

Warsaw, 3 July 2019 r.

Dom Development S.A. Consolidated Group: Trading update Q2 2019

1. Sales

The Dom Development Group sold 836 units net: 558 units in Warsaw, 162 in the Tri-City area, and 116 in Wrocław, with an increase of 4.2 % y/y.

We achieved the biggest quarterly sales volumes on the following Warsaw projects: Wilno (94), Port Zeran (75), Marina 2 (69) and Zoliborz Artystyczny (51).

2. Deliveries

In the past quarter, 440 units were delivered, i.e. 57 % less than in Q2 2018.

Most deliveries took place on the following projects: Forma (118), Wilno (79), Premium (45) in Warsaw and Idea (31), Beauforta (26) in Gdansk.

3. Market

The residential market saw a return to a more normal price growth, despite continuing strong demand. The group achieved a consistently high level of sales, achieving its targets due to an extensive offer and high quality service.

The interest in new flats remained at a high level, especially among owner-occupiers. Low interest rates, low unemployment and growing real wages, together with the availability of mortgage loans, all facilitated individual customers' purchase decisions. As in previous quarters, the share of cash buyers accounted for approx. 40% of Group sales.

Land prices in the second quarter of 2019 remained high, limiting supply and aggravating the problems of many developers. Dom Development S.A., with significant cash resources and a strong balance-sheet is able to purchase larger, profitable projects, extend its diverse land bank and efficiently supplement its offer.

The prices of most construction materials and initial works stabilized, while the prices of finishing works remained elevated. Dom Development S.A. Capital Group successfully builds approx. half of its projects acting as its own general contractor and therefore has full control over the construction and ongoing cost control. In the opinion of the Management Board, conducting construction in an organized manner and ensuring the financial security and continuity of work for our subcontractors, allows us to implement projects on time, maintaining their high quality.

As previously anticipated, thanks to the margin optimization made possible by strong demand for our products, we are expecting 2019 to be another very good year for Dom Development S.A. Capital Group.

Jarosław Szanajca – CEO

Janusz Zalewski – CFO