



Dom Development

(WSE: DOM)

Recommendation: BUY

Target price: PLN 272

Closing price: PLN 220

as of 30 April 2025

Upside: 24%



Dom Development (WSE: DOM)

Recommendation: **BUY**

**DOM WILL CONTINUE ITS
DOM-INATION!**

Target Price
PLN 272

↑ **Upside 24%**

PLN 220
30 April 2025

DOM
DEVELOPMENT





Dom Development

(WSE: DOM)

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as of 30 April 2025

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PLN 7,328 \longrightarrow PLN 14,867

**Average Per
Sqm Prices
Have Doubled
in 6 Years**

Dom Development is the leading residential developer in Poland

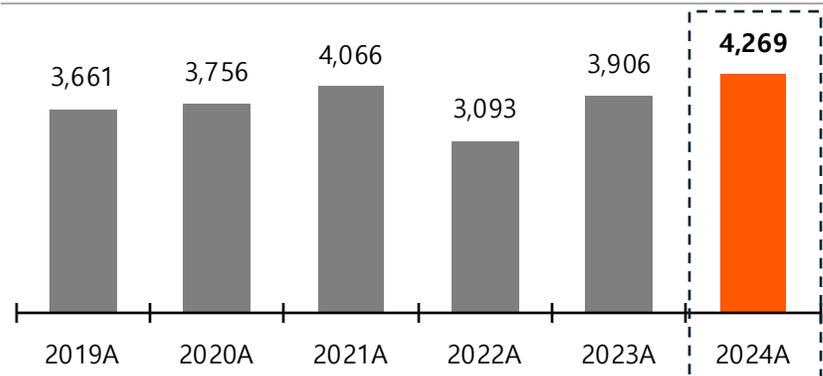


Founded in 1996 and headquartered in Warsaw, Dom Development operates in key metropolitan cities across Poland

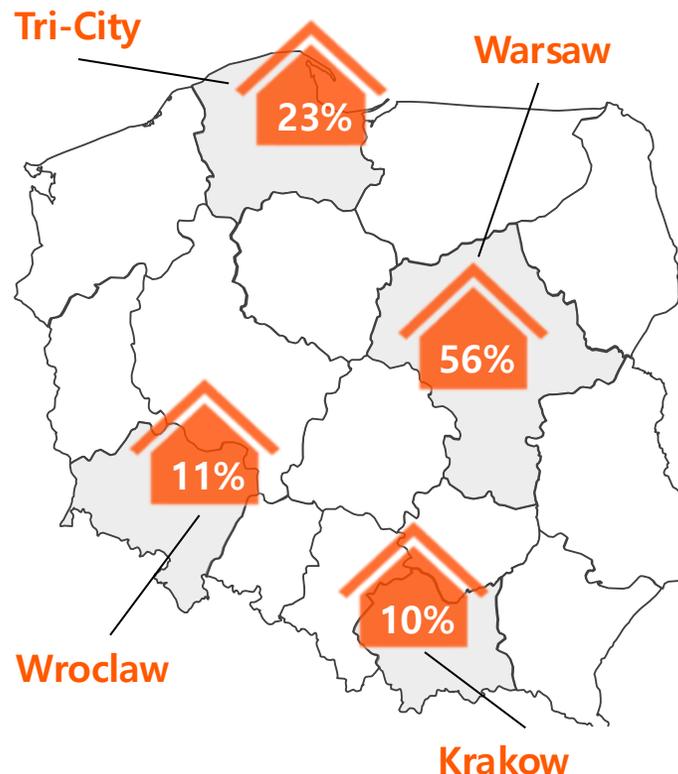
Dom Development – snapshot



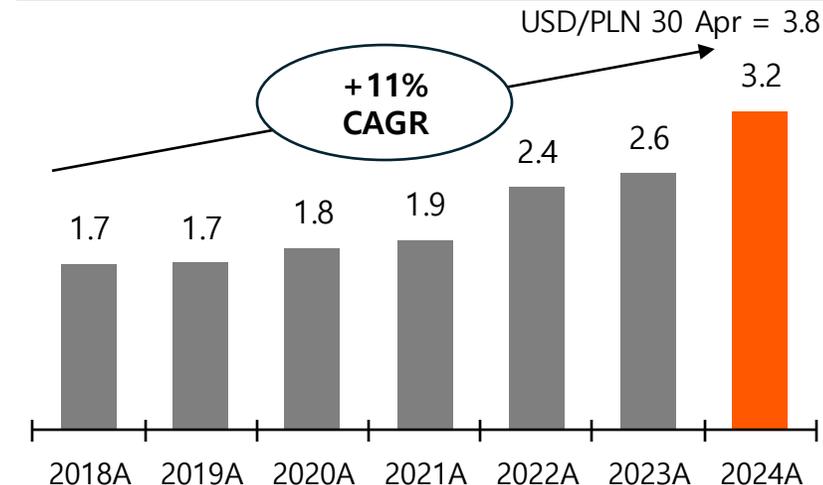
Units sold by Dom Development, 2019-2024



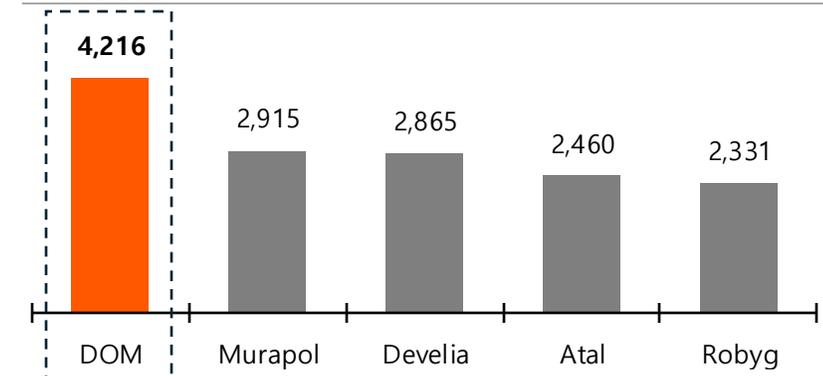
% of the total revenue by city, 2024



Revenue of Dom Development (PLN billion)



Units delivered, Dom Development Vs peers, 2024



Source: Company Reports, Kozminski University Team Analysis



Business

Industry

Competition

Financials

ESG

Valuation

Risks

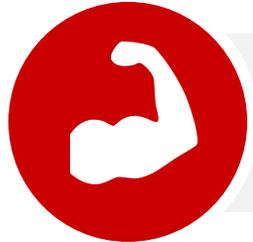
Investment summary – We see three key reasons to invest



We issue a **BUY** recommendation with a 12-month price target of **PLN 272**, implying a **24% upside**



WELL-POSITIONED TO SUSTAIN ITS
MARKET LEADERSHIP



STRUCTURAL **HOUSING GAP** IN POLAND



STRONG DEVELOPMENT PIPELINE &
AFFLUENT CLIENT BASE



Dom Development demonstrates superior sales efficiency

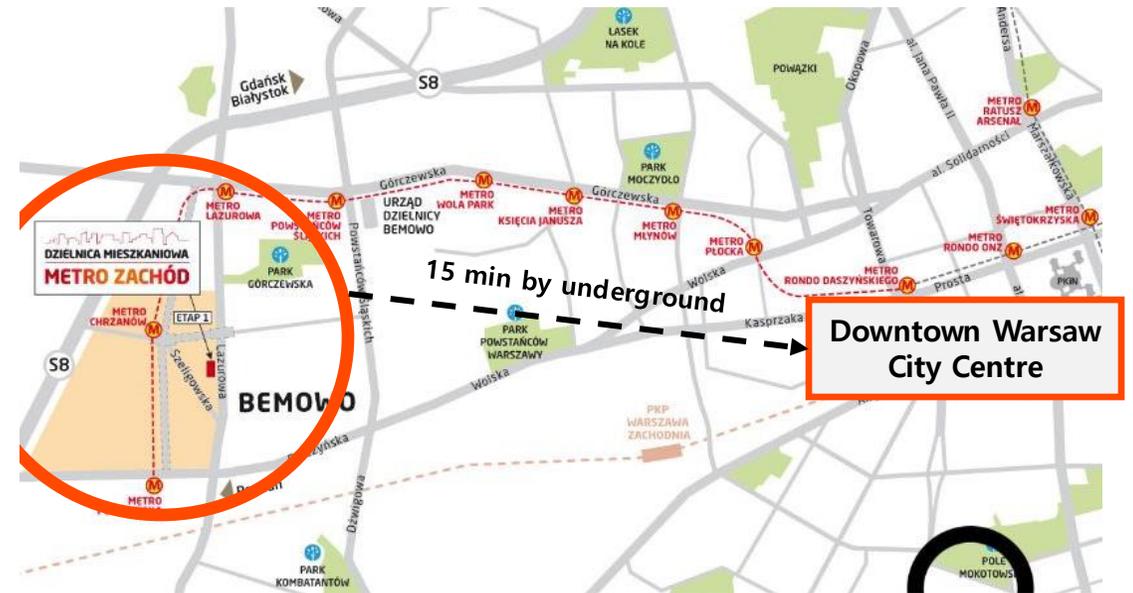


As part of our research, we conducted a site visit at Dom Development's flagship Warsaw project

 Warsaw, Poland, Metro Zachod construction site



30% of this site is already sold



Construction started just **4 months** ago

Source: Primary construction site visit, Kozminski University Team Analysis



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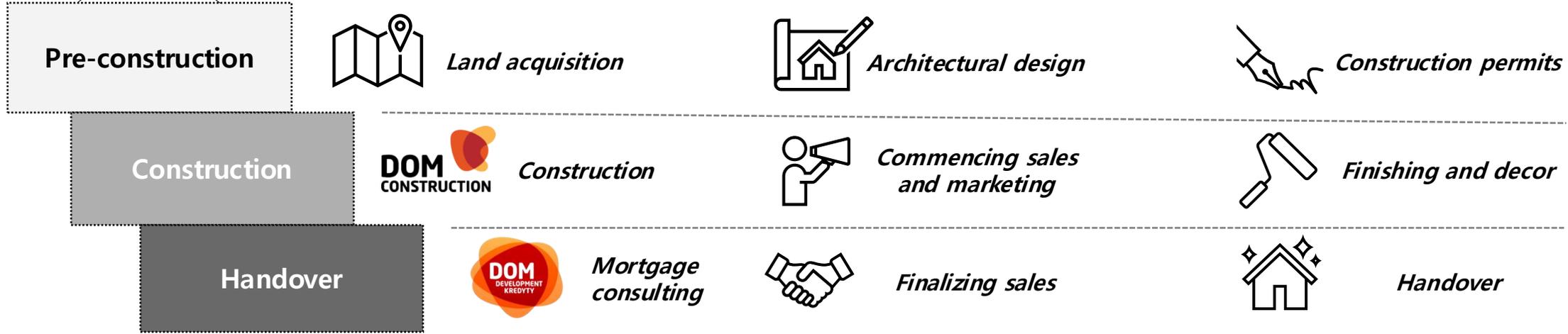
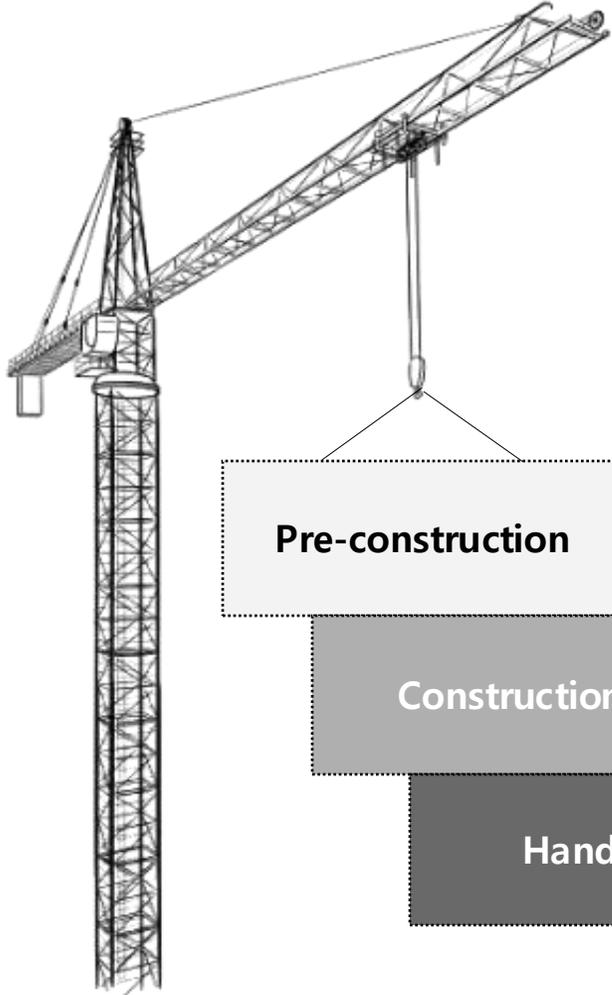
An integrated business model covering all construction stages



Dom Development's in-house general contractors ensure quality, timeliness, and cost-control across all projects

1st developer in Poland to introduce:

- ✓ turnkey apartments
- ✓ an accessible apartment standard
- ✓ in-house mortgage consulting



Source: Company Reports, Kozminski University Team Analysis

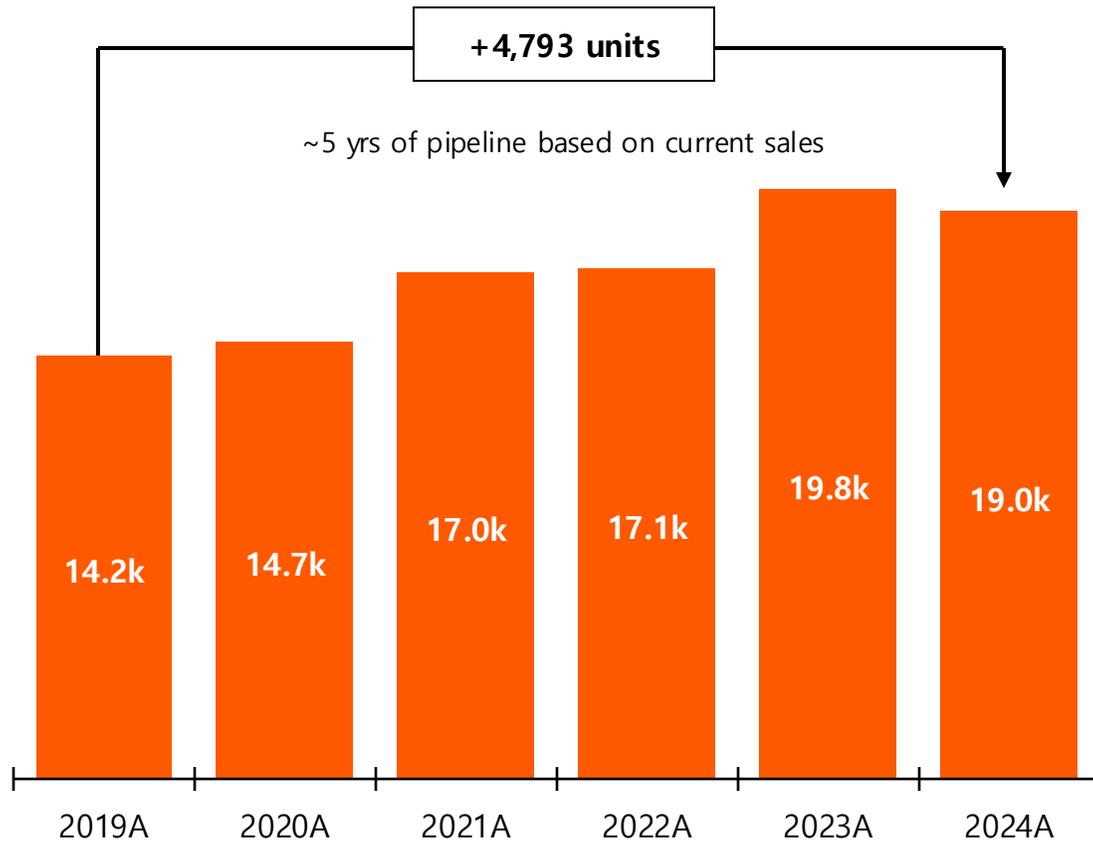


Dom Development sells premium apartments to affluent customers



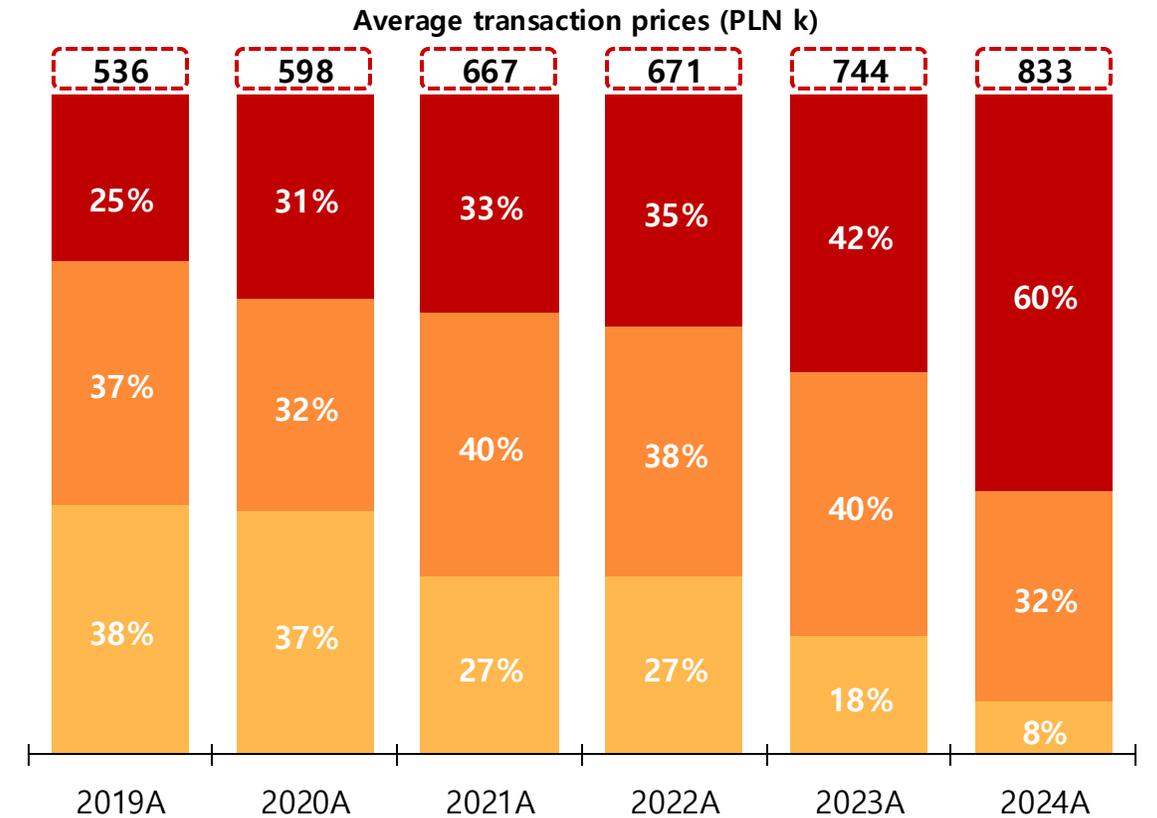
A strong land bank ensures a steady development pipeline for almost five years highlighting our third investment thesis

DOM's land bank (number of possible units for construction)



Segmented transaction value of DOM's residential sales

Segment: Premium (700k+), Upper-standard (500-700k), Popular (0-500k)



Source: Company Reports, Kozminski University Team Analysis



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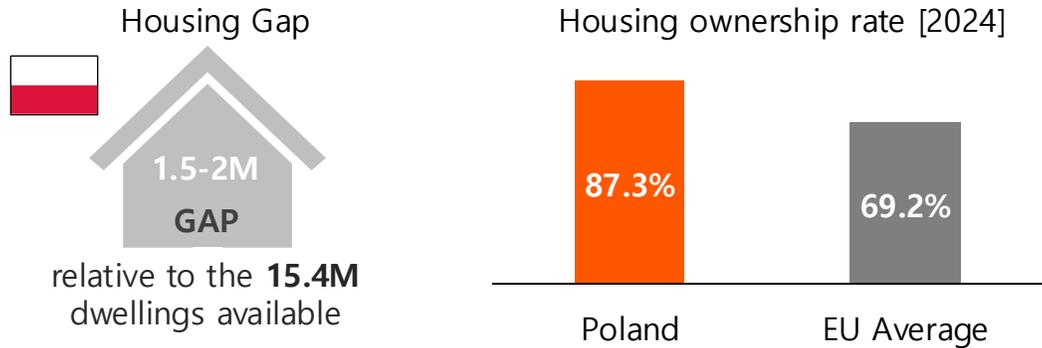
Risks

Housing shortage and ownership culture ensure long-term demand

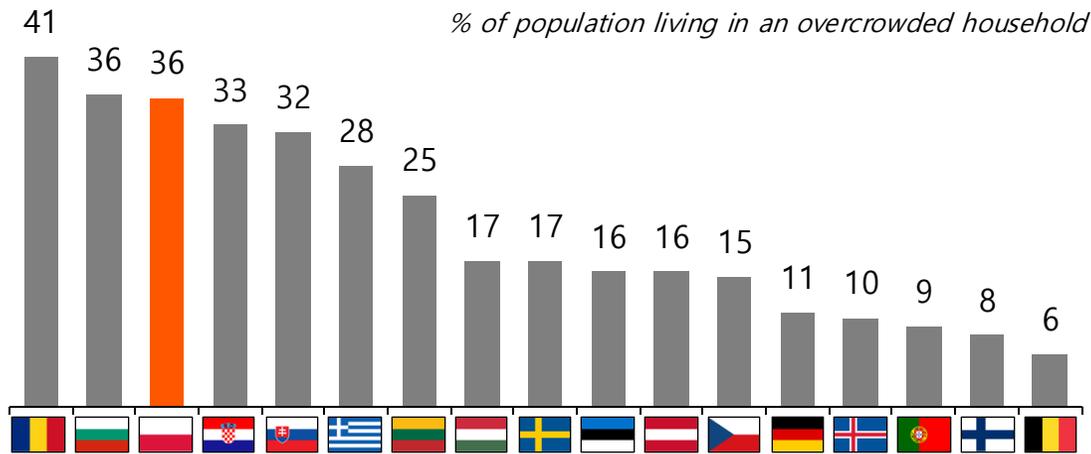


Dom Development, as a market leader, is positioned to capture the long-term growth potential of Polish real estate market

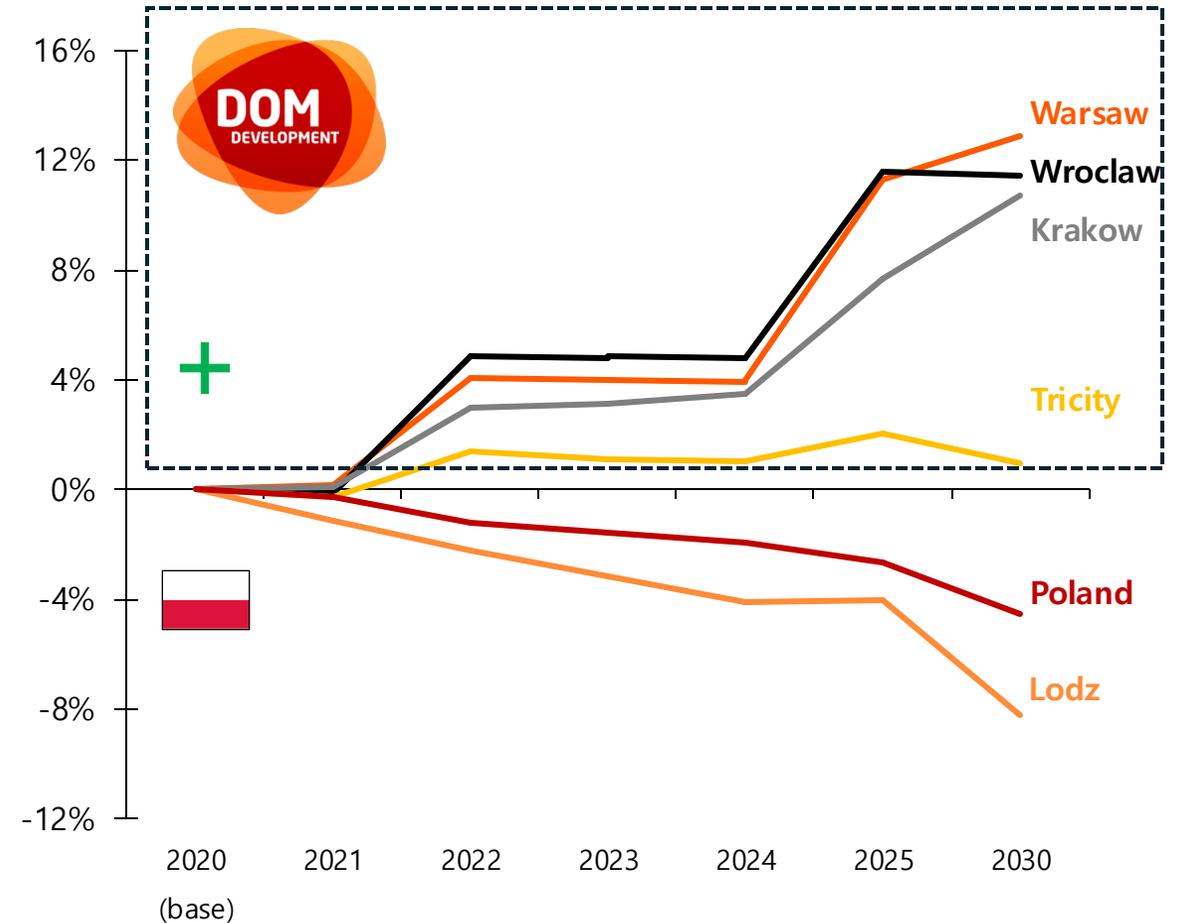
Structural housing deficit and strong house ownership culture



Overcrowding ratios in Europe



Forecasted population growth in Poland's major urban cities



Source: National Bank of Poland, Eurostat, Kozminski University Team Analysis



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Migration and urban growth sustain long-term housing demand

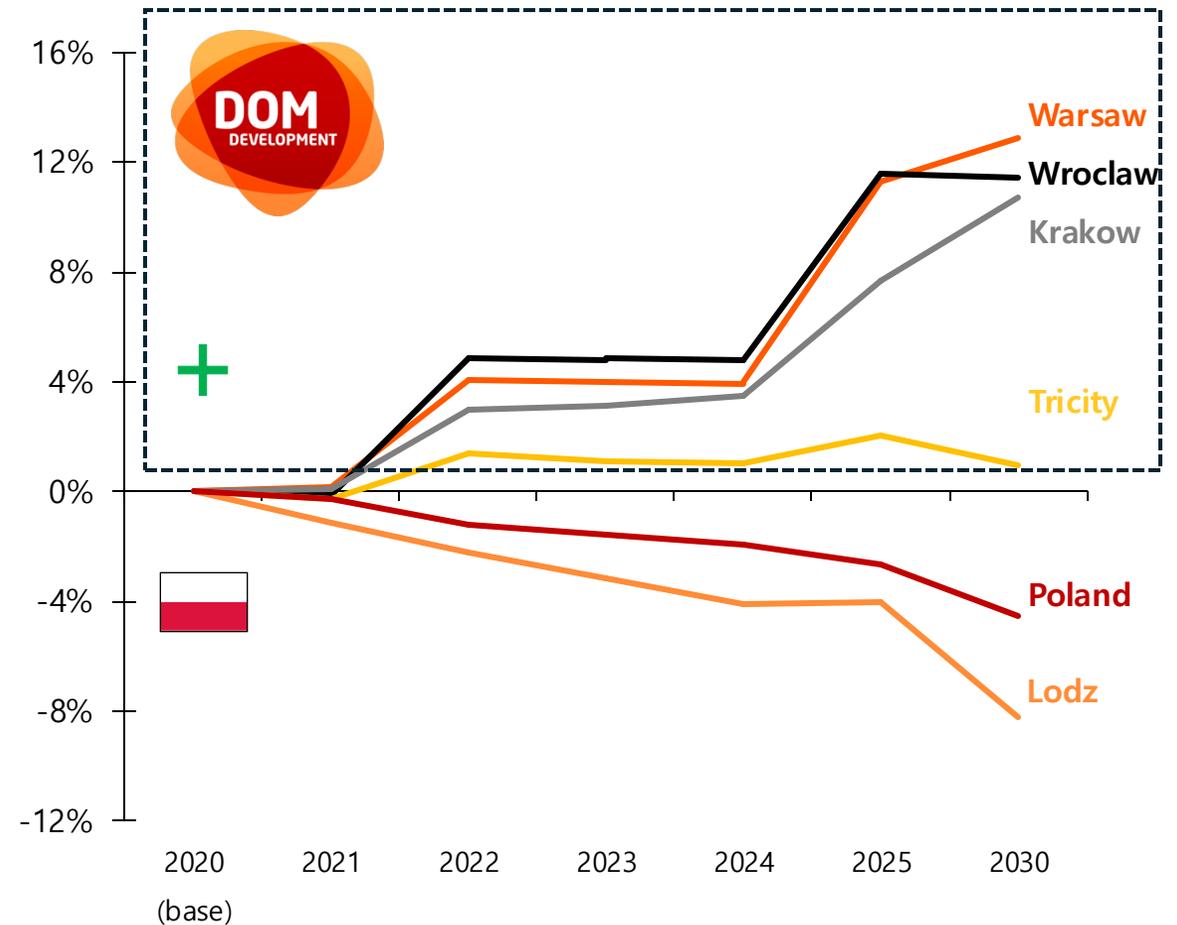


Dom Development, as a market leader, is positioned to capture the long-term growth potential of Polish real estate market

Ukrainians living in Poland under the special UKR status



Forecasted population growth in Poland's major urban cities



Source: National Bank of Poland, Eurostat, Kozminski University Team Analysis

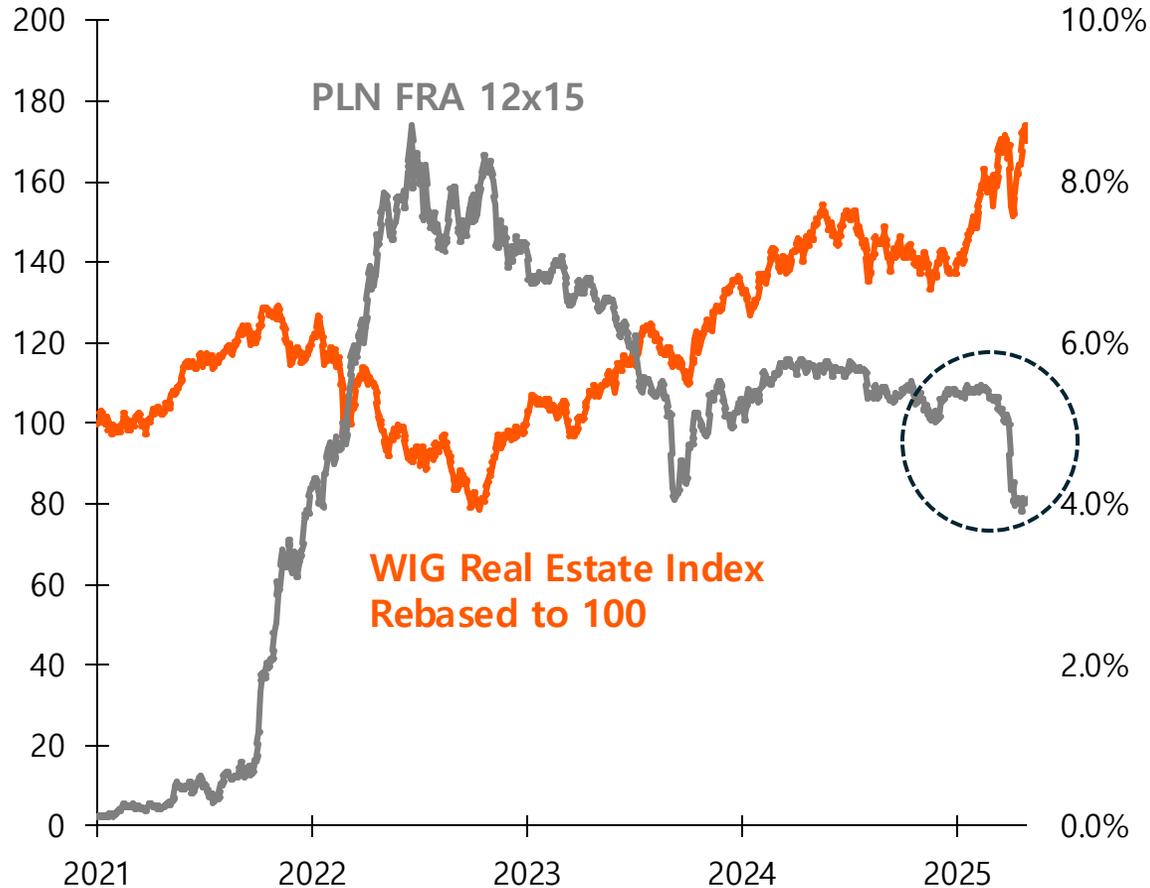


Lower interest rates will further boost demand for apartments



Falling interest rates will boost demand but cost inflation will squeeze developers' margins

Interest rate cuts in 2025 will boost demand for real estate



Business Tendency Survey highlights rising costs

Factor	Score	Potential impact on operating costs
Prices of energy and fuel	5/5	Very high
Cost of labor	4/5	High
Price of external services	4/5	High
Cost of financing	3/5	Medium
Rent and premises	3/5	Medium

“Costs are expected to increase and will be a source of trouble in the coming quarters” - Expert A, CEO of a listed developer with PLN 2bn in market capitalization

Source: Central Statistics Office of Poland, National Bank of Poland, Expert Interviews

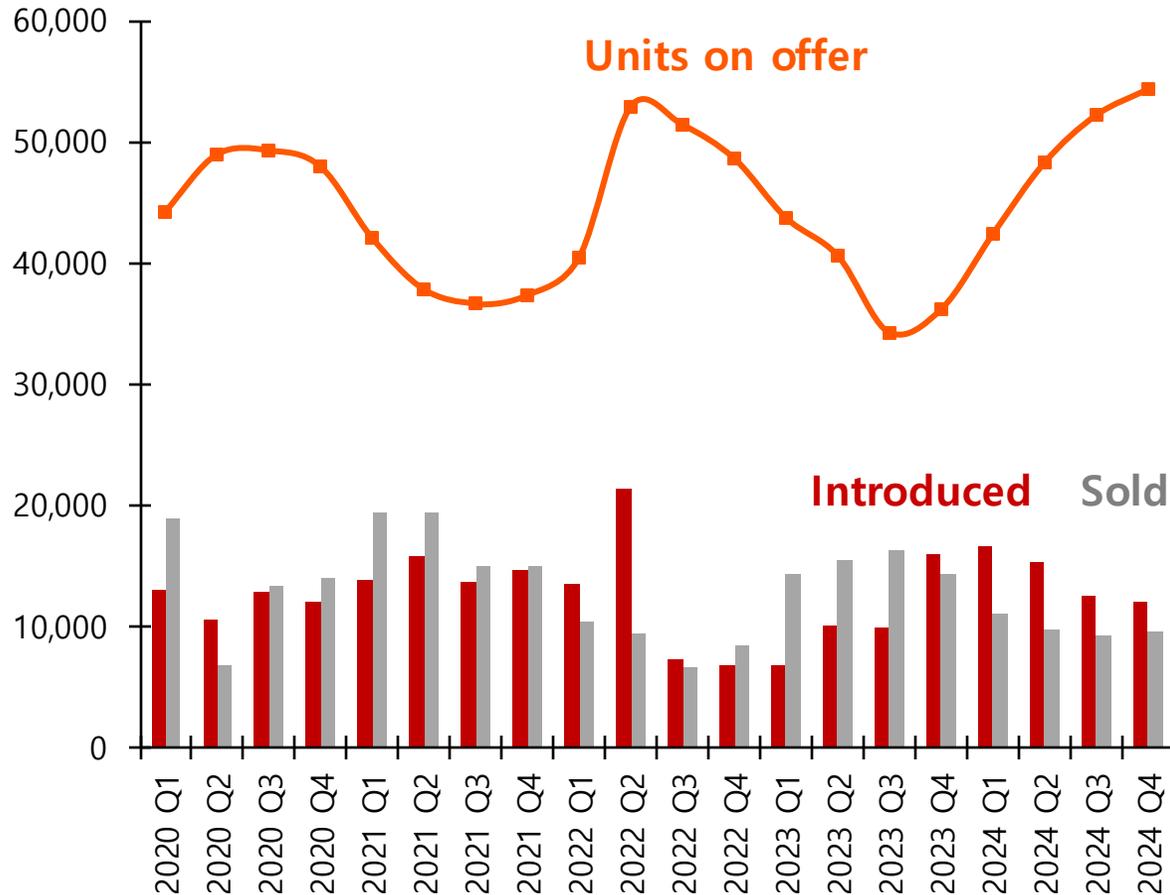


Developers bet on recovery as slow demand meets rising supply

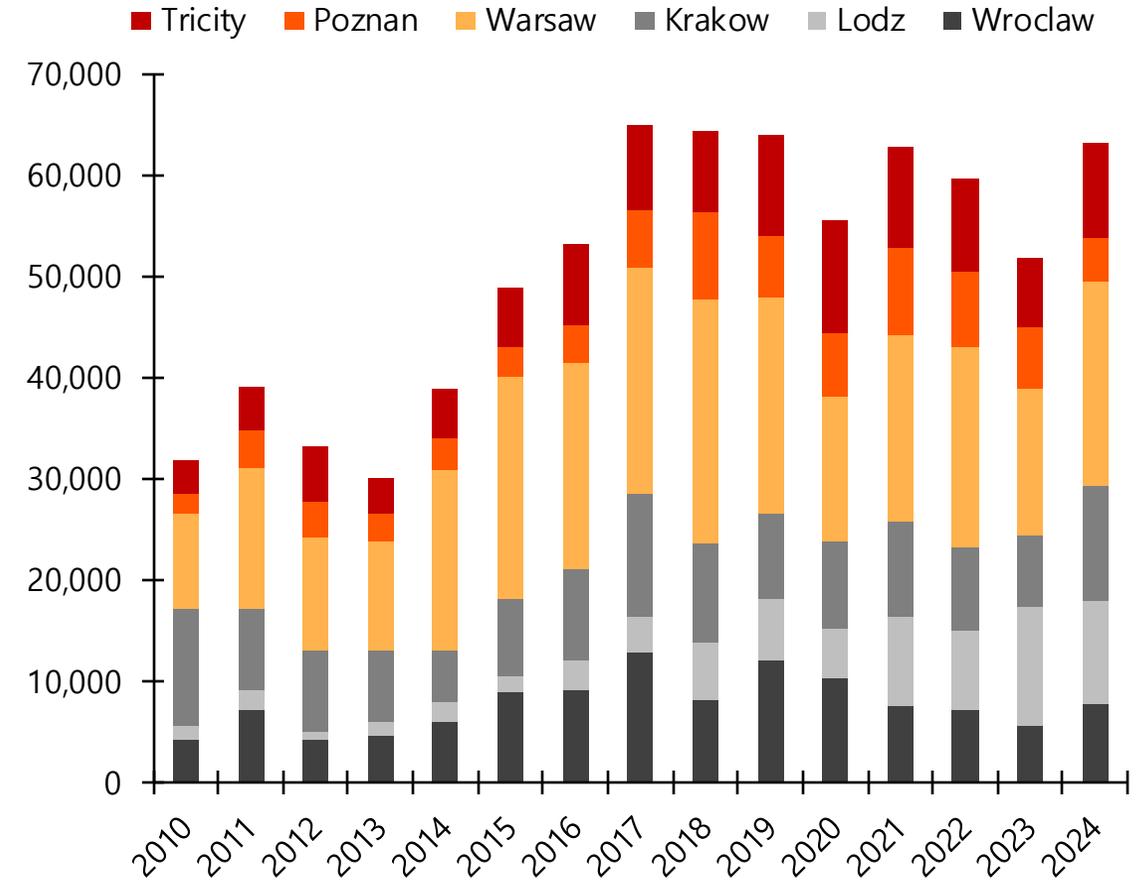


Developers expand offers despite the soft market, expecting recovery with economic tailwinds and a government subsidy

Sales, new introductions, and offers in 6 biggest cities (in units)



Number of construction permits issued (yearly)



Source: Central Statistics Office of Poland, Company Reports, Kozminski University Team Analysis

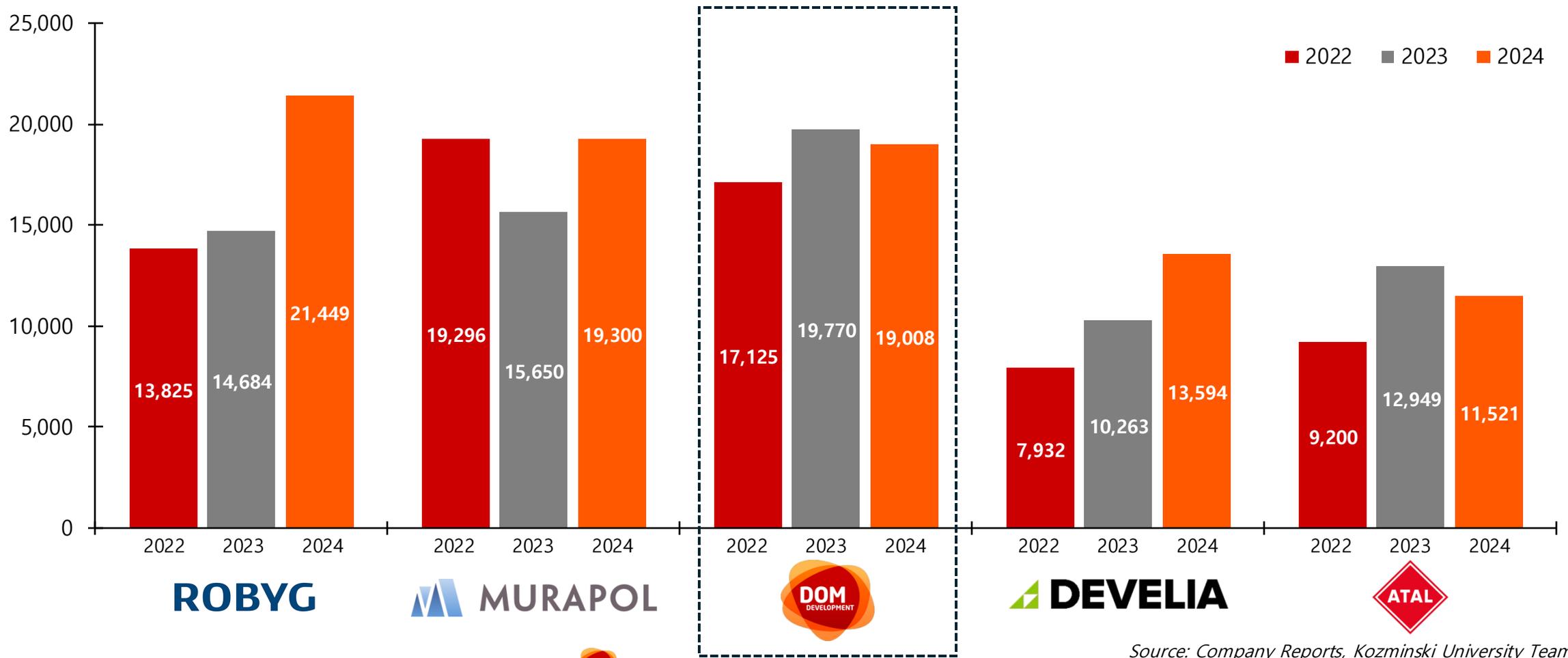


Dom Development's premium land bank provides a strategic edge



DOM leverages its premium land bank and resilient client base to outperform competitors

Land bank – Dom Development vs. Competitors (number of possible units for construction)



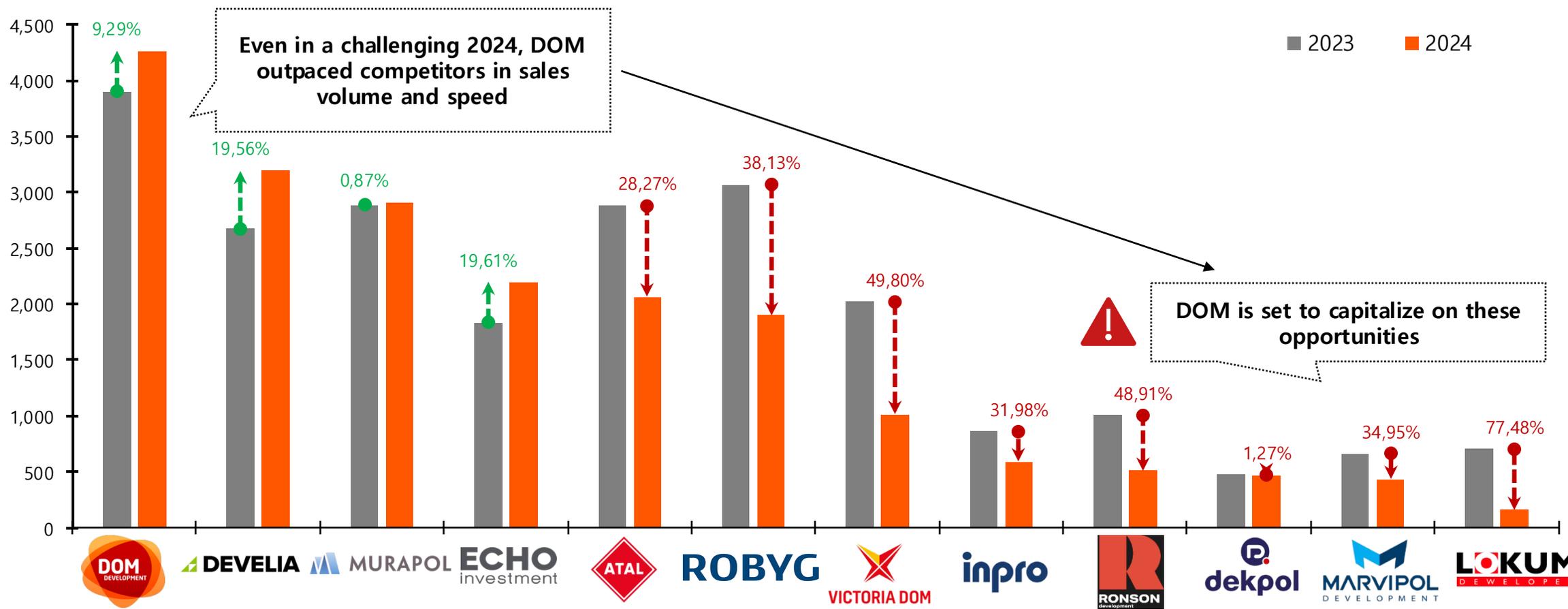
Source: Company Reports, Kozminski University Team Analysis

Soft market but Dom Development stays ahead with strong sales



While other developers struggled, DOM sold more units and gained market share, showcasing its excellence

Number of units sold by leading real estate developers in Poland (2023-2024)



Source: Company Reports, Kozminski University Team Analysis



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Industry

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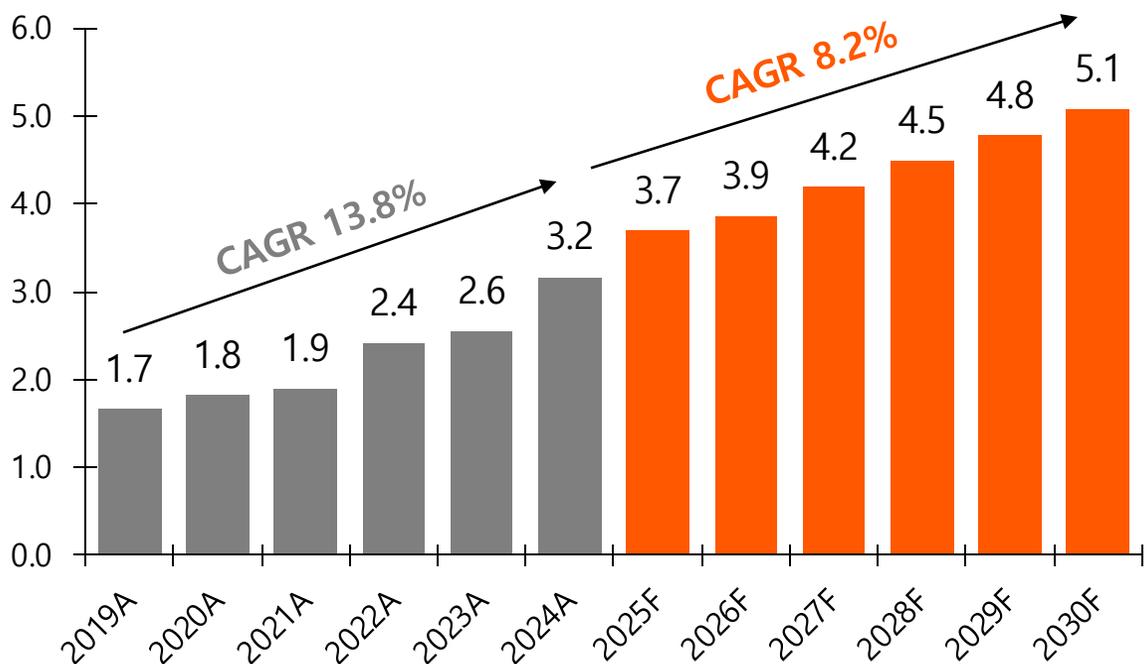
Risks

Revenues and key profitability metrics

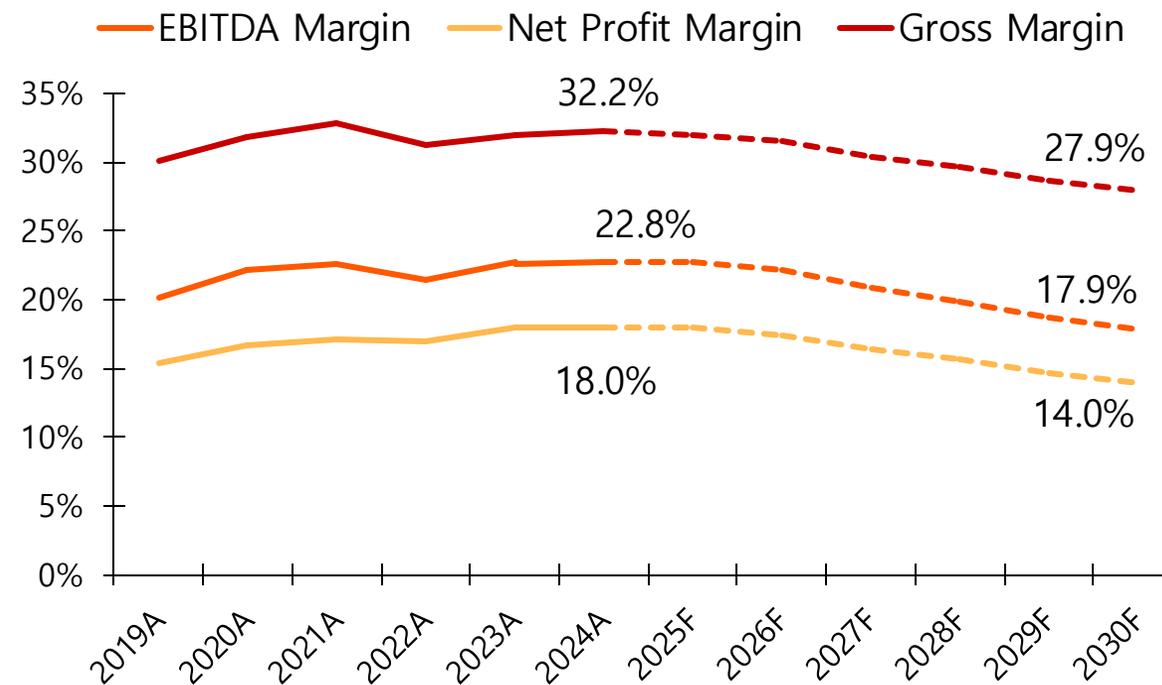


The company presents continuously growing revenues with healthy margins, which we forecast to steadily decline

Revenues in 2019A-2030F (PLN billion)



Profitability margins in 2019A-2030F (%)



Overcrowding & urban migration

Improving financing conditions

Rising cost of land

Rising operational costs (labor, materials)

Source: Company Reports, Kozminski University Team Analysis

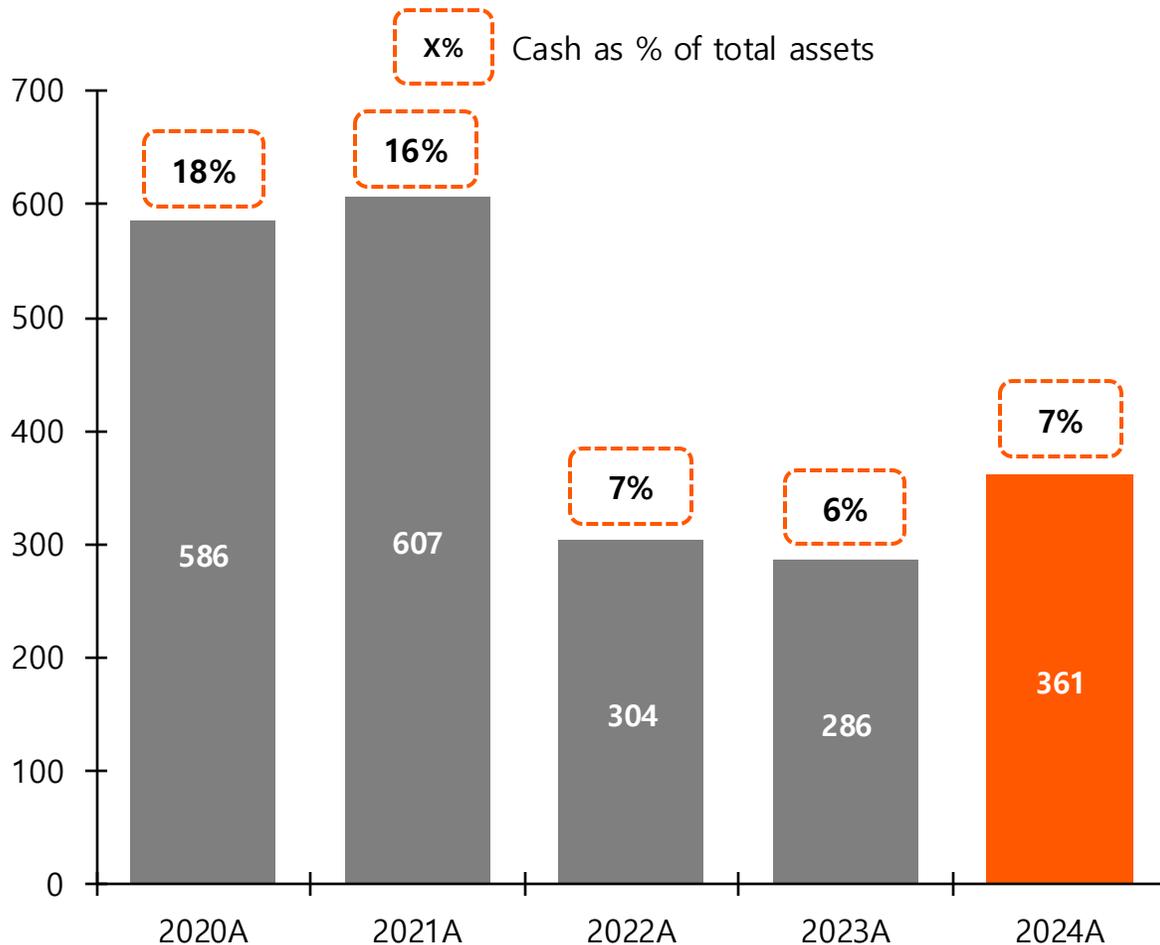


DOM's conservative financial management secures stability

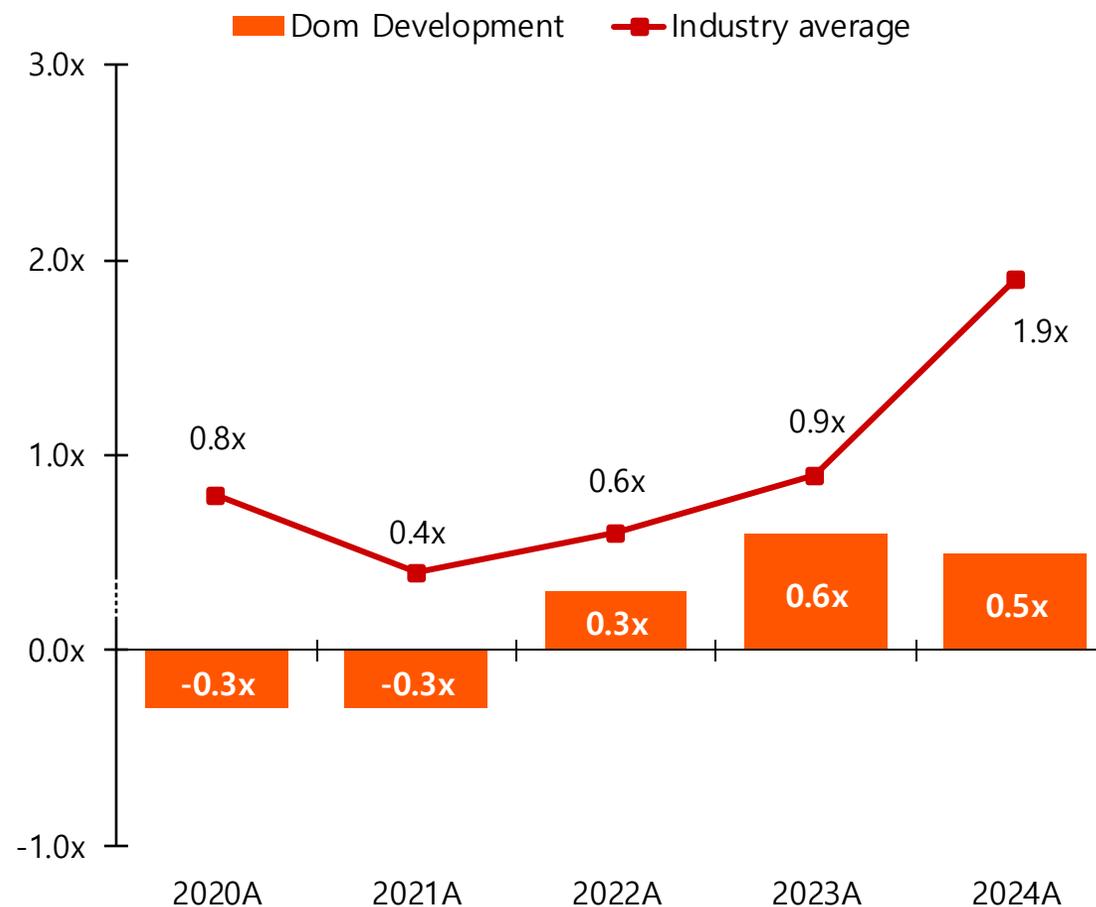


Maintaining low net debt and stable cash levels strengthens resilience amid market fluctuations

Healthy cash & cash equivalents in 2020A-2024A (PLN million)



Leading Net Debt / EBITDA in 2020A-2024A



Source: Company Reports, Kozminski University Team Analysis



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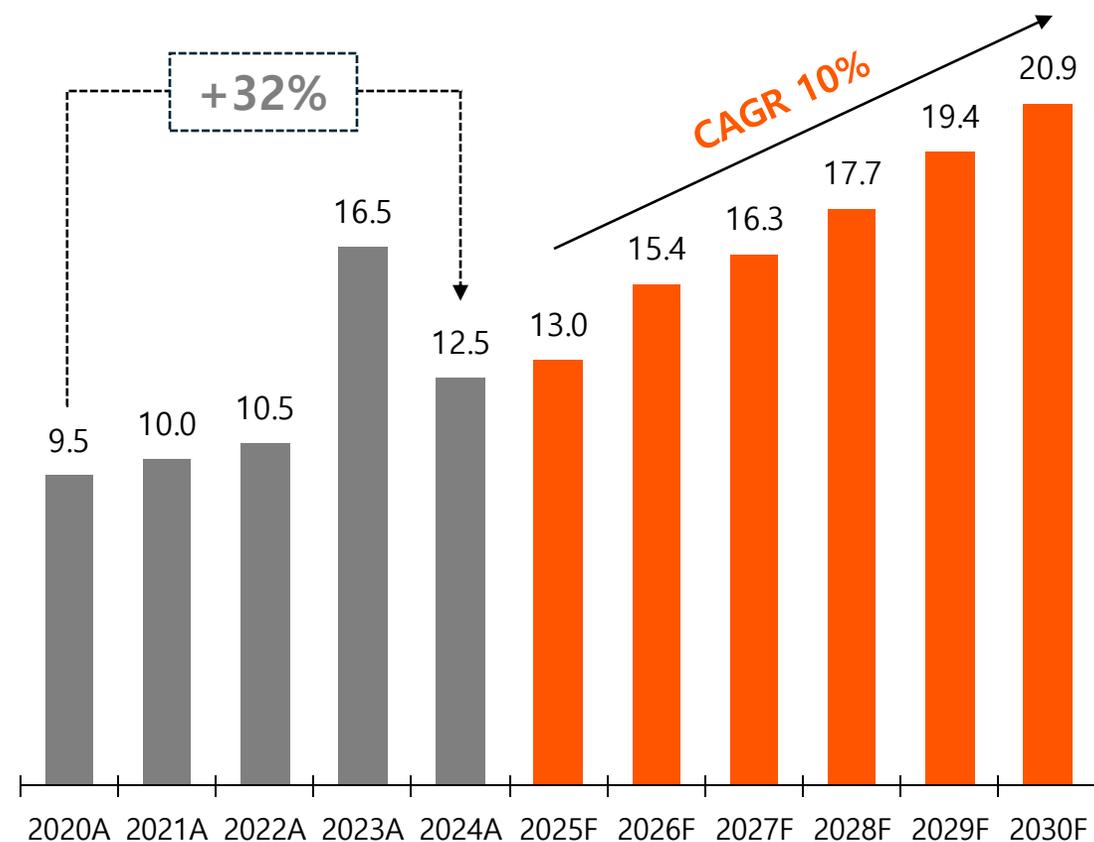
Risks

Maximizing shareholder returns with strong dividends & ROE

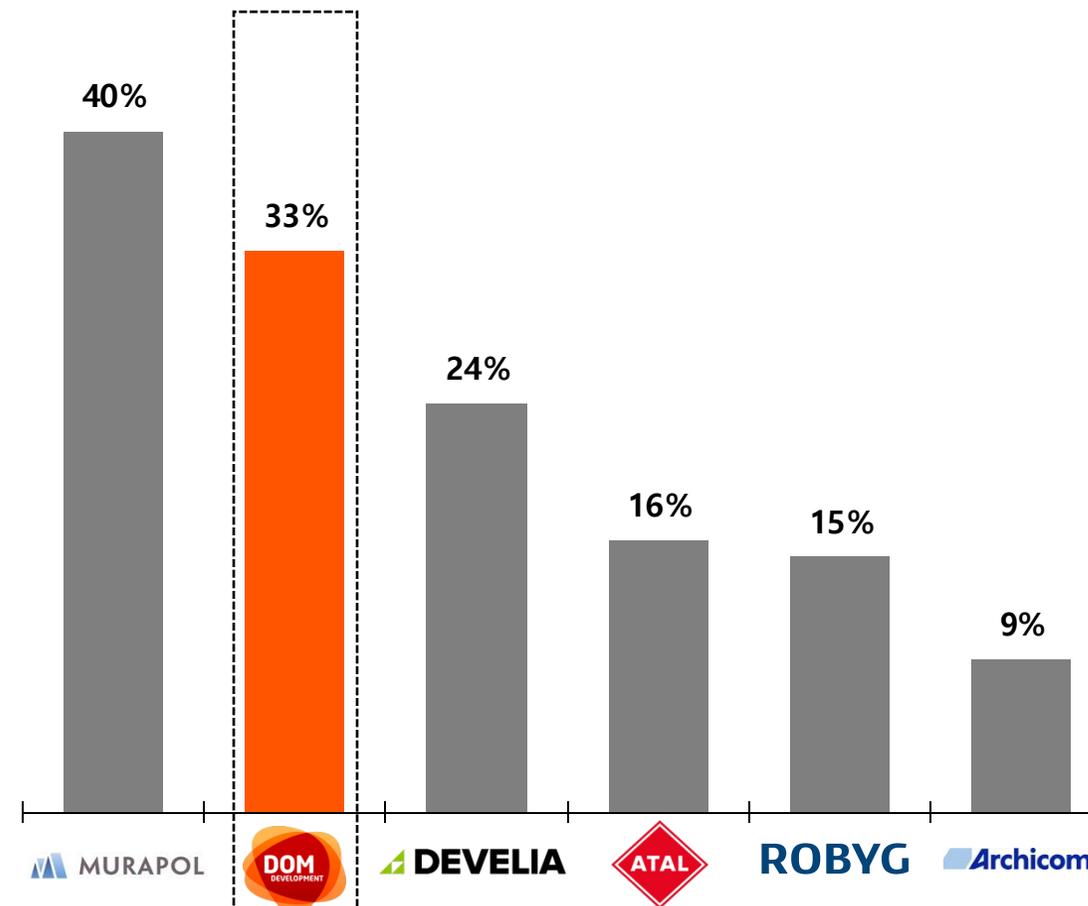


Consistent dividend growth and industry-leading profitability bolster DOM's value creation ability and strengthen returns

DOM's strong dividend growth per share in 2020A-2030F (PLN)



Top-tier Return on Equity compared to competitors (2024A)



Source: Company Reports, Kozminski University Team Analysis

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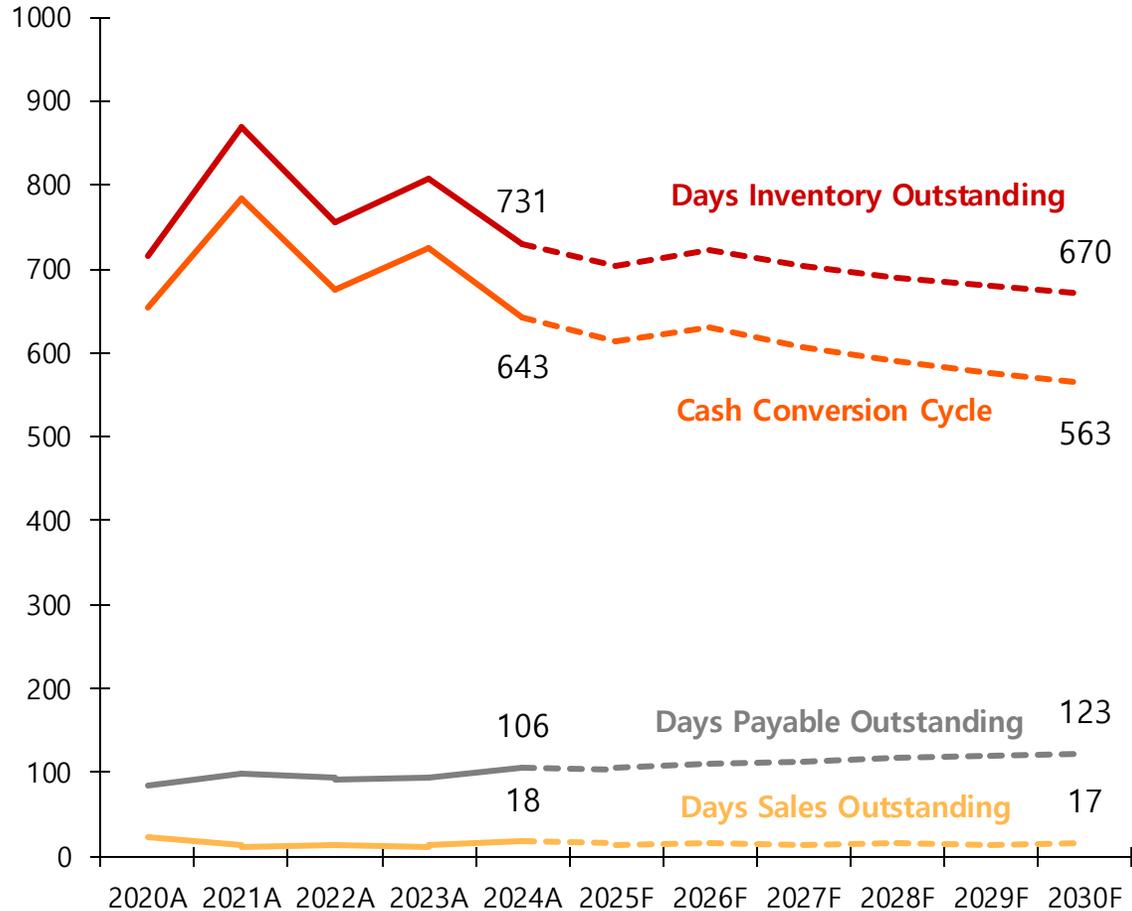


Market-leading operational efficiency of Dom Development

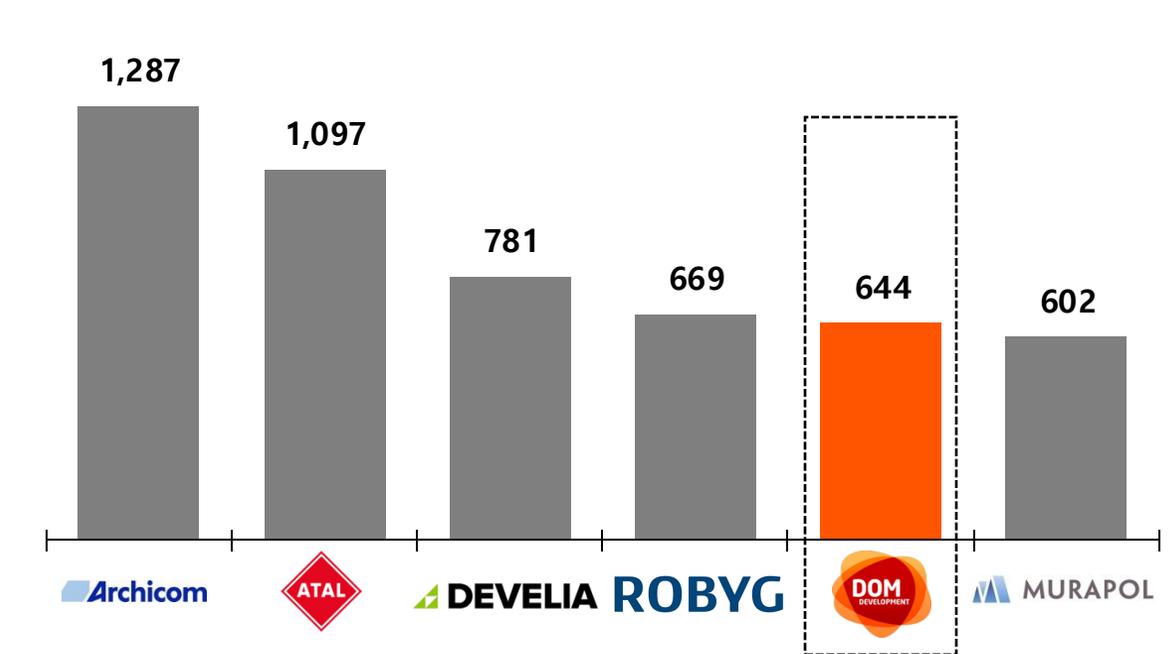


Fastest in-class cash conversion cycle reinforces DOM's operational strength

CCC elements breakdown (days)



CCC | DOM vs. Competitors in 2024 (days)



Reduced reliance on external financing

Faster project completion with no delays

Source: Company Reports, Kozminski University Team Analysis



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Dom Development ensures ESG regulatory compliance and readiness

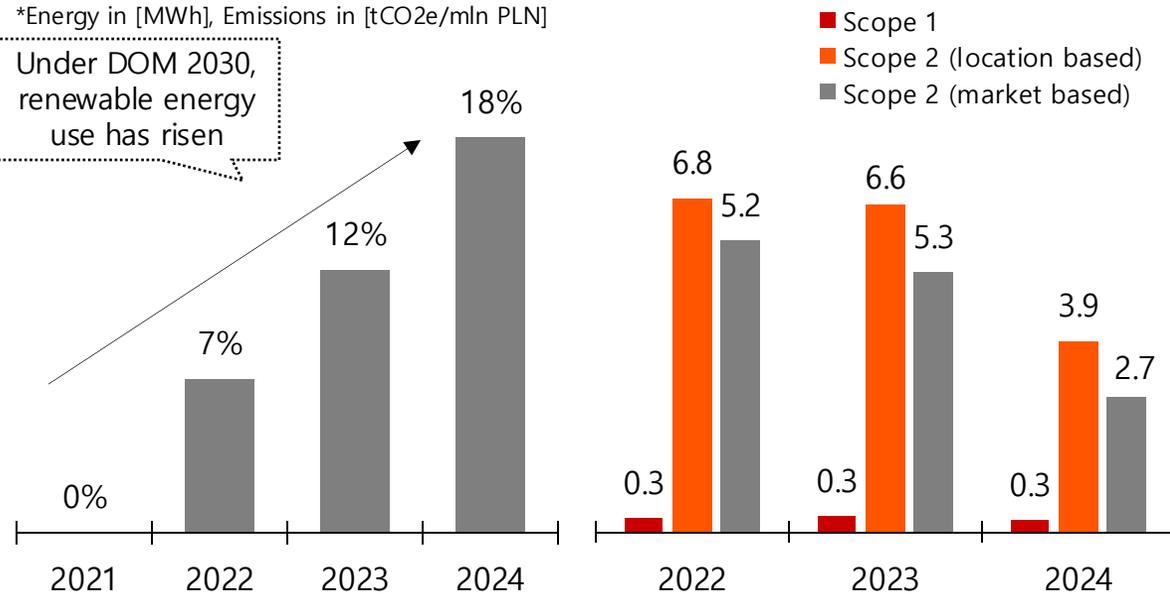


Dom Development has a lower ESG risk score than national average of 28 points, demonstrating a better ESG risk profile

DOM's renewable energy share & emissions in CO2e/Revenue*

*Energy in [MWh], Emissions in [tCO2e/mln PLN]

Under DOM 2030, renewable energy use has risen



DOM's ESG is integrated into the business model

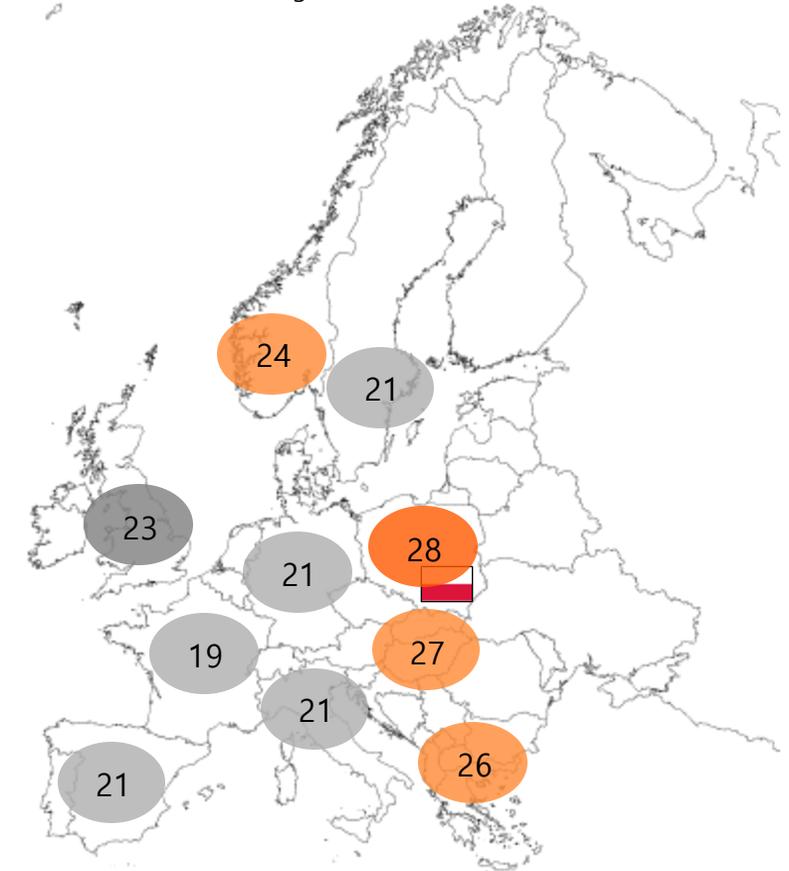
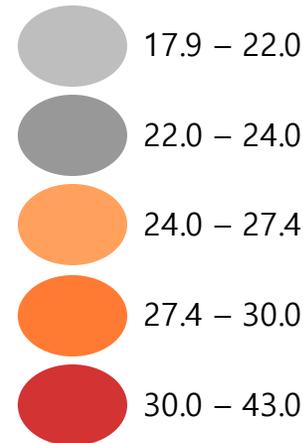


2030 ESG Strategy

- ✓ Green Investment Card
- ✓ 30% CO2 Reduction Target
- ✓ EU Taxonomy Eligibility
- ✓ GRI Adherent ESG Reports

Average ESG risk scores in Europe vs. Dom Development**

**ESG risk scores – lower scores reflect better ESG risk management



Source: Company Reports, Expert Interviews, Sustainalytics



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Dom Development is building strong social communities



The company prioritizes 15-minute cities and has a diverse workforce with the best retention rate amongst peers

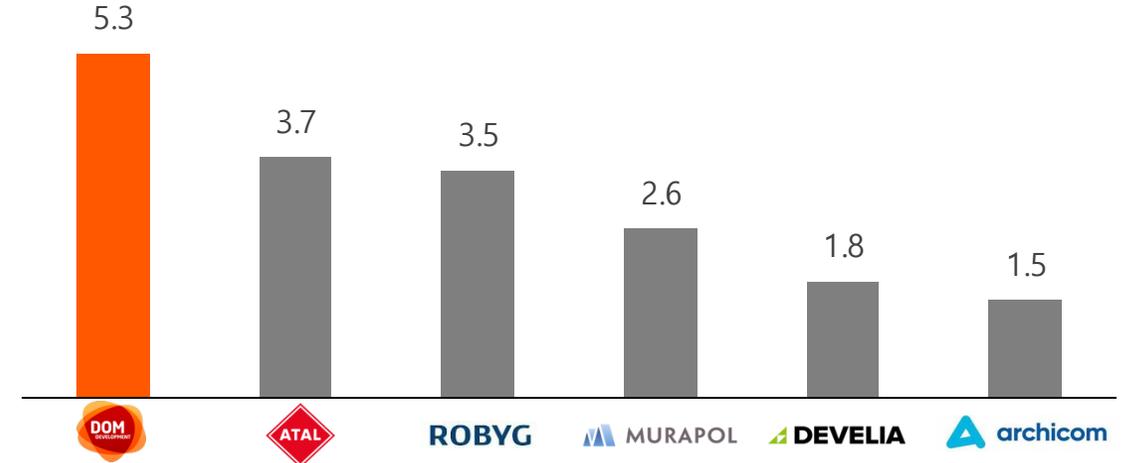
DOM is putting communities first...



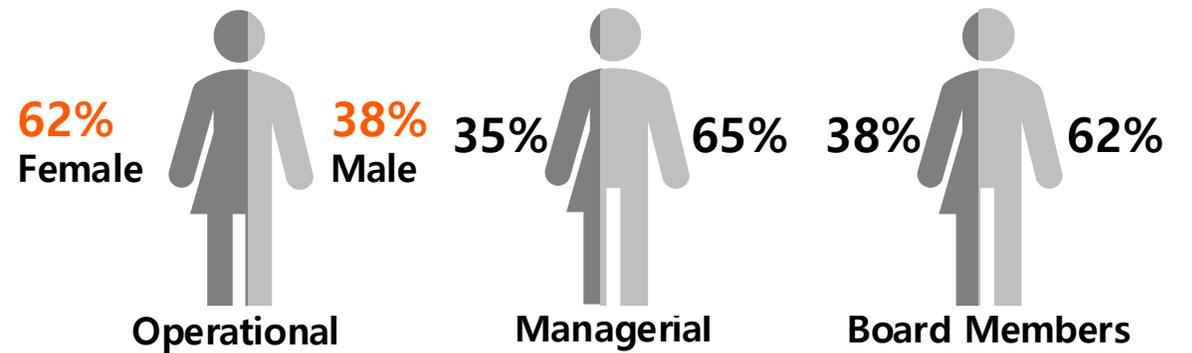
... by creating livable 15-minute cities



DOM boasts the best staff retention rate (years)



Diverse workforce with strong female representation



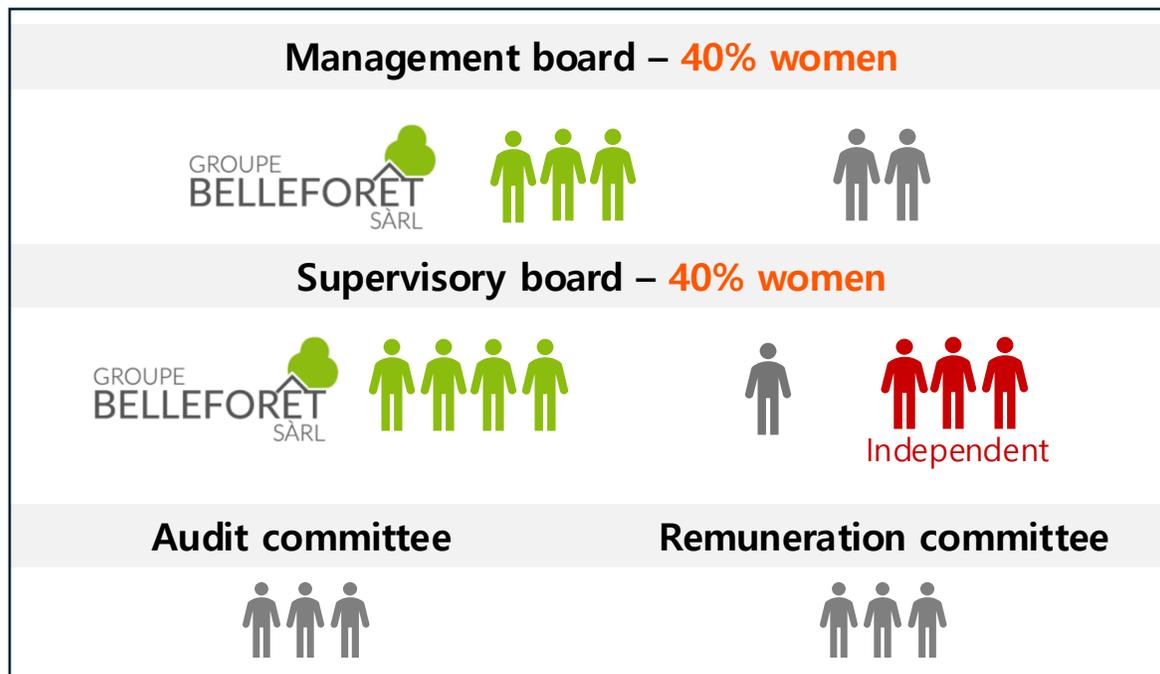
Source: Company Reports, Competitors' Reports, LinkedIn, Kozminski University Team Analysis

Strong governance at DOM is the foundation of sustainable success



DOM's strong governance is the iron armor of their consistent financial performance

DOM strictly follows WSE guidelines for governance



Warsaw Stock Exchange Best Practices for Listed Companies – 94% Compliance ✓

Recent changes in the management board at DOM



Mikolaj Konopka, CEO

Appointed in January 2025
Ex Chief ESG Officer with 30 years of experience



EURO STYL
GRUPA DOM DEVELOPMENT



Monika Dobosz, CFO

Appointed in March 2025
Ex CFO and Finance Manager with 20 years of experience



ESG disclosures at Dom Development

EU Taxonomy (Reg. 2020/852)	✓ Implemented
ESRS	✓ Implemented
Assured ESG Report	✓ Implemented
Double Materiality	✓ Implemented
Full Life Cycle Analysis	⌚ Partially addressed

Source: Company Reports, Sevva, Sustainalytics, Expert Interviews, Bloomberg



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The overall ESG performance and impact of ESG on valuation



While DOM demonstrates strong ESG fundamentals, key areas for improvement remain

ESG areas with room for improvement

-  Full Life Cycle Analysis
-  Explicit ESG-linked KPIs
-  Green building certifications (BREEAM, LEED)

ESG integration in base case: SG&A Costs, 2019A-2030F

Assumption	Actual	Forecast					
	2024	2025	2026	2027	2028	2029	2030
Sales costs	3.1%	3.1%	3.2%	3.3%	3.3%	3.4%	3.5%
G&A costs	5.1%	5.2%	5.3%	5.4%	5.5%	5.6%	5.7%

SG&A expenses forecast as % of revenue

Source: Company Reports, Sevva, Sustainalytics, Expert Interviews, Bloomberg

ESG scores and KU Team's proprietary ESG Rating system

Vendor	Score	E	S	G
 SUSTAINABLE DEVELOPMENT GOALS	5.9/10	3.2	6.4	8.0
 MORNINGSTAR SUSTAINALYTICS	22.6/40+	-	-	-
Bloomberg	3.8/10	2.2	6.3	4.8
 Kozminski University Scorecard	3.8/5	3.5	4.0	3.8

DOM's ESG performance is included in our valuation through:

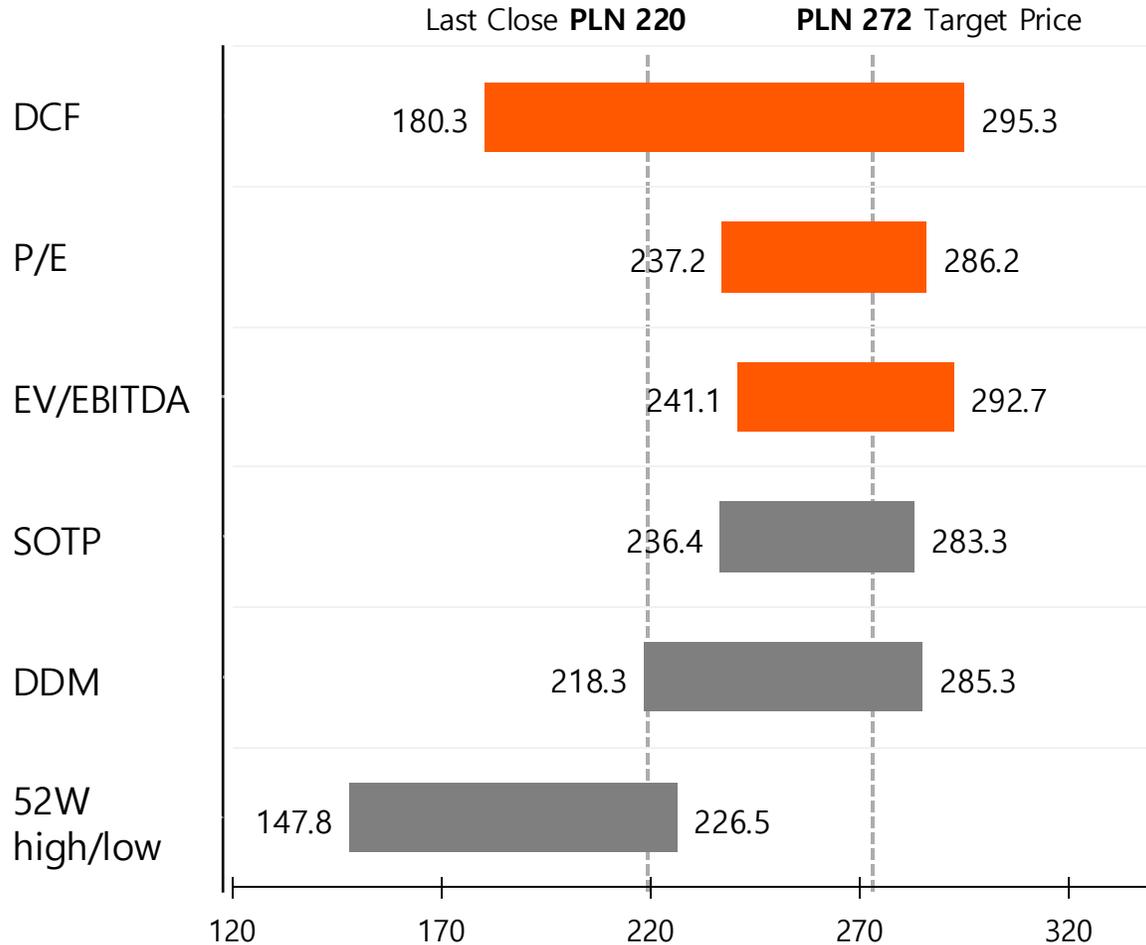
- 1 Increased SG&A Costs** reflecting the company's regulatory proactiveness
- 2 Lower WACC** in the bullish scenario considering a 10bps reduction in the cost of debt

Valuation summary



We valued DOM using a **50/50 blended approach** of **DCF** and **multiple valuation** arriving at a share price of **PLN 272**

Valuation football field, share price (PLN)



Key aspects of the valuation method

50%
Weight

- Historical project trends
- Current land bank capacity
- Detailed pipeline projection

50%
Weight

- Median **NTM EV/EBITDA** multiple of 8.7x
- Median **NTM P/E ratio** of 10.3x
- European peers were analyzed but not used

0%
Weight

- SOTP valuation feeds into DCF through our **proprietary project pipeline revenue estimates**
- DDM valuation is **limited** to dividend payouts to shareholders and is already embedded in the DCF

Source: Company Reports, Capital IQ, Kozminski University Team Analysis



Our Discounted Cash Flow model shows a 25% upside for the stock



Even with conservative assumptions, our **6-year DCF model** reveals strong upside for DOM

DCF
Relative
SOTP

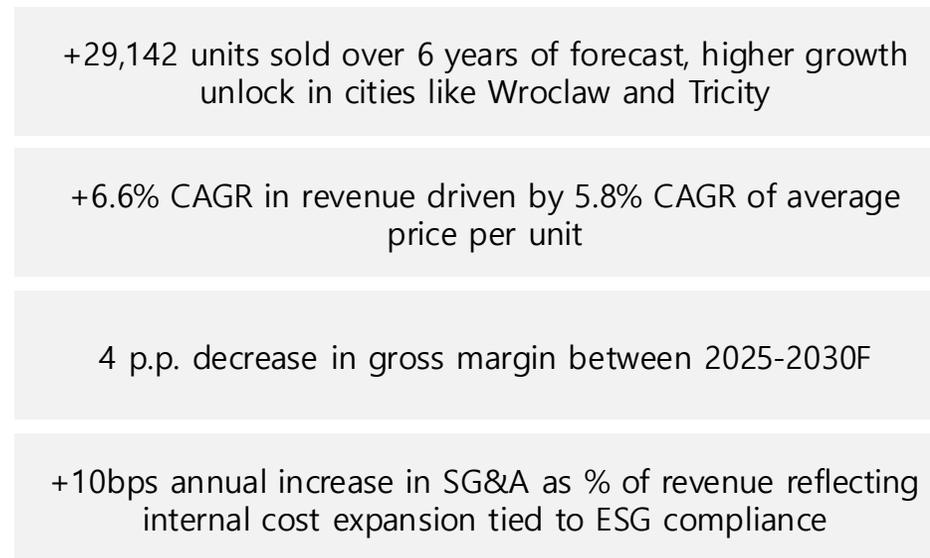
Thesis and industry analysis



Metric impacted



Linkage to financials and DCF assumptions



PLN 275 Target Price	40bps illiquidity premium	Terminal WACC - 8.7%				
	9.9% CoE	6.7% CoD	9.4% WACC	0.6 Beta	2.7% Terminal growth	25% Upside ↑

Source: Company Reports, Capital IQ, Kozminski University Team Analysis



Our scenario analysis highlights an attractive risk-return profile



We conducted sensitivity as well as a bull and bear analysis to stress test our DCF model assumptions

Sensitivity analysis

DCF

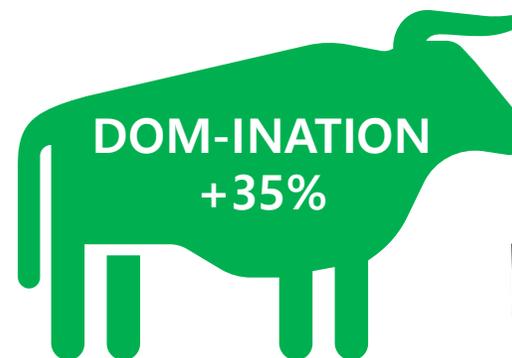
Relative

SOTP

		Δ Terminal Growth				
		-1,0%	-0,5%	0,0%	0,5%	1,0%
Δ WACC	275,2					
	-1,0%	287,1	308,0	333,2	363,9	402,2
	0,5%	226,2	238,6	252,8	269,5	289,1
	0,0%	243,6	258,2	275,2	295,3	319,3
	0,5%	226,2	238,6	252,8	269,5	289,1
	1,0%	211,0	221,6	233,7	247,6	263,9

		Δ Costs				
		2%	1,50%	0,00%	-1,50%	-2,00%
Δ Revenue	275,2					
	2,0%	283,9	293,6	322,7	351,8	361,5
	1,00%	260,2	269,9	299,0	328,1	337,8
	0,00%	236,4	246,1	275,2	304,3	314,0
	-1,00%	212,6	222,3	251,4	280,5	290,2
	-2,00%	188,9	198,6	227,7	256,8	266,5

Bull and Bear scenarios assume varying key value drivers



VS.



PLN 295

PLN 180

Green bonds will reduce CoD by 10bps

+3% sales volume vs base case scenario

29% gross margin in terminal year

No reduction in CoD and WACC

-4% sales volume vs base case scenario

27% gross margin in terminal year

Source: Capital IQ, Kozminski University Team Analysis



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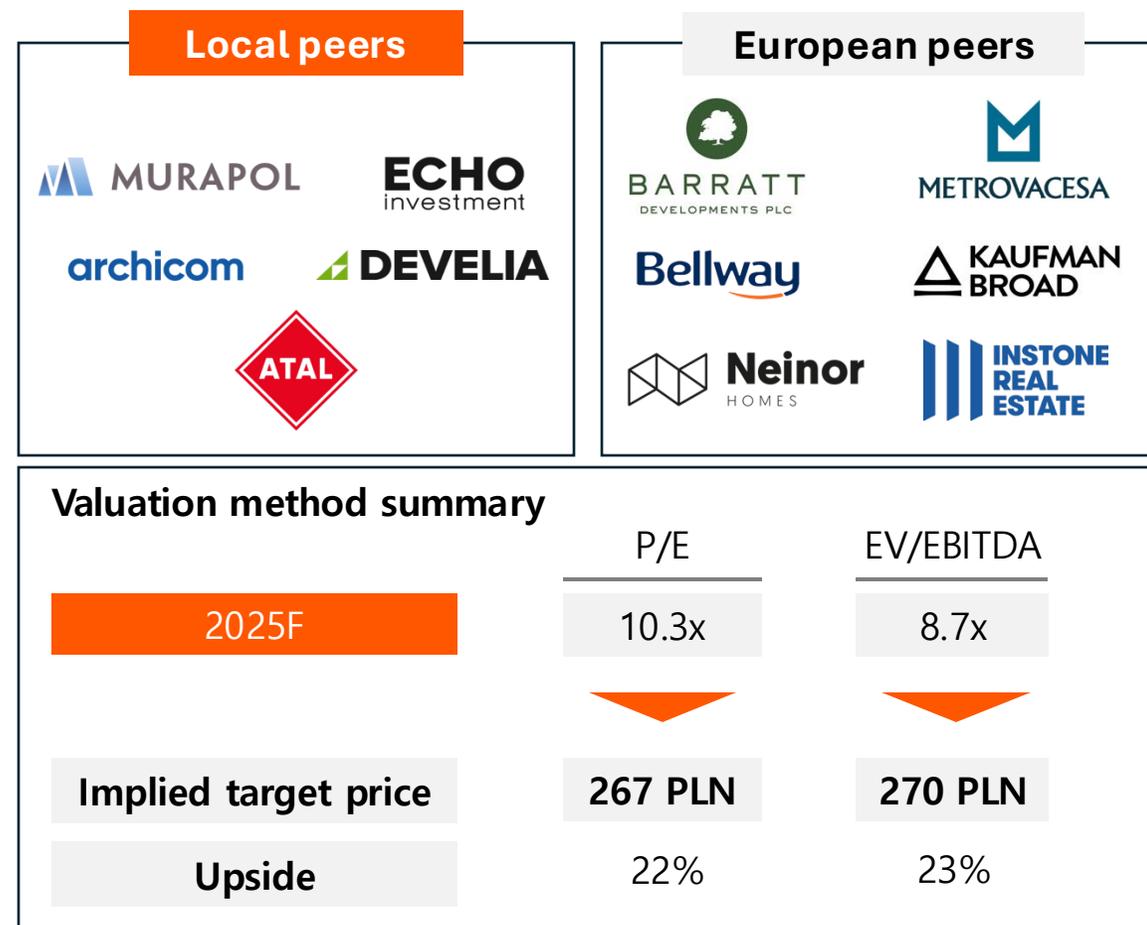
Risks

A multiples-based valuation confirms our BUY recommendation

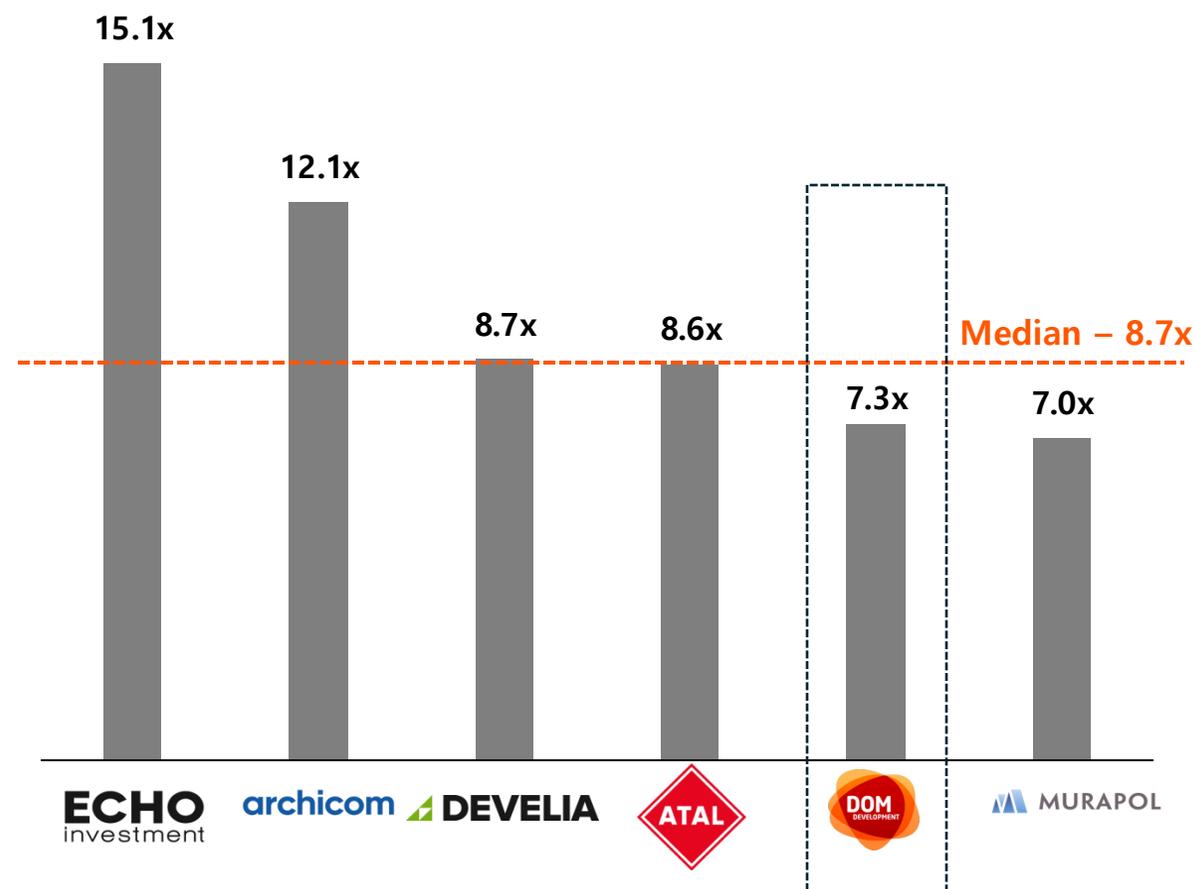


We use **P/E** and **EV/EBITDA multiples**, as they best capture the nature of the business

We focus on local market peers for our relative valuation



NTM EV/EBITDA ratio of 8.7x results in 23% upside for DOM

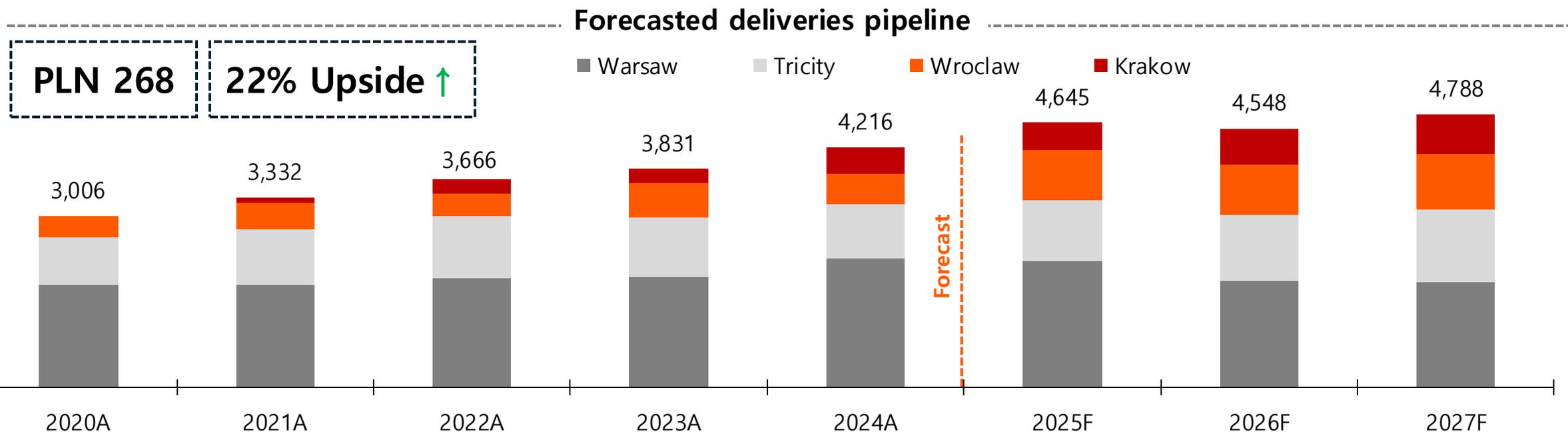


Source: Capital IQ, Kozminski University Team Analysis

Our Sum of the Parts valuation shows a 22% upside for DOM



We calculate the NPV on a project-wise basis using a set of assumptions in each city until the end of 2027



Source: Company Reports, Kozminski University Team Analysis

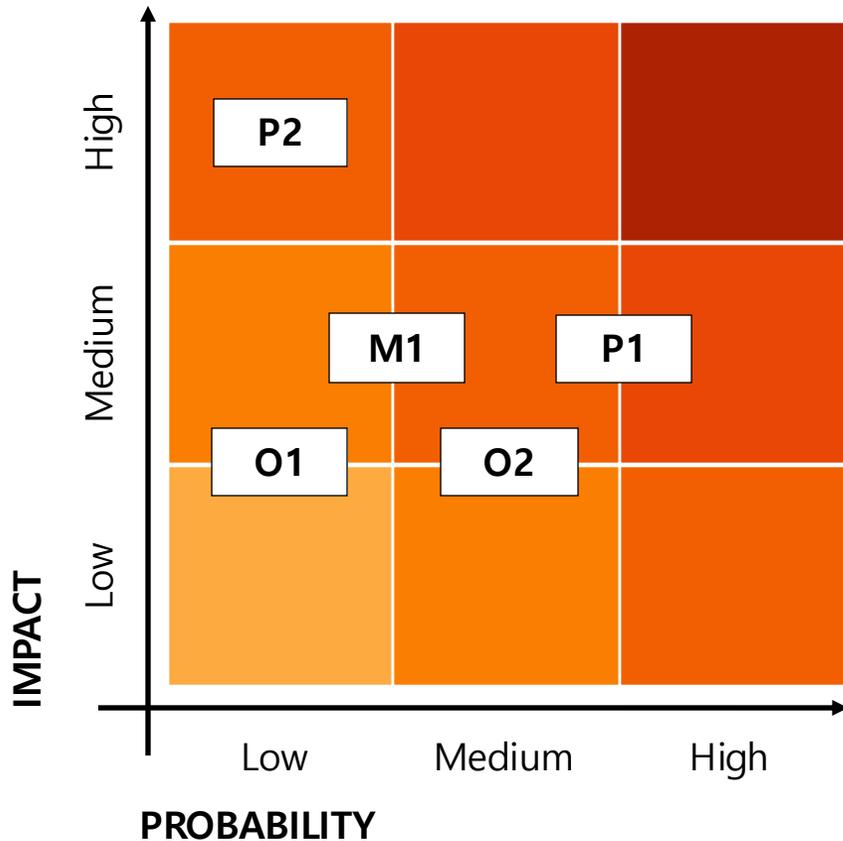


Market, Political, and Operational investment risks



We recognize **three key downside risks** to our BUY recommendation

Risk matrix



M1	Interest rate and inflation risk	P2	Government risk	P1	Risks related to the Ukraine war
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$\Delta+1\%$ Costs $\Delta-1\%$ Revenues
Impact: -16% Value

$\Delta-2.5\%$ Revenues
Impact: -22% Value

$\Delta+1\%$ Costs $\Delta-1\%$ Revenues
Impact: -16% Value

- Persistently high interest rates
- Sticky inflation
- Weakened demand

- Spatial Planning Act
- Potential cadastral tax
- Subsidy program changes

- Labor market constraints
- Disruption in migration flows
- Capital outflow

O1 Delays and quality control risk

O2 Inability to pass the costs

$\Delta+2\%$ Costs | Impact: -14% Value

$\Delta+2\%$ Costs | Impact: -14% Value

Source: Kozminski University Team Analysis



Investment summary



We issue a **BUY** recommendation with a 12-month price target of **PLN 272**, implying a **24% upside**



DOMINANCE
WELL-POSITIONED TO SUSTAIN ITS
MARKET LEADERSHIP



OPPORTUNITY
STRUCTURAL HOUSING GAP IN
POLAND



MOMENTUM
STRONG DEVELOPMENT PIPELINE &
AFFLUENT CLIENT BASE



Target Price: **PLN 272**

Upside: **24%**

12-Month Target Price

Presentation map



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 8. Industry Analysis – (Macro – migration influx)
 9. Analysis – (Costs and inflation)
 10. Industry Analysis – (Current situation)
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 14. Financial strength Debt/EBITDA
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Appendix map



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BUSINESS

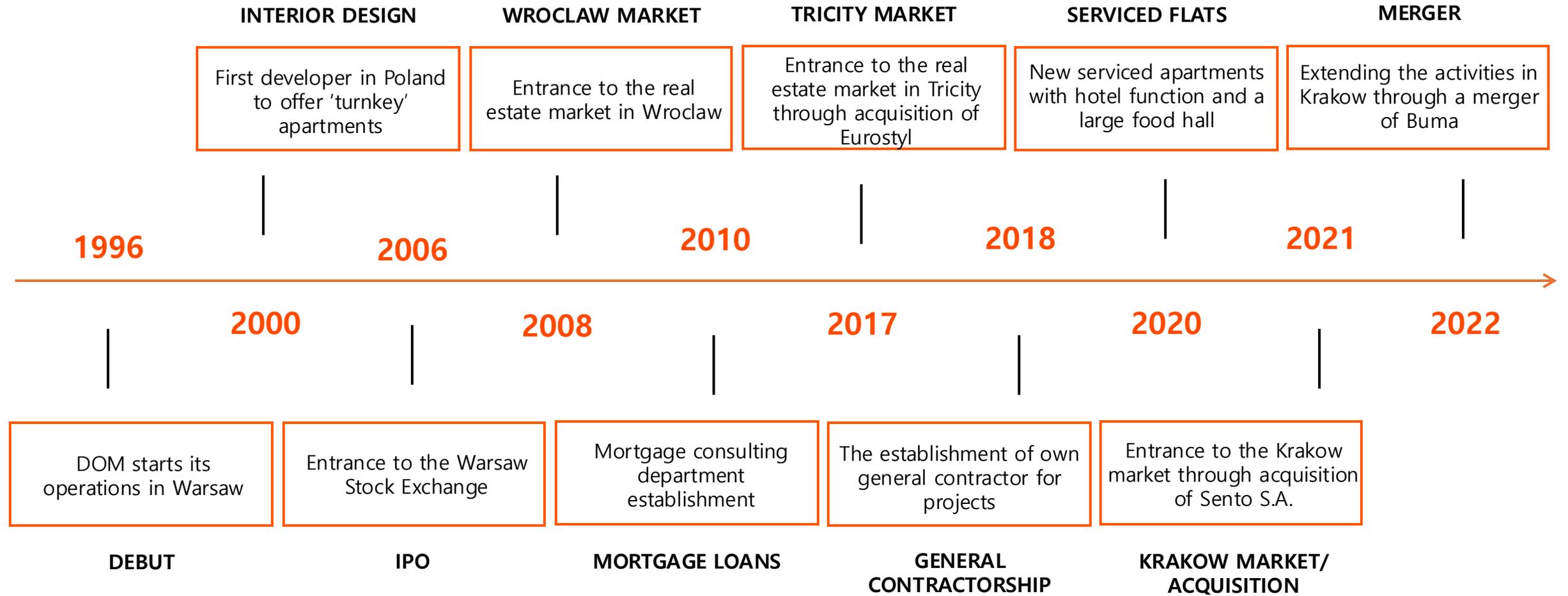
Our 30+ interviews with experts and DOM's competitors



- Expert 1 C suite executive at a direct competitor of Dom Development with PLN 2bln market capitalization
 - Expert 2 Business analyst with 6+ years of experience at a leading residential real estate developer in Poland
 - Expert 3 Lead economist at World Bank for 15+ years
 - Expert 4 Head of Team XYZ at Polish Economic Institute for 5+ years
 - Expert 5 Consultant and mortgage advisor with 10+ years experience
 - Expert 6 Real estate industry expert with 10+ years of experience, interim CFO of a real estate and logistics firm
 - Expert 7 Researcher and macroeconomic expert with 10+ years of experience
 - Expert 8 ESG practitioner and one of the founding members of a sustainability focused industry organization in Poland
 - Expert 9 Researcher specializing in financial economics and ESG transition dynamics
 - Expert 10 A beneficiary of Safe Credit 2% residential real estate scheme in Warsaw
 - Expert 11 Professor of real estate for 10+ years at a leading Polish university
 - Expert 12 Ex CFO of a leading residential developer in Poland with 25+ years of experience in the real estate development business
 - Expert 13 Polish residential real estate expert Mr. Marek Banach – Founder and CEO of a real estate consultancy
 - Expert 14 Warsaw-based senior Big 4 professional who bought their first apartment from Dom Development
 - Expert 15 Warsaw-based IB professional who bought their first apartment from Dom Development's competitor
- And many more!** **We spoke with another 20+ real estate consultants, mortgage professionals, sales staff at Dom Development, CEOs of competitors, and more in the last six months**

Source: Kozminski University Team Analysis – Note: The identities of interviewees was anonymized upon their request as and where requested.

History of Dom Development



Flagship Projects of Dom Development



- **Dzielnica Mieszkaniowa Metro Zachód** launched in 2019 in **Bemowo, Warsaw**
- A **flagship residential project** by **Dom Development S.A**
- Highly popular with buyers since the first stage
- Currently developing **9 stages with 1,209 units** (after year 2023)
- Land secured for **approx. 1,800 units** in total
- A key **sales driver** for Dom Development in Warsaw



- Part of the **DOKI project** in the former Gdańsk Shipyard
- Revitalized **submarine assembly plant** into a multifunctional space
- Includes **114 hotel lofts, a food hall, and a conference center**
- Opened **Tricity's largest food hall** in June 2023
- **European Property Awards, Baltic Real Estate Awards**
- **1,200 units planned**, with **completion in Q3 2025**



- **Braniborska 80** offers **city convenience** with easy access to transport
- Close to **Western Park** for outdoor activities
- Surrounded by **restaurants, schools, universities, and shops**
- Apartments range from **1 to 4 rooms (29-90 m²)**
- All units include **balconies or loggias**, top-floor units have **terraces**



- **Osiedle 29. Aleja** is located near **ul. Prandoty and al. 29 Listopada**, just **2 km from Kraków's Main Market Square**
- Close to the city center, promoting **cultural and social engagement**.
- Ideal for **young people and investors**
- New stage includes **149 flats** ranging from **32 to 94 m²**

Group structure of Dom Development



Parent Company	Subsidiary	Ownership
Dom Development S.A.	Euro Styl S.A.	100%
	Dom Development Wrocław Sp. z o.o.	100%
	Dom Construction Sp. z o.o.	100%
	Dom Development Kredyty Sp. z o.o.	100%
	Dom Development Grunty Sp. z o.o.	46%
	Dom Development Kraków 12 Sp. z o.o.	100%
	Dom Development Kraków Sp. z o.o.	100%
	Dom Land Sp. z o.o.	-

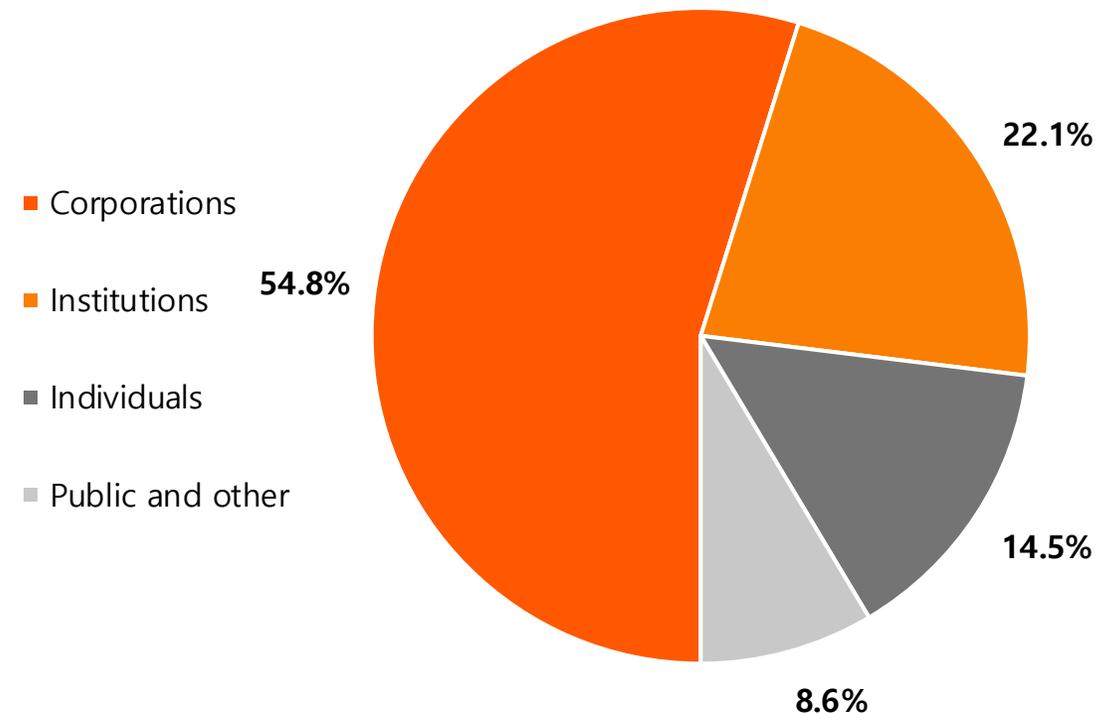
Parent Company	Subsidiary	Ownership
Euro Styl S.A.	Euro Styl Construction Sp. z o.o.	100%
	Euro Styl Montownia Sp. z o.o.	100%
	GGI Dolne Miasto Sp. z o.o.	100%
	Your Destination Sp. z o.o.	100%
	Apartamenty Las Jastarnia Sp. z o.o.	100%
Dom Development Kraków	Dom Development Kraków 1 Sp. z o.o.	100%

Source: Company Reports as of 2024

Shareholder structure of Dom Development



Shareholder	Shares	%
Corporations:		
Groupe Belleforet	14,140,441	54.8%
Institutions:		
PTE Allianz Polska	2,509,583	9.7%
Natonale Nederlanden PTE S.A.	575,820	2.2%
Vienna OFE	552,086	2.1%
UNIQA OFE	427,479	1.7%
PTE PZU S.A.	369,949	1.4%
TFI PZU S.A.	298,229	1.2%
Other institutions (owning <1% of shares)	984,955	3.8%
Individuals:		
Jarosław Szanajca	1,454,050	5.6%
Grzegorz Kielpsz	1,280,750	5.0%
Janusz Zalewski	300,000	1.2%
Małgorzata Kolarska	285,066	1.1%
Other individuals (owning <1% shares)	422,961	1.6%
Public and other	2,205,140	8.5%
Total	25,798,422	100%



Dom Development Kredyty

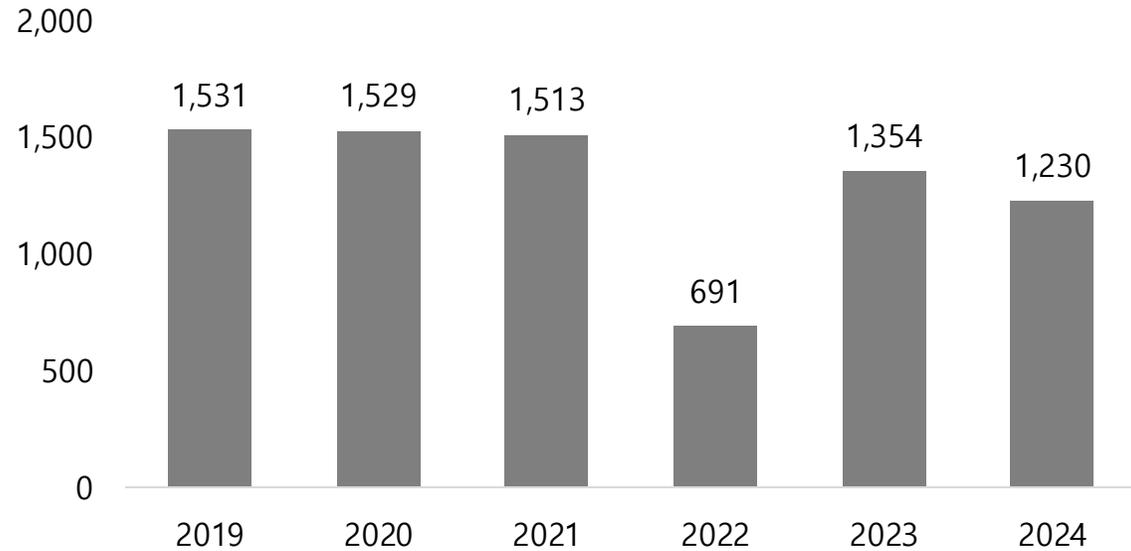




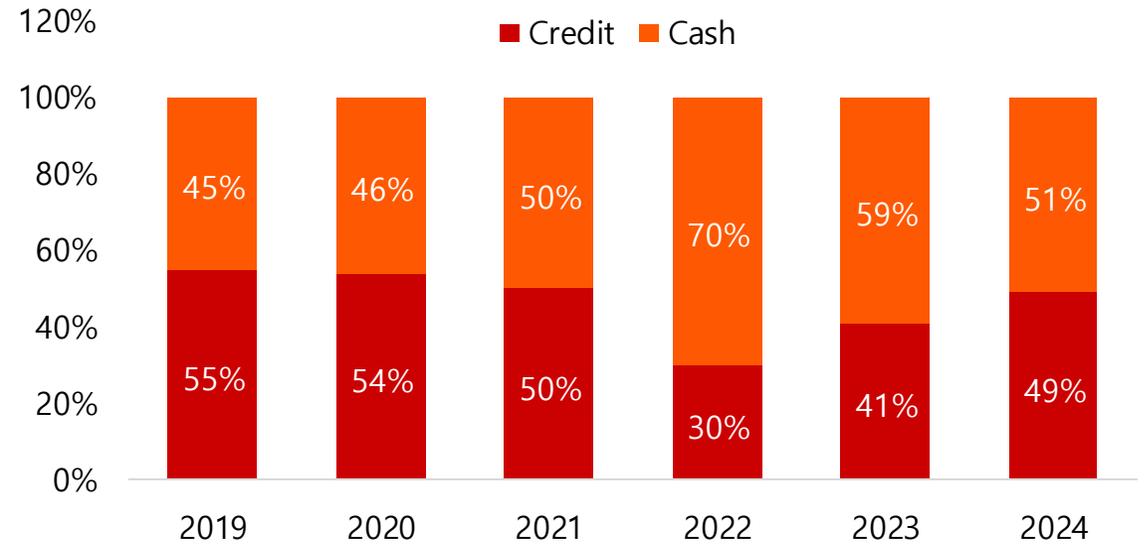
2010 - established
2017 - launch
14 - specialists
11 - banks

Dom Development Kredyty is an in-house mortgage consulting branch of DOM. It offers **finance and mortgage consulting** to assist their clients in the purchase of apartments, fit-outs, parking spaces, and storage units from Dom Development.

Net no. of credit applications

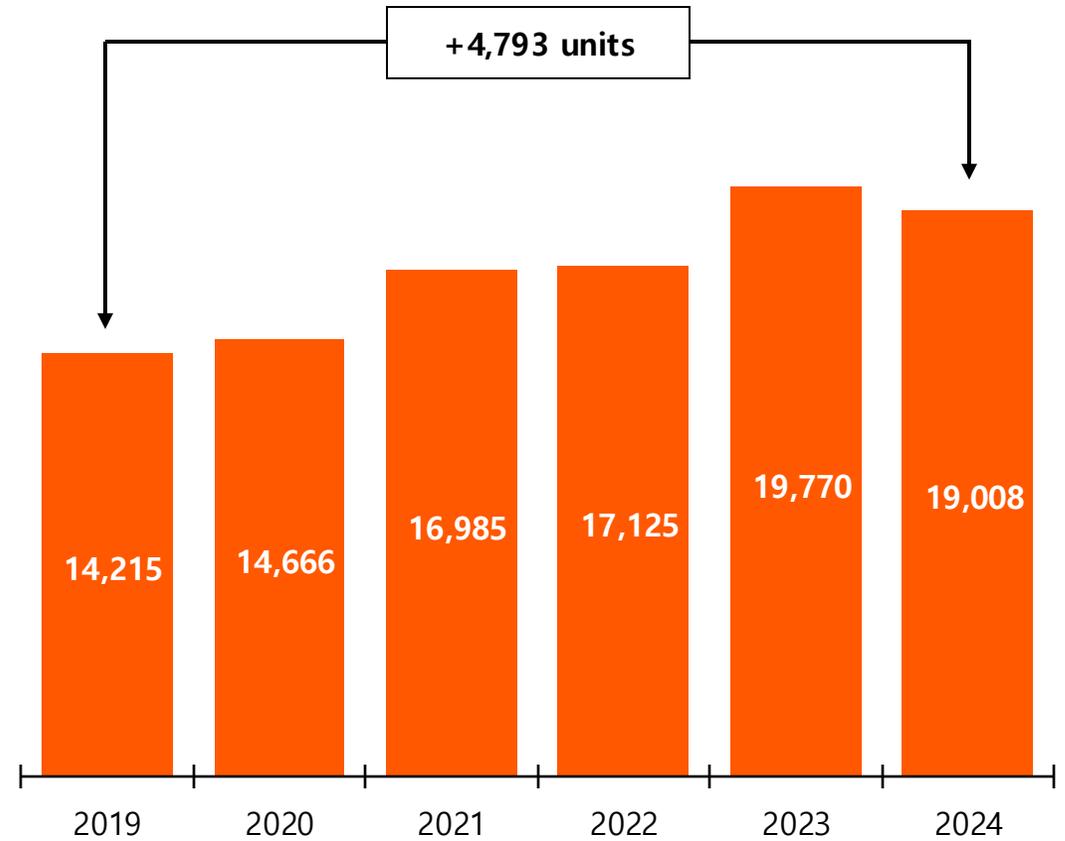
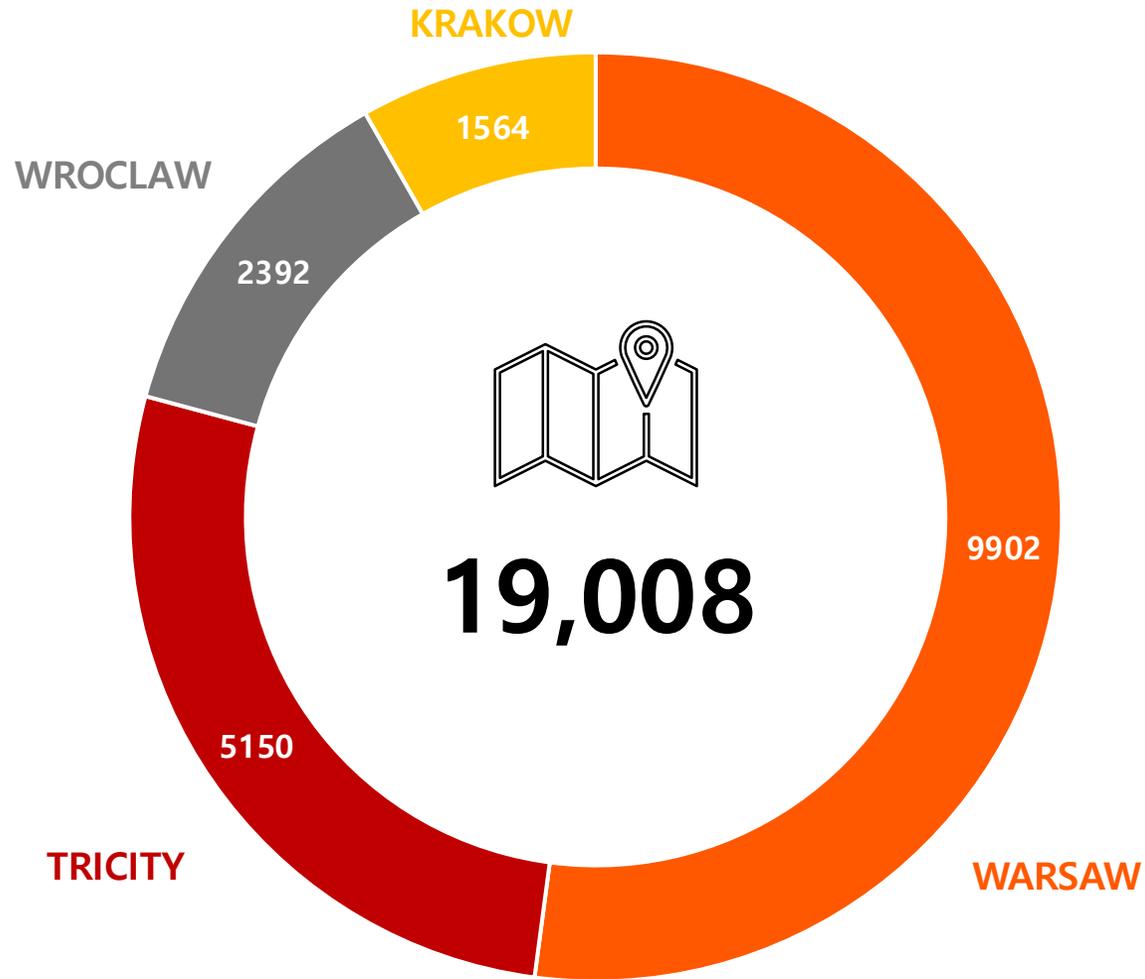


Breakdown of financing of apartment purchases



Source: Kozminski University Team Analysis, Company's website

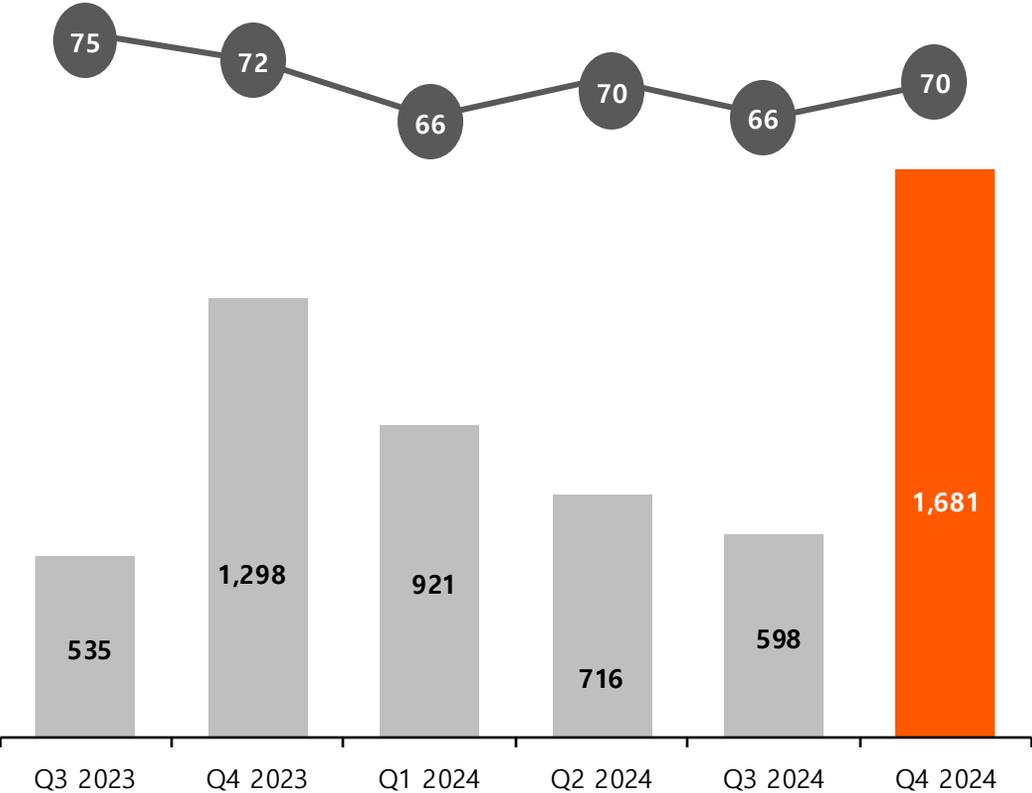
City-wise land bank



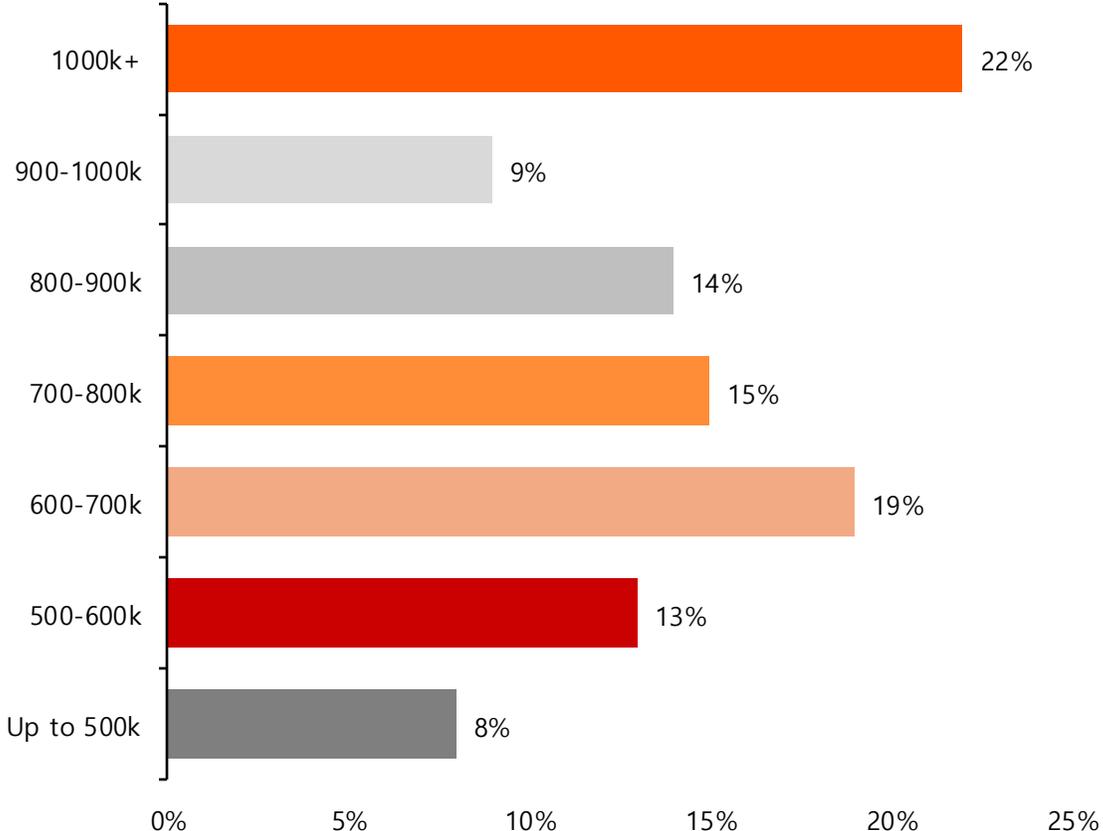
High Net Promoter Score (NPS) and Premium focus



DOM's NPS and Deliveries

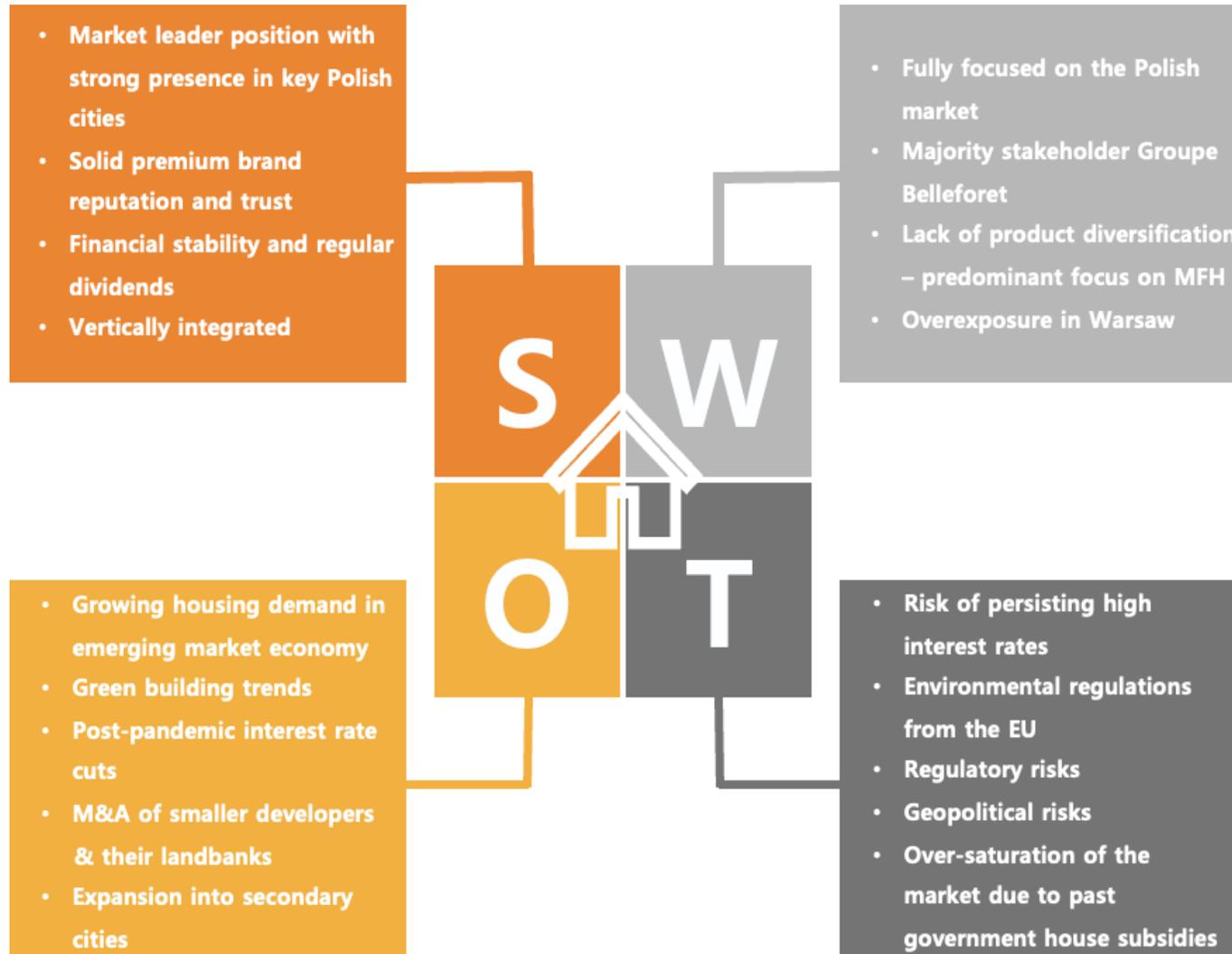


DOM's residential sales segmentation value in 2024



Source: Company's Reports

SWOT Analysis



Turnkey fitting packages



OUR PRIMARY RESEARCH AND CONVERSATION AT A DOM'S SALES OFFICE



Option 1 – common for investment buyers

Profit package

Option 2 – common for individual buyers

Concept package

Option 3 – for both

Premium package

To annex: Visit to sales office and DOM's superior sales techniques



Our customer demand for apartments with finished turnkey fittings is increasing. **Around 80% of our buyers** who purchase the apartments with mortgage, which is roughly half of total buyers, already opt for a finished and turnkey fitted apartment – **Sales consultant at DOM**

DOM has in-house general contractors to ensure high quality



- ✓ optimization of development parameters from the design phase on
- ✓ cost effectiveness
- ✓ timely execution of development projects
- ✓ retention of the general contractor's margin within the group



2007 Euro Style Construction established

62 specialists



2018 Dom Construction established

302 specialists

In the area of business and operations



- ✓ **Cloud Migration in 2020 – first Polish developer ever**
- ✓ **Digital transformation and unlocking business efficiency**
- ✓ **Enhance project management, finance, operations, sales, customer service and marketing**
- ✓ **Optimize expenditure on IT infrastructure**
- ✓ **Increased level of data security**
- ✓ **Optimize costs, time and budget of projects**

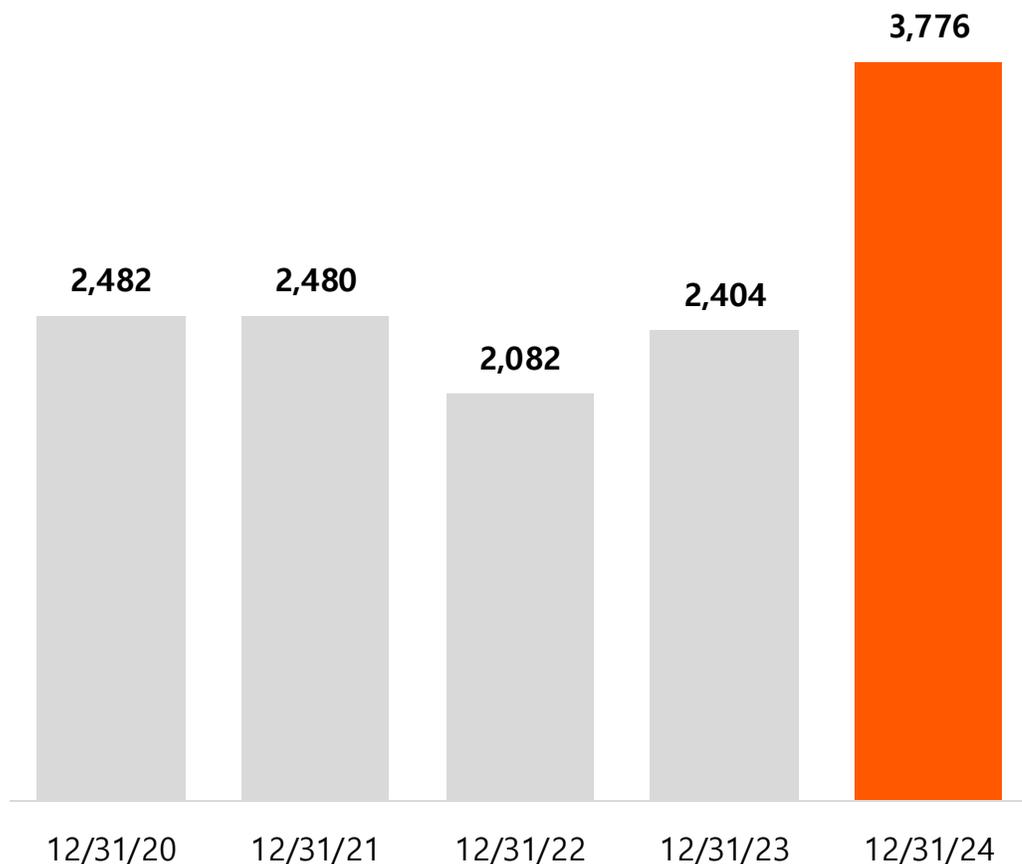
In the area of sales and construction

In our conversation with the new CEO of Dom Development, Mr. Mikołaj Konopka:

– Thanks to AI, we target customers in such a way that they often don't know what they're looking for – and we're able to suggest it to them. We have started experimenting with AI-driven lead generation techniques within our sales processes. This has reduced our costs and allowed us to scale our business – explained Mikołaj Konopka.

However, he stressed that the implementation of AI requires large investments and ethical data sources.

DOM available for sale offer



Offer by market	31.12.2024	31.12.2023	Change YoY
Warsaw	1 448	795	82%
Tricity	1 062	598	78%
Wroclaw	739	773	(4)%
Krakow	527	238	121%
DOM	3 776	2 404	57%

Low interest rates would be more beneficial for DD or its peers?



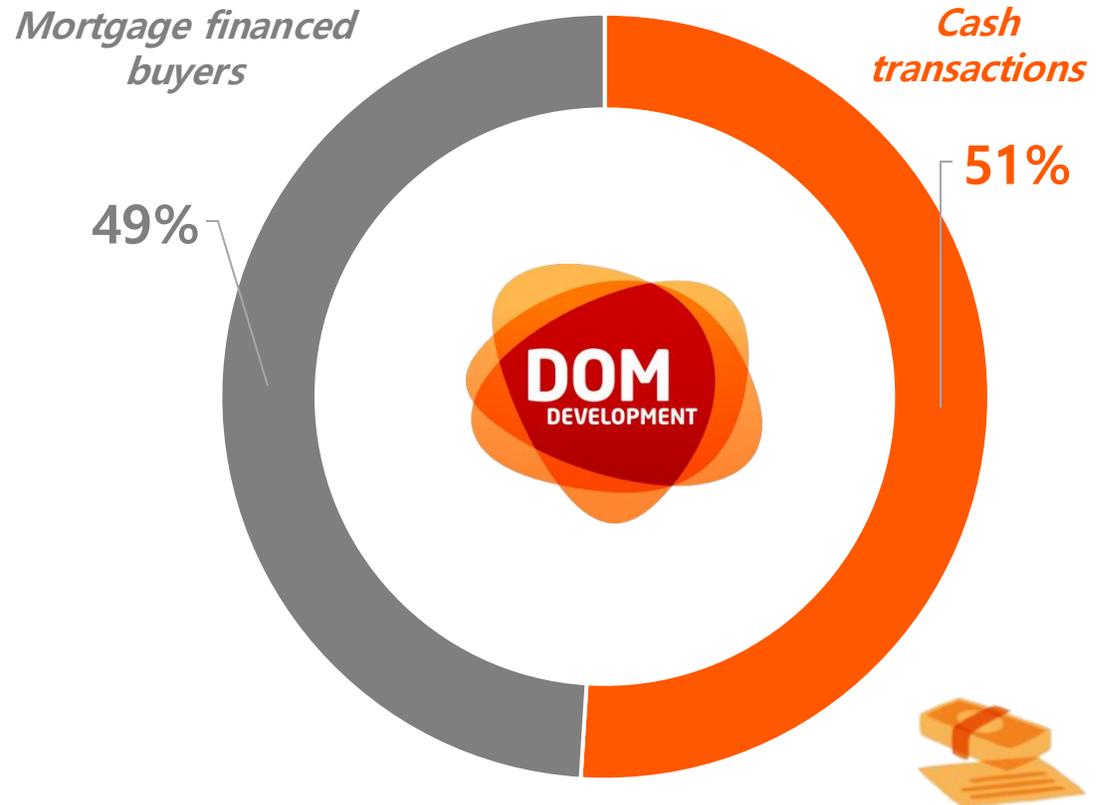
Dom Development focuses on the **premium segment**, characterized by:

- Affluent clients with higher disposable income
- Investment buyers
- Resilience to macroeconomic uncertainty

While interest rate cuts primarily benefit the affordable segment, DOM's premium focus means it is not a major beneficiary, though a spillover effect will moderately boost sales.

50% of DOM's clients are mortgage buyers, with 80% opting for interior finishing services.

As of 2024





VALUATION

DCF Valuation - Key assumptions



Revenues

- 1. Period of analysis** was established to be **2025-2030**. The revenue forecast is driven by two key quantitative factors **a) number of deliveries** and **b) average transaction price per unit**. We use a city-wise segmentation of under construction and in-preparation projects reported by Dom Development and **projection a future pipeline** using expected start and handover dates of projects. A fairly good understanding of sales for DOM is possible because the Group's current land bank of 19,889 units is sufficient for the next three to five years of sales.
- 2. No. of units sold and delivered:** We expect DOM to maintain and sustainably increase from its current level of units delivered of 4,216 in 2024 to **roughly 4,950 deliveries by end of forecast period**. In our view it is **'not'** likely that the Group will double or triple from its current level of operations in the coming years. However, we do not ignore that it may be possible within city-wise segments with a small base. For eg: between 2020 and 2024, units sold in **Krakow jumped by 4.4x** and in Wroclaw by 2.3x. In our forecast, our estimates built using the project pipeline show units sold in Krakow will be **1.4x from 2024 level of 520 units to 875 units in 2030**.
- 3. Growth drivers:** Our model assumes biggest increase in units delivered in **a) Krakow**, forecasted to increase from 475 deliveries in 2024 to 730 deliveries annually in 2030 **b) Tricity**, from 950 deliveries in 2024 to 1,327 in 2030 annually. This assumption is supported by a **rising Land Bank stock in these cities**. In 2024, units under preparation and under construction combined in Krakow were 2,910 and Tri-City were 5,537. **DOM will maintain leadership in the Warsaw market** leveraging a strong under construction and in-preparation pipeline of **11,434 units**. **We do not assume DOM will expand into new housing markets** either in Poland or abroad. The management gives no such indication and has mentioned its objective to increase market share in the existing markets.

Costs

- We believe that while currently there are no gross margin pressures on DOM, this situation is likely to change in coming years with overall sector margins reverting lower. Hence, we model a base case with gross margins slightly dropping from 32% to 28%.
- Other operating costs such as general and administration and selling costs are modeled as % of revenue. We expect and include a speed up factor of selling and general administrative costs by 2% YoY reflecting our view on internal cost expansion due to ESG compliance and assurance requirements.

CAPEX and D&A

- CAPEX increases with inflation, not significant for real estate developers

Working capital forecasts

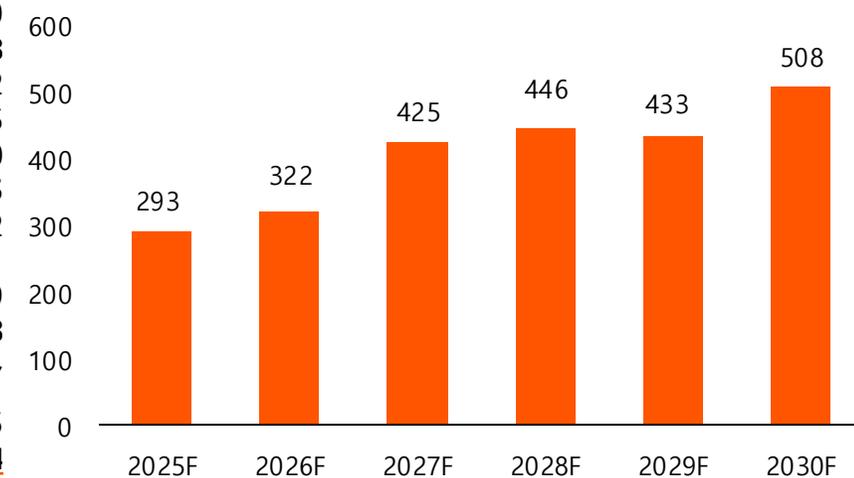
- Inventories are modelled as next year sales taking into account new Land Bank acquisitions and lag between converting inventory into sales. For 2024, we use an average of past five years inventory/sales ratio. Deferred revenue is also modelled relative to next year sales between 40-50%.

DCF Valuation – Base Case: 275 PLN per Share

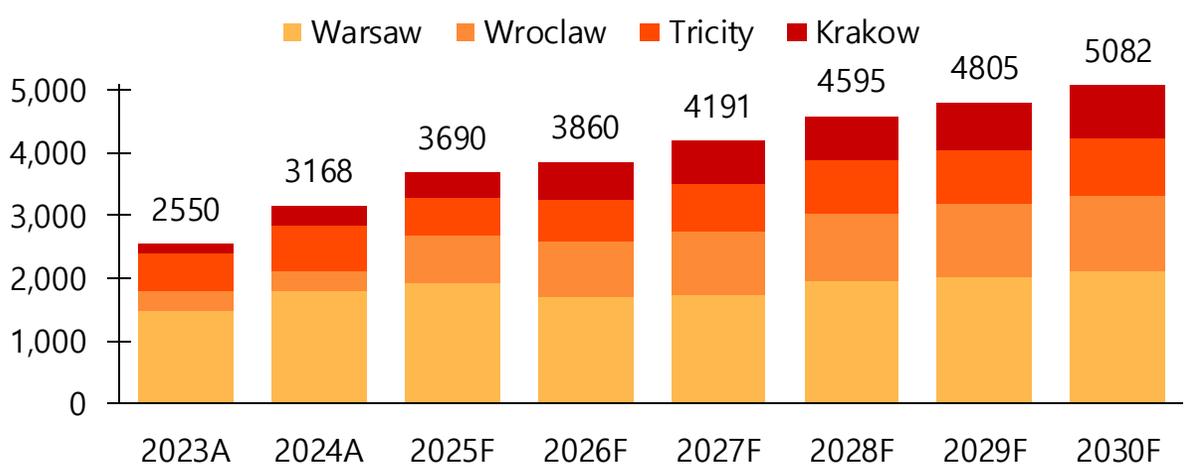


(PLNm)	2024A	2025F	2026F	2027F	2028F	2029F	2030F
Revenues	3 189	3 712	3 882	4 214	4 512	4 802	5 108
Costs	2 467	2 869	3 029	3 339	3 619	3 907	4 200
EBITDA	722	843	853	875	893	895	908
Depreciation	25	26	27	28	29	31	32
EBIT	697	817	826	847	864	865	875
Tax	135	159	161	165	168	168	170
NOPAT	562	659	665	682	696	697	705
Depreciation	25	26	27	28	29	31	32
CAPEX	29	30	31	33	35	37	41
NWC change	256	361	339	253	245	257	189
FCFF	301	293	322	425	446	433	508
RV							9 167
RV + FCFF	301	293	322	425	446	433	9 675
PV FCFF		184	277	334	321	285	6 034

FCFF projection, PLN million



Revenues



Source: Kozminski University Team Analysis



	BEAR	BASE	BULL
Terminal growth rate	2.7%	2.7%	2.7%
Gross margin (2030E)	27%	28%	29%
EBITDA margin (2030E)	17%	18%	19%
WACC	9.4%	9.4%	9.4%
Upside / (Downside)	-17.8%	25.4%	34.5%

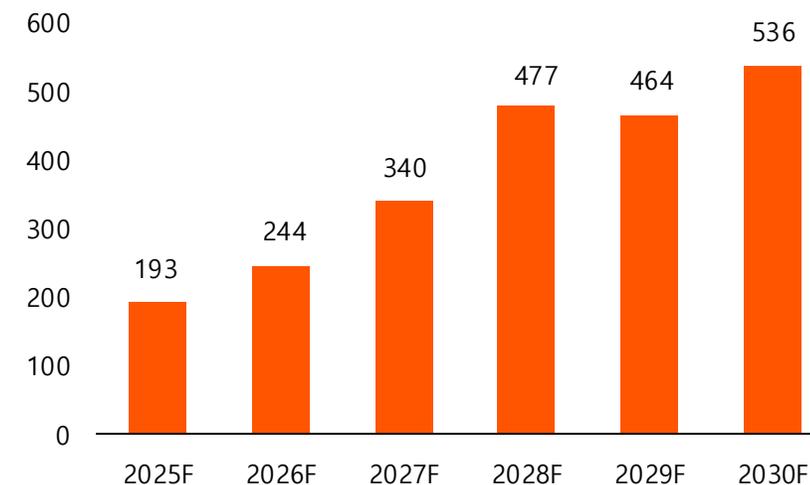
Source: Kozminski University Team Analysis

DCF Valuation – Bull Case: 295 PLN per Share



(PLNm)	2024A	2025F	2026F	2027F	2028F	2029F	2030F
Revenues	3 189	3 683	3 950	4 374	4 781	5 005	5 300
Costs	2 467	2 856	3 073	3 465	3 822	4 060	4 325
EBITDA	722	826	877	908	959	945	975
Depreciation	25	26	27	28	29	31	32
EBIT	697	800	850	880	930	914	943
Tax	135	156	165	171	181	178	183
NOPAT	562	645	685	709	749	737	760
Depreciation	25	26	27	28	29	31	32
CAPEX	29	30	31	33	35	37	41
NWC change	256	447	436	365	266	266	188
FCFF	301	193	244	340	477	464	563
RV							10 182
RV + FCFF	301	193	244	340	477	464	10 745
PV FCFF		121	210	267	343	305	6 353

FCFF projection, PLN million



Key assumptions

Dominance in margins: Dom will maintain higher profit margins. (32% - 29% margins)
Price growth with subsidies: Average prices may increase due to government subsidies boosting demand.
Turnkey advantage: Delivering fully finished, turnkey apartments enhances sales appeal.
Favorable interest rates: Faster-than-expected rate cuts will drive higher demand.
Sales acceleration: Increased sales will lead to higher deliveries and revenues within two years. (3% increase in sales)
Agile Project Execution: Ability to start new projects faster improves supply responsiveness.
ESG Effort: Reduced attrition and staff training costs as a tangible benefit derived from DOM's leading staff retention in the sector - 7% CAGR growth forecasted Vs 13% historically



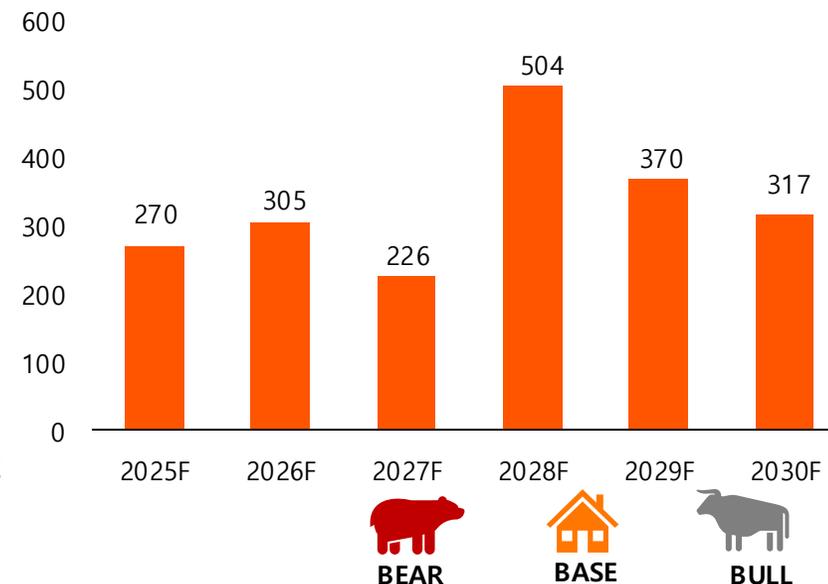
	BEAR	BASE	BULL
Terminal growth rate	2.7%	2.7%	2.7%
Gross margin (2030E)	27%	28%	29%
EBITDA margin (2030E)	17%	18%	19%
WACC	9.4%	9.4%	9.4%
Upside / (Downside)	-17.8%	25.4%	34.5%

DCF Valuation – Bear Case: 180 PLN per Share



FCFF projection, PLN million

(PLNm)	2024A	2025F	2026F	2027F	2028F	2029F	2030F
Revenues	3 189	3 683	3 800	4 056	4 434	4 641	4 913
Costs	2 467	2 893	3 014	3 267	3 614	3 837	4 106
EBITDA	722	790	786	789	820	804	808
Depreciation	25	26	27	28	29	31	32
EBIT	697	764	759	761	791	773	776
Tax	135	148	147	148	154	150	151
NOPAT	562	615	611	613	637	623	625
Depreciation	25	26	27	28	29	31	32
CAPEX	29	30	31	33	35	37	41
NWC change	256	341	302	382	127	246	299
FCFF	301	270	305	226	504	370	317
RV							5 725
RV + FCFF	301	270	305	226	504	370	6 042
PV FCFF		170	263	178	363	243	3 570



Key assumptions

Margin pressure: Inability to pass on costs, leading to declining margins (32% - 27% margins)

Rising costs: High rate of increase in construction and operational expenses.

Project delays: Lower deliveries due to delayed projects and missed timelines.

Regulatory impact: New Spatial Planning Act negatively affects residential construction, reducing sales.

Weak demand: Lower demand forces price reductions. (**4% decrease in sales**)

Slow rate cuts: Slower-than-expected interest rate cuts fail to stimulate demand.

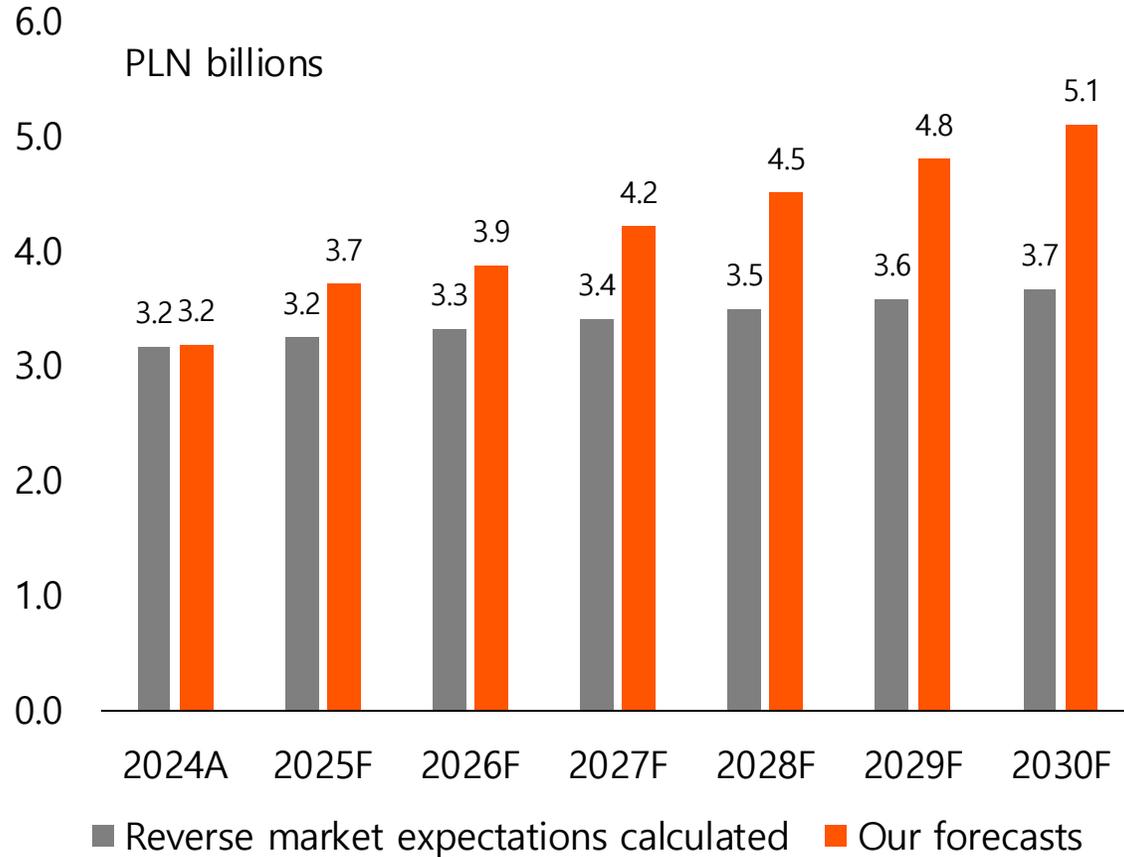
Economic downturn: Weak labor market, wages, and consumer confidence. Slower wage growth reduces purchasing power, weakening demand in the primary housing market and extending DOM's sales cycles.

	BEAR	BASE	BULL
Terminal growth rate	2.7%	2.7%	2.7%
Gross margin (2030E)	27%	28%	29%
EBITDA margin (2030E)	17%	18%	19%
WACC	9.4%	9.4%	9.4%
Upside / (Downside)	-17.8%	25.4%	34.5%

Reverse DCF



We solved for the revenue growth rate priced by the market..



The market is pricing in an aggressively slower growth for DOM to arrive at the stock price of PLN 215. We believe there is a room for re-rating of the stock up to PLN 275 in our base case DCF model.

Market

+3% CAGR

Our forecast

+8% CAGR

Source: Company Reports, Kozminski University Team Analysis

Terminal Growth Rate



The **Key Value Driver** formula directly links growth to the company's reinvestment rate and return on new invested capital (RONIC)

1 Growth rate for DCF – Key Value Driver Formula

Terminal growth	
NOPAT terminal (PLN m)	705.4
Depreciation terminal (PLN m)	32.2
CAPEX terminal (PLN m)	41.1
Working capital terminal (PLN m)	188.8
Reinvestment rate (%)	28.0%
RONIC (%)	9.5%
Terminal growth rate (%)	2.7%

Mature industry | Conservative estimates | Cyclical nature

2.7%

RONIC × Reinvestment Rate

2 Growth rate for DDM

2019-2024 data from real estate developers in Europe

Average return on Equity	6.9%
Average retention rate	19%
Terminal growth rate	3.2%

A perpetual **growth rate of 3.2%** was applied, calculated using long-term average **ROE x Retention Rate** from data provided by Prof. Damodaran for real estate developers and sense checked with DOM's historical levels.

Dividend stock | Strong value creation | Clear dividend strategy

3.2%

ROE x Retention Rate

WACC Buildup



We assume a stable WACC through 2029, reflecting DOM's stable risk profile and capital structure. For the terminal year, we apply a lower WACC to reflect the company's reduced maturity risk and declining interest rates.

WACC Calculation	Forecast Period (2025-29)	Terminal Period (2030)
Equity - weight	88.5%	88.5%
Debt - weight	11.5%	11.5%
Cost of Debt		
Pre-tax cost of debt	6.7%	6.1%
Tax rate	19.0%	19.0%
After-tax cost of debt	5.4%	5.0%
Cost of Equity (CAPM)		
Risk-free rate	5.9%	4.3%
Market risk premium	5.8%	6.5%
Levered beta	0.62	0.69
Company specific premium (low free float and low liquidity in DOM's shares)	0.4%	0.4%
Cost of equity	9.9%	9.2%
WACC	9.4%	8.7%

Assumption of a stable WACC in the forecast period

- 1 No expected capital structure changes
- 2 DCF model consistency in the forecast period

This **terminal WACC** is based on **long-term averages** for key components, including the risk-free rate, equity risk premium (ERP), and the cost of debt (proxied by WIBOR + 2% bank margin).

Why and how did we add a specific risk premium to WACC?



We decided to add a company specific premium to the CAPM model due to Dom Development stock's low trading volume

Cost of Equity calculated using CAPM, with 40bps risk premium added

Cost of Equity (CAPM)

Risk-free rate	5.9%
Market risk premium	5.8%
Levered beta	0.62
Company specific premium (low free float and liquidity in DOM's shares)	0.4%
Cost of equity	9.9%

WACC **9.4%**

We analyzed the bid-ask spread of Dom Development over the past year as it is one the most important components of the trading cost on a publicly traded asset.

The basis for our 40bps illiquidity risk in DOM's share was based on 0.4% added risk for every 1% bid-ask spread ratio to reflect a more conservative approach than presented in research papers (0.3% for every 1% spread).

Average daily trading volume, DOM vs Peers, Jan 2024 – Mar 2025



5,292 shares - average daily trading volume

This is <0.5% of total free float of DOM

Average bid-ask spread of DOM in last 12 months was ~1%

Research papers analyzed:

1. Amihud, Y., & Mendelson, H. (1986). "Asset Pricing and the Bid-Ask Spread"
2. Acharya, V. V., & Pedersen, L. H. (2005). "Asset Pricing with Liquidity Risk"

Cost of Debt Methodology



Method 1: YTM of Dom Development's bonds (6.7%)

We use the average YTM on Dom's bonds for 2023 and 2024 as they accurately reflect the effective cost of financing if the firm were to issue new debt today.

Method 2 – Synthetic credit ratings (6.5%)

We did not use the synthetic rating approach as it is derived from US data and was not fully reflective of the specific dynamics within the Polish market.

Method 3: The market cost of debt (7.2%)

For the cost of debt we opted to use the market cost of debt of 7.2%, arrived at using WIBOR6M of 5.8% plus 1.4% bank margin.

Cost of Debt Calculation



To estimate the cost of debt for Dom Development, we considered three methods to ensure comprehensiveness

Method 1 – YTM of Dom Development's bonds			
DOM0925	2020		4.9%
DOM0526	2021		4.4%
DOM0928	2023		6.8%
DOMDEM2051229	2024		6.5%
Average YTM of last two bonds			6.7%
Tax rate			19.0%
After-tax cost of debt			5.4%

Method 2 – Synthetic credit ratings	
EBIT 2024A (PLN m)	697.2
Interest expenses and payables (PLN m)	39.5
Interest coverage ratio	20.0x+
Synthetic credit rating assigned	AAA
Credit spread (Damodaran)	0.75%
Risk-free rate	5.90%
Cost of debt	6.5%
Tax rate	19.00%
After-tax cost of debt	5.3%

Note: we have used average YTM of 2023 and 2024 bonds as the cost of debt.

Bonds analysis



Series	Value of issue	Share issue date	Date of maturity	Rate of interest
DOMDET4250925	PLN 100M	25/09/2020	25/09/2025	WIBOR 6M + 1,75%
DOMDET5120526	PLN 110M	12/05/2021	12/05/2026	WIBOR 6M + 1,30%
DOMDEM1280928	PLN 260M	28/09/2023	28/09/2028	WIBOR 6M + 1,55%
DOMDEM2051229	PLN 140M	05/12/2024	05/12/2029	WIBOR 6M + 1,40%

Beta – Methods of calculation



1	Bottom-up approach using listed peers	0.44	
2	Weekly 5-year regression of DOM Vs WIG	0.62	 Used in the valuation
3	Sector beta approach from Prof. Aswath Damodaran website	0.60	
4	ESG-adjusted beta using Sustainalytics data base	0.95	

Beta – Methods of calculation



Damodaran Sector Beta Calculation

Beta calculation using Real Estate Development sector	
Sector beta corrected for cash	0.57
Dom's Cash/Firm Value	0.055
Dom's unlevered beta	0.54
D/E Ratio	0.13
Tax	19%
Dom's levered beta	0.60

Sustainalytics ESG-adjusted beta

Beta indicator	Beta signal
Operating Performance	-0.03
Financial Flexibility	-0.02
Asset Performance	-0.02
Regional Corruption	0.02
Carbon Emissions	0.02
Subindustry Correction Factor	-0.02
Total Beta Signal	-0.05
Baseline	1.00
Issue Beta	0.95

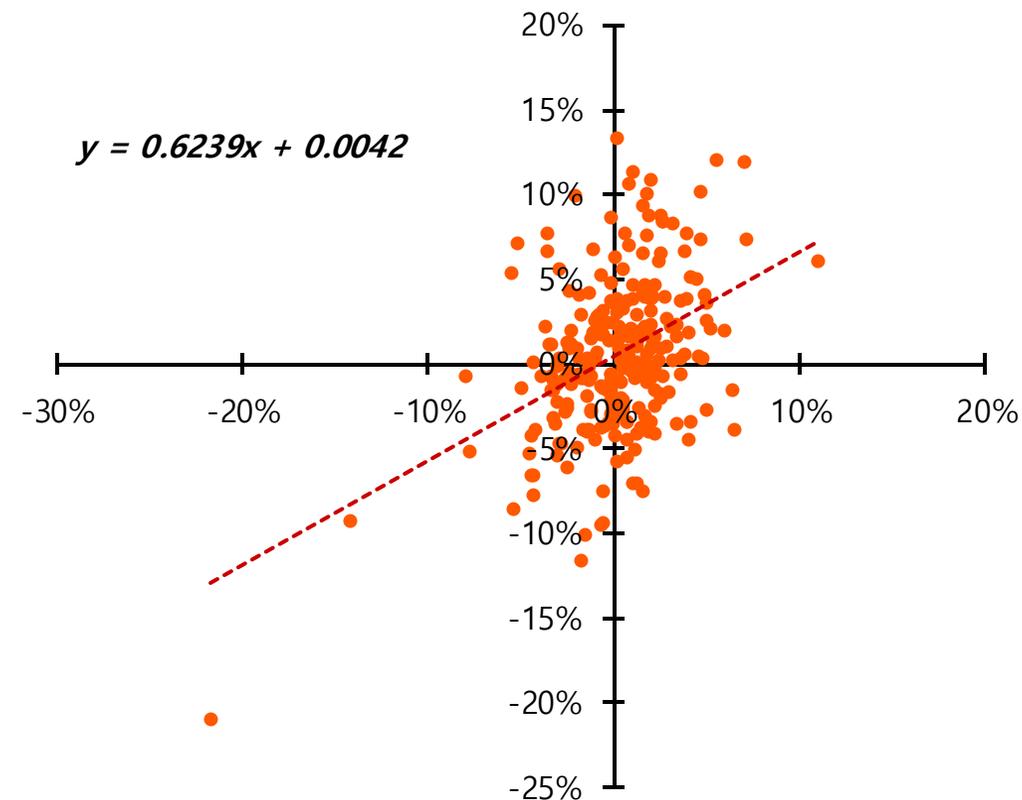
Beta – Weekly 5-year regression of DOM and WIG returns



Bottom-up approach

Name	Levered beta	Tax rate	Unlevered beta	Cash	Market cap (PLN m)	Cash/FV	Cash adj. unl.beta
Develia	0.5	19%	0.4	312	2,980	8%	0.4
Atal	0.6	19%	0.4	23	2,502	1%	0.4
Archicom	0.8	19%	0.6	114	2,527	4%	0.7
Murapol	0.4	19%	0.3	163	1,448	8%	0.3
Inpro	0.3	19%	0.2	53	288	12%	0.2
Marvipol Development	0.8	19%	0.3	188	271	23%	0.4
Lokum Deweloper	0.5	19%	0.4	98	387	17%	0.5
Average						14%	0.423
Dom's Cash/Firm value							0,05
Dom's Unlevered beta							0.40
D/E ratio							0,13
Tax rate							19%
Dom's levered beta							0.44

Weekly 5-year regression DOM Vs WIG



Management options in DCF

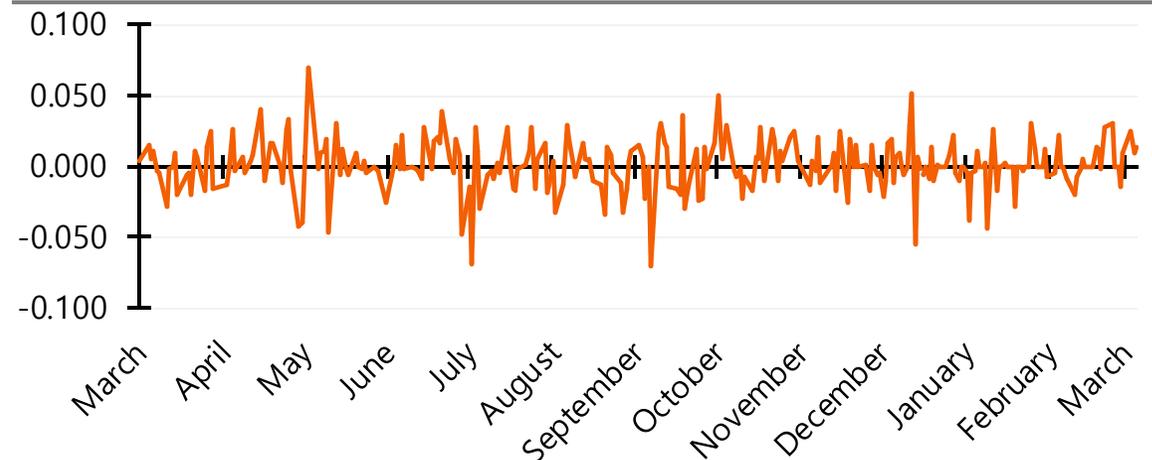


Black-Scholes option valuation

Particular	
Option strike price	PLN 50
Risk-free rate	5.9%
Spot price of the stock ⁽¹⁾	PLN 275
Time to maturity in years	7.76
Volatility of the stock	9.6%
Price of the option	PLN 161.9
No. of option contracts	100,000
Total value (PLN m)	16.2

Particular	
Option strike price	PLN 50
No. of option contracts	100,000
Expected proceeds from exercise	PLN 500,000
Spot price of the stock	PLN 215
Additional shares after exercise	2,326
Total shares outstanding (diluted) in millions	25.8

Annualized volatility of DOM stock price, last 1 year

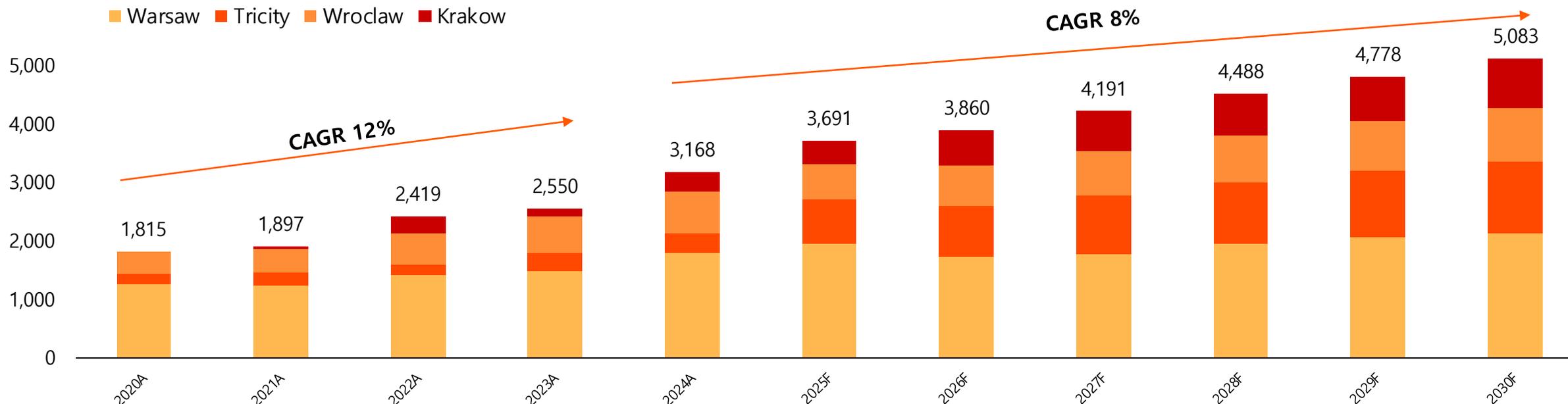


⁽¹⁾In valuing DOM's management options using the Black-Scholes model, we used a **spot price of PLN 242**, which differs from the prevailing market price. This adjustment addresses the inherent circularity in valuing options within an equity research framework. Typically, the spot price refers to the current market price of the stock. However, when valuing options to estimate the value per share, using the market price introduces inconsistency, as the resulting option value would feed into the valuation of the same stock price being tested for under- or over-valuation. To resolve this, we applied the **treasury stock method** to estimate an initial value per share and used this as the input spot price in the Black-Scholes model. This iterative approach ensures internal consistency by converging on an appropriate per-share value while accurately capturing the dilution effect of management options.

Revenue - Key assumptions



Revenue projections (PLN m)



Analysis Period & Revenue Forecast: The analysis covers **2025-2030**, with revenue driven by deliveries and average unit prices. Using **city-wise segmentation**, we project future sales based on Dom Development's reported projects and timelines. With a land bank of 19,889 units, **DOM has sufficient supply for the next 3-5 years.**

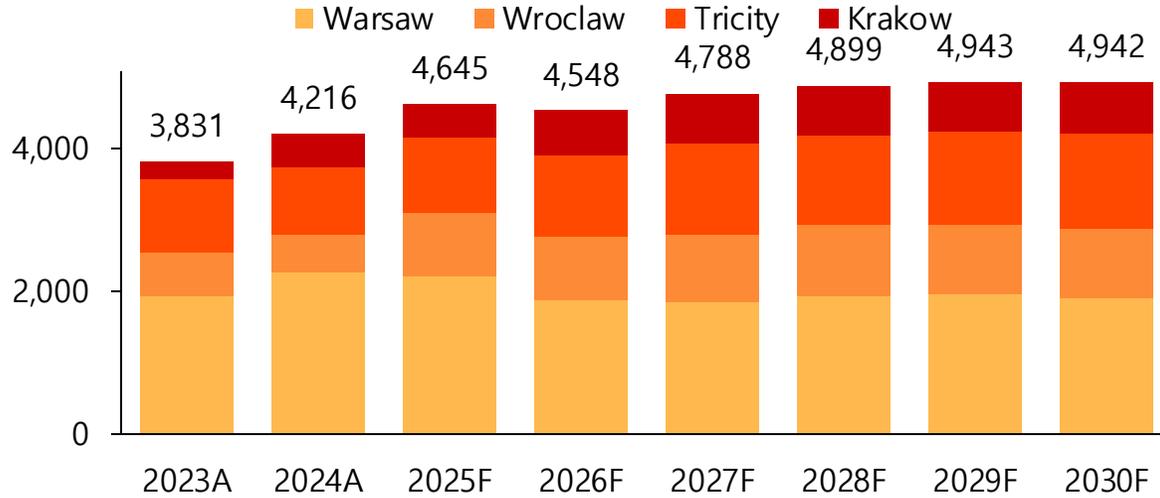
Units Sold & Delivered: We expect DOM to maintain and gradually increase deliveries from 4,216 units in 2024 (+17% y/y) to around 4,942 by the forecast's end. While a doubling or tripling of operations is unlikely, **growth in smaller city segments remains possible.** For example, between 2020 and 2024, Krakow's unit sales rose 4.4x and Wroclaw's by 2.3x.

Growth Drivers: Our model projects the largest delivery increases in Krakow (475 units in 2024 to 730 in 2030) and Tricity (950 to 1,327), supported by rising land bank stock (1,564 and 5,150 units, respectively, in 2024). DOM will **sustain its Warsaw leadership** with a strong 11,720-units delivered under pipeline. **No expansion into new markets** is expected, as management aims to grow within existing ones.

Revenue calculation



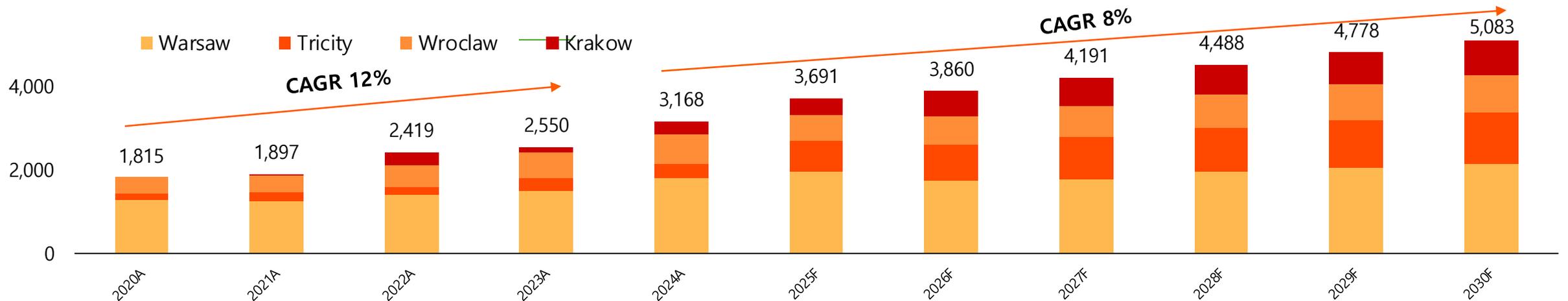
Number of residential units delivered



Revenue value driver –Deliveries by city

City	Total deliveries 2025-2030	2024-2030 CAGR
Warsaw	11,720	-2.9%
Tricity	7,409	5.7%
Wroclaw	5,676	11.2%
Krakow	3,960	7.4%

Revenue projections (PLN m)



Units sold and delivered by city



Number of units delivered

No. of units	2022A	2023A	2024A	2025F	2026F	2027F	2028F	2029F	2030F
Warsaw	1,921	1,928	2,269	2,211	1,873	1,844	1,942	1,952	1,898
Tricity	1,078	1,045	950	1,062	1,148	1,288	1,276	1,308	1,327
Wroclaw	390	618	522	885	890	959	982	973	987
Krakow	277	240	475	487	637	697	699	710	730
Total delivered	3,666	3,831	4,216	4,645	4,548	4,788	4,899	4,943	4,942

Number of units sold

No. of units	2022A	2023A	2024A	2025F	2026F	2027F	2028F	2029F	2030F
Warsaw	1,738	1,690	1,791	1,919	1,950	1,902	2,008	1,906	1,791
Tricity	793	1,111	1,038	1,154	1,265	1,272	1,343	1,327	1,457
Wroclaw	354	647	920	870	1,010	976	924	936	795
Krakow	208	458	520	661	638	707	699	758	875
Total sales	3,093	3,906	4,269	4,604	4,864	4,856	4,973	4,927	4,918

Source: Company Reports, Kozminski University Team Analysis

Revenue and average transaction price by cities



Revenue by cities (PLN millions)

	2022A	2023A	2024A	2025F	2026F	2027F	2028F	2029F	2030F
Warsaw	1,405	1,483	1,783	1,921	1,704	1,742	1,917	2,033	2,106
Tricity	530	629	719	750	869	1,012	1,048	1,133	1,225
Wroclaw	177	299	338	615	676	757	810	846	915
Krakow	305	137	326	403	608	679	712	763	836
Total revenue	2,419	2,550	3,168	3,691	3,860	4,191	4,488	4,778	5,083

2 years average price per unit (PLN thousands)

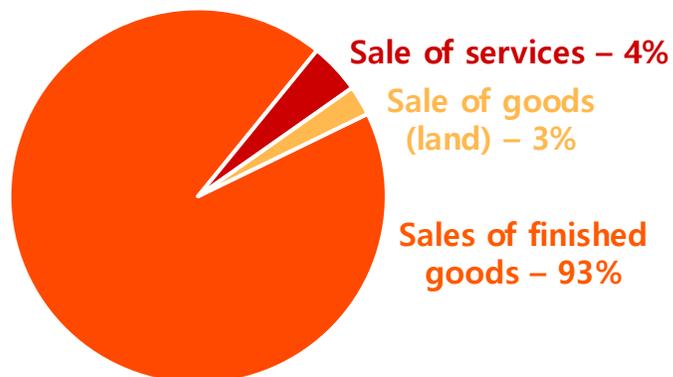
	2022A	2023A	2024A	2025F	2026F	2027F	2028F	2029F	2030F
Warsaw	730	748	783	869	910	945	987	1,042	1,110
Tricity	511	604	655	707	757	786	822	867	923
Wroclaw	460	495	587	696	750	789	825	870	927
Krakow	576	569	632	829	956	975	1019	1075	1145
Average transaction price	569	604	664	775	846	874	913	964	1,026

Revenue streams



PLN in millions	2020A	2021A	2022A	2023A	2024A
Sales of finished goods	1,752	1,861	2,134	2,429	2,928
Sales of services	20	28	91	200	181
Sales of goods (land)	43	8	195	1	59
Sales revenue, total	1,815	1,897	2,419	2,550	3,168
Cost of finished goods sold	(1,176)	(1,244)	(1,431)	(1,617)	(1,944)
Cost of services sold	(23)	(21)	(82)	(115)	(147)
Cost of goods sold	(41)	(9)	(138)	(1)	(58)
Inventory write down to the net realisable value	3	2	(12)	(2)	-
Cost of sales, total	(1,236)	(1,272)	(1,664)	(1,735)	(2,149)
Gross profit on sales	579	625	756	815	1,019

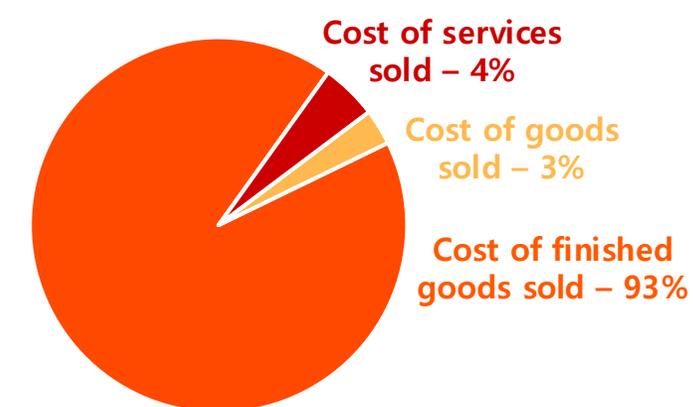
Average revenue streams



Buyers' breakdown by nationality



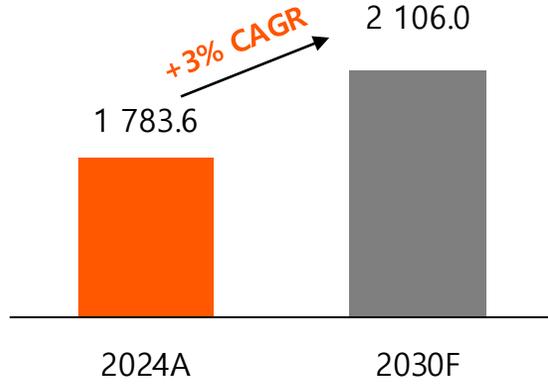
Average cost sources



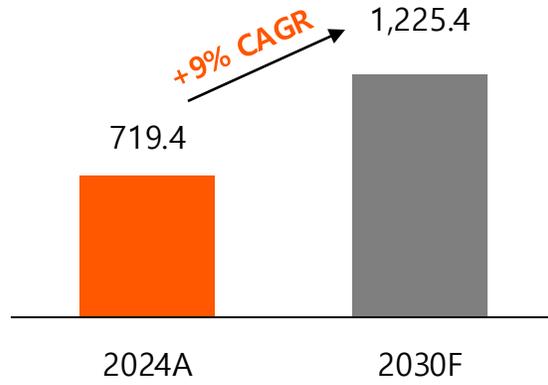
Revenue by city



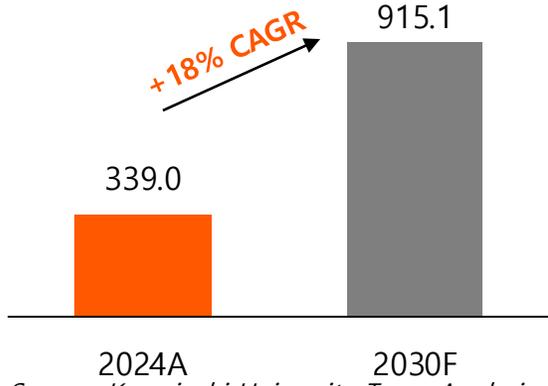
Warsaw revenue, PLN million



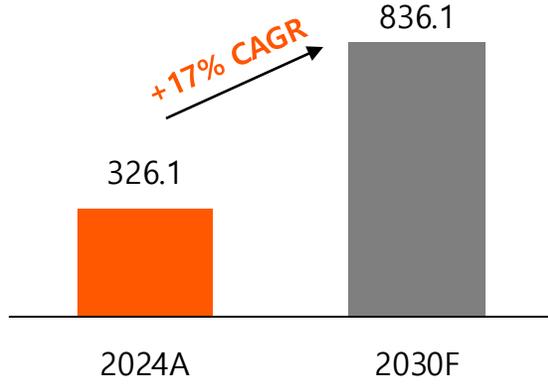
Tricity revenue, PLN million



Wroclaw revenue, PLN million

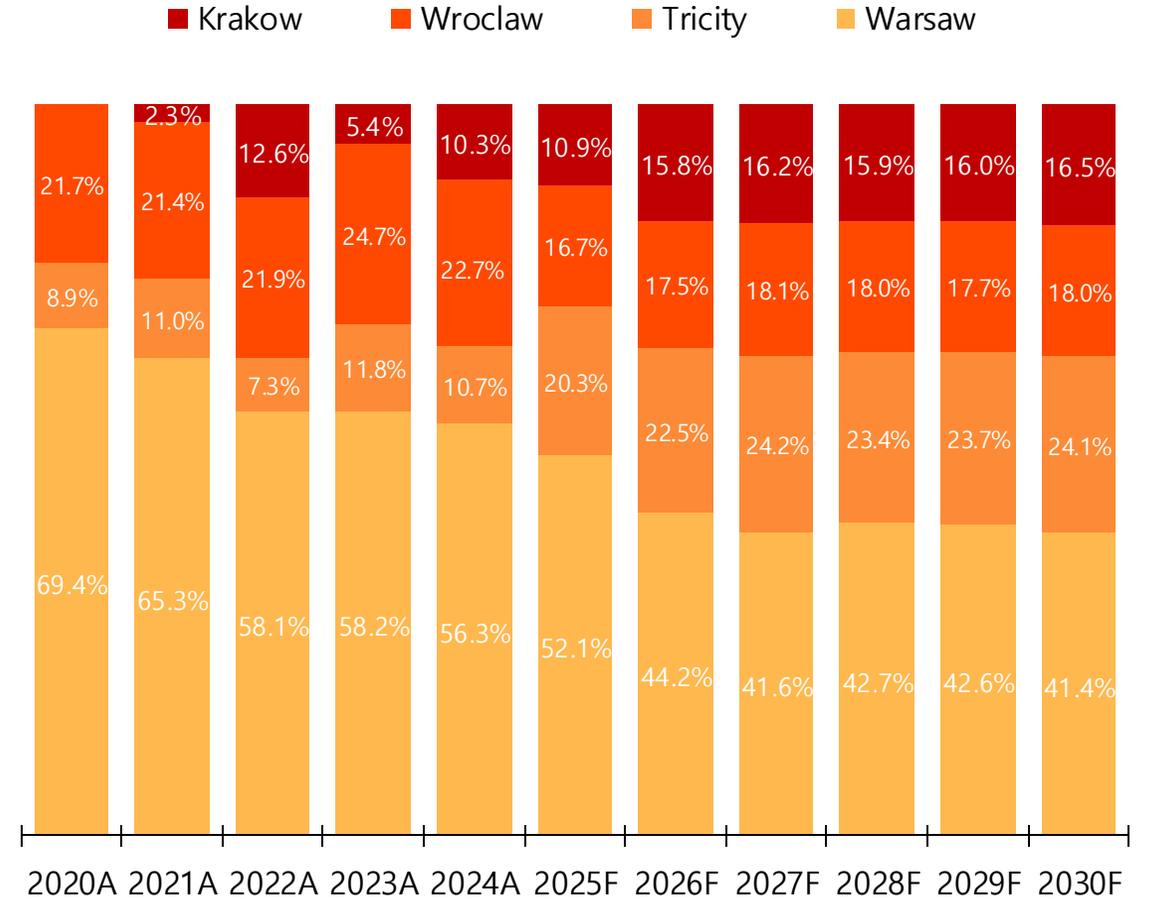


Krakow revenue, PLN million

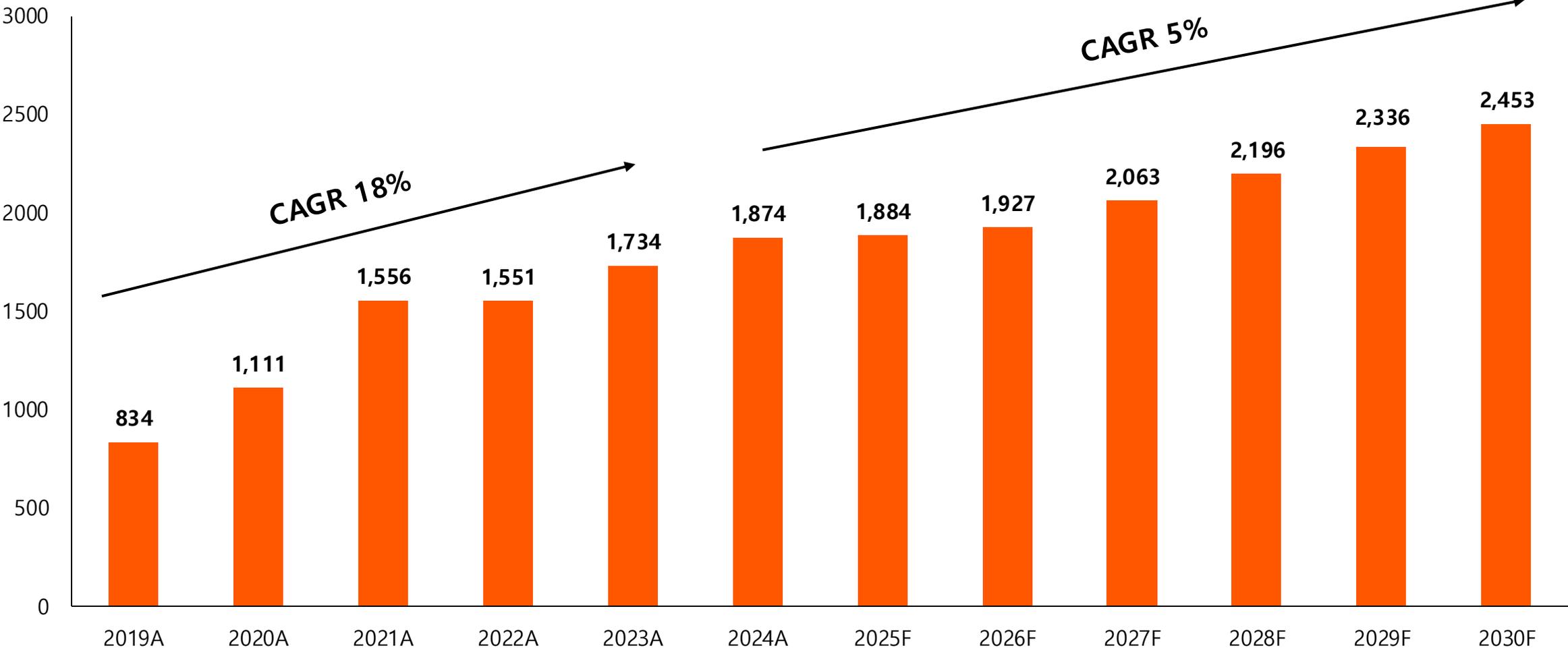


Source: Kozminski University Team Analysis

Projected revenue breakdown by cities



Deferred revenue (PLN m)

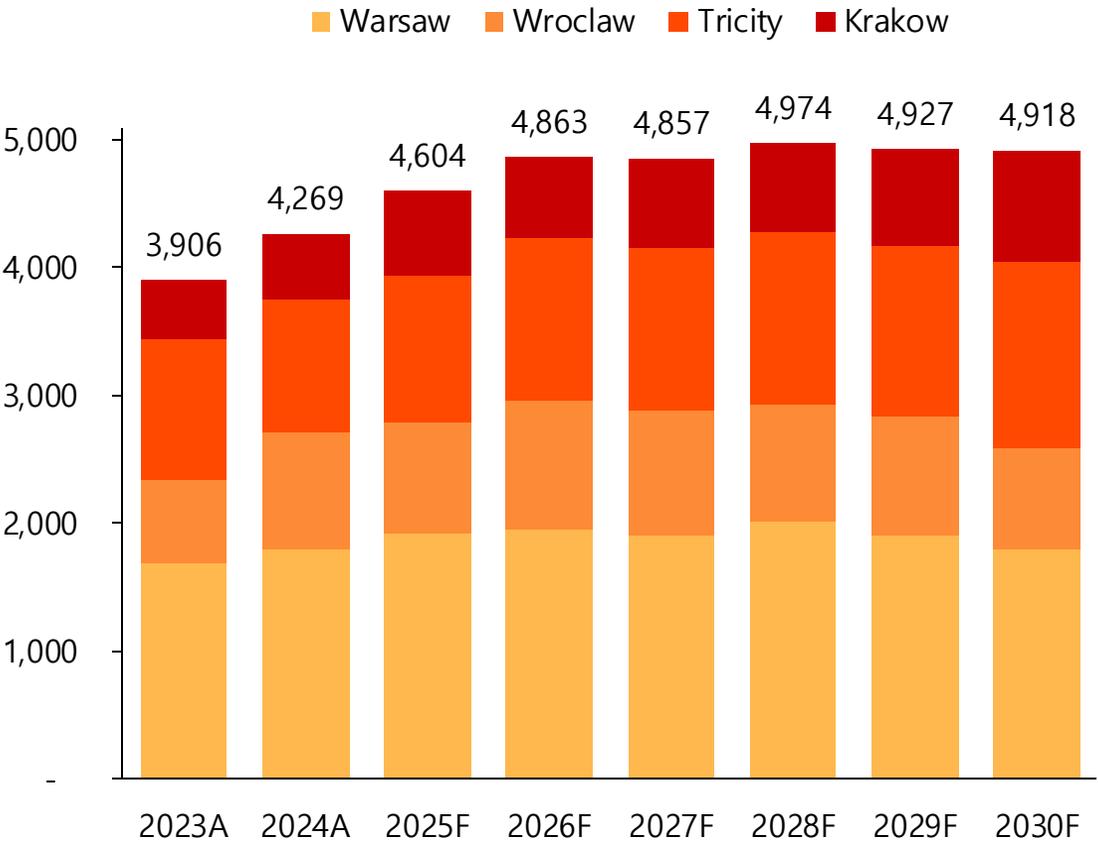


Source: Company Reports, Kozminski University Team Analysis

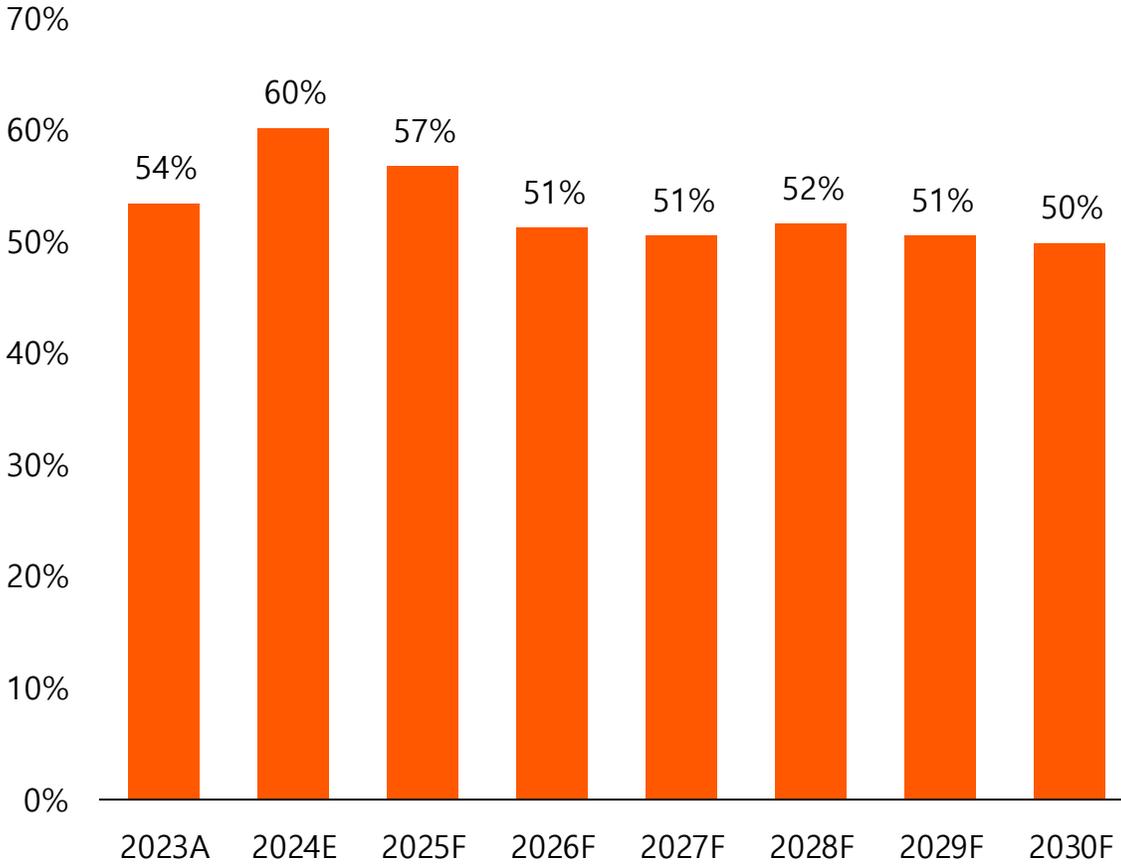
Units sold forecast



Units sold

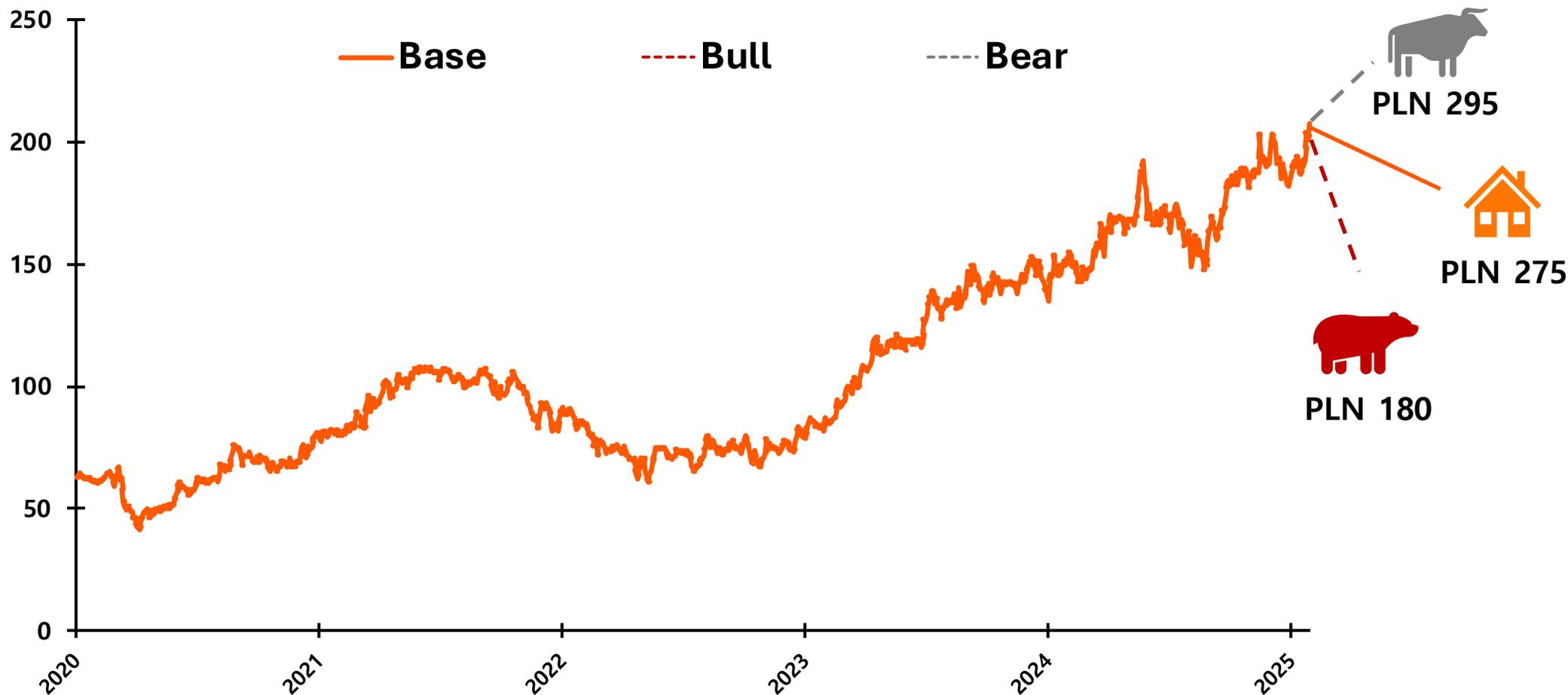


Delivered to sales 2 years ratio



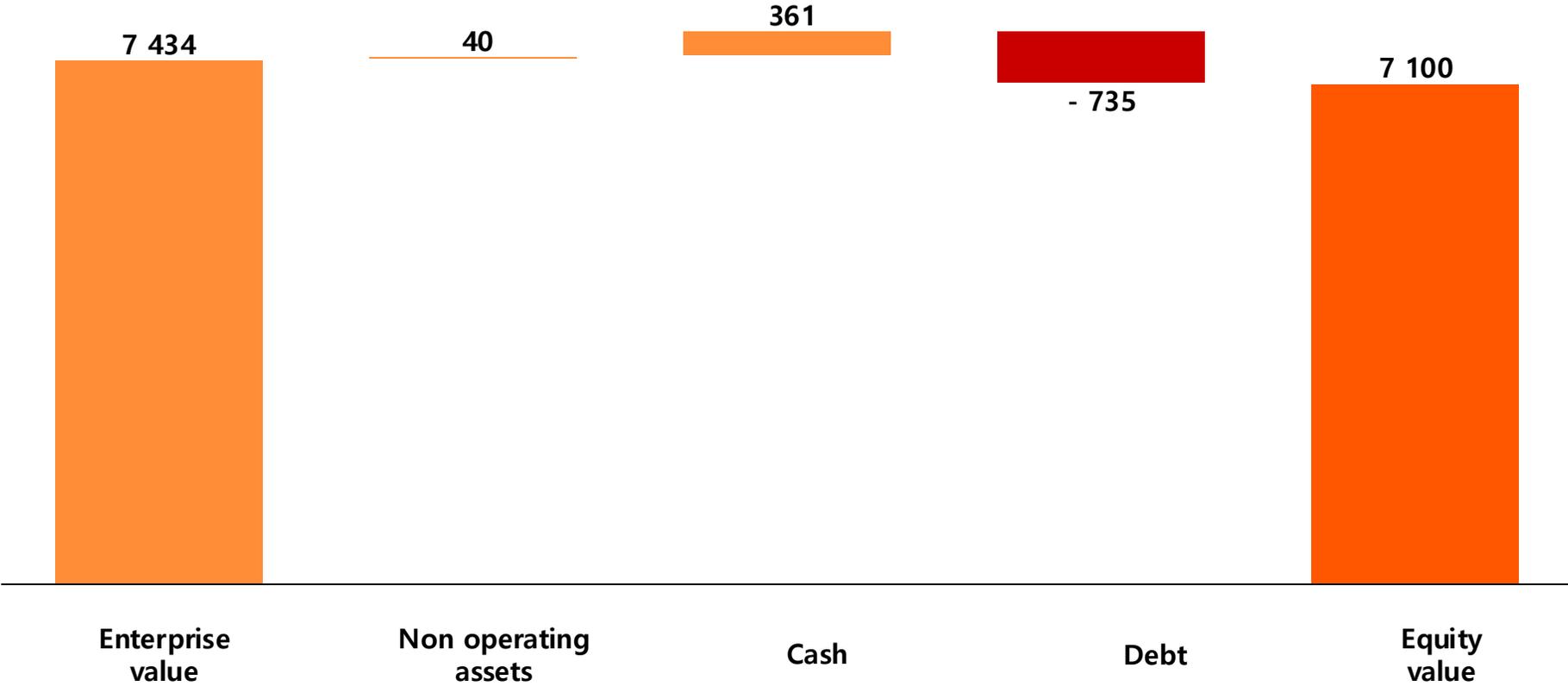
Source: Company Reports, Kozminski University Team Analysis

Scenario analysis



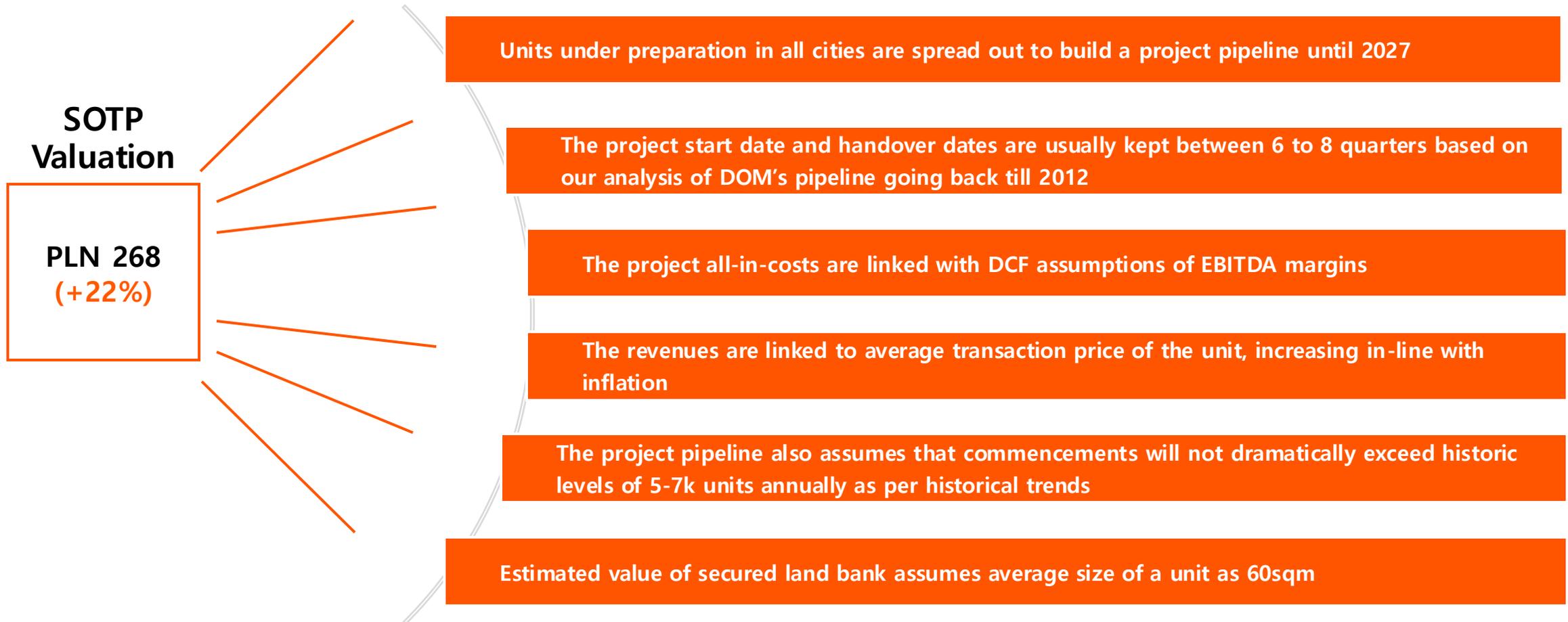
Source: Kozminski University Team Analysis

Price Recommendation: EV to Equity value bridge (PLN m)



Source: Kozminski University Team Analysis

SOTP Valuation - Key assumptions



SOTP Valuation - Summary



Sum-of-the-parts valuation	(PLN mln)
Value of properties in the pipeline (till 2027)	10,939
All-in pipeline costs (till 2027)	8,681
Terminal value (beyond 2027)	6,337
Total	8,595
Present value of total	6,372
Estimated value of secured land bank	949
Enterprise value	7,322
Net debt	374
Equity value	6,947
Price per share	PLN 268

Avg unit size for DOM	60	Competitor benchmark is used for land bank valuation of Dom
Avg price paid per UFA	2,800	
2023 units value PLN Mln	265	
Units	2,007	
Area	113,929	
Area per unit	57	

Land bank valuation- Dom	Total units	Potential area sqm
Owned units		
2028	3,489	209,340
2029	2,161	129,660
Total	5,650	339,000

Controlled/secured units including terminal assumption

Warsaw	2,864	171,840
Wroclaw	2,911	174,660
Krakow (assumed)	2,498	149,880
Tri-City	3,188	191,280
Total	2,644	687,660

Fair value of land PLN M	2,875
Owned	949
Controlled/ incl. assumptions	1,925

Source: Kozminski University Team Analysis, Company's website



Project name	Units	Start Q	Expected handover Q	Revenue PLN M	NPV
Metro Zachód					
Phase 1 - stage 10	145	Q1 2024	Q4 2025	126	21
Phase 3 - stage 8 (Building E)	118	Q2 2024	Q4 2025	103	18
Phase 3 - stage 8 (Building F)	90	Q2 2024	Q1 2026	78	13
Phase 4 - stage 8	249	Q3 2024	Q1 2026	217	35
Phase 5 - stage 8	250	Q1 2025	Q3 2026	229	35
Phase 4 - stage 7	200	Q3 2026	Q3 2028	189	22
Phase 5 - stage 7	150	Q3 2027	Q1 2029	146	16
Phase 1 - stage 6	200	Q2 2028	Q1 2030	200	19
Phase 5 - stage 11	195	Q4 2028	Q2 2030	195	17
Apartamenty Literacka					
Phase 2	200	Q1 2025	Q4 2026	183	27
Phase 3	50	Q3 2025	Q4 2026	46	6
Phase 4	50	Q4 2025	Q2 2027	46	7
Phase 5	143	Q1 2026	Q3 2027	135	18
Grzybowska					
Phase 1	196	Q2 2025	Q4 2026	180	27
Harmonia Mokotów					
Phase 1	157	Q4 2023	Q3 2025	123	22
Phase 2	213	Q1 2024	Q3 2025	186	33
Phase 3	105	Q3 2024	Q1 2026	92	15
Urbino					
Phase 2 - stage 2	100	Q1 2024	Q3 2025	87	15
Phase 1 - stage 3	190	Q3 2025	Q2 2027	174	23
Phase 2 - stage 3	165	Q4 2026	Q1 2028	156	19
Phase 1 - stage 4	160	Q2 2027	Q1 2029	156	16
Phase 2 - stage 4	150	Q2 2028	Q1 2030	150	14
Osiedle Przy Alejach					
Phase 1	122	Q2 2023	Q1 2025	95	18
Phase 3	105	Q1 2024	Q3 2025	92	16
Phase 2	150	Q2 2024	Q4 2025	131	22
Phase 4	19	Q3 2024	Q1 2026	17	3



Project name	Units	Start Q	Expected handover Q	Revenue PLN M	NPV
Apartamenty Rudnickiego					
Phase 1	141	Q2 2024	Q1 2026	123	20
Phase 2	150	Q2 2025	Q4 2026	137	21
Phase 3	203	Q1 2027	Q1 2029	197	21
Osiedle Przy Forcie					
Phase 1	124	Q1 2024	Q3 2025	108	19
Osiedle Przy Ryżowej					
Phase 1	151	Q3 2023	Q2 2025	118	21
Phase 2 (downward revision)	254	Q4 2023	Q3 2025	199	35
Beethovena					
Phase 1	272	Q2 2025	Q1 2027	249	34
Phase 2	178	Q3 2025	Q1 2027	163	22
Phase 3	120	Q1 2027	Q4 2028	117	13
Apartamenty Białej Koniczyny (Pory)					
Phase 2	71	Q2 2023	Q1 2025	56	10
Osiedle Mokotów Sportowy (Antoniewska)					
Phase 1	158	Q2 2024	Q1 2026	138	22
Phase 2	300	Q1 2026	Q3 2027	284	37
Phase 4	260	Q2 2026	Q4 2027	246	31
Phase 6	240	Q1 2027	Q1 2029	233	24
Phase 7	170	Q3 2027	Q2 2029	165	17
Phase 8	210	Q2 2028	Q1 2030	210	21
Palladium (Akacje)					
Phase 1	160	Q1 2025	Q4 2026	147	20
Phase 2	255	Q2 2026	Q1 2028	241	29
Phase 3	222	Q2 2027	Q1 2029	216	24
Osiedle Jagiellońska					
Phase 2	137	Q1 2023	Q1 2025	107	20
Phase 3	45	Q1 2023	Q1 2025	35	6

Warsaw (3/3)



Project name	Units	Start Q	Expected handover Q	Revenue PLN M	NPV
Wilno					
Phase 3	130	Q2 2026	Q1 2028	123	15
Phase 4	180	Q1 2027	Q4 2028	175	20
Phase 5	200	Q2 2027	Q1 2029	195	20
Phase 6	190	Q3 2027	Q2 2029	185	19
Phase 7	240	Q1 2028	Q4 2029	240	22
Phase 8	250	Q2 2028	Q1 2030	250	22
Phase 9	250	Q3 2028	Q2 2030	250	22
Phase 10	380	Q1 2029	Q3 2030	389	33
Phase 12	100	Q3 2029	Q1 2031	102	8
Phase 13	143	Q1 2030	Q4 2031	145	11
Bokserka					
Phase 1	129	Q2 2026	Q1 2028	122	15
Phase 2	150	Q3 2026	Q2 2028	142	17
Phase 3	150	Q4 2027	Q1 2030	146	14
Bielany					
Phase 1	138	Q3 2026	Q2 2028	131	15

Project name	Units	Start Q	Expected handover Q	Revenue PLN M	NPV
Górka Narodowa					
Phase 4	125	Q4 2023	Q2 2025	73	13
Phase 5	329	Q1 2025	Q4 2026	247	37
29. Aleja					
Phase 2	166	Q3 2024	Q1 2026	115	18
Phase 3	70	Q3 2026	Q1 2028	54	7
Phase 4	70	Q2 2027	Q2 2029	56	6
Malborska					
Phase 2	71	Q2 2024	Q4 2025	49	8
Park Matecznego					
Phase 1	353	Q2 2024	Q4 2025	244	42
Phase 2	180	Q2 2025	Q1 2027	135	18
Phase 3	60	Q1 2026	Q4 2027	47	6
Meiera					
Phase 1	247	Q2 2026	Q2 2028	192	23
Phase 2	197	Q1 2027	Q3 2028	157	18
Phase 3	247	Q2 2027	Q1 2029	197	22
Phase 4	50	Q3 2027	Q1 2029	40	4
Wielicka					
Phase 1	224	Q4 2025	Q2 2027	168	22
Phase 2	223	Q4 2026	Q4 2028	173	20

Tricity (1/2)



Project name	Units	Start Q	Expected handover Q	Revenue PLN M	NPV
Perspektywa					
Phase 4	102	Q2 2022	Q1 2025	68	13
Doki					
Phase 1 - Task A	187	Q3 2023	Q2 2025	118	21
Phase 2 - Doki G	246	Q3 2024	Q2 2026	200	31
Phase 3	100	Q4 2025	Q3 2027	93	12
Phase 4	143	Q4 2025	Q3 2027	132	17
Dolne Miasto					
Phase 1	62	Q3 2024	Q2 2026	50	8
Phase 2	132	Q2 2025	Q1 2027	122	17
Phase 3	150	Q3 2025	Q2 2027	139	18
Phase 4	150	Q4 2025	Q3 2027	139	18
Phase 5	145	Q2 2026	Q1 2028	136	17
Phase 6	210	Q1 2027	Q4 2028	203	23
Phase 7	150	Q1 2028	Q3 2029	149	16
Synteza					
Phase 1 - AB	101	Q1 2023	Q1 2025	64	12
Phase 2 - C	120	Q3 2023	Q2 2025	76	14
Phase 3 - Building D	143	Q2 2024	Q1 2026	116	19
Phase 4	80	Q1 2025	Q4 2026	74	11
Phase 5	84	Q2 2025	Q1 2027	78	11
Lema					
Phase 1	189	Q1 2023	Q1 2025	119	22
Gdańsk Warszawska					
Phase 1- E/F	102	Q3 2024	Q1 2026	83	13
Phase 2	120	Q1 2026	Q3 2027	113	15
Osiedle Przy Błoniach 3					
Phase 2	56	Q1 2024	Q3 2025	46	8
Phase 3	180	Q1 2026	Q1 2028	169	20
Phase 4	185	Q2 2027	Q1 2029	179	19

Source: Kozminski University Team Analysis

Tricity (2/2)



Project name	Units	Start Q	Expected handover Q	Revenue PLN M	NPV
Widoki					
Phase 2	64	Q3 2023	Q3 2025	40	7
Phase 3	60	Q1 2024	Q1 2026	49	8
Leśna Góra					
Phase 1	90	Q1 2028	Q2 2029	89	10
Gdańsk Uczniowska					
Phase 1	366	Q4 2026	Q3 2028	344	40
Gdańsk Potęgowska					
Phase 1	135	Q2 2026	Q1 2028	127	15

Project name	Units	Start Q	Expected handover Q	Revenue PLN M	NPV
Hubska 100					
Phase 2	129	Q3 2024	Q2 2026	91	14
Phase 3	139	Q3 2026	Q1 2028	108	17
BRANIBORSKA					
Phase 2	210	Q4 2023	Q2 2025	137	25
Phase 3	187	Q2 2023	Q1 2025	122	22
Międzyleska 1-2					
Phase 1	117	Q3 2026	Q1 2028	91	11
Zielna					
Phase 1 - stage 4	89	Q3 2024	Q2 2026	63	10
Phase 3	65	Q2 2025	Q3 2026	49	8
Apartamenty Nad Rzeką					
Phase 1	152	Q1 2023	Q1 2025	99	18
Osobowicka 114					
Phase 1	82	Q2 2022	Q1 2025	53	10
Braci Gierymskich					
Phase 1	120	Q2 2025	Q4 2026	91	14
Phase 2	114	Q2 2026	Q4 2027	89	11
Międzyleska 1-2					
Phase 1	159	Q1 2023	Q1 2025	104	19
Phase 2	248	Q1 2024	Q1 2026	175	28
Rapsodia (Wołowska)					
Phase 1	390	Q3 2026	Q4 2027	304	39
Apartamenty Nad Oławką (Krakowska)					
Phase 1	88	Q4 2023	Q2 2025	58	10
Phase 2	174	Q1 2025	Q4 2026	131	20

Relative Valuation



Ticker	Name	EV EURm	P/E multiple			EV/EBITDA multiple			P/BV multiple		
			2023	2024	2025	2023	2024	2025	2023	2024	2025
Polish real estate developers											
WSE:DVL	Develia S.A.	662	7.4x	8.4x	10.5x	5.6x	6.9x	8.7x	1.5x	1.6x	1.7x
WSE:1AT	Atal S.A.	599	9.2x	7.2x	8.1x	8.3x	6.6x	8.6x	1.6x	1.3x	1.5x
WSE:ARH	Archicom S.A.	585	12.1x	12.0x	11.2x	15.6x	9.2x	12.1x	1.5x	2.0x	2.0x
WSE:ECH	Echo Investment S.A.	436	21.9x	16.5x	10.3x	15.9x	13.5x	15.1x	0.9x	1.1x	1.1x
WSE:MUR	Murapol S.A.	338	8.8x	11.0x	6.6x	6.2x	8.9x	7.0x	3.4x	2.3x	2.4x
Average			11.9x	11.0x	9.3x	10.3x	9.0x	10.3x	1.8x	1.7x	1.7x
Median			9.2x	11.0x	10.3x	8.3x	8.9x	8.7x	1.5x	1.6x	1.7x
European real estate developers											
LSE:BTRW	Barratt Redrow plc	1,358	10.5x	19.9x	10.2x	4.9x	14.3x	10.3x	1.0x	0.8x	0.7x
LSE:BWY	Bellway p.l.c.	624	9.5x	21.1x	10.9x	5.2x	12.4x	10.4x	0.9x	0.9x	0.8x
BME:MVC	Metrovacesa S.A.	336	NM	30.5x	31.2x	NM	16.6x	24.5x	0.7x	0.8x	0.9x
BME:HOME	Neinor Homes, S.A.	237	18.9x	21.0x	12.6x	13.5x	14.9x	11.2x	0.8x	1.3x	0.0x
ENXTPA:KOF	Kaufman & Broad S.A.	149	0.0x	19.9x	10.2x	3.6x	4.0x	3.6x	0.0x	3.0x	2.8x
XTRA:INS	Instone Real Estate Group SE	78	8.5x	18.1x	6.6x	6.2x	7.6x	6.5x	0.5x	0.6x	0.6x
OM:BONAV B	Bonava AB (publ)	711	12.9x	NM	9.6x	11.0x	22.8x	14.9x	0.2x	0.4x	0.4x
Average			10.9x	16.9x	11.5x	8.7x	11.5x	11.1x	1.1x	1.3x	1.2x
Median			9.5x	18.1x	10.3x	6.2x	10.8x	10.4x	0.9x	1.2x	1.0x
WSE:DOM	Dom Development	5,431	11.6x	12.3x	8.7x	8.2x	8.1x	7.3x	2.8x	3.0x	3.2x

Relative Valuation – With and Without European peers



Polish comps	Price per share
EV/EBITDA	270
P/E	267
P/BV	261
Average price	268

25.1% Upside ↑

N=5

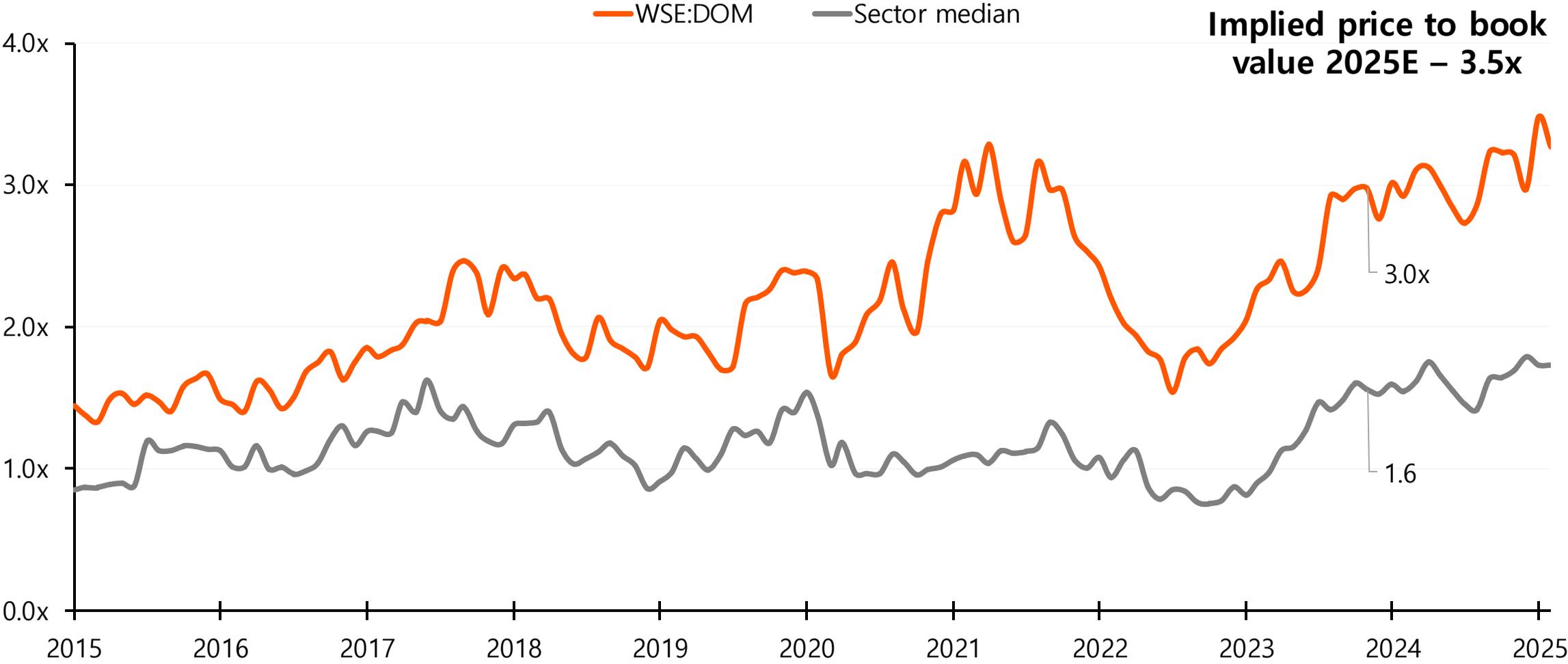


European comps	Price per share
P/E multiple	273
EV/EBITDA multiple	323
P/BV	261
Average price	285

30.0% Upside ↑

N=7

P/BV ratio – DOM Vs Peers



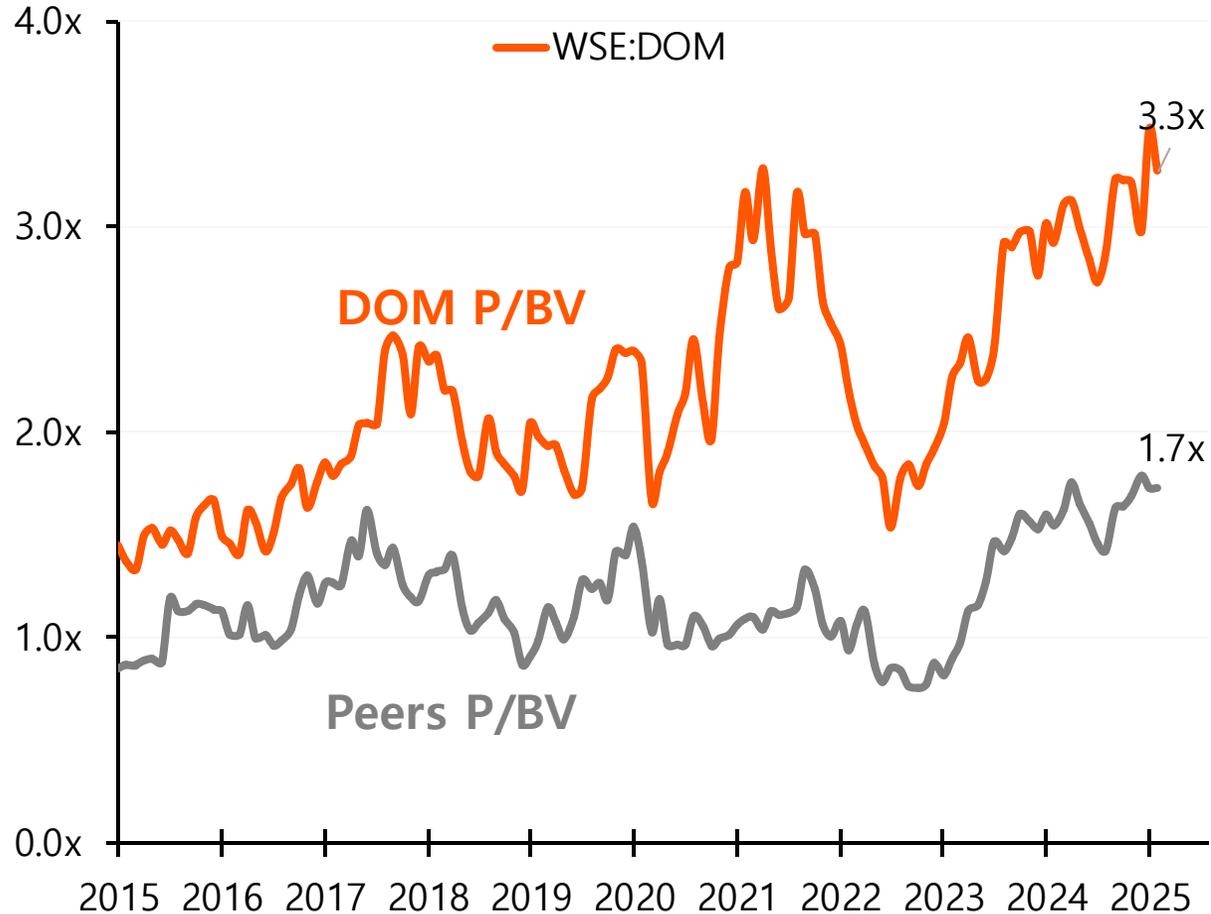
Source: Kozminski University Team Analysis

DOM's P/BV reflects a long-term structural premium over peers



This reflects investor confidence in DOM's low risk profile, secured land bank, and market leadership—not overvaluation

DOM has sustained a 90% average P/BV premium over peers



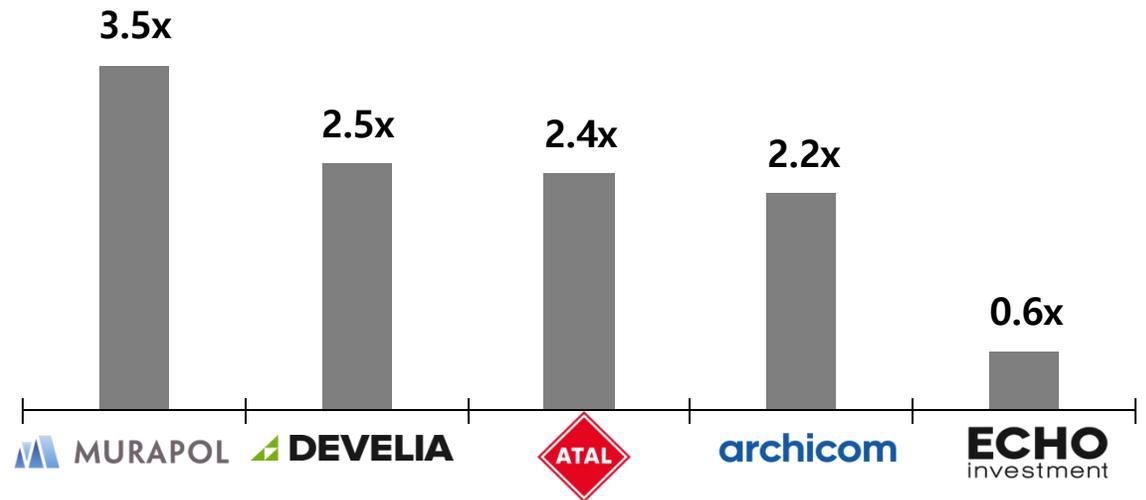
Source: Capital IQ, Kozminski University Team Analysis

It can continue to generate returns above investor expectations

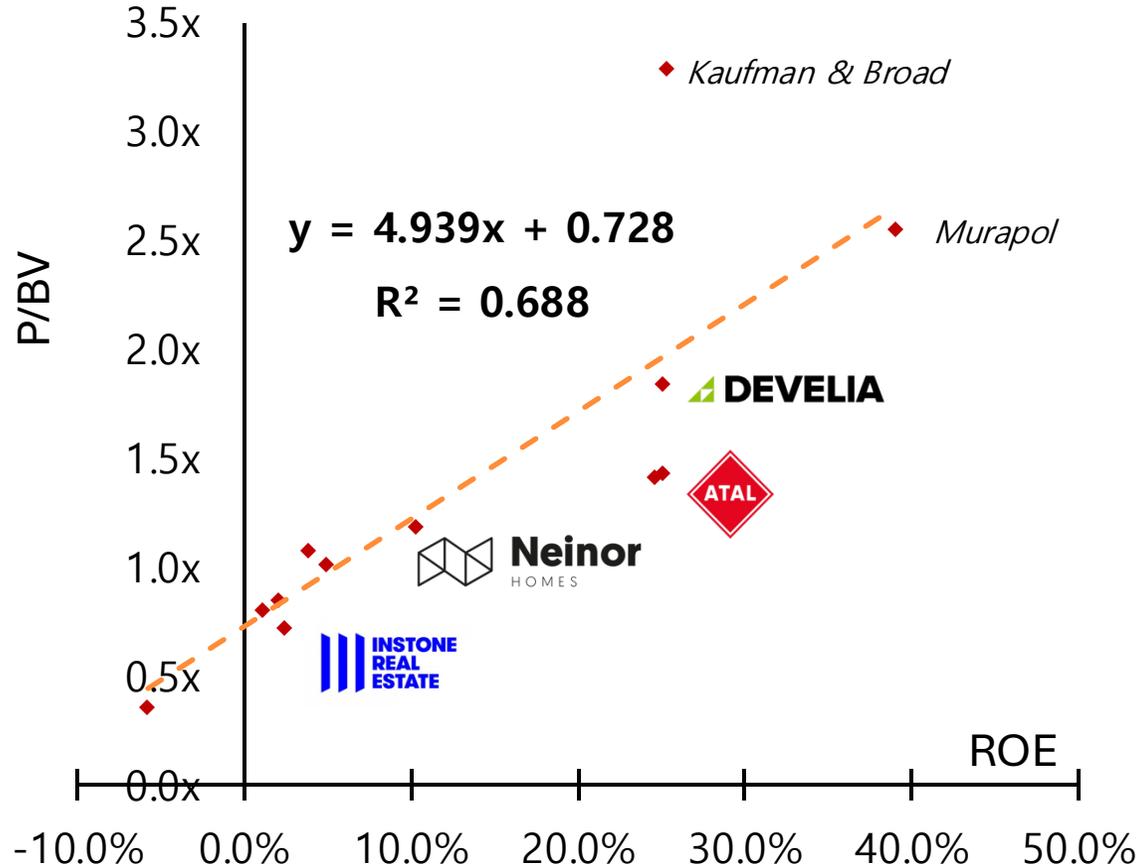
Return on Equity (2025F)	32.8%
Cost of Equity	9.9%
DOM's fair P/BV	3.5x

PLN 261
19% UPSIDE ↑

We also analyzed the fair P/BV multiple of peer companies



ROE/PBV Regression



We conducted PBV and ROE regressions to establish a **price target** for Dom Development. However, the implied **P/BV multiple** derived for DOM from this regression was **2.3x**, while Dom Development has consistently **traded at** an average of **3.0x** for the past year and consistently with a higher P/BV ratio than peers for the last decade. This reflects a sustained **premium to peers**. This **premium** is justified by the company's **strong brand, superior profitability, and consistent dividend policy**, which have historically supported a higher valuation. Given this long-term trend, we use the fair P/BV multiple derived from company's fundamentals and reflects Dom Development's **ability to generate returns for equity holders** over and above its cost of equity.

Fair Price to Book-value

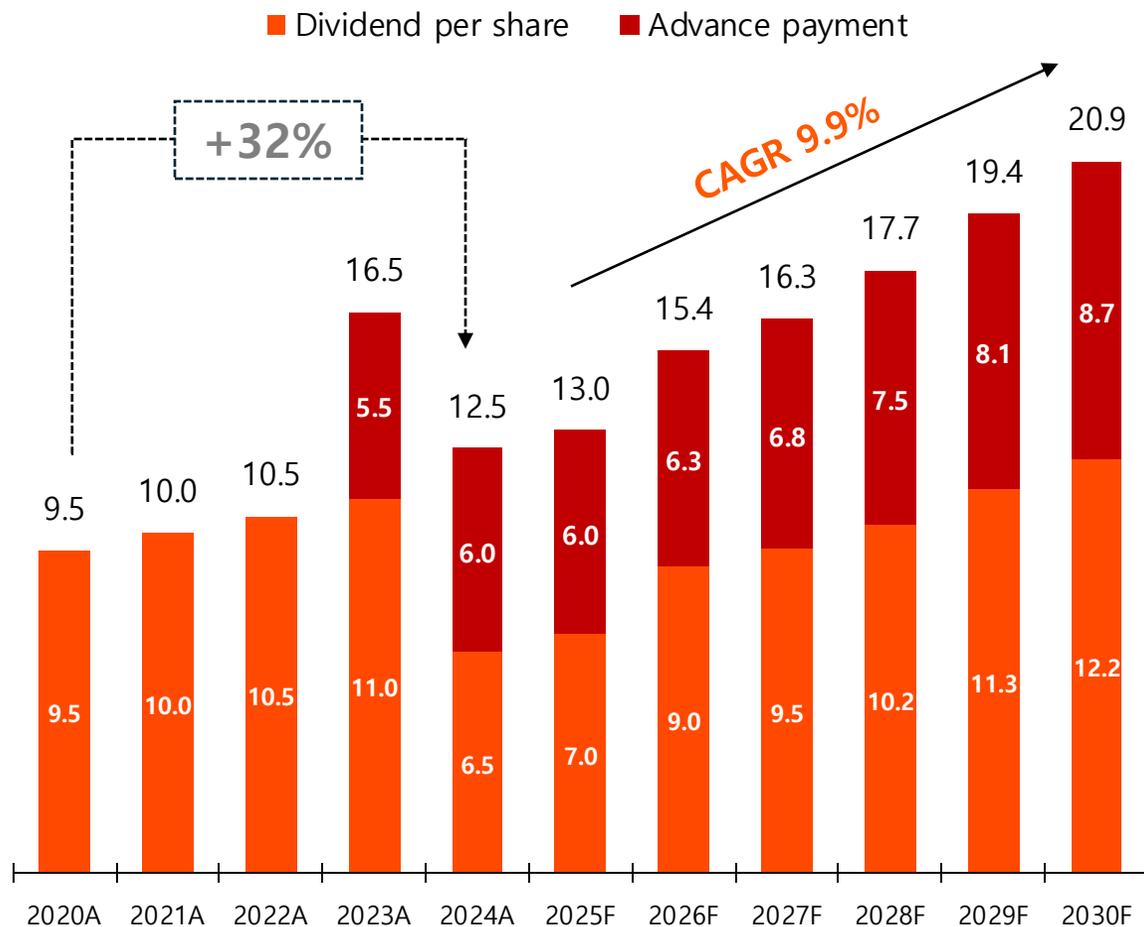
Return on Equity (2025F)	32.85%
Cost of Equity	9.9%
DOM's fair P/BV	3.3x

Our Dividend Discount Model supports our recommendation



We assume 60% to 80% dividend payout ratio, which is consistent with **DOM's strong track record of dividends**

DOM's strong dividend growth per share, 2020A-2030F, PLN



Source: Company Reports, Kozminski University Team Analysis

Key assumptions

60 - 80%

**Payout ratio
2025F-2030F**

9.9%

Cost of equity

3.2%

Growth

PLN 269

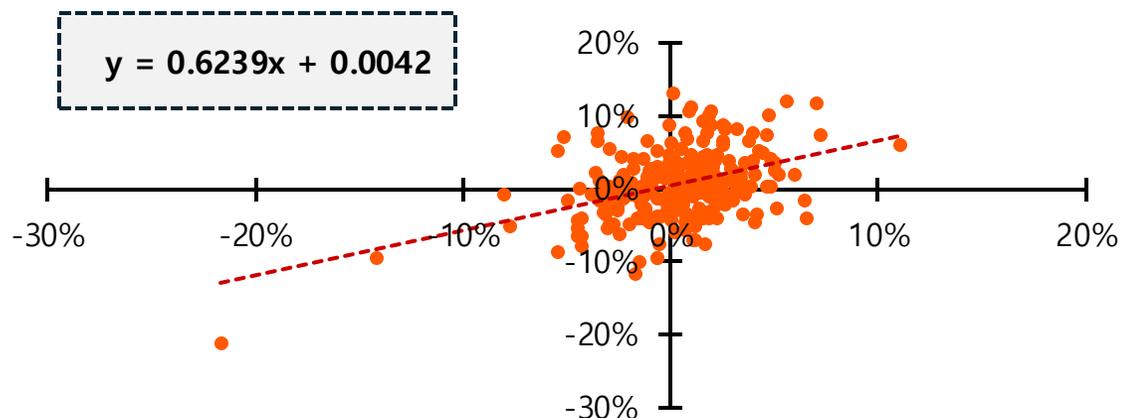
22% Upside ↑

Until 2022, dividends were paid from **prior-year profits**. In 2023, the company introduced **advance dividends**—paying part of 2023 profits before year-end, in addition to regular dividends. We recognize dividends as cash flow in the year they are paid.

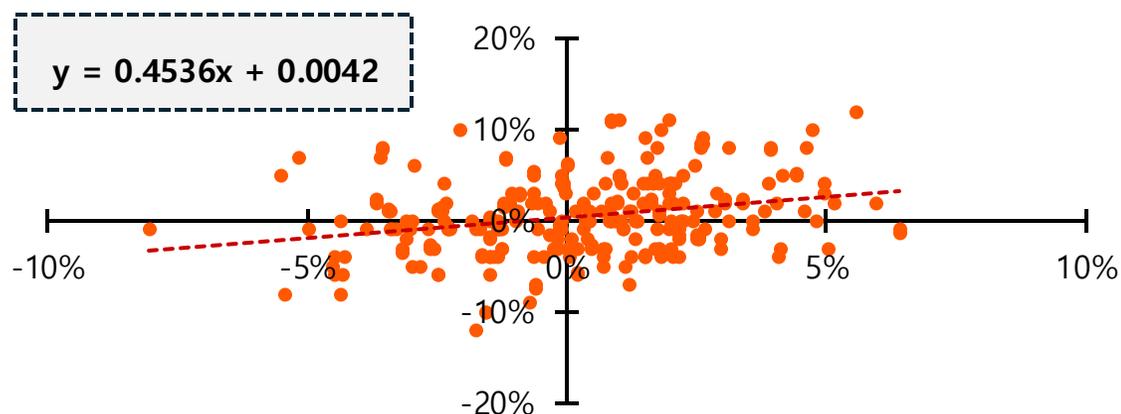
Impact of Dividends on CoE and Beta



Regression **without** adjusting for dividends results in beta 0.62



Regression **with** adjusting for dividends results in lower beta



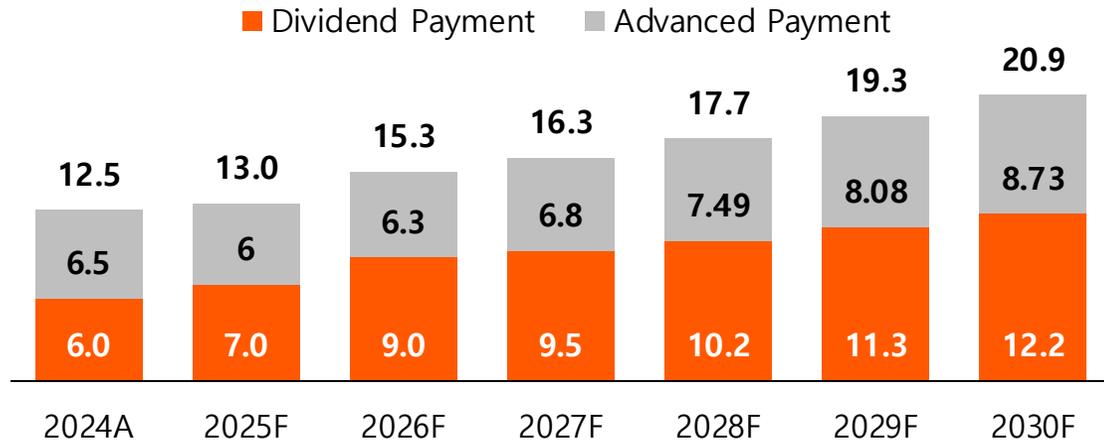
Comments

- **The bird-in-hand theory** says investors prefer stock dividends to potential capital gains due to the uncertainty of capital gains
- Dividend-paying stocks are often characterized by more predictable business conditions and **lower risk**, which can attract investors seeking stable returns
- **Signaling theory** assumes that it is necessary to signal investors to how they perceive company's prospects. One of them is dividend announcements
- *In general, dividend-paying companies tend to have a lower cost of capital due to their stable returns, lower risk, and predictable cash flows*

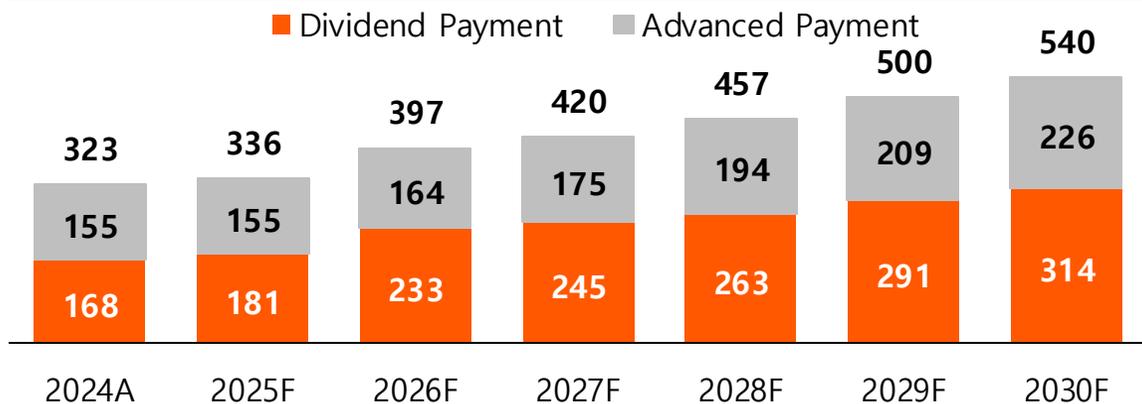
Dividend forecast and policy sensitivity analysis



Forecasted dividend per share, PLN



Forecasted dividend paid, PLN million



Source: Kozminski University Team Analysis

Sensitivity analysis of DDM

		Cost of Equity				
		-1,5%	-0,50%	0,00%	0,50%	1,50%
Payout	268,7					
	2,5%	358,0	300,0	277,5	258,2	226,7
	1,00%	351,2	294,3	272,2	253,3	222,4
	0,00%	346,7	290,4	268,7	250,0	219,5
	-1,00%	342,1	286,6	265,1	246,7	216,6
	-2,50%	335,3	280,9	259,8	241,7	212,2

We varied the payout ratio and cost of equity in our DDM model to ensure robustness. DDM valuation is limited to dividend payouts to shareholders and is already embedded in the DCF model and hence, it was not used in the final price calculation and assigned 0% weighting.

Analyst recommendations



PLN 210

PLN 220

PLN 247

PLN 251

PLN 256

PLN 260

PLN 262

PLN 272



Biuro Maklerskie



Bank Pekao



Santander

Current Price

ipopema

Kozminski
University
Team

Key forecast assumptions



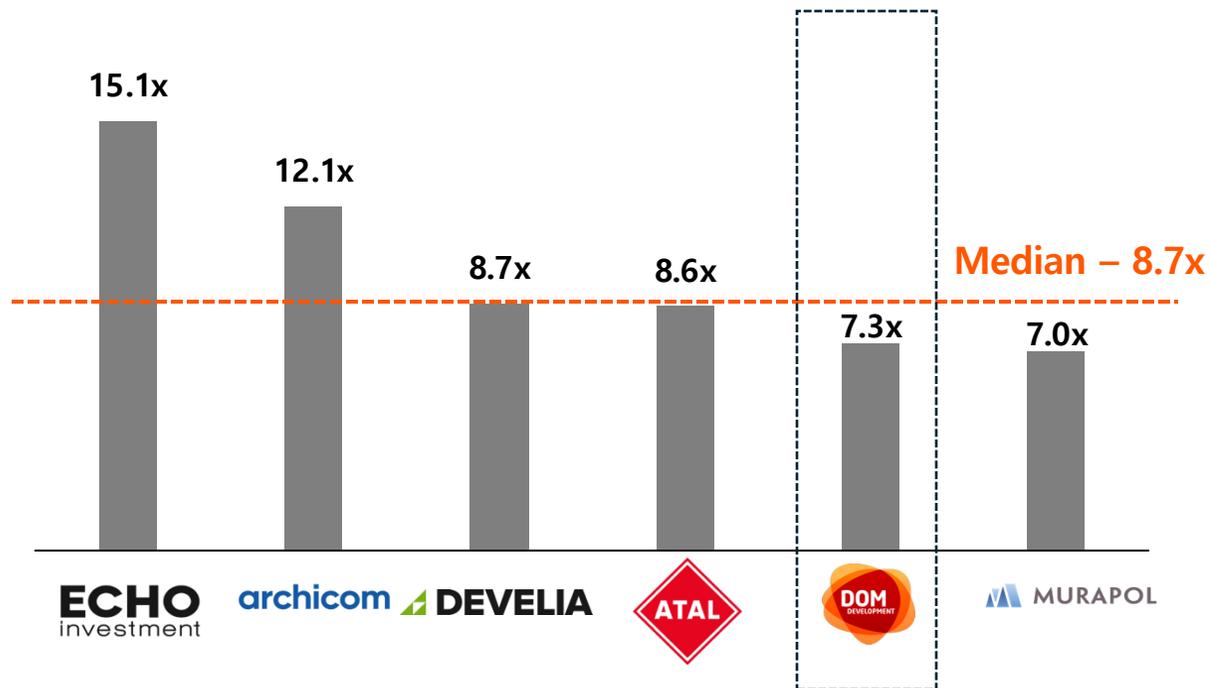
Assumption	Modelled via	2022A	2023A	2024A	2025F	2026F	2027F	2028F	2029F	2030F
Revenue growth	Value drivers	27.5%	5.4%	24.2%	16.5%	4.6%	8.6%	7.1%	6.5%	6.4%
Direct costs	% of sales	68.8%	68.0%	67.8%	68.0%	68.5%	69.6%	70.4%	71.4%	72.1%
Other operating costs	% of sales	8.9%	8.8%	8.5%	8.6%	8.6%	8.6%	8.6%	8.6%	8.6%
Sales and marketing	% of sales +2%	3.2%	3.0%	3.3%	3.1%	3.2%	3.3%	3.3%	3.4%	3.5%
General and admin	% of sales + 0.1%	5.8%	5.8%	5.1%	5.2%	5.3%	5.4%	5.5%	5.6%	5.7%
Debt	3yr average Debt/EBITDA	0.9x	1.1x	1.0x	1.0x	1.1x	1.0x	1.0x	1.0x	1.0x
Depreciation	% of fixed assets	22.3%	20.8%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%
Inventory	% of y+1 revenue	1.4x	1.2x	1.2x	1.3x	1.3x	1.3x	1.3x	1.3x	1.3x
Deferred revenue	% of y+1 revenue	60.8%	54.7%	50.8%	48.8%	46.0%	46.0%	46.0%	46.0%	46.0%
Escrows	Constant assumption	5.9%	6.8%	12.3%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
Receivables	T/o days	13.7x	12.6x	18.4x	15.5x	17.0x	16.3x	16.6x	16.4x	16.5x
Payables	T/o days	92.0x	93.0x	105.3x	99.1x	102.2x	100.7x	101.5x	101.1x	101.3x
Accruals and provisions	% of sales	3.0%	3.2%	3.5%	3.2%	3.3%	3.3%	3.3%	3.3%	3.3%
Tax rate	CIT %	19%	19%	19%	19%	19%	19%	19%	19%	19%

Source: Kozminski University Team Analysis

Growth vs Value stock

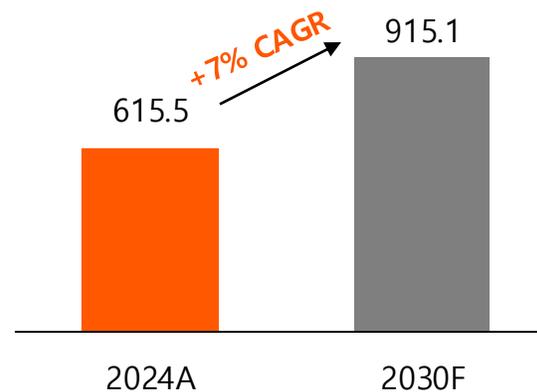


DOM is a value stock trading at a discount, NTM EV/EBITDA

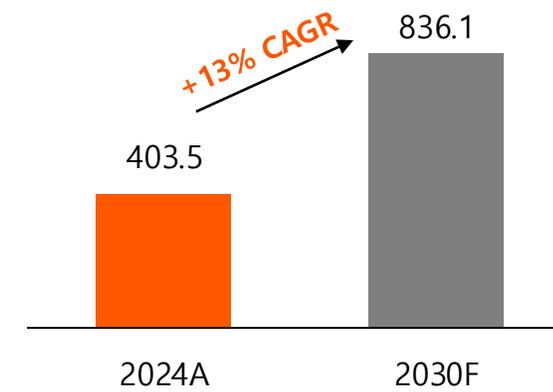


At the same time, DOM has clear attributes of a growth stock

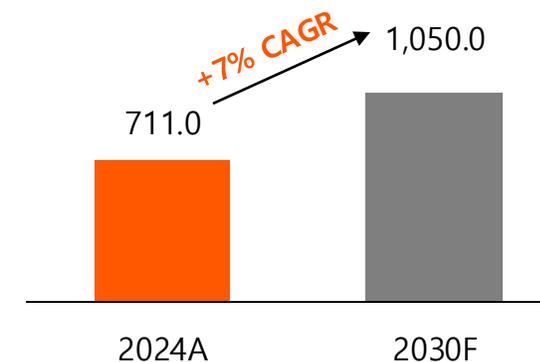
Wroclaw revenue, PLN million



Krakow revenue, PLN million



Tricity revenue, PLN million



Dom Development is both a **high-quality value stock with growth traits**

The company is an **undisputed leader** in the market with **strong growth potential** while paying out 60%+ of net profit in dividends and ability to deliver **above-average returns** to investors

Source: Company Reports, Kozminski University Team Analysis

Why is the stock undervalued?



1 Structural earnings visibility remains underappreciated

60-70% under construction units are typically sold during construction already.

Dom Development has a visibly strong pipeline of residential development projects in the biggest Polish cities.

The market fails to fully reflect the stability and scalability of Dom's business, especially as the Group records fast growth in **high-growth, supply-constrained urban centers such as Wrocław, Tricity, and Kraków.**

2 Market is swapping long term tailwinds with short term uncertainties

Investors are anchored to **recent housing market stress in Poland** (high rates, inflation, mortgage policy freezes).

The market overlooks forward-looking indicators (low rates, slowing inflation, favorable demographic trends, better and bigger lifestyle aspirations of residents in Poland) that are **beneficial for Dom Development**

ESG in valuation



ESG integration in base case: SG&A expenses, 2013A-2030F

Assumption	2023A	2024A	2025F	2026F	2027F	2028F	2029F	2030F
Sales and marketing	3.0%	3.1%	3.1%	3.2%	3.3%	3.3%	3.4%	3.5%
General and admin	5.8%	5.1%	5.2%	5.3%	5.4%	5.5%	5.6%	5.7%

We modelled SG&A expenses as % of revenue and increased them due to internal cost expansion tied to ESG compliance and disclosure (ESRS) and green building certifications. Our assumption is that there are recurring costs that are embedded in the future cost structure of responsible developers like Dom Development

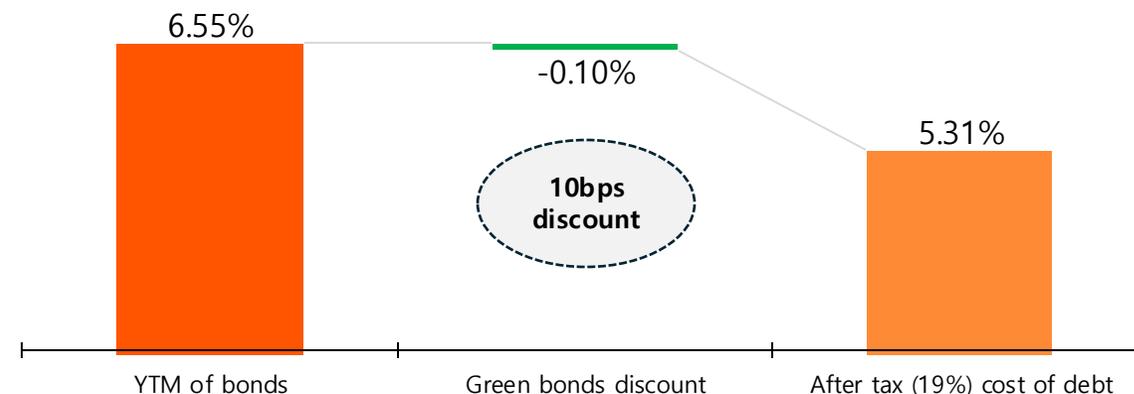
ESG integration	Base case (PLN)
Price without ESG considerations	PLN 269.6
Price with ESG considerations (SG&A)	PLN 275.2
Valuation benefit from ESG	2.0%

In the 'price without ESG considerations' scenario (no SG&A), we applied a **conservative ESG penalty of 0.5% of annual turnover** to materialize non-compliance costs.

According to ESRS, incompliance by companies with annual revenue of over EUR 400 million can result in administrative fines of up to 2% of a company's global revenue.

Source: Kozminski University Team Analysis

ESG integration in bull case: WACC reduction through CoD



ESG integration	Bull case (PLN)
Price without ESG considerations	PLN 293.4
Price with ESG considerations	PLN 295.3
Valuation benefit from ESG	0.6%

Research paper: Estimating a green premium in listed real estate bonds



What will make it a sell?



Short to medium term (1-3 years)

Scenario	Likelihood
A large-scale return of Ukrainian migrants post-war	Medium
New management failure and strategic missteps	Low
Margin falls further than our expectations	Low
Global economic slowdown due to trade wars	Low

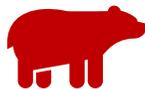
Base case price



PLN 272

+24%

Bear case price



PLN 180

-18%

If we're wrong:

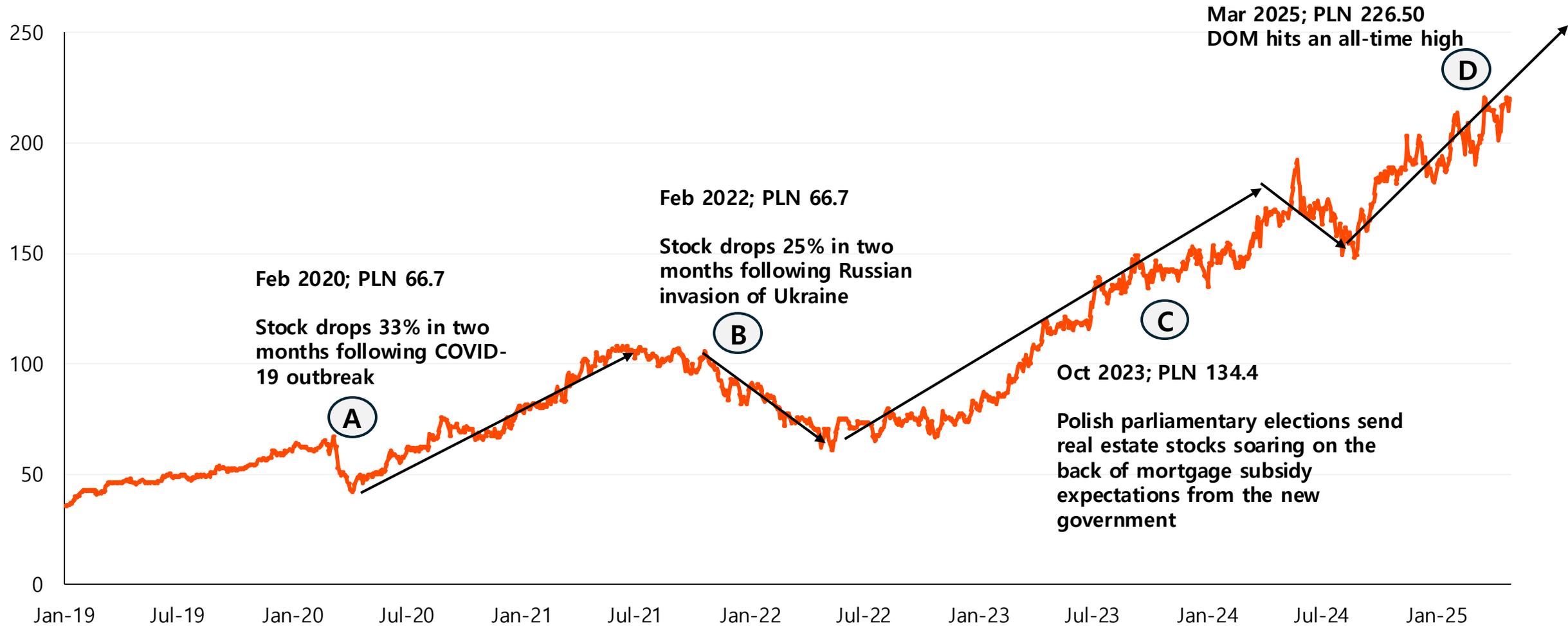


< PLN 189

Long term (3+ years)

Scenario	Likelihood
Global economic slowdown due to trade wars	Medium
Missteps in unfamiliar new regions or segment could dilute returns and stretch operational control.	Medium
Stricter state policies limiting migration inflow	Low
Demographic decline	Low
Regulatory changes that penalize premium developers and Regulatory favoritism toward social housing or local developers could shift competitive dynamics.	Low
New entrants or aggressive consolidation may happen in three years: A foreign player (e.g., Skanska, Cavatina) could aggressively expand in Polish cities through M&A, eroding DOM's serviceable market.	Low
Rent-to-own and PRS (Private Rental Sector) could cannibalize new-home purchases if institutional PRS grows faster than expected.	Low

Technical analysis



Source: Stooq.pl, Capital IQ, Kozminski University Team Analysis

Sensitivity of units delivered and price



Δ average transaction price

Δ units delivered	PLN 275	5.0%	4.0%	3.0%	2.0%	1.0%	0.0%	-1.0%	-2.0%	-3.0%	-4.0%	-5.0%
	2.5%		8%	7%	6%	5%	4%	3%	2%	1%	0%	-1%
2.0%		8%	7%	6%	5%	4%	3%	2%	1%	0%	-1%	-2%
1.5%		7%	6%	5%	4%	3%	2%	1%	0%	-1%	-2%	-3%
1.0%		7%	6%	5%	4%	3%	2%	1%	0%	-1%	-2%	-3%
0.5%		6%	5%	4%	3%	2%	1%	0%	-1%	-2%	-3%	-4%
0.0%		6%	5%	4%	3%	2%	1%	0%	-1%	-2%	-3%	-4%
-0.5%		5%	4%	3%	2%	1%	0%	-1%	-2%	-3%	-4%	-5%
-1.0%		5%	4%	3%	2%	1%	0%	-1%	-2%	-3%	-4%	-5%
-1.5%		4%	3%	2%	1%	0%	-1%	-2%	-3%	-4%	-5%	-5%
-2.0%		4%	3%	2%	1%	0%	-1%	-2%	-3%	-4%	-5%	-6%
-2.5%		3%	2%	1%	0%	-1%	-2%	-3%	-4%	-5%	-5%	-6%

No. of units	2025F	2026F	2027F	2028F	2029F	2030F
Warsaw	2,211	1,873	1,844	1,942	1,952	1,898
Tricity	1,062	1,148	1,288	1,276	1,308	1,327
Wroclaw	885	890	959	982	973	987
Krakow	487	637	697	699	710	730
Total delivered	4,645	4,548	4,788	4,899	4,943	4,942

Average price per unit	2025	2026	2027	2028	2029	2030
Warsaw	926	963	1,011	1,072	1,147	1,262
Tricity	771	802	842	892	955	1,050
Wroclaw	774	805	845	896	959	1,054
Krakow	956	994	1,044	1,107	1,184	1,303
Increase	3.6%	4.0%	5.0%	6.0%	7.0%	10.0%

Source: Company Reports, Kozminski University Team Analysis

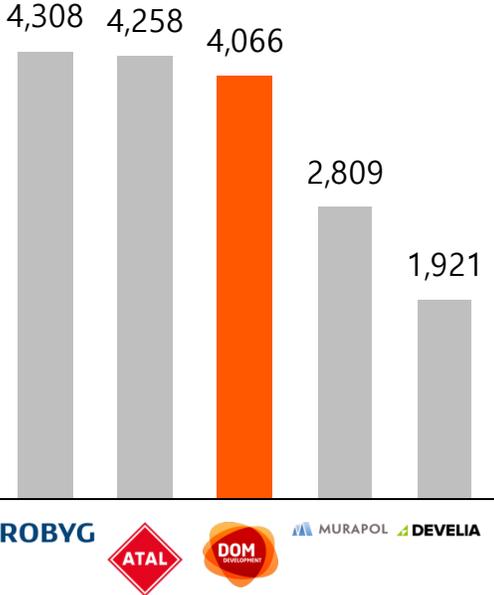


COMPETITION

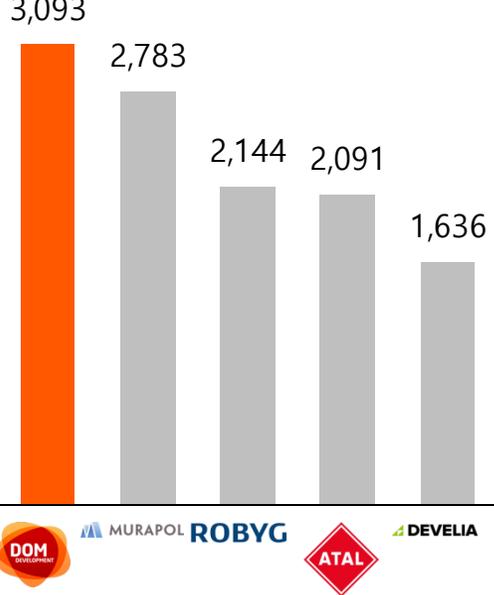
Units sold – DOM Vs Competitors



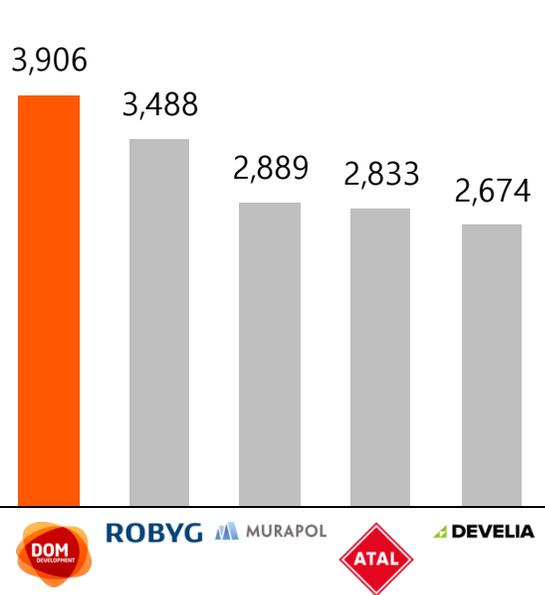
2021



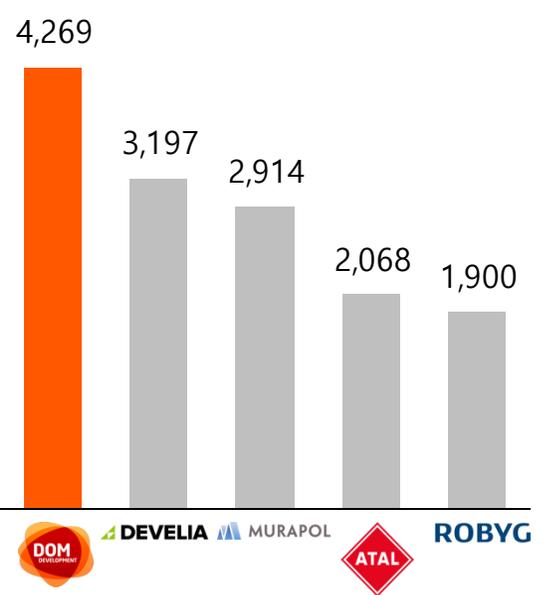
2022



2023



2024



Source: Company reports, Kozminski University Team Analysis

Dom leads and sustains market leadership



DOM's market position in Warsaw, Tricity, Wroclaw and Krakow in 2024

Leader in Tricity  **EURO STYL**
GRUPA DOM DEVELOPMENT

1,038 Units Sold
950 Units Delivered
5150 Units in Land Bank



Leader in Warsaw

1,791 Units Sold
2,269 Units Delivered
9902 Units in Land Bank

Leader in Wroclaw

920 Units Sold
522 Units Delivered
2392 Units in Land Bank

Second in Krakow

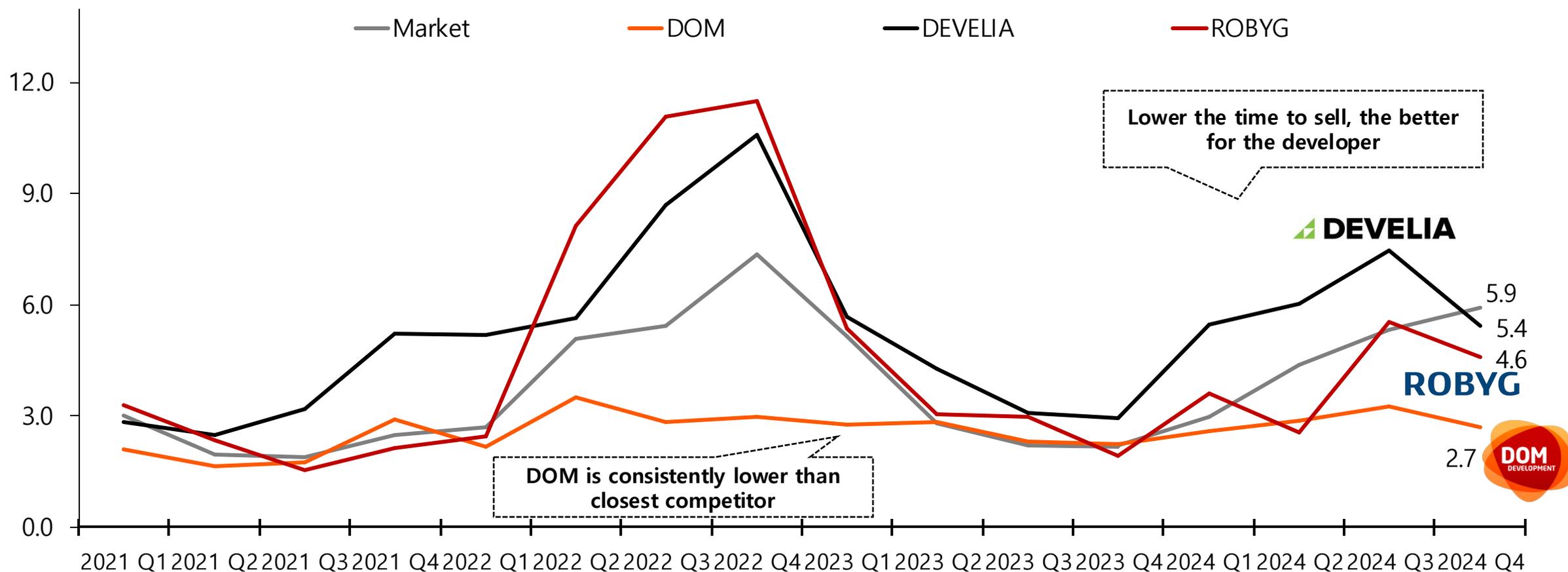
520 Units Sold
475 Units Delivered
1564 Units in Land Bank



Time to sell – DOM Vs Peers

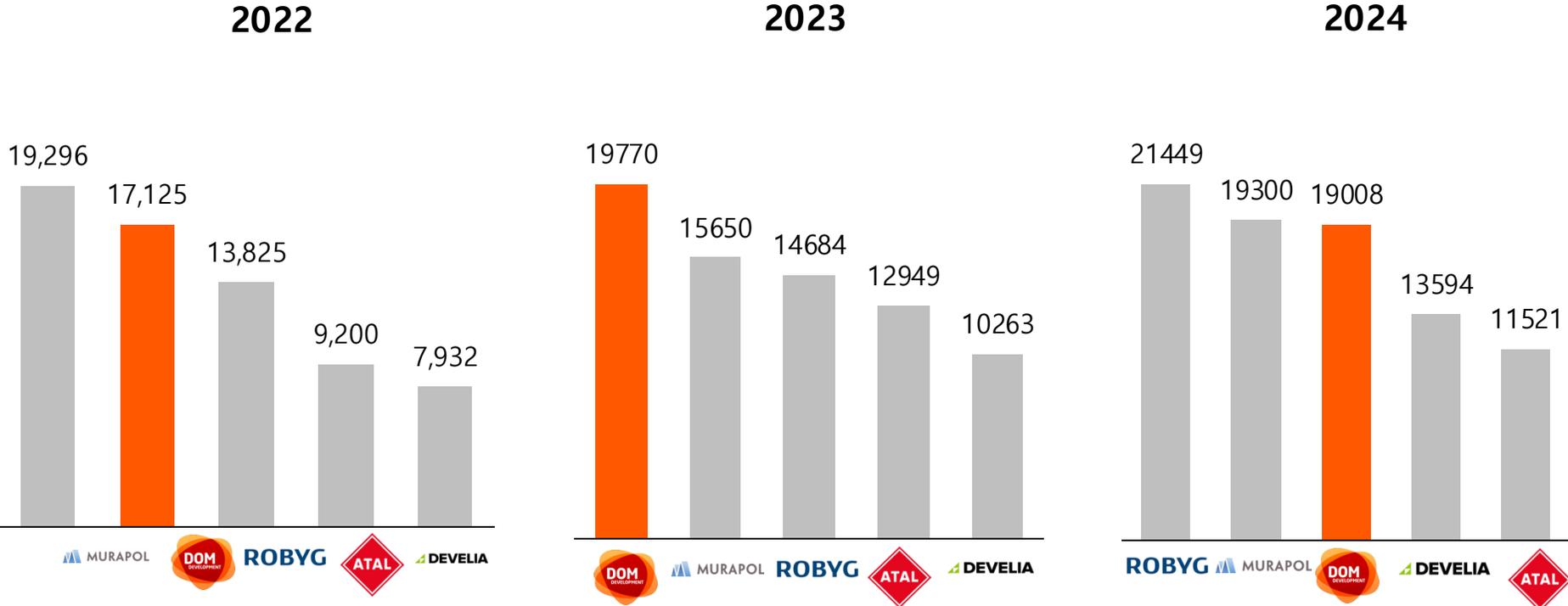


How many quarters does it take for developers to sell their unit on offer based on the last quarter units sold



Source: Company Presentations, Kozminski University Team Analysis

Land bank – DOM Vs Competitors

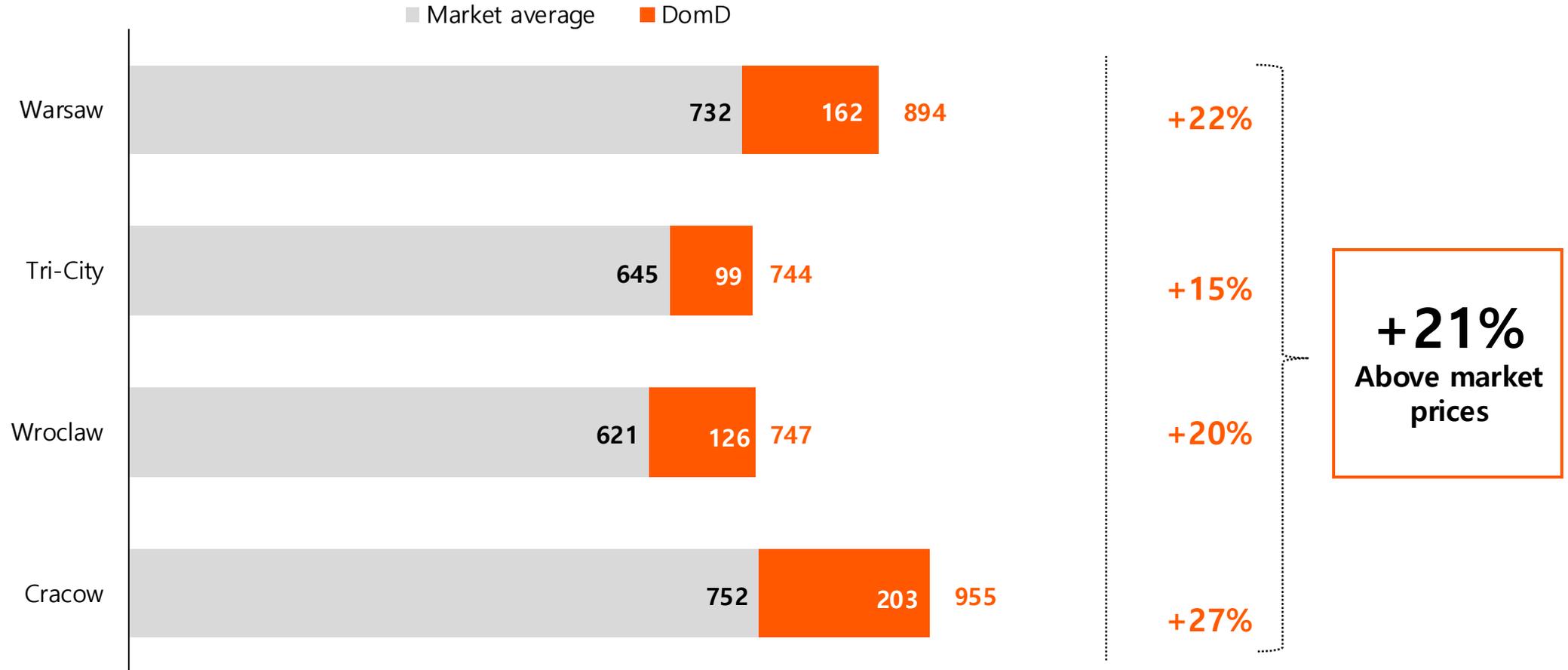


Source: Company Reports, Kozminski University Team Analysis

DOM's average transaction price > market average

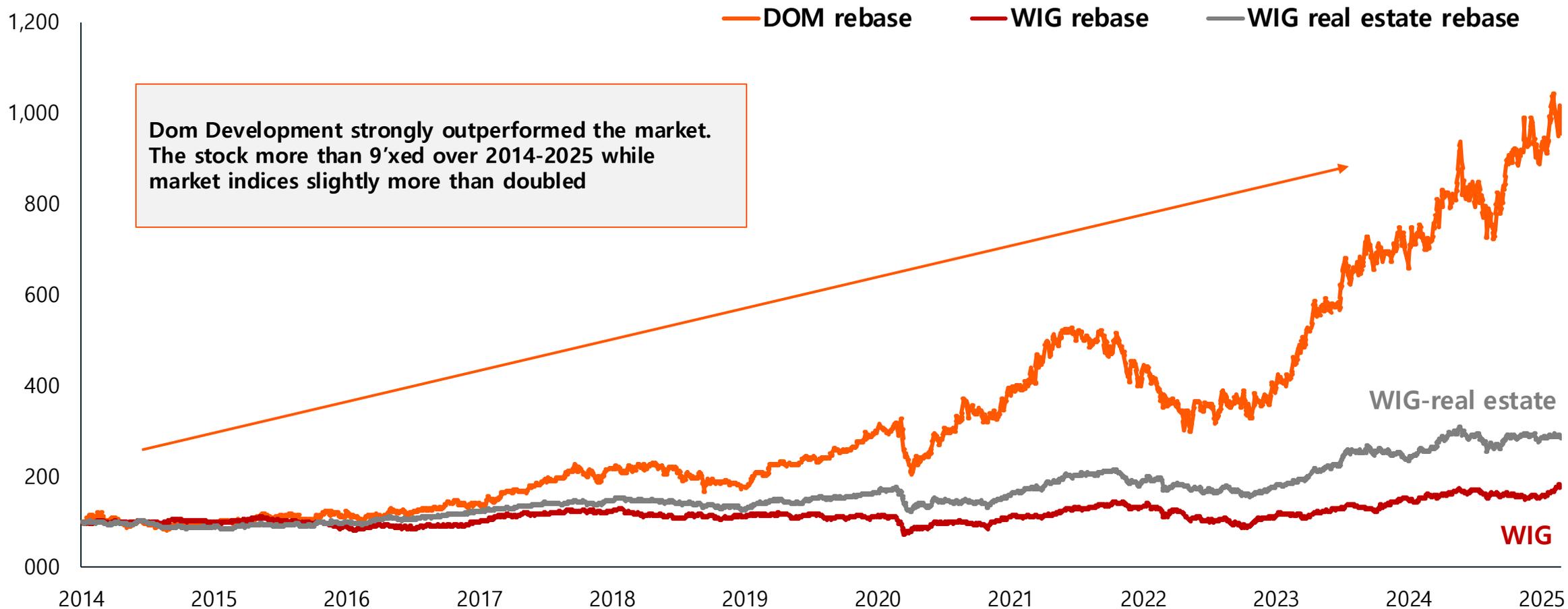


Market average prices used from Q32024 as latest available in NBP report, PLN in thousands



Source: Kozminski University Team Analysis, National Bank of Poland

Dom Development vs WIG vs WIG Real Estate (Rebase 100)



Land bank analysis



Metric	 DOM DEVELOPMENT	 MURAPOL	ROBYG
Landbank Size (Units)	19,008	19,300	21,400
Proximity to City Center (<15 min)	Most projects	 Partial (Tier 1 + Tier 2 mix)	 Partial (urban + suburban)
School Access (<15 min)	All projects	 In most cities	 In most cities
Location Focus	Core urban zones (Warsaw, Mokotów, Grzybowska)	Spread across 21 cities, incl. Tier 2	Strong Warsaw base, other major cities
Landbank Efficiency (m² per unit)	High density, optimized layouts	~82 m ² /unit avg	Moderate (est.)
Urban Appeal	High: Grzybowska, Mokotów, Żwirki i Wigury	Mixed: e.g. Bielsko-Biała, Siewierz	Good urban branding
Strategic Advantage	Premium city-center plots, walkability	Broad reach, low land cost	Strong brand, less central density
Transit & Amenities	Excellent (metro, schools nearby)	 Depends on project	 Good in core cities, weaker in outer zones

Source: Company Reports, Kozminski University Team Analysis



INDUSTRY

Key statistics about Poland and real estate industry



\$862 bn

**GDP of Poland
(2024)**

22.63%

**DOM's weight in
WIG Real Estate
Index**

2.15%

**Real Estate stocks
as % of total
market index**

~10%

**Construction⁽¹⁾
sector as % of
GDP**

7.6%

**Weighted
average
mortgage rate**

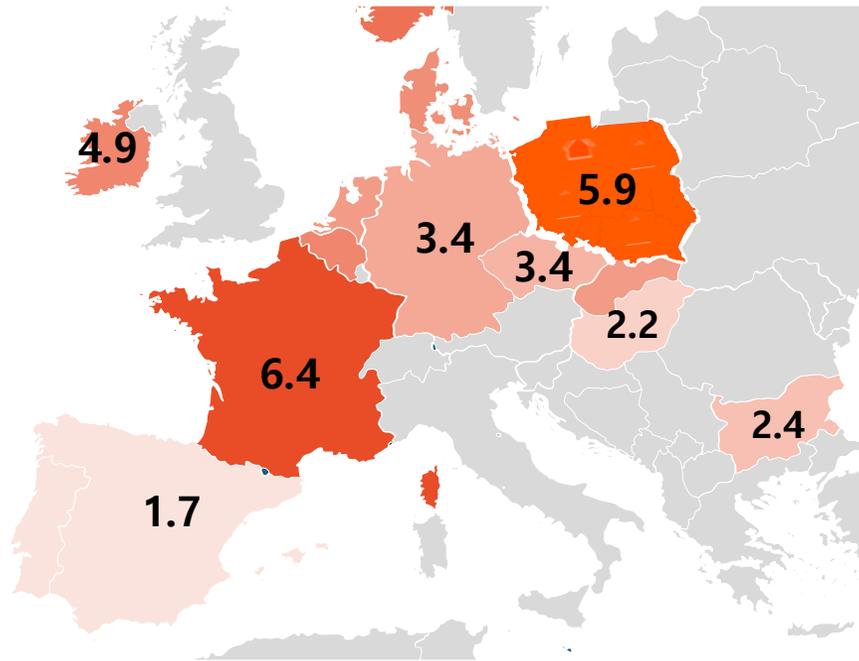
3.2%

**real GDP growth
of Poland YoY Q4
2024**

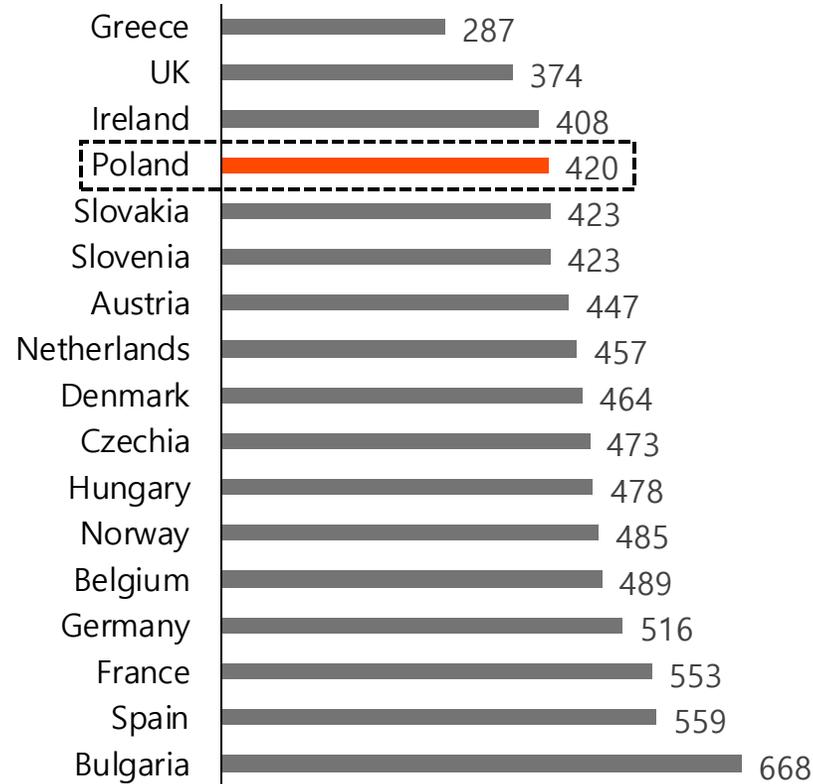
Industry snapshot: Polish real estate market



Average annual number of completed dwellings per 1000 inhabitants (2019-2024)

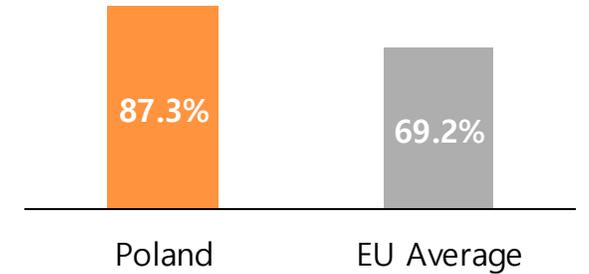


Total number of dwellings in selected European countries per 1000 citizens

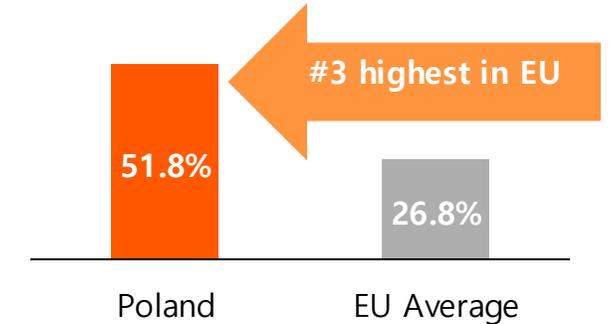


Strong ownership culture

Housing ownership rate (2024)



Share of primary market (2024)



New Spatial Planning Act – General Plan



Key changes introduced by the General Plan

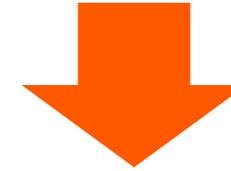
- Municipalities are required to adopt the general plan by 2026.
- It replaces the existing municipal spatial development studies.
- As of December 31, 2025, municipalities will no longer issue zoning and building permits.

~~1 Jan 2026~~ **+6 months** -----> **30 June 2026**

“The projected six months will not help much...up to an additional two years will be needed to implement the changes.” – Expert F

Impact on the Real Estate Market

- **Decrease in land supply:** reduced availability of residential plots.
- **Increase in property prices:** higher risks and costs will drive up housing prices.
- **Construction slowdown:** municipalities may fail to adopt plans on time, halting new developments.



Risks for Developers

- **Regulatory uncertainty:** without approved general plans, new investments could be blocked.
- **Higher costs and limited land availability:** increased competition for legally usable plots.
- **Risk of construction paralysis:** delays and difficulties in obtaining administrative approvals.

Margins in PRS and student accomodation



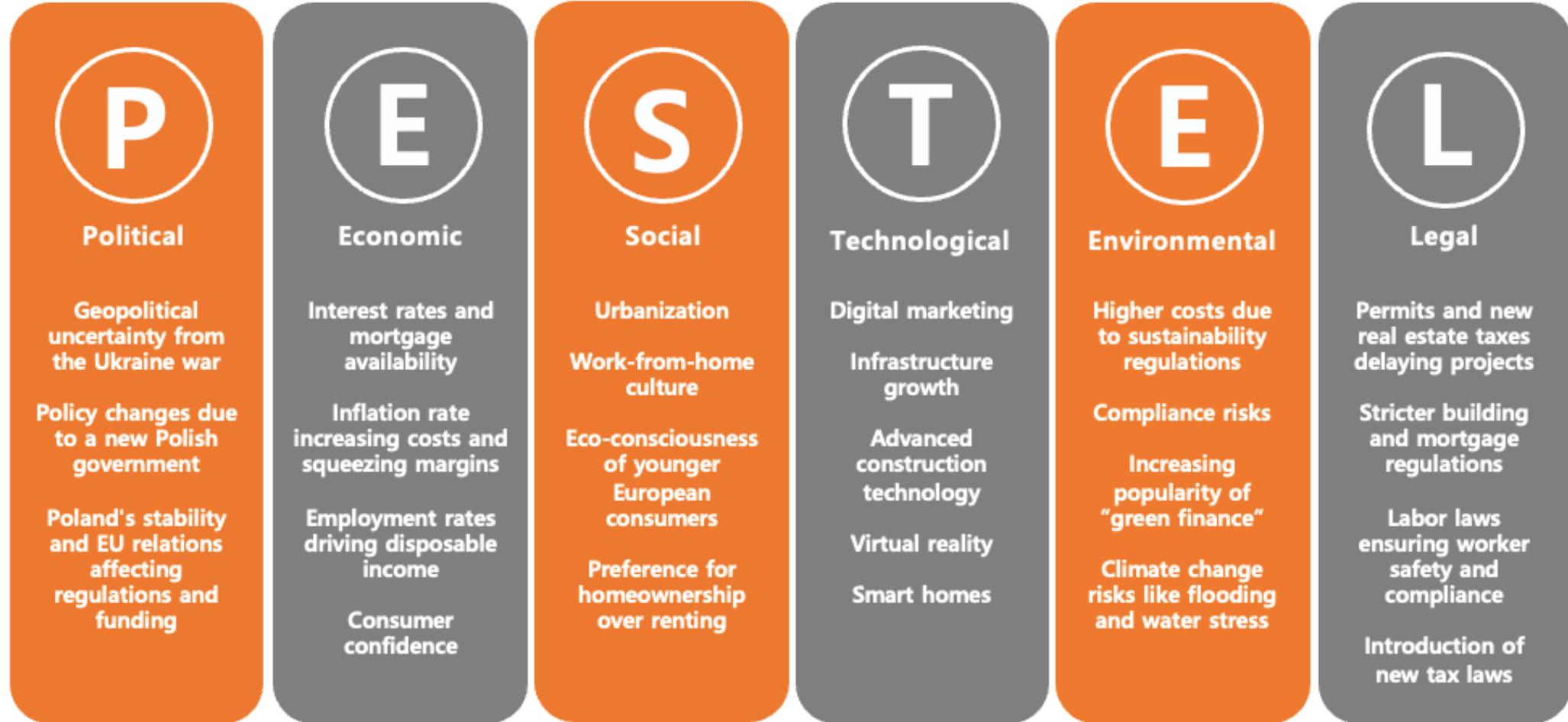
	Resi4rent	Student space
Year*	2024	2024
Revenue (PLNk)	39,069	39,094
Operating Profit without profit on investment property (PLNk)	156	4,334

	2022	2023	2024
Revenue (PRS)	133,785	187,157	144,473
Profit/loss on sales	13,565	17,551	17,999

Average gross margin 11%

Operating margin 0.4% and 11.08%

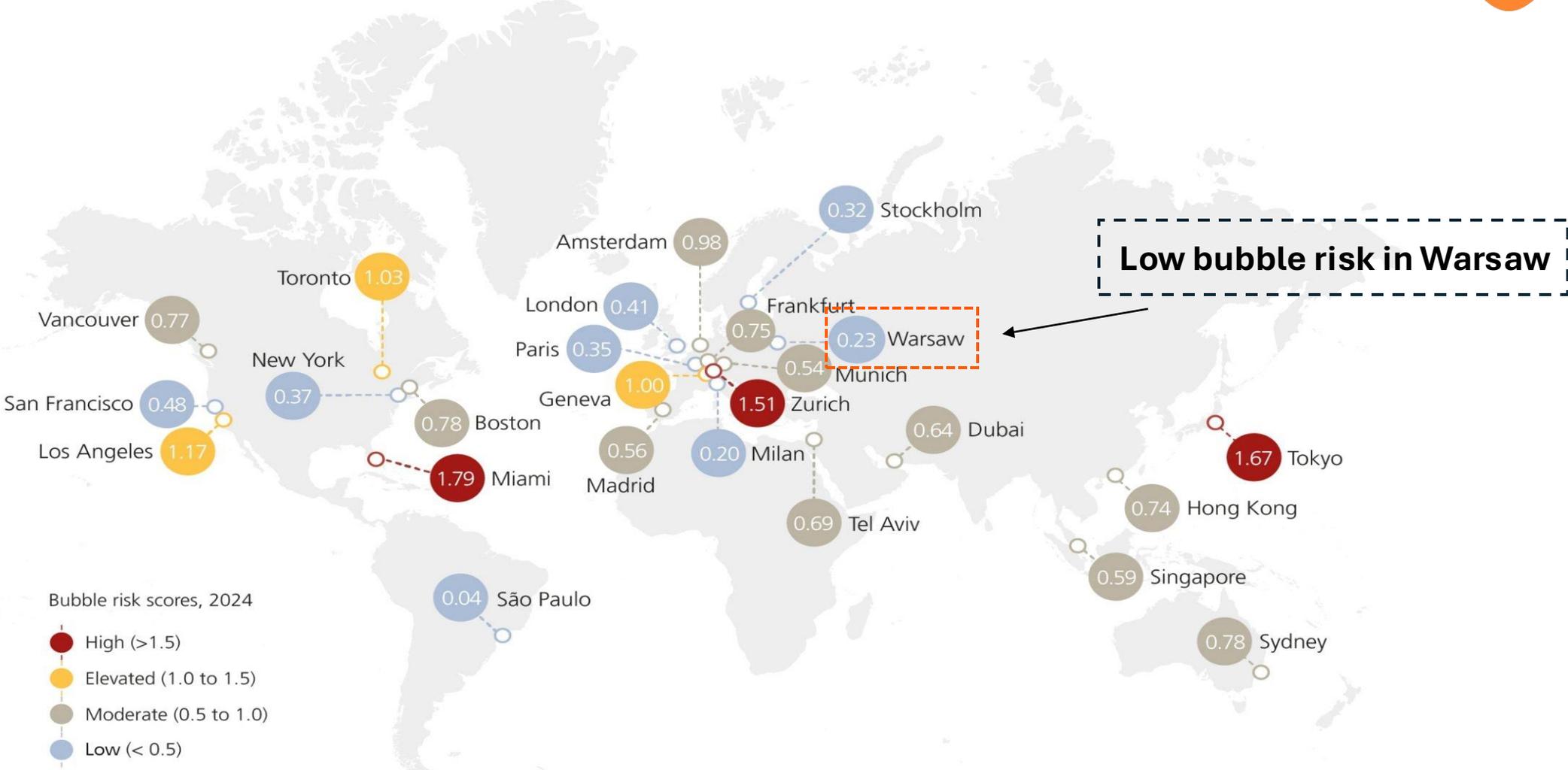
PESTEL Analysis



Global Real Estate Bubble Index 2024



Lower value indicates positive and less risky market (cities are Warsaw, Madrid, Milan, Paris, Geneva, and Frankfurt)

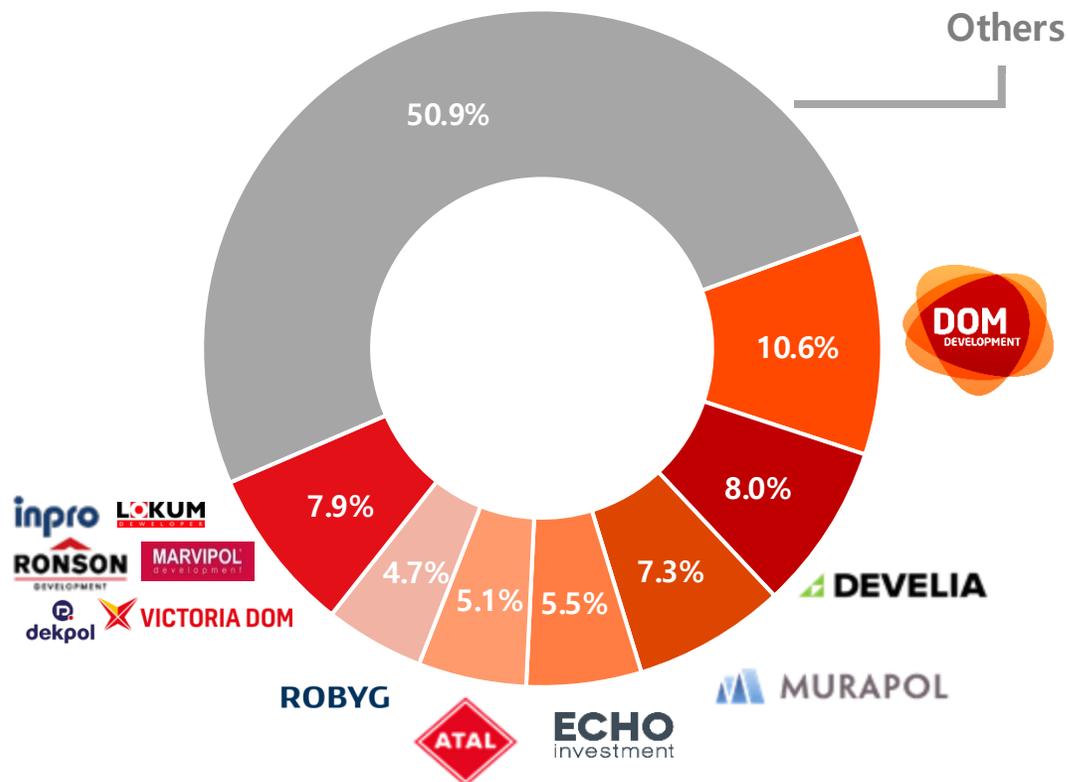


Source: Union Bank of Switzerland

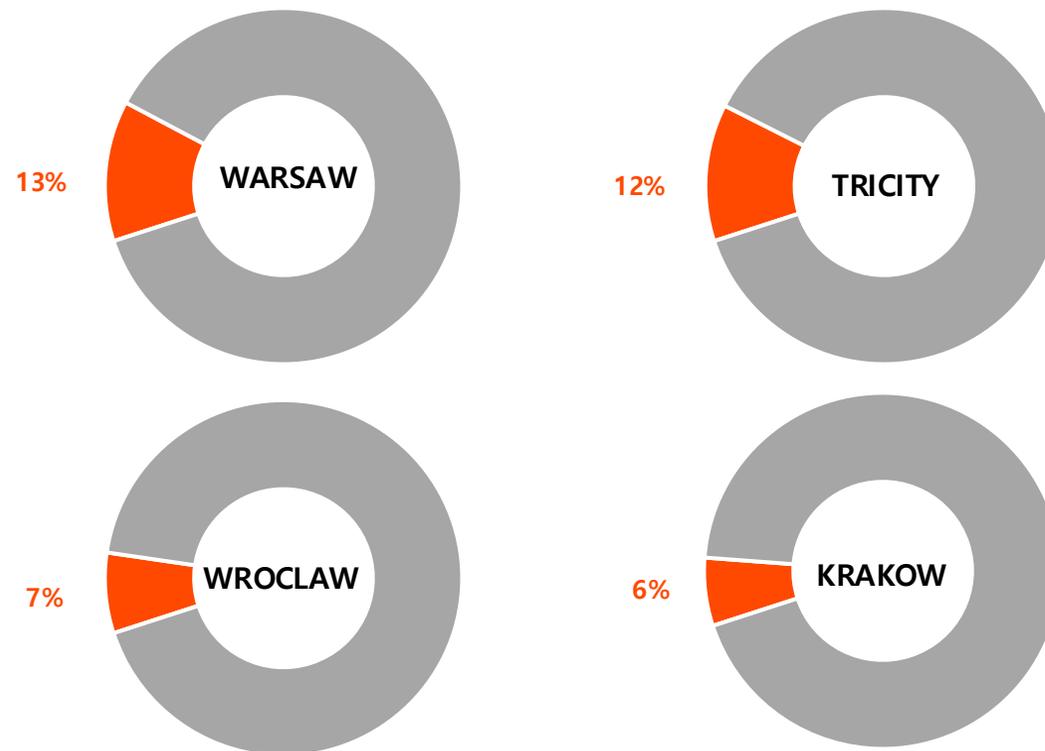
Market share in Polish Real Estate sector based on unit sold



Developers' market share in the four largest Polish cities 2024



DOM's market share in each market



“Only a few European developers have more than 15% market share, but as the Polish market consolidates, it's possible that the top five players will hold 70–80% of the market.” – CEO of DOM Development

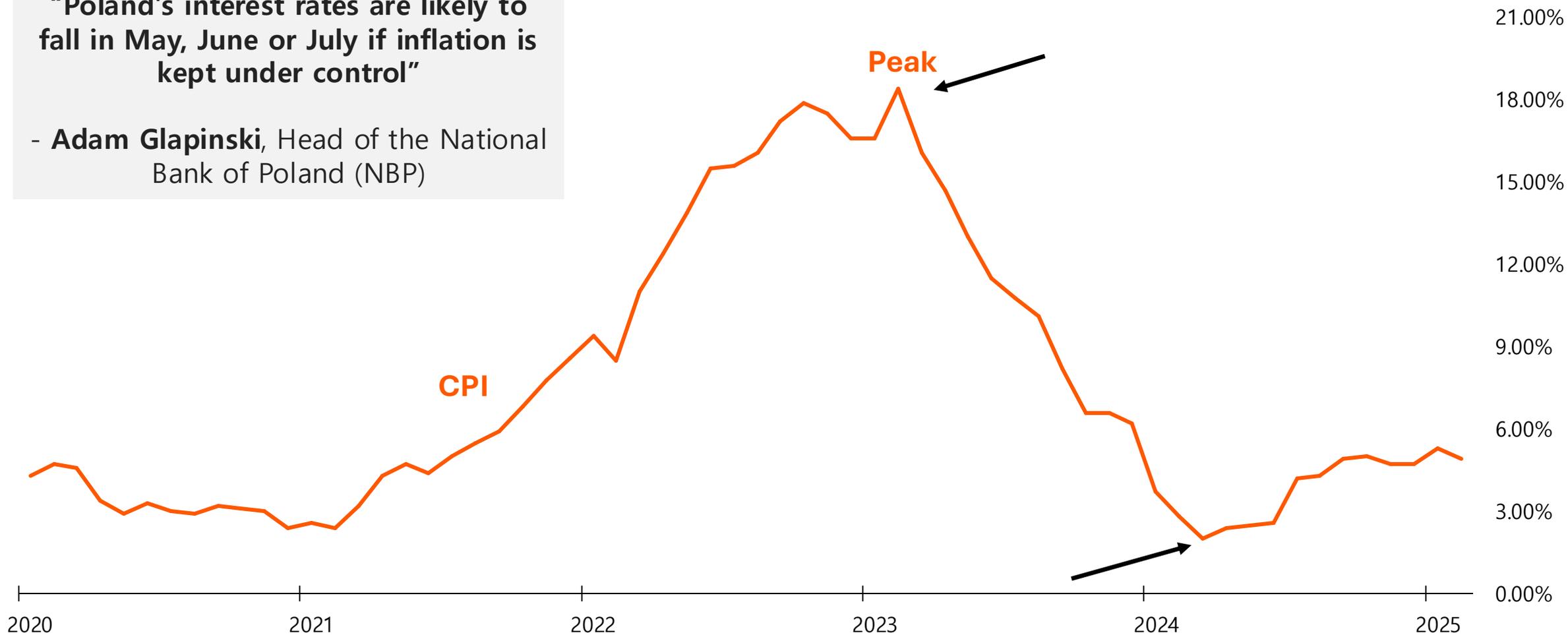
Source: GUS, NBP, Kozminski University Team Analysis

Inflation rate in Poland over the years



“Poland's interest rates are likely to fall in May, June or July if inflation is kept under control”

- **Adam Glapinski**, Head of the National Bank of Poland (NBP)



Source: GUS, NBP, Kozminski University Team Analysis

Mortgage programme analysis

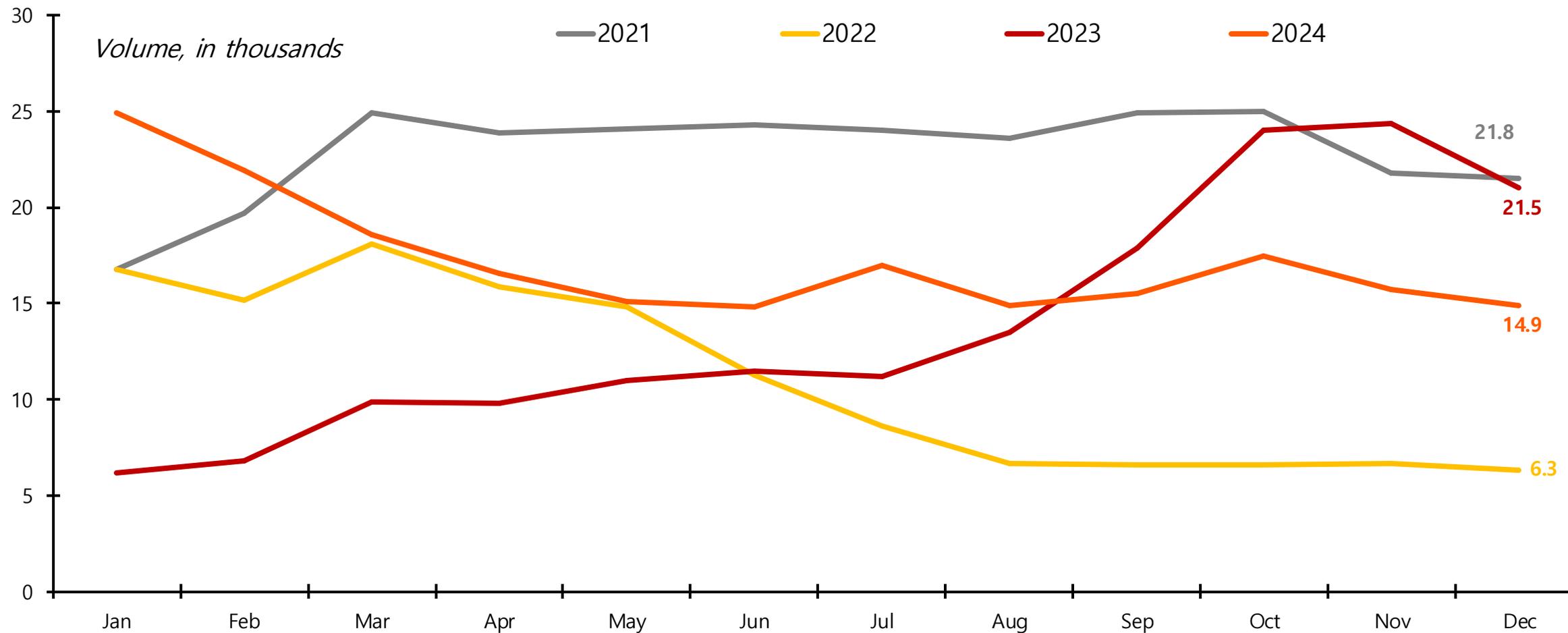


The contemplated change in the design of the loan programme from interest subsidies to equity subsidies (such as Housing for young people program) is likely to result in lower beneficiaries.

	Family housing support program (2007-2012)	Housing for young people program (2014-2018)	2% Safe mortgage program (2023)																														
Operating model	<ul style="list-style-type: none"> - Loan interest subsidy (approx. 50%) - Loan interest subsidy applies for 8 years - Level of subsidy dependent on size of property - Programme funds allocated on an ongoing basis 	<ul style="list-style-type: none"> - 10% subsidy of own contribution - The amount of the subsidy depends on the size of the family - Price and floor space limit - Order-of-application principle with annual limit 	<ul style="list-style-type: none"> - Loan interest subsidy (approx. 2%) - State interest rate of the loan instalment, depending on the size of the household - Loan subsidy applies for 10 years - First come first served 																														
Limitation of availability	<ul style="list-style-type: none"> - Price per m2 and metre limit - No income limit - No previous ownership of the property - Age limit 	<ul style="list-style-type: none"> - Price per m2 and metre limit - No income limit - No previous ownership of the property - Age limit 	<ul style="list-style-type: none"> - No limit on price per m2 and no limit on metrage - Limit on the total amount of credit of 600k (500k mortgage + 100k own funds) - No income limit - No previous ownership of the property - Age limit 																														
Number of credit realised	<table border="1"> <tr><th>Year</th><td>2007</td><td>2008</td><td>2009</td><td>2010</td><td>2011</td><td>2012</td></tr> <tr><th>Value</th><td>4.0k</td><td>6.6k</td><td>30.9k</td><td>43.1k</td><td>51.3k</td><td>56.4k</td></tr> </table>	Year	2007	2008	2009	2010	2011	2012	Value	4.0k	6.6k	30.9k	43.1k	51.3k	56.4k	<table border="1"> <tr><th>Year</th><td>2014</td><td>2015</td><td>2016</td><td>2017</td><td>2018</td></tr> <tr><th>Value</th><td>9.1k</td><td>21.9k</td><td>27.1k</td><td>26.5k</td><td>25.7k</td></tr> </table>	Year	2014	2015	2016	2017	2018	Value	9.1k	21.9k	27.1k	26.5k	25.7k	<table border="1"> <tr><th>Period</th><td>VII-XII.2023</td></tr> <tr><th>Value</th><td>85.4k</td></tr> </table>	Period	VII-XII.2023	Value	85.4k
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Period	VII-XII.2023																																
Value	85.4k																																

Source: BGK, BIK

Volume of mortgage

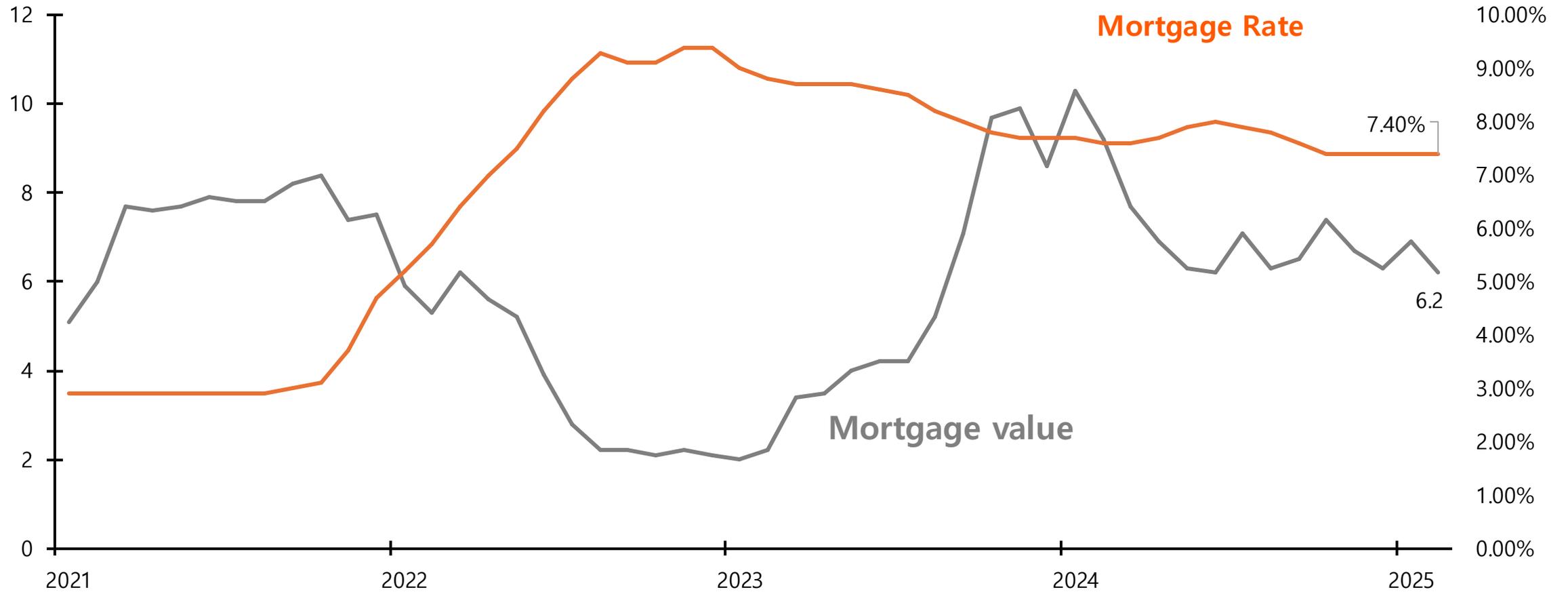


Source: GUS, BIK, Kozminski University Team Analysis

Mortgage rates and value

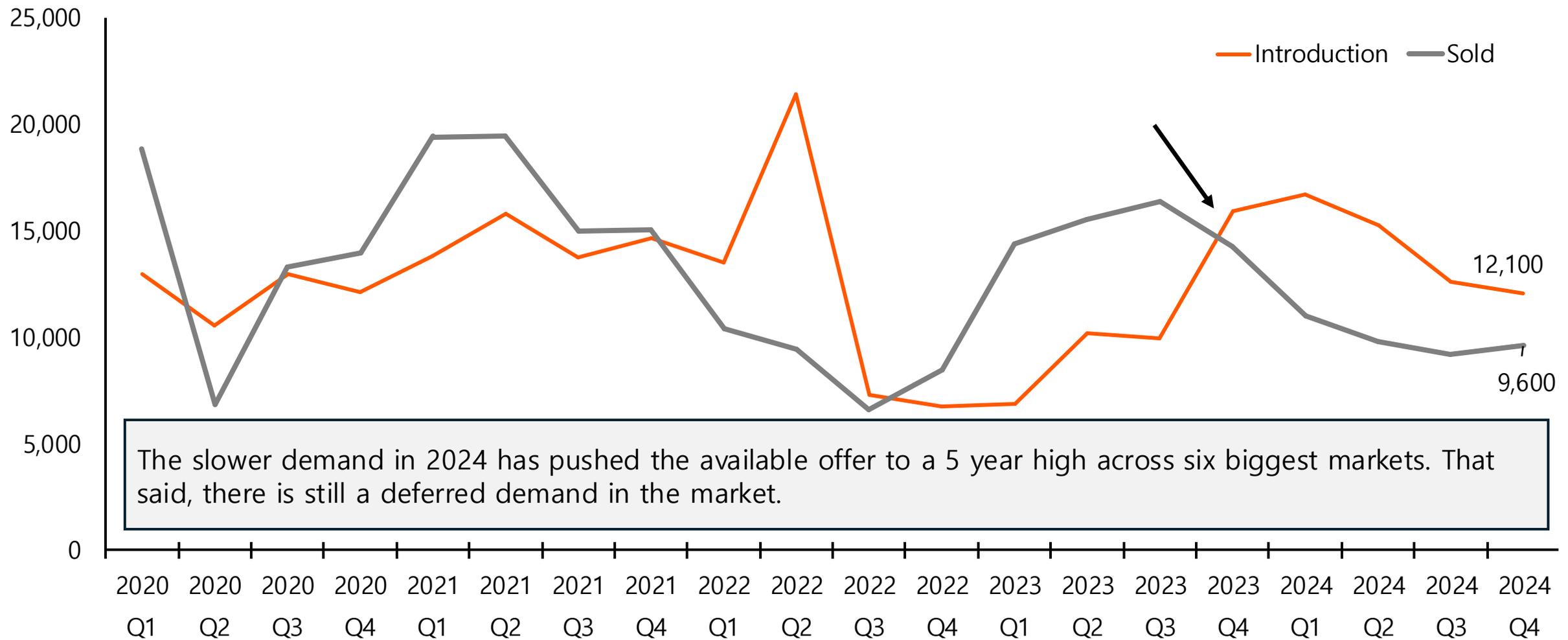


Mortgage rate (%) and mortgage value (PLN b)



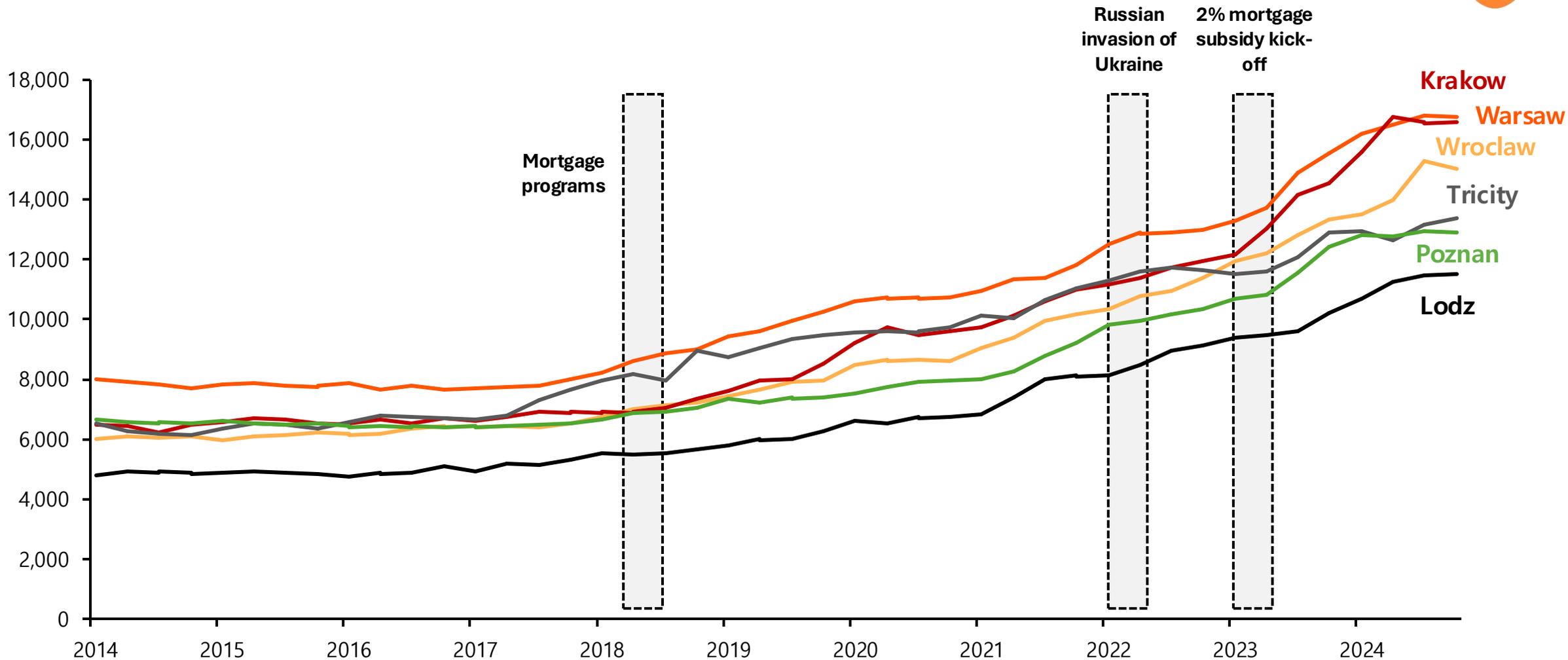
Source: GUS, NBP, Kozminski University Team Analysis

Apartments introduced exceed apartments sold



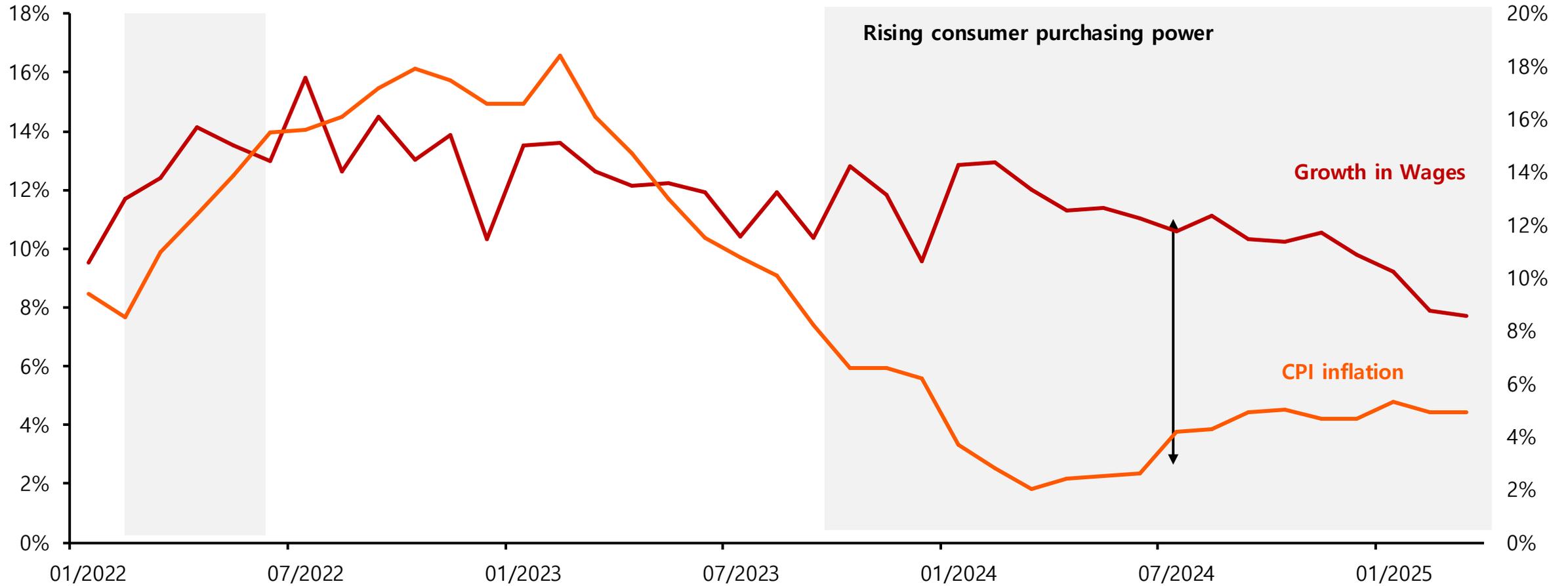
Source: GUS, NBP, Kozminski University Team Analysis

Price per sqm in key cities in Poland, PLN



Source: NBP, Kozminski University Team Analysis

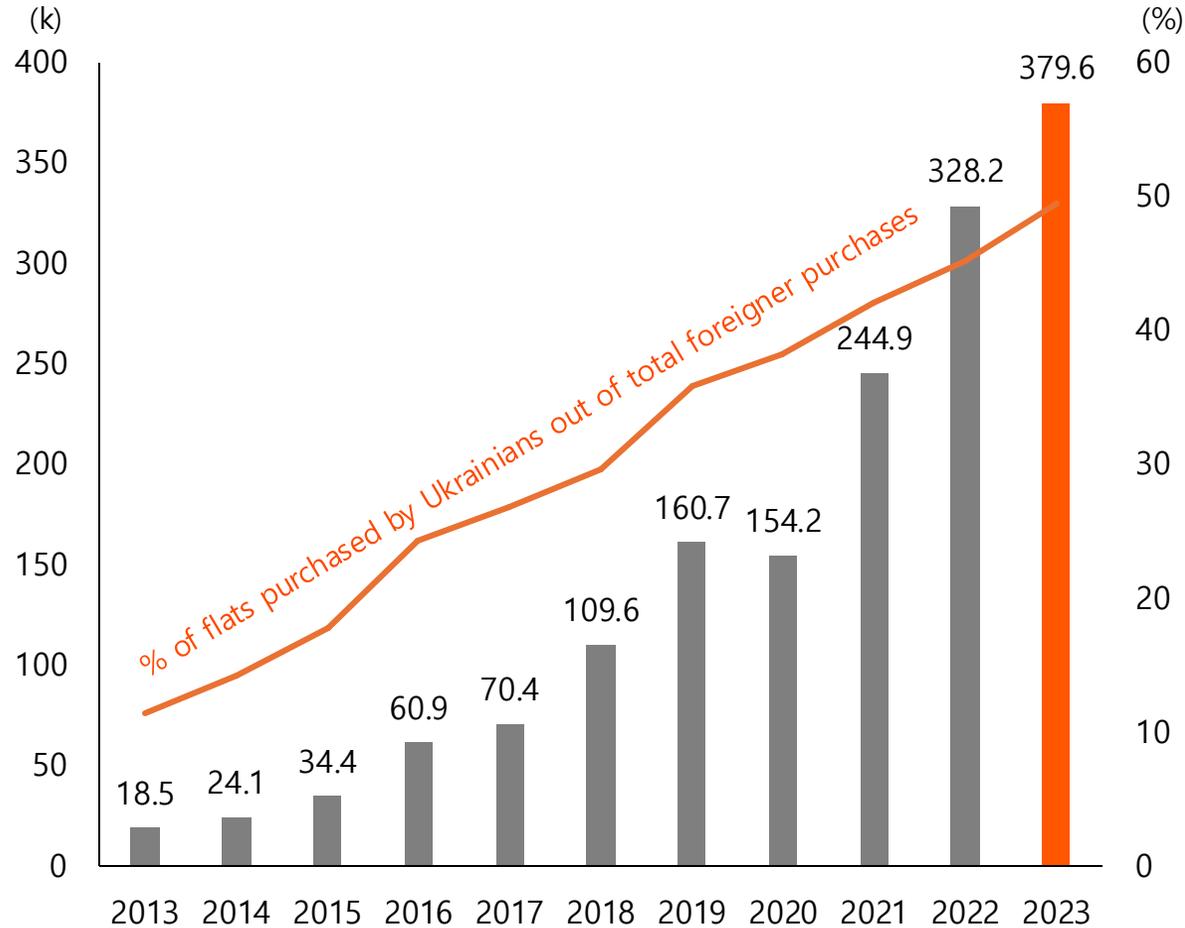
Salary growth > CPI inflation



Rising per sqm prices after Ukraine crisis

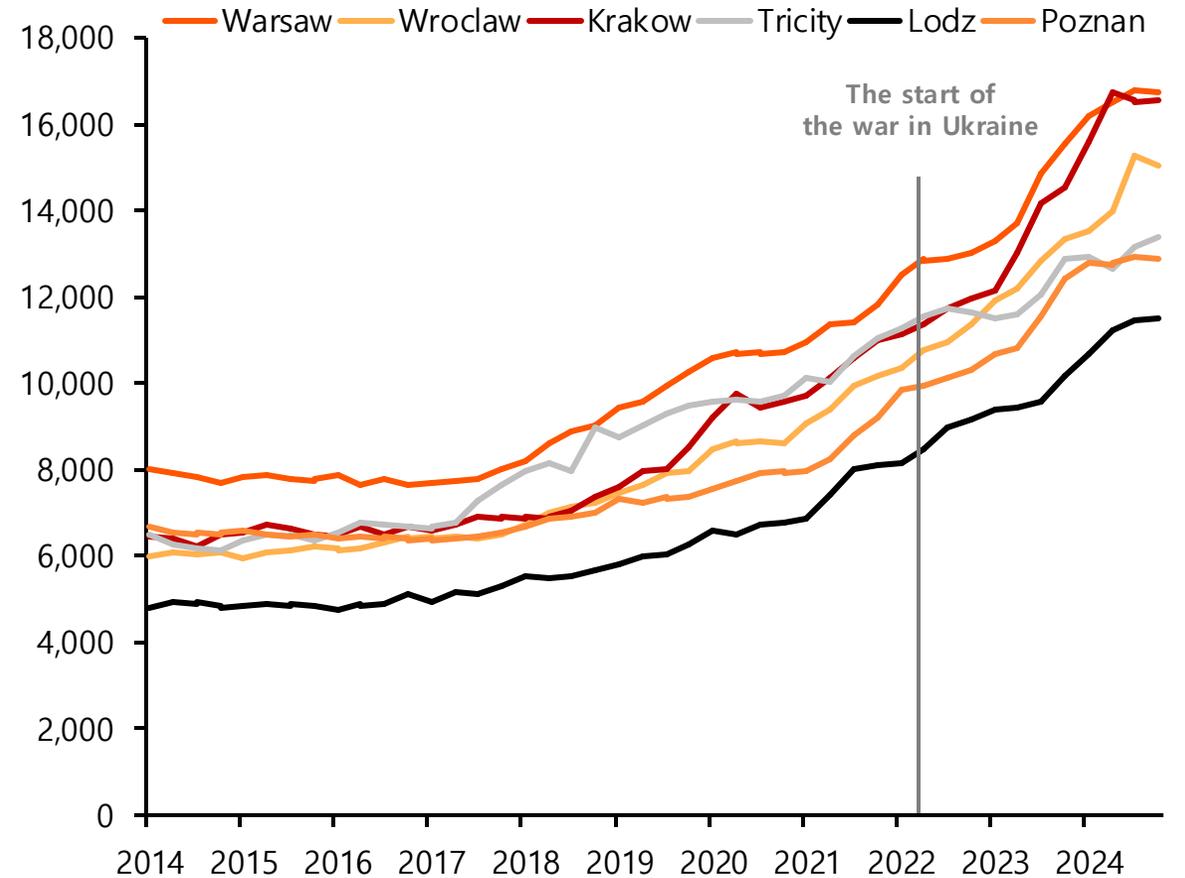


Sqm in thousands purchased by Ukrainians and % in overall apartments purchased by foreigners



Source: NBP, Kozminski University Team Analysis

Apartment prices per sqm on the primary market in six major cities, PLN

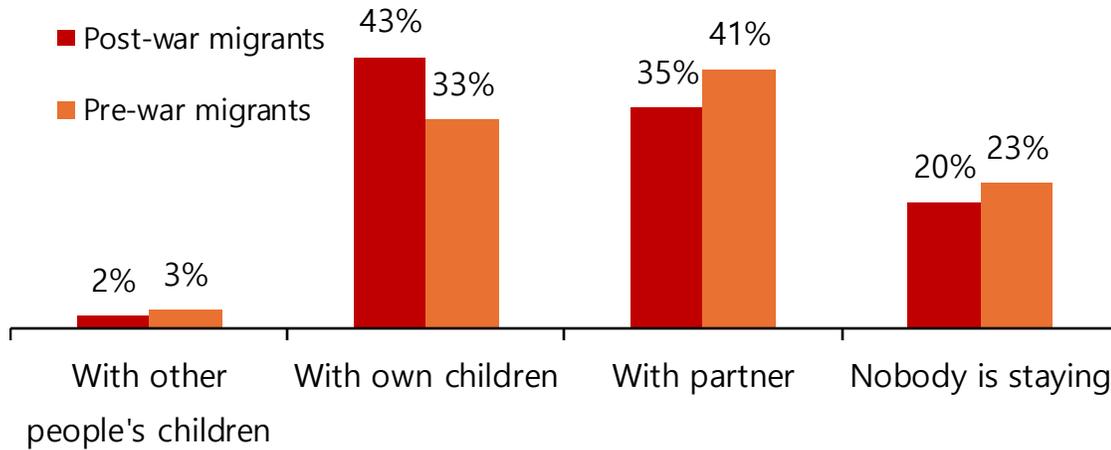


Source: Company Presentations, NBP, Statista, Kozminski University Team Analysis

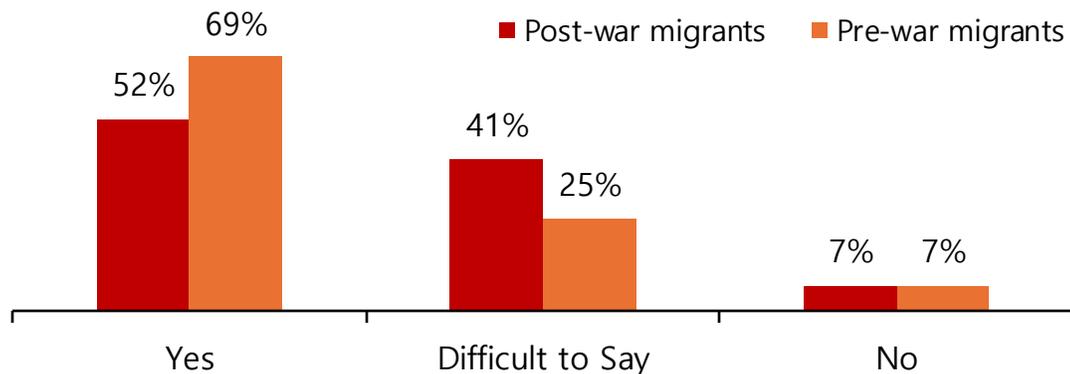
NBP survey of Ukrainians living in Poland



Immediate family members residing in Poland

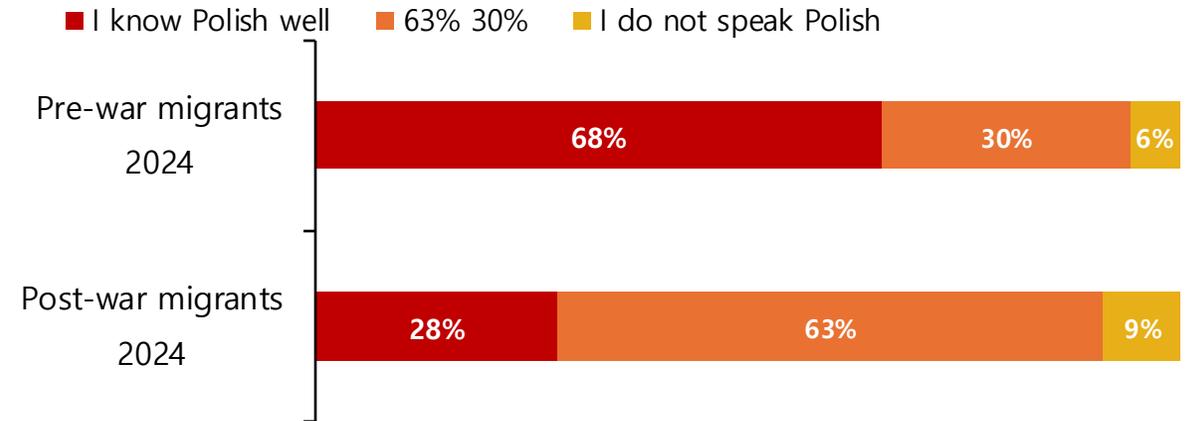


Immigrants on if their kids will stay in Poland for long term

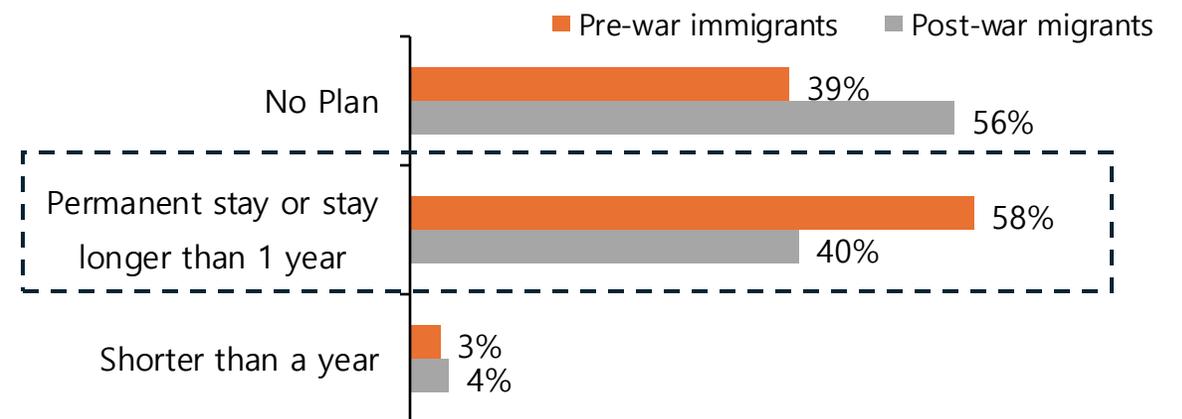


Source: National Bank of Poland, Kozminski University Team Analysis

Knowledge of the Polish language among migrants



Plans to reside in Poland in the future



Salary growth and construction cost split

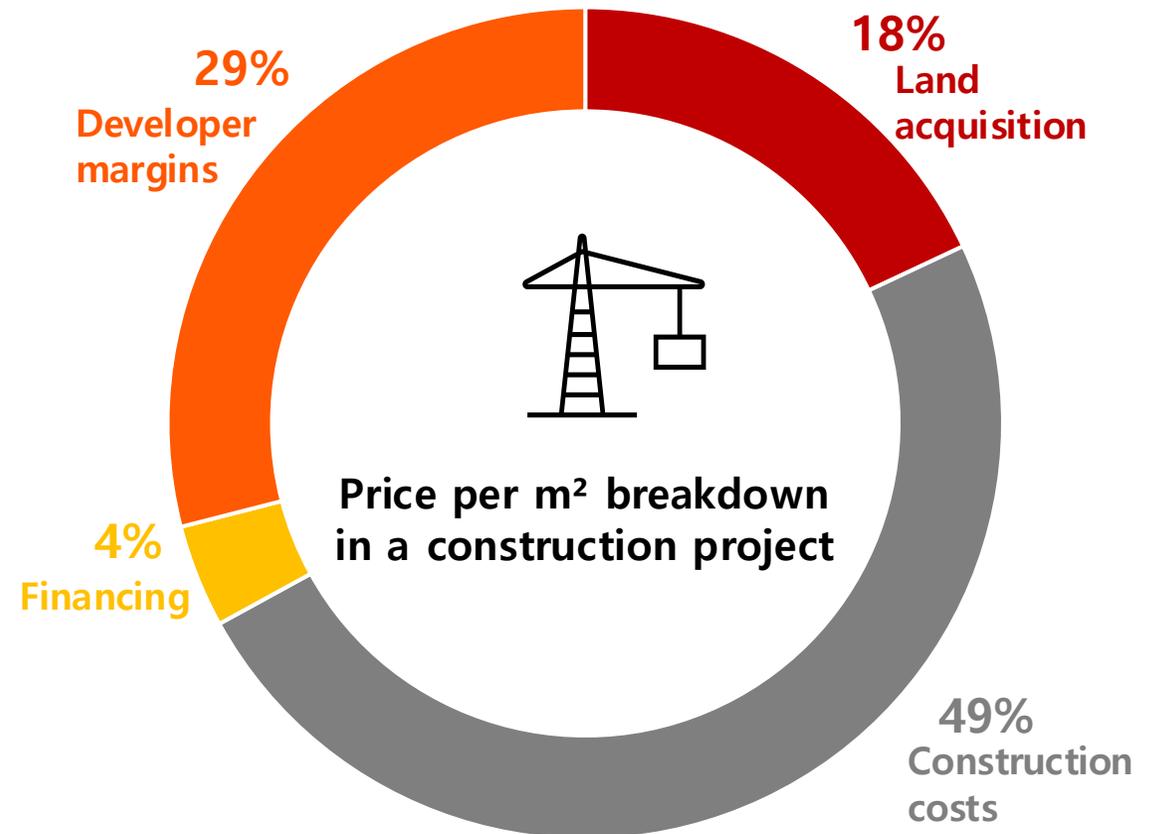


Average salary (PLN) and YoY growth in 2024



Average salaries and YoY growth

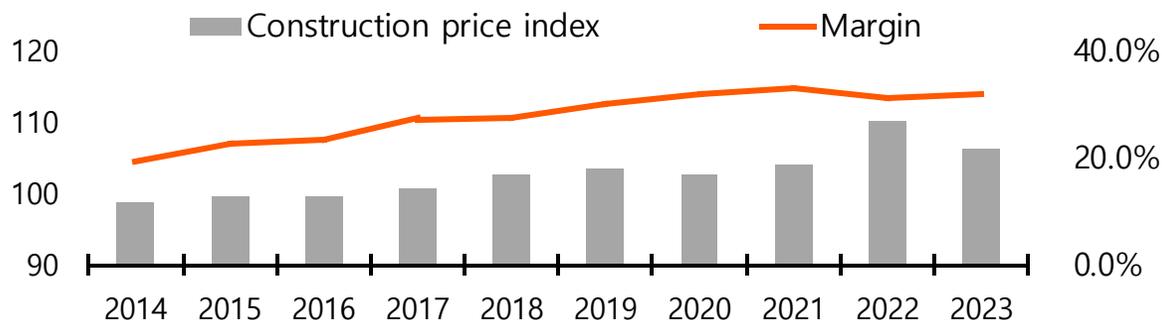
Cost of construction split



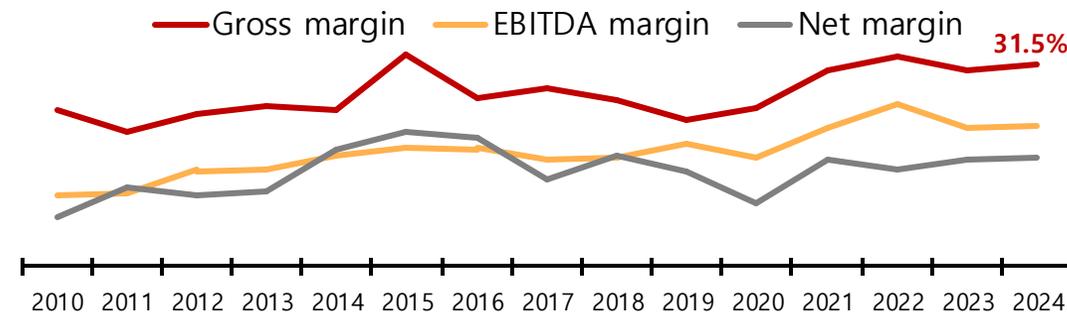
Our Outlook on Margin Compression in Real Estate Sector



DOM has passed on costs to customers in the past



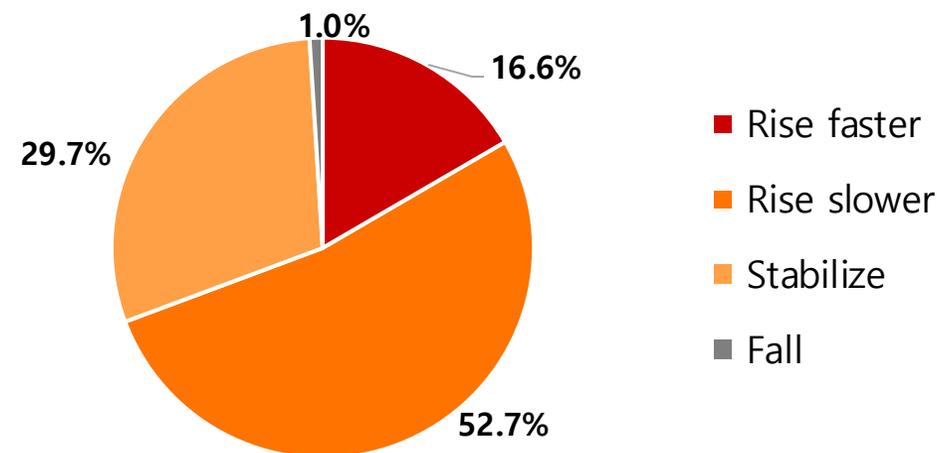
But we don't believe the company can do so forever



Why do we believe margins will be under pressure?

DOM's Chairman comments	Early signs of weakening margins	Land availability is reducing
Industry reports – NBP, JLL	Our expert interviews	Business Tendency Survey

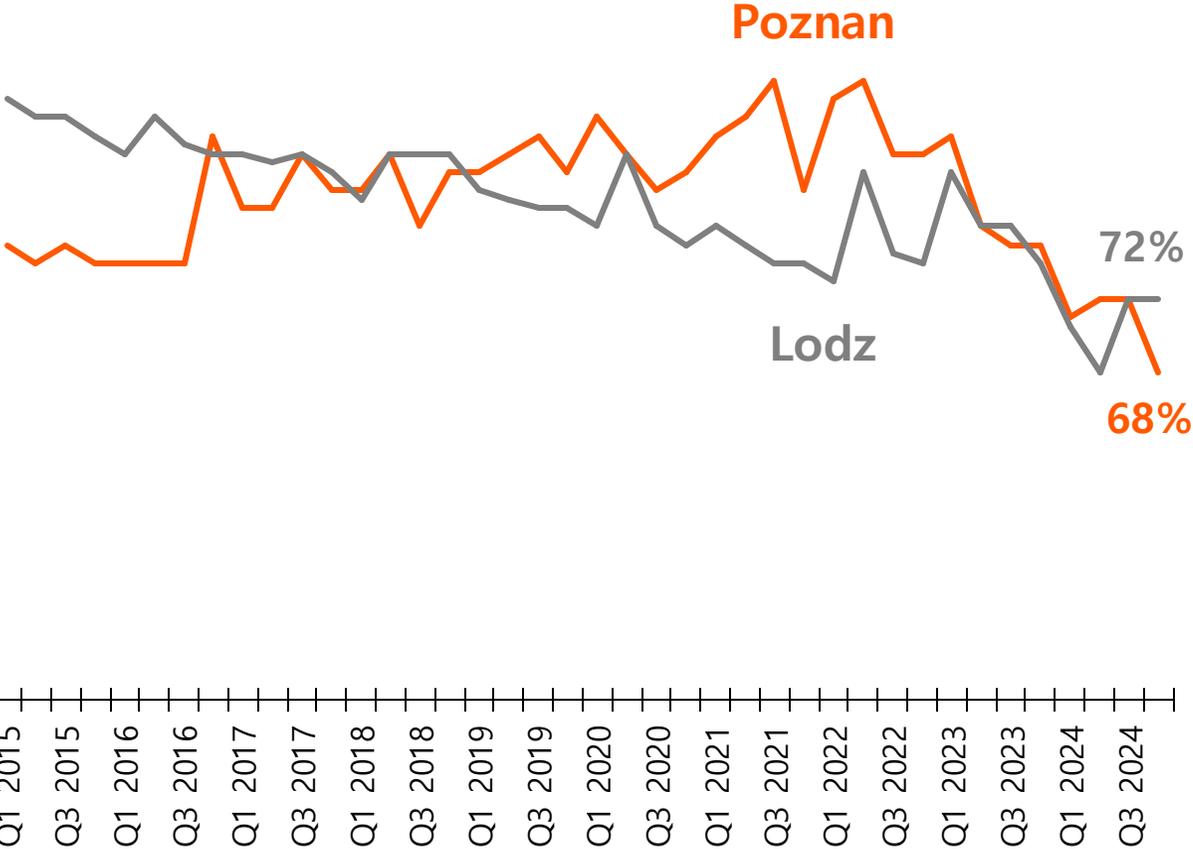
How will prices of raw materials change in a year?



Geographic expansion opportunities for Dom Development



Project costs as a % of total revenue



Explanation

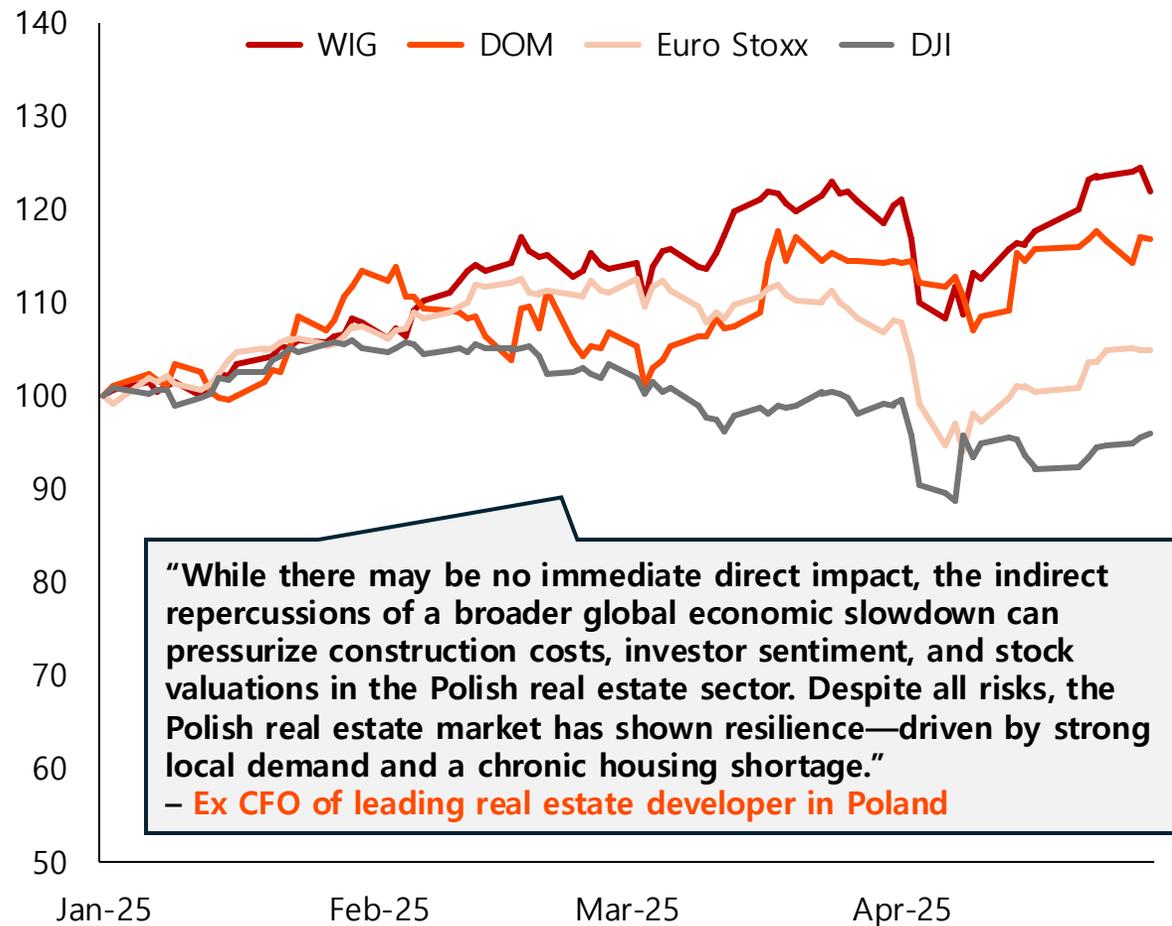
- Poznan and Lodz are only the two 'big residential markets in Poland that Dom Development doesn't operate in.
- The Group has not entered Poznan or Lodz due to their lower margins compared to existing locations, making them less attractive at present.
- Poznan shows stronger long-term indicators. With a forecasted population that will continue to grow and higher average salary growth in recent years, it presents a more promising opportunity for future expansion as the market matures

Source: NBP, Kozminski University Team Analysis

Current global uncertainties: Trump, Tariffs and Tensions



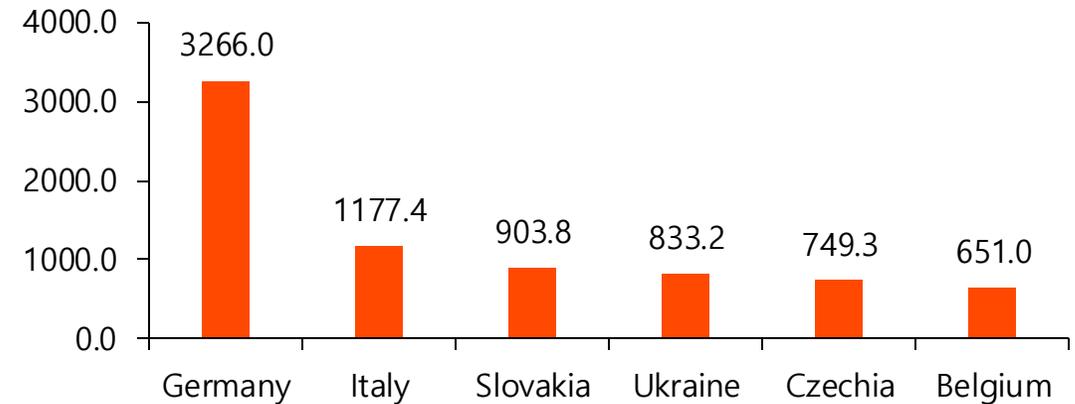
Performance of Dom Development against major domestic, regional, and global stock indices YTD, rebased to 100 (2nd Jan = 100)



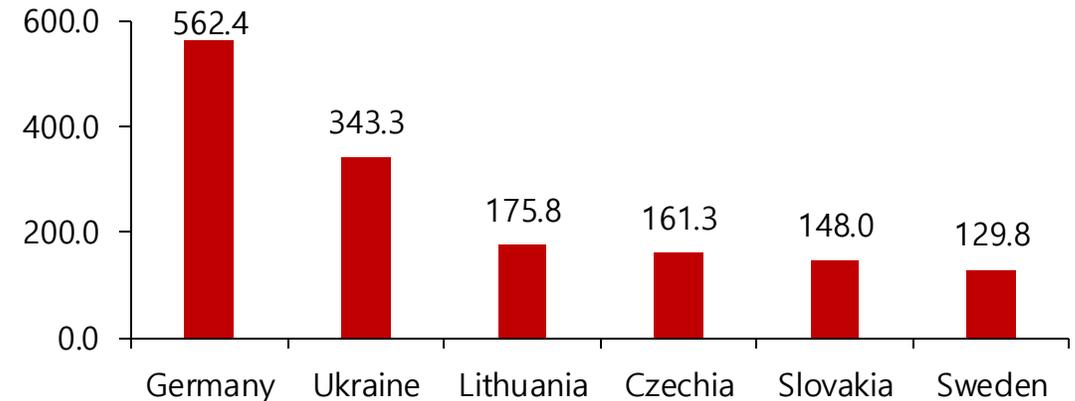
“While there may be no immediate direct impact, the indirect repercussions of a broader global economic slowdown can pressurize construction costs, investor sentiment, and stock valuations in the Polish real estate sector. Despite all risks, the Polish real estate market has shown resilience—driven by strong local demand and a chronic housing shortage.”
 – Ex CFO of leading real estate developer in Poland

Source: Kozminski University Team Analysis, as of 7 Apr 2025

Import of Iron and Steel by Poland (in \$ millions)



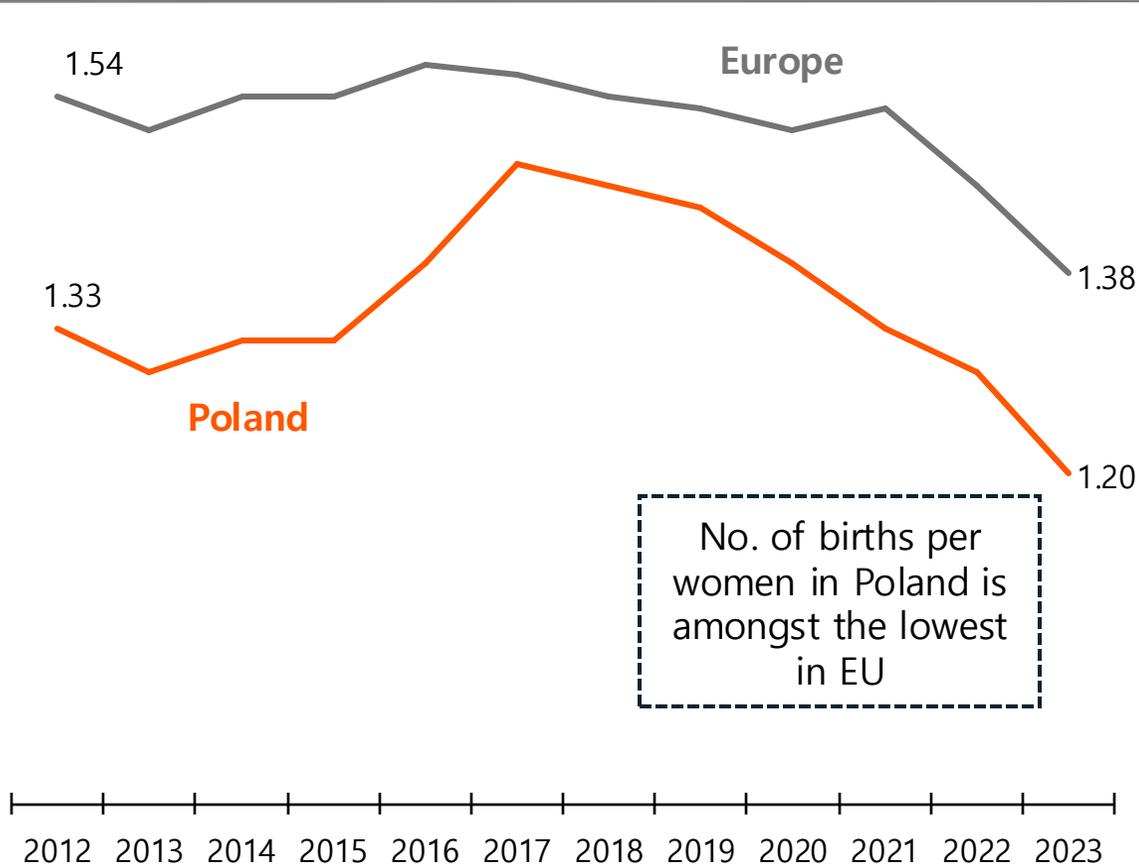
Import of wood and wood products by Poland (in \$ millions)



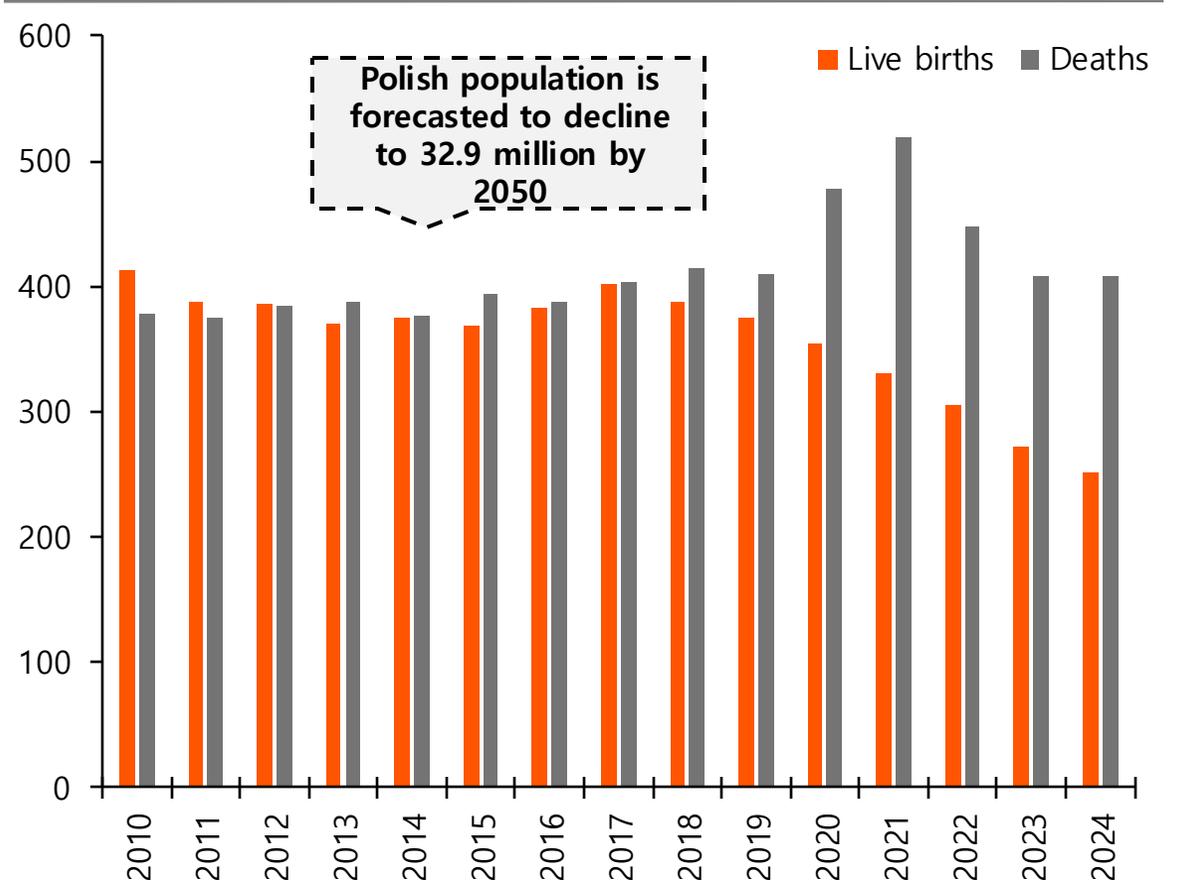
Demographic trends in Poland



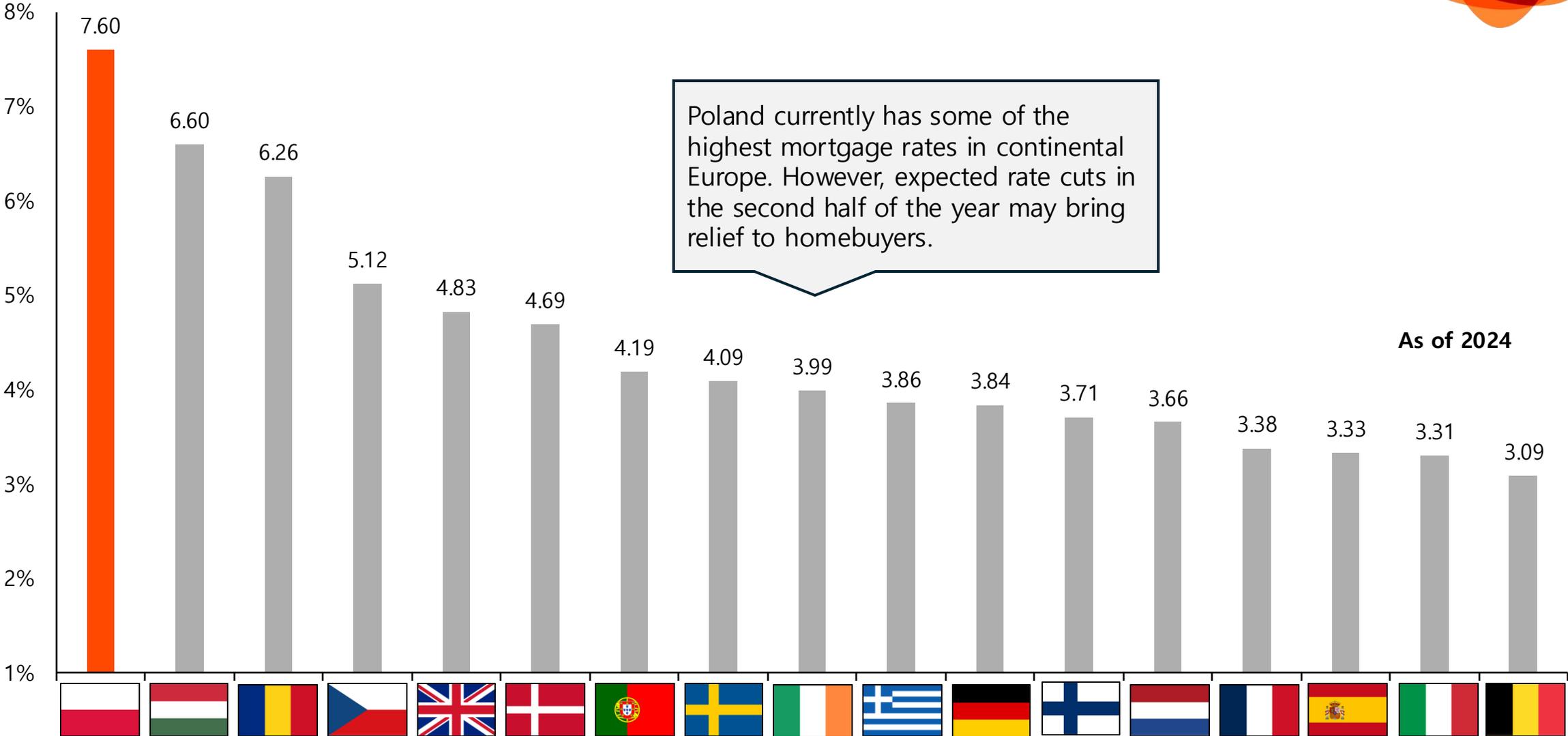
Total fertility rate - Europe vs. Poland



Live births and deaths, in thousands in Poland



Weighted average mortgage rates in continental Europe, (%)

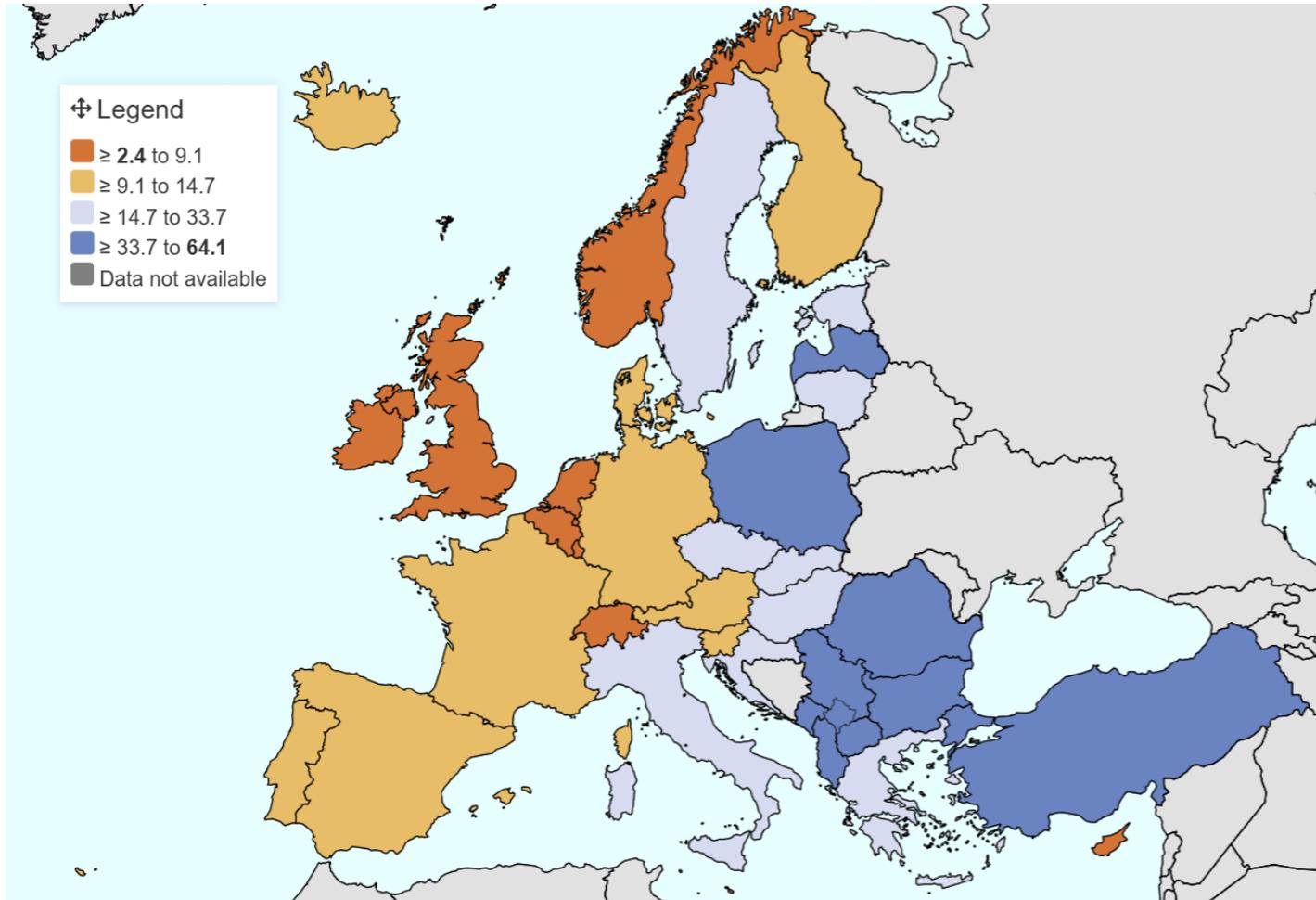


Poland currently has some of the highest mortgage rates in continental Europe. However, expected rate cuts in the second half of the year may bring relief to homebuyers.

As of 2024

Source: European Mortgage Federation, Kozminski University Team Analysis

What is overcrowding ratio?



Overcrowding rate is defined as the percentage of the population living in an overcrowded household



Minimum 1 bedroom:

- Per household
- Per couple or adult
- Per pair of teen
- Per pair of children under 12



36%+ population of Poland lives in overcrowded households

Dom has capitalized on 30 years of Poland's dynamic growth



Dom Development is the star player of Polish economic growth story



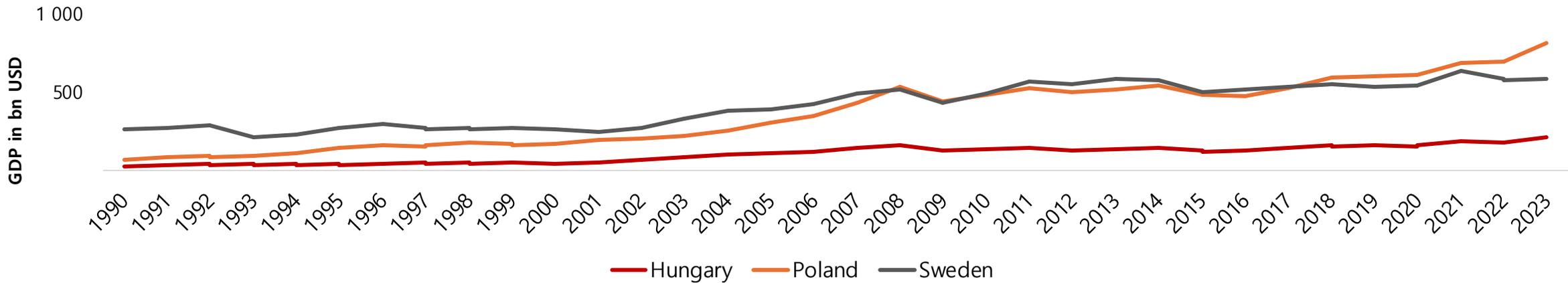
Poland embraces free-market capitalism after years of central planning



2004 – Poland joins the common European market



Poland has a strong and stable economy with perfect conditions for business



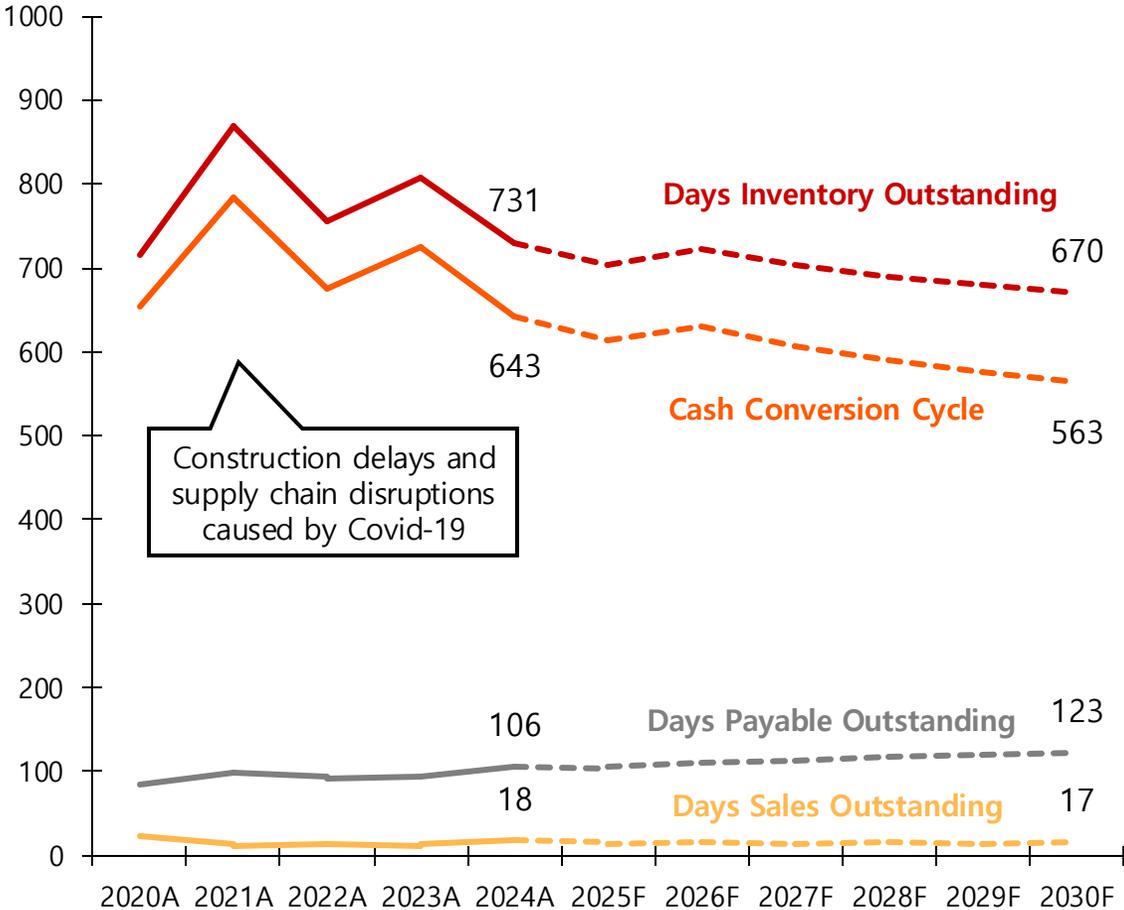
Source: Eurostat, Kozminski University Team Analysis

FINANCIALS

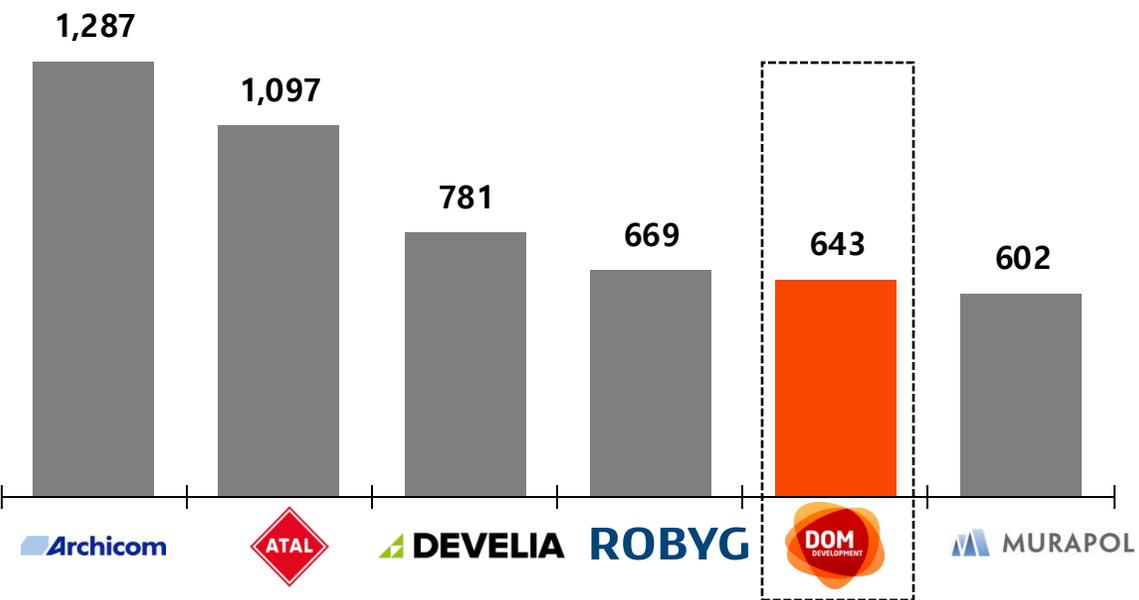
Cash Conversion Cycle Analysis



Historical Cash Conversion Cycle – Dom Development (Days)



CCC | Dom vs. Competitors (2024A, Days)



Dom Development maintains a **cash conversion cycle** of approximately **550-750 days**, significantly **outperforming** its public peers average of **887 days** in 2024. This efficiency highlights the company's **strong financial management** and **operational excellence** over its competitors.

Source: Kozminski University Team Analysis, Company Reports

Working Capital Analysis

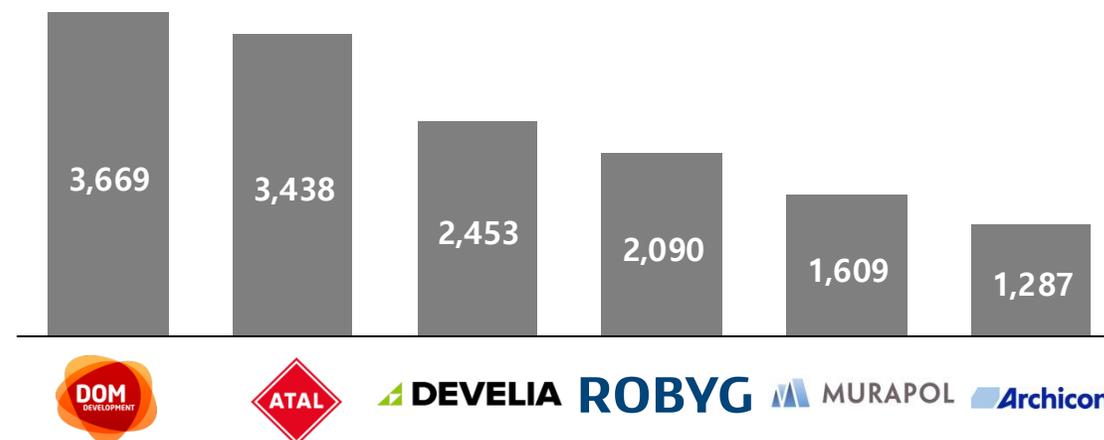


Historical Working Capital (excl. Cash) - Dom Development, PLN million

	2019A	2020A	2021A	2022A	2023A	2024A	2025F	2026F	2027F	2028F	2029F	2030F
Receivables	63	118	68	91	88	160	157	179	187	204	215	230
Inventories	2,510	2,424	3,025	3,443	3,837	4,301	4,828	5,234	5,614	5,976	6,358	6,729
Account payables	356	326	392	483	509	712	819	911	1,024	1,148	1,273	1,408
Accruals and provisions	37	50	64	71	82	110	148	154	168	180	191	254
Working capital (without cash)	2,184	2,170	2,642	2,986	3,412	3,669	4,030	4,369	4,622	4,867	5,124	5,313
Working capital investments	991	-13	471	345	426	256	361	339	253	245	257	189

The company effectively manages its net working capital (NWC) through disciplined inventory turnover, efficient receivables collection, and strong cash flow generation. Its ability to pre-sell units before completion reduces the need for significant working capital, while its established supplier relationships and access to financing ensure operational flexibility.

Net Working Capital (PLN m) | Dom vs. Competitors (2024A)

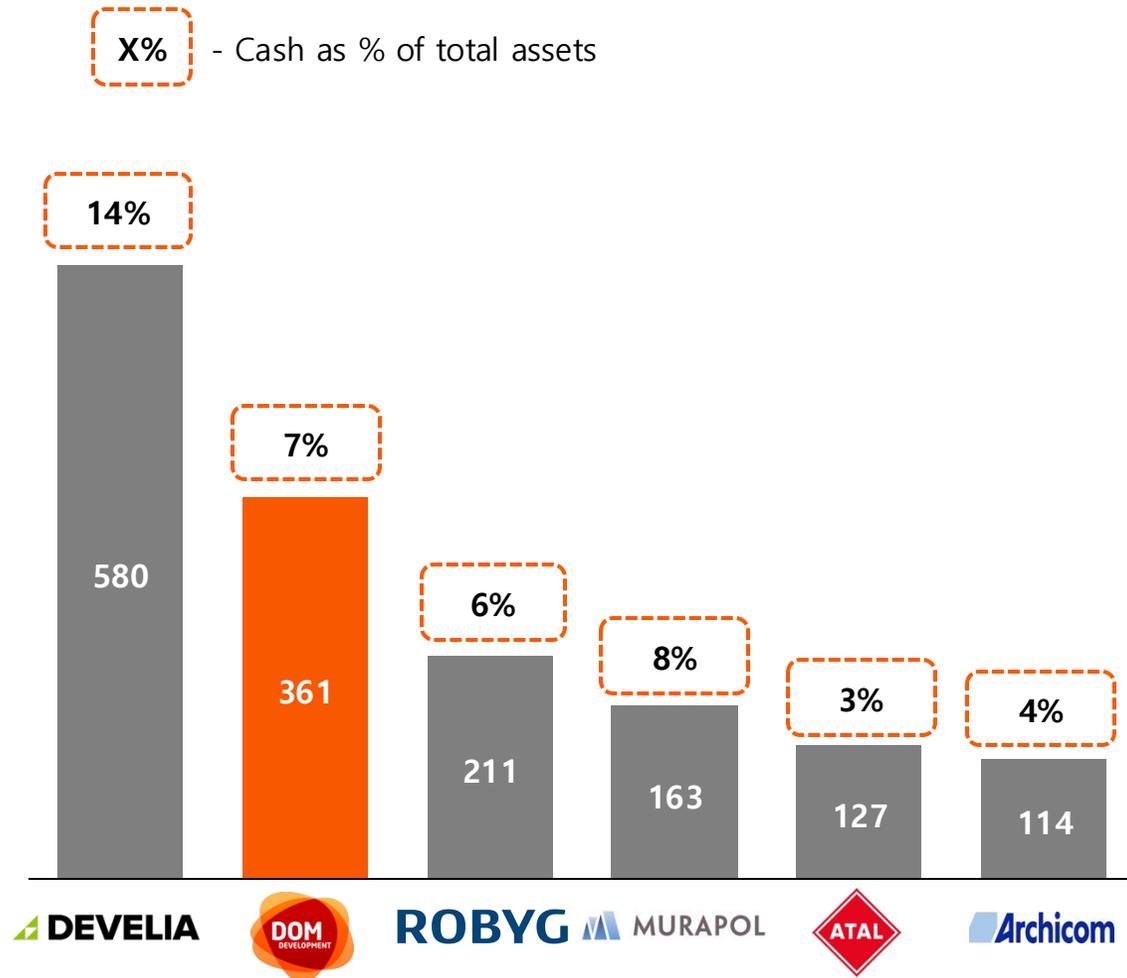


Source: Kozminski University Team Analysis, Company Reports

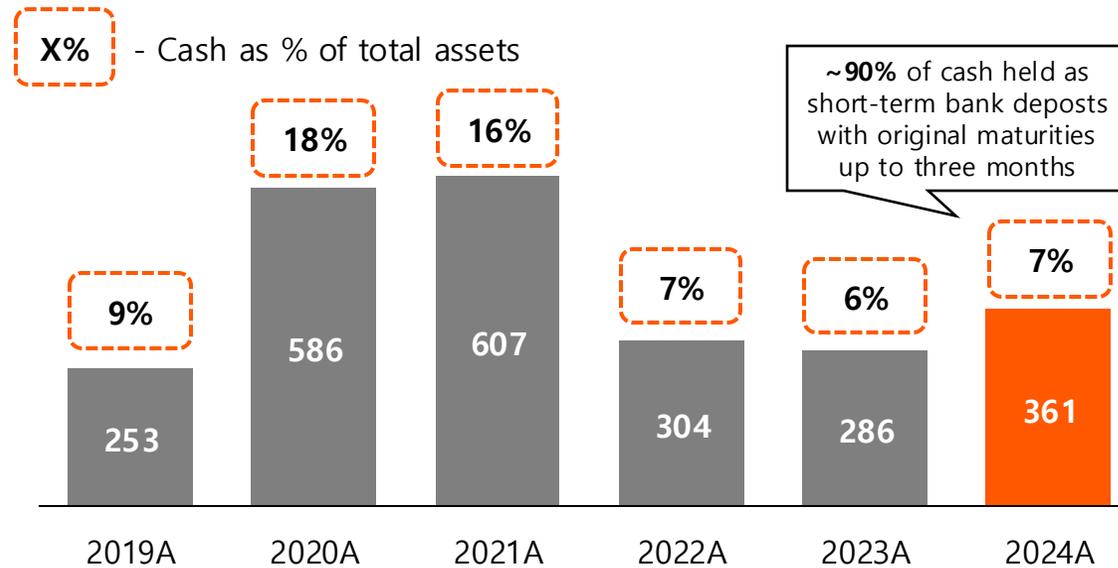
Cash Levels and Liquidity Buffers



Cash level (PLN m) – Dom vs competitors (2024A)



Dom Development - historical cash (PLN m)



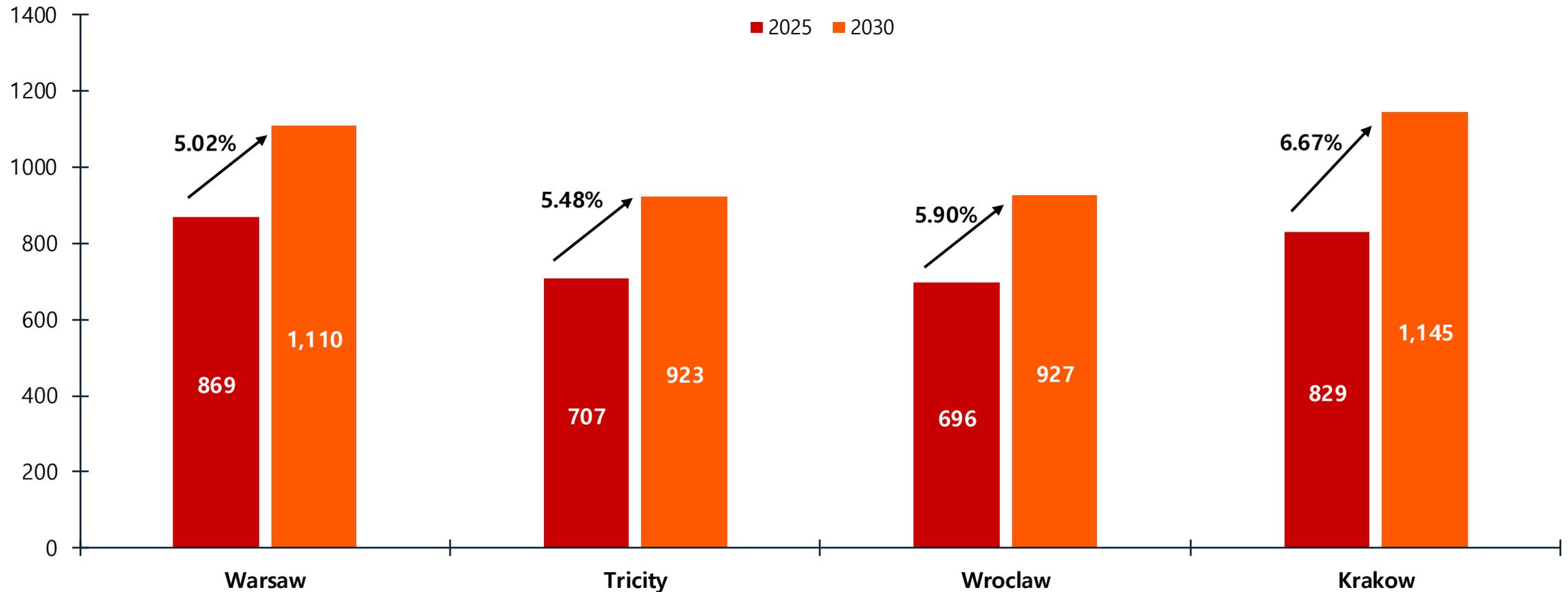
- 1 Stable levels of cash allows the company to act quickly on potential land bank acquisitions
- 2 Sufficient liquidity buffer for daily operations even in the case of excessive market volatility and potential economic downturns
- 3 Reduced reliance on external financing

Source: Kozminski University Team Analysis

CAGR for a single handover unit price in projection period



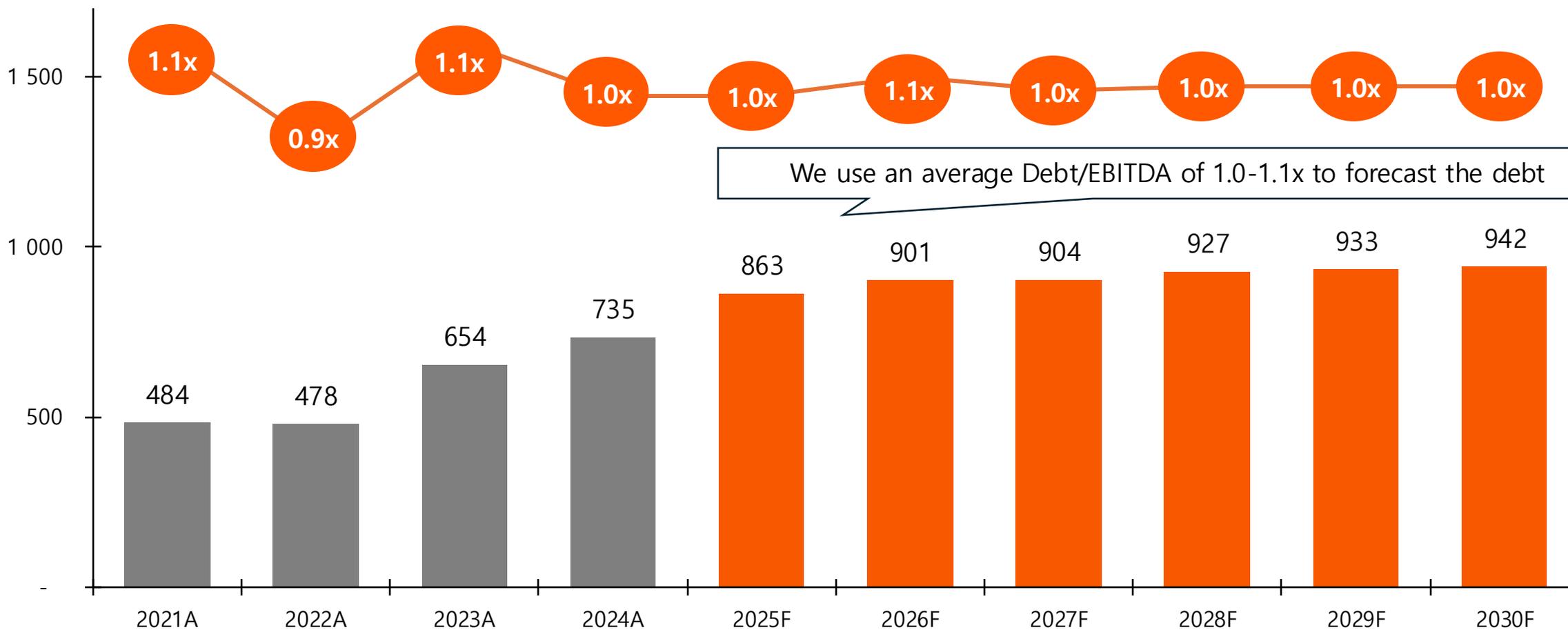
Transaction price per unit (PLN thousands) by cities during forecast period



Debt forecast and assumptions



Debt forecast (2019A – 2030F | PLN m)

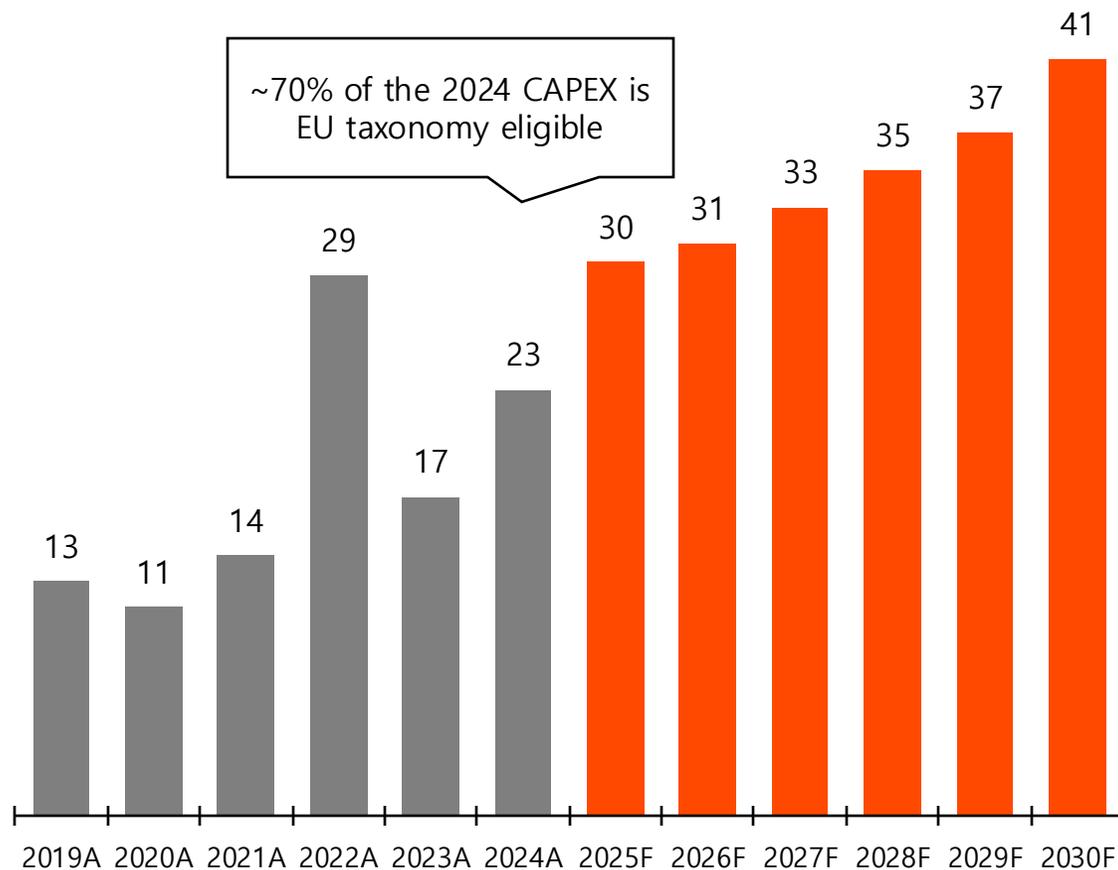


Source: Company reports, Kozminski University Team Analysis

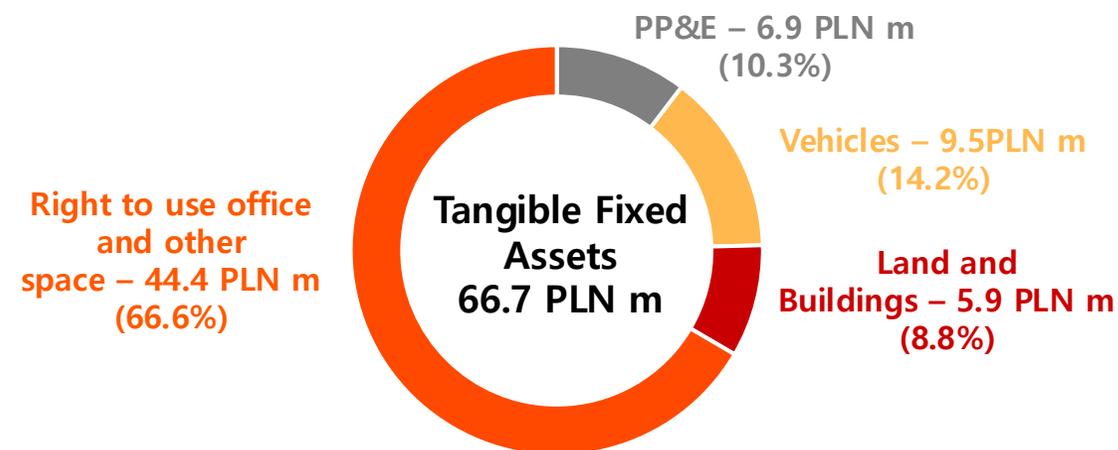
CAPEX in the projection period



CAPEX (PLN m)



Main components of fixed assets (2024A)



Source: Kozminski University Team Analysis

Revolving credit facility



KEY DETAILS OF THE GROUP'S CREDIT FACILITIES

- Credit facility with PKO BP (granted to Dom Development S.A. and Euro Styl S.A.)

Revolving credit facility of up to PLN 230,000 thousand. Under the terms of the facility agreement, Euro Styl S.A. may utilise up to PLN 50,000 thousand of this limit. As at 31 December 2024, neither Dom Development S.A. nor Euro Styl S.A. had drawn any funds under the facility.

- Credit facility with mBank (granted to Dom Development S.A, Dom Development Wrocław Sp. z o.o. and Euro Styl S.A.)

Revolving credit facility of up to PLN 200,000 thousand. Under the terms of the facility agreement, Dom Development Wrocław Sp. z o.o. and Euro Styl S.A. may utilise up to PLN 60,000 thousand and PLN 100,000 thousand, respectively. As at 31 December 2024, neither Dom Development S.A. nor any other Group company had drawn any funds under the facility.

- Credit facility with Bank Millennium (granted to Dom Development S.A.)

Revolving credit facility of up to PLN 85,000 thousand. As at 31 December 2024, Dom Development S.A. had not drawn any funds under the facility.

- Credit facility with ING Bank Śląski (granted to Dom Development S.A.)

PLN-denominated overdraft facility of up to PLN 50,000 thousand. As at 31 December 2024, Dom Development S.A. had not drawn any funds under the facility.

- Credit facility with VeloBank (granted to Dom Development S.A.)

Revolving working capital facility of up to PLN 60,000 thousand. As at 31 December 2024, Dom Development S.A. had not drawn any funds under the facility.

The line item Bank borrowings reflects the principal amount of the liabilities, while interest accrued as at the reporting date is presented separately under Accrued interest under bank borrowings and bonds.

As the credit facility interest rates are linked to the WIBOR rate, the Management Board estimates the fair value of the Company's credit facilities to be approximately equal to their carrying amounts, including accrued interest.



~PLN
625 m

Profit and loss statement



Profit and loss statement (2019A – 2030F)

Income Statement (PLN m)	2019A	2020A	2021A	2022A	2023A	2024A	2025F	2026F	2027F	2028F	2029F	2030F
Total revenue*	1,671	1,819	1,903	2,437	2,575	3,189	3,712	3,882	4,214	4,512	4,802	5,108
COGS	1,162	1,236	1,272	1,664	1,735	2,149	2,508	2,645	2,917	3,161	3,412	3,666
Gross profit	509	583	631	774	840	1,040	1,204	1,237	1,297	1,351	1,390	1,442
OPEX	173	182	202	255	261	318	361	384	422	458	495	534
EBITDA	336	401	429	519	579	722	843	853	875	893	895	908
Depreciation	15	15	16	18	21	25	26	27	28	29	31	32
EBIT	321	386	413	502	558	697	817	826	847	864	865	875
Financial profit/loss	(0)	(8)	(8)	11	15	9	9	9	9	8	8	9
EBT	320	379	405	513	573	706	827	835	856	872	873	885
Income tax expense	64	76	80	102	113	137	161	162	166	170	170	172
Net profit	256	302	325	410	460	569	666	672	689	703	703	713

*Total revenue including other income, where other income on average is equal to 25 PLN m

Source: Kozminski University Team Analysis, Company Reports

Balance sheet



Balance sheet (2019A – 2030F)

Balance Sheet (PLN m)	2019A	2020A	2021A	2022A	2023A	2024A	2025F	2026F	2027F	2028F	2029F	2030F
Fixed and intangible assets	63	61	79	100	101	106	110	114	119	125	132	141
Non-operational assets	57	11	67	133	145	270	247	252	267	281	297	310
Total non-current assets	120	72	146	232	246	376	357	366	386	406	429	450
Inventories	2,510	2,424	3,025	3,443	3,837	4,301	4,828	5,243	5,614	5,976	6,358	6,729
Receivables	63	118	68	91	88	160	157	179	187	204	215	230
Other current assets	5	5	5	8	77	29	12	12	13	14	15	16
Cash and Cash Equivalents	253	586	607	304	286	361	481	478	602	731	795	878
Total current assets	2,831	3,132	3,705	3,845	4,289	4,851	5,477	5,913	6,416	6,926	7,382	7,853
Total assets	2,950	3,204	3,851	4,078	4,535	5,226	5,834	6,279	6,802	7,332	7,811	8,303
Total shareholders' equity	1,084	1,157	1,249	1,413	1,450	1,702	2,027	2,292	2,550	2,787	2,984	3,152
Long-term & short-term debt	571	485	484	478	654	735	863	901	904	927	933	942
Other long-term liabilities	68	75	106	80	108	94	94	94	94	94	94	94
Accruals and provisions	37	50	64	71	82	110	148	154	168	180	191	254
Account payables	356	326	392	483	509	712	819	911	1,024	1,148	1,273	1,408
Deferred income	834	1,111	1,556	1,551	1,734	1,874	1,884	1,927	2,063	2,196	2,336	2,453
Total Liabilities	1,866	2,047	2,602	2,665	3,086	3,525	3,807	3,987	4,252	4,545	4,827	5,151
Total equity & liabilities	2,950	3,204	3,851	4,078	4,535	5,226	5,834	6,279	6,802	7,332	7,811	8,303

Source: Kozminski University Team Analysis, Company Reports

Cash flow statement



Cash flow statement (2019A – 2030F)

Cash flow statement (PLN m)	2019A	2020A	2021A	2022A	2023A	2024A	2025F	2026F	2027F	2028F	2029F	2030F
Profit before tax	320	379	405	513	573	706	827	835	856	872	873	885
Depreciation	15	15	15	17	21	25	26	27	28	29	31	32
Working capital investment & Non-cash adjustments	(101)	376	28	(225)	(189)	(206)	(329)	(301)	(131)	(126)	(132)	(85)
Interest cost / income	9	13	14	9	10	7	11	12	12	12	12	11
Cash flow from operating activities	244	782	463	313	415	532	535	572	764	788	783	844
Income tax	(82)	(103)	(69)	(110)	(147)	(154)	(161)	(162)	(166)	(170)	(170)	(172)
Net cash flow from operating activities	162	679	394	204	268	378	375	410	598	618	614	672
Net cash flow from investing activities	(18)	(38)	(66)	(216)	(16)	(73)	(30)	(31)	(33)	(35)	(37)	(41)
Change in interest-bearing debt	50	(75)	(59)	(31)	149	87	128	39	2	23	6	9
Proceeds from issue of shares / (Dividends)	(223)	(234)	(246)	(260)	(419)	(318)	(352)	(420)	(443)	(478)	(519)	(556)
Net cash flow from financing activities	(174)	(309)	(306)	(291)	(270)	(231)	(224)	(381)	(441)	(455)	(512)	(547)
Increase / (decrease) in net cash and cash equivalents	(29)	332	21	(303)	(18)	75	120	(3)	124	129	64	83
Cash and cash equivalents – opening balance	282	253	586	607	304	286	361	481	478	602	731	795
Cash and cash equivalents – closing balance	253	586	607	304	286	361	481	478	602	731	795	878

Source: Kozminski University Team Analysis, Company Reports

Key Ratio Analysis



	2020A	2021A	2022A	2023A	2024A	2025F	2026F	2027F	2028F	2029F	2030F
DuPont Analysis											
Gross Margin	32%	33%	31%	32%	32%	32%	32%	30%	30%	29%	28%
EBITDA Margin	22%	23%	21%	23%	23%	23%	22%	21%	20%	19%	18%
Net Profit Margin	17%	17%	17%	18%	18%	18%	17%	16%	16%	15%	14%
Asset Turnover	0.6x	0.5x	0.6x								
Return on Assets	17%	17%	17%	18%	18%	18%	17%	16%	16%	15%	14%
Financial Leverage	2.8x	3.1x	2.9x	3.1x	3.1x	2.9x	2.7x	2.7x	2.6x	2.6x	2.6x
Return on Equity	26%	26%	29%	32%	33%	33%	29%	27%	25%	24%	23%
Return on Invested Capital	28%	28%	26%	25%	30%	32%	30%	29%	28%	27%	25%
Liquidity											
Current Ratio	1.8x	1.7x	1.8x	1.8x	1.9x						
Quick Ratio	0.4x	0.2x									
Debt Ratios											
Interest Coverage Ratio	10.1x	9.8x	18.7x	18.3x	34.5x	23.7x	23.0x	23.5x	23.4x	23.2x	25.4x
Debt / EBITDA	1.2x	1.1x	0.9x	1.1x	1.0x	1.0x	1.1x	1.0x	1.0x	1.0x	1.0x

Source: Company Reports, Capital IQ, Kozminski University Team Analysis

Potential for leverage expansion



As of 2024, Dom Development maintains a **prudent financial strategy**, choosing to finance its operations primarily through **equity** while keeping **debt levels stable**. Management does not currently plan to increase leverage, as the company remains focused on **selective growth driven by high-quality land acquisition** opportunities, which are limited in availability. Nonetheless, Dom Development is well-positioned to secure additional funding swiftly, if attractive large-scale opportunities arise.

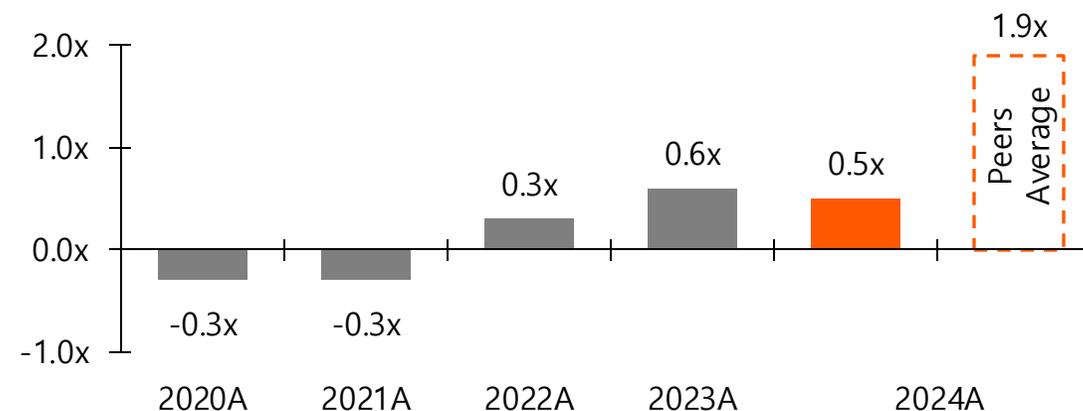


500 PLN m + revolving credit possibility

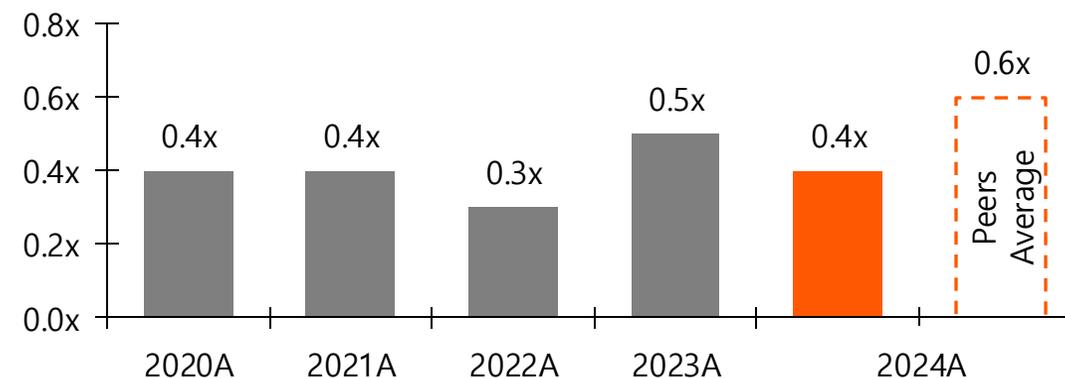


800 PLN m + bonds issuance possibility

Net Debt / EBITDA ratio



Gearing ratio



Opportunistic acquisition potential



Previous M&A activity of Dom Development

2017 – DOM acquired Euro Styl Group



In 2017, Dom Development acquired 100% of shares in Euro Styl Group expanding its operations on a new market – Tricity, for a total consideration of **260 PLN m**

2021 – DOM acquired Sento S.A.



In 2017, Dom Development acquired 77% of shares in Sento expanding its operations on a new market – Krakow, for a total consideration of **35.4 PLN m**

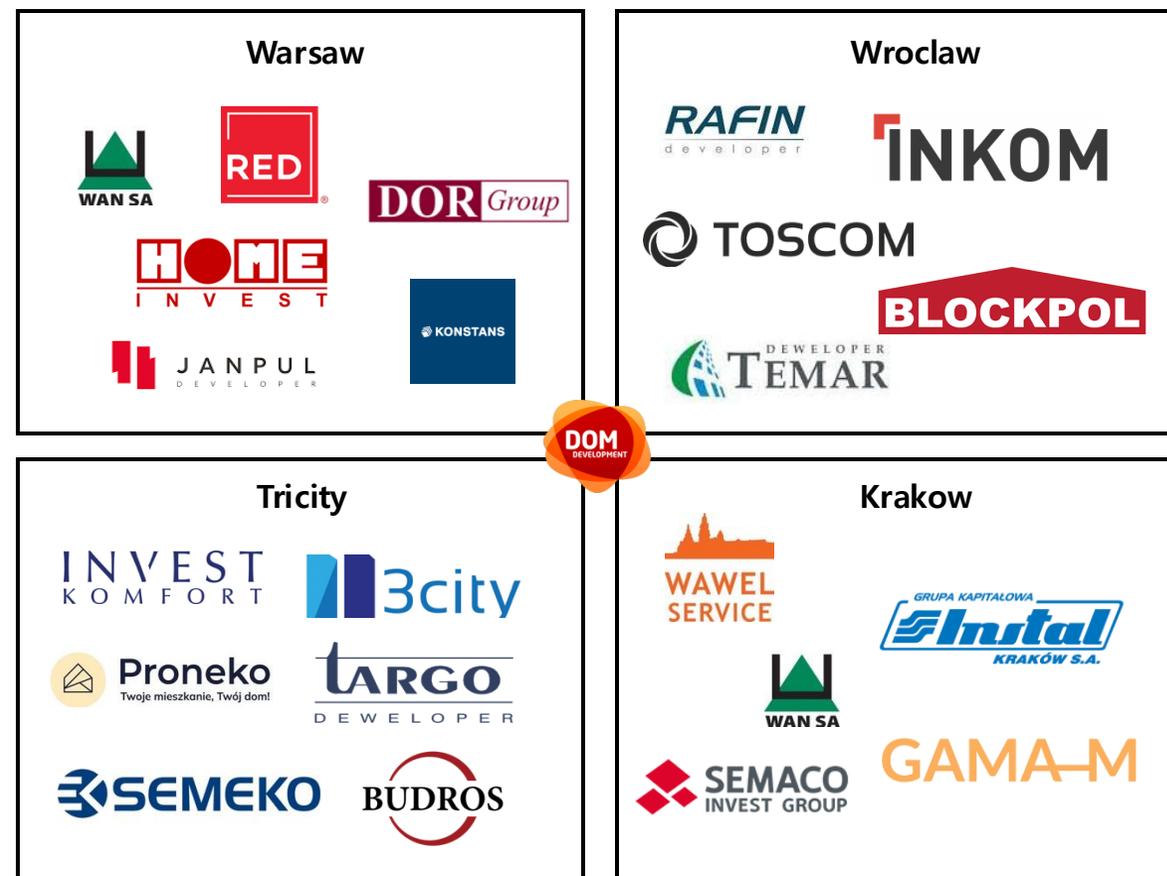
2022 – DOM acquired BUMA Group



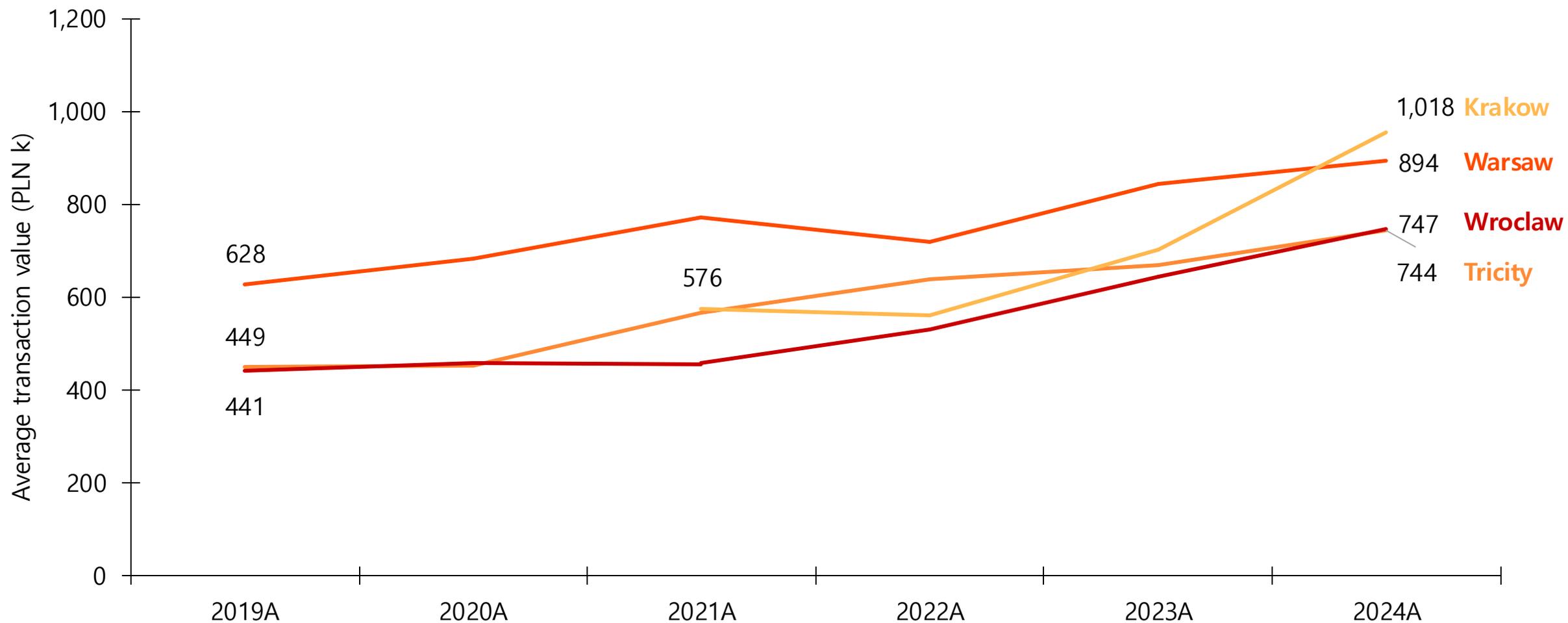
In 2017, Dom Development acquired 100% of shares in BUMA group, strengthening its operations in a newly entered market – Krakow, for a total consideration of **209.5 PLN m**

With the impending **market consolidation** and **shrinking margins**, small and mid-sized developers may face **financial challenges**. This presents an **ideal opportunity** for DOM to strategically acquire **high-quality land** from these developers at a **significant discount**.

Dom is in prime position for opportunistic land bank acquisitions



Average transaction price at DOM by city



Source: Company's Presentations, Kozminski University Team Analysis

COGS split



PLN million	2024F	2025F	2026F	2027F	2028F	2029F	2030F
Land cost	623	727	780	875	964	1,057	1,154
Constructions	1,221	1,424	1,515	1,686	1,842	2,006	2,174
Other	305	357	350	356	354	349	338
Total COGS	2,149	2,508	2,645	2,917	3,161	3,412	3,666

% of total COGS	2024F	2025F	2026F	2027F	2028F	2029F	2030F
Land cost	29.0%	29.0%	29.5%	30.0%	30.5%	31.0%	31.5%
Constructions	56.8%	56.8%	57%	58%	58%	59%	59%
Other	14.2%	14.2%	13.2%	12.2%	11.2%	10.2%	9.2%

The company does not report a detailed COGS breakdown. We estimated the split using typical cost structures from the NBP report, then adjusted land costs upward based on expert interviews reflecting recent market trends.



Revenue Recognition Appears Conservative and Transparent

The company adheres to a conservative and clear approach to revenue recognition. Revenue from property sales is recognized only when control, along with significant risks and rewards of ownership, is transferred to the buyer—confirmed by a signed handover report and full payment. This method avoids premature recognition and aligns with prudent revenue accounting, thereby enhancing the reliability of reported earnings

No Evidence of Aggressive or Questionable Practices

There is no indication in the report of the use of aggressive or questionable accounting practices that could inflate earnings. The Group does not appear to rely on non-recurring items, nor are there material adjustments or restatements that raise concerns about earnings manipulation.

Financial Instruments and Hedging Practices Are Conservative

The Group does not hold material foreign currency-denominated assets, liabilities, or future payments, and therefore does not engage in hedging through derivatives. While it has used interest rate swaps (IRS) and CAP options in the past, these were discontinued as of the end of 2022.

Hedging at Dom Development



No Foreign Currency Exposure

- No material FX assets, liabilities, or payments.
- The Group had no significant exposure to foreign currency risk in 2023–2024, eliminating the need for currency hedging instruments like forwards or swaps.

CAP Options for Interest Rate Protection

- Caps limit exposure to rising interest rates.
- CAP options ensure the Group is protected if rates exceed a predefined threshold, while still allowing gains if rates drop.

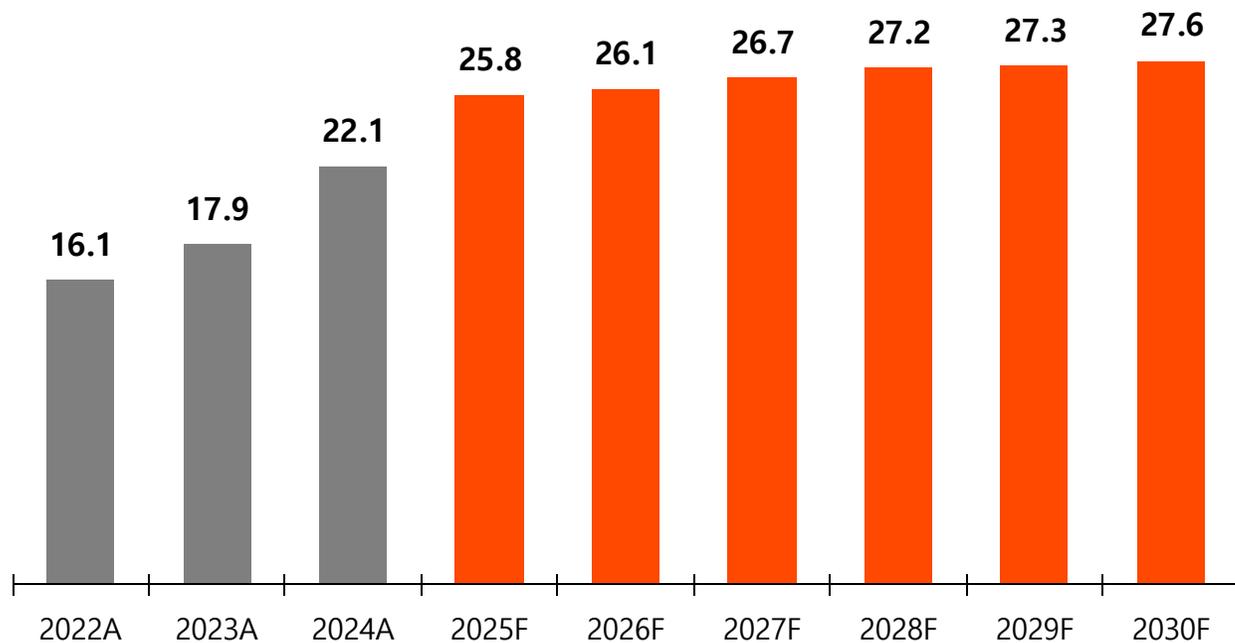
Interest Rate Swaps (IRS) for Stability

- IRS convert variable to fixed interest payments.
- Swaps stabilize cash flows by locking in fixed rates, reducing uncertainty from interest rate fluctuations.

Earnings per share

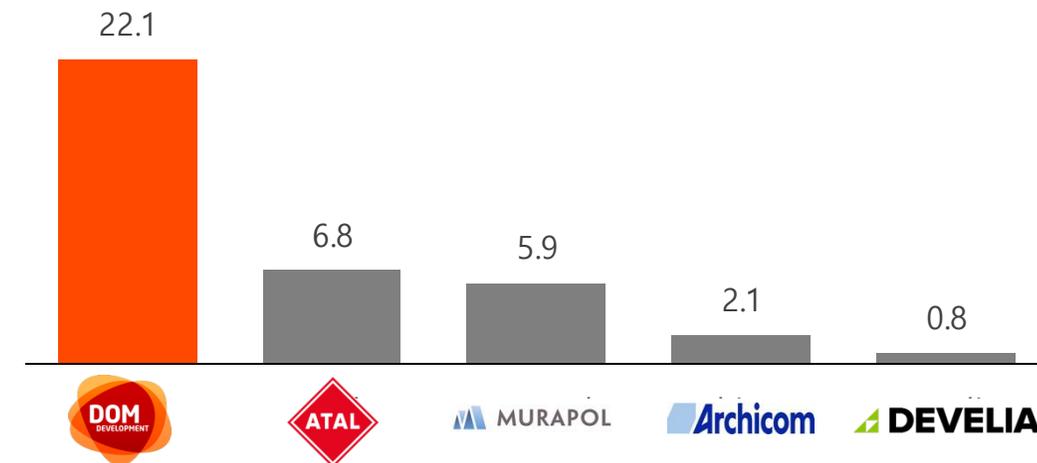


Earnings per share (PLN, 2022A – 2030F)



000'000	2022A	2023A	2024A	2025F	2026F	2027F	2028F	2029F	2030F
Net profit (PLN)	410	460	569	666	672	689	703	703	713
Shares outstanding	25.5	25.7	25.8	25.8	25.8	25.8	25.8	25.8	25.8

EPS (PLN) – Dom vs. Competitors (2024A)



Revenue drivers

- Overcrowding
- Urban migration
- Interest rate cuts
- Krakow and Tricity growth

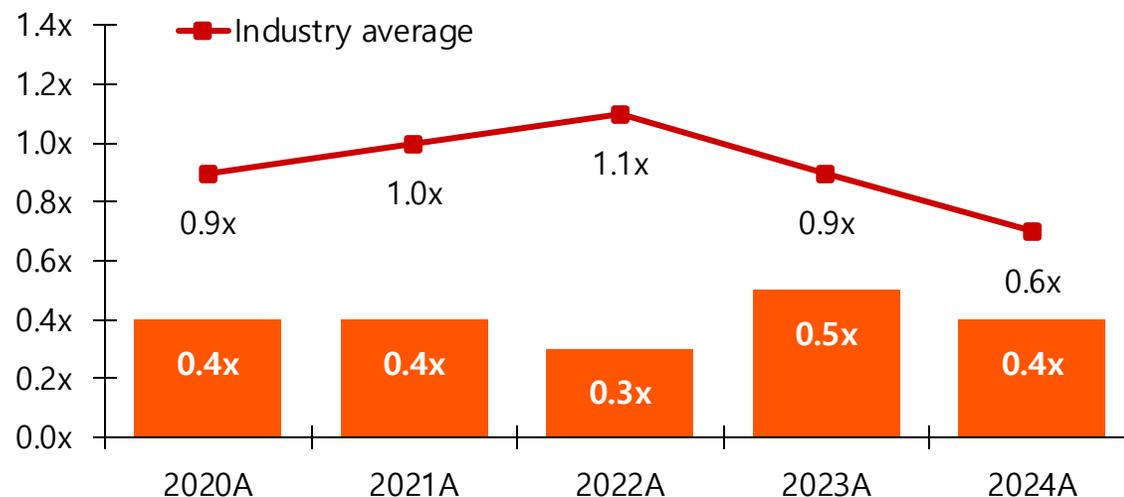
Cost drivers

- Rising cost of land
- Rising labor cost
- Rising materials cost

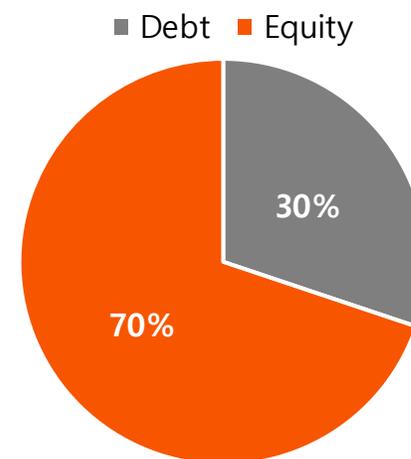
Capital structure and liquidity



Gearing ratio (2020A – 2024A)



Capital structure (2024)



Dom Development continues to maintain a **conservative capital structure**, with a consistently low gearing ratio (0.3x–0.5x) well below the industry average. Its 70% equity base and **exceptionally strong interest coverage** (over 100x in 2024) reflect robust **financial health** and prudent leverage management, reinforcing the company's resilience.

000'000	2020A	2021A	2022A	2023A	2024A	2025F	2026F	2027F	2028F	2029F	2030F
Gearing Ratio	0.4x	0.4x	0.3x	0.5x	0.4x	0.4x	0.4x	0.4x	0.3x	0.3x	0.3x
Net Debt / EBITDA	-0.3x	-0.3x	0.3x	0.6x	0.5x	0.5x	0.5x	0.3x	0.2x	0.2x	0.1x
Interest Coverage Ratio	10.1x	9.8x	18.7x	18.3x	34.5x	23.7x	23.0x	23.5x	23.4x	23.2x	25.4x
Cash & Cash Equivalents as % of Total Assets	18.3%	15.8%	7.5%	6.3%	6.9%	8.2%	7.6%	8.9%	10.0%	10.2%	10.6%
Current ratio	1.8x	1.7x	1.8x	1.8x	1.9x						
Quick ratio	0.4x	0.2x									

Source: Company Reports, Kozminski University Team Analysis

Core stock information



Historical share price of DOM (PLN)



209 PLN
3M
MVAP

200 PLN
6M
MVAP

6.8%
Dividend
Yield

29.5%
Free
Float

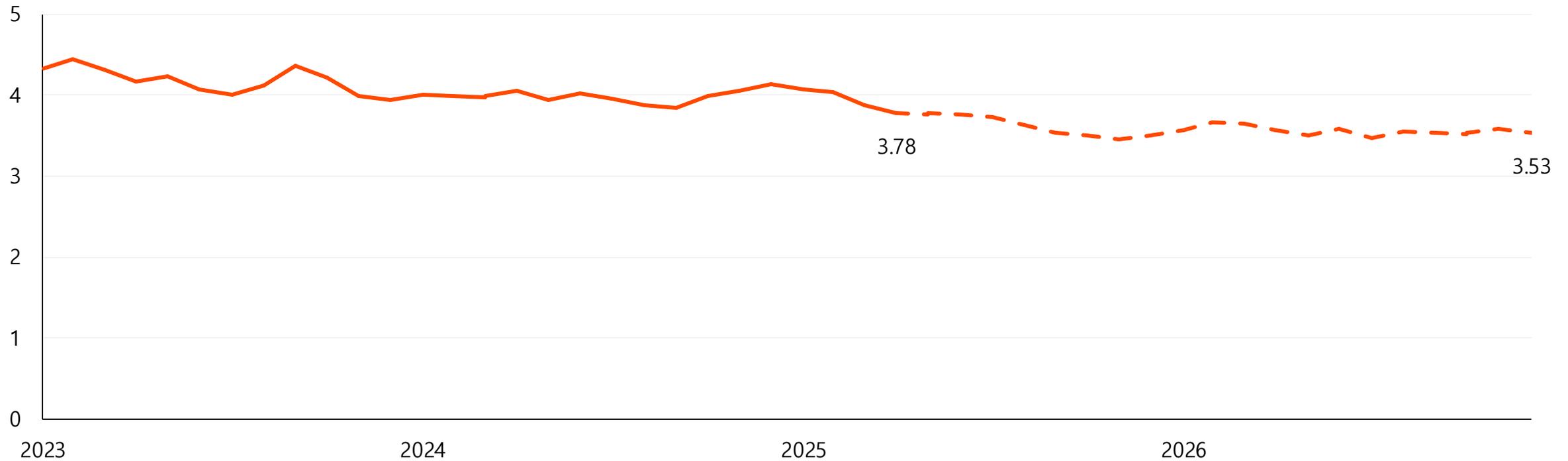
12.5 PLN
Dividend per
share (2024)

Source: Stooq, Company Reports

USD to PLN Forecast



USD to PLN Forecast



Strong domestic demand and EU investment drive GDP expansion

Poland benefits from its central role in European trade and supply chains

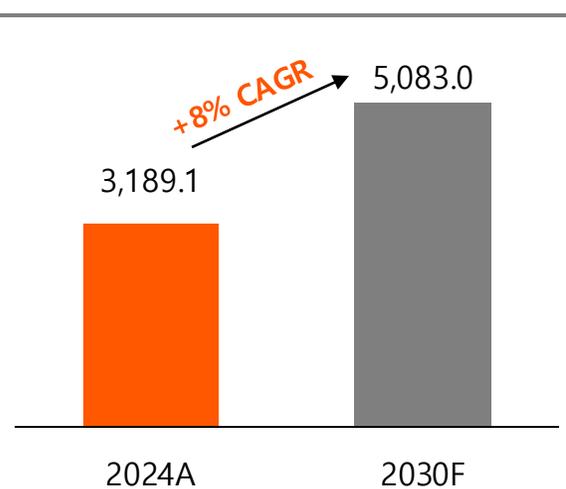
Competitive labor market supports industrial and tech development

Source: Stooq, Company Reports, Bloomberg

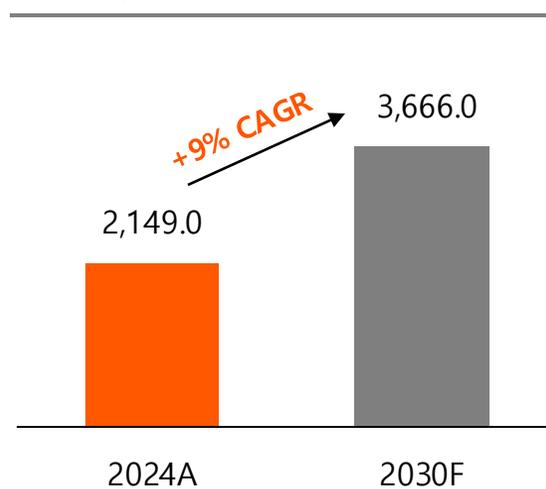
6-year CAGR of key items from P&L



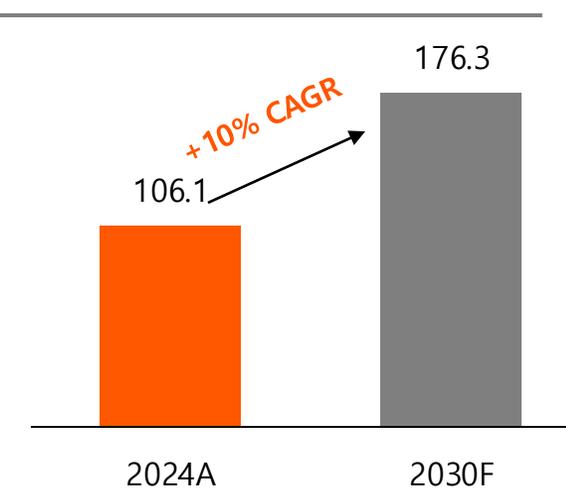
Revenue, PLN million



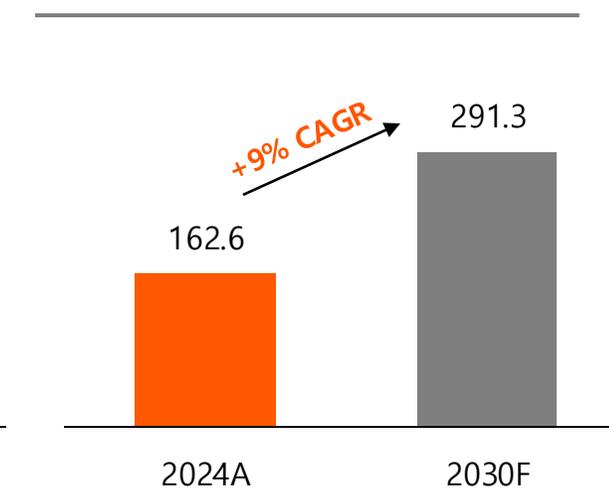
COGS, PLN million



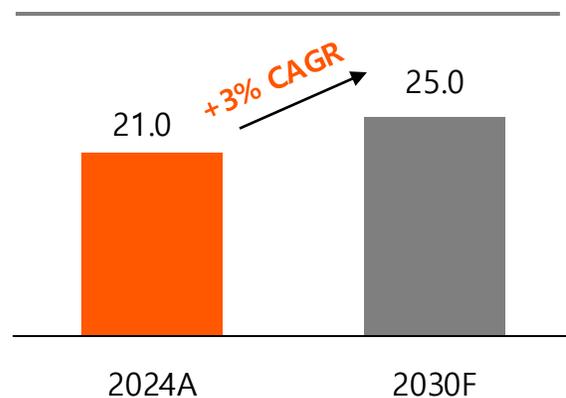
S&M expenses, PLN million



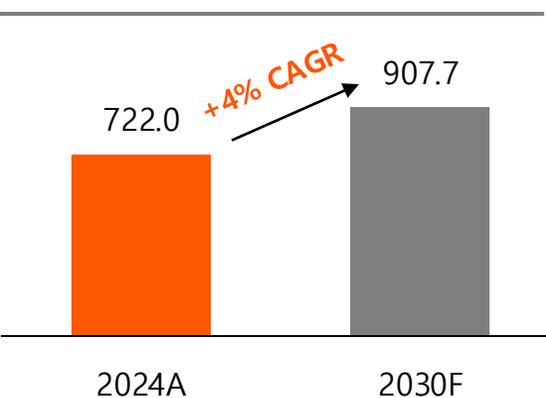
G&A, PLN million



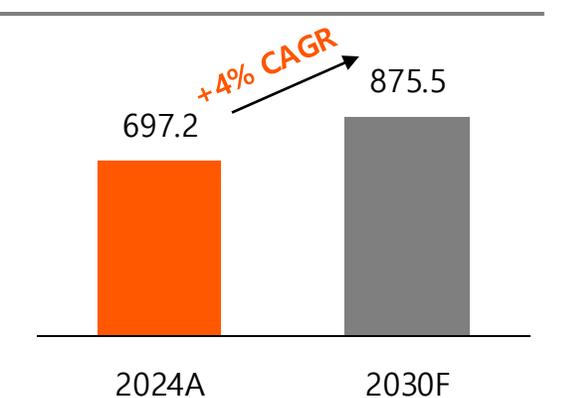
Other revenue, PLN million



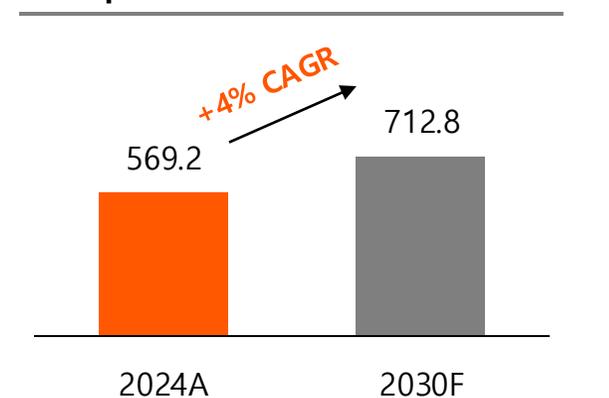
EBITDA, PLN million



EBIT, PLN million



Net profit, PLN million



Source: Company Reports, Kozminski University Team Analysis

DOM capitalizes financial costs within inventory and WIP



PLN million	2022A	2023A	2024A	2025F	2026F	2027F	2028F	2029F	2030F
Total interest	22.56	34.60	46.36	57.41	59.98	60.14	61.68	62.09	57.28
Capitalized under WIP	17.8	26.0	39.0	45.9	48.0	48.1	49.3	49.7	45.8
Expensed in P&L	2.2	1.3	0.5	11.5	12.0	12.0	12.3	12.4	11.5
% Cost capitalized	78.7%	75.4%	84.2%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
% Cost expenses	10.0%	3.9%	1.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Cost of debt				6.6%	6.6%	6.6%	6.6%	6.6%	6.0%

Source: Kozminski University Team Analysis

Aspects differentiating Dom from other developers (2024)



Dom Development 

Polish Developers



European Developers

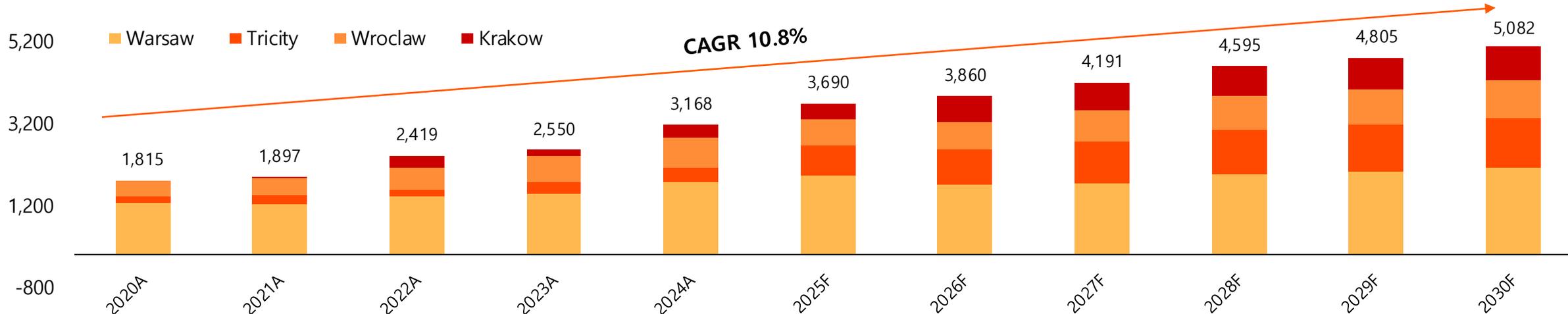


	Dom Development	Polish Developers	European Developers	
Financials	Gross margin (%)	32%	32%	19%
	EBITDA margin (%)	23%	23%	11%
	Net margin (%)	18%	18%	6%
	ROE	33%	24%	7%
	ROIC	30%	16%	5%
	ROA	18%	10%	4%
	CCC	644	882	616
	Gearing ratio	0.4x	0.6x	0.3x
	Net debt / EBITDA	0.4x	1.7x	-0.3x
	Current ratio	1.9x	2.0x	4.2x
ESG	Audited ESG reports	Published and audited since 2022	60% (Atal and Develia do not publish ESG reports)	~50% of all European companies (est.)
	ESG strategy	DOM 2030	80%	~70% (est.)
	Green building certificates	No (but have an internal standard)	0% (in residential buildings)	n.d.

Revenues – Consensus and other key information



Revenue projections (PLN m)



Average price per square meter growth per city

	2020A	2021A	2022A	2023A	2024A
Total DOM's revenue growth	9%	5%	28%	5%	24%
Weighted growth of prices per square meter	4%	12%	9%	17%	8%

Average price per square meter growth per city

	2020A	2021A	2022A	2023A	2024A
Warsaw	5%	10%	10%	20%	8%
Tricity	2%	14%	5%	11%	2%
Wroclaw	8%	18%	12%	17%	14%
Krakow	12%	15%	9%	22%	14%

Source: Company Reports, Kozminski University Team Analysis

Revenue, PLN million – consensus Vs our forecasts

	2025F	2026F	2027F
Mean consensus	3,432	3,647	4,060
High consensus	3,817	4,175	4,585
Smart estimate from Refinitiv	3,497	3,614	4,008
Kozminski University Team – Base case	3,690	3,860	4,191
Kozminski University Team – Bull case	3,661	3,928	4,351

Financial analysis of DOM and its peers



DOM vs. European Competitors



	DOM	BARRATT	METROVACESA	AEDAS HOMES	Glenveagh
Market Cap (EUR b)	1.3	6.5	1.5	1.1	0.8
Gross Margin (%)	33%	12%	19%	22%	21%
EBITDA Margin (%)	23%	4%	11%	15%	15%
Net Margin (%)	18%	3%	2%	10%	11%
ROE	33%	2%	1%	12%	13%
ROIC	30%	2%	1%	9%	10%
ROA	18%	1%	1%	5%	8%
CCC	644	448	1,124	450	443
Gearing ratio	0.4x	0,0x	0,2x	0,4x	0,3x
Net Debt / EBITDA	0.4x	-6,1x	2,8x	0,7x	1,3x
Current ratio	1.8x	4.5x	4,0x	2,5x	5,9x
EPS (EUR)	5.3	0.1	0.1	2.5	0.2

DOM vs. Polish Competitors



	DOM	DEVELIA	ATAL	Archicom	MURAPOL
Market Cap (PLN b)	5.4	2.8	2.7	2.3	1.5
Gross Margin (%)	33%	34%	26%	39%	30%
EBITDA Margin (%)	23%	25%	22%	22%	22%
Net Margin (%)	18%	21%	20%	14%	18%
ROE	33%	22%	17%	9%	40%
ROIC	30%	15%	12%	5%	20%
ROA	18%	9%	8%	4%	11%
CCC	644	781	1097	1287	602
Gearing ratio	0.4x	0.6x	0.4x	0.6x	1.0x
Net Debt / EBITDA	0.4x	0.9x	1.6x	3.9x	1.5x
Current ratio	1.8x	2.3x	2.9x	2.4x	2.2x
EPS	22.1	0.3	6.8	1.8	5.9

ESG

DOM ESG Scores



SEVA.ai uses AI to analyze company disclosures and align them with the UN Sustainable Development Goals (SDGs).

It scans reports, filings, and news to assess how a company's operations contribute to specific SDGs.

Scores reflect coverage, quality, and impact across Environmental, Social, and Governance pillars.

The higher the score – the better the ESG performance.



Sustainalytics ESG Risk Score measures a company's exposure to material ESG issues and how well those risks are managed.

It considers factors like carbon emissions, labor practices, data privacy, and ethics, depending on the industry. The final score (0–40+) reflects unmanaged ESG risk — lower scores mean better risk management.

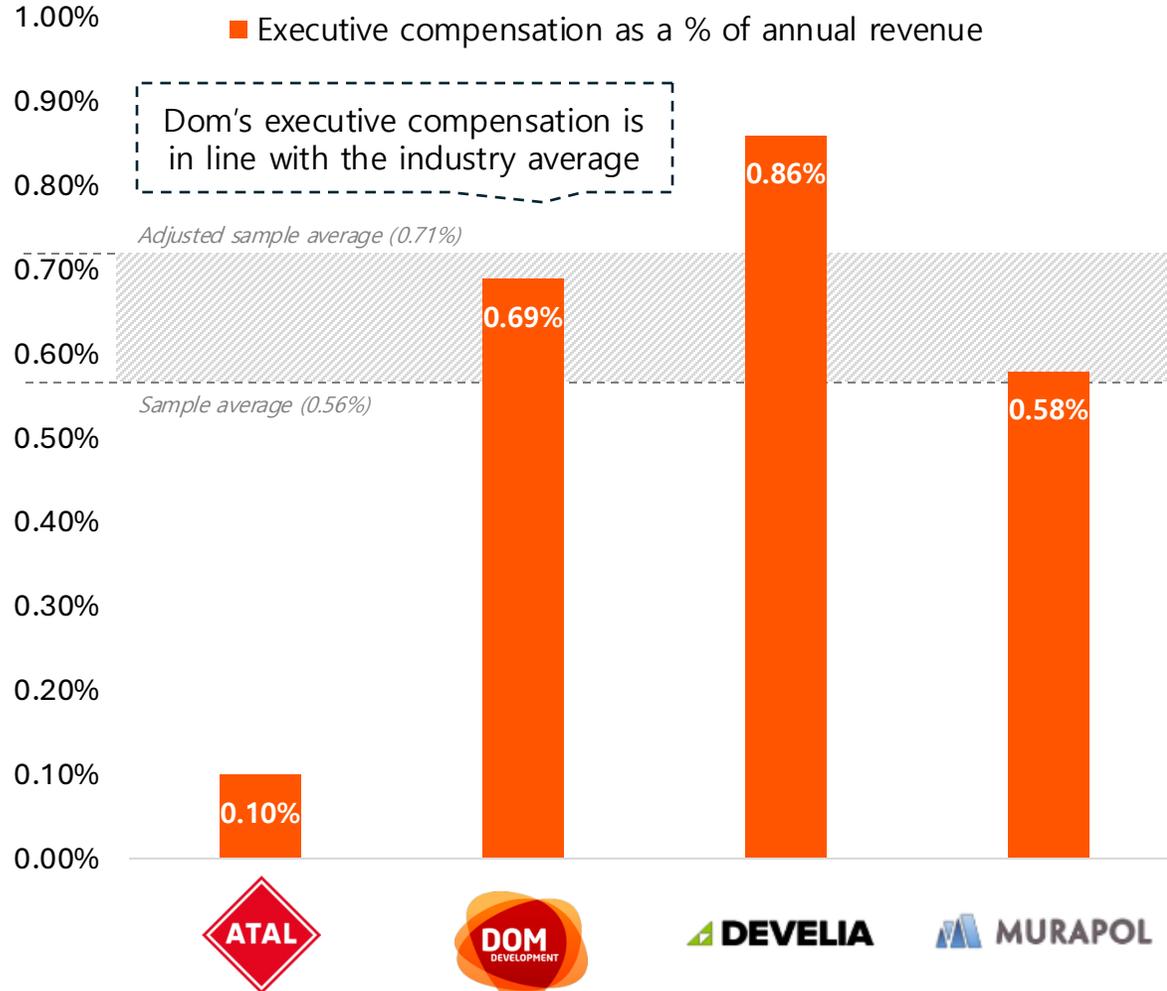
Vendor	Score	E	S	G
SUSTAINABLE DEVELOPMENT GOALS	5.9/10	3.2	6.4	8.0
MORNINGSTAR SUSTAINALYTICS	22.6/40+	-	-	-
Bloomberg	3.8/10	2.2	6.3	4.8
Kozminski University Scorecard	3.8/5	3.5	4.0	3.8

Bloomberg

Bloomberg ESG Scores are based on public company disclosures across Environmental, Social, and Governance categories.

Scores are calculated using quantitative and qualitative indicators, covering areas like emissions, board diversity, human rights, and transparency. Lack of data results in lower scores. The higher the score – the better the ESG performance.

Management Board Compensation Chart



Breakdown of DOM's remuneration policy for the Management Board:

1. Fixed Remuneration

2. Variable Remuneration:

- i. Performance-Based Bonuses (Capped at 5x base salary),

based on:

- The gross (pre-tax) profit
- The net profit
- Other operating indicators (nd)

- i. Share Option Programs

3. Non-Cash Benefits (e.g. Company equipment, private healthcare, insurance coverage, fitness benefits, professional development support)

Source: Company Reports, Competitors' Reports

- Remuneration Policy is reviewed at least every 4 years by shareholders.
- The Supervisory Board and its Remuneration Committee are responsible for awarding and reviewing remuneration.
- The Supervisory Board may suspend or override the policy for up to 12 months if needed to protect the company's long-term interests, financial stability, or profitability.
- No Clawback Clause - no provision for repayment
- Termination Provisions (for up to 6 months)
- No early retirement, pension top-ups, or disability schemes
- A Non-Compete Clause

Visionary Management Team



- 20+ years of executive experience
- Alumni of leading universities
- 10+ years of experience in the residential real estate sector

Name & Position	Background
MANAGEMENT BOARD	
Mikolaj Konopka, President of the Management Board	30+ years of experience in real estate and construction, 17+ years with DOM, Expert in land acquisition and development, Degree in Maritime Transport Economics (UG)
Monika Dobosz, Vice President of the Management Board, CFO	15+ years of executive experience, 20 years of financial reporting experience, joined DOM as the CFO on the 1 st of March 2025, holds degrees in Finance (Poznan University of Economics & SGH)
Justyna Wilk, Member of the Management Board	Experience in the property market, 14+ years with DOM, Former Land Dept. Director & Commercial Proxy, Board member since 1st of January 2025, Geodesy degree (WUT), Postgrad (SGH)
Grzegorz Smoliński, Member of the Management Board	25+ years of experience in property development, 27+ years with DOM, President of Dom Development Kredyty since 2019, MBA (SGH) & Finance degree (Vistula University)
Terry Roydon, Member of the Management Board	40+ years in the European construction industry, 25+ years with DOM, Former CEO of UK-listed developers, MBA (Pittsburgh) & Property Management degree (London)

Source: Company Reports, Company Website

Recent appointment of strong and experienced CEO and CFO



**Mikołaj Konopka –
President of the Management Board since 2024**

- Nearly 30 years of experience in real estate and construction
- President of the Management Board at Euro Styl S.A. since 2007 (previously responsible for DOM's ESG Strategy)
- Member of the Management Boards at Dom Development S.A. (across all cities)
- Former Board Member and Commercial Director at Kombet, Semeko, and Uhlenhorst Group
- Lecturer in Real Estate Development at the University of Gdańsk since 2018
- Degree in Maritime Transport Economics, fluent in English



**Monika Dobosz –
Vice President of the Management Board, CFO since March 2025**

- Over 20 years of experience in Finance, Accounting, and Corporate Reporting
- CFO and Management Board Member at MLP Group S.A. (2014–2024)
- Previous senior finance roles at Arkio Sp. z o.o., Remondis, Parker Hannifin, and Fadesa Polnord Polska
- Graduate of the Poznan University of Economics and Business
- Specialized in Banking and Financial Reporting at the Warsaw School of Economics

Supervisory Board Background



Name & Position	Background
Dorota Podedwora-Tarnowska , Vice Chairwoman of the Supervisory Board (independent)	7+ years on the Supervisory Board, PhD in Economics, Finance Expert, Former Deputy Minister, Finance (2013-2015)
Jarosław Szanajca , Chairman of the Supervisory Board	Founder of DOM (since 1996) 20+ years in development, Law graduate, University of Warsaw, Former Chairman in Gres-Investi (1992-1996)
Janusz Zalewski , Deputy Chairman of the Supervisory Board	4+ years on the Supervisory Board, 40+ years in finance and development, 24+ years with DOM, Former CFO&Vice President of DOM
Mark Richard Anthony Spiteri , Member of the Supervisory Board	13+ years on the Supervisory Board, 19+ years of experience in property development, Director of businesses in financial services sector
Anna Maria Panasiuk , Member of the Supervisory Board (independent)	2+ years on the Supervisory Board, Extensive experience in capital market law, Experienced legal advisor for investment funds and holdings
Edyta Wojtkiewicz , Member of the Supervisory Board (independent)	2+ years on the Supervisory Board, Over 20 years of executive experience, Strong financial expertise and communication across all levels
Philippe Bonavero , Member of the Supervisory Board	2+ years on the Supervisory Board, 9+ years of executive experience in the British real estate sector, Legal and financial expert
Grzegorz Kiełpsz , Member of the Supervisory Board	18+ years on the Supervisory Board, 30+ years of experience in property development sector, 28+ years with DOM, One of the founders of DOM

Source: Company Reports, Company Website

DOM's ESG Strategy – DOM 2030



DOM 2030 Targets



DOM in harmony with nature:

30% reduction in CO2 emissions per unit under construction, compared to 2021 (Scope 1 and 2)



DOM is people:

15-minute city across 90% of projects – Active initiative to achieve the optimal structure of services accessible to the residents of DOM's projects



DOM on solid foundations:

Striving to achieve the highest possible compliance with Best Practices for WSE-Listed Companies

DOM's ESG Results



In 2024, Dom has reduced their GHG emissions by 36% in terms of tonnes of tCO2e/unit – meeting their target early. However, the relative nature of the target erodes the credibility of the target.



Dom Development has not disclosed the number of projects that meet its 15-minute city criteria in 2024. While the company states that "the majority of our projects meet the requirements of the '15-minute City' concept," it has not provided specific figures or a detailed breakdown for the current year.



Dom Development S.A. reports 94% compliance with the Warsaw Stock Exchange's Code of Best Practice for Listed Companies.

Source: Company Reports, Company Website

DOM's Green Investment Card



ATTRACTIVE LOCATION

 Priority for pedestrians & cyclists

 **15-minute city**

 Shaded recreation and relaxation zones

 **Community gardens**

 Delivery reach

 Playground / Recreation area

 Green hedges

 **Espaliers**

 **Speed limits**

 Signage systems

 Resident club

RESILIENT ECOSYSTEM

 Motion/ twilight detectors

 **Energy efficient lighting**

 Light pollution controls

 **Mitigation of the urban heat island effect**

 **Locally- sourced materials**

 **Natural materials**

 **Reclaimed and recycled materials**

 **Prefabricated materials**

 **Elements that absorb harmful substances**

SUSTAINABLE CONSTRUCTION

 Green roofs

 **Photovoltaics**

 Anti-smog and humidity-regulating air vents

 **Water retention**

 Electromobility

 Enhancing biodiversity in the estate

 Urban heat sources

 Private heat sources

BARRIER-FREE ACCESSIBILITY

 **Accessible elevators**

 **Elevator as a standard**

 Convenient switch height in common areas

 Access control system for the estate

 Smart building technology

Our Proprietary Comparative ESG Scorecard



					
	DOM	ATAL	DEVELIA	ARCHICOM	ROBYG
Environmental					
GHG Emission	Uses the GHG Protocol, reporting 13.3k tonnes of CO2. Focuses on low-carbon materials and increasing renewable energy use	Does not report	Lacks a standardized GHG methodology but prioritizes low-carbon materials, energy-efficient designs, and renewable energy integration	Adopts the GHG Protocol and transitions to green energy. Ensures transparency through audits and external assessments	Uses 100% renewable energy in construction. Reduced emissions by 47% in 2023 and reports Scope 1, 2, and 3 emissions under the GHG Protocol
Grade	3.5	1	2	4	5
Social					
Workforce well-being and safety	Provides private medical care, flexible work, strict OHS compliance, accident prevention, and fosters inclusion and diversity	Does not report	Offers private medical insurance, inclusive work awards, accident monitoring, and safety training	Ensures strict OHS compliance, zero accidents, private medical care, and flexible work options	Achieved zero accidents, provides OHS training, private care, flexible work, and discloses a reducing 11% gender pay gap
Grade	4	1	2	5	5
Governance					
Leadership & Accountability and oversight	Well-structured supervisory and management boards with an ESG compliance director. Internal audits and risk management frameworks ensure compliance	Publishes adherence to WSE Best Practice Guidelines	Supervisory board with two committees ensures compliance with WSE practices. Strong risk controls and transparency with stakeholders	Management board supervises ESG strategies with internal audits and regular reviews. Transparent communication with shareholders	Head of ESG appointed with robust compliance frameworks. Independent board members ensure strong oversight and auditing
Grade	4	2	3.5	4	4
Overall ESG score	3.8	1.3	2.5	4.3	4.7

Approach and rationale:

With no universal standard for ESG scoring, we developed a proprietary scorecard that reflects DOM's performance relative to its closest competitors. We conducted a thorough analysis of relevant ESG reports and strategies and analyzed them against ESG-material categories identified by SASB. This enabled us to create a tailored scorecard that reflects the ESG factors that are the most relevant to DOM and the company's performance relative to the local standards. Our ratings and the key material factors used in our analysis are outlined on the left.

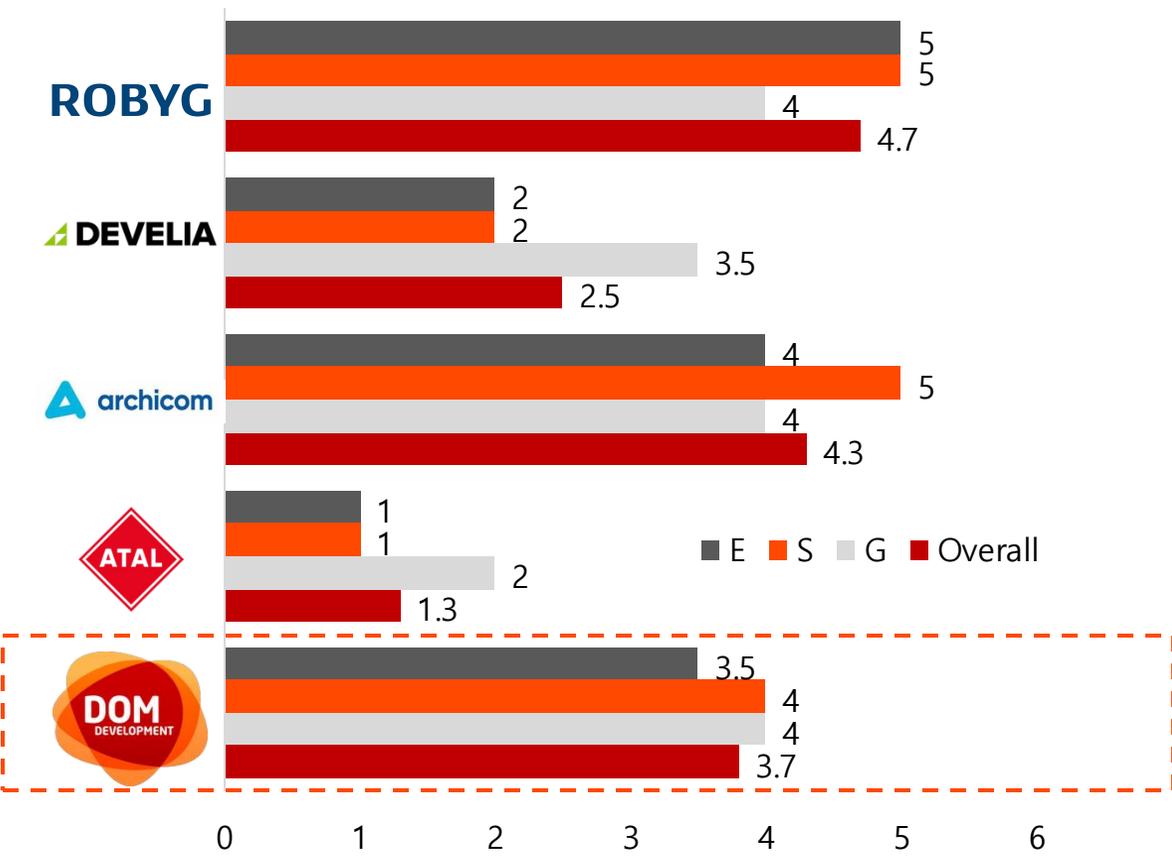


Source: Company Reports, Competitors' Reports, SASB, Kozminski University Team Analysis

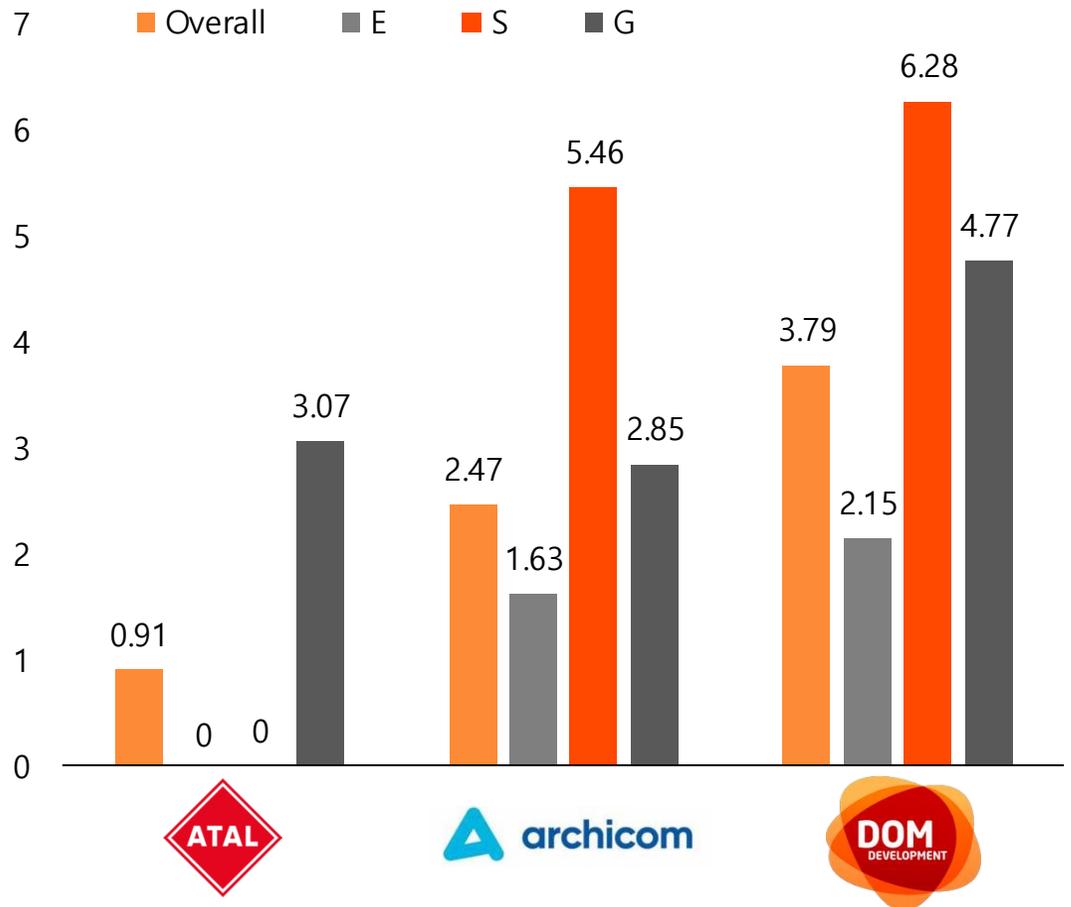
Comparative ESG Scorecards Results



Team A's Comparative Scorecard



Bloomberg Scores - Comparative Scorecard



Source: Company Reports, Competitors' Reports, SASB, Bloomberg, Kozminski University Team Analysis

DOM, the European Green Deal, and SDGs



Impact of the European Green Deal on DOM:

- **CSRD Requirements** – costly ESG reporting standards
- **EU Taxonomy** – a unified standard for environmentally-friendly investments (strict alignment requirements)
- **CSDDD** – a comprehensive due diligence process aiming to assess potential and actual ESG impacts on stakeholders
- **EPBD** – mandating new energy performance standards (implemented via the Act on the Energy Performance of Buildings)



UN SDGs addressed by DOM:



Corporate Sustainability Reporting Directive (CSRD)

- **New Reporting Standards – ESRS**
- **Standardized Double Materiality Analysis**
- **Digital Reporting**
- **Audit & Assurance Requirement**

DOM was subject to CSRD for the first time in 2025 (for FY 2024). The scope of CSRD will be extended to other large EU companies in 2026, and to listed SMEs and other entities by 2027.

Energy Performance of Buildings Directive (EPBD)

2015: Poland implements via the *Act on the Energy Performance of Buildings (EPC, heating & AC inspections, NZEB [2021])*

Directive (EU) 2024/1275 on the Energy Performance of Buildings (recast):

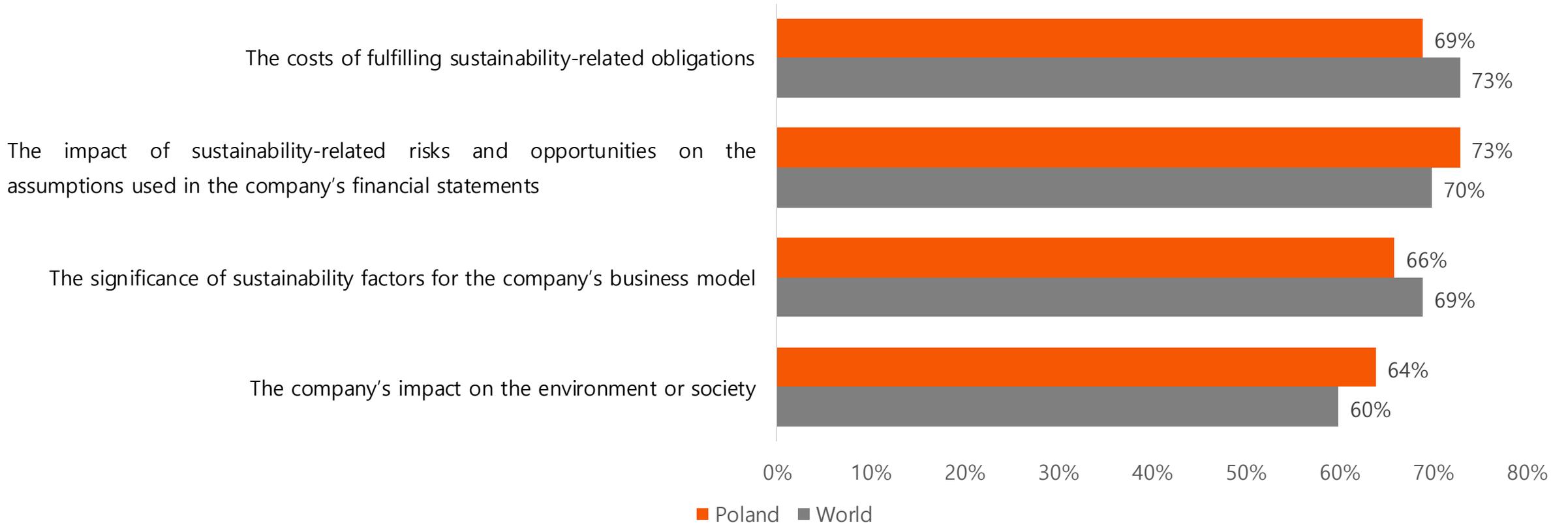
- ZEB (zero-emission buildings) for all buildings by 2030
- 16% reduction target on primary energy use by 2030
- Unified EPC standard
- Solar panels or readiness requirement

Transposition Deadline: 14.05.2026

Importance of ESG Disclosures



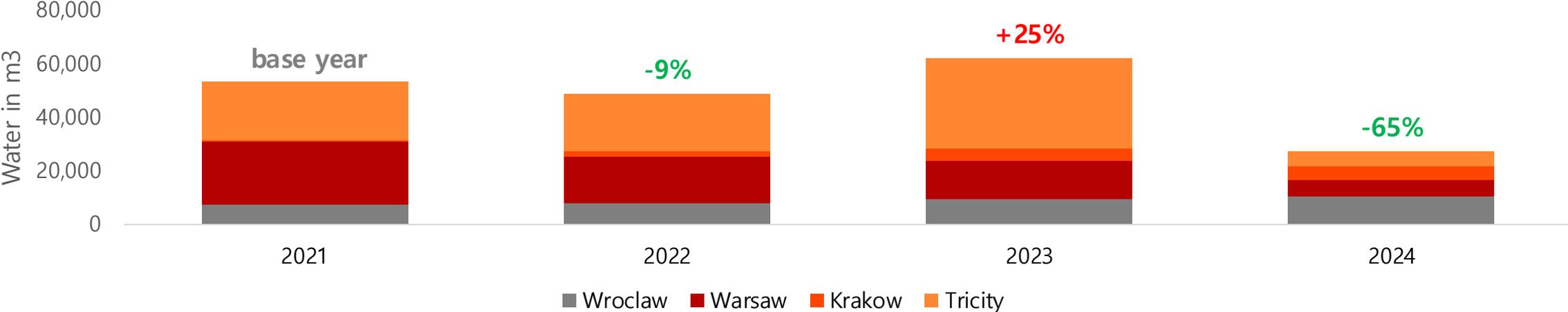
Percentage of respondents who say it is "important" or "very important" to their investment analysis and decisions for companies to disclose the following information:



Water and Energy Management



YoY changes in DOM's water demand



DOM's Energy Suppliers

ENERGY ORIGIN GUARANTEES



Source: Company Reports, Company Website

Safety and Wellbeing



Employee satisfaction (Gowork.pl rating)



DOM's reported gender pay gap



Risks and Opportunities



ESG Risks



- Higher insurance, compliance, and reporting costs
- Physical risks: flooding, heatwaves, water stress → project delays & damage.
- Biodiversity protection: land use limits & compensatory costs
- Revenue risk from declining demand for high-emission homes
- Higher CapEx for decarbonization and renewable integration.

Potential material effect of good ESG risk mitigation and capitalization on ESG opportunities

ESG Opportunities



- Strong demand for sustainable housing: sales & brand value upside
- Low-carbon materials & energy-efficient designs: first-mover advantage
- Circular economy & renewables: long-term cost savings
- Access to green financing
- Long-term OpEx savings (energy, materials)

- 
-  **Green Financing Access:** Interest rate reductions (0.5% - 1%) on green bonds (short-medium term)
 -  **Operational Savings:** 10% reduction in energy/OpEx (medium term)
 -  **Revenue Growth:** 3% - 5% revenue boost (medium-long term)
 -  **Compliance Risk Mitigation:** Avoidance of fines and penalties.

Taxonomy Eligibility



<u>TURNOVER</u>	<u>95.62%</u>
Construction of new buildings	95.26%
Provision of short-term tourist accommodation with accompanying services	0.34%
District heating/cooling distribution	0.02%
<u>CAPEX</u>	<u>69.20%</u>
Construction of new buildings	6.15%
Acquisition and ownership of buildings	43.64%
Transport by motorbikes, passenger cars and light commercial vehicles	9.28%
Data processing, hosting, and related activities	10.14%
<u>OPEX</u>	<u>15.16%</u>
Construction of new buildings	13.64%
Transport by motorbikes, passenger cars and light commercial vehicles	1.35%
Data processing, hosting, and related activities	0.17%



Source: Company Reports

94% Compliance with WSE's Guidelines

-  **Information Policy and Communication with Investors** (transparency and timely reporting)
-  **Management Board and Supervisory Board** (diversity and independence)
-  **Internal Systems and Functions** (compliance systems and internal audit)
-  **General Meeting and Shareholder Relations** (accessible and transparent)
-  **Conflict of Interest and Related Party Transactions** (transparency and oversight)
-  **Remuneration** (aligned with long-term goals)

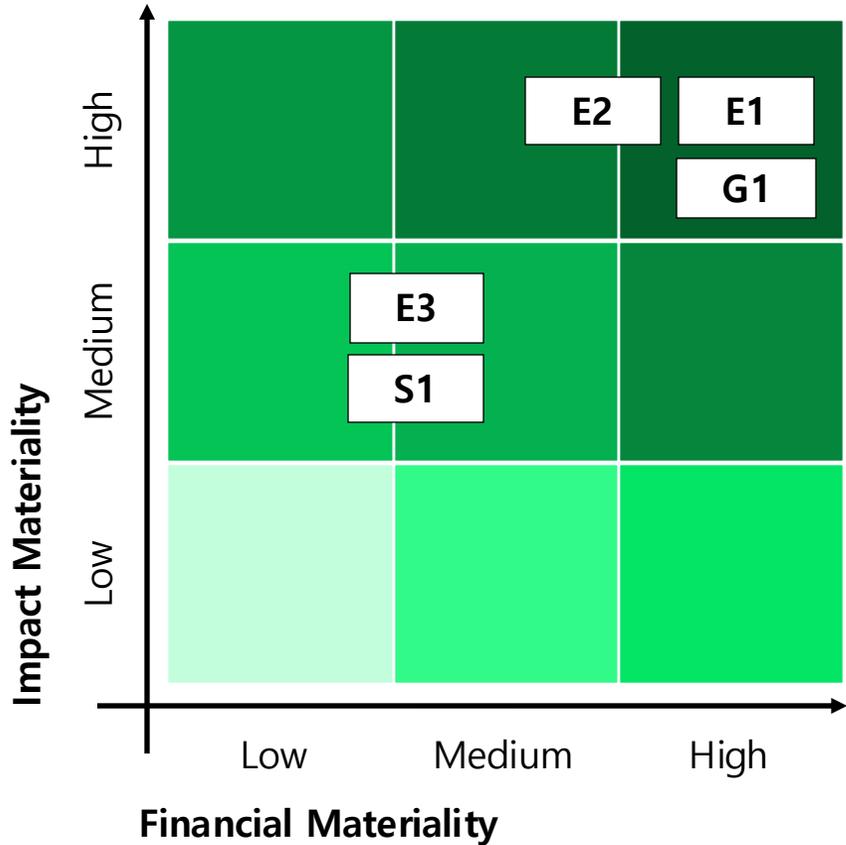
The Uncompliant 6%

-  The company does not publish the equal pay index and **specific actions to eliminate pay gaps** between men and women (1.4.2).
-  The company does not apply the rule on pre-emptive rights in share issues under Executive Option Schemes; share price is predetermined rather than meeting the criteria of **fair price and transparency** (4.13).
-  The management stock option program **is not formally tied to long-term financial, non-financial, or ESG targets** over a minimum three-year horizon (6.3).

DOM's ESG Double Materiality Matrix



ESG EU Double Materiality Matrix



E1	Climate Change Mitigation (GHG)	E2	Biodiversity & Ecosystem Protection	G1	Business Ethics & Compliance
-----------	----------------------------------------	-----------	------------------------------------------------	-----------	-----------------------------------------

Carbon pricing and emission penalties

Mandated energy performance standards

Demand shift towards low-carbon homes

Stricter site permitting for habitat protection

Costs of impact assessments & mitigation

Reputational backlash

ESG regulatory compliance with EU directives

Adherence to WSE's Best Practices

Investor/stakeholder trust erosion

E3	Circular Economy	S1	Social Inclusion & Community Engagement
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Source: Kozminski University Team Analysis, Company Reports

Employee wellbeing DOM vs Competitors



Social Policies

Strong anti-discrimination

Past HR violations

Diversity focus

Not detailed

Positive Reviews

Good structure & fair pay

Limited feedback

Limited feedback

Limited feedback

Negative Reviews

Limited staff investment; discrimination

Favoritism; no raises

Poor environment; unfair

Overwork; favoritism

Employee Benefits

Medical, life insurance, development

Not detailed

Not detailed

Not detailed

DOM's Majority Shareholder – Groupe Belleforet



- Founded in 2004
- Specializes in high-quality real estate investments across CEE
- Holds real estate assets in Luxemburg, Germany, and the Netherlands
- Major shareholder in two Spanish real estate companies.
- Majority shareholder of Dom Development



Groupe Belleforêt S.à r.l. is a private investment holding company registered in Luxembourg (Registry code: B101812) and holds an active Legal Entity Identifier (LEI: 549300YYJ2RFT42TEP44), confirming its compliance with international transparency and reporting standards.

Minority Shareholder Rights



- ✓ **Voting Transparency**
→ Open voting ensures fairness; **beneficial owners are excluded to prevent conflicts.**
- ✓ **Meeting Rights**
→ Shareholders with 5%+ can **call meetings & propose agenda items**, ensuring minority voices are heard.
- ✓ **Access to Information**
→ Shareholders have guaranteed access to **comprehensive agenda info**, allowing them to make informed decisions.
- ✓ **Board Representation**
→ Even when a major shareholder appoints half the board, **the rest are elected by all shareholders**, keeping minority interests represented.
- ✓ **Right to Challenge**
→ Minority shareholders can **challenge unfair resolutions** that break laws or company rules.



- Carbon footprint reporting – PwC verified
- Dom Development's methodology for identifying and disclosing material ESG topics – PwC verified
- The ESG report's compliance the Global Reporting Initiative (GRI) Standards – PwC verified
- Dom Development's alignment with the EU Taxonomy – PwC verified

The ESG report underwent a limited assurance engagement, providing a moderate level of scrutiny. While not as exhaustive as a full audit, this process enhances the credibility of the report by confirming that no material misstatements were found.



Important Memberships & Partnerships



- A non-profit organization promoting sustainable building practices in Poland.
- Member of the World Green Building Council, connecting it to global sustainability efforts.
- Focuses on green certifications (e.g., LEED, BREEAM) and promoting low-emission construction.
- Engages with developers, architects, and the public to support energy efficiency and climate goals



- The largest organization representing real estate developers in Poland.
- Works to shape public policy in the housing and construction sectors.
- Supports sustainable urban development and advocates for industry standards.
- Provides a platform for knowledge exchange, workshops, and regulatory updates for members.



- Founded in 1993, represents the interests of publicly listed companies in Poland.
- Offers training, guidance, and advocacy on corporate governance, reporting, and ESG issues.
- Acts as a consultative body in regulatory discussions with the government and stock exchange.
- Promotes best practices in investor relations and financial communication.



- Connects technology leaders across industries to share strategic insights and innovations.
- Hosts conferences, roundtables, and content hubs on digital transformation and ESG tech.
- A leading global network of digital and IT executives, including CIOs and CTOs.
- Supports cross-sector collaboration on digital governance, cybersecurity, and business growth.

Safety at Construction Sites



Accidents at work (Dom's employees):

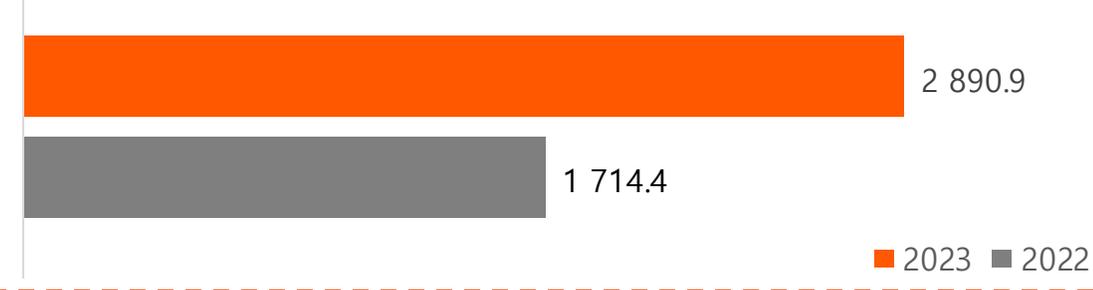
Total number of accidents (injured persons),
resulting in a temporary incapacity to work: **3**

Accidents at work (Subcontractor employees):

Total number of accidents (injured persons),
resulting in a temporary incapacity to work: **15**
Serious (fatalities) **2**

The Sum Allocated to Occupational Health and Safety* (in 000 PLN)

*No disclosure in 2024



Source: Company Reports



- Changes in schedules when necessitated by e.g. extreme weather conditions
- Secured elevator shafts
- First aid equipment at construction sites
- Regular OHS inspections
- OHS audits

DOM's Subcontracting model



Subcontracting approach:

- Using a fixed pool of subcontractors
- Every phase is covered by a separate contract
- Costs of materials & labor are locked in the contracts
- Ensuring subcontractors' trust through timely payments

Business model comparison:

	In-house subcontractors	External subcontractors
Cost	Higher fixed costs	Lower project-based costs
Expertise	Broad general skills	Specialized expertise
Control	High	Medium
Flexibility	Low – harder to scale	High
Pricing	Fixed	Competitive bidding reduces costs



While the company does not publicly disclose its subcontractors, we independently verified their presence through site audits.

Recommendation summary – why the 50/50 weights?



Price target, PLN arrived using different methods

Valuation method	Weight assigned	Price	Upside	
Discounted Cash Flow model (DCF)	50%	PLN 275	25%	→ True intrinsic picture of the company
P/E multiple	25%	PLN 267	22%	} How are the markets seeing it?
EV/EBITDA multiple	25%	PLN 270	23%	
Fair P/BV multiple	0%	PLN 261	19%	
Sum of the parts model (SOTP)	0%	PLN 268	22%	
Dividend Discount Model (DDM)	0%	PLN 269	25%	
Final price target	100%	PLN 272	24%	

We avoided equal weights (e.g. 33/33/33) to reflect:

- our view that DCF gives a more comprehensive picture of valuation;
- while still recognizing the value of market comparables

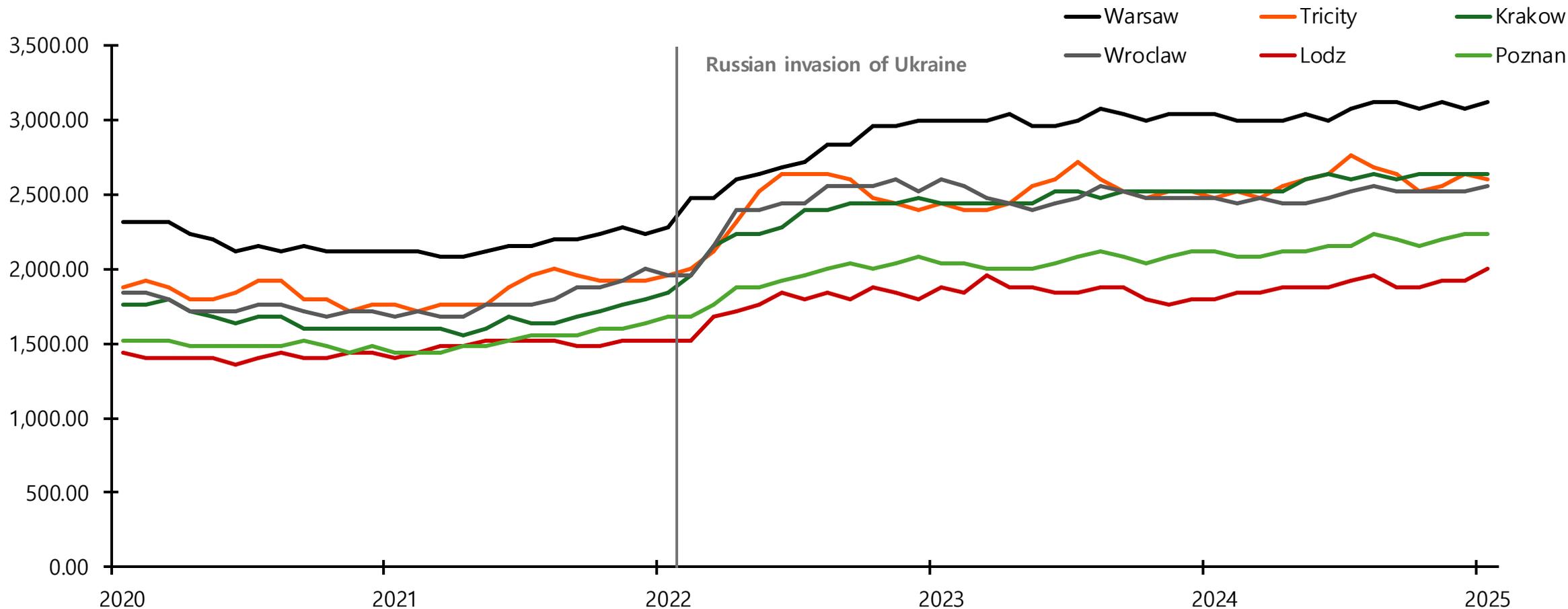
We did not use DDM model because:

- DCF captures both dividends and retained earnings, giving a more complete picture
- DDM does not consider reinvested earnings, which are especially relevant for developers

Rental prices in Poland



Average rental price in the biggest Polish residential real estate market, 0-40 sqm apartment, PLN



Source: AMRON analytics



Overview of the new REIT plans in Poland

Overview

- Legislation expected in 2025
- Single-tax regime (10% CIT on rent, tax-free dividends)
- Focus: Residential and commercial real estate
- Boost to listed companies and rental market

Statutory Conditions

- Min. share capital: PLN 100M
- Headquarters and management in Poland
- Must be listed on Warsaw Stock Exchange
- No preferred shares allowed
- Must include investment policy in Articles of Association
- Experienced asset managers required for oversight

Investment Targets

- Investments restricted to Poland-based properties only.
- Scope includes residential, PRS, PBSA, commercial offices, and retail assets.

Source: Company Reports, Kozminski University Team Analysis

Impact on Dom Development

Benefits:

- Drives institutional capital into rental housing
- Helps professionalize property management
- Increases liquidity and market transparency
- Improves rental market supply and standards

Opportunities:

- Partner with or form REITs to develop rental portfolios
- Diversify revenue: Combine for-sale and for-rent model
- Access cheaper capital through REIT channels

Risks:

- More competition from new institutional landlords
- Rising land prices due to more demand for assets

Entity Level

Tax Rate

S.I.N.N. (REIT)	10% CIT (Deferred)
	19% CIT
Subsidiary Co.	CIT-Exempt
Investor Level	0% PIT (individual)
	0% CIT (institutional)

The GPR framework – Growth, Profitability, and Risk

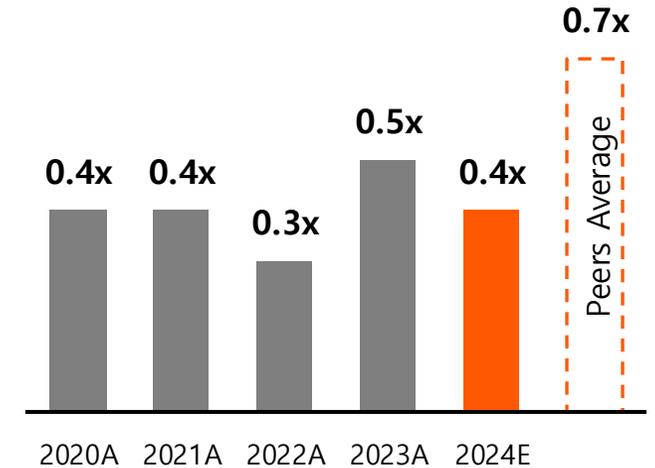
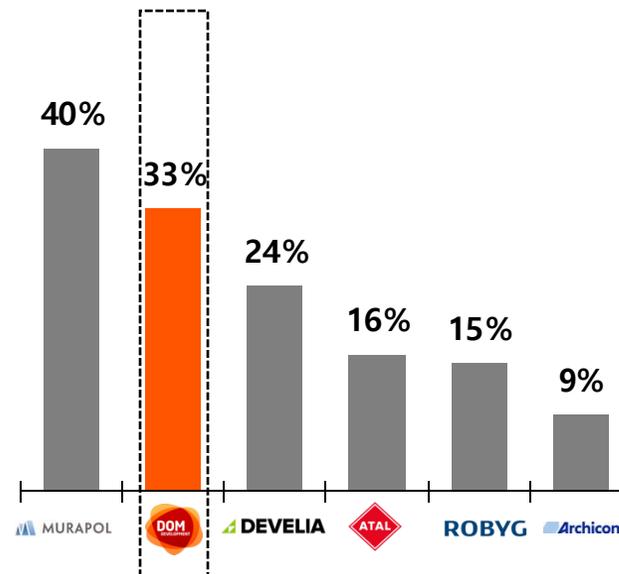
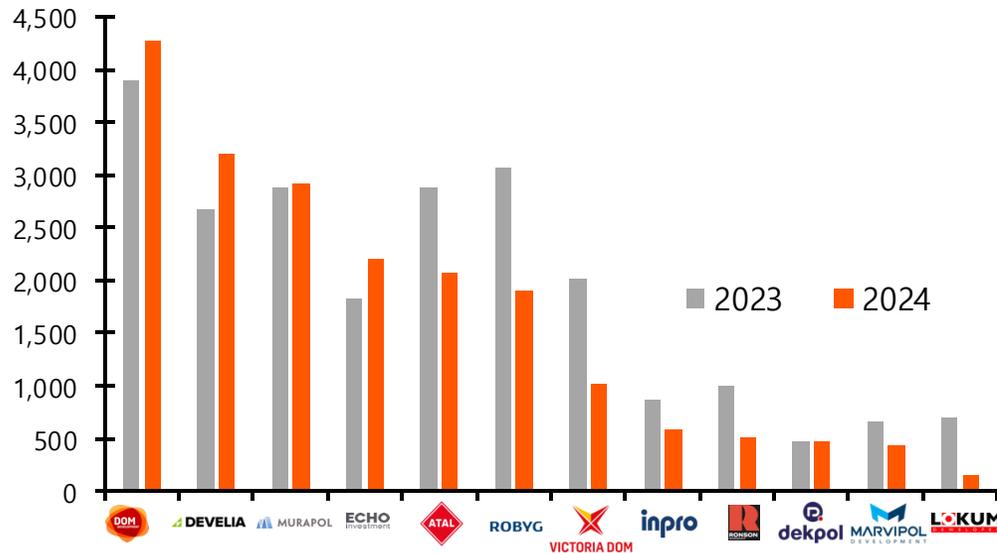


DOM is superior to Polish peers based on the 'GPRV framework' – Growth, Profitability, Risk, and Value and as such, we see clear path to a re-rating of the stock.

G – Growth in a difficult year, units sold

P – Top class profitability, ROE

R – Low gearing ratio, low risk

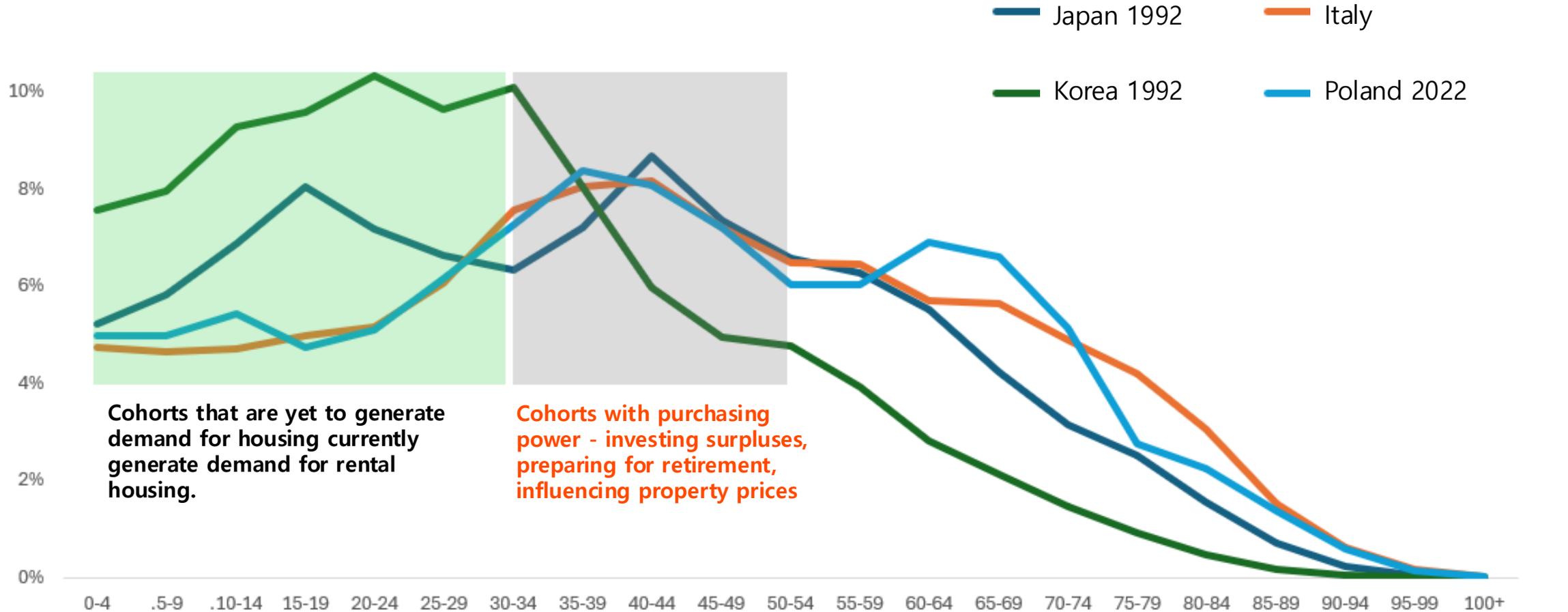


Source: GUS, NBP, Team Analysis

Case study – Ageing population and real estate booms



Share of % of each age group in the population during the historical highest prices

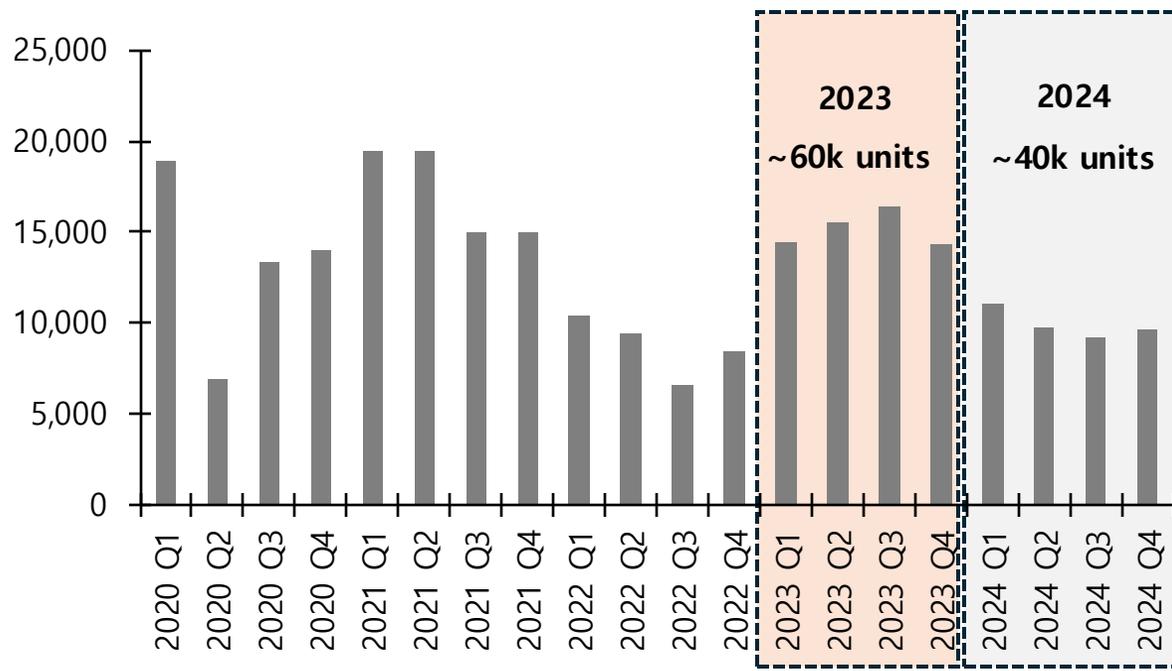


Source: Robert Ditych's substack newsletter

Six biggest real estate markets in Poland



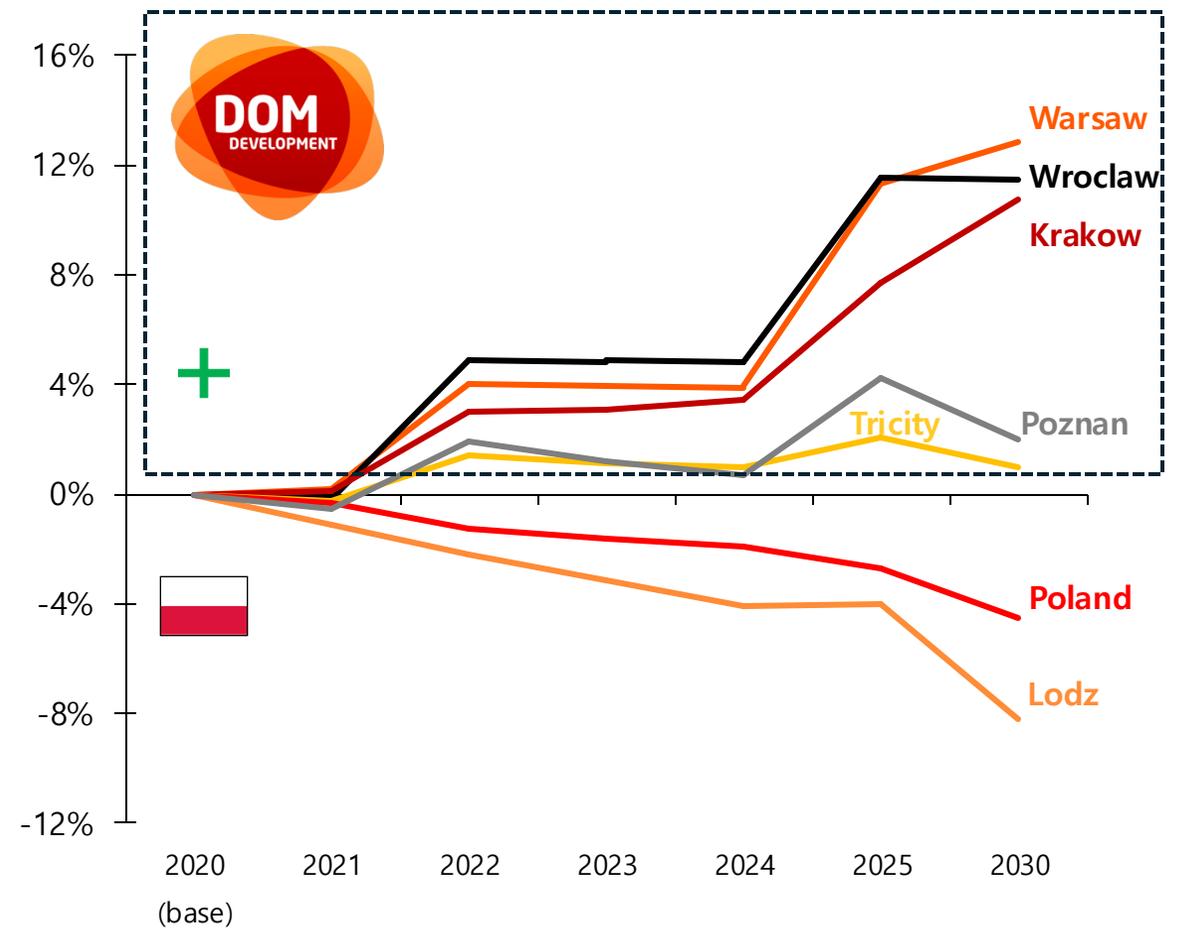
Units sold in six biggest cities Vs units sold in Poland



55% developer-built units were sold in the six biggest cities alone

In 2024, it was **50%+**

Forecasted population growth in Poland's major urban cities



Source: NBP, Kozminski University Team Analysis

Housing deficit in 6 biggest Polish cities, in thousands



3,011
Stock (2023)



Number of dwellings per 1,000 inhabitants

~500
Deficit (2024)



Average usable area/person

100-200
Migration deficit⁽¹⁾



Average dwelling size



Average number of rooms per person



419

31 sqm

75 sqm

1.1



517

35-45 sqm

80-90 sqm

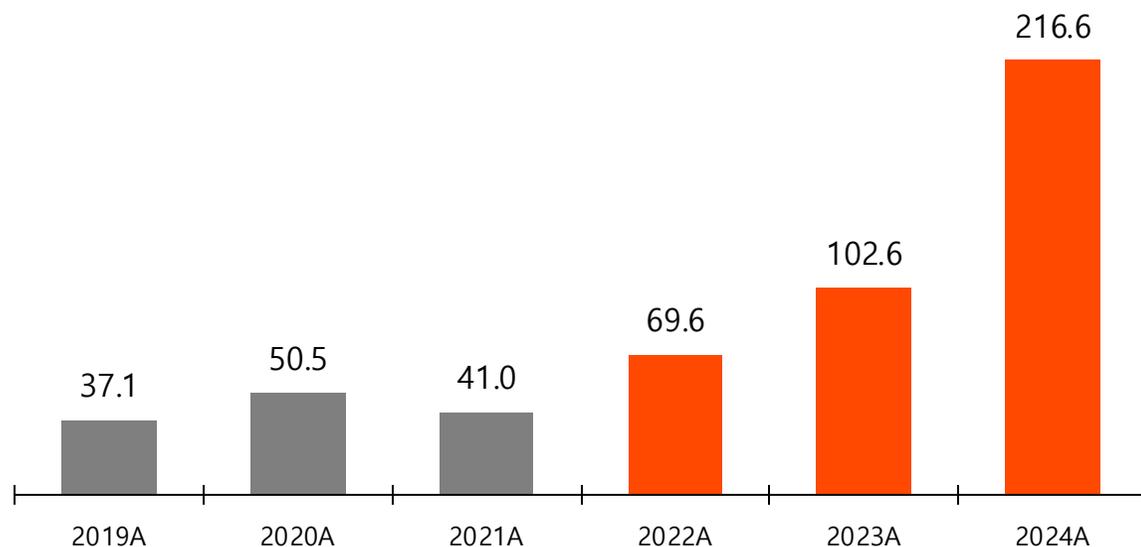
1.7

Source: JLL ⁽¹⁾ Ukraine war migration

Escrow accounts



Cash in open-end escrow accounts, PLN million



Cash in escrow accounts is also related to **'deferred income'** but they are not the same thing.

While deferred income is **recorded as a liability** when sales contract is signed (and the unit is yet to be delivered to the customer), **cash in escrow is an asset** recorded when an actual cash prepayment is received by Dom Development.

Source: Company reports

Types of escrow accounts for developers in Poland

Closed Account

- Funds released after ownership transfer
- High buyer protection
- Common for smaller developers
- Single payout at project end

Open Account

- Funds released in stages
- Requires project milestone checks
- Three types:
 - No security
 - Bank guarantee
 - Insurance guarantee
- For larger, trusted developers only



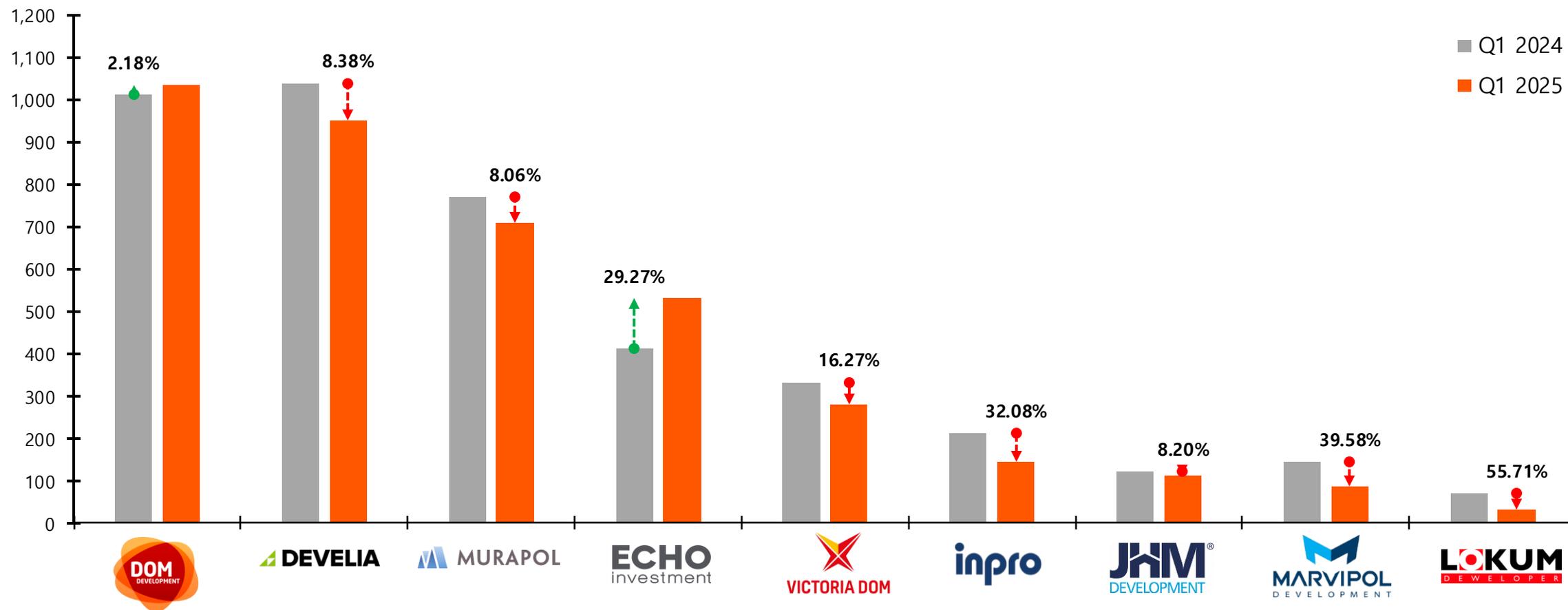
Commonly known as the **“Developers Act”** (Ustawa deweloperska).

Officially came into force on 29 April 2012.

Units sold in Q1 2025 – Dom vs. Peers



Number of units sold by Dom Development against peers, quarterly

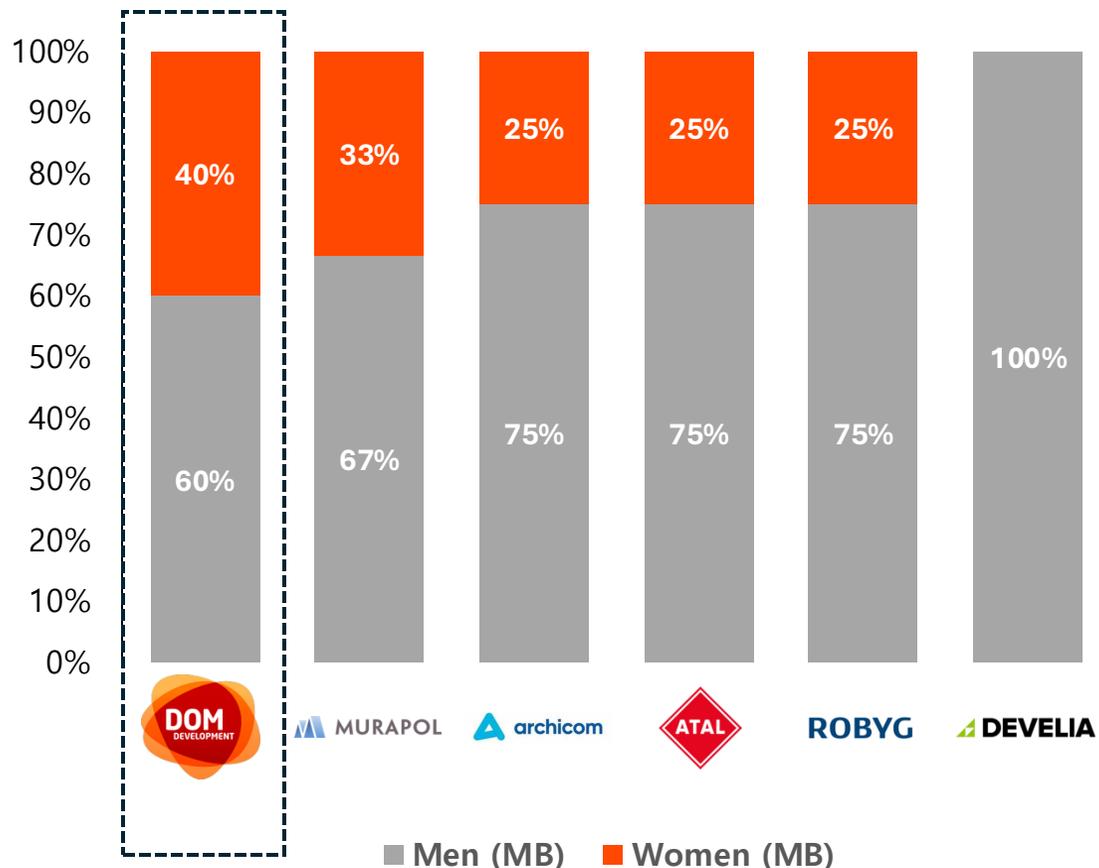


Source: Company reports

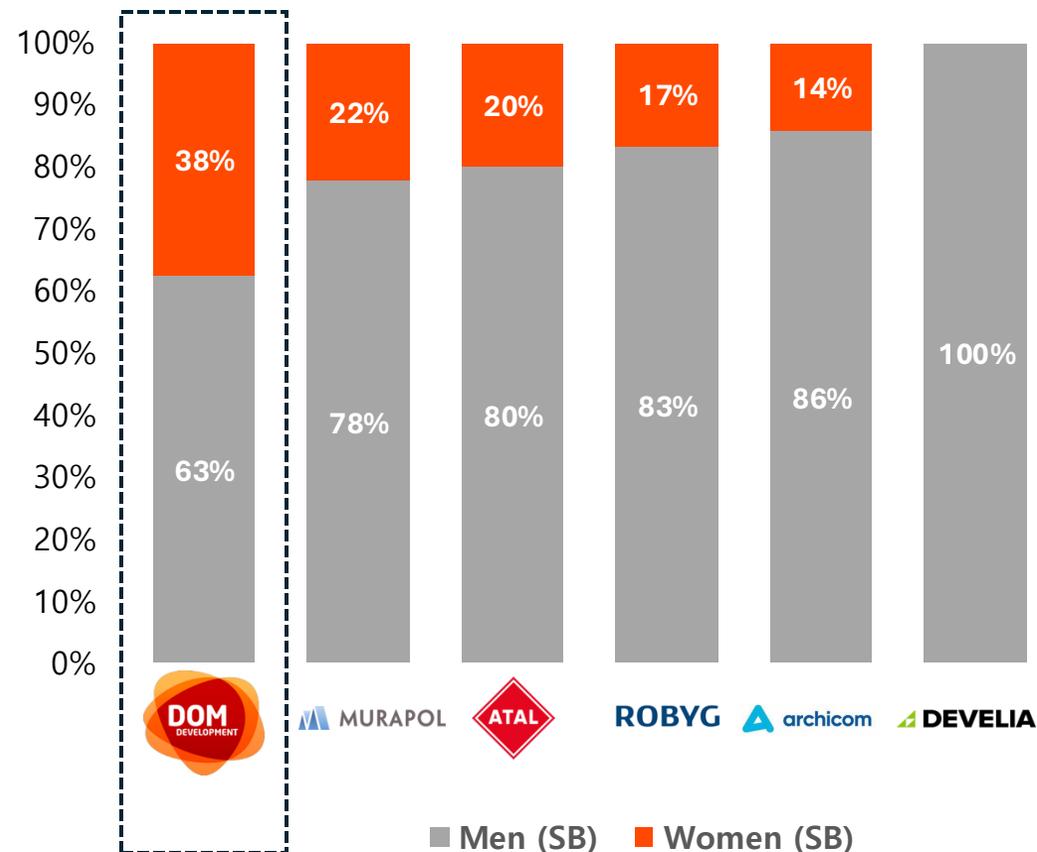
ESG: Comparative Executive Female Representation



Diversity across Management Boards (MB) (Dom vs Peers)

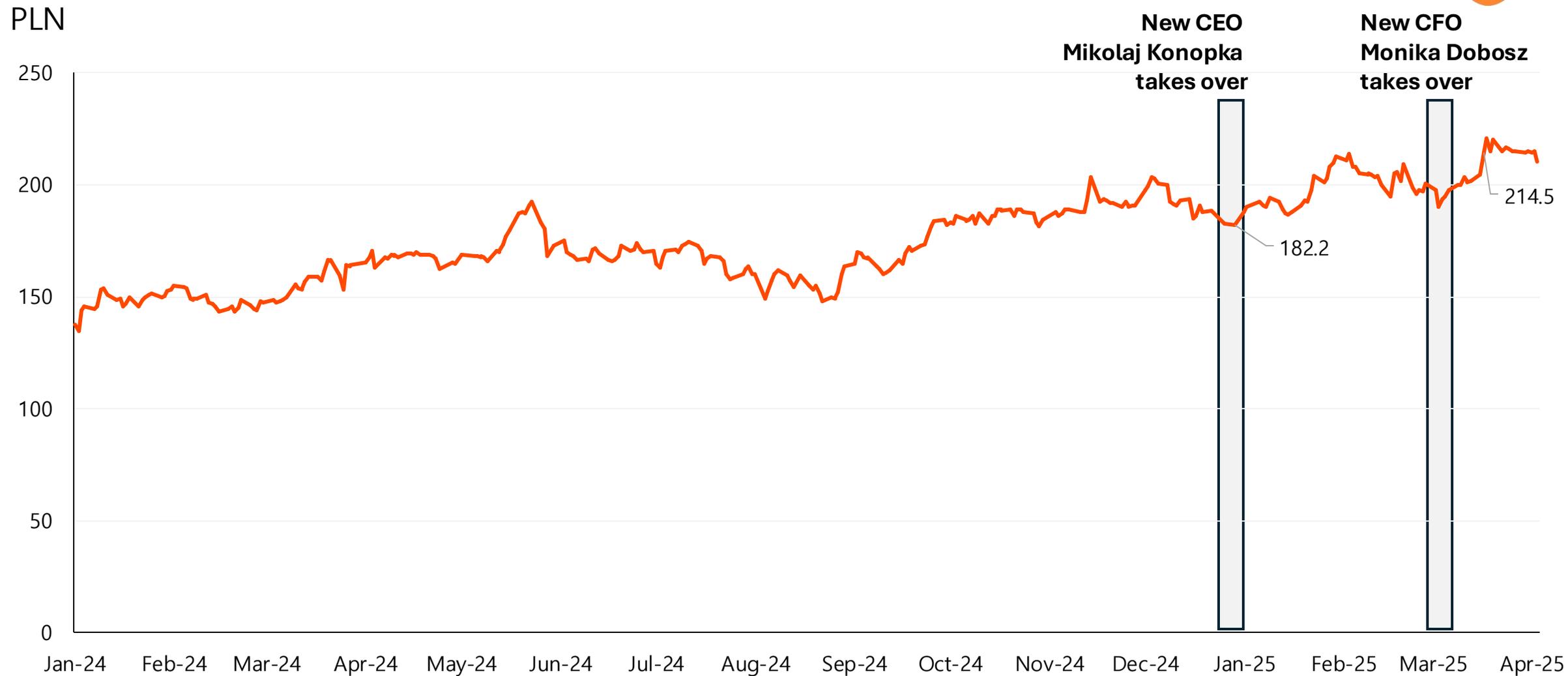


Diversity across Supervisory Boards (SB) (Dom vs Peers)



Source: Company Website, Competitors' Websites

ESG: Stock Market Reaction to the Change in Management



Source: Stooq.pl

Units sold in Q1 2025 – Dom vs. Peers



No. of units	Q1 2024	Q1 2025	% Change
Dom Development	1,011	1,033	2.2%
Develia	1,038	951	-8.4%
Murapol	769	707	-8.1%
Archicom	410	530	29.3%
Victoria Dom	332	278	-16.3%
Inpro	212	144	-32.1%
JHM	122	112	-8.2%
Marvipol	144	87	-39.6%
Lokum Deweloper	70	31	-55.7%

Source: Company Reports, Kozminski University Team Analysis

Why Poland? Why CEE?



Booming economy:

- Polish GDP growth outperforms European average
- Rising real wages
- Growing population & reverse brain drain trends

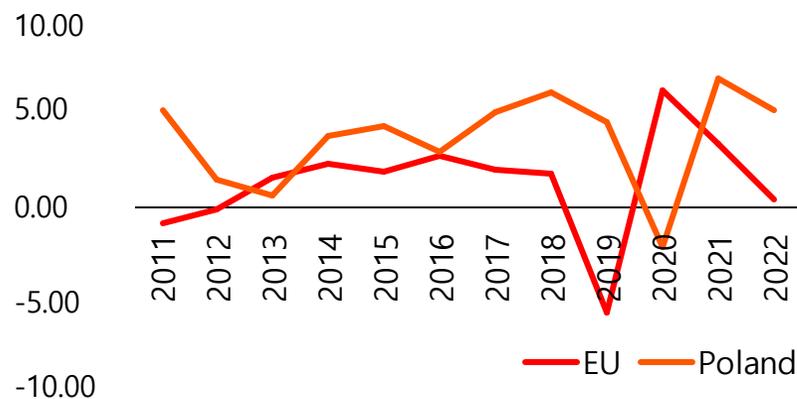
Market stability:

- Stable credit ratings
- Currency stability
- FDI inflows
- NATO & EU Memberstate

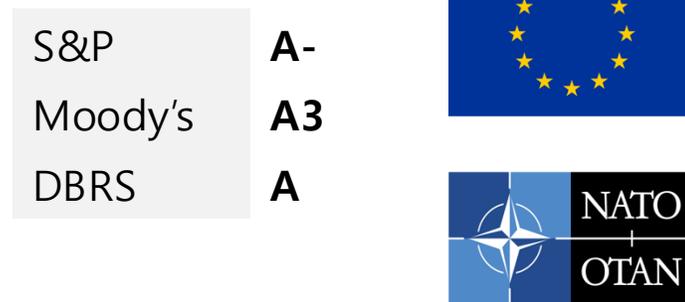
Quality of life supporting positive migration trends:

- High quality of life
- Low unemployment & a dynamic job market
- Affordability

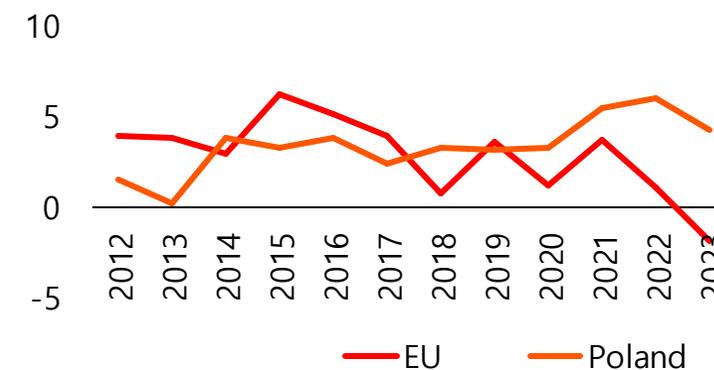
Polish vs EU GDP Growth (%)



Polish Credit Ratings & memberships



Polish vs EU FDI as % of GDP

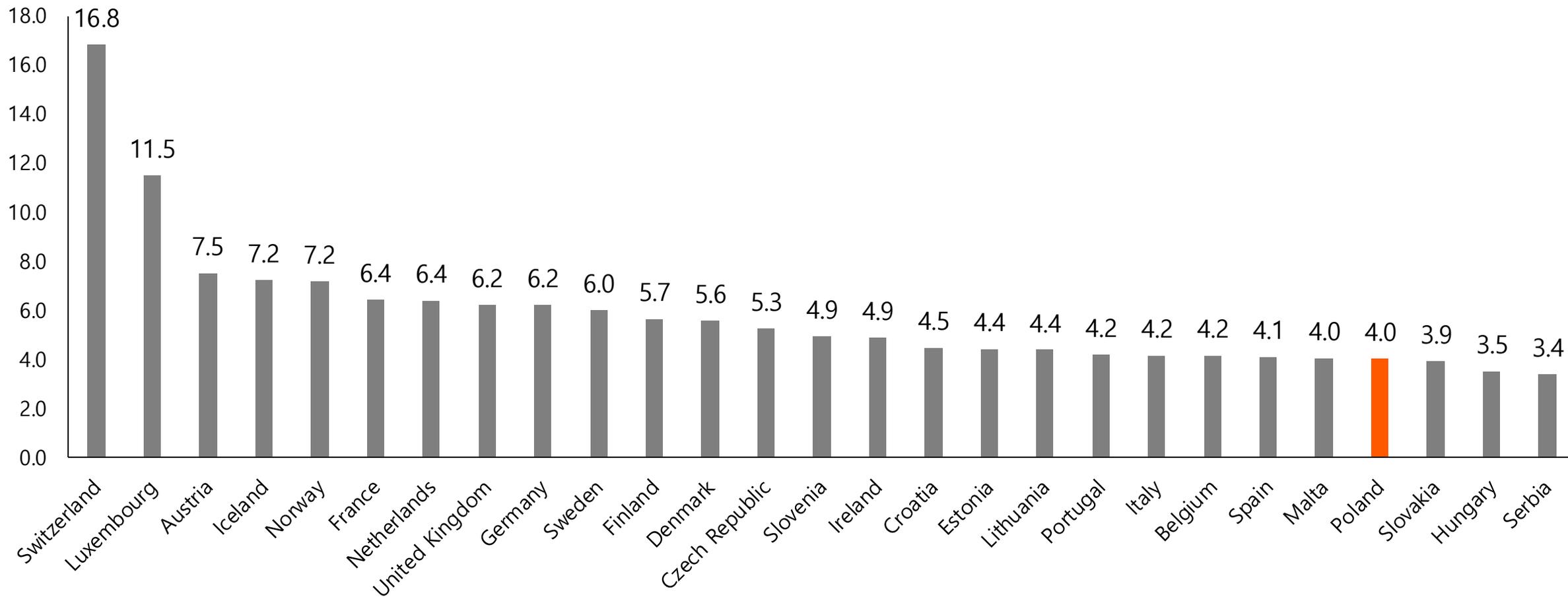


And the real estate market is booming!

Price per sqm across Europe, USD thousands



Price per Square Meter to Buy Apartment in City Centre, Buy Apartment Price



Source: Numbeo, Eurostat, Kozminski University Team Analysis

UBS Real Estate Bubble Index - Decomposition



The **UBS Global Real Estate Bubble Index** aims to gauge the risk of housing market bubbles in global cities. It does not predict when a bubble will burst but assesses the **likelihood of a major price correction**, based on historical patterns and market imbalances.

Sub-Indices within UBS Global RE Bubble Index	Description	Warsaw, Poland score
Price-to-Income Ratio	Measures how many years a skilled service-sector worker must work to afford a 60m ² flat	Low risk
Price-to-Rent Ratio	Compares cost of buying vs. renting; higher values suggest overvaluation	Elevated risk
Change in Mortgage-to-GDP Ratio	Indicates if credit expansion is fueling the market	Low risk
Change in Construction-to-GDP Ratio	Reflects whether excessive building activity is contributing to bubble dynamics	Low risk
City-to-Country Price Ratio	Compares local price growth to national average	Low risk

High risk > 1.5	Elevated risk 1.0 – 1.5	Moderate risk 0.5 – 1.0	<div style="border: 1px dashed black; padding: 5px;"> <p style="text-align: center;">Warsaw, Poland</p> <div style="border: 1px solid black; padding: 2px; text-align: center;"> <p style="text-align: center;">Low risk</p> <p style="text-align: center;">< 0.5</p> </div> </div>
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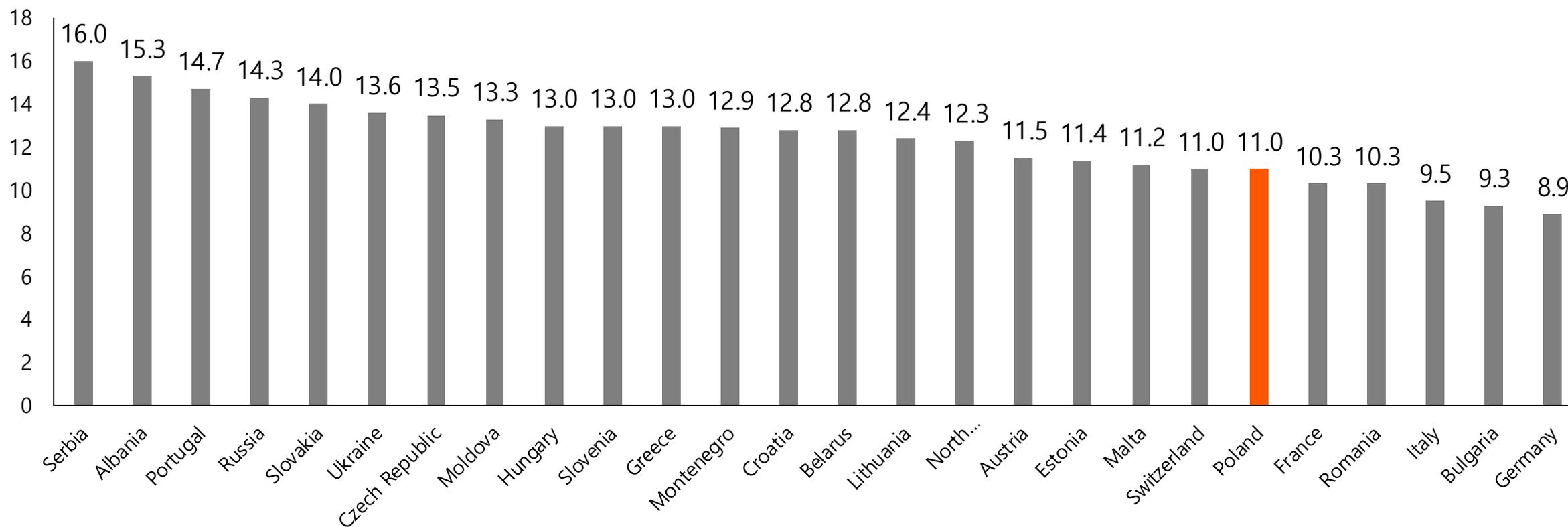
Source: Union Bank of Switzerland, Kozminski University Analysis

Real estate affordability across Europe – Price-to-income ratio



Price-to-income ratio is calculated as the ratio of median apartment prices to median disposable income, expressed as years of income

Lower price-to-income ratio – **better** affordability



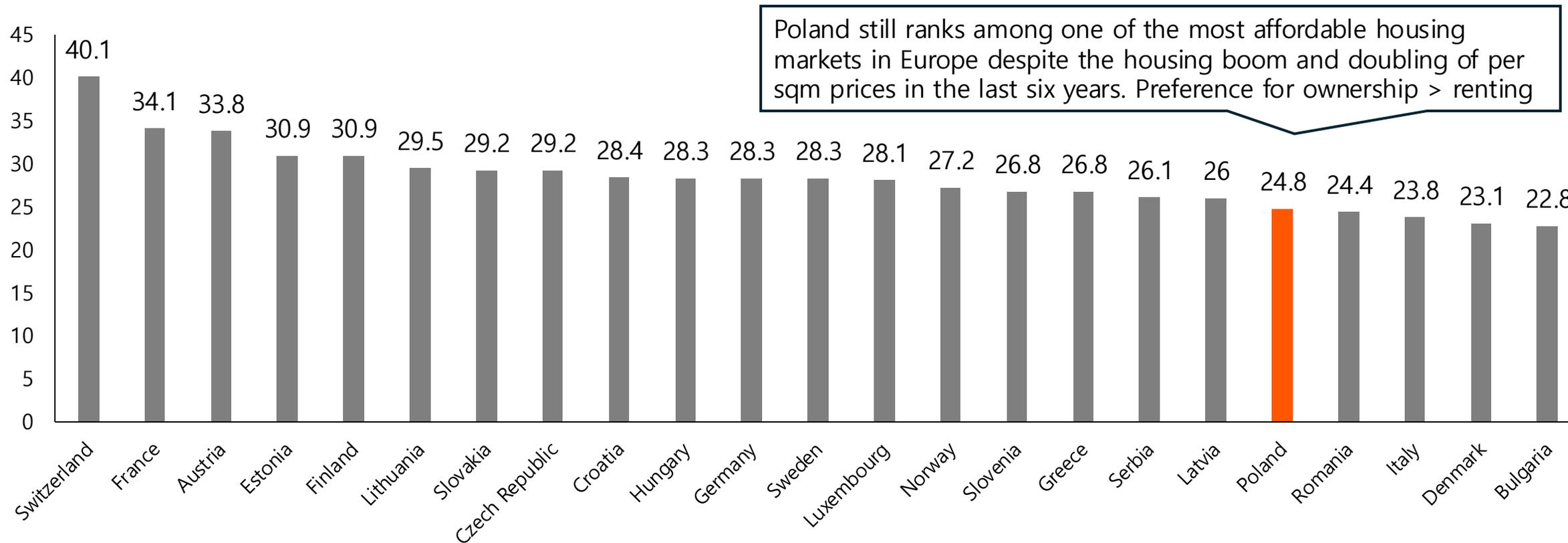
Source: Numbeo, Eurostat, Kozminski University Team Analysis

Real estate affordability across Europe – Price-to-rent ratio



The Price-to-Rent Ratio helps assess whether buying or renting a property is more financially sensible.

Lower price-to-rent ratio – **owning** is better | **Higher** price-to-rent ratio – **renting** is better



Source: Numbeo, Eurostat, Kozminski University Team Analysis

Top 10 major European cities of the future – 2024 overall



Rank	City	Country
1	London	UK
2	Amsterdam	Netherlands
3	Dublin	Ireland
4	Warsaw	Poland
5	Paris	France
6	Munich	Germany
7	Madrid	Spain
8	Berlin	Germany
9	Stockholm	Sweden
10	Barcelona	Spain

Everything was ranked by performance across five subcategories: **economic potential; business friendliness; connectivity; human capital and lifestyle; and cost effectiveness.**

Source: FDI Intelligence

Best European Cities for First-Time Buyers, (2023)



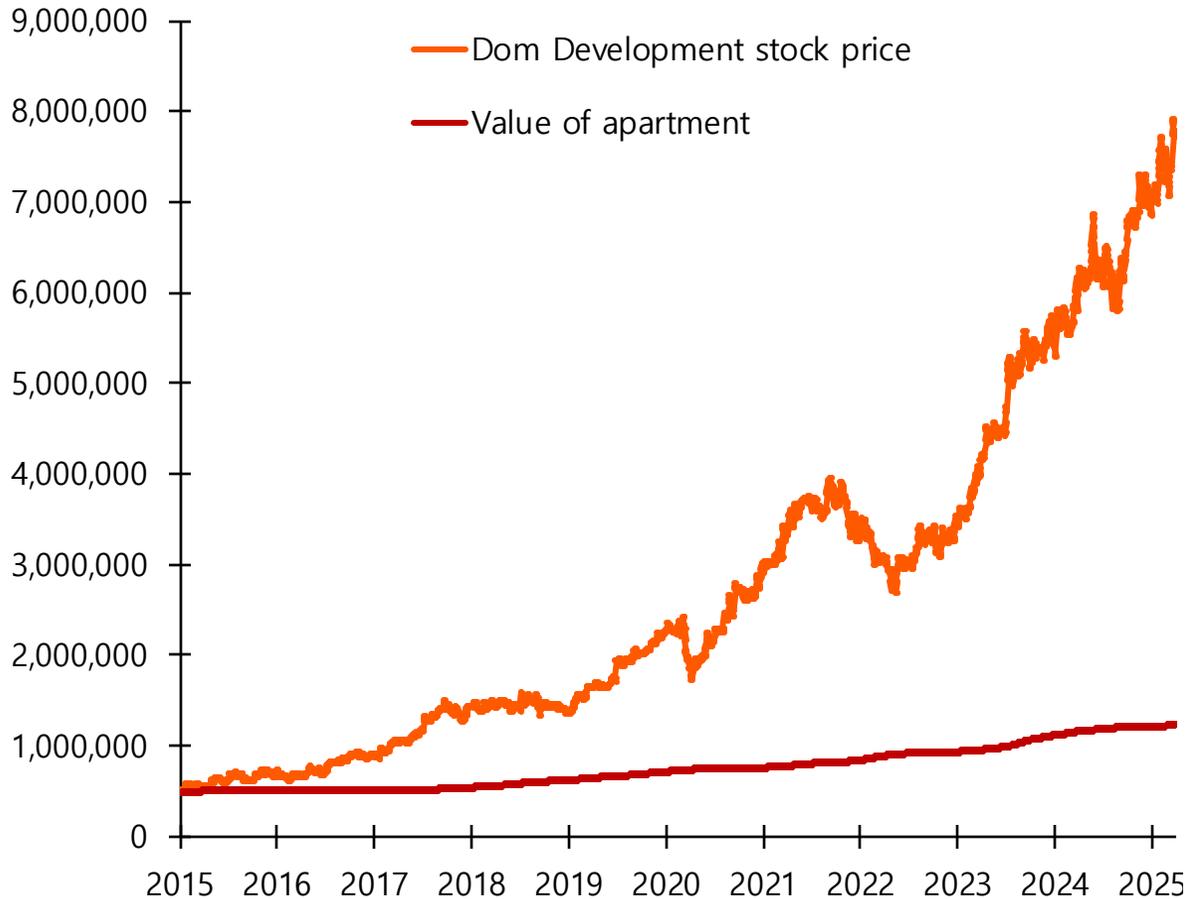
City/Country	Pop.	Broadband Cost /10	Broadband Speed /10	Transport Cost /20	Public Transport Score /10	House Price Score /10	Interest Rate Score /10	Mortgage Payment /10	Salary Score /10	Mortgage % Income (1) /10	Mortgage % Income (2) /10	Drive Time /10	Traff. Score /10	Starbucks /10	Gym /10	Park /10	Total /150
Madrid, Spain	3.3M	2.8	7.2	9.7	9.0	5.9	3.4	8.6	10.0	10.0	10.0	6.9	8.6	9.0	3.1	4.1	100.4
Vienna, Austria	1.7M	4.8	1.0	8.6	8.6	5.5	8.6	5.9	9.3	9.3	2.4	7.2	5.5	10.0	9.3	6.3	96.0
Bucharest, Romania	1.9M	10.0	10.0	20.0	10.0	0.3	9.7	0.3	9.0	9.0	2.1	7.9	2.4	2.1	2.4	1.1	94.2
Budapest, Hungary	1.7M	9.0	8.6	18.0	9.3	0.0	9.1	10.0	7.2	7.2	0.0	4.5	8.3	5.5	4.5	8.5	92.1
Marseille, France	794K	6.2	9.0	9.0	3.0	4.5	6.9	5.2	6.2	7.6	7.6	5.2	3.1	2.1	8.6	7.2	88.7
Birmingham, UK	984K	5.2	1.4	5.6	5.9	3.1	6.2	7.2	8.6	8.6	9.7	1.6	6.7	7.9	6.2	6.2	84.2
Warsaw, Poland	1.7M	9.3	5.9	17.9	7.6	0.7	7.2	2.1	3.8	3.8	1.7	5.9	6.2	9.3	2.8	2.8	84.2
Prague, Czech Rep.	1.1M	7.9	0.0	16.0	6.9	1.4	5.9	3.4	4.5	4.5	5.2	7.2	8.6	2.8	2.8	7.9	83.5
Rome, Italy	2.3M	6.9	2.4	12.5	6.6	8.6	7.6	2.8	6.2	6.2	4.1	3.0	2.0	1.4	6.9	6.3	81.5
Paris, France	2.1M	5.5	9.0	7.0	7.2	0.0	10.0	0.6	0.6	0.7	0.7	9.0	9.7	9.3	5.2	8.6	81.5
Turin, Italy	870K	7.2	2.4	12.0	6.2	9.3	6.9	4.1	6.9	6.9	1.0	5.2	1.0	4.8	5.2	5.2	79.2
Riga, Latvia	742K	8.3	4.5	12.0	9.7	4.1	10.0	4.1	9.7	9.7	1.7	0.0	0.0	6.2	0.3	7.3	77.6
London, UK	9M	3.1	1.4	1.7	2.1	3.8	2.1	9.3	5.5	5.5	10.0	10.0	10.0	0.3	10.0	10.0	74.8
Krakow, Poland	755K	8.6	5.9	16.2	7.9	1.0	7.9	1.7	2.8	2.8	0.3	1.4	3.8	9.7	4.5	4.5	74.5

Source: FDI Intelligence

Case study: Investing in Dom Development Stock vs. Apartment



Value of PLN 500k invested in Dom Development stock and apartment in Warsaw over time, 2015-2025



Key assumptions

- Money invested at the start of 2014: PLN 500,000
- Number of shares purchased: 27,225
- Price per m² in Warsaw: PLN 7,691
- Size of the apartment: 65 m²
- Rental yield: 4.4%-5%
- Maintenance cost for apartments: 15% of annual rent
- Tax on dividends and rental income: 19%
- Both the investments held till end of March 2025

Dom Development stock has provided a **10x capital return** along with a dividend payout of **PLN 70** per share.

In comparison, the real estate investment, including rental income, has yielded a **total return of 2.5x**.

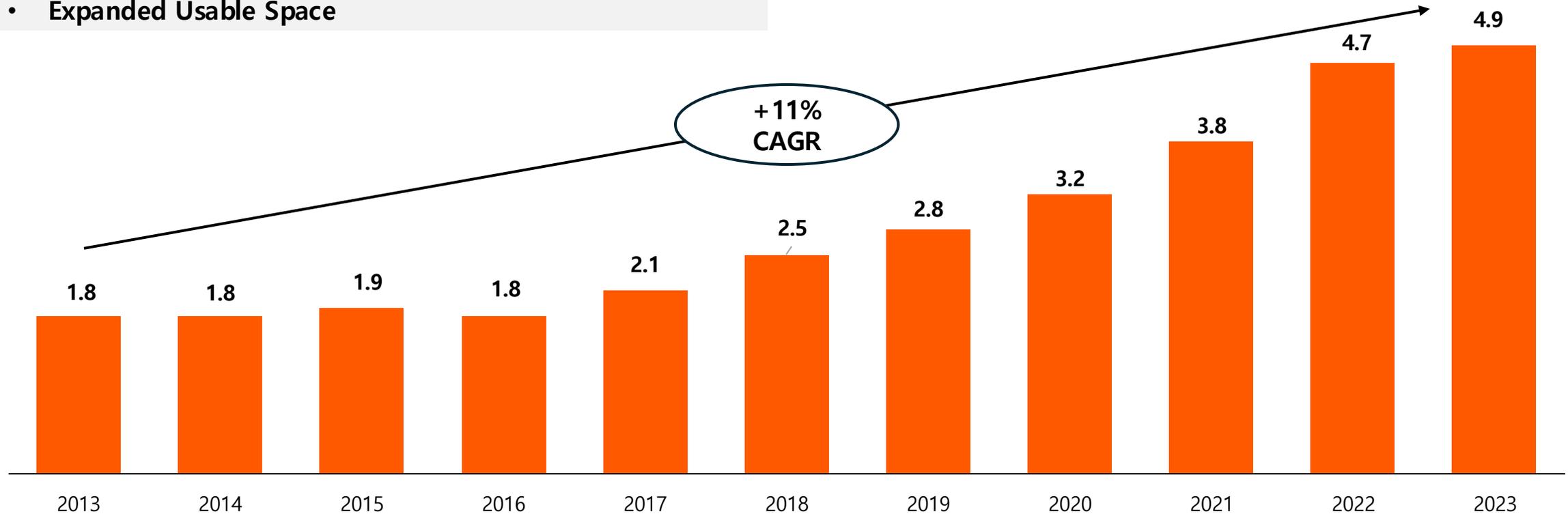
Modular construction market in Poland – Value (PLN bn)



Characteristics of the modular construction market:

- **Fixed Price Guarantee** – no cost overrun
- **Faster Build Time** – quick assembly
- **Permit-Free Options** – up to 70 m² without building permit
- **Affordable Alternative**
- **Expanded Usable Space**

Modular housing primarily caters to the budget-conscious segment of the market, offering affordability, speed, and flexibility. In contrast, Dom Development specializes in premium residential projects, where quality, location, aesthetics, and long-term investment value matter more than upfront cost savings.



Source: Spectis's report Modular construction market in Poland 2024-2029

Dom Development – Risk Mitigation Strategies



Market Risk Mitigation

- Focus on premium segment
- Key metropolitan markets
- Secure premium land for 5 years sales

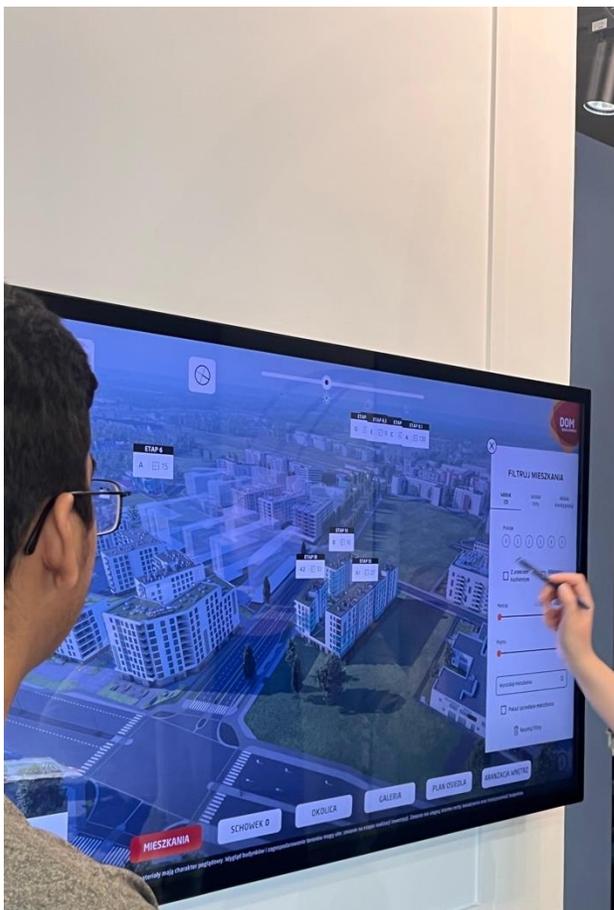
Political Risk Mitigation

- Optimizing pricing strategies
- Diversify customer base: subsidy-dependent & non-subsidy-dependent
- Secured building permits

Operational Risk Mitigation

- Build healthy partnerships with contractor
 - Develop training programs
- Secure supplier contracts

Visit to the Sales Office of DOM



1 CHOOSE YOUR APARTMENT



2 RESERVE YOUR APARTMENT



3 SECURE YOUR LOAN



4 FIT-OUT YOUR APARTMENT

Average time to sell

As of 2024

Dom

Peers

2.7 qtr vs **5.3 qtr**

Average transaction price

As of 2024

PLN 835k vs **PLN 688k**



Visit to the Construction Site of the Metro Zachód Project



Traditional techniques

DOM uses traditional methods of construction. This process takes 18-24 months.

Superior material

From high-grade glazing to sound-insulating walls, top-quality materials are used to guarantee better.

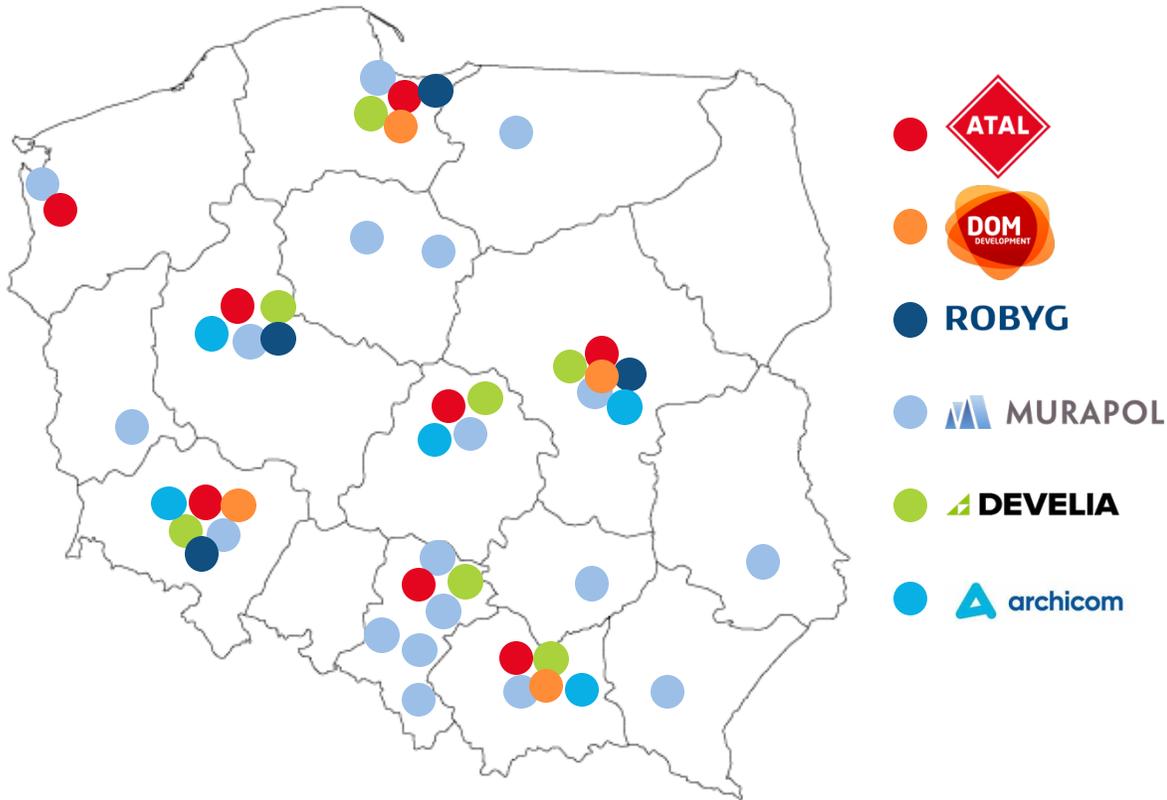
Sales begin before completion

With strong demand and confidence in the project, sales are launched during the construction phase

Land bank analysis



Land bank by location



Land bank by Developer

	Land in 6 biggest market	Location Focus	Strategic Advantages	Location Quality
	19008	Warsaw, Tri-City, Wrocław, Krakow	Market leader; premium segment	Prime urban & suburban
	8448	Warsaw, Wrocław, Kraków, others	Regional diversity; mixed-use projects	Mixed prime/secondary zones
	7471	Warsaw, Kraków, Wrocław, others	Nationwide reach; integrated model	Urban, well-connected
	13058	Wrocław, Warsaw	Local expertise; boutique scale	Central & suburban
	21449	Warsaw, Gdańsk, Wrocław, Poznań	Smart, eco-focused developments	Strong urban locations
	Not disclosed but majority in regional	Nationwide (19+ cities)	High scale; affordable housing focus	Mixed (Tier 1 + regional)

Source: Company Reports, Competitors' Reports, Kozminski University Team Analysis

Real estate market in Poland vs. Other Continents



	Poland	Europe	America	Asia	
Market	Market Maturity	Emerging	Highly Mature	Mature	Mixed
	Homeownership rate	87%	69%	66%	90%
	Geopolitical risk	Moderate (Ukraine-Russia war)	Low (Stable, EU Economies)	Moderate (trade and economic policy, international relations)	Moderate-High (China-Taiwan tension)
Financials	Net margin (%)	12-15%	10-12%	7-9%	5-10%
	ROE	25-33%	4-10%	10-20%	5-10%
	ROIC	15-20%	2-5%	8-15%	3-6%
	CCC	600-900	450-600	200-400	100-300

Source: Kozminski University Team Analysis, JLL & CBRE Reports

WACC – Dom Development Vs peers



Cost of equity	Dom	Archicom	Develia	Atal	Murapol
Rfr		5.9%	5.9%	5.9%	5.9%
Beta		0.62	0.7	0.8	0.7
MRP		5.8%	5.8%	5.8%	5.8%
COE		9.5%	9.7%	10.5%	9.7%
Cost of debt		6.7%	8.2%	7.6%	7.3%
Tax		19%	19%	19%	19%
After-tax cost of debt		5.4%	6.7%	6.2%	5.9%
Debt %		89%	24%	25%	30%
Equity %		11%	76%	75%	70%
WACC		9.4%	9.4%	9.8%	9.0%

Source: Kozminski University Team Analysis, JLL & CBRE Reports

Revenue split & EBITDA bridge



Income Statement (PLN m)	2019A	2020A	2021A	2022A	2023A	2024A	2025F	2026F	2027F	2028F	2029F	2030F
Warsaw	1359	1259	1238	1406	1484	1784	1921	1705	1742	1917	2033	2106
Tricity	243	394	407	531	629	719	750	869	1013	1048	1134	1225
Wroclaw	60	162	209	177	300	339	616	677	757	810	847	915
Krakow	0	0	44	306	137	326	403	609	680	712	763	836
Revenue	1,662	1,815	1,897	2,419	2,550	3,168	3,691	3,860	4,191	4,488	4,778	5,083
COGS	(1,162)	(1,236)	(1,272)	(1,664)	(1,735)	(2,149)	(2,508)	(2,645)	(2,917)	(3,161)	(3,412)	(3,666)
Gross profit	509	583	631	774	840	1,040	1,204	1,237	1,297	1,351	1,390	1,442
Other income	9	4	6	18	25	21	22	22	23	24	24	25
SG&A	(151)	(157)	(178)	(216)	(224)	(269)	(331)	(351)	(382)	(411)	(438)	(474)
Other expense	(22)	(25)	(24)	(39)	(37)	(49)	(52)	(55)	(57)	(60)	(63)	(66)
EBITDA	336	401	429	519	579	722	843	853	875	893	895	908

Source: Kozminski University Team Analysis, JLL & CBRE Reports

Porter's 5 Forces Analysis

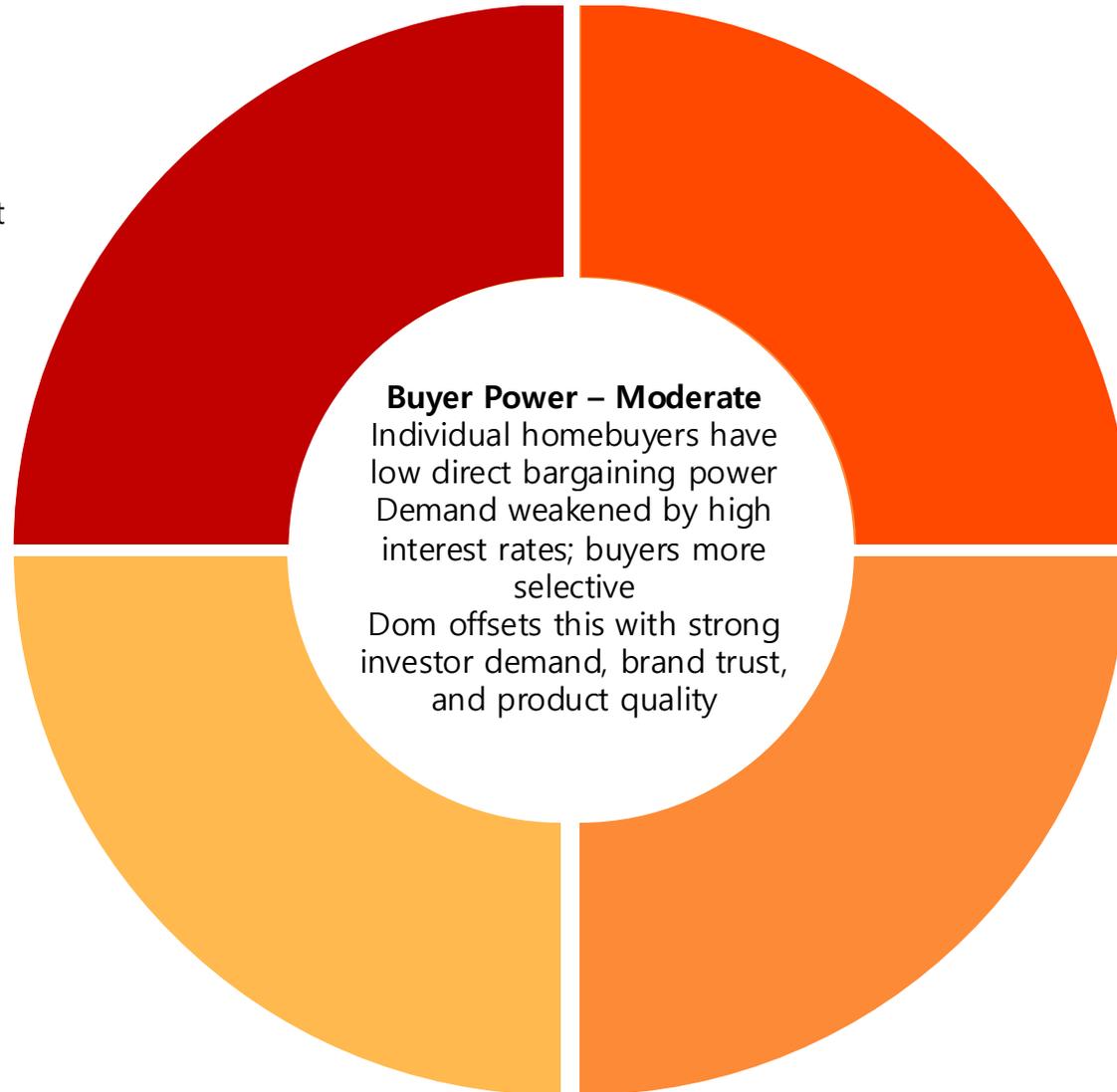


Competitive Rivalry – High

- The biggest markets are dominated by a few large developers
- Supply exceeds demand in 2024, but Dom stayed ahead of the curve
- Dom maintains leadership with strong brand, land bank, and scale

Threat of New Entrants – Low

- High entry barriers include: strict regulations, land scarcity, large capital needs
- Besides this the know how of the regional market plays a big role in the real estate development



Supplier Power – Moderate

- Input costs remain elevated and expected to be
- Dom leverage scale and diverse subcontractor base to manage pressures

Threat of Substitutes – Moderate

- Renting (PRS), resale homes, and self-builds offer alternatives
- Ownership remains preferred; Dom competes on value and trust

City	Price (k PLN)	UFA (m ²)	Planned number of units	Average price per land (PLN/m ²)	% of land owned by group	% of land under preliminary agreements
Bielsko-Biala	13,222	14,224	279	930	100%	0%
Bydgoszcz	14,036	20,538	469	683	75%	25%
Chorzow	8,200	6,571	135	1,248	100%	0%
Gdansk	183,925	117,463	3,314	1,566	50%	50%
Gdynia	11,000	10,224	227	1,076	0%	100%
Gliwice	26,426	45,790	940	577	43%	57%
Katowice	62,040	77,773	1,727	798	0%	100%
Krakow	95,245	43,153	1,084	2,207	33%	67%
Lublin	26,500	15,130	332	1,751	0%	100%
Lodz	164,330	168,810	3,797	973	50%	50%
Poznan	88,256	84,089	1,823	1,050	89%	11%
Siewierz	5,475	10,003	199	547	100%	0%
Sosnowiec	5,752	20,383	428	282	100%	0%
Torun	47,553	39,055	927	1,218	60%	40%
Tychy	10,500	17,305	352	607	100%	0%
Warsaw	287,411	141,470	3,373	2,032	21%	79%
Wroclaw	15,460	21,209	373	729	100%	0%