



DOM DEVELOPMENT S.A.

Interim condensed financial statements for the three-month period ended 30 September 2019



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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 2019, comprising:

- interim condensed balance sheet prepared as at 30 September 2019 with the balance of assets and liabilities in the amount of PLN 2 452 239 thousand;
- interim condensed consolidated income statement for the nine-month and three-month periods ended 30 September 2019 with a net profit of PLN 243 467 thousand and PLN 47 755 thousand, respectively;
- interim condensed statement of comprehensive income for the nine-month and three-month periods ended 30 September 2019 with a net comprehensive income of PLN 242 880 thousand and PLN 47 564 thousand, respectively;
- interim condensed statement of changes in shareholders' equity in the nine-month period ended 30 September 2019 with the PLN 1 052 164 thousand of balance of shareholders' equity as at 30 September 2019;
- interim condensed cash flow statement for the nine-month period ended 30 September 2019 with the PLN 95 549 thousand net cash and cash equivalents as at 30 September 2019;
- additional notes to the interim condensed financial statements

were prepared and approved by the Management Board of the Company on 4 November 2019.

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	30.09.2019 <i>(unaudited)</i>	31.12.2018
Fixed assets			
Intangible assets		5 753	5 329
Tangible fixed assets	7.5	33 015	7 511
Investments in subsidiaries, associates and jointly controlled entities	7.6	446 963	371 458
Long-term receivables		1 538	1 538
Other long-term assets		272	626
Total fixed assets		487 541	386 462
Current assets			
Inventory	7.7	1 796 647	1 622 336
Trade and other receivables		38 246	27 017
Other current assets		6 382	4 083
Short-term financial assets	7.8	27 874	20 501
Cash and cash equivalents	7.9	95 549	209 393
Total current assets		1 964 698	1 883 330
Total assets		2 452 239	2 269 792
EQUITY AND LIABILITIES			
EQUITY AND LIABILITIES	Note	30.09.2019 <i>(unaudited)</i>	31.12.2018
Shareholders' equity			
Share capital	7.10	25 068	24 968
Share premium	7.10	245 188	241 788
Other capital (supplementary capital)		540 666	551 395
Reserve capital from valuation of cash flow hedges		(2 735)	(2 148)
Reserve capital from reduction of share capital		510	510
Unappropriated profit		243 467	214 098
Total shareholders' equity		1 052 164	1 030 611
Liabilities			
Long-term liabilities			
Loans, long-term portion	7.11	-	-
Bonds, long-term portion	7.12	210 000	310 000
Deferred tax provision		3 203	15 000
Long-term provisions		13 707	14 771
Lease liabilities, long-term portion	7.14	23 202	-
Other long-term liabilities		56 805	56 652
Total long-term liabilities		306 917	396 423
Short-term liabilities			
Trade payables, tax and other liabilities		289 379	278 831
Loans, short-term portion	7.11	-	50 000
Bonds, short-term portion	7.12	100 000	-
Accrued interest on loans and bonds	7.13	4 149	1 180
Lease liabilities, short-term portion	7.14	84 593	-
Corporate income tax payables		26 422	30 052
Short-term provisions		4 954	6 009
Deferred income	7.15	583 661	476 686
Total short-term liabilities		1 093 158	842 758
Total liabilities		1 400 075	1 239 181
Total equity and liabilities		2 452 239	2 269 792



Dom Development S.A.

Interim condensed income statement
for the three-month and the nine-month periods ended 30 September 2019
(all amounts in thousands PLN unless stated otherwise)

3. INTERIM CONDENSED INCOME STATEMENT

	Note	Nine-month period ended		Three-month period ended	
		30.09.2019 <i>(unaudited)</i>	30.09.2018 <i>(unaudited)</i>	30.09.2019 <i>(unaudited)</i>	30.09.2018 <i>(unaudited)</i>
Sales revenue	7.17	983 593	651 790	308 116	136 594
Cost of sales	7.18	(701 477)	(456 803)	(219 950)	(96 322)
Gross profit on sales		282 116	194 987	88 166	40 272
Selling costs	7.18	(35 855)	(43 666)	(11 105)	(13 624)
General administrative expenses	7.18	(48 516)	(46 669)	(16 740)	(15 127)
Other operating income		4 440	1 567	1 405	316
Other operating expenses		(8 301)	(5 853)	(2 158)	(837)
Operating profit		193 884	100 366	59 568	11 000
Financial income	7.26	90 727	20 116	1 375	155
Financial costs		(3 442)	(1 126)	(1 381)	(332)
Profit before tax		281 169	119 356	59 562	10 823
Income tax	7.19	(37 702)	(20 307)	(11 807)	(2 616)
Net profit		243 467	99 049	47 755	8 207
Earnings per share:					
Basic (PLN)	7.20	9.72	3.97	1.90	0.33
Diluted (PLN)	7.20	9.67	3.95	1.89	0.33



Dom Development S.A.

Interim condensed statement of comprehensive income
for the three-month and the nine-month periods ended 30 September 2019
(all amounts in thousands PLN unless stated otherwise)

4. INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Nine-month period ended		Three-month period ended	
	30.09.2019 <i>(unaudited)</i>	30.09.2018 <i>(unaudited)</i>	30.09.2019 <i>(unaudited)</i>	30.09.2018 <i>(unaudited)</i>
Net profit	243 467	99 049	47 755	8 207
Other comprehensive income/(loss)				
Net change to cash flow hedges	(725)	(1 170)	(236)	-
Income tax	138	222	45	-
Other net comprehensive income/(loss)	(587)	(948)	(191)	-
Total net comprehensive income	242 880	98 101	47 564	8 207



5. INTERIM CONDENSED CASH FLOW STATEMENT

	Nota	Nine-month period ended	
		30.09.2019 <i>(unaudited)</i>	30.09.2018 <i>(unaudited)</i>
Cash flow from operating activities			
Profit before tax		281 169	119 356
Adjustments:			
Depreciation		7 994	5 125
Profit/(loss) on foreign exchange differences		(128)	(7)
Profit/(loss) on investments		(87 900)	(19 205)
Interest cost/income		7 465	6 585
Cost of the valuation of management option programmes		2 042	4 338
Changes in the operating capital:			
Changes in provisions		(2 119)	(1 939)
Changes in inventory		(175 178)	(200 377)
Changes in receivables		(8 170)	18 261
Changes in short-term liabilities, excluding loans and bonds		80 799	(64 067)
Changes in prepayments and deferred income		107 476	394 685
Other adjustments		128	7
Cash flow generated from operating activities		213 578	262 762
Interest received		1 866	1 395
Interest paid		(6 714)	(6 210)
Income tax paid		(52 992)	(47 604)
Net cash flow from operating activities		155 738	210 343
Cash flow from investing activities			
Proceeds from the sale of intangible assets and tangible fixed assets		328	354
Dividends received	7.26	88 266	18 850
Proceeds from borrowings granted		1 013	-
Other proceeds from financial assets		-	484
Borrowings granted		(73 000)	-
Acquisition of intangible and tangible fixed assets		(6 865)	(6 232)
Acquisition of financial assets and additional contributions to the share capital of subsidiaries		(5 955)	(34 103)
Net cash flow from investing activities		3 787	(20 647)
Cash flows from financing activities			
Proceeds from issue of shares (exercise of share options)	7.10	3 500	3 500
Proceeds from contracted loans	7.11	-	-
Proceeds from commercial papers issued	7.12	-	-
Repayment of loans and borrowings	7.11	(50 000)	(50 000)
Redemption of commercial papers	7.12	-	(50 000)
Dividends paid	7.27	(226 869)	(189 760)
Net cash flow from financing activities		(273 369)	(286 260)
Increase / (decrease) in net cash and cash equivalents		(113 844)	(96 564)
Cash and cash equivalents – opening balance	7.9	209 393	202 083
Cash and cash equivalents – closing balance	7.9	95 549	105 519



Dom Development S.A.

Interim condensed statement of changes in shareholders' equity
for the nine-month period ended 30 September 2019
(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 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	-	-	(12 771)	-	-	12 771	-
Dividends to shareholders (note 7.27)	-	-	-	-	-	(226 869)	(226 869)
Creation of reserve capital from the valuation of the share options (note 7.22)	-	-	2 042	-	-	-	2 042
Net profit for the reporting period	-	-	-	-	-	243 467	243 467
Other net comprehensive income for the reporting period	-	-	-	-	(587)	-	(587)
Balance as at 30 September 2019 <i>(unaudited)</i>	25 068	245 188	540 666	510	(2 735)	243 467	1 052 164

	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	100	3 400	-	-	-	-	3 500
Transfer of some supplementary capital to unappropriated financial result	-	-	(3 647)	-	-	3 647	-
Dividends to shareholders (note 7.27)	-	-	-	-	-	(189 760)	(189 760)
Creation of reserve capital from the valuation of the share options	-	-	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



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 30 September 2019, Groupe Belleforêt S.à r.l. controlled 56.47% 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 2019 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 2018.

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 2019. These statements were approved by the Management Board of the Company on 4 November 2019.



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 2018, except for the following amendments to existing standards and new interpretations that are effective for annual periods beginning on 1 January 2019:

- IFRS 16 *Leasing*
This new standard sets the principles for recognition, measurement, presentation and reporting of leases. All lease transactions result in the lessee obtaining the right to use the leased asset and incurring a liability for the payment obligation. Hence, IFRS 16 eliminates the classification of leases as either operating leases or financial leases, as defined by IAS 17, and introduces a single model for lease accounting by the lessee.
- IFRIC 23 *Uncertainty over Income Tax Treatments*
- Amendments to IFRS 9 *Prepayment Features with Negative Compensation*
- Amendments to IAS 28 *Investments in associates and joint ventures*
- IFRIC 23 *Uncertainty over Income Tax Treatments*
- Amendments to IAS 19 *Employee Benefits*
- Annual improvements to IFRS 2015 - 2017 (the amendments include clarifications and fine tune guidelines for standards in respect of recognition and measurement).

All of the introduced amendments were scrutinized by the Management Board of the Company. In addition to the amendments introduced as a consequence of the Company applying IFRS 16 from 1 January 2019 (which has been described in this note), the Management Board of the Company is of the opinion that the remaining of the above listed amendments 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:

- 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.



First-time adoption of IFRS 16 *Leases*

General information about the new standard with regard to the Company

The Company adopted IFRS 16 *Leases* beginning on 1 January 2019.

This standard sets the principles for recognition, measurement, presentation and reporting of leases. All lease transactions result in the lessee obtaining the right to use the leased asset and incurring a liability for the payment obligation. Hence, IFRS 16 eliminates the classification of leases as either operating leases or financial leases, as previously defined by IAS 17, and introduces a single model for lease accounting by the lessee. Currently the lessee is obliged to recognise:

- assets and liabilities for all leasing transactions concluded for a period of 12 months or more, except when the asset is of low value; and
- depreciation of leased assets separately from interest on lease liabilities in the income statement.

The analysis conducted by the Management Board has shown that, as at the date of initial application of IFRS 16, the following new significant assets that meet the criteria of the new standard were recognized 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.

Method of IFRS 16 adoption by the Company and its impact on the opening balance

The Company has decided to adopt IFRS 16 using the simplified approach, i.e. retrospectively, with the cumulative effect of first-time adoption of this standard recognized as at the date of its initial application. This eliminates the need for converting comparative data and allows for the effect of application of this standard to be recognized as an adjustment to the opening balance of retained profits as at the date of its initial application.

As a result of the analysis of lease agreements, the Management Board of the Company takes the view that the adoption of this new standard had no effect on the financial results presented by the Company to date and there was no need for any adjustment to the opening balance of retained profits as at 1 January 2019.

Measurement and presentation of Leases in the financial statements of the Company

As at 1 January 2019, the Company as lessee recognized lease liabilities as measured at the present value of unavoidable future lease payments, discounted at the marginal interest rates of the Company, and recognize assets arising from the right-of-use at an amount equal to the lease liabilities.

The Company has decided to present right-of-use assets within the same item in which the relevant underlying assets would be presented if they were owned by the Company (as lessee). Namely:

- *right-of-use of office space*

Costs - right-of-use of office space is depreciated and financial costs due to leasing are recognized.

Asset – the related asset is recognised in the balance sheet under *Tangible fixed assets*.

Liability - the liability is recognised under long- or short-term liabilities, respectively.

- *rights of perpetual usufruct of land*

Costs – costs related to lease of perpetual usufruct of land are expensed as inventories (Semi-finished goods and work in progress) for the duration of the property project development, as was the case before.

Asset – the related asset is recognised in the balance sheet under Inventory or Short-term receivables (see description below).

Liability – the liability has been recognised in its entirety under short-term liabilities.

The choice of this method of allocating the fees for perpetual usufruct right of land is due to the fact that these rights concern the properties on which the Company carries out its development projects. Consequently, lease costs of perpetual usufruct are expensed as inventories (Work in progress), and subsequently expensed, together with the cost of sales of finished goods, to the income statement in the period in which the finished goods are delivered to clients (i.e. at the point in time when sales are recognized).

On 20 July 2018, the Act on the transformation of perpetual usufruct of land developed for residential purposes into ownership of that land came into force. In respect of land on which as of 1 January residential buildings were built for which an occupancy permit had been issued prior to that date, the perpetual usufruct of that land shall be transformed into ownership of that land. As regards land developed with multi-family residential buildings that have not been commissioned before 1 January 2019, the conversion date for such properties will be the day on which the decision permitting the occupancy of the building becomes final.

The Company treats land subject to the above-described conversion in a similar way as the land of which it has been the existing perpetual usufructuary, accounting for conversion fees just as for perpetual usufruct fees.

The reason for the classification of lease liabilities arising from perpetual usufruct of land as short-term liabilities

Generally, the rights of perpetual usufruct of land with property development projects in progress are classified as inventory. The liability to pay for these rights will be settled by way of their transfer to the respective buyers of apartments to which these rights are appurtenant. Liabilities related to these rights are classified as short-term liabilities. This is consistent with the classification of inventories to which these liabilities pertain (which are recognised as current assets). The classification of liabilities and inventories as short-term liabilities results from the fact that they are settled (i.e. the sale of apartments and the transfer of the related liabilities) within the period that is the Company's "operating cycle". The operating cycle is the period from the start of the property development project until the realisation of inventories as cash.

The manner of exclusion from the balance sheet of lease liabilities of perpetual usufruct of land

Lease liabilities are covered by IFRS 9 in respect of determination when these liabilities meet the criteria for their deletion from the balance sheet. In accordance with IFRS 9, Sections B.3.3.1-B.3.3.4, financial liability is extinguished when discharged, expired or when the debtor is legally released from the liability, e.g. through the assignment of the debt to another party.

The Company is legally released from the debt arising from the obligation to pay perpetual usufruct fees or transformation fees only upon the legal (notarised) transfer to the buyer of the interest in the land appurtenant to the unit sold. Accordingly, until the time of transfer of the above mentioned ownership, land-related lease liabilities remain on the balance sheet of the Company. Therefore, at the time of handover of the unit (which is also the time of recognition of the revenue from the sale of the unit), the portion of the asset related to the lease that is appurtenant to that unit is transferred from Inventory to Receivables from the buyer, in the amount corresponding to the recognised land-related lease liability.

Until the time of transfer of the ownership to the buyer, both the receivable and the liability are recognised as a short-term receivable or liability, as they will be settled through the transfer to the buyer within the "operating cycle". At the date of ownership transfer to the buyer, land-related lease liability and the related receivables from the buyer of the unit are reversed from the accounting records.

**Impact of first-time adoption of IFRS 16 as at 1 January 2019**

The impact of first time adoption of IFRS 16 as at 1 January 2019 is presented in the following table:

Assets	01.01.2019	adjustments	31.12.2018
Fixed assets			
Tangible fixed assets	36 910	29 399	7 511
Current assets			
Inventory	1 708 766	86 430	1 622 336
Equity and liabilities			
Shareholders' equity			
Unappropriated profit	214 098	-	214 098
Long-term liabilities			
Lease liabilities, long-term portion	25 072	25 072	-
Short-term liabilities			
Lease liabilities, short-term portion, including:	90 757	90 757	-
liabilities on account of perpetual usufruct right of land	86 430	86 430	-
liabilities on account of the right of use of office space	4 327	4 327	-

As described above, due to the application of IFRS 16 assets and liabilities on account of perpetual usufruct right of land are recognized at the present value of unavoidable future payments of perpetual usufruct fees.

In accordance with the new standard, the Company is obligated to discount all future payments arising from its being the holder of perpetual usufruct right, to be made during the period for which such right is granted in respect of individual properties (and which may be up to 99 years). 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 1 January 2019, out of PLN 86 430 thousand of the land-related lease liabilities recognised as short-term:

- PLN 3 507 thousand is payable by the Company within 12 months following 1 January 2019,
- PLN 3 126 thousand is payable by the Company later than 12 months following 1 January 2019,
- PLN 79 797 thousand is to be transferred to the respective buyers of units.

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	30.09.2019 <i>(unaudited)</i>	31.12.2018
Tangible fixed assets, including:		
- plants and equipment	656	946
- vehicles	3 096	4 055
- other tangible fixed assets	2 130	2 510
- right-of-use of office space*)	27 133	-
Total tangible fixed assets	33 015	7 511

*) The Company adopted IFRS 16 *Leases* beginning on 1 January 2019. As a result of the application of this standard, as at 1 January 2019, an asset in the form of right-of-use of office space was recognised in the balance sheet. The asset is recognised in the balance sheet under *Tangible fixed assets*.

Further information concerning the adoption of IFRS 16 *Leases* can be found in Note 7.3 *Accounting policies*.

The right-of-use of office space is amortised over the lease term.

7.6. Investments in subsidiaries, associates and jointly controlled entities

Investments in subsidiaries, associates and jointly controlled entities	30.09.2019 <i>(unaudited)</i>	31.12.2018
Interest in subsidiaries, associates and jointly controlled entities	376 963	371 458
Borrowings granted to related entities	70 000	-
Closing balance	446 963	371 458

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 30 September 2019 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. Up until 30 September 2019 no borrowing was drawn under the said agreement.



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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 30.09.2019				Status as at 31.12.2018			
	Company's interest (%)	Value of total invest- ment	Value of impairment write down	Net investment carrying value	Company's interest (%)	Value of total invest- ment	Value of impairment write down	Net investment carrying value
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
Dom Development Wrocław sp. z o.o.	100%	79 002	-	79 002	100%	73 447	-	73 447
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%	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	24	376 963		371 482	24	371 458

*) Euro Styl S.A. is the parent company of the Euro Styl S.A. 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 S.A. Capital Group.

**) Dom Development Morskie Oko sp. z o.o. w likwidacji (*under liquidation*) was wound up on 28 June 2019.

Description of material changes in the period from 1 July until 30 September 2019

Within the three-month period ended 30 September 2019, the Company did not make any other material changes in the structure of investing in subsidiaries, associates and joint ventures.

7.7. Inventory

INVENTORY	30.09.2019 (unaudited)	31.12.2018
Advances on deliveries	210 792	83 431
including: at purchase prices/production costs	210 792	83 431
write down to the net realisable value	-	-
Semi-finished goods and work in progress	1 458 472	1 229 864
including: at purchase prices/production costs	1 412 273	1 262 558
rights of perpetual usufruct of land (lease)	78 893	-
write down to the net realisable value	(32 694)	(32 694)
Finished goods	127 383	309 041
including: at purchase prices/production costs	135 381	317 615
write down to the net realisable value	(7 998)	(8 574)
Total	1 796 647	1 622 336



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INVENTORY REVALUATION WRITE DOWNS	01.01 - 30.09.2019 <i>(unaudited)</i>	01.01 - 30.09.2018 <i>(unaudited)</i>
Opening balance	41 268	41 763
Increments	-	281
Decrease	(576)	(975)
Closing balance	40 692	41 069

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	30.09.2019 <i>(unaudited)</i>	31.12.2018
Value of mortgages established to secure real estate purchase agreements	13 669	-
Value of mortgages established to secure loan agreements of the Company	-	352 500
Value of mortgages established to secure loan agreements of the Company and Group companies	502 500	-

7.8. Short-term financial assets

SHORT-TERM FINANCIAL ASSETS	30.09.2019 <i>(unaudited)</i>	31.12.2018
Bank deposits with a maturity over three months	50	50
Cash in open-end residential escrow accounts	27 824	20 451
Cash in other escrow accounts	-	-
Total	27 874	20 501

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	30.09.2019 <i>(unaudited)</i>	31.12.2018	30.09.2018 <i>(unaudited)</i>
Cash in hand and at bank	11 370	6 075	9 156
Bank deposits with a maturity of three months or less	84 129	203 300	96 312
Other	50	18	51
Total	95 549	209 393	105 519



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7.10. Share capital

Description of changes to the share capital in the Company in the period from 1 July until 30 September 2019

In the three-month period ended 30 September 2019 no changes were made by the Company to the share capital.

	Share capital		Share premium
	Number of shares	Value at the nominal value	
Balance as at 01.07.2019	25 068 422	25 068	245 188
Change	-	-	-
Balance as at 30.09.2019	25 068 422	25 068	245 188

Information on the majority shareholder

SCOP Poland S.à r.l. (now: Groupe Belleforêt S.à r.l.; name change has been described below) holds over 50% of the total number of votes at the general meeting of shareholders of Dom Development S.A.

The shares in the Company were acquired through a cross-border merger between Dom Development B.V. with its registered office in Rotterdam ("Dom Development B.V.", the former majority shareholder in the Company) and the majority shareholder in Dom Development B.V., i.e. SCOP Poland S.à r.l., as carried out within the meaning of the Directive of the European Parliament and of the Council (EU) 2017/1132 of 14 June 2017 on certain aspects of company law. As a result of the said merger:

- i. Dom Development B.V. has ceased to exist,
- ii. all assets of the Dom Development B.V., as the acquired company were transferred to SCOP Poland S.à r.l., as the acquiring company,
- iii. SCOP Poland S.à r.l. subrogated all the rights and obligations of Dom Development B.V., as the acquired company.

The merger became effective on 17 May 2019, i.e. on the date, when the minutes of the meeting of shareholders in SCOP Poland S.à r.l. approving the said cross-border merger were published on the official electronic platform (Electronique Recueil des Sociétés et Associations) in Luxembourg.

In Q3 2019, there was a name change of the Company's majority shareholder. SCOP Poland S.à r.l. now operates under the business name of Groupe Belleforêt S.à r.l. The name change have not affected the shareholding in the Company.

Consequently, Groupe Belleforêt S.à r.l. holds 14 155 941 shares in the Company, representing 56.47% of the share capital in the Company, with attached 14 155 941 votes at the general meeting of shareholders; the said votes account for 56.47% of the total number of votes, i.e. exactly the same number of votes as Dom Development B.V. held before the abovedescribed merger.

Groupe Belleforêt S.à r.l., is a limited liability company (société à responsabilité limitée), organised and existing under the laws of the Grand Duchy of Luxembourg, with its registered office at 12E Rue Guillaume Kroll, 1882 Luxembourg, Grand Duchy of Luxembourg, and registered in the Luxembourg Register of Commerce and Companies (Registre de Commerce et des Sociétés de Luxembourg) under number B101812.



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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 publication date of these financial statements.

	Status as at the submission date of these statements				Change in the period from publication of the quarterly financial statements for the six-month period ended 30.06.2019
	Shares	% of capital	Number of votes at the GSM	% of votes at the GSM	Shares
Groupe Belleforêt S.à r.l.*)	14 155 941	56.47	14 155 941	56.47	-
Jarosław Szanajca	1 454 050	5.80	1 454 050	5.80	-
Aviva Otwarty Fundusz Emerytalny Aviva Santander **)	1 313 383	5.24	1 313 383	5.24	no data
Grzegorz Kielpsz	1 280 750	5.11	1 280 750	5.11	-

*) Previously SCOP Poland S.à r.l.

**) Shareholding of Aviva OFE Aviva Santander (formerly Aviva OFE Aviva BZ WBK) has been presented as per the latest notice as of 11.07.2011 received by the Company from Aviva PTE Aviva BZ WBK S.A. (formerly Aviva PTE Aviva BZ WBK S.A.)

The shares of Dom Development S.A. or rights thereto (options) owned by the persons performing management and supervisory functions at Dom Development S.A. as at the publication date of these financial statements.

	Status as at the publication date of these financial statements			Change in the period from publication of the financial statements for the six-month period ended 30.06.2019	
	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	231 500	300 000	531 500	-	-
Mikołaj Konopka	1 292	-	1 292	-	-
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 30 September 2019

No loan agreements had expired or nor new agreements had been signed at the Company in the three-month period ended 30 September 2019.

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

LOANS DUE WITHIN	30.09.2019	31.12.2018
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



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BANK LOANS AS AT 30.09.2019

Bank	Registered office	Loan amount as per agreement	Currency	Outstanding loan amount (less accrued interest)	Currency	Due date
PKO BP	Warsaw	150 000*)	PLN	-	PLN	26.02.2023
mBank	Warsaw	185 000**)	PLN	-	PLN	31.01.2023
Total bank loans					- 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 30 September 2019 Euro Styl S.A. drawn PLN 5 058 thousand from the said credit limit, and Dom Development S.A. has not drawn any funds 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 30 September 2019 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. has not drawn any funds therefrom.

As at 30 September 2019 and 31 December 2018 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	30.09.2019 (unaudited)	31.12.2018
Nominal value of the bonds issued, long-term portion	210 000	310 000
Nominal value of the bonds issued, short-term portion	100 000	-
Total nominal value of the bonds issued	310 000	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 30.09.2019

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
DOMDET2091023	09.10.2018	50 000	PLN	09.10.2023
Total		310 000	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 30 September 2019

The total bond issue liabilities in the three-month period ended 30 September 2019 and their maturity dates have not changed.

7.13. Accrued interest on loans and bonds

ACCRUED INTEREST ON LOANS AND BONDS	30.09.2019 <i>(unaudited)</i>	31.12.2018
Accrued interest on bonds	4 149	1 180
Accrued interest on loans	-	-
Total accrued interest on loans and bonds	4 149	1 180

7.14. Lease liabilities

The Company adopted IFRS 16 Leases beginning on 1 January 2019 (see note 7.3).

As a result of the IFRS 16 adoption, the following lease liabilities were recognized in the Company's balance sheet:

- right-of-use of office space,
- rights of perpetual usufruct of land.

Note 7.3 *Accounting policies* describes in detail the measurement of lease liabilities, specifically, it explains the classification of such liabilities as long- or short-term.

Lease liabilities	30.09.2019 <i>(unaudited)</i>	31.12.2018
Lease liabilities, short-term portion, including:	84 593	
- liabilities on account of perpetual usufruct right of land	80 266	-
- liabilities on account of the right of use of office space	4 327	-
- other	-	-
Lease liabilities, long-term portion, including:	23 202	
- liabilities on account of the right of use of office space	23 202	-
- other	-	-
Total	107 795	-

As estimated by the Management Board based on property development projects planned on specific land to which the Company held the perpetual usufruct right as at 30 September 2019, out of PLN 80 266 thousand of the land-related lease liabilities recognised as short-term:

- PLN 3 026 thousand is payable by the Company within 12 months following the balance sheet date,
- PLN 1 321 thousand is payable by the Company later than 12 months following the balance sheet date,
- PLN 75 919 thousand is to be transferred to the respective buyers of units.



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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	30.09.2019 <i>(unaudited)</i>	31.12.2018
Deferred income related to the payments received from customers for the purchase of products, not yet included as income in the income statement	583 661	476 686
Other	-	-
Total	583 661	476 686

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. Operating income

REVENUE BREAKDOWN	01.01 - 30.09.2019 <i>(unaudited)</i>	01.01 - 30.09.2018 <i>(unaudited)</i>	01.07 - 30.09.2019 <i>(unaudited)</i>	01.07 - 30.09.2018 <i>(unaudited)</i>
Sales of finished goods	957 895	634 028	291 994	127 990
Sales of services	11 792	13 237	5 351	4 079
Sales of land	13 906	4 525	10 771	4 525
Total	983 593	651 790	308 116	136 594



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7.18. Operating costs

OPERATING COSTS	01.01 - 30.09.2019	01.01 - 30.09.2018	01.07 - 30.09.2019	01.07 - 30.09.2018
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Cost of sales				
Cost of finished goods sold	(676 973)	(440 701)	(202 654)	(88 568)
Cost of services sold	(13 937)	(13 149)	(6 166)	(4 447)
Cost of land sold	(11 143)	(3 646)	(11 130)	(3 646)
Inventory write down to the net realisable value	576	693	-	339
Total cost of sales	(701 477)	(456 803)	(219 950)	(96 322)
Selling costs, and general administrative expenses				
Selling costs	(35 855)	(43 666)	(11 105)	(13 624)
General administrative expenses	(48 516)	(46 669)	(16 740)	(15 127)
Total selling costs, and general administrative expenses	(84 371)	(90 335)	(27 845)	(28 751)
Selling costs, and general administrative expenses by kind				
Depreciation	(7 994)	(5 125)	(2 659)	(1 697)
Cost of materials and energy	(8 709)	(11 757)	(2 857)	(3 178)
External services	(23 971)	(22 822)	(8 953)	(8 018)
Taxes and charges	(242)	(111)	(89)	(34)
Remuneration	(32 945)	(37 277)	(10 321)	(12 418)
Social security and other benefits	(4 989)	(5 286)	(1 361)	(1 113)
Management Option Programme	(2 042)	(4 338)	(681)	(1 446)
Other prime costs	(3 479)	(3 619)	(924)	(847)
Total selling costs, and general administrative expenses by kind	(84 371)	(90 335)	(27 845)	(28 751)

7.19. Income tax in the income statement

INCOME TAX	01.01 - 30.09.2019	01.01 - 30.09.2018	01.07 - 30.09.2019	01.07 - 30.09.2018
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Current income tax	(49 362)	(47 796)	(18 265)	(13 212)
Deferred tax in the income statement	11 660	27 489	6 458	10 596
Total	(37 702)	(20 307)	(11 807)	(2 616)

7.20. Earnings per share

CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE	01.01 - 30.09.2019	01.01 - 30.09.2018	01.07 - 30.09.2019	01.07 - 30.09.2018
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Basic earnings per share				
Profit for calculation of the basic earnings per share	243 467	99 049	47 755	8 207
The weighted average number of ordinary shares of the Company for the calculation of basic earnings per share	25 046 810	24 936 188	25 068 422	24 968 422
Basic earnings per share (PLN)	9.72	3.97	1.90	0.33
Diluted earnings per share				
Profit for calculation of the diluted earnings per share	243 467	99 049	47 755	8 207
Potential diluting shares related to the Management Share Option Programmes	132 038	150 200	134 209	114 077
The weighted average number of ordinary shares of the Company for the calculation of diluted earnings per share	25 178 848	25 086 388	25 202 631	25 082 499
Diluted earnings per share (PLN)	9.67	3.95	1.89	0.33



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

7.21. Transactions with related entities

In the three-month periods ended 30 September 2019 and 2018, the Company was a party to transactions with related entities, as listed below.

Counterparty	Transaction description	01.07- 30.09.2019 <i>(unaudited)</i>	01.07- 30.09.2018 <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	478	484
Hansom Property Company Limited	Consulting services as per the agreement dated 2 January 2001 as annexed	128	123
Kirkley Advisory Limited	Consulting services as per the agreement dated 29 September 2017	-	24
M & M Usługi Doradcze M. Kolarski	Consulting services	28	13
Mirabelle Investments sp. z o.o.	Other	-	125
Dom Construction sp. z o.o.	Construction services	84 183	11 669
Dom Construction sp. z o.o.	Other	234	-
Dom Development Kredyty sp. z o.o.	Other	-	6
Dom Development Wrocław sp. z o.o.	Cooperation Agreement	-	75
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 (under liquidation)	Other	-	1
Dom Land sp. z o.o.	Other	1	1
Dom Development Wrocław sp. z o.o.	Cooperation Agreements	149	99
Dom Development Kredyty sp. z o.o.	Cooperation Agreements	71	65
Dom Construction sp. z o.o.	Cooperation Agreements	518	386
Euro Styl S.A.	Cooperation Agreements	32	7
Euro Styl Construction sp. z o.o.	Cooperation Agreements	6	-
M2 Biuro sp. z o.o.	Cooperation Agreements	1	-
M2 Hotel sp. z o.o.	Cooperation Agreements	1	-
Mirabelle Investments sp. z o.o.	Other	1	1
DOM DEVELOPMENT S.A. AS A LENDER:			
Euro Styl S.A.	Interest paid on the borrowing	695	-
DOM DEVELOPMENT S.A. AS A DIVIDEND PAYER:			
Groupe Belleforêt S.à r.l. (previously in SCOP Poland S.à.r.l., and before then Dom Development B.V.)	Dividend paid	-	107 919
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 Development Wrocław sp. z o.o.	Additional contribution to the share capital *)	-	34 000
DOM DEVELOPMENT S.A. AS A PAYER OF PREPAYMENTS:			
Dom Construction sp. z o.o.	(Net) prepayment for construction services	-	2 000



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BALANCES WITH RELATED ENTITIES – balances as in the books of the Company				
Entity	Receivables from related entities		Liabilities to related entities	
	30.09.2019 <i>(unaudited)</i>	31.12.2018 <i>(unaudited)</i>	30.09.2019 <i>(unaudited)</i>	31.12.2018 <i>(unaudited)</i>
Total balance	149 838	81 667	45 164	8 225
Subsidiaries	149 838	81 649	44 877	8 082
Dom Development Morskie Oko sp. z o.o., w likwidacji (under liquidation) additional contributions to the share capital	-	1 147	-	-
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	69 445	-	-
Dom Development Wrocław sp. z o.o.	70	36	-	-
Euro Styl S.A.	-	65	6	-
Euro Styl S.A. loans ganted	70 000	-	-	-
Euro Styl Construction sp. z o.o.	-	-	23	-
Mirabelle Investments sp. z o.o.	-	-	-	23
Dom Development Kredyty sp. z o.o.	1	1	-	-
Dom Construction sp. z o.o.	285	32	44 848	6 073
Dom Construction sp. z o.o. guarantee retentions	-	-	-	1 586
Dom Construction sp. z o.o. additional contributions to the share capital*)	3 000	3 000	-	-
M2 Biuro sp. z o.o.	-	3 957	-	-
M2 Hotel sp. z o.o.	-	2 484	-	-
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
Other entities	-	18	287	143
Dom Land sp. z o.o.	-	18	-	-
M&M Usługi Doradcze M. Kolarski	-	-	-	3
Woodsford Consulting Limited	-	-	287	140

*) 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".

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

7.22. Incentive Plan – Management Option Programmes

As at 30 September 2019 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)
30.09.2019			
Programme IV	500 000	500 000	200 000

Options in the programme (number of shares)	Options granted (number of shares)	Options exercised (number of shares)
31.12.2018		
500 000	500 000	100 000

Exercise of the share options

In the three-month period ended 30 September 2019 no share options were exercised at the Company.

**Grant of new share options**

In the three-month period ended 30 September 2019 the Company did not grant any new share options.

Expiry of share options

In the three-month period ended 30 September 2019 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 30 September 2019 and 2018 the amounts of PLN 681 thousand and PLN 1 446 thousand respectively, were accounted for in the income statement for the management options granted and in the supplementary capital.

Proposed adoption of a new share option programme

On 30 May 2019 the Ordinary General Meeting of Shareholders of the Company adopted a resolution on the authorization of the Supervisory Board of the Company to accept, on the below terms, the provisions of and to implement Management Share Option Programme V (hereinafter "Programme V") concerning 250 000 shares in Dom Development S.A. and on the authorisation of the Management Board and the Supervisory Board to implement Management Share Option Programme V for the Member of the Management Board, namely Mr Mikołaj Konopka, concerning 250 000 shares in Dom Development S.A.

In accordance with the terms of Programme V, Mr Mikołaj Konopka would only once receive options authorising him to subscribe for 250 000 shares in Dom Development S.A. for the price of PLN 50.00 per share. The exercise of these options will be limited to 50 000 shares in any period of consecutive 12 months, and the non-exercised options may be exercised at a later time, however not later than by 31 December 2029.

The said share options have not been granted up until the date of the preparation of these interim condensed financial statements.

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

SHARE OPTIONS		01.07- 30.09.2019	01.07- 30.09.2018
Unexercised options at the beginning of the period	Number of options	300 000	400 000
	Total exercise price	10 500	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	300 000	400 000
	Total exercise price	10 500	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	-	-



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7.23. Contingent liabilities

CONTINGENT LIABILITIES	30.09.2019 <i>(unaudited)</i>	31.12.2018
Guarantees	1 074	111
Sureties	43 461	21 743
Total	44 535	21 854

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

COLLATERALS FOR LIABILITIES	30.09.2019 <i>(unaudited)</i>	31.12.2018
Promissory notes, including:		
– promissory notes as an additional security for the claims of PKO BP under the granted loan	-	100 000
– promissory notes as other security	2 000	2 000
Total	2 000	102 000

In the three-month period ended 30 September 2019 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.

7.24. Material court cases

As at 30 September 2019 the Company was not a party to any material court cases.

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

In the period from 1 January to 30 September 2019 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 2019 until 30 September 2019:

Project	Standard	Number of apartments	Number of commercial units	Started in
Żoliborz Artystyczny, phase 11	Popular	372	9	Q1 2019
Żoliborz Artystyczny, phase 12	Popular	95	11	Q1 2019
Apartamenty Ogrodowa	Apartments	155	5	Q1 2019
Wilno VI, phase 3/1	Popular	197	-	Q1 2019
Włodarzewska 70/72	Popular	102	-	Q2 2019
Port Żerań, phase 3	Popular	152	-	Q2 2019
Wilno VI, phase 3/2	Popular	225	3	Q3 2019
Total		1 298	28	

Projects where the construction was completed in the period from 1 January 2019 until 30 September 2019:

Project	Standard	Number of apartments	Number of commercial units	Completed in
Amsterdam, phase 2	Popular	307	7	Q1 2019
Cybernetyki 17, phase 3	Popular	240	-	Q2 2019
Regaty, phase 2	Popular	198	2	Q2 2019
Forma, stage 2 phase 2	Popular	210	3	Q2 2019
Port Żerań, phase 2	Popular	330	-	Q3 2019
Total		1 285	12	



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Information on deliveries of residential and commercial units in the period from 1 January 2019 until 30 September 2019:

Number of residential and commercial units delivered to customers in the nine-month period ended 30 September 2019 has been presented in the following table:

Number of apartments and retail units delivered	01.01 - 30.09.2019 <i>(unaudited)</i>	01.01 - 30.09.2018 <i>(unaudited)</i>
Q1	1 112	384
Q2	369	688
Q3	633	248
Total	2 114	1 320

7.26. Financial income

Financial income	01.01 - 30.09.2019 <i>(unaudited)</i>	01.01 - 30.09.2018 <i>(unaudited)</i>	01.07 - 30.09.2019 <i>(unaudited)</i>	01.07 - 30.09.2018 <i>(unaudited)</i>
Dividends received, of which from:				
- Euro Styl S.A.	87 694	18 850	-	-
- Dom Development Kredyty sp. z o.o.	540	-	-	-
- Mirabelle Investments sp. z o.o.	-	800	-	-
- Dom Development Grunty sp. z o.o.	32	-	-	-
Other financial income	2 461	466	1 375	155
Total	90 727	20 116	1 375	155

7.27. Dividends

The Ordinary General Meeting of the Company resolved on 30 May 2019 to assign PLN 226 869 219.10 to dividends, including:

- PLN 214 098 396.63 net profit of Dom Development S.A. for the year ended 31 December 2018, and
- PLN 12 770 822.47 that is a portion of the Dom Development S.A. supplementary capital derived from the profit carried forward, i.e. PLN 9.05 per share.

The dividend date was set at 18 June 2019, and the dividend payment day was set at 26 June 2019.

The dividend was paid out in accordance with the resolution.

In the preceding year, the dividend allocation was PLN 189 760 007.20, and the dividend payment amounted to PLN 7.60 per share.

7.28. Material post-balance sheet events

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

7.29. Forecasts

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



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7.30. Selected financial data translated into euro

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

SELECTED DATA FROM THE BALANCE SHEET	30.09.2019	31.12.2018
	<i>(unaudited)</i>	
	thousand Euro	thousand Euro
Total current assets	449 218	437 984
Total assets	560 692	527 859
Total shareholders' equity	240 572	239 677
Long-term liabilities	70 175	92 191
Short-term liabilities	249 945	195 991
Total liabilities	320 120	288 182
<i>PLN/EUR exchange rate as at the balance sheet date</i>	4.3736	4.3000

SELECTED DATA FROM THE INCOME STATEMENT	01.01 - 30.09.2019	01.01 - 30.09.2018	01.07 - 30.09.2019	01.07 - 30.09.2018
	<i>(unaudited)</i>			
	thousand Euro	thousand Euro	thousand Euro	thousand Euro
Sales revenue	228 286	153 236	70 836	31 903
Gross profit on sales	65 477	45 842	20 269	9 406
Operating profit	44 999	23 596	13 695	2 569
Profit before tax	65 258	28 061	13 693	2 528
Net profit	56 507	23 286	10 979	1 917
<i>Average PLN/EUR exchange rate for the reporting period</i>	4.3086	4.2535	4.3497	4.2815