

**DOM DEVELOPMENT S.A.**

**INTERIM CONDENSED  
FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD ENDED  
31 MARCH 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 three-month period ended on 31 March 2022, comprising:

- interim condensed balance sheet as at 31 March 2022,
- interim condensed income statement for the three-month period ended 31 March 2022,
- interim condensed statement of comprehensive income for the three-month period ended 31 March 2022,
- interim condensed statement of changes in shareholders' equity for the three-month period ended 31 March 2022,
- interim condensed cash flow statement for the three-month period ended 31 March 2022,
- additional notes to the interim condensed financial statements,

were prepared and approved by the Management Board of Dom Development S.A. on 20 May 2022.

The Management Board of Dom Development S.A. declares that to the best of its knowledge, these interim condensed financial statements for the three-month period ended 31 March 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.

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**Jarosław Szanajca**  
President of the Management Board

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**Leszek Stankiewicz**  
Vice President of the  
Management Board

## 2 INTERIM CONDENSED BALANCE SHEET

| ASSETS  | Note | 31.03.2022<br>(unaudited) | 31.12.2021       |
|---|------|---------------------------|------------------|
| <b>Fixed assets</b>   |      |                           |                  |
| Intangible assets   |      | 18 443                    | 18 659           |
| Tangible fixed assets   | 7.5  | 22 531                    | 23 371           |
| Investments in subsidiaries, associates and jointly controlled entities | 7.6  | 507 323                   | 383 796          |
| Deferred tax assets   |      | 3 015                     | 11 365           |
| Loans granted and other long-term receivables                           | 7.7  | 95 908                    | 28 274           |
| Other long-term assets  |      | 21 378                    | 11 550           |
| <b>TOTAL FIXED ASSETS</b>   |      | <b>668 598</b>            | <b>477 015</b>   |
| <b>Current assets</b>   |      |                           |                  |
| Inventory   | 7.8  | 1 777 509                 | 1 921 213        |
| Trade and other receivables   |      | 51 974                    | 38 149           |
| Corporate income tax receivables  |      | -                         | -                |
| Other current assets  |      | 8 846                     | 3 232            |
| Loans granted   | 7.7  | 108 096                   | 197 760          |
| Short-term financial assets   | 7.9  | 52 276                    | 32 604           |
| Cash and cash equivalents   | 7.10 | 269 170                   | 364 394          |
| <b>TOTAL CURRENT ASSETS</b>   |      | <b>2 267 871</b>          | <b>2 557 352</b> |
| <b>TOTAL ASSETS</b>   |      | <b>2 936 469</b>          | <b>3 034 367</b> |
| <b>EQUITY AND LIABILITIES</b>   |      |                           |                  |
|   | Note | 31.03.2022<br>(unaudited) | 31.12.2021       |
| <b>Shareholders' equity</b>   |      |                           |                  |
| Share capital   | 7.11 | 25 548                    | 25 398           |
| Share premium   | 7.11 | 264 208                   | 258 358          |
| Other capital (supplementary capital)                                   |      | 626 902                   | 626 738          |
| Reserve capital from valuation of cash flow hedges                      |      | 15 715                    | 7 647            |
| Reserve capital from reduction of share capital                         |      | 510                       | 510              |
| Unappropriated profit   |      | 421 434                   | 306 767          |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>                                       |      | <b>1 354 317</b>          | <b>1 225 418</b> |
| <b>Long-term liabilities</b>  |      |                           |                  |
| Loans, long-term portion  | 7.12 | -                         | -                |
| Bonds, long-term portion  | 7.13 | 310 000                   | 310 000          |
| Deferred tax provision  |      | -                         | -                |
| Long-term provisions  |      | 12 392                    | 12 645           |
| Lease liabilities, long-term portion                                    | 7.15 | 15 769                    | 16 717           |
| Other long-term liabilities   |      | 68 990                    | 69 390           |
| <b>TOTAL LONG-TERM LIABILITIES</b>                                      |      | <b>407 151</b>            | <b>408 752</b>   |
| <b>Short-term liabilities</b>   |      |                           |                  |
| Trade payables, tax and other liabilities                               |      | 235 259                   | 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 | 3 287                     | 1 584            |
| Lease liabilities, short-term portion                                   | 7.15 | 43 887                    | 52 796           |
| Corporate income tax payables   |      | 39 589                    | 28 057           |
| Short-term provisions   |      | 20 685                    | 20 768           |
| Deferred income   | 7.16 | 782 294                   | 1 046 928        |
| <b>TOTAL SHORT-TERM LIABILITIES</b>                                     |      | <b>1 175 001</b>          | <b>1 400 197</b> |
| <b>TOTAL LIABILITIES</b>  |      | <b>1 582 152</b>          | <b>1 808 949</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                     |      | <b>2 936 469</b>          | <b>3 034 367</b> |

All amounts in PLN '000.

### 3 INTERIM CONDENSED INCOME STATEMENT

|   | Note        | Three-month period<br>ended 31.03.2022<br>(unaudited) | Three-month period<br>ended<br>31.03.2021<br>(unaudited) |
|---|-------------|---|--|
| Sales revenue                                     | 7.18        | 591 336   | 620 413  |
| Cost of sales                                     | 7.18        | (408 734)   | (425 325)  |
| <b>Gross profit on sales</b>                      | <b>7.18</b> | <b>182 602</b>  | <b>195 088</b>   |
| Selling costs                                     |             | (10 889)  | (10 566)   |
| General administrative expenses                   |             | (20 950)  | (20 373)   |
| Other operating income                            |             | 442   | 613  |
| Other operating expenses                          |             | (8 998)   | (1 816)  |
| <b>Operating profit</b>                           |             | <b>142 207</b>  | <b>162 946</b>   |
| Financial income                                  |             | 3 204   | 3 059  |
| Financial costs                                   |             | (2 680)   | (1 455)  |
| <b>Profit before tax</b>                          |             | <b>142 731</b>  | <b>164 550</b>   |
| Income tax  | 7.19        | (28 064)  | (31 602)   |
| <b>Net profit from continued operations</b>       |             | <b>114 667</b>  | <b>132 948</b>   |
| <b>Net profit from discontinued operations *)</b> |             | -   | -  |
| <b>Net profit</b>                                 |             | <b>114 667</b>  | <b>132 948</b>   |
| <b>Earnings per share:</b>                        |             |   |  |
| Basic (in PLN)                                    | 7.20        | 4.51  | 5.25   |
| Diluted (in PLN)                                  | 7.20        | 4.50  | 5.22   |

\*) In the three-month periods ended 31 March 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

|  | Three-month period<br>ended 31.03.2022<br><i>(unaudited)</i> | Three-month period<br>ended<br>31.03.2021<br><i>(unaudited)</i> |
|--|--|---|
| <b>Net profit</b>  | <b>114 667</b>   | <b>132 948</b>  |
| <b>Other comprehensive income:</b>   |  |   |
| Net change to cash flow hedges   | 9 960  | 1 287   |
| <b>Items to be accounted for in the income statement</b>                                 | <b>9 960</b>   | <b>1 287</b>  |
| <b>Items not to be accounted for in the income statement</b>                             |  |   |
| <b>Other net comprehensive income / (loss), before tax</b>                               | <b>9 960</b>   | <b>1 287</b>  |
| Income tax on other net comprehensive income to be accounted for in the income statement | (1 892)  | (244)   |
| <b>Other net comprehensive income</b>  | <b>8 068</b>   | <b>1 043</b>  |
| <b>Total net comprehensive income</b>  | <b>122 735</b>   | <b>133 991</b>  |

All amounts in PLN '000.

## 5 INTERIM CONDENSED CASH FLOW STATEMENT

|   | Note | Three-month period<br>ended 31.03.2022<br>(unaudited) | Three-month period<br>ended 31.03.2021<br>(unaudited) |
|---|------|---|---|
| <b>Cash flow from operating activities</b>  |      |   |   |
| <b>Profit before tax</b>  |      | <b>142 731</b>  | <b>164 550</b>  |
| Adjustments:  |      |   |   |
| Depreciation  |      | 2 777   | 2 625   |
| (Profit)/loss on foreign exchange differences   |      | (226)   | 1   |
| (Profit)/loss on investments  |      | 25  | (11)  |
| Interest cost/(income)  |      | 3 225   | 3 980   |
| Cost of the valuation of management option programmes   |      | 164   | 1 049   |
| Changes in the operating capital:   |      |   |   |
| Changes in provisions   |      | (336)   | 692   |
| Changes in inventory  |      | 140 918   | 85 097  |
| Changes in receivables  |      | (13 824)  | (16 804)  |
| Changes in short-term liabilities, excluding loans and bonds                                      |      | 25 468  | 8 930   |
| Changes in prepayments and deferred income  |      | (290 013)   | (249 043)   |
| Other adjustments   |      | 226   | (1)   |
| <b>Cash flow generated from operating activities</b>  |      | <b>11 135</b>   | <b>1 065</b>  |
| Interest received   |      | 122   | -   |
| Interest paid   |      | (1 319)   | (1 280)   |
| Income tax paid   |      | (10 074)  | (10 499)  |
| <b>Net cash flow from operating activities</b>  |      | <b>(136)</b>  | <b>(10 714)</b>                                       |
| <b>Cash flow from investing activities</b>  |      |   |   |
| Proceeds from the sale of intangible assets and tangible fixed assets                             |      | 217   | 51  |
| Dividends received  | 7.26 | -   | -   |
| Proceeds from borrowings granted  |      | 119 170   | 6 022   |
| Other proceeds from financial assets  |      | -   | -   |
| Bank deposits with a maturity over three months   |      | -   | -   |
| Borrowings granted  |      | (94 585)  | (25 000)  |
| Acquisition of intangible and tangible fixed assets   |      | (2 362)   | (3 900)   |
| Acquisition of financial assets and additional contributions to the share capital of subsidiaries |      | (123 528)   | (640)   |
| <b>Net cash flow from investing activities</b>  |      | <b>(101 088)</b>                                      | <b>(23 467)</b>                                       |
| <b>Cash flows from financing activities</b>   |      |   |   |
| 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 | -   | -   |
| Repayment of loans and borrowings   | 7.12 | -   | -   |
| Redemption of commercial papers   | 7.13 | -   | -   |
| Dividends paid  | 7.26 | -   | -   |
| <b>Net cash flow from financing activities</b>  |      | <b>6 000</b>  | <b>7 500</b>  |
| <b>Increase / (decrease) in net cash and cash equivalents</b>                                     |      | <b>(95 224)</b>                                       | <b>(26 681)</b>                                       |
| <b>Cash and cash equivalents – opening balance</b>  | 7.10 | <b>364 394</b>  | <b>531 841</b>  |
| <b>Cash and cash equivalents – closing balance</b>  | 7.10 | <b>269 170</b>  | <b>505 160</b>  |

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 | Unappropriated profit | Total shareholders' equity |
|---|---------------|---------------|---------------------------------------|---|--|-----------------------|----------------------------|
| <b>Balance as at 1 January 2022</b>   | 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                                     | -             | -             | -                                     | -   | -  | -                     | -                          |
| Dividends to shareholders   | -             | -             | -                                     | -   | -  | -                     | -                          |
| Creation of reserve capital from the valuation of the share options (note 7.22) | -             | -             | 164                                   | -   | -  | -                     | 164                        |
| Net profit for the reporting period   | -             | -             | -                                     | -   | -  | 114 667               | 114 667                    |
| Other net comprehensive income for the reporting period                         | -             | -             | -                                     | -   | 8 068  | -                     | 8 068                      |
| <b>Total net comprehensive income</b>   | -             | -             | -                                     | -   | 8 068  | 114 667               | 122 735                    |
| <b>Increase / (decrease) in equity capital</b>                                  | 150           | 5 850         | 164                                   | -   | 8 068  | 114 667               | 128 899                    |
| <b>Balance as at 31 March 2022 (unaudited)</b>                                  | 25 548        | 264 208       | 626 902                               | 510   | 15 715   | 421 434               | 1 354 317                  |

All amounts in PLN '000.

|   | Share capital | Share premium | Other capital (supplementary capital) | Reserve capital from reduction of share capital | Reserve capital from valuation of cash flow hedges | Unappropriated profit | Total shareholders' equity |
|---|---------------|---------------|---------------------------------------|---|--|-----------------------|----------------------------|
| <b>Balance as at 1 January 2021</b>   | 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                                     | -             | -             | -                                     | -   | -  | -                     | -                          |
| Dividends to shareholders   | -             | -             | -                                     | -   | -  | -                     | -                          |
| Creation of reserve capital from the valuation of the share options (note 7.22) | -             | -             | 1 049                                 | -   | -  | -                     | 1 049                      |
| Net profit for the reporting period   | -             | -             | -                                     | -   | -  | 132 948               | 132 948                    |
| Other net comprehensive income for the reporting period                         | -             | -             | -                                     | -   | 1 043  | -                     | 1 043                      |
| <b>Total net comprehensive income</b>   | -             | -             | -                                     | -   | 1 043  | 132 948               | 133 991                    |
| <b>Increase / (decrease) in equity capital</b>                                  | 180           | 7 320         | 1 049                                 | -   | 1 043  | 132 948               | 142 540                    |
| <b>Balance as at 31 March 2021 (unaudited)</b>                                  | 25 398        | 258 358       | 615 853                               | 510   | (2 548)  | 397 165               | 1 294 736                  |

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 31 March 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 three-month period ended 31 March 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 and they have not been the subject of review by an independent certified auditor. These unaudited interim condensed financial statements do not include all the information and disclosures that are required from annual

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

The Company has also prepared interim condensed consolidated financial statements for Dom Development S.A. Capital Group for the three-month period ended 31 March 2022. These statements were approved by the Management Board of the Company on 20 May 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 amendments 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                               | 31.03.2022<br>(unaudited) | 31.12.2021    |
|---|---------------------------|---------------|
| <b>Tangible fixed assets, including:</b>            |                           |               |
| Technical equipment and other tangible fixed assets | 1 968                     | 2 092         |
| Vehicles  | 2 512                     | 2 262         |
| Land and buildings                                  | -                         | -             |
| Right-of-use of office space                        | 18 051                    | 19 017        |
| <b>Total</b>  | <b>22 531</b>             | <b>23 371</b> |

As at 31 March 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<br>AND JOINTLY CONTROLLED ENTITY | As at 31.03.2022             |                              |  | As at 31.12.2021             |                                 |  |
|---|------------------------------|------------------------------|--|------------------------------|---------------------------------|--|
|   | Company's<br>interest<br>(%) | Value of total<br>investment | Net<br>investment<br>carrying<br>value | Company's<br>interest<br>(%) | Value of<br>total<br>investment | Net<br>investment<br>carrying<br>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.  | 77%                          | 35 379                       | 35 379                                 | 77%                          | 35 379                          | 35 379                                 |
| Buma Management Sp. z o.o.  | 100%                         | 10                           | 10                                     | -                            | -                               | -                                      |
| Buma Development Sp. z o.o.   | 100%                         | 66 190                       | 66 190                                 | -                            | -                               | -                                      |
| Buma Development 8 Sp. z o.o.   | 100%                         | 7 448                        | 7 448                                  | -                            | -                               | -                                      |
| Buma Development 12 Sp. z o.o.  | 100%                         | 9 087                        | 9 087                                  | -                            | -                               | -                                      |
| Buma Development 20 Sp. z o.o.  | 100%                         | 19 025                       | 19 025                                 | -                            | -                               | -                                      |
| Buma Development 21 Sp. z o.o.  | 100%                         | 5 234                        | 5 234                                  | -                            | -                               | -                                      |
| Buma Development 22 Sp. z o.o.  | 100%                         | 16 528                       | 16 528                                 | -                            | -                               | -                                      |
| Dom Development Kraków Sp. z o.o.                                     | 100%                         | 5                            | 5                                      | -                            | -                               | -                                      |
| <b>Total</b>  |                              | <b>507 323</b>               | <b>507 323</b>                         |                              | <b>383 796</b>                  | <b>383 796</b>                         |

- 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 the Tricity area.

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. As at 31 March 2022, the Company directly held 77% of the shares in Sento S.A. 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. As a result of these transactions, as at 31 March 2022, the Company holds, directly and indirectly, 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 (to the Company and to Dom Development Wrocław Sp. z o.o.).

- 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. with its registered office in Warsaw. Mirabelle Investments Sp. z o.o. 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 31 MARCH 2022

In Q1 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 indirect acquisition of other 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 acquired 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. The Company intends to carry out the merger of the development companies acquired from the BUMA Group and the Sento Group with its subsidiary, Dom Development Kraków Sp. z o.o. As at the date of preparation of these condensed financial statements, the process of merging the companies Buma Development 8 Sp. z o.o. and Buma Development 20 Sp. z o.o. (as acquired companies) with Dom Developer Kraków Sp. z o.o. (as acquiring company) is ongoing.

- Settlement of the final purchase price of 77% of shares in Sento S.A. and acquisition of the remaining 23% of shares in Sento S.A.

#### Settlement of the final 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 "Transaction"). 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. (representing 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 (representing 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 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 was PLN 209.5m, which consisted of the total sale price of the shares in the above mentioned entities, amounting to PLN 151.4m (of which the price for the shares acquired directly by the Company was PLN 122.3m and the 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.

The procedure for setting the final sale price has not yet been completed as of the date of preparation of these condensed financial statements.

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. may be signed by 30 June 2022, subject to conditions precedent.

## 7.7 LOANS GRANTED AND OTHER LONG-TERM RECEIVABLES

| Loans granted and other long-term receivables | 31.03.2022    | 31.12.2021    |
|---|---------------|---------------|
| Loans granted, long-term portion              | 90 312        | 26 580        |
| Other long-term receivables                   | 5 596         | 1 694         |
| <b>Closing balance</b>                        | <b>95 908</b> | <b>28 274</b> |

| Loans granted                     | 31.03.2022     | 31.12.2021     |
|-----------------------------------|----------------|----------------|
| Loans granted, long-term portion  | 90 312         | 26 580         |
| Loans granted, short-term portion | 108 096        | 197 760        |
| <b>Total</b>                      | <b>198 408</b> | <b>224 340</b> |

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 31 March 2022, including accrued interest, have been presented in the table below:

| Date of the agreement | Borrower                           | Loan amount | Due date   | Balance as at 31.03.2022 |
|-----------------------|------------------------------------|-------------|------------|--------------------------|
| 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 22 Sp. z o.o. *)             | 23 000      | 31.12.2022 | 24 807                   |
| 23.06.2021            | Sento 22 Sp. z o.o. *)             | 15 800      | 31.12.2022 | 16 527                   |
| 24.09.2021            | Sento 22 Sp. z o.o. *)             | 28 480      | 31.12.2025 | 21 780                   |
| 11.10.2021            | Sento 22 Sp. z o.o. *)             | 4 800       | 31.12.2025 | 4 800                    |
| 20.07.2021            | Sento S.A.                         | 27 131      | 31.08.2022 | 10 598                   |
| 04.01.2022            | Sento S.A.                         | 2 000       | 31.12.2025 | 2 000                    |
| 28.02.2022            | Dom Development Kraków Sp. z o.o.  | 1 000       | 31.12.2023 | 1 000                    |
| 11.03.2022            | Dom Development Kraków Sp. z o.o.  | 2 500       | 31.12.2023 | 2 515                    |
| 29.11.2016            | Buma Development 8 Sp. z o.o.      | 850         | 31.12.2022 | 1 044                    |
| 18.07.2017            | Buma Development 8 Sp. z o.o.      | 100         | 31.12.2022 | 120                      |
| 17.05.2019            | Buma Development 8 Sp. z o.o.      | 400         | 31.12.2024 | 445                      |
| 24.08.2020            | Buma Development 8 Sp. z o.o.      | 5 400       | 31.12.2024 | 5 717                    |
| 13.05.2021            | Buma Development 8 Sp. z o.o.      | 500         | 31.12.2024 | 518                      |
| 02.07.2021            | Buma Development 8 Sp. z o.o.      | 500         | 31.12.2024 | 516                      |
| 16.02.2022            | Buma Development 8 Sp. z o.o.      | 900         | 31.12.2024 | 906                      |
| 03.12.2020            | Buma Development 12 Sp. z o.o.     | 8 050       | 31.12.2024 | 8 452                    |
| 22.04.2021            | Buma Development 20 Sp. z o.o.     | 17 350      | 31.12.2026 | 18 002                   |
| 22.04.2021            | Buma Development 21 Sp. z o.o.     | 6 200       | 31.12.2026 | 6 431                    |
| 22.04.2021            | Buma Development 22 Sp. z o.o.     | 13 200      | 31.12.2026 | 13 691                   |
| 16.02.2022            | Buma Development Sp. z o.o.        | 1 500       | 31.12.2024 | 1 510                    |
| 02.07.2021            | Buma Management 22 Sp. z o.o.      | 2 000       | 31.12.2023 | 2 029                    |
| <b>Total</b>          |                                    |             |            | <b>198 408</b>           |

\*) Sento 22 Sp. z o.o. was merged with Sento S.A. effective as of 19 October 2021

## 7.8 INVENTORY

| INVENTORY                                       | 31.03.2022<br>(unaudited)                 | 31.12.2021                                |
|---|---|---|
| <b>Advances on deliveries</b>                   | <b>178 257</b>                            | <b>189 306</b>                            |
| including: at purchase prices/production costs  | 178 257                                   | 189 306                                   |
| write down to the net realisable value          | -   | -   |
| <b>Semi-finished goods and work in progress</b> | <b>1 494 102</b>                          | <b>1 558 097</b>                          |
| including: at purchase prices/production costs  | 1 487 863                                 | 1 542 383                                 |
| rights of perpetual usufruct of land (lease)    | 34 561                                    | 44 036                                    |
| write down to the net realisable value          | (28 322)                                  | (28 322)                                  |
| <b>Finished goods</b>                           | <b>105 150</b>                            | <b>173 810</b>                            |
| including: at purchase prices/production costs  | 111 579                                   | 180 239                                   |
| write down to the net realisable value          | (6 429)                                   | (6 429)                                   |
| <b>Total</b>                                    | <b>1 777 509</b>                          | <b>1 921 213</b>                          |
| <b>INVENTORY REVALUATION WRITE DOWNS</b>        | <b>01.01.-30.03. 2022<br/>(unaudited)</b> | <b>01.01.-30.03. 2021<br/>(unaudited)</b> |
| <b>Opening balance</b>                          | <b>34 751</b>                             | <b>36 741</b>                             |
| Increments                                      | -   | -   |
| (Decrease)                                      | -   | -   |
| <b>Closing balance</b>                          | <b>34 751</b>                             | <b>36 741</b>                             |

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



| CARRYING VALUE OF INVENTORY USED TO SECURE THE PAYMENT OF LIABILITIES AND VALUE OF THE MORTGAGES ESTABLISHED | 31.03.2022<br>(unaudited) | 31.12.2021 |
|--|---------------------------|------------|
| <b>MORTGAGES - value of mortgages to secure liabilities under:</b>   |                           |            |
| 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                     | 31.03.2022<br>(unaudited) | 31.12.2021    |
|---|---------------------------|---------------|
| Bank deposits with a maturity over three months | -                         | -             |
| Cash in open-end residential escrow accounts    | 30 707                    | 11 035        |
| Other short-term financial assets               | 21 569                    | 21 569        |
| <b>Total</b>                                    | <b>52 276</b>             | <b>32 604</b> |

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 | 31.03.2022<br>(unaudited) | 31.12.2021     | 31.03.2021<br>(unaudited) |
|---------------------------|---------------------------|----------------|---------------------------|
| Cash in hand and at bank  | 256 679                   | 362 288        | 439 909                   |
| Short-term deposits       | 12 491                    | 2 106          | 65 251                    |
| Other                     | -                         | -              | -                         |
| <b>Total</b>              | <b>269 170</b>            | <b>364 394</b> | <b>505 160</b>            |

## 7.11 SHARE CAPITAL

### DESCRIPTION OF CHANGES TO THE SHARE CAPITAL IN THE COMPANY IN THE PERIOD FROM 1 JANUARY UNTIL 31 MARCH 2022

In the three-month period ended 31 March 2022 no changes were made by the Company to the share capital.

| CHANGE IN THE REPORTING PERIOD              | Share capital:<br>Number of shares | Share capital:<br>Value at the nominal<br>value | Share premium  |
|---|------------------------------------|---|----------------|
| <b>Balance as at 01.01.2022</b>             | <b>25 398 422</b>                  | <b>25 398</b>                                   | <b>258 358</b> |
| Change                                      | 150 000                            | 150   | 5 850          |
| <b>Balance as at 31.03.2022 (unaudited)</b> | <b>25 548 422</b>                  | <b>25 548</b>                                   | <b>264 208</b> |

### 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.

#### SHARE CAPITAL STRUCTURE FOR THE COMPANY AS AT 31 MARCH 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        |                           |
| AF                            | Bearer        | 50 000            | 50 000                                 | cash                 | 02.03.2022        |                           |
| <b>Total number of shares</b> |               | <b>25 548 422</b> |  |                      |                   |                           |
| <b>Total share capital</b>    |               |                   | <b>25 548 422</b>                      |                      |                   |                           |

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 in the period from 31.12.2021 |
|-----------------------------------|--|--------------|----------------------------|--------------------|--------------------------------------|
|                                   | Shares   | % shares     | Number of votes at the GSM | % votes at the GSM | Shares                               |
| <b>Groupe Belleforêt S.à r.l.</b> | <b>14 155 491</b>  | <b>55.41</b> | <b>14 155 491</b>          | <b>55.41</b>       | -                                    |
| 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 in the period from 31.12.2021 |               |
|--------------------------|--|-----------------------------|---------------|---------------------------|--------------------------------------|---------------|
|                          | Shares   | Nominal value of the shares | Share options | Shares and options, total | Shares                               | Share options |
| <b>MANAGEMENT BOARD</b>  |  |                             |               |                           |                                      |               |
| Jarosław Szanajca        | 1 454 050  | 1 454                       | -             | 1 454 050                 | -                                    | -             |
| Małgorzata Kolarska      | 403 544  | 404                         | -             | 403 544                   | 100 000                              | (100 000)     |
| Leszek Stankiewicz       | -  | -                           | -             | -                         | -                                    | -             |
| Mikołaj Konopka          | 138 981  | 139                         | 100 000       | 238 981                   | 50 000                               | (50 000)      |
| Terry R. Roydon          | 58 500   | 59                          | -             | 58 500                    | -                                    | -             |
| <b>SUPERVISORY BOARD</b> |  |                             |               |                           |                                      |               |
| 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 THREE-MONTH PERIOD ENDED 31 MARCH 2022

No (new) loan agreements had expired or been signed at the Company in the three-month period ended 31 March 2022.

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

### BANK LOANS AS AT 31.03.2022

| 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 |
| <b>Total bank loans</b> |                   |                              |          | -   |          |            |

### 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 31 March 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 31 March 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 31 March 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   | 31.03.2022<br>(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         |
| <b>Nominal value of the bonds issued</b>              | <b>360 000</b>            | <b>360 000</b> |

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 THREE-MONTH PERIOD ENDED 31 MARCH 2022

The total bond issue liabilities in the three-month period ended 31 March 2022 and their maturity dates have not changed.

#### BONDS ISSUED AS AT 31.03.2022

| 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    |
| <b>Total</b>  |            | <b>360 000</b> | <b>PLN</b> |               |

## 7.14 ACCRUED INTEREST ON LOANS AND BONDS

| ACCRUED INTEREST ON LOANS AND BONDS              | 31.03.2022<br>(unaudited) | 31.12.2021   |
|--|---------------------------|--------------|
| Accrued interest on bonds                        | 3 287                     | 1 584        |
| Accrued interest on loans                        | -                         | -            |
| <b>Total accrued interest on loans and bonds</b> | <b>3 287</b>              | <b>1 584</b> |

## 7.15 LEASE LIABILITIES

The following material 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.

The Company as lessee recognises lease liabilities as measured at the present value of unavoidable future lease payments, discounted at the marginal interest rates of the Company, and recognises assets arising from the right-of-use at an amount equal to the lease liabilities.

All liabilities arising from perpetual usufruct of land are reported as short-term liabilities as they are to be reconciled through the transfer of title (along with the ownership title to a unit located on that land) to the unit buyer in the period of the "operating cycle". At the date of ownership transfer to the buyer, land-related lease liabilities are reversed from the accounting records.

| LEASE LIABILITIES  | 31.03.2022<br>(unaudited) | 31.12.2021    |
|--|---------------------------|---------------|
| <b>Lease liabilities, short-term portion, including:</b>   | <b>43 887</b>             | <b>52 796</b> |
| liabilities on account of perpetual usufruct right of land | 39 369                    | 48 278        |
| liabilities on account of the right of use of office space | 4 518                     | 4 518         |
| Other  | -                         | -             |
| <b>Lease liabilities, long-term portion, including:</b>    | <b>15 769</b>             | <b>16 717</b> |
| liabilities on account of the right of use of office space | 15 769                    | 16 717        |
| Other  | -                         | -             |
| <b>Total</b>   | <b>59 656</b>             | <b>69 513</b> |

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 31 March 2022, out of PLN 39 369k of the land-related lease liabilities recognised as short-term:

- PLN 2 358k is payable by the Company within 12 months following the balance sheet date,
- PLN 3 412k is payable by the Company later than 12 months following the balance sheet date,
- PLN 33 599k is to be transferred to the respective buyers of units.

## 7.16 DEFERRED INCOME

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

| DEFERRED INCOME  | 31.03.2022<br><i>(unaudited)</i> | 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 | 782 294                          | 1 046 928        |
| Other  | -                                | -                |
| <b>Total</b>   | <b>782 294</b>                   | <b>1 046 928</b> |

## 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 Wroclaw markets, and in the Cracow market since 1 July 2021. The operations on the Wroclaw, 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 Wroclaw segment
- the Cracow segment

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

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

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

## 7.18 SALES REVENUE AND COST OF SALES

| ANALYSIS OF SALES REVENUE AND COST OF SALES      | Three-month period ended<br>31.03.2022<br><i>(unaudited)</i> | Three-month period ended<br>31.03.2021<br><i>(unaudited)</i> |
|--|--|--|
| Sales of finished goods                          | 586 794  | 614 742  |
| Sales of services                                | 4 542  | 5 671  |
| Sales of goods (land)                            | -  | -  |
| <b>Sales revenue, total</b>                      | <b>591 336</b>   | <b>620 413</b>   |
| Cost of finished goods sold                      | (406 057)  | (420 907)  |
| Cost of services sold                            | (2 677)  | (4 418)  |
| Cost of goods sold                               | -  | -  |
| Inventory write down to the net realisable value | -  | -  |
| <b>Cost of sales, total</b>                      | <b>(408 734)</b>   | <b>(425 325)</b>   |
| <b>Gross profit on sales</b>                     | <b>182 602</b>   | <b>195 088</b>   |

## 7.19 INCOME TAX IN THE INCOME STATEMENT

| INCOME TAX                           | Three-month period ended 31.03.2022<br>(unaudited) | Three-month period ended 31.03.2021<br>(unaudited) |
|--------------------------------------|--|--|
| Current income tax                   | (21 606)   | (16 605)   |
| Deferred tax in the income statement | (6 458)  | (14 997)   |
| <b>Total</b>                         | <b>(28 064)</b>                                    | <b>(31 602)</b>                                    |

## 7.20 EARNINGS PER SHARE

| CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE  | Three-month period ended 31.03.2022<br>(unaudited) | Three-month period ended 31.03.2021<br>(unaudited) |
|--|--|--|
| <b>BASIC EARNINGS PER SHARE</b>  |  |  |
| Profit for calculation of the basic earnings per share   | 114 667  | 132 948  |
| The weighted average number of ordinary shares for the calculation of basic earnings per share   | 25 446 755   | 25 300 422   |
| <b>Basic earnings per share (in PLN)</b>   | <b>4.51</b>  | <b>5.25</b>  |
| <b>DILUTED EARNINGS PER SHARE</b>  |  |  |
| Profit for calculation of the diluted earnings per share   | 114 667  | 132 948  |
| Potential diluting shares related to the Management Share Option Programmes                      | 46 768   | 166 351  |
| The weighted average number of ordinary shares for the calculation of diluted earnings per share | 25 493 523   | 25 466 773   |
| <b>Diluted earnings per share (in PLN)</b>   | <b>4.50</b>  | <b>5.22</b>  |

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

## 7.21 TRANSACTIONS WITH RELATED ENTITIES

In the three-month periods ended 31 March 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.-31.03. | 01.01.-31.03. |
|---|--|---------------|---------------|
|   |  | 2022          | 2021          |
|   |  | (unaudited)   | (unaudited)   |
| Woodsford Consulting Limited  | Consulting services as per the agreement dated 27.06.2007 as annexed | 450           | 496           |
| Hansom Property Company Limited   | Consulting services as per the agreement dated 02.01.2001 as annexed | 142           | 136           |
| M & M Usługi Doradcze M. Kolarski   | Consulting services  | 76            | 34            |
| Dom Development Grunty Sp. z o.o.   | Purchase of real properties  | 9 987         | -             |
| Dom Development Wrocław Sp. z o.o.  | Cooperation Agreements   | -             | -             |
| Mirabelle Investments Sp. z o.o.  | Other  | -             | -             |
| Euro Styl S.A.  | Cooperation Agreements   | -             | 16            |
| Euro Styl Construction Sp. z o.o.   | Cooperation Agreements   | -             | -             |
| Dom Construction Sp. z o.o.   | Construction services  | 68 824        | 99 513        |
| Dom Construction Sp. z o.o.   | Other  | 10            | 109           |
| Dom Land Sp. z o.o.   | Purchase of real properties  | -             | -             |
| Sento S. A.   | Cooperation Agreements   | -             | -             |
| Doradztwo w zakresie infrastruktury technicznej Rafał Kierski (technical infrastructure consulting) | Cooperation Agreements   | 230           | 390           |

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

| Counterparty                       | Transaction description | 01.01.-31.03. | 01.01.-31.03. |
|------------------------------------|-------------------------|---------------|---------------|
|                                    |                         | 2022          | 2021          |
|                                    |                         | (unaudited)   | (unaudited)   |
| Dom Development Grunty Sp. z o.o.  | Other                   | 3             | 1             |
| Euro Styl S.A.                     | Cooperation Agreement   | 652           | 522           |
| Euro Styl Construction Sp. z o.o.  | Cooperation Agreement   | 2             | -             |
| Dom Land Sp. z o.o.                | Other                   | 2             | 1             |
| Dom Development Wrocław Sp. z o.o. | Cooperation Agreements  | 516           | 436           |
| Dom Development Kredyty Sp. z o.o. | Cooperation Agreements  | 160           | 110           |
| Dom Construction Sp. z o.o.        | Cooperation Agreements  | 2 626         | 616           |
| M2 Biuro Sp. z o.o.                | Cooperation Agreements  | -             | 1             |
| Buma Development 8 Sp. z o.o.      | Other                   | 4             | -             |
| Mirabelle Investments Sp. z o.o.   | Other                   | 2             | 1             |
| Sento S.A.                         | Other                   | 156           | -             |
| Nestobud Sp. z o.o.                | Other                   | -             | -             |
| Dom Development Kraków Sp. z o.o.  | Other                   | 2             | -             |

**DOM DEVELOPMENT S.A. AS A LENDER:**

| Counterparty                           | Transaction description            | 01.01.-31.03. | 01.01.-31.03. |
|--|------------------------------------|---------------|---------------|
|  |                                    | 2022          | 2021          |
|  |                                    | (unaudited)   | (unaudited)   |
| Dom Development Wrocław Sp. z o.o.     | Borrowing provided                 | 30 000        | -             |
| Dom Development Wrocław Sp. z o.o.     | Loan repaid                        | -             | -             |
| Dom Development Wrocław Sp. z o.o.     | Interest received on the borrowing | 675           | -             |
| Euro Styl S.A.                         | Borrowing provided                 | -             | -             |
| Euro Styl S.A.                         | Loan repaid                        | 108 000       | -             |
| Euro Styl S.A.                         | Interest received on the borrowing | 266           | 522           |
| Sento S.A. (w tym Sento 22 Sp. z o.o.) | Borrowing provided                 | 2 000         | -             |
| Sento S.A. (w tym Sento 22 Sp. z o.o.) | Loan repaid                        | 13 402        | -             |
| Sento S.A. (w tym Sento 22 Sp. z o.o.) | Interest received on the borrowing | 724           | -             |
| Dom Development Kraków Sp. z o.o.      | Borrowing provided                 | 3 500         | -             |
| Dom Development Kraków Sp. z o.o.      | Loan repaid                        | -             | -             |
| Dom Development Kraków Sp. z o.o.      | Interest received on the borrowing | 5             | -             |
| Buma Management Sp. z o.o.             | Borrowing provided                 | 1 000         | -             |




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

| Counterparty                      | Transaction description       | 01.01.-31.03. | 01.01.-31.03. |
|-----------------------------------|-------------------------------|---------------|---------------|
|                                   |                               | 2022          | 2021          |
|                                   |                               | (unaudited)   | (unaudited)   |
| Dom Development Kraków Sp. z o.o. | Share capital contribution *) | 5             | -             |

\*) 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 PAYER OF PREPAYMENTS:**

| Counterparty                      | Transaction description                               | 01.01.-31.03. | 01.01.-31.03. |
|-----------------------------------|---|---------------|---------------|
|                                   |   | 2022          | 2021          |
|                                   |   | (unaudited)   | (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        | -             |

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

| Counterparty                | Transaction description | 01.01.-31.03. | 01.01.-31.03. |
|-----------------------------|-------------------------|---------------|---------------|
|                             |                         | 2022          | 2021          |
|                             |                         | (unaudited)   | (unaudited)   |
| Dom Construction Sp. z o.o. | Guarantee retentions    | 688           | -             |

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

|   | Receivables from related entities |                | Liabilities to related entities |               |
|---|-----------------------------------|----------------|---------------------------------|---------------|
|   | 31.03.2022                        | 31.12.2021     | 31.03.2022                      | 31.12.2021    |
| <b>Total balance</b>  | <b>286 872</b>                    | <b>314 259</b> | <b>33 259</b>                   | <b>18 756</b> |
| <b>Subsidiaries</b>   | <b>271 124</b>                    | <b>311 967</b> | <b>33 117</b>                   | <b>16 873</b> |
| Dom Development Grunty Sp. z o.o.   | 2                                 | 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.  | 445                               | 295            | -                               | -             |
| Euro Styl S.A. loans granted  | -                                 | 108 000        | -                               | -             |
| Euro Styl S.A.  | 765                               | 687            | -                               | -             |
| Euro Styl Construction Sp. z o.o.   | 1                                 | -              | -                               | -             |
| Dom Development Kredyty Sp. z o.o.  | 137                               | -              | -                               | -             |
| Dom Construction Sp. z o.o.   | 1 169                             | 1 311          | 31 776                          | 16 220        |
| Dom Construction Sp. z o.o. retentions  | -                                 | -              | 1 341                           | 653           |
| Sento S.A. loans granted  | 77 978                            | 89 380         | -                               | -             |
| Sento S.A.  | 170                               | 103            | -                               | -             |
| Nestobud Sp. z o.o.   | -                                 | 49             | -                               | -             |
| Dom Development Kraków Sp. z o.o. loans granted   | 3 500                             | -              | -                               | -             |
| Dom Development Kraków Sp. z o.o.   | 2                                 | -              | -                               | -             |
| Buma Management Sp. z o.o. loan subrogation   | 2 000                             | -              | -                               | -             |
| Buma Development Sp. z o.o. loan subrogation  | 1 500                             | -              | -                               | -             |
| Buma Development 8 Sp. z o.o.   | 5                                 | -              | -                               | -             |
| Buma Development 8 Sp. z o.o. loan subrogation  | 8 650                             | -              | -                               | -             |
| Buma Development 12 Sp. z o.o. loan subrogation   | 8 050                             | -              | -                               | -             |
| 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                            | -              | -                               | -             |
| <b>Other entities</b>   | <b>15 748</b>                     | <b>2 292</b>   | <b>142</b>                      | <b>1 883</b>  |
| Dom Land Sp. z o.o.   | 13 556                            | 100            | -                               | -             |
| Hansom Property Company Limited   | 1 120                             | 1 120          | 142                             | 143           |
| Woodsford Consulting Limited  | 580                               | 580            | -                               | -             |
| Doradztwo w zakresie infrastruktury technicznej Rafał Kierski (technical infrastructure consulting) | 492                               | 492            | -                               | 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”.

## 7.22 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 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.

In connection with the acquisition of the remaining 23% of shares in Sento S.A., a memorandum of understanding was 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, the said options have expired and the above-mentioned set value of share-based payment transactions will not be charged to 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 under the put option included in the agreement of 1 July 2021, the Company undertook to pay a compensation of PLN 3 902k to Reno Sp. z o.o.

### INCENTIVE PLAN – MANAGEMENT OPTION PROGRAMMES

As at 31 March 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 | 31.03.2022<br><i>(unaudited)</i>               |                                       |   | 31.12.2021                                     |                                       |   |
|------------------------------|--|---------------------------------------|---|--|---------------------------------------|---|
|                              | Options in the programme<br>(number of shares) | Options granted<br>(number of shares) | Options exercised<br>(number of shares) | Options in the programme<br>(number of shares) | Options granted<br>(number of shares) | Options exercised<br>(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 three-month periods ended 31 March 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.

The AE series shares were issued in a private placement addressed to Ms Małgorzata Kolarska, Vice President of the Management Board as a participant in Management Options Programme IV and the AF series shares were issued in a private placement addressed to Mr Mikołaj Konopka, Member of the Management Board as a participant in Management Options Programme V (which was 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.

#### Expiry of share options under the management option programme

In the three-month periods ended 31 March 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 three-month periods ended 31 March 2022 and 2021 the amounts of PLN 164k and PLN 1 049k respectively, for the management options granted were accounted for in the income statement and in the supplementary capital.

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

|   |   | 01.01.-31.03.<br>2022<br>(unaudited) | 01.01.-31.03.<br>2021<br>(unaudited) |
|---|---|--------------------------------------|--------------------------------------|
| <b>Unexercised options at the beginning of the period</b> | <b>Number of options</b>                                  | <b>250 000</b>                       | <b>550 000</b>                       |
|   | <b>Total exercise price</b>                               | <b>11 000</b>                        | <b>24 500</b>                        |
| Options granted in the period                             | Number of options   | -                                    | -                                    |
|   | Total option exercise value                               | -                                    | -                                    |
| Options expired in the period                             | Number of options   | -                                    | -                                    |
|   | Total option exercise value                               | -                                    | -                                    |
|   | Number of options   | 150 000                              | 180 000                              |
| Options exercised in the period                           | Total option exercise value                               | 6 000                                | 7 500                                |
|   | Weighted average exercise price per share (PLN per share) | 40.00                                | 41.67                                |
| <b>Unexercised options at the end of the period</b>       | <b>Number of options</b>                                  | <b>100 000</b>                       | <b>370 000</b>                       |
|   | <b>Total exercise price</b>                               | <b>5 000</b>                         | <b>17 000</b>                        |
| 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                                      | -                                    | -                                    |

## 7.23 CONTINGENT LIABILITIES

| CONTINGENT LIABILITIES | 31.03.2022<br>(unaudited) | 31.12.2021    |
|------------------------|---------------------------|---------------|
| Guarantees             | 17 324                    | 17 324        |
| Sureties               | 6 682                     | 14 655        |
| <b>Total</b>           | <b>24 006</b>             | <b>31 979</b> |

| COLLATERALS FOR LIABILITIES  | 31.03.2022<br>(unaudited) | 31.12.2021   |
|------------------------------|---------------------------|--------------|
| Promissory notes, including: |                           |              |
| UNIOA TU SA                  | 1 400                     | 1 400        |
| <b>Total</b>                 | <b>1 400</b>              | <b>1 400</b> |

In the three-month period ended 31 March 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.

## 7.24 MATERIAL COURT CASES AS AT 31 MARCH 2022

As at 31 March 2022 the Company was not a party to any material court cases.

## 7.25 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 Q1 2022, the Company's operations continued smoothly and all investment projects proceeded according to schedule, despite numerous challenges in the market environment.

Demand was under pressure from a tightening monetary policy, with interest rate increases negatively affecting credit availability. At the same time, due to rising inflation real interest rates remained deeply negative, encouraging investment of savings in real estate.

A factor which dampened the demand for real estate was Russia's invasion of Ukraine on 24 February 2022. Surprise and mobilisation to provide assistance to war refugees have made many people postpone important decisions. This has also translated into a drop in interest in buying a dwelling. However, the initial shock has quickly passed and since mid-March demand for housing has recovered.

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. One of them is Warsaw, where around 300k people fleeing from the war settled.

In the face of sales slowdown in the market, the supply of housing on the Warsaw market has slightly improved and the market has moved closer to equilibrium after many quarters of the shortage of supply. The structural challenges in the Warsaw market relate to the shortage of investment land and, from the first quarter of the year, strong inflation affecting construction costs. A striking example of price increases could be seen on the steel market, which reached historic prices with significantly reduced availability, due inter alia to the disruption of supply chains from Ukraine and Russia.

The priority in the Company's business is its profitability. In anticipation of stabilisation of construction material prices, the Company's Management Board decided to shift the start of construction for some projects from Q1 to Q2 2022. Already in the second half of March, the mood in the market became visibly more relaxed and the availability of key components improved. With the situation calming down, the Group companies contracted the supply of construction materials for the planned projects under conditions which ensure satisfactory profitability. 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 Q1 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 31 MARCH 2022

#### DEVELOPMENT PROJECTS COMMENCED FROM 1 JANUARY 2022 UNTIL 31 MARCH 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                                   |
| <b>Q1 2022</b>  |          | <b>615</b>                            |

In Q1 2022, the Company did not complete any project.

Moreover, in Q1 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 three-month period ended 31 March 2022 has been presented in the following table:

| NUMBER OF APARTMENTS AND RETAIL UNITS DELIVERED | 2022       | 2021       |
|---|------------|------------|
| Q1  | 829        | 906        |
| <b>Total</b>                                    | <b>829</b> | <b>906</b> |

## 7.26 DIVIDEND AND PROFIT DISTRIBUTION

### DIVIDENDS PAID

In the three-month period ended 31 March 2022 the Company did not pay any dividends.

Due to the increased volatility in the Company's market environment in Q1 2022, the Management Board decided to issue a recommendation as regards the amount of dividend no later by the end of May 2022.

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

### DIVIDENDS RECEIVED

The Company did not receive nor recognise any dividend income in the reporting period and the benchmarking periods.

## 7.27 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 in the three-month period ended 31 March 2022.

## 7.28 MATERIAL POST-BALANCE SHEET EVENTS

No material post-balance sheet events occurred in the three-month period ended 31 March 2022.

## 7.29 FORECASTS

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

## 7.30 SELECTED FINANCIAL DATA TRANSLATED INTO EURO

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

| SELECTED DATA FROM THE INTERIM CONDENSED BALANCE SHEET     | 31.03.2022<br>in EUR '000<br>(unaudited) | 31.12.2021<br>in EUR '000 |
|--|--|---------------------------|
| Total current assets                                       | 487 452                                  | 556 019                   |
| Total assets   | 631 159                                  | 659 731                   |
| Total shareholders' equity                                 | 291 094                                  | 266 430                   |
| Long-term liabilities                                      | 87 512                                   | 88 871                    |
| Short-term liabilities                                     | 252 553                                  | 304 430                   |
| Total liabilities  | 340 065                                  | 393 301                   |
| <b>PLN/EURO exchange rate as at the balance sheet date</b> | <b>4.6525</b>                            | <b>4.5994</b>             |



| <b>SELECTED DATA FROM THE INTERIM CONDENSED<br/>INCOME STATEMENT</b>      | <b>Three-month<br/>period ended<br/>31.03.2022<br/>in EUR '000<br/>(unaudited)</b> | <b>Three-month<br/>period ended<br/>31.03.2021<br/>in EUR '000<br/>(unaudited)</b> |
|---|--|--|
| Sales revenue   | 127 246  | 135 695  |
| Gross profit on sales   | 39 293   | 42 669   |
| Operating profit  | 30 601   | 35 639   |
| Profit before tax   | 30 713   | 35 990   |
| Net profit  | 24 674   | 29 078   |
| <b><i>Average PLN/EURO exchange rate for the reporting<br/>period</i></b> | <b>4.6472</b>  | <b>4.5721</b>  |