

DOM DEVELOPMENT S.A.

**INTERIM CONDENSED
FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD
ENDED 31 MARCH 2024**



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1 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS BY THE MANAGEMENT BOARD OF THE COMPANY

These interim condensed financial statements for the three-month period ended on 31 March 2024, comprising:

- interim condensed balance sheet as at 31 March 2024,
- interim condensed income statement for the three-month period ended 31 March 2024,
- interim condensed statement of comprehensive income for the three-month period ended 31 March 2024,
- interim condensed statement of changes in shareholders' equity for the three-month period ended 31 March 2024,
- interim condensed cash flow statement for the three-month period ended 31 March 2024,
- additional notes to the interim condensed financial statements,

were prepared and approved by the Management Board of Dom Development S.A. on 15 May 2024.

The Management Board of Dom Development S.A. declares that to the best of its knowledge, these interim condensed financial statements for the three-month period ended 31 March 2024 with comparative data have been prepared in accordance with the applicable accounting policies, and reflect a true and fair economic and financial position of Dom Development S.A. and its financial result.

Jarosław Szanajca
President
of the Management Board

Leszek Stankiewicz
Vice President
of the Management Board

2 INTERIM CONDENSED BALANCE SHEET

| ASSETS | Note | 31.03.2024 (unaudited) | 31.12.2023 |
|---|------|---------------------------|------------------|
| Fixed assets | | | |
| Intangible assets | | 19 198 | 19 214 |
| Tangible fixed assets | 7.5 | 22 185 | 19 861 |
| Investments in subsidiaries, associates and jointly controlled entities | 7.6 | 472 613 | 472 613 |
| Deferred tax assets | | 6 934 | 12 050 |
| Long-term receivables | 7.7 | 5 053 | 5 009 |
| Long-term loans granted | 7.7 | 486 719 | 462 337 |
| Other long-term assets | | 13 316 | 11 126 |
| TOTAL FIXED ASSETS | | 1 026 018 | 1 002 210 |
| Current assets | | | |
| Inventory | 7.8 | 2 069 177 | 2 050 861 |
| Trade and other receivables | | 72 079 | 52 790 |
| Other current assets | | 99 413 | 74 836 |
| Income tax receivables | | 5 816 | - |
| Short-term financial assets | 7.9 | 89 455 | 82 358 |
| Cash and cash equivalents | 7.10 | 54 374 | 34 104 |
| TOTAL CURRENT ASSETS | | 2 390 314 | 2 294 949 |
| TOTAL ASSETS | | 3 416 332 | 3 297 159 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| | Note | 31.03.2024 (unaudited) | 31.12.2023 |
| Shareholders' equity | | | |
| Share capital | 7.11 | 25 798 | 25 698 |
| Share premium | 7.11 | 276 458 | 271 558 |
| Other capital (supplementary capital) | | 765 496 | 765 143 |
| Reserve capital from valuation of cash flow hedges | | 7 738 | 5 484 |
| Reserve capital from reduction of share capital | | 510 | 510 |
| Unappropriated profit | | 353 779 | 299 772 |
| TOTAL SHAREHOLDERS' EQUITY | | 1 429 779 | 1 368 165 |
| Long-term liabilities | | | |
| Loans, long-term portion | 7.12 | 18 664 | - |
| Bonds, long-term portion | 7.13 | 470 000 | 470 000 |
| Deferred tax provision | | - | - |
| Long-term provisions | | 12 568 | 11 910 |
| Lease liabilities, long-term portion | 7.15 | 10 385 | 10 175 |
| Other long-term liabilities | | 48 523 | 58 787 |
| TOTAL LONG-TERM LIABILITIES | | 560 140 | 550 872 |
| Short-term liabilities | | | |
| Trade payables, tax and other liabilities | | 355 622 | 270 501 |
| Loans, short-term portion | 7.12 | - | - |
| Bonds, short-term portion | 7.13 | 50 000 | 50 000 |
| Accrued interest on loans and bonds | 7.14 | 3 605 | 7 191 |
| Lease liabilities, short-term portion | 7.15 | 42 022 | 48 049 |
| Corporate income tax payables | | - | 10 462 |
| Dividends payables | 7.27 | - | - |
| Short-term provisions | | 15 342 | 15 767 |
| Deferred income | 7.16 | 959 822 | 976 152 |
| TOTAL SHORT-TERM LIABILITIES | | 1 426 413 | 1 378 122 |
| TOTAL LIABILITIES | | 1 986 553 | 1 928 994 |
| TOTAL EQUITY AND LIABILITIES | | 3 416 332 | 3 297 159 |

All amounts in PLN '000.

3 INTERIM CONDENSED INCOME STATEMENT

| | Note | Three-month period ended 31.03.2024 (unaudited) | Three-month period ended 31.03.2023 (unaudited) |
|---|------|---|---|
| Sales revenue | 7.18 | 377 691 | 582 221 |
| Cost of sales | 7.18 | (269 437) | (396 842) |
| Gross profit on sales | | 108 254 | 185 379 |
| Selling costs | | (14 967) | (14 267) |
| General administrative expenses | | (26 289) | (22 939) |
| Other operating income | | 2 737 | 1 076 |
| Other operating expenses | | (3 764) | (2 552) |
| Operating profit | | 65 971 | 146 697 |
| Financial income | 7.19 | 11 992 | 9 752 |
| Financial costs | | (10 246) | (5 412) |
| Profit before tax | | 67 717 | 151 037 |
| Income tax | 7.20 | (13 710) | (31 485) |
| Net profit from continued operations | | 54 007 | 119 552 |
| Net profit from discontinued operations *) | | - | - |
| Net profit | | 54 007 | 119 552 |
| Earnings per share: | | | |
| Basic (in PLN) | 7.21 | 2.10 | 4.67 |
| Diluted (in PLN) | 7.21 | 2.09 | 4.66 |

*) In the three-month periods ended 31 March 2024 and 2023 the Company did not discontinue any of its activities.

All amounts in PLN '000 unless stated otherwise.

4 INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

| | Three-month period ended 31.03.2024 (unaudited) | Three-month period ended 31.03.2023 (unaudited) |
|--|---|---|
| Net profit | 54 007 | 119 552 |
| Other comprehensive income: | | |
| Net change to cash flow hedges | 2 783 | (4 493) |
| Items to be accounted for in the income statement | 2 783 | (4 493) |
| Items not to be accounted for in the income statement | - | - |
| Other net comprehensive income / (loss), before tax | 2 783 | (4 493) |
| Income tax on other net comprehensive income to be accounted for in the income statement | (529) | 854 |
| Other net comprehensive income | 2 254 | (3 639) |
| Total net comprehensive income | 56 261 | 115 913 |

All amounts in PLN '000.

5 INTERIM CONDENSED CASH FLOW STATEMENT

| | Note | Three-month period ended 31.03.2024 (unaudited) | Three-month period ended 31.03.2023 (unaudited) |
|---|-------------|---|---|
| Cash flow from operating activities | | | |
| Profit before tax | | 67 717 | 151 037 |
| Adjustments: | | | |
| Depreciation | | 3 513 | 3 103 |
| (Profit)/loss on foreign exchange differences | | (714) | 150 |
| (Profit)/loss on investments | | 490 | (16) |
| Interest cost/(income) | | (2 739) | (4 427) |
| Cost of the valuation of management option programmes | | 354 | 875 |
| Changes in the operating capital: | | | |
| Changes in provisions | | 232 | 377 |
| Changes in inventory | | 44 772 | 150 848 |
| Changes in receivables | | (81 840) | (7 292) |
| Changes in short-term liabilities, excluding loans and bonds | | 66 355 | (12 544) |
| Changes in prepayments and deferred income | | (48 160) | (187 896) |
| Other adjustments | | 715 | (150) |
| Cash flow generated from operating activities | | 50 695 | 94 065 |
| Interest received | | 252 | 2 372 |
| Interest paid | | (12 351) | (3 045) |
| Income tax paid | | (25 402) | (10 225) |
| Net cash flow from operating activities | | 13 194 | 83 167 |
| Cash flow from investing activities | | | |
| Proceeds from the sale of intangible assets and tangible fixed assets | | 103 | 168 |
| Dividends received | | - | - |
| Proceeds from borrowings granted | | 51 440 | 49 282 |
| Other proceeds / (expenses) from financial assets | | 6 | - |
| Borrowings granted | | (65 000) | - |
| Acquisition of intangible and tangible fixed assets | | (3 137) | (2 663) |
| Acquisition of financial assets and additional contributions to the share capital | | - | (45) |
| Net cash flow from investing activities | | (16 588) | 46 742 |
| Cash flows from financing activities | | | |
| Proceeds from issue of shares (exercise of share options) | 7.11 | 5 000 | 5 000 |
| Proceeds from contracted loans | | 128 664 | - |
| Proceeds from commercial papers issued | 7.13 | - | - |
| Repayment of loans and borrowings | | (110 000) | (50 000) |
| Redemption of commercial papers | 7.13 | - | - |
| Dividends paid | 7.27 | - | - |
| Payment of lease liabilities | | - | - |
| Net cash flow from financing activities | | 23 664 | (45 000) |
| Increase / (decrease) in net cash and cash equivalents | | 20 270 | 84 909 |
| Cash and cash equivalents – opening balance | 7.10 | 34 104 | 184 078 |
| Cash and cash equivalents – closing balance | 7.10 | 54 374 | 268 987 |

All amounts in PLN '000.

6 INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

THREE-MONTH PERIOD ENDED 31 MARCH 2024

| Note | Share capital | Share premium | Other capital (supplementary capital) | Reserve capital from reduction of share capital | Reserve capital from valuation of cash flow hedges | Unappropriated profit | Total shareholders' equity |
|--|---------------|----------------|---------------------------------------|---|--|-----------------------|----------------------------|
| Equity – opening balance | 25 698 | 271 558 | 765 143 | 510 | 5 484 | 299 772 | 1 368 165 |
| Share capital increase by exercising share options 7.11 | 100 | 4 900 | - | - | - | - | 5 000 |
| Transfer of profit to supplementary capital | - | - | - | - | - | - | - |
| Dividends to shareholders 7.27 | - | - | - | - | - | - | - |
| Creation of reserve capital from the valuation of the share options 7.23 | - | - | 353 | - | - | - | 353 |
| Net profit for the reporting period | - | - | - | - | - | 54 007 | 54 007 |
| Other net comprehensive income | - | - | - | - | 2 254 | - | 2 254 |
| Total net comprehensive income | - | - | - | - | 2 254 | 54 007 | 56 261 |
| Increase / (decrease) in equity | 100 | 4 900 | 353 | - | 2 254 | 54 007 | 61 614 |
| Equity, closing balance - unaudited | 25 798 | 276 458 | 765 496 | 510 | 7 738 | 353 779 | 1 429 779 |

All amounts in PLN '000.

THREE-MONTH PERIOD ENDED 31 MARCH 2023

| Note | Share capital | Share premium | Other capital (supplementary capital) | Reserve capital from reduction of share capital | Reserve capital from valuation of cash flow hedges | Unappropriated profit | Total shareholders' equity |
|--|---------------|----------------|---------------------------------------|---|--|-----------------------|----------------------------|
| Equity – opening balance | 25 548 | 264 208 | 670 640 | 510 | 16 444 | 373 684 | 1 351 034 |
| Share capital increase by exercising share options 7.11 | 50 | 2 450 | - | - | - | - | 2 500 |
| Transfer of profit to supplementary capital | - | - | - | - | - | - | - |
| Dividends to shareholders 7.27 | - | - | - | - | - | - | - |
| Creation of reserve capital from the valuation of the share options 7.23 | - | - | 875 | - | - | - | 875 |
| Net profit for the reporting period | - | - | - | - | - | 119 552 | 119 552 |
| Other net comprehensive income | - | - | - | - | (3 639) | - | (3 639) |
| Total net comprehensive income | - | - | - | - | (3 639) | 119 552 | 115 913 |
| Increase / (decrease) in equity | 50 | 2 450 | 875 | - | (3 639) | 119 552 | 119 288 |
| Equity, closing balance - unaudited | 25 598 | 266 658 | 671 515 | 510 | 12 805 | 493 236 | 1 470 322 |

All amounts in PLN '000.

7 ADDITIONAL NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS



7.1 GENERAL INFORMATION ABOUT DOM DEVELOPMENT S.A.

| | |
|-----------------------------------|---|
| Name: | Dom Development S.A. |
| Registered office: | Plac Piłsudskiego 3, 00-078 Warszawa |
| Legal form: | Spółka Akcyjna (public limited company) |
| Country of registration: | Poland |
| Registered address of the office: | Plac Piłsudskiego 3, 00-078 Warszawa |
| Principal place of business: | Poland |

There have been no changes to the name of the reporting entity or other identification data since the end of the previous reporting period.

The joint stock company Dom Development S.A. (the “Company”) is the parent company of Dom Development S.A. Capital Group (the “Group”). The Company has been entered into the National Court Register under number 0000031483 maintained by the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Division of the National Court Register.

According to the Polish Classification of Business Activity the Company’s scope of activity is the development of building projects – PKD 4110Z (NACE F41.1). The Company conducts its activities mainly in Warsaw and its vicinity. The Company also has subsidiaries that run their real estate development activities in the Tricity, Wrocław and Cracow markets, as well as entities specialising in construction operations in these locations.

The Company is a majority-owned subsidiary of Groupe Belleforêt S.à r.l. with its registered office in Luxembourg (see note 7.11). As at 31 March 2024, Groupe Belleforêt S.à r.l. controlled 54.81% of the Company’s shares.

The main area of activity of the Company is the construction and sale of residential real estate.

The Company conducts its activities in the territory of Poland in compliance with the Code of Commercial Companies and Partnerships and its term of operations is unlimited.

In the three-month period ended 31 March 2024 the Company did not discontinue any of its activities.

7.2 BASIS FOR THE PREPARATION OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

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

Certain information and disclosures, which in accordance with the International Financial Reporting Standards (“IFRS”) adopted by the European Union (EU) are normally included in annual financial statements, have been condensed or omitted in these interim condensed financial statements pursuant to International Accounting Standard No. 34, “Interim Financial Reporting” (IAS 34).

The interim condensed financial statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future.

The Russian invasion of Ukraine launched on 24 February 2022 is still a factor significantly destabilising the economic environment throughout the region. The Company and its subsidiaries operate exclusively in Poland. The Company’s Management Board believes that the war in Ukraine may affect the future demand for dwellings, construction costs, and the availability of subcontractors. As at the date of the preparation of these interim condensed financial statements all of the Company’s development projects were progressing as planned or even more quickly than planned. The Company’s Management Board continuously monitors the situation and analyses its potential impact from the perspective of individual projects, the Company as a whole, and its long-term objectives. In the opinion of the Management Board of the Company no circumstances that would indicate that there is a threat to the continued activity of the Company in the foreseeable future are known as at the date of the approval of these interim condensed financial statements.

The Polish zloty (“PLN”) is the functional currency for the Company. The interim condensed financial statements are stated in Polish zloty. Financial data included in the interim condensed financial statements are expressed in thousands of PLN unless stated otherwise.

The presented interim condensed balance sheet, interim condensed income statement, interim condensed statement of comprehensive income, interim condensed cash flow statement and interim condensed statement of changes in shareholders' equity are unaudited and they have not been the subject of review by an independent certified auditor. These unaudited interim condensed financial statements do not include all the information and disclosures that are required from annual financial statements and therefore should be read in conjunction with the audited financial statements of the Company and the notes thereto for the year ended 31 December 2023.

The Company has also prepared interim condensed consolidated financial statements for Dom Development S.A. Capital Group for the three-month period ended 31 March 2024. These statements were approved by the Management Board of the Company on 15 May 2024.

7.3 ACCOUNTING POLICIES

Polish law requires the Company to prepare its interim condensed financial statements in accordance with IFRS, applicable to interim financial reporting as adopted by the European Union ("EU") (IAS 34). At this particular time, due to the endorsement of IFRS by the EU and the activities of the Company, there are no differences in the IFRS policies applied by the Company and IFRS that have been endorsed by the EU.

The interim condensed financial statements have been prepared in accordance with IFRS applicable in the interim financial reporting (IAS 34) and all applicable IFRS that have been adopted by the EU.

These interim condensed financial statements are prepared based on the same accounting policies as for the financial statements of the Company for the year ended 31 December 2023, except for the following amendments to existing standards and new interpretations that are effective for annual periods beginning on 1 January 2024:

- **Amendment to IFRS 16 *Leases*.** In September 2022, the IASB amended IFRS 16 *Leases* to supplement the requirements for the subsequent measurement of a lease liability for a sale and leaseback transaction when the criteria of IFRS 15 are met and the transaction is to be accounted for as a sale. The amendment requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in such a way that no profit or loss related to the retained right-of-use is recognised. The new requirement has a particular relevance when a leaseback transaction includes variable lease payments that do not depend on an index or a rate, as such payments are excluded from "lease payments" under IFRS 16. The amended standard incorporates a new example that illustrates the application of the new requirement in this respect.
- **IAS 1 *Presentation of Financial Statements*.** In 2020, the IASB published amendments to IAS 1 which clarify the presentation issue of long-term and short-term liabilities. In October 2022, the IASB issued further amendments to IAS 1, which address the classification of liabilities as long- and short-term liabilities for which an entity is required to comply with certain covenants. Amended IAS 1 specifies that liabilities are classified as short- or long-term depending on the rights [to defer settlement of a liability] existing at the end of the reporting period. The classification is not affected by either the entity's expectations or an event after the reporting date (for example, waiver of a covenant or its violation).

The introduced amendments were scrutinised by the Management Board of the Company and they do not materially affect the Company's financial position, operating results or the scope of information presented in these interim condensed financial statements.

The Company has not decided for earlier adoption of any standard, interpretation or improvement/amendment, which was published and has not yet come into force.

The following standards and interpretations issued by the International Accounting Standards Board or the International Financial Reporting Interpretation Committee that have not come into force or been endorsed by the EU:

- **Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures*** – disclosure of supplier finance arrangement. In May 2023, the IASB published amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures". These amendments introduce disclosure requirements as regards supplier finance agreements (so-called reverse factoring). These amendments require the disclosure of specific information relating to such agreements to enable users of financial statements to assess how these arrangements affect an entity's liabilities and cash flows, and the entity's exposure to liquidity risk. These amendments are intended to increase the transparency of disclosures of financial liability agreements, but do not affect the recognition and measurement principles. These amendments have not been endorsed by the EU as at the date of these condensed financial statements.

- Amendments to IFRS 10 and IAS 28 concerning sale or contribution of assets between an investor and its associate or joint venture. They remove the existing inconsistency between IFRS 10 and IAS 28. The accounting treatment depends on whether non-cash assets sold or contributed to an associate or a joint venture constitute a business. If the non-cash assets constitute a business the investor discloses a full gain or loss on the transaction. If the assets cannot be classified as a business the investor recognises the gain or loss only in the scope of the shares of other investors therein. The approval of this amendment has been postponed by the European Union as at the date of these interim condensed financial statements.
- IFRS 18 *Presentation and Disclosure in Financial Statements*. In April 2024, the IASB published a new IFRS 18 *Presentation and Disclosure in Financial Statements*. The standard is to replace IAS 1 – *Presentation of Financial Statements*, and will apply from 1 January 2027. The changes to the superseded standard primarily concern three aspects: the statement of profit or loss, the required disclosures for certain performance measures, and matters related to aggregation and disaggregation of information contained in financial statements. The published standard is effective for financial statements for the periods beginning on or after 1 January 2027. These amendments have not been endorsed by the EU as at the date of these condensed financial statements.
- Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates*. In August 2023, the IASB published amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates*. The amendments are intended to make it easier for entities to determine whether a specific currency is exchangeable into another currency and to estimate the spot exchange rate in the event of a currency’s exchangeability lacking. In addition, the amendments to the standard introduce additional disclosures on how to determine an alternative exchange rate, should the currency exchangeability be lacking. The published amendments are effective for financial statements for the periods beginning on or after 1 January 2025. These amendments have not been endorsed by the EU as at the date of these condensed financial statements.

The Management Board is verifying effect of the above standards on the Company’s financial position, operating results or the scope of information presented in the Company’s interim condensed financial statements. It is not expected by the Management Board of the Company that new standards and amendments to the existing standards could have a significant impact on the interim condensed financial statements of the Company for the period, when they are adopted for the first time.

7.4 KEY FIGURES BASED ON PROFESSIONAL JUDGEMENT AND BASIS FOR ESTIMATES

In addition to the accounting estimations, when applying the accounting policies in relation to the issues described below, the most significant was the professional judgement and business assumptions made by the management of the Company.

BUDGETS OF THE DEVELOPMENT PROJECTS

The decision to purchase real estate (land) is based upon analysis, where the so called “purchase budget” is the major component. This budget is prepared to assess the future profitability of projects. The budgets for these construction projects are updated based on management’s best knowledge and experience from when the real estate is purchased. The budgets for all construction projects are verified and updated when necessary, at least once every three months. Updated project budgets are the basis for:

- analysis of their profitability and any potential inventory impairment write down,
- preparation of financial forecasts, annual budgets and medium term plans.

RECOGNITION OF REVENUE FROM THE SALE OF PRODUCTS

The revenue from the sale of real estate (housing units, commercial space, etc.) is recognised at the moment when control over the real estate is transferred to the buyer of said real estate together with the transfer of significant risks and rewards typical to the ownership rights. According to the Company’s judgement this occurs at the moment of handover of the real estate to the buyer, which is based on a handover document signed by both parties and subject to the condition that the buyer has made 100% payment of the sale price for the real estate.

SEASONALITY

The operating activity of the Company is not subject to any major seasonality.

7.5 TANGIBLE FIXED ASSETS

| TANGIBLE FIXED ASSETS | 31.03.2024 (unaudited) | 31.12.2023 |
|---|---------------------------|---------------|
| Tangible fixed assets, including: | | |
| Technical equipment and other tangible fixed assets | 1 425 | 1 304 |
| Vehicles | 3 125 | 2 809 |
| Land and buildings | 3 162 | 2 406 |
| Right-of-use of office and other spaces | 14 473 | 13 342 |
| Total | 22 185 | 19 861 |

As at 31 March 2024 there were no circumstances that would require the Company to create revaluation write downs for its tangible fixed assets.

No collaterals have been established on fixed assets.

7.6 INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

INTEREST IN SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

| INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES | 31.03.2024 (unaudited) | 31.12.2023 |
|---|---------------------------|----------------|
| Interest in subsidiaries, associates and jointly controlled entity | 472 613 | 472 613 |
| Closing balance | 472 613 | 472 613 |

The Company had no investments in jointly controlled entities as at 31 March 2024 and 31 December 2023.

Investments in subsidiaries and associates have been presented in the table below:

| INTEREST IN SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITY | As at 31.03.2024 | | | As at 31.12.2023 | | |
|--|------------------------|---------------------------|-------------------------------|------------------------|---------------------------|-------------------------------|
| | Company's interest (%) | Value of total investment | Net investment carrying value | Company's interest (%) | Value of total investment | Net investment carrying value |
| Dom Development Grunty sp. z o.o. | 46% | 24 | 24 | 46% | 24 | 24 |
| Dom Development Wrocław sp. z o.o. | 100% | 35 802 | 35 802 | 100% | 35 802 | 35 802 |
| Dom Development Kredyty sp. z o.o. | 100% | 505 | 505 | 100% | 505 | 505 |
| Euro Styl S.A. | 100% | 265 473 | 265 473 | 100% | 265 473 | 265 473 |
| Dom Construction sp. z o.o. | 100% | 3 103 | 3 103 | 100% | 3 103 | 3 103 |
| Dom Development Kraków sp. z o.o. | 100% | 162 722 | 162 722 | 100% | 162 722 | 162 722 |
| Dom Development Kraków 12 sp. z o.o. | 100% | 8 784 | 4 984 | 100% | 8 784 | 4 984 |
| Fundacja Nasz Dom | 100% | - | - | - | - | - |
| Total | | 476 413 | 472 613 | | 476 413 | 472 613 |

- Euro Styl S.A.

Euro Styl S.A. is the parent company of the Euro Styl S.A. Capital Group. The scope of operations of this group involves real estate development projects in Tricity and the surrounding areas.

Euro Styl Construction Sp. z o.o. is a group company, which is a general contractor of residential project only for the companies of the Euro Styl S.A. Capital Group.

- Dom Development Wrocław Sp. z o.o.

The scope of operations of this company involves real estate development projects in the Wrocław area.

- Dom Development Kraków Sp. z o.o.

The scope of operations of this company involves real estate development projects in the Cracow area.

- Dom Development Kredyty Sp. z o.o.

As part of its statutory operations, this company provides credit intermediation services for financial institutions.

- Dom Construction Sp. z o.o.

Dom Construction Sp. z o.o. is a subsidiary that operates as the general contractor in residential development projects. Dom Construction Sp. z o.o. provides services to the Group companies (besides of the companies belonging to Euro Styl S.A. Capital Group).

- Dom Development Grunty Sp. z o.o.

The Company holds 46.00% of shares in the share capital of Dom Development Grunty spółka z o.o., a company involved in real estate (land) transactions within the Group.

DESCRIPTION OF MATERIAL CHANGES IN THE PERIOD FROM 1 JANUARY UNTIL 31 MARCH 2024

- Nasz Dom (Our Home) Foundation

The Company founded the Nasz Dom Foundation (“Foundation”), which was registered in the National Court Register on 8 March 2024. The Foundation's objectives and scope of activities are primarily tied to Company's and Group's core business - creating living spaces, tackling housing problems, and supporting the Group's sustainable development strategy. The Foundation's activities will involve helping vulnerable families and individuals, including those including those beyond our national borders, such as in Ukraine, engaging in local communities through social projects and support for charitable initiatives.

7.7 LOANS GRANTED AND LONG-TERM RECEIVABLES

| LONG-TERM RECEIVABLES | 31.03.2024 (unaudited) | 31.12.2023 |
|---|---------------------------|--------------|
| Receivables from the sale of financial assets | - | - |
| Receivables from retentions | 1 848 | 1 804 |
| Other long-term receivables | 3 205 | 3 205 |
| Total | 5 053 | 5 009 |

| LOANS GRANTED | 31.03.2024 (unaudited) | 31.12.2023 |
|-----------------------------------|---------------------------|----------------|
| Loans granted, long-term portion | 486 719 | 462 337 |
| Loans granted, short-term portion | - | - |
| Total | 486 719 | 462 337 |

The loans presented in the above tables are shown with the interest accrued at the balance sheet date.

LOANS GRANTED TO RELATED ENTITIES

The loans granted by the Company to related entities and their status as at 31 March 2024, including accrued interest, have been presented in the table below:

| Date of the agreement | Borrower | Loan amount (net of interest) | Due date | Closing balance |
|-----------------------|------------------------------------|----------------------------------|------------|-----------------|
| 26.02.2019 | Euro Styl S.A. | 150 000 | 31.12.2025 | 119 250 |
| 27.09.2019 | Dom Development Wrocław sp. z o.o. | 270 000 | 31.12.2025 | 235 000 |
| 22.04.2021 | Dom Development Kraków sp. z o.o. | 17 350 | 31.12.2026 | 21 269 |
| 09.08.2022 | Dom Development Kraków sp. z o.o. | 75 000 | 31.12.2025 | 29 200 |
| 28.04.2023 | Dom Development Kraków sp. z o.o. | 165 100 | 31.12.2027 | 82 000 |
| Total | | | | 486 719 |

7.8 INVENTORY

| INVENTORY | 31.03.2024 (unaudited) | 31.12.2023 |
|---|---------------------------|------------------|
| Advances on deliveries | 128 016 | 77 386 |
| including: at purchase prices/production costs | 128 016 | 77 386 |
| write down to the net realisable value | - | - |
| Semi-finished goods and work in progress | 1 900 209 | 1 833 538 |
| including: at purchase prices/production costs | 1 895 271 | 1 823 899 |
| rights of perpetual usufruct of land (lease) | 35 846 | 40 548 |
| write down to the net realisable value | (30 908) | (30 909) |
| Finished goods | 40 952 | 139 937 |
| including: at purchase prices/production costs | 47 181 | 146 166 |
| write down to the net realisable value | (6 229) | (6 229) |
| Total | 2 069 177 | 2 050 861 |

| INVENTORY REVALUATION WRITE DOWNS | Three-month period ended 31.03.2024 (unaudited) | Three-month period ended 31.03.2023 (unaudited) |
|-----------------------------------|---|--|
| Opening balance | 37 137 | 47 134 |
| Increments | - | - |
| (Decrease) | - | - |
| Closing balance | 37 137 | 47 134 |

The value of inventory revaluation write downs have resulted from the impairment tests and analysis performed by the Company.

| CARRYING VALUE OF INVENTORY USED TO SECURE THE PAYMENT OF LIABILITIES AND VALUE OF THE MORTGAGES ESTABLISHED | 31.03.2024 (unaudited) | 31.12.2023 |
|---|---------------------------|------------|
| MORTGAGES - value of mortgages to secure liabilities under: | | |
| Real estate purchase agreements | - | - |
| Loan agreements of the Company and Group companies | 840 000 | 765 000 |

*) The Company uses bank loans, which may also be used by other specific Group companies under credit sub-limits allocated to them (see note 7.12).

7.9 SHORT-TERM FINANCIAL ASSETS

| SHORT-TERM FINANCIAL ASSETS | 31.03.2024 (unaudited) | 31.12.2023 |
|---|---------------------------|---------------|
| Bank deposits with a maturity over three months | - | - |
| Cash in open-end residential escrow accounts | 59 873 | 67 421 |
| Other short-term financial assets | 29 582 | 14 937 |
| Total | 89 455 | 82 358 |

Cash received from the Company's customers as advances for the sale of products which is deposited in open-end residential escrow accounts until the relevant requirements specified in the "Act on the Protection of Rights of a Dwelling Unit or House Buyer" are met, is presented in *Cash in open-end residential escrow accounts*.

Funds accumulated in escrow accounts intended for the construction of joint infrastructural project on development projects completed by the Company are presented in *Other short-term financial assets*.

7.10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are represented by cash at bank and cash in hand, including short-term bank deposits with up to three months maturity on the date when they are made. The book value of these assets corresponds to their fair value.

| CASH AND CASH EQUIVALENTS | 31.03.2024 (unaudited) | 31.03.2023 (unaudited) | 31.12.2023 |
|---------------------------|---------------------------|---------------------------|---------------|
| Cash in hand and at bank | 10 474 | 10 301 | 7 356 |
| Short-term deposits | 43 900 | 258 686 | 26 748 |
| Other | - | - | - |
| Total | 54 374 | 268 987 | 34 104 |

7.11 SHARE CAPITAL

DESCRIPTION OF CHANGES TO THE SHARE CAPITAL IN THE COMPANY IN THE PERIOD FROM 1 JANUARY UNTIL 31 MARCH 2024

| CHANGE IN THE REPORTING PERIOD | Share capital - Number of shares | Share capital - Value at the nominal value | Share premium |
|---------------------------------|-------------------------------------|---|----------------|
| Balance as at 01.01.2024 | 25 698 422 | 25 698 | 271 558 |
| Change | 100 000 | 100 | 4 900 |
| Closing balance | 25 798 422 | 25 798 | 276 458 |

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

None of the Company's shares are preference and restricted shares.

EXERCISE OF COMPANY'S SHARE OPTIONS

On 24 January 2024, the Management Board resolved to increase Company's share capital from PLN 25 698 422.00 to PLN 25 798 422.00, i.e. by PLN 100 000.00, by issuing 50 000 series AJ ordinary bearer shares with PLN 1.00 nominal each and 50 000 series AK ordinary bearer shares with PLN 1.00 nominal each. The issue price for series AJ and AK shares was set as PLN 50.00 per share. The issue of the said shares took place through a private placement. The purpose of issuing these shares as part of the authorised capital is to enable the Company to fulfil its obligations resulting from:

- Management Option Programme V for Mikołaj Konopka, Member of the Management Board, concerning 250 000 shares in Dom Development S.A., and
- Management Option Programme VII for Leszek Stankiewicz, Vice President of the Management Board, concerning 250 000 shares in Dom Development S.A. (see note 7.23).

On 30 January 2024, Mr Mikołaj Konopka exercised his share options in the Company by exercising his rights under subscription warrants and subscribing for 50 000 shares. The issue price for the new series AJ shares was PLN 50.00 per share,

On 6 February 2024, Mr Leszek Stankiewicz exercised his share options in the Company by exercising his rights under subscription warrants and subscribing for 50 000 shares. The issue price for the new series AK shares was PLN 50.00 per share, and they were registered by the District Court for the capital city of Warsaw on 13 February 2024. Until the publication date of these condensed financial statements, series AJ and AK shares were not registered by Krajowy Depozyt Papierów Wartościowych S.A. (National Depository for Securities) in the securities depository nor were they introduced to stock exchange trading at the WSE main market.

LIST OF SHAREHOLDERS WHO HOLD, DIRECTLY OR INDIRECTLY THROUGH SUBSIDIARIES, AT LEAST 5% OF THE OVERALL NUMBER OF VOTES AT THE GENERAL SHAREHOLDERS MEETING ("GSM") AS AT THE DATE THAT THESE CONDENSED FINANCIAL STATEMENTS ARE PREPARED AND APPROVED BY THE COMPANY'S MANAGEMENT BOARD.

| | Shares | % shares | Number of votes at the GSM | % votes at the GSM |
|----------------------------|------------|----------|----------------------------|--------------------|
| 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 by PTE Allianz Polska S.A. has been presented as per the notice dated 15.05.2023 and includes the shares held by Allianz OFE.

THE SHARES OF DOM DEVELOPMENT S.A. OR RIGHTS THERETO (OPTIONS) OWNED BY THE PERSONS PERFORMING MANAGEMENT AND SUPERVISORY FUNCTIONS AT DOM DEVELOPMENT S.A. AS AT THE DATE THAT THESE CONDENSED FINANCIAL STATEMENTS ARE PREPARED AND APPROVED BY THE COMPANY'S MANAGEMENT BOARD.

| | Status as at the date of preparing of these financial statements | | | | Change in the period from 31.12.2023 | |
|--------------------------|--|---|---------------|---------------------------|--------------------------------------|---------------|
| | Shares | Nominal value of the shares (in PLN '000) | Share options | Shares and options, total | Shares | Share options |
| MANAGEMENT BOARD | | | | | | |
| Jarosław Szanajca | 1 454 050 | 1 454 | - | 1 454 050 | - | - |
| Leszek Stankiewicz | 150 000 | 150 | 100 000 | 250 000 | 50 000 | (50 000) |
| Monika Perekitko | - | - | - | - | - | - |
| Mikołaj Konopka | 213 561 | 214 | - | 213 561 | 43 500 | (50 000) |
| Terry R. Roydon | 58 500 | 59 | - | 58 500 | - | - |
| SUPERVISORY BOARD | | | | | | |
| Grzegorz Kiełpsz | 1 280 750 | 1 281 | - | 1 280 750 | - | - |
| Janusz Zalewski | 300 000 | 300 | - | 300 000 | - | - |
| Mark Spiteri | 900 | 1 | - | 900 | - | - |

The Members of the Management Board and the Supervisory Board of the Company did not hold any shares in other companies operating within the Group, except for in Dom Land Sp. z o.o., in which Jarosław Szanajca, Grzegorz Kiełpsz and Mark Spiteri held 20% of the shares each at 31 March 2024.

7.12 LOANS

DESCRIPTION OF MATERIAL CHANGES IN THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

No (new) loan agreements had expired or been signed at the Company in the three-month period ended 31 March 2024.

The structure of loan liabilities in terms of their maturity has been presented in the table below.

| LOANS DUE WITHIN | 31.03.2024 (unaudited) | 31.12.2023 |
|---|---------------------------|------------|
| Less than 1 year | - | - |
| More than 1 year and less than 2 years | - | - |
| More than 2 years and less than 5 years | 18 664 | - |
| Over 5 years | - | - |
| Total loans | 18 664 | - |
| of which: long-term | 18 664 | - |
| short-term | - | - |

BANK LOANS AT 31.03.2024

| Bank | Registered office | Loan amount as per agreement | Currency | Outstanding loan amount (less accrued interest) | Currency | Due date |
|-------------------------|-------------------|------------------------------|----------|--|----------|------------|
| PKO BP S.A. | Warsaw | 200 000 | PLN | - | PLN | 26.02.2027 |
| mBank S.A. | Warsaw | 200 000 | PLN | - | PLN | 29.01.2027 |
| Bank Millennium S.A. | Warsaw | 60 000 | PLN | - | PLN | 17.12.2024 |
| ING Bank Śląski S.A. | Katowice | 50 000 | PLN | 18 664 | PLN | 14.11.2026 |
| VeloBank S.A. | Warsaw | 50 000 | PLN | - | PLN | 30.11.2025 |
| Total bank loans | | | | 18 664 | | |

As at 31 March 2024 and 31 December 2023 all the loans held by the Company were expressed in Polish zloty.

CORE DETAILS CONCERNING CREDIT LINES HELD BY THE COMPANY

Loan at PKO BP S.A.

Revolving loan in the credit facility account up to PLN 200 000 k. Pursuant to the agreement with the bank, Euro Styl S.A. may use up to PLN 50 000k of this credit limit. As at 31 March 2024, no funds were drawn from this credit limit either by Dom Development S.A. or Euro Styl S.A.

Loan at mBank S.A.

Revolving loan in the credit facility account up to PLN 200 000 k. Under the said agreement, Dom Development Wrocław Sp. z o.o. may use up to PLN 60 000k of this credit limit, and Euro Styl S.A. may use up to PLN 100 000k of this credit limit. As at 31 March 2024, no funds were drawn from this credit line either by Dom Development S.A. or other Group companies.

Loan at Millennium Bank S.A.

Revolving loan up to PLN 60 000 k. As at 31 March 2024 Dom Development S.A. has not drawn any funds from the said credit limit.

Loan at ING Bank Śląski S.A.

PLN overdraft facility up to PLN 50 000 k. As at 31 March 2024 Dom Development S.A. has drawn PLN 18 664k from the said credit limit.

Loan at VeloBank S.A.

Revolving working capital loan up to PLN 50 000k. As at 31 March 2024 Dom Development S.A. has not drawn any funds from the said credit limit.

The Company recognises the nominal value of the liability under *Loans*, and the interest charged as at the balance sheet date are presented separately under *Accrued interest on loans and bonds*.

Due to the fact that the interest on the loans is correlated to the WIBOR interest rate, the Company's Management Board estimates that the fair value of the loans taken by the Company approximately equals their book value, including accrued interest.

7.13 BONDS

| BONDS | 31.03.2024 (unaudited) | 31.12.2023 |
|---|---------------------------|----------------|
| Nominal value of the bonds issued, long-term portion | 470 000 | 470 000 |
| Nominal value of the bonds issued, short-term portion | 50 000 | 50 000 |
| Nominal value of the bonds issued | 520 000 | 520 000 |

The Company recognises the nominal value of the bond liabilities under *Bonds*, and the interest charged as at the balance sheet date are presented separately under *Accrued interest on loans and bonds*.

Due to the fact that the interest on the bonds is correlated to the WIBOR interest rate, the Company's Management Board estimates that the fair value of the bonds issued by the Company approximately equals their book value, including accrued interest.

CORE DETAILS CONCERNING THE BONDS ISSUED

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

Pursuant to the agreement, Dom Development S.A. may issue bonds with a total value of up to PLN 400m, understood as the nominal value of all outstanding bonds. The limit of the Programme is renewable. In accordance with the agreement, bonds may be issued by the Company as various series by 17 November 2027.

Agreement with mBank S.A.

Pursuant to the agreement entered into on 7 February 2023, Dom Development S.A. may issue bonds with a total value of up to PLN 400m, understood as the nominal value of all outstanding bonds. In accordance with the agreement, bonds may be issued by the Company in various series over the undefined period of time following the date of signing of the Issue Agreement. The limit of the Programme is renewable.

DESCRIPTION OF MATERIAL CHANGES IN THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

The total bond issue liabilities in the three-month period ended 31 March 2024 and their maturity dates have not changed.

BONDS ISSUED AS AT 31.03.2024

| Series | Issuer | Issue date | Amount | Currency | Maturity date |
|---------------|----------------------|------------|----------------|----------|---------------|
| DOMDET3121224 | Dom Development S.A. | 12.12.2019 | 50 000 | PLN | 12.12.2024 |
| DOMDET4250925 | Dom Development S.A. | 25.09.2020 | 100 000 | PLN | 25.09.2025 |
| DOMDET5120526 | Dom Development S.A. | 12.05.2021 | 110 000 | PLN | 12.05.2026 |
| DOMDEM1280928 | Dom Development S.A. | 28.09.2023 | 260 000 | PLN | 28.09.2028 |
| Total | | | 520 000 | | |

The bonds remaining to be redeemed have been traded and quoted in the alternative trading system operated by Giełda Papierów Wartościowych w Warszawie S.A. (*Warsaw Stock Exchange*). The key terms of bond issue with a future maturity date can be found at:

<https://inwestor.domd.pl/pl/obligacje>

7.14 ACCRUED INTEREST ON LOANS AND BONDS

| ACCRUED INTEREST ON LOANS AND BONDS | 31.03.2024 (unaudited) | 31.12.2023 |
|--|---------------------------|--------------|
| Accrued interest on bonds | 3 605 | 7 191 |
| Accrued interest on loans | - | - |
| Total accrued interest on loans and bonds | 3 605 | 7 191 |

7.15 LEASE LIABILITIES

The following assets that meet the criteria of IFRS 16 Leases have been recognised in the Company's balance sheet. These are:

- right-of-use of office space (on the basis of lease agreements),
- rights of perpetual usufruct of land,
- other.

| LEASE LIABILITIES | 31.03.2024 (unaudited) | 31.12.2023 |
|---|---------------------------|---------------|
| Lease liabilities, short-term portion, of which: | 42 022 | 48 049 |
| liabilities on account of perpetual usufruct right of land | 36 644 | 42 856 |
| liabilities on account of the right-of-use of office and other spaces | 5 378 | 5 193 |
| Other | - | - |
| Lease liabilities, long-term portion, of which: | 10 385 | 10 175 |
| liabilities on account of the right-of-use of office and other spaces | 10 385 | 10 175 |
| Other | - | - |
| Total | 52 407 | 58 224 |

In the case of perpetual usufruct right, fees resulting from the period, for which such right to the specific property has been granted (up to 99 years), are discounted. This period does not depend on the period of time during which the Company expects to remain the holder of such perpetual usufruct right, that is on the planned use of these properties for development projects.

As at 31 March 2024, the Company held the right of perpetual usufruct of land with a lease liability of PLN 36 644 k, recognised as short-term liabilities. As estimated by the Management Board based on property development projects planned on individual properties:

- PLN 3 603k is payable by the Company within 12 months following the balance sheet date,
- PLN 2 967k is payable by the Company later than 12 months following the balance sheet date,
- PLN 30 074k is to be transferred to the respective buyers of units.

7.16 DEFERRED INCOME

Payments from customers on account of the purchase of apartments and parking spaces are recorded as deferred income until the time that they are delivered to the buyer and are recognised in the income statement as “sales revenue”. This balance sheet item is closely dependent over time on the relationship between the sales rate (which as it increases, increases this item) and the deliveries rate (which as it decreases, decreases this item).

| DEFERRED INCOME | 31.03.2024 (unaudited) | 31.12.2023 |
|--|---------------------------|----------------|
| Deferred income related to the payments received from customers for the purchase of products, not yet included as income in the income statement | 959 822 | 976 152 |
| Other | - | - |
| Total | 959 822 | 976 152 |

7.17 SEGMENT REPORTING

The operations of the Company are generally in a single segment and involve mainly the development and sale of residential and retail (commercial) units and related support activities. The Company operates only in the Warsaw market, while Dom Development S.A. Capital Group with the Company as the parent, also operates on the Tricity, Wrocław and Cracow markets. The operations on these markets are carried out through Group’s subsidiaries.

In view of the above, segmentation for reporting purposes was made within the Group on the basis of the geographical location:

- the Warsaw segment
- the Tricity segment
- the Wrocław segment
- the Cracow segment

The results of the individual segments are assessed mainly on the basis of sale revenues and profit, and gross margin on sales generated by the individual segments.

Due to the fact that the Company's operating activities are carried out in the Warsaw market, i.e. within one segment, these interim condensed financial statements do not include segment-specific information.

Information on the business segments is provided in the interim condensed consolidated financial statements of the Company, which shows the operating activities on all the above mentioned markets (operating segments and reporting segments).

7.18 SALES REVENUE AND COST OF SALES

| ANALYSIS OF SALES REVENUE AND COST OF SALES | Three-month period ended 31.03.2024 (unaudited) | Three-month period ended 31.03.2023 (unaudited) |
|--|---|---|
| Sales of finished goods | 348 719 | 561 974 |
| Sales of services | 28 972 | 20 247 |
| Sales of goods (land) | - | - |
| Sales revenue, total | 377 691 | 582 221 |
| Cost of finished goods sold | (247 030) | (382 558) |
| Cost of services sold | (22 407) | (14 284) |
| Cost of goods sold | - | - |
| Inventory write down to the net realisable value | - | - |
| Cost of sales, total | (269 437) | (396 842) |
| Gross profit on sales | 108 254 | 185 379 |

7.19 FINANCIAL INCOME

| FINANCIAL INCOME | Three-month | Three-month |
|---|---------------|--------------|
| | period ended | period ended |
| | 31.03.2024 | 31.03.2023 |
| | (unaudited) | (unaudited) |
| Interest on bank deposits and borrowings | 11 079 | 9 389 |
| Dividends received | - | - |
| Revenue from discounting receivables and payables | 37 | 331 |
| Other interest | 221 | 32 |
| Valuation of CAP hedging instruments | - | - |
| Other | 655 | - |
| Total | 11 992 | 9 752 |

7.20 INCOME TAX IN THE INCOME STATEMENT

| INCOME TAX | Three-month | Three-month |
|--------------------------------------|---------------|---------------|
| | period ended | period ended |
| | 31.03.2024 | 31.03.2023 |
| | (unaudited) | (unaudited) |
| Current income tax | 9 123 | 12 259 |
| Deferred tax in the income statement | 4 587 | 19 226 |
| Total | 13 710 | 31 485 |

7.21 EARNINGS PER SHARE

| CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE | Three-month | Three-month |
|--|--------------|--------------|
| | period ended | period ended |
| | 31.03.2024 | 31.03.2023 |
| | (unaudited) | (unaudited) |
| BASIC EARNINGS PER SHARE | | |
| Profit for calculation of the basic earnings per share | 54 007 | 119 552 |
| The weighted average number of ordinary shares for the calculation of basic earnings per share | 25 750 070 | 25 583 978 |
| Basic earnings per share (in PLN) | 2.10 | 4.67 |
| DILUTED EARNINGS PER SHARE | | |
| Profit for calculation of the diluted earnings per share | 54 007 | 119 552 |
| Potential diluting shares related to the Management Option Programme | 58 897 | 66 905 |
| The weighted average number of ordinary shares for the calculation of diluted earnings per share | 25 808 967 | 25 650 882 |
| Diluted earnings per share (in PLN) | 2.09 | 4.66 |

As the Company has no discontinued operations, the earnings per share from the continued operations equal the earnings per share calculated above.

7.22 TRANSACTIONS WITH RELATED ENTITIES

In the three-month periods ended 31 March 2024 and 2023, the Company was a party to transactions with related entities, as listed below.

The transactions with the related entities are based on the arm's length principle.

| DOM DEVELOPMENT S.A. AS A BUYER OF GOODS OR SERVICES: | Three-month period ended 31.03.2024 (unaudited) | Three-month period ended 31.03.2023 (unaudited) |
|--|--|--|
| Consulting services | | |
| Hansom Property Company Limited | 1 679 | 154 |
| Purchase of real properties | | |
| Dom Land sp. z o.o. | 11 073 | - |
| Cooperation Agreements | | |
| Dom Development Wrocław sp. z o.o. | - | 55 |
| Dom Development Kraków sp. z o.o. | 23 | - |
| Doradztwo w zakresie infrastruktury technicznej Rafał Kierski (technical infrastructure consulting) | - | 345 |
| Construction services | | |
| Dom Construction sp. z o.o. | 189 489 | 124 669 |
| Other | | |
| Dom Construction sp. z o.o. | 44 | 63 |

| DOM DEVELOPMENT S.A. AS A SELLER OF GOODS OR SERVICES: | Three-month period ended 31.03.2024 (unaudited) | Three-month period ended 31.03.2023 (unaudited) |
|---|--|--|
| Cooperation Agreements | | |
| Dom Development Kraków 1 sp. z o.o. | 3 | - |
| Dom Development Grunty sp. z o.o. | 2 | 2 |
| Euro Styl S.A. | 1 089 | 1 647 |
| Euro Styl Construction sp. z o.o. | 2 | 1 |
| Dom Land sp. z o.o. | 2 | 2 |
| Dom Development Wrocław sp. z o.o. | 949 | 1 101 |
| Dom Construction sp. z o.o. | 2 048 | 2 607 |
| Dom Development Kredyty sp. z o.o. | 147 | 204 |
| Dom Development Kraków sp. z o.o. | 793 | 865 |
| Dom Development Kraków 21 sp. z o.o. sp. k. | - | 102 |
| Dom Development Kraków 12 sp. z o.o. | 10 | - |
| Issogne sp. z o.o. | - | 2 |
| Mirabelle Investments sp. z o.o. | - | 2 |
| Sento S.A. | - | 58 |

| DOM DEVELOPMENT S.A. AS A LENDER: | Three-month period ended 31.03.2024 (unaudited) | Three-month period ended 31.03.2023 (unaudited) |
|---|--|--|
| Borrowing provided | | |
| Dom Development Wrocław sp. z o.o. | 65 000 | - |
| Loan repaid | | |
| Dom Development Wrocław sp. z o.o. | 10 000 | 40 000 |
| Dom Development Kraków sp. z o.o. | 31 000 | 2 900 |
| Interest received on the net borrowing | | |
| Dom Development Wrocław sp. z o.o. | 6 071 | 3 919 |
| Euro Styl S.A. | 2 969 | 2 576 |
| Dom Development Kraków sp. z o.o. | 3 800 | 1 353 |



| DOM DEVELOPMENT S.A. AS A CONTRIBUTOR OF SHARE CAPITAL TO SUBSIDIARIES: | Three-month period ended 31.03.2024 (unaudited) | Three-month period ended 31.03.2023 (unaudited) |
|--|--|--|
| Share capital contribution | | |
| Issogne sp. z o.o. | - | 45 |

| DOM DEVELOPMENT S.A. AS RETENTIONS CLEARING PARTY: | Three-month period ended 31.03.2024 (unaudited) | Three-month period ended 31.03.2023 (unaudited) |
|---|--|--|
| Guarantee retentions | | |
| Dom Construction sp. z o.o. | 23 | - |

| BALANCES WITH RELATED ENTITIES – balances as in the books of the Company | 31.03.2024 (unaudited) | 31.12.2023 |
|--|---------------------------|----------------|
| Receivables from related entities | | |
| Total balance | 543 427 | 516 950 |
| Subsidiaries | 540 475 | 500 444 |
| Dom Development Kraków 12 sp. z o.o. | 13 | 13 |
| Dom Development Kraków 1 sp. z o.o. | 3 | 3 |
| Dom Development Wrocław sp. z o.o. additional contributions to the share capital | 47 000 | 31 800 |
| Dom Development Wrocław sp. z o.o. loans granted | 235 000 | 180 000 |
| Dom Development Wrocław sp. z o.o. | 1 165 | 1 007 |
| Euro Styl S.A. loans granted | 119 250 | 119 250 |
| Euro Styl S.A. | 1 339 | 1 223 |
| Euro Styl Construction sp. z o.o. | 3 | 3 |
| Dom Development Kredyty sp. z o.o. | 163 | 235 |
| Dom Construction sp. z o.o. | 3 061 | 2 859 |
| Dom Development Kraków sp. z o.o. loans granted | 132 469 | 163 087 |
| Fundacja Nasz Dom | 32 | - |
| Dom Development Kraków sp. z o.o. | 975 | 964 |
| Other entities | 2 952 | 16 506 |
| Dom Land sp. z o.o. | - | 13 554 |
| Doradztwo w zakresie infrastruktury technicznej Rafał Kierski (technical infrastructure consulting) | 2 952 | 2 952 |

| BALANCES WITH RELATED ENTITIES – balances as in the books of the Company | 31.03.2024 (unaudited) | 31.12.2023 |
|--|---------------------------|---------------|
| Liabilities to related entities | | |
| Total balance | 138 244 | 83 407 |
| Subsidiaries | 138 049 | 83 277 |
| Dom Construction sp. z o.o. | 135 451 | 79 434 |
| Dom Construction sp. z o.o. retentions | 2 598 | 2 575 |
| Dom Development Kraków 12 sp. z o.o. | - | 1 268 |
| Other entities | 195 | 130 |
| Dom Land sp. z o.o. | 65 | - |
| Hansom Property Company Limited | 130 | 130 |

7.23 COMPANY'S SHARE OPTIONS

INCENTIVE PLAN – MANAGEMENT OPTION PROGRAMMES

As at 31 March 2024 there were two active Management Option Programmes adopted as part of the Incentive Scheme for the executives in the Company.

| MANAGEMENT OPTION PROGRAMMES | 31.03.2024 | | | 31.12.2023 | | |
|------------------------------|-----------------------|---|------------------------------------|--------------------------------------|---|------------------------------------|
| | Name of the Programme | Options in the programme (number of shares) | Options granted (number of shares) | Options exercised (number of shares) | Options in the programme (number of shares) | Options granted (number of shares) |
| Programme V | 250 000 | 250 000 | 250 000 | 250 000 | 250 000 | 200 000 |
| Programme VII | 250 000 | 250 000 | 150 000 | 250 000 | 250 000 | 100 000 |

Grant of new share options under the management option programme

In the three-month periods ended 31 March 2024 and 2023 the Company did not grant any new share options.

Exercise of share options under the management option programme

In the three-month period ended 31 March 2024, the Management Board increased Company's share capital by issuing 50 000 series AJ ordinary bearer shares and 50 000 series AK ordinary bearer shares. The issue price for the shares was determined as PLN 50.00 per share. The purpose of issuing these shares as part of the authorised capital is to enable the Company to fulfil its obligations resulting from:

- Management Option Programme V for Mikołaj Konopka, Member of the Management Board, concerning 250 000 shares in Dom Development S.A., and
- Management Option Programme VII for Leszek Stankiewicz, Vice President of the Management Board, concerning 250 000 shares in Dom Development S.A.

Details of the AJ and AK series share issue are described in detail in note 7.11.

Expiry of share options under the management option programme

In the three-month periods ended 31 March 2024 and 2023 no share options expired in the Company under a management option programme.

Cost of Management Option Programmes accounted for in the income statement and the shareholders' equity

In the three-month periods ended 31 March 2024 and 2023 the amounts of PLN 354k and PLN 875k for the management options granted were accounted for in the income statement and in the supplementary capital respectively.

SHARE OPTIONS GRANTED AND EXERCISABLE AS AT RESPECTIVE BALANCE SHEET DATES, AND CHANGES IN THE PRESENTED PERIODS:

| SHARE OPTIONS | | Three-month period ended | Three-month period ended |
|--|---|--------------------------|--------------------------|
| | | 31.03.2024 (unaudited) | 31.03.2023 (unaudited) |
| Unexercised options - opening balance | Number of options | 200 000 | 300 000 |
| | Total exercise price | 10 000 | 15 000 |
| Options granted in the period | Number of options | - | - |
| | Total option exercise value | - | - |
| Options expired in the period | Number of options | - | - |
| | Total option exercise value | - | - |
| Options exercised in the period *) | Number of options | 100 000 | 100 000 |
| | Total option exercise value | 5 000 | 5 000 |
| | Weighted average exercise price per share (PLN per share) | 50.00 | 50.00 |
| Unexercised options - closing balance | Number of options | 100 000 | 200 000 |
| | Total exercise price | 5 000 | 10 000 |
| Exercisable options - opening balance | Number of options | 100 000 | 100 000 |
| | Total exercise price | 5 000 | 5 000 |
| Exercisable options - closing balance | Number of options | - | - |
| | Total exercise price | - | - |

7.24 CONTINGENT LIABILITIES

| CONTINGENT LIABILITIES | 31.03.2024 (unaudited) | 31.12.2023 |
|------------------------|---------------------------|---------------|
| Guarantees | 13 937 | 17 917 |
| Sureties | 12 636 | 12 651 |
| Total | 26 573 | 30 568 |

Additionally, some of the Company's liabilities are secured with promissory notes:

| COLLATERALS FOR LIABILITIES | 31.03.2024 (unaudited) | 31.12.2023 |
|---|---------------------------|--------------|
| Promissory notes, including: | | |
| - promissory notes as other security | 3 900 | 3 900 |
| - promissory notes as a security for lease agreements | - | - |
| Total | 3 900 | 3 900 |

In the three-month period ended 31 March 2024 the Company did not provide any guarantees for loans or borrowings, nor any other guarantees – jointly to one entity or its subsidiary, the value of which would be material for the Company or would amount to at least 10% of the Company's shareholders' equity.

7.25 MATERIAL COURT CASES AS AT 31 MARCH 2024

As at 31 March 2024 the Company was not a party to any material court cases.

7.26 FACTORS AND EVENTS WITH MATERIAL IMPACT ON THE CONDENSED FINANCIAL STATEMENTS OF THE COMPANY

IMPACT OF THE ECONOMIC ENVIRONMENT ON THE ONGOING COMPANY'S OPERATIONS

In Q1 2024, the operations of the Company were not disrupted. All projects were carried out according to the schedule.

The favourable situation on the housing market in Q1 2024 was conducive to strong sales results for our organisation – a developer with an established position, a strong brand and having the right offer. The demand for apartments offered by the Company remains strong, from mortgage and all-cash buyers alike. Demand drivers in Q1 2024 included the closing of processing loan applications submitted under the phased out "Safe 2% Mortgage" government programme, a steady increase in real wages, which translates into a higher creditworthiness of buyers, and an increase in the number of mortgage applications on market terms by over 33% YoY.

The consistently strong demand combined with the limited supply have contributed to a further increase in prices of apartments.

Construction costs stabilised further in Q1 2024. The prices of building materials showed a negative trend averaging approx. 3% decrease YoY. Moreover, a major advantage for Dom Development is our in-house general contracting company, which have allowed us to develop long-term relations with our subcontractors and reduce the risks associated with development projects.

In response to the strong demand, the Company consistently launches construction of new projects, thus replenishing the offer of apartments in all the cities where it operates. This is facilitated by the stabilisation of construction costs, which gives us greater predictability when launching new projects, thus limiting the risk to margins. This ensures satisfactory profitability of the development projects under construction. The construction of all Dom Development projects by its in-house general contractors further contributes to the achievement of expected profitability by us without compromising the high quality. In further quarters of 2024, we plan to systematically expand our product offer with new projects.

MATERIAL CHANGES TO THE PORTFOLIO OF ONGOING PROPERTY DEVELOPMENT PROJECTS CARRIED OUT BY THE COMPANY IN THE PERIOD FROM 1 JANUARY TO 31 MARCH 2024

DEVELOPMENT PROJECTS COMMENCED FROM 1 JANUARY UNTIL 31 MARCH 2024:

| PROJECT | LOCATION | NUMBER OF APARTMENTS AND RETAIL 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 |

DEVELOPMENT PROJECTS COMPLETED FROM 1 JANUARY UNTIL 31 MARCH 2024:

| PROJECT | LOCATION | NUMBER OF APARTMENTS AND RETAIL 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 |

Moreover, in Q1 2024, development projects were carried out within the Dom Development S.A. Capital Group through the subsidiaries on the Wrocław, Tricity and Cracow markets.

INFORMATION ON DELIVERIES OF RESIDENTIAL AND RETAIL UNITS

Number of residential and retail units delivered to customers by the Company in the three-month period ended 31 March 2024 and 2023 has been presented in the following table:

| NUMBER OF APARTMENTS AND RETAIL UNITS DELIVERED | 2024 | 2023 |
|---|------------|------------|
| Q1 | 526 | 907 |
| Total | 526 | 907 |

7.27 DIVIDEND AND PROFIT DISTRIBUTION

INTERIM DIVIDEND FOR 2023 PAID IN 2023

On 6 November 2023, based on the interim condensed financial statements of the Company for the six-month period ended 30 June 2023 audited by an independent statutory auditor, the Management Board of the Company decided to (and the Company's Supervisory Board of the Company consented to the same) distribute interim dividend for 2023 to the shareholders in the amount of PLN 141 341 321.00, i.e. PLN 5.50 per share.

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

On 14 May 2024, the Supervisory Board of the Company adopted a resolution on the assessment of the Management Board's proposal for the distribution of the Company's net profit for 2023, as described in note 7.29 *Material post-balance sheet events*.

7.28 CHANGES IN THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

MANAGEMENT BOARD

On 20 September 2023, the Supervisory Board of the Company, acting pursuant to Article 6.2.2 of the Company's Articles of Association, appointed Ms Monika Perekitko as a Member of the Management Board of the Company for a joint three-year term of office, effective as of 1 January 2024. Ms Monika Perekitko has been involved in the property development market since 2004, and since 2011 she has been a person responsible for the creation and operations of a major property developer on the Polish market, in the capacity of a Member of its Management Board.

As at 31 March 2024 the Management Board of Dom Development S.A. was composed of 5 members:

Jarosław Szanajca, President of the Management Board
Leszek Stankiewicz, Vice President of the Management Board
Monika Perekitko, Member of the Management Board
Terry Roydon, Member of the Management Board
Mikołaj Konopka, Member of the Management Board

SUPERVISORY BOARD

No changes in the composition of the Company's Supervisory Board took place in the three-month period ended 31 March 2024.

7.29 MATERIAL POST-BALANCE SHEET EVENTS

DISTRIBUTION OF 2023 PROFIT - THE MANAGEMENT BOARD'S PROPOSAL APPROVED BY THE SUPERVISORY BOARD

On 14 May 2024, the Supervisory Board of the Company adopted a resolution on the assessment of the Management Board's proposal for the distribution of the Company's net profit for 2023. In the said resolution, the Supervisory Board of the Company positively assessed and agreed with the Management Board's proposal that the 2023 net profit of Dom Development S.A. in the amount of PLN 441 113 631.24 be distributed as follows:

1. a part of the 2023 net profit in the amount of PLN 309 581 064.00, i.e. PLN 12 per share, to be appropriated for the dividend payable to shareholders of Dom Development S.A.; having considered the 2023 interim dividend in the amount of PLN 141 341 321.00, i.e. PLN 5.50 per share, paid by the Company on 18 December 2023, the remaining 2023 dividend payable to shareholders be PLN 168 239 743.00, with the proviso that:

a) in respect of the 25 698 422 shares in the Company that were registered on securities accounts in the depository for securities as of the date of record for the 2023 interim dividend, i.e. as of 12 December 2023 - the outstanding dividend for 2023 is PLN 167 039 743.00, i.e. PLN 6.50 per share,

b) in respect of the 100 000 shares in the Company that were not registered on securities accounts in the depository for securities as of the date of record for the 2023 interim dividend, i.e. as of 12 December 2023 - the outstanding dividend for 2023 is PLN 1 200 000.00, i.e. PLN 12.00 per share,

2. a part of the 2023 net profit of Dom Development S.A. in the amount of PLN 131 532 567.24 to be appropriated for the increase of the supplementary capital of Dom Development S.A.

and to set the date of record as 26 June 2024 and the dividend payment date as 4 July 2024.

7.30 FORECASTS

The Management Board of Dom Development S.A. does not publish any financial forecasts concerning the Company.

7.31 SELECTED FINANCIAL DATA TRANSLATED INTO EURO

In accordance with the financial reporting requirements the following financial data of the Company have been translated into euro:

| SELECTED DATA FROM THE INTERIM CONDENSED BALANCE SHEET | 31.03.2024 in EUR '000 (unaudited) | 31.12.2023 in EUR '000 |
|--|--|---------------------------|
| Total current assets | 555 771 | 527 817 |
| Total assets | 794 330 | 758 316 |
| Total shareholders' equity | 332 437 | 314 665 |
| Long-term liabilities | 130 238 | 126 695 |
| Short-term liabilities | 331 655 | 316 955 |
| Total liabilities | 461 892 | 443 651 |
| <i>PLN/EUR exchange rate as at the balance sheet date</i> | 4.3009 | 4.3480 |

| SELECTED DATA FROM THE INTERIM CONDENSED INCOME STATEMENT | Three-month period ended 31.03.2024 in EUR '000 (unaudited) | Three-month period ended 31.03.2023 in EUR '000 (unaudited) |
|--|---|---|
| Sales revenue | 87 406 | 123 865 |
| Gross profit on sales | 25 052 | 39 438 |
| Operating profit | 15 267 | 31 209 |
| Profit before tax | 15 671 | 32 132 |
| Net profit | 12 498 | 25 434 |
| <i>Average PLN/EUR exchange rate for the reporting period</i> | 4.3211 | 4.7005 |