



DOM DEVELOPMENT S.A.

Interim condensed financial statements for the six-month period ended 30 June 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 six-month period ended on 30 June 2020, comprising:

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

were prepared and approved by the Management Board of the Company on 21 August 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

Małgorzata Kolarska,
Vice President of the Management Board

Mikołaj Konopka,
Member of the Management Board

Terry R. Roydon,
Member of the Management Board



2. INTERIM CONDENSED BALANCE SHEET

ASSETS	Note	30.06.2020 <i>(unaudited)</i>	31.12.2019
Fixed assets			
Intangible assets		11 776	10 502
Tangible fixed assets	7.5	29 522	32 305
Investments in subsidiaries, associates and jointly controlled entities	7.6	460 921	471 987
Deferred tax assets		-	-
Long-term receivables		1 389	1 504
Other long-term assets		105	169
Total fixed assets		503 713	516 467
Current assets			
Inventory	7.7	1 754 634	1 736 487
Trade and other receivables		34 929	26 531
Corporate income tax receivables		4 934	-
Other current assets		4 610	3 085
Short-term financial assets	7.8	18 489	9 511
Cash and cash equivalents	7.9	384 184	220 111
Total current assets		2 201 780	1 995 725
Total assets		2 705 493	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)		545 866	543 715
Reserve capital from valuation of cash flow hedges		(4 292)	(2 161)
Reserve capital from reduction of share capital		510	510
Unappropriated profit		395 365	304 665
Total shareholders' equity		1 213 705	1 116 985
Liabilities			
Long-term liabilities			
Loans, long-term portion	7.11	200 000	-
Bonds, long-term portion	7.12	260 000	260 000
Deferred tax provision		5 204	4 097
Long-term provisions		14 453	13 808
Lease liabilities, long-term portion	7.14	20 827	22 388
Other long-term liabilities		60 607	60 725
Total long-term liabilities		561 091	361 018
Short-term liabilities			
Trade payables, tax and other liabilities		247 409	252 561
Loans, short-term portion	7.11	-	-
Bonds, short-term portion	7.12	-	100 000
Accrued interest on loans and bonds	7.13	937	1 311
Lease liabilities, short-term portion	7.14	70 689	81 208
Corporate income tax payables		-	33 590
Short-term provisions		10 585	10 370
Deferred income	7.15	601 077	555 149
Total short-term liabilities		930 697	1 034 189
Total liabilities		1 491 788	1 395 207
Total equity and liabilities		2 705 493	2 512 192



3. INTERIM CONDENSED INCOME STATEMENT

	Note	Six-month period ended		Three-month period ended	
		30.06.2020 <i>(unaudited)</i>	30.06.2019 <i>(unaudited)</i>	30.06.2020 <i>(unaudited)</i>	30.06.2019 <i>(unaudited)</i>
Sales revenue	7.17	600 295	675 477	327 943	202 993
Cost of sales	7.17	(420 675)	(481 527)	(229 021)	(135 095)
Gross profit on sales		179 620	193 950	98 922	67 898
Selling costs		(21 166)	(24 750)	(9 722)	(10 814)
General administrative expenses		(34 843)	(31 776)	(16 852)	(14 767)
Other operating income		1 675	3 035	853	1 310
Other operating expenses		(4 211)	(6 143)	(2 599)	(2 810)
Operating profit		121 075	134 316	70 602	40 817
Financial income		2 287	89 352	1 075	89 087
Financial costs		(10 632)	(2 061)	(7 677)	(828)
Profit before tax		112 730	221 607	64 000	129 076
Income tax	7.18	(22 030)	(25 895)	(12 438)	(7 995)
Net profit		90 700	195 712	51 562	121 081
Earnings per share:					
Basic (PLN)	7.19	3.61	7.82	2.04	4.83
Diluted (PLN)	7.19	3.59	7.78	2.03	4.80



Dom Development S.A.

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

4. INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Six-month period ended		Three-month period ended	
	30.06.2020 <i>(unaudited)</i>	30.06.2019 <i>(unaudited)</i>	30.06.2020 <i>(unaudited)</i>	30.06.2019 <i>(unaudited)</i>
Net profit	90 700	195 712	51 562	121 081
Other comprehensive income/(loss)				
Net change to cash flow hedges	(2 631)	(489)	(309)	83
Income tax	500	93	59	(16)
Other net comprehensive income/(loss)	(2 131)	(396)	(250)	67
Total net comprehensive income	88 569	195 316	51 312	121 148



5. INTERIM CONDENSED CASH FLOW STATEMENT

	Note	Six-month period ended	
		30.06.2020 <i>(unaudited)</i>	30.06.2019 <i>(unaudited)</i>
Cash flow from operating activities			
Profit before tax		112 730	221 607
Adjustments:			
Depreciation		5 320	5 335
Profit/(loss) on foreign exchange differences		131	(4)
Profit/(loss) on investments		3 807	(87 881)
Interest cost/income		4 321	4 849
Cost of the valuation of management option programmes		2 151	1 361
Changes in the operating capital:		-	
Changes in provisions		860	368
Changes in inventory		(17 430)	(14 965)
Changes in receivables		(8 342)	2 426
Changes in short-term liabilities, excluding loans and bonds		(19 591)	95 959
Changes in prepayments and deferred income		35 158	47 034
Other adjustments		(131)	4
Cash flow generated from operating activities		118 984	276 093
Interest received		937	1 522
Interest paid		(8 214)	(6 607)
Income tax paid		(58 947)	(44 389)
Net cash flow from operating activities		52 760	226 619
Cash flow from investing activities			
Proceeds from the sale of intangible assets and tangible fixed assets		547	7
Dividends received		-	88 266
Proceeds from borrowings granted		2 191	305
Other proceeds from financial assets		7 043	-
Borrowings granted		-	(73 000)
Acquisition of intangible and tangible fixed assets		(4 468)	(3 844)
Acquisition of financial assets and additional contributions to the share capital of subsidiaries		-	(5 955)
Net cash flow from investing activities		5 313	5 779
Cash flows from financing activities			
Proceeds from issue of shares (exercise of share options)	7.10	6 000	3 500
Proceeds from contracted loans	7.11	200 000	-
Proceeds from commercial papers issued	7.12	-	-
Repayment of loans and borrowings	7.11	-	(50 000)
Redemption of commercial papers	7.12	(100 000)	-
Dividends paid	7.25	-	(226 869)
Net cash flow from financing activities		106 000	(273 369)
Increase / (decrease) in net cash and cash equivalents		164 073	(40 971)
Cash and cash equivalents – opening balance	7.9	220 111	209 393
Cash and cash equivalents – closing balance	7.9	384 184	168 422



Dom Development S.A.

Interim condensed statement of changes in shareholders' equity
for the six-month period ended 30 June 2020
(all amounts in thousands PLN unless stated otherwise)

6. INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Share premium less treasury shares	Other capital (supplementary capital)	Reserve capital		Accumulated, unappropriated profit/(loss)	Total shareholders' equity
				from reduction of share capital	from valuation of cash flow hedges		
Balance as at 1 January 2020	25 068	245 188	543 715	510	(2 161)	304 665	1 116 985
Share capital increase by exercising share options (note 7.10)	150	5 850	-	-	-	-	6 000
Transfer of some supplementary capital to unappropriated financial result	-	-	-	-	-	-	-
Dividends to shareholders (note 7.25)	-	-	-	-	-	-	-
Creation of reserve capital from the valuation of the share options (note 7.21)	-	-	2 151	-	-	-	2 151
Net profit for the reporting period	-	-	-	-	-	90 700	90 700
Other net comprehensive income for the reporting period	-	-	-	-	(2 131)	-	(2 131)
Balance as at 30 June 2020 <i>unaudited</i>	25 218	251 038	545 866	510	(4 292)	395 365	1 213 705

	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 reserve capital from the valuation of the share options (note 7.21)	-	-	1 361	-	-	-	1 361
Net profit for the reporting period	-	-	-	-	-	195 712	195 712
Other net comprehensive income for the reporting period	-	-	-	-	(396)	-	(396)
Balance as at 30 June 2019 <i>unaudited</i>	25 068	245 188	539 985	510	(2 544)	195 712	1 003 919



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 June 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 six-month period ended 30 June 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 six-month period ended 30 June 2020, on account of the announcement of the COVID-19 epidemic in Poland, the Management Board of the Company has performed additional analyses, in particular as regards the vulnerability of the Company's liquidity to possible changes in the market environment and to the ongoing operating activities of the Company on account of the epidemic. In the opinion of the Management Board of the Company, all the prerequisites have been fulfilled for the going concern assumption in the foreseeable future.

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

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

The Company has also prepared interim condensed consolidated financial statements for Dom Development S.A. Capital Group for the six-month period ended 30 June 2020. These statements were approved by the Management Board of the Company on 21 August 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	30.06.2020	31.12.2019
	<i>(unaudited)</i>	
Tangible fixed assets, including:		
- Vehicles	2 188	2 704
- Plants and other tangible fixed assets	3 039	3 414
- Right-of-use of office space*)	24 295	26 187
Total tangible fixed assets	29 522	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	30.06.2020	31.12.2019
	<i>(unaudited)</i>	
Interest in subsidiaries, associates and jointly controlled entities	365 921	376 987
Borrowings granted to related entities	95 000	95 000
Closing balance	460 921	471 987



Dom Development S.A.

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

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 June 2020 a borrowing of PLN 70 000 thousand was drawn under the said agreement.

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

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

INTEREST IN SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES	Status as at 30.06.2020				Status as at 31.12.2019			
	Company's interest (%)	Value of total investment	Value of impairment write down	Net investment carrying value	Company's interest (%)	Value of total investment	Value of impairment write down	Net investment carrying value
Dom Development Grunty sp. z o.o.	46%	24	-	24	46%	24	-	24
Dom Development Wrocław sp. z o.o.	100%	79 002	-	79 002	100%	79 002	-	79 002
Dom Development Kredyty sp. z o.o.	100%	505	-	505	100%	505	-	505
Mirabelle Investments sp. z o.o.	100%	58	-	58	100%	58	-	58
Euro Styl S.A. *)	100%	265 473	-	265 473	100%	265 473	-	265 473
Euro Styl Development sp. z o.o. *)	100%	252	-	252	100%	252	-	252
Dom Construction sp. z o.o.	100%	3 103	-	3 103	100%	3 103	-	3 103
M2 Biuro sp. z o.o.	100%	17 504	-	17 504	100%	17 504	-	17 504
M2 Hotel sp. z o.o.	-	-	-	-	100%	11 066	-	11 066
Total		365 921		365 921		376 987		376 987

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

Description of material changes in the period from 1 January until 30 June 2020

Within the six-month period ended 30 June 2020, the Company did not make any material changes in the structure of investing in subsidiaries, associates and joint ventures other than the sale of shares in its subsidiary, M2 Hotel Sp. z o.o., as described below.

On 24 April 2020, as a consequence of the preliminary sale agreement entered into on 11 February 2019, the Company sold all its shares in the share capital in M2 Hotel Sp. z o.o.

Both M2 Hotel Sp. z o.o. and M2 Biuro Sp. z o.o. were created on 11 December 2018. The share capital of these companies was partially covered with non-cash contribution in the form of a share in the perpetual usufruct right to land and in the documentation, including the copyrights attached to this documentation. These companies were formed in connection with the planned sale by the Company of some land situated near Żwirki i Wigury street and Raławicka street in Warsaw and earmarked for hotel, office and service development.



7.7. Inventory

INVENTORY	30.06.2020 <i>(unaudited)</i>	31.12.2019
Advances on deliveries	236 978	192 608
including: at purchase prices/production costs	236 978	192 608
write down to the net realisable value	-	-
Semi-finished goods and work in progress	1 310 365	1 366 726
including: at purchase prices/production costs	1 284 793	1 326 786
rights of perpetual usufruct of land (lease)	57 533	71 901
write down to the net realisable value	(31 961)	(31 961)
Finished goods	207 291	177 153
including: at purchase prices/production costs	214 757	184 852
write down to the net realisable value	(7 466)	(7 699)
Total	1 754 634	1 736 487

INVENTORY REVALUATION WRITE DOWNS	01.01 - 30.06.2020 <i>(unaudited)</i>	01.01 - 30.06.2019 <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	30.06.2020 <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	30.06.2020 <i>(unaudited)</i>	31.12.2019
Bank deposits with a maturity over three months	50	50
Cash in open-end residential escrow accounts	18 439	9 461
Other short-term financial assets	-	-
Total	18 489	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".



Dom Development S.A.

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

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	30.06.2020 <i>(unaudited)</i>	31.12.2019	30.06.2019 <i>(unaudited)</i>
Cash in hand and at bank	9 331	9 755	93 860
Bank deposits with a maturity of three months or less	374 812	210 314	74 524
Other	41	42	38
Total	384 184	220 111	168 422

7.10. Share capital

Description of changes to the share capital in the Company in the period from 1 January until 30 June 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 30.06.2020	25 218 422	25 218	251 038

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

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

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

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

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

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

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

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 publication date of these financial statements				Change in the period from publication of the quarterly financial statements for the three-month period ended 31.03.2020
	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 quarterly financial statements for the three-month period ended 31.03.2020	
	Shares	Share options	Total	Shares	Share options
The Management Board					
Jarosław Szanajca	1 454 050	-	1 454 050	-	-
Janusz Zalewski	300 000	-	300 000	(50 000)	-
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 six-month period ended 30 June 2020

There were no loan agreements or any other agreements within the Company that expired in the six-month period ended 30 June 2020.

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

LOANS DUE WITHIN	30.06.2020 <i>(unaudited)</i>	31.12.2019
Less than 1 year	-	-
More than 1 year and less than 2 years	-	-
More than 2 years and less than 5 years	200 000	-
Over 5 years	-	-
Total loans	200 000	-
including: long-term	200 000	-
short-term	-	-

BANK LOANS AS AT 30.06.2020						
Bank	Registered office	Loan amount as per agreement	Currency	Outstanding loan amount (less accrued interest)	Currency	Due date
PKO BP	Warsaw	150 000*)	PLN	100 000	PLN	26.02.2023
mBank	Warsaw	185 000**)	PLN	100 000	PLN	31.01.2023
Millennium	Warsaw	50 000	PLN	-	PLN	18.12.2022
Total bank loans				200 000	PLN	

*) Revolving loan in the credit facility account up to PLN 150 000 thousand. Pursuant to the agreement with the bank, Euro Styl S.A. may use up to PLN 50 000 thousand of this credit limit. As at 30 June 2020 Euro Styl S.A. drawn PLN 47 946 thousand from the said credit limit, and Dom Development S.A. drawn PLN 100 000 therefrom.

***) Revolving loan in the credit facility account up to PLN 185 000 thousand. Under the said agreement, Dom Development Wrocław Sp. z o.o. may use up to PLN 60 000 thousand of this credit limit, and Euro Styl S.A. may use up to PLN 100 000 thousand of this credit limit. As at 30 June 2020 Dom Development Wrocław Sp. z o.o. has drawn PLN 35 000 thousand and Euro Styl S.A. has drawn PLN 50 000 thousand from the said credit limit, and Dom Development S.A. drawn PLN 100 000 therefrom.

As at 30 June 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	30.06.2020 <i>(unaudited)</i>	31.12.2019
Nominal value of the bonds issued, long-term portion	260 000	260 000
Nominal value of the bonds issued, short-term portion	-	100 000
Total nominal value of the bonds issued	260 000	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 30.06.2020				
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
Total		260 000	PLN	

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

Core details concerning the bonds issued by the Company

- Agreement with Pekao S.A.,
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 six-month period ended 30 June 2020

On 12 June 2020, the Company redeemed 10 000 bearer bonds with the nominal value of PLN 10 000 each and the aggregate nominal value of PLN 100 000 thousand as maturing on this date.

7.13. Accrued interest on loans and bonds

ACCRUED INTEREST ON LOANS AND BONDS	30.06.2020 <i>(unaudited)</i>	31.12.2019
Accrued interest on bonds	937	1 311
Accrued interest on loans	-	-
Total accrued interest on loans and bonds	937	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	30.06.2020 <i>(unaudited)</i>	31.12.2019
Lease liabilities, short-term portion, including:	70 689	81 208
- Liabilities on account of perpetual usufruct right of land	66 453	76 881
- Liabilities on account of the right of use of office space	4 236	4 327
- Other	-	-
Lease liabilities, long-term portion, including:	20 827	22 388
- Liabilities on account of the right of use of office space	20 827	22 388
- Other	-	-
Total	91 516	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 June 2020, out of PLN 66 453 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 64 709 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	30.06.2020 <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	601 077	555 149
Other	-	-
Total	601 077	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 - 30.06.2020	01.01 - 30.06.2019
	<i>(unaudited)</i>	<i>(unaudited)</i>
Sales of finished goods	595 025	665 901
Sales of services	5 270	6 441
Sales of land	-	3 135
Total sales revenue	600 295	675 477
Cost of sales		
Cost of finished goods sold	(415 066)	(474 319)
Cost of services sold	(5 842)	(7 771)
Cost of land sold	-	(13)
Inventory write down to the net realisable value	233	576
Total cost of sales	(420 675)	(481 527)
Gross profit on sales	179 620	193 950

7.18. Income tax in the income statement

INCOME TAX	01.01 - 30.06.2020	01.01 - 30.06.2019
	<i>(unaudited)</i>	<i>(unaudited)</i>
Current income tax	(20 423)	(31 097)
Deferred tax in the income statement	(1 607)	5 202
Total	(22 030)	(25 895)



7.19. Earnings per share

ALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE	01.01 - 30.06.2020	01.01 - 30.06.2019
	<i>(unaudited)</i>	<i>(unaudited)</i>
Basic earnings per share		
Profit for calculation of the basic earnings per share	90 700	195 712
The weighted average number of ordinary shares of the Company for the calculation of basic earnings per share	25 143 422	25 035 825
Basic earnings per share (PLN)	3.61	7.82
Diluted earnings per share		
Profit for calculation of the diluted earnings per share	90 700	195 712
Potential diluting shares related to the Management Share Option Programmes	148 736	122 042
The weighted average number of ordinary shares of the Company for the calculation of diluted earnings per share	25 292 158	25 157 867
Diluted earnings per share (PLN)	3.59	7.78

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

Counterparty	Transaction description	01.01- 30.06.2020	01.01- 30.06.2019
		<i>(unaudited)</i>	<i>(unaudited)</i>
DOM DEVELOPMENT S.A. AS A BUYER OF GOODS OR SERVICES:			
Woodsford Consulting Limited	Consulting services as per the agreement dated 27 June 2007 as annexed	1 308	1 442
Hansom Property Company Limited	Consulting services as per the agreement dated 2 January 2001 as annexed	1 122	948
M & M Usługi Doradcze M. Kolarski	Consulting services	21	113
Mirabelle Investments sp. z o.o.	Other	6	29
Dom Construction sp. z o.o.	Construction services	176 802	111 174
Dom Construction sp. z o.o.	Other	289	423
Euro Styl Construction sp. z o.o.	Cooperation Agreements	14	-
Dom Development Wrocław sp. z o.o.	Cooperation Agreements	-	45
DOM DEVELOPMENT S.A. AS A SELLER OF GOODS OR SERVICES:			
Dom Development Grunty sp. z o.o.	Other	3	3
Dom Development Morskie Oko sp. z o.o. w likwidacji (under liquidation)	Other	-	2
Dom Land sp. z o.o.	Other	2	2
Dom Development Wrocław sp. z o.o.	Cooperation Agreements	534	424
Dom Development Kredyty sp. z o.o.	Cooperation Agreements	191	189
Dom Construction sp. z o.o.	Cooperation Agreements	3 035	1 115
Euro Styl S.A.	Cooperation Agreements	446	250
Euro Styl Construction sp. z o.o.	Other	5	12
M2 Biuro sp. z o.o.	Other	2	2
M2 Hotel sp. z o.o.	Other	2	2
Mirabelle Investments sp. z o.o.	Other	77	2

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Counterparty	Transaction description	01.01- 30.06.2020 <i>(unaudited)</i>	01.01- 30.06.2019 <i>(unaudited)</i>
DOM DEVELOPMENT S.A. AS A CONTRIBUTOR OF SHARE CAPITAL TO SUBSIDIARIES:			
Dom Development Wrocław sp. z o.o.	Additional contribution to the share capital *)	-	5 555
M2 Biuro sp. z o.o.	Cash contribution to the share capital *)	-	200
M2 Hotel sp. z o.o.	Cash contribution to the share capital *)	-	200
DOM DEVELOPMENT S.A. AS A LENDER:			
Dom Development Wrocław sp. z o.o.	Borrowing provided	-	-
Dom Development Wrocław sp. z o.o.	Interest received on the borrowing	671	-
Euro Styl S.A.	Borrowing provided	-	70 000
Euro Styl S.A.	Interest received on the borrowing	1 375	305
DOM DEVELOPMENT S.A. AS A PAYER OF PREPAYMENTS:			
Dom Land sp. z o.o.	(Net) prepayment for purchase of land	29	-
Dom Construction sp. z o.o.	(Net) prepayment for construction services	-	(3 500)
DOM DEVELOPMENT S.A. AS A DIVIDEND PAYAER:			
Groupe Belleforêt S.à r.l. (previously in SCOP Poland S.à.r.l., and before then Dom Development B.V.)	Dividend paid	-	128 111
DOM DEVELOPMENT S.A. AS A DIVIDEND RECIPIENT:			
Euro Styl S.A.	Dividend received	-	87 694
Dom Development Grunty sp. z o.o.	Dividend received	-	32
Dom Development Kredyty sp. z o.o.	Dividend received	-	540

*) 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".



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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	
	30.06.2020 <i>(unaudited)</i>	31.12.2019	30.06.2020 <i>(unaudited)</i>	31.12.2019
Total balance	175 347	175 649	53 304	37 273
Subsidiaries	175 311	175 649	53 302	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.	129	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.	93	1	-	-
Dom Development Kredyty sp. z o.o.	12	10	-	-
Dom Construction sp. z o.o.	382	836	53 302	36 832
Dom Construction sp. z o.o. additional contributions to the share capital*)	3 000	3 000	-	-
M2 Biuro sp. z o.o.	-	-	-	-
M2 Hotel sp. z o.o.	-	-	-	-
Other entities	36	-	2	369
M&M Usługi Doradcze M. Kolarski	-	-	2	1
Dom Land sp. z o.o.	36	-	-	-
Woodsford Consulting Limited	-	-	-	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 June 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)			
				30.06.2020		
Programme IV	500 000	500 000	300 000			
Programme V	250 000	250 000	50 000			

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

**Exercise of the share options**

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

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

See note 7.10 for details concerning the shares.

Grant of new share options

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

The proposed grant of new share options as put forward after the balance sheet date has been described in note 7.26.

Expiry of share options

In the six-month period ended 30 June 2020 no share options expired.

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

In the six-month periods ended 30 June 2020 and 2019 the amounts of PLN 2 151 thousand and PLN 1 361 thousand respectively, were accounted for in the income statement for the management options granted and in the supplementary capital.

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

SHARE OPTIONS		01.01 - 30.06.2020	01.01 - 30.06.2019
		<i>(unaudited)</i>	<i>(unaudited)</i>
Unexercised options at the beginning of the period	Number of options	550 000	400 000
	Total exercise price	23 000	14 000
Options granted in the period	Number of options	-	-
	Total option exercise value	-	-
Options expired in the period	Number of options	-	-
	Total option exercise value	-	-
Options exercised in the period	Number of options	150 000	100 000
	Total option exercise value	6 000	3 500
	Weighted average exercise price per share (PLN per share)	40.00	35.00
Unexercised options at the end of the period	Number of options	400 000	300 000
	Total exercise price	17 000	10 500
Exercisable options at the beginning of the period	Number of options	150 000	100 000
	Total exercise price	6 000	3 500
Exercisable options at the end of the period	Number of options	-	-
	Total exercise price	-	-



7.22. Contingent liabilities

CONTINGENT LIABILITIES	30.06.2020 <i>(unaudited)</i>	31.12.2019
Guarantees	963	963
Sureties	33 316	42 034
Total	34 279	42 997

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

COLLATERALS FOR LIABILITIES	30.06.2020 <i>(unaudited)</i>	31.12.2019
Promissory notes, including:		
– promissory notes as an additional security for the claims of PKO BP under the granted loan	-	-
– promissory notes as other security	-	2 000
Total	-	2 000

In the six-month period ended 30 June 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 June 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 six-month period ended 30 June 2020, the most important factor affecting the ongoing activities of the Company was the announcement of the state of COVID-19 epidemic 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, the COVID-19 epidemic had no effect on the financial results presented in the interim condensed financial statements for the period ended 30 June 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 completed apartments were handed over to customers on time. However, the travel and business restrictions resulted in a temporary drop in ongoing sales, which was particularly evident in April. Still, May and June were a period of strong recovery of demand. On account of the highly volatile and uncertain situation, at the beginning of the epidemic, the Company's Management Board halted the commencement of some projects that were ready to start and postponed the completion of ongoing investment land purchases. In response to the first signs of recovery, already at the end of April, the Company added four new projects to the offer, and they proved to be a sales success.

The Management Board of the Company decided to secure the Company's liquidity through launching credit lines of PLN 200 000 thousand in March 2020, owing to which the balance of cash in hand and funds in the Company's escrow accounts as at 30 June 2020 were PLN 402 673 thousand, while debt arising from bonds and credit facilities was PLN 460 000 thousand.

On 6 April 2020, the Company's Management Board decided to exercise the one-time option to reschedule the Ordinary General Shareholders' Meeting to a later date on account of the outbreak of COVID-19 and convened it to 31 August 2020. The Company's Management Board decided to suspend the initial recommendation of dividend payment out of net profit for 2019 in the amount of PLN 9.50 per share and to issue a new recommendation with the greatest possible knowledge of the impact of the COVID-19 epidemic on the activities of the Company and the Group.

The derogation from the initial recommendation to pay PLN 239 575 thousand as dividend out of the Company's 2019 net profit on 25 June 2020 had a significant impact on the Company's balance sheet as at 30 June 2020 and on its cash flow statement in the first half of 2020.

On 4 August 2020, the Company's Management Board adopted a resolution to uphold the initial recommendation for dividend payment in the amount of PLN 9.50 per share, i.e. in the total amount of PLN 239 575 009.00, i.e. 79% of the Company's 2019 profit. The Management Board recommends to allocate the remainder of the Company's net profit in the amount of PLN 65 089 927.64 to the Company's supplementary capital. In respect of the distribution of 2019 profits, the Management Board of the Company has proposed that the dividend date be 7 September 2020 and the dividend payment date be 14 September 2020. The dividend recommendation for 2019 was adopted by the Management Board after taking into account the last-five-month figures concerning the impact of COVID-19 on the Company's operations and finance, and reflects the Company's high liquidity and strong balance sheet.

In addition to the postponement of the Company's AGM, also resolutions were postponed concerning the distribution of net profit and dividend payments by the Company's subsidiaries, which negatively affected the financial income compared to the first half of 2019 and, consequently, the net profit of the Company, which decreased by 54% YOY, as financial income from dividends from subsidiaries of PLN 88 266 thousand were recognised last year. This distortion is temporary and will not affect the Company's annual result.

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

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

Project	Standard	Number of apartments	Number of commercial units	Started in
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
Total		715	13	

Projects where the construction was completed in the period from 1 January 2020 until 30 June 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
Total		606	23	

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

Number of apartments and retail units delivered	2020	2019
Q1	430	1 112
Q2	500	369
Total	930	1 481

7.25. Dividends

Decisions and recommendations of the Management Board regarding the date (dividend date and dividend payment day) and amount of dividend in 2020 have been described in note 7.24.



7.26. Material post-balance sheet events

Proposed adoption of a new share 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, Director for Investment Realization (hereinafter "Programme VI").

In accordance with the terms 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 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.

Decrease in loan liabilities

In July 2020, the Company repaid liabilities under revolving overdraft facilities in the amount of PLN 200 000 thousand, which as at 30 June 2020 were disclosed in the balance sheet in long-term liabilities. The decision to repay these liabilities was made by the Company's Management Board, taking into account the high liquidity of the Company and the market environment.

7.27. Forecasts

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

7.28. Selected financial data translated into euro

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

SELECTED DATA FROM THE BALANCE SHEET	30.06.2020 <i>(unaudited)</i>	31.12.2019
	thousand Euro	thousand Euro
Total current assets	493 009	468 645
Total assets	605 798	589 924
Total shareholders' equity	271 766	262 295
Long-term liabilities	125 636	84 776
Short-term liabilities	208 396	242 853
Total liabilities	334 032	327 629
<i>PLN/EURO exchange rate as at the balance sheet date</i>	<i>4.4660</i>	<i>4.2585</i>

SELECTED DATA FROM THE INCOME STATEMENT	01.01 - 30.06.2020 <i>(unaudited)</i>	01.01 - 30.06.2019 <i>(unaudited)</i>
	thousand Euro	thousand Euro
Sales revenue	135 162	157 527
Gross profit on sales	40 443	45 231
Operating profit	27 261	31 324
Profit before tax	25 382	51 681
Net profit	20 422	45 642
<i>Average PLN/EURO exchange rate for the reporting period</i>	<i>4.4413</i>	<i>4.2880</i>



Dom Development S.A.

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