

DOM DEVELOPMENT S.A.

**INTERIM CONDENSED
FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD
ENDED
30 SEPTEMBER 2023**



CONTENTS

| | | |
|----------|--|----------|
| 1 | APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS BY THE MANAGEMENT BOARD OF THE COMPANY | 2 |
| 2 | INTERIM CONDENSED BALANCE SHEET | 3 |
| 3 | INTERIM CONDENSED INCOME STATEMENT | 4 |
| 4 | INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME | 5 |
| 5 | INTERIM CONDENSED CASH FLOW STATEMENT | 6 |
| 6 | INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY | 7 |
| 7 | ADDITIONAL NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS | 8 |
| 7.1 | GENERAL INFORMATION ABOUT DOM DEVELOPMENT S.A. | 9 |
| 7.2 | BASIS FOR THE PREPARATION OF THE INTERIM CONDENSED FINANCIAL STATEMENTS..... | 9 |
| 7.3 | ACCOUNTING POLICIES | 10 |
| 7.4 | KEY FIGURES BASED ON PROFESSIONAL JUDGEMENT AND BASIS FOR ESTIMATES | 11 |
| 7.5 | TANGIBLE FIXED ASSETS | 12 |
| 7.6 | INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES | 12 |
| 7.7 | LOANS GRANTED AND OTHER LONG-TERM RECEIVABLES | 13 |
| 7.8 | INVENTORY..... | 14 |
| 7.9 | SHORT-TERM FINANCIAL ASSETS..... | 15 |
| 7.10 | CASH AND CASH EQUIVALENTS..... | 15 |
| 7.11 | SHARE CAPITAL..... | 15 |
| 7.12 | LOANS | 17 |
| 7.13 | BONDS..... | 18 |
| 7.14 | ACCRUED INTEREST ON LOANS AND BONDS..... | 19 |
| 7.15 | LEASE LIABILITIES..... | 19 |
| 7.16 | DEFERRED INCOME | 19 |
| 7.17 | SEGMENT REPORTING..... | 20 |
| 7.18 | SALES REVENUE AND COST OF SALES..... | 20 |
| 7.19 | FINANCIAL INCOME..... | 20 |
| 7.20 | INCOME TAX IN THE INCOME STATEMENT | 21 |
| 7.21 | EARNINGS PER SHARE | 21 |
| 7.22 | TRANSACTIONS WITH RELATED ENTITIES..... | 21 |
| 7.23 | COMPANY'S SHARE OPTIONS | 24 |
| 7.24 | CONTINGENT LIABILITIES..... | 25 |
| 7.25 | MATERIAL COURT CASES AS AT 30 SEPTEMBER 2023 | 25 |
| 7.26 | FACTORS AND EVENTS WITH MATERIAL IMPACT ON THE CONDENSED FINANCIAL STATEMENTS OF THE COMPANY | 25 |
| 7.27 | DIVIDEND AND DISTRIBUTION OF PROFIT FOR 2022..... | 27 |
| 7.28 | CHANGES IN THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD..... | 27 |
| 7.29 | MATERIAL POST-BALANCE SHEET EVENTS | 27 |
| 7.30 | FORECASTS..... | 27 |
| 7.31 | SELECTED FINANCIAL DATA TRANSLATED INTO EURO | 28 |

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 30 September 2023, comprising:

- interim condensed balance sheet as at 30 September 2023,
- interim condensed income statement for the nine-month and three-month periods ended 30 September 2023,
- interim condensed statement of comprehensive income for the nine-month and three-month periods ended 30 September 2023,
- interim condensed statement of changes in shareholders' equity for the nine-month period ended 30 September 2023,
- interim condensed cash flow statement for the nine-month period ended 30 September 2023,
- additional notes to the interim condensed financial statements,

were prepared and approved by the Management Board of Dom Development S.A. on 15 November 2023.

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 30 September 2023 with comparative data have been prepared in accordance with the applicable accounting policies, and reflect a true and fair economic and financial position of Dom Development S.A. and its financial result.

Jarosław Szanajca
President
of the Management Board

Leszek Stankiewicz
Vice President
of the Management Board

2 INTERIM CONDENSED BALANCE SHEET

| ASSETS | Note | 30.09.2023 (unaudited) | 31.12.2022 |
|---|------|---------------------------|------------------|
| Fixed assets | | | |
| Intangible assets | | 19 060 | 19 659 |
| Tangible fixed assets | 7.5 | 18 111 | 19 566 |
| Investments in subsidiaries, associates and jointly controlled entities | 7.6 | 472 729 | 486 050 |
| Deferred tax assets | | 31 518 | 35 832 |
| Loans granted and other long-term receivables | 7.7 | 580 849 | 309 557 |
| Other long-term assets | | 10 703 | 22 563 |
| TOTAL FIXED ASSETS | | 1 132 970 | 893 227 |
| Current assets | | | |
| Inventory | 7.8 | 2 264 807 | 1 930 509 |
| Trade and other receivables | | 45 779 | 42 782 |
| Corporate income tax receivables | | - | - |
| Other current assets | | 58 821 | 4 409 |
| Loans granted | 7.7 | - | - |
| Short-term financial assets | 7.9 | 110 394 | 57 025 |
| Cash and cash equivalents | 7.10 | 28 462 | 184 078 |
| TOTAL CURRENT ASSETS | | 2 508 263 | 2 218 803 |
| TOTAL ASSETS | | 3 641 233 | 3 112 030 |
| EQUITY AND LIABILITIES | | | |
| | Note | 30.09.2023 (unaudited) | 31.12.2022 |
| Shareholders' equity | | | |
| Share capital | 7.11 | 25 698 | 25 548 |
| Share premium | 7.11 | 271 558 | 264 208 |
| Other capital (supplementary capital) | | 764 267 | 670 640 |
| Reserve capital from valuation of cash flow hedges | | 5 384 | 16 444 |
| Reserve capital from reduction of share capital | | 510 | 510 |
| Unappropriated profit | | 296 492 | 373 684 |
| TOTAL SHAREHOLDERS' EQUITY | | 1 363 909 | 1 351 034 |
| Long-term liabilities | | | |
| Loans, long-term portion | 7.12 | - | - |
| Bonds, long-term portion | 7.13 | 520 000 | 260 000 |
| Deferred tax provision | | - | - |
| Long-term provisions | | 6 405 | 10 649 |
| Lease liabilities, long-term portion | 7.15 | 11 340 | 14 126 |
| Other long-term liabilities | | 60 917 | 57 478 |
| TOTAL LONG-TERM LIABILITIES | | 598 662 | 342 253 |
| Short-term liabilities | | | |
| Trade payables, tax and other liabilities | | 326 476 | 273 748 |
| Loans, short-term portion | 7.12 | - | 50 000 |
| Bonds, short-term portion | 7.13 | 39 500 | 50 000 |
| Accrued interest on loans and bonds | 7.14 | 4 204 | 2 550 |
| Lease liabilities, short-term portion | 7.15 | 52 204 | 50 172 |
| Corporate income tax payables | | 953 | 63 990 |
| Dividends payables | 7.27 | - | - |
| Short-term provisions | | 16 914 | 17 637 |
| Deferred income | 7.16 | 1 238 411 | 910 646 |
| TOTAL SHORT-TERM LIABILITIES | | 1 678 662 | 1 418 743 |
| TOTAL LIABILITIES | | 2 277 324 | 1 760 996 |
| TOTAL EQUITY AND LIABILITIES | | 3 641 233 | 3 112 030 |

All amounts in PLN '000.

3 INTERIM CONDENSED INCOME STATEMENT

| | Note | Nine-month period ended 30.09.2023 <i>(unaudited)</i> | Nine-month period ended 30.09.2022 <i>(unaudited)</i> | Three-month period ended 30.09.2023 <i>(unaudited)</i> | Three-month period ended 30.09.2022 <i>(unaudited)</i> |
|---|-------------|---|---|--|--|
| Sales revenue | 7.18 | 875 474 | 1 025 426 | 126 652 | 164 508 |
| Cost of sales | 7.18 | (603 964) | (708 706) | (87 274) | (108 365) |
| Gross profit on sales | 7.18 | 271 510 | 316 720 | 39 378 | 56 143 |
| Selling costs | | (37 346) | (33 845) | (11 200) | (11 765) |
| General administrative expenses | | (72 182) | (67 644) | (25 195) | (22 425) |
| Other operating income | | 7 677 | 1 078 | 5 402 | 66 |
| Other operating expenses | | (8 349) | (13 323) | (3 008) | (1 655) |
| Operating profit | | 161 310 | 202 986 | 5 377 | 20 364 |
| Financial income | 7.19 | 196 658 | 135 870 | 15 576 | 124 283 |
| Financial costs | | (22 518) | (10 822) | (8 805) | (3 732) |
| Profit before tax | | 335 450 | 328 034 | 12 148 | 140 915 |
| Income tax | 7.20 | (38 958) | (41 423) | (3 087) | (4 643) |
| Net profit from continued operations | | 296 492 | 286 611 | 9 061 | 136 272 |
| Net profit from discontinued operations *) | | - | - | - | - |
| Net profit | | 296 492 | 286 611 | 9 061 | 136 272 |
| Earnings per share: | | | | | |
| Basic (in PLN) | 7.21 | 11.56 | 11.23 | 0.35 | 5.33 |
| Diluted (in PLN) | 7.21 | 11.52 | 11.21 | 0.35 | 5.33 |

*) In the nine-month and the three-month periods ended 30 September 2023 and 2022 the Company did not discontinue any of its activities.

All amounts in PLN '000 unless stated otherwise.

4 INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

| | Nine-month period ended 30.09.2023 <i>(unaudited)</i> | Nine-month period ended 30.09.2022 <i>(unaudited)</i> | Three-month period ended 30.09.2023 <i>(unaudited)</i> | Three-month period ended 30.09.2022 <i>(unaudited)</i> |
|--|---|---|--|--|
| Net profit | 296 492 | 286 611 | 9 061 | 136 272 |
| Other comprehensive income: | | | | |
| Net change to cash flow hedges | (13 654) | 17 351 | (5 033) | (1 686) |
| Items to be accounted for in the income statement | (13 654) | 17 351 | (5 033) | (1 686) |
| Items not to be accounted for in the income statement | | | | |
| Other net comprehensive income / (loss), before tax | (13 654) | 17 351 | (5 033) | (1 686) |
| Income tax on other net comprehensive income to be accounted for in the income statement | 2 594 | (3 297) | 956 | 320 |
| Other net comprehensive income | (11 060) | 14 054 | (4 077) | (1 366) |
| Total net comprehensive income | 285 432 | 300 665 | 4 984 | 134 906 |

All amounts in PLN '000.

5 INTERIM CONDENSED CASH FLOW STATEMENT

| | Note | Nine-month period ended 30.09.2023 (unaudited) | Nine-month period ended 30.09.2022 (unaudited) |
|---|------|--|--|
| Cash flow from operating activities | | | |
| Profit before tax | | 335 450 | 328 034 |
| Adjustments: | | | |
| Depreciation | | 9 337 | 8 265 |
| (Profit)/loss on foreign exchange differences | | (907) | 837 |
| (Profit)/loss on investments | | (155 139) | (117 969) |
| Interest cost/(income) | | (17 482) | (1 574) |
| Cost of the valuation of management option programmes | | 2 625 | 492 |
| Changes in the operating capital: | | | |
| Changes in provisions | | (1 160) | (1 016) |
| Changes in inventory | | (335 163) | 52 294 |
| Changes in receivables | | (3 505) | 89 |
| Changes in short-term liabilities, excluding loans and bonds | | 52 751 | 41 238 |
| Changes in prepayments and deferred income | | 220 691 | (150 833) |
| Other adjustments | | 907 | (837) |
| Cash flow generated from operating activities | | 108 405 | 159 020 |
| Interest received | | 8 053 | 5 160 |
| Interest paid | | (14 909) | (8 660) |
| Income tax paid | | (95 088) | (46 641) |
| Net cash flow from operating activities | | 6 461 | 108 879 |
| Cash flow from investing activities | | | |
| Proceeds from the sale of intangible assets and tangible fixed assets | | 323 | 356 |
| Dividends received | | 159 337 | 117 276 |
| Proceeds from borrowings granted | | 79 814 | 254 608 |
| Other proceeds from financial assets | | 15 242 | 28 000 |
| Bank deposits with a maturity over three months | | - | - |
| Borrowings granted | | (326 700) | (275 785) |
| Acquisition of intangible and tangible fixed assets | | (5 979) | (5 872) |
| Acquisition of financial assets and additional contributions to the share capital of subsidiaries | | (5 932) | (128 044) |
| Net cash flow from investing activities | | (83 895) | (9 461) |
| Cash flows from financing activities | | | |
| Proceeds from issue of shares (exercise of share options) | 7.11 | 5 000 | 6 000 |
| Proceeds from contracted loans | 7.12 | 356 000 | - |
| Proceeds from commercial papers issued | 7.13 | 260 000 | - |
| Repayment of loans and borrowings | 7.12 | (406 000) | - |
| Redemption of commercial papers | 7.13 | (10 500) | - |
| Dividends paid | 7.27 | (282 682) | (268 258) |
| Net cash flow from financing activities | | (78 182) | (262 258) |
| Increase / (decrease) in net cash and cash equivalents | | (155 616) | (162 840) |
| Cash and cash equivalents – opening balance | 7.10 | 184 078 | 364 394 |
| Cash and cash equivalents – closing balance | 7.10 | 28 462 | 201 554 |

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 |
|---|---------------|---------------|---------------------------------------|---|--|-----------------------|----------------------------|
| Balance as at 1 January 2023 | 25 548 | 264 208 | 670 640 | 510 | 16 444 | 373 684 | 1 351 034 |
| Share capital increase by exercising share options (note 7.11) | 150 | 7 350 | - | - | - | - | 7 500 |
| Transfer of profit to supplementary capital | - | - | 91 002 | - | - | (91 002) | - |
| Dividends to shareholders (note 7.27) | - | - | - | - | - | (282 682) | (282 682) |
| Creation of reserve capital from the valuation of the share options (note 7.23) | - | - | 2 625 | - | - | - | 2 625 |
| Net profit for the reporting period | - | - | - | - | - | 296 492 | 296 492 |
| Other net comprehensive income for the reporting period | - | - | - | - | (11 060) | - | (11 060) |
| Total net comprehensive income | - | - | - | - | (11 060) | 296 492 | 285 432 |
| Increase / (decrease) in equity capital | 150 | 7 350 | 93 627 | - | (11 060) | (77 192) | 12 875 |
| Balance as at 30 September 2023 (unaudited) | 25 698 | 271 558 | 764 267 | 510 | 5 384 | 296 492 | 1 363 909 |

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 |
|---|---------------|---------------|---------------------------------------|---|--|-----------------------|----------------------------|
| Balance as at 1 January 2022 | 25 398 | 258 358 | 626 738 | 510 | 7 647 | 306 767 | 1 225 418 |
| Share capital increase by exercising share options | 150 | 5 850 | - | - | - | - | 6 000 |
| Transfer of profit to supplementary capital | - | - | 38 509 | - | - | (38 509) | - |
| Dividends to shareholders (note 7.27) | - | - | - | - | - | (268 258) | (268 258) |
| Creation of reserve capital from the valuation of the share options (note 7.23) | - | - | 492 | - | - | - | 492 |
| Net profit for the reporting period | - | - | - | - | - | 286 611 | 286 611 |
| Other net comprehensive income for the reporting period | - | - | - | - | 14 054 | - | 14 054 |
| Total net comprehensive income | - | - | - | - | 14 054 | 286 611 | 300 665 |
| Increase / (decrease) in equity capital | 150 | 5 850 | 39 001 | - | 14 054 | (20 156) | 38 899 |
| Balance as at 30 September 2022 (unaudited) | 25 548 | 264 208 | 665 739 | 510 | 21 701 | 286 611 | 1 264 317 |

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 |

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. As at the date of the preparation of these interim condensed financial statements, Groupe Belleforêt S.à r.l. held 55.02% of the Company’s shares (see note 7.11).

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 30 September 2023 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 continues to be a factor destabilising the economic environment throughout the region. The Company and its subsidiaries operate exclusively in Poland. The Company’s Management Board believes that the war in Ukraine may affect the demand for dwellings, construction costs, and the availability of subcontractors. As at the date of the preparation of these interim condensed financial statements all of the Company’s development projects were progressing as planned or even more quickly than planned. The Company’s Management Board continuously monitors the situation and analyses its potential impact from the perspective of individual projects, the Company as a whole, and its long-term objectives. In the opinion of the Management Board of the Company no circumstances that would indicate that there is a threat to the continued activity of the Company 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 2022.

The Company has also prepared interim condensed consolidated financial statements for Dom Development S.A. Capital Group for the three-month period ended 30 September 2023. These statements were approved by the Management Board of the Company on 15 November 2023.

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 2022, except for the following amendments to existing standards and new interpretations that are effective for annual periods beginning on 1 January 2023:

- 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.
- 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.
- 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. Before the amendment, there was uncertainty as to whether the recognition of equal amounts of assets and liabilities for accounting purposes (e.g. initial recognition of leases) that had no impact on current tax settlements would require the recognition of deferred tax balances or whether the initial recognition exemption would apply. The initial recognition exemption means that deferred tax balances are not recognised if the recognition of an asset or liability component has no impact on the accounting or tax result at the time of recognition. The amended IAS 12 addresses this issue by requiring deferred tax to be recognised in the above situation by adding an additional provision that the initial recognition exemption does not apply if an entity recognises both an asset and a corresponding liability, and each of them leads to temporary differences.

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

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

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

- Amendments to IAS 1 *Presentation of Financial Statements*. In 2020, the IASB published amendments to IAS 1 which clarify the presentation issue of long-term and short-term liabilities.. In October 2022, the ISAB issued further amendments to IAS 1, which address the classification of liabilities as long- and short-term liabilities for which an entity is required to comply with certain covenants. Amended IAS 1 specifies that liabilities are classified as short- or long-term depending on the rights [to defer settlement of a liability] existing at the end of the reporting period. The classification is not affected by either the entity’s expectations or an event after the reporting date (for example, waiver of a covenant or its violation). The published amendments are effective for financial statements for the periods beginning on or after 1 January 2024. These amendments have not been endorsed by the EU as at the date of these interim condensed financial statements.
- Amendment to IFRS 16 *Leases*. In September 2022, the Board amended IFRS 16 “Leases” to supplement the requirements for the subsequent measurement of a lease liability for a sale and leaseback transaction when the criteria of IFRS 15 are met and the transaction is to be accounted for as a sale. The amendment requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in such a way that no profit or loss related to the retained right-of-use is recognised. The new requirement has a

particular relevance when a leaseback transaction includes variable lease payments that do not depend on an index or a rate, as such payments are excluded from “lease payments” under IFRS 16. The amended standard incorporates a new example that illustrates the application of the new requirement in this respect. The amendment is effective from 1 January 2024. This amendment has not been endorsed by the EU as at the date of these interim condensed financial statements.

- Amendments to IFRS 10 and IAS 28 concerning sale or contribution of assets between an investor and its associate or joint venture. They remove the existing inconsistency between IFRS 10 and IAS 28. The accounting treatment depends on whether non-cash assets sold or contributed to an associate or a joint venture constitute a business. If the non-cash assets constitute a business the investor discloses a full gain or loss on the transaction. If the assets cannot be classified as a business the investor recognises the gain or loss only in the scope of the shares of other investors therein. The approval of this amendment has been postponed by the European Union as at the date of these interim condensed financial statements.

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.

Revenue from the performance of an unfinished construction service is determined by the percentage of completion method - in an amount proportional to the degree of completion, which is measured as the share of costs incurred from the date of conclusion of the contract to the date of valuation as at the balance sheet date

SEASONALITY

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

7.5 TANGIBLE FIXED ASSETS

| TANGIBLE FIXED ASSETS | 30.09.2023 (unaudited) | 31.12.2022 |
|---|---------------------------|---------------|
| Tangible fixed assets, including: | | |
| Technical equipment and other tangible fixed assets | 1 014 | 1 593 |
| Vehicles | 2 445 | 2 291 |
| Land and buildings | - | - |
| Right-of-use of premises | 14 652 | 15 682 |
| Total | 18 111 | 19 566 |

As at 30 September 2023 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 tangible fixed assets.

7.6 INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

INTEREST IN SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

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

| INTEREST IN SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITY | As at 30.09.2023 | | | As at 31.12.2022 | | |
|--|------------------------|---------------------------|-------------------------------|------------------------|---------------------------|-------------------------------|
| | Company's interest (%) | Value of total investment | Net investment carrying value | Company's interest (%) | Value of total investment | Net investment carrying value |
| Dom Development Grunty sp. z o.o. | 46% | 24 | 24 | 46% | 24 | 24 |
| Dom Development Wrocław sp. z o.o. | 100% | 35 802 | 35 802 | 100% | 51 002 | 51 002 |
| 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. w likwidacji | 100% | - | - | 100% | 252 | 252 |
| Dom Construction sp. z o.o. | 100% | 3 103 | 3 103 | 100% | 3 103 | 3 103 |
| Sento S.A. *) | - | - | - | 100% | 42 865 | 42 865 |
| Dom Development Kraków sp. z o.o. | 100% | 162 721 | 162 721 | 100% | 113 970 | 113 970 |
| Dom Development Kraków 12 sp. z o.o. | 100% | 8 784 | 4 984 | 100% | 8 784 | 8 784 |
| Issogne sp. z o.o. | 100% | 59 | 59 | 100% | 14 | 14 |
| Total | | 476 529 | 472 729 | | 486 050 | 486 050 |

*) In Q2 2023, Sento S.A. (as the acquired company) was merged with Dom Development Kraków Sp. z o.o. (as the acquiring company).

- Euro Styl S.A.

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

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

- Dom Development Wrocław Sp. z o.o.

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

- Dom Development Kraków Sp. z o.o.

Dom Development Kraków Sp. z o.o. is a company set up in February 2022 to gradually consolidate property development operations of the Dom Development S.A. Capital Group on the Cracow market.

- Dom Development Kraków 12 Sp. z o.o.
Dom Development Kraków 12 Sp. z o.o. (formerly Buma Development 12 Sp. z o.o., a company acquired in 2022 along with other Buma Group companies) is a special purpose vehicle established to run one development project in the Cracow market. That project was completed in 2022. As of 30 September 2023, the company still has a few units available for sale. There will be no other development projects run by this company.
- 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. operates as the general contractor in residential development projects. Dom Construction Sp. z o.o. provides services exclusively for the Group companies (besides of the companies belonging to Euro Styl S.A. Capital Group, in which the construction is carried out by Euro Styl Construction Sp. z o.o.).
- Dom Development Grunty Sp. z o.o.
The Company holds 46% of shares in the share capital of Dom Development Grunty spółka z o.o., that is a company participating in property (land) transactions within the Group.
- Mirabelle Investments Sp. z o.o.
On 7 September 2017, the Company acquired 100% of the shares in share capital of Mirabelle Investments Sp. z o.o., which was the addressee of administrative decisions and the party to the agreements required for the development of further stages of the Żoliborz Artystyczny housing project on the land with perpetual usufruct (long-term leasehold) acquired by the Company. It is not the Company's intention to carry out operations through Mirabelle Investments Sp. z o.o., and the project was developed directly by Development S.A. on the said real estate.

DESCRIPTION OF MATERIAL CHANGES IN THE PERIOD FROM 1 JULY UNTIL 30 SEPTEMBER 2023

Within the three-month period ended 30 September 2023, the Company did not make any other material changes in the structure of investing in subsidiaries, associates and joint ventures.

7.7 LOANS GRANTED AND OTHER LONG-TERM RECEIVABLES

| LOANS GRANTED AND OTHER LONG-TERM RECEIVABLES | 30.09.2023 | 31.12.2022 |
|---|----------------|----------------|
| Loans granted, long-term portion | 573 828 | 303 045 |
| Other long-term receivables | 7 021 | 6 512 |
| Closing balance | 580 849 | 309 557 |

| LOANS GRANTED | 30.09.2023 | 31.12.2022 |
|-----------------------------------|----------------|----------------|
| Loans granted, long-term portion | 573 828 | 303 045 |
| Loans granted, short-term portion | - | - |
| Total | 573 828 | 303 045 |

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

BORROWINGS PROVIDED

All loans granted by the Company are loans to related entities.

The borrowings provided by the Company and their status as at 30 September 2023, including accrued interest, have been presented in the table below:

| Date of the agreement | Borrower | Loan amount (less accrued interest) | Due date | Balance as at 30.09.2023 |
|-----------------------|------------------------------------|--|------------|-----------------------------|
| 26.02.2019 | Euro Styl S.A. | 150 000 | 31.12.2025 | 138 517 |
| 27.09.2019 | Dom Development Wrocław sp. z o.o. | 230 000 | 31.12.2025 | 190 000 |
| 22.04.2021 | Dom Development Kraków sp. z o.o. | 17 350 | 31.12.2026 | 20 498 |
| 22.04.2021 | Dom Development Kraków sp. z o.o. | 6 200 | 31.12.2026 | 7 123 |
| 09.08.2022 | Dom Development Kraków sp. z o.o. | 75 000 | 31.12.2025 | 29 200 |
| 28.04.2023 | Dom Development Kraków sp. z o.o. | 165 100 | 31.12.2027 | 160 183 |
| 16.08.2023 | ISSOGNE sp. z o.o. | 90 000 | 31.12.2023 | 28 307 |
| Total | | | | 573 828 |

7.8 INVENTORY

| INVENTORY | 30.09.2023 (unaudited) | 31.12.2022 |
|---|---------------------------|------------------|
| Advances on deliveries | 82 743 | 71 694 |
| including: at purchase prices/production costs | 82 743 | 71 694 |
| write down to the net realisable value | - | - |
| Semi-finished goods and work in progress | 2 159 978 | 1 824 319 |
| including: at purchase prices/production costs | 2 160 784 | 1 820 217 |
| rights of perpetual usufruct of land (lease) | 40 099 | 45 007 |
| write down to the net realisable value | (40 905) | (40 905) |
| Finished goods | 22 086 | 34 496 |
| including: at purchase prices/production costs | 28 315 | 40 725 |
| write down to the net realisable value | (6 229) | (6 229) |
| Total | 2 264 807 | 1 930 509 |

| INVENTORY REVALUATION WRITE DOWNS | 01.07-30.09 2023 (unaudited) | 01.07-30.09 2022 (unaudited) |
|-----------------------------------|------------------------------------|------------------------------------|
| Opening balance | 47 134 | 34 751 |
| Increments | - | - |
| (Decrease) | - | - |
| Closing balance | 47 134 | 34 751 |

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

| CARRYING VALUE OF INVENTORY USED TO SECURE THE PAYMENT OF LIABILITIES AND VALUE OF THE MORTGAGES ESTABLISHED | 30.09.2023 (unaudited) | 31.12.2022 |
|--|---------------------------|------------|
| MORTGAGES - value of mortgages to secure liabilities under: | | |
| Real estate purchase agreements | - | - |
| Loan agreements of the Company and Group companies *) | 660 000 | 585 000 |

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

7.9 SHORT-TERM FINANCIAL ASSETS

| SHORT-TERM FINANCIAL ASSETS | 30.09.2023 (unaudited) | 31.12.2022 |
|---|---------------------------|---------------|
| Bank deposits with a maturity over three months | - | - |
| Cash in open-end residential escrow accounts | 95 288 | 35 456 |
| Other short-term financial assets | 15 106 | 21 569 |
| Total | 110 394 | 57 025 |

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

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

7.10 CASH AND CASH EQUIVALENTS

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

| CASH AND CASH EQUIVALENTS | 30.09.2023 (unaudited) | 31.12.2022 | 30.09.2022 (unaudited) |
|---------------------------|---------------------------|----------------|---------------------------|
| Cash in hand and at bank | 8 626 | 16 845 | 21 393 |
| Short-term deposits | 19 836 | 167 233 | 180 161 |
| Other | - | - | - |
| Total | 28 462 | 184 078 | 201 554 |

7.11 SHARE CAPITAL

DESCRIPTION OF CHANGES TO THE SHARE CAPITAL IN THE COMPANY IN THE PERIOD FROM 1 JANUARY UNTIL 30 SEPTEMBER 2023, AND THE BALANCE AS AT 30 SEPTEMBER 2023

| CHANGE IN THE REPORTING PERIOD | Share capital: Number of shares | Share capital: Value at the nominal value | Share premium |
|---|------------------------------------|---|----------------|
| Balance as at 01.01.2023 | 25 548 422 | 25 548 | 264 208 |
| Change | 150 000 | 150 | 7 350 |
| Balance as at 30.09.2023 (unaudited) | 25 698 422 | 25 698 | 271 558 |

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.

The share capital was paid up in cash.

All shares are bearer shares.

EXERCISE OF COMPANY'S SHARE OPTIONS

In the three-month period ended 30 September 2022 no share options (for the shares in the Company) were exercised.

ADOPTION OF THE NEW MANAGEMENT OPTION PROGRAMME

In the three-month period ended 30 September 2023 no new share options for the shares in the Company were granted.

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 publication of the condensed financial statements for the six-month period ended 30.06.2023 |
|-----------------------------------|--|----------|----------------------------|--------------------|---|
| | Shares | % shares | Number of votes at the GSM | % votes at the GSM | Shares |
| Groupe Belleforêt S.à r.l. | 14 140 441 | 55.02 | 14 140 441 | 55.02 | - |
| PTE Allianz Polska S.A.*) | 2 501 493 | 9.73 | 2 501 493 | 9.73 | - |
| Jarosław Szanajca | 1 454 050 | 5.66 | 1 454 050 | 5.66 | - |

*) The PTE Allianz Polska S.A. shareholding in the Company has been presented in accordance with the notification of 15.05.2023 that specifies the shares held by Allianz OFE.

THE SHARES OF DOM DEVELOPMENT S.A. OR RIGHTS THERETO (OPTIONS) OWNED BY THE PERSONS PERFORMING MANAGEMENT AND SUPERVISORY FUNCTIONS AT DOM DEVELOPMENT S.A. AS AT THE DATE THAT THESE 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 publication of the condensed financial statements for the six-month period ended 30.06.2023 | |
|--------------------------|--|---|---------------|---------------------------|---|---------------|
| | Shares | Nominal value of the shares (in PLN '000) | Share options | Shares and options, total | Shares | Share options |
| MANAGEMENT BOARD | | | | | | |
| Jarosław Szanajca | 1 454 050 | 1 454 | - | 1 454 050 | - | - |
| Małgorzata Kolarska | 284 418 | 284 | - | 284 418 | (4 346) | - |
| Leszek Stankiewicz | 100 000 | 100 | 150 000 | 250 000 | - | - |
| Mikołaj Konopka | 170 061 | 170 | 50 000 | 220 061 | (2 500) | - |
| Terry R. Roydon | 58 500 | 59 | - | 58 500 | - | - |
| SUPERVISORY BOARD | | | | | | |
| Grzegorz Kiełpsz | 1 280 750 | 1 281 | - | 1 280 750 | - | - |
| Janusz Zalewski | 300 000 | 300 | - | 300 000 | - | - |
| Mark Spiteri | 900 | 1 | - | 900 | - | - |

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

7.12 LOANS

DESCRIPTION OF MATERIAL CHANGES IN THE THREE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

No new loan agreements had expired or been signed at the Company in the three-month period ended 30 September 2023.

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

| LOANS DUE WITHIN | 30.09.2023 (unaudited) | 31.12.2022 |
|---|---------------------------|---------------|
| Less than 1 year | - | 50 000 |
| More than 1 year and less than 2 years | - | - |
| More than 2 years and less than 5 years | - | - |
| Over 5 years | - | - |
| Total loans | - | 50 000 |
| including: long-term | - | - |
| short-term | - | 50 000 |

BANK LOANS AS AT 30.09.2023

| Bank | Registered office | Loan amount as per agreement | Currency | Outstanding loan amount (less accrued interest) | Currency | Due date |
|-------------------------|-------------------|------------------------------|----------|--|----------|------------|
| PKO BP | Warsaw | 200 000 | PLN | - | PLN | 26.02.2027 |
| mBank | Warsaw | 200 000 | PLN | - | PLN | 29.01.2027 |
| Millennium | Warsaw | 40 000 | PLN | - | PLN | 17.12.2023 |
| Total bank loans | | 440 000 | | - | | |

As at 30 September 2023 and 31 December 2022 all the loans taken by the Company were expressed in Polish zloty.

CORE DETAILS CONCERNING CREDIT LINES HELD BY THE COMPANY

- PKO BP S.A. loan

Revolving loan in the credit facility account up to PLN 200 000k. Pursuant to the agreement with the bank, Euro Styl S.A. may use up to PLN 50 000k of this credit limit. As at 30 September 2023 Dom Development S.A. has not drawn any funds therefrom, while Euro Styl S.A. drawn PLN 6 368k.

- mBank S.A. loan

Revolving loan in the credit facility account up to PLN 200 000k. Under the said agreement, Dom Development Wrocław Sp. z o.o. may use up to PLN 60 000k of this credit limit, and Euro Styl S.A. may use up to PLN 100 000k of this credit limit. As at 30 September 2023, no funds were drawn from this credit line either by Dom Development S.A., Dom Development Wrocław Sp. z o.o. or Euro Styl S.A.

- Millennium Bank S.A. loan

Revolving loan up to PLN 40 000k. As at 30 September 2023 Dom Development S.A. has not drawn any funds from the said credit limit.

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

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

7.13 BONDS

| BONDS | 30.09.2023 (unaudited) | 31.12.2022 |
|---|---------------------------|----------------|
| Nominal value of the bonds issued, long-term portion | 520 000 | 260 000 |
| Nominal value of the bonds issued, short-term portion | 39 500 | 50 000 |
| Nominal value of the bonds issued | 559 500 | 310 000 |

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

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

BONDS ISSUED AS AT 30.09.2023

| Series | Issue date | Amount | Currency | Maturity date |
|---------------|------------|----------------|------------|---------------|
| DOMDET2091023 | 09.10.2018 | 39 500 | 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 |
| DOMDEM1280928 | 28.09.2023 | 260 000 | PLN | 28.09.2028 |
| Total | | 559 500 | PLN | |

CORE DETAILS CONCERNING THE BONDS ISSUED

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

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

- Agreement with mBank S.A.

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

DESCRIPTION OF MATERIAL CHANGES IN THE THREE-MONTH PERIOD ENDED 30 September 2023

- Premature redemption for cancellation

On 21 September 2023, Dom Development S.A. prematurely redeemed for cancellation 10 500 unsecured bearer bonds, series DOMDET2091023, with a nominal value of PLN 1 000 each and maturing on 9 October 2023. The aggregate nominal value of the redeemed bonds is PLN 10 500k. The redemption price per one bond was PLN 1 038.20. The total redemption price of the bonds was PLN 10 901k.

- Bonds issue

On 28 September 2023, the Company issued 260 000 unsecured bearer bonds, series DOMDETDOMDEM1280928, with the nominal value of PLN 1 000 each and the aggregate nominal value of PLN 260 000k. The maturity date for these bonds is 28 September 2028. The issue value equals the nominal value of the bonds. The coupon rate for the DOMDEM1280928 series bonds is set at WIBOR 6M plus 1.55% margin, and will be paid semi-annually. No purpose for the bond issue was specified. The funds from the issue have been designated for current operations of the Company.

7.14 ACCRUED INTEREST ON LOANS AND BONDS

| ACCRUED INTEREST ON LOANS AND BONDS | 30.09.2023 (unaudited) | 31.12.2022 |
|--|---------------------------|--------------|
| Accrued interest on bonds | 4 204 | 2 550 |
| Accrued interest on loans | - | - |
| Total accrued interest on loans and bonds | 4 204 | 2 550 |

7.15 LEASE LIABILITIES

| LEASE LIABILITIES | 30.09.2023 (unaudited) | 31.12.2022 |
|--|---------------------------|---------------|
| Lease liabilities, short-term portion, including: | 52 204 | 50 172 |
| liabilities on account of perpetual usufruct right of land | 47 011 | 45 204 |
| liabilities on account of the right-of-use of office space | 5 193 | 4 968 |
| Other | - | - |
| Lease liabilities, long-term portion, including: | 11 340 | 14 126 |
| liabilities on account of the right-of-use of office space | 11 340 | 14 126 |
| Other | - | - |
| Total | 63 544 | 64 298 |

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 transfer of such right to buyers of units in development projects completed on such land.

As estimated by the Management Board based on property development projects planned on specific land to which the Company held the perpetual usufruct right as at 30 September 2023, out of PLN 47 011k of the land-related lease liabilities recognised as short-term:

- PLN 4 029k is payable by the Company within 12 months following the balance sheet date,
- PLN 5 642k is payable by the Company later than 12 months following the balance sheet date,
- PLN 37 340k is to be transferred to the respective buyers of units.

7.16 DEFERRED INCOME

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

| DEFERRED INCOME | 30.09.2023 (unaudited) | 31.12.2022 |
|--|---------------------------|----------------|
| Deferred income related to the payments received from customers for the purchase of products, not yet included as income in the income statement | 1 238 411 | 910 646 |
| Other | - | - |
| Total | 1 238 411 | 910 646 |

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, Wroclaw and Cracow markets. 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 | 01.01-30.09 | 01.01-30.09 | 01.07-30.09 | 01.07-30.09 |
|--|------------------|------------------|-----------------|------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| Sales of finished goods | 800 086 | 1 010 968 | 99 456 | 160 947 |
| Sales of services | 75 388 | 14 458 | 27 196 | 3 561 |
| Sales of goods (land) | - | - | - | - |
| Sales revenue, total | 875 474 | 1 025 426 | 126 652 | 164 508 |
| Cost of finished goods sold | (546 800) | (700 829) | (66 267) | (107 168) |
| Cost of services sold | (57 164) | (7 877) | (21 007) | (1 197) |
| Cost of goods sold | - | - | - | - |
| Inventory write down to the net realisable value | - | - | - | - |
| Cost of sales, total | (603 964) | (708 706) | (87 274) | (108 365) |
| Gross profit on sales | 271 510 | 316 720 | 39 378 | 56 143 |

Revenue from the sale of services in the periods 01.01.-30.09.2023 and 01.07-30.09.2023 also includes revenue from the sale of construction services recognised by the percentage of completion method in the amounts of PLN 51 378k and PLN 20 963k respectively. In the item "Other current assets" as at 30 September 2023, the Company recognised the amount of PLN 51 378k in respect of the measurement of construction contract.

7.19 FINANCIAL INCOME

| FINANCIAL INCOME | 01.01-30.09 | 01.01-30.09 | 01.07-30.09 | 01.07-30.09 |
|--|----------------|----------------|---------------|----------------|
| | 2023 | 2022 | 2023 | 2022 |
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| Interest on bank deposits and borrowings | 36 356 | 16 127 | 15 504 | 8 025 |
| Discounting receivables and payables | - | 2 289 | - | (1 130) |
| Dividends received | 159 336 | 117 276 | - | 117 276 |
| Other financial income | 966 | 178 | 72 | 112 |
| Total | 196 658 | 135 870 | 15 576 | 124 283 |

Dividends for 2022 in the total amount of PLN 159 336k were allocated by subsidiaries to Dom Development S.A. and included in the income statement in Q2 2023

Dividends for 2021 in the total amount of PLN 117 276k were allocated and paid by subsidiaries to Dom Development S.A. in August 2022. The resultant income were be disclosed in the income statement of the Company in Q3 2022.

7.20 INCOME TAX IN THE INCOME STATEMENT

| INCOME TAX | 01.01-30.09 | 01.01-30.09 | 01.07-30.09 | 01.07-30.09 |
|--------------------------------------|-----------------|-----------------|----------------|----------------|
| | 2023 | 2022 | 2023 | 2022 |
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| Current income tax | (32 050) | (55 860) | (5 465) | (11 307) |
| Deferred tax in the income statement | (6 908) | 14 437 | 2 378 | 6 664 |
| Total | (38 958) | (41 423) | (3 087) | (4 643) |

7.21 EARNINGS PER SHARE

| CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE | 01.01-30.09 | 01.01-30.09 | 01.07-30.09 | 01.07-30.09 |
|--|--------------|--------------|-------------|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| BASIC EARNINGS PER SHARE | | | | |
| Profit for calculation of the basic earnings per share | 296 492 | 286 611 | 9 061 | 136 272 |
| The weighted average number of ordinary shares for the calculation of basic earnings per share | 25 644 210 | 25 514 906 | 25 698 422 | 25 548 422 |
| Basic earnings per share (in PLN) | 11.56 | 11.23 | 0.35 | 5.33 |
| DILUTED EARNINGS PER SHARE | | | | |
| Profit for calculation of the diluted earnings per share | 296 492 | 286 611 | 9 061 | 136 272 |
| Potential diluting shares related to the Management Share Option Programme | 103 599 | 44 269 | 115 264 | 39 184 |
| The weighted average number of ordinary shares for the calculation of diluted earnings per share | 25 747 808 | 25 559 175 | 25 813 686 | 25 587 606 |
| Diluted earnings per share (in PLN) | 11.52 | 11.21 | 0.35 | 5.33 |

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

7.22 TRANSACTIONS WITH RELATED ENTITIES

In the three-month periods ended 30 September 2023 and on 30 September 2022, the Company was a party to transactions with related entities, as listed below.

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

| Counterparty | Transaction description | 01.07-30.09 | 01.07-30.09 |
|---|--|-------------|-------------|
| | | 2023 | 2022 |
| | | (unaudited) | (unaudited) |
| Woodsford Consulting Limited | Consulting services as per the agreement dated 27.06.2007 as annexed | 384 | 467 |
| Hansom Property Company Limited | Consulting services as per the agreement dated 02.01.2001 as annexed | 136 | 143 |
| M & M Usługi Doradcze M. Kolarski | Consulting services | - | 62 |
| Euro Styl S.A. | Cooperation Agreement | 1 | 3 |
| Dom Development Grunty Sp. z o.o. | Purchase of real properties | - | - |
| Dom Development Wrocław Sp. z o.o. | Cooperation Agreements | - | - |
| Dom Development Kraków Sp. z o.o. | Cooperation Agreements | 22 | 6 |
| Dom Construction Sp. z o.o. | Construction services | 200 807 | 137 044 |
| Dom Construction Sp. z o.o. | Other | 4 | (11) |
| Doradztwo w zakresie infrastruktury technicznej Rafał Kierski (technical infrastructure consulting) | Cooperation Agreements | 1 839 | 345 |


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

| Counterparty | Transaction description | 01.07-30.09 | 01.07-30.09 |
|--|-------------------------|-------------|-------------|
| | | 2023 | 2022 |
| | | (unaudited) | (unaudited) |
| Dom Development Grunty Sp. z o.o. | Other | 2 | 3 |
| Euro Styl S.A. | Cooperation Agreement | 1 063 | 748 |
| Euro Styl Construction Sp. z o.o. | Cooperation Agreement | 22 | 2 |
| Dom Land Sp. z o.o. | Other | 2 | 2 |
| Dom Development Wrocław Sp. z o.o. | Cooperation Agreements | 856 | 534 |
| Dom Development Kredyty Sp. z o.o. | Cooperation Agreements | 190 | 148 |
| Dom Construction Sp. z o.o. | Cooperation Agreements | 1 775 | 1 785 |
| Mirabelle Investments Sp. z o.o. | Other | 2 | 2 |
| Sento S.A. | Other | - | 60 |
| Dom Development Kraków 12 Sp. z o.o. | Cooperation Agreements | 10 | 6 |
| Dom Development Kraków 2 Sp. z o.o. | | | |
| Górka Narodowa Sp. k. (formerly Dom Development Kraków 21 Sp. z o.o. Sp. k.) | Cooperation Agreements | - | 67 |
| Issogne Sp. z o.o. | Other | 2 | - |
| Dom Development Kraków Sp. z o.o. | Other | 774 | 476 |

DOM DEVELOPMENT S.A. AS A LENDER:

| Counterparty | Transaction description | 01.07-30.09 | 01.07-30.09 |
|--|------------------------------------|-------------|-------------|
| | | 2023 | 2022 |
| | | (unaudited) | (unaudited) |
| Dom Development Wrocław Sp. z o.o. | Borrowing provided | 42 000 | 35 000 |
| Dom Development Wrocław Sp. z o.o. | Loan repaid | - | 10 000 |
| Dom Development Wrocław Sp. z o.o. | Interest received on the borrowing | 4 452 | 1 236 |
| Euro Styl S.A. | Borrowing provided | - | 90 000 |
| Euro Styl S.A. | Loan repaid | - | - |
| Euro Styl S.A. | Interest received on the borrowing | 3 230 | 427 |
| Sento S.A. (including Sento 22 Sp. z o.o.) | Borrowing provided | - | - |
| Sento S.A. (including Sento 22 Sp. z o.o.) | Loan repaid | - | 61 000 |
| Sento S.A. (including Sento 22 Sp. z o.o.) | Interest received on the borrowing | - | 3 933 |
| Dom Development Kraków Sp. z o.o. | Borrowing provided | 160 954 | 29 200 |
| Dom Development Kraków Sp. z o.o. | Loan repaid | 13 400 | 13 100 |
| Dom Development Kraków Sp. z o.o. | Interest received on the borrowing | 4 753 | 649 |
| Dom Development Kraków 12 Sp. z o.o. | Borrowing provided | - | - |
| Dom Development Kraków 12 Sp. z o.o. | Loan repaid | - | 8 050 |
| Dom Development Kraków 12 Sp. z o.o. | Interest received on the borrowing | - | 673 |
| Issogne Sp. z o.o. | Borrowing provided | 28 000 | - |
| Issogne Sp. z o.o. | Loan repaid | - | - |
| Issogne Sp. z o.o. | Interest received on the borrowing | - | - |

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

| Counterparty | Transaction description | 01.07-30.09 | 01.07-30.09 |
|-----------------------------------|---|-------------|-------------|
| | | 2023 | 2022 |
| | | (unaudited) | (unaudited) |
| Dom Development Grunty Sp. z o.o. | (Net) prepayment transferred for the purchase of land | - | - |
| Dom Land Sp. z o.o. | (Net) prepayment transferred for the purchase of land | - | - |

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

| Counterparty | Transaction description | 01.07-30.09 | 01.07-30.09 |
|------------------------------------|--|-------------|-------------|
| | | 2023 | 2022 |
| | | (unaudited) | (unaudited) |
| Dom Development Kraków Sp. z o.o. | Share capital contribution*) | 5 887 | - |
| Dom Development Wrocław sp. z o.o. | Repayment of additional contributions to the share capital **) | (15 200) | (28 000) |


DOM DEVELOPMENT S.A. AS A DIVIDEND PAYER:

| Counterparty | Transaction description | 01.07-30.09 | 01.07-30.09 |
|----------------------------|-------------------------|-------------|-------------|
| | | 2023 | 2022 |
| | | (unaudited) | (unaudited) |
| Groupe Belleforêt S.à r.l. | Dividends paid | 155 545 | 148 637 |

DOM DEVELOPMENT S.A. AS A DIVIDEND RECIPIENT:

| Counterparty | Transaction description | 01.07-30.09 | 01.07-30.09 |
|--------------------------------------|-------------------------|-------------|-------------|
| | | 2023 | 2022 |
| | | (unaudited) | (unaudited) |
| Dom Construction Sp. z o.o. | Dividends received | 16 856 | 33 859 |
| Dom Development Kredyty Sp. z o.o. | Dividends received | 800 | 4 234 |
| Dom Development Kraków 12 Sp. z o.o. | Dividends received | - | - |
| Euro Styl S.A. | Dividends received | - | 79 183 |

Dividend for 2022 due from Dom Construction Sp. z o.o. and Dom Development Kredyty was received in July 2023.

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

| | Receivables from related entities | | Liabilities to related entities | |
|--|-----------------------------------|----------------|---------------------------------|---------------|
| | 30.09.2023 | 31.12.2022 | 30.09.2023 | 31.12.2022 |
| Total balance | 627 409 | 368 713 | 138 755 | 70 490 |
| Subsidiaries | 611 455 | 354 667 | 136 397 | 70 069 |
| Dom Development Grunty sp. z o.o. | - | - | - | - |
| Dom Development Wrocław sp. z o.o. additional contributions to the share capital*) | 31 800 | 47 000 | - | - |
| Dom Development Wrocław sp. z o.o. loans granted | 190 000 | 140 000 | - | - |
| Dom Development Wrocław sp. z o.o. | 1 026 | 1 326 | - | - |
| Euro Styl S.A. loans granted | 138 517 | 90 000 | - | - |
| Euro Styl S.A. | 1 306 | 1 721 | 1 | - |
| Euro Styl Construction sp. z o.o. | 28 | 6 | - | - |
| Dom Development Kredyty sp. z o.o. | 215 | 175 | - | - |
| Dom Construction sp. z o.o. | 2 292 | 655 | 133 798 | 65 164 |
| Dom Construction sp. z o.o. security deposits | - | - | 2 598 | 4 905 |
| Dom Development Wrocław sp. z o.o. loans granted | 28 306 | - | - | - |
| Issogne sp. z o.o. | - | 3 | - | - |
| Sento S.A. loans granted | - | - | - | - |
| Sento S.A. | - | 53 | - | - |
| Dom Development Kraków sp. z o.o. loans granted | 217 004 | 73 045 | - | - |
| Dom Development Kraków sp. z o.o. | 948 | 612 | - | - |
| Dom Development Kraków 2 Sp. z o.o. Górka Narodowa Sp. k. (formerly Dom Development Kraków 21 Sp. z o.o. Sp. k.) | - | 62 | - | - |
| Dom Development Kraków 12 sp. z o.o. | 13 | - | - | - |
| Dom Development Kraków 2 sp. z o.o. sp. k. | - | 9 | - | - |
| Other entities | 15 954 | 14 046 | 2 358 | 421 |
| Dom Land sp. z o.o. | 13 554 | 13 554 | - | - |
| Hansom Property Company Limited | - | - | 136 | 135 |
| Woodsford Consulting Limited | - | - | 384 | 145 |
| Doradztwo w zakresie infrastruktury technicznej Rafał Kierski (technical infrastructure consulting) | 2 400 | 492 | 1 838 | 141 |

*) On 31 August 2023, a further adjustment of the purchase price of Sento S.A. was made in the amount of PLN 5 887k.

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

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

7.23 COMPANY'S SHARE OPTIONS

INCENTIVE PLAN – MANAGEMENT OPTION PROGRAMMES

As at 30 September 2023 there were two active Management Option Programmes adopted as part of the Incentive Scheme for the executives in the Company.

| MANAGEMENT OPTION PROGRAMMES | 30.09.2023 (unaudited) | | | 31.12.2022 | | |
|------------------------------|---|--|---------------------------------------|---|--|---------------------------------------|
| | Name of the Programme Options in the programme (number of shares) | Options in the programme (number of shares) | Options granted (number of shares) | Options exercised (number of shares) | Options in the programme (number of shares) | Options granted (number of shares) |
| Programme V | 250 000 | 250 000 | 200 000 | 250 000 | 250 000 | 150 000 |
| Programme VII*) | 250 000 | 250 000 | 100 000 | 250 000 | 250 000 | 50 000 |

*) As at 31 December 2022, 50 000 share options have been exercised under Programme VII, in respect of which shares were registered by the District Court for the Capital City of Warsaw on 26 January 2023.

Grant of new share options under the management option programme

In the three-month periods ended 30 September 2023 and 2022 the Company did not grant any new share options.

Exercise of share options under the management option programme

In the three-month periods ended 30 September 2023 and 2022 no share options were exercised.

Expiry of share options under the management option programme

In the three-month periods ended 30 September 2023 and 2022 no share options expired in the Company.

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

In the three-month periods ended 30 September 2023 and 2022 the amounts of PLN 875k and PLN 164k were accounted for in the income statement and in the supplementary capital respectively, as the management options granted.

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

| | | 01.07-30.09 2023 (unaudited) | 01.07-30.09 2022 (unaudited) |
|--|---|------------------------------------|------------------------------------|
| Unexercised options at the beginning of the period | Number of options | 200 000 | 100 000 |
| | Total exercise price | 10 000 | 5 000 |
| Options granted in the period | Number of options | - | - |
| | Total option exercise value | - | - |
| Options expired in the period | Number of options | - | - |
| | Total option exercise value | - | - |
| Options exercised in the period | Number of options | - | - |
| | Total option exercise value | - | - |
| | Weighted average exercise price per share (PLN per share) | - | - |
| Unexercised options at the end of the period | Number of options | 200 000 | 100 000 |
| | Total exercise price | 10 000 | 5 000 |
| Exercisable options at the beginning of the period | Number of options | - | - |
| | Total exercise price | - | - |
| Exercisable options at the end of the period | Number of options | - | - |
| | Total exercise price | - | - |

7.24 CONTINGENT LIABILITIES

| CONTINGENT LIABILITIES | 30.09.2023 (unaudited) | 31.12.2022 |
|------------------------|---------------------------|---------------|
| Guarantees | 19 947 | 21 359 |
| Sureties | 6 501 | 6 571 |
| Total | 26 448 | 27 930 |

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

| COLLATERALS FOR LIABILITIES | 30.09.2023 (unaudited) | 31.12.2022 |
|------------------------------|---------------------------|--------------|
| Promissory notes, including: | 3 900 | 3 900 |
| UNIQA TU SA | 3 900 | 3 900 |
| Total | 3 900 | 3 900 |

In the three-month period ended 30 September 2023 the Company did not provide any guarantees for loans or borrowings, nor any other guarantees – jointly to one entity or its subsidiary, the value of which would be material for the Company or would amount to at least 10% of the Company's shareholders' equity.

7.25 MATERIAL COURT CASES AS AT 30 SEPTEMBER 2023

As at 30 September 2023 the Company was not a party to any material court cases.

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

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

In Q3 2023, the Company's operations continued smoothly, and despite numerous challenges in the market environment all investment projects were progressing according to schedule.

The favourable situation on the housing market in Q3 2023 was conducive to strong sales results for property developers with the right offer. The growing demand has been observed for several months. It was impacted by the PFSA having eased its requirements as regards the credit scoring and by the steadily increasing salaries. This trend was additionally heightened in the third quarter by the launch of the "Safe 2% Mortgage" programme. The expectations of the first interest rate cuts were another demand stimulating factor. Those expectations materialised and were even exceeded in September 2023, when the MPC decided to reduce the interest rates by 0.75 pp.

The quick growth in demand combined with the lagging supply have contributed to a further significant increase in prices of apartments.

Prices of construction materials stabilised further in Q3 2023. Nevertheless, the persistently high inflation exerts pressure on wage increase, which in turn may cause construction costs to go up. In this situation, a major advantage for Dom Development is our in-house general contracting company, which have allowed us to develop long-term relations with our subcontractors and reduce the risks associated with development projects.

In response to the constantly growing demand, the Company consistently launches construction of new projects in line with market expectations, thus replenishing the offer of available apartments in all the cities where it operates. This is facilitated by the stabilisation of construction costs, which gives us greater predictability when launching new projects, thus limiting the risk to margins. This ensures satisfactory profitability of the development projects under construction. The construction of all Dom Development projects by its in-house general contractors further contributes to the profitability achieved by us without compromising the high quality. In Q4 2023, we plan to systematically expand our product offer with new projects.

Detailed information on the projects in progress and those completed by Dom Development S.A. in the nine-month period ended 30 September 2023 has been presented below.

CHANGES TO THE PORTFOLIO OF ONGOING PROPERTY DEVELOPMENT PROJECTS CARRIED OUT BY THE COMPANY IN THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2023:

DEVELOPMENT PROJECTS COMMENCED FROM 1 JANUARY UNTIL 30 SEPTEMBER 2023:

| PROJECT | LOCATION | NUMBER OF APARTMENTS AND RETAIL UNITS |
|---|----------|---------------------------------------|
| Osiedle Urbino, stage 2 | Warsaw | 180 |
| Osiedle Jagiellońska, stage 2 | Warsaw | 137 |
| Osiedle Jagiellońska, stage 3 | Warsaw | 45 |
| Q1 2023 | | 362 |
| Osiedle Przystanek Międzyzlesie, stage 2 | Warsaw | 108 |
| Apartamenty Białej Koniczyny, stage 2 | Warsaw | 71 |
| Osiedle Przy Alejach, stage 1 | Warsaw | 122 |
| Osiedle Urbino, stage 2 phase 1 | Warsaw | 139 |
| Q2 2023 | | 440 |
| Dzielnica Mieszkaniowa Metro Zachód, stage 11 phase 3 | Warsaw | 89 |
| Osiedle Przy Ryzowej, phase 1 | Warsaw | 151 |
| Osiedle Wilno VII, phase 1 | Warsaw | 60 |
| Osiedle Wilno VII, phase 2 | Warsaw | 126 |
| Apartamenty Literacka, phase 1 | Warsaw | 100 |
| Q3 2023 | | 526 |
| TOTAL | | 1 328 |

DEVELOPMENT PROJECTS COMPLETED FROM 1 JANUARY UNTIL 30 SEPTEMBER 2023:

| PROJECT | LOCATION | NUMBER OF APARTMENTS AND RETAIL UNITS |
|---|----------|---------------------------------------|
| Osiedle Bokserska 71 | Warsaw | 234 |
| Osiedle Ceramiczna | Warsaw | 346 |
| Dzielnica Mieszkaniowa Metro Zachód, stage 11 phase 2 | Warsaw | 88 |
| Q1 2023 | | 668 |
| Dom na Służewcu (Kłobucka) | Warsaw | 108 |
| Q2 2023 | | 108 |
| None | Warsaw | 0 |
| Q3 2023 | | 0 |
| TOTAL | | 776 |

Moreover, in the nine-month period ended 30 September 2023, 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 nine-month period ended 30 September 2023 has been presented in the following table:

| NUMBER OF APARTMENTS AND RETAIL UNITS DELIVERED | 2023 | 2022 |
|---|--------------|--------------|
| Q1 | 907 | 829 |
| Q2 | 181 | 465 |
| Q3 | 136 | 241 |
| TOTAL | 1 224 | 1 535 |

7.27 DIVIDEND AND DISTRIBUTION OF PROFIT FOR 2022

DIVIDENDS PAID

On 15 June 2023, the Ordinary General Meeting of Shareholders of the Company adopted a resolution on the distribution of net profit of the Company for 2022 and fixing the date of record and the dividend payment date. In accordance with the resolution passed, the Ordinary General Meeting of Shareholders of the Company decided to allocate the total amount of PLN 282 682 642.00 to the payment of dividends to shareholders in Dom Development S.A., i.e., PLN 11.00 per share, and a portion of the Company's 2022 net profit in the amount of PLN 91 001 662.08 to the increase of the Company's supplementary capital.

The date of record was set as 26 June 2023 and the dividend payment date as 4 July 2023.

The 2021 dividend in the amount of PLN 268 258 431.00 (i.e., PLN 10.50 per share) was paid on 16 August 2022.

7.28 CHANGES IN THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

On 15 September 2023, the Company received a statement of resignation by Ms Małgorzata Kolarska from the position of Member and Vice-President of the Management Board of the Company for personal reasons, effective as of 31 December 2023.

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

7.29 MATERIAL POST-BALANCE SHEET EVENTS

DECISION BY THE MANAGEMENT BOARD OF DOM DEVELOPMENT S.A. REGARDING THE PAYMENT OF THE 2023 INTERIM DIVIDEND

On 6 November 2023, the Management Board of the Company decided to distribute the 2023 interim dividend in accordance with Section 349 of the Code of Commercial Companies. The Management Board decided that the 2023 interim dividend would amount to PLN 141 341 321, i.e., PLN 5.50 per share. At the same time, the Management Board set the date of record for the 2023 interim dividend as 12 December 2023 and the interim dividend payment date as 18 December 2023.

On 6 November 2023, the Supervisory Board of the Company approved the said 2023 interim dividend for payment.

7.30 FORECASTS

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

7.31 SELECTED FINANCIAL DATA TRANSLATED INTO EURO

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

| SELECTED DATA FROM THE INTERIM CONDENSED BALANCE SHEET | 30.09.2023 in EUR '000 <i>(unaudited)</i> | 31.12.2022 in EUR '000 |
|---|---|---|
| Total current assets | 541 087 | 473 102 |
| Total assets | 785 493 | 663 560 |
| Total shareholders' equity | 294 225 | 288 073 |
| Long-term liabilities | 129 144 | 72 977 |
| Short-term liabilities | 362 124 | 302 510 |
| Total liabilities | 491 268 | 375 487 |
| <i>PLN/EURO exchange rate as at the balance sheet date</i> | 4.6356 | 4.6899 |

| SELECTED DATA FROM THE INTERIM CONDENSED INCOME STATEMENT | 01.01-30.09. 2023 in EUR '000 <i>(unaudited)</i> | 01.01.-30.09. 2022 in EUR '000 <i>(unaudited)</i> | 01.07-30.09. 2023 in EUR '000 <i>(unaudited)</i> | 01.07.-30.09. 2022 in EUR '000 <i>(unaudited)</i> |
|---|--|---|--|---|
| Sales revenue | 191 264 | 218 733 | 27 986 | 34 425 |
| Gross profit on sales | 59 317 | 67 559 | 8 701 | 11 749 |
| Operating profit | 35 241 | 43 299 | 1 108 | 4 261 |
| Profit before tax | 73 286 | 69 973 | 2 684 | 29 488 |
| Net profit | 64 774 | 61 137 | 2 002 | 28 516 |
| <i>Average PLN/EURO exchange rate for the reporting period</i> | 4.5773 | 4.6880 | 4.5256 | 4.7787 |