

Warsaw, 3 October 2019 r.

Dom Development S.A. Consolidated Group: Trading update Q3 2019

1. Sales

The Dom Development Group sold 937 units net: 588 units in Warsaw, 219 in the Tri-City area, and 130 in Wrocław. The total group figure was 12 % more than in Q2 2019, giving a total of 4 % more for the first 9 months y/y.

We achieved the biggest quarterly sales volumes on the following Warsaw projects: Wilno (143 units), Osiedle Port Żerań (126 units) and Marina 2 (91 units).

2. Deliveries

In the past quarter, 839 units were delivered, i.e. 43 % more than in Q3 2018.

Most deliveries took place on the following projects: Osiedle Cybernetyki (199 units), Regaty 7 (205 units) and Osiedle Forma (116 units) in Warsaw and Księża Nowe (119 units) in Wrocław.

3. Market

In the third quarter of 2019, we observed a slower increase in prices in the residential market than in the first half of the year, with continuing high demand supported by various macroeconomic factors.

The situation on the labour market, increasing wages growth and low interest rates continued to improve affordability for buyers, who were able to take out higher-value mortgages for the purchase of larger, higher-standard units. Cash purchases, similarly to the previous quarters, accounted for approx. 40% of sales in Dom Development S.A.

Land prices have remained elevated, translating into a reduction in the overall number of transactions, which may reduce future market supply. However, Dom's strong balance-sheet, low debt and a strong land bank enable us to carefully select new land and complete transactions under favourable terms.

In Q3, the situation on the construction market did not change significantly. The prices of construction materials and services stabilized. As a financially strong and trustworthy contractor, Dom Construction cooperate only with the best subcontractors.

Due to a very good understanding of the market and the expectations of customers, Dom Development S.A. Capital Group ensures its product mix always meet market demand. This ensures strong sales in all our markets.

The third quarter delivered strong results, confirming Dom Development S.A. Capital Group's leadership position on the residential market. We expect the final results for 2019 to be good.

Jarostaw Szanajca – CEO

Janusz Zalewski – CFO