

DOM DEVELOPMENT S.A.

**INTERIM CONDENSED
FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED
30 JUNE 2022**



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

These interim condensed financial statements for the six-month period ended on 30 June 2022, comprising:

- interim condensed balance sheet as at 30 June 2022,
- interim condensed income statement for the six-month period ended 30 June 2022,
- interim condensed statement of comprehensive income for the six-month period ended 30 June 2022,
- interim condensed statement of changes in shareholders' equity for the six-month period ended 30 June 2022,
- interim condensed cash flow statement for the six-month period ended 30 June 2022,
- additional notes to the interim condensed financial statements,

were prepared and approved by the Management Board of Dom Development S.A. on 24 August 2022.

The Management Board of Dom Development S.A. declares that to the best of its knowledge, these interim condensed financial statements for the six-month period ended 30 June 2022 with comparative data have been prepared in accordance with the applicable accounting policies, and reflect a true and fair economic and financial position of Dom Development S.A. and its financial result.

Jarosław Szanajca

President of the Management Board

Leszek Stankiewicz

Vice President
of the Management Board

Małgorzata Kolarska

Vice President
of the Management Board

Mikołaj Konopka

Member of the Management Board

Terry R. Royon

Member of the Management Board

2 INTERIM CONDENSED BALANCE SHEET

ASSETS	Note	30.06.2022 (unaudited)	31.12.2021
Fixed assets			
Intangible assets		18 839	18 659
Tangible fixed assets	7.5	21 913	23 371
Investments in subsidiaries, associates and jointly controlled entities	7.6	511 840	383 796
Deferred tax assets		15 521	11 365
Loans granted and other long-term receivables	7.7	79 937	28 274
Other long-term assets		30 936	11 550
TOTAL FIXED ASSETS		678 986	477 015
Current assets			
Inventory	7.8	1 782 007	1 921 213
Trade and other receivables		53 864	38 149
Corporate income tax receivables		-	-
Other current assets		7 930	3 232
Loans granted	7.7	120 297	197 760
Short-term financial assets	7.9	53 262	32 604
Cash and cash equivalents	7.10	314 908	364 394
TOTAL CURRENT ASSETS		2 332 268	2 557 352
TOTAL ASSETS		3 011 254	3 034 367
EQUITY AND LIABILITIES			
	Note	30.06.2022 (unaudited)	31.12.2021
Shareholders' equity			
Share capital	7.11	25 548	25 398
Share premium	7.11	264 208	258 358
Other capital (supplementary capital)		665 575	626 738
Reserve capital from valuation of cash flow hedges		23 067	7 647
Reserve capital from reduction of share capital		510	510
Unappropriated profit		150 339	306 767
TOTAL SHAREHOLDERS' EQUITY		1 129 247	1 225 418
Long-term liabilities			
Loans, long-term portion	7.12	-	-
Bonds, long-term portion	7.13	310 000	310 000
Deferred tax provision		-	-
Long-term provisions		12 109	12 645
Lease liabilities, long-term portion	7.15	16 257	16 717
Other long-term liabilities		62 598	69 390
TOTAL LONG-TERM LIABILITIES		400 964	408 752
Short-term liabilities			
Trade payables, tax and other liabilities		255 349	200 064
Loans, short-term portion	7.12	-	-
Bonds, short-term portion	7.13	50 000	50 000
Accrued interest on loans and bonds	7.14	2 415	1 584
Lease liabilities, short-term portion	7.15	46 628	52 796
Corporate income tax payables		32 938	28 057
Dividends payables	7.27	268 258	-
Short-term provisions		20 754	20 768
Deferred income	7.16	804 701	1 046 928
TOTAL SHORT-TERM LIABILITIES		1 481 043	1 400 197
TOTAL LIABILITIES		1 882 007	1 808 949
TOTAL EQUITY AND LIABILITIES		3 011 254	3 034 367

All amounts in PLN '000.

3 INTERIM CONDENSED INCOME STATEMENT

	Note	Six-month period ended 30.06.2022 (unaudited)	Six-month period ended 30 June 2021 (unaudited)	Three-month period ended 30.06.2022 (unaudited)	Three-month period ended 30 June 2021 (unaudited)
Sales revenue	7.18	860 918	852 582	269 582	232 169
Cost of sales	7.18	(600 341)	(586 844)	(191 607)	(161 519)
Gross profit on sales	7.18	260 577	265 738	77 975	70 650
Selling costs		(22 080)	(20 294)	(11 191)	(9 728)
General administrative expenses		(45 219)	(38 534)	(24 269)	(18 161)
Other operating income		1 012	789	570	176
Other operating expenses		(11 668)	(3 874)	(2 670)	(2 058)
Operating profit		182 622	203 825	40 415	40 879
Financial income	7.19	11 587	116 507	8 383	113 448
Financial costs		(7 090)	(3 444)	(4 410)	(1 989)
Profit before tax		187 119	316 888	44 388	152 338
Income tax	7.20	(36 780)	(39 638)	(8 716)	(8 036)
Net profit from continued operations		150 339	277 250	35 672	144 302
Net profit from discontinued operations *)					
Net profit		150 339	277 250	35 672	144 302
Earnings per share:					
Basic (in PLN)	7.21	5.90	10.94	1.40	5.68
Diluted (in PLN)	7.21	5.89	10.85	1.39	5.63

*) In the six-month periods ended 30 June 2022 and 2021 the Company did not discontinue any of its activities.

All amounts in PLN '000 unless stated otherwise.

4 INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Six-month period ended 30.06.2022 (unaudited)	Six-month period ended 30 June 2021 (unaudited)	Three-month period ended 30.06.2022 (unaudited)	Three-month period ended 30 June 2021 (unaudited)
Net profit	150 339	277 250	35 672	144 302
Other comprehensive income:				
Net change to cash flow hedges	19 037	2 892	9 077	1 605
Items to be accounted for in the income statement	19 037	2 892	9 077	1 605
Items not to be accounted for in the income statement				
Other net comprehensive income / (loss), before tax	19 037	2 892	9 077	1 605
Income tax on other net comprehensive income to be accounted for in the income statement	(3 617)	(549)	(1 725)	(305)
Other net comprehensive income	15 420	2 343	7 352	1 300
Total net comprehensive income	165 759	279 593	43 024	145 602

All amounts in PLN '000.

5 INTERIM CONDENSED CASH FLOW STATEMENT

	Note	Six-month period ended 30.06.2022 (unaudited)	Six-month period ended 30 June 2021 (unaudited)
Cash flow from operating activities			
Profit before tax		187 119	316 888
Adjustments:			
Depreciation		5 512	5 246
(Profit)/loss on foreign exchange differences		1 222	2
(Profit)/loss on investments		(594)	(113 317)
Interest cost/(income)		2 045	5 134
Cost of the valuation of management option programmes		328	2 098
Changes in the operating capital:			
Changes in provisions		(550)	(137)
Changes in inventory		136 581	(31 959)
Changes in receivables		(16 969)	(5 781)
Changes in short-term liabilities, excluding loans and bonds		41 574	(79 335)
Changes in prepayments and deferred income		(266 735)	(99 740)
Other adjustments		(1 222)	(2)
Cash flow generated from operating activities		88 311	(903)
Interest received		1 229	-
Interest paid		(6 504)	(5 567)
Income tax paid		(39 672)	(10 499)
Net cash flow from operating activities		43 364	(16 969)
Cash flow from investing activities			
Proceeds from the sale of intangible assets and tangible fixed assets		356	373
Dividends received		-	112 608
Proceeds from borrowings granted		155 540	17 346
Other proceeds from financial assets		-	19 025
Bank deposits with a maturity over three months		-	-
Borrowings granted		(121 585)	(50 917)
Acquisition of intangible and tangible fixed assets		(4 054)	(7 275)
Acquisition of financial assets and additional contributions to the share capital of subsidiaries		(129 107)	(26 793)
Net cash flow from investing activities		(98 850)	64 367
Cash flows from financing activities			
Proceeds from issue of shares (exercise of share options)	7.11	6 000	7 500
Proceeds from contracted loans	7.12	-	-
Proceeds from commercial papers issued	7.13	-	110 000
Repayment of loans and borrowings	7.12	-	(10 000)
Redemption of commercial papers	7.13	-	(32 076)
Dividends paid	7.27	-	(253 984)
Net cash flow from financing activities		6 000	(178 560)
Increase / (decrease) in net cash and cash equivalents		(49 486)	(131 162)
Cash and cash equivalents – opening balance	7.10	364 394	531 841
Cash and cash equivalents – closing balance	7.10	314 908	400 679

All amounts in PLN '000.

6 INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Share premium	Other capital (supplementary capital)	Reserve capital from reduction of share capital	Reserve capital from valuation of cash flow hedges	Unappropri- ated profit	Total shareholders' equity
Balance as at 1 January 2022	25 398	258 358	626 738	510	7 647	306 767	1 225 418
Share capital increase by exercising share options (note 7.11)	150	5 850	-	-	-	-	6 000
Transfer of profit to supplementary capital	-	-	38 509	-	-	(38 509)	-
Dividends to shareholders (note 7.27)	-	-	-	-	-	(268 258)	(268 258)
Creation of reserve capital from the valuation of the share options (note 7.23)	-	-	328	-	-	-	328
Net profit for the reporting period	-	-	-	-	-	150 339	150 339
Other net comprehensive income for the reporting period	-	-	-	-	15 420	-	15 420
Total net comprehensive income	-	-	-	-	15 420	150 339	165 759
Increase / (decrease) in equity capital	150	5 850	38 837	-	15 420	(156 428)	(96 171)
Balance as at 30 June 2022 (unaudited)	25 548	264 208	665 575	510	23 067	150 339	1 129 247

All amounts in PLN '000.

	Share capital	Share premium	Other capital (suppleme- ntary capital)	Reserve capital from reduction of share capital	Reserve capital from valuation of cash flow hedges	Unappropri- ated profit	Total shareholders' equity
Balance as at 1 January 2021	25 218	251 038	614 804	510	(3 591)	264 217	1 152 196
Share capital increase by exercising share options	180	7 320	-	-	-	-	7 500
Transfer of profit to supplementary capital	-	-	10 233	-	-	(10 233)	-
Dividends to shareholders (note 7.27)	-	-	-	-	-	(253 984)	(253 984)
Creation of reserve capital from the valuation of the share options (note 7.23)	-	-	2 098	-	-	-	2 098
Net profit for the reporting period	-	-	-	-	-	277 250	277 250
Other net comprehensive income for the reporting period	-	-	-	-	2 343	-	2 343
Total net comprehensive income	-	-	-	-	2 343	277 250	279 593
Increase / (decrease) in equity capital	180	7 320	12 331	-	2 343	13 033	35 207
Balance as at 30 June 2021 (unaudited)	25 398	258 358	627 135	510	(1 248)	277 250	1 187 403

All amounts in PLN '000.

7 ADDITIONAL NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS



7.1 GENERAL INFORMATION ABOUT DOM DEVELOPMENT S.A.

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

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

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

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

The Company is a majority-owned subsidiary of Groupe Belleforêt S.à r.l. with its registered office in Luxembourg (see note 7.11). As at 30 June 2022, Groupe Belleforêt S.à r.l. controlled 55.41% of the Company’s shares.

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

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

In the six-month period ended 30 June 2022 the Company did not discontinue any of its activities.

7.2 BASIS FOR THE PREPARATION OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

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

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

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

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

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

The presented interim condensed balance sheet, interim condensed income statement, interim condensed statement of comprehensive income, interim condensed cash flow statement and interim condensed statement of changes in shareholders’ equity are unaudited, however they have been the subject of review by an independent certified auditor. These unaudited interim condensed financial statements do not include all the information and disclosures that are required from annual

financial statements and therefore should be read in conjunction with the audited financial statements of the Company and the notes thereto for the year ended 31 December 2021.

The Company has also prepared interim condensed consolidated financial statements for Dom Development S.A. Capital Group for the six-month period ended 30 June 2022. These statements were approved by the Management Board of the Company on 24 August 2022.

7.3 ACCOUNTING POLICIES

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

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

These interim condensed financial statements are prepared based on the same accounting policies as for the financial statements of the Company for the year ended 31 December 2021, except for the following amendments to existing standards and new interpretations that are effective for annual periods beginning on 1 January 2022:

- Annual improvements to IFRS 2018 - 2020 introduce improvements to the following standards: IFRS 1 *first-time Adoption of International Financial Reporting Standards*, IFRS 9 *Financial instruments*, IAS 41 *Agriculture*, and examples illustrating IFRS 16 *Leases*. The amendments include clarifications and fine tune guidelines for standards in respect of recognition and measurement. These improvements have not been endorsed by the EU as at the date of these interim condensed financial statements.
- Amendments to IFRS 3 "Business Combinations". The amendments to this Standard published in May 2020 are intended to update the relevant references to the IFRS Conceptual Framework, without making any substantive changes to the accounting of mergers.
- Amendments to IAS 37 "Provisions, Contingent liabilities and Contingent assets". The amendments to IAS 37 provide clarifications regarding the costs that an entity is to consider when assessing whether a contract is an onerous contract.

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

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

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

- Amendments to IFRS 10 and IAS 28 concerning sale or contribution of assets between an investor and its associate or joint venture. They remove the existing inconsistency between IFRS 10 and IAS 28. The accounting treatment depends on whether non-cash assets sold or contributed to an associate or a joint venture constitute a business. If the non-cash assets constitute a business the investor discloses a full gain or loss on the transaction. If the assets cannot be classified as a business the investor recognises the gain or loss only in the scope of the shares of other investors therein. The approval of this amendment has been postponed by the European Union as at the date of these interim condensed financial statements,
- IAS 1 *Presentation of Financial Statements*, Amendments to IAS 1 *Presentation of Financial Statements*. The IASB published amendments to IAS 1 which clarify the presentation issue of long-term and short-term liabilities. The published amendments are effective for financial statements for the periods beginning on or after 1 January 2023 . These amendments have not been endorsed by the EU as at the date of these interim condensed financial statements.
- Amendments to IAS 1 *Presentation of Financial Statements* and the IFRS Advisory Council's guidance on disclosure of accounting policies in practice. The amendment to IAS 1 requires disclosure of material information on accounting policies as defined in the standard. The amendment clarifies that information on accounting policies is material if, in the absence of such information, users of financial statements would not be able to understand other material information in the financial statements. Moreover, the Advisory Council's guidance on the application of the materiality concept have also been amended to provide guidance on the application of the concept of materiality to disclosures of accounting policies. The amendment is effective from 1 January 2023.

- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. In February 2021, the Council published an amendment to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors in the Definition of Estimates. This amendment to IAS 8 explains how entities should distinguish changes in accounting policies from changes in accounting estimates. The amendment is effective from 1 January 2023.
- Amendments to IAS 12 “Income Taxes”. The amendments to IAS 12 clarify how to account for deferred tax on transactions such as leases and decommissioning obligations. Prior to this amendment, there were uncertainties as to whether the exemption concerning recognition of deferred tax recognised for the first time applied to such transactions, i.e. for which both assets and deferred tax liabilities are recognised. The amendments to IAS 12 clarify that the exemption does not apply and that entities are required to recognise deferred tax on such transactions. The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The amendments are effective for financial statements for the periods beginning on or after 1 January 2023. These amendments have not been endorsed by the EU as at the date of these interim condensed financial statements.

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

7.4 KEY FIGURES BASED ON PROFESSIONAL JUDGEMENT AND BASIS FOR ESTIMATES

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

BUDGETS OF THE DEVELOPMENT PROJECTS

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

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

RECOGNITION OF REVENUE FROM THE SALE OF PRODUCTS

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

SEASONALITY

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

7.5 TANGIBLE FIXED ASSETS

TANGIBLE FIXED ASSETS	30.06.2022 (unaudited)	31.12.2021
Tangible fixed assets, including:		
Technical equipment and other tangible fixed assets	1 769	2 092
Vehicles	2 467	2 262
Land and buildings	-	-
Right-of-use of office space	17 677	19 017
Total	21 913	23 371

As at 30 June 2022 there were no circumstances that would require the Company to create revaluation write downs for its tangible fixed assets.

No collaterals have been established on fixed assets.

7.6 INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

INTEREST IN SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

Investments in subsidiaries, associates and jointly controlled entity have been presented in the table below:

INTEREST IN SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITY	As at 30.06.2022			As at 31.12.2021		
	Company's interest (%)	Value of total investment	Net investment carrying value	Company's interest (%)	Value of total investment	Net investment carrying value
Dom Development Grunty Sp. z o.o.	46%	24	24	46%	24	24
Dom Development Wrocław Sp. z o.o.	100%	79 002	79 002	100%	79 002	79 002
Dom Development Kredyty Sp. z o.o.	100%	505	505	100%	505	505
Mirabelle Investments Sp. z o.o.	100%	58	58	100%	58	58
Euro Styl S.A.	100%	265 473	265 473	100%	265 473	265 473
Euro Styl Development Sp. z o.o.	100%	252	252	100%	252	252
Dom Construction Sp. z o.o.	100%	3 103	3 103	100%	3 103	3 103
Sento S.A.	93,7%	40 669	40 669	77%	35 379	35 379
Buma Management Sp. z o.o.	100%	10	10	-	-	-
Buma Development Sp. z o.o.	100%	65 636	65 636	-	-	-
Buma Development 12 Sp. z o.o.	100%	8 784	8 784	-	-	-
Buma Development 21 Sp. z o.o.	100%	5 202	5 202	-	-	-
Buma Development 22 Sp. z o.o.	100%	16 492	16 492	-	-	-
Dom Development Kraków Sp. z o.o.	100%	26 630	26 630	-	-	-
Total		511 840	511 840		383 796	383 796

- Euro Styl S.A.

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

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

- Dom Development Wrocław Sp. z o.o.

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

- Sento S.A.

Sento S.A. is the parent company of the Sento S.A. Capital Group. The scope of operations of this group involves real estate development projects in the Cracow area. In March 2022, Sento S.A. acquired a non-controlling stake of treasury shares from its minority shareholder for the purpose of their redemption, and at the same time Dom Development Kraków Sp. z o.o. acquired all the remaining shares in Sento S.A. and the new shares were issued. These shares were subscribed for entirely by the Company. As a result of these transactions, as at 30 June 2022, the Company holds 93.7% of the shares in Sento S.A., while its direct and indirect shareholding is 100% of the shares in Sento S.A.

- Dom Development Kredyty Sp. z o.o.

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

- Dom Construction Sp. z o.o.

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

- Dom Development Grunty Sp. z o.o.

The Company holds 46% shares in the share capital of Dom Development Grunty spółka z o.o. That is a company participating in property (land) transactions within the Group.

- Mirabelle Investments Sp. z o.o.

On 7 September 2017, the Company acquired 100% of the shares in share capital of Mirabelle Investments Sp. z o.o., which was the addressee of administrative decisions and the party to the agreements required for the development of further stages of the Żoliborz Artystyczny housing project on the land with perpetual usufruct (long-term leasehold) acquired from Acciona Nieruchomości Żoliborz Sp. z o.o.

It is not the Company's intention to carry out operations through Mirabelle Investments Sp. z o.o., and the project is being developed directly by Development S.A. on the said real estate.

DESCRIPTION OF MATERIAL CHANGES IN THE PERIOD FROM 1 JANUARY UNTIL 30 June 2022

In H1 2022, the Company expanded its activities on the Cracow market through the creation of Dom Development Kraków Sp. z o.o., the acquisition of BUMA Group companies and the direct and indirect acquisition of non-controlling interests in Sento S.A.

- Establishment of Dom Development Kraków Sp. z o.o.

- On 1 February 2022, the Company established Dom Development Kraków Sp. z o.o., with share capital of PLN 5k, in which it took up 100% of shares paid up in cash.

Dom Development Kraków Sp. z o.o. was created in order to concentrate our property development operations on the Cracow market within a single business entity. As promptly as in H1 2022, the Company initiated the merger of the BUMA Group and the Sento Group companies with its subsidiary Dom Development Kraków Sp. z o.o. The merger of Buma Development 8 Sp. z o.o. and Buma Development 20 Sp. z o.o. (as acquired companies) with Dom Development Kraków Sp. z o.o. (as acquiring company) was completed by 30 June 2022. Dom Development Kraków Sp. z o.o. has also acquired some shares in Sento S.A. (as described above). Until the date of preparation of these condensed financial statements, the process of merging the remaining companies of the Buma Group acquired by Dom Development S.A., with Dom Development Kraków Sp. z o.o. is still ongoing.

- Final settlement of the purchase price for 77% shares in Sento S.A., the acquisition of the remaining 23% shares in Sento S.A. and recapitalisation of Sento S.A.

Final settlement of the purchase price of 77% of shares in Sento S.A.

On 1 July 2021, the Company acquired 77% of the shares in Sento S.A., a company with its registered office in Cracow, from Reno Sp. z o.o., another company with its registered office in Cracow. The Company paid PLN 35 379k as the initial sale price for the shares, as calculated according to the formula defined in the share sale agreement.

On 16 March 2022, the parties to the transaction signed an annex to the agreement of 1 July 2021, in which they confirmed that the sale price as in the agreement is final. At the same time, the management of the Company confirmed that the pre-estimated fair value of net assets acquired on 1 July 2021 and disclosed in the Company's financial statements for the twelve month period ended 31 December 2021 has not changed and is final.

Indirect acquisition of the remaining 23% of shares (a non-controlling interest) in Sento S.A.

On 11 March 2022, Dom Development Kraków Sp. z o.o. acquired 2 014 949 shares of Sento S.A. (it represented 6.3% of shares in Sento S.A.) from minority shareholders of that company for a total price of PLN 2 418k.

On 16 March 2022, Sento S.A. acquired 5 289 851 treasury shares (it represented 16.7% of shares in Sento S.A.) from Reno Sp. z o.o. for the price of PLN 7 036k for voluntary redemption.

As a result of the above transactions, the Company became the owner, directly and indirectly, of 100% of the share capital of Sento S.A.

Acquisition of the new issue of shares in Sento S.A.

On 28 June 2022 Dom Development S.A. acquired 5 289 851 newly issued shares in Sento S.A. (representing 16.7% of shares of Sento S.A.) for PLN 5 290k.

- Acquisition of BUMA Group companies

On 28 February 2022, the Company signed sale agreement with Giovanni Fundusz Inwestycyjny Zamknięty with its registered office in Cracow (hereinafter the "Seller"), whereby the Company acquired 100% of the shares in the following BUMA Group companies: Buma Development Sp. z o.o., Buma Management Sp. z o.o., Buma Development 22 Sp. z o.o., Buma Development 21 Sp. z o.o., Buma Development 20 Sp. z o.o., Buma Development 12 Sp. z o.o., Buma Development 8 Sp. z o.o., while Dom Construction Sp. z o.o., a 100% subsidiary of the Company, acquired 100% of the shares in Buma Contractor 1 Sp. z o.o. (hereinafter the "Transaction").

The Transaction's value, as per the initial purchase price, was PLN 209.5m, which consisted of the initial total sale price of the shares in the above mentioned entities, amounting to PLN 151.4m (of which the initial price for the shares acquired directly by the Company was PLN 122.3m and the initial price paid by Dom Construction Sp. z o.o. amounted to PLN 29.1m), and PLN 58.1m for the subrogation of loans extended by the Seller to the companies acquired under the Transaction. The assets of the companies subject to the Transaction include *inter alia* investment land in Cracow with the potential to develop 1 370 units, projects under construction with 224 units, and PLN 51.4m in cash, with the PLN 1.9m debt under bank loans.

As at 30 June 2022, the process of determining the final purchase price was not yet completed.

According to the provisions of the purchase agreement, the above mentioned purchase prices for the shares were initial prices based largely on the carrying amount of the net assets of the acquired companies as at 30 November 2021. The determination of the final sale price was based, *inter alia*, on the net asset value of the acquired companies as at 28 February 2022. The process of determining the final purchase price was completed on 15 July 2022 by the parties to the agreement signing a statement confirming the final purchase price.

On its basis, the Transaction value described above was reduced by PLN 5.3m to PLN 204.2m. The purchase price for the shares in the acquired companies was ultimately decreased to PLN 146.1m.

The costs, in the amount of PLN 3 264k, of the acquisition (such as the cost of due diligence in many areas) have been recognised directly in the income statement as "Other operating expenses".

In addition to this, the Company and the Seller entered into a conditional preliminary agreement for the purchase of 100% of the shares in RSKK Sp. z o.o. for PLN 9.6m, according to which the final agreement for the transfer of title to RSKK Sp. z o.o. might have been signed by 30 June 2022, subject to conditions precedent. Such agreement for the purchase of this company was not entered into as the conditions precedent were not satisfied.

7.7 LOANS GRANTED AND OTHER LONG-TERM RECEIVABLES

LOANS GRANTED AND OTHER LONG-TERM RECEIVABLES	30.06.2022	31.12.2021
Loans granted, long-term portion	72 024	26 580
Other long-term receivables	7 913	1 694
Closing balance	79 937	28 274

LOANS GRANTED	30.06.2022	31.12.2021
Loans granted, long-term portion	72 024	26 580
Loans granted, short-term portion	120 297	197 760
Total	192 321	224 340

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

BORROWINGS GRANTED TO RELATED ENTITIES

The borrowings of related entities from the Company have been presented in the table below:

The borrowings of related entities from the Company and their status as at 30 June 2022, including accrued interest, have been presented in the table below:

Date of the agreement	Borrower	Loan amount (less accrued interest)	Due date	Balance as at 30.06.2022
26.02.2019	Euro Styl S.A.	150 000	31.12.2022	-
27.09.2019	Dom Development Wrocław Sp. z o.o.	100 000	31.12.2022	55 000
03.12.2020	Sento SA *)	23 000	31.12.2022	25 151
23.06.2021	Sento SA *)	15 800	31.12.2022	16 763
20.07.2021	Sento S.A.	27 131	31.08.2022	5 200
28.06.2022	Sento S.A.	17 000	31.12.2022	17 000
28.02.2022	Dom Development Kraków Sp. z o.o.	10 000	31.12.2023	10 000
11.03.2022	Dom Development Kraków Sp. z o.o.	2 500	31.12.2023	2 500
29.11.2016	Dom Development Kraków Sp. z o.o.**)	850	31.12.2022	1 061
18.07.2017	Dom Development Kraków Sp. z o.o.**)	100	31.12.2022	122
17.05.2019	Dom Development Kraków Sp. z o.o.**)	400	31.12.2024	453
24.08.2020	Dom Development Kraków Sp. z o.o.**)	5 400	31.12.2024	5 826
13.05.2021	Dom Development Kraków Sp. z o.o.**)	500	31.12.2024	528
02.07.2021	Dom Development Kraków Sp. z o.o.**)	500	31.12.2024	525
16.02.2022	Dom Development Kraków Sp. z o.o.**)	1 900	31.12.2024	1 942
03.12.2020	Buma Development 12 Sp. z o.o.	8 050	31.12.2024	8 614
22.04.2021	Dom Development Kraków Sp. z o.o.***)	17 350	31.12.2026	18 352
22.04.2021	Buma Development 21 Sp. z o.o.	6 200	31.12.2026	6 556
22.04.2021	Buma Development 22 Sp. z o.o.	13 200	31.12.2026	13 958
16.02.2022	Buma Development Sp. z o.o.	1 500	31.12.2024	1 541
02.07.2021	Buma Management 22 Sp. z o.o.	2 000	31.12.2023	1 229
Total				192 321

*) The loan granted to Sento 22 Sp. z o.o., which was merged with Sento S.A. effective as of 19 October 2021

**) The loan granted to Buma Development 8 Sp. z o.o., which was merged with Dom Development Kraków Sp. z o.o. effective as of 2 June 2022.

***) The loan granted to Buma Development 20 Sp. z o.o., which was merged with Dom Development Kraków Sp. z o.o. effective as of 2 June 2022.

7.8 INVENTORY

INVENTORY	30.06.2022 (unaudited)	31.12.2021
Advances on deliveries	63 619	189 306
including: at purchase prices/production costs	63 619	189 306
write down to the net realisable value	-	-
Semi-finished goods and work in progress	1 659 147	1 558 097
including: at purchase prices/production costs	1 646 786	1 542 383
rights of perpetual usufruct of land (lease)	40 683	44 036
write down to the net realisable value	(28 322)	(28 322)
Finished goods	59 241	173 810
including: at purchase prices/production costs	65 670	180 239
write down to the net realisable value	(6 429)	(6 429)
Total	1 782 007	1 921 213

INVENTORY REVALUATION WRITE DOWNS	01.01.-30.06. 2022 (unaudited)	01.01.-30.06. 2021 (unaudited)
Opening balance	34 751	36 741
Increments	-	-
(Decrease)	-	-
Closing balance	34 751	36 741

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

CARRYING VALUE OF INVENTORY USED TO SECURE THE PAYMENT OF LIABILITIES AND VALUE OF THE MORTGAGES ESTABLISHED	30.06.2022 (unaudited)	31.12.2021
MORTGAGES - value of mortgages to secure liabilities under:		
Real estate purchase agreements	-	-
Loan agreements of the Company and Group companies*)	577 500	577 500

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

7.9 SHORT-TERM FINANCIAL ASSETS

SHORT-TERM FINANCIAL ASSETS	30.06.2022 (unaudited)	31.12.2021
Bank deposits with a maturity over three months	-	-
Cash in open-end residential escrow accounts	31 693	11 035
Other short-term financial assets	21 569	21 569
Total	53 262	32 604

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

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

7.10 CASH AND CASH EQUIVALENTS

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

CASH AND CASH EQUIVALENTS	30.06.2022 (unaudited)	31.12.2021	30.06.2021 (unaudited)
Cash in hand and at bank	22 014	362 288	14 332
Short-term deposits	292 894	2 106	386 347
Other	-	-	-
Total	314 908	364 394	400 679

7.11 SHARE CAPITAL

DESCRIPTION OF CHANGES TO THE SHARE CAPITAL IN THE COMPANY IN THE PERIOD FROM 1 JANUARY UNTIL 30 JUNE 2022

CHANGE IN THE REPORTING PERIOD	Share capital: Number of shares	Share capital: Value at the nominal value	Share premium
Balance as at 01.01.2022	25 398 422	25 398	258 358
Change	150 000	150	5 850
Balance as at 30.06.2022 (unaudited)	25 548 422	25 548	264 208

EXERCISE OF COMPANY'S SHARE OPTIONS

On 27 January 2022, the Management Board increased Company's share capital from PLN 25 398 422.00 to PLN 25 548 422.00, i.e. by PLN 150 000.00, by issuing 100 000 series AE ordinary bearer shares with PLN 1.00 nominal each and 50 000 series AF ordinary bearer shares with PLN 1.00 nominal each. The issue price of AE and AF series shares was set at PLN 35.00 and PLN 50.00 per share,

respectively. The issue of series AE and AF shares took place through a private placement. The purpose of issuing series AE and series AF shares as part of the authorised capital is to enable the Company to fulfil its obligations resulting from:

- Management Option Programme IV for Małgorzata Kolarska, Vice President of the Management Board - Chief Executive Director, concerning 500 000 shares in Dom Development S.A., and
- Management Option Programme V for Mikołaj Konopka, Member of the Management Board, concerning 250 000 shares in Dom Development S.A. (see note 7.22).

The Supervisory Board of the Company agreed to fully deprive the existing shareholders of their pre-emptive right to 100 000 series AE shares and 50 000 series AF shares. The exclusion of pre-emptive rights of the existing shareholders is justified by the fact that the issue of series AE shares is addressed only to Ms Małgorzata Kolarska, as the Participant in Programme IV, while the issue of series AF shares is addressed only to Mr Mikołaj Konopka, as the Participant in Programme V to enable them to exercise their rights under the subscription warrants.

On 1 February 2022:

- Ms Małgorzata Kolarska exercised her share options in the Company by exercising her rights under subscription warrants and subscribing for 100 000 shares. The issue price for the new series AE shares was PLN 35.00 per share.
- Mr Mikołaj Konopka exercised his share options in the Company by exercising his rights under subscription warrants and subscribing for 50 000 shares. The issue price for the new series AF shares was PLN 50.00 per share.

On 3 February 2022, the Management Board of the Company adopted a resolution on the allocation of 100 000 series AE shares to Ms Małgorzata Kolarska and 50 000 series AF shares to Mr Mikołaj Konopka.

These shares were registered by the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Division of the National Court Register on 2 March 2022.

These shares were registered by Krajowy Depozyt Papierów Wartościowych S.A. (National Depository for Securities) in the securities depository and admitted to stock exchange trading at the WSE Main Market on 10 June 2022.

SHARE CAPITAL STRUCTURE FOR THE COMPANY AS AT 30 JUNE 2022

Series/ issue	Type of share	Number of shares	Nominal value of series/issue (in PLN)	Capital covered with	Registration date	Right to dividends (from)
A	Bearer	21 344 490	21 344 490	cash	12.09.2006	12.09.2006
F	Bearer	2 705 882	2 705 882	cash	31.10.2006	31.10.2006
H	Bearer	172 200	172 200	cash	14.02.2007	14.02.2007
I	Bearer	92 700	92 700	cash	14.02.2007	14.02.2007
J	Bearer	96 750	96 750	cash	14.02.2007	14.02.2007
L	Bearer	148 200	148 200	cash	14.02.2007	14.02.2007
Ł	Bearer	110 175	110 175	cash	12.03.2012	07.05.2012
M	Bearer	24 875	24 875	cash	03.10.2012	09.11.2012
N	Bearer	20 000	20 000	cash	03.10.2012	09.11.2012
O	Bearer	26 000	26 000	cash	05.03.2013	17.05.2013
P	Bearer	925	925	cash	31.10.2013	23.12.2013
R	Bearer	11 000	11 000	cash	31.10.2013	23.12.2013
S	Bearer	17 075	17 075	cash	20.03.2014	02.05.2014
T	Bearer	1 000	1 000	cash	14.01.2015	27.03.2015
U	Bearer	10 320	10 320	cash	17.05.2016	01.06.2016
V	Bearer	1 000	1 000	cash	17.05.2016	01.06.2016
W	Bearer	85 830	85 830	cash	10.01.2017	10.03.2017
Y	Bearer	100 000	100 000	cash	29.03.2018	21.05.2018
Z	Bearer	100 000	100 000	cash	28.02.2019	24.04.2019
AA	Bearer	100 000	100 000	cash	31.03.2020	28.05.2020
AB	Bearer	50 000	50 000	cash	31.03.2020	28.05.2020
AC	Bearer	100 000	100 000	cash	18.02.2021	23.04.2021
AD	Bearer	80 000	80 000	cash	18.02.2021	23.04.2021
AE	Bearer	100 000	100 000	cash	02.03.2022	10.06.2022
AF	Bearer	50 000	50 000	cash	02.03.2022	10.06.2022
Total number of shares		25 548 422				
Total share capital			25 548 422			

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

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

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

Status as at the date of preparing of these financial statements					Change from the publication of the Q1 2022 report
	Shares	% shares	Number of votes at the GSM	% votes at the GSM	Shares
Groupe Belleforêt S.à r.l.	14 155 941	55.41	14 155 941	55.41	-
Aviva OFE*	No data.	5.00-10.00	No data	5.00-10.00	No data
Jarosław Szanajca	1 454 050	5.69	1 454 050	5.69	-
Grzegorz Kiełpsz	1 280 750	5.01	1 280 750	5.01	-

*) The shareholding by Aviva Otwarty Fundusz Emerytalny Aviva Santander (open-end pension fund) is 1 313 383 shares in the Company as per the latest notice prepared as at 11 July 2011. It corresponds to 5.14% of the share capital of the Company and of votes in the General Meeting of Shareholders of Dom Development S.A.

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

Status as at the date of preparing of these financial statements					Change from the publication of the Q1 2022 report	
	Shares	Nominal value of the shares	Share options	Shares and options, total	Shares	Share options
MANAGEMENT BOARD						
Jarosław Szanajca	1 454 050	1 454	-	1 454 050	-	-
Małgorzata Kolarska	403 544	404	-	403 544	-	-
Leszek Stankiewicz	-	-	-	-	-	-
Mikołaj Konopka	138 981	139	100 000	238 981	-	-
Terry R. Roydon	58 500	59	-	58 500	-	-
SUPERVISORY BOARD						
Grzegorz Kiełpsz	1 280 750	1 281	-	1 280 750	-	-
Janusz Zalewski	300 000	300	-	300 000	-	-
Mark Spiteri	900	1	-	900	-	-

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

7.12 LOANS

DESCRIPTION OF MATERIAL CHANGES IN THE SIX-MONTH PERIOD ENDED 30 June 2022

There were no loan agreements or any other agreements within the Company that expired in the six-month period ended 30 June 2022.

As at 30 June 2022 and 31 December 2021 the Company did not recognise any loan-related liabilities.

BANK LOANS AS AT 30.06.2022

Bank	Registered office	Loan amount as per agreement	Currency	Outstanding loan amount (less accrued interest)	Currency	Due date
PKO BP	Warsaw	150 000	PLN	-	PLN	26.02.2023
mBank	Warsaw	185 000	PLN	-	PLN	31.01.2023
Millennium	Warsaw	50 000	PLN	-	PLN	18.12.2022
Total bank loans				-		

CORE DETAILS CONCERNING CREDIT LINES HELD BY THE COMPANY

PKO BP loan

Revolving loan in the credit facility account up to PLN 150 000k. Pursuant to the agreement with the bank, Euro Styl S.A. may use up to PLN 50 000k of this credit limit. As at 30 June 2022, both Euro Styl S.A. and Dom Development S.A. have not drawn any funds therefrom.

mBank loan

Revolving loan in the credit facility account up to PLN 185 000k. Under the said agreement, Dom Development Wrocław Sp. z o.o. may use up to PLN 60 000k of this credit limit, and Euro Styl S.A. may use up to PLN 100 000k of this credit limit. As at 30 June 2022, no funds were drawn from this credit line either by Dom Development S.A. or other Group companies.

Millennium Bank loan

Revolving loan up to PLN 50 000k. As at 30 June 2022 Dom Development S.A. has not drawn any funds from the said credit limit.

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

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

7.13 BONDS

BONDS	30.06.2022 (unaudited)	31.12.2021
Nominal value of the bonds issued, long-term portion	310 000	310 000
Nominal value of the bonds issued, short-term portion	50 000	50 000
Nominal value of the bonds issued	360 000	360 000

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

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

CORE DETAILS CONCERNING THE BONDS ISSUED

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

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

DESCRIPTION OF MATERIAL CHANGES IN THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

The total bond issue liabilities in the six-month period ended 30 June 2022 and their maturity dates have not changed.

BONDS ISSUED AS AT 30.06.2022

Series	Issue date	Amount	Currency	Maturity date
DOMDET1151222	15.12.2017	50 000	PLN	15.12.2022
DOMDET2091023	09.10.2018	50 000	PLN	09.10.2023
DOMDET3121224	12.12.2019	50 000	PLN	12.12.2024
DOMDET4250925	25.09.2020	100 000	PLN	25.09.2025
DOMDET5120526	12.05.2021	110 000	PLN	12.05.2026
Total		360 000	PLN	

7.14 ACCRUED INTEREST ON LOANS AND BONDS

ACCRUED INTEREST ON LOANS AND BONDS	30.06.2022 (unaudited)	31.12.2021
Accrued interest on bonds	2 415	1 584
Accrued interest on loans	-	-
Total accrued interest on loans and bonds	2 415	1 584

7.15 LEASE LIABILITIES

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

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

LEASE LIABILITIES	30.06.2022 (unaudited)	31.12.2021
Lease liabilities, short-term portion, including:	46 628	52 796
liabilities on account of perpetual usufruct right of land	41 660	48 278
liabilities on account of the right of use of office space	4 968	4 518
Other	-	-
Lease liabilities, long-term portion, including:	16 257	16 717
liabilities on account of the right of use of office space	16 257	16 717
Other	-	-
Total	62 885	69 513

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

As estimated by the Management Board based on property development projects planned on specific land to which the Company held the perpetual usufruct right as at 30 June 2022, out of PLN 41 660k of the land-related lease liabilities recognised as short-term:

- PLN 3 132k is payable by the Company within 12 months following the balance sheet date,
- PLN 4 073k is payable by the Company later than 12 months following the balance sheet date,
- PLN 34 455k is to be transferred to the respective buyers of units.

7.16 DEFERRED INCOME

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

DEFERRED INCOME	30.06.2022 (unaudited)	31.12.2021
Deferred income related to the payments received from customers for the purchase of products, not yet included as income in the income statement	804 701	1 046 928
Other	-	-
Total	804 701	1 046 928

7.17 SEGMENT REPORTING

The operations of the Company are generally in a single segment and involve mainly the development and sale of residential and retail (commercial) units and related support activities. The Company operates only in the Warsaw market, while Dom Development S.A. Capital Group with the Company as the parent, also operates on the Tricity and Wrocław markets, and in the Cracow market since 1 July 2021. The operations on the Wrocław, Tricity and Cracow markets are carried out through the Group's subsidiaries.

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

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

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

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

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

7.18 SALES REVENUE AND COST OF SALES

ANALYSIS OF SALES REVENUE AND COST OF SALES	01.01.-30.06. 2022 (unaudited)	01.01.-30.06. 2021 (unaudited)
Sales of finished goods	850 021	841 881
Sales of services	10 897	10 701
Sales of goods (land)	-	-
Sales revenue, total	860 918	852 582
Cost of finished goods sold	(593 661)	(578 385)
Cost of services sold	(6 680)	(8 459)
Cost of goods sold	-	-
Inventory write down to the net realisable value	-	-
Cost of sales, total	(600 341)	(586 844)
Gross profit on sales	260 577	265 738

7.19 FINANCIAL INCOME

FINANCIAL INCOME	01.01.-30.06. 2022 (unaudited)	01.01.-30.06. 2021 (unaudited)
Interest on bank deposits and borrowings (non-capitalised part of interest)	8 102	2 355
Discounting of liabilities	3 419	1 544
Dividends received	-	112 608
Other financial income	66	-
Total	11 587	116 507

Dividends for 2021 in the total amount of PLN 117 276k were allocated and paid by subsidiaries to Dom Development S.A. in August 2022 (see note 7.29 *Material post-balance sheet events*). The resultant income will be disclosed in the income statement of the Company in Q3 2022.

7.20 INCOME TAX IN THE INCOME STATEMENT

INCOME TAX	01.01.-30.06. 2022 (unaudited)	01.01.-30.06. 2021 (unaudited)
Current income tax	(44 553)	(58 632)
Deferred tax in the income statement	7 773	18 994
Total	(36 780)	(39 638)

7.21 EARNINGS PER SHARE

CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE	01.01.-30.06. 2022 (unaudited)	01.01.-30.06. 2021 (unaudited)
BASIC EARNINGS PER SHARE		
Profit for calculation of the basic earnings per share	150 339	277 250
The weighted average number of ordinary shares for the calculation of basic earnings per share	25 497 870	25 349 693
Basic earnings per share (in PLN)	5.90	10.94
DILUTED EARNINGS PER SHARE		
Profit for calculation of the diluted earnings per share	150 339	277 250
Potential diluting shares related to the Management Share Option Programmes	44 994	206 577
The weighted average number of ordinary shares for the calculation of diluted earnings per share	25 542 864	25 556 270
Diluted earnings per share (in PLN)	5.89	10.85

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

7.22 TRANSACTIONS WITH RELATED ENTITIES

In the six-month periods ended 30 June 2022 and 2021, the Company was a party to transactions with related entities, as listed below. Descriptions of the transactions have been presented in the tables. In exceptional cases, descriptions of particular agreements or explanations have also been provided.

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

DOM DEVELOPMENT S.A. AS A BUYER OF GOODS OR SERVICES:

Counterparty	Transaction description	01.01.-30.06. 2022 (unaudited)	01.01.-30.06. 2021 (unaudited)
Woodsford Consulting Limited	Consulting services as per the agreement dated 27.06.2007 as annexed	1 527	1 273
Hansom Property Company Limited	Consulting services as per the agreement dated 02.01.2001 as annexed	1 400	1 285
M & M Usługi Doradcze M. Kolarski	Consulting services	135	71
Dom Development Grunty Sp. z o.o.	Purchase of real properties	9 987	-
Dom Development Wrocław Sp. z o.o.	Cooperation Agreements	22	-
Mirabelle Investments Sp. z o.o.	Other	-	-
Euro Styl S.A.	Cooperation Agreements	-	204
Euro Styl Construction Sp. z o.o.	Cooperation Agreements	-	-
Dom Construction Sp. z o.o.	Construction services	182 428	202 550
Dom Construction Sp. z o.o.	Other	107	294
Dom Land Sp. z o.o.	Purchase of real properties	-	-
M2 Biuro Sp. z o.o.	Other	-	1
Sento S.A.	Cooperation Agreements	-	-
Dom Development Kraków Sp. z o.o. (including Buma Development 8 Sp. z o.o. and Buma Development 20 Sp. z o.o.)	Other	6	-
Buma Management Sp. z o.o.	Other	1	-
Doradztwo w zakresie infrastruktury technicznej Rafał Kierski (technical infrastructure consulting)	Cooperation Agreements	690	-

DOM DEVELOPMENT S.A. AS A SELLER OF GOODS OR SERVICES:

Counterparty	Transaction description	01.01.-30.06. 2022 (unaudited)	01.01.-30.06. 2021 (unaudited)
Dom Development Grunty Sp. z o.o.	Other	6	3
Euro Styl S.A.	Cooperation Agreement	1 550	1 081
Euro Styl Construction Sp. z o.o.	Cooperation Agreement	12	3
Dom Land Sp. z o.o.	Other	4	2
Dom Development Wrocław Sp. z o.o.	Cooperation Agreements	1 097	860
Dom Development Kredyty Sp. z o.o.	Cooperation Agreements	313	245
Dom Construction Sp. z o.o.	Cooperation Agreements	4 854	4 605
M2 Biuro Sp. z o.o.	Cooperation Agreements	-	3
Dom Development Kraków Sp. z o.o. *)	Other	626	-
Buma Development Sp. z o.o.	Other	3	-
Buma Development 12 Sp. z o.o.	Other	3	-
Buma Development 21 Sp. z o.o.	Other	3	-
Buma Development 22 Sp. z o.o.	Other	6	-
Mirabelle Investments Sp. z o.o.	Other	4	2
Sento S.A.	Other	317	-
Sento 21 Sp. z o.o. Sp. k.	Cooperation Agreements	197	-

*) including Buma Development 8 Sp. z o.o. and Buma Development 20 Sp. z o.o.

DOM DEVELOPMENT S.A. AS A LENDER:

Counterparty	Transaction description	01.01.-30.06. 2022 (unaudited)	01.01.-30.06. 2021 (unaudited)
Dom Development Wrocław Sp. z o.o.	Borrowing provided	30 000	-
Dom Development Wrocław Sp. z o.o.	Interest received on the borrowing	1 784	-
Euro Styl S.A.	Loan repaid	108 000	680
Euro Styl S.A.	Interest received on the borrowing	266	1 049
Sento S.A. (including Sento 22 Sp. z o.o.)	Borrowing provided	19 000	-
Sento S.A. (including Sento 22 Sp. z o.o.)	Loan repaid	47 380	-
Sento S.A. (including Sento 22 Sp. z o.o.)	Interest received on the borrowing	999	-
Dom Development Kraków Sp. z o.o. *)	Borrowing provided	13 500	-
Dom Development Kraków Sp. z o.o. (including Buma Development 8 Sp. z o.o. and Buma Development 20 Sp. z o.o.)	Interest received on the borrowing	181	-
Buma Management Sp. z o.o.	Borrowing provided	1 000	-
Buma Management Sp. z o.o.	Loan repaid	800	-
Buma Management Sp. z o.o.	Interest received on the borrowing	33	-

*) including Buma Development 8 Sp. z o.o. and Buma Development 20 Sp. z o.o.

DOM DEVELOPMENT S.A. AS A CONTRIBUTOR OF SHARE CAPITAL TO SUBSIDIARIES:

Counterparty	Transaction description	01.01.-30.06. 2022 (unaudited)	01.01.-30.06. 2021 (unaudited)
Dom Development Kraków Sp. z o.o.	Share capital contribution*)	5	-
Sento S.A.	Share capital increase*)	5 290	-
Buma Management Sp. z o.o.	Additional contribution to the share capital*)	300	-

*) Share capital contribution and additional contribution to the share capital of the subsidiaries have been recognised in the balance sheet under "Investments in subsidiaries, associates and jointly controlled entities".

DOM DEVELOPMENT S.A. AS A DIVIDEND PAYER:

Counterparty	Transaction description	01.01.-30.06. 2022 (unaudited)	01.01.-30.06. 2021 (unaudited)
Groupe Belleforêt S.à r.l.	Dividends paid	-	141 559

DOM DEVELOPMENT S.A. AS A DIVIDEND RECIPIENT:

Counterparty	Transaction description	01.01.-30.06. 2022 (unaudited)	01.01.-30.06. 2021 (unaudited)
Dom Development Wrocław Sp. z o.o.	Dividends received	-	9 272
Dom Construction Sp. z o.o.	Dividends received	-	17 537
Dom Development Kredyty Sp. z o.o.	Dividends received	-	2 963
Euro Styl S.A.	Dividends received	-	82 836

DOM DEVELOPMENT S.A. AS A PAYER OF PREPAYMENTS:

Counterparty	Transaction description	01.01.-30.06. 2022 (unaudited)	01.01.-30.06. 2021 (unaudited)
Dom Development Grunty Sp. z o.o.	(Net) prepayment transferred for the purchase of land	(9 871)	-
Dom Land Sp. z o.o.	(Net) prepayment transferred for the purchase of land	10 938	81

DOM DEVELOPMENT S.A. AS A RETENTIONS CLEARING PARTY:

Counterparty	Transaction description	01.01.-30.06. 2022	01.01.-30.06. 2021
		(unaudited)	(unaudited)
Dom Construction Sp. z o.o.	Guarantee retentions	1 815	-

BALANCES WITH RELATED ENTITIES – balances as in the books of the Company

	Receivables from related entities		Liabilities to related entities	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
Total balance	278 651	314 259	52 393	18 756
Subsidiaries	264 605	311 967	52 113	16 873
Dom Development Grunty Sp. z o.o.	-	12 142	-	-
Dom Development Wrocław Sp. z o.o. additional contributions to the share capital ^{*)}	75 000	75 000	-	-
Dom Development Wrocław Sp. z o.o. loans granted	55 000	25 000	-	-
Dom Development Wrocław Sp. z o.o.	489	295	-	-
Euro Styl S.A. loans granted	-	108 000	-	-
Euro Styl S.A.	1 015	687	-	-
Euro Styl Construction Sp. z o.o.	9	-	-	-
Dom Development Kredyty Sp. z o.o.	126	-	-	-
Dom Construction Sp. z o.o.	1 304	1 311	49 644	16 220
Dom Construction Sp. z o.o. retentions	-	-	2 468	653
Sento S.A. loans granted	61 000	89 380	-	-
Sento S.A.	27	103	-	-
Sento 21 Sp. z o.o. Sp. k.	210	-	-	-
Nestobud Sp. z o.o.	-	49	-	-
Dom Development Kraków Sp. z o.o. loans granted	13 500	-	-	-
Dom Development Kraków Sp. z o.o.	475	-	-	-
Buma Management Sp. z o.o. additional contributions to the share capital ^{*)}	300	-	-	-
Buma Management Sp. z o.o.	-	-	1	-
Buma Management Sp. z o.o. loan subrogation	1 000	-	-	-
Buma Management Sp. z o.o. loan subrogation	200	-	-	-
Buma Development Sp. z o.o. loan subrogation	1 500	-	-	-
Dom Development Kraków Sp. z o.o. (merger with Buma Development 8 Sp. z o.o.) loan subrogation	8 650	-	-	-
Buma Development 12 Sp. z o.o. loan subrogation	8 050	-	-	-
Dom Development Kraków Sp. z o.o. (merger with Buma Development 20 Sp. z o.o.) loan subrogation	17 350	-	-	-
Buma Development 21 Sp. z o.o. loan subrogation	6 200	-	-	-
Buma Development 22 Sp. z o.o. loan subrogation	13 200	-	-	-
Other entities	14 046	2 292	280	1 883
Dom Land Sp. z o.o.	13 554	100	-	-
Hansom Property Company Limited	-	1 120	139	143
Woodsford Consulting Limited	-	580	-	-
Doradztwo w zakresie infrastruktury technicznej Rafał Kierski (technical infrastructure consulting)	492	492	141	1 740

^{*)} Additional contribution to the share capital of the subsidiaries has been recognised in the balance sheet under "Investments in subsidiaries, associates and jointly controlled entities".

7.23 COMPANY'S SHARE OPTIONS

COMPANY'S SHARE OPTIONS ON ACCOUNT OF THE OPTION TO ACQUIRE NON-CONTROLLING INTERESTS IN SENTO S.A.

On 1 July 2021, the Company acquired a 77% majority stake in Sento S.A. At the same time, pursuant to the share sale agreement, put and call options were granted in respect of the remaining 23% of the shares.

Under the said agreement the Company has a call option to Bad Leaver shares exercisable at any time if a minority shareholder terminates their cooperation with Sento S.A., which means that it is possible for the Shareholder to receive the Company's shares as a result of exercised "ordinary" call/put option only when the Shareholder continues to cooperate with Sento S.A. until the "ordinary" put/call option becomes exercisable. This means that the 'normal' put/call option included an employee benefit item for the minority shareholder, consisting of a payment based on equity accounted shares (i.e. shares of the Company) and that it falls within the scope of IFRS 2. The value of share-based payment transactions in accordance with IFRS 2 was determined as PLN 9 933k as at 1 July 2021.

In connection with the settlement with the Bad Leaver, who (directly and indirectly) had the largest shareholding, the equity settled share base payment options expired, therefore in accordance with IFRS 2, the transaction remained being recognised in a manner neutral to the Company's equity and result.

As described in note 7.6, in March 2022, the existing minority shareholders (whom the said options related to) disposed their shares in Sento S.A. in favour of Dom Development Kraków Sp. z o.o. and Sento S.A. itself; they also waived any of their claims. The settlement of the acquisition/expiry of options with the shareholders other than a Bad Leaver is a non-material transaction.

In connection with the acquisition of the remaining 23% of shares in Sento S.A. from the minority shareholders existing to that date, memoranda of understanding were concluded whereby the rights to exercise these options by minority shareholders expired together with the waiver of any claims by them.

In view of the above events, including the fulfilment of the Bad Leaver condition, and the materiality principle, the above options have expired and the established value of the settlement of share-based payments described above will not affect the equity balances or the income statement.

Along with the acquisition by Sento S.A. of treasury shares (for the purpose of their redemption) from Reno Sp z o.o., the Company also concluded a memorandum of understanding with that minority shareholder on the basis of which, in exchange for the waiver of a claim arising from the offer of the put option included in the agreement of 1 July 2021, the Company undertook to pay a fee of PLN 3 902k to Reno Sp. z o.o. This fee was accounted for in the income statement.

INCENTIVE PLAN – MANAGEMENT OPTION PROGRAMMES

As at 30 June 2022 there was only one active Management Option Programme adopted as part of the Incentive Scheme for the executives in the Company. The last share options under Programme IV were exercised in Q1 2022.

MANAGEMENT OPTION PROGRAMMES		30.06.2022 <i>(unaudited)</i>		31.12.2021		
Name of the Programme	Options in the programme	Options granted	Options exercised	Options in the programme	Options granted	Options exercised
Options in the programme (number of shares)	(number of shares)	(number of shares)	(number of shares)	(number of shares)	(number of shares)	(number of shares)
Programme IV	500 000	500 000	500 000	500 000	500 000	400 000
Programme V	250 000	250 000	150 000	250 000	250 000	100 000

Grant of new share options under the management option programme

In the six-month periods ended 30 June 2022 and 2021 the Company did not grant any new share options.

Exercise of share options under the management option programme

On 27 January 2022, the Management Board increased Company's share capital by issuing 100 000 series AE ordinary bearer shares and 50 000 series AF ordinary bearer shares. The issue price of AE and AF series shares was set at PLN 35.00 and PLN 50.00 per share, respectively.

Details of the AE and AF series share issue are described in detail in note 7.11.

These shares were registered by the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Division of the National Court Register on 2 March 2022. It was admitted and introduced to stock exchange trading on the WSE Main Market on 10 June 2022.

Expiry of share options under the management option programme

In the six-month periods ended 30 June 2022 and 2021 no share options expired in the Company under a management option programme.

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

In the six-month periods ended 30 June 2022 and 2021 the amounts of PLN 328k and PLN 2 098k respectively, were accounted for in the income statement as the management options granted and in the supplementary capital.

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

		01.01.-30.06. 2022 (unaudited)	01.01.-30.06. 2021 (unaudited)
Unexercised options at the beginning of the period	Number of options	250 000	550 000
	Total exercise price	11 000	24 500
Options granted in the period	Number of options	-	-
	Total option exercise value	-	-
Options expired in the period	Number of options	-	-
	Total option exercise value	-	-
Options exercised in the period	Number of options	150 000	180 000
	Total option exercise value	6 000	7 500
	Weighted average exercise price per share (PLN per share)	40.00	41.67
Unexercised options at the end of the period	Number of options	100 000	370 000
	Total exercise price	5 000	17 000
Exercisable options at the beginning of the period	Number of options	150 000	180 000
	Total exercise price	6 000	7 500
Exercisable options at the end of the period	Number of options	-	-
	Total exercise price	-	-

7.24 CONTINGENT LIABILITIES

CONTINGENT LIABILITIES	30.06.2022 (unaudited)	31.12.2021
Guarantees	17 324	17 324
Sureties	6 571	14 655
Total	23 895	31 979

COLLATERALS FOR LIABILITIES	30.06.2022 (unaudited)	31.12.2021
Promissory notes, including:		
UNIOA TU SA	1 400	1 400
Total	1 400	1 400

In the six-month period ended 30 June 2022 the Company did not provide any guarantees for loans or borrowings, nor any other guarantees – jointly to one entity or its subsidiary, the value of which would be material for the Company or would amount to at least 10% of the Company's shareholders' equity.

7.25 MATERIAL COURT CASES AS AT 30 JUNE 2022

As at 30 June 2022 the Company was not a party to any material court cases.

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

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

During H1 2022, the Company's operations continued smoothly and all investment projects were progressing according to schedule, despite numerous challenges in the market environment.

Demand was under pressure of the tightening monetary policy. Interest rate increases and tightening of credit rating criteria noted since April 2022 have had a negative impact on credit availability. At the same time, due to rising inflation real interest rates remained deeply negative, still encouraging investment of savings in real estate, despite of having an alternative solution in the form of so called "anti-inflation bonds".

Interest rate increases also translate to increased costs of finance for the operations, in particular in the case of highly indebted entities. Dom Development S.A. is only slightly exposed to the increased cost of debt servicing as 80% of issued bonds are hedged with financial instruments such as interest rate swaps and cap options. Moreover, the Company's low debt and high availability of finance place the Company in a good position when compared to the overall market. Some property developers have been forced to limit their investment activities, while in the opinion of the Company's Management Board, Dom Development S.A. has all the resources required to use the arising market opportunities.

The war in Ukraine, which has been going on since February 2022, has also had an impact on the real estate market, creating an unprecedented influx of refugees to Poland. The influx of people fleeing from war has led to a surge in demand for housing, which became visible first in the rental market and in rents, slowly translating into the secondary market. In the longer term, the influx of such a large population will strongly boost the demand for housing also in the primary market, especially in large cities such as Warsaw.

Inflation has been an important factor affecting the Company's business as it made construction costs go up. In Q1 2022, there was a sharp rise in prices of construction materials, but the prices stabilised in the middle of the year. As compared to the industry as a whole, the Company has successfully reduced the impact of increased costs of implementing its real estate projects, thanks to its in-house general contractor company, which enables cost optimisation without compromising the quality of housing projects developed.

Detailed information on the projects in progress and completed by Dom Development S.A. in H1 2022 has been presented below.

MATERIAL CHANGES TO THE PORTFOLIO OF ONGOING PROPERTY DEVELOPMENT PROJECTS CARRIED OUT BY THE COMPANY IN THE PERIOD FROM 1 JANUARY TO 30 JUNE 2022

DEVELOPMENT PROJECTS COMMENCED FROM 1 JANUARY 2022 UNTIL 30 JUNE 2022:

PROJECT	LOCATION	NUMBER OF APARTMENTS AND RETAIL UNITS
Apartamenty Solipska, stage 1	Warsaw	96
Apartamenty Solipska, stage 2	Warsaw	91
Dom na Służewcu	Warsaw	108
Dzielnica Mieszkaniowa Metro Zachód, stage 4 phase 2	Warsaw	172
Dzielnica Mieszkaniowa Metro Zachód, stage 11 phase 1	Warsaw	148
Q1 2022		615
Apartamenty Białej Koniczyny stage 1	Warsaw	129
Apartamenty Koło Parków	Warsaw	133
Osiedle Jagiellońska	Warsaw	134
Dzielnica Mieszkaniowa Metro Zachód, stage 4 phase 3	Warsaw	71
Dzielnica Mieszkaniowa Metro Zachód, stage 4 phase 4	Warsaw	75
Dzielnica Mieszkaniowa Metro Zachód, stage 4 phase 5	Warsaw	42
Dzielnica Mieszkaniowa Metro Zachód, stage 4 phase 6	Warsaw	105
Q2 2022		689
H1 2022		1 304

DEVELOPMENT PROJECTS COMPLETED FROM 1 JANUARY 2022 UNTIL 30 JUNE 2022:

PROJECT	LOCATION	NUMBER OF APARTMENTS AND RETAIL UNITS
Q1 2022		-
Osiedle Wilno V, phase 2	Warsaw	213
Stacja Grochów, phase 2	Warsaw	106
Apartamenty Służewiec	Warsaw	37
Q2 2022		356
H1 2022		356

Moreover, in H1 2022, development projects were carried out within the Dom Development S.A. Capital Group through the subsidiaries on the Wrocław, Tricity and Cracow markets.

INFORMATION ON DELIVERIES OF RESIDENTIAL AND RETAIL UNITS

Number of residential and retail units delivered to customers by the Company in the six-month period ended 30 June 2022 has been presented in the following table:

NUMBER OF APARTMENTS AND RETAIL UNITS DELIVERED	2022	2021
Q1	829	906
Q2	465	295
Total	1 294	1 201

7.27 DIVIDEND AND PROFIT DISTRIBUTION

On 23 May 2022, the Management Board of the Company adopted a resolution on the distribution of net profit of the Company for 2021.

In accordance with that resolution, the Management Board of the Company petitioned that the aggregate amount of PLN 268 258 431.00 of the Company's net profit for the year ended on 31 December 2021 be appropriated for the payment of a dividend to shareholders in Dom Development S.A., and a portion of the Company's 2021 net profit in the amount of PLN 38 509 028.51 be appropriated to the increase of the Company's supplementary capital.

The Management Board of the Company proposed that the date of record be 15 July 2022 and the dividend payment date be 16 August 2022.

On 27 May 2022, the Supervisory Board of the Company adopted a resolution wherein the Supervisory Board positively assessed and agreed to the said petition on the payment of dividend of the Company for 2021 and fixing the date of record and the dividend payment date as proposed by the Management Board.

On 30 June 2022, the Ordinary General Meeting of Shareholders of the Company adopted a resolution on the distribution of net profit of the Company for 2021 and fixing the date of record and the dividend payment date. In accordance with Resolution no. 7, the Ordinary General Meeting of Shareholders of the Company decided to allocate the total amount of PLN 268 258 431.00 to the payment of dividends to shareholders in Dom Development S.A., i.e. PLN 10.50 per share, and a portion of the Company's 2021 net profit in the amount of PLN 38 509 028.51 to the increase of the Company's supplementary capital.

The dividend payment date was set as 16 August 2022.

The 2020 dividend in the amount of PLN 253 984 220 (i.e. PLN 10 per share) was paid on 28 June 2021.

7.28 CHANGES IN THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

No changes in the composition of the Management Board and the Supervisory Board of the Company took place in the six-month period ended 30 June 2022.

7.29 MATERIAL POST-BALANCE SHEET EVENTS

RECEIVING DIVIDENDS FROM SUBSIDIARIES

In August 2022, the Company was allocated and received dividends totalling PLN 117 276k. The resultant income will be recognised in the income statement of the Company in Q3 2022.

DIVIDENDS RECEIVED IN AUGUST 2022 FROM INDIVIDUAL SUBSIDIARIES	
Euro Styl S.A.	79 183
Dom Construction Sp. z o.o.	33 859
Dom Development Kredyty Sp. z o.o.	4 234
Total	117 276

7.30 FORECASTS

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

7.31 SELECTED FINANCIAL DATA TRANSLATED INTO EURO

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

SELECTED DATA FROM THE INTERIM CONDENSED BALANCE SHEET	30.06.2022 in EUR '000 (unaudited)	31.12.2021 in EUR '000
Total current assets	498 284	556 019
Total assets	643 348	659 731
Total shareholders' equity	241 261	266 430
Long-term liabilities	85 665	88 871
Short-term liabilities	316 422	304 430
Total liabilities	402 087	393 301
PLN/EURO exchange rate as at the balance sheet date	4.6806	4.5994

SELECTED DATA FROM THE INTERIM CONDENSED INCOME STATEMENT	01.01-30.06. 2022 in EUR '000 (unaudited)	01.01.-30.06. 2021 in EUR '000 (unaudited)
Sales revenue	185 436	187 497
Gross profit on sales	56 127	58 440
Operating profit	39 336	44 825
Profit before tax	40 304	69 689
Net profit	32 382	60 972
Average PLN/EURO exchange rate for the reporting period	4.6427	4.5472