

Current Report No. 22/2020

Report Date:

4 August 2020, 10:57 AM

Abbreviated name of the issuer:

DOM DEVELOPMENT S.A.

Subject:

Recommendation of the Management Board regarding the payment of dividend

Legal basis:

Article 17.1 of the Market Abuse Regulation – inside information

The Report:

In relation to the current reports no. 12/2020 dated 6 March 2020 and no. 14/2020 dated 6 April 2020, the Management Board of Dom Development S.A. with its registered seat in Warsaw (the “Company”), hereby informs that, on 4 August 2020 it adopted a resolution concerning the distribution of the Company’s net profit for 2019.

In accordance with the abovementioned resolution the Management Board of the Company maintains the original recommendation published on 6 March 2020 in the current report no. 12/2020 that a part of the Company’s net profit for 2019 of **PLN 239,575,009.00** (in words: two hundred and thirty-nine million, five hundred and seventy-five thousand and nine Polish zlotys) be distributed among the Company shareholders as dividend, meaning **PLN 9.50** (in words: nine Polish zlotys and fifty groszy) dividend per share. The payout ratio of the recommended dividend amounts to 94% of the 2019 consolidated net profit of Dom Development S.A.’s Capital Group (the “Group”).

Moreover, according to the abovementioned resolution, the Management Board of the Company proposed that **7 September 2020** be set as the dividend date and **14 September 2020** as the dividend payment date.

The Management Board of the Company recommends that the balance of the 2019 net profit of the Company in the amount of **PLN 65,089,927.64** (in words: sixty-five million eighty-nine thousand nine hundred twenty-seven zlotys sixty-four groszy) be allocated to the Company’s reserve capital.

The decision to reinstate the recommended amount of the dividend payment from the 2019 Company’s profit was reached by the Company’s Management Board with the benefit of 5 months of data about the impact of the COVID-19 on the Company’s operations and finances, and reflects its high liquidity and strong balance sheet.

The dividend recommendation is in line with Dom Development S.A.’s dividend policy. The Management Board still intends to pay out the highest possible dividend to the Company shareholders compatible with a strong balance sheet and ample liquidity. The Management Board believes that the high return on equity of the Company and its Capital Group will enable it to stay among the top WSE listed companies in terms of dividend yield while continuing to allocate a proportion of its annual profits to strengthening its balance sheet.

Signatures of persons representing the Company:

Jarosław Szanajca – President of the Management Board

Janusz Zalewski – Vice President of the Management Board