



Warsaw, 5 January 2021

Dom Development S.A. Consolidated Group: Trading update 2020

1. Sales

In 2020, the Dom Development Group sold 3 756 units net (up 3% YoY), including 2 340 units in Warsaw, 1 015 in the Tri-City area, and 401 in Wrocław. The Group's sales in Q4 amounted to 1 130 units (+14% QoQ), including 659 in Warsaw, 345 in Tri-City area and 126 in Wrocław.

We achieved the biggest yearly sales volumes on the following projects: Wilno (530 units), Żoliborz Artystyczny (481), Metro Zachód (318), and Marina Mokotów (237) in Warsaw and Osiedle Beauforta (213 units) in Tri-City.

2. Deliveries

In 2020 3 006 units were delivered (-14% YoY), of which 1 073 units were in the fourth quarter itself (682 in Warsaw, 282 in the Tri-City area and 109 in Wrocław).

The financial results of Q4 2020 were mostly influenced by deliveries on the following projects: Marina Mokotów (290 units), Żoliborz Artystyczny (284), Port Żerań (81) in Warsaw and Zielony Południk (92) in Tri-City.

The volume and mix of deliveries in 2020 were in line with the Company's Management Board expectations and resulted from timely realisation of all the Group's projects.

3. Market

Since March 2020, the ongoing COVID-19 epidemic has made the year a testing time of sweeping change for the entire economy and for Polish society. Against this background demand for housing in major Polish cities is surprisingly strong, while supply was under great pressure. During this particularly challenging year only companies with efficient organisation and high quality land banks capable of launching timely new projects have been able to capitalise on this strong demand.

The Polish Monetary Policy Council's reduction in nominal interest rates, aimed at stimulating the economy, has translated into negative real interest rates on bank deposits and a record low cost for mortgages, which strongly supported the real estate market. After an initial sharp reduction in lending, banks soon gradually eased their lending criteria, which resulted in high mortgage availability in Q4 2020.

Consistently, approximately 40% of the Group's sales involve cash transactions financed by purchasers' own means. People who invest in real estate are looking primarily for the safety of bricks and mortars. When purchasing an apartment, they increasingly focus on the developer's reputation, the quality and timeliness of its projects, and its financial strength.

The situation on the construction market mostly favoured developers with in-house general contractors. The increased availability of subcontractors and their pricing flexibility led to a reduction in construction costs and the timely completion of all projects of the Group.

The supply of new housing was limited by difficulties in obtaining administrative decisions, and the high price and low availability of land. Among the three markets in which the Group operates, the most difficult was Warsaw. Despite those obstacles, in 2020 the Group added to its land banks in all markets.

The year 2020 was a challenging time for housing developers, but it also brought great opportunities. Companies such as the Dom Development S.A. Capital Group, managed with a long-term perspective and efficiently organised, were able to operate without disruption and increase their market share. We will step into the year 2021 as the leading Polish residential housebuilder, with excellent financial standing and considerable potential for further growth. Despite the current health and economic challenges, we look at 2021 with optimism.

Jarosław Szanajca – CEO

Janusz Zalewski – CFO