

Current Report No. **3/2018**

Report Date:

12 January 2018, 12:09 PM

Abbreviated name of the issuer:

DOM DEVELOPMENT S.A.

Subject:

Resolutions of the Management Board and the Supervisory Board regarding the increase of the share capital through the issuance of 100,000 Y series shares within the scope of the authorised capital, and full and complete waiver of the pre-emptive rights of the existing shareholders

Legal basis:

Article 17.1 of the Market Abuse Regulation – inside information

The Report:

The Management Board of Dom Development S.A. with its registered seat in Warsaw (the "Company"), with reference to current report no. 2/2018 of 3 January 2018, hereby informs that on 12 January 2018 it adopted resolution No. 02/01/18 on acceptance of the draft of the resolution on increasing the share capital by issuing shares of series Y within the scope of the authorised capital and depriving existing shareholders of their pre-emptive rights in whole.

According to the above-mentioned resolution, the Company's Management Board proposes to increase the Company's share capital from the existing amount of PLN 24,868,422.00 (twenty four million, eight hundred and sixty eight thousand, four hundred and twenty two Polish zloty) up to the amount of PLN 24,968,422.00 (twenty four million, nine hundred and sixty eight thousand, four hundred and twenty two Polish zloty) i.e. by the amount of PLN 100,000.00 (one hundred thousand Polish zloty) by issuing 100,000 (one hundred thousand) of ordinary bearer shares of series 'Y', with a nominal value of PLN 1.00 (one Polish zloty) each, numbered from 1 to 100,000.

The series Y shares will be issued by way of private subscription. The Supervisory Board of the Company, pursuant to resolution No. 01/01/18 of 12 January 2018, expressed a positive opinion on the above-mentioned increasing of the share capital and agreed to deprive the previous shareholders of the Company of their pre-emptive rights in whole with respect to 100,000 shares of series Y. The objective of the issuance of the series Y shares is to allow the Company to comply with its obligations under the Management Share Option Programme IV for Małgorzata Kolarska, Vice President of the Management Board, Chief Operations Officer, regarding 500,000 Shares of Dom Development S.A. (the "Scheme IV", the Company informed of said Scheme IV in the current reports: no. 11/2017 dated 28 March 2017, no. 15/2017 dated 4 April 2017, no. 21/2017 dated 25 May 2017, and no. 43/2017 dated 1 December 2017). The waiver of the pre-emptive rights of the existing shareholders is justified by the circumstances that the series Y shares issue is addressed exclusively to the participant of Scheme IV, Mrs. Małgorzata Kolarska, and to allow her to exercise her rights under subscription warrants.

Pursuant to the resolution of the Supervisory Board No. 02/01/18 dated 12 January 2018, the Supervisory Board granted its consent for the Management Board to determine the issue price for the series Y shares at PLN 35.00 (thirty five zloty) per share.

Signatures of persons representing the Company:

Jarosław Szanajca – President of the Management Board

Janusz Zalewski – Vice President of the Management Board