



Warsaw, 4 January 2022

Dom Development S.A. Consolidated Group: Trading update 2021

1. Sales

In 2021, the Dom Development Group ("The Group") sold 4 066 units net (up 8% YoY), including 2 165 units in Warsaw, 1 263 in the Tri-City area, 519 in Wrocław, and 119 in Cracow.

The Group's sales in Q4 amounted to 1 094 units (+28% QoQ), including 628 in Warsaw, 285 in Tri-City area, 109 in Wrocław, and 72 in Cracow.

The highest sales volumes came from the following projects: Metro Zachód (520 units), Wilno (391), Żoliborz Artystyczny (285), and Stacja Grochów (237) in Warsaw, Osiedle Beauforta (250 units), Perspektywa (194), and Zielony Południk (185) in the Tri-City area, and Osiedle Komedy (198 units) in Wrocław.

2. Deliveries

In 2021 3 332 units were delivered (+11% YoY), of which 811 units were in the fourth quarter itself (456 in Warsaw, 301 in the Tri-City area, 51 in Cracow, and 3 in Wrocław).

The financial results of Q4 2021 were mostly influenced by deliveries on the following projects: Wilno (275 units), Metro Zachód (63), Osiedle Głębocka (57), and Żoliborz Artystyczny (47) in Warsaw, Osiedle Beauforta (85 units) and Locus (84) in the Tricity.

3. Market

2021 was a volatile period for both the wider economy and residential developers. Yet, demand for new flats remained very high. On the one hand, the economy saw surging inflation, negative real interest rates, and record households' savings - which together stimulated 'investment demand'. On the other hand, the pandemic continued to impact lifestyles, with many people starting to reassess their housing needs.

While demand for real estate remained robust, there were sizable supply-side challenges. A scarcity of construction-ready sites and long permitting delays stifled supply. However, with its significant land bank and diversified offer, the Group was able to take advantage of such market conditions and achieve record sales numbers without compromising its margin-maximization strategy.

The Group specialises in upper-segment residential projects in Poland's main agglomerations: Warsaw, Tri-City, Cracow, and Wrocław. Most of our clients hold significant equity and enjoy a sound credit standing. We believe that the series of interest rate increases in the fourth quarter was a sensible move - slightly cooling an already hot housing market - and had only a minor influence on our target market. High inflation and expectations still fuel cash purchases, which increased to 54% of overall Group sales in the last quarter.

Inflation also leads to cost pressures, both on the land market and for subcontractors, especially smaller companies negatively affected by regulatory changes, which came into force in 2022. Dom Development Group is able to mitigate these cost pressures through a combination of scale, its in-house general contracting division and its rich land bank.

We enter the year 2022 from a comfortable financial and operational position. At Dom Development Group we place great emphasis on long-term, sustainable development, and this strategy is best exemplified in the careful selection of our markets – conurbations with strong labour markets, no matter the phase of the economic cycle. This year we will focus on developing our business in Cracow, whilst maintaining our leading position in our other three locations.

Jarosław Szanajca – CEO

Leszek Stankiewicz – CFO