DOM DEVELOPMENT GROUP

MANAGEMENT REPORT ON THE ACTIVITIES IN THE SIX MONTHS ENDED 30 JUNE 2026

THE DOM DEVELOPMENT GROUP IN THE SIX MONTHS ENDED 30 JUNE 2026

STABLE FINANCIAL PERFORMANCE

PLN 259 million

Consolidated net profit
H1 2025: PLN 246 million

IN CHALLENGING TIMES, WE CONTINUE TO DELIVER STRONG MARGINS

31%

Gross profit margin
H1 2025: 35%

WE CONSISTENTLY MAINTAIN A STRONG AND PRUDENT BALANCE SHEET

PLN 432 million

Net cash
30 June 2025: PLN 870 million

STRONG EARNINGS POTENTIAL

PLN 4.4 billion

Deferred income
30 June 2025: PLN 4.1 billion

RESIDENTIAL MARKET LEADER IN POLAND

5 markets

Warsaw, Tricity, Krakow, Wroclaw, Poznan

Following its entry into the Poznan market, the Group now operates in five key metropolitan areas across Poland.

2,382

Units sold to retail customers

Demand for residential units remained robust, with a large share of mortgage-financed transactions.

9,402

Units under construction at 30 June 2026

We deliver our projects on schedule, maintaining the highest quality standards.

72 pts

NPS – Net Promoter Score in 2025

Across all our markets, we continue to deliver very high standards in project quality, customer service and organisation.

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1 GENERAL INFORMATION ABOUT DOM DEVELOPMENT S.A. AND ITS GROUP

Dom Development S.A., established in 1996, is a leader in Poland's residential property industry. The Group offers residential units in multi-family buildings in major metropolitan areas: Warsaw, the Tricity and its vicinity, Wroclaw and Krakow. In 2026, it also entered the Poznan market. Listed on the Warsaw Stock Exchange (ticker: DOM) since 2006, the Company is a constituent of a number of WSE indices, including mWIG40. Since its stock market debut, Dom Development S.A. has consistently combined strong profitability and low leverage with annual dividend distributions.

Since its inception, the Dom Development Group (the "Group") has focused on the residential property market, offering units across all market segments – from affordable and premium housing to up-market apartments. The diversified product mix enables the Group to achieve satisfactory margins while maintaining a significant scale of operations.

Dom Development S.A. (the "Company"; the parent of the Group) is a joint venture of Polish managers and UK investors. As at 30 June 2026, the Company's Management Board consisted of: Mikołaj Konopka as President of the Management Board, Monika Dobosz as Vice President and Chief Financial Officer, and Justyna Wilk, Grzegorz Smoliński and Terry Roydon as Members of the Management Board. They are professionals with extensive experience in the property development industry and most of them have been with the Company for many years.

The Management Board is actively supported by the Company's founders, who remain among its key shareholders. Jarosław Szanajca, former President of the Management Board, has served as Chair of the Supervisory Board since 1 January 2025. Grzegorz Kiełpsz, former General Director, is currently a member of the Supervisory Board.

As at 30 June 2026, Dom Development S.A. was majority-owned by Groupe Belleforêt S.à r.l., a Luxembourg-based entity holding a 54.81% interest. Representatives of the majority shareholder have served on the Management Board and Supervisory Board since the Company's earliest days, contributing extensive international experience in residential property development.

STRUCTURE OF THE DOM DEVELOPMENT GROUP AS AT 30 JUNE 2026:

NAME	PARENT'S OWNERSHIP INTEREST	PARENT'S VOTING INTEREST
Subsidiaries of Dom Development S.A.:		
Euro Styl S.A.	100%	100%
Dom Development Wrocław sp. z o.o.	100%	100%
Dom Construction sp. z o.o.	100%	100%
Dom Development Kredyty sp. z o.o.	100%	100%
Dom Development Grunty sp. z o.o.	46%	100%
Dom Development Kraków sp. z o.o.	100%	100%
Dom Land sp. z o.o.	-	-
Fundacja Nasz Dom	100%	100%
Dom Development Myśliborska sp. z o.o.	100%	100%
Dom Development Poznań sp. z o.o.	100%	100%
Subsidiaries of Euro Styl S.A.:		
Euro Styl Construction sp. z o.o.	100%	100%
Euro Styl Montownia sp. z o.o.	100%	100%
GGI Dolne Miasto sp. z o.o.	100%	100%
Your Destination sp. z o.o.	100%	100%
Apartamenty Las Jastarnia sp. z o.o.	100%	100%

All Dom Development Group entities are registered in Poland and are fully consolidated by the Company. For a description of the organisation of the Dom Development Group, including information on the consolidated companies and changes in the Group's organisation, see Note 7.1 to the interim condensed consolidated financial statements of the Dom Development Group for the six months ended 30 June 2026.

1.1 GROWTH STRATEGY FOR THE COMPANY AND THE GROUP

The strategic objective of the Management Board of Dom Development S.A. is to increase the long-term value of the Company and the Group by maintaining their leading position in the residential property market in Poland's largest metropolitan areas. This strategy is based on the following pillars:

SUSTAINABLE DEVELOPMENT

As a leading residential developer in Poland, the Dom Development Group plays a significant role in shaping urban spaces in the cities where its projects are delivered. Every component of a residential scheme – from individual units and common areas to architectural solutions and landscaping – is conceived to deliver a comfortable, functional and aesthetically coherent environment, contributing to the creation of high-quality urban spaces. The environmental, social and governance activities of the Dom Development Group are guided by its DOM 2030 ESG Strategy, adopted in 2022. For the full text of the Strategy, see https://inwestor.domd.pl/pl/esg.
We strongly emphasise fostering long-term relationships with key stakeholders, including employees, customers, and subcontractors. The quality of these relationships is reflected in low employee turnover and consistently high customer satisfaction, as measured by the Net Promoter Score (NPS). Effective cooperation with subcontractors also results in very high construction quality and timely project delivery. In the property development sector, where project cycles are complex and last at least three years, employee expertise and trust-based, effective cooperation with subcontractors provide a source of competitive advantage, enabling the Group to build a strong nationwide brand.

GEOGRAPHIC DIVERSIFICATION

The Dom Development Group has significant growth potential, supported in part by its presence in Poland's key metropolitan areas, which combine the country's strongest housing demand with the lowest unemployment, high earnings and favourable demographic trends, including a growing number of households. We effectively leverage economies of scale while drawing on strong local capabilities. The well-developed regional teams and in-depth market knowledge make it possible to tailor our product offering to local conditions and customer expectations.
This approach helped the Group achieve sales of 2,382 units in the period under review, making it the best first half in the Group's history. In the second quarter alone, the Group also achieved a leading position in each of its four markets, delivering another record result.
The Group's objective for the coming years is to increase sales, which will require both strengthening its presence in existing markets and expanding into new ones. Accordingly, during the period under review, the Group decided to enter the Poznan market. Poznan is Poland's fifth-largest residential market – a balanced and mature market underpinned by strong demand fundamentals. It has the lowest unemployment rate among the country's largest metropolitan areas, the second-highest GDP per capita after Warsaw, and a well-developed business base that attracts highly qualified professionals. These characteristics create an attractive economic environment in which the Group can build long-term value.

STRONG BALANCE SHEET

The Management Board remains focused on maintaining a solid financial position and a strong liquidity profile across the Company and the Group. A robust capital base and low leverage provide us with the flexibility to navigate the highly cyclical environment of the real estate and construction markets. Furthermore, access to capital and secured credit facilities gives the Group companies a competitive advantage in the land acquisition market, where transactions often require large, multimillion-zloty payments within short timeframes.

MAXIMISING RETURN ON EQUITY (ROE)

The Management Board is committed to maximising long-term shareholder returns by prioritising project profitability, maintaining an optimal operating scale relative to the Group's organisational structure, and ensuring the regular distribution of dividends.

1.2 SHAREHOLDING STRUCTURE OF DOM DEVELOPMENT S.A.

As at the date of this Report, Groupe Belleforêt S.à r.l., holding a 54.81% equity interest in Dom Development S.A., remained the parent of the Company. The Company's shareholder structure has been relatively stable. Representatives of Groupe Belleforêt S.à r.l., co-founders of Dom Development S.A., serve on both the Company's Management Board and Supervisory Board, providing significant expert and strategic support to the management of the Company and its subsidiaries.

The long-term involvement of key shareholders enables the Company to operate in a sustainable manner, conducive to operational optimisation and consistent value creation for Dom Development S.A. and the entire Group. In the Management Board's opinion, the stable and transparent ownership structure exerts a positive influence on the Company's performance, particularly given the specific nature of the residential development business, where project life cycles extend over many years, calling for a long-term strategic approach.

Shares in Dom Development S.A. are also held by a number of open-end pension funds, including PTE Allianz Polska S.A.

Detailed information on shareholders holding directly or indirectly, through subsidiaries, 5% or more of total voting rights in the Company, and changes in their holdings in the period from the issue of the interim financial statements for the three months ended 31 March 2026, is provided in the table below.

				AS AT THE DATE OF THIS REPORT	CHANGE FROM THE ISSUE DATE OF THE REPORT FOR Q1 2026
	Shares	Equity interest (%)	Number of voting rights	Voting interest (%)	Shares
Groupe Belleforêt S.à r.l.	**14,140,441**	**54.81**	**14,140,441**	**54.81**	-
PTE Allianz Polska S.A.*)	2,390,347	9.27	2,390,347	9.27	- 7,491
Jarosław Szanajca	1,454,050	5.64	1,454,050	5.64	-

*) Allianz Polska OFE's shareholding is based on the Central Securities Depository of Poland's identification of shareholders in the Company as at 30 June 2026.

1.3 MANAGEMENT BOARD OF DOM DEVELOPMENT S.A.

From 1 January to 30 June 2026, the Management Board of Dom Development S.A. consisted of five members:

- Mikołaj Konopka – President of the Management Board,
- Monika Dobosz – Vice President of the Management Board, Chief Financial Officer,
- Justyna Wilk – Member of the Management Board,
- Grzegorz Smoliński – Member of the Management Board,
- Terry Roydon – Member of the Management Board.

1.4 SUPERVISORY BOARD OF DOM DEVELOPMENT S.A.

From 1 January to 30 June 2026, the Supervisory Board of Dom Development S.A. consisted of eight members:

- Jarosław Szanajca – Chair of the Supervisory Board,
- Janusz Zalewski – Deputy Chair of the Supervisory Board,
- Dorota Podedworna-Tarnowska – Deputy Chair of the Supervisory Board (Independent Member),
- Grzegorz Kiełpsz – Member of the Supervisory Board,
- Anna Maria Panasiuk – Member of the Supervisory Board (Independent Member),
- Edyta Wojtkiewicz – Member of the Supervisory Board (Independent Member),
- Mark Spiteri – Member of the Supervisory Board,
- Philippe Bonavero, Member of the Supervisory Board.

1.5 HOLDINGS OF DOM DEVELOPMENT SHARES BY MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

TOTAL NUMBER AND PAR VALUE OF DOM DEVELOPMENT SHARES AND SHARES IN OTHER GROUP COMPANIES HELD BY MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

Holdings of Company shares and share options by members of the Management Board and Supervisory Board as at the date of this Report are presented in the table below.

	AS AT THE DATE OF THIS REPORT				CHANGE FROM THE ISSUE DATE OF THE REPORT FOR Q1 2026	
	Shares	Par value of shares (PLN thousand)	Share options	Shares and share options	Shares	Share options
Management Board						
Mikołaj Konopka	213,561	214	-	213,561	-	-
Grzegorz Smoliński	3,003	3	-	3,003	-	-
Terry Roydon	58,500	59	-	58,500	-	-
Supervisory Board						
Jarosław Szanajca	1,454,050	1,454	-	1,454,050	-	-
Grzegorz Kiełpsz	1,280,750	1,281	-	1,280,750	-	-
Janusz Zalewski*	70,000	70	-	70,000	-	-
Mark Spiteri	900	1	-	900	-	-
Anna Maria Panasiuk	450	<1	-	450	-	-

*JMJ Fundacja Rodzinna, an entity closely associated with Janusz Zalewski, holds 200,000 shares in the Company.

Members of the Company's Management Board and Supervisory Board did not hold any shares in other Group companies, except for Dom Land sp. z o.o., in which Jarosław Szanajca, Grzegorz Kiełpsz and Mark Spiteri each held a 20% equity interest as at the date of this Report.

2 DISCUSSION OF THE GROUP’S OPERATIONS IN THE SIX MONTHS ENDED 30 JUNE 2026

2.1 KEY DEVELOPMENTS IN THE SIX MONTHS ENDED 30 JUNE 2026

ENTRY INTO THE POZNAN MARKET

The Group's objective for the coming years is to increase sales, which will require both strengthening its presence in existing markets and expanding into new ones, in line with its geographic diversification and expansion strategy. Accordingly, during the period under review, the Group decided to enter the Poznan market.

Poznan is Poland's fifth-largest residential market, benefiting from strong demand fundamentals. It has the lowest unemployment rate among the country's largest metropolitan areas, the second-highest GDP per capita after Warsaw, and a well-developed business base that attracts highly qualified professionals, providing an educated and affluent customer base. Together with balanced price dynamics, these factors create an attractive economic environment in which the Group can build long-term value.

RECORD FIRST HALF IN THE GROUP'S HISTORY

In the period under review, the Group achieved net sales of 2,382 units, making it the best first half in its history. In the second quarter alone, the Group sold 1,221 units, just 11 fewer than in the record fourth quarter of 2025. This marked the eighth consecutive quarter in which sales reached at least 1,000 units, underscoring the strength of the Group's business model and its ability to deliver consistently strong results. Sales remained high and stable across all of the Group's markets – Warsaw, the Tricity, Wroclaw and Krakow – while work is also under way to launch its first project in Poznan. Entering this market is consistent with the Group's consistent strategy of geographic expansion and building its leading position in Poland's largest metropolitan areas.

Demand for residential units, particularly from owner-occupiers, remained robust and continued to be supported by customers' higher borrowing capacity compared with a year ago. Mortgage-financed transactions accounted for more than half of the Group's total sales. At the same time, ongoing geopolitical uncertainty, including developments in the Middle East, heightened concerns about inflationary pressures, which could translate into higher construction costs and residential property prices, prompting some buyers to bring forward their purchase decisions.

In the first half of the year, the Group delivered 1,976 units to customers, up 24% on the corresponding period of 2025, supporting the Group's financial performance. As in previous years, the majority of deliveries are planned for the second half of the year, with a particularly high concentration in the fourth quarter, reflecting the delivery schedules of individual projects. Together with construction cost efficiencies achieved through the Group's in-house general contracting capabilities, this provides a solid foundation for the Group's full-year 2026 performance.

DOM 2030 ESG STRATEGY

The Group has implemented all commitments set for 2025 under its DOM 2030 ESG Strategy. Once again, the Group landscaped sites covering more than 2 hectares in total under the Urban Greening Programme, which provides for the creation of at least one publicly accessible green space in each of the Group's markets. In 2025, the Group allocated nearly PLN 8 million to the programme. It also developed and implemented internal policies addressing circular economy matters and introduced a system for monitoring the gender pay gap.

The Group carried out a range of environmental, social, and governance initiatives that support its strategic goals for the years ahead. In 2025, the Company:

– maintained its 30% reduction target for Scope 1 and Scope 2 CO_2 emissions per unit under construction compared with 2021,
– planted over 113 thousand trees and shrubs and nearly 70 thousand perennials, vines and ornamental grasses on its properties and in urban areas,
– increased the share of renewable energy, supported by guarantees of origin, in total energy consumption to 39%,
– installed solar PV systems with a combined capacity of 445 kWp,
– completed developments comprising more than 1,100 units on regenerated brownfield sites,
– continued to deliver projects aligned with the '15-minute city' concept (with 85% of all developments meeting these criteria),
– spent almost PLN 4 million on charitable activities, with over PLN 2.25 million donated to support those affected by the war in Ukraine, and
– increased spending on health and safety measures by 13%, to more than PLN 3.9 million.

For the full text of the Strategy and execution summary, see https://inwestor.domd.pl/pl/esg.

RECORD DIVIDEND PAYOUT

On 18 June 2026, the General Meeting of Dom Development S.A., in line with the Management Board's recommendation, approved a record-high dividend of PLN 14 per share. The dividend record date was set for 25 June 2026, with the payment date scheduled for 2 July 2026.

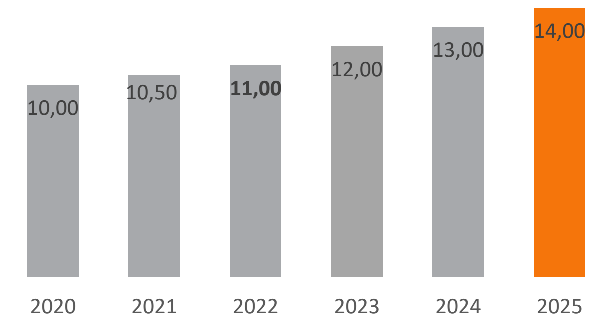
In 2025, for the third time in its history, Dom Development S.A. also distributed an interim dividend for that year, totalling PLN 181 million, or PLN 7.00 per share. In aggregate, PLN 361,178 thousand was distributed to shareholders for 2025, representing 55% of the Group's consolidated net profit and 62% of the Company's net profit for that year.

The balance of the Company's net profit of PLN 219,631 thousand was transferred to statutory reserve funds.

The dividend payment was fully consistent with the dividend policy of Dom Development S.A., announced on 3 April 2013, which provides for a steady increase in shareholder distributions. The Management Board reaffirms its intention to pursue this policy, seeking to maximise shareholder returns while maintaining the Company's sound financial position and strong liquidity.

In the Management Board's opinion, the consistently high return on equity (ROE) achieved by both the Company and the Group underpins Dom Development's standing as one of the leading dividend-paying companies on the Warsaw Stock Exchange. At the same time, part of the generated profits is allocated to strengthening the Group's balance sheet and financing its further operational growth.

DPS



COMFORTABLE LIQUIDITY POSITION

BONDS

Under the bond programme established on 14 April 2025, the Company issued 250,000 Series DOMDEM2040331 unsecured bearer bonds on 4 March 2026, with a nominal value of PLN 1,000 per bond and an aggregate nominal value of PLN 250,000 thousand, maturing on 4 March 2031. The bonds were issued at par. The Series DOMDEM2040331 bonds bear interest at WIBOR 6M plus a margin of 1.2% per annum. Interest payments will be made semi-annually.

On 12 May 2026, the Company redeemed on maturity 110,000 Series DOMDET5120526 bearer bonds with a nominal value of PLN 1,000 per bond and an aggregate nominal value of PLN 110,000 thousand.

BANK BORROWINGS

On 31 January 2026, a PLN 60,000 thousand revolving working capital facility agreement between VeloBank S.A. and Dom Development S.A. expired.

On 5 February 2026, VeloBank S.A. and Dom Development S.A. entered into an overdraft facility agreement for up to PLN 100,000 thousand. The term of the agreement ends on 31 December 2027.

On 24 June 2026, Dom Development S.A., Dom Development Wrocław sp. z o.o. and Euro Styl S.A. executed an amendment to the Multiproduct Umbrella agreement with mBank S.A. Under the amendment, the amount of the credit facility was raised to PLN 300,000 thousand and its availability extended until 31 January 2031. The facility may be utilised by Dom Development S.A. (up to PLN 300,000 thousand), Dom Development Wrocław sp. z o.o. (up to PLN 60,000 thousand) and Euro Styl S.A. (up to PLN 100,000 thousand).

Available funding sources, comprising PLN 860,000 thousand of credit facilities and PLN 785,000 thousand of outstanding bonds, provide the Dom Development Group with a comfortable liquidity position and flexibility to operate and grow its business.

2.2 OPERATING RESULTS IN THE SIX MONTHS ENDED 30 JUNE 2026

SALES

In the period under review, the Group achieved net sales of 2,382 units, up 17% year on year, marking the best first half in the Group's history.

Demand was supported by stronger homebuyer borrowing capacity than a year earlier, driven by a further reduction in interest rates and rising wages. Continued geopolitical uncertainty, including developments in the Middle East, also heightened concerns about higher inflation, construction costs and residential property prices, prompting some buyers to bring forward their purchase decisions.

The Group capitalised on its market-leading position and the strength of the Dom Development and Euro Styl brands, which stand for quality and security. A further competitive advantage is the way the Group structures its offering, which appeals both to cash buyers and to mortgage-financed purchasers. In many projects, the Group offers flats with slightly smaller floor areas than comparable competing units with the same number of rooms, resulting in a more attractive total purchase price and making them more accessible to customers with a given borrowing capacity.

Dom Development S.A. sold more than 1,000 units, up 24% year on year. Tricity-based Euro Styl S.A. sold 611 units, an increase of 22%. Dom Development Kraków sp. z o.o. also improved on the prior-year result, with net sales of 287 units, up 26% year on year.

By contrast, Dom Development Wrocław sp. z o.o. sold 403 units, down 8% year on year.

In terms of financing structure, 54% of transactions in the first half of 2026 were supported by mortgage lending, while 46% were cash purchases. This demonstrates that improving credit availability plays a tangible role in supporting customer purchasing decisions and stimulating activity in the primary market.

SALES BY MARKET	H1 2026	H1 2025	CHANGE
Warsaw Dom Development S.A.	1,081	869	24%
Tricity Euro Styl S.A.	611	499	22%
Wroclaw Dom Development Wrocław sp. z o.o.	403	437	(8)%
Krakow Dom Development Kraków sp. z o.o.	287	228	26%
Dom Development Group	**2,382**	**2,033**	**17%**

AVAILABLE STOCK

As at 30 June 2026, the Group had a total of 4,694 units available for sale. Compared with the corresponding period of the previous year, this represents a 24% increase, reflecting effective implementation of the strategy to secure supply in an environment of strong residential demand.

By market, available stock increased significantly in Warsaw, by 66%, and in the Tricity, by 21%. This reflected the Group's increased development activity, particularly towards the end of the second quarter, which is expected to support sales in future periods in response to the strong demand potential in these metropolitan areas.

The Management Board views the size and composition of the Group's available stock at the end of the first half of 2026 as sound and well aligned with prevailing market conditions. In the residential development sector, a healthy and sustainable supply is generally understood as a volume corresponding to projected annual sales. Against the backdrop of a record first half and the Group's ambition to exceed its full-year sales record, the Group's available stock – despite its increase – confirms the high absorptive capacity of the market and underpins the rationale for stepping up development activity in the periods ahead.

UNITS IN STOCK	30 JUN 2026	30 JUN 2025	CHANGE
Warsaw Dom Development S.A.	2,207	1,332	66%
Tricity Euro Styl S.A.	1,259	1,041	21%
Wroclaw Dom Development Wrocław sp. z o.o.	619	753	(18)%
Krakow Dom Development Kraków sp. z o.o.	609	652	(7)%
Dom Development Group	**4,694**	**3,778**	**24%**

UNITS UNDER CONSTRUCTION

In the six months ended 30 June 2026, the Group achieved a significant scale of development activity, with a total of 9,402 residential units under construction, up 14% year on year. This outcome reflects the consistent execution of its growth strategy and effective project portfolio management, despite varying market conditions across metropolitan areas.

By market, the Group recorded a significant increase in development activity in both Warsaw and the Tricity, with growth of more than 20% in each market. In Krakow and Wroclaw, the scale of development activity remained broadly stable, reflecting the Group's consistent approach to maintaining a balanced pace of growth in these markets.

In the Management Board's view, the increased scale of projects under development demonstrates efficient management and strong process execution, especially given the persistent challenges in securing administrative permits and the limited availability of land for development. It should also be noted that all projects remained on schedule and within budget. This success was largely driven by the Group's in-house general contractors – Dom Construction sp. z o.o. and Euro Styl Construction sp. z o.o. Both companies delivered construction projects on time, to the Group's required high standards and at competitive prices, while maintaining the profitability of their operations.

UNITS UNDER CONSTRUCTION	30 JUN 2026	30 JUN 2025	CHANGE
Warsaw Dom Development S.A.	4,227	3,424	23%
Tricity Euro Styl S.A.	2,865	2,303	24%
Wroclaw Dom Development Wrocław sp. z o.o.	1,274	1,370	(7)%
Krakow Dom Development Kraków sp. z o.o.	1,036	1,173	(12)%
Dom Development Group	**9,402**	**8,270**	**14%**

UNITS DELIVERED

Deliveries of completed units are a primary driver of the Company's and the Group's results. The timely completion of projects in 2026 resulted in 1,976 units being delivered to buyers, in line with the Management Board's expectations and up 24% year on year.

Warsaw accounted for the largest share of that total, with 935 units handed over to the Group's customers. The strongest year-on-year increase was recorded in Krakow, where 361 units were delivered, compared with 82 a year earlier. A further 206 units were delivered in the Tricity and 474 in Wroclaw.

Delivery volumes are directly linked to the construction schedules of individual projects and, in line with the Management Board's assumptions, support delivery of the full-year plan. Notably, a substantial proportion of completed units are scheduled for delivery in the fourth quarter of the year, which may have a material effect on the Group's financial performance in the latter part of 2026.

UNITS DELIVERED	H1 2026	H1 2025	CHANGE
Warsaw Dom Development S.A.	935	497	88%
Tricity Euro Styl S.A.	206	392	(47)%
Wroclaw Dom Development Wrocław sp. z o.o.	474	624	(24)%
Krakow Dom Development Kraków sp. z o.o.	361	82	340%
Dom Development Group	**1,976**	**1,595**	**24%**

As at 30 June 2026, the Group's portfolio included 5,606 units sold but not yet delivered, with a total value of PLN 4,398 million.

LAND BANK

The Group's land bank is land held for future residential projects. Units planned for construction on properties already purchased and under control, together with units under construction, determine the Company's and the Group's performance potential in the coming years. According to the Management Board's assessment, the size and composition of the land bank held by the Group's development companies are well aligned with the Group's investment plans. The optimal land bank – defined as sites in the pre-development phase – should be sufficient to support sales for at least four years.

With the growing scarcity of available land and the requirements of sustainable urban development, the Management Board anticipates that the Group's companies will increasingly focus on brownfield projects, involving the revitalisation of existing urban areas. Land markets differ significantly across the individual metropolitan areas. The situation is particularly challenging in Warsaw, owing to historical reasons, legal

LAND BANK UNITS – LAND PURCHASED AND UNDER CONTROL	30 JUN 2026	30 JUN 2025	CHANGE
Warsaw Dom Development S.A.	8,651	9,358	(8)%
Tricity Euro Styl S.A.	5,962	5,547	7%
Wroclaw Dom Development Wrocław sp. z o.o.	1,423	2,289	(38)%
Krakow Dom Development Kraków sp. z o.o.	1,580	1,801	(12)%
Poznan Dom Development Poznań sp. z o.o.	228	-	100%
Dom Development Group	**17,844**	**18,995**	**(6)%**

issues with some properties, high competition, and difficulties in obtaining administrative approvals. Consequently, a significant portion of Dom Development S.A.'s land bank in that city consists of land under control, i.e. sites that the Company has secured, but the transfer of ownership and full payment are deferred until necessary administrative permits and approvals are obtained. This strategy allows the Company to quickly move forward with new projects once the land acquisition is finalised.

2.3 RISKS AND FACTORS RELEVANT TO THE DEVELOPMENT OF THE COMPANY AND THE GROUP

EXTERNAL AND INTERNAL FACTORS RELEVANT TO THE DEVELOPMENT OF THE COMPANY AND THE GROUP, INCLUDING KEY RISK FACTORS AND THREATS, AND THEIR POTENTIAL IMPACT

2.3.1 EXTERNAL FACTORS

MACROECONOMIC AND GEOPOLITICAL RISKS

Like other parts of the economy and the capital market, the property market, particularly the residential property market, is inherently cyclical. Property market conditions are closely linked to the business cycle and depend on a range of factors directly connected with the economy, including the current rate of economic growth, unemployment and wage levels, interest rates and market sentiment, as well as demographic changes (i.e. demographic booms and downturns). There are indications that geopolitical developments and outlook should also be considered among the factors influencing market cycles.

Geopolitical conditions, including ongoing conflicts and tensions in various parts of the world, affect the functioning of the property market. Some customers have brought forward their purchase decisions amid concerns that rising inflation could translate into higher residential property prices. Geopolitical instability and the related volatility in fuel and energy prices and transport costs also affect the residential property sector, as they influence the entire development value chain, from the production of construction materials through logistics to construction works. Supply disruptions and rising operating costs increase cost pressures on property developers and may, over time, be reflected in residential property prices.

Adverse developments in the macroeconomic and geopolitical factors described above could have a material negative effect on the business and financial position of the Company and the Group.

With its in-house general contracting capabilities, long-standing relationships with subcontractors, and economies of scale enabling optimal resource allocation, the Group is well-positioned to deliver its objectives as planned and strengthen its competitive position despite the challenging geopolitical environment. The Management Board continuously monitors the situation, assessing its potential long-term impact on the Group's projects and the Group as a whole. A disciplined focus on maintaining a strong balance sheet and low net debt provides the Group companies with flexibility to operate with confidence and sustain long-term growth potential.

INTEREST RATE RISK

Housing market conditions are inversely correlated with interest rate levels. In the residential development market, higher rates reduce demand (more expensive mortgage loans), leading to lower sales and downward pressure on prices. Conversely, lower interest rates (more affordable mortgage loans) increase demand, drive prices up and encourage greater investment risk-taking. This directly affects property developers' profitability, financing costs and customers' purchasing power, thereby influencing supply and overall market stability.

In addition, the Company finances its own operations and those of the Group with floating-rate bond issues and credit facilities. The related interest rate risk involves a possible deterioration in financial performance as a result of rising interest rates.

In the six months ended 30 June 2026, key interest rates in Poland remained broadly stable. Following the March reduction, the NBP reference rate stood at 3.75%. Recent decisions by the Monetary Policy Council (MPC) point to a cautious approach to further monetary policy easing, while most economists expect rates to remain unchanged until the end of 2026. The Polish economy remains sensitive to external factors, and further escalation in the Middle East could have a significant impact on energy prices and, consequently, on inflation and future MPC decisions. Financial markets currently expect interest

rates to be approximately 0.25 percentage points higher over the next year than at present.
In the event of adverse mortgage market developments triggered by rising interest rates, the Company and the Group are expected to remain resilient thanks to their well-established position in the premium residential segment and the consistent execution of business objectives. This resilience is underpinned by continued strong demand for premium-standard flats, driven by customers seeking to protect accumulated capital against inflation, as well as their lower sensitivity to borrowing costs.
Moreover, with regard to its exposure to interest rate risk related to bonds in issue, the Company applies an interest rate risk hedging policy across the Group, using hedge ratios and entering into transactions in interest rate derivatives solely to hedge identified risk exposures. The Company's Management Board continuously monitors the implementation of this hedging policy and the level of interest rate risk.

RISK RELATED TO THE AVAILABILITY OF MORTGAGE LOANS

The risk of limited access to mortgage loans arises from a range of factors, including borrowers' insufficient creditworthiness (low incomes, high fixed costs, or an adverse credit history), legal issues and the cost of legal risk associated with Swiss-franc mortgage borrowers, as well as economic uncertainty (high interest rates and inflation), which encourages both banks and customers to act cautiously.
In 2026, mortgage lending in Poland picked up markedly. Banks eased lending criteria, average interest rates declined and mortgage lending returned to strong growth. According to data published by the Polish credit reference agency BIK, the value of housing loan enquiries increased by 15.8% year on year in June 2026, while the average amount applied for rose to PLN 506.6 thousand, up 6.2% from a year earlier.
The Management Board believes that the Group's exposure to this risk is relatively limited, given the predominance of premium-standard flats in its portfolio. This relative resilience is evidenced by the proportion of cash and mortgage-funded purchases: the funding for 49% of the units sold by the Group in the second quarter of 2026 comprised solely buyers' own funds.

INFLATION RISK

Inflation risk in property development primarily involves rising costs of materials and labour, which increase project costs, put pressure on margins and may translate into higher flat prices.
The first half of 2026 saw a moderate increase in construction material costs, with overall prices rising by 1.1% over the period. In June alone, the year-on-year increase was somewhat higher at 3.5%, according to the Polskie Składy Budowlane Group. Its data showed that the largest increases in the first half of the year were recorded for OSB boards and timber, with prices up 11%, and for thermal insulation materials, with prices up 5% year on year. By contrast, prices declined by approximately 2% in several product categories, including finishing materials, equipment and household appliances, as well as cement and lime. In June, the strongest increases were recorded for thermal insulation and waterproofing materials, with prices rising by 14% and 10%, respectively.
According to preliminary data from Statistics Poland (GUS), construction output prices in June 2026 increased by 5.5% year on year and by 0.2% compared with May 2026. Month on month, prices rose by 0.3% for specialised construction works, by 0.2% for civil engineering works and by 0.1% for building construction.
The Dom Development Group leverages its in-house general contracting capabilities to optimise the construction process from the earliest stages of project planning. By harnessing economies of scale and fostering long-term partnerships with trusted subcontractors, the Group enhances cost efficiency while maintaining strong, reliable supplier relationships. This vertically integrated model enables the Company and the Group to mitigate the risk of an unexpected increase in project delivery costs to a relatively large extent, supporting satisfactory profitability.

RISK RELATED TO LABOUR MARKET CONDITIONS

The labour market and the housing market are closely linked: a stable or improving labour market (low unemployment rate and rising wages) supports demand for flats and price growth. When the labour market weakens (layoffs and heightened uncertainty), demand tends to fall and prices generally stabilise.
For homebuyers, particularly those relying on mortgage finance, confidence in job security is a key factor in the purchase decision.
In addition, labour market conditions are a source of risk in property development operations, as a shortage of skilled workers and rising wage costs push construction

costs higher and extend project timelines. This may force companies to protect margins, for example by limiting new projects, while also creating risks of delays or price changes for buyers.
According to Statistics Poland, average paid employment in the enterprise sector stood at 6.4 million in June 2026, broadly unchanged from May but 0.9% lower than in June 2025. The average gross monthly wages in the enterprise sector amounted to PLN 9,401.58, representing a nominal increase of 2.5% compared with May and 5.9% year on year.
Labour market data also point to significant structural shifts. The number of women in employment is increasing, while the number of men is declining. Part-time employment is rising, while full-time employment is falling. The number of Polish nationals in employment is decreasing, while the number of foreign workers is increasing. Employment is also declining in micro and small enterprises, while continuing to grow in medium-sized and large companies and in the country's largest metropolitan areas. In the enterprise sector, covering entities with more than nine employees, employment has been declining continuously for the past four years. Creative destruction in the economy is also continuing, with workers moving from sectors facing structural challenges to those experiencing growth. Employment is falling in the mining, clothing manufacturing, household appliances and automotive industries, while increasing in sectors like the manufacture of other transport equipment, electronics and waste management. Wage pressures are easing, while labour demand remains subdued, despite a slight improvement in recent quarters.
The Company's Management Board monitors labour market developments on an ongoing basis and reviews employment and wage data to align the Group's offering (size, standard and prices of flats) with buyers' actual purchasing capacity and broader market trends. It also seeks to mitigate the risk of workforce shortages by improving employment conditions, investing in employee development and training, as well as succession planning and fostering engagement, all of which help to ensure business continuity.

RISK RELATED TO THE GROUP'S DEPENDENCE ON ADMINISTRATIVE DECISIONS

In property development, administrative risk is related to unexpected issues arising in dealings with public authorities and under regulatory procedures, which may delay a project, increase costs or even prevent a project from going ahead. Examples include delays in obtaining permits, changes to local spatial development plans, procedural complications (e.g. in relation to zoning decisions and building permits) and legislative changes. Such events may directly affect a project's timeline, budget and profitability.
By their nature, property development projects require the Company and the Group to obtain numerous permits and approvals at every stage of the execution process. Even when project schedules are prepared conservatively, there is always a risk that decisions will be issued later than expected, that decisions already obtained may be challenged, revoked or annulled, or that the required approvals may not be obtained at all. This may affect the ability to carry out and complete current and planned projects on time.
A key measure undertaken by the Company and the Group to reduce exposure to these administrative risks is the proper assessment of potential projects and oversight of ongoing developments based on established investment models and decision-making procedures. Ensuring compliance with these models and procedures is an area of particular focus for the Company's Management Board.
The Group maintains an appropriate scale of operations and continuously replenishes its offering, including by maintaining a suitably sized, high-quality land bank sufficient to support more than four years of sales.

RISK RELATED TO THE AVAILABILITY OF EXTERNAL FINANCING

Property development requires substantial capital to be committed over the long term due to the nature of development projects. As a result, the Company and the Group rely heavily on external financing.
Regulatory changes, a deterioration in capital market conditions, and tighter bank lending policies may materially affect the financial position of the Company and the Group.
The Company mitigates the risk associated with access to external financing by carefully matching its debt maturity structure with the specific nature of its business, i.e. by using long-term external sources of capital.
The Management Board believes that the Group is exposed to this capital availability risk only to a limited extent, thanks to its conservative financial policy. Its strong cash position and high credibility with financial institutions provide a competitive advantage, supporting the uninterrupted execution of its development plans.

RISK RELATED TO PROPERTY PRICES

The profitability of the Company and the Group depends on flat prices in Poland, particularly in the markets where the Group operates. If prices decline, the Company and the Group cannot guarantee that they will be able to sell completed units on favourable terms, which may have a

material adverse effect on their operations, financial position or performance.
To reduce the likelihood of this risk materialising and limit its potential adverse impact, the Management Board places strong emphasis on selecting appropriate locations for the development projects. Accordingly, the Group operates in Poland's largest cities, where demand for homes, despite periodic fluctuations, remains the strongest.

RISK RELATED TO COMPETITION

The Company and the Group may face strong competition from other property developers when identifying and acquiring suitable land. Competitive pressure may also drive an oversupply of flats, caused by an excessive number of development projects coming to market, or inflated land prices. This may have a material adverse effect on the operations, financial position or performance of the Company and the Group.
In the second quarter of 2026, the Group's net sales reached 1,221 units (up 22% year on year), including 539 in Warsaw, 351 in the Tricity, 187 in Wroclaw, and 144 in Krakow. This was the eighth consecutive quarter with sales at or above 1,000 units.
The appeal and diversity of the Company's and the Group's offering continue to generate strong demand for their projects, both from mortgage-financed customers and cash buyers.

LEGAL RISK

A change of particular significance in 2026 was the amendment to the Spatial Planning and Development Act, especially the extension until 31 August 2026 of the validity of the existing municipal studies of spatial conditions and directions of spatial development. It mitigated the risk of a planning gap and enabled zoning decisions to continue to be issued and local spatial development plans to continue to be adopted, supporting uninterrupted execution of projects already under way and giving project owners time to adjust their land portfolios to the new planning regime. At the same time, the planned introduction of municipal master plans as the binding framework for developing spatial planning policy was confirmed, which, in the longer term, will make the investment process more predictable. The reform of the spatial planning system, including the planned replacement of the existing studies of spatial conditions with municipal master plans, may affect the development potential of some plots in the Company's land bank or currently under acquisition. As master plans are to be binding documents, this may result in a revision of development parameters, lower plot capacity, and longer administrative procedures. The amendment also retained the Special Housing Act, while confirming that it will cease to have effect on 31 August 2026. Under the transitional provisions, any location decision procedures initiated before that date may be completed, so projects prepared under the existing framework may be continued. The Management Board is of the opinion that the gradual phasing-out of the Special Housing Act reduces the flexibility of residential development, particularly in urban areas, and means that new projects will need to rely to a larger extent on standard planning instruments. This risk is especially relevant for projects that require a flexible approach to urban planning parameters or are carried out in areas with an unclear planning status. As a result, the pool of feasible projects may shrink or some projects may need to be redesigned.

A further amendment to the Act on Safeguarding the Rights of Purchasers of Dwellings or Single-Family Houses and Establishing the Developer Guarantee Fund (the "property development law"), which entered into force in the first quarter of 2026, provides for stricter disclosure requirements concerning the method of calculating the usable floor area of residential units, which serves as the basis for setting the price. The purpose of these regulations was to reduce disputes arising from differences between the designed area and the area determined after as-built measurements. In practice, this requires full consistency between the data presented in the information prospectus, reservation and developer agreements, and the technical documentation.
In the second quarter of 2026, the Draft Act Amending the Act on Safeguarding the Rights of Purchasers of Dwellings or Single-Family Houses and Establishing the Developer Guarantee Fund and Certain Other Acts was added to the Council of Ministers' legislative work programme. The proposed legislation is intended to further strengthen the protection of buyers of dwellings and single-family houses acquired on the primary market from residential property developers.
The draft provides for liability under the statutory warranty for defects in a property to pass by operation of law to the shareholders of a special purpose vehicle if the vehicle is liquidated before the expiry of the warranty period. This would limit the ability to wind up special purpose vehicles and may require organisational structures or financial safeguards to be maintained for a significantly longer period to cover potential buyer claims. As a result, administrative costs may increase, together with the risk of financial liability for shareholders.
The proposed amendment also provides for changes to the prescribed form of the statutory information prospectus (*prospekt informacyjny*), including a requirement to disclose the finishing standard of the dwelling or house. This would increase the scope of

information that the Company is required to provide at the pre-contractual stage and, at the same time, increase the risk of discrepancies between the declared standard and the actual condition of the dwelling upon handover. Such discrepancies could give rise to buyer claims or, where the documentation is inconsistent, administrative sanctions.

A further significant change concerns the procedure for handing over units. Buyers would be entitled to submit a handover report together with a list of defects prepared with the assistance of a technical expert, while the developer or its authorised representative would be required to participate in the handover procedure. This may make the handover process more lengthy and formalised, increasing the risk of disputes over the scope and validity of reported defects and creating additional organisational burdens for the Company.

The planned and introduced changes to technical and construction regulations, including energy standards and fire safety requirements, may increase project delivery costs and constrain development parameters. Some projects may need to be redesigned or delivered using more expensive technical solutions, which may affect their profitability. The Management Board believes that, despite their positive environmental and safety objectives, these regulations will lead to higher project execution costs and put upward pressure on flat prices.

From 2026, the provisions of the Act on Civil Protection and Civil Defence apply, introducing a requirement for underground storeys and garages to be designed for use as temporary shelters. These requirements will increase design complexity and raise the cost of new residential developments, particularly with respect to underground structures. The introduction of temporary shelter requirements for multi-family buildings carries a risk of increased construction costs and more complex designs. In addition, the absence of a uniform interpretation practice may result in more regulatory uncertainty at the design stage.

Legislative work is also continuing on draft amendments to the Act on Ownership of Premises, published in January 2026, which are intended to streamline the operation of housing communities and clarify the rules for establishing separate ownership of a unit. The draft regulations include restrictions on establishing separate ownership of units in collective accommodation buildings, an explicit classification of balcony structural elements as common property, and a stronger position for housing communities in pursuing claims related to defects in common areas. These changes may increase property developers' post-sale liability and affect the legal and functional structure of planned projects. The proposed amendments to the Act on Ownership of Premises may also limit the possibility of establishing separate ownership of units in collective accommodation buildings and strengthen the position of housing communities in disputes concerning defects in common areas. The risk is particularly relevant for mixed-use developments, and PRS and aparthotel projects.

As part of the broader objective of reducing excessive burdens on businesses in the European Union and strengthening their competitiveness, particularly in the face of increasing competitive pressure from non-EU countries, on 26 February 2025 the European Commission presented its first package of sustainability simplification measures, known as Omnibus I. The proposed simplifications relating to the CSRD were set out in the Directive of the European Parliament and of the Council amending Directives 2006/43/EC, 2013/34/EU, 2022/2464 and 2024/1760 as regards certain corporate sustainability reporting and due diligence requirements (COM(2025) 81). The Directive significantly narrows the scope of entities subject to sustainability reporting requirements to those with more than 1,000 employees and net turnover exceeding EUR 450 million. The Group falls within the scope of these requirements.

RISK OF CHANGES IN TAX LAW AND UNFAVOURABLE INTERPRETATION OF TAX REGULATIONS

The risk associated with changes in tax law arises from uncertainty caused by frequent amendments to tax legislation, tax rates and official interpretations, which can make financial planning, investment decisions and expansion more difficult for businesses.

The Polish tax system is characterised by frequent legislative changes. Many tax provisions are not sufficiently precise and are subject to differing interpretations. Interpretations of tax legislation also change frequently, while both the practice of the tax authorities and court rulings in tax matters remain inconsistent.

A further factor affecting the stability of the Polish tax framework is the ongoing harmonisation of tax legislation across EU Member States.

These risks are further compounded by the possibility of changes in corporate tax rates in Poland, particularly in connection with the tax reform recently announced by the government and planned to take effect from 2027. Among other measures, the reform provides for an increase in the corporate income tax rate to 22% for companies with revenue exceeding EUR 50 million.

Any future adverse changes in tax law or unfavourable interpretations of tax regulations could have a material adverse effect on the financial position or results of operations of the Company and the Group.

2.3.2 INTERNAL FACTORS

The Group defines risk as the possibility of an event occurring that may have an adverse impact on its operations, financial performance or reputation. The aim of the Group's risk management system is to ensure early identification and effective handling of material risks associated with the Group's operations. The Group's risk management system is based on the Internal Standard for Risk, Compliance, Audit and Operational Quality Management – DOM 2030, and the related Risk and Compliance Management Policy.

RISK RELATED TO GROUP MANAGEMENT

Group management risk refers to uncertainty that may affect the achievement of business objectives, and includes primarily operational, financial, reputational and legal risks.

The Group has grown significantly since 2016. During this period, it expanded its geographic presence to Wroclaw, the Tricity area and Krakow, brought the general contracting of its developments in-house, and delivered on its plans to diversify its business, which is reflected in the materially higher contribution of the Company's subsidiaries to the Group's operating and financial results.

In May 2026, the Management Board passed a resolution to establish a new company, Dom Development Poznań sp. z o.o., with its registered office in Poznan, in which the Company subscribed for 100% of the share capital. The new company was established to carry out residential property development activities in the Poznan market.

The Company's Management Board has also undertaken wide-ranging initiatives to optimise Group management and to put in place a structured framework supporting both organic growth and future acquisition opportunities.

The changes implemented within the Group in recent years have created challenges related to effective Group management and maintenance of the organisational flexibility necessary to respond promptly to changes in a highly competitive economic environment. Potential threats in this area are mitigated by the Company's Management Board through the implementation and continuous improvement of IT systems facilitating management reporting and information flow across the Group, as well as by standardising procedures, business processes and internal administration rules that fall within the respective remits of the Management Board members.

RISKS IN HUMAN CAPITAL MANAGEMENT

The Group identifies a number of risks related to human capital management. Property development projects are unique undertakings with long time horizons. Therefore, a key competitive advantage in this industry is know-how, built largely on the knowledge of experienced personnel. The Group's managers have extensive experience gained in the Polish property market in sourcing and acquiring land, financing, construction, sales and marketing, as well as in the management of development projects. The unexpected departure of any Management Board member or other key employee may adversely affect the Company's and the Group's operations, financial position, performance and growth prospects.

HR-related risks are mitigated through a range of initiatives, including regular reviews of staffing and development needs, assessments of key roles, and ongoing monitoring of employment conditions and other factors that influence effective functioning of the HR area. The Group defines employment policies, implements anti-bullying and anti-discrimination policies, and promotes shared values, including those set out in the Group's codes of ethical conduct. The Group has also implemented internal occupational health and safety standards that enable it to manage this area in a manner appropriate to the scale of its operations.

The Group has relatively low employee turnover, with many employees having long tenure. The Company's Management Board addresses the risk of losing key staff through incentive programmes covering all Group employees, as well as by developing managerial skills and strengthening the expertise of operational-level personnel.

RISK RELATED TO THE CONCENTRATION OF OPERATIONS

For many years, the Company has been the undisputed leader in Warsaw's primary residential property market. As the capital of Poland, Warsaw is a key economic and social hub, as well as a major academic centre, and its dynamic market attracts new residents. All this makes the city the largest and most expensive housing market in Poland.

However, the Warsaw market also presents the greatest challenges in delivering property developments: the capital's housing supply is under intense pressure due to a shortage of development land with a clear legal status, as well as delays in planning work and the issuance of administrative decisions.

The risk resulting from the concentration of business in the Warsaw market is managed by the Management Board through a geographic diversification of operations within the Group. The Company implements its geographic diversification strategy through subsidiaries operating in the Tricity and its vicinity, Wroclaw, Krakow and, since May 2026, also in Poznan. This means that the Group has operations in the five most attractive residential property markets in Poland.

RISKS RELATED TO PROPERTY ACQUISITION

One of the key challenges currently facing property developers is the limited availability of suitable sites for multi-family housing. In the event of any major difficulties in securing attractive land for new projects, the Group's available stock may become insufficient or its composition may become misaligned with market demand. This, in turn, could weaken sales and adversely affect the Company's and the Group's financial performance.

The Management Board places strong emphasis on acquiring high-quality land for future developments. Thanks to this approach, the Group has built up a sizeable and diversified land bank across all of its markets, supporting stable operations in the years ahead. This has been made possible primarily by the experience of the Group's team and strong cash position, which allows the Group to close even very large transactions quickly.

The Group manages its property acquisition process in accordance with established internal standards and methodology. In addition, the Group identifies process-related risks at an early stage of land acquisition, which enables it to select mitigation measures tailored to the identified needs and challenges. The Company and the Group ensure consistent operating scale and the steady replenishment of available stock by maintaining a high-quality and adequately sized land bank that supports sales for approximately four years. According to the Management Board, this is an appropriate level given the local market conditions, including the lengthy permitting procedures, legislative changes concerning the pre-development of projects, and the credit market environment. With its extensive land holdings, the Group can continuously offer new properties for sale and adapt the portfolio to market requirements, maintaining its leading position in Poland's residential property market.

RISKS RELATED TO PROJECT PRE-DEVELOPMENT AND DELIVERY

Property development projects involve substantial outlays in the pre-development stage and then throughout construction, while positive cash flows are often generated only 15–18 months after construction work begins. Given the high capital requirements, such projects are inherently exposed to a wide range of risks. These include difficulties in obtaining permits required to use land as intended; construction delays; cost overruns versus budget assumptions; adverse weather; subcontractor insolvency or underperformance; labour disputes at subcontractors; shortages of materials or construction equipment; accidents and unforeseen technical issues; problems with securing occupancy permits or other required approvals; insufficient coordination across the development and construction process; changes in guidelines; delays or complications in preparing design documentation; reliance on outdated documentation or the loss of formal and legal documentation; and changes in regulations governing land use. Any of the above events may delay completion of a property development project, increase costs or result in loss of revenue from the project, tie up funds invested in the purchase of land and, in some cases, make it impossible to complete the project. Each of these outcomes may have a material adverse effect on the operations and financial position of the Company and the Group.

The Company and the Group use their in-house general contractors to optimise the construction process from the project planning stage, leverage economies of scale, ensure a steady stream of work for proven subcontractors and build long-term relationships based on trust, thereby ensuring timely delivery and consistently high quality of the final product.

This approach is expected to enable the Company and the Group to mitigate, to a significant extent, the risk of unexpected increases in development costs and thereby maintain satisfactory profitability.

RISK RELATED TO SALES AND STAKEHOLDER SUPPORT

The Group identifies risks across its sales and stakeholder-facing processes, including price setting, executing contracts, and customer support. In connection with their core business, which is the sale of flats, the Company and the Group may be exposed to disputes and court proceedings relating to completed developments. In such cases, they may be required to provide certain remedies, for example, under warranties granted to customers for construction work. Unfavourable resolution of such proceedings may have a material adverse effect on the operations, financial position or performance of the Company and the Group.

To reduce the risk of defects that could diminish the value or usability of residential units, the Company's

Management Board prioritises high technical and finishing standards across the Group's projects, and where defects arise, ensures they are promptly rectified. The Group has best-practice principles governing stakeholder service. Furthermore, it uses appropriate contractual clauses, monitors the register of abusive clauses, and keeps track of relevant court rulings.

The Group also identifies the risk of service levels falling short of expectations and therefore uses appropriate metrics to measure customer satisfaction.

RISK RELATED TO JOINT VENTURE PROJECTS

The Group has classified investments in the companies listed below as joint ventures. Under the relevant agreements, all parties (co-investors) exercise joint control over these companies, with decisions about the relevant activities requiring unanimous consent. Additionally, the legal form of the separate entities does not give the parties rights to their assets or impose an obligation to settle their liabilities.

• BYSEWSKA sp. z o.o. – on 2 July 2024, Euro Styl S.A. entered into an investment agreement with Activa JJ sp. z o.o. regarding a planned residential project involving the comprehensive development of the site and construction of several dozen single-family residential buildings and several dozen multi-family residential buildings, along with the necessary infrastructure. Its scope includes, in particular, the design, financing, construction, and sale of approximately 550 residential units. For the purpose of the project, Bysewska sp. z o.o. was established, with a share capital of PLN 100 thousand. As at 30 June 2026, each co-investor held a 50% equity interest in the company.

• DOKI V sp. z o.o. – on 12 July 2024, Euro Styl S.A. entered into an investment agreement with Grupa Torus sp. z o.o. S.K.A., represented by Torus sp. z o.o. (registered in Gdansk), for the development of a residential project. The project involves the comprehensive development and construction of multi-family residential buildings, together with the necessary infrastructure, as well as an ancillary project, if applicable. Its scope includes, in particular, the design, financing, construction, and sale of approximately 550 residential units. For the purpose of this project, DOKI V sp. z o.o. was established, with a share capital of PLN 100 thousand. As at 30 June 2026, each co-investor held a 50% equity interest in the company.

Joint ventures involve a number of legal, financial and reputational risks (including the risks related to selecting the right partner, exercising joint control in practice, longer decision-making processes, reduced flexibility in responding to market signals, fewer synergies, lower competitiveness of the venture, and higher project delivery costs) that may arise during the life of the project. Despite selecting experienced partners and carrying out analyses in advance to confirm investment profitability, the outcomes of such projects may differ from the original assumptions and may adversely affect the operations and financial position of the Company and the Group.

RISK RELATED TO RELATIONSHIPS WITH CONTRACTORS

The Group uses a structured approach to engaging subcontractors and manages the associated risks. To this end, it uses, among other things, contractual safeguards against non-performance or improper performance of the contract. The Group has established procedures for reviewing and approving contracts, and requires contractors to meet strict standards, as set out in the documentation agreed with them, including the Code of Conduct. As part of this process, contractors are verified against publicly available registers. Risk mitigation measures also include detailed assessments and careful selection of potential subcontractors. In addition, the Group assesses the risk of limited availability of subcontractors and identifies additional risks related to the performance of construction contracts, including the risk of disputes with subcontractors that may lead to court proceedings, the need to remedy defects or faults, potential payment of liquidated damages, and withdrawal from the contract.

RISKS RELATED TO INFORMATION SECURITY MANAGEMENT, INCLUDING THE RISK OF LOSS OF DATA CONFIDENTIALITY, AVAILABILITY OR INTEGRITY

Information security is one of the Group's key risk areas, largely due to the growing digitalisation of customer-facing and construction processes. The Group's objective in this area is to protect the confidentiality, integrity and availability of data processed in day-to-day operations, including stakeholders' personal data. A loss of confidentiality mainly involves the unauthorised disclosure of customer or contractor information, which may adversely affect data subjects and result in legal sanctions and reputational damage. Breaches of data integrity may, among other things, lead to incorrect business decisions, contractual disputes or disruption to reporting processes. The loss of availability of systems or information is assessed primarily in terms of the risk of disruptions to business continuity, which may include disruption to ongoing business processes and stakeholder service, delays in the delivery of development projects and additional operating costs. Effective management of these risks requires, in particular, appropriate standards and procedures, access controls and backup arrangements, together with continuous efforts to raise employee awareness. The Group also manages risks in the area of physical security, where the key risk is unauthorised access. The risks are mitigated through appropriately designed access control processes and operating standards applicable both to office premises and construction sites.

There is also a risk of damage arising from unforeseen events and failures of building infrastructure (fire, flooding, system failures, power outages), which may cause a temporary loss of availability. Mitigation measures include technical inspections and maintenance of systems, fire protection and alarm systems, and evacuation plans.

RISKS RELATED TO FINANCE AND ACCOUNTING

The key risk in the area of finance and accounting is the risk of liquidity loss as a result of the capital-intensive nature of development projects, slower-than-expected unit sales, delays in customer payments, or potential interruptions in bank funding. The risk is mitigated through detailed cash flow forecasting, diversification of funding sources, the use of escrow accounts, and close bank supervision over the release of loan tranches. Another material risk involves incorrect valuation of projects, costs and revenues, which may lead to misstatements in the reported financial results and incorrect management decisions. Mitigation measures include applying appropriate accounting standards, implementing internal controls in month-end and year-end closing processes, and ongoing monitoring of project budgets. The Group also identifies the risk of misappropriation of funds and the risk of reporting and tax errors, including those related to public charges. These risks are addressed through the segregation of duties within key finance and accounting roles, standardised policies and procedures, and periodic tax reviews and audits.

RISKS RELATED TO LITIGATION AND CORPORATE SUPPORT

The Group identifies risks related to potential claims that may be brought by its stakeholders against Group companies. Any such claims, whether legitimate or not, may have an adverse effect on the Group's financial position or reputation. The Group also manages risks related to corporate support and identifies the risks of failure to meet court and administrative deadlines and inadequate substantive planning of ongoing legal proceedings; these risks are mitigated through structured processes within the Group's legal function.

RISKS RELATED TO RISK AND COMPLIANCE MANAGEMENT AND INTERNAL AUDIT

The Group identifies material risks in the area of risk and compliance management and internal audit, and manages the related mitigation measures. One of the key risks involves non-compliance of internal procedures and business processes with applicable laws, guidance from supervisory and inspection authorities, or recognised market best practice. The Group also manages the risk of an inconsistent approach to risk and compliance management across the organisation, which may lead to breaches of law or industry regulations, conflicts of interest and, as a consequence, financial losses or reputational damage. Mitigation measures include a consistent Group-wide risk and compliance policy and an effective system for reporting irregularities. Another area of exposure is the possibility that key risks are not captured, or are managed ineffectively. This risk is mitigated by implementing a consistent risk management methodology across the Group, regularly reviewing and updating risk registers, and formally assigning risk owners. The Group also identifies risks in the area of internal audit that may result in material irregularities and fraud going undetected. To mitigate these risks, the Group ensures the independence of the internal audit function, development of the audit plan based on risk assessment, close cooperation between the internal audit and the risk and compliance functions, and monitoring the implementation of post-audit recommendations. In addition, the Group identifies certain risks related to corporate insurance and analyses the possibility of risk transfer to insurers, in particular for the risk of financial liability.

RISKS RELATED TO INVESTOR RELATIONS AND STOCK EXCHANGE COMPLIANCE AND REPORTING

In the area of investor relations and stock exchange compliance and reporting, the Group is exposed to the risk of failure to satisfy disclosure requirements (in particular with respect to inside information and current and periodic reporting), which may lead to significant administrative fines, personal liability for Management Board members, and lasting damage to the Company's standing in the capital market. The Group mitigates this risk through transparent procedures, staff training, and close cooperation with the relevant internal functions.

RISKS RELATED TO SERVICED APARTMENTS

In the serviced apartments business, the Group's key risks are operational risks stemming largely from high customer turnover. They include the risks of damage to furnishings and equipment, accidents, technical failures and theft. These are mitigated by establishing house rules and facility regulations, careful communication with customers, and regular technical inspections of the units. The Group also identifies financial risks associated with pricing of its services. Mitigation measures include active price management, diversification of sales channels, and monitoring of occupancy levels.

CREDIT INTERMEDIATION RISKS

The Group identifies risks associated with its credit intermediation activities, in particular those arising from contractual requirements imposed on Dom Development Kredyty sp. z o.o. by its partner banks, as well as from potential failures to comply with obligations under applicable laws or guidelines issued by supervisory authorities. To mitigate these risks, the Group monitors regulatory changes and the legal status of properties, and supervises the execution of processes in line with internally defined standards, good practices and policies.

RISKS RELATED TO SUSTAINABILITY (ESG)

ESG risk management is an integral part of the overall risk management process. ESG risks are classified as key business risks. The Group's ESG risk management area is supported by the Non-Financial Reporting and Risk Analysis Team, and mitigation measures are implemented in accordance with internal regulations, including the Non-Financial and Sustainability Reporting Procedure. As part of its double materiality assessment, the Group also identified a range of risks relating to climate change, including physical and transition risks, as well as social and governance matters.

The identified ESG-related risks were added to the risk register, which forms part of the Group's risk management policy. Mitigation measures have also been implemented to address these risks. The Group, drawing on available national climate projections, has assessed climate risks that may arise in specific operational locations and their potential impact on its assets. The climate risk analysis was performed for the time horizon extending to 2050. According to scientific research, Warsaw, Krakow and Wroclaw are expected to experience a long-term increase in the number of days with extremely high temperatures (Tmax ≥ 25°C). These changes will be most pronounced in Wroclaw, which is projected to see an additional six days per year with such temperatures by 2050 compared with the current decade. Rising temperatures are also expected to prolong dry periods accompanied by high air temperatures and intensify the urban heat island effect. Another physical risk facing the Group companies is the projected increase in average annual precipitation, with Krakow expected to be most affected, alongside a rise in the number of days with rainfall exceeding 20 mm. These changes will increase the likelihood of: (1) river flooding in Warsaw, Krakow and Wroclaw, (2) coastal flooding in the Tricity, and (3) urban flash flooding in the Tricity.

RISKS RELATED TO OPERATIONAL MANAGEMENT AND INFORMATION TECHNOLOGY

Operational risk management focuses on the day-to-day oversight of business processes and is designed to ensure that they are effective, consistent and aligned with the Group's established management standards. Key risks in this area relate in particular to operational efficiency, organisational culture, the management of internal projects and processes, and the ineffective use or failure of the technology systems and infrastructure supporting the Group's day-to-day operations.

3 DISCUSSION OF THE FINANCIAL RESULTS OF DOM DEVELOPMENT S.A. AND THE DOM DEVELOPMENT GROUP

3.1 BASIS OF ACCOUNTING USED IN PREPARING INTERIM CONDENSED SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

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

Certain information and disclosures typically included with the full-year financial statements under International Financial Reporting Standards (“IFRS”) as endorsed by the European Union (“EU”) are presented in a condensed form or omitted in interim condensed financial statements, in accordance with IAS 34 *Interim Financial Reporting* (IAS 34).

The interim condensed consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will continue in operational existence for the foreseeable future.

The Company and its subsidiaries operate exclusively in Poland. As at the date of the interim condensed consolidated financial statements, all of the Company’s projects were progressing according to plan or ahead of schedule. The Management Board continues to monitor developments closely and assess their potential implications at both the individual project level and from the perspective of the Company and its Group’s long-term strategy. The Management Board believes that as at the date of authorisation of the interim condensed consolidated financial statements, there were no circumstances indicating a threat to the Group’s ability to continue as a going concern.

The functional currency of the Parent and the other companies covered by the interim condensed consolidated financial statements is the Polish złoty ("PLN"). The interim condensed consolidated financial statements have been prepared in PLN. Unless stated otherwise, financial data presented in the interim condensed consolidated financial statements is expressed in thousands of PLN.

The interim condensed consolidated balance sheet, interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of cash flows, and interim condensed consolidated statement of changes in equity included in the interim condensed consolidated financial statements have not been audited, but have been reviewed by an independent statutory auditor. The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in full-year consolidated financial statements, and should be read in conjunction with the Group’s audited full-year consolidated financial statements for the 12 months ended 31 December 2025.

The Company also prepared interim condensed separate financial statements of Dom Development S.A. for the six months ended 30 June 2026, which were authorised by the Management Board on 26 August 2026. The interim condensed financial statements have not been audited, but have been reviewed by an independent statutory auditor.

3.2 DISCUSSION OF THE FINANCIAL RESULTS OF THE DOM DEVELOPMENT GROUP

3.2.1 CONSOLIDATED STATEMENT OF PROFIT OR LOSS

CONSOLIDATED FINANCIAL RESULTS OF THE DOM DEVELOPMENT GROUP	H1 2026	H1 2025	Change y/y
STATEMENT OF PROFIT OR LOSS			
Revenue	1,560,881	1,293,938	21%
Gross profit	482,523	455,315	6%
Operating profit (EBIT)	320,725	302,029	6%
Net profit	258,509	245,634	5%
Earnings per share - basic	**10.02**	**9.52**	**5%**

In the six months ended 30 June 2026, the Dom Development Group reported consolidated revenue of PLN 1,560,881 thousand, up by 21% year on year. The increase was driven primarily by a higher number of units delivered than in the corresponding period of the previous year. In the six months ended 30 June 2026, the Group delivered 1,976 units, compared with 1,595 in the comparative period of 2025. Deliveries across the Group's development projects are proceeding as planned and in line with established schedules. Given the project launch timing and the inherent production cycle, the vast majority of the Group's ongoing developments are scheduled for completion in the second half of the year, with most deliveries planned for this period.

The largest revenue component recognised by the Group was the sale of finished goods. Other sales (of services and goods) accounted for 3% and 6% of the total in the six months ended 30 June 2026 and 30 June 2025, respectively.

A significant proportion of deliveries came from projects in the affordable segment, including Dzielnica Mieszkaniowa Metro Zachód and Dzielnica Mieszkaniowa Mokotów Sportowy in Warsaw, Osiedle Widoki in the Tricity, Osiedle Rapsodia and Hubska 100 in Wroclaw, and Osiedle Mieszkaniowe Górka Narodowa in Krakow, as well as the premium-segment Apartamenty Park Matecznego project in Krakow.

The Group's effective operating policies, timely project delivery and high-quality portfolio of projects aligned with customer demand continue to support its financial performance.

Consolidated gross profit for the six months ended 30 June 2026 increased by 6% year on year to PLN 482,523 thousand.

The Group achieved a gross profit margin of 30.9% in the first half of 2026. In the Management Board's view, this represents a very strong result, reflecting the mix of units and projects delivered during the period. It also reflects the experience and expertise of the leadership team in charge of the Dom Development Group, which in the six months to 30 June 2026 strengthened its position across all operating markets.

The Group's operating profit for the period came in at PLN 320,725 thousand, up by 6% year on year. A strong focus on management efficiency helped the Group deliver an operating margin of 20.5%. The Management Board is of the opinion that this is a satisfactory level, attesting to the strength of the Group's business model.

Net sales of 2,382 units made the first half of the year the best in the Group's history. This brings the Group closer to achieving its full-year ambition of surpassing the record set in 2025, when the Group sold 4,448 units. The Group continues to generate strong and stable sales across all its markets, in Warsaw, the Tricity, Wroclaw and Krakow, while also preparing to launch its first project in Poznan. Entering this market is consistent with the Group's consistent strategy of geographic expansion and building its leading position in Poland's largest metropolitan areas.

Demand for residential units, particularly from owner-occupiers, remained robust and continued to be supported by customers' higher borrowing capacity compared with a year ago. Transactions financed with mortgage loans accounted for 55% of the Dom Development Group's total sales in the first half of 2026. At the same time, ongoing geopolitical uncertainty, including developments in the Middle East, has heightened concerns about inflationary pressures, which could translate into higher construction costs and residential property prices. Expectations that borrowing costs would remain stable prompted some buyers to bring forward their purchasing decisions.

The Group's business is not typically seasonal. Variations in financial results between quarters are linked closely to the project construction cycle and the concentration of property deliveries in the initial weeks after a project is permitted for occupancy. Under IFRS 15, delivery of a unit to the buyer provides the basis for recognising sales revenue in the statement of profit or loss, which means that the financial results do not fully reflect the Group's current situation. Therefore, in addition to reporting the number of units delivered in a given period, the Dom Development Group also provides information on current sales volumes, calculated based on preliminary sale contracts and paid reservation agreements, net of cancellations. For information on the Group's operating results, including current sales and the number of units delivered, see Section 2.2 of this Report.

3.2.2 CONSOLIDATED BALANCE SHEET

In the six months ended 30 June 2026, the Group maintained a strong financial position, consistently outperforming its sector peers.

ASSETS

As in previous years, current assets represented the largest category of the Group's total assets. Inventory, amounting to PLN 5,548,990 thousand, accounted for 86% of the Group's record-high total assets, which reached PLN 6,452,946 thousand as at 30 June 2026. This figure was 8% higher than total assets recorded at year-end 2025, the key contributing factor being a PLN 461,873 thousand increase in inventory.

The Group maintained strong liquidity, with cash holdings of PLN 223,787 thousand. Additionally, it had PLN 208,310 thousand in open-end residential escrow accounts (reported under current financial assets).

EQUITY AND LIABILITIES

The Management Board places a strong emphasis on the Group's financial security, as reflected in its financing structure. As at 30 June 2026, the Group's consolidated equity was PLN 2,065,762 thousand, making up 32% of total equity and liabilities. Another major component was deferred income of PLN 2,196,341 thousand, representing 34% of total equity and liabilities. Deferred income includes advance payments from customers, which are recognised until the purchased residential units and parking spaces are delivered to buyers and the corresponding revenue is recognised in the statement of profit or loss. The amount of deferred income is closely correlated with the rate of sales, which increases the item's balance, and the rate of delivery of the units, which reduces it.

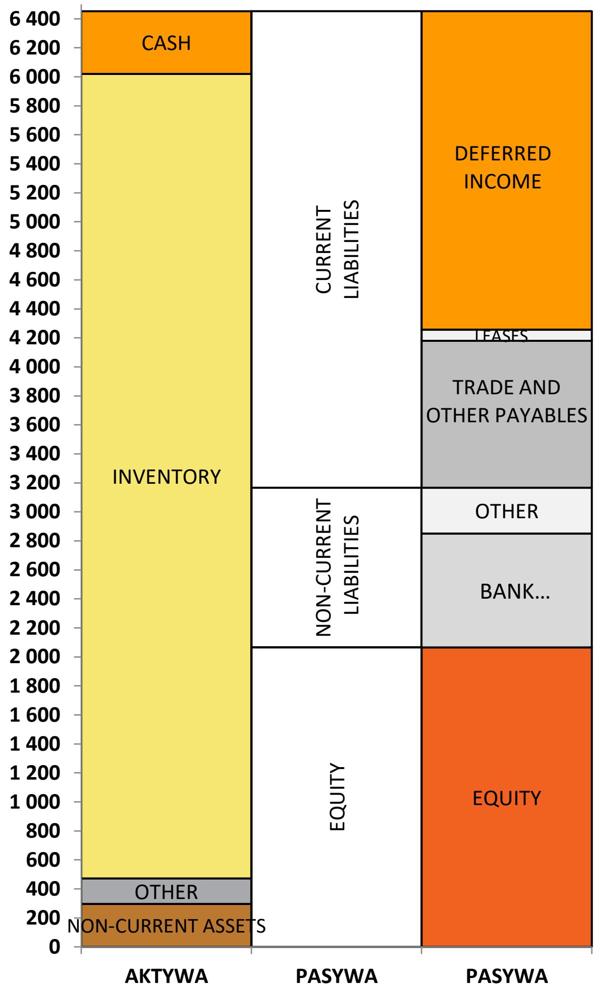
Interest-bearing debt stood at PLN 848,424 thousand, all of which was long-term.

As at 30 June 2026, a new item – dividend payable – appeared in the Group's consolidated balance sheet following the resolution adopted by the Company's Annual General Meeting on 18 June 2026 on the distribution of the Company's net profit for 2025 and the allocation of part of Dom Development S.A.'s net profit for 2025 to the payment of a dividend to its shareholders. The dividend payable at the end of the reporting period amounted to PLN 180,589 thousand.

The dividend from the 2025 net profit was set at PLN 361,178 thousand, including an interim dividend of PLN 180,589 thousand distributed in 2025, and the balance of PLN 180,589 thousand, which was paid on 2 July 2026.

STRUCTURE OF THE GROUP'S BALANCE SHEET AS AT 30 JUNE 2026

PLN million



3.2.3 CASH FLOWS OF THE GROUP

SELECTED ITEMS OF THE STATEMENT OF CASH FLOWS	H1 2026	H1 2025	Change
Cash and cash equivalents at beginning of reporting period	**268,689**	**360,846**	**(26%)**
Net cash from operating activities	(164,412)	201,631	n/a
Net cash from investing activities	(29,654)	(14,580)	n/a
Net cash from financing activities	149,164	187,744	(21%)
Cash and cash equivalents at end of reporting period	**223,787**	**735,641**	**(70%)**

In the first half of 2026, the Dom Development Group reported a net cash outflow from operating activities of PLN 164,412 thousand. Given the scale of the Group's operations in both the reporting and comparative periods, the Management Board believes that cash flows from operating activities reflect well-balanced expenditure on the acquisition of properties for development projects, their design and construction, and the Group's fixed operating costs, corresponding to net inflows received from customers from the sale of products and services. The negative cash flows from operating activities in the first half of 2026 were primarily attributable to expenditure of PLN 634 million on the acquisition of new properties, which will support the Group's continued strong growth by enabling it to carry out an increasing number of development projects. Cash flows from operating activities were also affected by higher expenditure associated with the increased scale of development projects under way and by corporate income tax payments concentrated in the first half of 2026.

Net cash flows from investing activities, representing an outflow of PLN 29,654 thousand in the six months ended 30 June 2026, resulted mainly from loans made to joint ventures of PLN 17,632 thousand and the acquisition of intangible assets and property, plant and equipment of PLN 10,362 thousand.

In the six months ended 30 June 2026, the Group's net cash from financing activities was positive, at PLN 149,164 thousand, compared with PLN 187,744 thousand recorded a year earlier. The positive balance of cash flows in the reporting period was mainly attributable to proceeds of PLN 250,000 thousand from the issue of debt securities, partly offset by the redemption of matured bonds of PLN 110,000 thousand, as well as net proceeds from bank borrowings of PLN 10,852 thousand.

In the first half of 2026, the Dom Development Group's cash and cash equivalents amounted to PLN 223,787 thousand, which is a very comfortable level, particularly in view of the amount of undrawn credit facilities available as at that date.

3.2.4 FINANCIAL RATIOS OF THE GROUP

PROFITABILITY RATIOS

PROFITABILITY RATIOS	FORMULA	H1 2026	H1 2025
Gross profit margin	gross profit / net revenue	30.9%	35.2%
Operating margin	operating profit (EBIT) / net revenue	20.5%	23.3%
Net margin	net profit / net revenue	16.6%	19.0%
ROE (return on equity)	LTM net profit / equity at beginning of period	37.8%	38.4%
ROA (return on assets)	LTM net profit / total assets at beginning of period	11.1%	11.4%

In the Management Board's view, the Group's profitability ratios remained at satisfactory levels in the first half of 2026. The decrease in the gross profit margin to 30.9%, from the exceptionally high level of 35.2% recorded in the first half of 2025, was primarily attributable to the mix of projects completed during the period and the units delivered within those projects.

In the Management Board's view, the fact that the ratio remains at a high level reflects the Group companies' strong ability to read market trends, effectively implement their sales policies, manage costs, and optimise operational processes.

In the first half of the year, the Company also recorded lower operating and net profit margins, reflecting the decrease in the gross profit margin described above.

The Management Board still considers the Group's performance in terms of return on equity (ROE) and return on assets (ROA) as highly satisfactory.

When looking at interim ROE and ROA, which are based on net profit for the last 12 months and the values of total equity and total assets as at 30 June 2026 and 30 June 2025, it is important to take into account potential distortions, like the timing of dividend payments and their balance-sheet impact, as well as the uneven distribution of property deliveries across quarters. For this reason, the levels and movements of these ratios should be analysed primarily over full financial years, i.e. from 1 January to 31 December.

LIQUIDITY RATIOS

LIQUIDITY RATIOS	FORMULA	30 Jun 2026	31 Dec 2025
Current ratio	current assets / current liabilities*	5.65	5.25
Quick ratio	(current assets less inventory) / current liabilities*	0.56	0.59
Cash ratio	cash and cash equivalents / current liabilities*	0.21	0.25

* Current liabilities net of deferred income

Given the specific nature of residential development with the inherently long production cycles, and financing restrictions faced by companies active in this sector, the Group's continued comfortable financial position is a noteworthy achievement. It reflects a series of long-term strategic decisions and measures taken by the Management Board.

The Group consistently maintains high liquidity. Its liquidity ratios remained very strong throughout the first half of 2026.

The current ratio increased from 5.25 to 5.65, driven by an increase in current assets, particularly inventories.

The quick ratio remained stable and stood at 0.56 as at 30 June 2026. It confirms the Group's strong liquidity position, which serves as a key competitive advantage in an unstable market environment – reinforcing confidence among customers and business partners.

The cash ratio stood at 0.21 at the end of June 2026, compared with 0.25 at the end of December 2025, representing a slight decrease over the period.

The Management Board views the Group's liquidity position as consistently strong. The robust balance sheet supports efficient execution of the project pipeline, while providing the capacity to respond swiftly to any opportunities that may arise for strengthening the Group's market position.

When assessing the above ratios, particularly the quick ratio and the cash ratio, account should also be taken of the Group's available credit facilities, which amounted to PLN 796,576 thousand as at 30 June 2026.

DEBT RATIOS

DEBT RATIOS	FORMULA	30 Jun 2026	31 Dec 2025
Equity to assets ratio	total equity / total assets	32.0%	33.2%
Debt to equity ratio	total liabilities / equity	212.4%	200.8%
Total debt ratio	total liabilities / total assets	68.0%	66.8%
Interest-bearing debt ratio	Interest-bearing debt / equity	41.1%	35.1%
Net interest-bearing debt ratio	(interest-bearing liabilities less cash and cash equivalents*) / equity	20.2%	8.8%

* Cash and cash equivalents, including funds in escrow accounts

Thanks to a well-balanced operational strategy – including carefully timed project launches, phased development pacing, and disciplined property acquisitions – combined with a prudent financial approach focused on a well-structured funding model, the Group's debt ratios remain at safe levels, reinforcing its strong creditworthiness in the financial markets. The debt ratios as at the end of June 2026 remained broadly in line with their levels at the end of 2025, reflecting the Management Board's conservative approach to the structure of the Company's funding sources.

The increase in the interest-bearing debt and net interest-bearing debt ratios recorded in the reporting period was primarily attributable to the higher expenditure on the acquisition of new properties and the increased spending on development projects described above, as well as to income tax payments in the first half of 2026.

3.3 DISCUSSION OF THE FINANCIAL RESULTS OF DOM DEVELOPMENT S.A.

3.3.1 STATEMENT OF PROFIT OR LOSS

FINANCIAL RESULTS OF DOM DEVELOPMENT S.A.	H1 2026	H1 2025	Change y/y
STATEMENT OF PROFIT OR LOSS			
Revenue	759,962	474,399	60.2%
Gross profit	253,070	156,150	62.1%
Operating profit (EBIT)	159,632	70,815	125.4%
Net profit	536,542	361,748	48.3%
Earnings per share - basic	20.80	14.02	48.4%

In the six months ended 30 June 2026, Dom Development S.A. reported revenue of PLN 759,962 thousand, up by 60% year on year. The main reason was a markedly higher number of units delivered in the period, which amounted to 935 (up by 88% relative to the comparative period). This substantial increase primarily reflects the nature of the property development business, as discussed in more detail later in this section.

In the six months ended 30 June 2026, the Company recognised revenue from the sale of finished goods of PLN 734,824 thousand, reflecting the delivery of 935 units, and revenue from services of PLN 25,013 thousand.

A major share of the units delivered in the period came from affordable segment projects, including Dzielnica Mieszkaniowa Metro Zachód and Dzielnica Mieszkaniowa Mokotów Sportowy.

Gross profit increased in the period to PLN 253,070 thousand, or by 62%, attributable directly to the higher delivery volume. Gross margin stood at 33.3%, a result the Management Board views as very strong.

Operating profit rose by PLN 88,817 thousand, driven by the higher revenue, with a slight increase in general and administrative expenses as well as selling costs.

In the six months ended 30 June 2026, the Company recorded a substantial year-on-year increase in finance income, with dividends from subsidiaries as the main contributor. In the six months ended 30 June 2026 and 30 June 2025, dividend income amounted to PLN 405,523 thousand and PLN 299,890 thousand (up 35%), respectively.

Net profit for the six months to 30 June 2026 came in at PLN 536,542 thousand, up by 48% year on year.

The Company's business is not subject to any seasonal fluctuations. Variations in financial results between quarters are linked closely to:

- the project construction cycle, including the lengthy construction period, and the concentration of property deliveries in the initial weeks after a project is permitted for occupancy. Under IFRS 15, revenue is recognised at the moment of a unit's delivery, as reflected in the statement of profit or loss, and

- the amount and timing of dividends declared by subsidiaries, which determine when they are recognised in the Company's separate statement of profit or loss,

which means that financial results for any interim period may not fully capture the Company's current performance and should be analysed in conjunction with other operating information. Therefore, in addition to reporting the number of units delivered in a given period, Dom Development S.A. also provides information on current sales volumes, calculated based on preliminary sale contracts and paid reservation agreements, net of cancellations. For information on the Company's operating results, including current sales and the number of units delivered, see Section 2.2 of this Report.

3.3.2 BALANCE SHEET

In the six months ended 30 June 2026, the Company maintained a strong financial position, consistently outperforming its sector peers.

ASSETS

As in previous years, current assets represented the largest category of the Company's total assets. Inventory of PLN 2,701,594 thousand made up 59% of total assets, which reached PLN 4,594,411 thousand as at 30 June 2026, an increase of 19% relative to year-end 2025, driven mainly by a PLN 255,010 thousand increase in inventory and a PLN 281,544 thousand increase in long-term loans granted and promissory notes acquired.

The Company maintained strong liquidity, with cash holdings of PLN 51,651 thousand at 30 June 2026. Additionally, it had PLN 91,434 thousand in open-end residential escrow accounts.

Other material categories of assets included investments in subsidiaries, associates and joint ventures, totalling PLN 466,599 thousand (10% of total assets), and loans granted to subsidiaries amounting to PLN 861,840 thousand (19% of total assets). The investments in subsidiaries with the highest carrying amounts were in the following property development companies: Euro Styl S.A. (PLN 265,472 thousand) and Dom Development Kraków sp. z o.o. (PLN 166,476 thousand).

EQUITY AND LIABILITIES

The Management Board places a strong emphasis on the Company's financial security, as reflected, among other things, in the conservative structure of its funding sources. As at 30 June 2026, the Company's equity was PLN 2,038,957 thousand, making up 44% of total equity and liabilities.

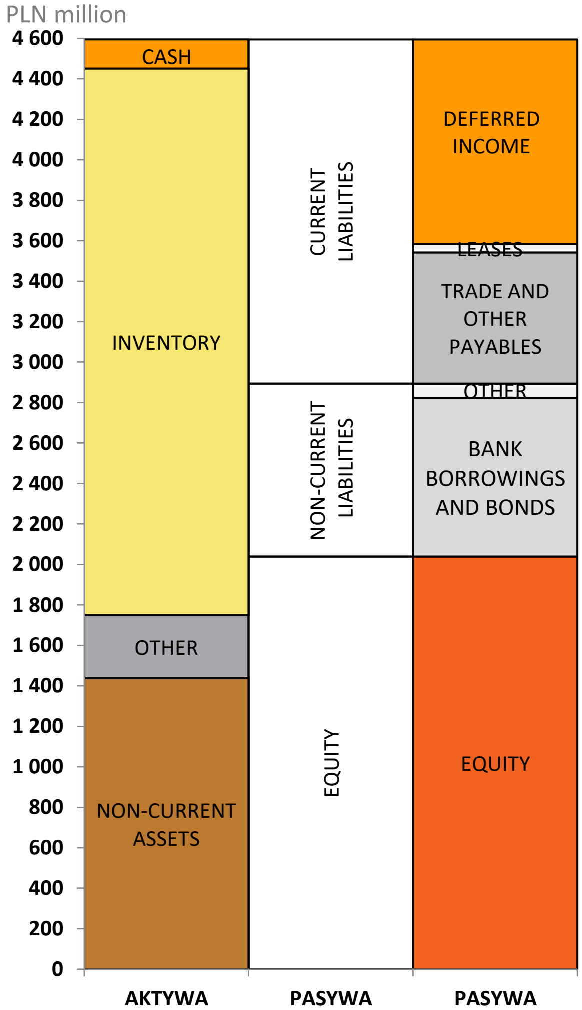
Another major component was deferred income of PLN 1,011,112 thousand, representing 22% of total equity and liabilities. Deferred income includes advance payments from customers, which are recognised until the purchased residential units and parking spaces are delivered to buyers and the corresponding revenue is recognised in the statement of profit or loss. The amount of deferred income is closely correlated with the rate of sales (preliminary sale agreements entered into with customers), which increases the item's balance, and the rate of delivery of the units, which reduces it.

Interest-bearing debt amounted to PLN 785,000 thousand at the end of June 2026, all of which was long-term.

As at 30 June 2026, a new item – liabilities under dividends – was added to the Company's balance sheet as a result of the decision made at the Company's Annual General Meeting on 18 June 2026 to allocate part of Dom Development S.A.'s net profit for 2025 to shareholder dividends. Liabilities under dividends at the reporting period's end amounted to PLN 180,589 thousand.

The dividend from the 2025 net profit was set at PLN 361,178 thousand, including an interim dividend of PLN 180,589 thousand distributed in 2025, and the balance of PLN 180,589 thousand, which was paid on 2 July 2026.

STRUCTURE OF THE COMPANY'S BALANCE SHEET AS AT 30 JUNE 2026



3.3.3 CASH FLOWS OF THE COMPANY

SELECTED ITEMS OF THE STATEMENT OF CASH FLOWS	H1 2026	H1 2025	Change
Cash and cash equivalents at beginning of reporting period	68,517	129,874	(47%)
Net cash from operating activities	(72,133)	(32,423)	n/a
Net cash from investing activities	(74,733)	249,237	n/a
Net cash from financing activities	130,000	134,326	(3%)
Cash and cash equivalents at end of reporting period	51,651	481,014	(89%)

In the six months ended 30 June 2026, net cash from operating activities reported by Dom Development S.A. was negative, at PLN 72,133 thousand, compared with a net outflow of PLN 32,423 thousand a year earlier.

In the first half of 2026, the Company reported a net cash outflow from investing activities of PLN 74,733 thousand, compared with a net cash inflow of PLN 249,237 thousand in the comparative period. The decrease, which resulted in a net cash outflow from investing activities, was driven primarily by cash payments for loans granted and promissory notes acquired, which were PLN 191,056 thousand higher than in the comparative period, as well as by dividend receipts that were PLN 107,376 thousand lower. A portion of the dividends declared and recognised in profit or loss was received by the Company in July 2026.

In the six months ended 30 June 2026, Dom Development S.A. reported a net cash inflow from financing activities of PLN 130,000 thousand, compared with PLN 134,326 thousand a year earlier. The positive balance in the reporting period was mainly attributable to proceeds from the newly issued debt securities of PLN 250,000 thousand.

In the first half of 2026, Dom Development S.A.’s cash and cash equivalents stood at PLN 51,651 thousand, PLN 429,363 thousand lower than as at 30 June 2025. As at the reporting date, however, the Company had undrawn credit facilities totalling PLN 796,576 thousand.

3.3.4 FINANCIAL RATIOS OF THE COMPANY

PROFITABILITY RATIOS OF THE COMPANY

PROFITABILITY RATIOS	FORMULA	H1 2026	H1 2025
Gross profit margin	gross profit / net revenue	33.3%	32.9%
Operating margin	operating profit (EBIT) / net revenue	21.0%	14.9%
Net margin	net profit / net revenue	70.6%	76.3%
ROE (return on equity)	LTM net profit / equity at beginning of period	45.9%	32.6%
ROA (return on assets)	LTM net profit / total assets at beginning of period	18.2%	13.6%

Profitability ratios in the six months to 30 June 2026 remained at a very satisfactory level. In the Management Board’s view, the gross profit margin of 33.3% represents a very strong result. Its increase compared with the comparative period reflects the Company’s strong ability to read market trends, effectively implement its sales policy, manage costs, and optimise operational processes.

In the first half of the year, the Company also increased its operating profit margin to 21.0%, from 14.9% in the comparative period, with the improvement driven by higher gross profit, reflecting the increased number of units delivered, combined with only a modest increase in selling costs and general and administrative expenses.

The net profit margin remained at a very high level, largely reflecting dividend income recognised by the Company.

The Company consistently delivered a high return on equity (ROE) of 45.9%. It is calculated as the ratio of net profit for the last 12 months to equity at the beginning of the period, i.e. as at 30 June 2025. Return on assets (ROA), calculated in a similar way, was 18.2%. Both ratios are at a healthy level.

When looking at interim ROE and ROA, which are based on net profit for the last 12 months, it is important to take into account potential distortions. For this reason, the levels and movements of these ratios should be analysed primarily over full financial years, i.e. from 1 January to 31 December, as described in Section 3.3.1 above.

LIQUIDITY RATIOS OF THE COMPANY

LIQUIDITY RATIOS	FORMULA	30 Jun 2026	31 Dec 2025
Current ratio	current assets / current liabilities*	4.58	4.13
Quick ratio	(current assets less inventory) / current liabilities*	0.66	0.42
Cash ratio	cash and cash equivalents / current liabilities*	0.07	0.10

* Current liabilities net of deferred income

Given the specific nature of residential development with the inherently long production cycles, and financing restrictions faced by companies active in this sector, the Company's comfortable liquidity position is a noteworthy achievement. It reflects especially a series of long-term strategic decisions and measures taken by the Management Board.

The Company continued to maintain high liquidity. Its liquidity ratios remained strong throughout the first half of 2026.

The current ratio increased from 4.13 to a strong 4.58 over the first half of 2026.

The Company's quick ratio increased from 0.42 to 0.66 over the same period. The ratio remains at a sound level and confirms the Company's strong liquidity position, which serves as a key competitive advantage in an uncertain market environment – reinforcing confidence among customers, business partners, investors, and financial institutions.

The Company's cash ratio stood at 0.07 at the end of June 2026, compared with 0.10 at the end of December 2025. As discussed in Section 3.3.3, the Company also has access to a significant portfolio of undrawn credit facilities.

The Management Board views the Company's liquidity position as consistently strong. The robust balance sheet supports efficient execution of the project pipeline, while providing the capacity to respond swiftly to any opportunities that may arise for strengthening the Company's market position.

DEBT RATIOS OF THE COMPANY

DEBT RATIOS	FORMULA	30 Jun 2026	31 Dec 2025
Equity to assets ratio	total equity / total assets	44.4%	43.6%
Debt to equity ratio	total liabilities / equity	125.3%	129.3%
Total debt ratio	total liabilities / total assets	55.6%	56.4%
Interest-bearing debt ratio	Interest-bearing debt / equity	38.5%	38.9%
Net interest-bearing debt ratio	(interest-bearing liabilities less cash and cash equivalents*) / equity	31.5%	26.4%

* Cash and cash equivalents, including funds in escrow accounts

Thanks to a well-balanced operational strategy – including carefully timed project launches, phased development pacing, and disciplined property acquisitions – combined with a prudent financial approach focused on a well-structured funding model, the Company's debt ratios remain at safe levels, reinforcing its strong creditworthiness in the financial markets. The debt ratios as at the end of June 2026 remained broadly in line with their levels at the end of 2025, reflecting the Management Board's conservative approach to the structure of the Company's funding sources.

3.4 FINANCIAL FORECASTS

The Management Board of Dom Development S.A. does not publish financial forecasts for either the Parent or the Group. In accordance with the Bonds Act of 15 January 2015, the Company is required to publish forecasts of its financial liabilities on its website until the full redemption of the Company's and the Group's outstanding bonds (Article 35 of the Act).

3.5 LOANS GRANTED, SURETIES AND GUARANTEES

In the six months ended 30 June 2026, the Group companies did not grant any loans to entities outside the Dom Development Group, other than loans to joint ventures, whose carrying amount as at 30 June 2026 was PLN 78,996 thousand.

In the six months ended 30 June 2026, the Group companies did not provide any sureties for credit facilities or loans, or any guarantees, to any single entity or its subsidiary where the value of such sureties or guarantees for the Group would be material or would represent 10% or more of the Company's equity.

For information on contingent liabilities of the Group companies, see Note 7.21 to the interim condensed consolidated financial statements for the six months ended 30 June 2026.

3.6 RELATED-PARTY TRANSACTIONS

All transactions between the Group companies (or their subsidiaries) and related parties were conducted on an arm's length basis.

For a description of related-party transactions, see Note 7.19 to the interim condensed consolidated financial statements of the Dom Development Group for the six months ended 30 June 2026.

3.7 MATERIAL COURT PROCEEDINGS

As at 30 June 2026, none of the companies of the Dom Development Group was a party to any material court proceedings.

4 AUTHORISATION BY THE MANAGEMENT BOARD OF DOM DEVELOPMENT S.A. OF THE MANAGEMENT REPORT ON THE ACTIVITIES OF THE COMPANY AND ITS GROUP IN THE SIX MONTHS ENDED 30 JUNE 2026

This Management Report on the activities of Dom Development S.A. and the Dom Development Group in the six months ended 30 June 2026 was prepared and authorised by the Management Board on 26 August 2026.

The Management Board represents that this Management Report on the activities of Dom Development S.A. and the Dom Development Group in the six months ended 30 June 2026 gives a true and fair view of the Company's and the Group's development, achievements and position, including a description of key risks and threats.

Mikołaj Konopka
President of the Management Board, Dom Development S.A.

Monika Dobosz
Vice President of the Management Board, Dom Development S.A.

Justyna Wilk
Member of the Management Board, Dom Development S.A.

Grzegorz Smoliński
Member of the Management Board, Dom Development S.A.

Terry R. Roydon
Member of the Management Board, Dom Development S.A.