DOM DEVELOPMENT GROUP

REPORT OF THE SUPERVISORY BOARD OF DOM DEVELOPMENT S.A.

ON THE ASSESSMENT OF:

- **SEPARATE FINANCIAL STATEMENTS OF DOM DEVELOPMENT S.A. FOR THE YEAR ENDED 31 DECEMBER 2024**
- **CONSOLIDATED FINANCIAL STATEMENTS OF THE DOM DEVELOPMENT GROUP FOR THE YEAR ENDED 31 DECEMBER 2024**
- **REPORT OF THE MANAGEMENT BOARD ON THE OPERATIONS OF DOM DEVELOPMENT S.A. AND ITS CAPITAL GROUP IN 2024**

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1 ASSESSMENT OF THE FINANCIAL STATEMENTS AND MANAGEMENT BOARD'S REPORT

1.1 SCOPE OF ASSESSMENT

The Supervisory Board of Dom Development S.A. of Warsaw has assessed:

a) Separate financial statements of Dom Development S.A. for the year ended 31 December 2024

The separate financial statements of Dom Development S.A. with its registered office at Pl. Piłsudskiego 3 in Warsaw (the "Company") for the year ended 31 December 2024, prepared in accordance with International Financial Reporting Standards adopted by the European Union ("IFRS"), comprising:

- Separate balance sheet as at 31 December 2024, showing total assets and total equity and liabilities of PLN 3,545,312 thousand;
- Separate statement of profit or loss for the 12 months ended 31 December 2024, showing net profit of PLN 419,020 thousand;
- Separate statement of comprehensive income for the 12 months ended 31 December 2024, showing net comprehensive income of PLN 418,227 thousand;
- Separate statement of cash flows for the 12 months ended 31 December 2024, showing cash and cash equivalents as at 31 December 2024 of PLN 129,874 thousand;
- Separate statement of changes in equity for the 12 months ended 31 December 2024, showing total equity as at 31 December 2024 of PLN 1,470,324 thousand;
- Notes to the separate financial statements.

b) Consolidated financial statements of the Dom Development Group for the year ended 31 December 2024

The consolidated financial statements of the Dom Development Group (the "Group"), in which the parent company is Dom Development S.A. with its registered office at Pl. Piłsudskiego 3 in Warsaw, for the year ended 31 December 2024, prepared in accordance with IFRS, comprising:

- Consolidated balance sheet prepared as at 31 December 2024, showing total assets and total equity and liabilities of PLN 5,288,518 thousand;
- Consolidated statement of profit or loss for the 12 months ended 31 December 2024, showing net profit of PLN 569,157 thousand;
- Consolidated statement of comprehensive income for the 12 months ended 31 December 2024, showing net comprehensive income of PLN 568,364 thousand;
- Consolidated statement of cash flows for the 12 months ended 31 December 2024, showing cash and cash equivalents as at 31 December 2024 of PLN 360,846 thousand;
- Consolidated statement of changes in equity for the 12 months ended 31 December 2024, showing total equity as at 31 December 2024 of PLN 1,701,836 thousand;
- Notes to the consolidated financial statements.

c) Management Board's Report on the operations of Dom Development S.A. and the Dom Development Group in 2024.

1.2 AUDIT OF FINANCIAL STATEMENTS

The audit of the separate financial statements of Dom Development S.A. and the consolidated financial statements of the Dom Development Group for the year ended 31 December 2024 was performed based on an agreement between Dom Development S.A. and PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt sp. k., with its registered office at ul. Polna 11 in Warsaw, entered in the list of statutory auditors of financial statements maintained by the National Council of Statutory Auditors under Reg. No. 144. The audit engagement agreement had been renewed under Resolution No. 04/08/23 of the Supervisory Board of Dom Development S.A. dated 31 August 2023.

The audit was conducted by the Auditor in accordance with:

a) Polish Act on Statutory Auditors, Audit Firms, and Public Oversight of 11 May 2017,

b) Polish Standards on Auditing adopted by resolutions of the National Council of Statutory Auditors and resolution of the Polish Agency for Audit Oversight, and

c) EU Regulation No. 537/2014 of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities.

1.3 SUPERVISORY BOARD'S ASSESSMENT

In the opinion of the Supervisory Board:

The separate financial statements of Dom Development S.A. for the year ended 31 December 2024:

- present fairly and clearly all information relevant to the assessment of Dom Development S.A.'s assets and financial position as at 31 December 2024, and of its financial performance and cash flows for the financial year from 1 January 2024 to 31 December 2024,
- have been prepared in accordance with IFRS,
- comply with the legal regulations governing the preparation of financial statements both in terms of form and content,
- have been prepared in a manner consistent with the accounting records and underlying documents, as well as with the actual state of affairs and in compliance with applicable legal regulations.

The consolidated financial statements of the Dom Development Group for the year ended 31 December 2024:

- present fairly and clearly all information relevant to the assessment of the Dom Development Group's assets and financial position as at 31 December 2024, and of its financial performance and cash flows for the financial year from 1 January 2024 to 31 December 2024,
- have been prepared in accordance with IFRS,
- comply with the legal regulations governing the preparation of consolidated financial statements both in terms of form and content,
- have been prepared in a manner consistent with the accounting records and underlying documents, as well as with the actual state of affairs and in compliance with applicable legal regulations.

The Management Board's Report on the operations of Dom Development S.A. and the Dom Development Group in 2024:

- is complete within the meaning of Art. 49 and Art. 63x of the Polish Accounting Act and with the Minister of Finance's Regulation on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated 29 March 2018. Information presented in the Management Board's Report on the operations of the Dom Development Group is consistent with the contents of the audited separate financial statements and the audited consolidated financial statements,
- have been prepared in a manner consistent with the accounting records and underlying documents, as well as with the actual state of affairs and in compliance with applicable legal regulations.

2 ASSESSMENT OF THE SITUATION OF DOM DEVELOPMENT S.A.

ASSESSMENT OF THE COMPANY'S SITUATION BASED ON THE SEPARATE FINANCIAL STATEMENTS OF DOM DEVELOPMENT S.A. FOR THE YEAR ENDED 31 DECEMBER 2024 AND THE MANAGEMENT BOARD'S REPORT ON THE OPERATIONS OF DOM DEVELOPMENT S.A. AND THE DOM DEVELOPMENT GROUP IN 2024

2.1 MAJOR HOLDINGS OF SHARES IN DOM DEVELOPMENT S.A.

SHAREHOLDERS HOLDING DIRECTLY OR INDIRECTLY (THROUGH SUBSIDIARIES) AT LEAST 5% OF THE TOTAL VOTING RIGHTS AT THE GENERAL MEETING OF DOM DEVELOPMENT S.A. (GM) AS AT 31 DECEMBER 2024

As at 31 December 2024, the parent, Dom Development S.A., was controlled by Groupe Belleforêt S.à r.l. of Luxembourg, which held 54.81% of its shares.

The table below lists the shareholders holding, directly or indirectly (through subsidiaries), major holdings of shares in Dom Development S.A. as at 31 December 2024:

AS AT 31 DECEMBER 2024	NUMBER OF SHARES	CHANGE IN SHAREHOLDING VS 31 DECEMBER 2023	NUMBER OF VOTING RIGHTS AT GM	OWNERSHIP AND VOTING INTEREST
Groupe Belleforêt S.à r.l.	14,140,441	-	14,140,441	54.81%
PTE Allianz Polska S.A.*)	2,501,493	-	2,501,493	9.70%
Jarosław Szanajca	1,454,050	-	1,454,050	5.64%

* The shareholding of PTE Allianz Polska S.A. is presented in accordance with the notification dated 15 May 2023 and includes shares held by Allianz OFE.

2.2 ASSESSMENT OF KEY ECONOMIC AND FINANCIAL DATA DISCLOSED IN THE SEPARATE FINANCIAL STATEMENTS OF DOM DEVELOPMENT S.A. FOR THE YEAR ENDED 31 DECEMBER 2024

2.2.1 SEPARATE BALANCE SHEET

STRUCTURE OF THE COMPANY'S ASSETS AS AT 31 DECEMBER 2024 WITH CHANGES RELATIVE TO YEAR-END 2023

ASSETS	31 Dec 2024 (PLN thousand)	Share in total assets	31 Dec 2023 (PLN thousand)	Change y/y
Non-current assets				
Investments in subsidiaries, associates and joint ventures	449,328	13%	472,613	(4.9)%
Long-term loans granted	154,500	4%	462,337	(66.6)%
Other non-current assets	56,153	2%	67,260	(16.5)%
Total non-current assets	**659,981**	**19%**	**1,002,210**	**(34.1)%**
Current assets				
Inventory	2,124,970	60%	2,050,861	3.6%
Trade and other receivables	56,472	2%	52,790	7.0%
Income tax receivables	48,425	1%	0	N/A
Other current assets	22,525	1%	74,836	(69.9%)
Loans granted	360,750	10%	0	N/A
Cash and cash equivalents, and current financial assets	272,189	8%	116,462	133.7%
Total current assets	**2,885,331**	**81%**	**2,294,949**	**25.7%**
TOTAL ASSETS	**3,545,312**	**100%**	**3,297,159**	**7.5%**

STRUCTURE OF THE COMPANY'S EQUITY AND LIABILITIES AS AT 31 DECEMBER 2024 WITH CHANGES RELATIVE TO YEAR-END 2023

EQUITY AND LIABILITIES	31 Dec 2024 (PLN thousand)	Share in total equity and liabilities	31 Dec 2023 (PLN thousand)	Change y/y
Equity				
Share capital	25,798	1%	25,698	0.4%
Share premium	276,458	8%	271,558	1.8%
Capital reserves, statutory reserve funds and retained earnings	1,168,068	33%	1,070,909	9.1%
Total equity	**1,470,324**	**41%**	**1,368,165**	**7.5%**
Liabilities				
Total non-current liabilities	580,095	16%	550,872	5.3%
Total current liabilities	1,494,893	42%	1,378,122	8.5%
Total liabilities	**2,074,988**	**59%**	**1,928,994**	**7.6%**
TOTAL EQUITY AND LIABILITIES	**3,545,312**	**100%**	**3,297,159**	**7.5%**

2.2.2 SEPARATE STATEMENT OF PROFIT OR LOSS

Selected items of the Company's statement of profit or loss for the year ended 31 December 2024 relative to 2023:

	1 Jan– 31 Dec 2024 (PLN thousand)	Share in revenue	1 Jan– 31 Dec 2023 (PLN thousand)	Change y/y
Revenue	1,782,984	100.0%	1,487,820	19.8%
Cost of sales	(1,281,915)	71.9%	(999,495)	28.3%
Gross profit	501,069	28.1%	488,325	2.6%
Operating profit	314,284	17.6%	333,915	(5.9)%
Profit before tax	482,367	27.1%	509,979	(5.4)%
Net profit	**419,020**	**23.5%**	**441,114**	**(5.0)%**
Earnings per share (PLN)	**16.25**		**17.19**	**(5.5)%**

In 2024, the Company recognised revenue of PLN 1,783 million, representing a 19.8% increase compared with the previous year. The revenue growth was driven primarily by a higher net selling price of units delivered in the period, a slight increase in the number of units delivered to retail customers compared with the previous year (1,969 vs 1,928 in 2023), a significant rise in revenue from the sale of land (PLN 46 million vs PLN 1 million the year before), and a year-on-year increase in revenue from rendering of services (PLN 148 million vs PLN 99 million).

The 2.6% increase in gross profit (to PLN 501 million) was noticeably lower than the change in revenue. In 2024, gross profit margin came in at 28.1%, compared with 32.8% a year earlier, due largely to a lower average gross margin on development projects containing units delivered in the period. In 2024, gross profit margin on sale of finished products was 28.9%, down from a very high level of 33.6% posted in 2023. In 2024, the Company also recorded revenue from resale of some land at PLN 46 million, with a margin of 0.7%.

The Company's profit before tax decreased in 2024 by 5.4%, to PLN 482 million. In the reporting period, the Company recorded a PLN 13 million increase in gross profit, with concurrent growth in selling costs – up by PLN 13 million (26% year on year), general and administrative expenses – up by PLN 16 million (17% year on year), and finance costs – up by PLN 9 million.

In 2024, the Company delivered net profit of PLN 419 million, down by 5.0% year on year. Net profit margin came in at 23.5%.

2.2.3 SEPARATE STATEMENT OF CASH FLOWS

	2024 (PLN thousand)	2023 (PLN thousand)	Change y/y
Cash and cash equivalents at beginning of reporting period	34,104	184,078	**(81.5)%**
Net cash from operating activities	164,064	67,810	141.9%
Net cash from investing activities	159,736	41,240	287.3%
Net cash from financing activities	(228,030)	(259,024)	11.9%
Cash and cash equivalents at end of reporting period	**129,874**	**34,104**	**280.8%**

At the beginning of 2024, cash and cash equivalents stood at PLN 34 million, compared with PLN 130 million at the year-end. Accordingly, the Company's cash and cash equivalents in the period between 1 January 2024 and 31 December 2024 increased by PLN 96 million.

In 2024, net cash recorded by the Company from operating activities was positive at PLN 164 million, up by 142% year on year. The increase was driven primarily by slightly lower expenditure on new land purchases for future development projects as well as successfully deferring expenditure to future years, reflecting the Company's response to a cooling of the property development market. At the same time, a higher year-on-year number of ongoing development projects at the end of 2024 resulted in a significant increase of current liabilities, which rose by PLN 116 million compared with the end of 2023. Net cash from operating activities at the reported level (PLN 164 million) should be considered a good result. The Management Board adeptly navigates market dynamics, adapting the Company's operations to shifting conditions, particularly amid a noticeable imbalance between growing supply and demand constraints driven by high mortgage costs for consumers. This is particularly evident in the way the Company adjusts it's inventory expenditures (on project construction, design and purchase of new land) to match proceeds from customers.

In 2024, net cash recorded by the Company from investing activities was positive at PLN 160 million, compared with PLN 41 million in the previous year. The change in net cash from investing activities in 2024 was principally due to dividends and interim dividends received from subsidiaries (as it was in the prior year), totalling PLN 156 million (PLN 161 million in 2023). In 2024 net cash flows from loans granted to subsidiaries were negative at PLN 7 million (in 2023, the negative net cash flows were much higher, at PLN 122 million), which reflects the growing financial independence of our subsidiaries.

In 2024, the Company again recorded a significant level of negative net cash flows from financing activities at PLN 228 million, having paid the balance of the dividend due for 2023 of PLN 168 million in addition to an interim dividend against the 2024 profit of PLN 155 million (adding up to a total of PLN 323million). At the same time, the Company's debt under bonds increased by PLN 90 million.

2.2.4 PROFITABILITY RATIOS

In 2024, the Company's profitability ratios decreased relative to the very high levels achieved in 2023.

Key factors contributing to these decreases are outlined in section 2.2.2 above. The lower profitability ratios were mainly attributable to a slightly lower average margin on development projects completed by the Company in 2024. This, in turn, resulted from multiple factors, including the location of individual projects and their specific revenue and cost structures, which vary for each development. It is important to note, though, that the profitability of these projects remained consistently solid and satisfactory.

The increase in selling expenses in an increasingly challenging and competitive residential market, along with the rise in general administrative expenses, including costs related to the supervision and oversight over the Company's expanding operations in non-Warsaw markets (carried out through subsidiaries), further drove down the operating profit and net profit margins compared with previous years.

The year-on-year decline in net profit for 2024, coupled with a moderate steady increase in both net assets and total assets, resulted in a decrease of return on equity to 30.6% from 32.7% in 2023. In 2024, return on assets fell to 12.7%, compared with a very high level of 14.2% the year before.

In the opinion of the Supervisory Board, the Company's profitability in 2024 remained at a satisfactory level, although it did decline relative to the previous year. The profitability achieved in 2024 continues to reflect effective asset management, while also demonstrating the Management Board's diligence in overseeing development projects outside of Warsaw.

PROFITABILITY RATIOS	2024	2023
Gross profit margin (gross profit / net revenue)	28.1%	32.8%
Operating profit margin (EBIT / net revenue)	17.6%	22.4%
Net profit margin (net profit / net revenue)	23.5%	29.6%
Return on assets (ROA; net profit / total assets at beginning of period)	12.7%	14.2%
Return on equity (ROE; net profit / equity at beginning of period)	30.6%	32.7%

2.2.5 LIQUIDITY RATIOS

At the end of 2024, the quick ratio increased significantly year-on-year, to 1.20, from 0.61 recorded at the end of 2023. Cash ratio also improved, to 0.2 at the end of 2024 from 0.08 at the end of 2023.

At the same time, the current ratio declined to 4.55 (compared from 5.71 at the end of 2023), although this is still considered to be at an exceptionally high level.

Notably, these strong liquidity ratios were achieved despite the Management Board's decision to distribute in December 2024 an interim dividend against the 2024 profit of PLN 155 million.

The consistently excellent liquidity ratios, but also the availability of funding sources (including open credit lines with five banks totalling PLN 625 million), resulted from a series of long-term strategic decisions and measures taken by the Management Board. The Company's strong liquidity position is largely attributable to an appropriate financing mix, with a particular focus on medium and long-term financing over short-term debt. These measures and decisions reflect the approach to managing and financing development projects (such as decisions on the timing of project launches and product mix offered for sale), the strategy for acquiring new land on the Warsaw market, as well as the Company's acquisitions and expansion in non-Warsaw markets.

The Company's credibility in the financial market remains strong, as evidenced by its diversified financing structure and the continued willingness of both banks and other financial institutions to provide the Company with credit and other forms of long-term financing, including bonds.

LIQUIDITY RATIOS	2024	2023
Current ratio (current assets / current liabilities*)	4.55	5.71
Quick ratio ((current assets less inventory) / current liabilities*)	1.20	0.61
Cash ratio (cash and cash equivalents / current liabilities*)	0.20	0.08

*) Current liabilities excluding deferred income

2.2.6 DEBT RATIOS

Thanks to a well-balanced operational policy (including appropriately timed project launches and phasing, and controlled property acquisitions) combined with a prudent financial policy, the Company's debt ratios remain safe and continue to support its creditworthiness in the financial market.

The equity to assets, debt to equity and total debt ratios at the end of 2024 remained largely unchanged compared with year-end 2023, reflecting the Management Board's consistent approach to financing.

Among the Company's debt ratios under review, the most significant changes were observed in those pertaining to interest-bearing debt and net interest-bearing debt. The interest-bearing debt ratio increased by 3.5pp, due primarily to the new issue of five-year bonds, which led to a PLN 90 million increase in debt under this category. At the same time, the net interest-bearing debt ratio decreased by 6.7pp, driven by an increase in cash and cash equivalents (defined as cash and cash equivalents, including funds in escrow accounts) of PLN 157 million during the period.

The Management Board's financial policy is to maintain a balance between debt (including interest-bearing debt), net assets, and current assets, which is a key priority. Additionally, the Management Board is committed to financing the operations of the entire Group, including through the provision of loans to subsidiaries.

It is also worth noting that the Management Board's decision to pay an interim dividend of PLN 155 million against the 2024 profit in December 2024 was made with due regard to the Company's liquidity position.

DEBT RATIOS	2024	2023
Equity to assets ratio (equity / total assets)	41.5%	41.5%
Debt to equity ratio (total liabilities / equity)	141.1%	141.0%
Total debt ratio (total liabilities / total assets)	58.5%	58.5%
Interest-bearing debt ratio (interest-bearing liabilities / equity)	41.5%	38.0%
Net interest-bearing debt ratio ((interest bearing liabilities less cash and cash equivalents*) / equity)	23.9%	30.6%

*) Cash and cash equivalents, including funds in escrow accounts

2.2.7 SUMMARY AND ASSESSMENT

Based on the separate financial statements of Dom Development S.A. for the financial year 2024 and the Management Board's Report on the operations of Dom Development S.A. and the Dom Development Group in 2024, the Supervisory Board assesses 2024 as another highly successful year for Dom Development S.A.

This assessment is made particularly in the context of ongoing uncertainties triggered by Russia's invasion of Ukraine, as well as a noticeable cooling of demand in the residential market over the course of 2024. The softer demand can be attributed to several factors, including uncertainty regarding the proposed government mortgage support scheme, which the government ultimately abandoned in December 2024, and persistently high interest rates, making mortgages in Poland some of the most expensive in the European Union. At the same time, a gradual recovery was seen in housing supply from property developers, following very low levels at the beginning of the year. For buyers, this meant a wider range of available properties and a slowdown in the growth of housing prices. However, for developers, the market became more challenging, with many of the Company's competitors experiencing year-on-year declines in sales.

In managing its financial resources last year, the Company focused primarily on securing long-term financing sources for its ongoing projects, while keeping liquidity ratios at robust levels suited to its operational needs. The Management Board regularly reviews the existing financing structure and strategically plans its optimal future capital structure to achieve satisfactory financial ratios and results over the medium term, while ensuring adequate liquidity and financial security for both the Company and its subsidiaries within the Dom Development Group.

Following the Company's strong performance in 2024, the forthcoming year is bound to present a range of challenges, not only for developers but for the Polish economy as a whole. The greatest threats to the industry remain unchanged, including:

- elevated interest rates, which affect the affordability of mortgage loans,
- persistently high inflation,
- the Russian invasion of Ukraine, which started on 24 February 2022 and which continues to significantly destabilise the economic environment across the region,
- difficulties in obtaining administrative decisions necessary for the execution of development projects,
- constantly evolving legal regulations, with examples including tax burdens on institutional purchases of residential units and new regulations concerning technical requirements for buildings and their location.

In the opinion of the Supervisory Board, the extensive experience accumulated over the years by the Company's Management Board and its executive team, along with the Company's financial and non-financial resources, resulting from well-thought-out and prudent financial and investment policies, should allow the Company to mitigate the adverse impact of the unstable economic environment caused by the factors outlined above.

The Management Board's main responsibility is not only to ensure that the Company remains prepared to respond swiftly to any emerging challenges but, more importantly, is able to maintain its leading position in the Warsaw residential market. Additionally, the Management Board must support and coordinate the activities of other entities within the Dom Development Group as they expand into the Tricity, Wroclaw, and Krakow markets. Key actions undertaken to these ends include:

- ensuring the availability of appropriate financing sources (particularly medium- and long-term) for the Company and the Group, both for current and future development projects, ongoing operations, and overall financial security,
- engaging with banks and assisting customers in obtaining mortgage loans for the purchase of residential units,
- aligning the Company's available stock with market needs,
- adjusting land purchase expenditures to the Company's current and projected long-term needs,

- optimally deploying the existing land bank,
- driving sales growth through process optimisation and enhanced marketing efforts,
- continuously strengthening customer trust in the Dom Development brand by maintaining high quality standards for sold units,
- adjusting the organisational structure and workforce size to the expected level of operational activity,
- closely monitoring project budgets at all stages of development,
- optimising general administrative expenses,
- responding swiftly to legislative changes, and
- effectively managing crisis situations caused by various external factors, both local and global in scope.

Furthermore, in light of Russia's invasion of Ukraine, the Management Board's responsibility is to continuously track shifts in the macroeconomic landscape and respond adequately to emerging developments.

In 2024, as in previous years, the Company's operations generated significant earnings, as shown in the separate statement of profit or loss.

In the fourth quarter of 2024, the Company – for the second time in its history – paid an interim dividend against the current period's profit.

Having reviewed the separate financial statements for 2024 and the Management Board's Report on the operations of Dom Development S.A. and the Dom Development Group in 2024, the Supervisory Board shares the Management Board's view that Dom Development S.A.'s financial condition at year-end 2024 was sound and provided a solid foundation for the Company's continued growth.

This assessment is based on an analysis of both the Company's current operations and financial position, but also of initiatives taken by the Management Board and outcomes delivered. In particular, they concern the Management Board's ability to respond swiftly, effectively, and professionally to market developments, both over the past several years and in the more recent quarters.

Over the years, the Company has established itself as a leader in the Warsaw residential market, building a strong and well-founded position while simultaneously accumulating extensive experience not only in the execution of development projects but also in their sales and financing.

3 ASSESSMENT OF THE SITUATION OF THE DOM DEVELOPMENT GROUP

ASSESSMENT OF THE GROUP'S SITUATION BASED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE DOM DEVELOPMENT GROUP FOR THE YEAR ENDED 31 DECEMBER 2024 AND THE MANAGEMENT BOARD'S REPORT ON THE OPERATIONS OF DOM DEVELOPMENT S.A. AND THE DOM DEVELOPMENT GROUP IN 2024

3.1 MAJOR HOLDINGS OF SHARES IN DOM DEVELOPMENT S.A.

SHAREHOLDERS HOLDING DIRECTLY OR INDIRECTLY (THROUGH SUBSIDIARIES) AT LEAST 5% OF THE TOTAL VOTING RIGHTS AT THE GENERAL MEETING OF DOM DEVELOPMENT S.A. AS AT 31 DECEMBER 2024

As at 31 December 2024, the Group's parent, Dom Development S.A., was controlled by Groupe Belleforêt S.à r.l. of Luxembourg, which held 54.81% of its shares.

The table below lists the shareholders holding, directly or indirectly (through subsidiaries), major holdings of shares in Dom Development S.A. as at 31 December 2024:

AS AT 31 DECEMBER 2024	NUMBER OF SHARES	CHANGE IN SHAREHOLDING VS 31 DECEMBER 2023	NUMBER OF VOTING RIGHTS AT GM	OWNERSHIP AND VOTING INTEREST
Groupe Belleforêt S.à r.l.	14,140,441	-	14,140,441	54.81%
PTE Allianz Polska S.A.*)	2,501,493	-	2,501,493	9.70%
Jarosław Szanajca	1,454,050	-	1,454,050	5.64%

* The shareholding of PTE Allianz Polska S.A. is presented in accordance with the notification dated 15 May 2023 and includes shares held by Allianz OFE.

3.2 ASSESSMENT OF KEY ECONOMIC AND FINANCIAL DATA DISCLOSED IN THE CONSOLIDATED FINANCIAL STATEMENTS OF THE DOM DEVELOPMENT GROUP FOR THE YEAR ENDED 31 DECEMBER 2024

3.2.1 CONSOLIDATED BALANCE SHEET

STRUCTURE OF THE GROUP'S ASSETS AS AT 31 DECEMBER 2024 WITH CHANGES RELATIVE TO YEAR-END 2023

ASSETS	31 Dec 2024 (PLN thousand)	Share in total assets	31 Dec 2023 (PLN thousand)	Change y/y
Total non-current assets	**207,508**	**4%**	**156,665**	**32.5%**
Current assets				
Inventory	4,301,204	81%	3,837,118	12.1%
Trade and other receivables	109,740	2%	85,695	28.1%
Other current assets and loans granted	28,978	1%	77,357	(62.5)%
Income tax receivables	50,118	1%	2,645	1,794.8%
Cash and cash equivalents, and current financial assets	590,970	11%	403,834	46.3%
Total current assets	**5,081,010**	**96%**	**4,406,649**	**15.3%**
Total assets	**5,288,518**	**100%**	**4,563,314**	**15.9%**

STRUCTURE OF THE GROUP'S EQUITY AND LIABILITIES AS AT 31 DECEMBER 2024 WITH CHANGES RELATIVE TO YEAR-END 2023

EQUITY AND LIABILITIES	31 Dec 2024 (PLN thousand)	Share in total equity and liabilities	31 Dec 2023 (PLN thousand)	Change y/y
Equity				
Share capital	25,798	<1%	25,698	0.4%
Share premium less treasury shares	276,458	5%	271,558	1.8%
Capital reserves, statutory reserve funds and retained earnings	1,399,406	26%	1,152,202	21.5%
Total equity	**1,701,662**	**32%**	**1,449,458**	**17.4%**
Non-controlling interests	174	<1%	82	112.2%
Total equity	**1,701,836**	**32%**	**1,449,540**	**17.4%**
Liabilities				
Total non-current liabilities	766,357	14%	689,978	11.1%
Total current liabilities	2,820,325	53%	2,423,796	16.4%
Total liabilities	**3,586,682**	**68%**	**3,113,774**	**15.2%**
Total equity and liabilities	**5,288,518**	**100%**	**4,563,314**	**15.9%**

3.2.2 CONSOLIDATED STATEMENT OF PROFIT OR LOSS

The Group's consolidated statement of profit or loss for the year ended 31 December 2024 relative to 2023:

	1 Jan–31 Dec 2024 (PLN thousand)	Share in revenue	1 Jan–31 Dec 2023 (PLN thousand)	Change y/y
Revenue	3,168,177	100.0%	2,550,313	24.2%
Cost of sales	(2,149,016)	67.8%	(1,735,262)	23.8%
Gross profit	1,019,161	32.2%	815,051	25.0%
Operating profit	697,243	22.0%	558,193	24.9%
Profit before tax	706,432	22.3%	573,255	23.2%
Net profit	**569,157**	**18.0%**	**460,250**	**23.7%**
Earnings per share (PLN)	**22.07**		**17.94**	**23.0%**

In 2024, the Group recorded its highest ever profits, having generating net profit of PLN 569 million, up by 23.7% compared from the previous year, which had also been a record-breaking result. This performance was delivered on 24.2% revenue growth, with a 0.2% improvement in gross profit margin, to 32.2% (as described in section 3.2.4), coupled with a 19.9% increase in selling costs and in general and administrative expenses.

The financial result achieved by the Group, with an increasingly significant contribution from companies operating in non-Warsaw markets, is particularly pleasing, confirming the validity and effectiveness of the Group's business model.

3.2.3 CONSOLIDATED STATEMENT OF CASH FLOWS

	2024 (PLN thousand)	2023 (PLN thousand)	Change y/y
Cash and cash equivalents at beginning of reporting period	286,274	304,236	(5.9)%
Net cash from operating activities	378,472	267,725	41.4%
Net cash from investing activities	(72,503)	(15,692)	362.0%
Net cash from financing activities	(231,397)	(269,995)	(14.3)%
Cash and cash equivalents at end of reporting period	**360,846**	**286,274**	**26.0%**

In 2024, the Dom Development Group generated PLN 378 million of net cash flows from operating activities. The Supervisory Board believes this is an excellent result, attesting to the Group's healthy business model. The 41.4% year-on-year increase in this cash flow item (an increase of PLN 111 million) was largely attributable to higher sales (contracted units), translating into strong proceeds from customers, driven also by well-scheduled and timely completion of development projects. This is also reflected in the Group's balance sheet, showing a PLN 141 million year-on-year increase in deferred income (a reflection of customers providing advance cash payments). The Group's cash revenue more than offset its operating expenses in the period, comprising in particular expenditures on the Group's development projects and on land purchases for future projects (which are also recognised under operating activities).

In 2024, net cash recorded by the Group from investing activities was negative at PLN 73 million, due mainly to loans granted in the period (in a net amount of PLN 53 million) to joint ventures formed by Euro Styl S.A. At the same time, the Group incurred expenditure on intangible assets (software) and property, plant and equipment totalling PLN 22 million.

In 2024, the Group again recorded a significant level of negative net cash flows from financing activities of PLN 231 million. It resulted from distribution of the balance of dividend due for 2023 of PLN 168 million and an interim dividend against the 2024 profit of PLN 155 million (adding up to a total of PLN 323 million). At the same time, the Group's debt from issuance of bonds increased by PLN 90 million.

In 2024, the balance of the Group's consolidated cash and cash equivalents rose by a total of PLN 75 million, to PLN 361 million.

3.2.4 PROFITABILITY RATIOS

The profitability metrics delivered by the Group's operations in 2024 remained very strong.

Despite a noticeable cooling in the property development market over the past year, combined with stable construction costs, the Group successfully continued its strategy of maximising margins on development projects. These strong results are evidenced by the sustained strength of average gross margin, which not only remained high but also saw a slight increase, to 32.2% from 32.0% in 2023.

It is important to note that gross margin varies across the different markets in which the Group operates. The margin declined in the Warsaw market, as outlined in section 2.2.4, but this was offset by a marked increase in margin achieved in Wroclaw, and particularly in Krakow, which remains a relatively new market from the Group's perspective.

Return on assets increased by 1.3pp, to 12.5%, a result which the Supervisory Board considers very good. The Group's total assets are growing in proportion to its financial performance and scale of operations, driven primarily by an increase in inventory levels as well as other significant balance-sheet items, such as deferred income, underpinning the potential for future results. A portion of the Group's inventory comprises properties and expenditures on design and construction work incurred on units that have been sold (contracted) but not yet delivered to buyers.

The high and stable return on equity (ROE), which stood at 39.3% in 2024, serves as a testament to the Group's operational efficiency and the Management Board's ability to interpret and respond effectively to market signals.

PROFITABILITY RATIOS	2024	2023
Gross profit margin (gross profit / net revenue)	32.2%	32.0%
Operating profit margin (EBIT / net revenue)	22.0%	21.9%
Net profit margin (net profit / net revenue)	18.0%	18.0%
Return on assets (ROA; net profit / total assets at beginning of period)	12.5%	11.2%
Return on equity (ROE; net profit / equity at beginning of period)	39.3%	32.6%

3.2.5 LIQUIDITY RATIOS

Given the specific nature of the property development sector with its exceptionally long production cycles, and financing restrictions applicable to the sector, the Group's robust financial position is particularly impressive. This strength is underpinned by numerous strategic decisions and actions taken by the Company's Management Board in the past. The Group's strong liquidity position is largely attributable to an appropriate financing mix, with a particular focus on medium- and long-term financing over short-term debt. These measures and decisions reflect the approach to managing and financing development projects (such as decisions on the timing of project launches and product mix offered for sale), as well as the strategy for acquiring new land.

In the opinion of the Supervisory Board, the Group's liquidity position remains robust. The Supervisory Board notes that the Group's strong liquidity position enabled the Management Board, for the second time in the Company's history, to recommend and subsequently pay an interim dividend against the current year's profit.

The Dom Development Group maintained consistently strong liquidity. At the end of 2024, its current ratio remained strong, standing at 5.37.

The quick ratio was virtually unchanged at 0.82 as at 31 December 2024 (from 0.83 the prior year). It remains at a healthy level, confirming the Group's strong liquidity position, which serves as a key competitive advantage in an uncertain market environment, reinforcing confidence among customers, business partners, and financial institutions alike.

The cash ratio stood at 0.38 at the end of 2024, remaining close to the level recorded at year-end 2023 (0.41). This figure is particularly impressive given the payment in December 2024 of an interim dividend against the current year's profit of PLN 155 million, as well as interim dividend of PLN 141 million against the 2023 profit paid in December 2023.

LIQUIDITY RATIOS	2024	2023
Current ratio (current assets / current liabilities*)	5.37	6.39
Quick ratio ((current assets less inventory) / current liabilities*)	0.82	0.83
Cash ratio (cash and cash equivalents / current liabilities*)	0.38	0.41

*) Current liabilities excluding deferred income

3.2.6 DEBT RATIOS

Thanks to a well-balanced operational policy (including appropriately timed project launches and pacing, and controlled property acquisitions) combined with a prudent financial policy (with a carefully structured financing model), the Group's debt ratios remain safe and continue to support its creditworthiness in the financial market. The debt ratios at the end of 2024 remained largely unchanged compared with year-end 2023, reflecting the Management Board's consistent approach to financing.

Among the Group's debt ratios under review, the most significant changes were observed in that pertaining to net interest-bearing debt, which changed from 9.0% at year-end 2023 to a very comfortable level of 1.9% at year-end 2024, despite the interim dividend payment in December 2024.

The Group's debt structure was primarily affected by bonds in issue, with an aggregate value of PLN 610 million, including the most recently issued five-year bonds with a value of PLN 140 million (issued in December 2024).

Another change concerned the debt to equity ratio, which decreased from 214.8% to 210.8% in 2024. This slight decrease reflects the balanced and proportional growth of both the Group's net assets (up by PLN 252 million) and key liability components, including interest-bearing debt (up by PLN 90 million), deferred income (up by PLN 141 million), as well as short-term trade payables, taxes payable, and other liabilities (up by PLN 213 million).

An analysis of the debt ratios and measures taken by the Management Board confirms its priority focus on maintaining a well-balanced ratio of debt (including interest-bearing debt), to net assets, and current assets.

DEBT RATIOS	2024	2023
Equity to assets ratio (equity / total assets)	32.2%	31.8%
Debt to equity ratio (total liabilities / equity)	210.8%	214.8%
Total debt ratio (total liabilities / total assets)	67.8%	68.2%
Interest-bearing debt ratio (interest-bearing liabilities / equity)	35.8%	35.9%
Net interest-bearing debt ratio (interest-bearing debt lest cash and cash equivalents*) / equity)	1.9%	9.0%

*) Cash and cash equivalents, including funds in escrow accounts

3.2.7 SUMMARY AND ASSESSMENT

Based on the consolidated financial statements of the Dom Development Group for the financial year 2024 and the Management Board's Report on the operations of Dom Development S.A. and the Dom Development Group in 2024, the Supervisory Board assesses 2024 as another highly successful year for the Group.

This assessment is made particularly in the context of ongoing uncertainties triggered by Russia's invasion of Ukraine, as well as a noticeable cooling of demand in the residential market over the course of 2024. The softer demand can be attributed to several factors, including uncertainty regarding the proposed government mortgage support scheme, which the government ultimately abandoned in December 2024, and persistently high interest rates, making mortgages in Poland some of the most expensive in the European Union. At the same time, a gradual recovery was seen in housing supply from property developers, following very low levels at the beginning of the year. For buyers, this meant a wider range of available properties and a slowdown in the growth of housing prices. However, for developers, the market became more challenging, with many of the Group's competitors experiencing year-on-year declines in sales.

In managing its financial resources last year, the Group focused primarily on securing long-term financing sources for its ongoing projects, while keeping liquidity ratios at robust levels suited to its operational needs. The Management Board regularly reviews the existing financing structure and strategically plans its optimal future capital structure to achieve satisfactory financial ratios and results over the medium term, while ensuring adequate liquidity and financial security.

Following the Group's excellent performance in 2024, the forthcoming year is bound to present a range of challenges, not only for developers but for the Polish economy as a whole. The greatest threats to the industry remain unchanged, including:

- elevated interest rates, which affect the affordability of mortgage loans,
- persistently high inflation,
- the Russian invasion of Ukraine, which started on 24 February 2022, and which continues to significantly destabilise the economic environment across the region,
- difficulties in obtaining administrative decisions necessary for the execution of development projects,
- constantly evolving legal regulations, with examples including added tax burdens on institutional purchases of residential units and new regulations concerning technical requirements for buildings and their location.

In the opinion of the Supervisory Board, the extensive experience accumulated over the years by the Company's Management Board and its executive team, including the senior staff of its subsidiaries, along with the Group's financial and non-financial resources, resulting from well-thought-out and prudent financial and investment policies, should allow the Group to mitigate the adverse impact of the unstable economic environment caused by the factors outlined above.

The main responsibility of the Management Boards of the Company and its subsidiaries is not only to ensure that the Group companies remain prepared to respond swiftly to any emerging challenges but, more importantly, to maintain leading positions in the residential markets the Group operates in. Additionally, the Management Board must coordinate the activities of other entities within the Group as they expand into the Tricity, Wroclaw, and Krakow markets. Key actions undertaken to these ends include:

- ensuring the availability of appropriate financing sources for the Group companies, both for their current and future development projects, ongoing operations, and overall financial security,
- engaging with banks and assisting customers in obtaining mortgage loans for the purchase of residential units,
- aligning the Group's available stock with market needs,
- adjusting land purchase expenditures to the Group's current and projected long-term needs,
- optimally deploying the existing land bank,
- driving sales growth through process optimisation and enhanced marketing efforts,
- continuously strengthening customer trust in the Dom Development and Euro Styl brands by maintaining high quality standards for sold units,
- adjusting the organisational structure and workforce size to the expected level of operational activity,
- closely monitoring project budgets at all stages of development,
- optimising general administrative expenses,
- responding swiftly to legislative changes, and
- effectively managing crisis situations caused by various external factors, both local and global in scope.

Furthermore, in light of Russia's invasion of Ukraine, another responsibility of the Management Boards of the Company and its subsidiaries is to continuously track shifts in the macroeconomic landscape and respond adequately to emerging developments.

In 2024, the Group's operations generated significant earnings, as reflected in the consolidated statement of profit or loss.

In the fourth quarter of 2024, the Company – for the second time in its history – paid an interim dividend against the current period's profit.
Having reviewed the consolidated financial statements for 2024 and the Management Board's Report on the operations of Dom Development S.A. and the Dom Development Group in 2024, the Supervisory Board shares the Management Board's

view that the Dom Development Group's financial condition at year-end 2024 was sound and provided a solid foundation for the Group's continued growth.

This assessment is based on an analysis of both the Group's current operations and financial position, but also of initiatives taken by the Management Boards of the Company and its subsidiaries and outcomes delivered. In particular, they concern the Management Boards' ability to respond swiftly, effectively, and professionally to market developments over the past several years.

Thanks to extensive experience in the design, construction, sale and financing of development projects, the Group has established itself as a key player in the Polish residential market. In 2024, the Group maintained or increased its market share across all the four urban areas where it operates. Notably, the expansion in non-Warsaw markets was a key highlight of the year, along with successful completion of the Group's consolidation in the Krakow market through the establishment of Dom Development Krakow Sp. z o.o.

In addition, the Supervisory Board reviewed the Report of the independent auditor on the assurance of Consolidated sustainability reporting prepared by the Company as of 31 December 2024 and for the year ended on this day and which is part of the Chapter III of the Management Board's Report on the operations of Dom Development S.A. and its Capital Group in 2024 ("Sustainability reporting of Capital Group"). Based on the assurance procedures performed and the evidence obtained, the auditor did not identify any matter that would cause the auditor to believe that:

- Sustainability reporting of Capital Group does not comply, in all material respects, with the requirements of Chapter 6c of the Accounting Act of 29 September 1994, including the European Sustainability Reporting Standards;
- the materiality assessment process carried out by the Company to identify information included in the Sustainability reporting of Capital Group does not comply, in all material respects, with the European Sustainability Reporting Standards;
- Sustainability reporting of Capital Group does not comply, in all material respects, with the reporting requirements of Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

4 CONCLUSIONS FOR THE ANNUAL GENERAL MEETING OF DOM DEVELOPMENT S.A.

Based on the assessment of the submitted reports for the financial year 2024, the Supervisory Board gives a favourable opinion on, and recommends that the Annual General Meeting of Dom Development S.A. approve:

The separate financial statements of Dom Development S.A. for the year ended 31 December 2024,

The consolidated financial statements of the Dom Development Group for the year ended 31 December 2024,

The Management Board's Report on the operations of Dom Development S.A. and the Dom Development Group in 2024.

5 REPRESENTATIONS BY THE SUPERVISORY BOARD

The Supervisory Board of Dom Development Spółka Akcyjna of Warsaw represents that:

The audit firm appointed to audit the separate financial statements of Dom Development S.A. for the financial year 2024 and the consolidated financial statements of the Dom Development Group for the financial year 2024, i.e. PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt sp. k of Warsaw, was selected in accordance with applicable laws, including those governing the audit firm selection and appointment procedure.

The audit firm PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt sp. k. of Warsaw and members of the audit team that audited the separate financial statements of Dom Development S.A. for the financial year 2024 and the consolidated financial statements of the Dom Development Group for the financial year 2024 met the conditions required to issue an impartial and independent audit report on the full-year separate and consolidated financial statements, in accordance with the applicable laws, professional standards and principles of professional ethics.

The legal regulations governing the rotation of audit firms and lead auditors and mandatory cooling-off periods have been complied with by Dom Development S.A.

Dom Development S.A. has in place a policy governing the selection of an audit firm and a policy governing the provision to the Company by the audit firm, its affiliate or a member of its network of additional non-audit services, including services conditionally exempt from the prohibition on provision of certain non-audit services by the audit firm.

Dom Development S.A. complies with the legal regulations governing the appointment, composition, and operation of the Audit Committee, including those concerning the independence criteria and requirements relating to knowledge and skills relevant to the industry in which the Company operates, as well as those relating to knowledge and skills in accounting or financial auditing.

The Audit Committee established at Dom Development S.A. performed the tasks of an audit committee provided for in the applicable regulations.

This Report was adopted by the Supervisory Board of Dom Development S.A. on 17 March 2025.