Realizable Value (NRV) analyses and reviews, a write-down adjustment for some of the Company's inventory was reversed in the amount of 2,604 thousand, while for some other Company's residential landbank the impairment was made in the amount of PLN 18.4 thousand. During three months ended 31 March 2020 there were no reversal, neither creation of the impairment on inventory.

Note 20 – 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:

<i>In thousands of Polish Zlotys (PLN)</i>	Commitments			
	Contracted amount as at 31 March 2021	As at 31 March 2021 (Reviewed/ Unaudited)	Contracted amount as at 31 December 2020	As at 31 December 2020 (Audited)
Karmar S.A.	139,855	87,634	116,351	48,297
Hochtief polska S.A.	-	-	105,857	37
Mostostal Warszawa S.A.	16,700	8,657	37,636	11,478
Danya Cebus Poland Sp. z o.o.	96,011	58,702	130,211	77,254
Glif Sp. z o. o.	-	-	11,515	1,643
EBUD - Przemysłówka Sp. z o.o.	25,362	11,506	13,008	1,945
Erbud S.A.	27,457	1,202	27,457	3,300
Total	305,386	167,701	442,035	143,954

(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 loan agreements with the banks in order to secure financing of the construction and other outstanding costs of the ongoing projects. The amounts presented in the table below include the unutilized part of the construction loans available to the Group:

<i>In thousands of Polish Zlotys (PLN)</i>	As at 31 March 2021	As at 31 December 2020
Nova Królikarnia 2C (Wrocław 2016)	-	20,725
Miasto Moje V	35,300	-
Ursus Centralny 1b	26,700	-
Total excluding JV	62,000	20,725
Wilanów Tulip	19,748	28,324
Total including JV	81,748	49,049

Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2021**Notes to the Interim Condensed Consolidated Financial Statements****Note 20 – Commitments and contingencies***(iv) Contracted proceeds not yet received:*

The table below presents amounts to be received from the customers having bought apartments from the Group and which are based on the value of the sale and purchase agreements signed with the clients until 31 March 2021 after deduction of payments received at the reporting date (such payments being presented in the Interim Consolidated Statement of Financial Position as Advances received):

<i>In thousands of Polish Zlotys (PLN)</i>	As at 31 March 2021 (Reviewed/Unaudited)	As at 31 December 2020 (Audited)
Panoramika V	1,392	874
Panoramika VI	15,613	10,814
Vitalia III	6,534	9,809
Grunwald2	5,645	5,979
Miasto Moje I & II	-	27
Miasto Moje III	4,253	3,230
Miasto Moje IV	27,966	22,694
Miasto Moje V	27,817	13,870
Ursus Centralny Ia	7,556	14,509
Ursus Centralny IIa	55,622	50,569
Ursus Centralny Ib	29,995	13,059
Ursus Centralny IIb	548	-
Miasto Marina	-	620
City Link III	7,946	6,371
Nowe Warzymice I	8,657	6,787
Nowe Warzymice II	6,767	-
Nova Królikarnia 2c	8,035	9,577
Nova Królikarnia 3b	1,971	5,992
Nova Królikarnia 3a	9,387	8,097
Nova Królikarnia 3c	7,090	10,426
Viva Jagodno I	22,801	14,786
Other (old) projects	3,279	3,126
Total	258,877	211,215

Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2021**Notes to the Interim Condensed Consolidated Financial Statements****Note 21 – Risk management**

The Company's and the Group's business activities are significantly affected by global developments, and in particular by their impact on the Polish economy as well as due to the COVID 19 effect on the Polish market. The most important macroeconomic factors are the level of development of the Polish economy, the level of interest rates in Poland, the performance of banks and their ability to provide financing to developers and their customers as well as the ability of other financial institutions to invest in corporate bonds.

In terms of risks specific for the sector, in which the Group operates, a potential increase in construction costs and the challenge of securing lands for reasonable prices and the significant impact of increased costs and land prices on the margins of new phases and projects, a prolongation of administrative procedures and an increasing competition in the market are considered to be the most significant uncertainties for the financial period ending 31 March 2021.

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, raw material cost increase, shortage of qualified workforce, increase in labor costs and delay in obtaining the necessary permits to start construction. The Interim Condensed Consolidated Financial Statements do not include all risk management information and disclosures related to the above subject 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 2020 (Note 37). There have been no changes in the risk management measurements performed by the Company since year end.

(i) Financial risk factors

The Group's activities expose it to a variety of financial risks such as credit risk and liquidity risk. The Interim Condensed Consolidated Financial Statements 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 2020 (Note 37). There have been no changes in the risk management measurements performed by the Company since year end or in any risk management policies.

(ii) Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash outflows for financial liabilities, except for the assumption of new loans and redemption of existing loans during the three months ended 31 March 2021 as described in Notes 13 and 14.

(iii) Fair value estimation

The Investment property is valued at fair value determined by an independent appraiser.

During the three months ended 31 March 2021 there were no significant changes in the business or economic circumstances that affect the fair value of the group's financial assets, investment property and financial liabilities.

(iv) Interest rate risk

The Group did not enter into any fixed-rate borrowings transaction except the deferred trade payables. The Group's variable-rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not exposed to interest rate risk.

Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2021**Notes to the Interim Condensed Consolidated Financial Statements****Note 21 – Risk management***Covid 19*

In spite the fact that the Company managed its operational activity during the year 2020 and the beginning of 2021 without significant effect of the Covid 19 outbreak, the Company believes that the pandemic is still effecting the Polish market and will continue effecting it for quite some time.

As a result The Management Board will continue monitoring the situation on an on-going basis, and adopt further actions, if necessary, in order to reduce as much as it is possible the effect of the COVID-19 on the company operations and strategy. There have been no changes in the risk management measurments performed by the Company since year end for further understanding the risk factors identified by the Company related to COVID 19, please refer to the Group's Annual Consolidated Financial Statements for the year ended 31 December 2020 (Note 36 and Note 40).

Note 22 – Related party transactions

There were no transactions and balances with related parties during the three months ended 31 March 2021 other than described below, remuneration of Management Board, loans granted to related parties, the reimbursement of audit review costs and an consulting agreement with major (indirect) shareholder, A. Luzon Group, for total monthly amount of PLN 70 thousand and covering travels and out of pocket expenses incurred in connection with rendering services.

All these transactions were already disclosed in the Group's Consolidated Financial Statements for the year ended 31 December 2020.

Note 23 – Investment in joint ventures*Share of profit/(loss) of joint venture*

<i>In thousands of Polish Zlotys (PLN)</i>	As at 31 March 2021	As at 31 December 2020
Loans granted	11,746	11,634
Share in net equity value of joint ventures	(1,856)	(1,693)
The Company's carrying amount of the investment	9,890	9,941
Presented as Loans granted to joint ventures (current assets)	(1,276)	(1,039)
Investment in joint ventures	8,614	8,902

Share of profit/(loss) from joint ventures comprise the Company'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, 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.

Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2021**Notes to the Interim Condensed Consolidated Financial Statements****Note 23 – Investment in joint ventures***Loans granted to joint venture*

<i>In thousands of Polish Zlotys (PLN)</i>	As at 31 March 2021	As at 31 December 2020
Opening balance	11,634	13,166
Loans granted	-	1,126
Loans repaid	-	(3,107)
Accrued interest	112	595
Interest paid		(146)
Total closing balance	11,746	11,634
Offset of the negative result from joint venture during the period		-
Total closing balance	11,746	11,634

As at 31 March 2021, from the total amount of loans granted to joint ventures (amounting in total to PLN 11,746 thousand) loans in the aggregate amount of PLN 1,276 thousand are maturing no later than 31 March 2022. The short term loans granted to joint ventures cannot be regarded as a part of the investment in joint ventures and are presented in the Interim Condensed Consolidated Statement of the Financial Statement under current assets as Loans granted to joint ventures. The loans granted to joint venture were bear a variable rate of WIBOR 3M plus 4% margin.

Note 24 – Other events during the period*Commencements of new projects in three months ended 31 March 2021*

Project name	Location	Number of units	Area of units (m²)
Ursus Centralny IIb	Warsaw	206	11,500
Viva Jagodno IIa	Wrocław	154	8,600
Total		360	20,100

Completions of projects in three months ended 31 March 2021

Project name	Location	Occupancy permit date	Number of units	Area of units (m²)
Nova Królikarnia 3b	Warsaw	16 February 2021	23	2,270
Vitalia III	Wrocław	2 March 2021	81	6,790
Ursus Ia	Warsaw	23 March 2021	138	7,542
Total			242	16,602

Purchase of land

On 27 January 2021 the Company (via its subsidiary) entered into preliminary agreement concerning the purchase of the perpetual usufruct right of a plot of land located in Warsaw, Ursus district. The price of the Property was established at PLN 1,500 net per PUM however not higher than PLN 150 million. According to initial evaluation it shall be feasible to construct on the Property a complex of multi-family residential buildings with underground car parks, commercial areas on the ground floors and the necessary infrastructure with a total area of 100 thousand m². The conclusion of the final agreement will take place only upon fulfillment of conditions precedent, including conducting by the Company satisfactory due diligence process of the Property and after such a change in the purpose and permitted use of the Property to enable the development project to be carried out on it, as described above. The parties also reserved the right to withdraw from the Agreement by either party if the PUM is lower than 90 thousand m². The conclusion of the final agreement shall take place not later than 31 December 2027. The Company paid PLN 10.0 million deposit to the notary.

Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2021**Notes to the Interim Condensed Consolidated Financial Statements****Note 24 – Other events during the period***Purchase of land*

On 11 February 2021 entered into final agreements concerning the purchase of the ownership rights of a plot of land located in Poznań, at Smardzewska street, with an area of c.a. 17,000 m². The final price was net PLN 26 million and is fully paid.

On 18 February 2021 the Company (via its subsidiary) entered into a final agreement concerning the purchase of two plots of land located in Warsaw, Białołęka district, with an area of c.a. 3.9 thousands m² as part of the Company's purchase plan for the whole project in Epopei street. The price of the property was established in the level of PLN 3.7 million net. The amount was paid in total on the date of signing the agreement. As at 31 March 2021 the Company paid also PLN 7.5 million advances and PLN 2.7 million to a notary account for other plots being part of the purchase.

On 3 March 2021 the Company (via its subsidiary) entered into preliminary agreement concerning the purchase of the perpetual usufruct right of a plot of land located in Warsaw, Ursynów district, with an area of c.a. 2.4 thousand m². The price of the property was established at PLN 15.9 million net. According to the Company's initial evaluation it shall be feasible to construct on the property a multifamily residential building with underground car parks, commercial areas and the necessary infrastructure with a total usable area of approx. 5.7 thousand m².

Share buyback program

The table below presents the Treasury shares owned by the Company as at 31 March 2021 and 31 December 2020:

	For the 3 months ended 31 March 2021	For the 12 months ended 31 December 2020
Number of shares	164,010,813	164,010,813
Share Capital	12,503,000	12,503,000
Treasury shares	1,567,954	1,489,235.00
Value of treasury shares	(1,726,536)	(1,613,110)
% of total shares	0.96%	0.91%

For more information about the Share buyback program please refer to Note 23 in the Annual Consolidated Financial Statements ended 31 December 2020.

Conclusion of a material agreement for General contractors

On the 11 February 2020 the Company (via its subsidiary) executed an option to mandate Karmar S.A. (the General contractor) with the execution of stage IIa and IIb of Viva Jagodno investment. Project Viva Jagodno II consists of residential building (226 units) with three above-ground parts connected by a common underground part. The fee for the General contractor under this agreement will amount to PLN 52.0 million.

Building permits

On 5 February 2021 the Company obtained a legally valid building permit for Viva Jagodno III in Wrocław comprising of 58 units with an aggregated floor space of 3,100 m².

On 1 March 2021, the Company has obtained a legally valid building permit for Grunwaldzka project in Poznań comprising of 72 units with an aggregated floor space of 3,300 m².

On 2 March 2021, the Company has obtained a legally valid building permit for Ursus Centralny IIb project comprising of 206 units with an aggregated floor space of 11,800 m² and for Ursus Centralny IIc project comprising of 195 units with an aggregated floor space of 11,100 m².

Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2021

Notes to the Interim Condensed Consolidated Financial Statements

Note 25 – Subsequent events

Bonds

On 15 April 2021 the Company issued 100,000 series W non-secured bonds with a nominal value and issue price of PLN 1.0 thousand per bond and an aggregate nominal value and issue price of PLN 100 million. The bonds shall be redeemed through the payment in 2 instalments: at the end of the 7th interest period, on 15 October 2024 (redeeming 40% of the nominal value) and the second on 15 April 2025 by redeeming the remaining part of the nominal value.

Together with issuance of series W bonds the Company:

- purchased for redemption series R bonds with a nominal value of PLN 10,000,000 from the bondholders who purchased the bonds for at least the same amount. In addition the Company paid interest accrued on those bonds until the date of the transaction,
- purchased for redemption series U bonds with a nominal value of PLN 2,247,400 from the bondholders who purchased the bonds for at least the same amount. These transactions were settled without cash (by set-off), except for accrued interest on those bonds until the date of the transaction, which were paid by the Company.

Purchase of land

On 1 April 2021, the Company (via its subsidiary) withdraw from the conditional preliminary agreement concerning the purchase of the perpetual usufruct right of a plot of land located in Warsaw, Wola district signed on 14 August 2020. The withdrawal was due to negative due diligence process of the Property.

On 9 April 2021, the Company (via its subsidiary) entered into a final agreement concerning the purchase of one plot of land located in Warsaw, Białoleka district, with an area of c.a 2.0 thousands m² as part of the Company's purchase plan for the whole project in Epopei street. The price of the property was established in the level of PLN 2.7 million net and was fully paid at the date of signing the agreement.

Nova Królikarnia 3a – occupancy permit

On 27 April 2021, the Company has obtained a legally valid occupancy permit for Nova Krolikarnia 3a property development in Warsaw.

The Management Board

Boaz Haim

President of the Management Board

Yaron Shama

Vicepresident of the Management Board, CFO

Andrzej Gutowski

Vicepresident of the Management Board,
Sales and Marketing Director

Alon Haver

Member of the Management Board

Anna Rzeczkowska

Person responsible for financial statements
preparation

Warsaw, 12 May 2021

Interim Condensed Company Financial Statements for the three months ended 31 March 2021**Interim Condensed Company Statement of Financial Positions**

		As at 31 March 2021	As at 31 December 2020
<i>In thousands of Polish Zlotys (PLN)</i>	<i>Note</i>	<i>(Reviewed/Unaudited)</i>	<i>(Audited)</i>
Assets			
Intangible fixed assets		34	39
Investment in subsidiaries	6	444,713	435,874
Loan granted to subsidiaries	7	147,720	160,040
Deferred tax assets		11	-
Total non-current assets		592,478	595,953
Trade and other receivables and prepayments		91	88
Receivable from subsidiaries		1,935	3,699
Loan granted to subsidiaries	7	-	307
Cash and cash equivalents		22,176	27,152
Total current assets		24,202	31,246
Total assets		616,680	627,199
Equity			
Shareholders' equity	12		
Share capital		12,503	12,503
Share premium reserve		150,278	157,905
Treasury shares		(1,732)	(1,613)
Retained earnings		226,257	211,022
Total shareholders' equity		387,306	379,817
Liabilities			
Long-term liabilities			
Bond loans	8	170,732	175,382
Loans from subsidiaries		3,801	12,270
Deferred tax liabilities		-	61
Total long-term liabilities		174,533	187,712
Current liabilities			
Bond loans	8	52,676	52,625
Other payables - accrued interests on bonds	8	1,423	2,065
Loans from subsidiaries		-	3,309
Trade and other payables and accrued expenses		742	1,670
Total current liabilities		54,841	59,670
Total liabilities		229,374	247,382
Total shareholders' equity and liabilities		616,680	627,199

The notes included on pages 51 to 55 are an integral part of these interim condensed company financial statements

Interim Condensed Company Financial Statements for the three months ended 31 March 2021**Interim Condensed Company Statement of Comprehensive Income**

For the 3 months ended 31 March		2021	2020
<i>In thousands of Polish Zlotys (PLN)</i>	<i>Note</i>	(Reviewed) / (unaudited)	(Reviewed) / (unaudited)
Revenues from consulting services		986	1,876
General and administrative expense		(1,106)	(1,164)
Other revenues/(expenses)		3	-
Operating profit		(117)	712
Result from subsidiaries after taxation	6	8,839	29,578
Operating profit after result from subsidiaries		8,722	30,290
Finance income		1,538	1,625
Finance expense		(2,724)	(2,620)
Net finance income/(expense)	9	(1,186)	(995)
Profit/(loss) before taxation		7,536	29,295
Income tax benefit/(expense)	10	72	93
Profit for the period		7,608	29,388
Other comprehensive income		-	-
Total comprehensive income/(expense) for the period, net of tax		7,608	29,388
Weighted average number of ordinary shares (basic and diluted)		162,451,847	163,285,842
<i>In Polish Zlotys (PLN)</i>			
Net earnings/(loss) per share attributable to the equity holders of the parent (basic and diluted)		0.047	0.180

The notes included on pages 51 to 55 are an integral part of these interim condensed company financial statements

Interim Condensed Company Financial Statements for the three months ended 31 March 2021**Interim Condensed Company Statement of Changes in Equity**

<i>In thousands of Polish Zlotys (PLN)</i>	Share capital	Share premium	Treasury shares	Retained earnings	Total equity
Balance at 1 January 2021	12,503	157,905	(1,613)	211,022	379,817
Net profit for the period ended 31 March 2021	-	-	-	7,608	7,608
Repurchase of own shares	-	-	(119)	-	(119)
Reclassification of 2019 net result from Share premium to retained earnings	-	(7,627)	-	7,627	-
Balance at 31 March 2021	12,503	150,278	(1,732)	226,257	387,306

<i>In thousands of Polish Zlotys (PLN)</i>	Share capital	Share premium	Treasury shares	Retained earnings	Total equity
Balance at 1 January 2020	12,503	150,278	(580)	188,293	350,494
Net profit for the period ended 31 March 2020	-	-	-	29,388	29,388
Repurchase of own shares	-	-	(50)	-	(50)
Balance at 31 March 2020	12,503	150,278	(630)	217,681	379,832

The notes included on pages 51 to 55 are an integral part of these interim condensed company financial statements

Interim Condensed Company Financial Statements for the three months ended 31 March 2021**Interim Condensed Company Statement of Cash Flows**

For the 3 months period ended 31 March	2021	2020
<i>In thousands of Polish Zlotys (PLN)</i>	<i>Note</i>	
Cash flows from operating activities		
Profit for the year	7,608	29,388
<i>Adjustments to reconcile profit for the period to net cash (used in)/from operating activities:</i>		
Finance income	9 (1,538)	(1,625)
Finance expense	9 2,724	2,620
Income tax expense	10 (61)	(93)
Net results subsidiaries during the year	6 (8,839)	(29,578)
Subtotal	(106)	712
Decrease/(increase) in trade and other receivables and prepayments	(10)	(6)
Decrease/(increase) in receivable from subsidiaries	1,764	652
Increase/(decrease) in trade and other payable and accrued expense	(928)	(179)
Subtotal	720	1,179
Interest paid	(6,295)	(1,679)
Interest received	7 2,160	6
Net cash used in operating activities	(3,414)	(494)
Cash flows from investing activities		
Loans granted to subsidiaries, net of issue cost	7 (1,000)	(5,000)
Repayment of loans granted to subsidiaries	7 13,006	-
Net cash used in investing activities	12,006	(5,000)
Cash flows from financing activities		
Treasury shares	(119)	(50)
Repayment of loans from subsidiaries/Loans received from subsidiaries	(8,601)	14,800
Repayment of bond loans	8 (4,848)	(10,000)
Net cash from financing activities	(13,568)	4,750
Net change in cash and cash equivalents	(4,976)	(744)
Cash and cash equivalents at 1 January	27,152	7,173
Cash and cash equivalents at the end of the period	22,176	6,429

The notes included on pages 51 to 55 are an integral part of these interim condensed company financial statements

Interim Condensed Company Financial Statements for the three months ended 31 March 2021**Notes to the Interim Condensed Company Financial Statements****Note 1 – General**

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

The Company (together with its subsidiaries, 'the Group') is active in the development and sale of residential units, primarily apartments, in multi-family residential real-estate projects to individual customers in Poland. For information about companies in the Group which financial data are included in the Interim Condensed Consolidated Financial Statements reference is made to Note 7 in the Interim Condensed Consolidated Financial Statements.

The shares of the Company are traded on the Warsaw Stock Exchange since 5 November 2007. According to publicly available information, as at 31 March 2021, 66.06% of the shares are controlled by Amos Luzon Development and Energy Group Ltd. ('A. Luzon Group') and 0.96% of the shares are held by the Company. The remaining 32.98% of the outstanding shares are held by other investors including Nationale Nederlanden Otworthy Fundusz Emerytalny and Metlife Otworthy Fundusz Emerytalny. The number of shares held by the investors is equal to the number of votes, as there are no privileged shares issued by the Company. It shall be noted that as at 31 March 2021, the Company held 1,567,954 own shares (0.96%) and, in accordance with art. 364 § 2 of the Code of Commercial Companies, it does not exercise voting rights from own shares.

Note 2 – Basis of preparation of Interim Condensed Company Statements

These Interim Condensed Company Financial Statements of Ronson Development SE have been prepared in accordance with IAS 34 (concerning the preparation of interim financial statements). The Interim Condensed Company Financial Statements do not include all the information and disclosures required in annual financial statements prepared in accordance with the IFRS and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2020, which have been prepared in conformity with IFRS. At the date of authorization of these Interim Condensed Company Financial Statements, the IFRSs applied by the Company are not different from the IFRSs endorsed by the European Union. IFRSs comprise standards and interpretations accepted by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

The Interim Condensed Company 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.

These Interim Condensed Company Financial Statements of Ronson Development SE were approved by the Management Board for publication on 12 May 2021 in both English and Polish languages, while the Polish version is binding.

For additional information about significant accounting policy and the influence of the new accounting standard, see note 3 of the Interim Condensed Consolidated Financial Statements.

Interim Condensed Company Financial Statements for the three months ended 31 March 2021**Notes to the Interim Condensed Company Financial Statements****Note 3 – The use of estimates and judgments**

The preparation of financial statements in conformity with IFRS 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 Company 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 2020.

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 methods.

The table below presents the movement in investment in subsidiaries during the three months ended 31 March 2021 and during the year ended 31 December 2020:

	As at 31 March 2021	As at 31 December 2020
	(Reviewed/Unaudited)	(Audited)
<i>In thousands of Polish Zlotys (PLN)</i>		
The movements in investment in subsidiaries are as follows:		
Balance at beginning of the period	435,874	419,835
Investments in subsidiaries	-	1,000
Net result subsidiaries during the period	8,839	40,775
Change of presentation	-	9,000
Dividend from subsidiary	-	(34,736)
Balance at end of the period	444,713	435,874

The Company holds and owns (directly and indirectly) 82 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. 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 three months ended 31 March 2020 amounted PLN 29,578 thousand.

Interim Condensed Company Financial Statements for the three months ended 31 March 2021**Notes to the Interim Condensed Company Financial Statements****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 three months ended 31 March 2021 and during the year ended 31 December 2020:

	As at 31 March 2021	As at 31 December 2020
<i>In thousands of Polish Zloty (PLN)</i>	<i>(Reviewed/ Unaudited)</i>	<i>(Audited)</i>
Opening balance	160,347	113,829
Loans granted	1,000	79,354
Loans repayment during the year	(13,006)	(27,956)
Change of presentation	-	(9,000)
Amortization of charges and fees	-	88
Accrued interest	1,538	6,297
Repayment of interest	(2,159)	(2,265)
Total closing balance	147,720	160,347
Closing balance includes:		
Current liabilities	-	307
Non-current liabilities	147,720	160,040
Total closing balance	147,720	160,347

The loans are not secured.

All new loans granted are at the similar conditions to those presented in the Company Financial Statements for the year ended 31 December 2020 (more information see Note 10).

Note 8 – Bonds loans

The table below presents the movement in Bond loans during the three months ended 31 March 2021 and during the year ended 31 December 2020:

	As at 31 March 2021	As at 31 December 2020
<i>In thousands of Polish Zloty (PLN)</i>	<i>(Reviewed/Unaudited)</i>	<i>(Audited)</i>
Opening balance	230,072	187,969
Repayment of bond loans	(4,848)	(57,142)
Proceeds from bond loans	-	100,000
Issue cost	-	(1,636)
Issue cost amortization	248	783
Accrued interest	(2,890)	8,429
Interest repayment	2,248	(8,331)
Total closing balance	224,831	230,072
Closing balance includes:		
Current liabilities	54,099	54,690
Non-current liabilities	170,732	175,382
Total Closing balance	224,831	230,072

For information about bond covenants, reference is made to Note 13 to the Interim Condensed Consolidated Financial Statements.

Interim Condensed Company Financial Statements for the three months ended 31 March 2021**Notes to the Interim Condensed Company Financial Statements****Note 9 – Finance costs and income**

For the year ended 31 March	2021	2020
<i>In thousands of Polish Zlotys (PLN)</i>		
Interests and fees on granted loans to subsidiaries	1,538	1,620
Interest income on bank deposits	-	5
Other	-	-
Finance income	1,538	1,625
Interest expense on bonds measured at amortized cost	(2,248)	(2,335)
Interests and fees on received loans from subsidiaries	(132)	(96)
Foreign exchange loss	-	-
Commissions and fees	(290)	(189)
Other	(54)	-
Finance expense	(2,724)	(2,620)
Net finance income	(1,186)	(995)

Note 10 – Income tax

For the 3 months period ended 31 March	2021	2020
<i>In thousands of Polish Zlotys (PLN)</i>		
Current tax expense/(benefit)		
Current period	-	-
Taxes in respect of previous periods	392	-
Total current tax expense	392	-
Deferred tax expense/(benefit)		
Origination and reversal of temporary differences	(243)	122
Expense/(benefit) of tax losses recognized	(221)	(215)
Total deferred tax expense/(benefit)	(464)	(93)
Total income tax expense/(benefit)	(72)	(93)

Note 11 – Related parties transactions

There were no transactions and balances with related parties during the three months ended 31 March 2021 other than the described below, the remuneration of the Management Board, loans granted to related parties, the reimbursement of audit review costs and the consulting agreement with A. Luzon Group, the major (indirect) shareholder, for a total monthly amount of PLN 70 thousand and covering travel and out of pocket expenses. All transactions with related parties were performed based on market conditions.

Interim Condensed Company Financial Statements for the three months ended 31 March 2021**Notes to the Interim Condensed Company Financial Statements****Note 12 – Equity***Repurchase of own shares*

The table below presents the Treasury shares owned by the Company as at 31 March 2021 and 31 December 2020:

	For the 3 months ended 31 March	For the 12 months ended 31 December
	2021	2020
Number of shares	164,010,813	164,010,813
Share Capital	12,503,000	12,503,000
Treasury shares	1,567,954	1,489,235.00
Value of treasury shares	(1,726,536)	(1,613,110)
% of total shares	0.96%	0.91%

For information regarding the Buyback shares program please refer to Note 11 of the Financial Statements for the year ended 31 December 2020.

Note 13 – Subsequent events

For further subsequent events, reference is made to Note 25 to the Interim Condensed Consolidated Financial Statements.

The Management Board**Boaz Haim**

President of the Management Board

Yaron Shama

Vicepresident of the Management Board, CFO

Andrzej Gutowski

Vicepresident of the Management Board,
Sales and Marketing Director

Alon Haver

Member of the Management Board

Anna Rzeczkowska

Person responsible for financial statements
preparation

Warsaw, 12 May 2021