

DOM DEVELOPMENT GROUP

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
30 JUNE 2024**





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

These condensed consolidated interim financial statements for the six months ended 30 June 2024, comprising:

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

were prepared and authorised for issue by the Management Board of Dom Development S.A. on 28 August 2024.

The Management Board of Dom Development S.A. represents that, to the best of its knowledge, these condensed consolidated interim financial statements for the six months ended 30 June 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 the Dom Development Group.

Jarosław Szanajca

President of the Management Board

Leszek Stankiewicz

Vice President of the Management Board

Monika Perekitko

Member of the Management Board

Mikołaj Konopka

Member of the Management Board

Terry R. Roydon

Member of the Management Board

2 CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

ASSETS	Note	30 Jun 2024 (unaudited)	31 Dec 2023
Non-current assets			
Intangible assets		20,626	20,210
Property, plant and equipment	7.5	70,192	62,146
Deferred tax assets		30,774	31,902
Long-term receivables		7,320	7,313
Investment property		23,288	23,497
Other non-current assets		12,966	11,597
TOTAL NON-CURRENT ASSETS		165,166	156,665
Current assets			
Inventory	7.6	4,096,468	3,837,118
Trade and other receivables		110,599	85,695
Other current assets		64,925	77,357
Income tax receivables		29,029	2,645
Current financial assets	7.7	108,288	117,560
Cash and cash equivalents	7.8	544,921	286,274
TOTAL CURRENT ASSETS		4,954,230	4,406,649
TOTAL ASSETS		5,119,396	4,563,314
EQUITY AND LIABILITIES			
	Note	30 Jun 2024 (unaudited)	31 Dec 2023
Equity			
Share capital	7.9	25,798	25,698
Share premium	7.9	276,458	271,558
Other equity (statutory reserve funds)		897,383	765,143
Cash flow hedge reserve		7,802	5,484
Reserve from share capital reduction		510	510
Retained earnings		312,342	381,065
Equity attributable to owners of the parent		1,520,293	1,449,458
Non-controlling interests		197	82
TOTAL EQUITY		1,520,490	1,449,540
Non-current liabilities			
Bank borrowings, long-term portion	7.10	-	-
Bonds, long-term portion	7.11	470,000	470,000
Deferred tax liabilities		44,363	28,012
Long-term provisions		52,791	45,610
Lease liabilities, long-term portion	7.13	40,244	38,450
Other non-current liabilities		110,200	107,906
TOTAL NON-CURRENT LIABILITIES		717,598	689,978
Current liabilities			
Trade, tax and other payables		631,833	484,222
Bank borrowings, short-term portion	7.10	-	-
Bonds, short-term portion	7.11	50,000	50,000
Accrued interest on bank borrowings and bonds	7.12	6,846	7,191
Lease liabilities, short-term portion	7.13	92,142	95,295
Corporate income tax payables		14,606	24,351
Liabilities under dividends	7.24	168,239	-
Short-term provisions		37,483	29,080
Deferred income	7.14	1,880,159	1,733,657
TOTAL CURRENT LIABILITIES		2,881,308	2,423,796
TOTAL LIABILITIES		3,598,906	3,113,774
TOTAL EQUITY AND LIABILITIES		5,119,396	4,563,314

All amounts are stated in thousands of Polish złoty.

3 CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

	Note	6 months ended 30 Jun 2024 (unaudited)	6 months ended 30 Jun 2023 (unaudited)	3 months ended 30 Jun 2024 (unaudited)	3 months ended 30 Jun 2023 (unaudited)
Revenue	7.16	1,369,604	1,274,517	663,700	452,508
Cost of sales	7.16	(930,792)	(876,943)	(464,813)	(312,367)
Gross profit		438,812	397,574	198,887	140,141
Selling costs		(49,994)	(42,264)	(26,001)	(20,868)
General and administrative expenses		(88,406)	(76,523)	(44,813)	(39,144)
Other income		6,955	9,527	2,563	7,103
Other expenses		(21,536)	(17,265)	(16,395)	(13,484)
Operating profit		285,831	271,049	114,241	73,748
Finance income		7,675	12,486	4,510	7,805
Finance costs		(5,105)	(1,692)	(2,022)	(585)
Profit before tax		288,401	281,843	116,729	80,968
Income tax	7.17	(57,237)	(59,282)	(22,918)	(17,173)
Net profit from continuing operations		231,164	222,561	93,811	63,795
Net profit from discontinued operations*)		-	-	-	-
Net profit		231,164	222,561	93,811	63,795
Net profit attributable to:					
Non-controlling interests		115	(2)	(4)	(1)
Owners of the parent		231,049	222,563	93,815	63,796
Earnings per share attributable to owners of the parent					
Basic (PLN)	7.18	8.96	8.69	3.64	2.49
Diluted (PLN)	7.18	8.94	8.66	3.63	2.48

*) In the six months ended 30 June 2024 and 30 June 2023, the Group did not discontinue any of its operations.

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

4 CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	6 months ended 30 Jun 2024 (unaudited)	6 months ended 30 Jun 2023 (unaudited)	3 months ended 30 Jun 2024 (unaudited)	3 months ended 30 Jun 2023 (unaudited)
Net profit	231,164	222,561	93,811	63,795
Other comprehensive income:				
Net change due to cash flow hedges	2,862	(8,621)	78	(4,128)
Items that will be reclassified to the statement of profit or loss	2,862	(8,621)	78	(4,128)
Items that will not be reclassified to the statement of profit or loss	-	-	-	-
Other comprehensive income (loss), before tax	2,862	(8,621)	78	(4,128)
Income tax on other comprehensive income that will be reclassified to the statement of profit or loss	(544)	1,638	(15)	784
Net other comprehensive income	2,318	(6,983)	63	(3,344)
Net comprehensive income	233,482	215,578	93,874	60,451
Net comprehensive income attributable to:				
Non-controlling interests	115	(2)	(4)	(1)
Owners of the parent	233,367	215,580	93,878	60,452

All amounts are stated in thousands of Polish złoty.

5 CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	Note	6 months ended 30 Jun 2024 (unaudited)	6 months ended 30 Jun 2023 (unaudited)
Cash flows from operating activities			
Profit before tax		288,401	281,843
Adjustments for:			
Depreciation and amortisation		11,927	10,192
Foreign exchange (gains)/losses		(715)	(900)
(Gain)/loss from investments		1,639	(5)
Interest expense/(income)		(2,019)	(8,291)
Costs from valuation of management share option programmes		707	1,750
Changes in working capital:			
Change in provisions		15,585	5,027
Change in inventory		(247,630)	63,546
Changes in receivables		(24,906)	1,254
Change in current liabilities, net of bank borrowings and bonds		144,926	53,466
Change in accruals and deferred income		167,310	15,894
Other adjustments		715	660
Cash flows from operating activities		355,940	424,436
Interest received		2,661	8,088
Interest paid		(17,232)	(8,826)
Income tax paid		(75,452)	(118,885)
Net cash from operating activities		265,917	304,813
Cash flows from investing activities			
Proceeds from sale of intangible assets and property, plant and equipment		1,126	634
Repayments of loans granted		-	-
Other proceeds/(payments) related to financial assets		6	267
Loans granted		-	-
Acquisition of intangible assets and property, plant and equipment		(11,512)	(8,007)
Acquisition of financial assets and contributions to equity		-	-
Net cash from investing activities		(10,380)	(7,106)
Cash flows from financing activities			
Proceeds from issue of shares (exercise of share options)	7.9	5,000	5,000
Proceeds from bank borrowings		141,154	44,904
Proceeds from issue of debt securities	7.11	-	-
Repayment of bank borrowings		(141,154)	(59,177)
Redemption of debt securities	7.11	-	(1,012)
Distribution of profit (dividends)		-	-
Payments under lease contracts		(1,890)	(248)
Net cash from financing activities		3,110	(10,533)
Net increase/(decrease) in cash and cash equivalents		258,647	287,174
Cash and cash equivalents at beginning of period	7.8	286,274	304,236
Cash and cash equivalents at end of period	7.8	544,921	591,410

All amounts are stated in thousands of Polish zloty.

6 CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

6 MONTHS ENDED 30 JUNE 2024

Note	Share capital	Share premium	Other equity (statutory reserve funds)	Reserve from share capital reduction	Cash flow hedge reserve	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Equity at beginning of period	25,698	271,558	765,143	510	5,484	381,065	1,449,458	82	1,449,540
Share capital increase from exercise of share options	7.9	100	4,900	-	-	-	5,000	-	5,000
Transfer of profit to statutory reserve funds	-	-	131,533	-	-	(131,533)	-	-	-
Dividend for shareholders	7.24	-	-	-	-	(168,239)	(168,239)	-	(168,239)
Creation of share-based payment reserve (from share option valuation)	7.20	-	-	707	-	-	707	-	707
Net profit for reporting period	-	-	-	-	-	231,049	231,049	115	231,164
Net other comprehensive income	-	-	-	-	2,318	-	2,318	-	2,318
Net comprehensive income	-	-	-	-	2,318	231,049	233,367	115	233,482
Increase/(decrease) in equity	100	4,900	132,240	-	2,318	(68,723)	70,835	115	70,950
Equity at end of period	25,798	276,458	897,383	510	7,802	312,342	1,520,293	197	1,520,490

All amounts are stated in thousands of Polish zloty.

The data as at 30 June 2024 has not been audited.

6 MONTHS ENDED 30 JUNE 2023

Note	Share capital	Share premium	Other equity (statutory reserve funds)	Reserve from share capital reduction	Cash flow hedge reserve	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Equity at beginning of period	25,548	264,208	670,640	510	16,444	435,864	1,413,214	59	1,413,273
Share capital increase from exercise of share options	7.9	150	7,350	-	-	-	7,500	-	7,500
Transfer of profit to statutory reserve funds	-	-	91,002	-	-	(91,002)	-	-	-
Dividend for shareholders	7.24	-	-	-	-	(282,682)	(282,682)	-	(282,682)
Creation of share-based payment reserve (from share option valuation)	7.20	-	-	1,750	-	-	1,750	-	1,750
Net profit for reporting period	-	-	-	-	-	222,563	222,563	(2)	222,561
Net other comprehensive income	-	-	-	-	(6,983)	-	(6,983)	-	(6,983)
Net comprehensive income	-	-	-	-	(6,983)	222,563	215,580	(2)	215,578
Increase/(decrease) in equity	150	7,350	92,752	-	(6,983)	(151,121)	(57,852)	(2)	(57,854)
Equity at end of period	25,698	271,558	763,392	510	9,461	284,743	1,355,362	57	1,355,419

All amounts are stated in thousands of Polish zloty.

The data as at 30 June 2023 has not been audited.

7 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS



7.1 GENERAL INFORMATION ABOUT THE PARENT OF THE DOM DEVELOPMENT GROUP AND THE GROUP

GENERAL INFORMATION ABOUT THE PARENT OF THE DOM DEVELOPMENT GROUP

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.

The parent of the Dom Development Group (the “Group”) is Spółka Akcyjna Dom Development S.A. (the “Company” or the “parent”), entered in the National Court Register maintained by the District Court for the Capital City of Warsaw, 12th Commercial Division of the National Court Register, under No. 0000031483.

According to the Polish Classification of Business Activities, the principal business activity of the Company and other Group companies is the development of building projects (PKD 4110Z). The Company operates mainly in Warsaw. The Group companies are also active in the markets of the Tricity (Gdańsk-Gdynia- Sopot metropolitan area), Wrocław and Kraków.

The Company a majority-owned subsidiary of Groupe Belleforêt S.à r.l. of Luxembourg (see Note 7.9). As at 30 June 2024, the parent, Dom Development S.A., was controlled by Groupe Belleforêt S.à r.l., which held 54.81% of its shares.

GENERAL INFORMATION ON THE DOM DEVELOPMENT GROUP

The Group structure and equity interests held (directly and indirectly) by the parent in the Group companies a at 30 June 2024 are presented in the table below.

NAME	Country of registration	Parent's ownership interest	Parent's voting interest	Consolidation method
Subsidiaries				
Dom Development Grunty Sp. z o.o.	Poland	46%	100%	full consolidation
Dom Development Kredyty Sp. z o.o.	Poland	100%	100%	full consolidation
Dom Development Wrocław Sp. z o.o.	Poland	100%	100%	full consolidation
Dom Land Sp. z o.o.	Poland	-	-	full consolidation
Euro Styl S.A.*)	Poland	100%	100%	full consolidation
Dom Construction Sp. z o.o.	Poland	100%	100%	full consolidation
Dom Development Kraków Sp. z o.o.	Poland	100%	100%	full consolidation
Fundacja Nasz Dom	Poland	100%	100%	full consolidation

*) Euro Styl S.A. is the parent of the Euro Styl group.

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

Dom Development Grunty Sp. z o.o., in which the parent holds a 46% equity interest, is fully consolidated as its financial and operating policies are directed by members of the Management Board appointed by Dom Development S.A. The subsidiary's business consists in acquiring properties for the Group's development projects.

Dom Development S.A. does not hold any shares in Dom Land Sp. z o.o., but controls the company through its Management Board members. Dom Land Sp. z o.o. holds 54% of shares in Dom Development Grunty Sp. z o.o.

All Group companies operate in Poland in accordance with the Commercial Companies Code, and their duration is unlimited.

In the six months ended 30 June 2024, the Group did not discontinue any of its operations.

MATERIAL CHANGES IN THE GROUP STRUCTURE, INCLUDING MERGERS, ACQUISITIONS OR DIVESTMENTS OF GROUP COMPANIES, LONG-TERM INVESTMENTS, DEMERGERS, RESTRUCTURINGS AND DISCONTINUATION OF BUSINESS

- Further concentration of residential property development operations in the Kraków market within Dom Development Kraków Sp. z o.o.

On 10 June 2024, Dom Development S.A. sold shares in its subsidiary Dom Development Kraków 12 Sp. z o.o. to another subsidiary, Dom Development Kraków Sp. z o.o.

In June 2024, Dom Development Kraków 12 Sp. z o.o. announced an intended merger of Dom Development Kraków 12 Sp. z o.o. (as the acquiree) and Dom Development Kraków Sp. z o.o. (as the acquirer). The merger was registered with the National Court Register on 1 August 2024.

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

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

Certain information and disclosures typically included with the consolidated 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 consolidated interim financial statements have been prepared on the assumption that the Group companies will continue as going concerns 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 Group as a whole, and the Group’s long-term objectives. The Management Board believes that as at the date of authorisation of these condensed consolidated 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 functional currency of the parent and the other companies included in these condensed consolidated interim financial statements is Polish złoty (“PLN”). These condensed consolidated interim financial statements have been prepared in Polish złoty. Unless stated otherwise, financial data presented in these condensed consolidated interim financial statements is expressed in thousands of Polish złoty.

The condensed consolidated interim balance sheet, condensed consolidated interim statement of profit or loss, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of cash flows, and condensed consolidated interim statement of changes in equity have not been audited, but have been reviewed by an independent statutory auditor. These unaudited condensed consolidated interim financial statements do not include all the information and disclosures required in full-year consolidated financial statements, and should be read in conjunction with the Group’s audited consolidated full-year financial statements for the 12 months ended 31 December 2023.

The Company also prepared condensed separate interim financial statements of Dom Development S.A. for the six months ended 30 June 2024, which were authorised by the Company’s Management Board on 28 August 2024.

7.3 ACCOUNTING POLICIES

Under Polish laws, the Group is required to prepare condensed consolidated 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 Group’s operations, there are no differences between the accounting policies applied by the Group in accordance with IFRS and those endorsed by the EU.

These condensed consolidated 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 consolidated interim financial statements are consistent with those applied in preparing the Group's consolidated 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 or after 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. The amended standard includes a new example that illustrates the application of the new requirement in this respect.
- **IAS 1 *Presentation of Financial Statements*.** In 2020, the IASB issued amendments to IAS 1 that addressed the presentation of liabilities as either current or non-current. In October 2022, the IASB released further amendments to IAS 1 to 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, waiver or breach of a covenant).
- **Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures*** – disclosure of information about supplier finance arrangements. In May 2023, the IASB issued amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures*, introducing 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 Group's financial position, results of operations, or scope of information presented in these condensed consolidated interim financial statements.

The Group 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 associate or joint venture.** 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 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 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 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 Group's financial position, performance and scope of information presented in condensed consolidated interim financial statements. The Management Board does not expect the new standards and amendments to existing standards to have a material effect on the Group's condensed consolidated 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 Group'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 an 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 Group's operations are not subject to any significant seasonal fluctuations.

7.5 PROPERTY, PLANT AND EQUIPMENT

PROPERTY, PLANT AND EQUIPMENT	30 Jun 2024 (unaudited)	31 Dec 2023
Property, plant and equipment, of which:		
Plant, machinery and other items of property, plant and equipment	6,412	4,355
Vehicles	9,510	7,804
Land and buildings	4,746	3,960
Right to use office and other space	49,524	46,027
Total	70,192	62,146

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

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

7.6 INVENTORY

INVENTORY	30 Jun 2024 (unaudited)	31 Dec 2023
Prepaid deliveries	108,897	121,445
of which: at cost	108,897	121,445
write-down to net realisable value	-	-
Semi-finished products and work in progress	3,854,819	3,511,016
of which: at cost	3,810,091	3,460,500
perpetual usufruct of land (lease)	75,636	81,425
write-down to net realisable value	(30,908)	(30,909)
Finished products	132,752	204,657
of which: at cost	138,981	210,886
write-down to net realisable value	(6,229)	(6,229)
Total	4,096,468	3,837,118

INVENTORY WRITE-DOWNS	6 months ended 30 Jun 2024 (unaudited)	6 months ended 30 Jun 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 Group.

CARRYING AMOUNTS OF INVENTORIES PLEDGED AS SECURITY FOR LIABILITIES AND MORTGAGE AMOUNTS	30 Jun 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

7.7 CURRENT FINANCIAL ASSETS

CURRENT FINANCIAL ASSETS	30 Jun 2024 (unaudited)	31 Dec 2023
Bank deposits with maturities of more than three months	-	-
Cash in open-end residential escrow accounts	76,716	102,623
Other current financial assets	31,572	14,937
Total	108,288	117,560

Cash in open-end residential escrow accounts includes funds received from the Group's customers as advance payments for the sale of the Group'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 Group's ongoing developments.

7.8 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 Jun 2024 (unaudited)	30 Jun 2023 (unaudited)	31 Dec 2023
Cash in hand and at banks	59,104	95,294	28,232
Short-term bank deposits	485,817	496,116	258,042
Other	-	-	-
Total	544,921	591,410	286,274

7.9 SHARE CAPITAL

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

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.

EXERCISE OF OPTIONS OVER COMPANY SHARES

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

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

On 30 January 2024, Mikołaj Konopka exercised options over Company shares (subscription warrants) and subscribed for 50,000 shares. The issue price of Series AJ shares was PLN 50.00 per share.

On 6 February 2024, Leszek Stankiewicz exercised options over Company shares (subscription warrants) and subscribed for 50,000 shares. The issue price of Series AK shares was PLN 50.00 per share.

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

SHARE CAPITAL STRUCTURE

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.

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 CONSOLIDATED 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	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 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 AT THE DATE OF PREPARATION AND AUTHORISATION BY THE COMPANY'S MANAGEMENT BOARD OF THESE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

	As at the date of these financial statements				Change after issue of Q1 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	-	-
Monika Perekitko	-	-	-	-	-	-
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	300,000	300	-	300,000	-	-
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 June 2024.

7.10 BANK BORROWINGS

SIGNIFICANT CHANGES IN THE SIX MONTHS ENDED 30 JUNE 2024

No credit facility agreements expired or were executed by the Group companies in the six months ended 30 June 2024.

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

BANK BORROWINGS BY MATURITY	30 Jun 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 JUNE 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 June 2024 and 31 December 2023, all of the Group's credit facilities were denominated in Polish zloty.

KEY DETAILS OF THE GROUP'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 June 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 June 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 June 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 June 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 June 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 Company's Management Board estimates that the fair value of the Group's credit facilities is approximately equal to their carrying amounts, taking into account accrued interest.

7.11 BONDS

BONDS	30 Jun 2024 (unaudited)	31 Dec 2023
Nominal value of outstanding bonds, long-term portion	470,000	470,000
Nominal value of outstanding bonds, short-term portion	50,000	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 Company's Management Board estimates that the fair value of the Group'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 SIX MONTHS ENDED 30 JUNE 2024

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

BOND ISSUES AS AT 30 JUNE 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>

7.12 ACCRUED INTEREST ON BANK BORROWINGS AND BONDS

ACCRUED INTEREST ON BANK BORROWINGS AND BONDS	30 Jun 2024 (unaudited)	31 Dec 2023
Accrued interest on bonds	6,846	7,191
Accrued interest on bank borrowings	-	-
Total accrued interest on bank borrowings	6,846	7,191

7.13 LEASE LIABILITIES

The Group'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 (cars).

LEASE LIABILITIES	30 Jun 2024 (unaudited)	31 Dec 2023
Lease liabilities, short-term portion, of which:	92,142	95,295
Liabilities under perpetual usufruct of land	80,686	84,953
Liabilities under right to use office and other space	11,285	10,028
Other	171	314
Lease liabilities, long-term portion, of which:	40,244	38,450
Liabilities under right to use office and other space	39,810	38,450
Other	434	-
Total	132,386	133,745

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 Group expects to hold the perpetual usufruct, i.e. plans to use the property for development projects.

As at 30 June 2024, the lease liabilities in respect of the perpetual usufruct of land held by the Group stood at PLN 80,686 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 6,461 thousand will be payable by the Group within 12 months from the reporting date,
- PLN 7,073 thousand will be payable by the Group in more than 12 months from the reporting date,
- PLN 67,152 thousand will be transferred to buyers of residential units.

7.14 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 Jun 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	1,880,159	1,733,657
Other	-	-
Total	1,880,159	1,733,657

7.15 SEGMENT REPORTING

The Group'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 of Dom Development S.A.

The key metrics for the assessment of the performance in each market are revenue, gross profit and gross profit margin earned in the respective markets.

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

- Warsaw segment
- Tricity segment
- Wrocław segment
- Kraków segment

Presented below is the Group's financial data presented based on the geographical location of the Group's development projects.

DATA FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Warsaw segment	Wrocław segment	Tricity segment	Kraków segment	Unallocated	Total
Revenue	915,904	38,199	325,647	89,854	-	1,369,604
Gross profit after cost allocation	273,538	10,297	131,006	23,971	-	438,812
Selling costs and general and administrative expenses					(138,400)	(138,400)
Net other income/(expenses)					(14,581)	(14,581)
Operating profit					(152,981)	285,831
Net finance income/(costs)					2,570	2,570
Profit before tax					(150,411)	288,401
Income tax					(57,237)	(57,237)
Net profit					(207,648)	231,164

DATA FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Warsaw segment	Wrocław segment	Tricity segment	Kraków segment	Unallocated	Total
Revenue	740,148	80,423	364,859	89,087	-	1,274,517
Gross profit after cost allocation	234,192	16,125	136,958	10,299	-	397,574
Selling costs and general and administrative expenses					(118,787)	(118,787)
Net other income/(expenses)					(7,738)	(7,738)
Operating profit					(126,525)	271,049
Net finance income/(costs)					10,794	10,794
Profit before tax					(115,731)	281,843
Income tax					(59,282)	(59,282)
Net profit					(175,013)	222,561

7.16 REVENUE AND COST OF SALES

ANALYSIS OF REVENUE AND COST OF SALES	6 months ended		3 months ended	
	30 Jun 2024 (unaudited)	30 Jun 2023 (unaudited)	30 Jun 2024 (unaudited)	30 Jun 2023 (unaudited)
Revenue from sale of finished products	1,272,493	1,228,925	613,297	424,082
Revenue from rendering of services	84,495	45,507	49,125	28,380
Revenue from sale of goods (land)	12,616	85	1,278	46
Total revenue	1,369,604	1,274,517	663,700	452,508
Cost of sales of finished products	(845,546)	(834,263)	(420,950)	(285,872)
Cost of sales of services	(73,826)	(42,676)	(42,777)	(26,493)
Cost of sales of goods	(11,420)	(4)	(1,086)	(2)
Inventory write-down to net realisable value	-	-	-	-
Total cost of sales	(930,792)	(876,943)	(464,813)	(312,367)
Gross profit	438,812	397,574	198,887	140,141

7.17 INCOME TAX RECOGNISED IN THE STATEMENT OF PROFIT OR LOSS

INCOME TAX	6 months	6 months	3 months	3 months
	ended	ended	ended	ended
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Current income tax	40,302	54,212	14,046	34,608
Deferred income tax recognised in the statement of profit or loss	16,935	5,070	8,872	(17,435)
Total	57,237	59,282	22,918	17,173

7.18 EARNINGS PER SHARE

CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE	6 months	6 months	3 months	3 months
	ended	ended	ended	ended
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
BASIC EARNINGS PER SHARE				
Profit used to calculate basic earnings per share	231,049	222,563	93,815	63,796
Weighted average number of ordinary shares used to calculate basic earnings per share	25,774,246	25,616,654	25,798,422	25,648,971
Basic earnings per share (PLN)	8.96	8.69	3.64	2.49
DILUTED EARNINGS PER SHARE				
Profit used to calculate diluted earnings per share	231,049	222,563	93,815	63,796
Potentially dilutive shares from Management Share Option Programme	63,506	89,149	65,699	101,165
Weighted average number of ordinary shares used to calculate diluted earnings per share	25,837,752	25,705,803	25,864,121	25,750,136
Diluted earnings per share (PLN)	8.94	8.66	3.63	2.48

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

7.19 RELATED-PARTY TRANSACTIONS

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

DOM DEVELOPMENT S.A. AS BUYER OF PRODUCTS OR SERVICES:	6 months ended	6 months ended
	30 Jun 2024	30 Jun 2023
	(unaudited)	(unaudited)
Consulting services		
Hansom Property Company Limited	1,810	1,622
Cooperation agreements		
Doradztwo w Zakresie Infrastruktury Technicznej Rafał Kierski	-	1,190
RELATED-PARTY TRANSACTION BALANCES – from the Company's perspective		
	30 Jun 2024	31 Dec 2023
	(unaudited)	
Receivables from related parties		
Total balance	2,952	2,952
Doradztwo w Zakresie Infrastruktury Technicznej Rafał Kierski	2,952	2,952

RELATED-PARTY TRANSACTION BALANCES – from the Company's perspective	30 Jun 2024 (unaudited)	31 Dec 2023
Liabilities to related parties		
Total balance	130	130
Hansom Property Company Limited	130	130

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

7.20 SHARE OPTIONS

INCENTIVE SCHEME – MANAGEMENT SHARE OPTION PROGRAMMES

As at 30 June 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 Jun 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)
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 six months ended 30 June 2024 and 30 June 2023, the Company did not grant new share options.

Exercise of share options under Management Share Option Programmes

In the six months ended 30 June 2024, the Management Board increased the Company's share capital by issuing 50,000 Series AJ ordinary bearer shares and 50,000 Series AK ordinary bearer shares. The issue price of the shares was set at PLN 50.00 per share. The purpose of the issue of shares within the limits of the authorised share capital was to enable the Company to meet its obligations arising from:

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

For more information on the issue of Series AJ and Series AK shares, see Note 7.9.

Expiry of share options under Management Share Option Programmes

In the six months ended 30 June 2024 and 30 June 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 statutory reserve funds

In the six months ended 30 June 2024 and 30 June 2023, share option costs recognised in the statement of profit or loss and in statutory reserve funds amounted to PLN 708 thousand and PLN 1,750 thousand, respectively.

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

SHARE OPTIONS		6 months ended 30 Jun 2024 (unaudited)	6 months ended 30 Jun 2023 (unaudited)
Options outstanding as at beginning of period	Number	200,000	300,000
	Total exercise price	10,000	15,000
Options granted during period	Number	-	-
	Total exercise price	-	-
Options expired during period	Number	-	-
	Total exercise price	-	-
Options exercised during period	Number	100,000	100,000
	Total exercise price	5,000	5,000
	Weighted average exercise price per share (PLN/share)	50.00	50.00
Options outstanding as at end of period	Number	100,000	200,000
	Total exercise price	5,000	10,000
Options exercisable at beginning of period	Number	100,000	100,000
	Total exercise price	5,000	5,000
Options exercisable at end of the period	Number	-	-
	Total exercise price	-	-

7.21 CONTINGENT LIABILITIES

CONTINGENT LIABILITIES	30 Jun 2024 (unaudited)	31 Dec 2023
Guarantees	23,244	17,917
Sureties	8,036	12,651
Total	31,280	30,568

In addition, certain liabilities of Group companies are secured with promissory notes:

SECURITY FOR THE COMPANY'S LIABILITIES	30 Jun 2024 (unaudited)	31 Dec 2023
Promissory notes, of which:		
- promissory notes classified as other security	5,900	5,900
- promissory notes securing lease contracts	-	-
Total	5,900	5,900

In the six months ended 30 June 2024, the Group companies 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 Group would be material or would represent 10% or more of the Company's equity.

7.22 MATERIAL COURT DISPUTES AS AT 30 JUNE 2024

As at 30 June 2024, none of the Group companies were party to any material court proceedings.

7.23 FACTORS AND EVENTS WITH A MATERIAL EFFECT ON THE GROUP'S CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

IMPACT OF ECONOMIC CONDITIONS ON THE GROUP'S OPERATIONS

In the six months ended 30 June 2024, the Group's operations continued without disruption, with all projects progressing according to schedule.

While the residential property market showed signs of stabilisation during the first half 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 second quarter was marked by a slight cooling in demand, alongside a gradual recovery in the supply of new homes in major urban areas. Uncertainty regarding the introduction, timing, and terms of the new government mortgage support scheme #naStart caused some potential buyers to delay their purchasing decisions. Nevertheless, demand for our properties remained stable, both from mortgage-financed buyers and cash purchasers.

Cash transactions accounted for 56% of the Group's total sales in the first quarter of 2024 and 48% in the second quarter. Despite a slight decline quarter on quarter, the level of purchases for investment purposes remains significant.

The first half of 2024 saw further stabilisation in construction costs, with prices of building materials decreasing by an average of 1.3% year on year. One of the Group'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 Group 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 remainder of 2024, we plan to continue expanding our project portfolio.

Detailed information on the projects commenced and completed by the Dom Development Group in the six months ended 30 June 2024 is provided below.

CHANGES IN THE GROUP'S DEVELOPMENT PROJECT PORTFOLIO FROM 1 JANUARY TO 30 JUNE 2024

PROJECTS COMMENCED FROM 1 JANUARY TO 30 JUNE 2024:

PROJECT	COMPANY*	LOCATION**	NUMBER OF RESIDENTIAL AND COMMERCIAL UNITS
Dzielnica Mieszaniowa Metro Zachód, Stage 10, Phase 1	Dom Development S.A.	Warsaw	145
Osiedle Urbino, Stage 2, Phase 2	Dom Development S.A.	Warsaw	100
Osiedle Przy Alejach, Phase 3	Dom Development S.A.	Warsaw	105
Osiedle Harmonia Mokotów, Phase 2	Dom Development S.A.	Warsaw	213
Osiedle Przy Forcie, Phase 1	Dom Development S.A.	Warsaw	124
Wzgórze Hoplity 1	Euro Styl S.A.	Tricity	58
Konstelacja C5-C6	Euro Styl S.A.	Tricity	84
Osiedle Beauforta 2 (A7-A9)	Euro Styl S.A.	Tricity	113
Osiedle Międzyleska, Phase 2	Dom Development Wrocław Sp. z o.o.	Wrocław	248
Górka Narodowa E1	Dom Development Kraków Sp. z o.o.	Kraków	113
Q1 2024			1,303
Mokotów Sportowy, Stage 1, Phase 1a	Dom Development S.A.	Warsaw	158
Dzielnica Mieszaniowa Metro Zachód, Stage 8, Phase 3 (building E)	Dom Development S.A.	Warsaw	118
Dzielnica Mieszaniowa Metro Zachód, Stage 8, Phase 3 (building F)	Dom Development S.A.	Warsaw	90
Osiedle Przy Alejach, Stage 2	Dom Development S.A.	Warsaw	150
Osiedle Harmonia Mokotów, Stage 3	Dom Development S.A.	Warsaw	105
Apartamenty Rudnickiego, Stage 1	Dom Development S.A.	Warsaw	141
Osiedle przy Błoniach 3, Phase 2 (building B7)	Euro Styl S.A.	Tricity	56
Osiedle Synteza 1, Phase 3 (building D)	Euro Styl S.A.	Tricity	142
Osiedle Widoki 1, Phase 4 (building GH)	Euro Styl S.A.	Tricity	60
Osiedle Mieszkaniowe Górka Narodowa, Stage 5, Phase 2	Dom Development Kraków Sp. z o.o.	Kraków	111


PROJECTS COMMENCED FROM 1 JANUARY TO 30 JUNE 2024:

PROJECT	COMPANY*	LOCATION**	NUMBER OF RESIDENTIAL AND COMMERCIAL UNITS
Osiedle Mieszkaniowe Górka Narodowa, Stage 5, Phase 3	Dom Development Kraków Sp. z o.o.	Kraków	105
Apartamenty Park Matecznego, Stage 1, Phase 1	Dom Development Kraków Sp. z o.o.	Kraków	33
Apartamenty Park Matecznego, Stage 1, Phase 2	Dom Development Kraków Sp. z o.o.	Kraków	150
Apartamenty Park Matecznego, Stage 1, Phase 3	Dom Development Kraków Sp. z o.o.	Kraków	170
Osiedle przy Malborskiej, Stage 2, Phase 1	Dom Development Kraków Sp. z o.o.	Kraków	71
Q2 2024			1,660
	DOM DEVELOPMENT GROUP		2,963
SUMMARY: UNITS WITH CONSTRUCTION STARTED IN H1 2024	DOM DEVELOPMENT S.A.	Warsaw	1,449
	EURO STYL S.A.	Tricity	513
	DOM DEVELOPMENT WROCŁAW SP. Z O.O.	Wrocław	248
	DOM DEVELOPMENT KRAKÓW SP. Z O.O.	Kraków	753

* Projects of Euro Styl S.A. include projects implemented by other companies of the Euro Styl group.

** The Tricity market includes projects in Rumia and Jastarnia.

PROJECTS COMPLETED FROM 1 JANUARY TO 30 JUNE 2024:

PROJECT	COMPANY	LOCATION	NUMBER OF RESIDENTIAL AND COMMERCIAL UNITS
Dzielnica Mieszkaniowa Metro Zachód, Stage 4, Phase 3	Dom Development S.A.	Warsaw	71
Dzielnica Mieszkaniowa Metro Zachód, Stage 4, Phase 5	Dom Development S.A.	Warsaw	44
Apartamenty Koło Parków	Dom Development S.A.	Warsaw	133
DOKI – Task 3 (EF)	Euro Styl S.A.	Tricity	311
Nowodworska 43	Dom Development Wrocław Sp. z o.o.	Wrocław	36
Q1 2024			595
Dzielnica Mieszkaniowa Metro Zachód, Stage 4, Phase 4	Dom Development S.A.	Warsaw	85
Dzielnica Mieszkaniowa Metro Zachód, Stage 4, Phase 6	Dom Development S.A.	Warsaw	125
Osiedle Jagiellońska, Stage 1	Dom Development S.A.	Warsaw	134
Apartamenty Białej Koniczyny, Stage 1	Dom Development S.A.	Warsaw	129
Konstelacja C3	Euro Styl S.A.	Tricity	31
Osiedle przy Malborskiej, Stage 1	Dom Development Kraków Sp. z o.o.	Kraków	90
Osiedle Mieszkaniowe Górka Narodowa, Stage 3, Phase 2	Dom Development Kraków Sp. z o.o.	Kraków	108
Q2 2024			702
	DOM DEVELOPMENT GROUP		1,297
SUMMARY: UNITS WITH CONSTRUCTION COMPLETED IN H1 2024	DOM DEVELOPMENT S.A.	Warsaw	721
	EURO STYL S.A.	Tricity	342
	DOM DEVELOPMENT WROCŁAW SP. Z O.O.	Wrocław	36
	DOM DEVELOPMENT KRAKÓW SP. Z O.O.	Kraków	198

RESIDENTIAL AND COMMERCIAL UNITS DELIVERED TO CUSTOMERS

The table below presents the number of residential and commercial units delivered to customers in the six months ended 30 June 2024 and 30 June 2023.

NUMBER OF FLATS AND COMMERCIAL UNITS DELIVERED TO CUSTOMERS				
COMPANY	LOCATION	H1 2024	H1 2023	
Dom Development S.A.	Warsaw	1,088	1,088	
Euro Styl S.A.	Tricity	356	580	
Dom Development Wrocław Sp. z o.o.	Wrocław	48	168	
Dom Development Kraków Sp. z o.o.	Kraków	145	162	
Total		1,637	1,998	

7.24 DIVIDEND AND ALLOCATION OF PROFIT

INTERIM DIVIDEND FOR 2023 PAID IN 2023

On 6 November 2023, based on the condensed interim financial statements of the Company for the six months ended 30 June 2023, audited by an independent statutory auditor, the Company's Management Board resolved to pay an interim dividend of PLN 141,341,321.00, or PLN 5.50 per share, for 2023, and the Company's Supervisory Board approved this resolution.

The Management Board set the record date for the interim dividend at 12 December 2023 and the payment date for 18 December 2023. The interim dividend was paid on all 25,698,422 shares in the Company on 18 December 2023.

ALLOCATION OF THE 2023 PROFIT

On 19 June 2024, the Company's Annual General Meeting passed a resolution on the allocation of the Company's net profit for 2023 and on the dividend record date and dividend payment date.

Pursuant to the resolution, the Annual General Meeting decided to allocate the net profit of Dom Development S.A. for 2023 of PLN 441,113,631.24 as follows:

1. PLN 309,581,064.00, or PLN 12.00 per share, to be distributed to the shareholders of Dom Development S.A.; taking into account the interim dividend for 2023 of PLN 141,341,321.00, or PLN 5.50 per share, paid by the Company on 18 December 2023, the dividend amount remaining to be paid for 2023 is PLN 168,239,743.00, with the proviso that:

a) with respect to 25,698,422 Company shares that were registered in securities accounts in the securities depository as at the record date for the interim dividend for 2023, i.e. 12 December 2023, the dividend amount remaining to be paid for 2023 is PLN 167,039,743.00, or PLN 6.50 per share;

b) with respect to 100,000 Company shares that were not registered in securities accounts in the securities depository as at the record date for the interim dividend for 2023, i.e. 12 December 2023, the dividend amount remaining to be paid for 2023 is PLN 1,200,000.00, or PLN 12.00 per share;

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

The dividend was paid on all 25,798,422 shares in the Company. The Annual General Meeting set the dividend record date at 26 June 2024 and the dividend payment date at 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.

7.25 CHANGES IN THE MANAGEMENT BOARD AND SUPERVISORY BOARD

MANAGEMENT BOARD

On 20 September 2023, the Company's Supervisory Board, acting pursuant to Art. 6.2.2 of the Company's Articles of Association, appointed Monika Perekitko as Member of the Management Board for a joint three-year term of office with effect from 1 January 2024. Monika Perekitko has been active in the property market since 2004. From 2011, she contributed to the development and was responsible for the operations of one of the leading developers on the Polish market, serving on its Management Board.

As at 30 June 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

SUPERVISORY BOARD

There have been no changes in the composition of the Company's Supervisory Board in the six months ended 30 June 2024.

7.26 SIGNIFICANT EVENTS SUBSEQUENT TO THE REPORTING DATE

PAYMENT OF DIVIDENDS

The dividends for 2023 were paid by the Company on 4 July 2024, in accordance with the resolution of the Company's Annual General Meeting (see Note 7.24).

7.27 FINANCIAL FORECASTS

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

7.28 FINANCIAL HIGHLIGHTS TRANSLATED INTO EURO

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

SELECTED ITEMS OF THE CONDENSED CONSOLIDATED INTERIM BALANCE SHEET	30 Jun 2024 EUR thousand (unaudited)	31 Dec 2023 EUR thousand
Total current assets	1,148,674	1,013,489
Total assets	1,186,969	1,049,520
Total equity	352,537	333,381
Non-current liabilities	166,380	158,689
Current liabilities	668,052	557,451
Total liabilities	834,432	716,139
PLN/EUR exchange rate as at the reporting date	4.3130	4.3480

SELECTED ITEMS OF THE CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS	6 months ended 30 Jun 2024 EUR thousand (unaudited)	6 months ended 30 Jun 2023 EUR thousand (unaudited)	3 months ended 30 Jun 2024 EUR thousand (unaudited)	3 months ended 30 Jun 2023 EUR thousand (unaudited)
Revenue	317,707	276,286	154,324	99,989
Gross profit	101,791	86,185	46,245	30,966
Operating profit	66,304	58,757	26,563	16,296
Profit before tax	66,900	61,097	27,142	17,891
Net profit	53,623	48,246	21,813	14,096
PLN/EUR exchange rate for the reporting period	4.3109	4.6130	4.3007	4.5256