

Warsaw, 4 April 2019 r.

Dom Development S.A. Consolidated Group: Trading update Q1 2019

1. Sales

The Dom Development Group sold 926 units net: 608 units in Warsaw, 227 in the Tri-City area, and 91 in Wrocław, with an increase of 9,2 % y/y.

We achieved the biggest quarterly sales volumes on the following Warsaw projects: Port Żerań (83 units), Żoliborz Artystyczny (73), Cybernetyki (72), Wilno (64), Amsterdam (56), Regaty (55).

2. Deliveries

A record number of 1215 units were delivered, i.e. 191 % more than in Q1 2018. The following Warsaw projects accounted for most deliveries: Amsterdam (287 units), Port Żerań (260), Wilno (157), Cybernetyki (105).

3. Market

The upward price trend which started in 2018 continued in the first quarter of 2019 albeit at a lesser rate of increase than in recent months.

It results from strong demand for new flats, supported by record low interest rates, low unemployment and increasing salaries. The popularity of the offer and the high number of transactions concluded by Dom Development S.A. in Q1 confirms that both occupiers and individual investors have accepted the higher price levels.

Mortgage availability remained high and the average value of mortgages granted continued to rise. In addition, the share of cash buyers from Dom Development S.A. remained at approx. 40 %.

The Increased availability of construction services, a reduction in construction starts, and a mild winter all helped timely completions and deliveries to clients. Costs of initial works and steel prices stabilized, while costs of finishing works remained high.

Supply remains restricted. High land prices and the complicated legal situation with land continue to hinder the quick starts of projects and the replenishment of many developers' offers.

Availability of land and administrative issues are particularly problematic in Warsaw. This creates an opportunity, however, for the best developers. With the market supply limited and prices rising, the excellent sales results of Dom Development S.A. Capital Group reflect the quality of our offer and product mix . The strong expansion of our land banks in the Tri-City and Wrocław is expected to lead to an increase in the respective weights of these markets across the Group.

This is not a market for amateurs. However, our teams of seasoned professionals are currently able to maximize numerous profitable opportunities. With our diversified land bank, high-margin projects and strong balance sheet, we look to the future with optimism. We expect another very good year.

Jarostaw Szanajca – CEO

Janusz Zalewski – CFO