



Warsaw, 8 January 2020

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

1. Sales

In 2019, the Dom Development Group sold 3 661 units net (up 2% YoY), including: 2 347 units in Warsaw, 859 in the Tri-City area, and 455 in Wrocław. The growth in Tri-City area and Wrocław respectively from 752 and 270 in 2018 is notable. The group's sales in Q4 amounted to 962 units (593 in Warsaw, 251 in Tri-City area and 118 in Wrocław).

We achieved the biggest yearly sales volumes on the following Warsaw projects: Wilno (434 units), Port Żerań (393), Żoliborz Artystyczny (311) and Marina 2 (285).

2. Deliveries

In 2019 3 482 units were delivered (-4% YoY), of which 988 units were delivered in the fourth quarter itself (684 in Warsaw, 287 in the Tri-City area and 17 in Wrocław).

The result for the fourth quarter of 2019 was predominantly affected by deliveries on the following Warsaw projects: Żoliborz Artystyczny (170 units), Port Żerań (223) and Amsterdam (185).

3. Market

2019 was a very good year for residential developers. Housing prices maintained their upward trend, and customers sought larger, higher standard units. We observed very strong demand throughout the year, supported by a number of macroeconomic factors, despite the limited supply.

Despite the fact that a large number of customers required no credit, a significant proportion of sales were financed through easily-available mortgages. Low unemployment, significant wage growth and persistently low interest rates further improved affordability and demand

The profitability of the residential developers was strongly influenced by land prices and costs of development. In 2019, Dom Development maintained a significant land bank, whilst optimizing construction progress and development costs. Thanks to the stabilization of materials prices and the continuing good availability of subcontractors, as well as the satisfactory development of our own general contracting through Dom Construction, we were able to keep a lid on construction costs.

Land prices remained high and only the strongest developers could afford to maintain a strong and diversified land bank. Dom Development took good advantage of this situation and significantly strengthened its share in the Tri-City and Wrocław markets. In Warsaw, we continued to supplement our land bank by purchasing land in the most attractive locations.

In 2020, we will continue to concentrate on margins and take advantage of opportunities created by the strong demand. We expect very strong sales and sustainable price increases. As an experienced and leading developer, observing the current challenges on the supply side, we believe in our ability to supply the market with attractive product and to keep reaping the benefits of this strong market .

Jarosław Szanajca – CEO

Janusz Zalewski – CFO