



DOM DEVELOPMENT S.A.

REPORT OF THE SUPERVISORY BOARD OF DOM DEVELOPMENT S.A. ON THE ACTIVITIES CONDUCTED FROM 1 JANUARY 2024 TO 31 DECEMBER 2024





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1 COMPOSITION AND ORGANISATION OF THE SUPERVISORY BOARD OF DOM DEVELOPMENT S.A.

Pursuant to the provisions of the Commercial Companies Code, the Articles of Association of Dom Development S.A. with its registered office in Warsaw (the "Company") and Supervisory Board Bylaws dated 5 September 2006 and amended on 3 April 2008, on 21 May 2009, on 20 May 2010, on 29 March 2012 and on 11 December 2015, the Supervisory Board is a permanent supervisory body of the Company in all areas of the Company's operations.

The Supervisory Board is composed of 5 to 9 members, including the Chair and two Vice Chairs. The Chair of the Supervisory Board and one Vice Chair of the Supervisory Board are appointed and dismissed by the Supervisory Board. Three of the Supervisory Board Members are Independent Members (as defined in Article 7.7 of the Company's Articles of Association). Pursuant to Article 7.9 of the Company's Articles of Association, the Supervisory Board's term is joint and lasts 3 years.

As at 31 December 2024, the Supervisory Board of Dom Development S.A. was composed of 7 members:

- Grzegorz Kiełpsz, Chair of the Supervisory Board
- Dorota Podedworna-Tarnowska, Vice Chair of the Supervisory Board (Independent Member)
- Janusz Zalewski, Vice Chair of the Supervisory Board
- Philippe Bonavero, Member of the Supervisory Board
- Anna Maria Panasiuk, Member of the Supervisory Board (Independent Member)
- Mark Spiteri, Member of the Supervisory Board
- Edyta Wojtkiewicz, Member of the Supervisory Board (Independent Member).

In the opinion of the Supervisory Board, the Independent Members, namely Dorota Podedworna-Tarnowska, Edyta Wojtkiewicz and Anna Maria Panasiuk, fulfilled the independence criteria set out in the Act of 11 May 2017 on statutory auditors, audit companies and public supervision, in Article 7.7 of the Company's Articles of Association, and Annex II to the European Commission Recommendation 2005/162/EC of 15 February 2005. Moreover, all of the above-mentioned Independent Members have no actual or material ties to any shareholder holding at least 5% of the total votes in the Company.

The rules of organisation and the methods of operation of the Supervisory Board are specified by the provisions of the Company's Articles of Association and the Supervisory Board Bylaws dated 5 September 2006 and amended on 3 April 2008, 21 May 2009, 20 May 2010, 29 March 2012, and on 11 December 2015.

2 ACTIVITY OF THE SUPERVISORY BOARD

During the period under review, the Supervisory Board conducted its activity by way of sessions convened by the Chairman of the Supervisory Board, such sessions taking place in accordance with the 2024 Company Activity Schedule and depending on need. The Supervisory Board held 14 sessions in 2024. Minutes were taken during all sessions and the decisions made by the Supervisory Board took the form of resolutions. The Supervisory Board carried out its tasks collectively, and also with the help of two committees, the Audit Committee and the Remuneration Committee.

- **Audit Committee**

The Audit Committee operates in accordance with the Act of 11 May 2017 on auditors, audit companies and public supervision and on the basis of the Company's Articles of Association and Audit Committee Bylaws dated 5 September 2006, amended on 29 December 2006, on 29 June 2007, on 3 April 2008, on 5 October 2010 and on 31 August 2023, and is responsible for supervision of the financial matters of the Company.

The Audit Committee is composed of at least three members appointed by the Supervisory Board from among its members, in accordance with point 7.10 of the Company's Articles of Association and at least two of whom, including the chair, must be Independent Members (as defined in Art. 129.3 of the Act of 11 May 2017 on statutory auditors, audit companies and public supervision, and Article 7.7 of the Company's Articles of Association). At least one of the Independent Members has knowledge of and skills in accounting or auditing, and at least one member of the Audit Committee has knowledge of and skills relevant to the industry in which the Company operates.

In the opinion of the Supervisory Board the members of the Audit Committee fulfil the requirements for the competence set in the Act of 11 May 2017 on auditors, audit companies and public supervision, while the Independent Members: Dorota Podedworna-Tarnowska and Edyta Wojtkiewicz, fulfil the independence criteria set out in the above-mentioned Act.

During the period from 1 January 2024 to 31 December 2024, the Audit Committee operated with the following composition:

- Dorota Podedworna-Tarnowska, Chair of the Audit Committee (Independent Member),
- Mark Spiteri, Member of the Audit Committee,
- Edyta Wojtkiewicz, Member of the Audit Committee (Independent Member).

During the period covered by this report, 6 sessions of the Audit Committee of Dom Development S.A. took place, on the following dates:

1. 18 March 2024
2. 15 May 2024
3. 28 August 2024
4. 4 October 2024
5. 11 October 2024
6. 28 November 2024

The Report of the Audit Committee of Dom Development S.A. on the activities conducted from 1 January 2024 to 30 June 2024 is attachment No. 1 to this Report. The Report of the Audit Committee of Dom Development S.A. on the activities conducted from 1 July 2024 to 31 December 2024 is attachment No. 2 to this Report.

- **Remuneration Committee**

The Remuneration Committee operates on the basis of the Company's Articles of Association and the Remuneration Committee's Bylaws dated 5 September 2006 and amended on 29 December 2006, 5 October 2010 and 4 October 2023, and is authorised in particular to prepare proposals for the remuneration of members of the Management Board and to present proposals of granting additional benefits, including executive share option schemes.

The Remuneration Committee is composed of three members appointed by the Supervisory Board from among its own members, two of whom are Independent Members.

During the period from 1 January 2024 to 31 December 2024, the Remuneration Committee operated with the following composition:

- Dorota Podedworna-Tarnowska, Chair of the Remuneration Committee (Independent Member),
- Mark Spiteri, Member of the Remuneration Committee,
- Anna Maria Panasiuk, Member of the Remuneration Committee (Independent Member).

During the period covered by this report, 7 sessions of the Remuneration Committee of Dom Development S.A. took place, on the following dates:

1. 27 February 2024
2. 18 March 2024
3. 25 March 2024
4. 14 May 2024
5. 4 October 2024
6. 28 November 2024
7. 10 December 2024

The Report of the Remuneration Committee of Dom Development S.A. on the activities conducted from 1 January 2024 to 31 December 2024 is attachment No. 34 to this Report.

During the period covered by this report, the Supervisory Board operated pursuant to the provisions of the Commercial Companies Code, the Company's Articles of Association and the Supervisory Board Bylaws, and according to the Best Practice for WSE Listed Companies. The Supervisory Board oversees the operations of the Company on an on-going basis in all its fields of activity as well as examines issues and motions submitted to the sessions of the Supervisory Board by the Company's Management Board. Additionally, the Supervisory Board's responsibilities include: approving benefits of any kind to be made by the Company or its affiliated entities to a member of the Management Board, granting consent for the conclusion of contracts by the Company or any of its affiliated entities with a member of the Supervisory Board or Management Board or their affiliated entities, and appointing a statutory auditor to audit the Company's financial statements.

During the period under review, i.e. from 1 January 2024 to 31 December 2024, 14 sessions of the Supervisory Board of Dom Development S.A. took place, on the following dates:

1. 24 January 2024
2. 27 February 2024
3. 18 March 2024
4. 25 March 2024
5. 24 April 2024
6. 14 May 2024
7. 19 June 2024
8. 4 October 2024
9. 11 October 2024

10. 18 October 2024
11. 29 October 2024
12. 6 November 2024
13. 29 November 2024
14. 10 December 2024

All sessions of the Supervisory Board were convened correctly. All members of the Supervisory Board were present at 10 sessions and 4 sessions took place with the required quorum. Some sessions of the Supervisory Board were also attended by Jarosław Szanajca, President of the Management Board, Leszek Stankiewicz, Vice President of the Management Board, and Mikołaj Konopka, Member of the Management Board, who provided information on the current activities of the Company and the Dom Development S.A. Capital Group (the "Group" and/or the "Capital Group").

During the session on 24 January 2024, the Supervisory Board adopted resolutions on increasing the share capital of Dom Development S.A. through the issuance of shares within the authorised capital. The Supervisory Board also approved a share price of PLN 50 per share for AJ and AK shares and consented to issue documents relating to the share options scheme. Moreover, the members of the Supervisory Board consented to the conclusion by the Company of an agreement with a member of the Supervisory Board.

During the session on 27 February 2024, the Supervisory Board granted its consent to the Company's Management Board to take actions to dematerialise series AJ and AK shares, conclude an agreement with KDPW (the National Depository for Securities) in respect of the registration of series AJ and AK shares, and to admit series AJ and AK shares to trading on the regulated market. Further, the Supervisory Board adopted a resolution on changing the remuneration of a Member of the Management Board.

At the next session, on 18 March 2024, the Supervisory Board adopted the following resolutions: on the statement of the Supervisory Board of Dom Development S.A. concerning the appointment of an audit firm, the statement of the Supervisory Board of Dom Development S.A. concerning the Audit Committee and on the assessment by the Supervisory Board of Dom Development S.A. of: the financial statements of Dom Development S.A. for the year ended 31 December 2023, the Management Board's report of activities of Dom Development S.A. and its Capital Group in 2023, the consolidated financial statements of the Dom Development S.A. Capital Group for the year ended 31 December 2023.

During the session on 25 March 2024, the Supervisory Board approved the implementation of the Senior Executive Compensation Plan (SECP) and adopted a resolution setting goals and limits for the annual reward within the SECP in 2024. Moreover, the Supervisory Board awarded Discretionary Bonuses under the Discretionary Bonus Scheme for Senior Executives and Consultants of Dom Development S.A. (re. Pool 2021, 2022 and 2023), determined a Pool and a Distribution Pool, Pool 2 and a Distribution Pool 2 and Pool 3 and a Distribution Pool 3 to be allocated for the payment of Discretionary Bonuses under the Discretionary Bonus Scheme for Senior Executives and Consultants of Dom Development S.A. (re. 2024).

At its session on 24 April 2024, the Supervisory Board accepted an assessment of material transactions within the meaning of the Act on public offering and the conditions governing the introduction of financial instruments into an organised trading, and on public companies, and consented for the Company to conclude an agreement with a Member of the Supervisory Board.

On 14 May 2024, the Supervisory Board assessed the Management Board's proposal for the distribution of the 2023 net profit of Dom Development S.A., accepted the "Supervisory Board's Remuneration Report concerning remunerations of the Members of the Management Board and the Supervisory Board of Dom Development S.A. for 2023" and gave a positive opinion on the "Dom Development S.A. Remuneration Policy for Members of the Management Board and Supervisory Board". Moreover, the Supervisory Board adopted resolutions on the following matters: acceptance of the Supervisory Board's report on activities in the period from 1 January 2023 to 31 December 2023, and review and issuing opinion on the proposal of the Management Board regarding resolutions of the General Meeting.

During the session on 19 June 2024, the Supervisory Board consented for the Company to conclude an agreement between the Company and a Member of the Management Board.

On 4 October 2024, the Supervisory Board consented for the Company to conclude an agreement between the Management Board and their affiliated entity. The Supervisory Board also modified the remuneration of a Member of the Management Board.

During the session on 11 October 2024, the Supervisory Board appointed a statutory auditor to audit Dom Development S.A.'s condensed financial statements for the period from 1 January 2024 to 30 June 2024.

During the session on 18 October 2024, the Supervisory Board reviewed and gave its opinion on the Company's Management Board's proposals regarding resolutions of the Extraordinary General Meeting.

On 29 October 2024, following Monika Perekitko's resignation from the position of Member of the Management Board, the Supervisory Board appointed a new Member of the Management Board - Grzegorz Smoliński, for a joint three-year term of office.

On 6 November 2024, the Supervisory Board consented to the payment of an interim dividend for 2024.

At its session on 29 November 2024, following the resignation of Grzegorz Kiełpsz from the position of Chair of the Supervisory Board, the Supervisory Board appointed Jarosław Szanajca as Chair of the Supervisory Board, effective 1 January 2025. Moreover, the Supervisory Board amended the Discretionary Bonus Scheme for Senior Executives and Consultants of Dom Development S.A., granted its consent for the Company to conclude an agreement with a member of the Supervisory Board, and determined the remuneration and benefits/performances for the Members of the Management Board.

At the last session held in 2024, the Supervisory Board determined the remuneration for the Member of the Management Board and accepted the 2025 Company's Activity Schedule.

Furthermore, by written vote on 20 December 2024, the Supervisory Board consented for the affiliated entity to conclude agreements with the Member of the Management Board and their affiliated entity.

3 ASSESSMENT OF THE SEPARATE FINANCIAL STATEMENTS OF DOM DEVELOPMENT S.A. FOR THE YEAR ENDED 31 DECEMBER 2024, THE MANAGEMENT BOARD'S REPORT OF ACTIVITIES OF DOM DEVELOPMENT S.A. AND ITS CAPITAL GROUP IN 2024, THE CONSOLIDATED FINANCIAL STATEMENTS OF THE DOM DEVELOPMENT S.A. CAPITAL GROUP FOR THE YEAR ENDED 31 DECEMBER 2024, AND THE MANAGEMENT BOARD'S PROPOSAL CONCERNING THE DISTRIBUTION OF 2024 PROFIT

Report by the Supervisory Board of Dom Development S.A. from the assessment of:

- 1) the separate financial statements of Dom Development S.A. for the year ended 31 December 2024,
- 2) the Management Board's report of activities of Dom Development S.A. and its Capital Group in 2024,

- 3) the consolidated financial statements of Dom Development S.A. Capital Group for the year ended on 31 December 2024,

was accepted by the Supervisory Board on the basis of Resolution No. 03/03/25 of 17 March 2025, which together with the said report constitutes attachment No. 4 hereto.

The Supervisory Board, in Resolution No. 01/05/24 of 7 May 2025, positively assessed and approved the Management Board's proposal to allocate the Dom Development S.A.'s net profit for 2024 in the amount of PLN 419,019,575.12 (in words: four hundred and nineteen million nineteen thousand five hundred and seventy-five point twelve zlotys) as follows:

1. a portion of the Dom Development S.A.'s net profit for 2024 in the amount of PLN 335,379,486.00 (in words: three hundred and thirty-five million three hundred and seventy-nine thousand four hundred and eighty-six zlotys), i.e. PLN 13.00 (in words: thirteen zlotys) per share, is to be allocated for the payment of a dividend to shareholders in Dom Development S.A., as a result of which - taking into account the 2024 interim dividend in the amount of PLN 154,790,532.00 (in words: one hundred and fifty-four million seven hundred and ninety thousand five hundred and thirty-two zlotys, i.e. PLN 6.00 (in words: six zlotys) per share, which was paid by the Company on 18 December 2024 based on the Management Board's Resolution no. 01/11/24 dated 6 November 2024 – the remaining 2024 dividend to be paid to shareholders is PLN 180,588,954.00 (in words: one hundred and sixty-eight million, two hundred and thirty-nine thousand, seven hundred and forty-three zlotys), i.e. PLN 7.00 (in words: seven zlotys) per share,
2. a portion of the Dom Development S.A.'s net profit for 2024 in the amount of PLN 83,640,089.12 (in words: eighty-three million six hundred and forty thousand eighty-nine point twelve zlotys) to be allocated to increase the supplementary capital of Dom Development S.A., and to set the date of record as 25 June 2025 and the dividend payment date as 3 July 2025.

The said Resolution No. 01/05/24 of 7 May 2025 on the assessment of the Management Board's proposal for the distribution of the 2024 net profit of Dom Development S.A. constitutes attachment No. 5 to this Report.

4 ASSESSMENT OF THE COMPANY'S POSITION, TAKING INTO ACCOUNT THE ADEQUACY AND EFFECTIVENESS OF THE INTERNAL CONTROL, RISK MANAGEMENT AND COMPLIANCE SYSTEMS AS IN PLACE AT THE COMPANY, AND THE INTERNAL AUDIT SYSTEM

1. GENERAL INFORMATION ON THE POSITION OF THE COMPANY

The Supervisory Board, having examined the separate financial statements of Dom Development S.A. and the consolidated financial statements of the Dom Development S.A. Capital Group for the financial year 2024 and the Management Board's report of aggregate activities of the Company and the Dom Development S.A. Capital Group for the financial year 2024, approved these reports on 17 March 2025.

The Supervisory Board considers 2024 to have been another strong year for Dom Development S.A. and its Capital Group, despite a persistently uncertain macroeconomic and geopolitical environment. This uncertainty was driven primarily by the continued effects of the Russian invasion of Ukraine and a discernible softening in residential market demand, particularly in the second half of the year. A contributing factor was market volatility associated with the government's proposed subsidised

mortgage programme, which was ultimately withdrawn in December 2024. Additionally, the persistently elevated interest rates continued to weigh on housing affordability, with Polish mortgage costs remaining among the highest in the European Union. At the same time, the Supervisory Board notes a gradual recovery in housing supply by developers was observed following a period of exceptionally low activity at the start of the year. This dynamic led to a broader range of available housing options for buyers and a slowdown in price growth. From the developers' perspective, however, market conditions grew more demanding, and many of the Group's competitors experienced a year-on-year decline in sales.

In the assessment of the Company's position and results, the Supervisory Board took into account the overall situation in the Polish economy, the condition of the real estate market and macroeconomic factors having an impact on the economic environment in the whole region. In this context, 2024 proved to be a successful year for both the Company and the entire Group, which delivered a record consolidated net profit of PLN 569.2m, representing a 24% increase year-on-year.

In the opinion of the Supervisory Board, the Management Board once again demonstrated a strong ability to adapt the Group's operations to prevailing market conditions. Despite the cooling of demand in the residential development market, the Management Board consistently focused its efforts on both increasing sales volumes and maximising the profitability of ongoing development projects. At the same time, the Supervisory Board acknowledges that all of these measures were taken by the Management Board in response to challenges affecting both supply and demand across the entire property development market. Despite the gradual recovery in housing supply observed in 2024, the limited availability of land for new development projects remains a persistent challenge, compounded by high land prices and increasing difficulties in obtaining administrative permits. The consistently relatively high level of interest rates posed challenges on the demand side, especially for customers reliant on a mortgage loan.

The Supervisory Board is pleased to note that the Company has met the challenges related to the above-mentioned factors and macroeconomic aspects, and thanks to the long-term and consistent actions of the Management Board, they have had a limited impact on sales and did not have a significant impact on the Company's construction projects, which continued to be on time and in line with the adopted assumptions.

The Supervisory Board also confirms that the financial standing of both the Company and the Group remained strong. The assessment carried out by the Supervisory Board is primarily based on the figures and quantitative results of the Company's operating and financial activities.

Moreover, the Supervisory Board is pleased to note the continued progress in the implementation of the strategic goal of the Dom Development S.A.'s Management Board, namely the maximisation of the value of the Company and its Group in the long term by maintaining the leading position in the residential market in Poland and in the main agglomerations throughout the country. In 2024, the Group completed the consolidation of its operations in the Cracow market and, as previously anticipated, it notably increased the scale of its operations in this second largest, after Warsaw, residential market in the country. The Supervisory Board also notes a general increase in the scale of the Group's operations in the non-Warsaw markets, and in particular, the significant increase in sales volume on the Wroclaw market, which recorded a 42% year-on-year growth.

In 2024, the Company:

- commenced construction of 2 438 apartments on 17 projects (in 2023: 1 742 apartments on 14 projects),
- sold 1 791 apartments (in 2023: 1 960 apartments),
- completed construction of 2 059 apartments on 18 projects (in 2023: 1 935 apartments on 12 projects),
- handed over 1 969 apartments to customers (in 2023: 1 928 apartments).

The Company's performance, particularly its operating results, is primarily driven by the number of units delivered to customers, as well as their average value and gross margin. In 2024, the Company handed over 1 969 units to retail clients, compared to 1 928 units in the previous year (an increase of 2.1% year-

on-year), generating a gross margin of 28.9%, versus 33.6% in 2023. The change reflects the average gross margin on the projects where units were delivered in the reporting period.

In 2024, the Company generated a gross profit from sales of PLN 501.1m (2.6% up year-on-year), an operating profit of PLN 314.3m (5.9% down year-on-year), and a net profit of PLN 419.0m (5% down year-on-year). These results were primarily impacted by the lower average gross margin on the projects where units were deliveries during the period concerned. The gross margin on sales of completed units stood at 28.9% in 2024, compared to the exceptionally high 33.6% recorded in 2023. Despite the Company's slightly lower separate financial results in 2024 compared to the previous year, the Supervisory Board has a positive opinion on the Company's performance.

Nonetheless, from the Supervisory Board's perspective, the key factor determining the Company's and its Management Board's success lies in the effective management and development of the entire Group, as well as in the consolidated operating and financial results achieved. The Supervisory Board is particularly pleased to note that 2024 was, in many respects, a record-breaking year for the Group. Despite the demanding market environment described above, the Group achieved a record-high number of net unit sales, reaching 4 269 units - a 9% increase compared to the strong result of 3 906 units in 2023. This result is 5% higher than the Group's previous record from 2021, when 4 066 units were sold. Reaching the highest sales volume in the Group's 29-year history is a testament to the attractiveness and excellent alignment of its offer with customer expectations - both for cash buyers and those relying on mortgage financing. In 2024, cash transactions accounted for 51% of total sales, while mortgage-financed purchases made up the remaining 49%. In 2024, the Group delivered 4 216 units to buyers, including 300 units to an institutional investor in the private rental sector. This result also exceeded the previous record from 2023, when the Group handed over 3 831 units. Moreover, 2024 marked yet another consecutive record year for the Group in terms of consolidated financial performance. The Group posted a record-high operating profit of PLN 697.2m and a record net profit of PLN 569.2m.

The results achieved from the completion of specific housing developments have been the outcome of land purchase decisions of the Management Board made in previous years, development of a market-appropriate product, and the timing of the decision to launch individual residential projects as they have driven the sales volume and number of deliveries.

In managing its financial resources in 2024, the Company consistently focused on the undergoing residential development projects, replenishing its land bank, further development of its in-house general contracting, and the increase of its share in the Warsaw, Tricity, Wrocław, and Cracow markets. Consequently, the Company also focused on securing sources of long-term finance for these operations and maintaining liquidity ratios at the level adequate for its operations. The Management Board regularly analyses both the current financing structure and determines its optimum structure for the future in order to achieve satisfactory financial ratios and financial results over the medium term, and at the same time, to ensure adequate liquidity, thus ensuring the comfort of maintaining financial security of the Company for it to withstand macroeconomic turmoil.

Following the Company's and Group's very strong performance in 2024, the year 2025 is shaping up as a period full of challenges not only for companies in the real estate development sector, but for the entire Polish economy. The following factors continue to have the greatest impact on the industry:

- interest rate levels increases affecting the affordability of mortgage loans,
- persistently high inflation,
- the ongoing Russian invasion of Ukraine, which is a factor significantly destabilising the economic environment in the whole region,
- difficulty in obtaining administrative decisions needed to develop projects,
- constantly changing laws, such as additional tax burdens placed on institutional investors who purchase residential units or new regulations concerning the technical conditions to be met by buildings and their location.

The Supervisory Board is of the opinion that the actions undertaken in 2024 proved once again the competence of the Management Board in preparing the Company for the rapidly changing situation in the real estate market. The major responsibility of the Management Board is not only to ensure that the Company is prepared to react quickly to new challenges but most of all to maintain the leading position in the evolving residential market. The major steps undertaken in this respect included:

- ensuring that adequate sources of finance are available to the Company (and the Group), both for current and future development projects, ongoing operations and of the Company's general security;
- co-operation with banks, and assisting customers in obtaining mortgages for the purchase of apartments;
- adjusting the Company's sales offer to the market demand;
- aligning land purchases to the Company's existing and future needs;
- utilising the existing land bank in the most appropriate manner;
- generating sales by improving the sales and marketing processes;
- maintaining customer confidence in the 'Dom Development' brand by maintaining high quality of units sold,
- restructuring the organisation and employment levels to the anticipated level of operational activities;
- thorough control of ongoing project budgets at all stages of project development;
- optimising overhead efficiency;
- responding quickly to legislative changes, and
- responding smoothly to crisis situations caused by various external factors, both local and global.

Currently the operational activities of the Dom Development S.A. Capital Group are carried out in four geographically separate markets: the Company has projects in Warsaw, while its subsidiaries – Euro Styl S.A. (and its subsidiaries and jointly controlled entities), Dom Development Wrocław Sp. z o.o. and Dom Development Kraków Sp. z o.o. – operate in the Tricity, Wrocław and Cracow markets respectively. The majority of the operational activities and financial results generated by the Group is still attributable to the Company. However, it should be noted that the Group's companies operating in non-Warsaw markets have become leading developers in their respective markets. The contribution of subsidiaries to the Group's results can be expected to increase further in the upcoming years.

The Supervisory Board is confident that the key business processes in the Company are well established and professional.

The Land Department specialists employed by the Company identify land that is attractive and available for purchase to enable future development, they assess the potential profitability of such land (in cooperation with specialists from other departments) and finalise their purchase or conditional purchase, having obtained approval from the Management Board.

Other operating activities of the Company are assigned (during design and construction stages) to project development specialists from various departments, namely, sales, customer service, fit-out, and property management. An undoubted competitive advantage on the market, conducive to ensuring secure operations to the Group's development companies, is that property development projects are carried out in accordance with budgets and schedules devised and delivered by the Company's own general contracting companies. They also ensure the high quality of the final product delivered to the customers.

The market position of the Company at the end of 2024 was very satisfactory with the Company maintaining its position as the largest developer in the Warsaw market. This results from the well-established position of the Company in the housing market and its appropriate operational experience, both in terms of execution of residential development projects, and the marketing, sales and financing of these projects.

The strong financial position of the Company and the Group in which it operates is reflected in the balance of its net assets and cash holdings. As at 31 December 2024, the aggregate amount of "cash and cash equivalents" and the funds accumulated in open-end escrow accounts as disclosed in "short-term financial assets" in the separate balance sheet of Dom Development S.A. was PLN 259m (at the end of 2023: PLN 101m) following the distribution of 2024 interim dividend of PLN 155m (in 2023: PLN 141m).

The Company's interest-bearing debt was PLN 610m at the end of 2024 (at the end of 2023: PLN 520m). It should be emphasised that the Company's short-term interest-bearing debt as at 31 December 2024 was PLN 100m, which represented as little as 16% of the interest-bearing debt balance. The total net interest-bearing debt of the Company (i.e. interest-bearing debt less cash and cash equivalents and funds held in open-end escrow accounts disclosed as short-term financial assets) amounted to PLN 351m, representing a decrease of PLN 68m compared to the end of 2023. Observing the increased Company's debt, the Supervisory Board notes that this is linked to the Company's strategy of financing the operations of its subsidiaries mainly by extending loans, which at the beginning of 2024 amounted to PLN 462m, and increased during the year by PLN 53m, up to PLN 515m. According to the Supervisory Board, the Company's liquidity position was good; the Company had a large amount of available cash, including PLN 625m of available credit lines (of which PLN 565m are long-term credit lines). The debt-to-equity ratio was consistently maintained at a comfortable level by the Company's Management Board (it was 24% as at 31 December 2024 against 31% as at 31 December 2023). The Supervisory Board holds the view that the Company's financial leverage – taking into account the interim dividend paid in December 2024 – remains satisfactory, and having considered the current background associated with the potential macroeconomic challenges described above, it will ensure the continued operations in the foreseeable timeframe. This relatively low level of financial leverage enables further expansion in the scale of the Company's operating activities as and when justified by growth in market demand as well as allowing the Company to withstand any market shocks.

The Company is the leader in the Warsaw residential development market and as such is well placed to grow in the Polish residential property market as opportunities arise. The Supervisory Board welcomes the strong sales results generated by the Company in 2024, which demonstrate that the Company effectively seized the opportunities in the market.

The Supervisory Board is also pleased to see that the Company observes the principles of strong business ethics and corporate governance principles. The reputation which the Company has built is a valuable asset which should contribute to the further development of the Company for the benefit of all its stakeholders.

2. EVALUATION OF THE INTERNAL CONTROL, RISK MANAGEMENT AND COMPLIANCE SYSTEMS, AND THE INTERNAL AUDIT FUNCTION

In view of the significant changes in the structure of the Group and its geographical diversification observed in recent years, in 2022 the Supervisory Board welcomed the decision of the Management Board to deploy consistent risk management, compliance and internal audit systems across Group companies by the end of 2024 as part of the implementation of the DOM 2030 Strategy, which complements the Company's ESG (Environmental, Social, and Governance) efforts. To achieve this objective, in 2023 the Management Board created the function of Chief Risk and Compliance Officer within its organisational structure, tasked with building - by the end of 2024 - a consistent risk management, compliance and internal audit standard for the entire Capital Group. Subsequently, functions of internal audit and Assurance Lead were set apart in 2024, with both these functions reporting directly to the President of the Company's Management Board. Since 2023, as part of the risk management process, the risk review and evaluation was carried out in accordance with the consistent terms across the entire Group. For the identified risk areas, the planned actions, control measures, and procedures necessary to mitigate the identified risks have been updated within the Company and across the entire Capital Group.

The Supervisory Board positively assesses the consistent risk management system across the Capital Group companies for which the Company is the parent entity – and acknowledges the system as effective and adequate. The Supervisory Board also positively assesses the identification of the key and most significant risks, the methods applied to address and mitigate these risks, considering both the Company and the Capital Group perspectives.

In 2024, as in the previous year, the Company's internal control system comprised:

- Institutional control, which is operated by means of internal audits supervised in 2023 by the Internal Auditor; the scope and quality of the audits carried out in 2024 was monitored by the Audit Committee, which plays the supervisory role in internal audit, irrespective of its external audit duties.
- Functional control, which is operated by means of procedures, instructions, segregation of duties and competencies, allocation of responsibilities; all these were updated and improved along with the gradually growing scale of operations. Functional control is exercised by all employees of the Capital Group as part of their duties. In many areas, functional control is supported by dedicated IT systems with gradually increasing role and extent.

The Supervisory Board believes that the cooperation between the internal audit area and the Audit Committee remained unswervingly good during 2024. Moreover, in the opinion of the Supervisory Board the key processes, procedures and controls applied by the Company to reduce its exposure to business risks are operated efficiently and benefit from being supervised by the Company's Management Board and the Audit Committee.

The Supervisory Board was pleased to note that in 2024 the Management Board continued to work on extending the Microsoft Dynamics 365 integrated IT system, also featuring a financial and accounting module, which had been deployed at the Capital Group in 2021. The gradual development of this solution, and by integrating it into other existing business systems, we have enhanced our control through applying mechanisms such as appropriate system configuration, embedded verification algorithms, access and authorisation controls, and clearly defined roles and responsibilities. This also enabled us to improve the structure and maintain adequate quality of data, budget control and forecasting, as well as financial and operational reporting in our crucial business areas.

The financial reporting system in place at the Company, where such system is subject to both internal controls and periodic external audits by an independent certified auditor, is assessed as being good, by the Supervisory Board. The process of non-financial and sustainable development reporting was implemented in the Capital Group in 2024, and has been applied across the Group's companies. The sustainability impact, risk and opportunity management system is integrated into the internal management system and complies with the Group's internal control standards. At the operational level, the ESG Coordinator is responsible for activities related to sustainable development. The ESG coordinator reports directly to the President of the Company's Management Board and provides updates to the Supervisory Board through the Audit Committee on the implementation and supervision in respect of the sustainable development area.

Both the Management Board and the Supervisory Board, being aware of the importance of internal audit for the entire control environment at the Company, exercise great care when recommending and selecting an external auditor, to ensure high quality of the external audits. Therefore, external audits at the Company and the Capital Group companies are carried out only by highly reputable and experienced audit firms.

The Supervisory Board is pleased to note that, as concluded at regular meetings with the Company's independent external auditor and based on the results of audits, the process of preparing financial statements and the financial statements themselves are of good quality, and the control procedures reviewed by the certified auditor are efficient. The Supervisory Board notes that this year's independent auditor's report on sustainability reporting assurance, providing limited assurance, is also of high quality.

The quality and effectiveness of the institutional control remained largely unchanged in 2024 compared to 2023, and continues to be good. The Supervisory Board considers the established system to be adequate and effective.

The Supervisory Board also has a positive opinion on the functional controls currently in place at the Company, and is pleased to note the improvements made which are the result of the deployment of new

IT solutions, new and updated policies and procedures, and the implementation of recommendations from the previous internal audits.

Having reviewed the report on internal control, risk management, compliance and internal audit systems effectiveness over the last year, as prepared by the Company's Internal Auditor, the Supervisory Board positively assesses the actions taken in this area. These actions primarily involve ensuring - for the Company and its subsidiaries - the regular analysis of changes in applicable regulations to mitigate risks to operational activities, systematic updates of internal procedures, instructions, and standards to align them with best market practices and changing legislation. The principal objectives of these efforts are to minimise legal risks, enhance business efficiency, and support responsible business conduct. Other particularly noteworthy compliance tasks include the continuation of activities promoting legal awareness among the staff of the Company and across Group companies, aimed at increasing the sense of comfort of specialist employees in their day-to-day business areas and reduce legal risks in the tasks undertaken by them.

In the opinion of the Supervisory Board, the Company should consistently pursue its development path for the compliance, risk management and internal audit systems at the Capital Group, which should continue to feature the highest standard of compliance supervision for the Company's operations against best market practices and adopting, monitoring and updating of the relevant procedural solutions in accordance with relevant legislative standards and recommendations of supervisory authorities.

The Supervisory Board emphasises that the effectiveness of compliance system management remains consistently high in 2024, while the commitment of the Management Board and further actions undertaken as part of the development of the compliance culture demonstrate the validity and comprehensive nature of the objectives for this area. The risk of Company's and Capital Group's non-compliance, in particular in its operations has been effectively mitigated, while ensuring that the Group's actions align with best market practices and regulatory recommendations.

5 INFORMATION ON THE DISCHARGE OF DUTY TO NOTIFY THE SUPERVISORY BOARD, AND REMUNERATION DUE TO THE SUPERVISORY BOARD'S CONSULTANT IN 2024

The Supervisory Board considers that the Management Board has duly discharged its duties related to the provision of information required under art. 380¹ of the Commercial Companies Code (as in force since 13 October 2022) to the Supervisory Board. In particular, the Management Board provided information on its resolutions and their subject matters, the Company's position, including its assets, as well as on other material circumstances concerning the conduct of the Company's affairs, specifically in the areas of operations, investment and human resources, and on progress in the implementation of the pre-defined directions of the Company's business development. This information was provided in an appropriate form, adequate scope, and with suitable frequency. The Supervisory Board received all the information, documents, reports and clarifications concerning the Company and the Group necessary for the exercise of supervision in day-to-day relations with the Management Board and employees of the Company. Accordingly, the Supervisory Board did not exercise its right to request information, documents, reports or clarifications concerning the Company or the Group being prepared or provided under art. 382 § 4 of the Code of Commercial Companies.

In 2024, the Supervisory Board did not adopt any resolution as regards having a specific matter concerning the Company's operations or its assets investigated by a selected consultant, at the Company's expense.

In view of the above, no remuneration was paid to any consultant due to the Supervisory Board commissioning them with investigation of a specific matter concerning the Company's activities or to prepare reviews or opinions in accordance with the procedure prescribed in art. 382¹ of the Code of Commercial Companies.

6 ASSESSMENT OF THE COMPANY'S COMPLIANCE WITH THE CORPORATE GOVERNANCE PRINCIPLES AND THE MANNER OF DISCHARGING THE DISCLOSURE OBLIGATIONS CONCERNING COMPLIANCE WITH THE CORPORATE GOVERNANCE PRINCIPLES DEFINED IN THE STOCK EXCHANGE RULES AND THE REGULATIONS ON CURRENT AND PERIODIC SUBMISSIONS BY ISSUERS OF SECURITIES, AND INFORMATION ABOUT MEASURES TAKEN BY THE SUPERVISORY BOARD TO PERFORM SUCH ASSESSMENT

The duty of disclosure in respect of corporate governance are defined in the Warsaw Stock Exchange Rules and the Regulation by the Minister of Finance dated 29 March 2018 on current and periodic submissions by issuers of securities and the terms of confirming equivalence of information required under the regulations of a non-Member State. The rules for submitting reports on the application of detailed corporate governance principles are set out in the "Rules on the current and periodic submissions in the NewConnect and Catalyst alternative trading systems, and for the submission of corporate governance compliance reports by listed companies (Appendix to Resolution No. 692/2021 of the Stock Exchange Management Board of 1 July 2021).

According to § 29.3 of the Stock Exchange Rules, if a specific detailed corporate governance rule is not applied on a permanent basis or is breached incidentally, the issuer shall publish a report in this respect. The report should be published on the issuer's official website and through an Electronic Information Database (EBI).

The Regulation by the Minister of Finance dated 29 March 2018 specifies what information should be contained in the corporate governance compliance statement that forms a separate part of the activities report of the issuer in the annual report of the company.

Dom Development S.A. (the "Company") published its 2024 Annual Report on 18 March 2025, including the report of the Management Board on the activities of Dom Development S.A. and its Capital Group in 2024, within which the Company's corporate governance compliance statement as required under the "Best Practice for WSE Listed Companies 2021" has been incorporated as a separate part of said report. The statement also includes information on the rules and recommendations of the "Best Practice for WSE Listed Companies 2021" that were not applied by the Company in 2024, along with the relevant explanations. The Supervisory Board in its assessment noted that the corporate governance compliance statement was submitted on that date as required. The content of this statement corresponds to the provisions of § 70.6.5 of the above-mentioned Regulation by the Minister of Finance.

Moreover, the Company publishes current information on the status of its application of recommendations and rules set out in the Best Practice for WSE Listed Companies 2021 on its website (<https://inwestor.domd.pl/pl/lad-korporacyjny>).

The Supervisory Board monitored Company compliance with corporate governance principles and the manner of compliance with disclosure obligations regarding compliance with the corporate governance principles defined in the Stock Exchange Rules and regulations on the current and periodic submissions by issuers of securities, in particular by discussing these matters during Supervisory Board and Audit Committee meetings, and by analysing and verifying the accuracy of information and documents published by the Company on its website.

Accordingly, the Supervisory Board in its assessment states that the Company has duly fulfilled its disclosure obligations in respect of the corporate governance compliance as set out in the Stock Exchange Rules and the regulations on current and periodic submissions by issuers of securities, including the timely publication of the Information on the status of Company's compliance with the recommendations and rules set out in the Best Practice for WSE Listed Companies 2021. The Supervisory Board is confident that the published explanations regarding the extent of Company's compliance with its corporate governance principles provide shareholders, investors and other stakeholders with a transparent, accurate and comprehensive overview of the Company's operating mechanisms.

7 ASSESSMENT OF THE RATIONALE FOR EXPENSES INCURRED BY THE COMPANY AND ITS GROUP IN SUPPORT OF CULTURE, SPORTS, CHARITIES, THE MEDIA, SOCIAL ORGANISATIONS, TRADE UNIONS, AND OTHER SIMILAR INITIATIVES

A key development in 2024 was the establishment of the Nasz Dom Foundation by the Company, bringing together the Group's charitable initiatives under one roof. The Foundation continues the Company's long-standing engagement with local communities, with one of its priorities being support for individuals affected by the war in Ukraine. In 2024, the Foundation donated over PLN 3m to finance the reconstruction of an abandoned nursing home in the Vinnytsia region of Ukraine, where 14 apartments for internally displaced persons will be set up. Another major initiative supported by the Nasz Dom Foundation was its contribution to the Ukrainian School in Warsaw – SzkoUA, an innovative educational institution established shortly after the outbreak of the war, which now is attended by nearly 300 children. The Foundation also engaged in a number of smaller initiatives. As part of its support for the Great Orchestra of Christmas Charity, the Company had a successful bid for a three-day trip to London, including tickets to the Warner Bros Studio Tour London. The prize was then donated to one of the youngest beneficiaries of the Mam Marzenie Foundation. During the summer, the Nasz Dom Foundation co-financed a two-week seaside holiday for foster families, organised by the Rodzina Plus Foundation. In H2 2024, the Foundation provided financial assistance to a medical outpatient clinic in Kłodzko affected by the September floods for the purchase of office furniture and computer equipment. Additionally, the Nasz Dom Foundation supported the 16th edition of the International Meeting of Puppet Theatre Schools – METAFORY, a recurring showcase of key achievements by students from Polish and international art schools educating actors and directors of puppet theatre. At the end of the year, the Foundation funded gym equipment for Warsaw-based fire and rescue units. In total, the Nasz Dom Foundation allocated over PLN 4.5m to charitable initiatives.

In accordance with rules 1.5. and 2.11.5 of Best Practice for WSE Listed Companies 2021, the Company disclosed the expenses incurred by the Company and its Group to support culture, sports, charity and social organisations. The amounts donated to charity are noticeable, although proportional, in relation to the scale of the Company operations and do not place an excessive burden on Company finances. The beneficiaries of these activities are Ukrainians who had either fled the country or had lost their homes following the outbreak of the war, as well as entities involved in education, the promotion of sport, science, culture, art, local community development, and care for those in need - all of which are not questioned by the Supervisory Board.

The Supervisory Board positively assesses the Company's and its Capital Group's sponsorship, charity and other activities of a similar nature.

8 PERIODIC ASSESSMENT OF MATERIAL TRANSACTIONS WITHIN THE MEANING OF THE ACT ON PUBLIC OFFERING AND THE CONDITIONS GOVERNING THE INTRODUCTION OF FINANCIAL INSTRUMENTS INTO AN ORGANISED TRADING, AND ON PUBLIC COMPANIES

In accordance with the procedure for periodic assessment of material transactions within the meaning of the Act on public offering and the conditions governing the introduction of financial instruments into an organised trading, and on public companies (the "Public Offering Act"), the Supervisory Board verified as to whether material transactions within the meaning of the Public Offering Act had met the criteria for exemption from the obligation to publish information on the conclusion of such material transactions.

The Supervisory Board confirmed that with regard to material transactions:

- concluded between the Company and its affiliated entities,
- concluded between a Company's affiliated entity and a Company's subsidiary,

there is an exemption from the obligation under Chapter 4b of the Public Offering Act (i.e. to publish information on a material transaction on the company's website and to obtain supervisory board's consent to conclude such transaction), pursuant to Art. 90j.1(2) of the Public Offering Act, due to the shareholding structure (sole shareholder) or due to the fact that the transaction was concluded on an arm's-length basis as part of company's ordinary business.

9 INFORMATION REGARDING THE DEGREE OF IMPLEMENTATION OF THE DIVERSITY POLICY WITH RESPECT TO THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

The Diversity Policy within the scope applicable to Members of the Management Board was adopted by the Company's Supervisory Board on 30 August 2022. Moreover, on the same day, the Diversity Policy within the scope applicable to Members of the Company's Supervisory Board was adopted by the General Shareholders' Meeting of Dom Development S.A.

- **Management Board**

- Jarosław Szanajca, former President of the Management Board

Supervised the work of the Management Board and coordinated the work of the other Members of the Management Board. Key responsibilities of the President of the Management Board included:

- supervision of the Company's operating and financial activities,
- formulation of the Company's commercial and product policies,
- supervision of marketing and promotional policies,
- approval of key employee management policies, in particular those concerning the appointment of key managerial positions within the Company and its affiliated entities,
- shareholder supervision of subsidiaries,
- approval of the organisational structure and internal rules and regulations of the Company.

As the President of the Management Board he supervised the following organisational units: Sales and Marketing Division, HR and Administration Division, IT Department, Legal Department.

Jarosław Szanajca holds a master's degree in law from the Faculty of Law and Administration at the University of Warsaw. Jarosław Szanajca has 33 years of experience in the property development sector. He has been with the Company and has served as its President, since 1996, a tenure of 29 years. On 28 August 2024, the Company received a statement of resignation by Jarosław Szanajca from the position of President of the Company's Management Board, effective as of 31 December 2024.

- Monika Perekitko, former Member of the Management Board/Chief Operating Officer

Key responsibilities of this Member of the Management Board/Chief Operating Officer included:

- formulation of the Company's development policy,
- ensuring the Company's growth through securing land supply,
- managing the Company's operational and development activities, specifically through: acquisition of land, ensuring customer care, statutory and contractual warranties, responsibility for regulatory compliance with regard to all aspects of the Company's operations, and supervision of the Company's efficiency management system.

As the Member of the Management Board/Chief Operating Officer she supervised the following organisational units: Land Department, Production Department, Predevelopment Department, Project Support Department, Project Owner's Supervision and Warranty Service Department.

Monika Perekitko holds a master's degree from the Interfaculty Programme of Spatial Management at the Warsaw University of Life Sciences. Monika Perekitko has 18 years of experience in the property development sector. She was employed by the Company for 10 months. On 29 October 2024, the Company received a statement of resignation by Monika Perekitko from the position of Member of the Company's Management Board, effective as of 29 October 2024.

- Leszek Stankiewicz, former Vice President of the Management Board/Chief Financial Officer

Key responsibilities of the Vice President of the Management Board/Chief Financial Officer included:

- formulation of financial policy for the Company and its subsidiaries,
- management of the Company's budget and financial plans,
- management of the Company's assets, cash assets, receivables and liabilities,
- management of the risk protection programme (responsible for the organisation of the internal control and supervision system),
- management and supervision of corporate matters and investor relations, including contact with the Warsaw Stock Exchange, National Depository for Securities and the Polish Financial Supervision Authority,
- studies and analysis of the company's financial condition, general economic situation and its impact on the Company's policy, presenting reports on the Company's condition.

Also responsible for:

- negotiation and closing of key financial transactions such as borrowings and bond issues,
- development of the Company's medium-term financial plans and annual budget plans.

As the Vice President of the Management Board/Chief Financial Officer he supervised the following organisational units of the Company: Financial Control, Internal Audit, Investor Relations, Finance Department, Accounting Department, Financial Reporting.

Leszek Stankiewicz is a graduate of the Faculty of Economic Sciences at the University of Warsaw and the Warsaw School of Economics in the field of Finance and Banking. Leszek Stankiewicz has 13 years of experience in the construction and development industry; he was with the Group for 6 years and served as Vice President for 4 years. On 29 November 2024, the Company received a statement of resignation by Leszek Stankiewicz from the position of Member and Vice President of the Company's Management Board, effective as of 28 February 2025.

- Mikołaj Konopka, Member of the Management Board

Key responsibilities of this Member of the Management Board included participation in decisions of the Management Board concerning the Company's operations, in particular those concerning the process of land acquisition and property development.

Mikołaj Konopka completed a master's course at the Faculty of Economics at the University of Gdańsk. Mikołaj Konopka has 18 years of experience in the property development industry. He has been with the Company and has served as Member of the Management Board for 7 years. Groupe Belleforêt S.à r.l., as the Company's majority shareholder acting on the basis of article 6.2.2 of the Company's Articles of Association, appointed Mikołaj Konopka as President of the Management Board of the Company for a joint three-year term of office, with effect from 1 January 2025.

- Terry Roydon, Member of the Management Board

Key responsibilities of this Member of the Management Board include participation in decisions of the Management Board concerning the Company's operations, in particular those concerning the process of land acquisition and property development.

Terry Roydon is a graduate of the University of London. Terry Roydon has 54 years of experience in the international property development industry. He has been with the Company for 27 years, originally holding the position of Member of the Supervisory Board and currently serving as Member of the Management Board.

- Grzegorz Smoliński, Member of the Management Board

Key responsibilities of this Member of the Management Board include:

- management of development of the Company's marketing policy,
- direct supervision of the following areas at the Company: sales and marketing, customer service, development of customer service standards, and quality.
- direct oversight of Dom Development Kredyty sp. z o.o.

Grzegorz Smoliński completed a master's course at the University of Insurance and Banking in Warsaw (currently the Vistula University). Grzegorz Smoliński has 28 years of experience in the property development sector. He has been with the Company for 28 years. The Supervisory Board appointed Grzegorz Smoliński as Member of the Company's Management Board, with effect from 29 October 2024.

For 10 months in 2024, the Company's Management Board was composed of 5 members: 4 men and 1 woman. For the last three months of 2024, the Company's Management Board was composed of 5 men. Four Members of the Management Board hold Polish citizenship and one Member holds British citizenship. One Member is aged between 41 and 50, two Members are aged between 51 and 60, and two Members are aged 60 and over. Majority of the members of the Management Board have been with the Group for many years, and their appointment was based on their expertise and qualifications. The Management Board of Dom Development S.A. was composed of individuals with academic backgrounds in law, economics and property management. All Members of the Company's Management Board have many years of experience in the real estate development industry, both in the Polish and foreign markets.

In accordance with the DOM 2030 ESG Strategy announced on 28 June 2022, the Company's Management Board will do its best, in cooperation with the majority shareholder, to increase the proportion of women on the Dom Development S.A. Management Board to at least 30% starting from 2026. As of 1 March 2025, women make up 40% of the Management Board of Dom Development S.A. The 5-member Management Board of the Company includes 2 women.

• Supervisory Board

- Grzegorz Kiełpsz, Chair of the Supervisory Board

Grzegorz Kiełpsz holds a secondary-level qualification. He has 32 years of experience in the property development sector. He has been with the Company for 29 years, initially serving as Vice President of the Management Board, and subsequently being appointed Chair of the Supervisory Board. Moreover, as of 22 November 2024, Grzegorz Kiełpsz, Chair of the Company's Supervisory Board, resigned from his position of Chair of the Supervisory Board while remaining a Member of the Company's Supervisory Board.

- Janusz Zalewski, Vice Chair of the Supervisory Board

Janusz Zalewski is a graduate of SGPiS (Main School of Planning and Statistics – now the Warsaw School of Economics) in Warsaw. He has 26 years of experience in the property development sector. He has been with the Company for 26 years, initially serving as Vice President of the Management Board, and subsequently holding the position of Vice Chair of the Supervisory Board.

- Dorota Podedworna-Tarnowska, Deputy Chair of the Supervisory Board

Dorota-Podedworna-Tarnowska is a graduate of the Warsaw School of Economics. She holds a PhD in economics. Throughout her over 20 year-long professional career, she has efficiently applied her extensive knowledge of economics, finance, accounting, financial auditing, and the audit of financial statements. She has been serving as a Member of the Supervisory Board for 7 years.

- **Mark Spiteri, Member of the Supervisory Board**

Mark Spiteri is a graduate of the London School of Economics. He has 20 years of experience in the property development sector. He has been serving as a Member of the Supervisory Board for 13 years.

- **Anna Maria Panasiuk, Member of the Supervisory Board**

Anna Maria Panasiuk is a graduate of the University of Gdańsk. She holds a PhD in law. She has more than 20 years of experience in capital market law, the structuring and execution of M&As, development projects, asset management and intergenerational succession planning. She has been serving as a Member of the Supervisory Board since 15 June 2023.

- **Edyta Wojtkiewicz, Member of the Supervisory Board**

Edyta Wojtkiewicz is a graduate of the Warsaw School of Economics. Throughout her over 20 year-long professional career, she has efficiently applied her extensive knowledge of economics, finance, accounting, financial auditing, and the audit of financial statements. She has been serving as a Member of the Supervisory Board since 15 June 2023.

- **Philippe Bonavero, Member of the Supervisory Board**

Philippe Bonavero is a graduate of the University of London. He is a practising barrister in the UK, with 9 years of experience in the construction industry. He has been serving as a Member of the Supervisory Board since 15 June 2023.

At the end of 2024, the Company's Supervisory Board was composed of 4 men and 3 women. Five Members hold Polish citizenship and two Members hold British citizenship. Three Members are aged between 41 and 50, two Members are aged between 51 and 60, and two Members are aged 60 and over. The Members of the Company's Supervisory Board bring experience from a range of industries, including the property development sector. The Members of the Supervisory Board include individuals who have been with Dom Development S.A. for many years, namely Grzegorz Kiełpsz, former Chair of the Supervisory Board and a co-founder of the Company as well as representatives of Groupe Belleforêt S.à r.l. as the majority shareholder. There are also three Independent Members on the Supervisory Board (Dorota Podedworna-Tarnowska, Ph.D., Anna Maria Panasiuk, Ph.D. and Edyta Wojtkiewicz), with a high degree of proven competence in law, economics, finance, accounting, and financial audit, who ensure a high standard of supervision over the Company.

Further to the ESG DOM 2030 strategy announced on 28 June 2022, the Company has achieved its diversity goal of having at least 30% representation of the underrepresented gender in the composition of its Supervisory Board. The current representation stands at more than 40%.

10 SELF-ASSESSMENT OF THE SUPERVISORY BOARD

The Members of the Company's Supervisory Board bring extensive expertise from their professional experience in fields such as law, management, economics, accountancy and finance. They also have in-depth knowledge of the Company's industry. The Members of the Supervisory Board combine a wide range of professional experience, knowledge, and skills with a strong understanding of the Company's business.

Throughout 2024, the Members of the Supervisory Board operated independently from the Management Board and maintained an independent stance regarding the operations of the Company.

The Supervisory Board, the Audit Committee, and the Remuneration Committee held meetings as often as necessary to duly perform their assigned duties. The Supervisory Board believes that it duly and properly fulfilled its assigned duties in 2024, ensuring competent and comprehensive oversight of the Company's operations.

All members of the Supervisory Board, in particular the Chair and Vice Chair, maintained frequent contact with members of the Management Board throughout 2024, consulting on various aspects of the Company's operations. In addition to the formal Supervisory Board sessions held in 2024 which were also attended by some Members of the Management Board, all Members of the Management Board maintained regular contact with the Chair and other Members of the Supervisory Board. The Supervisory Board believes that the above actions contributed to the effective fulfilment of the oversight duties by its Members.

All members of the Supervisory Board received consistent management information and reports from the Management Board. These included regular monthly written reports from the President and the Vice Presidents of the Management Board, as well as detailed monthly management accounts comparing actual performance against the annual budget. Furthermore, every two months, the Members of the Supervisory Board received written reports from all the departments outlining the status of their ongoing activities. As a result, the Supervisory Board was regularly provided with comprehensive information on all material aspects of the Company's operations and associated risks.

The ongoing oversight exercised by the Supervisory Board, in addition to its standard control duties, has expanded to include new areas, notably the Company's sustainable development activities. ESG matters are becoming an increasingly important component of corporate strategy. The Supervisory Board monitors the progress of the DOM 2030 ESG Strategy and continues to deepen its understanding of the subject through participation in specialist workshops and training sessions. In supervising the Group's business strategy, including its sustainability aspects, the Supervisory Board evaluates both long-term and short-term factors that may affect the Company's operations, including market developments, regulatory changes, and technological advancements. The Audit Committee is regularly briefed by Members of the Management Board and individuals responsible for risk management, regulatory compliance, internal audit, and ESG on:

- significant impacts, risks and opportunities,
- implementation of due diligence processes and compliance with regulations,
- performance related to the actions defined in the adopted strategies and policies.

These activities enable the monitoring of the Group's compliance with sustainable development-related regulations and support oversight of the identified impacts, risks, and opportunities.

In 2024, the Supervisory Board validated the results of the double materiality assessment and oversaw the implementation of the actions and objectives set out in the DOM 2030 ESG Strategy. The Supervisory Board was also informed about the employees' views on sustainable development gathered through consultations held across the Group.

The Supervisory Board believes that it acted efficiently and effectively during 2024, and its sessions always were held with the required quorum. It adopted all resolutions and made decisions lawfully.

In accordance with the working standards of the Supervisory Board outlined above and in view of the principles set out in the Best Practice for WSE Listed Companies 2021, Members of Dom Development S.A.'s Supervisory Board are confident that the Company duly and appropriately complied with corporate governance principles throughout 2024, in particular with regard to the operation of supervisory bodies.

11 ATTACHMENTS

Attachment no. 1 – The Report of the Audit Committee of Dom Development S.A. on the activities conducted from 1 January 2024 to 30 June 2024

Attachment no. 2 – The Report of the Audit Committee of Dom Development S.A. on the activities conducted from 1 July 2024 to 31 December 2024

Attachment no. 3 – The Report of the Remuneration Committee of Dom Development S.A. on the activities conducted from 1 January 2024 to 31 December 2024

Attachment no. 4 – Resolution no. 03/03/25 dated 17 March 2025 of the Supervisory Board and the Report of the Supervisory Board on assessment of:

- 1) the separate financial statements of Dom Development S.A. for the year ended 31 December 2024,
- 2) the Management Board's report of activities of Dom Development S.A. and its Capital Group in 2024,
- 3) the consolidated financial statements of Dom Development S.A. Capital Group for the year ended on 31 December 2024,

Attachment no. 5 – Resolution no. 01/05/25 dated 7 May 2025 of the Supervisory Board regarding assessment of the Management Board's proposal for the distribution of the 2024 net profit of Dom Development S.A.



DOM DEVELOPMENT S.A.

**REPORT
OF THE AUDIT COMMITTEE
OF DOM DEVELOPMENT S.A.
ON THE ACTIVITIES CONDUCTED
FROM 1 JANUARY 2024
TO 30 JUNE 2024**



I. Personal composition and organisation of the Audit Committee.

Pursuant to the provisions of the Company's Statute and Audit Committee Bylaws dated 5 September 2006, amended on 29 December 2006, 29 June 2007, 3 April 2008, 5 October 2010 and 31 August 2023, the Audit Committee is a permanent committee of the Supervisory Board.

The Audit Committee is composed of three members appointed by the Supervisory Board from among its members. The majority of the Audit Committee, including its chairwoman, are independent members as stipulated in Art. 129 section 3 of the Act of 11 May 2017 on auditors, audit companies and public supervision, condensed text Journal of Laws 2020, item 1415, and point 7.7 of the Company Statute. All Audit Committee Members have knowledge of and skills in accounting or auditing, and one Member of the Audit Committee has knowledge of and skills in the industry in which the Company operates.

During the period 1 January 2024 - 30 June 2024 the Audit Committee acted under the following composition:

- (i) Dorota Podedworna-Tarnowska – Chairperson of the Audit Committee (independent member),
- (ii) Edyta Wojtkiewicz – Member of the Audit Committee (independent member)
- (iii) Mark Spiteri – Member of the Audit Committee.

The rules of organisation and the methods of operation of the Audit Committee are specified by the provisions of the Company's Statute and the Audit Committee Bylaws dated 5 September 2006, and amended on 29 December 2006, 29 June 2007, 3 April 2008, 5 October 2010 and 31 August 2023.

II. Activity of the Audit Committee.

The duties of the Audit Committee include, in particular (i) supervision of the Company's Management Board as regards the Management Board's compliance with relevant laws and other regulations, in particular the Accounting Act dated 29 September 1994 and the Statutory Auditors, Audit Firms and Public Supervision Act dated 11 May 2017, supervision of the preparation of financial information by the Company, in particular in respect of the choice of the accounting policy adopted by the Company, supervision of the application and assessment of the consequences of new legal regulations, supervision of the manner in which estimated items, forecasts etc. are presented in annual reports and supervision of compliance with the recommendations and findings of a statutory auditor appointed by the Supervisory Board, (ii) issuing recommendations to the Company's Supervisory Board concerning the appointment and dismissal of the statutory auditor, (iii) control of the independence and objectivity of the statutory auditor, in particular in respect of a possible replacement of the statutory auditor, and of their remuneration, (iv) verification of the statutory auditor's work, (v) ensuring the effectiveness of the risk management system, (vi) monitoring performance of the compliance system, (vii) overseeing the effectiveness of the internal control system and internal audit function, including in the area of financial reporting, (viii) monitoring the effectiveness and adequacy of the whistleblower system or other system of reporting irregularities.

During the period under review, the Audit Committee conducted its activity by way of sessions convened by the Chairman of the Supervisory Board according to pre-determined audit and internal audit cycles. During all sessions, minutes were taken and the decisions made by the Audit Committee took the form of resolutions.

During the period covered by this report, 2 sessions of the Audit Committee of Dom Development S.A. took place, on the following dates:

- (i) 18 March 2024,
- (i) 15 May 2024.

All sessions of the Audit Committee were convened correctly. All members of the Audit Committee were present at all of the sessions. At some sessions of the Audit Committee member of the Management Board and other management also attended: Vice President of the Management Board and CFO, Mr. Leszek Stankiewicz and Financial Controller and CFO Deputy, Mr. Dariusz Gołębiewski, who both provided, amongst other matters, information about issues concerning auditor remuneration, the Company's financial statements and other information that was requested by the Audit Committee to be provided by the Management Board.

The first Audit Committee meeting, held on 18 March 2024 by videoconference, was attended by representatives of the Company's auditor, PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt sp. k. with its registered seat in Warsaw, who presented explanations of, and information and formed conclusions about, the Company's audit procedures. The Audit Committee received a written auditor statement, made in accordance with the requirements of the Act of 11 May 2017 on auditors, audit companies and public supervision, confirming compliance with the objectivity and independence requirements defined in the above-mentioned Act. Moreover, the Audit Committee accepted the Audit Committee Report on the activities conducted from 1 July 2023 to 31 December 2023 as well as the Internal Audit Plan for 2024 and agreed that the auditor perform additional services. In addition, members of the Audit Committee were presented with a presentation on non-financial reporting in Dom Development S.A. Capital Group.

Another Audit Committee meeting was held on 15 May 2024 and was attended by representatives of the Company auditor, PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt sp. k., who discussed the 2024 financial statement audit plan, and presented an advisory session for members of the Audit Committee on changes in the law, including tax law and regulations related to accountancy. During this videoconference, members of the Audit Committee were also updated on the activities of the ongoing risk management, compliance & assurance team.

Additionally, the Audit Committee adopted by correspondence the resolutions on the acceptance of the Audit Charter, and the Internal Audit Strategy, and agreed that the auditor perform additional services.

During the period from 1 January 2024 to 30 June 2024, the main tasks of the Audit Committee were to supervise the Management Board of the Company with respect to compliance with any applicable provisions of law and other regulations and in particular with respect to the Accountancy Law dated 29 September 1994, to supervise financial reports and information prepared by the Company, and to ensure compliance by the Management Board with the recommendations and findings of the auditors appointed by the Supervisory Board.

Additionally, the Audit Committee evaluated the auditor's works and its independence and objectiveness.

Using its authority, the Audit Committee requested from the Company specific information concerning accounting, financial, internal and external audit issues, and in particular, the members of the Audit Committee were also authorised to review all books, records, the Company's annual and semi-annual financial statements, to request schedules of the work of internal controllers and auditors, to request explanations from Management Board members, managers and employees of the Company as required and to give recommendations and assessments to the Supervisory Board, all of which are within the scope of the Audit Committee tasks.



DOM DEVELOPMENT S.A.

**REPORT
OF THE AUDIT COMMITTEE
OF DOM DEVELOPMENT S.A.
ON THE ACTIVITIES CONDUCTED
FROM 1 JULY 2024
TO 31 DECEMBER 2024**



I. Personal composition and organisation of the Audit Committee.

Pursuant to the provisions of Dom Development S.A. Statute ("Company") and Audit Committee Bylaws dated 5 September 2006, amended on 29 December 2006, 29 June 2007, 3 April 2008, 5 October 2010 and 31 August 2023, the Audit Committee is a permanent committee of the Supervisory Board.

The Audit Committee is composed of three members appointed by the Supervisory Board from among its members. The majority of the Audit Committee, including its Chairwoman, are independent members as stipulated in Art. 129 section 3 of the Act of 11 May 2017 on auditors, audit companies and public supervision, condensed text Journal of Laws 2024, item 1035, as amended, and point 7.7 of the Company Statute. All Audit Committee Members have knowledge of and skills in accounting or auditing, and one Member of the Audit Committee has knowledge of and skills in the industry in which the Company operates.

During the period 1 July 2024 - 31 December 2024 the Audit Committee acted under the following composition:

- (i) Dorota Podedworna-Tarnowska – Chairwoman of the Audit Committee (independent member),
- (ii) Mark Spiteri – Member of the Audit Committee,
- (iii) Edyta Wojtkiewicz – Member of the Audit Committee (independent member).

The rules of organisation and the methods of operation of the Audit Committee are specified by the provisions of the Company's Statute and the Audit Committee Bylaws dated 5 September 2006, and amended on 29 December 2006, 29 June 2007, 3 April 2008, 5 October 2010 and 31 August 2023.

II. Activity of the Audit Committee.

1. During the period under review, the Audit Committee conducted its activity by way of sessions convened by the Chairman of the Supervisory Board according to pre-agreed audit and internal audit cycles. Four sessions of the Audit Committee were conducted through means of teleconference and videoconference. Minutes were taken during all sessions and the decisions made by the Audit Committee took the form of resolutions.

2. During the period from 1 July 2024 to 31 December 2024, the most important tasks of the Audit Committee were to supervise the Management Board with respect to compliance with the applicable provisions of law and other regulations (in particular with respect to the Accountancy Law dated 29 September 1994 and the Act of 11 May 2017 on auditors, audit companies and public supervision), to supervise preparation by the Company of reports and financial information and to ensure compliance by the Management Board with the recommendations and findings of the auditors appointed by the Supervisory Board.

The Audit Committee monitored and reviewed issues related to internal audits conducted in the Company and in particular the works conducted by the Internal Audit department within Risk Management, Assurance and Compliance Department. The Audit Committee also performed a supervisory function with respect to the program of the Business Risk Management and Risk Management, Assurance and Compliance Department. The Internal Audit function is in the view of the Audit Committee a professional function, resourced with staff with appropriate skills. It reports functionally to members of the Audit Committee and releases its reports to Audit Committee members and executives who are responsible for the department or process being audited.

Using its authority, the Audit Committee requested from the Company relevant information concerning accounting, financial, internal and external audit issues. In particular, the members of the Audit Committee were authorised to review all books and records of the Company as well as the Company's annual and semi-annual financial statements, to demand schedules of the work of internal controllers and auditors, to request explanations from the Management Board members, managers and employees of the Company to the extent necessary, and to give recommendations and assessments to the Supervisory Board in relation to subjects within the scope and responsibility of the Audit Committee.

During the period covered by this report, 4 sessions of the Audit Committee of Dom Development S.A. took place, on the following dates:

1. 28 August 2024 (via videoconference);
2. 4 October 2024 (via videoconference);
3. 11 October 2024 (via videoconference);
4. 28 November 2024 (via videoconference).

All sessions of the Audit Committee were convened correctly. All members of the Audit Committee were present at all four sessions. The sessions of the Audit Committee were also attended by certain members of the Management Board and other management, including: Vice President of the Management Board and CFO, Mr. Leszek Stankiewicz, Financial Controller and CFO Deputy, Mr. Dariusz Gołębiewski, Chief Risk Officer, Mrs. Anna Skubis-Sobańska, Chief Risk, Compliance Officer Mr. Adam Jarzębowski, Mr. Wiktor Łyżwiński, Assurance Lead and ESG Coordinator Mrs. Anna Bączyk and who collectively provided information about internal audits, the Company's financial statements, sustainability reporting and other information that was requested by the Audit Committee to be provided by the Management Board.

Two of the Audit Committee sessions were attended by representatives of the Company's auditor, PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt sp. k. with its registered seat in Warsaw, who presented tax and accounting information, results of 2024 half year review and discussed issues in relation to the audit of the 2024 financial statements.

At the meeting on 28 August 2024 the Audit Committee adopted the Report of the Audit Committee on activities conducted between 1 January 2024 and 30 June 2024. The meeting was attended by representatives of the Company auditor, PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt sp. k., who discussed all necessary explanations and presented the results of the 2024 half year review. The members of the Audit Committee heard and discussed a presentation on preparation for non financial report assurance.

Another Audit Committee videoconference was held on 4 October 2024, during which the Audit Committee members discussed internal audits reports.

At the meeting on 11 November 2024, the Audit Committee members recommended the appointment of the Company's previous auditor to audit Dom Development S.A.'s condensed financial statements drawn up for the period 1 January 2024 to 30 June 2024.

A meeting on 28 November 2024 was attended by representatives of the Company auditor, PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt sp. k., who discussed the results of the interim audit and the audit plan for the 2024 financial statements. Moreover, the Audit Committee members were familiarized with new structure of Risk Management and Compliance/Internal Audit and heard the summary of Internal Audit engagements taken in 2024. Moreover the Audit Committee members adopted Internal Audit Plan for 2025.



DOM DEVELOPMENT S.A.

**REPORT
OF THE REMUNERATION
COMMITTEE
OF DOM DEVELOPMENT S.A.
ON THE ACTIVITIES CONDUCTED
FROM 1 JANUARY 2024
TO 31 DECEMBER 2024**



I. Personnel, composition and organisation of the Remuneration Committee.

Pursuant to the provisions of the Statute of Dom Development S.A. with its registered seat in Warsaw ('the Company') and Remuneration Committee Bylaws dated 5 September 2006 and amended on 29 December 2006, 5 October 2010 and 4 October 2023, the Remuneration Committee is a permanent committee of the Supervisory Board.

The Remuneration Committee is composed of at least three members appointed by the Supervisory Board from among its members, at least two of whom shall be Independent Members of the Supervisory Board (in the meaning of point 7.7 of the Company's Statute).

From 1 January 2024 to 31 December 2024, the Remuneration Committee acted under the following composition:

Dorota Podedworna-Tarnowska – Chairperson of the Remuneration Committee (independent member),

Anna Maria Panasiuk - Member of the Remuneration Committee (independent member),

Mark Spiteri - Member of the Remuneration Committee.

The rules of organisation and the methods of operation of the Remuneration Committee are specified by the provisions of the Company's Statute and the Remuneration Committee Bylaws dated 5 September 2006 and amended on 29 December 2006, 5 October 2010 and 4 October 2023.

II. Activity of the Remuneration Committee.

1. During the period under review, the Remuneration Committee conducted its activity by way of sessions convened by the Chairman of the Supervisory Board. Said sessions took place in accordance with the 2024 Company Activity Schedule and depending on needs. The Remuneration Committee also conducted sessions via videoconference. Minutes were taken during all sessions and the decisions made by the Committee took the form of resolutions.

2. During the period from 1 January 2024 to 31 December 2024, the most important tasks of the Remuneration Committee were the periodical assessment of the terms of remuneration of the Management Board members and preparation of remuneration proposals including granting additional incentive-based benefits for management.

During the period covered by this report, 7 sessions of the Dom Development S.A. Remuneration Committee took place, on the following dates:

1. 27 February 2024;
2. 18 March 2024;
3. 25 March 2024;
4. 14 May 2024;
5. 4 October 2024;
6. 28 November 2024;
7. 10 December 2024.

All sessions of the Remuneration Committee were convened correctly. All members of the Remuneration Committee were present at all sessions. Some sessions of the Remuneration Committee were also attended by the President of the Management Board Mr. Jarosław Szanajca and HR Director Mrs. Magdalena Bielecka.

During the Remuneration Committee meeting on 27 February 2024, members recommended a remuneration change for a Member of the Management Board.

Members of the Remuneration Committee at the meeting on 18 March 2024 discussed the remuneration given to members of the Management Board in 2023, adopted the Report of the Remuneration Committee on activities conducted from 1 January 2023 to 31 December 2023, recommended the granting of bonuses within the Discretionary Bonus Scheme for Senior Executives and Consultants of Dom Development S.A. and adopted a resolution on the recommendation of bonuses within the SECP (Senior Executive Compensation Plan) and on the recommendation of setting of SECP targets.

At the meeting on 25 March 2024 the Remuneration Committee adopted resolution on the recommendation of bonuses within the Discretionary Bonus Scheme for Senior Executives and Consultants of Dom Development S.A.

During the Remuneration Committee meeting on 14 May 2024, the members recommended that the Supervisory Board adopt the "Supervisory Board report on remuneration for members of Dom Development S.A. Management Board and Supervisory Board for 2023" and expressed a positive opinion on the "Remuneration policy for members of Dom Development S.A. Management Board and Supervisory Board".

At the meeting on 4 October 2024, the Remuneration Committee analyzed research on remuneration packages at Warsaw quoted public companies (which are comparable to Dom Development S.A.) for 2023 and adopted a resolution on a proposal to change remuneration for a Member of the Management Board.

At the meeting on 28 November 2024, Remuneration Committee members discussed current HR issues with the Company's HR Director, and recommended changes to the Provisions of the Discretionary Bonus Scheme for Senior Executives and Consultants of Dom Development S.A. as well as adopting resolutions on a remuneration proposal for Members of the Management Board.

During the Remuneration Committee meeting on 10 December 2024, members adopted a resolution on a remuneration proposal for a Member of the Management Board, as well as adopted the 2025 activity schedule.

Resolution No 03/03/25

dated 17 March, 2025

of the Supervisory Board of Dom Development Spółka Akcyjna

with its registered office in Warsaw

on the assessment of the Supervisory Board of:

the separate financial statements of Dom Development S.A. for the year ended on 31 December 2024, the report of the Management Board on the activities of Dom Development S.A. and its Capital Group in 2024, the consolidated financial statements of Dom Development S.A. Capital Group for the year ended on 31 December 2024

§ 1

The Supervisory Board of Dom Development Spółka Akcyjna with its registered seat in Warsaw, acting pursuant to art. 382 § 3 point 1) of the Commercial Companies Code hereby adopts the Report of the Supervisory Board on assessment of:

- 1) the separate financial statements of Dom Development S.A. for the year ended on 31 December 2024;
- 2) the report of the Management Board on the activities of Dom Development S.A. and its Capital Group in 2024;
- 3) the consolidated financial statements of Dom Development S.A. Capital Group for the year ended on 31 December 2024;

constituting Appendix to this resolution, and decides to present the above-mentioned reports to the Ordinary General Meeting of Dom Development S.A.

§ 2

This resolution shall become effective upon its adoption.



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.* ⁽¹⁾	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 its 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 less 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, Wrocław, and Kraków 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.

Resolution No 01/05/25
dated 7 May, 2025
of the Supervisory Board
of Dom Development Spółka Akcyjna with its registered office in Warsaw
regarding evaluation of the petition of the Management Board concerning the allocation
of the Dom Development S.A. net profit as of 2024

§ 1

The Supervisory Board of Dom Development Spółka Akcyjna with its registered office in Warsaw (the “Company”), acting pursuant to Article 382 § 3 of the Commercial Companies Code and the Dom Development S.A. Statute, hereby decides to issue a positive opinion on and grants the petition of the Dom Development S.A. Management Board to allot Dom Development S.A.’s net profit for 2024 in the amount of PLN 419,019,575.12 (in words: four hundred and nineteen million, nineteen thousand, five hundred and seventy-five zlotys and twelve groszes) in the following way:

1. a portion of Dom Development S.A.’s net profit for 2024 in the amount of PLN 335,379,486.00 (in words: three hundred and thirty-five million, three hundred and seventy-nine thousand, and four hundred and eighty-six zlotys), i.e. PLN 13.00 (in words: thirteen zlotys) per share, to pay Dom Development S.A. shareholders a cash dividend, as a result of which - taking into account the advance dividend payment for 2024 in the amount of PLN 154,790,532.00 (in words: one hundred and fifty-four million, seven hundred and ninety thousand, five hundred and thirty-two zlotys), i.e. PLN 6.00 (in words: six zlotys) per share, paid by the Company on 18 December 2024 based on Company Management Board Resolution no. 01/11/24 dated 6 November 2024 – the remaining dividend for 2024 to be paid to the shareholders shall equal PLN 180,588,954.00 (in words: one hundred and eighty million, five hundred and eighty-eight thousand, nine hundred and fifty-four zlotys), i.e. PLN 7.00 (in words: seven zlotys) per share,
2. the remaining portion of Dom Development S.A.’s net profit for 2024 in the amount of PLN 83,640,089.12 (in words: eighty-three million, six hundred and forty thousand, eighty-nine zlotys and twelve groszes) be allotted to increase the reserve capital of Dom Development S.A.

and that the dividend day shall be on **25 June 2025** and the day of payment of the dividend shall be on **3 July 2025**.

§ 2

The Supervisory Board of Dom Development S.A with its registered seat in Warsaw recommends that the Ordinary General Meeting of Dom Development S.A. approves the above petition and adopts a resolution concerning allocation of the Dom Development S.A. net profit as of 2024, and setting the dividend day and the date of payment of dividends with the wording as proposed above.

§ 3

The resolution shall become effective upon its adoption.