RONSON development

RONSON DEVELOPMENT SE

Management Board Report on the Activity of the Company and the Group for the financial year 2024

Management Board

Boaz Haim, *President of the Management Board*
Yaron Shama, *Finance Vice-President of the Management Board*
Andrzej Gutowski, *Sales Vice-President of the Management Board*
Karolina Bronszewska, *Member of the Management Board for Marketing and Innovation*

Registered office

Al. Komisji Edukacji Narodowej 57
02-797, Warsaw
Poland

Auditors

PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt Sp. k.
ul. Polna 11
00-633, Warsaw
Poland

To our Shareholders

As we navigate through the evolving landscape of the real estate market, we continue to focus on our core values of growth, sustainability, and delivering value to our investors. In the year 2024 Ronson focused on developing business activities (obtaining building permits for new projects, continuing construction and sales of existing projects, and purchasing land for new projects) while on remaining profitable in spite the challenging business environment.

In 2024, Poland remains one of the most dynamic and attractive markets for residential development in Central and Eastern Europe. Despite macroeconomic challenges, including inflationary pressures and rising construction costs, we have maintained a robust market position. Our strategic focus on high-demand urban areas in cities like Warsaw, Poznan, Wrocław and Szczecin has allowed us to stay resilient and adapt to changing conditions.

Growth innovation and sustainability continues to be a driving force behind our projects. In line with global trends, we are committed to the needs of our clients which is practices into all our residential developments. Our goal is not only to meet but exceed Poland's regulatory requirements for energy efficiency and environmental impact. We are proud to be incorporating state-of-the-art technologies, such as solar panels, energy-efficient heating systems, and smart home automation, to reduce carbon footprints while enhancing the living experience for our residents.

Our results reflect the market tendencies that took place in 2024, slow down of sales, delay in receiving building permits decisions, lack of government program introduction and very high cost of financing, nevertheless we achieved our goals for 2024 and our cash flow position was stable due to our conservative liquidity management.

We are proud to report the successful launch of several key residential developments in 2024. Our flagship project, last stage located in the Ursus district as well as our Miasto Moje last stage , are continuing to received strong demand from local and international buyers. The project's modern design, sustainability features, and proximity to major transport hubs have positioned it as a high demand project in the market.

Additionally, our new Project Zielono Mi in Mokotów district in Warsaw have been met with a positive response, with a significant portion of units already sold. These projects and their remaining stages expected to contribute to a healthy increase in revenue and profitability over the next 24 months.

During the year 2024 Ronson Group focused on development of its land bank, as well as expanded its land bank further. Thanks to that, the current land bank of the Group is over 4 632 units (from it 925 units are in future stages of ongoing projects, with area 63 533 m2) with a total area of 253 709 m2 which will serve the financial needs for the coming years. 880 units are under construction with total area of 49 772 m2.

In addition to the purchased land bank, the Group signed on number of preliminary purchase agreements securing a future land bank of 81 102 m2 usable area for approximately 1 486 units.

The Group is consistently searching and negotiating the purchase of new plots for land bank growth and development reason, mainly in Wrocław, Warsaw and Poznań.

In terms of sales result, in 2024 the Group managed to achieve a sale of 514 units, which represent a decrease of approximately 48,9% comparing to last year (1006 units), however, despite the decrease in the number of units sold, the average value of the units sold is higher than last year's value, and Ronson's profitability in 2024 is higher than the average of recent years. Warsaw remained the most significant city for the Company as in previous years. However, the Group is actively pursuing to increase its land bank in each of the cities in which it operates.

Highlights for the Group's 2024 results include:

- Commencement – we commenced 8 new projects;
- Completion – we completed over 855 units in 9 projects/ stages of projects;
- Sales – we sold 514 units;
- Delivery – we delivered 663 units to our clients;
- On February 2024, the final (unconditional) allotment of 60 thousand P2023A Bonds with a total nominal value of PLN 60 million was made. On September 2024, the final (unconditional) allotment of 160 thousand Series Y Bonds with a total nominal value of PLN 160 million was made. During the year the company as well repaid the amount of PLN 60 million of bonds series V and repaid the amount of PLN 100 million of bonds series W.

In 2024 we continued acting in line with our group strategy: Expect More, which serves as an invitation to our current and potential employees to join our bold ambitions as well as further improving our client relations and our products quality. While we still have work to do, supporting our people and empowering them to deliver results, investing in our culture and making Ronson a place where everyone feels proud to work remains a primary goal. As part as our strategy the Group went through rebranding, which effect is visible on the advertisements as well as the logo.

Despite external challenges, we are optimistic about our financial outlook for the coming years. Our diversified portfolio and strong pipeline of ongoing and upcoming projects provide a solid foundation for sustained growth. We anticipate that revenue from residential sales will continue to rise, due to high demand for quality housing in Poland's growing urban centers.

As we look ahead to the year 2025 and beyond, our focus will be on continuing to deliver exceptional residential communities while maintaining a strong commitment to innovation and sustainability. We will also be closely monitoring the evolving economic environment and adjusting our strategies as needed to ensure long-term profitability and shareholder value. We will keep introducing gradually new residential projects to our ongoing activity, particularly in Warsaw new stages of: Zielono Mi, Nova Królikarnia and opening new project Marynin in Bemowo. In Wrocław a new project in Sobieskiego, in Szczecin new stage of Nowe Warzymice and in Poznań a new stage of Między Drzewami as well as our new project Bełchatowska.

With respect to the PRS sector and the new Brand, LivinGo the Group will focus on development of its existing portfolio mainly achieving the necessary permits for the projects. At the publication of these financial reports the Group has secured 4 projects with a potential to build over 526 units. In 2025 plans we will launch our first PRS project that will be located in Warsaw.

We are entering 2025 strong and motivated, we believe Ronson will continue its growth.

I would like to take this opportunity to express my gratitude to our dedicated teams, our investors, and our stakeholders. Together, we are poised to continue making strides in the Polish residential market, contributing to the development of vibrant, sustainable communities.

Thank you for your continued trust and support.

Regards,

Boaz Haim

President of the Management Board

CONTENTS

Introduction

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

As of 31 December 2024, Amos Luzon Development and Energy Group Ltd. („A. Luzon Group"), the ultimate parent company, indirectly controlled the Company through its subsidiary Luzon Ronson N.V. (former name I.T.R. Dori B.V.), in which it held more than 70% of the shares. As of 31 December 2024, Luzon Ronson N.V. held 108,349,187 shares (approximately 66.06% of the Company's share capital) directly and 54,093,672 shares (approximately 32.98% of the Company's share capital) through its wholly owned subsidiary Luzon Ronson Properties Ltd. The remaining 1,567,954 shares (approximately 0.96% of the Company's share capital) were treasury shares of the Company.

However, it should be pointed out that the shareholding status described above is a result of the reorganization of the A. Luzon Group and related changes that took place in January 2024. Namely, as of 31 December 2023, A. Luzon Group controlled 100% of the Company's shares, such that it directly held 32.98% of the Company's shares, and indirectly, through its wholly owned subsidiary Luzon Ronson N.V. (former name I.T.R. Dori B.V.), held 66.06% of the Company's shares, and the remaining 0.96% of the Company's shares were treasury shares.

On 16 January 2024, the Company's shares held directly by A. Luzon Group (approximately 32.98% of the share capital) were transferred to Luzon Ronson Properties Ltd. 100% fully owned company by A. Luzon Group (which was established as part of the reorganization of A. Luzon Group's operations). As part of the restructuring, A. Luzon Group on 25 January 2024 disposed of all its shares in Luzon Ronson Properties Ltd. to Luzon Ronson N.V. (former name I.T.R. Dori B.V.). Transfer of shares has been executed as transfer without benefit to A. Luzon Group.

As of the date of publication of this report, A. Luzon Group, the ultimate parent company, indirectly controls through its subsidiary Luzon Ronson N.V. (100% of the Company's share capital, i.e. 164,010,813 ordinary bearer shares, including 1,567,954 (approximately 0.96% of the Company's share capital) of the Company's own shares.

Overview of the Company and the Group Activity

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

During the year ended 31 December 2024, the Group realized sales of 514 units with the total value of PLN 387.2 million, which is a decrease of 48.9% comparing to sales of 1006 units with the total value PLN 589.7 million during the year ended 31 December 2023.

Until 31 December 2024 the Group delivered 663 units in 100% owned projects which represent a total revenue of PLN 386.7 million comparing to delivery of 794 units in 100% owned projects with a total revenue value of PLN 395.5 million during year ended 31 December 2023.

As at 31 December 2024, the Group has 682 units available for sale in 11 locations, of which 617 units are in ongoing projects and the remaining 65 units are in completed projects. The ongoing projects comprise a total of 880 units, with an aggregate floor space of 49 772 m2. The construction of 289 units with a total area of 18 785 m2 is expected to be completed during 2025.

The Group has a pipeline of 16 projects in different stages of preparation, representing approximately 4 106 units with an aggregate floor space of approximately 237 397 m2 for future development of the residential activity in Warsaw, Poznań, Wrocław and Szczecin and 4 projects representing approximately 526 units with an aggregate floor space of 16 312 m2 for future development of PRS rental sector in Warsaw.

In addition to the above, as at 31 December 2024 the Group is in different stages of finalizing the process of purchasing 2 plots located in Warsaw with a total projected usable area of apartments ("PUM") of 81 102 m2 with an estimated 1 486 units for construction for a total purchase price of PLN 144.2 million.

Business highlights during the year ended 31 December 2024

A. Results breakdown by project

The following table specifies revenue, cost of sales, gross profit and gross margin during the year ended 31 December 2024 on a project by project basis:

Project	Information on the delivered units		Revenue [(1)]	
	Number of units	Area of units (m^2)	PLN thousands	%
Ursus Centralny IIc	156	7 464	92 198	23,8%
Osiedle Vola	83	4 755	71 201	18,4%
Miasto Moje VII	129	5 789	65 674	16,9%
Między Drzewami I	102	5 036	52 760	13,6%
Nowa Północ 1A	98	4 489	37 791	9,7%
Eko Falenty I	33	3 332	25 638	6,6%
Ursus Centralny IIe	18	869	9 369	2,4%
Miasto Moje VI	11	741	8 838	2,3%
Viva Jagodno IIb	11	1 025	8 353	2,2%
Viva Jagodno IIa	5	436	3 655	0,9%
Grunwaldzka	5	338	3 316	0,9%
Nowe Warzymice IV	7	306	2 673	0,7%
Other[(3)]	5	355	6 211	1,6%
Total / Average	**663**	**34 935**	**387 678**	**100%**
Impairment recognized	n.a.	n.a.	n.a.	
Results after write-down adjustment	**663**	**34 935**	**387 678**	**100%**
Wilanów Tulip[(2)]	-	-	26	
City Link[(2)]	-	-	29	
Economic results	**663**	**34 935**	**387 733**	**-**

(1) Revenue is recognized when the performance obligations are satisfied and when the customer obtains control of the goods, i.e., upon signing of the protocol of technical acceptance and the transfer of the key to the residential unit to the buyer and total payment obtained.
(2) The project presented in the Interim Condensed Consolidated Financial Statements under investment in joint ventures; the Company's share is 50%. Amount recognized using the equity method in accordance with IAS 28.
(3) The amount includes old projects delivery of units and parking places as well as revenue from leasing of office buildings (PLN 0.9 million)

Revenue from sales of apartments and service units of residential projects recognized during the twelve months ended 31 December 2024 amounted to PLN 387.7 million, whereas cost of sales before write-down adjustment amounted to PLN 266.0 million, which resulted in a gross profit before write-down adjustment amounting to PLN 121.6 million representing a gross margin of 31.4%. Total economical revenue, whereby results from joint ventures are presented on a fully consolidated basis, amounted to PLN 387.7 million, with cost of sales amounting to PLN 266.0 million, resulted in a gross profit of PLN 121.6 million and representing gross margin of 31.4%.

Projects completed during the year ended on 31 December 2024

The table below presents information on the projects that were completed (i.e. completing all construction works and receiving occupancy permit) during the year ended 31 December 2024:

Project name	Location	Number of units	Area of units (m^2)	Total units sold until 31 December 2024	Units delivered in 2024	Units sold not delivered as at 31 December 2024
Ursus Centralny IIe	Warsaw	291	16 127	256	18	238
Miasto Moje VII	Warsaw	255	11 725	252	129	123
Między Drzewami I	Poznań	115	5 803	115	102	13
Nowa Północ 1A	Szczecin	110	5 230	100	98	2
Osiedle Vola	Warsaw	84	4 851	83	83	0
Total		**855**	**43 736**	**806**	**430**	**376**

Business highlights during the year ended 31 December 2024

A. Results breakdown by project

Projects completed in previous years and from which revenue was recognized in the current period

The table below presents information on the projects that were completed (i.e. all construction work has been completed and an occupancy permit has been obtained) in previous years and the income that was recognised based on units delivered during the year ended 31 December 2024:

Project name	Location	Completion date	Total Project Units	Total Area of units (m2)	Total units sold until 31 December 2024	Total units delivered until 31 December 2023	Units delivered during 2024	Recognised income during year 2024 *(PLN'000)*	Units sold not delivered as at 31 December 2024	Units for sale as at 31 December 2024	Left to sale/ deliver after 31 December 2024
Ursus Centralny IIc	Warsaw	Q3 2023	223	11 124	223	67	156	92 198	–	–	–
Eko Falenty I	Warsaw	Q4 2023	42	4 304	36	–	33	25 638	3	6	9
Miasto Moje VI	Warsaw	Q1 2023	227	11 722	224	213	11	8 838	–	3	3
Viva Jagodno IIb	Wrocław	Q2 2023	152	8 876	148	137	11	8 353	–	4	4
Viva Jagodno IIa	Wrocław	Q4 2022	76	4 329	75	69	5	3 655	1	1	2
Grunwaldzka	Poznań	Q2 2023	70	3 351	70	65	5	3 316	–	–	–
Nowe Warzymice IV	Szczecin	Q2 2023	75	3 818	75	68	7	2 673	–	–	–
Ursus Centralny IIb	Warsaw	Q1 2023	206	11 758	206	204	2	1 888	–	–	–
Miasto Moje V	Warsaw	Q3 2022	170	8 559	170	169	1	1 438	–	–	–
Młody Grunwald I	Poznań	Q2 2014	148	8 575	148	146	2	964	–	–	–
Miasto Moje IV	Warsaw	Q4 2021	176	8 938	176	176	–	335	–	–	–
Ursus Centralny IIa	Warsaw	Q4 2021	251	13 509	251	251	–	195	–	–	–
Nova Królikarnia 1d	Warsaw	Q2 2018	12	1 488	12	12	–	121	–	–	–
Moko I	Warsaw	Q4 2016	178	11 238	178	178	–	51	–	–	–
Nowe Warzymice II	Szczecin	Q2 2022	66	3 492	66	66	–	41	–	–	–
Nowe Warzymice III	Szczecin	Q4 2021	62	3 537	62	62	–	32	–	–	–
Verdis Idea	Warsaw	Q4 2015	11	772	11	10	–	30	1	–	1
Miasto Moje II	Warsaw	Q1 2019	148	8 095	148	148	–	15	–	–	–
Sakura Idea	Warsaw	Q3 2015	26	1 854	26	25	–	12	1	–	1
Nowe Warzymice I	Szczecin	Q2 2021	54	3 234	53	53	–	9	–	1	1
Vitalia III	Wrocław	Q1 2021	81	6 790	81	81	–	4	–	–	–
Verdis I-IV	Warsaw	Q4 2015	441	26 062	441	440	–	–	1	–	1
Młody Grunwald III	Poznań	Q4 2017	108	7 091	107	107	–	–	–	1	1
Total excluding JV			**3 003**	**172 514**	**2 987**	**2 747**	**223**	**149 808**	**7**	**16**	**23**
Wilanów Tulip	Warsaw	Q3 2021	149	9 574	149	149	–	26	–	–	–
City Link I-II	Warsaw	Q3 2017	312	14 068	312	312	–	29	–	–	–
Total including JV			**3 464**	**196 156**	**3 448**	**3 208**	**223**	**149 863**	**7**	**16**	**23**

Business highlights during the year ended 31 December 2024

B. Units sold during the period

The table below presents information on the total number of units sold (i.e. total number of units for which the Company signed the preliminary sale agreements with the clients), including net saleable area (in m2) of the units sold and net value (exclusive of VAT) of the preliminary sales agreements (including also parking places and storages) sold by the Company during the year ended 31 December 2024:

Project name	Location	Total Project Saleable area *(m2)*	Total project units	Units sold until 31 December 2023	Units sold during 12 months ended 31 December 2024	Net Sold area *(m2)*	Value of the preliminary sales agreements *(in PLN thousands)*	Units for sale as at 31 December 2024
Ursus Centralny IIe	Warsaw	16 127	291	144	112	6 426	87 568	35
Miasto Moje VII	Warsaw	11 725	255	157	95	4 892	58 899	3
Ursus Centralny IIc	Warsaw	11 124	223	212	11	718	9 493	–
Nowa Północ Ia	Szczecin	5 230	110	82	18	960	8 324	10
Eko Falenty I	Warsaw	4 304	42	27	9	930	7 828	6
Między Drzewami I	Poznań	5 803	115	105	10	526	6 821	–
Viva Jagodno IIb	Wrocław	8 876	152	144	4	379	3 502	4
Osiedle Vola	Warsaw	4 851	84	82	1	144	2 264	1
Viva Jagodno IIa	Wrocław	4 329	76	72	3	247	2 206	1
Ursus Centralny IIb	Warsaw	11 758	206	205	1	64	1 189	–
Miasto Moje VI	Warsaw	11 722	227	223	1	52	784	3
Sakura Idea	Warsaw	1 854	26	25	1	70	655	–
Nowe Warzymice IV	Szczecin	3 818	75	74	1	59	644	–
Miasto Moje V	Warsaw	8 559	170	170	–	–	246	–
Nova Królikarnia 1d	Warsaw	1 488	12	12	–	–	121	–
Ursus Centralny IIa	Warsaw	13 509	251	251	–	–	115	–
Grunwaldzka	Poznań	3 351	70	70	–	–	104	–
Nowe Warzymice II	Szczecin	3 492	66	66	–	–	69	–
Espresso I	Warsaw	9 517	210	210	–	–	30	–
Verdis Idea	Warsaw	772	11	11	–	–	30	–
Moko I	Warsaw	11 238	178	178	–	–	29	–
Nowe Warzymice III	Szczecin	3 537	62	62	–	–	23	–
Miasto Moje II	Warsaw	8 095	148	148	–	–	15	–
Nowe Warzymice I	Szczecin	3 234	54	53	–	–	9	1
Vitalia III	Wrocław	6 790	81	81	–	–	4	–
Miasto Moje IV	Warsaw	8 938	176	176	–	–	1	–
Młody Grunwald III	Poznań	7 091	108	107	–	–	–	1
Subtotal completed projects		**191 130**	**3 479**	**3 147**	**267**	**15 467**	**190 974**	**65**
Zielono Mi I	Warsaw	5 702	92	–	45	2 896	47 010	47
Miasto Moje VIII	Warsaw	7 734	152	–	55	2 847	39 473	97
Ursus Centralny IId	Warsaw	19 432	361	–	53	2 707	39 404	308
Między Drzewami II.1	Poznań	3 822	78	–	38	1 844	22 313	40
Nova Królikarnia 4b1	Warsaw	2 503	11	3	3	735	15 919	5
Viva Jagodno III	Wrocław	3 140	58	13	17	851	10 080	28
Nowe Warzymice V.2	Szczecin	2 263	27	–	10	809	7 656	17
Nowe Warzymice V.1	Szczecin	942	12	–	11	851	7 516	1
Nowa Północ Ib	Szczecin	4 234	89	–	15	674	6 827	74
Subtotal ongoing projects		**49 772**	**880**	**16**	**247**	**14 212**	**196 196**	**617**
Total excluding JV		**240 902**	**4 359**	**3 163**	**514**	**29 679**	**387 170**	**682**
Wilanów Tulip[(3)]	Warsaw	9 574	149	149	0	0	26	–
Total including JV		**250 476**	**4 508**	**3 312**	**514**	**29 679**	**387 196**	**682**

(1) For information on the completed projects see "Business highlights during the year ended 31 December 2024 – A. Results breakdown by project".
(2) For information on current projects under construction, see "Outlook for 2025 – B. Current projects under construction and/or on sale".
(3) The project presented in the Condensed Consolidated Financial Statements under investment in joint ventures; the Company's share is 50%.

Business highlights during the year ended 31 December 2024

B. Units sold during the period

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

Location	Value of the sales agreements sold during the year ended		Increase/(decrease)	
In thousands of Polish Zlotys (PLN)	**31 December 2024**	**31 December 2023**	**In PLN**	**%**
Warsaw	311 099	432 761	(121 662)	(28.1%)
Szczecin	31 068	50 246	(19 178)	(38.2%)
Poznań	29 238	54 159	(24 921)	(46.0%)
Wrocław	15 791	52 501	(36 710)	(69.9%)
Total	**387 196**	**589 667**	**(202 471)**	**(34.3%)**

C. Commencements of new projects

The table below presents information on the projects for which the construction and/or sales process commenced during the year ended 31 December 2024:

Project name	Location	Number of units	Area of units (m2)
Ursus Centralny IId	Warsaw	361	19 432
Miasto Moje VIII	Warsaw	152	7 734
Zielono Mi I	Warsaw	92	5 702
Nowa Północ Ib	Szczecin	89	4 234
Między Drzewami II.1	Poznań	78	3 822
Viva Jagodno III	Wrocław	58	3 140
Nowe Warzymice V.2	Szczecin	27	2 263
Nowe Warzymice V.1	Szczecin	12	942
Total		**869**	**47 270**

For additional information see section "Outlook for 2025 – B. Current projects under construction and/or on sale".

D. Agreements significant for the business activity of the Group

The table below presents the summary of the signed final purchase agreements of land during the period ended 31 December 2024:

Location	Type of agreement	Signed date	Agreement net value *(PLN million)*	Paid net till 31 December 2024 *(PLN million)*	Number of units	Potential PUM
Wrocław, Zakrzów	final	6 December 2024	25.5	25.5	198	11 520
Total			**25.5**	**25.5**	**198**	**11 520**

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

Location	Type of agreement	Signed date	Agreement net value *(PLN million)*	Paid net till 31 December 2024 *(PLN million)*	Number of units	Potential PUM
Warsaw, Białołęka[1]	preliminary	23 Nov 2020	1.5	1.5	–	–
Warsaw, Ursus	preliminary	17 Jan 2021	140.0	25.0	1 486	80 502
Warsaw, Mokotów	preliminary	13 Dec 2024	2.7	–	n/a	600
Total			**144.2**	**26.5**	**1 486**	**81 102**

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

Selected consolidated financial data

PLN/EUR	Average exchange rate	Minimum exchange rate	Maximum exchange rate	Year end exchange rate
	Exchange rate of Polish Zloty versus the Euro			
2024 (12 months)	**4.31**	**4.25**	**4.40**	**4.27**
2023 (12 months)	4.54	4.31	4.79	4.35

Source: National Bank of Poland ('NBP')

Selected financial data	**EUR***		**PLN**	
	(thousands, except per share data)			
	For the year ended 31 December			
	2024	2023	**2024**	2023
Revenues	**90 021**	87 042	**387 678**	395 492
Gross profit	**28 250**	30 678	**121 659**	139 388
Profit/(loss) before taxation	**18 652**	22 673	**80 324**	103 019
Net profit/(loss) for the period attributable to the equity holders of the parent	**15 698**	17 762	**67 602**	80 705
Cash flows from/(used in) operating activities	**25 012**	42 504	**107 714**	193 124
Cash flows from/(used in) investing activities	**(271)**	(2 163)	**(1 165)**	(9 828)
Cash flows from/(used in) financing activities	**(4 930)**	(6 739)	**(21 231)**	(30 621)
Increase/(decrease) in cash and cash equivalents	**19 811**	33 602	**85 318**	152 675

Selected financial data	**EUR***		**PLN**	
	(thousands)			
	As at 31 December			
	2024	2023	**2024**	2023
Inventory and Land designated for development	**189 425**	187 247	**809 413**	814 151
Total assets	**298 432**	276 817	**1 275 201**	1 203 599
Advances received (included in short term liabilities)	**71 527**	53 858	**305 634**	234 175
Long term liabilities	**69 260**	40 309	**295 948**	175 265
Short term liabilities (including advances received)	**99 562**	113 768	**425 429**	494 662
Equity attributable to the equity holders of the parent	**129 610**	122 740	**553 824**	533 672

**Information is presented in EUR solely for presentation purposes. Due to the significant fluctuation of the Polish Zloty against the Euro over the past years, the Statement of Financial Position data do not accurately reflect the actual comparative financial position of the Group. The reader should consider changes in the PLN/EUR exchange rate in 2024 comparing to 2023, when reviewing this data.*
Selected financial data were translated from PLN into EUR in the following way:
(i) Statement of financial position data were translated using the period end exchange rate published by the National Bank of Poland for the last day of the period.
(ii) Statement of comprehensive income and cash flows data were translated using the arithmetical average of average yearly exchange rates published by the National Bank of Poland.

Overview of results

The net profit attributable to the equity holders of the parent company for the year ended 31 December 2024 was PLN 67.6 million and can be summarized as follows:

	For the year ended 31 December		change	
	2024	2023		
	PLN (thousands, except per share data)		nominal	%
Revenue from sales of residential units	387 678	395 492	(7 814)	(2.0%)
Revenues	**387 678**	**395 492**	**(7 814)**	**(2.0%)**
Cost of sales of residential units	(266 019)	(256 103)	(9 916)	3.9%
Cost of sales	**(266 019)**	**(256 103)**	**(9 916)**	**3.9%**
Gross profit	**121 659**	**139 388**	**(17 729)**	**(12.7%)**
Changes in the value of investment property	2 349	8 293	(5 944)	(71.7%)
Selling and marketing expenses	(7 763)	(5 664)	(2 099)	37.1%
Administrative expenses	(32 783)	(28 028)	(4 755)	17.0%
Share of profit/(loss) from joint venture	(14)	(749)	735	(98.1%)
Other (expense)/income	3 225	(7 036)	10 261	(145.8%)
Result from operating activities	**86 672**	**106 204**	**(19 533)**	**(18.4%)**
Finance income	6 921	4 261	2 660	62.4%
Finance expense	(13 269)	(13 868)	599	(4.3%)
Gain/loss in fair value of financial instrument at fair value through profit and loss	-	6 422	(6 422)	(100%)
Net finance income/(expense)	**(6 348)**	**(3 185)**	**(3 163)**	**99.3%**
Profit/(loss) before taxation	**80 324**	**103 019**	**(22 696)**	**(22.0%)**
Income tax benefit/(expenses)	(12 722)	(22 314)	9 592	(43.0%)
Net profit/(loss) for the period before non-controlling interests	**67 602**	**80 705**	**(13 103)**	**(16.2%)**
Net profit/(loss) for the period attributable to the equity holders of the parent	**67 602**	**80 705**	**(13 103)**	**(16.2%)**

Revenue from sales of residential units

The revenue from recognized sales in residential units decreased by PLN 7.8 million (2%) from PLN 395.5 million (794 units) during the year ended 31 December 2023 to PLN 387.7 million (663 units) during the period ended 31 December 2024, which is explained by the decrease in 131 units delivered (-16.5%), which was off set by a higher average price of 584.7 TPLN per unit delivered during the year ended 31 December 2024, comparing to the average price of 498.1 TPLN per unit delivered during the period ended 31 December 2023 (in terms of project 100% owned by the Group).

Cost of sales of residential units

Cost of sales of residential units increased by PLN 9.9 million (3.9%) from PLN 256.1 million during the year ended 31 December 2023 to PLN 266.0 million during the year ended 31 December 2024. The increase is a result of the diversity of projects delivered to customers with different profitability in the year ended 31 December 2024 compared to projects delivered in the period ended 31 December 2023, as well as general increase in development costs of the projects which ware delivered in this period.

Overview of results

Gross margin

The gross margin from sales and services of residential units during the year ended 31 December 2024 amounted 31.4% which decreased comparing to 35.2% during the year ended 31 December 2023. The change in gross margin relates to a different mix of projects delivered to the customers characterized by a different profitability during the year ended 31 December 2024 compared to the mix of projects delivered to customers during the year ended 31 December 2023.

During the year ended 31 December 2024 the project that significantly impacted profitability of the Group were Ursus Centralny IIc, Miasto Moje VII and Osiedle Vola.

Compering to the year ended 31 December 2023 the projects that significantly impacted profitability of the Group were Ursus Centralny IIb, Miasto Moje VI and Viva Jagodno IIb.

Selling and marketing expenses

Selling and marketing expenses increased by PLN 2.1 million (37.1%) from PLN 5.7 million during the year ended 31 December 2023 to PLN 7.8 million during the year ended 31 December 2024. The rise is related to the increase in marketing services prices mainly outdoor advertising, rebranding of the Group and launching the sales of 8 new projects during the 2024 comparing to only 1 new project that started in 2023.

Administrative expenses

Administrative expenses increased by PLN 4.8 million (17.1%) from PLN 28.0 million in the year ended 31 December 2023 to PLN 32.8 million ended 31 December 2024, which is primarily explained by increase in remuneration costs by 2.7 million PLN and increase in consulting services by 0.5 million PLN increase in other administrative costs PLN 0.6 million.

Net finance income/(expenses)

Finance expenses are accrued and capitalized as part of the cost price of inventory to the extent that is directly attributable to the construction of residential units. Unallocated finance income or financial expenses not capitalized, is recognized in the statement of comprehensive income. In the year ended 31 December 2024 the Group recorded a net expense on financial operations of PLN 6.3 million compared to a net expense of PLN 3.2 million in the corresponding period of 2023. This difference is mainly due to a prior's year net profit on fair value measurement of a financial instrument as well as a gain on foreign exchange rates totaling 6.4 million generated last year, compared to no impact of such measurement in the corresponding period of 2024 and due to higher profit from deposits generated In 2024 comparing to 2023 by PLN 1.2 million.

For more information of Finance expenses that took place please see Note 23 of the Annual Consolidated Financial Statement.

Overview of selected details from the Consolidated Statement of Financial Position

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

	As at 31 December 2024	As at 31 December 2023
	PLN (thousands)	
Inventory and Residential landbank	809 413	814 151
Investment properties	60 976	83 220
Advances received	305 634	234 175
Loans and borrowings	296 969	234 135
Liability to shareholder measured at amortized costs	-	25 593

Inventory and residential landbank

The balance of Inventory and Residential landbank amounted to PLN 809.4 million as at 31 December 2024 compared to PLN 814.1 million as at 31 December 2023. The decrease was observed due to recognized costs of sales in the total amount of PLN 263.9 million, which was partially offset by direct construction costs occurred in 2024 in the total amount of PLN 234.5 million. Additional Group purchased a land in Wroclaw in amount of 25.0 million PLN.

Overview of selected details from the Consolidated Statement of Financial Position

Investment properties

The balance of Investment properties is PLN 61.0 million as at 31 December 2024 compared to PLN 83.2 million as at 31 December 2023. The decrease in the value of investment properties was affected by the sale of one of the investment properties during the year ended 2024 in the amount of 24.2 million. As well as an increase in fair value valuation of PRS assets in the total amount of PLN 2.3 million.

As at 31 December 2024 the balance consists of property held for long-term rental yields and capital appreciation as well as investment lands purchased to build investment property for long-term so-called institutional rental and capital appreciation.

Advances received

The balance of advances received is PLN 305.6 million as at 31 December 2024 compared to PLN 234.2 million as at 31 December 2023. The increase is explained by advances received during 2024 in the total amount of PLN 459.3 million which was offset by the revenues recognized from the sale of residential units for a total amount of PLN 386.6 million during the year ended 31 December 2024.

Loans, bonds and borrowings

The total of short-term and long-term loans and borrowings is PLN 297.0 million as at 31 December 2024 compared to PLN 234.1 million as at 31 December 2023.

The increase in loans and bonds is primarily explained by the issuance of bonds series P2023A and series Y in the nominal amount of PLN 220.0 million which was offset by the repayment of bonds series V in the amount of 60.0 million and bonds series W in the amount of 100.0 million.

The level of debt from bonds as at 31 December 2024 amounted to PLN 285.1 million. The balance of bonds comprises of principal amount of PLN 280.0 million plus accrued interest of PLN 9.1 million minus one-time costs directly attributed to the bond issuances (PLN 4.0 million) which are amortized based on the effective interest method. For additional information see Note 23 of the Annual Consolidated Financial Statement.

Liability to shareholder measured at amortized costs

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

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

Overview of cash flow results

The Group funds its day-to-day operations principally with funds generated from sales, as well as proceeds from loans and borrowings and bonds.

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

	For the period of year ended 31 December	
	2024	**2023**
	PLN (thousands)	
Cash flows from/(used in) operating activities	107 714	193 124
Cash flow from/(used in) investing activities	(1 165)	(9 828)
Cash flow (used in)/from financing activities	(21 231)	(30 621)

Cash flow from/(used in) operating activities

The Company's positive net cash flow from operating activities for the year ended 31 December 2024 amounted to PLN 107.7 million comparing to positive net cash flow from operating activities during the year ended 31 December 2023 amounting to PLN 193.1 million.

Overview of cash flow results

Cash flow from/(used in) operating activities

The decrease of PLN 85.4 million is primarily explained by:

- Increase of PLN 4.9 million in payment of advance for land PLN 8.9 million in the period ended on 31 December 2024 comparing to PLN 4.0 million in period ended on 31 December 2023;
- Repayment of Interest-bearing deferred trade payables (credit line from general constructor) at the amount of PLN 9.5 million;
- Decrease in Advances received from clients by PLN 26.2 million which accounted to total amount of PLN 459.3 million in the period ended on 31 December 2024 comparing to PLN 485.5 million in period ended on 31 December 2023;
- Increase of PLN 10.7 million in settlements with contractors on investments of total amount of PLN 250.6 million in the period ended on 31 December 2024 from PLN 239.8 million in the period ended on 31 December 2023;
- Increase in payment for remuneration to employees and service providers (B2B) including ZUS and PIT of 4.7 million PLN;
- Decrease in VAT return in the amount of PLN 14.6 million, amount returned in the reporting period PLN 6.5 million comparing to PLN 21.1 million in the corresponding period in 2023;
- Increase of PLN 20.3 million in income tax paid from PLN 9.6 million in period ended on 31 December 2023 to PLN 30.0 million paid in the period ended on 31 December 2024;

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

- Increase of PLN 1.4 million in the interest generated on deposits from PLN 3.8 million in the period ended on 31 December 2023 to PLN 5.2 million for the period ended on 31 December 2024;
- Decrease in VAT payments in amount of PLN 4.2 million in period ended 31 December 2024.
- Decrease of PLN 1.5 million repayment of interest on bonds and loans which accounted to total amount of PLN 22.4 million in the period ended on 31 December 2024 comparing to PLN 23.9 million in period ended on 31 December 2023;
- Increase of 3.2 million of money received on escrow accounts.

Cash flow from/(used in) investing activities

The Company's net cash outflow used in investing activities amounted to PLN 1.2 million during the year ended 31 December 2024 compared to net outflow from investing activities in comparative period in the amount of PLN 9.8 million. The change is primarily decreased expenses for the purchase of investment properties in 2024.

Cash flow from financial activities

The Company's net cash outflow from financing activities amounted to PLN 21.2 million during the year ended 31 December 2024 compared to a net cash outflow from financing activities amounted to PLN 30.6 million during the period ended 31 December 2023.

The decrease of PLN 9.4 million is primarily explained by:

- Increase in cash inflow from bonds in amount of PLN 136.5 million related to issuance of bonds series P2023A and series Y in amount of PLN 195.6 million in the reporting period, comparing to issuance of bonds series X in amount of PLN 59.1 million during the same period in year 2023;
- Decrease in the net cash outflow in the amount of PLN 12.8 million related to repayment of liability to shareholders in the amount of PLN 27.2 million in the period ended 31 December 2024, compared to PLN 40.0 million in the period ended 31 December 2023;
- Increase in the net cash inflow in the amount of PLN 10.5 million related to bank loans during the period ended 31 December 2024.

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

- Cash outflow in the amount of PLN 139.9 million related to cash repayment of bonds series V and repayment of series W during the year ended on 31 December 2024 comparing to PLN 40 million repayment of bonds series V during the year ended on 31 December 2023;
- Increase in the cash outflow in the amount of PLN 48.7 million related to payment of dividend in period ended 31 December 2024, compared to no dividend in the period ended 31 December 2023;
- Increase in payment of bank charges in the amount of PLN 1.6 million, PLN 2.6 million during 2024 comparing to PLN 1 million during 2023;

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.

	Exchange rate of Polish Zloty versus Euro			
PLN/EUR	**Average exchange rate**	**Minimum exchange rate**	**Maximum exchange rate**	**Period end exchange rate**
2024 (12 months)	**4.31**	**4.25**	**4.40**	**4.27**
2023 (12 months)	4.54	4.31	4.79	4.35

Source: National Bank of Poland ("NBP")

Selected financial data	**EUR**		**PLN**	
	(thousands, except per share data)			
	For the 12 months ended 31 December			
	2024	**2023**	**2024**	**2023**
Revenues from management services	**2 735**	2 821	**11 780**	12 817
Financial income (Wise majority from loans granted to subsidiaries)	**4 962**	7 152	**21 369**	32 494
Financial expenses (Wise majority from Interest on bonds)	**(6 866)**	(6 276)	**(29 570)**	(28 517)
Profit including results from subsidiaries	**15 698**	17 762	**67 602**	80 705
Cash flows from/(used in) operating activities	**3 621**	(1 431)	**15 593**	(6 502)
Cash flows from/(used in) investing activities	**7 995**	9 639	**34 430**	(43 797)
Cash flows from/(used in) financing activities	**(1 987)**	(4 592)	**(8 556)**	(20 863)
Increase/(decrease) in cash and cash equivalents	**9 629**	3 617	**41 467**	16 433

Selected financial data	**EUR**		**PLN**	
	(thousands)			
	As at 31 December			
	2024	**2023**	**2024**	**2023**
Investment in subsidiaries	**137 153**	119 535	**586 054**	519 740
Loan granted to subsidiaries	**46 942**	55 265	**200 582**	240 294
Total assets	**199 342**	182 416	**851 787**	793 145
Long term liabilities	**64 745**	33 088	**276 655**	143 866
Short term liabilities	**5 239**	26 837	**22 387**	116 685
Equity	**129 357**	122 492	**552 745**	532 593

Outlook for the year 2025

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 year 2025:

Project name	Location	Number of residential units delivered(1)			Number of residential units expected to be delivered(1)			Total project
		Until 31 December 2023	During the period ended 31 December 2024	Total units delivered	Units sold not delivered as at 31 December 2024	Units for sale as at 31 December 2024	Total units expected to be delivered	
Ursus Centralny IIc	Warsaw	67	156	223	–	–	–	223
Miasto Moje VII	Warsaw	–	129	129	123	3	126	255
Między Drzewami I	Poznań	–	102	102	13	–	13	115
Nowa Północ 1A	Szczecin	–	98	98	2	10	12	110
Osiedle Vola	Warsaw	–	83	83	–	1	1	84
Eko Falenty I	Warsaw	–	33	33	3	6	9	42
Ursus Centralny IIe	Warsaw	–	18	18	238	35	273	291
Viva Jagodno IIb	Wrocław	137	11	148	–	4	4	152
Miasto Moje VI	Warsaw	213	11	224	–	3	3	227
Nowa Warzymice IV	Szczecin	68	7	75	–	–	–	75
Viva Jagodno IIa	Wrocław	69	5	74	1	1	2	76
Grunwaldzka	Poznań	65	5	70	–	–	–	70
Ursus Centralny IIb	Warsaw	204	2	206	–	–	–	206
Młody Grunwald I	Poznań	146	2	148	–	–	–	148
Miasto Moje V	Warsaw	169	1	170	–	–	–	170
Nowe Warzymice I	Szczecin	53	–	53	–	1	1	54
Młody Grunwald III	Poznań	107	–	107	–	1	1	108
Verdis I–IV	Warsaw	440	–	440	1	–	1	441
Verdis Idea	Warsaw	10	–	10	1	–	1	11
Sakura Idea	Warsaw	25	–	25	1	–	1	26
Total excluding JV		**1 773**	**663**	**2 436**	**383**	**65**	**448**	**2 884**
Wilanów Tulip (2)	Warsaw	149	–	149	–	–	–	149
Total including JV		**1 922**	**663**	**2 585**	**383**	**65**	**448**	**3 033**

(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.*

(2) *The project presented in the Consolidated Financial Statement under investment in joint ventures; the Company's share is 50%.*

For information on the completed projects see "Business highlights during the year ended 31 December 2024 – A. Results breakdown by project".

Outlook for the year 2025

B. Current projects under construction and/or on sale

The table below presents information on projects for which completion is scheduled for the years 2025-2026. The Group has obtained valid building permits for all projects/stages and has commenced construction and /or sales.

Project name	Location	Start date of construction	Units sold until 31 December 2024	Units for sale as at 31 December 2024	Total units	Total area of units (m^2)	Expected completion of construction
Nova Królikarnia 4b1	Warsaw, Mokotów, ul. Srebrnych Świerków	Q1 2023	6	5	11	2 503	Q2 2025
Nowa Warzymice V.1	Szczecin, ul. Do Rajkowa	Q1 2024	11	1	12	942	Q2 2025
Nowa Warzymice V.2	Szczecin, ul. Do Rajkowa	Q2 2024	10	17	27	2 263	Q3 2025
Viva Jagodno III	Wrocław, Jagodno, ul. Buforowa	Q1 2024	30	28	58	3 140	Q3 2025
Nowa Północ Ib	Szczecin, ul. Bogusława Świątkiewicza	Q1 2024	15	74	89	4 234	Q3 2025
Zielono Mi I	Warsaw Mokotów, Ananasowa st.	Q1 2024	45	47	92	5 702	Q3 2025
Miasto Moje VIII	Warsaw, Białołęka, ul. Marywilska	Q3 2024	55	97	152	7 734	Q2 2026
Między Drzewami II.1	Poznań, ul. Smardzewska	Q2 2024	38	40	78	3 822	Q2 2026
Ursus Centralny IId*	Warsaw, Ursus, ul. Gierdziejewskiego	Q3 2024	53	308	361	19 432	Q4 2026
Total			**263**	**617**	**880**	**49 772**	

** Project which the Company started the sales but did not start construction as at 31 December 2024*

C. Projects for which construction work is planned to commence during 2025

Project name	Location	Total units	Total area of units (m^2)
Sobieskiego	Wrocław	198	11 520
Między Drzewami II.2	Poznań	207	10 047
Marynin I	Warsaw	144	7 043
Zielono Mi II	Warsaw	73	5 195
Bełchatowska	Poznań	48	4 078
Nowe Warzymice VII.1	Szczecin	28	2 468
Nova Królikarnia 3d	Warsaw	15	2 025
Total		**713**	**42 376**

Outlook for the year 2025

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 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 Group's clients in particular for units that have not been recognized in the 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
Ursus Centralny IIe(1)	Warsaw	238	165 524	Completed
Miasto Moje VII(1)	Warsaw	123	67 161	Completed
Między Drzewami I(1)	Poznań	13	7 838	Completed
Eko Falenty I(1)	Warsaw	3	2 843	Completed
Nowa Północ Ia(1)	Szczecin	2	984	Completed
Viva Jagodno IIa(1)	Wrocław	1	702	Completed
Sakura Idea(1)	Warsaw	1	642	Completed
Verdis Idea(1)	Warsaw	1	437	Completed
Verdis I-IV(1)	Warsaw	1	277	Completed
Viva Jagodno IIb(1)	Wrocław	0	227	Completed
Miasto Moje VI(1)	Warsaw	0	186	Completed
Miasto Moje V(1)	Warsaw	0	144	Completed
Ursus Centralny IIc(1)	Warsaw	0	60	Completed
Other	-	0	104	Completed
Subtotal completed projects		**383**	**247 131**	
Zielono Mi I(2)	Warsaw	45	47 010	2025
Nova Królikarnia 4b1 (Thame) (2)	Warsaw	6	29 990	2025
Viva Jagodno III(2)	Wrocław	30	16 579	2025
Nowe Warzymice V.2(2)	Szczecin	10	7 656	2025
Nowe Warzymice V.1(2)	Szczecin	11	7 516	2025
Nowa Północ Ib(2)	Szczecin	15	6 827	2025
Miasto Moje VIII2)	Warsaw	55	39 473	2026
Ursus Centralny 2d (3)	Warsaw	53	39 404	2026
Między Drzewami II.1(2)	Poznań	38	22 313	2026
Subtotal ongoing projects		**263**	**216 767**	
Total		**646**	**463 898**	

(1) For information on the completed projects see "Business highlights during the year ended 31 December 2024 – A. Results breakdown by project".
(2) For information on current projects under construction and/or on sale, see under "B".
(3) Projects where the Company started the sales but did not start construction process at 31 December 2024

Main risks and other factors important for the development of the Company and the Group

The Group's activities expose it to a variety of risks: global risks, market risks and financial risk factors (currency risk, liquidity risk, fair value measurement risk, interest rate risk). The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.
The Management Board reviews and updates policies for managing each of these risks and they are summarized below. The Group also monitors the market price risk arising from all financial instruments.
The Group does not use derivative financial instruments to hedge currency or interest rate risks arising from the Group's operations and its sources of finance.
The Group's principal financial instruments comprise cash balances, other current financial assets, loans granted to JVs and Group subsidiaries, bank loans, bonds , trade receivables and trade payables. The main purpose of these financial instruments is to manage the Group's liquidity and to raise finance for the Group's operations.

In terms of risks specific for the sector, in which the Group operates, the Group is exposed to potential increase in construction costs, potential increase in interest rates, the challenge of securing lands for reasonable prices, which can lead to the significant negative impact on the margins of projects, a prolongation of administrative procedures as well as an increasing competition in the market are considered to be the most significant uncertainties for the financial period ending 31 December 2024.

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

Initial estimates from Poland's Statistic Office (GUS) indicate that Poland's GDP growth amounted to 2.9% in 2024, accelerating from just 0.1% in 2023. Household consumption jumped by 3.1% (down by 0.3% in 2023), public consumption rose by nearly 7% (4.0% in 2023), while fixed investment increased by 1.3% (12.6% in 2023). In 2025, real GDP is forecast to increase by 3.6%.
Private consumption is set to be the main growth driver, supported by rapidly rising wages, increased government spending on support to families, improved consumer spirit, and receding inflationary pressures. It is projected that the positive contribution of public consumption will increase while the contribution of investment is expected to fall due to weaker private investment. Net exports are set to contribute negatively to growth, as rising domestic demand is expected to fuel imports amid subdued exports.

The general government deficit is expected to increase to 5.8% of GDP in 2024, driven by increased spending on defense (estimated to reach 2.6% of GDP)
The unemployment rate is set to rise slightly to 5.1% in 2024 and expected to decline in 2025 and 2026.
During 2023 Global trade shifts triggered by the pandemic, the Russian invasion of Ukraine and the trade rivalry with China have prompted the EU to take its own measures to support domestic industry. The negative contribution from net exports is expected to shrink. Risks to the outlook relate mainly to further delays in the implementation of EU-funded investment and a higher saving rate of households. The war in Ukraine was a key factor affecting the Polish economy in the last 2 years. It caused an increase in inflation particularly related to increases in energy and food prices.
The first half year of 2024 started with strong sales which later decreased due to uncertainty related to the new government plan for subsidized loans as well as the delay of approving it. The main key factor affecting the market in the first half year of 2024 was the fact that at the end of December 2023, it was no longer possible to apply for subsidized loans (BK2[1] loans). Throughout the first half year, however, banks analysed previously submitted applications and granted loans, resulting in a significant number of developer agreements being signed. The number of subsidized loans granted to buyers of first flats in Poland exceeded the preliminary assumptions. According to not final data, at the end of March 2024, there were already nearly 100,000 of subsidized loans, and in April there were still some applications waiting to be considered. It can be estimated that several thousand such loans (12,000-15,000) were granted at the primary market in the six largest agglomerations in the first quarter of 2024.
In April 2024, the new elected government finalized the first draft of the project of subsidies for mortgage loans– "Mieszkanie na start". For now, the future of program is uncertain, and further decisions will depend on the government's ability to overcome internal disputes and make the necessary changes. The last months of 2024 were a time of relative calm. Year 2024 was a year of waiting for decisions on new loan program. Developers who prepared an offer for this program in the first half of 2024 slowed down the introduction of new projects for sale. The supply of flats on the market was growing, and with it the pressure to slow down price growth. Due to the greater number of apartments put on the market than sold, the offer in Warsaw increased by 55% on a year - year basis, exceeding 15,000 apartments for the first time since II quarter 2022. In the period ended on 31st December 2024, the major cities experienced drop in demand due to the end of the BK2, which caused a decrease in sales in the six largest cities by 33.0% comparing to corresponding period of 2023. Some potential demand is still waiting - either for another support program for first-time homebuyers or for a significant price decrease, which - so far - is not coming. Commercial loan interest rates are still very high, and prudential buffers further reduce creditworthiness. Additionally, the latest NBP forecasts regarding the future of interest rates do not promise quick and significant changes for the better. Therefore, there is no basis to expect that the number of buyers using loans with market interest rates will increase quickly. However, it should be noted that if the subsidized loan program is not enacted, some buyers holding off on decisions will likely go to banks for loans, wanting to finalize long-postponed transactions. Such clients may be, however, forced to revise their plans and choose, for example, a smaller apartment or one located in a less convenient location.

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

Main risks and other factors important for the development of the Company and the Group

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

Due to lower sales in recent months and in view of the prolonged waiting period for the new loan program, developers were more flexible in their approach to negotiations, as in the previous quarter. They offered promotions and discounts in selected investments or apartment pools. However, these offers were still officially limited and, as was the case two years ago, they focused on selected elements related to the apartment, most often such as a discount on the price of a parking place, a storage room, favorable payment schedule for Clients, or the cost of a notarial deed included in the price.

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

Market risk – Inflation risk

According to the Statistical office of Poland (GUS) Poland's annual inflation rate was confirmed at 4.7% in December 2024, compared with the corresponding month of the previous year, and comparing to the inflation rate of 4.9% at the end of the third quarter of 2024.
Costs were stable for food and non-alcoholic beverages (4.8%) and communication (4.1%), while deflation eased for transport (-3.3% vs -4.1%). Additionally, prices moderated for alcoholic drinks and tobacco (3.3% vs 3.9%), recreation and culture (5.5% vs 6.1%), education (9.2% vs 9.3%), restaurants and hotels (6.8% vs 7%), and miscellaneous goods and services (3.1% vs 3.3%). On the other hand, costs increased at a faster pace for housing and utilities (10.1% vs 9.9%) and health (5.5% vs 5.3%). On a monthly basis, consumer prices stalled for December 2024, compared to 0.5% in the previous month and preliminary estimates of 0.2%.
The inflation rate and with it the interbank interest which was stabilized during the reporting period still affects the polish economy in many aspects and the real estate residential sector in the following:

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

A high level of interest rates has had negative consequences for the Group in the form of high interest expenses on the debt held - financial costs for the year ended 31.12.2024 amounted to PLN 24 million, as compared to PLN 24.1 million in the year ended 31.12.2023 despite new bonds Issuances with significantly lower margin. Starting from January 2024 the benchmark interest (WIBOR) stabilized to the level of 5.85% and by end of 2024 reached level of 5.80% (WIBOR 6M). The Management Board is continuing monitoring the situation, and adopt further actions, if necessary, in order to reduce as much as possible the effect of the inflation and interest rates increase on the Group's operations and strategy.
Despite of the above results the significance of the above risk factor is assessed by the Group as high, because its occurrence has had a significant, negative impact on business activity and financial situation of the Group and may have such negative impact in the future. The Group estimates the probability of occurrence of this risk as high.

Market risk – Construction cost risk and nonperformance by General contractors

The Group's activities expose it to a variety of construction costs risks such as construction cost increase risk, raw materials cost increase, shortage of qualified workforce, increase in labor costs and delay in obtaining the necessary permits to start construction. The construction costs have significantly risen within the last two years, reaching their peak in the second half of 2022 and stabilized during 2023 and in 2024. There is still a risk that construction costs may rise in 2025.
The increase so far has been mainly due to rising prices of construction materials and energy, which has translated directly and indirectly into production costs, in addition to the continuation of the Russian-Ukrainian conflict causing energy prices to rise across Europe and shortages of construction workers as well as increase in labor costs due to increase in higher minimum average remuneration to employees. Construction labor costs have increased by approximately 5.1% according to published information on February 2025.
The Group do not conduct construction business, however, for each project an agreement with an external general contractor is concluded. The general contractor is responsible for the construction works and completion of the project, including obtaining all permits necessary for safe use of the residential units.
The risk related to improper performance of the agreement by the general contractor may cause delays in the project or have a significant impact on the Group's operations, financial conditions, or results. The Group sees potential sources of improper performance of the obligations by the general contractor in a lack of access to qualified workforce, increase in salaries/wages, costs of construction materials and increase in energy prices.
Inadequate performance of the agreement may lead to claims against the general contractor, potentially rendering it unable to meet the claims of the Company and the Group. A crucial factor in selecting a general contractor is its experience, professionalism, financial stability (including its capacity to provide bank and/or insurance guarantee), and the adequacy of the insurance policy to cover all risks associated with the construction process.

Main risks and other factors important for the development of the Company and the Group

Market risk – Construction cost risk and nonperformance by General contractors

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

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

The real estate development business, in which the Company and the Group operates, requires significant initial expenditures to purchase land and to cover construction, infrastructure, and design costs.
As such, the Company and the Group, in order to continue and develop its business, require significant amounts of cash through external financing banks and issuance of bonds. The Company's and Group's ability to obtain such financing depend on many factors in particular, on market conditions which are beyond the Company's and the Group's control. In the event of difficulties to obtain the required financing, there is a risk that the scale of the Company's and Group's development and pace of achieving its strategic objectives may differ from what was originally planned. In such situation as described above, there is no certainty whether the Company and the Group will be able to obtain the required financing, nor whether financial resources will be obtained under conditions that are favorable to the Company and the Group. To mitigate the risk of insufficient financial resources, the Company is actively exploring alternative financial sources that can provide the necessary funding and favorable conditions.

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

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

At the end of 2021 year, the Group resolved to commence its business operations in the Private Rented Sector (PRS). This segment has been recognized as a promising and complementary addition to the Group's residential business portfolio. Despite extensive experience in the housing market, entering a new segment entails a multitude of financial, legal, and public relations risks. These risks include an increased capital commitment, elevated debt levels, reduced flexibility in responding to market fluctuations, diminished competitiveness, the potential for underperformance in relation to projections, and the risk of adverse public perception. Despite thorough analyses conducted prior to the commencement of operations, the outcomes of such projects may deviate from initial assumptions and adversely impact the Group's operations and financial standing. As at 31 December 2024, the carrying amount of Investment Property was PLN 61.0 million and land held for development in the PRS segment was PLN 52.4 million, representing approximately 4.1% of the Group's assets.
In the period ended December 31, 2024, the Group sold one of its Investment Properties for a total amount of PLN 24.2 million due to the company's inability to meet the initial development plan for the asset. The sale took place as of 15 October 2024.
As the PRS activity is complementary to the Group's core business, the risk of lack of success in this segment will not significantly affect the Group's financial position. If there is no success in the rental area, the completed units will mostly be able to be sold by the Group on the market as ordinary flats.

Market risk – Legislation and administrative risk

The nature of development projects requires the Company and the Group to obtain a number of permits, approvals and agreements at each stage of the development process. Despite the utmost care being taken to meet project schedules, there is always a risk of delay in obtaining these.
Moreover the Polish legal environment is characterised by frequent changes, inconsistency and lack of uniform interpretation of laws and tax regulations subject to frequent amendments, which contributes to risk factors related to the legal environment in which the Group operate.
The Group's operations cannot be conducted in isolation from the legal environment, which consists of both applicable laws and the practice of applying them. Since laws and the interpretation and practice of their application are subject to changes that are not always favorable to the Group's operations, these changes must be taken into account by the Group when conducting its operations, especially when planning future projects.
The amendment to the Planning and Development Act, which came into force on 30 September 2023 (many of its solutions will in fact be in force from 1 January 2026 or from the adoption of a general plan by a municipality), has introduced significant changes and these should be taken into account in 2025.

Main risks and other factors important for the development of the Company and the Group

Market risk – Legislation and administrative risk

Indeed, among the most important changes introduced in the aforementioned law, it is necessary to point out:

- resignation from the study of spatial development conditions and directions in favor of a general plan, which will cover the area of the entire municipality and will be an act of local law;
- establishment of new rules for issuing decisions on land development conditions – after 31 December 2025, decisions on development conditions will only be able to be issued in the areas designated in the new municipality's general plan in the so-called areas of development completion (OUZ). The municipality may designate these in the general plan, but is not obliged to do so. This means that in some municipalities that choose not to designate OUZs, the issuing of development conditions will not be possible. In addition, decisions on land development conditions issued after 1 January 2026 will be valid for 5 years and not indefinitely as before;
- repealing as of 31 December 2025 the so-called lex developer and introducing a new planning tool in the form of integrated investment plans.

In addition, as of 1 July 2024, the transitional period of the existing Act of 20 May 2021 on the Protection of the Rights of the Purchaser of a Dwelling or Single-Family House and on the Developer Guarantee Fund (the so-called Developer Act) ended and, as of 1 July 2024, the sale of flats in all ongoing development projects has already taken place in accordance with the new Developer Act. Moreover, on 1 August 2024, the Ordinance of the Minister of Development and Technology of 27 October 2023 amending the Ordinance on technical conditions to be met by buildings and their location will come into force. The amendment to the technical conditions particularly concerns the requirements for multi-family residential buildings, the most important of which include:

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

Although another important change for the market will come into force on 1 January 2026, it must nevertheless already be taken into account by the Company in the context of future projects. The Civil Protection and Civil Defence Act of 5 December 2024 (the so-called Shelter Act) imposes an important obligation to construct shelters and hiding places in new multi-family residential buildings and in selected public facilities. There is still a transitional period in 2025, and the new regulations will apply to projects where a building permit application is submitted after 31 December 2025. Shelters will have to meet certain standards for safety, structural strength and equipment. This means additional costs for investors and the need to adapt projects to the new technical requirements. Developers should take these changes into account already at the planning stage of future developments to avoid problems with obtaining permits once the regulations come into force.
Moreover the Ministry of Development and Technology is working on a law to increase the availability of land for housing. It is planned to remove restrictions on the trading of agricultural properties within the administrative boundaries of cities and to abandon the right of repurchase by the National Agricultural Support Centre.
In addition, it is planned to reduce the ratio of parking places under the procedure of the Act on Facilitation (the so-called Lex developer), changes in the procedure for drawing up the Integrated Investment Plan by introducing the principles of investor participation by allowing the municipal council to establish within a resolution, constituting an act of local law, the guidelines for urban planning agreements concluded in connection with the drawing up of integrated investment plans. This is intended to regulate the scope of obligations of the municipality and the investor that can be established in the urban planning agreement. In addition, several changes have been proposed to streamline the procedure for drawing up Integrated Investment Plan, to simplify the procedures for issuing building permits and to shorten the waiting time for administrative decisions in terms of changes to the rules for lodging appeals and complaints. The introduction of these changes is likely to reduce the bureaucratic burden that currently prolongs investment processes by up to several years.

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

However, considering the Group’s extensive market experience, its ability to swiftly adapt to evolving market conditions, its financial standing, and its market reputation, the Board is confident that these changes will have a diminished impact on the Group compared to other developers.

Main risks and other factors important for the development of the Company and the Group

Financial risk factors

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

(i) Currency risk

Entities within the Group are exposed to foreign exchange risk in relation to receivables, payables and financial instrument measured trough profit and loss denominated in currencies other than the polish zloty.
The Group's functional currency is polish zloty, as at 31st December 2024 the Group has a no material monetary liabilities.
In 2023 as well as 2024 the Group didn't hedge its investments or liabilities in foreign operations. As of 31st December 2024 there are no significant monetary balances held by the Group that are denominated in a non-functional currency and have material effect on the Group results.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Period ended 31 December 2024				
In thousands of Polish Zlotys (PLN)	**Less than 1 year**	**Between 1 and 2 years**	**Between 3 and 5 years**	**Over 5 years**	**Total**
Bond loans (principal only)	-	59 568	216 374	-	275 942
Interests on bond loans	26 490	26 472	31 462	-	84 424
Secured bank loans	11 898	-	-	-	11 898
Lease liabilities related to perpetual usufruct of land and investment property	1 463	1 463	4 388	29 108	36 421
Trade and other payables	59 236	-	-	-	59 236
Total	**99 087**	**87 503**	**252 224**	**29 108**	**467 921**

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

The Group is exposed to liquidity risk as a result of mismatching maturity of assets and liabilities. The Group's liquidity risk is managed with respect to the Group's risk using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g. accounts receivable, other financial assets) and projected cash flows from operations. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash, bank loans, bond loans and other financial instruments. The Group constantly looks for other opportunities to obtain funds which will ensure necessary financing and their favourable conditions.

Main risks and other factors important for the development of the Company and the Group

Financial risk factors

(iii) Fair value measurement risk

The Investment properties are valued at fair value determined by an independent appraiser (please refer to Note 13 of Consolidated Financial Statement).
During the period ending on 31 December 2024 the Group sold one of its assets in the total amount of PLN 24.2 million due to the inability of the Company to fulfil a proper development plan which was initially designated for. The asset was sold on 15 October 2024.
On 14 March 2024, the Company and A. Luzon Group entered into an annex to the agreement dated 25 May 2023. The addendum provided for a change in the payment schedule such that the remaining payments to be made under the aforementioned agreement in the amount of approximately ILS 24.7 million would be paid on 2 April 2024, and upon payment, the Agreement would be executed and terminated. On 5 April 2024, the subject payment was made by the Company. As at 31st December 2024 the Company do not have any financial labilities valued at fair value as all obligations under the SAFE agreement are fully paid.
Other then this there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets, investment property.

(iv) Interest rate risk

The Bonds obtained by the Group bear interest at a floating rate based on WIBOR6M plus a margin. As of December 2024, the WIBOR6M was 5.8% (as of 31 December 2023, it was 5.82%).
The Bank loans are based on WIBOR3M or WIBOR1M plus margin. Changes in the WIBOR rate will have a significant impact on the Group's cash flow and profitability.
Till the end of 31 December 2024 the Company has issued two new series of bonds, series P2023A in the amount of PLN 60 million maturing on 15th of August 2027 as well as Series Y in the amount of PLN 160 million that is scheduled to be repaid in 2 tranches PLN 80 million by 24th March 2028 and PLN 80 million by 24th September 2028.
The table below presents the sensitivity analysis and its impact on net assets and income statement assuming if the variable interest rate changes by 1% assuming that all other variables remain unchanged:

	31 December 2024		31 December 2023	
In thousands of Polish Zlotys (PLN)	**Increase by 1%**	**Decrease by 1%**	**Increase by 1%**	**Decrease by 1%**
Income statement				
Variable interest rate assets	2 500	(2 500)	1 682	(1 682)
Variable interest rate liabilities	(2 970)	2 970	(2 437)	2 437
Total	**(470)**	**470**	**(755)**	**755**
Net assets				
Variable interest rate assets	2 500	(2 500)	1 682	(1 682)
Variable interest rate liabilities	(2 970)	2 970	(2 437)	2 437
Total	**(470)**	**470**	**(755)**	**755**

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

New benchmark reference index

The National Benchmark Reform Working Group (NGR), established by the Polish Financial Supervision Authority, is working on the implementation of a new RFR - type reference index. According to recent meetings held by The Steering Committee of the National Working Group (NWG SC) appointed in connection with the benchmark reform, at its meetings on 21 November 2024 and 6 December 2024, held a discussion and decided to select the proposed index marked with technical name WIRF – and based on unsecured deposits of Credit Institutions and Financial Institutions as the ultimate interest rate benchmark to replace the WIBOR benchmark. The administrator of WIRF – as defined in the Benchmark Regulation (BMR) will be GPW Benchmark S.A., a company registered with the European Securities and Markets Authority (ESMA). Thus, the NWG SC has reviewed and modified its previous decision to select WIRON (originally: WIRD) based on the grounds stated below and mentioned in previous communications from the NWG.
The decision of the NWG SC was consistent with the prevailing opinions of market participants expressed during the additional round of public consultations.
In support of the high ratings for the proposed WIRF – index, the participants in the public consultations had indicated mainly the homogeneity of the eligible transactions pool, relatively low volatility of the proposed index and the highest probability of creating an active derivatives market for such ultimate index and as a result interest rate term structure. It had also been noted that the proposed WIRF – index was characterised by the lowest volume, but still adequate, with eligible transactions pool.
The next step for the NWG SC will be to update the Roadmap as part of the current schedule of activities aimed at replacing the WIBOR benchmark with the ultimate WIRF – benchmark, whose final name is to be chosen in the course of further work.
WIRF – is ultimately to become the key interest rate benchmark as defined in the BMR which can be applied in financial contracts (e.g. credit agreements), financial instruments (e.g. debt securities or derivatives) and by investment funds (e.g. to determine the asset management fees).

Main risks and other factors important for the development of the Company and the Group

Financial risk factors

(iv) Interest rate risk

New benchmark reference index

The activities of the National Working Group led by the Steering Committee aim to ensure the reliability, transparency and accuracy in the process of determining and applying the new interest rate benchmark.
The Group did not use any hedging instruments to mitigate the interest risk as the interest rates in Poland were very low for a long time and the Group was benefiting from low floating rates. Due to high inflation, the floating rates increased considerably exposing the Group for high interest rates. The Group considered hedging instruments but at this stage, there was no benefit for doing so as costs of hedging together with the caped interests were similar to the floating rates the Group will pay.

Interest rate risk and liquidity risk analysed

In respect of income-earning financial assets and interest-bearing financial liabilities, the following tables indicate their average effective interest rates at the reporting date and the periods in which they mature or, if earlier, re-price.

As at 31 December 2024

In thousands of Polish Zlotys (PLN)	**Average effective interest rate**	**Total**	**6 months or less**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Fixed rate instruments							
Cash and cash equivalents	2.7%	**248 840**	248 840	-	-	-	-
Other current financial assets	0.0%	**11 294**	11 294	-	-	-	-
Variable rate instruments		**-**	-	-	-	-	-
Cash and cash equivalents	0.0%	**40 338**	40 338	-	-		
Secured bank loans	Wibor 3M or 1M + 2.1% - 2.7%	**(11 898)**	(11 898)	-	-	-	-
Floating rate bonds	Wibor 6M + 3.3%-4.2%	**(285 071)**	(9 129)		(59 568)	(216 373)	-
Interest bearing deferred trade payables	Wibor 6M						
Loans granted to joint ventures	Wibor 6M + 3.2%	**156**	-	156	-	-	-

As at 31 December 2023

In thousands of Polish Zlotys (PLN)	**Average effective interest rate**	**Total**	**6 months or less**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Fixed rate instruments							
Cash and cash equivalents	3.99%	**167 020**	167 020	-	-	-	-
Other current financial assets	0,00%	**12 809**	12 809	-	-	-	-
Liability to shareholders measured at amortised costs	3.00%	**(25 593)**	**-**	(6 074)	(19 519)	-	-
Variable rate instruments							
Cash and cash equivalents	0,00%	**36 840**	36 840				
Secured bank loans	Wibor 3M or 1M + 2.1% -2.7%	**(8 815)**	(8 815)	-	-	-	-
Floating rate bonds	Wibor 6M + 4.00%-4.30%	**(225 320)**	(66 645)	(40 000)	(59 395)	(59 280)	-
Interest bearing deferred trade payables	Wibor 6M	**(9 538)**	(9 538)	-	-	-	-
Loans granted to joint ventures	Wibor 6M + 3.20%	**145**	-	-	145	-	-

Main risks and other factors important for the development of the Company and the Group

Financial risk factors

(v) Credit risk

Credit risk is the risk of financial loss of the Group if a customer or counter party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially expose the Group to concentrations of credit risk consist principally of cash, cash equivalents and receivables, loans granted to JV and third parties, as well as other current financial assets.
The Group is making substantial cash payments as security for preliminary land purchase agreements. To mitigate its credit risk associated with these payments, the Group registers advance repayment obligations in the mortgage register of the respective property. Management has implemented a comprehensive credit policy and continuously monitors its credit risk exposure. This monitoring involves analyzing overdue receivables from clients, assessing the credit risk of financial institutions, and ensuring the liquidity position of the joint venture and related companies.

The maximum exposure to credit risk as at 31 December 2024 and as at 31 December 2023 was as follows:

As at 31 December *In thousands of Polish Zloty (PLN)*	**2024**	**2023**
Trade and other receivables	14 654	14 361
Loans granted to joint ventures	156	145
Cash and cash equivalents	289 178	203 860
Other current financial assets	11 294	12 809
Total	**315 282**	**231 175**

The Group places its cash, cash equivalents and other current financial assets in financial institutions with high credit ratings. Management has no information that any counterparty will fail to meet its obligations. Concentrations of credit risk with respect to trade receivables are limited due to the large number of customers comprising the Group's customer base. The credit quality of cash at banks and short-term bank deposits can be assessed by reference to external credit ratings.

(A) Cash and cash equivalents

In thousands of Polish Zloty (PLN) **Rating**	**As at 31 December 2024**	**As at 31 December 2023**
A	245 801	164 095
BBB	39 262	30 671
BB	4 115	9 094
Total cash at banks and short-term bank deposits	**289 178**	**203 860**

(B) Other current financial assets

In thousands of Polish Zloty (PLN) **Rating**	**As at 31 December 2024**	**As at 31 December 2023**
A	8 543	2 004
BBB	2 751	9 518
BB	-	1 287
Total other current financial assets	**11 294**	**12 809**

The Group keeps cash and cash equivalents and other financial assets in seven financial institutions.
Cash and cash equivalents and escrow accounts presented in Other financial assets in Statement of Financial Position are considered to have low credit risk. While Other financial assets and Cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial. Given such characteristics of the financial instruments the Management estimates that credit risk loss allowance with respect to all financial instruments, including primarily loans granted, is immaterial.

Assessment of the Group's finance management

In 2024, the management of the Group financial resources was mainly focused on obtaining sources of financing for both, projects being conducted as well as on maintaining safe financial ratios at all levels of its business activity. The Group has obtained funds from issuance of bonds series P2023A in the total amount of PLN 60.0 million and series Y in the total amount of PLN 160.0 million. On the other hand, managed to repay the bonds series V in the total amount of PLN 60.0 million and repay the bonds series W in the total amount of 100.0 million.

The Group's leverage ratios have remained at a safe level as at 31 December 2024. The net debt (including cash paid by Company's clients blocked temporarily on the escrow accounts servicing ongoing projects that are under construction) to equity ratio as at 31 December 2024 was -0.5 %.

Having considered the specifics of the real estate development industry with its long production cycle and tighter funding requirements for companies operating in this sector, the Group has been in a comfortable financial position. The liquidity ratios are driven by decisions around financing of current investments (including decisions when to commence the construction of new project/stage) and the strategy of acquiring new land. The Management Board considers the Group's liquidity to be at a safe level.

As at 31 December *In thousands of Polish Zlotys (PLN)*	**2024**	**2023**
Loan and borrowings, including current portion	285 071	225 320
Secured bank loans	11 898	8 815
Financial liability measured at amortised costs	-	25 593
IFRS 16 - Lease liabilities related to cars	864	489
Less: cash and cash equivalents	(289 178)	(203 860)
Less: other current financial assets	(11 294)	(12 809)
Net debt	**(2 639)**	**43 548**
Total equity	553 824	533 672
Total capital employed	**551 185**	**577 220**
Total assets	**1 275 201**	**1 203 599**
Debt to equity ratio	**53.8%**	**48.8%**
Net debt to equity ratio	**(0.5%)**	**8.2%**
Equity ratio	**43.4%**	**44.3%**
Leverage ratio	**(0.5%)**	**7.5%**

Liquidity Ratios	**2024**	**2023**
Current assets	1 154 776	1 083 841
Inventory and advance for land	799 349	810 038
Short term liabilities less advances received	119 795	260 487
Cash and cash equivalents	289 178	203 860
Current ratio *current assets / short-term liabilities less advances received*	**9.64**	**4.16**
Quick ratio *current assets less inventory and advance for land / short-term liabilities less advances received*	**2.97**	**1.05**
Cash ratio *cash and cash equivalents / short-term liabilities less advances received*	**2.41**	**0.78**

Information on secured bank loans, bonds, sureties and guarantees

Bonds loans contracted or redeemed

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

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

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

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

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

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

Bank loans contracted or repaid

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

On 12 June 2024 the Company signed agreements for bank loans for Zielono MI I in amount up to PLN 45.5 million.

On 8 November 2024 the Company signed agreement for bank loans for Viva Jagodno III in amount up to PLN 24.5 million.

On 19 December 2024 the Company signed agreement for bank loan for Między Drzewami II.1 in amount up to PLN 32.0 million.

In addition, during the period ended 31 December 2024, the company repaid in full the bank loans for the Osiedle Vola, Miasto Moje VII, Między Drzewami I and Ursus Centralny IIe.

All bank credit loans are secured.

Information on secured bank loans, bonds, sureties and guarantees

Guarantees received by the Group

The construction guarantees and post construction guarantees received by the Company and the Group from General Contractors during the year 2024 are presented in the table below:

Entity name	Amount of guarantee *In thousands of Polish Zlotys (PLN)*
Danya Cebus Ltd.	34 200
Credit Agricole Bank Polska S.A.	21 324
ING Bank Śląski S.A.	15 510
Santander Bank Polska S.A.	9 581
Wiener TU S. A. Vienna Insurance Group	6 302
Bank Discount(1)	5 622
BNP Paribas Bank Polska S.A.	4 659
Skandinaviska Enskilda Banken AB	3 870
ERGO Hestia S.A.	2 468
Societe Generale S.A.	2 264
Towarzystwo Ubezpieczeń i Reasekuracji WARTA S.A.	1 817
InterRisk TU S.A.	1 481
Alior Bank S.A.	1 388
Bank Pekao S.A.	1 310
Tokio Marine HCC	1 195
AXA Ubezpieczenia TUiR S.A.	516
UNIQA TU S.A.	179
Bank Handlowy w Warszawie S.A.	176
mBank S.A.	54
Bank Millennium S.A.	20
Total	**113 936**

(1) The guarantee amount is 5 million ILS and translated to PLN base on the exchange rate as at 31.12.2024 (1ILS=1,1243 PLN)

Guarantees provided by the Group

The table below present sureties that were provided only by the Group as at 31 December 2024 to banks with respect to the construction loan contacts signed by the Company's subsidiaries:

Entity name *In thousands of Polish Zlotys (PLN)*	**Sureties up to the amount of**	**Amount as at 31 December 2024**
mBank S.A.	10 752	-
PKO Bank Polski S.A.	2 118	
Total	**12 870**	**-**

As at 31 December 2023 there were guarantees provided with respect to the construction loan contracts granted by the Company.

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

Additional information to the report

Changes in the Management and Supervisory Board during the year ended 31 December 2024 and until the date of publication of this report

During the year ended 31 December 2024 and until the date of publication of this report, there were no changes in the Company's Management Board or Supervisory Board.

Changes in ownership of shares and rights to shares by Management and Supervisory Board members during the year ended 31 December 2024 and until the date of publication of this report

Members of the Company's Management Board and Supervisory Board do not hold shares or rights to shares in the Company, and there were no changes in this regard during the year ended 31 December 2024. However, it should be pointed out, Mr. Amos Luzon, who is Chairman of the Company's Supervisory Board and is as well its beneficial owner.

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

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

Disclosure obligations of controlling shareholder

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

Agreements with shareholders

A subsidiary of the Company (Ronson Development Management Sp. z o. o.) was a party to a consulting agreement with A. Luzon Group during the period ended 31 December 2024. Pursuant to this agreement (signed on June 30, 2017), Ronson Development Management Sp. z o.o. paid A. Luzon Group the amount of PLN 70.0 thousand per month and covered travel and accommodation expenses incurred in connection with the provision of services. As of 1 February 2024, the aforementioned agreement was terminated. In its place, a new consulting agreement was concluded on 1 February 2024, to which the Company and Luzon Ronson N.V. are parties. The subject of the agreement is the mutual provision of services by the parties to it. The remuneration payable to Luzon Ronson N.V. for services rendered to the Company under the aforementioned agreement has been set at a lump sum of PLN 83.0 thousand per month (plus any applicable VAT), while the remuneration payable to the Company for services rendered to Luzon Ronson N.V. has been set at a lump sum of PLN 25.0 thousand per month (plus any applicable VAT). Settlement of expenses incurred by both parties in connection with the provision of services (such as travel or accommodation costs) will be made in each case based on copies of receipts documenting the incurrence of such expenses by the respective Party.

Agreements between shareholders

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

Changes in the Company's group structure

In the year ended 31 December 2024, the only changes that took place in the Group's structure were the registration of three limited liability companies in the Register of Entrepreneurs of the National Court Register, i.e.: Ronson Development SPV17 Sp. z o. o., Ronson Development SPV18 Sp. z o. o. and Ronson Development SPV19 Sp. z o. o.

The Company's group structure as at 31 December 2024 and 31 December 2023 is presented in the Note 1 to the Consolidated Financial Statements.

Seasonality

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

Additional information to the report

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

On 31 December 2023, in fulfilment of the statutory obligation arising from Article 35(1a) of the Act of 15 January 2015 on Bonds (the 'Act on Bonds'), the Company published on its website a forecast of the financial liabilities of the Company and the Group, i.e. the estimated value of liabilities under loans and borrowings, debt securities issues, leases and the estimated financing structure understood as the value and percentage share of the above-mentioned liabilities in the total liabilities and equity of the Company's and the Group's balance sheet as at 31 December 2024.

In accordance with Article 35(1b) in conjunction with (1c) of the Bond Act, the Company indicates and explains below the significant differences between the published information on the forecast of the Company's and the Group's financial liabilities and the Company's and the Group's financial liabilities as shown in the Company's accounting records as at 31 December 2024.

In December 2024 the Company published on its website a forecast of the development of the Company's and the Group's financial liabilities as of 31 December 2025.

Related parties' transactions

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

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

During the year ended 31 December 2024, transactions and balances with related parties included: remuneration of the Management Board, loans to related parties within the Group and a consulting services agreement with A. Luzon Group, for a monthly amount of PLN 70 thousand (ended by the parties on January 31 2024), and a consulting services agreement with Luzon Ronson N.V. for a monthly amount of PLN 83 thousand, as well as payment of travel and out-of-pocket expenses. All transactions with related parties were carried out at arm's length. During the year ended 31 December 2024, the Group paid a total of PLN 984 thousand. Simultaneously, the Group recognized income from the sale of consulting services to Luzon Ronson N.V. in the amount of PLN 275 thousand.

In addition, during the year ended 31 December 2024, the Group recognized income from two apartments sold in 2022 to a company owned by Mr. Andrzej Gutowski, Vice-President of the Company's Management Board, for a total net amount (excluding VAT) of PLN 592.8 thousand, one apartment and parking place sold in 2023 to Mr Boaz Haim for a total net amount of PLN 304.2 thousand. Furthermore, the Group sold one service unit to a company owned by Mr Andrzej Gutowski for a net amount (excluding VAT) of PLN 1.1 million and one parking place to Ms. Karolina Bronszewska for a net amount of PLN 29.0 thousand. The transactions were made on an arm's length basis and in accordance with the Group's policy on transactions with related parties.

Option program

On 28 November 2022, A. Luzon Group announced a private issuance of options for shares of Amos Luzon Development and Energy Group Ltd. ("Options"). According to the allocation, Mr. Boaz Haim received 9 817 868 Options. Options were allotted free of charge.

Each Option entitles to one ordinary share of A. Luzon Group of ILS 0.01 par value, for an exercise price of ILS 0.2 (which however will be settled by Amos Luzon Development and Energy Group Ltd. on a net basis, i.e. final number of received shares will be decreased by a number of shares which market value is equal to full exercise price to be paid).

Mr. Boaz Haim will be entitled to exercise the Options as follows:

(i) As of November 28, 2024 - 40% of the Options have been granted but not exercised
(ii) after 36 months from the allotment date - up to 20% of allocated Options
(iii) after 48 months from the allotment date - up to 20% of allocated Options
(iv) after 60 months from the allotment date - up to 20% of allocated Options

The Options can be exercised until the end of 7 years from the date of their allocation. Options that were not exercised within the above-mentioned period, expire. Assuming all the Options are exercised, Mr. Boaz Haim will hold c.a. 2.38% of the issued and paid-up capital of A. Luzon Group and about 1.89% of the issued and paid-up capital of A. Luzon Group on a full dilution basis. The Option program envisages adjustments in options for share allocation in case of various corporate events in A. Luzon Group (such as the issuance of shares or other options, merger, dividend distribution, etc.). The initial effect of the program was recognized in year 2023 in the amount of PLN 1.6 million and cost of year 2024 amounted to PLN 1.3 million. The program is accounted under IFRS 2 standard as an employee expense, part of administrative costs and share-based payment expense in equity. Total value of the program as of grant date amounted to PLN 4.7 million.

Additional information to the report

Proceedings before the courts, arbitration or public administration authority

As at 31 December 2024, the Company and the Group were not party to any individual proceedings before a court, arbitration body or public administration authority concerning liabilities or receivables whose value would exceed 10% of the Company's equity.

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

a) Ronson Development Sp. z o.o. – Ursus Centralny Sp.k. is in dispute with the State Treasury over the determination of the amount of the annual fee for perpetual usufruct of real estate. For more information of material court cases please see Note 30 of Consolidated Financial Statements for the financial year ended 31 December 2024

b) Ronson Development Sp. z o.o. – Estate Sp. k., which ran the Galileo development project, is a defendant in several cases for a reduction in the price of the units due to their defects, as well as a plaintiff in a case against the general contractor of the Galileo development project, its insurer and other entities involved in the development and their insurers, the subject of which is the acknowledgement of the liability of these entities for damage to the above-mentioned company related to the improper execution of the project and for damages. Due to transformations within the Ronson Development group, in some cases the defendant is Ronson Development South Sp. z o. o. For more information of material court cases please see Note 30 of Consolidated Financial Statements for the financial year ended 31 December 2024

c) from the applications of three Group companies, i.e. Ronson Development Sp. z o.o. – Projekt 3 Sp. k., Ronson Development Sp. z o.o. – Projekt 4 Sp. k. and Ronson Development SPV4 Sp. z o.o., multiple (over ten) enforcement proceedings were pending in the period ended 31 December 2024 are pending against several related companies that were sellers (or otherwise participated in real estate sales transactions); these proceedings are aimed at enforcing receivables for repayment of down payments or payment of down payments in the double amount, as well as for repayment of the loan granted). For more information of material court cases please see Note 30 of Consolidated Financial Statements for the financial year ended 31 December 2024

d) from an action brought by the three aforementioned Group companies, i.e. Ronson Development Sp. z o.o. – Projekt 3 Sp. k., Ronson Development Sp. z o.o. – Projekt 4 Sp. k. and Ronson Development SPV4 Sp. z o.o. during the ended 31 December 2024 there are also 3 pending court proceedings – two for payment and one for reconciliation of the land and mortgage register with the actual legal status – two of these proceedings against the two companies referred to in point c above and one against their sole member of the management board with all of these proceedings ended as a result of a judgment or order for payment favorable to the Ronson Group companies or, in the case of proceedings for reconciliation of the land and mortgage register with the actual legal status, withdrawal of the action as a result of a settlement and removal of the mortgage from the land and mortgage register. For more information of material court cases please see Note 30 of Consolidated Financial Statements for the financial year ended 31 December 2024

Commitments and contingencies

For information about investment commitments of the Group in respect of construction services to be rendered by the general contractors and contingent liabilities related to the purchase of new plots, see Note 30 of the Consolidated Financial Statements for the year ended 31 December 2024.

Employees

The average number of personnel employed by the Group – on a fulltime equivalent basis – during the year ended 31 December 2024 was 69 compared to 64 during the year ended 31 December 2023. There are no personnel employed directly by the Company.

Dividend policy

On 11 July 2018, the Management Board of Ronson Development SE resolved to update the dividend policy of the Company. The Management Board recommends in upcoming years a dividend payment of 50% of the consolidated net profit attributable to shareholders but not less than PLN 9,840,649 in total (representing PLN 0.06 per share at the current number of issued shares).

The final recommendations regarding the payment of dividends will be made by the Management Board after the examination of the current and expected balance sheet of the Company, expected operating, financial and cash-flow position of the Company and taking into consideration: (i) the close observance of all balance-sheet linked debt covenants, (ii) ability of future repayment of debts, (iii) financial needs of the Company aiming to be ranked amongst leading residential developers and (iv) changing market environment.

Additional information to the report

Dividend payment

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

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

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

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

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

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

Research and development

The Company and its subsidiaries are not involved in any research and development activities.

Environmental protection

The Company is conducting its business activities, undertakes to comply with all laws and regulations regarding use of land and protection of the natural environment. The Company is not a party to any pending proceedings regarding potential environmental protection violations.

Assessment of the possibility to implement investment projects

In the opinion of the Management Board, the Company and the Group have resources necessary for the implementation of ongoing and planned projects as well as acquisition of new projects. The Company and the Group is financing its activity using own resources, advances from customers, as well as external financing - bank loans and bond issues.

Statement of the Management Board regarding financial statements and the Management Board Report

The Management Board of Ronson Development SE hereby declares that:

a. to the best of its knowledge, the Standalone Financial Statement and the Consolidated Financial Statement, together with the comparative data were prepared in accordance with the applicable accounting principles and they present a true, fair and clear picture of the financial situation of the Company and the Group and its financial result;

b. the Management Board Report presents a true picture of the Company's and Group's development and achievements and the situation of the Company and the capital group of the Company, as well as a description of the main threats and risks;

c. the audit firm auditing the Standalone Financial Statement and the Consolidated Financial Statement was selected in accordance with legal regulations, including regulations concerning the audit firm selection and selection procedure, and that the audit firm and members of the audit team met the conditions necessary to prepare an impartial and independent report on the audit of the Standalone Financial Statement and the Consolidated Financial Statement in accordance with applicable regulations, professional standards and professional code of conduct.

This Management Board Report of activities of the Company and the Group in 2024 was prepared and approved by the Management Board of the Company on 12 March 2025.

The Management Board

____
Boaz Haim
President of the Management Board

____
Yaron Shama
Finance Vice-President of the Management Board

____
Andrzej Gutowski
Sales Vice-President of the Management Board,

____
Karolina Bronszewska
Member of the Management Board for
Marketing and Innovation

Warsaw, 12 March 2025