

DOM DEVELOPMENT S.A.

**CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
30 SEPTEMBER 2024**



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

These condensed interim financial statements for the three months ended 30 September 2024, comprising:

- condensed interim balance sheet as at 30 September 2024,
- condensed interim statement of profit or loss for the three months ended 30 September 2024,
- condensed interim statement of comprehensive income for the three months ended 30 September 2024,
- condensed interim statement of changes in equity for the three months ended 30 September 2024,
- condensed interim statement of cash flows for the three months ended 30 September 2024,
- notes to the condensed interim financial statements,

were prepared and authorised for issue by the Management Board of Dom Development S.A. on 18 November 2024.

The Management Board of Dom Development S.A. represents that, to the best of its knowledge, these condensed interim financial statements for the three months ended 30 September 2024 with comparative data have been prepared in compliance with the applicable accounting standards, and give a true, accurate and fair view of the financial position, assets and financial result of Dom Development S.A.

Jarostaw Szanajca

President of the Management Board

Leszek Stankiewicz

Vice President of the
Management Board

2 CONDENSED INTERIM BALANCE SHEET

ASSETS	Note	30 Sep 2024 (unaudited)	31 Dec 2023
Non-current assets			
Intangible assets		19,834	19,214
Property, plant and equipment	7.5	22,133	19,861
Investments in subsidiaries, associates and joint ventures	7.6	449,328	472,613
Deferred tax assets		-	12,050
Long-term receivables	7.7	6,167	5,009
Long-term loans granted	7.7	588,288	462,337
Other non-current assets		6,789	11,126
TOTAL NON-CURRENT ASSETS		1,092,539	1,002,210
Current assets			
Inventory	7.8	2,118,532	2,050,861
Trade and other receivables		81,375	52,790
Other current assets		38,765	74,836
Income tax receivables		36,712	-
Current financial assets	7.9	95,102	82,358
Cash and cash equivalents	7.10	76,473	34,104
TOTAL CURRENT ASSETS		2,446,959	2,294,949
TOTAL ASSETS		3,539,498	3,297,159
EQUITY AND LIABILITIES			
	Note	30 Sep 2024 (unaudited)	31 Dec 2023
Equity			
Share capital	7.11	25,798	25,698
Share premium	7.11	276,458	271,558
Other equity (statutory reserve funds)		897,737	765,143
Cash flow hedge reserve		3,715	5,484
Reserve from share capital reduction		510	510
Retained earnings		319,143	299,772
TOTAL EQUITY		1,523,361	1,368,165
Non-current liabilities			
Bank borrowings, long-term portion	7.12	-	-
Bonds, long-term portion	7.13	370,000	470,000
Deferred tax liabilities		4,461	-
Long-term provisions		14,150	11,910
Lease liabilities, long-term portion	7.15	8,535	10,175
Other non-current liabilities		40,326	58,787
TOTAL NON-CURRENT LIABILITIES		437,472	550,872
Current liabilities			
Trade, tax and other payables		365,405	270,501
Bank borrowings, short-term portion	7.12	-	-
Bonds, short-term portion	7.13	150,000	50,000
Accrued interest on bank borrowings and bonds	7.14	3,483	7,191
Lease liabilities, short-term portion	7.15	46,187	48,049
Corporate income tax payables		-	10,462
Liabilities under dividends	7.27	-	-
Short-term provisions		19,250	15,767
Deferred income	7.16	994,340	976,152
TOTAL CURRENT LIABILITIES		1,578,665	1,378,122
TOTAL LIABILITIES		2,016,137	1,928,994
TOTAL EQUITY AND LIABILITIES		3,539,498	3,297,159

All amounts are stated in thousands of Polish zloty.

3 CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

	Note	9 months ended 30 Sep 2024 (unaudited)	9 months ended 30 Sep 2023 (unaudited)	3 months ended 30 Sep 2024 (unaudited)	3 months ended 30 Sep 2023 (unaudited)
Revenue	7.18	1,174,759	875,474	259,154	126,652
Cost of sales	7.18	(840,950)	(603,964)	(187,151)	(87,274)
Gross profit		333,809	271,510	72,003	39,378
Selling costs		(46,524)	(37,346)	(15,840)	(11,200)
General and administrative expenses		(80,720)	(72,182)	(27,227)	(25,195)
Other income		7,169	7,677	4,209	5,402
Other expenses		(18,499)	(8,349)	(3,468)	(3,008)
Operating profit		195,235	161,310	29,677	5,377
Finance income	7.19	195,853	196,658	13,017	15,576
Finance costs		(32,019)	(22,518)	(9,086)	(8,805)
Profit before tax		359,069	335,450	33,608	12,148
Income tax	7.20	(39,926)	(38,958)	(6,033)	(3,087)
Net profit from continuing operations		319,143	296,492	27,575	9,061
Net profit from discontinued operations*)		-	-	-	-
Net profit		319,143	296,492	27,575	9,061
Earnings per share:					
Basic (PLN)	7.21	12.38	11.56	1.07	0.35
Diluted (PLN)	7.21	12.35	11.52	1.07	0.35

*) In the three months ended 30 September 2024 and 30 September 2023, the Company did not discontinue any of its operations.

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

4 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	9 months ended 30 Sep 2024 (unaudited)	9 months ended 30 Sep 2023 (unaudited)	3 months ended 30 Sep 2024 (unaudited)	3 months ended 30 Sep 2023 (unaudited)
Net profit	319,143	296,492	27,575	9,061
Other comprehensive income:				
Net change due to cash flow hedges	(2,184)	(13,654)	(5,046)	(5,033)
Items that will be reclassified to the statement of profit or loss	(2,184)	(13,654)	(5,046)	(5,033)
Items that will not be reclassified to the statement of profit or loss				
Other comprehensive income (loss), before tax	(2,184)	(13,654)	(5,046)	(5,033)
Income tax on other comprehensive income that will be reclassified to the statement of profit or loss	415	2,594	959	956
Net other comprehensive income	(1,769)	(11,060)	(4,087)	(4,077)
Net comprehensive income	317,374	285,432	23,488	4,984

All amounts are stated in thousands of Polish zloty.

5 CONDENSED INTERIM STATEMENT OF CASH FLOWS

	Note	9 months ended 30 Sep 2024 (unaudited)	9 months ended 30 Sep 2023 (unaudited)
Cash flows from operating activities			
Profit before tax		359,069	335,450
Adjustments for:			
Depreciation and amortisation		10,667	9,337
Foreign exchange (gains)/losses		(715)	(907)
(Gain)/loss from investments		(153,500)	(155,139)
Interest expense/(income)		(10,442)	(17,482)
Costs from valuation of management share option programmes		1,061	2,625
Changes in working capital:			
Change in provisions		5,723	(1,160)
Change in inventory		(67,223)	(335,163)
Change in receivables		(29,749)	(3,505)
Change in current liabilities, net of bank borrowings and bonds		69,330	52,751
Change in accruals and deferred income		41,410	220,691
Other adjustments		715	907
Cash flows from operating activities		226,346	108,405
Interest received		1,784	8,053
Interest paid		(28,646)	(14,909)
Income tax paid		(70,174)	(95,088)
Net cash from operating activities		129,310	6,461
Cash flows from investing activities			
Proceeds from sale of intangible assets and property, plant and equipment		472	323
Proceeds from financial assets (dividends)		155,743	159,337
Repayments of loans granted		142,303	79,814
Other proceeds/(payments) related to financial assets		22,953	15,242
Loans granted		(235,000)	(326,700)
Acquisition of intangible assets and property, plant and equipment		(10,172)	(5,979)
Acquisition of financial assets and contributions to equity		-	(5,932)
Net cash from investing activities		76,299	(83,895)
Cash flows from financing activities			
Proceeds from issue of shares (exercise of share options)	7.11	5,000	5,000
Proceeds from bank borrowings		151,154	356,000
Proceeds from issue of debt securities	7.13	-	260,000
Repayment of bank borrowings		(151,154)	(406,000)
Redemption of debt securities	7.13	-	(10,500)
Distribution of profit (dividends)	7.27	(168,240)	(282,682)
Payments under lease contracts		-	-
Net cash from financing activities		(163,240)	(78,182)
Net increase/(decrease) in cash and cash equivalents		42,369	(155,616)
Cash and cash equivalents at beginning of period	7.10	34,104	184,078
Cash and cash equivalents at end of period	7.10	76,473	28,462

All amounts are stated in thousands of Polish zloty.

6 CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

THREE MONTHS ENDED 30 SEPTEMBER 2024

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 7.11	100	4,900	-	-	-	-	5,000
Transfer of profit to statutory reserve funds	-	-	131,533	-	-	(131,533)	-
Dividend for shareholders 7.27	-	-	-	-	-	(168,239)	(168,239)
Creation of share-based payment reserve (from share option valuation) 7.23	-	-	1,061	-	-	-	1,061
Net profit for reporting period	-	-	-	-	-	319,143	319,143
Net other comprehensive income	-	-	-	-	(1,769)	-	(1,769)
Net comprehensive income	-	-	-	-	(1,769)	319,143	317,374
Increase/(decrease) in equity	100	4,900	132,594	-	(1,769)	19,371	155,196
Equity at end of period	25,798	276,458	897,737	510	3,715	319,143	1,523,361

All amounts are stated in thousands of Polish zloty.
The data as at 30 September 2024 has not been audited.

THREE MONTHS ENDED 30 SEPTEMBER 2023

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 7.11	150	7,350	-	-	-	-	7,500
Transfer of profit to statutory reserve funds	-	-	91,002	-	-	(91,002)	-
Dividend for shareholders 7.27	-	-	-	-	-	(282,682)	(282,682)
Creation of share-based payment reserve (from share option valuation) 7.23	-	-	2,625	-	-	-	2,625
Net profit for reporting period	-	-	-	-	-	296,492	296,492
Net other comprehensive income	-	-	-	-	(11,060)	-	(11,060)
Net comprehensive income	-	-	-	-	(11,060)	296,492	285,432
Increase/(decrease) in equity	150	7,350	93,627	-	(11,060)	(77,192)	12,875
Equity at end of period	25,698	271,558	764,267	510	5,384	296,492	1,363,909

All amounts are stated in thousands of Polish zloty.
The data as at 30 September 2023 has not been audited.

7 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS





7.1 GENERAL INFORMATION ABOUT DOM DEVELOPMENT S.A.

Company name:	Dom Development S.A.
Registered office:	Plac Piłsudskiego 3, 00-078 Warsaw, Poland
Legal form:	joint stock company (<i>spółka akcyjna</i>)
Country of registration:	Poland
Registered office address:	Plac Piłsudskiego 3, 00-078 Warsaw
Principal place of business:	Poland

Since the end of the previous reporting period, there have been no changes to the name or other identification details of the reporting entity.

Dom Development S.A. (the "Company") is the parent of the Dom Development Group (the "Group"). The Company is entered in the National Court Register maintained by the District Court for the Capital City of Warsaw in 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, Wrocław and Kraków markets, and specialised companies conducting construction activities in these locations.

The Company is a majority-owned subsidiary of Groupe Belleforêt S.à r.l. of Luxembourg (see Note 7.11), which held 54.81% of Company shares as at 30 September 2024.

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 three months ended 30 September 2024, the Company did not discontinue any of its operations.

7.2 BASIS OF ACCOUNTING USED IN PREPARING THESE CONDENSED INTERIM FINANCIAL STATEMENTS

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

Certain information and disclosures typically included with the full-year financial statements under International Financial Reporting Standards ("IFRS") as endorsed by the European Union ("EU") are presented in a condensed form or omitted in these condensed interim financial statements, in accordance with IAS 34 *Interim Financial Reporting* (IAS 34).

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

The Russian invasion of Ukraine started on 24 February 2022 continues to significantly disrupt the economic environment across the region. The Company and its subsidiaries operate exclusively within Poland. The Management Board believes that the ongoing war in Ukraine may potentially affect future housing demand, construction costs, and the availability of subcontractors. As at the date of these condensed interim financial statements, all of the Company's development projects were progressing according to plan or ahead of schedule. The Management Board is actively monitoring the situation and evaluating its potential impact on individual projects, the Company as a whole, and the Company's long-term objectives. The Management Board believes that as at the date of authorisation of these condensed interim 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 zloty (PLN). These condensed interim financial statements have been prepared in Polish zloty. Unless stated otherwise, financial data presented in these condensed interim financial statements is expressed in thousands of Polish zloty.

The condensed interim balance sheet, condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, and condensed interim statement of changes in equity have not been audited or reviewed by an independent statutory auditor. These unaudited condensed interim financial

statements do not include all the information and disclosures required in full-year financial statements, and should be read in conjunction with the Company's audited full-year financial statements for the 12 months ended 31 December 2023.

The Company also prepared condensed consolidated interim financial statements of the Dom Development Group for the three months ended 30 September 2024, which were authorised by the Company's Management Board on 18 November 2024.

7.3 ACCOUNTING POLICIES

Under Polish laws, the Company is required to prepare condensed interim financial statements in accordance with IFRS as endorsed by the European Union (EU), specifically the standards applicable to interim financial reporting (IAS 34). Currently, given the ongoing EU's IFRS endorsement process and the nature of the Company's operations, there are no differences between the accounting policies applied by the Company in accordance with IFRS and those endorsed by the EU.

These condensed interim financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements (IAS 34) and all applicable IFRSs endorsed by the European Union.

The accounting policies applied in preparing these condensed interim financial statements are consistent with those applied in preparing the Company's financial statements for the year ended 31 December 2023, save for the application of the following new or amended standards and new interpretations effective for 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 subsequently measure lease liabilities arising from a leaseback in such a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirement is of particular relevance where a leaseback includes variable lease payments that do not depend on an index or rate, as such payments are excluded from 'lease payments' as defined in IFRS 16.
- **IAS 1 *Presentation of Financial Statements*.** The amendments to IAS 1 address the presentation of liabilities as either current or non-current, and clarify how contractual covenants with which an entity must comply affect the classification of a liability as current or non-current. 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. The classification is not affected by the entity's expectations or events subsequent to the reporting date (for example credit facility covenants the entity is required to comply with after the reporting date).
- **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 are required to disclose specific information about supplier finance arrangements to enable users of financial statements to assess how they affect the entity's liabilities and cash flows and understand their effect on the entity's exposure to liquidity risk. The amendments aim to enhance transparency of disclosures on finance arrangements but do not change the principles of recognition and measurement.

The amendments described above have been reviewed by the Company's Management Board, which concluded that they have no material effect on the Company's financial position, results of operations, or scope of information presented in these condensed interim financial statements.

The Company has not opted for early application of any standard, interpretation, or amendment that has been issued but is not yet effective.

The following standards and interpretations have been issued by the International Accounting Standards Board or the International Financial Reporting Interpretations Committee but are not yet effective or have not yet been endorsed by the European Union:

- **Amendments to IFRS 10 and IAS 28 regarding sale or contribution of assets between an investor and its associates or joint ventures.** The amendments addressed the previous conflict between the requirements of IFRS 10 and IAS 28. The accounting treatment depends on whether non-monetary assets sold or contributed to an associate or joint venture constitute a business. If the non-monetary assets constitute a business, the investor recognises the full gain or loss resulting from the transaction. If the assets do not meet the definition of a business, the investor recognises the gain or loss only to the extent of unrelated investors' interests in the associate or joint venture. As at the date of these condensed interim 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 changes relative to IAS 1 address three areas: the presentation of the statement of profit or loss, the required disclosures for certain performance measures, and 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 condensed interim financial statements, the amendments had not yet been endorsed by the European Union.

- 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 intended to help entities determine whether a currency is exchangeable for another currency and estimate the spot exchange rate if it is not. In addition, where a currency is not exchangeable, the amended standard requires disclosure of additional information on how an alternative exchange rate is determined. The amendments are effective for reporting periods beginning on or after 1 January 2025. As at the date of these condensed interim financial statements, the amendments had not yet been endorsed by the European Union.
- 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 condensed interim financial statements, the amendments had not yet been endorsed by the European Union.

The Management Board is currently reviewing the effect of the standards on the Company's financial position, performance and scope of information presented in condensed interim financial statements. The Management Board does not expect the new standards and amendments to existing standards to have a material effect on the Company's condensed interim financial statements for the period in which they will be applied for the first time.

7.4 SIGNIFICANT JUDGEMENTS AND ASSUMPTIONS

The following are areas where the most important factors in the process of applying accounting policies were, in addition to accounting estimates, the professional judgment of the Company's management and the underlying business assumptions.

DEVELOPMENT PROJECT BUDGETS

Decisions to purchase property (land) are informed by the results of analyses, with one of the key elements being purchase budgets used to assess the future profitability of development projects. From the moment of property acquisition, the budgets are updated based on the best knowledge and experience of the Company's management. All development project budgets are reviewed and, if necessary, revised at least every three months. Updated project budgets serve as the basis for:

- analysing the project profitability and verifying inventory write-downs, if any,
- preparing financial projections, annual budgets, and medium-term plans.

RECOGNITION OF REVENUE FROM SALE OF PRODUCTS

Revenue from the sale of property (residential units, commercial space, etc.) is recognised when control over the property and the significant risks and rewards associated with ownership are transferred to the buyer. The Company's management believes this transfer occurs when the property is delivered to the buyer based on a handover report signed by the parties, provided that the buyer has paid the full purchase price for the property.

Revenue from ongoing construction services is calculated using the percentage-of-completion method, with the percentage of completion measured by the proportion of costs incurred from the contract's inception to the measurement as at the reporting date.

SEASONAL CHANGES

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

7.5 PROPERTY, PLANT AND EQUIPMENT

PROPERTY, PLANT AND EQUIPMENT	30 Sep 2024 (unaudited)	31 Dec 2023
Property, plant and equipment, of which:		
Plant, machinery and other items of property, plant and equipment	2,375	1,304
Vehicles	3,075	2,809
Land and buildings	3,520	2,406
Right to use office and other space	13,163	13,342
Total	22,133	19,861

As at 30 September 2024, there were no circumstances that required the Company to recognise impairment losses on property, plant and equipment.

No items of property, plant and equipment were pledged as security.

7.6 INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

EQUITY INTERESTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	30 Sep 2024 (unaudited)	31 Dec 2023
Equity interests in subsidiaries, associates and joint ventures	449,328	472,613
As at end of period	449,328	472,613

As at 30 September 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 30 Sep 2024			As at 31 Dec 2023		
	Company's ownership interest (%)	Gross carrying amount of shares	Net carrying amount of shares	Company's ownership interest (%)	Gross carrying amount of shares	Net carrying amount of shares
Dom Development Grunty Sp. z o.o.	46%	24	24	46%	24	24
Dom Development Wrocław 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 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
Fundacja Nasz Dom	100%	-	-	-	-	-
Total		449,328	449,328		476,413	472,613

- Euro Styl S.A.

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

- Dom Development Wrocław Sp. z o.o.

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

- Dom Development Kraków Sp. z o.o.

The company constructs residential developments in Kraków.

- Dom Development Kredyty Sp. z o.o.

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

- Dom Construction Sp. z o.o.

The subsidiary Dom Construction Sp. z o.o. develops residential projects on a general contracting basis. It provides services to the Group companies (other than companies of the Euro Styl group).

- Dom Development Grunty Sp. z o.o.

The company, in which Dom Development S.A. holds 46% of the share capital, engages in property sale transactions within the Group.

- Fundacja Nasz Dom

The Foundation's objectives and activities are closely aligned with the Company's and Group's business and involve providing living accommodation, solving housing problems, and advancing the Group's sustainability strategy. The Foundation will focus on helping families and individuals in difficult life situations, including abroad, such as in Ukraine. It will also engage with local communities through social outreach initiatives and support charitable causes.

SIGNIFICANT CHANGES FROM 1 JULY TO 30 SEPTEMBER 2024

In the three months ended 30 September 2024, there were no material changes to the structure of the Company's investments in subsidiaries, associates and joint ventures.

7.7 LOANS GRANTED AND LONG-TERM RECEIVABLES

LONG-TERM RECEIVABLES	30 Sep 2024 (unaudited)	31 Dec 2023
Receivables from sale of financial assets	-	-
Receivables from retentions	1,956	1,804
Other long-term receivables	4,211	3,205
Total	6,167	5,009

LOANS GRANTED	30 Sep 2024 (unaudited)	31 Dec 2023
Loans granted, long-term portion	588,288	462,337
Loans granted, short-term portion	-	-
Total	588,288	462,337

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

LOANS TO RELATED PARTIES

The table below presents loans granted by the Company to related parties and their balance as at 30 September 2024 including accrued interest.

Agreement date	Borrower	Loan amount (excluding interest)	Due date	Balance as at end of period
26 Feb 2019	Euro Styl S.A.	150,000	31 Dec 2025	119,250
27 Sep 2019	Dom Development Wrocław Sp. z o.o.	270,000	31 Dec 2025	205,000
22 Apr 2021	Dom Development Kraków Sp. z o.o.	17,350	31 Dec 2026	22,038
9 Aug 2022	Dom Development Kraków Sp. z o.o.	100,000	31 Dec 2025	87,500
28 Apr 2023	Dom Development Kraków Sp. z o.o.	165,100	31 Dec 2027	154,500
Total				588,288

7.8 INVENTORY

INVENTORY	30 Sep 2024 (unaudited)	31 Dec 2023
Prepaid deliveries	64,501	77,386
of which: at cost	64,501	77,386
write-down to net realisable value	-	-
Semi-finished products and work in progress	1,962,005	1,833,538
of which: at cost	1,954,386	1,823,899
perpetual usufruct of land (lease)	38,527	40,548
write-down to net realisable value	(30,908)	(30,909)
Finished products	92,026	139,937
of which: at cost	98,255	146,166
write-down to net realisable value	(6,229)	(6,229)
Total	2,118,532	2,050,861

INVENTORY WRITE-DOWNS	9 months ended 30 Sep 2024 (unaudited)	9 months ended 30 Sep 2023 (unaudited)
As at beginning of period	37,137	47,134
Increase	-	-
(Decrease)	-	-
As at end of period	37,137	47,134

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

CARRYING AMOUNTS OF INVENTORIES PLEDGED AS SECURITY FOR LIABILITIES AND MORTGAGE AMOUNTS	30 Sep 2024 (unaudited)	31 Dec 2023
MORTGAGES – amounts of mortgages securing liabilities:		
Under property purchase contracts	-	-
Under credit facility agreements of the Company and other Group companies	855,000	765,000

7.9 CURRENT FINANCIAL ASSETS

CURRENT FINANCIAL ASSETS	30 Sep 2024 (unaudited)	31 Dec 2023
Bank deposits with maturities of more than three months	-	-
Cash in open-end residential escrow accounts	74,538	67,421
Other current financial assets	20,564	14,937
Total	95,102	82,358

Cash in open-end residential escrow accounts includes funds received from the Company's customers as advance payments for the sale of the Company's products. These funds are held in open-end residential escrow accounts until the relevant requirements specified in the Act on the Protection of Rights of Residential Property Buyers are met.

Other current financial assets include funds held in escrow accounts that are earmarked for a project involving construction of common infrastructure for the Company's ongoing developments.

7.10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand and at banks, including bank deposits with maturities of up to three months as at the date of placement. The carrying amounts of these assets correspond to their fair values.

CASH AND CASH EQUIVALENTS	30 Sep 2024 (unaudited)	30 Sep 2023 (unaudited)	31 Dec 2023
Cash in hand and at banks	6,430	8,626	7,356
Short-term bank deposits	70,043	19,836	26,748
Other	-	-	-
Total	76,473	28,462	34,104

7.11 SHARE CAPITAL

CHANGES IN THE COMPANY'S SHARE CAPITAL FROM 1 JANUARY TO 30 SEPTEMBER 2024

CHANGE IN THE REPORTING PERIOD	Share capital – number of shares	Share capital – par value of shares	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

In the three months ended 30 September 2024, there were no changes in the Company's share capital.

OTHER INFORMATION ON THE COMPANY'S SHARE CAPITAL

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

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

SHARE OPTIONS OVER COMPANY SHARES

In the three months ended 30 September 2024, no existing options over Company shares were exercised and no new options were granted.

For information on Management Share Option Programmes, see Note 7.23.

LIST OF SHAREHOLDERS HOLDING DIRECTLY OR INDIRECTLY, THROUGH SUBSIDIARIES, 5% OR MORE OF TOTAL VOTING RIGHTS IN THE COMPANY AS AT THE DATE OF PREPARATION AND AUTHORISATION BY THE COMPANY'S MANAGEMENT BOARD OF THESE CONDENSED FINANCIAL STATEMENTS

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

*) The holding of PTE Allianz Polska S.A. has been reported based on a notification of 15 May 2023. It comprises shares held by Allianz OFE (open-ended pension fund).

HOLDINGS OF DOM DEVELOPMENT S.A. SHARES OR RIGHTS TO SHARES (SHARE OPTIONS) BY MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD AS AT THE DATE OF PREPARATION AND AUTHORISATION BY THE COMPANY'S MANAGEMENT BOARD OF THESE CONDENSED FINANCIAL STATEMENTS

	As at the date of these financial statements				Change after issue of H1 2024 report	
	Shares	Par value of shares (PLN thousand)	Share options	Total shares and share options	Shares	Share options
MANAGEMENT BOARD						
Jarosław Szanajca	1,454,050	1,454	-	1,454,050	-	-
Leszek Stankiewicz	150,000	150	100,000	250,000	-	-
Grzegorz Smoliński	2,675	3	-	2,675	(504)	-
Mikołaj Konopka	213,561	214	-	213,561	-	-
Terry R. Roydon	58,500	59	-	58,500	-	-
SUPERVISORY BOARD						
Grzegorz Kiełpsz	1,280,750	1,281	-	1,280,750	-	-
Janusz Zalewski	291,000	291	-	291,000	(9,000)	-
Mark Spiteri	900	1	-	900	-	-

Members of the Company's Management Board and Supervisory Board did not hold any shares in other Group companies, except for Dom Land Sp. z o.o., in which Jarosław Szanajca, Grzegorz Kiełpsz and Mark Spiteri each held 20% of the shares as at 30 September 2024.

7.12 BANK BORROWINGS

SIGNIFICANT CHANGES IN THE THREE MONTHS ENDED 30 SEPTEMBER 2024

No credit facility agreements expired or were executed by the Company in the three months ended 30 September 2024.

The maturity structure of liabilities under bank borrowings is presented in the table below.

BANK BORROWINGS BY MATURITY	30 Sep 2024 (unaudited)	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	-	-

BANK BORROWINGS AS AT 30 SEPTEMBER 2024

Bank	Registered office	Credit facility amount as per agreement	Currency	Outstanding amount (excluding interest)	Currency	Due date
PKO BP S.A.	Warsaw	200,000	PLN	-	PLN	26 Feb 2027
mBank S.A.	Warsaw	200,000	PLN	-	PLN	29 Jan 2027
Bank Millennium S.A.	Warsaw	60,000	PLN	-	PLN	17 Dec 2024
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 bank borrowings		570,000	PLN	-	PLN	

As at 30 September 2024 and 31 December 2023, all of the Company's credit facilities were denominated in Polish złoty.

KEY DETAILS OF THE COMPANY'S CREDIT FACILITIES

Credit facility with PKO BP S.A.

Revolving credit facility of up to PLN 200,000 thousand. Under the credit facility agreement, Euro Styl S.A. may use the facility up to the limit of PLN 50,000 thousand. As at 30 September 2024, Dom Development S.A. and Euro Styl S.A. had not drawn any funds under the facility.

Credit facility with mBank S.A.

Revolving credit facility of up to PLN 200,000 thousand. Under the credit facility agreement, Dom Development Wrocław Sp. z o.o. and Euro Styl S.A. may each use the facility up to the limit of PLN 60,000 thousand and PLN 100,000, respectively. As at 30 September 2024, Dom Development S.A. and the other Group companies had not drawn any funds under the facility.

Credit facility with Millennium Bank S.A.

Revolving credit facility of up to PLN 60,000 thousand. As at 30 September 2024, Dom Development S.A. had not drawn any funds under the facility.

Credit facility with ING Bank Śląski S.A.

PLN-denominated overdraft facility of up to PLN 50,000 thousand. As at 30 September 2024, Dom Development S.A. had not drawn any funds under the facility.

Credit facility with VeloBank S.A.

Revolving working capital facility of up to PLN 60,000 thousand. As at 30 September 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 that the fair value of the Company's credit facilities is approximately equal to their carrying amounts, taking into account accrued interest.

7.13 BONDS

BONDS	30 Sep 2024 (unaudited)	31 Dec 2023
Nominal value of outstanding bonds, long-term portion	370,000	470,000
Nominal value of outstanding bonds, short-term portion	150,000	50,000
Nominal value of outstanding bonds	520,000	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 that the fair value of the Company's outstanding bonds is approximately equal to their carrying amounts, taking into account 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 this agreement, Dom Development S.A. may issue bonds with a total value of up to PLN 400 million (nominal value of all bonds issued and outstanding). The Bond Programme limit is renewable. In accordance with the terms of the agreement, bonds may be issued by the Company in different series until 17 November 2027.

Agreement with mBank S.A.

Under the agreement of 7 February 2023 Dom Development S.A. may issue bonds with a total value of up to PLN 400 million (nominal value of all bonds issued and outstanding). In accordance with the terms of the agreement, bonds may be issued by the Company in different series for an indefinite period from the issue agreement date. The Bond Programme limit is renewable.

SIGNIFICANT CHANGES IN THE THREE MONTHS ENDED 30 SEPTEMBER 2024

In the three months ended 30 September 2024, there were no changes in the amount of total liabilities under bonds or their maturity dates.

BOND ISSUES AS AT 30 SEPTEMBER 2024

Series	Issuer	Issue date	Amount	Currency	Redemption date
DOMDET3121224	Dom Development S.A.	12 Dec 2019	50,000	PLN	12 Dec 2024
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
Total			520,000		

The outstanding bonds are listed in the alternative trading system operated by the Warsaw Stock Exchange. For key terms and conditions of bonds maturing at future dates, see:

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

7.14 ACCRUED INTEREST ON BANK BORROWINGS AND BONDS

ACCRUED INTEREST ON BANK BORROWINGS AND BONDS	30 Sep 2024 (unaudited)	31 Dec 2023
Accrued interest on bonds	3,483	7,191
Accrued interest on bank borrowings	-	-
Total accrued interest on bank borrowings	3,483	7,191

7.15 LEASE LIABILITIES

The Company's balance sheet includes assets meeting the criteria of IFRS 16 *Leases*. These are:

- right to use office space (under lease contracts),
- perpetual usufruct of land,
- other.

LEASE LIABILITIES	30 Sep 2024 (unaudited)	31 Dec 2023
Lease liabilities, short-term portion, of which:	46,187	48,049
Liabilities under perpetual usufruct of land	40,340	42,856
Liabilities under right to use office and other space	5,847	5,193
Other	-	-
Lease liabilities, long-term portion, of which:	8,535	10,175
Liabilities under right to use office and other space	8,535	10,175
Other	-	-
Total	54,722	58,224

In the case of perpetual usufruct of land, the charges payable over the usufruct period for individual properties (which may be up to 99 years) are discounted to the reporting date. The duration of this period does not depend on how long the Company expects to hold the perpetual usufruct, i.e. plans to use the property for development projects.

As at 30 September 2024, the lease liabilities in respect of the perpetual usufruct of land held by the Company stood at PLN 40,340 thousand, and were disclosed as current liabilities. According to the Management Board's estimates, which are based on the development plans for those properties:

- PLN 3,722 thousand will be payable by the Company within 12 months from the reporting date,
- PLN 3,857 thousand will be payable by the Company in more than 12 months from the reporting date,
- PLN 32,762 thousand will be transferred to buyers of residential units.

7.16 DEFERRED INCOME

Deferred income includes advance payments from customers, which are recognised until the purchased residential units and parking spaces are delivered to the buyers and the corresponding revenue is recognised in the statement of profit or loss. The amount of deferred income changes over time, closely correlating with the rate of sale of residential units and parking spaces, which increases the balance of deferred income, and the rate of delivery of the sold residential units and parking spaces, which reduces the balance.

DEFERRED INCOME	30 Sep 2024 (unaudited)	31 Dec 2023
Deferred income from advance payments from customers for the purchase of products pending recognition as revenue in the statement of profit or loss	994,340	976,152
Other	-	-
Total	994,340	976,152

7.17 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, Wrocław, and Kraków markets, conducted through the subsidiaries.

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

- Warsaw segment
- Tricity segment
- Wrocław segment
- Kraków 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 condensed interim financial statements do not include operating segment disclosures.

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

7.18 REVENUE AND COST OF SALES

ANALYSIS OF REVENUE AND COST OF SALES	9 months ended	9 months	3 months	
	30 Sep 2024 (unaudited)	ended 30 Sep 2023 (unaudited)	ended 30 Sep 2024 (unaudited)	ended 30 Sep 2023 (unaudited)
Revenue from sale of finished products	1,054,878	800,086	209,531	99,456
Revenue from rendering of services	119,881	75,388	49,623	27,196
Revenue from sale of goods (land)	-	-	-	-
Total revenue	1,174,759	875,474	259,154	126,652
Cost of sales of finished products	(752,374)	(546,800)	(152,265)	(66,267)
Cost of sales of services	(88,576)	(57,164)	(34,886)	(21,007)
Cost of sales of goods	-	-	-	-
Inventory write-down to net realisable value	-	-	-	-
Total cost of sales	(840,950)	(603,964)	(187,151)	(87,274)
Gross profit	333,809	271,510	72,003	39,378

7.19 FINANCE INCOME

FINANCE INCOME	9 months ended 30 Sep 2024 (unaudited)	9 months ended 30 Sep 2023 (unaudited)	3 months ended 30 Sep 2024 (unaudited)	3 months ended 30 Sep 2023 (unaudited)
Interest on bank deposits and loans	35,054	36,356	12,892	15,504
Dividends received	155,743	159,336	-	-
Income from discounting of receivables and payables	119	-	45	-
Other interest	496	208	92	93
Measurement of CAP hedging instruments	-	-	-	-
Other	4,441	758	(12)	(21)
Total	195,853	196,658	13,017	15,576

7.20 INCOME TAX RECOGNISED IN THE STATEMENT OF PROFIT OR LOSS

INCOME TAX	9 months ended 30 Sep 2024 (unaudited)	9 months ended 30 Sep 2023 (unaudited)	3 months ended 30 Sep 2024 (unaudited)	3 months ended 30 Sep 2023 (unaudited)
Current income tax	23,000	32,050	11,189	5,465
Deferred income tax recognised in the statement of profit or loss	16,926	6,908	(5,156)	(2,378)
Total	39,926	38,958	6,033	3,087

7.21 EARNINGS PER SHARE

CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE	9 months ended 30 Sep 2024 (unaudited)	9 months ended 30 Sep 2023 (unaudited)	3 months ended 30 Sep 2024 (unaudited)	3 months ended 30 Sep 2023 (unaudited)
BASIC EARNINGS PER SHARE				
Profit used to calculate basic earnings per share	319,143	296,492	27,575	9,061
Weighted average number of ordinary shares used to calculate basic earnings per share	25,782,364	25,644,210	25,798,422	25,698,422
Basic earnings per share (PLN)	12.38	11.56	1.07	0.35
DILUTED EARNINGS PER SHARE				
Profit used to calculate diluted earnings per share	319,143	296,492	27,575	9,061
Potentially dilutive shares from Management Share Option Programme	65,429	103,599	65,155	115,264
Weighted average number of ordinary shares used to calculate diluted earnings per share	25,847,793	25,747,808	25,863,577	25,813,686
Diluted earnings per share (PLN)	12.35	11.52	1.07	0.35

The Company has no discontinued operations. Therefore, earnings per share from continuing operations are equal to earnings per share as calculated above.

7.22 RELATED-PARTY TRANSACTIONS

In the three months ended 30 September 2024 and 30 September 2023, the Company was a party to related-party transactions presented below.

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



DOM DEVELOPMENT S.A. AS BUYER OF PRODUCTS OR SERVICES:	3 months ended 30 Sep 2024 (unaudited)	3 months ended 30 Sep 2023 (unaudited)
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Consulting services		
Hansom Property Company Limited	133	136
Cooperation agreements		
Dom Development Wrocław Sp. z o.o.	164	0
Dom Development Kraków Sp. z o.o.	22	22
Euro Styl S.A.	-	1
Construction services		
Dom Construction Sp. z o.o.	222,664	200,807
Other		
Dom Construction Sp. z o.o.	76	4
Euro Styl Montownia Sp. z o.o.	17	-

DOM DEVELOPMENT S.A. AS SELLER OF PRODUCTS OR SERVICES:	3 months ended 30 Sep 2024 (unaudited)	3 months ended 30 Sep 2023 (unaudited)
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Cooperation agreements		
Dom Development Grunty Sp. z o.o.	2	2
Euro Styl S.A.	1,074	1,063
Euro Styl Construction Sp. z o.o.	2	22
Dom Land Sp. z o.o.	2	2
Dom Development Wrocław Sp. z o.o.	975	856
Dom Construction Sp. z o.o.	2,409	1,775
Dom Development Kredyty Sp. z o.o.	139	190
Dom Development Kraków Sp. z o.o.	874	774
Dom Development Kraków 12 Sp. z o.o.	-	10
Issogne Sp. z o.o.	-	2
Mirabelle Investments Sp. z o.o.	-	2

DOM DEVELOPMENT S.A. AS LENDER:	3 months ended 30 Sep 2024 (unaudited)	3 months ended 30 Sep 2023 (unaudited)
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Loans granted		
Issogne Sp. z o.o.	-	28,000
Dom Development Wrocław Sp. z o.o.	-	42,000
Dom Development Kraków Sp. z o.o.	160,000	160,954
Loans repaid		
Dom Development Wrocław Sp. z o.o.	40,000	-
Dom Development Kraków Sp. z o.o.	-	13,400
Net loan interest received		
Dom Development Wrocław Sp. z o.o.	4,984	4,452
Euro Styl S.A.	2,453	3,230
Dom Development Kraków Sp. z o.o.	5,042	4,753

DOM DEVELOPMENT S.A. AS CONTRIBUTOR OF CAPITAL TO SUBSIDIARIES:	3 months ended 30 Sep 2024 (unaudited)	3 months ended 30 Sep 2023 (unaudited)
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Reimbursement of contribution to equity		
Dom Development Wrocław Sp. z o.o.	-	(15,200)
Payment of share capital		
Dom Development Kraków Sp. z o.o.	-	5,887

DOM DEVELOPMENT S.A. AS ENTITY PAYING DIVIDENDS:	3 months ended 30 Sep 2024 (unaudited)	3 months ended 30 Sep 2023 (unaudited)
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Dividends paid		
Groupe Belleforêt S.à r.l.	91,913	155,545

DOM DEVELOPMENT S.A. AS RECIPIENT OF DIVIDENDS	3 months ended 30 Sep 2024 (unaudited)	3 months ended 30 Sep 2023 (unaudited)
Dividends received		
Dom Construction Sp. z o.o.	-	16,856
Dom Development Kredyty Sp. z o.o.	-	800

RELATED-PARTY TRANSACTION BALANCES – from the Company's perspective	30 Sep 2024 (unaudited)	31 Dec 2023
Receivables from related parties		
Total balance	608,540	513,998
Subsidiaries	608,540	500,444
Dom Development Kraków 12 Sp. z o.o.	-	13
Dom Development Kraków 1 Sp. z o.o.	-	3
Dom Development Wrocław Sp. z o.o. (contributions to equity)	13,500	31,800
Dom Development Wrocław Sp. z o.o. (loans granted)	205,000	180,000
Dom Development Wrocław Sp. z o.o.	1,197	1,007
Euro Styl S.A. (loans granted)	119,250	119,250
Euro Styl S.A.	1,319	1,223
Euro Styl Construction Sp. z o.o.	3	3
Dom Development Kredyty Sp. z o.o.	154	235
Dom Construction Sp. z o.o.	3,004	2,859
Dom Development Kraków Sp. z o.o. (loans granted)	264,038	163,087
Dom Development Kraków Sp. z o.o.	1,075	964
Other	-	13,554
Dom Land Sp. z o.o.	-	13,554

RELATED-PARTY TRANSACTION BALANCES – from the Company's perspective	30 Sep 2024 (unaudited)	31 Dec 2023
Liabilities to related parties		
Total balance	117,380	83,407
Subsidiaries	117,246	83,277
Dom Construction Sp. z o.o.	114,636	79,434
Dom Construction Sp. z o.o. (retentions)	2,598	2,575
Dom Development Kraków 12 Sp. z o.o.	-	1,268
Euro Styl Montownia Sp. z o.o.	12	-
Other	134	130
Hansom Property Company Limited	134	130

7.23 SHARE OPTIONS OVER COMPANY SHARES

INCENTIVE SCHEME – MANAGEMENT SHARE OPTION PROGRAMMES

As at 30 September 2024, the Company operated one Management Share Option Programme (7th Management Share Option Programme) adopted as part of the Incentive Scheme for the Company's Management.

MANAGEMENT SHARE OPTION PROGRAMMES	30 Sep 2024			31 Dec 2023		
	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)
Programme name						

5th Management Share Option Programme	250,000	250,000	250,000	250,000	250,000	200,000
7th Management Share Option Programme	250,000	250,000	150,000	250,000	250,000	100,000

Grant of new share options under Management Share Option Programmes

In the three months ended 30 September 2024 and 30 September 2023, the Company did not grant new share options.

Exercise of share options under Management Share Option Programmes

In the three months ended 30 September 2024 and 30 September 2023, no share options were exercised.

Expiry of share options under Management Share Option Programmes

In the three months ended 30 September 2024 and 30 September 2023, no share options expired under the Company's Management Share Option Programmes.

Share option costs recognised in the statement of profit or loss and under equity

In the three months ended 30 September 2024 and 30 September 2023, share option costs recognised in the statement of profit or loss and in statutory reserve funds amounted to PLN 354 thousand and PLN 875 thousand, respectively.

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

SHARE OPTIONS		3 months ended 30 Sep 2024 (unaudited)	3 months ended 30 Sep 2023 (unaudited)
Options outstanding as at beginning of period	Number	100,000	200,000
	Total exercise price	50,000	10,000
Options granted during period	Number	-	-
	Total exercise price	-	-
Options expired during period	Number	-	-
	Total exercise price	-	-
Options exercised during period	Number	-	-
	Total exercise price	-	-
	Weighted average exercise price per share (PLN/share)	-	-
Options outstanding as at end of period	Number	100,000	200,000
	Total exercise price	5,000	10,000
Options exercisable as at beginning of period	Number	-	-
	Total exercise price	-	-
Options exercisable as at end of the period	Number	-	-
	Total exercise price	-	-

7.24 CONTINGENT LIABILITIES

CONTINGENT LIABILITIES	30 Sep 2024 (unaudited)	31 Dec 2023
Guarantees	23,244	17,917
Sureties	7,900	12,651
Total	31,144	30,568

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

SECURITY FOR THE COMPANY'S LIABILITIES	30 Sep 2024 (unaudited)	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 three months ended 30 September 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.

7.25 MATERIAL COURT DISPUTES AS AT 30 SEPTEMBER 2024

As at 30 September 2024, the Company was not a party to any material court proceedings.

7.26 FACTORS AND EVENTS WITH A MATERIAL EFFECT ON THE COMPANY'S CONDENSED FINANCIAL STATEMENTS

IMPACT OF ECONOMIC CONDITIONS ON THE COMPANY'S OPERATIONS

In the three months ended 30 September 2024, the Company's operations continued without disruption, with all projects progressing according to schedule.

While the residential property market showed signs of stabilisation during the third quarter of 2024, our organisation, a well-established residential property developer with a strong brand and a well-matched product portfolio, delivered excellent sales results. The third quarter was marked by a slight cooling in demand, alongside a gradual recovery in the supply of new homes in major urban areas. The lack of final decisions on the proposed government mortgage support scheme, combined with high interest rates and the holiday season, contributed to a slowdown in the market. Nevertheless, demand for our properties remained stable, both from mortgage-financed buyers and cash purchasers.

The third quarter of 2024 saw further stabilisation in construction costs, with prices of building materials decreasing. One of the Dom Development's key strengths is our in-house general contracting capabilities, which allowed us to foster long-term relationships with subcontractors, mitigating project risks.

To meet strong demand, the Company continues to launch new projects, expanding the stock of available flats across all our markets. We are benefitting from stable construction costs, providing greater predictability at the onset of new projects and helping to protect our margins. Consequently, we achieve satisfactory profitability on our development projects. The fact that all of our projects are built by in-house general contractors further enhances our ability to achieve target margins while maintaining high-quality standards. Looking ahead to the following quarters, we plan to continue expanding our project portfolio.

SIGNIFICANT CHANGES IN THE COMPANY'S DEVELOPMENT PROJECT PORTFOLIO FROM 1 JANUARY TO 30 SEPTEMBER 2024

PROJECTS COMMENCED FROM 1 JANUARY TO 30 SEPTEMBER 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

PROJECTS COMMENCED FROM 1 JANUARY TO 30 SEPTEMBER 2024:

PROJECT	LOCATION	NUMBER OF RESIDENTIAL AND COMMERCIAL UNITS
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	141
Q2 2024		762
Osiedle Przy Alejach, Stage 4	Warsaw	19
Dzielnica Mieszkaniowa Metro Zachód, Stage 8, Phase 4	Warsaw	249
Q3 2024		268
TOTAL		1,717

PROJECTS COMPLETED FROM 1 JANUARY TO 30 SEPTEMBER 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 Międzyzlesie, Stage 2	Warsaw	108
Q3 2024		288
TOTAL		1,009

In addition, the Dom Development Group carried out development projects on the Wrocław, Tricity and Kraków markets through the subsidiaries.

RESIDENTIAL AND COMMERCIAL UNITS DELIVERED TO CUSTOMERS

The table below presents the number of residential and commercial units delivered to customers by the Company in the nine months ended 30 September 2024 and 30 September 2023.

NUMBER OF FLATS AND COMMERCIAL UNITS DELIVERED TO CUSTOMERS	2024	2023
Q1	526	907
Q2	562	181
Q3	263	136
Total	1,351	1,224

7.27 DIVIDEND AND ALLOCATION OF PROFIT

PAYMENT OF DIVIDEND FROM NET PROFIT FOR 2023

On 19 June 2024, the Company's Annual General Meeting resolved on the allocation of the Company's net profit for 2023. Under the resolution, a portion of the profit, i.e. PLN 309,581,064.00, or PLN 12.00 per share, was allocated for payment of dividend to Dom Development S.A. shareholders.

On 18 December 2023, an interim dividend for 2023 of PLN 141,341,321.00 was paid to the shareholders based on a decision of the Company's Management Board (with the consent of the Company's Supervisory Board).

The balance of the dividend amount, that is PLN 168,239,743.00, was distributed on 4 July 2024.

The dividend for 2022 of PLN 282,682,642.00, or PLN 11.00 per share, was paid by the Company on 4 July 2023.

7.28 CHANGES IN THE MANAGEMENT BOARD AND SUPERVISORY BOARD

MANAGEMENT BOARD

CHANGES IN THE MANAGEMENT BOARD OF DOM DEVELOPMENT S.A.

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 Jarosław Szanajca's notice of resignation as President of the Company's Management Board, effective 31 December 2024. Following his resignation, Jarosław Szanajca intends to join the Supervisory Board and continue supporting the Company's development from that position. Additionally, Jarosław Szanajca recommended to the Company's majority shareholder, Groupe Belleforêt S.à r.l. of Luxembourg, that Mikołaj Konopka, current Member of the Management Board, be appointed as President of the Management Board effective 1 January 2025.

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

As at 30 September 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
Monika Perekitko, Member of the Management Board
Terry Roydon, Member of the Management Board
Mikołaj Konopka, Member of the Management Board

For information on changes in the composition of the Company's Management Board that occurred on 29 October 2024, i.e. resignation of Monika Perekitko as Member of the Management Board and appointment of Grzegorz Smoliński and Justyna Wilk as Members of the Management Board, see Note 7.29.

SUPERVISORY BOARD

There were no changes in the composition of the Company's Supervisory Board in the three months ended 30 September 2024.

7.29 SIGNIFICANT EVENTS SUBSEQUENT TO THE REPORTING DATE

RESIGNATION OF MONIKA PEREKITKO AS MEMBER OF THE COMPANY'S MANAGEMENT BOARD AND APPOINTMENT OF GRZEGORZ SMOLIŃSKI AND JUSTYNA WILK AS MEMBERS OF THE MANAGEMENT BOARD

On 29 October 2024, the Company received Monika Perekitko's notice of resignation as Member of the Company's Management Board, effective 29 October 2024. The Management Board also announces that 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 Company's Supervisory Board appointed Grzegorz Smoliński as Member of the Management Board. Grzegorz Smoliński has served in this position since the date of his appointment. 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.

MANAGEMENT BOARD'S DECISION ON PROPOSED PAYMENT OF INTERIM DIVIDEND FOR 2024

On 8 October 2024, the Company's Management Board decided on a proposed payment of interim dividend for 2024 in accordance with Art. 349 of the Commercial Companies Code. Based on the Management Board's plans, the interim dividend for 2024 would amount to PLN 154,790,532, or PLN 6.00 per share. The amount of the distribution and the record date will be determined following the preparation of, and based on, the condensed interim financial statements of the Company for the six months ended 30 June 2024, audited by an independent auditor appointed by the Company's Supervisory Board.

7.30 FINANCIAL FORECASTS

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

7.31 FINANCIAL HIGHLIGHTS TRANSLATED INTO EURO

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

SELECTED ITEMS OF THE CONDENSED INTERIM BALANCE SHEET	30 Sep 2024 EUR thousand (unaudited)	31 Dec 2023 EUR thousand
Total current assets	571,840	527,817
Total assets	827,159	758,316
Total equity	356,000	314,665
Non-current liabilities	102,235	126,695
Current liabilities	368,925	316,955
Total liabilities	471,159	443,651
PLN/EUR exchange rate as at the reporting date	4.2791	4.3480

SELECTED ITEMS OF THE CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS	9 months ended 30 Sep 2024 EUR thousand (unaudited)	9 months ended 30 Sep 2023 EUR thousand	3 months ended 30 Sep 2024 EUR thousand (unaudited)	3 months ended 30 Sep 2023 EUR thousand (unaudited)
Revenue	273,061	191,264	60,483	27,986
Gross profit	77,591	59,317	16,805	8,701
Operating profit	45,381	35,241	6,926	1,108
Profit before tax	83,462	73,286	7,844	2,684
Net profit	74,182	64,774	6,436	2,002
Average PLN/EUR exchange rate for the reporting period	4.3022	4.5773	4.2847	4.5256