



DOM DEVELOPMENT S.A.

Interim condensed financial statements for the three-month period ended 30 September 2020



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

These interim condensed financial statements for the three-month period ended on 30 September 2020, comprising:

- interim condensed balance sheet as at 30 September 2020,
- interim condensed income statement for the nine-month and three-month periods ended 30 September 2020,
- interim condensed statement of comprehensive income for the nine-month and three-month periods ended 30 September 2020,
- interim condensed statement of changes in shareholders' equity for the nine-month period ended 30 September 2020,
- interim condensed cash flow statement for the nine-month period ended 30 September 2020,
- additional notes to the interim condensed financial statements

were prepared and approved by the Management Board of the Company on 9 November 2020.

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

Jarosław Szanajca,
President of the Management Board

Janusz Zalewski,
Vice President of the Management Board



2. INTERIM CONDENSED BALANCE SHEET

ASSETS	Note	30.09.2020 <i>(unaudited)</i>	31.12.2019
Fixed assets			
Intangible assets		12 334	10 502
Tangible fixed assets	7.5	28 057	32 305
Investments in subsidiaries, associates and jointly controlled entities	7.6	461 671	471 987
Deferred tax assets		-	-
Long-term receivables		1 389	1 504
Other long-term assets		99	169
Total fixed assets		503 550	516 467
Current assets			
Inventory	7.7	1 771 214	1 736 487
Trade and other receivables		50 126	26 531
Corporate income tax receivables		14 269	-
Other current assets		4 203	3 085
Short-term financial assets	7.8	61 910	9 511
Cash and cash equivalents	7.9	300 289	220 111
Total current assets		2 202 011	1 995 725
Total assets		2 705 561	2 512 192
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	7.10	25 218	25 068
Share premium	7.10	251 038	245 188
Other capital (supplementary capital)		612 031	543 715
Reserve capital from valuation of cash flow hedges		(4 327)	(2 161)
Reserve capital from reduction of share capital		510	510
Unappropriated profit		168 142	304 665
Total shareholders' equity		1 052 612	1 116 985
Liabilities			
Long-term liabilities			
Loans, long-term portion	7.11	10 000	-
Bonds, long-term portion	7.12	360 000	260 000
Deferred tax provision		2 300	4 097
Long-term provisions		12 938	13 808
Lease liabilities, long-term portion	7.14	20 919	22 388
Other long-term liabilities		62 039	60 725
Total long-term liabilities		468 196	361 018
Short-term liabilities			
Trade payables, tax and other liabilities		233 222	252 561
Loans, short-term portion	7.11	-	-
Bonds, short-term portion	7.12	-	100 000
Accrued interest on loans and bonds	7.13	2 903	1 311
Lease liabilities, short-term portion	7.14	70 876	81 208
Corporate income tax payables		-	33 590
Short-term provisions		10 079	10 370
Deferred income	7.15	867 673	555 149
Total short-term liabilities		1 184 753	1 034 189
Total liabilities		1 652 949	1 395 207
Total equity and liabilities		2 705 561	2 512 192



3. INTERIM CONDENSED INCOME STATEMENT

	Note	Nine-month period ended		Three-month period ended	
		30.09.2020 <i>(unaudited)</i>	30.09.2019 <i>(unaudited)</i>	30.09.2020 <i>(unaudited)</i>	30.09.2019 <i>(unaudited)</i>
Sales revenue	7.17	743 446	983 593	143 151	308 116
Cost of sales	7.17	(520 263)	(701 477)	(99 588)	(219 950)
Gross profit on sales		223 183	282 116	43 563	88 166
Selling costs		(31 979)	(35 855)	(10 813)	(11 105)
General administrative expenses		(52 621)	(48 516)	(17 778)	(16 740)
Other operating income		2 026	4 440	351	1 405
Other operating expenses		(5 173)	(8 301)	(962)	(2 158)
Operating profit		135 436	193 884	14 361	59 568
Financial income		70 901	90 727	68 614	1 375
Financial costs		(13 182)	(3 442)	(2 550)	(1 381)
Profit before tax		193 155	281 169	80 425	59 562
Income tax	7.18	(25 013)	(37 702)	(2 983)	(11 807)
Net profit		168 142	243 467	77 442	47 755
Earnings per share:					
Basic (PLN)	7.19	6.68	9.72	3.07	1.90
Diluted (PLN)	7.19	6.63	9.67	3.05	1.89

**Dom Development S.A.**

Interim condensed statement of comprehensive income
for the three-month and the nine-month periods ended 30 September 2020
(all amounts in thousands PLN unless stated otherwise)

4. INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Nine-month period ended		Three-month period ended	
	30.09.2020 <i>(unaudited)</i>	30.09.2019 <i>(unaudited)</i>	30.09.2020 <i>(unaudited)</i>	30.09.2019 <i>(unaudited)</i>
Net profit	168 142	243 467	77 442	47 755
Other comprehensive income/(loss)				
Net change to cash flow hedges	(2 674)	(725)	(43)	(236)
Income tax	508	138	8	45
Other net comprehensive income/(loss)	(2 166)	(587)	(35)	(191)
Total net comprehensive income	165 976	242 880	77 407	47 564



Dom Development S.A.

Interim condensed statement of changes in shareholders' equity for the nine-month period ended 30 September 2020

(all amounts in thousands PLN unless stated otherwise)

5. INTERIM CONDENSED CASH FLOW STATEMENT

	Note	Nine-month period ended	
		30.09.2020 (unaudited)	30.09.2019 (unaudited)
Cash flow from operating activities			
Profit before tax		193 155	281 169
Adjustments:			
Depreciation		7 854	7 994
Profit/(loss) on foreign exchange differences		131	(128)
Profit/(loss) on investments		(63 872)	(87 900)
Interest cost/income		6 124	7 465
Cost of the valuation of management option programmes		3 226	2 042
Changes in the operating capital:			
Changes in provisions		(1 161)	(2 119)
Changes in inventory		(34 362)	(175 178)
Changes in receivables		(15 340)	(8 170)
Changes in short-term liabilities, excluding loans and bonds		(32 492)	80 799
Changes in prepayments and deferred income		258 839	107 476
Other adjustments		(131)	128
Cash flow generated from operating activities		321 971	213 578
Interest received		953	1 866
Interest paid		(8 841)	(6 714)
Income tax paid		(74 162)	(52 992)
Net cash flow from operating activities		239 921	155 738
Cash flow from investing activities			
Proceeds from the sale of intangible assets and tangible fixed assets		598	328
Dividends received	7.25	59 436	88 266
Proceeds from borrowings granted		3 168	1 013
Other proceeds from financial assets		7 043	-
Bank deposits with a maturity over three months		50	-
Borrowings granted		-	(73 000)
Acquisition of intangible and tangible fixed assets		(5 713)	(6 865)
Acquisition of financial assets and additional contributions to the share capital of subsidiaries		(750)	(5 955)
Net cash flow from investing activities		63 832	3 787
Cash flows from financing activities			
Proceeds from issue of shares (exercise of share options)	7.10	6 000	3 500
Proceeds from contracted loans	7.11	210 000	-
Proceeds from commercial papers issued	7.12	100 000	-
Repayment of loans and borrowings	7.11	(200 000)	(50 000)
Redemption of commercial papers	7.12	(100 000)	-
Dividends paid	7.25	(239 575)	(226 869)
Net cash flow from financing activities		(223 575)	(273 369)
Increase / (decrease) in net cash and cash equivalents		80 178	(113 844)
Cash and cash equivalents – opening balance	7.9	220 111	209 393
Cash and cash equivalents – closing balance	7.9	300 289	95 549



Dom Development S.A.

Interim condensed statement of changes in shareholders' equity for the nine-month period ended 30 September 2020

(all amounts in thousands PLN unless stated otherwise)

6. INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Share premium less treasury shares	Other capital (supplementary capital)	Reserve capital		Accumulated, unappropriated profit/(loss)	Total shareholders' equity
				from reduction of share capital	from valuation of cash flow hedges		
Balance as at 1 January 2020	25 068	245 188	543 715	510	(2 161)	304 665	1 116 985
Share capital increase by exercising share options (note 7.10)	150	5 850	-	-	-	-	6 000
Transfer of some supplementary capital to unappropriated financial result	-	-	65 090	-	-	(65 090)	-
Dividends to shareholders (note 7.25)	-	-	-	-	-	(239 575)	(239 575)
Creation of supplementary capital from the valuation of the share options (note 7.21)	-	-	3 226	-	-	-	3 226
Net profit for the reporting period	-	-	-	-	-	168 142	168 142
Other net comprehensive income for the reporting period	-	-	-	-	(2 166)	-	(2 166)
Balance as at 30 September 2020 <i>(unaudited)</i>	25 218	251 038	612 031	510	(4 327)	168 142	1 052 612

	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	100	3 400	-	-	-	-	3 500
Transfer of some supplementary capital to unappropriated financial result	-	-	(12 771)	-	-	12 771	-
Dividends to shareholders	-	-	-	-	-	(226 869)	(226 869)
Creation of supplementary capital from the valuation of the share options (note 7.21)	-	-	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



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. As at 30 September 2020, Groupe Belleforêt S.à r.l. controlled **56.13%** of the Company’s shares (see note 7.10).

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 2020 the Company did not discontinue any of its activities.

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

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

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

The interim condensed financial statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future. During the three-month period ended 30 September 2020, on account of the COVID-19 epidemic announced in Poland, the Management Board of the Company has performed additional analyses, in particular as regards the vulnerability of the Company’s liquidity to possible changes in the market environment and to the ongoing operating activities of the Company on account of the epidemic. In the opinion of the Management Board of the Company, all the prerequisites have been fulfilled for the going concern assumption in the foreseeable future.

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

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

The Company has also prepared interim condensed consolidated financial statements for Dom Development S.A. Capital Group for the three-month period ended 30 September 2020. These statements were approved by the Management Board of the Company on 9 November 2020.



7.3. Accounting policies

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

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

These interim condensed financial statements are prepared based on the same accounting policies as for the financial statements of the Company for the year ended 31 December 2019, except for the following amendments to existing standards and new interpretations that are effective for annual periods beginning on 1 January 2020:

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

The introduced amendments were 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 or been endorsed by the EU:

- Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*. They remove the existing inconsistency between IFRS 10 and IAS 28. The effective date for the amendments has not been defined by the International Accounting Standards Board. The approval of this amendment has been postponed by the European Union as at the date of these interim condensed financial statements,
- IAS 1 *Presentation of Financial Statements*, Amendments to IAS 1 Presentation of Financial Statements. The IASB published amendments to IAS 1 which clarify the presentation issue of long-term and short-term liabilities. The published amendments are effective for financial statements for the periods beginning on or after 1 January 2022. Not endorsed by the European Union until the date of approval of these interim condensed financial statements.
- Amendments to IAS 37 *Provisions, Contingent liabilities and Contingent assets*. The amendments to IAS 37 provide clarifications regarding the costs that an entity is to consider when assessing whether a contract is an onerous contract. The amendments are effective for financial statements for the periods beginning on or after 1 January 2022. Not endorsed by the European Union until the date of approval of these interim condensed financial statements.

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

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

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

Budgets of the construction projects

The decision to purchase real estate (land) is based upon analysis, where the so called "purchase budget" is the major component. This budget is prepared to assess the future profitability of projects. The budgets for these construction



projects are updated based on management's best knowledge and experience from when the real estate is purchased. The budgets for all construction projects are verified and updated when necessary, at least once every three months. Updated project budgets are the basis for:

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

Recognition of revenue from the sale of products

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

Seasonality

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

7.5. Tangible fixed assets

TANGIBLE FIXED ASSETS	30.09.2020	31.12.2019
	<i>(unaudited)</i>	
Tangible fixed assets, including:		
- Vehicles	1 945	2 704
- Technical equipment and other tangible fixed assets	2 763	3 414
- Right-of-use of office space*)	23 349	26 187
Total tangible fixed assets	28 057	32 305

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

7.6. Investments in subsidiaries, associates and jointly controlled entities

Investments in subsidiaries, associates and jointly controlled entities	30.09.2020	31.12.2019
	<i>(unaudited)</i>	
Interest in subsidiaries, associates and jointly controlled entities	366 671	376 987
Borrowings granted to related entities	95 000	95 000
Closing balance	461 671	471 987

The borrowing agreement for the amount of up to PLN 150 000 thousand was concluded by the Company and Euro Styl S.A. on 26 February 2019. As at 30 September 2020 a borrowing of PLN 70 000 thousand was drawn under the said agreement. This borrowing matures on 31 December 2022.

The borrowing agreement for the amount of up to PLN 100 000 thousand was concluded by the Company and Dom Development Wrocław Sp. z o.o. on 27 September 2019. As at 30 September 2020 a borrowing of PLN 25 000 thousand was drawn under the said agreement. This borrowing matures on 31 December 2022.



Dom Development S.A.

Additional notes to the interim condensed financial statements
for the three-month period ended 30 September 2020
(all amounts in thousands PLN unless stated otherwise)

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 30.09.2020				Status as at 31.12.2019			
	Company's interest (%)	Value of total investment	Value of impairment write down	Net investment carrying value	Company's interest (%)	Value of total investment	Value of impairment write down	Net investment carrying value
Dom Development Grunty sp. z o.o.	46%	24	-	24	46%	24	-	24
Dom Development Wrocław sp. z o.o.	100%	79 002	-	79 002	100%	79 002	-	79 002
Dom Development Kredyty sp. z o.o.	100%	505	-	505	100%	505	-	505
Mirabelle Investments sp. z o.o.	100%	58	-	58	100%	58	-	58
Euro Styl S.A. *)	100%	265 473	-	265 473	100%	265 473	-	265 473
Euro Styl Development sp. z o.o. *)	100%	252	-	252	100%	252	-	252
Dom Construction sp. z o.o.	100%	3 103	-	3 103	100%	3 103	-	3 103
M2 Biuro sp. z o.o.	100%	18 254	-	18 254	100%	17 504	-	17 504
M2 Hotel sp. z o.o.	-	-	-	-	100%	11 066	-	11 066
Total		366 671		366 671		376 987	-	376 987

*) 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. With 100% shareholding in Euro Styl Development sp. z o.o., the Company has full control over the Euro Styl S.A. Capital Group.

Description of material changes in the period from 1 July until 30 September 2020

Within the three-month period ended 30 September 2020, the Company did not make any other material changes in the structure of investing in subsidiaries, associates and joint ventures.

7.7. Inventory

INVENTORY	30.09.2020 (unaudited)	31.12.2019
Advances on deliveries	200 889	192 608
including: at purchase prices/production costs	200 889	192 608
write down to the net realisable value	-	-
Semi-finished goods and work in progress	1 411 809	1 366 726
including: at purchase prices/production costs	1 387 927	1 326 786
rights of perpetual usufruct of land (lease)	55 843	71 901
write down to the net realisable value	(31 961)	(31 961)
Finished goods	158 516	177 153
including: at purchase prices/production costs	165 982	184 852
write down to the net realisable value	(7 466)	(7 699)
Total	1 771 214	1 736 487

**Dom Development S.A.**Additional notes to the interim condensed financial statements
for the three-month period ended 30 September 2020
(all amounts in thousands PLN unless stated otherwise)

INVENTORY REVALUATION WRITE DOWNS	01.01 - 30.09.2020 <i>(unaudited)</i>	01.01 - 30.09.2019 <i>(unaudited)</i>
Opening balance	39 660	41 268
Increments	100	-
Decrease	(333)	(576)
Closing balance	39 427	40 692

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	30.09.2020 <i>(unaudited)</i>	31.12.2019
Value of mortgages established to secure real estate purchase agreements	-	13 669
Value of mortgages established to secure loan agreements of the Company	-	-
Value of mortgages established to secure loan agreements of the Company and Group companies	502 500	502 500

7.8. Short-term financial assets

SHORT-TERM FINANCIAL ASSETS	30.09.2020 <i>(unaudited)</i>	31.12.2019
Bank deposits with a maturity over three months	-	50
Cash in open-end residential escrow accounts	61 910	9 461
Other short-term financial assets	-	-
Total	61 910	9 511

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

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

7.9. Cash and cash equivalents

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

CASH AND CASH EQUIVALENTS	30.09.2020 <i>(unaudited)</i>	31.12.2019	30.09.2019 <i>(unaudited)</i>
Cash in hand and at bank	172 344	9 755	11 370
Bank deposits with a maturity of three months or less	127 904	210 314	84 129
Other	41	42	50
Total	300 289	220 111	95 549

**7.10. Share capital****Description of changes to the share capital in the Company in the period from 1 July until 30 September 2020**

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

Description of changes to the share capital in the Company in the period from 1 January until 30 September 2020

	Share capital		Share premium
	Number of shares	Value at the nominal value	
Status as at 01.01.2020	25 068 422	25 068	245 188
Change	150 000	150	5 850
Status as at 30.09.2020	25 218 422	25 218	251 038

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

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

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

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

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

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

These shares were registered by Krajowy Depozyt Papierów Wartościowych S.A. (National Depository for Securities) in the securities depository on 28 May 2020.

Adoption of the new Management Option Programme

On 4 August 2020, a resolution was adopted by the Company's Management Board, concerning the inclusion on the agenda for the General Meeting of Shareholders of a matter concerning passing of a resolution on the adoption of Management Option Programme VI for the Advisor to the Management Board, Mr Marcin Drobek, Project Director (hereinafter "Programme VI").



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The Supervisory Board of the Company gave a positive opinion as regards the draft of the above mentioned resolution and recommended to the General Shareholders' Meeting that this resolution be adopted with the body as proposed by the Management Board.

On 31 August 2020, the Ordinary General Meeting of Shareholders of the Company resolved to adopt Management Option Programme VI for Mr Marcin Drobek. In accordance with the said resolution on the adoption of Programme VI, Mr Marcin Drobek would only once receive options authorising him to subscribe for 150 000 shares in Dom Development S.A. for the price of PLN 50.00 per share. The exercise of these options will be limited to 30,000 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 2030.

The General Meeting authorised the Management Board and the Supervisory Board of the Company to implement the above-mentioned Programme VI.

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

	Status as at the release date of these statements				Change in the period from publication of the interim financial statements for the six-month period ended 30.06.2020
	Shares	% of capital	Number of votes at the GSM	% of votes at the GSM	Shares
Groupe Belleforêt S.à r.l.	14 155 941	56.13	14 155 941	56.13	-
Jarosław Szanajca	1 454 050	5.77	1 454 050	5.77	-
Aviva Otwarty Fundusz Emerytalny Aviva Santander *)	1 313 383	5.21	1 313 383	5.21	no data
Grzegorz Kielpsz	1 280 750	5.08	1 280 750	5.08	-

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

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

	Status as at the publication date of these financial statements			Change in the period from publication of the interim financial statements for the six-month period ended 30.06.2020	
	Shares	Share options	Total	Shares	Share options
The Management Board					
Jarosław Szanajca	1 454 050	-	1 454 050	-	-
Janusz Zalewski	300 000	-	300 000	-	-
Małgorzata Kolarska	220 235	200 000	420 235	-	-
Mikołaj Konopka	51 292	200 000	251 292	-	-
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 2020**

No (new) loan agreements had expired or 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	30.09.2020 <i>(unaudited)</i>	31.12.2019
Less than 1 year	-	-
More than 1 year and less than 2 years	-	-
More than 2 years and less than 5 years	10 000	-
Over 5 years	-	-
Total loans	10 000	-
including: long-term	10 000	-
short-term	-	-

BANK LOANS AS AT 30.09.2020						
Bank	Registered office	Loan amount as per agreement	Currency	Outstanding loan amount (less accrued interest)	Currency	Due date
PKO BP	Warsaw	150 000	PLN	-	PLN	26.02.2023
mBank	Warsaw	185 000	PLN	-	PLN	31.01.2023
Millennium	Warsaw	50 000	PLN	10 000	PLN	18.12.2022
Total bank loans				10 000	PLN	

Core details concerning credit lines held by the Company

- Loan at PKO BP
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 2020, no funds were drawn from this credit line either by Dom Development S.A. or other Group companies.
- Credit at mBank
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 2020 Dom Development Wrocław Sp. z o.o. drawn PLN 13 000 thousand from the said credit limit, and Euro Styl S.A. has not drawn any funds therefrom.
- Loan at Millennium Bank
The revolving loan denominated in PLN, up to PLN 50 000 thousand. As at 30 September 2020 Dom Development S.A. drawn PLN 10 000 thousand from the said credit limit.

As at 30 September 2020 and 31 December 2019 all the loans available and drawn by and for the Company were expressed in Polish zloty.

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

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



7.12. Bonds

BONDS	30.09.2020 <i>(unaudited)</i>	31.12.2019
Nominal value of the bonds issued, long-term portion	360 000	260 000
Nominal value of the bonds issued, short-term portion	-	100 000
Total nominal value of the bonds issued	360 000	360 000

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

BONDS ISSUED AS AT 30.9.20				
Series	Issue date	Amount	Currency	Contractual maturity date
DOMDE6151121	15.11.2016	110 000	PLN	15.11.2021
DOMDET1151222	15.12.2017	50 000	PLN	15.12.2022
DOMDET2091023	09.10.2018	50 000	PLN	09.10.2023
DOMDET3121224	12.12.2019	50 000	PLN	12.12.2024
DOMDET4250925	25.09.2020	100 000	PLN	25.09.2025
Total		360 000	PLN	

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

Core details concerning the bonds issued by the Company

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

Description of material changes in the three-month period ended 30 September 2020

On 25 September 2020, the Company issued 100 000 000 unsecured bonds with the nominal value of PLN 1 000 each and the aggregate nominal value of PLN 100 000 thousand. The maturity date for these bonds is 25 September 2025. The issue value equals nominal value of the bonds. The interest rate is set at WIBOR 6M plus margin and will be paid semi-annually. No purpose for the bond issue was specified. The funds from the issue have been designated for current operations of the Company.

7.13. Accrued interest on loans and bonds

ACCRUED INTEREST ON LOANS AND BONDS	30.09.2020 <i>(unaudited)</i>	31.12.2019
Accrued interest on bonds	2 903	1 311
Accrued interest on loans	-	-
Total accrued interest on loans and bonds	2 903	1 311

**7.14. Lease liabilities**

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

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

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

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

Lease liabilities	30.09.2020 <i>(unaudited)</i>	31.12.2019
Lease liabilities, short-term portion, including:	70 876	81 208
- liabilities on account of perpetual usufruct right of land	66 440	76 881
- liabilities on account of the right of use of office space	4 436	4 327
- other	-	-
Lease liabilities, long-term portion, including:	20 919	22 388
- liabilities on account of the right of use of office space	20 919	22 388
- other	-	-
Total	91 795	103 596

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

As estimated by the Management Board based on property development projects planned on specific land to which the Company held the perpetual usufruct right as at 30 September 2020, out of PLN 66 440 thousand of the land-related lease liabilities recognised as short-term:

- PLN 985 thousand is payable by the Company within 12 months following the balance sheet date,
- PLN 759 thousand is payable by the Company later than 12 months following the balance sheet date,
- PLN 64 696 thousand is to be transferred to the respective buyers of units.

7.15. Deferred income

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

DEFERRED INCOME	30.09.2020 <i>(unaudited)</i>	31.12.2019
Deferred income related to the payments received from customers for the purchase of products, not yet included as income in the income statement	867 673	555 149
Other	-	-
Total	867 673	555 149



7.16. Segment reporting

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

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

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

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

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

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

7.17. Sales revenue and cost of sales

REVENUE BREAKDOWN	01.01 - 30.09.2020 <i>(unaudited)</i>	01.01 - 30.09.2019 <i>(unaudited)</i>	01.07 - 30.09.2020 <i>(unaudited)</i>	01.07 - 30.09.2019 <i>(unaudited)</i>
Sales revenue				
Sales of finished goods	732 090	957 895	137 065	291 994
Sales of services	8 068	11 792	2 798	5 351
Sales of land	3 288	13 906	3 288	10 771
Total sales revenue	743 446	983 593	143 151	308 116
Cost of sales				
Cost of finished goods sold	(507 750)	(676 973)	(92 684)	(202 654)
Cost of services sold	(8 556)	(13 937)	(2 714)	(6 166)
Cost of land sold	(4 190)	(11 143)	(4 190)	(11 130)
Inventory write down to the net realisable value	233	576	-	-
Total cost of sales	(520 263)	(701 477)	(99 588)	(219 950)
Gross profit on sales	223 183	282 116	43 563	88 166

7.18. Income tax in the income statement

INCOME TAX	01.01 - 30.09.2020 <i>(unaudited)</i>	01.01 - 30.09.2019 <i>(unaudited)</i>	01.07 - 30.09.2020 <i>(unaudited)</i>	01.07 - 30.09.2019 <i>(unaudited)</i>
Current income tax	(26 303)	(49 362)	(5 880)	(18 265)
Deferred tax in the income statement	1 290	11 660	2 897	6 458
Total	(25 013)	(37 702)	(2 983)	(11 807)



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7.19. Earnings per share

CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE	01.01 - 30.09.2020 (unaudited)	01.01- 30.09.2019 (unaudited)	01.07 - 30.09.2020 (unaudited)	01.07 - 30.09.2019 (unaudited)
Basic earnings per share				
Profit for calculation of the basic earnings per share	168 142	243 467	77 442	47 755
The weighted average number of ordinary shares of the Company for the calculation of basic earnings per share	25 168 604	25 046 810	25 218 422	25 068 422
Basic earnings per share (PLN)	6.68	9.72	3.07	1.90
Diluted earnings per share				
Profit for calculation of the diluted earnings per share	168 142	243 467	77 442	47 755
Potential diluting shares related to the Management Share Option Programmes	174 582	132 038	195 966	134 209
The weighted average number of ordinary shares of the Company for the calculation of diluted earnings per share	25 343 186	25 178 848	25 414 388	25 202 631
Diluted earnings per share (PLN)	6.63	9.67	3.05	1.89

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

7.20. Transactions with related entities

In the three-month periods ended 30 September 2020 and 2019, the Company was a party to transactions with related entities, as listed below.

Counterparty	Transaction description	01.07- 30.09.2020 (unaudited)	01.07- 30.09.2019 (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	267	478
Hansom Property Company Limited	Consulting services as per the agreement dated 2 January 2001 as annexed	124	128
M & M Usługi Doradcze M. Kolarski	Consulting services	17	28
Mirabelle Investments sp. z o.o.	Other	5	-
Dom Construction sp. z o.o.	Construction services	82 818	84 183
Dom Construction sp. z o.o.	Other	147	234
DOM DEVELOPMENT S.A. AS A SELLER OF GOODS OR SERVICES:			
Dom Development Grunty sp. z o.o.	Other	2	1
Dom Land sp. z o.o.	Other	1	1
Dom Development Wrocław sp. z o.o.	Cooperation Agreements	243	149
Dom Development Kredyty sp. z o.o.	Cooperation Agreements	158	71
Dom Construction sp. z o.o.	Cooperation Agreements	859	518
Euro Styl S.A.	Cooperation Agreements	215	32
Euro Styl Construction sp. z o.o.	Other	4	6
M2 Biuro sp. z o.o.	Other	1	1
M2 Hotel sp. z o.o.	Other	-	1
Mirabelle Investments sp. z o.o.	Other	1	1



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Counterparty	Transaction description	01.07- 30.09.2020	01.07- 30.09.2019
		(unaudited)	(unaudited)
DOM DEVELOPMENT S.A. AS A LENDER:			
Dom Development Wrocław sp. z o.o.	Interest received on the borrowing	267	-
Euro Styl S.A.	Interest received on the borrowing	695	695
DOM DEVELOPMENT S.A. AS A PAYER OF PREPAYMENTS:			
Dom Land sp. z o.o.	(Net) prepayment for purchase of land	7 967	-
DOM DEVELOPMENT S.A. AS A DIVIDEND PAYAER:			
Groupe Belleforêt S.à r.l. (previously SCOP Poland S.à.r.l., and before then Dom Development B.V.)	Dividend paid	134 481	-
DOM DEVELOPMENT S.A. AS A DIVIDEND RECIPIENT:			
Euro Styl S.A.	Dividend received	56 318	-
Dom Development Kredyty sp. z o.o.	Dividend received	3 118	-
Dom Construction sp. z o.o.	Dividend receivable	8 199	-
DOM DEVELOPMENT S.A. AS A CONTRIBUTOR OF SHARE CAPITAL TO SUBSIDIARIES:			
M2 Biuro sp. z o.o.	Additional contribution to the share capital *)	750	-

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

BALANCES WITH RELATED ENTITIES – balances as in the books of the Company				
Entity	Receivables from related entities		Liabilities to related entities	
	30.09.2020 (unaudited)	31.12.2019	30.09.2020 (unaudited)	31.12.2019
Total balance	194 207	175 649	64 105	37 273
Subsidiaries	184 372	175 649	63 867	36 904
Dom Development Grunty sp. z o.o.	1 482	1 482	-	-
Dom Development Wrocław sp. z o.o. additional contributions to the share capital*)	75 000	75 000	-	-
Dom Development Wrocław sp. z o.o. loans granted	25 000	25 000	-	-
Dom Development Wrocław sp. z o.o.	135	57	-	1
Euro Styl S.A. loans granted	70 000	70 000	-	-
Euro Styl S.A.	213	242	-	-
Euro Styl Construction sp. z o.o.	-	21	-	71
Mirabelle Investments sp. z o.o.	-	1	-	-
Dom Development Kredyty sp. z o.o.	47	10	-	-
Dom Construction sp. z o.o.	546	836	63 867	36 832
Dom Construction sp. z o.o. additional contributions to the share capital*)	3 000	3 000	-	-
Dom Construction sp. z o.o. dividends receivable	8 199	-	-	-
M2 Biuro sp. z o.o. additional contributions to the share capital*)	750	-	-	-
Other entities	9 835	-	238	369
M&M Usługi Doradcze M. Kolarski	-	-	-	1
Dom Land sp. z o.o.	9 835	-	-	-
Woodsford Consulting Limited	-	-	238	368

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

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



7.21. Incentive Plan – Management Option Programmes

As at 30 September 2020 there were two active Management Option Programmes adopted as part of the Incentive Scheme for the executives in the Company.

Name of the Programme	Options in the programme (number of shares)	Options granted (number of shares)	Options exercised (number of shares)	Options in the programme (number of shares)		
				Options granted (number of shares)	Options exercised (number of shares)	Options exercised (number of shares)
				30.09.2020		
Programme IV	500 000	500 000	300 000	500 000	500 000	200 000
Programme V	250 000	250 000	50 000	250 000	250 000	-

Exercise of the share options

In the three-month period ended 30 September 2020 no share options were exercised at the Company.

Grant of new share options

In the three-month period ended 30 September 2020 the Company did not grant any new share options.

Information on the resolution of the Ordinary General Meeting of Shareholders of the Company dated 31 August 2020 to adopt Management Option Programme VI for Mr Marcin Drobek is presented in note 7.10.

Expiry of share options

In the three-month period ended 30 September 2020 no share options expired.

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

In the three-month periods ended 30 September 2020 and 2019 the amounts of PLN 1 075 thousand and PLN 681 thousand respectively, were accounted for in the income statement for the management options granted and in the supplementary capital.

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

SHARE OPTIONS		01.07 - 30.09.2020 <i>(unaudited)</i>	01.07 - 30.09.2019 <i>(unaudited)</i>
Unexercised options at the beginning of the period	Number of options	400 000	300 000
	Total exercise price	17 000	10 500
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	300 000
	Total exercise price	17 000	10 500
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	-	-



7.22. Contingent liabilities

CONTINGENT LIABILITIES	30.09.2020 <i>(unaudited)</i>	31.12.2019
Guarantees	963	963
Sureties	26 819	42 034
Total	27 782	42 997

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

COLLATERALS FOR LIABILITIES	30.09.2020 <i>(unaudited)</i>	31.12.2019
Promissory notes, including:		
– promissory notes as an additional guarantee for PKO BP bank in respect of claims arising from the granted loan	-	-
– promissory notes as other security	-	2 000
Total	-	2 000

In the three-month period ended 30 September 2020 the Company did not provide any guarantees for loans or borrowings, nor any other guarantees – jointly to one entity or its subsidiary, the value of which would be material for the Company or would amount to at least 10% of the Company's shareholders' equity.

7.23. Material court cases

As at 30 September 2020 the Company was not a party to any material court cases.

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

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

In the three-month period ended 30 September 2020, the most important factor affecting the ongoing activities of the Company was the continued COVID-19 epidemic that had been announced in March 2020 and the associated restrictions on social and economic life. Thanks to the prompt response by the Company, notwithstanding temporary changes to the manner of operation as initially introduced, the COVID-19 epidemic had no effect on the financial results presented in the interim condensed financial statements for the three-month period ended 30 September 2020.

DOM Development S.A. quickly adapted to the new situation and maintained continuity in all areas of business. Ongoing property development projects continued on schedule and as budgeted, and completed apartments were handed over to customers on time. The efficient organization allowed to quickly respond to the recovered demand, thus strengthening Company's market position. In the first months of the epidemic, which were accompanied by considerable volatility and uncertainty in the market environment, the Company's Management Board halted the commencement of some development projects. In view of the recovery of demand which remained high, the Company started 7 new projects with 1 184 units in Q3 which represents a significant increase in activity compared to 728 units with the construction started in Q1 2020.

On account of the outbreak of COVID-19, the Company's Management Board exercised the one-off opportunity to hold the Ordinary General Meeting of Shareholders at a later date, and convened the same to be held on 31 August 2020. Shareholders of the Company decided to pay a record-high dividend of PLN 9.50 per share, which means a total dividend payment of PLN 239 575 thousand, which took place on 14 September 2020. Dividend payments were also postponed at the Company's subsidiaries, and accordingly in Q3 2020, the Company recognised PLN 59 436 thousand as distributions of 2019 profit received from subsidiaries, recognised in the Company's financial income.

Despite the record-high dividend payments to the shareholders, the Company is in very comfortable financial position. As at 30 September 2020, it recognised cash at hand and in escrow accounts in the amount of PLN 362 199 thousand with PLN 370 000 thousand of the debt arising from loans and bonds.

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The Company's debt structure is consistently very good, although it has changed significantly during Q3 2020. In period concerned, Dom Development S.A. repaid bank loans of PLN 200 000 thousand, which were disbursed in the early stage of the COVID-19 epidemic in order to secure the Company's liquidity. In the opinion of the Management Board of the Company, credit lines up to PLN 362 000 thousand are sufficient in the present situation to secure financing. In addition, the relative stabilisation in financial markets in Q3 2020 allowed the Company to issue 5-year unsecured bonds on favourable terms, with a total nominal value of PLN 100 000 thousand, series DOMDET4250925. In the Company's financing structure these bonds replaced the bonds of the same value redeemed in June 2020.

Material changes to the portfolio of ongoing property development projects carried out by the Company in the period from 1 January to 30 September 2020

Projects where the construction commenced in the period from 1 January 2020 until 30 September 2020:

Project	Standard	Number of apartments	Number of commercial units	Started in
Osiedle Wilno V, phase 1	Popular	323	3	Q1 2020
Osiedle Głębocka, phase 1	Popular	60	-	Q2 2020
Dzielnica Mieszkaniowa Metro Zachód, stage 2 phase 1	Popular	129	-	Q2 2020
Żoliborz Artystyczny, stage 13 phase 1	Popular	153	5	Q2 2020
Żoliborz Artystyczny, stage 13 phase 2	Popular	50	5	Q2 2020
Stanisław August Residence	Apartments	114	11	Q3 2020
Osiedle Wilno V, phase 2	Popular	213	-	Q3 2020
Osiedle Głębocka, phase 2	Popular	204	7	Q3 2020
Dzielnica Mieszkaniowa Metro Zachód, stage 2 phase 2	Popular	124	-	Q3 2020
Żoliborz Artystyczny, phase 14	Popular	269	11	Q3 2020
Stacja Grochów, phase 2	Popular	106	-	Q3 2020
Stacja Grochów, phase 3	Popular	125	-	Q3 2020
Total		1 870	42	

Projects where the construction was completed in the period from 1 January 2020 until 30 September 2020:

Project	Standard	Number of apartments	Number of commercial units	Completed in
Stacja Grochów, phase 1	Popular	138	10	Q1 2020
Wilno III, phase 4	Popular	116	-	Q1 2020
Wilno III, phase 5	Popular	46	-	Q1 2020
Rezydencje Marina Mokotów	Apartments	91	6	Q2 2020
Apartamenty Marina Mokotów	Popular	215	7	Q2 2020
Żoliborz Artystyczny, phase 11	Popular	372	9	Q3 2020
Żoliborz Artystyczny, phase 12	Popular	95	11	Q3 2020
Port Żerań, phase 3	Popular	152	-	Q3 2020
Apartamenty Marina Mokotów, phase 2 stage 1	Popular	215	7	Q3 2020
Apartamenty Marina Mokotów, phase 2 stage 2	Popular	205	20	Q3 2020
Total		1 645	70	



Dom Development S.A.

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Information on deliveries of residential and commercial units in the period from 1 January 2020 until 30 September 2020:

Number of apartments and retail units delivered	01.01 - 30.09.2020 <i>(unaudited)</i>	01.01 - 30.09.2019 <i>(unaudited)</i>
Q1 2020	430	1 112
Q2 2020	500	369
Q3 2020	195	633
Total	1 125	2 114

7.25. Dividends

Dividend paid to the shareholders of the Company

On 31 August 2020, the Ordinary General Meeting of Shareholders of the Company resolved to distribute the 2019 net profit of the Company and to set the dividend date and the dividend payment date. In accordance with that resolution, the Ordinary General Meeting of Shareholders of the Company decided to allocate the total amount of PLN 239 575 009.00 to the payment of dividends to shareholders in Dom Development S.A., i.e. PLN 9.50 per share, and a portion of the Company's 2019 net profit in the amount of PLN 65 089 927.64 to the increase of the Company's supplementary capital. All the 25 218 422 of the Company's shares are eligible for dividend payment. The dividend date was set to be 7 September 2020, and the dividend payment date was set to be 14 September 2020.

Dividends received and receivable

In the reporting period, the Company received dividends and recognized income from dividends allocated but not yet received. All dividends received and allocated are from the subsidiaries of the Company.

Dividends	01.01 - 30.09.2020 <i>(unaudited)</i>	01.01 - 30.09.2019 <i>(unaudited)</i>	01.07 - 30.09.2020 <i>(unaudited)</i>	01.07 - 30.09.2019 <i>(unaudited)</i>
Dividends received, recognised in the cash flow statement	59 436	88 266	59 436	-
Dividends allocated, not yet paid to the Company (dividends receivable)	8 199	-	8 199	-
Total dividends, recognised in the income statement	67 635	88 266	67 635	-

7.26. Material post-balance sheet events

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

7.27. Forecasts

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



Dom Development S.A.

Additional notes to the interim condensed financial statements
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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	30.09.2020	31.12.2019
	(unaudited)	(unaudited)
	thousand Euro	thousand Euro
Total current assets	486 439	468 645
Total assets	597 676	589 924
Total shareholders' equity	232 529	262 295
Long-term liabilities	103 427	84 776
Short-term liabilities	261 720	242 853
Total liabilities	365 147	327 629
PLN/EURO exchange rate as at the balance sheet date	4.5268	4.2585

SELECTED DATA FROM THE INCOME STATEMENT	01.01 - 30.09.2020	01.01 - 30.09.2019	01.07 - 30.09.2020	01.07 - 30.09.2019
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	thousand Euro	thousand Euro	thousand Euro	thousand Euro
Sales revenue	167 367	228 286	32 215	70 836
Gross profit on sales	50 244	65 477	9 803	20 269
Operating profit	30 490	44 999	3 232	13 695
Profit before tax	43 484	65 258	18 099	13 693
Net profit	37 853	56 507	17 428	10 979
Average PLN/EURO exchange rate for the reporting period	4.4420	4.3086	4.4436	4.3497