



Trading update Q2 2021

1. Acquisition of Sento S.A.

On 1 July 2021, Dom Development S.A. Capital Group joined forces with Sento S.A. Capital Group, a housing developer with long experience on the Cracow market. With the purchase of a controlling stake of 77% of the shares in Sento S.A., the Dom Development Group has widened its scope of business and now operates across the top four Polish housebuilding markets: Warsaw, Cracow, Tricity, and Wroclaw.

The numbers mentioned below exclude Sento S.A., which sold 127 units in the first half of 2021.

2. Sales

In Q2 2021, Dom Development Group sold 1 032 units net (up 26% YoY), including 548 units in Warsaw, 332 in the Tricity area, and 152 in Wroclaw.

We achieved the biggest quarterly sales volumes on the following projects: Metro Zachód (148 units), Osiedle Wilno (140), Żoliborz Artystyczny (86), and Stacja Grochów (65) in Warsaw, and Osiedle Komedy (60 units) in Wroclaw.

Total H1 2021 Group sales amounted to 2 116 units, i.e. 30% up on H1 2020.

3. Deliveries

In Q2 2021 556 units were delivered (-20% YoY). The deliveries volume was in line with the budget and its breakdown by location was as follows: 295 units in Warsaw, 134 units in Wroclaw, and 127 units in the Tricity. The financial results of Q2 2021 were mostly influenced by deliveries on the following projects: Metro Zachód (102 units), Osiedle Wilno (77), Marina Mokotów (44), and Żoliborz Artystyczny (44) in Warsaw, Osiedle Komedy (90) in Wroclaw, and Zielony Południk (80) in the Tricity.

Total H1 2021 Group deliveries amounted to 1 920 units, i.e. 55% up on H1 2020.

3. Market

In Q2 2021 sales volume outnumbered new launches in many Polish cities, leading to a supply deficit. As a result, we saw continuing price growth across all four markets we operate in.

Low interest rates, fear of inflation, and record household savings resulted in strong demand across all market segments, both from mortgage-supported clients and from cash buyers. The proportion of cash buyers at Dom Development Group stayed at approx. 40%.

Supply-side difficulties have been seen on the Polish housing market for a number of years, although recently those obstacles have become more challenging, especially on the Warsaw market. Prolonged administrative procedures alongside a shortage of oven-ready projects with satisfactory margins are constricting supply in major Polish agglomerations. However, Dom Development Group, with its agile organisation and long-term approach, is thriving in this environment, benefitting from the combination of growing turn-over and attractive profitability.

The Company's Management Board is carefully monitoring the situation in the construction industry that is experiencing a surge in some material prices. This rapid increase is driving up construction costs, especially in the case of newly launched projects. Dom Development Group is effectively mitigating this risk thanks to its in-house general contractors and extensive profitability control measures.

The outlook for Dom Development Group in the second half of 2021 is positive – as the leader on the Polish housebuilding market we have the crucial know-how, experience, land bank and financial resources to flourish in the increasingly challenging environment that developers are now facing.

Jarosław Szanajca – CEO

Leszek Stankiewicz – CFO