



Warsaw, 4 April 2023

Dom Development S.A. Group: initial information on Q1 2023 results

1. Sales

In Q1 2023, the Dom Development S.A. Capital Group sold 914 units net, of which: 488 in Warsaw, 180 in Tricity, 119 in Wrocław, and 127 in Cracow.

We recorded the highest first-quarter sales in the projects: Metro Zachód (128 units), Apartamenty Ludwiki (50), Osiedle Przy Ryżowej (48) in Warsaw, Dynamika (31 units) and Zielony Południk (29) in Tricity, Osiedle Zielna (40 units), Apartamenty Nad Rzeką (31) in Wrocław, and Górka Narodowa (94 units) in Cracow.

2. Deliveries

In Q1 2023, the Group delivered 1 350 units, of which 907 units in Warsaw, 205 in Tricity, 109 in Wrocław, and 129 in Cracow.

The financial result for Q1 2023 is mainly the outcome of the deliveries in the projects: Osiedle Ceramiczna (240 units), Metro Zachód (216), Bokserska 71 (187) and Wilno (130) in Warsaw, Perspektywa (110 units) in Tricity, Górka Narodowa (127 units) in Cracow, and also Osiedle Komedy (88 units) in Wrocław.

3. Assessment of the market situation

The market improvement which began at the end of last year continued in Q1 2023. Following the sharp downturn caused by the outbreak of the war in Ukraine, a series of interest rate increases and a slowdown in demand, we can observe certain signs of stabilization. Interest rates have stopped rising for several months now, which in turn reduced uncertainty among potential customers and encouraged them to purchase apartments.

Owing to launches of new projects smoothly and on schedule, and an attractive, well-diversified, offer tailored to market needs, the Group maintained a high level of sales. To our satisfaction, our sales in Cracow grew 127% Q1 2022/Q2 2023.

Demand in the housing market, in particular in the popular segment, was boosted by the relaxation of KNF (Polish Financial Supervision Authority) requirements concerning creditworthiness assessment, mainly for medium-term fixed-rate loans. As a result, mortgage-based transactions accounted for 40% of our sales in Q1 2023, as compared to 32% in Q4 2022 and 30 % on average throughout 2022.

Government measures such as the announced 2% Loan Subsidy Programme might support future demand.

In inflationary times and with a strong rental market, residential real estate continues to attract investors. Dom Development, operating mainly in the upper-standard segment favoured by such investors, continues to benefit from that demand.

According to forecasts, inflation will continue to be a challenge for the Polish economy in 2023. Thanks to its in-house construction division, its size and excellent relations with suppliers and subcontractors, the Dom Development Group has succeeded in keeping construction costs under control, thus maintaining satisfactory profitability and meeting delivery deadlines. Thanks to our experience and stable position, we can harness the opportunities that the market offers effectively, and we are optimistic about the remaining part of 2023.

Jarosław Szanajca – President of the Management Board

Leszek Stankiewicz – Vice-President of the Management Board, Financial Director