



DOM DEVELOPMENT S.A.

Interim condensed financial statements for the three-month period ended 30 September 2018



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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 30 September 2018, comprising:

- interim condensed balance sheet prepared as at 30 September 2018 with the balance of assets and liabilities in the amount of PLN 2 327 130 thousand;
- interim condensed income statement for the nine-month and three-month periods ended 30 September 2018 with a net profit of PLN 99 049 thousand and PLN 8 207 thousand, respectively;
- interim condensed statement of comprehensive income for the nine-month and three-month periods ended 30 September 2018 with a net comprehensive income of PLN 98 101 thousand and PLN 8 207 thousand;
- interim condensed statement of changes in shareholders' equity in the nine-month period ended 30 September 2018 with the PLN 915 499 thousand shareholders' equity as at 30 September 2018;
- interim condensed cash flow statement for the nine-month period ended 30 September 2018 with the PLN 105 519 thousand net cash and cash equivalents as at 30 September 2018;
- additional notes to the interim condensed financial statements

were prepared and approved by the Management Board of the Company on 25 October 2018.

Jarosław Szanajca,
President of the Management Board

Janusz Zalewski,
Vice President of the Management Board



2. INTERIM CONDENSED BALANCE SHEET

ASSETS	Note	30.09.2018 <i>(unaudited)</i>	31.12.2017
Fixed assets			
Intangible assets		5 065	3 988
Tangible fixed assets		7 866	7 857
Investments in subsidiaries, associates and jointly controlled entities	7.5	339 888	305 785
Long-term receivables		1 537	1 538
Other long-term assets		936	6 757
Total fixed assets		355 292	325 925
Current assets			
Inventory	7.6	1 772 165	1 571 308
Trade and other receivables		11 245	29 506
Income tax receivables		-	-
Other current assets		3 425	2 931
Short-term financial assets	7.7	79 484	25 199
Cash and cash equivalents	7.8	105 519	202 083
Total current assets		1 971 838	1 831 027
Total assets		2 327 130	2 156 952
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	7.9	24 968	24 868
Share premium	7.9	241 788	238 388
Other capital (supplementary capital)		549 948	549 257
Reserve capital from valuation of cash flow hedges		(764)	184
Reserve capital from reduction of share capital		510	510
Unappropriated profit		99 049	186 113
Total shareholders' equity		915 499	999 320
Liabilities			
Long-term liabilities			
Loans, long-term portion	7.10	-	-
Bonds, long-term portion	7.11	260 000	260 000
Deferred tax provision		1 246	28 958
Long-term provisions		13 374	14 224
Other long-term liabilities		49 496	53 202
Total long-term liabilities		324 116	356 384
Short-term liabilities			
Trade payables, tax and other liabilities		239 464	244 745
Loans, short-term portion	7.10	-	50 000
Bonds, short-term portion	7.11	-	50 000
Accrued interest on loans and bonds	7.12	3 266	1 368
Corporate income tax payables		25 392	25 200
Short-term provisions		5 727	6 816
Deferred income	7.24	813 666	423 119
Total short-term liabilities		1 087 515	801 248
Total liabilities		1 411 631	1 157 632
Total equity and liabilities		2 327 130	2 156 952



3. INTERIM CONDENSED INCOME STATEMENT

	Note	Nine-month period ended		Three-month period ended	
		30.09.2018 <i>(unaudited)</i>	30.09.2017 <i>(unaudited)</i>	30.09.2018 <i>(unaudited)</i>	30.09.2017 <i>(unaudited)</i>
Sales revenue	7.14	651 790	625 241	136 594	205 150
Cost of sales	7.15	(456 803)	(453 622)	(96 322)	(146 598)
Gross profit on sales		194 987	171 619	40 272	58 552
Selling costs	7.15	(43 666)	(40 651)	(13 624)	(12 376)
General administrative expenses	7.15	(46 669)	(38 843)	(15 127)	(14 190)
Other operating income		1 567	562	316	46
Other operating expenses		(5 853)	(7 299)	(837)	(2 015)
Operating profit		100 366	85 388	11 000	30 017
Financial income	7.25	20 116	1 740	155	211
Financial costs		(1 126)	(1 294)	(332)	(621)
Profit before tax		119 356	85 834	10 823	29 607
Income tax	7.16	(20 307)	(16 935)	(2 616)	(5 838)
Net profit		99 049	68 899	8 207	23 769
Earnings per share:					
Basic (PLN)	7.17	3.97	2.77	0.33	0.96
Diluted (PLN)	7.17	3.95	2.77	0.33	0.96

**Dom Development S.A.**

Interim condensed statement of comprehensive income
for the nine-month and three-month periods ended 30 September 2018
(all amounts in thousands PLN unless stated otherwise)

4. INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Nine-month period ended		Three-month period ended	
	30.09.2018 <i>(unaudited)</i>	30.09.2017 <i>(unaudited)</i>	30.09.2018 <i>(unaudited)</i>	30.09.2017 <i>(unaudited)</i>
Net profit	99 049	68 899	8 207	23 769
Other comprehensive income/(loss)				
Net change to cash flow hedges	(1 170)	(152)	-	90
Income tax	222	29	-	(17)
Other net comprehensive income/(loss)	(948)	(123)	-	73
Total net comprehensive income	98 101	68 776	8 207	23 842



5. INTERIM CONDENSED CASH FLOW STATEMENT

	Note	Nine-month period ended	
		30.09.2018 <i>(unaudited)</i>	30.09.2017 <i>(unaudited)</i>
Cash flow from operating activities			
Profit before tax		119 356	85 834
Adjustments:			
Depreciation		5 125	4 466
Profit/loss on foreign exchange differences		(7)	7
Profit/loss on investments		(19 205)	252
Interest cost/income		6 585	6 818
Cost of the valuation of management option programmes		4 338	-
Changes in the operating capital:			
Changes in provisions		(1 939)	(1 982)
Changes in inventory		(200 377)	(231 296)
Changes in receivables		18 261	(50 358)
Changes in short-term liabilities, excluding loans and bonds		(64 067)	(25 797)
Changes in prepayments and deferred income		394 685	404 895
Other adjustments		7	(7)
Cash flow generated from operating activities		262 762	192 832
Interest received		1 395	3 179
Interest paid		(6 210)	(10 061)
Income tax paid		(47 604)	(29 328)
Net cash flow from operating activities		210 343	156 622
Cash flow from investing activities			
Proceeds from the sale of intangible assets and tangible fixed assets		354	68
Proceeds from the sale of financial assets		484	118
Dividends received		18 850	-
Acquisition of intangible and tangible fixed assets		(6 232)	(4 213)
Acquisition of financial assets and additional contributions to the share capital of subsidiaries		(34 103)	(290 488)
Net cash flow from investing activities		(20 647)	(294 515)
Cash flows from financing activities			
Proceeds from issue of shares (exercise of share options)	7.9	3 500	-
Proceeds from contracted loans	7.10	-	102 500
Commercial papers issued	7.11	-	-
Repayment of loans and borrowings	7.10	(50 000)	(102 500)
Redemption of commercial papers	7.11	(50 000)	(120 000)
Dividends paid	7.23	(189 760)	(125 586)
Net cash flow from financing activities		(286 260)	(245 586)
Increase / (decrease) in net cash and cash equivalents		(96 564)	(383 479)
Cash and cash equivalents – opening balance	7.8	202 083	412 335
Cash and cash equivalents – closing balance	7.8	105 519	28 856



Dom Development S.A.

Interim condensed statement of changes in shareholders' equity
for the nine-month period ended 30 September 2018
(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 2018	24 868	238 388	549 257	510	184	186 113	999 320
Share capital increase by exercising share options (note 7.9)	100	3 400	-	-	-	-	3 500
Transfer of some supplementary capital to unappropriated financial result	-	-	(3 647)	-	-	3 647	-
Dividends to shareholders (note 7.23)	-	-	-	-	-	(189 760)	(189 760)
Creation of reserve capital from the valuation of the share options (note 7.19)	-	-	4 338	-	-	-	4 338
Net profit for the reporting period	-	-	-	-	-	99 049	99 049
Other net comprehensive income for the reporting period	-	-	-	-	(948)	-	(948)
Balance as at 30 September 2018 <i>(unaudited)</i>	24 968	241 788	549 948	510	(764)	99 049	915 499

	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 2017	24 782	234 986	542 696	510	415	127 740	931 129
Share capital increase by exercising share options	86	3 402	-	-	-	-	3 488
Transfer of some profit to supplementary capital	-	-	2 155	-	-	(2 155)	-
Dividends to shareholders (note 7.23)	-	-	-	-	-	(125 585)	(125 585)
Net profit for the reporting period	-	-	-	-	-	68 899	68 899
Other net comprehensive income for the reporting period	-	-	-	-	(123)	-	(123)
Balance as at 30 September 2017 <i>(unaudited)</i>	24 868	238 388	544 851	510	292	68 899	877 808



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 Dom Development B.V. with its registered office in the Netherlands. As at 30 September 2018, Dom Development B.V. controlled 56.70% of the Company's shares.

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

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

In the three-month period ended 30 September 2018 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.

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 2017.

The Company has also prepared interim condensed consolidated financial statements for Dom Development S.A. Capital Group for the three-month period ended 30 September 2018. These statements were approved by the Management Board of the Company on 25 October 2018.



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 2017, except for the following amendments to existing standards and new interpretations that are effective for annual periods beginning on 1 January 2018:

- IFRS 15 *Revenue from Contracts with Customers* published on 24 May 2014) (and Clarifications to IFRS 15 *Revenue from Contracts with Customers* published on 12 April 2016).
As concerning changes to IFRS 15 *Revenue from Contracts with Customers*, the Management Board has analysed the impact of this standard on the financial situation, the operational results of the Group and the scope of information presented in the financial statements. The above analysis covered chiefly the moment of recognition of revenue from sales of goods (specifically residential units, retail premises or parking spaces). As a result of the said analysis no material changes in relation to the accounting policy applied by the Company in this area to date have been identified by the Management Board.
- IFRS 9 *Financial Instruments* (published on 24 July 2014),
- Amendments to IFRS 2 *Classification and Measurement of Share-based Payment Transactions* (published on 20 June 2016),
- IFRIC 22 *Foreign Currency Transactions and Advance Consideration* (published on 8 December 2016),
- *Improvements resulting from IFRS reviews 2014-2016* (published on 8 December 2016).

All of the introduced amendments were scrutinized 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:

- IFRS 16 *Leases* (published on 13 January 2016) – effective for annual periods beginning on or after 1 January 2019,
- IFRS 17 *Insurance Contracts* (published on 18 May 2017) – effective for annual periods beginning on or after 1 January 2021,
- IFRIC 23 *Uncertainty over Income Tax Treatments* (published on 7 June 2017) – not endorsed by the EU until the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2019,
- Amendments to IFRS 9 *Revenue from Contracts with Customers* (published on 12 October 2017) – not endorsed by the EU until the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2019,
- Amendments to IAS 28 *Investments in Associates and Joint Ventures* (published on 12 October 2017) – not endorsed by the EU until the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2019,



- Amendments to IAS 19 *Employee Benefits* – not endorsed by the EU until the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2019,
- Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (published on 11 September 2014) – effective date has not been defined by International Accounting Standards Board.
- *Annual improvements resulting from IFRS reviews 2015-2017* (published in December 2017) – effective for annual periods beginning on or after 1 January 2019,

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. Investments in subsidiaries, associates and jointly controlled entities

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 30.09.2018				Status as at 31.12.2017			
	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
Fort Mokotów sp. z o.o., w likwidacji (under liquidation)	-	-	-	-	49%	1 960	1 960	-
Dom Development Grunty sp. z o.o.	46%	24	24	-	46%	24	24	-
Dom Development Morskie Oko sp. z o.o. w likwidacji (under liquidation)	100%	50	-	50	100%	50	-	50
Dom Development Wrocław sp. z o.o.	100%	73 447	-	73 447	100%	39 447	-	39 447
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%	103	-	103	-	-	-	-
Total		339 912	24	339 888		307 769	1 984	305 785

*) Euro Styl S.A. is the parent company of the Euro Styl Capital Group, with non-controlling interests 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 Capital Group.

**) The name of the company Dom Development Construction sp. z o.o. was changed to Dom Construction Sp. z o.o.

Description of material changes in the period from 1 July until 30 September 2018

Within the three-month period ended 30 September 2018, the Company did not make any other material changes in the structure of investing in subsidiaries, associates and joint ventures.

7.6. Inventory

INVENTORY	30.09.2018 <i>(unaudited)</i>	31.12.2017
Advances on deliveries	68 032	67 999
including: at purchase prices/production costs	68 032	67 999
write down to the net realisable value	-	-
Semi-finished goods and work in progress	1 497 277	1 242 585
including: at purchase prices/production costs	1 529 025	1 274 549
write down to the net realisable value	(31 748)	(31 964)
Finished goods	206 856	260 724
including: at purchase prices/production costs	216 177	270 523
write down to the net realisable value	(9 321)	(9 799)
Total	1 772 165	1 571 308



Dom Development S.A.

Additional notes to the interim condensed financial statements
for the three-month period ended 30 September 2018
(all amounts in thousands PLN unless stated otherwise)

INVENTORY REVALUATION WRITE DOWNS	01.01 - 30.09.2018 <i>(unaudited)</i>	01.01 - 30.09.2017 <i>(unaudited)</i>
Opening balance	41 763	30 292
Increments	281	325
Decreases	(975)	(3 571)
Closing balance	41 069	27 046

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	30.09.2018 <i>(unaudited)</i>	31.12.2017
Carrying value of inventory used to secure liabilities	352 500	352 500
Mortgages:		
Value of mortgages established to secure real estate purchase agreements	-	-
Value of mortgages established to secure loan agreements (cap)	352 500	352 500

7.7. Short-term financial assets

SHORT-TERM FINANCIAL ASSETS	30.09.2018 <i>(unaudited)</i>	31.12.2017
Bank deposits with a maturity over three months	50	49
Cash in open-end residential escrow accounts	79 434	25 150
Cash in other escrow accounts	-	-
Total	79 484	25 199

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".

The Company makes bank deposits with various maturity based on current analysis of cash needs and realizable rate of return on deposits offered by banks.

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".



Dom Development S.A.

Additional notes to the interim condensed financial statements
for the three-month period ended 30 September 2018
(all amounts in thousands PLN unless stated otherwise)

7.8. Cash and cash equivalents

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

CASH AND CASH EQUIVALENTS	30.09.2018 <i>(unaudited)</i>	31.12.2017	30.09.2017 <i>(unaudited)</i>
Cash in hand and at bank	9 156	4 600	3 561
Bank deposits with a maturity of three months or less	96 312	197 440	25 267
Other	51	43	28
Total	105 519	202 083	28 856

7.9. Share capital

Description of changes to the share capital in the Company in the period from 1 July until 30 September 2018

In the three-month period ended 30 September 2018 no changes were made to the share capital.

Description of changes to the share capital in the Company in the period from 1 January until 30 September 2018

Change in the reporting period	Share capital		Share premium
	Number of shares	Value at the nominal value	
Balance as at 1.01.2018	24 868 422	24 868	238 388
Change	100 000	100	3 400
Balance as at 30.09.2018	24 968 422	24 968	241 788

On 17 January 2018, the Management Board increased the share capital of the Company from the current amount of PLN 24 868 422.00 to PLN 24 968 422.00, i.e. by PLN 100 000.00, by way of issue of 100 000 series Y bearer ordinary shares with the nominal value of PLN 1.00 each. The issue of series Y shares took place through a private placement. The purpose of the series Y 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 7.19). The Supervisory Board of the Company agreed to fully deprive the existing shareholders of their pre-emptive right to 100 000 series Y bearer ordinary shares. The reason for the exclusion of the pre-emptive right from the existing shareholders is that the issue of series Y 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.

On 25 January 2018, Ms Małgorzata Kolarska exercised her share options in the Company by exercising her rights under subscription warrants and subscribing for the shares. The issue price for the new series Y shares was PLN 35.00 per share.

On 30 January 2018, the Management Board of the Company adopted a resolution on the allocation of 100 000 series Y shares to Ms Małgorzata Kolarska.

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 29 March 2018. These shares have been introduced to trading on the stock exchange in the regulated market on 17 May 2018, and they were registered with the National Depository for Securities (Krajowy Depozyt Papierów Wartościowych S.A.) on 21 May 2018.



Dom Development S.A.

Additional notes to the interim condensed financial statements
for the three-month period ended 30 September 2018
(all amounts in thousands PLN unless stated otherwise)

SHARE CAPITAL (STRUCTURE) AS AT 30.09.2018

Series/ issue	Type of share	Type of preference	Limitation of right to shares	Number of shares	Nominal value of series/issue (PLN)	Capital covered with	Registration date	Right to dividends (from)
A	Bearer	-	-	21 344 490	21 344 490	cash	12.09.2006	12.09.2006
F	Bearer	-	-	2 705 882	2 705 882	cash	31.10.2006	31.10.2006
H	Bearer	-	-	172 200	172 200	cash	14.02.2007	14.02.2007
I	Bearer	-	-	92 700	92 700	cash	14.02.2007	14.02.2007
J	Bearer	-	-	96 750	96 750	cash	14.02.2007	14.02.2007
L	Bearer	-	-	148 200	148 200	cash	14.02.2007	14.02.2007
Ł	Bearer	-	-	110 175	110 175	cash	12.03.2012	07.05.2012
M	Bearer	-	-	24 875	24 875	cash	03.10.2012	09.11.2012
N	Bearer	-	-	20 000	20 000	cash	03.10.2012	09.11.2012
O	Bearer	-	-	26 000	26 000	cash	05.03.2013	17.05.2013
P	Bearer	-	-	925	925	cash	31.10.2013	23.12.2013
R	Bearer	-	-	11 000	11 000	cash	31.10.2013	23.12.2013
S	Bearer	-	-	17 075	17 075	cash	20.03.2014	02.05.2014
T	Bearer	-	-	1 000	1 000	cash	14.01.2015	27.03.2015
U	Bearer	-	-	10 320	10 320	cash	17.05.2016	01.06.2016
V	Bearer	-	-	1 000	1 000	cash	17.05.2016	01.06.2016
W	Bearer	-	-	85 830	85 830	cash	10.01.2017	10.03.2017
Y	Bearer	-	-	100 000	100 000	cash	29.03.2018	21.05.2018
Total number of shares				24 968 422				
Total share capital					24 968 422			
Nominal value per share = PLN 1								

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 of publication of these financial statements.

	Status as at the date of publication of these financial statements				Change in the period from publication of the financial statements for the six-month period ended 30.06.2018
	Shares	% of capital	Number of votes at the GSM	% of votes at the GSM	Shares
Dom Development B.V.	14 155 941	56.70	14 155 941	56.70	-
Jarosław Szanajca	1 454 050	5.82	1 454 050	5.82	-
Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK SA *)	1 313 383	5.26	1 313 383	5.26	no data
Grzegorz Kielpsz	1 280 750	5.13	1 280 750	5.13	-

*) Shareholding of Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK S.A. (open-end pension fund) has been presented as per the latest notice dated 11.07.2011 received by the Company from Aviva PTE Aviva BZ WBK S.A.



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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 of publication of these financial statements

	Status as at the date of publication of these financial statements			Change in the period from publication of the financial statements for the six-month period ended 30.06.2018	
	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	131 500	400 000	531 500	-	-
Mikołaj Konopka	1 292	-	1 292	-	-
Terry Roydon	58 500	-	58 500	-	-
The Supervisory Board					
Grzegorz Kiełpsz	1 280 750	-	1 280 750	-	-
Mark Spiteri	900	-	900	-	-

7.10. Loans

Description of material changes in the three-month period ended 30 September 2018

There were no loan agreements or any other agreements within the Company that expired in the three-month period ended 30 September 2018.

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

LOANS DUE WITHIN	30.09.2018	31.12.2017
Less than 1 year	-	50 000
More than 1 year and less than 2 years	-	-
More than 2 years and less than 5 years	-	-
Over 5 years	-	-
Total loans	-	50 000
including: long-term	-	-
short-term	-	50 000

BANK LOANS AS AT 30.09.2018						
Bank	Registered office	Loan amount and currency as per agreement		Outstanding loan amount (less accrued interest) and currency		Due date
mBank	Warsaw	50 000*)	PLN	-	PLN	21.05.2019
PKO BP SA	Warsaw	100 000*)	PLN	-	PLN	26.07.2019
mBank	Warsaw	85 000**)	PLN	-	PLN	01.03.2021
Total bank loans				-	PLN	

*) Revolving loan in the credit facility account

**) Revolving loan in the credit facility account up to PLN 85 million. Pursuant to the agreement with the bank, Dom Development Wrocław sp. z o.o. may use up to PLN 35 million of this credit limit. As at 30 September 2018 Dom Development Wrocław sp. z o.o. drawn PLN 35 million from the said credit limit, and Dom Development S.A. has not drawn any funds therefrom.



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As at 30 September 2018 and 31 December 2017 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".

7.11. Bonds

BONDS	30.09.2018 <i>(unaudited)</i>	31.12.2017
Nominal value of the bonds issued, long-term portion	260 000	260 000
Nominal value of the bonds issued, short-term portion	-	50 000
Total nominal value of the bonds issued	260 000	310 000

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 30.09.2018				
Series	Issue date	Amount	Currency	Contractual maturity date
DOMDE5120620	12.06.2015	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
Total:		260 000	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.

On 5 November 2007, the Company and Bank BPH S.A. (currently Bank Pekao S.A.) signed a Bond Issue Programme Agreement, pursuant to which 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.

On 5 November 2014, the Company and Bank Pekao S.A. signed an Annex to the Bond Issue Programme Agreement dated 5 November 2007, pursuant to which the bond issue period has been extended by 7 years (until 5 November 2021).

- Agreement with Trigon Dom Maklerski S.A. with its registered office in Cracow and Trigon Investment Banking Spółka z ograniczoną odpowiedzialnością & Wspólnicy S.K.

On 17 November 2017, the Company signed an agreement with Trigon Dom Maklerski S.A., with its registered office in Cracow, and with Trigon Investment Banking Spółka z ograniczoną odpowiedzialnością & Wspólnicy S.K., with its registered office in Warsaw, concerning the launch by the Company of the Dom Development S.A. Bond Issue Programme with a total value of no more than PLN 400 million understood as the nominal value of all bonds issued and outstanding (the "Programme"). The limit of the Programme is renewable.



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In accordance with the agreement, bonds may be issued by the Company in various series over the period of ten years following the date of signing of the Programme Agreement. The bonds shall be issued in accordance with art. 33 par. 2 of the Bonds Act of 15 January 2015, i.e. otherwise than in a public placement, and shall be ordinary bearer bonds.

Description of material changes in the three-month period ended 30 September 2018

The total bond issue liabilities in the three-month period ended 30 September 2018 and their maturity dates have not changed.

Information on the issue of bonds (with a total nominal value of PLN 50 million) which took place after the balance-sheet date but prior to these financial statements being prepared, have been presented in note 7.26 "Material post-balance sheet events."

7.12. Accrued interest on loans and bonds

ACCRUED INTEREST ON LOANS AND BONDS	30.09.2018 <i>(unaudited)</i>	31.12.2017
Accrued interest on bonds	3 266	1 368
Accrued interest on loans	-	-
Total accrued interest on loans and bonds	3 266	1 368

7.13. 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).



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7.14. Operating income

REVENUE BREAKDOWN	01.01 - 30.09.2018	01.01 - 30.09.2017	01.07 - 30.09.2018	01.07 - 30.09.2017
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Sales of finished goods	634 028	611 222	127 990	198 830
Sales of services	13 237	14 019	4 079	6 320
Sales of land	4 525	-	4 525	-
Total	651 790	625 241	136 594	205 150

7.15. Operating costs

OPERATING COSTS	01.01 - 30.09.2018	01.01 - 30.09.2017	01.07 - 30.09.2018	01.07 - 30.09.2017
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Cost of sales				
Cost of finished goods sold	(440 701)	(443 409)	(88 568)	(144 781)
Cost of services sold	(13 149)	(13 459)	(4 447)	(4 885)
Cost of land sold	(3 646)	-	(3 646)	-
Inventory write down to the net realisable value	693	3 246	339	3 068
Total cost of sales	(456 803)	(453 622)	(96 322)	(146 598)
Selling costs, and general administrative expenses				
Selling costs	(43 666)	(40 651)	(13 624)	(12 376)
General administrative expenses	(46 669)	(38 843)	(15 127)	(14 190)
Total selling costs, and general administrative expenses	(90 335)	(79 494)	(28 751)	(26 566)
Selling costs, and general administrative expenses by kind				
Depreciation	(5 125)	(4 466)	(1 697)	(1 525)
Cost of materials and energy	(11 757)	(10 311)	(3 178)	(3 233)
External services	(22 822)	(23 271)	(8 018)	(7 519)
Taxes and charges	(111)	(103)	(34)	(32)
Remuneration	(37 277)	(32 859)	(12 418)	(11 686)
Social security and other benefits	(5 286)	(4 959)	(1 113)	(1 196)
Management Option Programme	(4 338)	-	(1 446)	-
Other prime costs	(3 619)	(3 525)	(847)	(1 375)
Total selling costs, and general administrative expenses by kind	(90 335)	(79 494)	(28 751)	(26 566)

7.16. Income tax in the income statement

INCOME TAX	01.01 - 30.09.2018	01.01 - 30.09.2017	01.07 - 30.09.2018	01.07 - 30.09.2017
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Current income tax	(47 796)	(25 491)	(13 212)	(6 587)
Deferred tax in the income statement	27 489	8 556	10 596	749
Total	(20 307)	(16 935)	(2 616)	(5 838)



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7.17. Earnings per share

CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE	01.01 - 30.09.2018 (unaudited)	01.01 - 30.09.2017 (unaudited)	01.07 - 30.09.2018 (unaudited)	01.07 - 30.09.2017 (unaudited)
Basic earnings per share				
Profit for calculation of the basic earnings per share	99 049	68 899	8 207	23 769
The weighted average number of ordinary shares of the Company for the calculation of basic earnings per share	24 936 188	24 865 278	24 968 422	24 868 422
Basic earnings per share (PLN)	3.97	2.77	0.33	0.96
Diluted earnings per share				
Profit for calculation of the diluted earnings per share	99 049	68 899	8 207	23 769
Potential diluting shares related to the Management Share Option Programmes	150 200	-	114 077	-
The weighted average number of ordinary shares of the Company for the calculation of diluted earnings per share	25 086 388	24 865 278	25 082 499	24 868 422
Diluted earnings per share (PLN)	3.95	2.77	0.33	0.96

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

7.18. Transactions with related entities

In the three-month periods ended 30 September 2018 and 2017, the Company was a party to transactions with related entities, as listed below.

Counterparty	Transaction description	01.07- 30.09.2018 (unaudited)	01.07- 30.09.2017 (unaudited)
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	484	473
Hansom Property Company Limited	Consulting services as per the agreement dated 2 January 2001 as annexed	123	134
Kirkley Advisory Limited	Consulting services as per the agreement dated 29 September 2017	24	24
M & M Usługi Doradcze M. Kolarski	Consulting services	13	20
Dom Land sp. z o.o.	Marketing services	-	33
Mirabelle Investments sp. z o.o.	Other	125	-
Dom Construction sp. z o.o.	Construction services	11 669	-
Dom Development Kredyty sp. z o.o.	Other	6	-
Dom Development Wrocław sp. z o.o.	Cooperation Agreement	75	84
DOM DEVELOPMENT S.A. AS A SELLER OF GOODS OR SERVICES:			
Fort Mokotów sp. z o.o., w likwidacji (under liquidation)	Repair services as per the agreement dated 22 July 2005	-	24
Dom Development Grunty sp. z o.o.	Other	1	1
Dom Development Morskie Oko sp. z o.o. w likwidacji (under liquidation)	Other	1	1
Dom Land sp. z o.o.	Other	1	1
Dom Development Wrocław sp. z o.o.	Cooperation Agreements	99	94
Dom Development Kredyty sp. z o.o.	Cooperation Agreements	65	-
Dom Construction sp. z o.o.	Cooperation Agreements	386	-
Euro Styl S.A.	Cooperation Agreements	7	452
Mirabelle Investments sp. z o.o.	Other	1	-



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Counterparty	Transaction description	01.07-	01.07-
		30.09.2018	30.09.2017
		<i>(unaudited)</i>	<i>(unaudited)</i>
DOM DEVELOPMENT S.A. AS A LENDER:			
Dom Development Grunty sp. z o.o.	Interest accrued on the borrowing	-	3
DOM DEVELOPMENT S.A. AS A DIVIDEND PAYER:			
Dom Development B.V.	Dividend paid	107 919	73 761
DOM DEVELOPMENT S.A. AS A DIVIDEND RECIPIENT:			
Euro Styl S.A.	Dividend received	18 850	-
DOM DEVELOPMENT S.A. AS A CONTRIBUTOR OF SHARE CAPITAL TO SUBSIDIARIES:			
Dom Construction sp. z o.o.	Share capital contribution *)	-	-
Dom Development Wrocław sp. z o.o.	Additional contribution to the share capital *)	34 000	-
Dom Development Kredyty sp. z o.o.	Share capital contribution *)	-	500
DOM DEVELOPMENT S.A. AS A PAYER OF PREPAYMENTS:			
Dom Construction sp. z o.o.	(Net) prepayment for construction services	2 000	-
Dom Development Grunty sp. z o.o.	(Net) prepayment transferred for the purchase of land	-	-
DOM DEVELOPMENT S.A. AS A BUYER OF THE TITLE TO LAND:			
Dom Development Grunty sp. z o.o.	Purchase of freehold	-	12 783

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

BALANCES WITH RELATED ENTITIES – balances as in the books of the Company				
Entity	Receivables from related entities		Liabilities to related entities	
	30.09.2018	31.12.2017	30.09.2018	31.12.2017
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Total balance	76 475	59 184	5 638	146
Subsidiaries	76 466	56 109	5 278	-
Dom Development Morskie Oko sp. z o.o., w likwidacji (under liquidation) additional contributions to the share capital	1 147	1 147	-	-
Dom Development Grunty sp. z o.o.	2 284	19 488	-	-
Dom Development Wrocław sp. z o.o. additional contributions to the share capital	69 445	35 445	-	-
Dom Development Wrocław sp. z o.o. other	28	29	18	-
Euro Styl S.A. – other	2	-	-	-
Mirabelle Investments sp. z o.o. - dividends receivable	800	-	-	-
Dom Development Kredyty sp. z o.o.	1	-	-	-
Dom Construction sp. z o.o.	2 759	-	4 517	-
Dom Construction sp. z o.o. - deposits retained	-	-	743	-
Jointly controlled entities	-	20	-	-
Fort Mokotów sp. z o.o., w likwidacji (under liquidation)	-	20	-	-
Other entities	9	3 055	360	146
Dom Land sp. z o.o.	9	3 055	-	-
M&M Usługi Doradcze M. Kolarski	-	-	-	3
Kirkley Advisory Limited	-	-	24	-
Woodsford Consulting Limited	-	-	336	143



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REMUNERATION AND FEES OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD MEMBERS OF DOM DEVELOPMENT S.A.	01.01 - 30.09.2018 <i>(unaudited)</i>	01.01 - 30.09.2017 <i>(unaudited)</i>	01.07 - 30.09.2018 <i>(unaudited)</i>	01.07 - 30.09.2017 <i>(unaudited)</i>
The Management Board	6 856	6 741	2 368	1 142
The Supervisory Board	975	973	326	324

The above listing does not take into account the cost of the management options programme which was PLN 1 446 thousand and PLN 0 (see note 7.19) and was accounted for in the income statement in the three-month periods ended 30 September 2018 and 2017 respectively.

During the three-month period ended 30 September 2018 the Company did not enter into any transactions with the Management Board or Supervisory Board members.

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

7.19. Incentive Plan – Management Option Programmes

As at 30 September 2018 there was one active Management Option Programme adopted as part of the Incentive Scheme for the Management staff of the Company.

Name of the Programme	Options in the programme (number of shares)	Options granted (number of shares)	Options exercised (number of shares)	Options in the programme (number of shares)	Options granted (number of shares)	Options exercised (number of shares)
	30.09.2018			31.12.2017		
Programme IV	500 000	500 000	100 000	500 000	500 000	-

Exercise of the share options

In the three-month period ended 30 September 2018 no share options were exercised.

Grant of new share options

In the three-month period ended 30 September 2018 the Company did not grant any new share options.

Expiry of share options

In the three-month period ended 30 September 2018 no share options expired.

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

In the three-month period ended 30 September 2018 and 2017 the amounts of PLN 1 446 thousand and PLN 0 thousand respectively, were accounted for in the income statement for the management options granted and in the supplementary capital.



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

SHARE OPTIONS		01.07- 30.09.2018	01.07- 30.09.2017
Unexercised options at the beginning of the period	Number of options	400 000	-
	Total exercise price	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	-	-
	Total option exercise value	-	-
	Weighted average exercise price per share (PLN per share)	-	-
Unexercised options at the end of the period	Number of options	400 000	-
	Total exercise price	14 000	-
Exercisable options at the beginning of the period	Number of options	-	-
	Total exercise price	-	-
Exercisable options at the end of the period	Number of options	-	-
	Total exercise price	-	-

7.20. Contingent liabilities

CONTINGENT LIABILITIES	30.09.2018 <i>(unaudited)</i>	31.12.2017
Guarantees	111	111
Sureties	8 138	365
Total	8 249	476

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

COLLATERALS FOR LIABILITIES	30.09.2018 <i>(unaudited)</i>	31.12.2017
Promissory notes, including:		
- promissory notes as an additional guarantee for the PKO BP SA bank in respect of claims arising from the granted loan	100 000	100 000
- promissory note as a security for the claims of Bank Pekao S.A. From the sale of credit products	2 000	2 000
Total	102 000	102 000

In the three-month period ended 30 September 2018 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.



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7.21. Material court cases

As of 30 September 2018 there was no individual proceeding before any court, authority competent for arbitration or public administration body, concerning the liabilities or receivables of the Company or its subsidiaries, the value of which would be at least 10% of the Company's shareholders' equity.

As of 30 September 2018 there were not two or more proceedings before any court, authority competent for arbitration or public administration body, concerning the liabilities or receivables, the value of which would be at least 10% of the Company's shareholders' equity.

As of 30 September 2018, the Company was a party to proceedings concerning liabilities and receivables, the total value of which was approx. PLN 40 295 thousand, including the total value of proceedings concerning liabilities at approx. PLN 38 526 thousand and the total value of proceedings concerning receivables at approx. PLN 1 769 thousand.

The proceedings involving the Company have no significant impact on the Company's activity.

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

In the period from 1 January to 30 September 2018 the following material changes in the portfolio of the Company's real estate development projects under construction took place:

Projects where the construction commenced in the period from 1 January 2018 until 30 September 2018:

Project	Standard	Number of apartments	Number of commercial units	Started in
Cybernetyki 17, phase 3	Popular	240	-	Q1 2018
Regaty, phase 2	Popular	198	2	Q1 2018
Amsterdam, phase 3	Popular	188	14	Q1 2018
Apartamenty Dolny Mokotów	Apartments	148	5	Q1 2018
Rezydencje Marina Mokotów	Apartments	91	6	Q2 2018
Apartamenty Marina Mokotów	Popular	215	7	Q2 2018
Żoliborz Artystyczny, phase 10	Popular	261	12	Q2 2018
Port Żerań, phase 2	Popular	330	-	Q2 2018
Wille Taneczna 2	Popular	81	-	Q3 2018
Stacja Grochów, phase 1	Popular	138	10	Q3 2018
Total		1 890	56	

Projects where the construction was completed in the period from 1 January 2018 until 30 September 2018:

Project	Standard	Number of apartments	Number of commercial units	Completed in
Premium 3 (phase 2, stage 1)	Popular	134	-	Q1 2018
Apartamenty Włodarzewska 30	Popular	114	9	Q1 2018
Moderna, phase 4	Popular	189	-	Q1 2018
Klasyków Wille Miejskie 2, phase 2	Popular	204	-	Q1 2018
Amsterdam, phase 1	Popular	53	7	Q2 2018
Forma, phase 1	Popular	89	6	Q2 2018
Wilno VI, phase 1	Popular	300	9	Q3 2018
Premium 5, phase 3	Popular	109	4	Q3 2018
Cybernetyki 17, phase 1	Popular	145	1	Q3 2018
Total		1 337	36	



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Information on deliveries of residential and commercial units in the period from 1 January 2018 until 30 September 2018:

Number of residential and commercial units delivered to customers in the nine-month period ended 30 September 2018 has been presented in the following table:

Number of residential and commercial units delivered	01.01 - 30.09.2018 <i>(unaudited)</i>	01.01 - 30.09.2017 <i>(unaudited)</i>
Q1	384	230
Q2	688	635
Q3	248	429
Total	1 320	1 294

7.23. Dividends

The Ordinary General Meeting of the Company resolved on 7 June 2018 to assign PLN 189 760 007.20 to dividends, including:

- PLN 186 112 545.02 net profit of Dom Development S.A. for the year ended 31 December 2017;
- PLN 3 647 462.18 that is a portion of the Dom Development S.A. supplementary capital derived from the profit carried forward

that is PLN 7.60 per each share.

The date of record was set at 26 June 2018 and the dividend payment day was set at 4 July 2018. The dividend was paid out in accordance with the resolution.

In the previous year PLN 125 585 531.10 was allocated to dividends, which resulted in the payment of PLN 5.05 per share, while PLN 2 155 024.36 were allocated to the increase of supplementary capital of the Company, and a portion of the net profit of the Company for 2016 in the amount of PLN 2 155 024.36 was allocated to the increase of supplementary capital of the Company.

7.24. Deferred income

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

DEFERRED INCOME	30.09.2018 <i>(unaudited)</i>	31.12.2017
Deferred income related to the payments received from customers for the purchase of products, not yet included as income in the income statement	813 666	423 113
Other	-	6
Total	813 666	423 119

7.25. Financial income

In the period of nine-months ended 30 September 2018 the Company recorded financial income of PLN 20 116 thousand, which incorporated dividends received from subsidiaries: PLN 18 850 thousand from Euro Styl S.A. and PLN 800 thousand from Mirabelle Investments sp. z o.o.

In the period of nine-months ended 30 September 2017 the Company recorded financial income of PLN 1 740 thousand. No income for dividends was received in the said period.



Dom Development S.A.

Additional notes to the interim condensed financial statements
for the three-month period ended 30 September 2018
(all amounts in thousands PLN unless stated otherwise)

7.26. Material post-balance sheet events

On 9 October 2018, the Company issued 50 000 unsecured bearer bonds with the nominal value of PLN 1 000 each and the aggregate nominal value of PLN 50 million. The maturity date for these bonds is 9 October 2023. The issue value equals their nominal value. The interest rate is set at WIBOR 6M plus margin, and will be paid semi-annually. No purpose for the bond issue was specified in the terms of issue.

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	30.09.2018	31.12.2017
	(unaudited)	(unaudited)
	thousand Euro	thousand Euro
Total current assets	461 637	439 000
Total assets	544 817	517 143
Total shareholders' equity	214 332	239 593
Long-term liabilities	75 881	85 445
Short-term liabilities	254 604	192 104
Total liabilities	330 484	277 550
PLN/EUR exchange rate as at the balance sheet date	4.2714	4.1709

SELECTED DATA FROM THE INCOME STATEMENT	01.01 - 30.09.2018	01.01 - 30.09.2017	01.07 - 30.09.2018	01.07 - 30.09.2017
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	thousand Euro	thousand Euro	thousand Euro	thousand Euro
Sales revenue	153 236	146 887	31 903	47 987
Gross profit on sales	45 842	40 318	9 406	13 696
Operating profit	23 596	20 060	2 569	7 021
Profit before tax	28 061	20 165	2 528	6 925
Net profit	23 286	16 186	1 917	5 560
Average PLN/EUR exchange rate for the reporting period	4.2535	4.2566	4.2815	4.2751