



DOM DEVELOPMENT S.A.

Interim condensed financial statements for the three-month period ended 31 March 2020



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

These interim condensed financial statements for the three-month period ended on 31 March 2020, comprising:

- interim condensed balance sheet as at 31 March 2020,
- interim condensed income statement for the three-month period ended 31 March 2020,
- interim condensed statement of comprehensive income for the three-month period ended 31 March 2020,
- interim condensed statement of changes in shareholders' equity for the three-month period ended 31 March 2020,
- interim condensed cash flow statement for the three-month period ended 31 March 2020,
- additional notes to the interim condensed financial statements

were prepared and approved by the Management Board of the Company on 5 May 2020.

The Management Board of the Company declares that to the best of its knowledge, these interim condensed financial statements with comparative data have been prepared in accordance with the applicable accounting policies, and reflect a true and fair economic and financial position of the Company and its financial result.

Jarosław Szanajca,
President of the Management Board

Janusz Zalewski,
Vice President of the Management Board



2. INTERIM CONDENSED BALANCE SHEET

ASSETS	Note	31.03.2020 <i>(unaudited)</i>	31.12.2019
Fixed assets			
Intangible assets		11 153	10 502
Tangible fixed assets	7.5	31 068	32 305
Investments in subsidiaries, associates and jointly controlled entities	7.6	471 987	471 987
Deferred tax assets		3 060	-
Long-term receivables		1 389	1 504
Other long-term assets		54	169
Total fixed assets		518 711	516 467
Current assets			
Inventory	7.7	1 802 426	1 736 487
Trade and other receivables		43 090	26 531
Other current assets		5 469	3 085
Short-term financial assets	7.8	33 936	9 511
Cash and cash equivalents	7.9	451 532	220 111
Total current assets		2 336 453	1 995 725
Total assets		2 855 164	2 512 192
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	7.10	25 218	25 068
Share premium	7.10	251 038	245 188
Other capital (supplementary capital)		544 790	543 715
Reserve capital from valuation of cash flow hedges		(4 042)	(2 161)
Reserve capital from reduction of share capital		510	510
Unappropriated profit		343 803	304 665
Total shareholders' equity		1 161 317	1 116 985
Liabilities			
Long-term liabilities			
Loans, long-term portion	7.11	200 000	-
Bonds, long-term portion	7.12	260 000	260 000
Deferred tax provision		-	4 097
Long-term provisions		14 036	13 808
Lease liabilities, long-term portion	7.14	21 657	22 388
Other long-term liabilities		64 455	60 725
Total long-term liabilities		560 148	361 018
Short-term liabilities			
Trade payables, tax and other liabilities		287 876	252 561
Loans, short-term portion	7.11	-	-
Bonds, short-term portion	7.12	100 000	100 000
Accrued interest on loans and bonds	7.13	4 634	1 311
Lease liabilities, short-term portion	7.14	80 959	81 208
Corporate income tax payables		36 887	33 590
Short-term provisions		10 445	10 370
Deferred income	7.15	612 898	555 149
Total short-term liabilities		1 133 699	1 034 189
Total liabilities		1 693 847	1 395 207
Total equity and liabilities		2 855 164	2 512 192



3. INTERIM CONDENSED INCOME STATEMENT

	Note	Three-month period ended	
		31.03.2020 <i>(unaudited)</i>	31.03.2019 <i>(unaudited)</i>
Sales revenue	7.17	272 352	472 484
Cost of sales	7.17	(191 654)	(346 432)
Gross profit on sales		80 698	126 052
Selling costs		(11 444)	(13 936)
General administrative expenses		(17 991)	(17 009)
Other operating income		822	1 725
Other operating expenses		(1 612)	(3 333)
Operating profit		50 473	93 499
Financial income		1 212	265
Financial costs		(2 955)	(1 233)
Profit before tax		48 730	92 531
Income tax	7.18	(9 592)	(17 900)
Net profit		39 138	74 631
Earnings per share:			
Basic (PLN)	7.19	1.56	2.98
Diluted (PLN)	7.19	1.55	2.97



4. INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Three-month period ended	
	31.03.2020 <i>(unaudited)</i>	31.03.2019 <i>(unaudited)</i>
Net profit	39 138	74 631
Other comprehensive income/(loss)		
Net change to cash flow hedges	(2 322)	(572)
Income tax	441	109
Other net comprehensive income/(loss)	(1 881)	(463)
Total net comprehensive income	37 257	74 168



5. INTERIM CONDENSED CASH FLOW STATEMENT

	Note	Three-month period ended	
		31.03.2020 <i>(unaudited)</i>	31.03.2019 <i>(unaudited)</i>
Cash flow from operating activities			
Profit before tax		48 730	92 531
Adjustments:			
Depreciation		2 735	2 694
Profit/(loss) on foreign exchange differences		65	(13)
Profit/(loss) on investments		63	244
Interest cost/income		1 706	3 238
Cost of the valuation of management option programmes		1 075	681
Changes in the operating capital:			
Changes in provisions		302	611
Changes in inventory		(65 490)	94 800
Changes in receivables		(16 484)	2 004
Changes in short-term liabilities, excluding loans and bonds		35 945	80 498
Changes in prepayments and deferred income		30 858	(107 443)
Other adjustments		(65)	13
Cash flow generated from operating activities		39 440	169 858
Interest received		550	516
Interest paid		(395)	(660)
Income tax paid		(13 010)	(35 787)
Net cash flow from operating activities		26 585	133 927
Cash flow from investing activities			
Proceeds from the sale of intangible assets and tangible fixed assets		149	4
Dividends received		-	-
Proceeds from borrowings granted		1 135	71
Other proceeds from financial assets		-	-
Borrowings granted		-	(20 000)
Acquisition of intangible and tangible fixed assets		(2 448)	(1 742)
Acquisition of financial assets and additional contributions to the share capital of subsidiaries		-	(5 955)
Net cash flow from investing activities		(1 164)	(27 622)
Cash flows from financing activities			
Proceeds from issue of shares (exercise of share options)	7.10	6 000	3 500
Proceeds from contracted loans	7.11	200 000	-
Proceeds from commercial papers issued	7.12	-	-
Repayment of loans and borrowings	7.11	-	(50 000)
Redemption of commercial papers	7.12	-	-
Dividends paid	7.25	-	-
Net cash flow from financing activities		206 000	(46 500)
Increase / (decrease) in net cash and cash equivalents		231 421	59 805
Cash and cash equivalents – opening balance	7.9	220 111	209 393
Cash and cash equivalents – closing balance	7.9	451 532	269 198



Dom Development S.A.

Interim condensed statement of changes in shareholders' equity
for the three-month period ended 31 March 2020
(all amounts in thousands PLN unless stated otherwise)

6. INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Share premium less treasury shares	Other capital (supplementary capital)	Reserve capital		Accumulated, unappropriated profit/(loss)	Total shareholders' equity
				from reduction of share capital	from valuation of cash flow hedges		
Balance as at 1 January 2020	25 068	245 188	543 715	510	(2 161)	304 665	1 116 985
Share capital increase by exercising share options (note 7.10)	150	5 850	-	-	-	-	6 000
Transfer of some supplementary capital to unappropriated financial result	-	-	-	-	-	-	-
Dividends to shareholders	-	-	-	-	-	-	-
Creation of reserve capital from the valuation of the share options (note 7.21)	-	-	1 075	-	-	-	1 075
Net profit for the reporting period	-	-	-	-	-	39 138	39 138
Other net comprehensive income for the reporting period	-	-	-	-	(1 881)	-	(1 881)
Balance as at 31 March 2020 <i>(unaudited)</i>	25 218	251 038	544 790	510	(4 042)	343 803	1 161 317

	Share capital	Share premium less treasury shares	Other capital (supplementary capital)	Reserve capital		Accumulated, unappropriated profit/(loss)	Total shareholders' equity
				from reduction of share capital	from valuation of cash flow hedges		
Balance as at 1 January 2019	24 968	241 788	551 395	510	(2 148)	214 098	1 030 611
Share capital increase by exercising share options (note 7.10)	100	3 400	-	-	-	-	3 500
Transfer of some supplementary capital to unappropriated financial result	-	-	-	-	-	-	-
Dividends to shareholders	-	-	-	-	-	-	-
Creation of reserve capital from the valuation of the share options (note 7.21)	-	-	681	-	-	-	681
Net profit for the reporting period	-	-	-	-	-	74 631	74 631
Other net comprehensive income for the reporting period	-	-	-	-	(463)	-	(463)
Balance as at 31 March 2019 <i>(unaudited)</i>	25 068	245 188	552 076	510	(2 611)	288 729	1 108 960



7. ADDITIONAL NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

7.1. General information about Dom Development S.A.

The joint stock company Dom Development S.A. (the "Company") is the parent company of Dom Development S.A. Capital Group. The registered office of the Company is in Warsaw (00-078 Warsaw, Plac Piłsudskiego 3). The Company has been entered into the National Court Register under number 0000031483 maintained by the District Court for the capital city of Warsaw, 12th Commercial Division of the National Court Register.

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

The Company is a majority-owned subsidiary of Groupe Belleforêt S.à r.l. with its registered office in Luxembourg (see note 7.10). As at 31 March 2020, Groupe Belleforêt S.à r.l. controlled **56.13%** of the Company's shares.

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

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

In the three-month period ended 31 March 2020 the Company did not discontinue any of its activities.

7.2. Basis for the preparing of the interim condensed financial statements

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

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

The interim condensed financial statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future. During the three months period ended 31 March 2020, on account of the announcement of the COVID-19 epidemic in Poland, the Management Board of the Company has performed additional analyses, in particular as regards the vulnerability of the Company's liquidity to possible changes in the market environment and to the ongoing operating activities of the Company on account of the epidemic. In the opinion of the Management Board of the Company, all the prerequisites have been fulfilled for the going concern assumption in the foreseeable future.

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

The presented interim condensed balance sheet, interim condensed income statement, interim condensed statement of comprehensive income, interim condensed cash flow statement and interim condensed statement of changes in shareholders' equity are unaudited and they have not been the subject of review by an independent certified auditor. These unaudited interim condensed financial statements do not include all the information and disclosures that are required from annual financial statements and therefore should be read in conjunction with the audited financial statements of the Company and the notes thereto for the year ended 31 December 2019.

The Company has also prepared interim condensed consolidated financial statements for Dom Development S.A. Capital Group for the three-month period ended 31 March 2020. These statements were approved by the Management Board of the Company on 5 May 2020.



7.3. Accounting policies

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

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

These interim condensed financial statements are prepared based on the same accounting policies as for the financial statements of the Company for the year ended 31 December 2019, except for the following amendments to existing standards and new interpretations that are effective for annual periods beginning on 01 January 2020:

- IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors."
A new definition of "material" was published by the Board. Amendments to IAS 1 and IAS 8 fine tune the definition of materiality and increase consistency between standards, but it is not expected that they will have a significant impact on the preparation of the financial statements. The amendments are effective for annual periods beginning on or after 1 January 2020.

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

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

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

- Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*. They remove the existing inconsistency between IFRS 10 and IAS 28. The effective date for the amendments has not been defined by the International Accounting Standards Board. The approval of this amendment has been postponed by the European Union as at the date of these interim condensed financial statements,
- Amendments to IFRS 3 *Business Combinations*. As a result of the amendments to IFRS 3 the definition of a "business" has been modified. The amendment narrowed the definition of a business. This is likely to cause more acquisition transactions to be classified as the asset acquisition. Amendments to IFRS 3 are effective for annual periods beginning on or after 1 January 2020; not endorsed by the European Union until the date of approval of these interim condensed financial statements.
- IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. A new definition of "material" was published by the Board. The amendments are effective for annual periods beginning on or after 1 January 2020; not endorsed by the European Union until the date of approval of these interim condensed financial statements.

The Management Board is verifying effect of the above standards on the Company's financial position, operating results or the scope of information presented in the Company's financial statements, and no significant changes are expected.

7.4. Key figures based on professional judgement and basis for estimates

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

Budgets of the construction projects

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

- ongoing evaluation of the profitability of projects,
- verification of whether to create (or change) a potential inventory impairment write down or not,
- preparation of financial forecasts, annual budgets and medium term plans.

Recognition of revenue from the sale of products

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

Seasonality

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

7.5. Tangible fixed assets

TANGIBLE FIXED ASSETS	31.03.2020	31.12.2019
	<i>(unaudited)</i>	
Tangible fixed assets, including:		
- vehicles	2 568	2 704
- plants and other tangible fixed assets	3 259	3 414
- right-of-use of office space*)	25 241	26 187
Total tangible fixed assets	31 068	32 305

*) Right-of-use of office space results from the application of IFRS 16 *Leasing*. This asset is amortised over the lease term.

7.6. Investments in subsidiaries, associates and jointly controlled entities

Investments in subsidiaries, associates and jointly controlled entities	31.03.2020	31.12.2019
	<i>(unaudited)</i>	
Interest in subsidiaries, associates and jointly controlled entities	376 987	376 987
Borrowings granted to related entities	95 000	95 000
Closing balance	471 987	471 987

The borrowing agreement for the amount of up to PLN 150 000 thousand was concluded by the Company and Euro Styl S.A. on 26 February 2019. As at 31 March 2020 a borrowing of PLN 70 000 thousand was drawn under the said agreement.



The borrowing agreement for the amount of up to PLN 100 000 thousand was concluded by the Company and Dom Development Wrocław spółka z o.o. on 27 September 2019. As at 31 March 2020 a borrowing of PLN 25 000 thousand was drawn under the said agreement.

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

INTEREST IN SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES	Status as at 31.03.2020				Status as at 31.12.2019			
	Company's interest (%)	Value of total investment	Value of impairment write down	Net investment carrying value	Company's interest (%)	Value of total investment	Value of impairment write down	Net investment carrying value
Dom Development Grunty sp. z o.o.	46%	24	-	24	46%	24	-	24
Dom Development Wrocław sp. z o.o.	100%	79 002	-	79 002	100%	79 002	-	79 002
Dom Development Kredyty sp. z o.o.	100%	505	-	505	100%	505	-	505
Mirabelle Investments sp. z o.o.	100%	58	-	58	100%	58	-	58
Euro Styl S.A. *)	100%	265 473	-	265 473	100%	265 473	-	265 473
Euro Styl Development sp. z o.o. *)	100%	252	-	252	100%	252	-	252
Dom Construction sp. z o.o.	100%	3 103	-	3 103	100%	3 103	-	3 103
M2 Biuro sp. z o.o.	100%	17 504	-	17 504	100%	17 504	-	17 504
M2 Hotel sp. z o.o.	100%	11 066	-	11 066	100%	11 066	-	11 066
Total		376 987		376 987		376 987		376 987

*) Euro Styl S.A. is the parent company of the Euro Styl S.A. Capital Group, with non-controlling interest held by Euro Styl Development sp. z o.o. As a result of the acquisition of both these companies, Dom Development S.A. has full control over the Euro Styl S.A. Capital Group.

Description of material changes in the period from 1 January until 31 March 2020

Within the three-month period ended 31 March 2020, the Company did not make any other material changes in the structure of investing in subsidiaries, associates and joint ventures.

7.7. Inventory

INVENTORY	31.03.2020 <i>(unaudited)</i>	31.12.2019
Advances on deliveries	203 759	192 608
including: at purchase prices/production costs	203 759	192 608
write down to the net realisable value	-	-
Semi-finished goods and work in progress	1 411 736	1 366 726
including: at purchase prices/production costs	1 373 924	1 326 786
rights of perpetual usufruct of land (lease)	69 773	71 901
write down to the net realisable value	(31 961)	(31 961)
Finished goods	186 931	177 153
including: at purchase prices/production costs	194 485	184 852
write down to the net realisable value	(7 554)	(7 699)
Total	1 802 426	1 736 487



Dom Development S.A.

Additional notes to the interim condensed financial statements
for the three-month period ended 31 March 2020
(all amounts in thousands PLN unless stated otherwise)

INVENTORY REVALUATION WRITE DOWNS	01.01 - 31.03.2020 <i>(unaudited)</i>	01.01 - 31.03.2019 <i>(unaudited)</i>
Opening balance	39 660	41 268
Increments	-	-
Decrease	(145)	(513)
Closing balance	39 515	40 755

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

CARRYING VALUE OF INVENTORY USED TO SECURE THE PAYMENT OF LIABILITIES AND VALUE OF THE MORTGAGES ESTABLISHED	31.03.2020 <i>(unaudited)</i>	31.12.2019
Value of mortgages established to secure real estate purchase agreements	13 669	13 669
Value of mortgages established to secure loan agreements of the Company	-	-
Value of mortgages established to secure loan agreements of the Company and Group companies	502 500	502 500

7.8. Short-term financial assets

SHORT-TERM FINANCIAL ASSETS	31.03.2020 <i>(unaudited)</i>	31.12.2019
Bank deposits with a maturity over three months	50	50
Cash in open-end residential escrow accounts	33 886	9 461
Other short-term financial assets	-	-
Total	33 936	9 511

Bank deposits with a maturity over three months as of the date when they are made are presented in "Bank deposits with a maturity over three months".

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

7.9. Cash and cash equivalents

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

CASH AND CASH EQUIVALENTS	31.03.2020 <i>(unaudited)</i>	31.12.2019	31.03.2019 <i>(unaudited)</i>
Cash in hand and at bank	7 438	9 755	9 439
Bank deposits with a maturity of three months or less	444 053	210 314	259 740
Other	41	42	19
Total	451 532	220 111	269 198



7.10. Share capital

Description of changes to the share capital in the Company in the period from 1 January until 31 March 2020

	Share capital		Share premium
	Number of shares	Value at the nominal value	
Balance as at 01.01.2020	25 068 422	25 068	245 188
Change	150 000	150	5 850
Balance as at 31.03.2020	25 218 422	25 218	251 038

On 21 January 2020, the Management Board of the Company increased Company's share capital from PLN 25 068 422.00 to PLN 25 218 422.00, i.e. by PLN 150 000.00, by issuing 100 000 series AA ordinary bearer shares with PLN 1.00 nominal each and 50 000 series AB ordinary bearer shares with PLN 1.00 nominal each. The issue of series AA and AB shares took place through a private placement.

The purpose of the series Z shares issue was to enable the Company to fulfil its obligations arising from Management Options Programme IV for Ms Małgorzata Kolarska related to 500 000 shares in Dom Development S.A. (see note 7.21). The Supervisory Board of the Company agreed to fully deprive the existing shareholders of their pre-emptive right to 100 000 series AA bearer ordinary shares. The reason for the exclusion of the pre-emptive right from the existing shareholders is that the issue of series AA shares is addressed only to Ms Małgorzata Kolarska as a participant in Programme IV and in order to allow her to exercise her rights under subscription warrants. The issue price for the new series AA shares was determined as PLN 35.00 per share.

The purpose of the series AB shares issue was to enable the Company to fulfil its obligations arising from Management Options Programme V for Mr Mikołaj Konopka related to 250 000 shares in Dom Development S.A. (see note 7.21). The Supervisory Board of the Company agreed to fully deprive the existing shareholders of their pre-emptive right to 50 000 series AB bearer ordinary shares. The reason for the exclusion of the pre-emptive right from the existing shareholders is that the issue of series AB shares is addressed only to Mr Mikołaj Konopka as a participant in Programme V and in order to allow him to exercise his rights under subscription warrants. The issue price for the new series AB shares was determined as PLN 50.00 per share.

On 3 February 2020, Ms Małgorzata Kolarska and Mr Mikołaj Konopka exercised their share options in the Company by exercising her rights under subscription warrants and subscribing for the shares.

On 4 February 2020, the Management Board of the Company adopted a resolution on the allocation of 100 000 series AA shares to Ms Małgorzata Kolarska and 50 000 series AB shares to Mr Mikołaj Konopka.

These shares were registered by the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Division of the National Court Register on 31 March 2020.

Until the date that these interim condensed financial statements were prepared, these shares have not been registered by Krajowy Depozyt Papierów Wartościowych S.A. (National Depository for Securities) in the securities depository.

**Dom Development S.A.**

Additional notes to the interim condensed financial statements
for the three-month period ended 31 March 2020
(all amounts in thousands PLN unless stated otherwise)

List of shareholders who hold, directly or indirectly through subsidiaries, at least 5% of the overall number of votes at the General Shareholders Meeting ("GSM") as at the date that these financial statements are prepared and approved by the Company's Management Board.

	Status as at the release date of these statements				Change in relation to the information disclosed in the financial statements for 2019
	Shares	% of capital	Number of votes at the GSM	% of votes at the GSM	Shares
Groupe Belleforêt S.à r.l.	14 155 941	56.13	14 155 941	56.13	-
Jarosław Szanajca	1 454 050	5.77	1 454 050	5.77	-
Aviva Otwarty Fundusz Emerytalny Aviva Santander *)	1 313 383	5.21	1 313 383	5.21	no data
Grzegorz Kielpsz	1 280 750	5.08	1 280 750	5.08	-

*) Shareholding of Aviva Otwarty Fundusz Emerytalny Aviva Santander has been presented as per the latest notice as of 11.07.2011 received by the Company.

The shares of Dom Development S.A. or rights thereto (options) owned by the persons performing management and supervisory functions at Dom Development S.A. as at the date that these financial statements are prepared and approved by the Company's Management Board.

	Status as at the publication date of these financial statements			Change in relation to the information disclosed in the financial statements for 2019	
	Shares	Share options	Total	Shares	Share options
The Management Board					
Jarosław Szanajca	1 454 050	-	1 454 050	-	-
Janusz Zalewski	350 000	-	350 000	-	-
Małgorzata Kolarska	220 235	200 000	420 235	38 735	(100 000)
Mikołaj Konopka	51 292	200 000	251 292	50 000	(50 000)
Terry Roydon	58 500	-	58 500	-	-
The Supervisory Board					
Grzegorz Kielpsz	1 280 750	-	1 280 750	-	-
Mark Spiteri	900	-	900	-	-



7.11. Loans

Description of material changes in the three-month period ended 31 March 2020

There were no loan agreements or any other agreements within the Company that expired or been signed in the three-month period ended 31 March 2020.

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

LOANS DUE WITHIN	31.03.2020 <i>(unaudited)</i>	31.12.2019
Less than 1 year	-	-
More than 1 year and less than 2 years	-	-
More than 2 years and less than 5 years	200 000	-
Over 5 years	-	-
Total loans	200 000	-
including: long-term	200 000	-
short-term	-	-

BANK LOANS AS AT 31.03.2020						
Bank	Registered office	Loan amount as per agreement	Currency	Outstanding loan amount (less accrued interest)	Currency	Due date
PKO BP	Warsaw	150 000*)	PLN	100 000	PLN	26.02.2023
mBank	Warsaw	185 000**)	PLN	100 000	PLN	31.01.2023
Millennium	Warsaw	50 000	PLN	-	PLN	18.12.2022
Total bank loans				200 000	PLN	

*) Revolving loan in the credit facility account up to PLN 150 000 thousand. Pursuant to the agreement with the bank, Euro Styl S.A. may use up to PLN 50 000 thousand of this credit limit. As at 31 March 2020 Euro Styl S.A. drawn PLN 48 440 thousand from the said credit limit, and Dom Development S.A. drawn PLN 100 000 therefrom.

***) Revolving loan in the credit facility account up to PLN 185 000 thousand. Under the said agreement, Dom Development Wrocław Sp. z o.o. may use up to PLN 60 000 thousand of this credit limit, and Euro Styl S.A. may use up to PLN 100 000 thousand of this credit limit. As at 31 March 2020 Dom Development Wrocław Sp. z o.o. has drawn PLN 35 000 thousand and Euro Styl S.A. has drawn PLN 50 000 thousand from the said credit limit, and Dom Development S.A. drawn PLN 100 000 therefrom.

As at 31 March 2020 and 31 December 2019 all the loans available and drawn by and for the Company were expressed in Polish zloty.

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

In the "Loans" item the Company states the nominal value of the loan liabilities, and the interest charged as at the balance sheet date are presented separately in the item "Accrued interest on loans and bonds".



7.12. Bonds

BONDS	31.03.2020 <i>(unaudited)</i>	31.12.2019
Nominal value of the bonds issued, long-term portion	260 000	260 000
Nominal value of the bonds issued, short-term portion	100 000	100 000
Total nominal value of the bonds issued	360 000	360 000

In the "Bonds" item the Company states the nominal value of the bond liabilities, and the interest charged as at the balance sheet date are presented separately in the item "Accrued interest on loans and bonds".

BONDS ISSUED AS AT 31.03.2020				
Series	Issue date	Amount	Currency	Contractual maturity date
DOMDE5120620	12.06.2016	100 000	PLN	12.06.2020
DOMDE6151121	15.11.2016	110 000	PLN	15.11.2021
DOMDET1151222	15.12.2017	50 000	PLN	15.12.2022
DOMDET2091023	09.10.2018	50 000	PLN	09.10.2023
DOMDET3121224	12.12.2019	50 000	PLN	12.12.2024
Total		360 000	PLN	

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

Core details concerning the bonds issued by the Company

- Agreement with Pekao S.A.,
Under this agreement, Dom Development S.A. is allowed to issue mid-term bonds (with a maturity over 1 year and under 7 years) with an aggregate value of no more than PLN 400 million, which is to be construed as the nominal value of all issued and unredeemed bonds on any day during the term of the Programme. In accordance with the agreement, bonds may be issued by the Company as various series by 5 November 2021.
- Agreement with Trigon Dom Maklerski S.A. and Trigon Investment Banking Spółka z ograniczoną odpowiedzialnością & Wspólnicy S.K.
Pursuant to the agreement, Dom Development S.A. may issue bonds with a total value of up to PLN 400 million, understood as the nominal value of all outstanding bonds. The limit of the Programme is renewable. In accordance with the agreement, bonds may be issued by the Company as various series by 17 November 2027.

Description of material changes in the three-month period ended 31 March 2020

The total bond issue liabilities in the three-month period ended 31 March 2020 and their maturity dates have not changed.

7.13. Accrued interest on loans and bonds

ACCRUED INTEREST ON LOANS AND BONDS	31.03.2020 <i>(unaudited)</i>	31.12.2019
Accrued interest on bonds	4 634	1 311
Accrued interest on loans	-	-
Total accrued interest on loans and bonds	4 634	1 311



7.14. Lease liabilities

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

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

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

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

Lease liabilities	31.03.2020	31.12.2019
	<i>(unaudited)</i>	
Lease liabilities, short-term portion, including:	80 959	81 208
- liabilities on account of perpetual usufruct right of land	76 723	76 881
- liabilities on account of the right of use of office space	4 236	4 327
- other	-	-
Lease liabilities, long-term portion, including:	21 657	22 388
- liabilities on account of the right of use of office space	21 657	22 388
- other	-	-
Total	102 616	103 596

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

As estimated by the Management Board based on property development projects planned on specific land to which the Company held the perpetual usufruct right as at 31 March 2020, out of PLN 76 723 thousand of the land-related lease liabilities recognised as short-term:

- PLN 3 530 thousand is payable by the Company within 12 months following the balance sheet date,
- PLN 437 thousand is payable by the Company later than 12 months following the balance sheet date,
- PLN 72 756 thousand is to be transferred to the respective buyers of units.

7.15. Deferred income

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

DEFERRED INCOME	31.03.2020	31.12.2019
	<i>(unaudited)</i>	
Deferred income related to the payments received from customers for the purchase of products, not yet included as income in the income statement	612 898	555 149
Other	-	-
Total	612 898	555 149



7.16. Segment reporting

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

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

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

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

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

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

7.17. Sales revenue and cost of sales

REVENUE BREAKDOWN	01.01 - 31.03.2020 <i>(unaudited)</i>	01.01 - 31.03.2019 <i>(unaudited)</i>
Sales of finished goods	269 224	469 079
Sales of services	3 128	3 405
Sales of land	-	-
Total sales revenue	272 352	472 484
Cost of sales		
Cost of finished goods sold	(188 350)	(342 587)
Cost of services sold	(3 449)	(4 358)
Cost of land sold	-	-
Inventory write down to the net realisable value	145	513
Total cost of sales	(191 654)	(346 432)
Gross profit on sales	80 698	126 052

7.18. Income tax in the income statement

INCOME TAX	01.01 - 31.03.2020 <i>(unaudited)</i>	01.01 - 31.03.2019 <i>(unaudited)</i>
Current income tax	(16 308)	(14 103)
Deferred tax in the income statement	6 716	(3 797)
Total	(9 592)	(17 900)



7.19. Earnings per share

CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE	01.01 - 31.03.2020	01.01 - 31.03.2019
	<i>(unaudited)</i>	<i>(unaudited)</i>
Basic earnings per share		
Profit for calculation of the basic earnings per share	39 138	74 631
The weighted average number of ordinary shares of the Company for the calculation of basic earnings per share	25 068 422	25 002 866
Basic earnings per share (PLN)	1.56	2.98
Diluted earnings per share		
Profit for calculation of the diluted earnings per share	39 138	74 631
Potential diluting shares related to the Management Share Option Programmes	153 310	103 535
The weighted average number of ordinary shares of the Company for the calculation of diluted earnings per share	25 221 732	25 106 401
Diluted earnings per share (PLN)	1.55	2.97

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

7.20. Transactions with related entities

In the three-month periods ended 31 March 2020 and 2019, the Company was a party to transactions with related entities, as listed below.

Counterparty	Transaction description	01.01- 31.03.2020	01.01- 31.03.2019
		<i>(unaudited)</i>	<i>(unaudited)</i>
DOM DEVELOPMENT S.A. AS A BUYER OF GOODS OR SERVICES:			
Woodsford Consulting Limited	Consulting services as per the agreement dated 27 June 2007 as annexed	867	892
Hansom Property Company Limited	Consulting services as per the agreement dated 2 January 2001 as annexed	1 000	826
M & M Usługi Doradcze M. Kolarski	Consulting services	18	75
Mirabelle Investments sp. z o.o.	Other	1	1
Dom Construction sp. z o.o.	Construction services	72 168	37 790
Dom Construction sp. z o.o.	Other	107	182
Dom Development Wrocław sp. z o.o.	Cooperation Agreements	-	44
DOM DEVELOPMENT S.A. AS A SELLER OF GOODS OR SERVICES:			
Dom Development Grunty sp. z o.o.	Other	1	1
Dom Development Morskie Oko sp. z o.o. w likwidacji	Other	-	1
Dom Land sp. z o.o.	Other	1	1
Dom Development Wrocław sp. z o.o.	Cooperation Agreements	290	166
Dom Development Kredyty sp. z o.o.	Cooperation Agreements	114	71
Dom Construction sp. z o.o.	Cooperation Agreements	1 727	319
Euro Styl S.A.	Cooperation Agreements	204	27
Euro Styl Construction sp. z o.o.	Other	4	-
M2 Biuro sp. z o.o.	Other	1	1
M2 Hotel sp. z o.o.	Other	1	1
Mirabelle Investments sp. z o.o.	Other	1	1



Dom Development S.A.

Additional notes to the interim condensed financial statements
for the three-month period ended 31 March 2020
(all amounts in thousands PLN unless stated otherwise)

Counterparty	Transaction description	01.01- 31.03.2020	01.01- 31.03.2019
		(unaudited)	(unaudited)
DOM DEVELOPMENT S.A. AS A CONTRIBUTOR OF SHARE CAPITAL TO SUBSIDIARIES:			
Dom Development Wrocław sp. z o.o.	Additional contribution to the share capital *)	-	5 555
M2 Biuro sp. z o.o.	Cash contribution to the share capital *)	-	200
M2 Hotel sp. z o.o.	Cash contribution to the share capital *)	-	200
DOM DEVELOPMENT S.A. AS A LENDER:			
Dom Development Wrocław sp. z o.o.	Interest received on the borrowing	351	-
Euro Styl S.A.	Borrowing provided	-	20 000
Euro Styl S.A.	Interest received on the borrowing	688	71
DOM DEVELOPMENT S.A. AS A PAYER OF PREPAYMENTS:			
Dom Construction sp. z o.o.	(Net) prepayment for construction services	-	(2 000)

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

BALANCES WITH RELATED ENTITIES – balances as in the books of the Company				
Entity	Receivables from related entities		Liabilities to related entities	
	31.03.2020 (unaudited)	31.12.2019	31.03.2020 (unaudited)	31.12.2019
Total balance	175 688	175 649	38 865	37 273
Subsidiaries	175 642	175 649	38 865	36 904
Dom Development Grunty sp. z o.o.	1 482	1 482	-	-
Dom Development Wrocław sp. z o.o. additional contributions to the share capital*)	75 000	75 000	-	-
Dom Development Wrocław sp. z o.o. loans granted	25 000	25 000	-	-
Dom Development Wrocław sp. z o.o.	152	57	-	1
Euro Styl S.A. loans granted	70 000	70 000	-	-
Euro Styl S.A.	234	242	-	-
Euro Styl Construction sp. z o.o.	-	21	-	71
Mirabelle Investments sp. z o.o.	-	1	-	-
Dom Development Kredyty sp. z o.o.	53	10	-	-
Dom Construction sp. z o.o.	721	836	38 865	36 832
Dom Construction sp. z o.o. additional contributions to the share capital*)	3 000	3 000	-	-
M2 Biuro sp. z o.o.	-	-	-	-
M2 Hotel sp. z o.o.	-	-	-	-
Other entities	46	-	-	369
M&M Usługi Doradcze M. Kolarski	-	-	-	1
Woodsford Consulting Limited	46	-	-	368

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

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

**7.21. Incentive Plan – Management Option Programmes**

As at 31 March 2020 there were two active Management Option Programmes adopted as part of the Incentive Scheme for the executives in the Company.

Name of the Programme	Options in the programme (number of shares)	Options granted (number of shares)	Options exercised (number of shares)			
				31.03.2020		
Programme IV	500 000	500 000	300 000			
Programme V	250 000	250 000	50 000			

Options in the programme (number of shares)	Options granted (number of shares)	Options exercised (number of shares)			
			31.12.2019		
500 000	500 000	200 000			
250 000	250 000	-			

Exercise of the share options

On 21 January 2020, the Management Board of the Company adopted a resolution on the increase of share capital in the Company by issuing 150 000 bearer shares (see note 7.10 for details), including:

- 100 000 series AA shares. The shares were issued in a private placement addressed to Mr Małgorzata Kolarska, Vice President of the Management Board as a participant in Management Options Programme IV.
- 50 000 series AB shares. The shares were issued in a private placement addressed to Mr Mikołaj Konopka, Member of the Management Board as a participant in Management Options Programme V.

See note 7.10 for details concerning the shares.

Grant of new share options

In the three-month period ended 31 March 2020 the Company did not grant any new share options.

Expiry of share options

In the three-month period ended 31 March 2020 no share options expired.

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

In the three-month periods ended 31 March 2020 and 2019 the amounts of PLN 1 075 thousand and PLN 681 thousand respectively, were accounted for in the income statement for the management options granted and in the supplementary capital.



Share options granted and exercisable as at respective balance sheet dates, and changes in the presented periods:

SHARE OPTIONS		01.01 - 31.03.2020	01.01 - 31.03.2019
		<i>(unaudited)</i>	<i>(unaudited)</i>
Unexercised options at the beginning of the period	Number of options	550 000	400 000
	Total exercise price	23 000	14 000
Options granted in the period	Number of options	-	-
	Total option exercise value	-	-
Options expired in the period	Number of options	-	-
	Total option exercise value	-	-
Options exercised in the period	Number of options	150 000	100 000
	Total option exercise value	6 000	3 500
	Weighted average exercise price per share (PLN per share)	40.00	35.00
Unexercised options at the end of the period	Number of options	400 000	300 000
	Total exercise price	17 000	10 500
Exercisable options at the beginning of the period	Number of options	150 000	100 000
	Total exercise price	6 000	3 500
Exercisable options at the end of the period	Number of options	-	-
	Total exercise price	-	-

7.22. Contingent liabilities

CONTINGENT LIABILITIES	31.03.2020	31.12.2019
	<i>(unaudited)</i>	
Guarantees	963	963
Sureties	37 528	42 034
Total	38 491	42 997

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

COLLATERALS FOR LIABILITIES	31.03.2020	31.12.2019
	<i>(unaudited)</i>	
Promissory notes, including:		
– promissory notes as an additional guarantee for PKO BP bank in respect of claims arising from the granted loan	-	-
– promissory notes as other security	-	2 000
Total	-	2 000

In the three-month period ended 31 March 2020 the Company did not provide any guarantees for loans or borrowings, nor any other guarantees – jointly to one entity or its subsidiary, the value of which would be material for the Company or would amount to at least 10% of the Company's shareholders' equity.

7.23. Material court cases

As at 31 March 2020 the Company was not a party to any material court cases.



7.24. Factors and events with significant impact on the condensed financial statements

Impact of the COVID-19 epidemic on the ongoing Company's operations

In the three-month period ended 31 March 2020, the most important factor affecting the ongoing activities of the Company was the announcement of the COVID-19 epidemic in March 2020 and the associated restrictions on social and economic life.

Dom Development S.A. immediately adapted to the new restrictions, sending approximately 80% of its employees to work from home and introducing online meetings with customer service advisor and online sales. All areas of the operating activity of the Company continued without interference. The construction and handover of completed units continued as planned, with appropriate precautionary measures implemented as recommended by the WHO and the Polish Sanitary Inspection Authority.

The Management Board of the Company decided to secure the Company's liquidity through credit lines of PLN 200 000 thousand, owing to which the balance of cash in hand and funds in the Company's escrow accounts as at 31 March 2020 were PLN 485 468 thousand, while debt arising from bonds and credit facilities was PLN 560 000 thousand. In the opinion of the Management Board, the liquidity situation of Dom Development S.A. is very good, as confirmed by a number of analyses of the possible impact of the epidemic and the resultant economic crisis on the activities of Dom Development S.A.

Thanks to the prompt response by the Company, notwithstanding the changes to the manner of operation, the COVID-19 epidemic had no effect on the financial results presented in the interim condensed financial statements for the period ended 31 March 2020.

Material changes to the portfolio of ongoing property development projects carried out by the Company in the period from 1 January to 31 March 2020

Projects where the construction commenced in the period from 1 January 2020 until 31 March 2020:

Project	Standard	Number of apartments	Number of commercial units	Started in
Wilno V, phase 1	Popular	323	3	Q1 2020
Total		323	3	

Projects where the construction was completed in the period from 1 January 2020 until 31 March 2020:

Project	Standard	Number of apartments	Number of commercial units	Completed in
Stacja Grochów, phase 1	Popular	138	10	Q1 2020
Wilno III, phase 4	Popular	116	-	Q1 2020
Wilno III, phase 5	Popular	46	-	Q1 2020
Total		300	10	

Information on deliveries of residential and commercial units in the period from 1 January 2020 until 31 March 2020:

	01.01 - 31.03.2020 <i>(unaudited)</i>	01.01 - 31.03.2019 <i>(unaudited)</i>
Number of apartments and retail units delivered		
Apartments and commercial units	430	1 112

**7.25. Dividends**

On 6 April 2020, the Management Board of the Company decided to hold an Annual General Meeting of Shareholders of Dom Development S.A. in the last week of August 2020. The Management Board announced that the exact date of the meeting will be communicated at a later date in the notice of the Annual General Meeting of the Company.

As a consequence of the above decision, the earlier recommendation of the Management Board of the Company concerning the payment of the dividend out of the 2019 profit, published in the current report on 6 March 2020, which specified dates relating to the Annual General Meeting of Shareholders of the Company that was originally planned for 28 May 2020, was suspended by the Management Board. The new recommendation of the Management Board of the Company concerning the distribution of Company's net profit for 2019 is to be published at a later date.

The purpose of the suspension of the said recommendation of the Company's Management Board regarding the payment of dividend is to enable the Management Board and the General Meeting of Shareholders to make decisions concerning the payment and date of the dividend for 2019 with a better understanding of the impact of the COVID-19 pandemic on the Polish economy and housing market and on the balance sheet and liquidity of the Company.

7.26. Material post-balance sheet events

The impact of the COVID-19 epidemic on the ongoing Company's operations has been described in note 7.24.

No other material post-balance sheet events took place at the Company.

7.27. Forecasts

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

7.28. Selected financial data translated into euro

The following financial data of the Company have been translated into euro:

SELECTED DATA FROM THE BALANCE SHEET	31.03.2020 <i>(unaudited)</i>	31.12.2019
	thousand Euro	thousand Euro
Total current assets	513 247	468 645
Total assets	627 192	589 924
Total shareholders' equity	255 106	262 295
Long-term liabilities	123 047	84 776
Short-term liabilities	249 039	242 853
Total liabilities	372 086	327 629
<i>PLN/EURO exchange rate as at the balance sheet date</i>	<i>4.5523</i>	<i>4.2585</i>

SELECTED DATA FROM THE INCOME STATEMENT	01.01 - 31.03.2020 <i>(unaudited)</i>	01.01 - 31.03.2019 <i>(unaudited)</i>
	thousand Euro	thousand Euro
Sales revenue	61 950	109 936
Gross profit on sales	18 356	29 329
Operating profit	11 481	21 755
Profit before tax	11 084	21 530
Net profit	8 902	17 365
<i>Average PLN/EURO exchange rate for the reporting period</i>	<i>4.3963</i>	<i>4.2978</i>