DOM DEVELOPMENT S.A.

SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

TABLE OF CONTENTS

1 AUTHORISATION OF THE SEPARATE FINANCIAL STATEMENTS FOR ISSUE

These separate financial statements for the year ended 31 December 2024, comprising:

- Separate balance sheet prepared as at 31 December 2024,
- Separate statement of profit or loss for the 12 months ended 31 December 2024,
- Separate statement of comprehensive income for the 12 months ended 31 December 2024,
- Separate statement of cash flows for the 12 months ended 31 December 2024,
- Separate statement of changes in shareholders' equity for the 12 months ended 31 December 2024,
- Notes to the separate financial statements

were prepared and authorised for issue by the Management Board of Dom Development S.A. on 17 March 2025.

The Management Board of Dom Development S.A. represents that, to the best of its knowledge, these annual separate financial statements for 2024, including comparative data, have been prepared in accordance with the applicable accounting policies, and give a true, accurate and fair view of the financial position, assets and financial performance of the Company.

Mikołaj Konopka
President of the Management Board

Monika Dobosz
Vice President of the Management Board

Justyna Wilk
Member of the Management Board

Grzegorz Smoliński
Member of the Management Board

Terry R. Roydon
Member of the Management Board

2 SEPARATE BALANCE SHEET

ASSETS	Note	31 Dec 2024	31 Dec 2023
Non-current assets			
Intangible assets	**7.6**	21,081	19,214
Property, plant and equipment	**7.7**	21,562	19,861
Investments in subsidiaries, associates and joint ventures	**7.8**	449,328	472,613
Deferred tax assets	**7.22**	-	12,050
Long-term receivables	**7.9**	5,742	5,009
Long-term loans granted	**7.9**	154,500	462,337
Other non-current assets		7,768	11,126
TOTAL NON-CURRENT ASSETS		**659,981**	**1,002,210**
Current assets			
Inventory	**7.10**	2,124,970	2,050,861
Trade and other receivables	**7.11**	56,472	52,790
Other current assets	**7.12**	22,525	74,836
Income tax receivables	**7.22**	48,425	-
Short-term loans granted	**7.9**	360,750	-
Current financial assets	**7.13**	142,315	82,358
Cash and cash equivalents	**7.14**	129,874	34,104
TOTAL CURRENT ASSETS		**2,885,331**	**2,294,949**
TOTAL ASSETS		**3,545,312**	**3,297,159**

EQUITY AND LIABILITIES	Note	31 Dec 2024	31 Dec 2023
Equity			
Share capital	**7.15**	25,798	25,698
Share premium	**7.16**	276,458	271,558
Other equity (statutory reserve funds)		898,638	765,143
Cash flow hedge reserve		4,691	5,484
Reserve from share capital reduction		510	510
Retained earnings		264,229	299,772
TOTAL EQUITY		**1,470,324**	**1,368,165**
Non-current liabilities			
Bank borrowings, non-current portion	**7.19**	-	-
Bonds, non-current portion	**7.20**	510,000	470,000
Deferred tax liabilities	**7.22**	17,437	0
Long-term provisions	**7.23**	14,956	11,910
Lease liabilities, non-current portion	**7.25**	7,270	10,175
Other non-current liabilities	**7.24**	30,432	58,787
TOTAL NON-CURRENT LIABILITIES		**580,095**	**550,872**
Current liabilities			
Trade, tax and other payables	**7.26**	464,969	270,501
Bank borrowings, current portion	**7.19**	-	-
Bonds, current portion	**7.20**	100,000	50,000
Accrued interest on bank borrowings and bonds	**7.21**	6,863	7,191
Lease liabilities, current portion	**7.25**	43,093	48,049
Corporate income tax payables	**7.33**	-	10,462
Dividends payable		-	-
Short-term provisions	**7.27**	19,005	15,767
Deferred income	**7.28**	860,963	976,152
TOTAL CURRENT LIABILITIES		**1,494,893**	**1,378,122**
TOTAL LIABILITIES		**2,074,988**	**1,928,994**
TOTAL EQUITY AND LIABILITIES		**3,545,312**	**3,297,159**

All amounts are stated in thousands of Polish złoty.

3 SEPARATE STATEMENT OF PROFIT OR LOSS

	Note	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Revenue	**7.35**	1,782,984	1,487,820
Cost of sales	**7.35**	(1,281,915)	(999,495)
Gross profit		**501,069**	**488,325**
Selling costs	**7.36**	(63,476)	(50,283)
General and administrative expenses	**7.36**	(112,167)	(96,177)
Other income	**7.38**	11,508	11,729
Other expenses	**7.39**	(22,650)	(19,679)
Operating profit		**314,284**	**333,915**
Finance income	**7.40**	209,464	208,547
Finance costs	**7.41**	(41,381)	(32,483)
Profit before tax		**482,367**	**509,979**
Income tax	**7.33**	(63,347)	(68,865)
Net profit		**419,020**	**441,114**

Earnings per share:			
Basic (PLN)	**7.32**	**16.25**	**17.19**
Diluted (PLN)	**7.32**	**16.25**	**17.12**

Unless indicated otherwise, all amounts are stated in thousands of Polish złoty.

4 SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Net profit	**419,020**	**441,114**
Other comprehensive income:		
Net change due to cash flow hedges	(979)	(13,531)
Items that will be reclassified to the statement of profit or loss	**(979)**	**(13,531)**
Items that will not be reclassified to the statement of profit or loss	**-**	**-**
Other comprehensive income, before tax	**(979)**	**(13,531)**
Income tax on other comprehensive income that will be reclassified to the statement of profit or loss	186	2,571
Net other comprehensive income	**(793)**	**(10,960)**
Net comprehensive income	**418,227**	**430,154**

All amounts are stated in thousands of Polish złoty.

5 SEPARATE STATEMENT OF CASH FLOWS

	Note	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Cash flows from operating activities			
Profit before tax		**482,367**	**509,979**
Adjustments for:			
Depreciation and amortisation		14,399	12,429
Foreign exchange (gains)/losses		(715)	(907)
(Gain)/loss from investments		(153,350)	(161,601)
Interest expense/(income)		(15,039)	(18,928)
Costs from valuation of management share option programmes		1,962	3,501
Changes in working capital:			
Change in provisions		6,285	(609)
Change in inventory		(80,006)	(122,498)
Change in receivables		(3,777)	(8,498)
Change in current liabilities, net of bank borrowings and bonds		158,199	(8,025)
Change in accruals and deferred income		(122,735)	(29,680)
Other adjustments		715	907
Cash from operating activities		**288,305**	**176,070**
Interest received		2,482	8,589
Interest paid		(34,163)	(20,809)
Income tax paid		(92,560)	(96,040)
Net cash from operating activities		**164,064**	**67,810**
Cash flows from investing activities			
Proceeds from sale of intangible assets and property, plant and equipment		548	512
Proceeds from financial assets (dividends)		155,743	160,605
Repayments of loans granted		228,153	234,019
Other proceeds/(payments) related to financial assets		22,952	22,555
Loans granted		(235,000)	(355,950)
Acquisition of intangible assets and property, plant and equipment		(12,660)	(11,129)
Acquisition of financial assets and contributions to equity		-	(9,372)
Net cash from investing activities		**159,736**	**41,240**
Cash flows from financing activities			
Proceeds from issue of shares (exercise of share options)	**7.15**	5,000	5,000
Proceeds from bank borrowings		251,154	346,000
Proceeds from issue of debt securities	**7.20**	140,000	260,000
Repayment of bank borrowings		(251,154)	(396,000)
Redemption of debt securities	**7.20**	(50,000)	(50,000)
Distribution of profit (dividends)	**7.18**	(323,030)	(424,024)
Payments under lease contracts		-	-
Net cash from financing activities		**(228,030)**	**(259,024)**
Net increase/(decrease) in cash and cash equivalents		**95,770**	**(149,974)**
Cash and cash equivalents at beginning of period	**7.14**	34,104	184,078
Cash and cash equivalents at end of period	**7.14**	**129,874**	**34,104**

All amounts are stated in thousands of Polish złoty.

6 SEPARATE STATEMENT OF CHANGES IN EQUITY

Reporting year

	Note	Share capital	Share premium	Other equity (statutory reserve funds)	Reserve from share capital reduction	Cash flow hedge reserve	Retained earnings	Total equity
Equity at beginning of period		**25,698**	**271,558**	**765,143**	**510**	**5,484**	**299,772**	**1,368,165**
Share capital increase from exercise of share options	**7.15, 7.16**	100	4,900	-	-	-	-	**5,000**
Transfer of profit to statutory reserve funds	**7.18**	-	-	131,533	-	-	(131,533)	-
Dividend for shareholders	**7.18**	-	-	-	-	-	(323,030)	**(323,030)**
Creation of share-based payment reserve (from share option valuation)	**7.44**	-	-	1,962	-	-	-	**1,962**
Net profit for reporting period		-	-	-	-	-	419,020	**419,020**
Net other comprehensive income		-	-	-	-	**(793)**	-	**(793)**
Net comprehensive income		**-**	**-**	**-**	**-**	**(793)**	**419,020**	**418,227**
Increase/(decrease) in equity		**100**	**4,900**	**133,495**	**-**	**(793)**	**(35,543)**	**102,159**
Equity at end of period		**25,798**	**276,458**	**898,638**	**510**	**4,691**	**264,229**	**1,470,324**

All amounts are stated in thousands of Polish złoty.

Previous year

	Note	Share capital	Share premium	Other equity (statutory reserve funds)	Reserve from share capital reduction	Cash flow hedge reserve	Retained earnings	Total equity
Equity at beginning of period		**25,548**	**264,208**	**670,640**	**510**	**16,444**	**373,684**	**1,351,034**
Share capital increase from exercise of share options	**7.15, 7.16**	150	7,350	-	-	-	-	**7,500**
Transfer of profit to statutory reserve funds	**7.18**	-	-	91,002	-	-	(91,002)	-
Dividend for shareholders	**7.18**	-	-	-	-	-	(424,024)	**(424,024)**
Creation of share-based payment reserve (from share option valuation)	**7.44**	-	-	3,501	-	-	-	**3,501**
Net profit for reporting period		-	-	-	-	-	441,114	**441,114**
Net other comprehensive income		-	-	-	-	**(10,960)**	-	**(10,960)**
Net comprehensive income		**-**	**-**	**-**	**-**	**(10,960)**	**441,114**	**430,154**
Increase/(decrease) in equity		**150**	**7,350**	**94,503**	**-**	**(10,960)**	**(73,912)**	**17,131**
Equity at end of period		**25,698**	**271,558**	**765,143**	**510**	**5,484**	**299,772**	**1,368,165**

All amounts are stated in thousands of Polish złoty.

7 NOTES TO THE SEPARATE FINANCIAL STATEMENTS

7.1 GENERAL INFORMATION ABOUT DOM DEVELOPMENT S.A.

Dom Development S.A. (the 'Company') is the parent of the Dom Development Group (the 'Group'). Its registered office is located at ul. Piłsudskiego 3, 00-078 Warsaw, Poland. The Company is entered in the National Court Register maintained by the District Court for the Capital City of Warsaw, 12th Commercial Division of the National Court Register, under No. 0000031483.

According to the Polish Classification of Business Activities, the principal business activity of the Company is the development of building projects (PKD 4110Z). The Company operates mainly in Warsaw and its vicinity. The Company has subsidiaries conducting residential property development activities on the Tricity, Wroclaw and Krakow markets.

The Company is majority-owned by Groupe Belleforêt S.à r.l. of Luxembourg (see Note 7.15), which held 54.81% of the Company shares as at 31 December 2024. The ultimate parent of the Dom Development Group is the SCOP 2003 Trust, a trust established under the laws of England and Wales. The SCOP 2003 Trust is the sole shareholder of SCOP Luxembourg 2007 S.à r.l., which in turn is the majority shareholder of Groupe Belleforêt S.à r.l.

The principal business activity of the Company is the construction and sale of residential properties.

The Company operates in Poland in accordance with the Commercial Companies Code, and their duration is unlimited.

In the 12 months ended 31 December 2024, the Company did not discontinue any of its operations.

7.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These separate financial statements have been prepared on a historical cost basis.

They have been prepared on the assumption that the Company will continue as a going concern for the foreseeable future.

The Russian invasion of Ukraine, which began on 24 February 2022, continues to disrupt the economic environment across the region. The Company and its subsidiaries operate exclusively in Poland. In the view of the Management Board, the war may impact demand for residential properties, construction costs, and the availability of subcontractors. As at the date of these separate financial statements, all of the Company's projects were progressing in line with plan or ahead of schedule. The Management Board continues to monitor developments closely and assess their potential implications at both the individual project level and from the perspective of the Company's long-term strategy. The Management Board believes that as at the date of authorisation of these financial statements, there were no circumstances indicating a threat to the Company's ability to continue as a going concern for the foreseeable future.

The Company's functional currency is the Polish złoty. These separate financial statements have been prepared in the Polish zloty ('PLN'). Financial data presented in these separate financial statements are expressed in thousands of Polish zloty unless stated otherwise.

The Company also prepared consolidated financial statements of the Dom Development Group for the 12 months ended 31 December 2024, which were authorised for issue by the Company's Management Board on 17 March 2025.

The ultimate consolidated financial statements are prepared by SCOP Luxembourg 2007 S.à r.l., which is the majority shareholder of Groupe Belleforêt S.à r.l.

7.3 STATEMENT OF COMPLIANCE

Polish legal regulations require the Company to prepare its separate financial statements in accordance with the International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU'). Given the ongoing process of IFRS endorsement within the EU and the nature of the Company's activities, there are no differences between the IFRS standards that have become effective and those endorsed by the EU for the financial year ended 31 December 2024 in respect of the accounting policies applied by the Company.

These separate financial statements have been prepared in compliance with all applicable IFRS as adopted by the European Union.

IFRS include standards and interpretations issued by the International Accounting Standards Board ('IASB') and the International Financial Reporting Interpretations Committee ('IFRIC').

The accounting policies applied in the preparation of these separate financial statements are consistent with those applied in the preparation of the Company's separate financial statements for the year ended 31 December 2023, except for the adoption of the following amendments to standards and new interpretations applicable to annual periods beginning on 1 January 2024:

- Amendments to IFRS 16 *Leases*. In September 2022, the IASB amended IFRS 16 *Leases* to add subsequent measurement requirements for lease liabilities arising from sale and leaseback transactions that satisfy the requirements of IFRS 15 to be accounted for as a sale. The amendments require a seller-lessee to measure lease liabilities arising from a leaseback in a manner that precludes the recognition of any gain or loss attributable to the retained right of use. This requirement is particularly relevant where a leaseback arrangement includes variable lease payments that are not linked to an index or rate, as such payments are excluded from the definition of 'lease payments' under IFRS 16.

- IAS 1 *Presentation of Financial Statements*. The amendments to IAS 1 clarify the presentation of liabilities as either current or non-current and specify how contractual covenants that an entity must comply with affect their classification. The amended IAS 1 provides that liabilities are classified as current or non-current depending on the rights existing at the end of the reporting period. This classification is unaffected by the entity's expectations or by events occurring after the reporting date, such as credit facility covenants that must be met post-reporting.

- Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* – disclosure of information about supplier finance arrangements. Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* introduce new disclosure requirements for supplier finance arrangements (e.g. reverse factoring). Entities must disclose specific information on supplier finance arrangements to enable users of financial statements to assess their impact on the entity's liabilities and cash flows, as well as their implications for liquidity risk exposure. The amendments are intended to enhance the transparency of disclosures related to such arrangements without altering the principles of recognition and measurement.

The Management Board has reviewed the amendments and concluded that they have no material impact on the Company's financial position, results, or the scope of disclosures in these separate financial statements.

Issued standards and interpretations that are not yet effective and have not been early adopted by the Company

In these separate financial statements, the Company has not elected to early adopt the following issued standards, interpretations, or amendments to existing standards prior to their effective date:

- Amendments to IFRS 10 and IAS 28 regarding sale or contribution of assets between an investor and its associates or joint ventures. The amendments resolve the previous inconsistency between the requirements of IFRS 10 and IAS 28. The accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a business. If the non-monetary assets qualify as a business, the investor recognises the full gain or loss arising from the transaction. However, if the assets do not meet the definition of a business, the investor recognises the gain or loss only to the extent of the interests held by unrelated investors in the associate or joint venture. As at the date of these separate financial statements, endorsement of the amendment had been postponed by the European Union.

- IFRS 18 *Presentation and Disclosure in Financial Statements.* In April 2024, the IASB issued new IFRS 18 *Presentation and Disclosure in Financial Statements.* The standard is to replace IAS 1 *Presentation of Financial Statements*, and will be effective as of 1 January 2027. The amendments to IAS 1 address three key areas: the presentation of the statement of profit or loss, disclosure requirements for certain performance measures, and the principles governing the aggregation and disaggregation of information in financial statements. The new standard is effective for reporting periods beginning on or after 1 January 2027. As at the date of these separate financial statements, the amendments had not yet been endorsed by the European Union for application.

- Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rate.* In August 2023, the IASB issued amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rate*, which are designed to assist entities in assessing whether a currency is exchangeable for another and in estimating the spot exchange rate when it is not. Furthermore, where a currency is not exchangeable, the amended standard requires entities to disclose additional information on the methodology used to determine an alternative exchange rate. The amendments are effective for reporting periods beginning on or after 1 January 2025.

- Amendments to the classification and measurement of financial instruments – amendments to IFRS 9 and IFRS 7. In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to: a/ clarify the date of recognition and derecognition of certain financial assets and liabilities, with exemption for certain financial liabilities settled through electronic transfer; b/ clarify and add further guidance on the assessment of whether a financial asset meets the SPPI test; c/ add new disclosure requirements for certain instruments whose contractual terms may change cash flows; and d/ update disclosure requirements for equity instruments designated at fair value through other comprehensive income (FVOCI). The amendments are effective for reporting periods beginning on or after 1 January 2026. As at the date of these separate financial statements, the amendments had not yet been endorsed by the European Union for application.

The Management Board is currently assessing the impact of these standards on the Company's financial position, results, and the scope of disclosures in the separate financial statements. The Management Board does not anticipate that the new standards and amendments to existing standards will have a material impact on the Company's separate financial statements in the period of their initial application.

7.4 SIGNIFICANT ACCOUNTING POLICIES

INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Shares in subsidiaries, associates and joint ventures are recognised at cost, net of any impairment losses.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at cost, less accumulated depreciation (except for land) and any accumulated impairment losses. Acquisition cost includes the cost of replacing components of equipment when incurred, provided the expenditure is material. Depreciation is calculated on a straight-line basis over the asset's useful life. Buildings and structures are depreciated at rates ranging from 2.5% to 4.5%, vehicles at 20%, and equipment and other fixed assets at rates between 10% and 30%.

The right-of-use asset for office space is recognised in accordance with IFRS 16 *Leases* and depreciated over the lease term.

INVENTORY

Finished products

Finished goods primarily consist of residential units and parking spaces. They are measured at the lower of cost and net realisable value.

Net realisable value represents the estimated selling price, as determined by the Management Board based on prevailing market conditions.

Work in progress

Work in progress is measured at the lower of cost and net realisable value. Where a discrepancy arises, a write-down is recognised. For the Company's residential development projects, the assessment of whether an impairment write-down is required is based on the impairment test described below, which evaluates production cost against net realisable value.

Inventory impairment test

If a residential development project is expected to generate a loss, a write-down on work in progress is recognised immediately in the statement of profit or loss. A write-down may also be recognised for properties where the development process is exposed to a material risk of significant delay.

Budgets are prepared for each residential development project, covering both actual and projected cash flows, and are updated at least quarterly. For impairment testing purposes, project budgets include all historical and forecast net revenues, net of direct costs associated with land purchase, design, construction, and other project-related expenses, including show homes and on-site sales offices. Project budgets also account for both past and projected borrowing costs, as well as anticipated customer claims where applicable.

Project budgets are prepared in accordance with the principle of prudent valuation.

If the project margin, calculated based on total revenues and the aforementioned costs, is positive, no write-down on inventories is required. A negative margin indicates a potential impairment, which, following a detailed assessment of the project's cash flows, results in the recognition of a write-down on inventories equivalent to the estimated negative margin.

The write-down is recognised within cost of sales under 'Adjustment of inventories to net realisable value.' A previously recognised write-down may be reversed if the projected margin for the project turns positive.

If a project consists of multiple phases, the impairment assessment of inventories is conducted as follows:

a) all future phases of the project are treated as a single unit for impairment testing purposes;

b) each phase where both sales and construction have commenced is assessed separately from the remaining phases for impairment.

BORROWING COSTS

Borrowing costs are recognised as an expense in the statement of profit or loss in the period in which they are incurred, except for capitalised costs – i.e., costs that can be attributed to the production cost of qualifying assets (in the case of the Company: work in progress).

Borrowing costs are capitalised to work in progress only during periods when a residential development project is considered active. A project is deemed active when design or construction work is underway for acquired land, or when key administrative approvals necessary for project execution are being obtained.

Capitalisation of borrowing costs ceases when substantially all activities necessary to prepare the residential units for handover to customers have been completed.

Capitalisation is suspended if residential development activities related to the project – including design work, construction, or obtaining necessary permits and administrative approvals – are temporarily halted.

TRADE AND OTHER RECEIVABLES

Trade and other receivables are measured in accordance with IFRS 9, which introduced the estimation of impairment losses on financial assets using the expected credit loss model.

BANK DEPOSITS OVER THREE MONTHS

Bank deposits with a maturity over three months (as of the date when they are made) are presented in 'Current financial assets'.

CASH AND CASH EQUIVALENTS

Cash and short-term deposits with original maturities of up to three months (as at the date of their inception) are recognised in the balance sheet at nominal value and comprise cash held at banks and on hand, as well as short-term deposits with original maturities not exceeding three months. The balance of cash and cash equivalents presented in the statement of cash flows consists of the cash and cash equivalents described above, net of outstanding current account overdrafts.

INTEREST-BEARING BORROWINGS AND DEBT SECURITIES

At initial recognition, all interest-bearing borrowings and debt securities are measured at fair value, net of transaction costs incurred to obtain financing.

Subsequent to initial recognition, interest-bearing borrowings and debt securities are measured at amortised cost using the effective interest rate method.

The calculation of amortised cost reflects transaction costs incurred to obtain financing, as well as any discounts or premiums arising on issuance.

Drawdowns and repayments of borrowings and debt securities are presented in the statement of cash flows as cash inflows or outflows from financing activities and are not offset within the reporting period. An exception applies to overdraft facilities, where drawdowns and repayments are presented on a net basis due to their short maturities, high turnover, and rapid settlement cycles.

TRADE, TAX AND OTHER PAYABLES

Short-term trade and other payables, tax liabilities, and other liabilities are presented at amounts due.

Where the time value of money is significant – particularly in the case of retained guarantee deposits – the liability is measured by discounting the forecast future cash flows to present value. If the discounting approach is applied, the unwinding of the discount over time is recognised as finance costs.

PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive) arising from past events, it is probable that the settlement of this obligation will result in an outflow of economic benefits, and the amount of the obligation can be reliably estimated. The costs associated with a provision are recognised in the statement of profit or loss, net of any reimbursements.

REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the Company will achieve economic benefits from a given transaction and the revenue can be reliably measured. Before revenue is recognised, the following criteria must be met:

Sale of products

Revenue from the sale of property (including residential units and commercial space) is recognised when control of the property, along with the significant risks and rewards of ownership, is transferred to the buyer. The Company considers this transfer to occur upon delivery of the property to the buyer, evidenced by a signed handover report, provided that the purchase price has been paid in full.

Where a residential development project involving the sale of real estate (including residential units and commercial space) is carried out on land owned by a third party, but the Company is responsible for the execution of the project – including marketing, sales, customer service, and design and construction management – and bears the associated risks, revenue from the sale of such properties is recognised in the same manner as described above for residential development projects undertaken on land owned by the Company or held under a perpetual usufruct right.

The Company recognises revenue from construction services (construction of residential properties) over time. Revenue is recognised using the percentage of completion method. The Company determines the stage of completion of a contract by calculating the proportion of costs incurred from the contract inception to the revenue recognition date relative to the estimated total contract costs.

If the outcome of a contract cannot be reliably estimated, revenue is recognised only to the extent of the costs incurred that are expected to be recoverable, while contract costs are expensed in the period in which they are incurred.

Revenue from the rendering of construction services

Where it is probable that total contract costs will exceed total contract revenue, the anticipated loss (i.e., the excess of total estimated costs over total estimated revenue) is recognised immediately as an expense in the period and reported under cost of sales (as cost of services sold). If revenue recognised based on the percentage-of-completion method exceeds invoiced revenue, the difference is recorded under Revenue (as revenue from rendering of services) and recognised as an asset within Other current assets. If revenue recognised based on the percentage-of-completion method is lower than invoiced revenue, the difference is recorded under Revenue (as revenue from rendering of services) and recognised as a liability within Deferred income.

Revenue from other services

Revenue from the provision of non-construction services, including revenue from property management activities, is recognised in the period in which the service is rendered.

TAXATION

Current tax

Current tax liabilities and receivables for the current and prior periods are measured at the amounts expected to be paid to (or recovered from) the tax authorities, using the tax rates and tax laws that were enacted or substantively enacted as at the reporting date.

Deferred tax

For financial reporting purposes, deferred tax is calculated using the liability method, based on temporary differences as at the reporting date between the tax base of assets and liabilities and their carrying amount as presented in the financial statements.

Deferred tax assets are recognised for all deductible temporary differences, as well as for unused tax credits and unused tax losses carried forward, to the extent that it is probable that taxable profit will be available against which these deductible differences, credits, and losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow for the full or partial recovery of the deferred tax asset. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available to recover the asset.

A deferred tax liability is recognised for the amount of income tax payable in future periods due to taxable temporary differences, i.e. differences that will increase the taxable base for income tax calculation in future periods.

Deferred tax assets and deferred tax liabilities are measured using the tax rates expected to be in effect in the period in which the asset is realised or the liability is settled, based on the tax rates (and tax laws) that are enacted or substantively enacted as at the reporting date.

Income tax related to items recognised outside profit or loss is also recognised outside profit or loss, as follows: in other comprehensive income, for items recognised in other comprehensive income, or directly in equity, for items recognised directly in equity.

The Company offsets deferred tax assets against deferred tax liabilities only when it has a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred tax relates to the same taxable entity and the same taxation authority.

DIVIDENDS

Dividends are recognised when the shareholders' rights to receive the payment are established.

EARNINGS PER SHARE

Earnings per share for each reporting period is calculated as the net profit for the period divided by the weighted average number of shares outstanding during that period.

LEASES

The Company recognises assets and liabilities for all lease transactions with a term exceeding 12 months, except where the leased asset is of low value. Depreciation of the leased asset is recognised separately from interest on the lease liability in the statement of profit or loss.

Right-of-use assets are presented in the balance sheet within the same line item as the corresponding underlying assets would have been classified if owned by the Company (the lessee).

Right-of-use assets related to office space

Right-of-use assets related to office space are depreciated, with corresponding finance costs recognised in respect of the lease. These assets are presented in the balance sheet under Property, plant and equipment, while the related lease liabilities are classified as either non-current or current liabilities, as appropriate.

Perpetual usufruct of land

Costs – costs related to the lease of perpetual usufruct rights to land are allocated to Inventory (as Semi-finished products and work in progress) during the execution of a residential development project.

Asset – the related asset is recognised in the balance sheet under Inventory or Short-term receivables.

Liability – the corresponding liability is fully classified under Current liabilities.

This allocation of perpetual usufruct lease payments reflects the fact that these rights pertain to land on which the Company carries out its residential development projects. Accordingly, the lease costs of perpetual usufruct rights are recognised under Inventory (as work in progress) and subsequently expensed to profit or loss as cost of sales when the completed units are transferred to customers, i.e., upon revenue recognition.

On 20 July 2018, the Act on the conversion of perpetual usufruct to land developed for residential purposes into freehold ownership came into effect. The Company treats land subject to this statutory conversion in the same manner as land previously held under perpetual usufruct, accounting for conversion fees in line with the treatment of perpetual usufruct charges.

Classification of lease assets and liabilities related to perpetual usufruct rights to land in the balance sheet

As a general principle, perpetual usufruct rights to land on which residential development projects are carried out are classified as Inventory. The corresponding liabilities for these rights are expected to be settled through their transfer to the buyers of the residential units to which they relate. Liabilities associated with these rights are classified as current liabilities, consistent with the classification of the related Inventories, which are recognised as current assets. This classification reflects the fact that both the inventories and the corresponding liabilities are settled within the Company’s operating cycle, which extends from the start of a residential development project to the conversion of inventories into cash.

The Company is legally discharged from its obligation to pay usufruct fees or conversion fees only upon the legal (notarial) transfer of the corresponding share in the land to the buyer of a unit. Until this transfer is completed, the lease liability remains on the Company’s balance sheet. Accordingly, upon delivery of the unit to the buyer (which coincides with the recognition of revenue from the sale), the portion of the lease asset relating to the unit is reclassified from Inventory to Receivables from the buyer, in an amount corresponding to the recognised lease liability for the land.

Until the legal title is transferred, both the receivable and the liability are classified as current, as their settlement is expected to occur within the Company’s operating cycle through transfer to the buyer. Upon legal transfer of ownership to the buyer, the lease liability and the corresponding receivable are derecognised from the balance sheet.

All future payments arising from perpetual usufruct rights, based on the contractual term of the usufruct (which may be up to 99 years), are discounted. This period is independent of the timeframe anticipated by the Company for holding the perpetual usufruct rights, that is, the period planned for the development of these properties for investment purposes.

7.5 SIGNIFICANT JUDGEMENTS AND ASSUMPTIONS

The following areas required the significant application of management's professional judgement, alongside accounting estimates and underlying business assumptions, in the process of applying the accounting policies.

DEVELOPMENT PROJECT BUDGETS

Decisions to acquire property (land) are based on detailed analyses, with acquisition budgets serving as a key tool for assessing the expected profitability of residential development projects. From the date of acquisition, budgets for construction projects are regularly reviewed and updated to reflect management's best estimates and professional judgment. All project budgets are reviewed at least every three months and revised as necessary. Updated project budgets form the basis for:

- assessing project profitability and determining the need for inventory write-downs, if applicable
- preparing financial projections, annual budgets, and medium-term plans

RECOGNITION OF REVENUE FROM SALE OF PRODUCTS

Revenue from the sale of property (including residential units and commercial space) is recognised when control of the property, along with the significant risks and rewards of ownership, is transferred to the buyer. Management considers this transfer to occur upon delivery of the property to the buyer, as confirmed by a signed handover report, provided that the full purchase price has been paid.

SEASONALITY

The Company's operations are not subject to any significant seasonal fluctuations.

7.6 INTANGIBLE ASSETS

Reporting year

INTANGIBLE ASSETS	Other intangible assets	Software	Trademark	Intangible assets under development	Total
Gross carrying amount at beginning of period	**7,486**	**40,503**	**-**	**415**	**48,404**
Additions – acquisition of companies	-	-	-	-	-
Other additions	246	23	-	8,549	8,818
Transfers	424	6,439	-	(6,863)	-
(Reductions)	(46)	-	-	-	(46)
Gross carrying amount at end of period	**8,110**	**46,965**	**-**	**2,101**	**57,176**
Accumulated amortisation at beginning of period	6,575	22,615	-	-	29,190
Additions – acquisition of companies	-	-	-	-	-
Other additions	534	6,371	-	-	6,905
(Decrease)	-	-	-	-	-
Accumulated amortisation at end of period	**7,109**	**28,986**	**-**	**-**	**36,095**
Net carrying amount at end of period	**1,001**	**17,979**	**-**	**2,101**	**21,081**

Previous year

INTANGIBLE ASSETS	Other intangible assets	Software	Trademark	Intangible assets under development	Total
Gross carrying amount at beginning of period	**7,033**	**35,535**	**-**	**182**	**42,750**
Additions – acquisition of companies	-	-	-	-	-
Other additions	-	-	-	5,715	5,715
Transfers	514	4,968	-	(5,482)	-
(Reductions)	(61)	-	-	-	(61)
Gross carrying amount at end of period	**7,486**	**40,503**	**-**	**415**	**48,404**
Accumulated amortisation at beginning of period	5,864	17,227	-	-	23,091
Additions – acquisition of companies	-	-	-	-	-
Other additions	728	5,388	-	-	6,116
(Decrease)	(17)	-	-	-	(17)
Accumulated amortisation at end of period	**6,575**	**22,615**	**-**	**-**	**29,190**
Net carrying amount at end of period	**911**	**17,888**	**-**	**415**	**19,214**

Intangible assets are amortised over their estimated useful lives, which typically range from two to five years. The Company has no intangible assets with an indefinite useful life.

As at 31 December 2024, no circumstances arose that would require the Company to recognise impairment losses on intangible assets.

Amortisation of intangible assets has been recognised within cost of sales and general and administrative expenses.

No charges, liens, or other security interests were established over were established over intangible assets.

7.7 PROPERTY, PLANT AND EQUIPMENT

Reporting year

PROPERTY, PLANT AND EQUIPMENT	Right-of-use premises	Land and buildings	Vehicles	Equipment and other fixed assets	Total
Gross carrying amount at beginning of period	**32,966**	**2,406**	**7,937**	**12,138**	**55,447**
Additions – acquisition of companies	-	-	-	-	-
Other additions	3,437	6,218	1,928	2,522	14,105
(Decrease)	-	(4,494)	(758)	(4,054)	(9,306)
Gross carrying amount at end of period	**36,403**	**4,130**	**9,107**	**10,606**	**60,246**
Accumulated depreciation at beginning of period	**19,624**	**-**	**5,128**	**10,834**	**35,586**
Additions – acquisition of companies	-	-	-	-	-
Other additions	4,894	502	974	1,297	7,667
(Decrease)	-	-	(758)	(3,811)	(4,569)
Accumulated depreciation at end of period	**24,518**	**502**	**5,344**	**8,320**	**38,684**
Net carrying amount at end of period	**11,885**	**3,628**	**3,763**	**2,286**	**21,562**

Previous year

PROPERTY, PLANT AND EQUIPMENT	Right-of-use premises	Land and buildings	Vehicles	Equipment and other fixed assets	Total
Gross carrying amount at beginning of period	**30,978**	**-**	**7,804**	**11,606**	**50,388**
Additions – acquisition of companies	-	-	-	-	-
Other additions	1,988	2,406	1,369	897	6,660
(Decrease)	-	-	(1,236)	(365)	(1,601)
Gross carrying amount at end of period	**32,966**	**2,406**	**7,937**	**12,138**	**55,447**
Accumulated depreciation at beginning of period	**15,296**	**-**	**5,513**	**10,013**	**30,822**
Additions – acquisition of companies	-	-	-	-	-
Other additions	4,328	-	810	1,176	6,314
(Decrease)	-	-	(1,195)	(355)	(1,550)
Accumulated depreciation at end of period	**19,624**	**-**	**5,128**	**10,834**	**35,586**
Net carrying amount at end of period	**13,342**	**2,406**	**2,809**	**1,304**	**19,861**

Additions to property, plant and equipment resulted from acquisitions.

As at 31 December 2024, no circumstances were identified that would require the recognition of an impairment loss on property, plant and equipment.

No charges, liens, or other security interests were established over property, plant and equipment.

7.8 INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE	31 Dec 2024	31 Dec 2023
Equity interests in subsidiaries, associates and joint ventures	449,328	472,613
As at end of period	**449,328**	**472,613**

EQUITY INTERESTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As at 31 December 2024 and 31 December 2023, the Company had no investments in joint ventures.

Investments in subsidiaries and associates are presented in the table below.

EQUITY INTERESTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	As at 31 Dec 2024			As at 31 Dec 2023		
	Ownership interest (%)	Gross carrying amount	Net carrying amount of shares	Ownership interest (%)	Gross carrying amount	Net carrying amount of shares
Dom Development Grunty Sp. z o.o.	46%	24	**24**	46%	24	**24**
Dom Development Wroclaw Sp. z o.o.	100%	17,502	**17,502**	100%	35,802	**35,802**
Dom Development Kredyty Sp. z o.o.	100%	505	**505**	100%	505	**505**
Euro Styl S.A.	100%	265,472	**265,472**	100%	265,473	**265,473**
Dom Construction Sp. z o.o.	100%	3,103	**3,103**	100%	3,103	**3,103**
Dom Development Krakow Sp. z o.o.	100%	162,722	**162,722**	100%	162,722	**162,722**
Dom Development Krakow 12 Sp. z o.o.	-	-	**-**	100%	8,784	**4,984**
Fundacja Nasz Dom	100%	-	**-**	-	-	**-**
Total		**449,328**	**449,328**		**476,413**	**472,613**

- Euro Styl S.A. Group.

*) Euro Styl S.A. is the parent of the Euro Styl group. The principal business activity of the group involves constructing residential developments in the Tricity and its vicinity.

The composition of the Euro Styl group as of 31 December 2024 is shown in the table below.

Euro Styl S.A. group	Parent's ownership interest	Parent's voting interest
Euro Styl Construction Sp. z o.o.	100%	100%
Euro Styl Montownia Sp. z o.o.	100%	100%
Apartamenty Las Jastarnia Sp. z o.o.	100%	100%
GGI Dolne Miasto Sp. z o.o.	100%	100%
Your Destination Sp. z o.o.	100%	100%

As at 31 December 2024, Euro Styl S.A. also held a 50% interest in joint ventures (established to execute residential development projects), which are accounted for in the consolidated financial statements using the equity method. These are:

- Bysewska Sp. z o.o.
- DOKI V Sp. z o.o.

The group includes Euro Styl Construction Sp. z o.o., a construction company which develops residential projects on a general contracting basis exclusively for the Euro Styl group companies.

- Dom Development Wroclaw Sp. z o.o.

The company's business involves constructing residential developments in Wroclaw.

- Dom Development Krakow Sp. z o.o.

Dom Development Krakow Sp. z o.o. was established in February 2022 as the entity in which the Group progressively consolidated its residential development activities in the Kraków market within the Dom Development Group. The consolidation was completed in 2024.

- Dom Development Kredyty Sp. z o.o.

  The company's principal business activity comprises credit brokerage services for financial institutions.

- Dom Development Grunty Sp. z o.o.

  The company, in which Dom Development S.A. holds 46.00% of the share capital, engages in property sale transactions within the Group.

- Dom Construction Sp. z o.o.

  Dom Construction Sp. z o.o. develops residential projects on a general contracting basis. Dom Construction Sp. z o.o. provides services exclusively to the Group's entities, excluding those within the Euro Styl S.A. group, where construction projects are carried out by Euro Styl Construction Sp. z o.o..

- Fundacja Nasz Dom

  Fundacja Nasz Dom is a charitable foundation whose objectives and activities are closely aligned with those of the Company and the Group, focusing on the provision of housing, addressing housing challenges, and advancing the Group's sustainability strategy. Its primary mission is to support families and individuals facing hardship, including those abroad, such as in Ukraine. Additionally, the Foundation will engage with local communities through social outreach initiatives and contribute to charitable causes.

SIGNIFICANT CHANGES FROM 1 JANUARY TO 31 DECEMBER 2024

- Further consolidation of residential development activities in the Krakow market within Dom Development Krakow Sp. z o.o.

  On 10 June 2024, the Company sold interests in its subsidiary Dom Development Krakow 12 Sp. z o.o. to another subsidiary, Dom Development Krakow Sp. z o.o.

  In June 2024, Dom Development Krakow 12 Sp. z o.o. announced an intended merger of Dom Development Krakow 12 Sp. z o.o. (as the acquiree) and Dom Development Krakow Sp. z o.o. (as the acquirer). The merger was registered in the National Court Register (KRS) on 1 August 2024, thereby completing the process of consolidating residential development activities in the Krakow market within Dom Development Krakow Sp. z o.o.

- Repayment of a capital contribution by Dom Development Wroclaw Sp. z o.o.

  On 28 June 2024, the Company received a partial repayment of a capital contribution from Dom Development Wroclaw Sp. z o.o. in the amount of PLN 18,300 thousand.

7.9 LOANS GRANTED (LONG- AND SHORT-TERM) AND OTHER LONG-TERM RECEIVABLES

LONG-TERM RECEIVABLES	31 Dec 2024	31 Dec 2023
Receivables from disposal of financial assets	-	-
Retention receivables	2,480	1,804
Other long-term receivables	3,262	3,205
Total	**5,742**	**5,009**

LOANS GRANTED	31 Dec 2024	31 Dec 2023
Loans granted, non-current portion	154,500	462,337
Loans granted, current portion	360,750	-
Total	**515,250**	**462,337**

The loan amounts presented above include accrued interest as at the reporting date.

LOANS GRANTED

All loans granted by the Company are loans to related parties.

The table below sets out loans granted by the Company, and their balances as at 31 December 2024, including accrued interest.

Agreement date	Borrower	Loan amount (excluding interest)	Due date	As at end of period
26 Feb 2019	Euro Styl S.A.	150,000	31 Dec 2025	119,250
27 Sep 2019	Dom Development Wroclaw Sp. z o.o.	270,000	31 Dec 2025	195,000
9 Aug 2022	Dom Development Krakow Sp. z o.o.	100,000	31 Dec 2025	46,500
28 Apr 2023	Dom Development Krakow Sp. z o.o.	165,100	31 Dec 2027	154,500
Total				**515,250**

7.10 INVENTORY

INVENTORY	31 Dec 2024	31 Dec 2023
Prepaid deliveries	**114,442**	**77,386**
of which: at cost	114,442	77,386
write-down to net realisable value	-	-
Semi-finished products and work in progress	**1,895,012**	**1,833,538**
of which: at cost	1,891,767	1,823,899
perpetual usufruct of land (lease)	34,153	40,548
write-down to net realisable value	(30,908)	(30,909)
Finished products	**115,516**	**139,937**
of which: at cost	121,745	146,166
write-down to net realisable value	(6,229)	(6,229)
Total	**2,124,970**	**2,050,861**

INVENTORY WRITE-DOWNS	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
As at beginning of period	**37,138**	**47,134**
Increase	-	1,454
(Decrease)	(1)	(11,450)
As at end of period	**37,137**	**37,138**

Inventory write-down amounts were determined based on analyses and impairment tests performed by the Company.

The methodology of inventory impairment testing is set out in Note 7.4 – Significant accounting policies.

CARRYING AMOUNTS OF INVENTORIES PLEDGED AS SECURITY FOR LIABILITIES AND MORTGAGE AMOUNTS	31 Dec 2024	31 Dec 2023
MORTGAGES – amounts of mortgages securing liabilities:		
Under property purchase contracts	-	-
Under credit facility agreements executed by the Company and other Group entities	900,000	765,000

PRE-DEVELOPMENT COSTS

Where there is uncertainty regarding the acquisition of land for a potential project, the associated pre-development costs are expensed to the separate statement of profit or loss in the period in which they are incurred. All other pre-development costs are capitalised within work in progress.

The table below sets out the pre-development costs recognised in the separate statement of profit or loss.

PRE-DEVELOPMENT COSTS RECOGNISED IN THE STATEMENT OF PROFIT OR LOSS	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Pre-development works	1,409	1,108

7.11 TRADE AND OTHER RECEIVABLES

TRADE AND OTHER RECEIVABLES	31 Dec 2024	31 Dec 2023
Trade receivables	33,672	31,173
Receivables from related parties	8,815	6,307
Tax receivables	-	2,092
Other receivables	13,985	13,218
Total	**56,472**	**52,790**

Tax receivables were mostly VAT receivables and amounted to PLN 0 and PLN 2,081 thousand as at 31 December 2024 and 31 December 2023, respectively.

The Company recognised impairment allowances for receivables, which are presented under Other expenses.

The allowances were recognised based on the Company's best knowledge and experience, following an individual assessment of specific balances.

AGEING ANALYSIS OF TRADE RECEIVABLES	31 Dec 2024	31 Dec 2023
Non-overdue receivables and receivables past due up to 3 months	26,146	28,829
Past due over 3 months to 6 months	591	404
Past due over 6 months to 1 year	3,750	1,640
Past due over 1 year	4,306	4,655
Gross carrying amount of trade receivables	**34,793**	**35,528**
Impairment allowances	(1,121)	(4,355)
Net carrying amount of trade receivables	**33,672**	**31,173**

The impairment allowances presented in the table below relate entirely to past due trade receivables.

CHANGE IN IMPAIRMENT ALLOWANCES FOR TRADE AND OTHER RECEIVABLES	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
As at beginning of period	**4,355**	**6,569**
Increase	1,056	3,504
(Decrease)	(4,290)	(5,718)
As at end of period	**1,121**	**4,355**

As at the reporting date, there were no trade or other receivables denominated in foreign currencies.

Income and expenses related to the recognition and reversal of impairment allowances for receivables are recognised under other income or other expenses, respectively.

7.12 OTHER CURRENT ASSETS

OTHER CURRENT ASSETS	31 Dec 2024	31 Dec 2023
Accrued expenses	5,413	4,823
Long-term contract accruals	17,057	68,837
Accrued finance income from deposits	12	3
Other	43	1,173
Total	**22,525**	**74,836**

The long-term contract accruals relate to the construction project executed by the Company under a general contracting model. These accruals represent the difference between revenue recognised based on the stage of contract completion and invoiced revenue.

7.13 CURRENT FINANCIAL ASSETS

CURRENT FINANCIAL ASSETS	31 Dec 2024	31 Dec 2023
Bank deposits over three months	-	-
Cash in open-end residential escrow accounts	128,798	67,421
Other current financial assets	13,517	14,937
Total	**142,315**	**82,358**

Cash in open-end residential escrow accounts comprises funds received from the Company's customers as advance payments for the sale of its residential units. These funds remain in escrow until the requirements set out in the Act on the protection of rights of residential property buyers are satisfied.

Other current financial assets consist of funds held in an escrow account for the development of external infrastructure associated with the Company's residential projects at the Metro Zachód estate.

7.14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprises cash on hand and bank balances, including deposits with original maturities of up to three months at the time of placement. The carrying amounts of these assets correspond to their fair values.

CASH AND CASH EQUIVALENTS	31 Dec 2024	31 Dec 2023
Cash on hand and at banks	8,172	7,356
Short-term bank deposits	121,702	26,748
Other	-	-
Total	**129,874**	**34,104**

7.15 SHARE CAPITAL

CHANGES IN THE COMPANY'S SHARE CAPITAL FROM 1 JANUARY TO 31 DECEMBER 2024

CHANGE IN THE REPORTING PERIOD	Number of shares	Share capital – par value	Share premium
As at 1 Jan 2024	**25,698,422**	**25,698**	**271,558**
Change	100,000	100	4,900
As at end of period	**25,798,422**	**25,798**	**276,458**

PROCEEDS FROM SHARE ISSUANCE	31 Dec 2024	31 Dec 2023
Proceeds from share issuance, at par value	100	150
Share premium	4,900	7,350
Total	**5,000**	**7,500**

EXERCISE OF SHARE OPTIONS

On 24 January 2024, the Management Board resolved to increase the Company's share capital from PLN 25,698,422.00 to PLN 25,798,422.00, i.e., by PLN 100,000.00, through the issuance of 50,000 Series AJ ordinary bearer shares with a par value of PLN 1.00 per share and 50,000 Series AK ordinary bearer shares, also with a par value of PLN 1.00 per share. The issue price for both Series AJ and AK shares was set at PLN 50.00 per share. The shares were issued by way of a private placement. The purpose of the issue of shares within the limits of the authorised share capital was to enable the Company to meet its obligations arising from:

- 5th Management Share Option Programme for Mikołaj Konopka, Member of the Management Board, concerning 250,000 Dom Development shares, and
- 7th Management Share Option Programme for Leszek Stankiewicz, Vice President of the Management Board, concerning 250,000 Dom Development S.A. shares (see Note 7.23).

On 30 January 2024, Mikołaj Konopka exercised his share options, subscribing for 50,000 shares of the Company by exercising rights attached to subscription warrants. The issue price of the Series AJ shares was PLN 50.00 per share.

On 6 February 2024, Leszek Stankiewicz exercised his share options, subscribing for 50,000 shares of the Company by exercising rights attached to subscription warrants. The issue price of the Series AK shares was PLN 50.00 per share.

On 13 February 2024, the shares were registered by the District Court for the Capital City of Warsaw in Warsaw. On 28 May 2024, the Central Securities Depository of Poland (KDPW) issued a statement to the effect that it had entered into an agreement with the Company to register in the securities depository up to 50,000 Series AJ ordinary bearer shares and up to 50,000 Series AK ordinary bearer shares issued by the Company. The shares were registered pursuant to settlement orders as set out in Section 6 of the Detailed Rules of Operation of the Central Securities Depository of Poland, following the deregistration of the exercised subscription warrants. On 29 July 2024, the Central Securities Depository of Poland assimilated 50,000 Series AJ shares and 50,000 Series AK shares with the Company's listed shares bearing ISIN code PLDMDVL00012. On the same day, the Series AJ and AK shares were introduced to trading on the main market of the Warsaw Stock Exchange.

SHARE CAPITAL STRUCTURE AS AT 31 DECEMBER 2024

Series/ issue	Type of shares	Number of shares	Par value of series/issue	Manner of payment for shares	Registration date	Dividend entitlement (as of date)
A	Bearer	21,344,490	21,344,490	cash	12 Sep 2006	12 Sep 2006
F	Bearer	2,705,882	2,705,882	cash	31 Oct 2006	31 Oct 2006
H	Bearer	172,200	172,200	cash	14 Feb 2007	14 Feb 2007
I	Bearer	92,700	92,700	cash	14 Feb 2007	14 Feb 2007
J	Bearer	96,750	96,750	cash	14 Feb 2007	14 Feb 2007
L	Bearer	148,200	148,200	cash	14 Feb 2007	14 Feb 2007
Ł	Bearer	110,175	110,175	cash	12 Mar 2012	7 May 2012
M	Bearer	24,875	24,875	cash	3 Oct 2012	9 Nov 2012
N	Bearer	20,000	20,000	cash	3 Oct 2012	9 Nov 2012
O	Bearer	26,000	26,000	cash	5 Mar 2013	17 May 2013
P	Bearer	925	925	cash	31 Oct 2013	23 Dec 2013
R	Bearer	11,000	11,000	cash	31 Oct 2013	23 Dec 2013
S	Bearer	17,075	17,075	cash	20 Mar 2014	2 May 2014
T	Bearer	1,000	1,000	cash	14 Jan 2015	27 Mar 2015
U	Bearer	10,320	10,320	cash	17 May 2016	1 Jun 2016
V	Bearer	1,000	1,000	cash	17 May 2016	1 Jun 2016
W	Bearer	85,830	85,830	cash	10 Jan 2017	10 Mar 2017
Y	Bearer	100,000	100,000	cash	29 Mar 2018	21 May 2018
Z	Bearer	100,000	100,000	cash	28 Feb 2019	24 Apr 2019
AA	Bearer	100,000	100,000	cash	31 Mar 2020	28 May 2020
AB	Bearer	50,000	50,000	cash	31 Mar 2020	28 May 2020
AC	Bearer	100,000	100,000	cash	18 Feb 2021	23 Apr 2021
AD	Bearer	80,000	80,000	cash	18 Feb 2021	23 Apr 2021
AE	Bearer	100,000	100,000	cash	2 Mar 2022	10 Jun 2022
AF	Bearer	50,000	50,000	cash	2 Mar 2022	10 Jun 2022
AG	Bearer	50,000	50,000	cash	26 Jan 2023	14 Jun 2023
AH	Bearer	50,000	50,000	cash	15 May 2023	14 Jun 2023
AI	Bearer	50,000	50,000	cash	15 May 2023	14 Jun 2023
AJ	Bearer	50,000	50,000	cash	13 Feb 2024	28 May 2024
AK	Bearer	50,000	50,000	cash	13 Feb 2024	28 May 2024
Total		**25,798,422**	**25,798,422**			

Each Dom Development S.A. share has a par value of PLN 1.

None of the Company shares carry any preference or restriction on the rights attached to shares.

SHAREHOLDERS HOLDING DIRECTLY OR INDIRECTLY (THROUGH SUBSIDIARIES) AT LEAST 5% OF THE TOTAL VOTING RIGHTS AT THE GENERAL MEETING OF SHAREHOLDERS AS AT 31 DECEMBER 2024

	Shares	Ownership interest (%)	Number of voting rights	Voting interest (%)
Groupe Belleforêt S.à r.l.	14,140,441	54.81	14,140,441	54.81
PTE Allianz Polska S.A.*	2,501,493	9.70	2,501,493	9.70
Jarosław Szanajca	1,454,050	5.64	1,454,050	5.64

*) The shareholding of PTE Allianz Polska S.A. is presented in accordance with the notification dated 15 May 2023 and includes shares held by Allianz OFE.

HOLDINGS OF DOM DEVELOPMENT SHARES OR RIGHTS TO SHARES (SHARE OPTIONS) BY MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD AS AT 31 DECEMBER 2024

				AS AT 31 Dec 2024	CHANGE IN 1 JAN–31 DEC 2024	
	Shares	Par value (PLN thousand)	Share options	Total shares and options	Shares	Share options
MANAGEMENT BOARD						
Jarosław Szanajca	1,454,050	1,454	-	1,454,050	-	-
Leszek Stankiewicz	-	-	-	-	(150,000)	(150,000)
Mikołaj Konopka	213,561	214	-	213,561	43,500	(50,000)
Grzegorz Smoliński	3,003	3	-	3,003	(297)	-
Terry Roydon	58,500	59	-	58,500	-	-
SUPERVISORY BOARD						
Grzegorz Kiełpsz	1,280,750	1,281	-	1,280,750	-	-
Janusz Zalewski	91,000	91	-	91,000	(209,000)	-
Mark Spiteri	900	1	-	900	-	-
Anna Panasiuk	-	-	-	-	-	-
Edyta Wojtkiewicz	-	-	-	-	-	-
Philippe Bonavero	-	-	-	-	-	-
Dorota Podedworna-Tarnowska	-	-	-	-	-	-

Members of the Company's Management Board and Supervisory Board did not hold any interests in other Group companies, except for Dom Land Sp. z o.o., in which, as at 31 December 2024, Jarosław Szanajca, Grzegorz Kiełpsz, and Mark Spiteri each held a 20% shareholding.

7.16 SHARE PREMIUM

In the 12 months ended 31 December 2024, share premium increased by PLN 4,900 thousand following the share capital increase described in Note 7.15.

Share premium amounted to PLN 276,458 thousand as at 31 December 2024 and PLN 271,558 thousand as at 31 December 2023.

7.17 ADDITIONAL INFORMATION ON EQUITY

As at 31 December 2024 and 31 December 2023, none of the subsidiaries held Company shares.

During the 12 months ended 31 December 2024 and 31 December 2023, the Company did not hold any treasury shares.

7.18 DIVIDEND AND APPROPRIATION OF PROFIT

DISTRIBUTION OF THE 2023 PROFIT

On 6 November 2023, based on the condensed interim financial statements of the Company for the six months ended 30 June 2023, audited by an independent statutory auditor, the Management Board resolved to distribute an interim dividend of PLN 141,341,321.00 (PLN 5.50 per share) for 2023. This resolution was subsequently approved by the Supervisory Board.

The Management Board set the record date for the interim dividend as 12 December 2023 and the payment date as 18 December 2023. All 25,698,422 Company shares were entitled to the interim dividend. The interim dividend was paid on 18 December 2023.

On 19 June 2024, the Annual General Meeting of the Company resolved on the appropriation of the Company's net profit for 2023, as well as on the dividend record date and payment date.

Pursuant to this resolution, the Annual General Meeting approved the appropriation of Dom Development S.A.'s net profit for 2023, amounting to PLN 441,113,631.24, as follows:

1. PLN 309,581,064.00 (PLN 12.00 per share) to be distributed to the shareholders of Dom Development S.A.; taking into account the interim dividend for 2023 of PLN 141,341,321.00 (PLN 5.50 per share) paid by the Company on 18 December 2023, the remaining dividend to be paid for 2023 amounted to PLN 168,239,743.00, subject to the following provisions:

a) for 25,698,422 Company shares registered in securities accounts in the securities depository as at the record date for the interim dividend for 2023 (12 December 2023), the remaining dividend to be paid for 2023 amounted to PLN 167,039,743.00 (PLN 6.50 per share);

b) for 100,000 Company shares that were not registered in securities accounts in the securities depository as at the record date for the interim dividend for 2023 (12 December 2023), the remaining dividend to be paid for 2023 amounted to PLN 1,200,000.00 (PLN 12.00 per share),

2. PLN 131,532,567.24 to be transferred to the statutory reserve funds of Dom Development S.A.

All 25,798,422 Company shares were entitled to the dividend. The Annual General Meeting set the dividend record date as 26 June 2024 and the dividend payment date as 4 July 2024. The dividend was paid as scheduled.

The dividend for 2022, amounting to PLN 282,682,642.00 (PLN 11.00 per share), was paid by the Company on 4 July 2023.

Dividend from profit for the year:	**2023**	**2022**
Dividends paid to owners – per share (PLN)	12.00	11.00

INTERIM DIVIDEND FOR 2024

On 6 November 2024, based on the condensed interim financial statements of the Company for the six months ended 30 June 2024, audited by an independent statutory auditor, the Management Board resolved to distribute an interim dividend of PLN 154,790,532.00 (PLN 6.00 per share) for 2024. This resolution was subsequently approved by the Supervisory Board.

The Management Board set the record date for the interim dividend at 12 December 2024 and the payment date for 18 December 2024. All 25,798,422 Company shares were entitled to the interim dividend. The interim dividend was paid on 18 December 2024.

7.19 BANK BORROWINGS

MATERIAL CHANGES IN THE 12 MONTHS ENDED 31 DECEMBER 2024

On 27 May 2024, Dom Development S.A. and VeloBank S.A. signed an amendment to the revolving credit facility agreement dated 21 December 2023. Under the terms of this amendment, the credit limit was increased from PLN 50,000 thousand to PLN 60,000 thousand.

On 6 December 2025, Dom Development S.A., Euro Styl S.A., and PKO Bank Polski S.A. executed Amendment No. 5 to the overdraft credit facility agreement dated 27 July 2015, as subsequently amended. Under the amendment, the facility limit was increased from PLN 200,000 thousand to PLN 230,000 thousand. In accordance with the agreement, Euro Styl S.A. continues to be entitled to utilise up to PLN 50,000 thousand of this facility, with no change to this sub-limit.

On 12 December 2024, Dom Development S.A. and Bank Millennium S.A. executed an amendment to the multi-currency credit facility agreement originally dated 18 December 2019, as subsequently amended. Under the amendment, the facility limit was increased from PLN 60,000 thousand to PLN 85,000 thousand, and the availability period was extended to 17 December 2026.

The maturity structure of these liabilities is presented in the table below.

BANK BORROWINGS BY MATURITY	31 Dec 2024	31 Dec 2023
Up to 1 year	-	-
1 To 2 years	-	-
2 To 5 years	-	-
Over 5 years	-	-
Total bank borrowings	**-**	**-**
of which: long-term	-	-
short-term	-	-

As at 31 December 2024 and 31 December 2023, all credit facilities held by the Company were denominated in the Polish zloty.

CREDIT FACILITIES AS AT 31 DECEMBER 2024

Bank	Registered office	Credit facility amount as per agreement	Currency	Outstanding amount (excluding interest)	Currency	Due date
PKO BP S.A.	Warsaw	230,000	PLN	-	**PLN**	26 Feb 2027
mBank S.A.	Warsaw	200,000	PLN	-	**PLN**	29 Jan 2027
Bank Millennium S.A.	Warsaw	85,000	PLN	-	**PLN**	17 Dec 2026
ING Bank Śląski S.A.	Katowice	50,000	PLN	-	**PLN**	14 Nov 2026
VeloBank S.A.	Warsaw	60,000	PLN	-	**PLN**	30 Nov 2025
Total credit facilities				**-**		

KEY DETAILS OF THE COMPANY'S CREDIT FACILITIES

- Credit facility with PKO BP

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

Revolving credit facility of up to PLN 200,000 thousand. Under the terms of the facility agreement, Dom Development Wroclaw 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

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

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

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 presents the principal amount of the liabilities, while interest accrued as at the reporting date is presented separately under Accrued interest on 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.

7.20 BONDS

BONDS	31 Dec 2024	31 Dec 2023
Nominal value of outstanding bonds, non-current portion	510,000	470,000
Nominal value of outstanding bonds, current portion	100,000	50,000
Nominal value of outstanding bonds	**610,000**	**520,000**

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

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

KEY DETAILS OF THE BONDS

- Agreement with Trigon Dom Maklerski S.A. and Trigon Investment Banking Spółka z ograniczoną odpowiedzialnością & Wspólnicy S.K.

Under the terms of the agreement, Dom Development S.A. may issue bonds with a total nominal value of up to PLN 400 million (including all bonds issued and outstanding) The programme limit is revolving, and the Company may issue bonds in multiple series until 17 November 2027.

- Agreement with mBank S.A.

Under the terms of the agreement, dated 7 February 2023, Dom Development S.A. may issue bonds with a total nominal value of up to PLN 400 million (including all bonds issued and outstanding) The Company may issue bonds in multiple series for an indefinite period from the date of the agreement. The programme limit is revolving.

BOND ISSUES AS AT 31 DECEMBER 2024

Series	Issuer	Issue date	Amount	Currency	Redemption date
DOMDET4250925	Dom Development S.A.	25 Sep 2020	100,000	PLN	25 Sep 2025
DOMDET5120526	Dom Development S.A.	12 May 2021	110,000	PLN	12 May 2026
DOMDEM1280928	Dom Development S.A.	28 Sep 2023	260,000	PLN	28 Sep 2028
DOMDEM2051229	Dom Development S.A.	5 Dec 2024	140,000	PLN	5 Dec 2029
Total			**610,000**		

The outstanding bonds have been admitted to trading on the alternative trading system operated by the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.), except for the DOMDEM2051229 series bonds, which will be admitted to the alternative trading system on Catalyst in accordance with the terms of the bond issuance.

The key terms of bond issuances with future maturity dates are available on the website:
https://inwestor.domd.pl/pl/obligacje

MATERIAL CHANGES IN THE 12 MONTHS ENDED 31 DECEMBER 2024

- Bond issuance

On 5 December 2024, the Company issued 140,000 unsecured bearer bonds of series DOMDEM20512229, each with a nominal value of PLN 1,000, for a total nominal value of PLN 140,000 thousand. The bonds mature on 5 December 2029. The issue price was equal to the nominal value of the bonds. The interest rate for the DOMDEM2051229 series was set based on the 6-month WIBOR reference rate plus a margin of 1.40%. Interest payments will be made semi-annually. The proceeds from the issuance were allocated to finance the Company's current operations, with no specific purpose designated.

- Bond redemption on maturity

On 12 December 2024, the Company redeemed 50,000 bearer bonds of series DOMDET3121224, each with a nominal value of PLN 1,000, for a total nominal value of PLN 50,000 thousand, as scheduled.

7.21 ACCRUED INTEREST ON BANK BORROWINGS AND BONDS

ACCRUED INTEREST ON BANK BORROWINGS AND BONDS	31 Dec 2024	31 Dec 2023
Accrued interest on bonds	6,863	7,191
Accrued interest on bank borrowings	-	-
Total accrued interest on bank borrowings	**6,863**	**7,191**

7.22 DEFERRED TAX ASSETS AND LIABILITIES

Deferred income tax relates to the following items:

Reporting year

DEFERRED TAX ASSETS AND LIABILITIES	Carrying amount at beginning of period	Change in period recognised in the Statement of profit or loss / Statement of comprehensive income	Carrying amount at end of period
Deferred tax liabilities			
Foreign exchange differences	1	78	79
Accrued interest	448	(448)	-
Discounting of liabilities	1,256	(529)	727
Difference between taxable profit and accounting profit on sold products, including provisions for costs	5,642	33,029	38,671
Capitalised finance costs	-	-	-
Measurement of financial assets	1,271	(400)	871
Leases	-	-	-
Other	-	-	-
Total deferred tax liabilities	**8,618**	**31,730**	**40,348**
Deferred tax assets			
Foreign exchange differences	58	(58)	-
Difference between taxable profit and accounting profit on sold products, including provisions for costs	-	-	-
Adjustment to inventory measurement	7,840	0	7,840
Impairment losses on receivables and other provisions	826	(614)	212
Provision for employee benefit obligations	5,685	1,411	7,096
Provision for costs	4,909	1,024	5,933
Finance costs	224	188	412
Discounting of receivables	145	(35)	110
Measurement of financial assets	326	(326)	-
Tax loss available for carry forward	-	1,112	1,112
Other	655	(459)	196
Total deferred tax assets	**20,668**	**2,243**	**22,911**

Previous year

DEFERRED TAX ASSETS AND LIABILITIES	Carrying amount at beginning of period	Change in period recognised in the Statement of profit or loss / Statement of comprehensive income	Carrying amount at end of period
Deferred tax liabilities			
Foreign exchange differences	29	(28)	1
Accrued interest	587	(139)	448
Discounting of liabilities	1,635	(379)	1,256
Difference between taxable profit and accounting profit on sold products, including provisions for costs	-	5,642	5,642
Capitalised finance costs	984	(984)	-
Measurement of financial assets	3,983	(2,712)	1,271
Leases	-	-	-
Other	-	-	-
Total deferred tax liabilities	**7,218**	**1,400**	**8,618**
Deferred tax assets			
Foreign exchange differences	258	(200)	58
Difference between taxable profit and accounting profit on sold products, including provisions for costs	21,336	(21,336)	-
Adjustment to inventory measurement	8,956	(1,116)	7,840
Impairment losses on receivables and other provisions	973	(147)	826
Provision for employee benefit obligations	6,524	(839)	5,685
Provision for costs	4,407	502	4,909
Finance costs	-	224	224
Discounting of receivables	180	(35)	145
Measurement of financial assets	416	(90)	326
Tax loss available for carry forward	-	-	-
Other	-	655	655
Total deferred tax assets	**43,050**	**(22,382)**	**20,668**

	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Change in deferred tax liability resulting from acquisition of subsidiaries determined as of the acquisition date	-	-
Deferred income tax charge recognised in the statement of profit or loss	29,673	26,353
Deferred income tax charge recognised in net other comprehensive income	(186)	(2,571)

	31 Dec 2024	31 Dec 2023
Deferred tax asset recognised in the balance sheet	-	12,050
Deferred tax liability recognised in the balance sheet	17,437	-

7.23 LONG-TERM PROVISIONS

LONG-TERM PROVISIONS	31 Dec 2024	31 Dec 2023
Provision for warranty repair costs, long-term portion	14,603	11,592
Provision for retirement benefits	353	318
Provisions for legal claims and disputes	-	-
Total	**14,956**	**11,910**

LONG-TERM PROVISIONS – CHANGES	31 Dec 2024	31 Dec 2023
As at beginning of period	**11,910**	**10,649**
Provisions recognised in the financial year	3,046	1,261
Provisions used/reversed in the financial year	-	-
As at end of period	**14,956**	**11,910**

7.24 OTHER NON-CURRENT LIABILITIES

OTHER NON-CURRENT LIABILITIES	31 Dec 2024	31 Dec 2023
Guarantee retentions, non-current portion	9,684	23,827
Other	20,748	34,960
As at end of period	**30,432**	**58,787**

7.25 LEASE LIABILITIES

In accordance with IFRS 16, the following lease liabilities were recognised in the Company’s balance sheet:

- right of use of office space,

- perpetual usufruct of land.

LEASE LIABILITIES	31 Dec 2024	31 Dec 2023
Lease liabilities, current portion, of which:	**43,093**	**48,049**
Liabilities under perpetual usufruct of land	37,107	42,856
Right-of-use liabilities for office and other space	5,847	5,193
Other	139	-
Lease liabilities, non-current portion, of which:	**7,270**	**10,175**
Right-of-use liabilities for office and other space	7,205	10,175
Other	65	-
Total	**50,363**	**58,224**

According to the Management Board’s estimates, based on plans for residential developments on properties for which the Company held perpetual usufruct rights as at 31 December 2024, lease liabilities for land classified as non-current amounted to PLN 37,107 thousand, of which:

- PLN 2,574 thousand will be payable by the Company within 12 months from the reporting date,

- PLN 3,259 thousand will be payable by the Company in more than 12 months from the reporting date,

- PLN 31,274 thousand will be transferred onto buyers of residential units.

7.26 TRADE, TAX AND OTHER PAYABLES

TRADE, TAX AND OTHER PAYABLES	31 Dec 2024	31 Dec 2023
Trade payables, including guarantee retentions (non-current portion)	240,572	116,525
Tax liabilities	15,160	3,692
Accrued expenses	207,664	147,630
Company Social Benefits Fund	474	300
Other liabilities	1,099	2,354
Total liabilities	**464,969**	**270,501**
Disaggregation of accrued expenses:	**207,664**	**147,630**
- estate construction costs	170,304	120,719
- personnel costs	27,622	17,347
- rent for office space	640	974
- other	9,098	8,590

Trade payables are non-interest-bearing liabilities. Excluding guarantee retentions (as described below), trade payables have a maturity of between 14 and 30 days.

The table below sets out the carrying amount of guarantee retention liabilities related to the execution of residential development projects. The current and non-current portions of these liabilities are disclosed in the relevant items of current and non-current liabilities.

GUARANTEE RETENTIONS	31 Dec 2024	31 Dec 2023
Guarantee retentions, current portion	18,855	14,197
Guarantee retentions, non-current portion	9,684	23,827
Total guarantee retentions	**28,539**	**38,024**

7.27 SHORT-TERM PROVISIONS

SHORT-TERM PROVISIONS	31 Dec 2024	31 Dec 2023
Provision for warranty repair costs, current portion	4,867	3,864
Provision for retirement benefits	61	64
Provisions for legal claims and disputes	14,077	11,839
Total	**19,005**	**15,767**

SHORT-TERM PROVISIONS – CHANGES	31 Dec 2024	31 Dec 2023
As at beginning of period	**15,767**	**17,637**
Provisions recognised in the financial year	16,003	6,122
Provisions used/reversed in the financial year	(12,765)	(7,992)
As at end of period	**19,005**	**15,767**

7.28 DEFERRED INCOME

DEFERRED INCOME	31 Dec 2024	31 Dec 2023
Deferred income from customer advance payments for products, not yet recognised as revenue in the statement of profit or loss	860,963	976,152
Other	-	-
Total	**860,963**	**976,152**

7.29 POST-EMPLOYMENT BENEFITS

The Company does not operate any specific post-employment benefit schemes.

7.30 FINANCIAL ASSETS AND LIABILITIES

CATEGORIES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AND MAXIMUM EXPOSURE TO CREDIT RISK

FINANCIAL ASSETS AND LIABILITIES	31 Dec 2024	31 Dec 2023
FINANCIAL ASSETS		
Long-term receivables	5,742	5,009
Loans granted	515,250	462,337
Trade and other receivables	47,657	44,391
Receivables from related parties	8,815	6,307
Total loans granted and receivables	**577,464**	**518,044**
Other	-	-
Financial assets at fair value through profit or loss (held for trading)	**-**	**-**
Cash on hand and at banks	8,172	7,356
Short-term bank deposits	121,702	26,748
Current financial assets	142,315	82,358
Maximum exposure to credit risk	**849,653**	**634,506**
FINANCIAL LIABILITIES		
Liabilities under bank borrowings	-	-
Own bonds issued	616,863	527,191
Trade and other payables, accruals, and other liabilities	479,767	325,295
Lease liabilities	50,363	58,224
Financial liabilities measured at amortised cost	**1,146,993**	**910,710**

The fair value of the Company's financial assets and liabilities does not differ materially from their carrying amount.

7.31 MANAGEMENT FINANCIAL RISK

The Company is exposed to the following types of financial risk:

- market risk (interest rate risk)
- credit risk,
- liquidity risk.

MARKET RISK

Market risk reflects the impact of changes in market prices – such as exchange rates, interest rates, or the prices of equity instruments – on the Company’s financial results or the value of its financial instruments.

Market risk primarily comprises the following types of risk:

- currency risk,
- interest rate risk.

Currency risk

Where the Company holds material foreign currency positions, it uses forward and swap currency derivatives to hedge significant future foreign exchange transactions.

As at 31 December 2024 and 31 December 2023, the Company had no material foreign currency-denominated assets, liabilities, or future payments, and therefore did not require the use of hedging currency derivatives.

Interest rate risk

Credit facilities contracted at fixed interest rates expose the Company to fair value risk. Bank and non-bank borrowings contracted at variable interest rates expose the Company to cash flow risk.

Under the current financing structure, the Company has no fixed-rate credit facilities or bonds. The Company currently holds short-, medium-, and long-term credit facilities and bonds at variable interest rates, exposing it to cash flow risk, although this risk is mitigated in as described below.

As at the reporting date, the Company had no long-term fixed-rate financial instruments.

Interest rate risk is largely mitigated by the Company's exposure to both financial liabilities and financial assets, creating a natural hedge through variable interest rates. The Group's exposure to interest rate risk on bond financing is further mitigated through the use of hedging instruments, including:

- CAP options, which provide the Company with protection against rising market interest rates. Under these agreements, the bank compensates the Company for any increase in rates above the predefined cap, allowing it to hedge against upward movements while retaining the ability to benefit from potential rate declines;

- Interest Rate Swaps (IRS), which involve exchanging interest payments with the bank based on different interest rates. The Company swaps variable-rate interest payments for fixed-rate payments. Both sets of interest payments are calculated on a notional amount agreed in the transaction, with settlement occurring on specified dates by comparing the relevant reference rate with the contracted fixed rate.

As at the reporting date, the Group's portfolio of variable-rate financial instruments was as follows:

VARIABLE-RATE INSTRUMENTS	31 Dec 2024	31 Dec 2023
Financial assets	787,439	578,799
Financial liabilities	616,863	527,191
Total net	**170,576**	**51,608**

Financial assets include interest-bearing financial instruments, such as bank deposits and loans granted. Financial liabilities comprise interest-bearing obligations, including bank borrowings and bonds issued by the Company.

Sensitivity analysis of profit or loss to interest rate changes

A 100 basis point ('bps') change in the interest rates applicable to financial instruments as at the reporting date would increase (decrease) net assets and profit or loss (after tax) by the amounts presented in the table below. This analysis, conducted for the 12 months ended 31 December 2024 and 31 December 2023, assumes that all other variables remain constant.

Reporting year

INTEREST RATE SENSITIVITY ANALYSIS	Profit or loss Increase by 100 bps	Profit or loss Decrease by 100 bps	Net assets Increase by 100 bps	Net assets Decrease by 100 bps
Variable-rate assets	6,378	(6,378)	6,378	(6,378)
Variable-rate liabilities *)	(3,997)	3,997	(3,997)	3,997
Net sensitivity	**2,381**	**(2,381)**	**2,381**	**(2,381)**

Previous year

INTEREST RATE SENSITIVITY ANALYSIS	Profit or loss Increase by 100 bps	Profit or loss Decrease by 100 bps	Net assets Increase by 100 bps	Net assets Decrease by 100 bps
Variable-rate assets	4,688	(4,688)	4,688	(4,688)
Variable-rate liabilities *)	(3,416)	3,416	(3,416)	3,416
Net sensitivity	**1,272**	**(1,272)**	**1,272**	**(1,272)**

*) Finance costs related to bank borrowings and bonds are partially capitalised by the Company as part of work in progress. The analysis also assumes that a portion of the finance costs accrued during the period is recognised in the statement of profit or loss, while the remainder is capitalised in inventories and will be recognised in the statement of profit or loss in subsequent reporting periods.

CREDIT RISK

The Company's principal financial assets comprise bank balances, cash and cash equivalents, loans granted, trade receivables, and other receivables, representing the Company's largest credit risk exposure in relation to financial assets.

Credit risk is primarily associated with trade receivables. The amounts presented in the balance sheet are net of impairment allowances for doubtful receivables, as estimated by the Management Board based on historical experience, the nature of the business, and the assessment of the current economic environment.

Credit risk associated with liquid funds, including cash and cash equivalents as well as current financial assets, is limited, as transactions are conducted with reputable banks that hold high credit ratings assigned by international rating agencies. The following tables provide further details:

Reporting year

Rating agency	Rating	Amount of cash and cash equivalents and current financial assets
Moody's Ratings (Long Term deposit ratings)	A2	19,237
Fitch Ratings (Long Term Issuer Default Rating)	A+	14,441
Fitch Ratings (Long Term Issuer Default Rating)	A-	101,756
Fitch Ratings (Long Term Issuer Default Rating)	BBB-	43,858
Fitch Ratings (Long Term Issuer Default Rating)	BB+	92,780
Fitch Ratings (Long Term Issuer Default Rating)	BB-	-
Cash on hand	n/a	117
Total		272,189

Previous year

Rating agency	Rating	Amount of cash and cash equivalents and current financial assets
Moody's Ratings (Long Term deposit ratings)	A2	52,598
Fitch Ratings (Long Term Issuer Default Rating)	A+	10,515
Fitch Ratings (Long Term Issuer Default Rating)	A-	60
Fitch Ratings (Long Term Issuer Default Rating)	BBB-	7,969
Fitch Ratings (Long Term Issuer Default Rating)	BB+	45,169
Fitch Ratings (Long Term Issuer Default Rating)	BB-	-
Cash on hand	n/a	151
Total		116,462

Credit risk associated with loans granted is limited, as transactions are exclusively conducted with entities affiliated with the Company, over which the Company exercises operational control. Furthermore, these loans are secured against the borrowers' properties, the value of which – as well as the profitability of ongoing or prospective residential development projects – is continuously monitored by the Company.

To maintain liquidity and ensure the availability of financial resources at the targeted level, the Company has a dedicated unit responsible for monitoring its liquidity position. This unit actively monitors liquid funds and projected cash flows, making informed allocation decisions to optimise finance income while mitigating credit risk.

The Company has no material concentration of credit risk, with exposure diversified across a broad range of counterparties and customers. Moreover, trade receivables arising from the Company's principal business – the sale of residential units, commercial premises, and garages – are fully secured, as ownership is transferred only upon full payment of the purchase price under the preliminary sale agreement.

The ageing profile of trade receivables is presented in Note 7.11 Trade and other receivables.

LIQUIDITY RISK

Liquidity risk is the risk that the Company may be unable to meet its financial obligations as they fall due. The Company's objective is to maintain liquidity at a level that ensures it can meet its financial obligations as they fall due, without incurring unacceptable losses or compromising its reputation.

The table below sets out the total undiscounted future cash flows relating to the Company's financial liabilities, disaggregated by contractual maturities.

Reporting year

MATURITY STRUCTURE OF LIABILITIES	0 – 6 months	6 – 12 months	1 – 2 years	2 – 5 years	Total
Liabilities under bank borrowings	-	-	-	-	-
Own bonds issued	18,113	117,995	137,662	456,362	730,132
Trade and other payables	432,161	8,087	29,642	9,877	479,767
Lease liabilities	5,657	3,048	7,967	33,691	50,363
Total	**455,931**	**129,130**	**175,271**	**499,930**	**1,260,262**

Previous year

MATURITY STRUCTURE OF LIABILITIES	0 – 6 months	6 – 12 months	1 – 2 years	2 – 5 years	Total
Liabilities under bank borrowings	-	-	-	-	-
Own bonds issued	13,491	64,777	125,928	422,228	626,424
Trade and other payables	257,442	11,850	46,768	9,235	325,295
Lease liabilities	6,682	2,653	8,708	40,181	58,224
Total	**277,615**	**79,280**	**181,404**	**471,644**	**1,009,943**

Lease liabilities also include obligations with a maturity exceeding five years.

The Company manages liquidity primarily through:

- - short-, medium-, and long-term cash flow planning based on regularly updated operating and financial forecasts, - detailed short-term forecasting, with forecasts updated at least monthly,
- - optimising funding sources, based on an analysis of the Company's requirements and market conditions,
- - ongoing monitoring of financial covenants under credit facility agreements,
- - diversifying funding sources for its residential property development activities, and
- - engaging with financial institutions of established high standing.

CAPITAL MANAGEMENT

The Management Board's policy is to maintain a strong capital base to sustain investor, creditor, and market confidence while supporting the Company's continued growth.

For the years ended 31 December 2024 and 2023, the return on equity (calculated as net profit divided by the average annual balance of equity) was 29.5% and 32.4%, respectively. During the same period, the Company's weighted average cost of debt stood at 5.9% in 2024 and 5.4% in 2023.

As at 31 December 2024 and 2023, the Company's net leverage ratio (calculated as total borrowings and bonds, less cash and cash equivalents, and current financial assets, divided by equity) was 23.4% and 30.0%, respectively.

The Company has no defined share buyback plan.

The Company is not subject to any externally imposed capital requirements other than the statutory requirements set out in the Commercial Companies Code.

7.32 EARNINGS PER SHARE

CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
EARNINGS PER SHARE		
Profit used to calculate basic earnings per share	419,020	441,114
Weighted average number of ordinary shares used to calculate basic earnings per share	25,786,400	25,657,874
Basic earnings per share (PLN)	**16.25**	**17.19**
DILUTED EARNINGS PER SHARE		
Profit used to calculate diluted earnings per share	419,020	441,114
Potentially dilutive shares from Management Share Option Programme	-	114,132
Weighted average number of ordinary shares used to calculate diluted earnings per share	25,786,400	25,772,006
Diluted earnings per share (PLN)	**16.25**	**17.12**

The Company has no discontinued operations; therefore, earnings per share from continuing operations is equal to the total earnings per share as calculated above.

7.33 INCOME TAX

INCOME TAX	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Current income tax	(33,674)	(42,512)
Deferred income tax	(29,673)	(26,353)
Total	**(63,347)**	**(68,865)**

As at 31 December 2024 and 31 December 2023, the Company's corporate income tax liabilities were PLN 0 thousand and PLN 10,462 thousand, respectively.

The reconciliation of income tax, calculated as the product of profit before tax and the statutory tax rate, to the actual income tax expense recognised in the Company's separate statement of profit or loss is presented below.

RECONCILIATION	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Profit before tax	**482,367**	**509,979**
At statutory tax rate of 19%	91,650	96,896
Permanent differences not subject to current or deferred income tax in the financial statements (excluding the cost of share-based payments for management)	915	1,578
Tax effect of share-based payments for management that are permanently non-deductible for tax purposes	373	665
Dividends received	(29,591)	(30,274)
Other	-	-
Actual income tax expense	**63,347**	**68,865**
Effective tax rate (%)	**13.13**	**13.50**

Regulations on value added tax, corporate income tax, and social security contributions are subject to frequent changes, With a resulting lack of appropriate points of reference, conflicting interpretations, and scarcity of established precedents to follow.

Furthermore, the applicable tax laws lack clarity, which leads to differences in opinions and diverse interpretations of tax regulations, both between various public authorities and between public authorities and businesses.

Tax settlements and other areas of activity (e.g. customs or foreign exchange control) may be subject to inspections by authorities that are entitled to impose high fines and penalties, and any additional tax liabilities resulting from such inspections must be paid with high interest. Consequently, the tax risk in Poland is higher than in countries with more mature tax systems.

Therefore, although the Company's has historically adopted and continues to follow a highly prudent tax policy, it cannot be ruled out – albeit unlikely – that amounts presented and disclosed in the financial statements may change in the future as a result of a final decision by the tax authorities.

On 15 July 2016, amendments were made to the Tax Law reflecting the provisions of the General Anti-Abuse Rule (GAAR). GAAR is intended to prevent creation and use of abusive arrangements to avoid paying taxes in Poland. GAAR defines tax evasion as measures taken primarily for the purpose of achieving a tax benefit which in the given circumstances is contrary to the object and purpose of tax laws. In accordance with GAAR, no tax advantage can be obtained through an arrangement which is abusive. Any arrangements involving (i) separation of transactions or operations without a sufficient rationale, (ii) engaging intermediaries where no business or economic rationale exists, (iii) any offsetting elements, and (iv) any arrangements operating in a similar way may be viewed as an indication of the existence of an abusive arrangement subject to GAAR. The new regulations will require much more judgment to be exercised when assessing the tax consequences of particular transactions.

GAAR should be applied with respect to arrangements made after its effective date as well as arrangements that were made before its effective date, but the benefit of the tax advantage obtained through the arrangement continued or continues after that date. The implementation of the above regulations will grant Polish tax inspection authorities the authority to challenge certain legal arrangements made by taxpayers, including the restructuring or reorganisation of corporate groups.

7.34 SEGMENT REPORTING

The Company's operations are largely homogenous and focus on the construction and sale of residential and commercial properties, along with related support activities. While the Company operates exclusively in the Warsaw market, the Dom Development Group, in which it is the parent, also has operations in the Tricity, Wroclaw, and Krakow markets, Conducted through the Group's subsidiaries.

Considering the above, the Company's reportable segments were identified based on the geographical location criterion:

- Warsaw segment
- the Tricity segment
- the Wroclaw segment
- Krakow segment

The key metrics for the assessment of the performance of each segment are revenue, gross profit and gross profit margin earned by the respective segments.

As the Company operates exclusively on the Warsaw market, i.e., within one reportable segment, these financial statements do not include operating segment disclosures.

Information on operating segments is presented in the consolidated financial statements of the Company, which present operating activities in all of the above markets (operating and reportable segments).

7.35 REVENUE AND COST OF SALES

ANALYSIS OF REVENUE AND COST OF SALES	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Revenue from sale of finished products	1,589,252	1,387,792
Revenue from rendering of services	147,667	99,028
Revenue from sale of goods (land)	46,065	1,000
Total revenue	**1,782,984**	**1,487,820**
Cost of sales of finished products	(1,129,858)	(921,919)
Cost of services sold	(106,324)	(74,750)
Cost of goods sold	(45,733)	(1,049)
Inventory write-down to net realisable value	-	(1,777)
Total cost of sales	**(1,281,915)**	**(999,495)**
Gross profit	**501,069**	**488,325**

7.36 COSTS BY NATURE OF EXPENSE

OPERATING EXPENSES	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Cost of sales	(1,281,915)	(999,495)
Selling costs	(63,476)	(50,283)
General and administrative expenses	(112,167)	(96,177)
Total	**(1,457,558)**	**(1,145,955)**
Costs by nature of expense		
Depreciation and amortisation	(14,399)	(12,429)
Raw materials and consumables used	(236,528)	(253,360)
Services	(1,062,373)	(895,089)
Taxes and charges	(7,340)	(7,682)
Employee benefits expense	(75,118)	(69,698)
Other expenses	(4,129)	(3,472)
Cost of goods and materials sold	(45,733)	(1,049)
Change in inventory of finished goods and work in progress	(20,525)	90,813
Cost of internally constructed assets	8,587	6,011
Total	**(1,457,558)**	**(1,145,955)**

7.37 EMPLOYEE BENEFITS EXPENSE AND EMPLOYMENT

AVERAGE EMPLOYMENT (including management personnel)	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Employee categories (headcount)	**195**	**191**
White-collar workers	195	191
Blue-collar workers	-	-

EMPLOYEE BENEFITS EXPENSE (including management personnel)	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Employee benefits expense		
Salaries and wages, including:	63,666	61,069
- including cost of share-based payment arrangements (Note 7.44)	1,963	3,501
Social security contributions and other benefits	11,452	8,629
Total employee benefits expense	**75,118**	**69,698**

7.38 OTHER INCOME

OTHER INCOME	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Income from contractual penalties, settlements, and damages	550	1,168
Release of provision for costs and claims	5,812	2,746
Gain on disposal of non-current non-financial assets	330	427
Other	4,816	7,388
Total	**11,508**	**11,729**

7.39 OTHER EXPENSES

OTHER EXPENSES	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Provision and costs related to penalties and settlements	8,125	1,113
Donations	3,861	4,846
Provision for other costs	862	618
Written-off uncollectible receivables	1,502	7,076
Cost of warranty repairs and defects (including change in provision)	7,035	5,658
Costs of abandoned projects	-	-
Cost of acquisition of subsidiaries	-	-
Other	1,265	368
Total	**22,650**	**19,679**

7.40 FINANCE INCOME

FINANCE INCOME	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Interest on bank deposits and loans granted	48,557	45,848
Dividends received	155,743	159,337
Income from discounting of receivables and payables	183	504
Other interest	552	351
Measurement of CAP hedging instruments	-	-
Other	4,429	2,507
Total	**209,464**	**208,547**

7.41 FINANCE COSTS

FINANCE COSTS	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Interest on bank borrowings and bonds (non-capitalised portion)	29,144	21,922
Other interest	111	163
Commissions and fees	1,967	1,928
Costs of discounting receivables and payables	2,783	2,311
Lease finance costs	710	751
Foreign exchange differences	-	-
Measurement of financial instruments (CAP options)	2,380	1,345
Loss on disposal of investments	4,138	-
Other	148	4,063
Total	**41,381**	**32,483**

7.42 INTEREST EXPENSE

INTEREST EXPENSE	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Borrowing costs (interest) capitalised as work in progress	2,972	1,022
Borrowing costs (interest) recognised in profit or loss	29,256	22,085
Total borrowing costs	**32,228**	**23,107**

Borrowing costs incurred in connection with the financing of the Company's residential development projects are, as a rule, capitalised as work in progress and include interest, fees, and charges related to bonds and bank borrowings. Borrowing costs not directly attributable to the financing of residential development projects are recognised directly in the statement of profit or loss.

7.43 RELATED-PARTY TRANSACTIONS

In the 12 months ended 31 December 2024 and 31 December 2023, the Company engaged in transactions with related parties, as detailed below. Descriptions of the transactions are presented in the tables below.

DOM DEVELOPMENT S.A. AS BUYER OF PRODUCTS OR SERVICES:	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Consulting services		
Hansom Property Company Limited	2,077	1,889
Acquisition of property		
Dom Land Sp. z o.o.	11,073	-
Cooperation agreements		
Dom Development Wroclaw Sp. z o.o.	164	55
Dom Development Krakow Sp. z o.o.	94	78
Euro Styl S.A.	-	11
Construction services		
Dom Construction Sp. z o.o.	852,356	692,291
Other		
Dom Construction Sp. z o.o.	89	457
Euro Styl Montownia Sp. z o.o.	31	-

DOM DEVELOPMENT S.A. AS SELLER OF PRODUCTS OR SERVICES:	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Cooperation agreements		
Dom Development Grunty Sp. z o.o.	24	24
Dom Development Krakow 1 Sp. z o.o.	3	3
Euro Styl S.A.	5,373	4,924
Euro Styl Construction Sp. z o.o.	6	50
Dom Land Sp. z o.o.	17	17
Dom Development Wroclaw Sp. z o.o.	4,374	3,770
Dom Construction Sp. z o.o.	11,148	18,675
Dom Development Kredyty Sp. z o.o.	675	856
Dom Development Krakow Sp. z o.o.	3,648	3,217
Dom Development Krakow 12 Sp. z o.o.	21	21
Issogne Sp. z o.o.	-	18
Mirabelle Investments Sp. z o.o.	-	16
Fundacja Nasz Dom	2	-

DOM DEVELOPMENT S.A. AS LENDER:	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Loan granted		
Issogne Sp. z o.o.	-	28,000
Dom Development Wroclaw Sp. z o.o.	75,000	90,000
Euro Styl S.A.	-	77,767
Dom Development Krakow Sp. z o.o.	160,000	160,183
Loan repaid		
Issogne Sp. z o.o.	-	(28,000)
Dom Development Wroclaw Sp. z o.o.	(60,000)	(50,000)
Euro Styl S.A.	-	(48,517)
Dom Development Krakow Sp. z o.o.	(118,550)	(69,483)
Net loan interest received		
Issogne Sp. z o.o.	-	414
Dom Development Wroclaw Sp. z o.o.	19,657	14,376
Euro Styl S.A.	9,743	10,273
Dom Development Krakow Sp. z o.o.	20,204	12,956

DOM DEVELOPMENT S.A. AS CONTRIBUTOR OF CAPITAL TO SUBSIDIARIES:	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Reimbursement of contribution to equity		
Dom Development Wroclaw Sp. z o.o.	(18,300)	(15,200)

Contributions to share capital and additional capital injections into subsidiaries are recognised in the Company's separate balance sheet under Investments in subsidiaries, associates and joint venture.

DOM DEVELOPMENT S.A. AS ENTITY PAYING DIVIDENDS:	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Dividends paid		
Groupe Belleforêt S.à r.l.	176,756	233,317

DOM DEVELOPMENT S.A. AS RECIPIENT OF DIVIDENDS	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Dividends received		
Euro Styl S.A.	131,201	131,364
Dom Construction Sp. z o.o.	20,875	16,856
Dom Development Kredyty Sp. z o.o.	2,399	801
Dom Development Krakow 12 Sp. z o.o.	1,268	11,584

BALANCES WITH RELATED PARTIES – from the Company's perspective	31 Dec 2024	31 Dec 2023
Receivables from related parties		
Total balance	**537,565**	**513,998**
Subsidiaries	**537,565**	**500,444**
Dom Development Krakow 12 Sp. z o.o.	-	13
Dom Development Krakow 1 Sp. z o.o.	-	3
Dom Development Wroclaw Sp. z o.o. (contributions to equity)	13,500	31,800
Dom Development Wroclaw Sp. z o.o. (loans granted)	195,000	180,000
Dom Development Wroclaw Sp. z o.o.	1,399	1,007
Euro Styl S.A. (loans granted)	119,250	119,250
Euro Styl S.A.	1,973	1,223
Euro Styl Construction Sp. z o.o.	2	3
Dom Development Kredyty Sp. z o.o.	203	235
Dom Construction Sp. z o.o.	3,952	2,859
Dom Development Krakow Sp. z o.o. (loans granted)	201,000	163,087
Dom Development Krakow Sp. z o.o.	1,286	964
Other entities	**-**	**13,554**
Dom Land Sp. z o.o.	-	13,554

BALANCES WITH RELATED PARTIES – from the Company's perspective	31 Dec 2024	31 Dec 2023
Liabilities to related parties		
Total balance	**175,368**	**83,407**
Subsidiaries	**175,235**	**83,277**
Dom Construction Sp. z o.o.	173,398	79,434
Dom Construction Sp. z o.o. (retentions)	1,837	2,575
Dom Development Krakow 12 Sp. z o.o.	-	1,268
Other entities	**133**	**130**
Hansom Property Company Limited	133	130

Transactions with related parties are entered into on an arm's length basis.

7.44 SHARE OPTIONS OVER COMPANY SHARES

INCENTIVE SCHEME – MANAGEMENT SHARE OPTION PROGRAMMES

As at 31 December 2024, the Company no longer operated any Management Share Option Programmes adopted under the Incentive Plan for the Company's executive management.

MANAGEMENT SHARE OPTION PROGRAMMES	31 Dec 2024			31 Dec 2023		
Programme name	Programme options (number of shares)	Options granted (number of shares)	Options exercised (number of shares)	Programme options (number of shares)	Options granted (number of shares)	Options exercised (number of shares)
5th Management Share Option Programme	-	-	-	250,000	250,000	200,000
7th Management Share Option Programme	-	-	-	250,000	250,000	100,000

Management share option programmes operated in the 12 months ended 31 December 2024.

- 5th Management Share Option Programme

On 29 November 2019, the Supervisory Board of the Company, acting under the authority granted by the Annual General Meeting, passed a resolution approving the terms of the 5th Management Share Option Programme for Mr. Mikołaj Konopka, Member of the Management Board, covering 250,000 shares in Dom Development S.A. ('5th Programme'). Pursuant to the terms of the programme, Mr Konopka was granted a one-off award of options, entitling him to acquire 250,000 shares in Dom Development S.A. at a price of PLN 50.00 per share. The exercise of these options was subject to a vesting cap, restricting the number of shares that could be acquired to 50,000 within any rolling 12-month period, commencing on 1 January 2021. As at 31 December 2024, all options granted under the 5th Management Share Option Programme had been fully exercised.

- 7th Management Share Option Programme

On 4 November 2022, the Supervisory Board of the Company, acting under the authority granted by the Annual General Meeting, passed a resolution approving the terms of the 7th Management Share Option Programme for Mr. Leszek Stankiewicz, Vice President of the Management Board, covering 250,000 shares in Dom Development S.A. ('7th Programme'). Pursuant to the terms of the programme, Mr Stankiewicz was granted a one-off award of options, entitling him to acquire 250,000 shares in Dom Development S.A. at an exercise price of PLN 50.00 per share. The exercise of these options was subject to a vesting cap, restricting the number of shares that could be acquired in a calendar year to 50,000, in 2022. By March 2024, Leszek Stankiewicz had subscribed for 150,000 shares in the Company under 7th Programme. On 29 November 2024, Mr. Stankiewicz formally renounced his right to exercise options over 100,000 shares in the Company granted to him under the programme. As a result, the 7th Programme has been extinguished.

Grant of new share options under Management Share Option Programmes

In the 12 months ended 31 December 2024 the Company did not grant any new share options.

Exercise of share options under Management Share Option Programmes

In the 12 months ended 31 December 2024, the Management Board increased the Company's share capital by issuing 50,000 Series AJ ordinary bearer shares and 50,000 Series AK ordinary bearer shares. The issue price of the shares was set at PLN 50.00 per share. The purpose of the issue of shares within the limits of the authorised share capital was to enable the Company to meet its obligations arising from:

- 5th Management Share Option Programme for Mikołaj Konopka, Member of the Management Board, concerning 250,000 Dom Development shares, and
- 7th Management Share Option Programme for Leszek Stankiewicz, Vice President of the Management Board, concerning 250,000 Dom Development shares.

For more information on the issue of Series AJ and Series AK shares, see Note 7.15.

Expiry of share options under Management Share Option Programmes

On 29 November 2024, Mr. Stankiewicz formally renounced his right to exercise options over 100,000 shares in the Company granted to him under the programme. As a result, the 7th Programme has been extinguished.

SHARE OPTIONS GRANTED AND EXERCISABLE AS AT EACH REPORTING DATE AND CHANGES IN THE PERIODS PRESENTED

SHARE OPTIONS		1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Options outstanding at beginning of period	Number	**200,000**	**300,000**
	Total exercise price	**10,000**	**15,000**
Options granted during period	**Number**	-	-
	Total exercise price	-	-
Options expired during period	**Number**	100,000	-
	Total exercise price	5,000	-
Options exercised during period	**Number**	100,000	100,000
	Total exercise price	5,000	5,000
	Weighted average exercise price per share (PLN/share)	50.00	50.00
Options outstanding at end of period	Number	**-**	**200,000**
	Total exercise price	**-**	**10,000**
Options exercisable at beginning of period	Number	-	100,000
	Total exercise price	-	5,000
Options exercisable at end of period	Number	-	-
	Total exercise price	-	-

SHARE OPTION COSTS RECOGNISED IN THE STATEMENT OF PROFIT OR LOSS AND UNDER EQUITY

In the 12 months ended 31 December 2024 and 31 December 2023, share option costs recognised in the separate statement of profit or loss and in statutory reserve funds amounted to PLN 1963 thousand and PLN 3,501 thousand, respectively.

7.45 REMUNERATION OF MEMBERS OF THE COMPANY'S MANAGEMENT AND SUPERVISORY BODIES

REMUNERATION FOR KEY EXECUTIVE PERSONNEL	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
MANAGEMENT BOARD		
Cash remuneration	18,221	12,660
Non-monetary benefits	62	183
Total remuneration	**18,283**	**12,843**
SUPERVISORY BOARD		
Cash remuneration	1,384	1,384
Non-monetary benefits	49	47
Total remuneration	**1,433**	**1,431**

It does not include the cost of the Management Share Option Programme, which amounted to PLN 1,963 thousand and PLN 3,501 thousand in the years ended 31 December 2024 and 2023, respectively.

The composition of the Management Board and the Supervisory Board as at 31 December 2024 is presented in Note 7.49.

AGREEMENTS BETWEEN THE COMPANY AND MANAGEMENT BOARD MEMBERS PROVIDING FOR COMPENSATION IN THE EVENT OF RESIGNATION OR DISMISSAL

Monika Perekitko, a member of the Management Board, was employed by the Company under an employment contract approved by the Supervisory Board. The other members of the Management Board are remunerated pursuant to Supervisory Board resolutions.

No member of the Management Board is entitled to compensation in the event of resignation. Monika Perekitko was entitled to a six-month notice period, during which she was released from the obligation to perform work while retaining the right to remuneration. Pursuant to Supervisory Board resolutions, in the event of dismissal for reasons other than a material breach of duties or non-reappointment for a further term, Jarosław Szanajca, Leszek Stankiewicz, Mikołaj Konopka, and Grzegorz Smoliński are entitled to a severance payment equivalent to six months' remuneration.

7.46 CONTINGENT LIABILITIES

CONTINGENT LIABILITIES	31 Dec 2024	31 Dec 2023
Guarantees	29,744	17,917
Sureties	7,900	12,651
Total	**37,644**	**30,568**

In addition, certain liabilities of the Company are secured with promissory notes:

SECURITY FOR THE COMPANY'S LIABILITIES	31 Dec 2024	31 Dec 2023
Promissory notes, of which:		
- promissory notes classified as other security	3,900	3,900
- promissory notes securing lease contracts	-	-
Total	**3,900**	**3,900**

In the 12 months ended 31 December 2024, the Company did not provide any credit sureties or guarantees to a single entity or its subsidiary, where the value of such sureties or guarantees for the Company would be material or would represent 10% or more of the Company's equity.

7.47 MATERIAL COURT DISPUTES AS AT 31 DECEMBER 2024

As at 31 December 2024, the Company was not a party to any material court proceedings.

7.48 APPROVAL OF THE 2023 FINANCIAL STATEMENTS

On 19 June 2024, the Annual General Meeting of Dom Development S.A. approved the financial statements for the year ended 31 December 2023, as presented by the Management Board, along with the Management Board's report on the operations of Dom Development S.A. and its Group in 2023, and the consolidated financial statements of the Dom Development S.A. Group for the year ended 31 December 2023. The Annual General Meeting granted discharge of duties to the Management Board members for the 2023 financial year.

7.49 CHANGES IN THE COMPOSITION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

MANAGEMENT BOARD

Appointment of Monika Perekitko as Member of the Management Board

On 20 September 2023, pursuant to Article 6.2.2 of the Company's Articles of Association, the Supervisory Board appointed Monika Perekitko as a Member of the Management Board for a joint three-year term, effective from 1 January 2024.

Resignation of Jarosław Szanajca as President of the Management Board and appointment of Mikołaj Konopka as new President of the Management Board

On 28 August 2024, the Company received a notice of resignation from Jarosław Szanajca announcing his resignation as President of the Management Board, effective 31 December 2024. Following his departure, Mr Szanajca intended to join the Supervisory Board and contribute to the Company's continued development in that capacity. At the same time, Mr Szanajca recommended to the Company's majority shareholder, Groupe Belleforêt S.à r.l. of Luxembourg that Mikołaj Konopka, then serving as a Member of the Management Board, be appointed President of the Management Board, effective 1 January 2025.

Acting pursuant to Article 6.2.2 of the Company's Articles of Association, Groupe Belleforêt S.à r.l. appointed Mikołaj Konopka as President of the Management Board for a joint three-year term, effective 1 January 2025.

Resignation of Monika Perekitko as Member of the Management Board and appointment of Grzegorz Smoliński and Justyna Wilk as Members of the Management Board

On 29 October 2024, the Company received a notice of resignation from Monika Perekitko announcing her resignation as Member of the Management Board, effective 29 October 2024.

Groupe Belleforêt S.à r.l. of Luxembourg, a shareholder holding at least 50.1% of Company shares, acting pursuant to Art. 6.2.2 of the Company's Articles of Association, appointed Justyna Wilk as Member of the Management Board, effective 1 January 2025. Furthermore, on 29 October 2024, the Supervisory Board appointed Grzegorz Smoliński as Member of the Management Board. Pursuant to Art. 6.2.3 of the Company's Articles of Association, both Members of the Management Board were appointed for a joint three-year term of office.

Resignation of Leszek Stankiewicz as Member of the Management Board and appointment of Monika Dobosz as Member of the Management Board

On 29 November 2024, the Company received a notice of resignation from Leszek Stankiewicz announcing his resignation as Member and Vice President of the Management Board, effective 28 February 2025.

Furthermore, on 29 November 2024, the Company's shareholder holding at least 50.1% of its shares, Groupe Belleforêt S.à r.l. of Luxembourg, acting pursuant to Article 6.2.2 of the Company's Articles of Association, appointed Monika Dobosz as Member and Vice President of the Management Board for a joint three-year term, effective from 1 March 2025. In accordance with the Rules of the Management Board, Ms Dobosz will be responsible for finance at Dom Development S.A.

As at 31 December 2024, the Management Board of Dom Development S.A. consisted of five members:

Jarosław Szanajca, President of the Management Board,

Leszek Stankiewicz, Vice President of the Management Board,

Mikołaj Konopka, Member of the Management Board,

Grzegorz Smoliński, Member of the Management Board,

Terry Roydon, Member of the Management Board.

SUPERVISORY BOARD

In the 12 months ended 31 December 2024, there were no changes to the composition of the Company's Supervisory Board.

Resolution on the change in the number of members of the Supervisory Board

On 21 November 2024, the Extraordinary General Meeting of Dom Development S.A. passed a resolution amending Resolution No. 24 of the Annual General Meeting of Dom Development S.A. dated 30 June 2022, which determined the number of Supervisory Board members. It was resolved that, with effect from 1 January 2025, the Supervisory Board of Dom Development S.A. shall comprise eight members.

Resolution on the appointment of Jarosław Szanajca to the Supervisory Board with effect as of 1 January 2025

On 21 November 2024, the Extraordinary General Meeting of Dom Development S.A. appointed Jarosław Szanajca as Member of the Supervisory Board, effective 1 January 2025, for a joint three-year term.

On 22 November 2024, Grzegorz Kiełpsz, Chairman of the Supervisory Board, submitted his resignation from the position of Chairman, effective 31 December 2024. Mr Kiełpsz will continue to serve as Member of the Supervisory Board.

On 29 November 2024, the Supervisory Board appointed Jarosław Szanajca as Chairman of the Supervisory Board, effective 1 January 2025.

As at 31 December 2024, the Supervisory Board of Dom Development S.A. consisted of seven members:

Grzegorz Kiełpsz, Chairman of the Supervisory Board,
Janusz Zalewski, Deputy Chairman of the Supervisory Board,
Dorota Podedworna-Tarnowska, Deputy Chairwoman of the Supervisory Board (Independent Member),
Mark Spiteri, Member of the Supervisory Board,
Philippe Bonavero, Member of the Supervisory Board,
Edyta Wojtkiewicz, Member of the Supervisory Board (Independent Member),
Anna Maria Panasiuk, Member of the Supervisory Board (Independent Member).

7.50 ADDITIONAL INFORMATION ON THE ACTIVITIES OF THE COMPANY

In the 12 months ended 31 December 2024, the following significant changes took place in the Company's residential development portfolio:

PROJECTS COMMENCED FROM 1 JANUARY TO 31 DECEMBER 2024		
PROJECT	**LOCATION**	**NUMBER OF RESIDENTIAL AND COMMERCIAL UNITS**
Dzielnica Mieszkaniowa Metro Zachód, Stage 10, Phase 1	Warsaw	145
Osiedle Urbino, Stage 2, Phase 2	Warsaw	100
Osiedle Przy Alejach, Phase 3	Warsaw	105
Osiedle Harmonia Mokotów, Phase 2	Warsaw	213
Osiedle Przy Forcie, Phase 1	Warsaw	124
Q1 2024		**687**
Mokotów Sportowy, Stage 1, Phase 1a	Warsaw	158
Dzielnica Mieszkaniowa Metro Zachód, Stage 8, Phase 3 (building E)	Warsaw	118
Dzielnica Mieszkaniowa Metro Zachód, Stage 8, Phase 3 (building F)	Warsaw	90
Osiedle Przy Alejach, Stage 2	Warsaw	150
Osiedle Harmonia Mokotów, Stage 3	Warsaw	105
Apartamenty Rudnickiego, Stage 1	Warsaw	143
Q2 2024		**764**
Osiedle Przy Alejach, Stage 4	Warsaw	19
Dzielnica Mieszkaniowa Metro Zachód, Stage 8, Phase 4	Warsaw	249
Q3 2024		**268**
Dzielnica Mieszkaniowa Metro Zachód, Stage 6, Phase 1	Warsaw	57
Osiedle Urbino, Stage 1, Phase 3	Warsaw	159
Apartamenty Beethovena, Stage 1, Phase 1	Warsaw	209
Osiedle Wilno 7, Stage 3, Phase 1	Warsaw	294
Q4 2024		**719**
TOTAL		**2,438**

PROJECTS COMPLETED FROM 1 JANUARY TO 31 DECEMBER 2024		
PROJECT	**LOCATION**	**NUMBER OF RESIDENTIAL AND COMMERCIAL UNITS**
Dzielnica Mieszkaniowa Metro Zachód, Stage 4, Phase 3	Warsaw	71
Dzielnica Mieszkaniowa Metro Zachód, Stage 4, Phase 5	Warsaw	44
Apartamenty Koło Parków	Warsaw	133
Q1 2024		**248**
Dzielnica Mieszkaniowa Metro Zachód, Stage 4, Phase 4	Warsaw	85
Dzielnica Mieszkaniowa Metro Zachód, Stage 4, Phase 6	Warsaw	125
Osiedle Jagiellońska, Stage 1	Warsaw	134
Apartamenty Białej Koniczyny, Stage 1	Warsaw	129
Q2 2024		**473**
Osiedle Urbino, Stage 1, Phase 2	Warsaw	180
Osiedle Przystanek Międzylesie, Stage 2	Warsaw	108
Q3 2024		**288**
Osiedle Jagiellońska, Stage 2	Warsaw	137
Osiedle Jagiellońska, Stage 3	Warsaw	45
Dzielnica Mieszkaniowa Metro Zachód, Stage 11, Phase 3	Warsaw	89
Osiedle Przy Alejach, Phase 1	Warsaw	122
Osiedle Wilno 7, Stage 1	Warsaw	60
Osiedle Wilno 7, Stage 2	Warsaw	126
Apartamenty Białej Koniczyny, Stage 2, Phase 1	Warsaw	71
Apartamenty Literacka, Stage 1, Phase 1	Warsaw	100
Dzielnica Mieszkaniowa Metro Zachód, Stage 5, Phases 1-3	Warsaw	300
Q4 2024		**1,050**
TOTAL		**2,059**

Furthermore, during the 12 months ended 31 December 2024, the Dom Development Group, through its subsidiaries, undertook development projects in the Wroclaw, Tricity, and Krakow markets.

RESIDENTIAL AND COMMERCIAL UNITS DELIVERED TO CUSTOMERS

The table below presents the number of residential and commercial units delivered to customers in the 12 months ended 31 December 2024.

NUMBER OF RESIDENTIAL AND COMMERCIAL UNITS DELIVERED TO CUSTOMERS	2024	2023
Q1	526	907
Q2	562	181
Q3	263	136
Q4 *)	618	704
Total	**1,969**	**1,928**

In the fourth quarter of 2024, the Company delivered a total of 918 units, including 618 units handed over to individual buyers (as presented in the table above) and 300 units transferred to a PRS investor.

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7.51 SIGNIFICANT EVENTS SUBSEQUENT TO THE REPORTING DATE

There were no material events in the Company after the reporting date.

7.52 FORECASTS

Save for the forecasts described below, the Management Board of Dom Development S.A. does not publish financial forecasts for either the Parent or the Group.

In accordance with the Bonds Act of 15 January 2015, the Company is required to publish forecasts of its financial liabilities on its website until the full redemption of its outstanding bonds (Article 35 of the Act).

The table below sets out the forecasts published by the Company on 28 December 2023, together with the actual figures derived from these separate financial statements prepared as at 31 December 2024.

Type of financial liability	Forecast as at 31 Dec 2024		Actual as at 31 Dec 2024	
	Forecast value of liability	Forecast share in total equity and liabilities	Actual value of liability	Share in total equity and liabilities
Liabilities under borrowings	350,000	9.33%	0	0.00%
Liabilities under outstanding debt securities	520,000	13.86%	616,863	17.40%
Lease liabilities	71,032	1.89%	50,363	1.42%

The variance between the lower actual level of total financial liabilities as at 31 December 2024 and the forecasts published in accordance with the Bonds Act is attributable to:

- a lower-than-anticipated level of Company debt, driven by a higher-than-expected net cash flow from operating activities;

- a slightly slower-than-planned pace of new residential development project launches (and associated expenditures), reflecting the Company's adjustment of its offering in response to weaker-than-expected market demand;

- lower-than-forecast expenditure on land acquisitions for future residential development projects, as well as the deferral of certain expenditures to 2025, which also resulted in lower-than-expected lease liabilities related to perpetual usufruct rights to land.

Additionally, the Company resolved to raise debt financing through a bond issuance in place of bank borrowing, issuing bonds with a nominal value of PLN 140 million on 5 December 2024.

7.53 FEES PAID TO THE STATUTORY AUDITOR OR AUDIT FIRM

The table below sets out the fees paid to the audit firm engaged to audit the Company's financial statements, including both the separate and consolidated financial statements.

The financial statements for the years ended 31 December 2024 and 31 December 2023 were audited by PricewaterhouseCoopers Polska spółka z o.o. Audyt Sp.k., as well as other entities affiliated with PricewaterhouseCoopers Polska spółka z o.o. Audyt Sp.k.

The fees paid or payable for the years ended 31 December 2024 and 31 December 2023, broken down by service category, are presented below.

Description	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Parent	**661**	**542**
- Audit of financial statements	506	417
- Review of semi-annual financial statements	112	91
- Review of report on remuneration of Management Board and the Supervisory Board	43	34
Subsidiaries	**823**	**504**
- Audit of financial statements	529	401
- Review of semi-annual financial statements	19	103
- Other services	275	0
Total	**1,484**	**1,046**

Other services include the assurance of sustainability reporting within the meaning of Article 64(7) of the Accounting Act.

The audit fees also cover the audit of the separate condensed financial statements of the Company for the six months ended 30 June 2024 and 30 June 2023.

Additionally, PricewaterhouseCoopers Polska spółka z o.o. Audyt Sp.k. provides audit services with respect to the consolidation package prepared for the parent, Groupe Belleforêt S.à r.l., as part of the parent's group consolidation process. The fees agreed for this service represent a cost borne by Groupe Belleforêt S.à r.l. and are not included in the above table.

7.54 FINANCIAL HIGHLIGHTS TRANSLATED INTO EURO

In accordance with the reporting requirements, the following financial data of the Company was translated into euro:

SELECTED DATA FROM THE SEPARATE BALANCE SHEET	31 Dec 2024 EUR thousand	31 Dec 2023 EUR thousand
Total current assets	675,247	527,817
Total assets	829,701	758,316
Total equity	344,096	314,665
Non-current liabilities	135,758	126,695
Current liabilities	349,846	316,955
Total liabilities	485,603	443,651
PLN/EUR exchange rate as at the reporting date	***4.2730***	***4.3480***

SELECTED DATA FROM THE SEPARATE STATEMENT OF PROFIT OR LOSS	1 Jan–31 Dec 2024 EUR thousand	1 Jan–31 Dec 2023 EUR thousand
Revenue	414,243	328,553
Gross profit	116,414	107,836
Operating profit	73,018	73,738
Profit before tax	112,069	112,618
Net profit	97,351	97,411
Average PLN/EUR exchange rate in the reporting period	***4.3042***	***4.5284***