

**DOM DEVELOPMENT S.A.**

**INTERIM CONDENSED  
FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD  
ENDED 30 SEPTEMBER 2022**



# CONTENTS

<b>1</b>	<b>APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS BY THE MANAGEMENT BOARD OF THE COMPANY .....</b>	<b>2</b>
<b>2</b>	<b>INTERIM CONDENSED BALANCE SHEET .....</b>	<b>3</b>
<b>3</b>	<b>INTERIM CONDENSED INCOME STATEMENT .....</b>	<b>4</b>
<b>4</b>	<b>INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME .....</b>	<b>5</b>
<b>5</b>	<b>INTERIM CONDENSED CASH FLOW STATEMENT .....</b>	<b>6</b>
<b>6</b>	<b>INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY .....</b>	<b>7</b>
<b>7</b>	<b>ADDITIONAL NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS .....</b>	<b>8</b>
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 .....	11
7.6	INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES .....	12
7.7	LOANS GRANTED AND OTHER LONG-TERM RECEIVABLES .....	14
7.8	INVENTORY.....	15
7.9	SHORT-TERM FINANCIAL ASSETS.....	15
7.10	CASH AND CASH EQUIVALENTS.....	16
7.11	SHARE CAPITAL.....	16
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 .....	20
7.17	SEGMENT REPORTING.....	20
7.18	SALES REVENUE AND COST OF SALES.....	20
7.19	FINANCIAL INCOME.....	21
7.20	INCOME TAX IN THE INCOME STATEMENT .....	21
7.21	EARNINGS PER SHARE .....	21
7.22	TRANSACTIONS WITH RELATED ENTITIES.....	22
7.23	COMPANY'S SHARE OPTIONS .....	24
7.24	CONTINGENT LIABILITIES.....	25
7.25	MATERIAL COURT CASES AS AT 30 SEPTEMBER 2022 .....	26
7.26	FACTORS AND EVENTS WITH MATERIAL IMPACT ON THE CONDENSED FINANCIAL STATEMENTS OF THE COMPANY .....	26
7.27	DIVIDEND AND PROFIT DISTRIBUTION .....	28
7.28	CHANGES IN THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD.....	28
7.29	MATERIAL POST-BALANCE SHEET EVENTS .....	28
7.30	FORECASTS.....	28
7.31	SELECTED FINANCIAL DATA TRANSLATED INTO EURO .....	29

# 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 2022, comprising:

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

were prepared and approved by the Management Board of Dom Development S.A. on 15 November 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 30 September 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.

---

**Jarostaw Szanajca**  
President  
of the Management Board

---

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

## 2 INTERIM CONDENSED BALANCE SHEET

ASSETS	Note	30.09.2022 (unaudited)	31.12.2021
<b>Fixed assets</b>			
Intangible assets		18 829	18 659
Tangible fixed assets	7.5	20 797	23 371
Investments in subsidiaries, associates and jointly controlled entities	7.6	483 840	383 796
Deferred tax assets		22 505	11 365
Loans granted and other long-term receivables	7.7	170 992	28 274
Other long-term assets		29 373	11 550
<b>TOTAL FIXED ASSETS</b>		<b>746 336</b>	<b>477 015</b>
<b>Current assets</b>			
Inventory	7.8	1 866 449	1 921 213
Trade and other receivables		33 315	38 149
Corporate income tax receivables		-	-
Other current assets		6 025	3 232
Loans granted	7.7	91 206	197 760
Short-term financial assets	7.9	64 990	32 604
Cash and cash equivalents	7.10	201 554	364 394
<b>TOTAL CURRENT ASSETS</b>		<b>2 263 539</b>	<b>2 557 352</b>
<b>TOTAL ASSETS</b>		<b>3 009 875</b>	<b>3 034 367</b>
<b>EQUITY AND LIABILITIES</b>			
	Note	30.09.2022 (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)		665 739	626 738
Reserve capital from valuation of cash flow hedges		21 701	7 647
Reserve capital from reduction of share capital		510	510
Unappropriated profit		286 611	306 767
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>1 264 317</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		11 759	12 645
Lease liabilities, long-term portion	7.15	15 197	16 717
Other long-term liabilities		60 994	69 390
<b>TOTAL LONG-TERM LIABILITIES</b>		<b>397 950</b>	<b>408 752</b>
<b>Short-term liabilities</b>			
Trade payables, tax and other liabilities		257 711	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	4 738	1 584
Lease liabilities, short-term portion	7.15	46 417	52 796
Corporate income tax payables		37 276	28 057
Dividends payables	7.27	-	-
Short-term provisions		20 637	20 768
Deferred income	7.16	930 829	1 046 928
<b>TOTAL SHORT-TERM LIABILITIES</b>		<b>1 347 608</b>	<b>1 400 197</b>
<b>TOTAL LIABILITIES</b>		<b>1 745 558</b>	<b>1 808 949</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3 009 875</b>	<b>3 034 367</b>

All amounts in PLN '000.

### 3 INTERIM CONDENSED INCOME STATEMENT

	Note	Nine-month period ended 30.09.2022 <i>(unaudited)</i>	Nine-month period ended 30.09.2021 <i>(unaudited)</i>	Three-month period ended 30.09.2022 <i>(unaudited)</i>	Three-month period ended 30.09.2021 <i>(unaudited)</i>
Sales revenue	7.18	1 025 426	976 046	164 508	123 464
Cost of sales	7.18	(708 706)	(668 162)	(108 365)	(81 318)
<b>Gross profit on sales</b>	<b>7.18</b>	<b>316 720</b>	<b>307 884</b>	<b>56 143</b>	<b>42 146</b>
Selling costs		(33 845)	(29 174)	(11 765)	(8 880)
General administrative expenses		(67 644)	(58 465)	(22 425)	(19 931)
Other operating income		1 078	2 228	66	1 439
Other operating expenses		(13 323)	(4 371)	(1 655)	(497)
<b>Operating profit</b>		<b>202 986</b>	<b>218 102</b>	<b>20 364</b>	<b>14 277</b>
Financial income	7.19	135 870	119 248	124 283	2 741
Financial costs		(10 822)	(7 104)	(3 732)	(3 660)
<b>Profit before tax</b>		<b>328 034</b>	<b>330 246</b>	<b>140 915</b>	<b>13 358</b>
Income tax	7.20	(41 423)	(42 290)	(4 643)	(2 652)
<b>Net profit from continued operations</b>		<b>286 611</b>	<b>287 956</b>	<b>136 272</b>	<b>10 706</b>
<b>Net profit from discontinued operations *)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net profit</b>		<b>286 611</b>	<b>287 956</b>	<b>136 272</b>	<b>10 706</b>
<b>Earnings per share:</b>					
Basic (in PLN)	7.21	11.23	11.35	5.33	0.42
Diluted (in PLN)	7.21	11.21	11.26	5.33	0.42

\*) In the three-month and the nine-month periods ended 30 September 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

	Nine-month period ended 30.09.2022 <i>(unaudited)</i>	Nine-month period ended 30.09.2021 <i>(unaudited)</i>	Three-month period ended 30.09.2022 <i>(unaudited)</i>	Three-month period ended 30.09.2021 <i>(unaudited)</i>
<b>Net profit</b>	<b>286 611</b>	<b>287 956</b>	<b>136 272</b>	<b>10 706</b>
<b>Other comprehensive income:</b>				
Net change to cash flow hedges	17 351	5 359	(1 686)	2 467
<b>Items to be accounted for in the income statement</b>	<b>17 351</b>	<b>5 359</b>	<b>(1 686)</b>	<b>2 467</b>
<b>Items not to be accounted for in the income statement</b>				
<b>Other net comprehensive income / (loss), before tax</b>	<b>17 351</b>	<b>5 359</b>	<b>(1 686)</b>	<b>2 467</b>
Income tax on other net comprehensive income to be accounted for in the income statement	(3 297)	(1 018)	320	(469)
<b>Other net comprehensive income</b>	<b>14 054</b>	<b>4 341</b>	<b>(1 366)</b>	<b>1 998</b>
<b>Total net comprehensive income</b>	<b>300 665</b>	<b>292 297</b>	<b>134 906</b>	<b>12 704</b>

All amounts in PLN '000.

## 5 INTERIM CONDENSED CASH FLOW STATEMENT

	Note	Nine-month period ended 30.09.2022 (unaudited)	Nine-month period ended 30.09.2021 (unaudited)
<b>Cash flow from operating activities</b>			
<b>Profit before tax</b>		<b>328 034</b>	<b>330 246</b>
Adjustments:			
Depreciation		8 265	7 787
(Profit)/loss on foreign exchange differences		837	1
(Profit)/loss on investments		(117 969)	(112 192)
Interest cost/(income)		(1 574)	6 093
Cost of the valuation of management option programmes		492	3 148
Changes in the operating capital:			
Changes in provisions		(1 016)	(3 058)
Changes in inventory		52 294	(203 523)
Changes in receivables		89	5 259
Changes in short-term liabilities, excluding loans and bonds		41 238	(79 847)
Changes in prepayments and deferred income		(150 833)	178 059
Other adjustments		(837)	(1)
<b>Cash flow generated from operating activities</b>		<b>159 020</b>	<b>131 972</b>
Interest received		5 160	-
Interest paid		(8 660)	(6 861)
Income tax paid		(46 641)	(15 513)
<b>Net cash flow from operating activities</b>		<b>108 879</b>	<b>109 598</b>
<b>Cash flow from investing activities</b>			
Proceeds from the sale of intangible assets and tangible fixed assets		356	399
Dividends received		117 276	112 608
Proceeds from borrowings granted		254 608	30 199
Other proceeds from financial assets		28 000	18 025
Bank deposits with a maturity over three months		-	-
Borrowings granted		(275 785)	(169 827)
Acquisition of intangible and tangible fixed assets		(5 872)	(9 116)
Acquisition of financial assets and additional contributions to the share capital of subsidiaries		(128 044)	(36 019)
<b>Net cash flow from investing activities</b>		<b>(9 461)</b>	<b>(53 731)</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	-	110 000
Repayment of loans and borrowings	7.12	-	(10 000)
Redemption of commercial papers	7.13	-	(32 076)
Dividends paid	7.27	(268 258)	(253 984)
<b>Net cash flow from financing activities</b>		<b>(262 258)</b>	<b>(178 560)</b>
<b>Increase / (decrease) in net cash and cash equivalents</b>		<b>(162 840)</b>	<b>(122 693)</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>201 554</b>	<b>409 148</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>	<b>25 398</b>	<b>258 358</b>	<b>626 738</b>	<b>510</b>	<b>7 647</b>	<b>306 767</b>	<b>1 225 418</b>
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
<b>Total net comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14 054</b>	<b>286 611</b>	<b>300 665</b>
<b>Increase / (decrease) in equity capital</b>	<b>150</b>	<b>5 850</b>	<b>39 001</b>	<b>-</b>	<b>14 054</b>	<b>(20 156)</b>	<b>38 899</b>
<b>Balance as at 30 September 2022 (unaudited)</b>	<b>25 548</b>	<b>264 208</b>	<b>665 739</b>	<b>510</b>	<b>21 701</b>	<b>286 611</b>	<b>1 264 317</b>

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>	<b>25 218</b>	<b>251 038</b>	<b>614 804</b>	<b>510</b>	<b>(3 591)</b>	<b>264 217</b>	<b>1 152 196</b>
Share capital increase by exercising share options	180	7 320	-	-	-	-	7 500
Transfer of profit to supplementary capital	-	-	10 233	-	-	(10 233)	-
Dividends to shareholders (note 7.27)	-	-	-	-	-	(253 984)	(253 984)
Creation of reserve capital from the valuation of the share options (note 7.23)	-	-	3 148	-	-	-	3 148
Net profit for the reporting period	-	-	-	-	-	287 956	287 956
Other net comprehensive income for the reporting period	-	-	-	-	4 341	-	4 341
<b>Total net comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4 341</b>	<b>287 956</b>	<b>292 297</b>
<b>Increase / (decrease) in equity capital</b>	<b>180</b>	<b>7 320</b>	<b>13 381</b>	<b>-</b>	<b>4 341</b>	<b>23 739</b>	<b>48 961</b>
<b>Balance as at 30 September 2021 (unaudited)</b>	<b>25 398</b>	<b>258 358</b>	<b>628 185</b>	<b>510</b>	<b>750</b>	<b>287 956</b>	<b>1 201 157</b>

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 (see note 7.11). As at 30 September 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 30 September 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 30 September 2022. These statements were approved by the Management Board of the Company on 15 November 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.
- 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.
- 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 . not endorsed by the European Union until the date of approval 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.

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

## 7.4 KEY FIGURES BASED ON PROFESSIONAL JUDGEMENT AND BASIS FOR ESTIMATES

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

### BUDGETS OF THE DEVELOPMENT PROJECTS

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

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

### RECOGNITION OF REVENUE FROM THE SALE OF PRODUCTS

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

### SEASONALITY

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

## 7.5 TANGIBLE FIXED ASSETS

TANGIBLE FIXED ASSETS	30.09.2022 (unaudited)	31.12.2021
<b>Tangible fixed assets, including:</b>		
Technical equipment and other tangible fixed assets	1 602	2 092
Vehicles	2 516	2 262
Land and buildings	-	-
Right-of-use of office space	16 679	19 017
<b>Total</b>	<b>20 797</b>	<b>23 371</b>

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

No collaterals have been established on fixed assets.

## 7.6 INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

### INTEREST IN SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

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

INTEREST IN SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITY	As at 30.09.2022			As at 31.12.2021		
	Company's interest (%)	Value of total investment	Net investment carrying value	Company's interest (%)	Value of total investment	Net investment carrying value
Dom Development Grunty Sp. z o.o.	46%	24	24	46%	24	24
Dom Development Wrocław Sp. z o.o.	100%	51 002	51 002	100%	79 002	79 002
Dom Development Kredyty Sp. z o.o.	100%	505	505	100%	505	505
Mirabelle Investments Sp. z o.o.	100%	58	58	100%	58	58
Euro Styl S.A.	100%	265 473	265 473	100%	265 473	265 473
Euro Styl Development Sp. z o.o.	100%	252	252	100%	252	252
Dom Construction Sp. z o.o.	100%	3 103	3 103	100%	3 103	3 103
Sento S.A.	93,7%	40 669	40 669	77%	35 379	35 379
Dom Development Kraków Sp. z o.o.	100%	113 970	113 970	-	-	-
Dom Development Kraków 12 Sp. z o.o. *)	100%	8 784	8 784	-	-	-
<b>Total</b>		<b>483 840</b>	<b>483 840</b>		<b>383 796</b>	<b>383 796</b>

\*) Formerly Buma Development 12 Sp. z o.o.

- Euro Styl S.A.

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

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

- Dom Development Wrocław Sp. z o.o.

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

- Sento S.A.

Sento S.A. is the parent company of the Sento S.A. Capital Group. The scope of operations of this group involves real estate development projects in the Cracow area. The Company directly holds 93.7% of the shares in Sento S.A., while it controls, directly and indirectly, 100% of the shares in Sento S.A. as the remaining 6.3% of the shares are held by Dom Development Kraków Sp. z o.o.

- Dom Development Kraków Sp. z o.o.,

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

- Dom Development Kraków 12 Sp. z o.o.,

The Company purchased Dom Development Kraków 12 Sp. z o.o. (formerly Buma Development 12 Sp. z o.o.) together with other BUMA Group companies. Dom Development Kraków 12 Sp. z o.o. is a special purpose vehicle established to run one development project in the Cracow market. That project is currently at the final stage of development.

- 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 only to the Group companies (besides of the companies belonging to Euro Styl S.A. Capital Group).

- Dom Development Grunty Sp. z o.o.

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

- Mirabelle Investments Sp. z o.o.

On 7 September 2017, the Company acquired 100% of the shares in share capital of Mirabelle Investments Sp. z o.o., which was the addressee of administrative decisions and the party to the agreements required for the development of further stages of the Żoliborz Artystyczny housing project on the land with perpetual usufruct (long-term leasehold) acquired by the Company. 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 JULY UNTIL 30 SEPTEMBER 2022

- Further concentration of property development operations on the Cracow market through Dom Development Kraków Sp. z o.o.

Dom Development Kraków Sp. z o.o. was created in February 2022 in order to concentrate our property development operations on the Cracow market within a single business entity. The concentration process continued in Q3 2022. On 8 September 2022, a merger took place between Dom Development Kraków Sp. z o.o. as acquiring company and Buma Development 21 Sp. z o.o., Buma Development 22 Sp. z o.o., Buma Development Sp. z o.o. and Buma Management Sp. z o.o. as acquired companies.

- Determination of the final purchase price of the BUMA Group companies

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

The Transaction's value, as per the initial purchase price, was PLN 209.5m, which consisted of the initial total sale price of the shares in the above mentioned entities, amounting to PLN 151.4m (of which the initial price for the shares acquired directly by the Company was PLN 122.3m and the initial price paid by Dom Construction Sp. z o.o. amounted to PLN 29.1m), and PLN 58.1m for the subrogation of loans extended by the Seller to the companies acquired under the Transaction.

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

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

- Repayment of additional contributions to the share capital in Dom Development Wrocław Sp. z o.o.

On 26 September 2022, a partial repayment of additional contributions to the share capital in the amount of PLN 28 000k was received by the Company from Dom Development Wrocław Sp. z o.o.

## 7.7 LOANS GRANTED AND OTHER LONG-TERM RECEIVABLES

LOANS GRANTED AND OTHER LONG-TERM RECEIVABLES	30.09.2022	31.12.2021
Loans granted, long-term portion	160 651	26 580
Other long-term receivables	10 341	1 694
<b>Closing balance</b>	<b>170 992</b>	<b>28 274</b>

LOANS GRANTED	30.09.2022	31.12.2021
Loans granted, long-term portion	160 651	26 580
Loans granted, short-term portion	91 206	197 760
<b>Total</b>	<b>251 857</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

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

The borrowings provided by the Company and their status as at 30 September 2022, including accrued interest, have been presented in the table below:

Date of the agreement	Borrower	Loan amount (less accrued interest)	Due date	Balance as at 30.09.2022
26.02.2019	Euro Styl S.A.	150 000	31.12.2022	90 000
27.09.2019	Dom Development Wrocław Sp. z o.o.	150 000	31.12.2025	80 000
09.08.2022	Dom Development Kraków Sp. z o.o.	75 000	31.12.2025	29 200
29.11.2016	Dom Development Kraków Sp. z o.o.*)	850	31.12.2022	1 082
18.07.2017	Dom Development Kraków Sp. z o.o.*)	100	31.12.2022	124
17.05.2019	Dom Development Kraków Sp. z o.o.*)	400	31.12.2024	463
24.08.2020	Dom Development Kraków Sp. z o.o.*)	5 400	31.12.2024	5 959
13.05.2021	Dom Development Kraków Sp. z o.o.*)	500	31.12.2024	540
02.07.2021	Dom Development Kraków Sp. z o.o.*)	500	31.12.2024	538
16.02.2022	Dom Development Kraków Sp. z o.o.*)	1 900	31.12.2024	1 989
22.04.2021	Dom Development Kraków Sp. z o.o.**)	17 350	31.12.2026	18 780
22.04.2021	Dom Development Kraków Sp. z o.o.***)	6 200	31.12.2026	6 709
22.04.2021	Dom Development Kraków Sp. z o.o.****)	13 200	31.12.2026	14 283
16.02.2022	Dom Development Kraków Sp. z o.o.*****)	1 500	31.12.2024	1 577
02.07.2021	Dom Development Kraków Sp. z o.o.*****)	2 000	31.12.2023	613
<b>Total</b>				<b>251 857</b>

\*) The loan granted to Buma Development 8 Sp. z o.o., which was merged with Dom Development Kraków Sp. z o.o. with effect on 2 June 2022.

\*\*\*) The loan granted to Buma Development 20 Sp. z o.o., which was merged with Dom Development Kraków Sp. z o.o. with effect on 2 June 2022

\*\*\*\*) The loan granted to Buma Development 21 Sp. z o.o., which was merged with Dom Development Kraków Sp. z o.o. with effect on 8 September 2022.

\*\*\*\*\*) The loan granted to Buma Development 22 Sp. z o.o., which was merged with Dom Development Kraków Sp. z o.o. with effect on 8 September 2022.

\*\*\*\*\*) The loan granted to Buma Development Sp. z o.o., which was merged with Dom Development Kraków Sp. z o.o. with effect on 8 September 2022.

\*\*\*\*\*) The loan granted to Buma Management Sp. z o.o., which was merged with Dom Development Kraków Sp. z o.o. with effect on 8 September 2022.

## 7.8 INVENTORY

INVENTORY	30.09.2022 (unaudited)	31.12.2021
<b>Advances on deliveries</b>	<b>76 406</b>	<b>189 306</b>
including: at purchase prices/production costs	76 406	189 306
write down to the net realisable value	-	-
<b>Semi-finished goods and work in progress</b>	<b>1 725 230</b>	<b>1 558 097</b>
including: at purchase prices/production costs	1 713 374	1 542 383
rights of perpetual usufruct of land (lease)	40 178	44 036
write down to the net realisable value	(28 322)	(28 322)
<b>Finished goods</b>	<b>64 813</b>	<b>173 810</b>
including: at purchase prices/production costs	71 242	180 239
write down to the net realisable value	(6 429)	(6 429)
<b>Total</b>	<b>1 866 449</b>	<b>1 921 213</b>

INVENTORY REVALUATION WRITE DOWNS	01.01.-30.09. 2022 (unaudited)	01.01.-30.09. 2021 (unaudited)
<b>Opening balance</b>	<b>34 751</b>	<b>36 741</b>
Increments	-	-
(Decrease)	-	(946)
<b>Closing balance</b>	<b>34 751</b>	<b>35 795</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	30.09.2022 (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	30.09.2022 (unaudited)	31.12.2021
Bank deposits with a maturity over three months	-	-
Cash in open-end residential escrow accounts	43 421	11 035
Other short-term financial assets	21 569	21 569
<b>Total</b>	<b>64 990</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	30.09.2022 (unaudited)	31.12.2021	30.09.2021 (unaudited)
Cash in hand and at bank	21 393	362 288	13 573
Short-term deposits	180 161	2 106	395 575
Other	-	-	-
<b>Total</b>	<b>201 554</b>	<b>364 394</b>	<b>409 148</b>

## 7.11 SHARE CAPITAL

### DESCRIPTION OF CHANGES TO THE SHARE CAPITAL IN THE COMPANY IN THE PERIOD FROM 1 JULY UNTIL 30 SEPTEMBER 2022, AND THE BALANCE AS AT 30 SEPTEMBER 2022

In the three-month period ended 30 September 2022 no changes were made by the Company to the share capital.

CHANGE IN THE REPORTING PERIOD	Share capital: Number of shares	Share capital: Value at the nominal value	Share premium
Balance as at 01.07.2022	25 548 422	25 548	264 208
Change	-	-	-
<b>Balance as at 30.09.2022 (unaudited)</b>	<b>25 548 422</b>	<b>25 548</b>	<b>264 208</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.

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 2022 the Company grant new share options for the shares in the Company.

On 4 October 2022, the Supervisory Board of the Company adopted a resolution concerning the approval of the provisions of the Management Option Programme VII for Leszek Stankiewicz, Vice President of the Management Board – CFO of Dom Development S.A., concerning 250 000 shares in Dom Development S.A. On 5 October 2022, these options were accepted by Mr Leszek Stankiewicz.

Information concerning the said share options is disclosed in note 7.29 "Material post-balance sheet events".

**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 interim financial statements for the six-month period ended 30.06.2022.
	Shares	% shares	Number of votes at the GSM	% votes at the GSM	Shares
<b>Groupe Belleforêt S.à r.l.</b>	<b>14 155 941</b>	<b>55.41</b>	<b>14 155 941</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 publication of the interim financial statements for the six-month period ended 30.06.2022	
	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	-	-
Leszek Stankiewicz *)	-	-	-	-	-	-
Mikołaj Konopka	138 981	139	100 000	238 981	-	-
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	-	-

\*) On 5 October 2022, Mr Leszek Stankiewicz took up 250 000 share options of Dom Development S.A. concerning 250 000 shares in Dom Development S.A., as described in note 7.29 “Material post-balance sheet events”.

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 2022

No (new) loan agreements had expired or been signed at the Company in the three-month period ended 30 September 2022.

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

#### BANK LOANS AS AT 30.09.2022

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	17.12.2022
<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 30 September 2022, Euro Styl S.A. drawn PLN 225.5k from the said credit limit, and Dom Development S.A. has not drawn any funds therefrom.

##### mBank loan

Revolving loan in the credit facility account up to PLN 185 000k. Under the said agreement, Dom Development Wrocław Sp. z o.o. may use up to PLN 60 000k of this credit limit, and Euro Styl S.A. may use up to PLN 100 000k of this credit limit. As at 30 September 2022, Euro Styl S.A. drawn PLN 35 000k from the said credit limit, while Dom Development S.A. and Dom Development Wrocław Sp. z o.o. have not drawn any funds therefrom.

##### Millennium Bank loan

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

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

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

## 7.13 BONDS

BONDS	30.09.2022 (unaudited)	31.12.2021
Nominal value of the bonds issued, long-term portion	310 000	310 000
Nominal value of the bonds issued, short-term portion	50 000	50 000
<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 30 SEPTEMBER 2022

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

#### BONDS ISSUED AS AT 30.09.2022

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	30.09.2022 (unaudited)	31.12.2021
Accrued interest on bonds	4 738	1 584
Accrued interest on loans	-	-
<b>Total accrued interest on loans and bonds</b>	<b>4 738</b>	<b>1 584</b>

## 7.15 LEASE LIABILITIES

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

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

LEASE LIABILITIES	30.09.2022 (unaudited)	31.12.2021
<b>Lease liabilities, short-term portion, including:</b>	<b>46 417</b>	<b>52 796</b>
liabilities on account of perpetual usufruct right of land	41 449	48 278
liabilities on account of the right of use of office space	4 968	4 518
Other	-	-
<b>Lease liabilities, long-term portion, including:</b>	<b>15 197</b>	<b>16 717</b>
liabilities on account of the right of use of office space	15 197	16 717
Other	-	-
<b>Total</b>	<b>61 614</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 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 2022, out of PLN 41 449k of the land-related lease liabilities recognised as short-term:

- PLN 3 132k is payable by the Company within 12 months following the balance sheet date,
- PLN 4 073k is payable by the Company later than 12 months following the balance sheet date,
- PLN 34 244k 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	30.09.2022 (unaudited)	31.12.2021
Deferred income related to the payments received from customers for the purchase of products, not yet included as income in the income statement	930 829	1 046 928
Other	-	-
<b>Total</b>	<b>930 829</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	01.01.-30.09. 2022 (unaudited)	01.01.-30.09. 2021 (unaudited)	01.07.-30.09. 2022 (unaudited)	01.07.-30.09. 2021 (unaudited)
Sales of finished goods	1 010 968	962 073	160 947	120 192
Sales of services	14 458	13 973	3 561	3 272
Sales of goods (land)	-	-	-	-
<b>Sales revenue, total</b>	<b>1 025 426</b>	<b>976 046</b>	<b>164 508</b>	<b>123 464</b>
Cost of finished goods sold	(700 829)	(658 251)	(107 168)	(79 866)
Cost of services sold	(7 877)	(10 857)	(1 197)	(2 398)
Cost of goods sold	-	-	-	-
Inventory write down to the net realisable value	-	946	-	946
<b>Cost of sales, total</b>	<b>(708 706)</b>	<b>(668 162)</b>	<b>(108 365)</b>	<b>(81 318)</b>
<b>Gross profit on sales</b>	<b>316 720</b>	<b>307 884</b>	<b>56 143</b>	<b>42 146</b>

## 7.19 FINANCIAL INCOME

FINANCIAL INCOME	01.01.-30.09.	01.01.-30.09.	01.07.-30.09.	01.07.-30.09.
	2022	2021	2022	2021
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Interest on bank deposits and borrowings (non-capitalised part of interest)	16 127	4 351	8 025	1 996
Discounting of liabilities	2 289	2 289	(1 130)	745
Dividends received	117 276	112 608	117 276	-
Other financial income	178	-	112	-
<b>Total</b>	<b>135 870</b>	<b>119 248</b>	<b>124 283</b>	<b>2 741</b>

Dividends for 2021 were allocated and paid by subsidiaries to Dom Development S.A. in August 2022. Dividends for 2020 were allocated and paid by subsidiaries to Dom Development S.A. in June 2021.

## 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.
	2022	2021	2022	2021
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Current income tax	(55 860)	(84 560)	(11 307)	(25 928)
Deferred tax in the income statement	14 437	42 270	6 664	23 276
<b>Total</b>	<b>(41 423)</b>	<b>(42 290)</b>	<b>(4 643)</b>	<b>(2 652)</b>

## 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.
	2022	2021	2022	2021
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>BASIC EARNINGS PER SHARE</b>				
Profit for calculation of the basic earnings per share	286 611	287 956	136 272	10 706
The weighted average number of ordinary shares for the calculation of basic earnings per share	25 514 906	25 366 114	25 548 422	25 398 422
<b>Basic earnings per share (in PLN)</b>	<b>11.23</b>	<b>11.35</b>	<b>5.33</b>	<b>0.42</b>
<b>DILUTED EARNINGS PER SHARE</b>				
Profit for calculation of the diluted earnings per share	286 611	287 956	136 272	10 706
Potential diluting shares related to the Management Share Option Programme	44 269	215 984	39 184	218 877
The weighted average number of ordinary shares for the calculation of diluted earnings per share	25 559 175	25 582 099	25 587 606	25 617 299
<b>Diluted earnings per share (in PLN)</b>	<b>11.21</b>	<b>11.26</b>	<b>5.33</b>	<b>0.42</b>

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 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.

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

Counterparty	Transaction description	01.07.-30.09. 2022 (unaudited)	01.07.-30.09. 2021 (unaudited)
Woodsford Consulting Limited	Consulting services as per the agreement dated 27.06.2007 as annexed	467	616
Hansom Property Company Limited	Consulting services as per the agreement dated 02.01.2001 as annexed	143	139
M & M Usługi Doradcze M. Kolarski	Consulting services	62	51
Mirabelle Investments sp. z o.o.	Other	-	-
Euro Styl S.A.	Cooperation Agreements	3	-
Euro Styl Construction sp. z o.o.	Cooperation Agreements	-	-
Dom Construction sp. z o.o.	Construction services	137 044	80 655
Dom Construction sp. z o.o.	Other	(11)	145
Dom Development Kraków sp. z o.o.*)	Other	6	-
Dom Land sp. z o.o.	Purchase of real properties	-	8 117
Doradztwo w zakresie infrastruktury technicznej Rafał Kierski (technical infrastructure consulting)	Cooperation Agreements	345	-

\*1) Including Buma Development 21 Sp. z o.o., Buma Development 22 Sp. z o.o., Buma Development Sp. z o.o. and Buma Management Sp. z o.o.

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

Counterparty	Transaction description	01.07.-30.09. 2022 (unaudited)	01.07.-30.09. 2021 (unaudited)
Dom Development Grunty sp. z o.o.	Other	3	1
Euro Styl S.A.	Cooperation Agreement	748	580
Euro Styl Construction sp. z o.o.	Cooperation Agreement	2	2
Dom Land sp. z o.o.	Other	2	1
Dom Development Wrocław sp. z o.o.	Cooperation Agreements	534	391
Dom Development Kredyty sp. z o.o.	Cooperation Agreements	148	123
Dom Construction sp. z o.o.	Cooperation Agreements	1 785	1 278
Dom Development Kraków sp. z o.o. *)	Cooperation Agreements	476	-
Dom Development Kraków 21 sp. z o.o. sp. k.	Cooperation Agreements	67	-
Dom Development Kraków 12 sp. z o.o.	Cooperation Agreements	6	-
Sento S.A.	Other	60	48
Mirabelle Investments sp. z o.o.	Other	2	1

\*1) Including Buma Development 21 Sp. z o.o., Buma Development 22 Sp. z o.o., Buma Development Sp. z o.o. and Buma Management Sp. z o.o.

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

Counterparty	Transaction description	01.07.-30.09.	01.07.-30.09.
		2022	2021
		(unaudited)	(unaudited)
Dom Development Wrocław sp. z o.o.	Borrowing provided	35 000	15 000
Dom Development Wrocław sp. z o.o.	Loan repaid	10 000	-
Dom Development Wrocław sp. z o.o.	Interest received on the borrowing	1 236	127
Euro Styl S.A.	Borrowing provided	90 000	55 000
Euro Styl S.A.	Loan repaid	-	-
Euro Styl S.A.	Interest received on the borrowing	427	675
Sento S.A.	Borrowing provided	-	27 131
Sento S.A.	Loan repaid	61 000	2 500
Sento S.A.	Interest received on the borrowing	3 933	326
Dom Development Kraków sp. z o.o. *)	Borrowing provided	29 200	-
Dom Development Kraków sp. z o.o. *)	Loan repaid	13 100	-
Dom Development Kraków sp. z o.o. *)	Interest received on the borrowing	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	-

\*) Including Buma Development 21 Sp. z o.o., Buma Development 22 Sp. z o.o., Buma Development Sp. z o.o. and Buma Management Sp. z o.o.

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

Counterparty	Transaction description	01.07.-30.09.	01.07.-30.09.
		2022	2021
		(unaudited)	(unaudited)
Dom Land sp. z o.o.	(Net) prepayment transferred for the purchase of land	-	(7 996)

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

Counterparty	Transaction description	01.07.-30.09.	01.07.-30.09.
		2022	2021
		(unaudited)	(unaudited)
Dom Development Wrocław sp. z o.o.	Repayment of additional contributions to the share capital *)	(28 000)	-

\*) 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".

**DOM DEVELOPMENT S.A. AS A DIVIDEND PAYER:**

Counterparty	Transaction description	01.07.-30.09.	01.07.-30.09.
		2022	2021
		(unaudited)	(unaudited)
Groupe Belleforêt S.à r.l.	Dividends paid	148 637	-

**DOM DEVELOPMENT S.A. AS A DIVIDEND RECIPIENT:**

Counterparty	Transaction description	01.07.-30.09.	01.07.-30.09.
		2022	2021*)
		(unaudited)	(unaudited)
Dom Construction sp. z o.o.	Dividends received	33 859	-
Dom Development Kredyty sp. z o.o.	Dividends received	4 234	-
Euro Styl S.A.	Dividends received	79 183	-

\*) The Company received dividends from all above-listed subsidiaries in Q2 2021, which was disclosed in the interim financial statements of the Company for the six-month period ended 30 June 2021.



**BALANCES WITH RELATED ENTITIES - AS ACCOUNTED FOR IN THE BOOKS OF THE COMPANY**

	Receivables from related entities		Liabilities to related entities	
	30.09.2022	31.12.2021	30.09.2022	31.12.2021
<b>Total balance</b>	<b>312 121</b>	<b>314 259</b>	<b>49 209</b>	<b>18 756</b>
<b>Subsidiaries</b>	<b>298 075</b>	<b>311 967</b>	<b>48 725</b>	<b>16 873</b>
Dom Development Grunty sp. z o.o.	-	12 142	-	-
Dom Development Wrocław sp. z o.o. additional contributions to the share capital <sup>*)</sup>	47 000	75 000	-	-
Dom Development Wrocław sp. z o.o. loans granted	80 000	25 000	-	-
Dom Development Wrocław sp. z o.o.	491	295	-	-
Euro Styl S.A. loans granted	90 000	108 000	-	-
Euro Styl S.A.	873	687	-	-
Euro Styl Construction sp. z o.o.	1	-	-	-
Mirabelle Investments sp. z o.o.	-	-	-	-
Dom Development Kredyty sp. z o.o.	144	-	-	-
Dom Construction sp. z o.o.	1 442	1 311	44 995	16 220
Dom Construction sp. z o.o. kaucje	-	-	3 730	653
Dom Development Kraków sp. z o.o. loans granted	77 700	-	-	-
Dom Development Kraków sp. z o.o.	371	-	-	-
Dom Development Kraków 21 sp. z o.o. sp. k.	27	-	-	-
Dom Development Kraków 12 sp. z o.o.	4	-	-	-
Sento S.A. loans granted	-	89 380	-	-
Sento S.A.	22	103	-	-
Nestobud sp. z o.o.	-	49	-	-
<b>Other entities</b>	<b>14 046</b>	<b>2 292</b>	<b>484</b>	<b>1 883</b>
Dom Land sp. z o.o.	13 554	100	-	-
Hansom Property Company Limited	-	1 120	143	143
Woodsford Consulting Limited	-	580	200	-
Doradztwo w zakresie infrastruktury technicznej Rafał Kierski (technical infrastructure consulting)	492	492	141	1 740

<sup>\*)</sup> 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".

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

MANAGEMENT OPTION PROGRAMMES	30.09.2022 (unaudited)			31.12.2021		
	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 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 30 September 2022 and 2021 the Company did not grant any new share options.

On 4 October 2022, the Supervisory Board of the Company adopted a resolution concerning the approval of the provisions of the Management Option Programme VII for Leszek Stankiewicz, Vice President of the Management Board – CFO of Dom Development S.A., concerning 250 000 shares in Dom Development S.A. On 5 October 2022, these options were accepted by Mr Leszek Stankiewicz.

Information concerning the said share options is disclosed in note 7.29 “Material post-balance sheet events”.

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

In the three-month periods ended 30 September 2022 and 2021 no share options were exercised in the Company.

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

In the three-month periods ended 30 September 2022 and 2021 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 2022 and 2021 the amounts of PLN 164k and PLN 1 050k 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:

		01.07.-30.09. 2022 <i>(unaudited)</i>	01.07.-30.09. 2021 <i>(unaudited)</i>
<b>Unexercised options at the beginning 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>
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)	-	-
<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	-	-
	Total exercise price	-	-
Exercisable options at the end of the period	Number of options	-	-
	Total exercise price	-	-

## 7.24 CONTINGENT LIABILITIES

CONTINGENT LIABILITIES	30.09.2022 <i>(unaudited)</i>	31.12.2021
Guarantees	19 329	17 324
Sureties	6 571	14 655
<b>Total</b>	<b>25 900</b>	<b>31 979</b>

COLLATERALS FOR LIABILITIES	30.09.2022 <i>(unaudited)</i>	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 30 September 2022 the Company did not provide any guarantees for loans or borrowings, nor any other guarantees – jointly to one entity or its subsidiary, the value of which would be material for the Company or would amount to at least 10% of the Company’s shareholders’ equity.

## 7.25 MATERIAL COURT CASES AS AT 30 SEPTEMBER 2022

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

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

### IMPACT OF THE ECONOMIC ENVIRONMENT ON THE ONGOING COMPANY’S OPERATIONS

In Q3 2022, the Company’s operations continued smoothly, and despite numerous challenges in the market environment all investment projects were progressing according to schedule.

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

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

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

Inflation has been an important factor affecting the Company’s business as it made construction costs go up. However, the growth of construction material and subcontractor prices was largely limited by ramped down investment activity of businesses with limited access to finance. When compared to the rest of the sector, the Company, through its in-house general contractor company, successfully optimises the development process and costs without compromising the quality of the projects under construction.

Detailed information on the projects in progress and those completed by Dom Development S.A. in the nine-month period ended 30 September 2022 has been presented below.

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

### DEVELOPMENT PROJECTS COMMENCED FROM 1 JANUARY 2022 UNTIL 30 SEPTEMBER 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>
Apartamenty Białej Koniczyny stage 1	Warsaw	129
Apartamenty Koło Parków	Warsaw	133
Osiedle Jagiellońska	Warsaw	134
Dzielnica Mieszkaniowa Metro Zachód, stage 4 phase 3	Warsaw	71
Dzielnica Mieszkaniowa Metro Zachód, stage 4 phase 4	Warsaw	85*)
Dzielnica Mieszkaniowa Metro Zachód, stage 4 phase 5	Warsaw	44*)
Dzielnica Mieszkaniowa Metro Zachód, stage 4 phase 6	Warsaw	125*)
<b>Q2 2022</b>		<b>721</b>
Osiedle Przystanek Międzylesie stage 1	Warsaw	110
<b>Q3 2022</b>		<b>110</b>
<b>TOTAL</b>		<b>1 446</b>

\*) The increased number of units resulting from the adjustment of the flat structure to market conditions as compared to data presented in the Company's interim financial statements for the six-month period ended 30 June 2022.

### DEVELOPMENT PROJECTS COMPLETED FROM 1 JANUARY 2022 UNTIL 30 SEPTEMBER 2022:

PROJECT	LOCATION	NUMBER OF APARTMENTS AND RETAIL UNITS
Osiedle Wilno V, phase 2	Warsaw	213
Stacja Grochów, phase 2	Warsaw	106
Apartamenty Służewiec	Warsaw	37
<b>Q2 2022</b>		<b>356</b>
Stacja Grochów, phase 4	Warsaw	159
Wilno IV, phase 3	Warsaw	154
Rezydencja Stanisława Augusta	Warsaw	125
<b>Q3 2022</b>		<b>438</b>
<b>TOTAL</b>		<b>794</b>

Moreover, in the nine-month period ended 30 September 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 30 September 2022 has been presented in the following table:

NUMBER OF APARTMENTS AND RETAIL UNITS DELIVERED	2022	2021
Q1	829	906
Q2	465	295
Q3	241	141
<b>Total</b>	<b>1 535</b>	<b>1 342</b>

## 7.27 DIVIDEND AND PROFIT DISTRIBUTION

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

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

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

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

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

The dividend payment date was set as 16 August 2022. The dividend was paid out when due.

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

## 7.28 CHANGES IN THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

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

## 7.29 MATERIAL POST-BALANCE SHEET EVENTS

### GRANT OF NEW SHARE OPTIONS

On 4 October 2022, the Company's Supervisory Board adopted a resolution on the approval of the provisions of the above-mentioned Management Option Programme VII. On 5 October 2022, these options were accepted by Mr Leszek Stankiewicz.

On 30 August 2022, the Extraordinary General Shareholders' Meeting of the Company adopted resolutions: on the approval of the Management Option Programme VII for Leszek Stankiewicz, Vice President of the Management Board – CFO of Dom Development S.A., concerning 250 000 shares in Dom Development S.A. ("Programme VII") and on amending the Articles of Association of the Company as regards the right of the Management Board to increase the share capital within the limits of the authorised capital. In accordance with the said resolution on the adoption of Programme VII, Mr Leszek Stankiewicz would only once receive options authorising him to subscribe for 250 000 shares in Dom Development S.A. for the price of PLN 50.00 per share. The exercise of these options will be limited to 50 000 shares in any calendar year, starting from 2022, and the non-exercised options may be exercised at a later time, however not later than by 31 December 2032. Moreover, the General Meeting authorised the Management Board and the Supervisory Board of the Company to implement the above-mentioned Programme VII. In order to enable the Company to meet its obligations under Programme VII, the General Meeting authorised the Management Board to increase Company's share capital within the limits of its authorised capital over a period of 3 years.

## 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:

<b>SELECTED DATA FROM THE INTERIM CONDENSED BALANCE SHEET</b>	<b>30.09.2022</b> in EUR '000 <i>(unaudited)</i>	<b>31.12.2021</b> in EUR '000
Total current assets	464 811	556 019
Total assets	618 070	659 731
Total shareholders' equity	259 624	266 430
Long-term liabilities	81 718	88 871
Short-term liabilities	276 728	304 430
Total liabilities	358 446	393 301
<b><i>PLN/EURO exchange rate as at the balance sheet date</i></b>	<b>4.8698</b>	<b>4.5994</b>

<b>SELECTED DATA FROM THE INTERIM CONDENSED INCOME STATEMENT</b>	<b>01.01-30.09. 2022</b> in EUR '000 <i>(unaudited)</i>	<b>01.01.-30.09. 2021</b> in EUR '000 <i>(unaudited)</i>	<b>01.07-30.09. 2022</b> in EUR '000 <i>(unaudited)</i>	<b>01.07.-30.09. 2021</b> in EUR '000 <i>(unaudited)</i>
Sales revenue	218 733	214 116	34 425	26 951
Gross profit on sales	67 559	67 541	11 749	9 200
Operating profit	43 299	47 845	4 261	3 116
Profit before tax	69 973	72 446	29 488	2 916
Net profit	61 137	63 169	28 516	2 337
<b><i>Average PLN/EURO exchange rate for the reporting period</i></b>	<b>4.6880</b>	<b>4.5585</b>	<b>4.7787</b>	<b>4.5811</b>