

Current report no. 24/2021

Report date:

1 July 2021, 1:05 PM

Abbreviated name of the Issuer

DOM DEVELOPMENT S.A.

Subject:

Acquisition of majority shareholding in Sento S.A. with its registered office in Cracow

Legal basis:

Section 17.1 of MAR – inside information

Report content:

In relation to report no. 11/2021 of 12 March 2021, the Management Board of Dom Development S.A. (hereinafter the “Company”) announces that a purchase contract was entered into with RENO Spółka z ograniczoną odpowiedzialnością with its registered office in Cracow (hereinafter the “Seller”) on 1 July 2021 under which the Seller sold 77% shares in Sento S.A. with its registered office in Cracow (hereinafter the “Transaction”) to the Company for the price of PLN 35 379 000 (in words : thirty-five million three hundred and seventy-nine thousand Polish zlotys).

As a result of the Transaction, Dom Development S.A. assumes control of Sento S.A. Capital Group, a residential developer in Cracow. The remaining 23% of shares in Sento S.A. (hereinafter “Remaining Shares”) are controlled by the executives of the company. Dom Development S.A. holds a pre-emptive right to the Remaining Shares, and after 7 years from the Transaction call and put options for the Remaining Shares will come into force. The price of the Remaining Shares shall be calculated according to an “earn-out” formula based on the performance and balance-sheet of Sento S.A. The purchase consideration of the Remaining Shares may be settled through the issuance of new shares in the Company, and will in any event be capped at an amount equivalent to 3% of the pre-existing share capital of the Company.

As a result of this Transaction the Dom Development S.A. Capital Group is expanding its operations to include Cracow, the second largest house-building market in Poland.

Signatures of the persons representing the Company

Jarosław Szanajca, President of the Management Board

Leszek Stankiewicz, Vice President of the Management Board