DOM DEVELOPMENT GROUP

MANAGEMENT BOARD'S REPORT

ON THE ACTIVITIES OF DOM DEVELOPMENT S.A. IN 2024

DOM DEVELOPMENT GROUP IN 2024:

STABLE FINANCIAL PERFORMANCE

PLN 569 million

Consolidated net profit
2023: PLN 460 million

IN CHALLENGING TIMES, WE MAINTAIN A HIGH MARGIN

32%

Gross margin
2023: 32%

WE CONSISTENTLY MAINTAIN A STRONG AND PRUDENT BALANCE SHEET

PLN 577 million

Net cash
31 Dec 2023: PLN 389 million

STRONG EARNINGS POTENTIAL

PLN 1.9 billion

Deferred income
31 Dec 2023: PLN 1.7 billion

LEADING RESIDENTIAL DEVELOPER IN POLAND

4 markets

Warsaw, Tricity, Krakow and Wroclaw

With our position strengthening in Krakow, we now operate in Poland's four most attractive metropolitan areas

4,269

Units sold on retail market in 2024

Demand for residential units remained robust throughout 2024, with a large share of mortgage-financed transactions.

7,657

Units under construction 31 Dec 2024

We deliver our projects on schedule, maintaining the highest quality standards

67 pts

NPS – Net Promoter Score in 2024

With our strengthened position in the Krakow market, we reaffirm our commitment to excellence in development quality, customer service, and organisation.

TABLE OF CONTENTS

LETTER FROM THE PRESIDENT OF THE MANAGEMENT BOARD OF DOM DEVELOPMENT S.A.

Dear Shareholders**,**

I am pleased to present the 2024 report on the operations of the Dom Development Group. For the first time, this report consolidates both the operational and financial results of our Group alongside a summary of our ESG activities over the past year, in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). It is with great satisfaction that I share the results of our efforts with you.

A MORE CHALLENGING MARKET LANDSCAPE

An analysis of the residential market in Poland's largest metropolitan areas shows that the second half of 2024 saw a slowdown in demand compared with the exceptionally strong market of 2023. The contributing factors included uncertainty regarding the proposed government mortgage support scheme – ultimately abandoned in December – and persistently high interest rates, which made mortgages in Poland some of the most expensive in the European Union. At the same time, housing supply from developers gradually recovered following very low levels at the turn of 2023 and 2024.

For buyers, this meant a wider range of available properties and a slowdown in the growth of housing prices. For developers, however, the market became more challenging, with many of our competitors recording significant year-on-year declines in sales.

Despite this environment, Dom Development Group outperformed the industry, further strengthening its position as a leader in the Polish housing market. This reaffirms Dom Development's position as a market leader, distinguished by a strong brand, solid financial foundation, and deep customer trust. With an extensive land bank supporting our diverse offering, we have once again successfully capitalised on our competitive strengths.

ANOTHER RECORD YEAR FOR DOM DEVELOPMENT GROUP

The year 2024 was in many ways a record-breaking one for the Dom Development Group. Despite the challenging market conditions, we achieved net sales of 4,269 units – an increase of 9% compared with the already strong results of 2023 (3,906 units). This figure also surpassed our previous record set in 2021, when net sales totalled 4,066 units, by 5%.

The highest sales volume in our 29-year history underscores the strong appeal of our offering and its alignment with the needs of both mortgage-financed and cash-buying clients. In 2024, cash transactions represented 51% of total sales, while mortgage-financed purchases accounted for the remaining 49%.

During the year, we delivered 4,216 units to buyers, including 3,916 units to retail customers and 300 units to a PRS investor. This represents a significant increase compared with 2023, when we handed over 3,831 units.

Customer satisfaction remains a key pillar of our success. We are proud to report that in 2024, with a record number of units delivered, we once again achieved a very high Net Promoter Score (NPS) of 67 points (on a scale of -100 to 100).

Higher unit deliveries, coupled with an increase in average unit value, drove revenue growth for the Dom Development Group. Strong operational efficiency and cost discipline enabled us to maintain satisfactory margins. In 2024, we reported a record net profit of PLN 569.2 million, 24% higher than the previous year.

Since our debut on the Warsaw Stock Exchange in 2006, we have consistently shared our profits with shareholders. Last year, the Annual General Meeting of Dom Development approved a record dividend for 2023, totalling nearly PLN 310 million, or PLN 12.00 per share. A portion of this amount (over PLN 141 million, or PLN 5.50 per share) was paid as an interim dividend in December 2023, while the remaining amount of over

PLN 168 million, or PLN 6.50 per share, was distributed to shareholders in July 2024. Furthermore, in December 2024, shareholders received an interim dividend of nearly PLN 155 million (PLN 6.00 per share) for 2024. These distributions were made possible by the Company's strong financial performance and liquidity position.

ATTRACTIVE OFFERING, EXPANDING LAND PORTFOLIO, AND FINANCIAL STABILITY

We continue to build strong growth momentum and have significant potential to further expand our operations and financial performance in the years ahead. The vast majority of our properties are sold during the construction phase. We consistently expand our land bank and launch new projects to enhance our offering. By the end of 2024, we had 3,800 units available for sale, a 57% increase from 2,400 at the end of 2023.

We entered 2025 with nearly 7.7 thousand units under construction, up from 6.7 thousand at the end of 2023, with 55% already sold. Meanwhile, deferred income – units sold but not yet delivered – rose to nearly 5,000 units valued at PLN 3.7 billion, up from 4,600 units worth just under PLN 3.3 billion at the end of 2023.

Over the past year, we steadily expanded our land bank with key acquisitions in Warsaw, Tricity, Wroclaw, and Krakow. Despite the scarcity of land for residential development in major cities, we successfully secured prime sites, including those suitable for multi-stage developments, a specialty of the Dom Development Group. At the end of 2024, our land bank had the capacity to support the construction of 19,000 units – equivalent to approximately five years of sales.

Our financial strength further underpins our competitive position and growth potential. At the end of 2024, our net interest-bearing debt to equity ratio (gearing) remained low at 1.9%. With cash and undrawn credit lines, we had available capital of PLN 1.2 billion at year-end, providing the flexibility to seize opportunities and navigate any challenges that 2025 may bring.

SUSTAINABLE DEVELOPMENT AND THE DOM 2030 ESG STRATEGY

As Poland's leading residential developer, we recognise our significant responsibility towards the communities and metropolitan ecosystems in which we operate. Published in 2022, the DOM 2030 strategy embodies our commitment to sustainability, ensuring a high quality of life for our residents and neighbouring communities while addressing their diverse needs. It also reinforces our dedication to employee well-being, strong partnerships with contractors, the highest standards of corporate governance, and responsible environmental stewardship.

As part of the DOM 2030 strategy, we set clear, measurable targets to drive our sustainability mission forward. In 2024, we successfully met all objectives set for the year. Among our key initiatives, we take particular pride in our proprietary Urban Greening Programme, through which we are creating publicly accessible green spaces across the four metropolitan areas where we operate. In 2024, we allocated more than PLN 6 million to this initiative.

Last year, we introduced finishing programmes that enabled buyers to receive their flats in a 'turnkey' standard at the same time as those opting for a bare-shell unit. A key feature of this initiative is the 'No Barriers' option, which aligns with our social mission by ensuring that homes can be adapted for individuals with limited mobility and special needs. This option also enhances everyday living for the able-bodied, the elderly, or families with young children.

Another milestone in 2024 was the launch of the Nasz Dom Foundation, bringing together the Dom Development Group's charitable initiatives. The foundation builds on our longstanding commitment to supporting local communities, with aid for those affected by the war in Ukraine among its priorities. In 2024, we donated over PLN 3 million to restore an abandoned senior citizens' home in the Vinnytsia region, which will provide 14 apartments for internally displaced persons. In total, more than PLN 4.5 million was allocated to charitable causes.

Sustainability remains at the core of our operations. Across all our projects, we continue to implement the Green Investment Card – our internal standard introduced in 2022 – to ensure an optimal balance between resident benefits and sustainable urbanisation. In 2024, 94% of our newly launched projects adhered to this framework, and we remain on track to achieve full compliance across all new developments by 2026.

We also assume that in 2030, 90% of our projects will also meet the criteria of a 15-minute city. By 2030, we aim for 90% of our projects to align with the principles of the 15-minute city, ensuring that essential infrastructure and services – including public transport, education, retail, recreation, green spaces, sports facilities, and healthcare – are within walking distance.

Already, 80% of the projects initiated in 2024 align with this concept.

As we publish this report, we have also achieved another key goal under the DOM 2030 strategy: increasing female representation on our Management Board to at least 30%. As of 1 March 2025, two of the five members of Dom Development's Management Board are women.

NEW MANAGEMENT BOARD MEMBERS. A UNIFIED VISION FOR FURTHER GROWTH

Reflecting on 2024, I must highlight a pivotal transition within our management board. At the end of the year, Jarosław Szanajca, one of the company's founders and long-serving CEO, stepped down from his role and assumed the position of Chairman of the Supervisory Board.

I am honoured to have assumed the role of CEO at the beginning of 2025. I joined the Dom Development Group in 2017 following the integration of Euro Styl – the company I co-founded and led – as the Group's key execution vehicle in the Tricity market. I later became a member of the Management Board in 2018. Working alongside Jarosław Szanajca has been an invaluable experience. He is a widely respected authority in our industry, distinguished by exceptional managerial acumen and deep market insight. With his continued support and the collective expertise of the entire Management Board, I am confident that we will drive the Group's next phase of growth. I have taken the helm of a company in a position of strength, and I am certain that we have all the strengths needed to further reinforce our market leadership.

Mikołaj Konopka
President of the Management Board, Dom Development S.A.

1 GENERAL INFORMATION ABOUT DOM DEVELOPMENT S.A. AND THE GROUP

Dom Development S.A., established in 1996, is a leader in Poland's residential property industry. The Group offers its customers apartments in multi-family buildings in the country's four major metropolitan areas: Warsaw, Tricity, Wroclaw and Krakow.

Listed on the Warsaw Stock Exchange (ticker: DOM) since 2006, the Company is a constituent of several WSE indices, including mWIG40. Since its stock market debut, the Company has maintained a prudent capital structure, combining low leverage with dividend distributions. This includes a record total dividend of PLN 309 million in respect of 2023, comprising an interim dividend of PLN 141 million paid in 2023 and a further PLN 168 million distributed in 2024. The Company has also declared an interim dividend of PLN 155 million for 2024.

Since its inception, the Dom Development S.A. Group (the 'Group') has focused exclusively on the residential property market. It currently operates in Warsaw, Tricity, Wroclaw, and Krakow.

Dom Development S.A. (the 'Company' or the parent of the Group) was established as a joint venture between Polish managers and British investors. Since its establishment, the Company's founders have played an active role in its management and strategic direction. Jarosław Szanajca, a shareholder with a 5.64% interest, led the business as President of the Management Board until 31 December 2024. From 1 January 2025, he has taken on the role of Chairman of the Supervisory Board. Grzegorz Kiełpsz, formerly the General Director, remains closely involved in the Company's oversight as a Member of the Supervisory Board and continues to be one of its major shareholders.

As at 31 December 2024, Dom Development S.A. was majority-owned by Groupe Belleforêt S.à r.l., a Luxembourg-based entity holding a 54.81% interest. Representatives of the majority shareholder have been actively engaged in both the Management Board and the Supervisory Board since the Company's earliest days, bringing valuable international expertise in real estate development and supporting its continued growth.

Dom Development S.A. operates in Warsaw, where it is the undisputed market leader in the number of residential units sold. Since 2008, the Group has also been active in Wroclaw, with all projects in the city now delivered through Dom Development Wroclaw Sp. z o.o. In 2017, the Group expanded into the Tricity market by acquiring Euro Styl S.A. This strategic transaction significantly accelerated the Group's growth, enhancing its scale and market presence. Today, Euro Styl S.A. is one of the leading residential developers in Tricity.

The Group also integrated Euro Styl Construction Sp. z o.o. as part of the acquisition, the general contractor for all of its projects in Tricity.

In 2018, Dom Construction Sp. z o.o. was established as the Group's general contractor, responsible for projects in Warsaw, Wroclaw, and, since 2021, Krakow.

On 1 July 2021, the Company acquired a 77% majority interest in Sento S.A., a residential developer operating in the Krakow market. The Group further expanded its presence in Krakow in the first quarter of 2022 by acquiring companies from the BUMA Group, a well-established residential developer, alongside the remaining minority interest in Sento S.A., making it a wholly owned subsidiary. The acquisition of the BUMA Group was finalised on 28 February 2022. In 2023 and 2024, the Group significantly strengthened its position in the Krakow market. Following the successful acquisitions of two local developers, Sento and Buma, Dom Development Krakow Sp. z o.o. was established on 1 February 2022, consolidating both the operational activities and local human capital of the acquired companies. This entity has since successfully launched new residential projects, reinforcing the Group's presence in the market. Since 2010, the Group has actively supported homebuyers in securing mortgage financing. Dom Development Kredyty Sp. z o.o. is a mortgage brokerage firm that exclusively serves the Group's clients. Leveraging the Group's scale, it can offer competitive financing terms and assist buyers in navigating the mortgage process efficiently.

WARSZAWA
WROCŁAW
KRAKÓW

1.1 STRUCTURE OF THE GROUP

Structure of the Dom Development Group as at 31 December 2024 (with the Company's direct and indirect interests in its subsidiaries):

NAME	PARENT'S OWNERSHIP INTEREST	VOTING INTEREST
Subsidiaries of Dom Development S.A.:		
Euro Styl S.A.	100%	100%
Dom Development Wroclaw Sp. z o.o.	100%	100%
Dom Construction Sp. z o.o.	100%	100%
Dom Development Kredyty Sp. z o.o.	100%	100%
Dom Development Grunty Sp. z o.o.	46%	100%
Dom Development Krakow Sp. z o.o.	100%	100%
Dom Land Sp. z o.o.	-	-
Fundacja Nasz Dom	100%	100%
Subsidiaries of Euro Styl S.A.:		
Euro Styl Construction Sp. z o.o.	100%	100%
Euro Styl Montownia Sp. z o.o.	100%	100%
GGI Dolne Miasto Sp. z o.o.	100%	100%
Your Destination Sp. z o.o.	100%	100%
Apartamenty Las Jastarnia Sp. z o.o.	100%	100%

All entities within the Dom Development S.A. Group are registered in Poland and are fully consolidated by the Company.

For a description of the organisation of the Dom Development Group, including information on the consolidated companies and changes in the Group's organisation, see Note 7.1. of the Consolidated Financial Statements for 2024.

In 2024, Euro Styl S.A. entered into two investment agreements for the execution of residential development projects through special purpose vehicles established specifically for this purpose. Pursuant to these joint venture agreements, Euro Styl S.A., together with its business partners, will undertake residential property development projects on land acquired directly by these joint ventures. In the consolidated financial statements, both projects are accounted for using the equity method.

1.2 DEVELOPMENT STRATEGY FOR THE COMPANY AND THE GROUP

The Management Board of Dom Development S.A. is committed to driving long-term value creation for the Company and its Group by reinforcing its market leadership in Poland's largest metropolitan areas. Several core pillars underpin the execution of this strategy:

SUSTAINABLE DEVELOPMENT

As a leading residential developer in Poland, the Dom Development S.A. Group plays a significant role in shaping urban spaces and enhancing the quality of life in the cities where it operates. The Management Board is committed to supporting the sustainable development of urban areas by implementing internal investment planning standards that often exceed regulatory requirements. Every aspect of a development – from residential units and shared community spaces to architectural design and green areas – is carefully planned to create high-quality, liveable environments that contribute to the long-term improvement of urban landscapes. On 28 June 2022, the Management Board adopted the DOM 2030 ESG Strategy, setting out the Company's and the Group's environmental, social, and corporate governance (ESG) objectives until 2030. This strategy reinforces the Group's commitment to sustainable development and outlines specific targets for the coming years. As part of this commitment, the Group aims to reduce CO_2 emissions per residential unit under construction by 30% by 2030 (compared with 2021 levels, Scope 1 and 2). Additionally, by 2030, 90% of the Group's projects will align with the '15-minute city' concept, ensuring that key infrastructure and essential services are within walking distance. To further promote diversity at the Company's leadership level, the share of women on the Management Board and the Supervisory Board is set to increase to at least 30%.

The full DOM 2030 ESG Strategy document is available on the Company's website: https://inwestor.domd.pl/pl/esg.

The Group strongly emphasises fostering long-term relationships with key stakeholders, including employees, customers, and subcontractors. This commitment is reflected in low employee turnover and consistently high customer satisfaction, as measured by the Net Promoter Score (NPS). A well-established network of trusted subcontractors contributes to the high quality and timely delivery of projects, reinforcing the Group's operational efficiency. In the real estate development sector, where project cycles are inherently complex and span a minimum of three years, employee expertise, strong supplier relationships, and seamless execution serve as critical competitive advantages. These strengths underpin the Group's ability to sustain its market leadership and enhance brand equity at a national level.

GEOGRAPHIC DIVERSIFICATION

The Dom Development S.A. Group is a high-quality, growth-oriented organisation with significant potential for further expansion. The Management Board sees substantial opportunities in broadening the Group's presence across Poland's key residential markets. In the coming years, the Company will focus on strengthening its position in Krakow, Wroclaw, and Tricity.

Dom Development S.A. remains the undisputed market leader in Warsaw, with a 13.2% market share in 2024. The Management Board anticipates steady growth across its other markets, underpinned by the Group's strong brand, extensive land bank, and deep industry expertise, which will support the efficient execution of new developments.

In 2024, Euro Styl S.A. ranked third in the Tricity market by sales volume, reinforcing its strong competitive position. The Group anticipates further expansion in the region in the coming years. Throughout 2024, the Group sold 1,038 units in Tricity.

In Wroclaw, the Group's operations have continued to grow steadily. In 2024, Dom Development Wroclaw Sp. z o.o. secured the leading position among local developers, achieving a 15.5% market share. Over the year, the Group sold 920 units in Wroclaw, representing a 42% increase compared with 2023.

Krakow remains one of Poland's key residential markets, characterised by high transaction volumes and strong pricing levels, though it is more fragmented than other major metropolitan areas. In 2024, the Company successfully expanded its development activities in Krakow, securing second place in the local market with a 9.6% market share. Throughout the year, the Company sold 520 units in the city.

STRONG BALANCE SHEET

The Management Board remains focused on maintaining a solid financial position and a strong liquidity profile across the Company and the Group. A robust capital base and low leverage provide the flexibility to navigate the highly cyclical nature of the real estate and construction markets. Furthermore, the Group's access to capital and secured credit facilities offers a competitive advantage in the land acquisition market, where transactions often require large-scale, multimillion-zloty payments within short timeframes.

MAXIMISING RETURN ON EQUITY (ROE)

The Management Board is committed to maximising long-term shareholder returns by focusing on project profitability, maintaining an optimal operating scale relative to the Group's organisational structure, and ensuring the regular distribution of dividends.

1.3 BUSINESS MODEL

Our operations are focused on the four largest residential markets in Poland, offering a diverse range of apartments that span standard, enhanced, and luxury segments. Our premium segment is a key strength, allowing us to achieve above-average profit margins while maintaining a substantial operational scale. We are committed to a management approach that aligns with sustainable development principles and adheres to sustainable construction standards. Our strategic objectives are detailed in the 'DOM 2030: ESG Strategy' document.

The development companies within our Group, including Dom Development S.A., Euro Styl S.A., Dom Development Wroclaw Sp. z o.o., and Dom Development Krakow Sp. z o.o., operate under a similar business model. The other companies in the Group provide vital support for our development activities, as discussed below. In 2024, there were no changes to the core management principles governing the Company and its Group.

PURCHASE OF LAND

The Group's core business is centred on large-scale, multi-phase projects that provide direct access to urban infrastructure and contribute to developing Poland's largest metropolitan areas. Dom Development S.A. is among the few developers with the resources and expertise to execute such capital-intensive and complex projects. Every land acquisition undergoes a comprehensive legal, technical, administrative, zoning, and financial feasibility analysis to ensure economic viability. The Group companies are actively seeking sites for multi-family residential developments in Warsaw, Tricity, Krakow, and Wroclaw. By investing at the right stage of the market cycle, the Group maintains operational continuity and secures transactions that support healthy margins. According to the Management Board, the optimal land bank – defined as sites under preparation – should equate to approximately three years of sales. Given the limited availability of development land and the need for sustainable urban planning, the Group is increasingly focusing on urban revitalisation projects, repurposing existing spaces to enhance cityscapes and meet modern residential needs.

DESIGN AND PLANNING APPROVALS

The Group partners with renowned architectural studios, emphasising the aesthetic quality of residential developments and the functionality of living spaces. Each project is designed to meet the highest standards in energy efficiency, building materials, and sustainable land use. A typical development comprises multi-family buildings with lifts, underground parking, and ground-floor commercial units. All apartments the Group companies deliver feature balconies, terraces, or private gardens, with carefully planned layouts that align with the Group's internal design standards. The Group primarily focuses on mid-market, high-quality residential units, balancing large-scale development and enhanced profitability.

CONSTRUCTION AND PROJECT DELIVERY

The Group's developments are delivered by in-house general contractors, optimising project parameters from the design stage while ensuring high construction quality and cost efficiency. The general contractors oversee the entire construction process, engaging specialist subcontractors for various building works. The Group's projects are built using traditional construction methods, with a standard completion timeline of approximately 16–20 months. Our companies are committed to managing waste following applicable regulations, and the materials used are of the highest quality and sourced from local suppliers associated with our investments.

SALES

The Group's residential units are sold directly through its subsidiaries, with transactions conducted at on-site sales offices located within developments and at developer headquarters. Customers also have the option to schedule online consultations and complete transactions remotely. The sales process consists of several stages, with payments in instalments tied to construction progress. To ensure security and transparency, all projects operate through open escrow accounts with leading Polish banks, where customer funds are deposited and released to the developer in line with project milestones.

MORTGAGE FINANCING SUPPORT

In 2024, approximately 49% of the Group's transactions were financed with a mortgage, up from 41% in 2023. For over 16 years, the Dom Development Group has facilitated mortgage financing, connecting homebuyers with leading banks in Poland. Dom Development Kredyty Sp. z o.o. partners with the country's largest banks to provide customers with tailored mortgage solutions that match their financial needs. In 2024, the company brokered 1,230 mortgage loans with a total value of PLN 696 million. Leveraging the Group's scale and strong banking partnerships, Dom Development Kredyty Sp. z o.o. gives customers access to some of the most competitive mortgage rates on the market.

INTERIOR DESIGN AND TURNKEY FINISHING SERVICES

Group companies offer customers the convenience of turnkey fit-out and finishing services, providing a seamless, move-in-ready experience. Buyers can choose from various curated interior design packages or tailor the fit-out to suit their preferences. They also can make custom modifications, such as adjusting partition walls, plumbing, and electrical installations to better suit their needs. All fit-out work and modifications are managed directly by Group companies, ensuring a smooth process, time savings, and the assurance that the developer's warranty covers all work.

The finishing programmes include full interior fit-out, bathroom installation, flooring and skirting, wall painting, and internal door installation. Customers can also opt for a custom kitchen fit-out with built-in appliances, making their home fully functional from day one.

By choosing Dom Development's turnkey fit-out and finishing services, buyers receive a fully completed apartment on the day of handover, eliminating delays and ensuring a fixed price with no risk of cost increases.

UNIT DELIVERIES

Once full payment is received, property ownership is transferred to the buyer. Under International Financial Reporting Standards (IFRS), revenue and associated costs are recognised at the point of handover. The Company's and Group's financial results are closely tied to the volume and mix of units delivered within a given period.

DIVIDENDS

Dom Development S.A. has consistently shared its profits with shareholders since its listing on the Warsaw Stock Exchange (GPW). Over the 16 years since its IPO, the Company has distributed more than PLN 2 billion in dividends while maintaining a strong balance sheet and high cash reserves.

In 2024, the Company paid out PLN 6.50 per share, amounting to PLN 168 million, representing 37% of the Group's consolidated net profit for 2023. This followed the PLN 141 million interim dividend distributed in the previous year, bringing the total dividend payout to 67% of the Group's 2023 profit.

For the second time in its history, Dom Development also distributed an interim dividend for 2024 at PLN 6.00 per share, with a total value of PLN 155 million.

The Company's and Group's operations are not seasonal, but quarterly financial performance fluctuates in line with the construction cycle and the timing of apartment handovers. These typically occur shortly after a development receives an occupancy permit, leading to a concentration of transfers in specific periods. Under IFRS 15, revenue is recognised at the moment of handover, as reflected in the statement of profit or loss. As a result, the reported financial results may not fully capture the Company's and Group's current performance.

To provide greater transparency, in addition to the number of units handed over in a given period, the Company also discloses data on current sales, including preliminary agreements and reservation agreements with payment received, reported on a net basis (adjusted for cancellations).

Neither the Company nor the Group depends on a single supplier or customer. The Group's only significant business partner in 2024 was Dom Construction Sp. z o.o., its in-house general contractor, which accounted for PLN 852 million in transactions, representing 47.8% of the Group's revenue for the year.

1.4 FLAGSHIP RESIDENTIAL DEVELOPMENTS OF THE GROUP

Residential development is playing an increasingly vital role in shaping modern cities. The Management Board of Dom Development S.A. is committed to ensuring that the Group's projects not only enhance urban landscapes but also improve quality of life and support sustainable city planning. Many developments are accompanied by major infrastructure upgrades, helping to create well-integrated, vibrant communities.

The Group's flagship projects are large-scale, multi-phase residential communities designed to a high specification, featuring expansive public spaces and cohesive, thoughtfully crafted architecture. These developments capitalise on the Group's key strengths – a strong brand, robust capital base, industry-leading design expertise, and a commitment to high-quality, durable construction. This approach allows the Group to successfully combine scale with superior profitability.

OSIEDLE URBINO, WARSAW

Osiedle Urbino is a residential community in a peaceful part of Warsaw's Włochy district, offering a harmonious blend of urban convenience and intimate surroundings. Characterised by low-rise buildings with bright façades, the development embraces a modernist architectural style designed to meet the needs of residents who seek the benefits of city living without compromising on comfort, modern aesthetics, and a welcoming environment. With additional phases planned for the coming years on secured adjacent land, Urbino will continue to evolve as a sought-after destination.

Osiedle Wilno in Warsaw is a testament to Dom Development S.A.'s organisational and financial strength, transforming Targówek Fabryczny into a thriving residential neighbourhood. What started as an ambitious vision has, over 14 years, grown into a self-sufficient urban community built from the ground up. To date, the Company has delivered 3,886 units within the development. In 2024, two additional phases were completed, adding 186 new homes, while construction began on a further 297 units. **Osiedle Wilno** exemplifies sustainable

urban planning, creating a resident-friendly environment

OSIEDLE WILNO, WARSAW

seamlessly integrating modern living with community-oriented spaces. The development features well-established service and transport infrastructure, with numerous plazas and green courtyards designed to foster social interaction.

Since 2019, Dom Development S.A. has been delivering one of its flagship projects, **Dzielnica Mieszkaniowa Metro Zachód**, in Warsaw's Bemowo district. From its very first phase, the development has attracted strong customer demand, establishing itself as a key driver of the Company's sales in the capital. Currently, over 1,000 residential units are under construction, with the Company holding land for an additional 1,100 units, reinforcing **Metro Zachód**'s status as a strategic long-term project. In 2024, Dom Development continued work on a 397-unit development within Metro Zachód for

MOKOTÓW SPORTOWY RESIDENTIAL DISTRICT, WARSAW

a professional institutional investor in the private rental sector. By the end of the year, 300 units had been handed over, with the remaining 97 units scheduled for completion in 2025.

Mokotów Sportowy is an expansive, green residential district under development at ul. Antoniewska in Warsaw. Designed as a modern, community-oriented urban space, the project will ultimately feature 10 thousand homes, alongside recreational areas and retail facilities, creating a well-balanced environment for active and everyday living. Nestled between the Jeziorko Czerniakowskie Nature Reserve and the Vistula River bend, the development incorporates sports-themed communal spaces, encouraging residents to embrace an active, outdoor lifestyle. With Mokotów's well-developed infrastructure, future residents will enjoy seamless connectivity, including a 15-minute commute to the city centre. The master plan envisions a multifunctional urban fabric comprising residential quarters, service points, schools, pedestrian-friendly streets, green squares, and public plazas. The surrounding area offers extensive green spaces, perfect for walking, swimming, cycling, or playing tennis, providing a wide range of leisure activities. Phase I


DOKI, GDAŃSK

of the development will include three buildings with 155 apartments, with the first residents set to move in during Q1 2026. The Group's subsidiaries also structure their offerings around large-scale, multi-phase flagship projects. For Euro Styl S.A., the **DOKI** project in Gdańsk holds particular significance.

This development, located on the historical grounds of the former Gdańsk Shipyard, has been transformed into a multifunctional urban space, combining residential, hospitality, and commercial elements. It features **DOKI**, a newly built residential quarter, alongside **MONTOWNIA**, a revitalised industrial building that now serves as a hotel and service hub. **MONTOWNIA** is home to serviced loft apartments, a conference centre, and the largest food hall in northern Poland, making it a vibrant social and business destination. As an integral part of the **DOKI** project, **MONTOWNIA** breathes new life into the historic submarine assembly hall. After extensive revitalisation, it stands out for a unique blend of hospitality, gastronomy, and business facilities. The upper floors house 114 fully equipped, serviced loft apartments, while the building's interiors resemble an art gallery, showcasing distinctive works by local Gdańsk artists alongside historically significant artefacts.

The unique character of the **DOKI and MONTOWNIA** project has been recognised by both customers and industry experts, earning numerous prestigious awards. These include three European Property Awards (2021–2022) for Mix-Use Development, Commercial Renovation/Redevelopment, and Development Marketing, as well as the Prime Property Prize for Building

MONTOWNIA, GDAŃSK

of the Year 2024. In 2023, the development received the Baltic Real Estate Award in the Hotel Project category and the Art in Architecture Award, recognising the project's role in integrating art into its design and supporting artistic patronage. Another significant accolade in 2024 was the 'Zabytek Zadbany' (Well-Preserved Monument) Award granted by the Ministry of Culture and National Heritage. The **DOKI and MONTOWNIA** projects will deliver over 1,200 units, including residential apartments, serviced lofts, and commercial spaces. As of the end of 2024, 433 units were under construction.

Konstelacja is a high-standard residential development set in an attractive yet peaceful location, blending modern design with a unique atmosphere inspired by astronomy and maritime themes. The project consists of intimate, four-storey buildings, each housing spacious apartments of varying sizes, featuring above-standard ceiling heights of 2.75 metres. One of the key attractions of the development is its direct access to a charming birch forest. The distinctive character of **Konstelacja** is reflected in details such as pedestrian pathways designed in the shape of constellations. The development also features unique architectural elements, including a sundial, maritime-themed playground equipment for children, and a dome-shaped climbing wall featuring a star map.

Konstelacja has been designed with sustainability at its core. The development features photovoltaic panels, which help reduce electricity costs in communal areas, and rain gardens. Permeable gravel pathways have been incorporated to improve water absorption, supporting sustainable drainage. Encouraging eco-friendly mobility, the development includes dedicated bicycle storage areas, bike racks, and electric vehicle charging points in selected parking spaces within the underground garages.

Jaskółcza is a mixed-use development featuring residential apartments, investment units, and commercial spaces in a historic city centre district. The project is being delivered under the supervision of the heritage conservation authority. It forms part of a Public-Private Partnership (PPP) initiative aimed at comprehensively

ESENCJA, GDAŃSK

revitalising this part of the city. Jaskółcza offers ground-floor retail and service spaces that are ideal for boutique shops, cafés, or atmospheric restaurants. At the rear of the building, facing the Motława River, residents will enjoy access to a private recreational area. Reflecting the site's historical character, the façade along ul. Jaskółcza will recreate the original parcel divisions of the building, subtly highlighted through the use of varied façade materials and differentiated window sizes and shapes.

Esencja is a new residential development in Dolne Miasto, a historical district in the heart of Gdańsk's city centre, offering a prime location overlooking the Nowa Motława River. The building's elegant architecture, ornamented façade, and unique detailing reflect a contemporary interpretation of the area's traditional townhouses. The development includes 101 apartments and 10 commercial

JASKÓŁCZA, GDAŃSK

units, with completion scheduled for the fourth quarter of 2026. **Esencja** represents the second commercial phase of the Public-Private Partnership (PPP) project, a major urban revitalisation initiative to transform the district through new public spaces, infrastructure upgrades, historic restorations, and mixed-use residential and commercial developments. As part of the PPP's public investment commitments, a multi-purpose sports field has already been delivered for Primary School No. 65, while the renovation of the riverside steps and viewing

WILLE BISKUPIN, WROCLAW

terraces along Nowa Motława is nearing completion. Plans include the construction of a new kindergarten and the revitalisation of 5.5 hectares of green spaces.

Among Wroclaw's standout developments, **Wille Biskupin** occupies a prestigious and tranquil location on Wielka Wyspa, one of the city's most beautiful areas. Surrounded by nature, the neighbourhood is home to Wroclaw's historic Zoo, the scenic Szczytnicki Park with its renowned Japanese Garden, and the UNESCO-listed Centennial Hall. This setting offers residents a serene, private atmosphere while ensuring convenient access to the city centre and full urban infrastructure. **Wille Biskupin** consists of low-rise urban villas designed to blend into lush green surroundings, featuring landscaped communal areas, playgrounds, and private gardens. The elegant two-storey architecture draws inspiration from the finest modernist designs, harmonising with the character of the surrounding district. The development is distinguished by its refined, minimalist form, light façades with intricate plaster and stone detailing, and expansive windows that maximise natural light.

Apartamenty nad Oławką is a premium residential development set in a stunning riverside location along the Oława River, surrounded by scenic boulevards, Park na Niskich Łąkach, and the Rakowiecki Forest. Every apartment will feature a spacious balcony or loggia, while select residences will offer exclusive rooftop terraces.

In 2024, Dom Development further strengthened its position in the Krakow market, with **Górka Narodowa** emerging as its flagship residential development in the city. At the end of 2024, 454 units were under construction, underscoring the Group's regional strategic expansion. The wide selection of two-bedroom apartments appeals to singles and couples, while the diverse range of three- and four-bedroom homes makes it an excellent choice for families with children. The development provides a welcoming environment that encourages residents to enjoy nature and connect with their neighbours.


29 ALEJA, KRAKOW

Osiedle 29. Aleja is a residential development situated at the junction of ul. Prandoty and Aleja 29 Listopada, just 2 km from Krakow's Main Market Square. Its prime location near the city centre offers residents the opportunity to fully immerse themselves in the city's cultural life, whether through meeting friends or enjoying leisurely walks. With its modern design and strategic location, 29. Aleja is an ideal choice for young people and property investors. The project's latest phase will deliver 134 apartments ranging in size from 30 to 98 m².

Apartamenty Park Matecznego is a multi-phase residential development located next to Mateczny Roundabout, a key transport hub providing convenient access to Podgórze and Kazimierz, with a tram journey to Wawel Castle taking just 10 minutes. The development is adjacent to Park Zdrojowy Mateczny, an inviting space for relaxation and outdoor activities, while nearby Wilga River green areas and the Vistula Boulevards further enhance the opportunity for an active lifestyle. Designed with an open, urban character, the development features ground-floor commercial spaces. The combination of direct access to Park Zdrojowy, modern architectural solutions, and a well-connected location makes it an ideal choice for the most discerning buyers. As of the end of 2024, 348 units were under construction, with the next phase set to introduce 163 new apartments and two commercial units.


APARTAMENTY PARK MATECZNEGO

1.5 GEOGRAPHIC MARKETS

EURO STYL
GRUPA DOM DEVELOPMENT

NO. 3 IN TRICITY
8.7% MARKET SHARE
1,038 UNITS SOLD
2,225 UNITS UNDER CONSTRUCTION
5,150 UNITS IN THE LAND BANK
129 EMPLOYEES

DOM DEVELOPMENT

WARSAW

NO. 1 IN WARSAW
13.2% MARKET SHARE
1,791 UNITS SOLD
3,236 UNITS UNDER CONSTRUCTIONS
9,902 UNITS IN THE LAND BANK
483 EMPLOYEES

DOM DEVELOPMENT

WROCLAW

NO. 1 IN WROCLAW
15.5% MARKET SHARE
920 UNITS SOLD
1,157 UNITS UNDER CONSTRUCTION
2,392 UNITS IN THE LAND BANK
47 EMPLOYEES

DOM DEVELOPMENT

KRAKOW

NO. 2 IN KRAKOW
9.6% MARKET SHARE
520 UNITS SOLD
1,039 UNITS UNDER CONSTRUCTION
1,564 UNITS IN THE LAND BANK
35 EMPLOYEES

The figures presented above reflect total unit sales for 2024,
as well as the number of units under construction and within the land bank as at 31 December 2024.
Market share estimates based on data from REDNET Property Group.
Employee data is presented as the average employment in 2024, expressed in full-time equivalents (FTEs).

PRUDENT EXPANSION

Dom Development S.A. has been the undisputed leader in Warsaw's residential property market for years, holding a 13.2% share of sales. As Poland's primary business and academic hub, Warsaw continues to attract new residents from within and abroad. The city's real estate market commands the highest prices in Poland, making it both a high-value and highly competitive environment. Due to limited land availability and complex legal conditions, Warsaw presents significant challenges for developers. However, Dom Development S.A. has been active in this market since its inception, leveraging its strong brand, market expertise, and deep industry know-how to maintain a competitive edge.

The Group also operates in Wroclaw, where it has been steadily expanding its presence since 2008. Today, Dom Development Wroclaw Sp. z o.o. is the leading residential developer in the market. With a strong land bank secured for future projects, the Company is well-positioned to further increase the contribution of its Wroclaw operations to the Group's overall performance. In 2024, the Group sold 920 units in Wroclaw, accounting for 15.5% of total residential sales in the region.

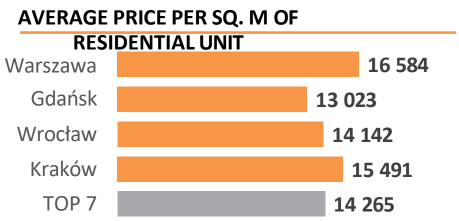
The 2017 acquisition of Euro Styl S.A. marked a key milestone for the Dom Development Group, enabling its entry into the Tricity market and significantly scaling up the business. Efficient organisational integration, a shared corporate culture, and a similar business approach drove the acquisition's success. In 2024, the Group sold 1,038 units in Tricity, representing 8.7% of total sales in this market. Euro Styl S.A. ranked third among local developers in annual sales volume. As a result of the acquisition, Euro Styl S.A. gained enhanced access to capital, which it has efficiently deployed to expand its operations. The company has significantly increased its scale and development potential while remaining a highly profitable organisation with strong foundations for future growth.

In 2024, the Group further strengthened its position in the Krakow market, securing 520 apartment sales, which accounted for 9.6% of total residential sales in the region. The market share of the Group's Krakow subsidiary nearly doubled compared with 2023. Dom Development Krakow Sp. z o.o. ranked second among developers in the city.

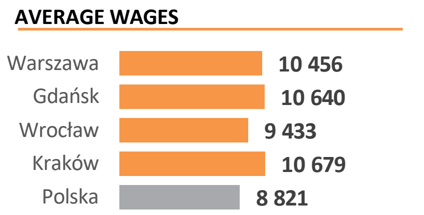
ONLY SELECTED METROPOLITAN AREAS

The Group operates exclusively in Poland's leading metropolitan areas, where the residential market outlook remains stable, offering strong growth potential and attractive margins. The strength of these markets is reinforced by key macroeconomic indicators, including low unemployment rates, high average wages, and relatively high

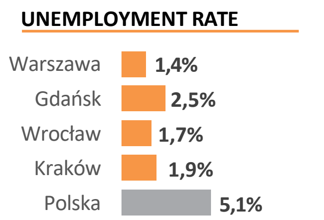
housing market. average transaction prices in the primary The cities in which the Group operates are experiencing a shortage of highly skilled labour, reflected in unemployment rates that remain below the natural level of approximately 2–4%.



Transaction prices in Q4 2024, source: NBP



Data for December 2024, source: Statistics Poland



As at 31 December 2024, source: Statistics Poland

1.6 OPERATIONAL PERFORMANCE IN 2024

The residential property market in Poland's largest metropolitan areas experienced a moderation in demand compared with the previous year. 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. During the year, the market saw a gradual recovery in housing supply as developers responded to the exceptionally low inventory levels at the beginning of the year. For buyers, this meant a wider range of available properties and a deceleration 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.

Against this backdrop, Dom Development Group achieved record-breaking sales in 2024, with 4,269 net units sold – the highest annual result in the 29-year history of the Group. This reflects the strong appeal of our offering and its excellent alignment with the needs of both mortgage-financed and cash-buying clients. Dom Development S.A. has long been the undisputed market leader in Warsaw, and in 2024, the Company further strengthened its position, achieving a 13.2% market share in the capital.

In 2024, the Group maintained its leading position in Tricity, achieving an 8.7% market share. Since joining the Group seven years ago, Euro Styl S.A. has significantly expanded its scale and operational capacity, solidifying its long-term market position in the region.

Dom Development Wroclaw Sp. z o.o. also strengthened its market standing, closing the year as the leading residential developer in Wroclaw, with a 15.5% market share. The company advanced to first place among local developers, ranking second in 2023.

Over the past 12 months, the Group further reinforced its presence in the Krakow market, with Dom Development Krakow Sp. z o.o. successfully launching new residential projects in Małopolska's capital. In 2024, the Group secured contracts for 520 units, representing 9.6% of total residential sales in Krakow for the year.

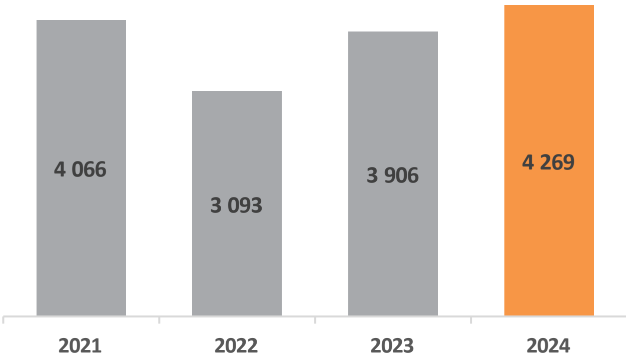
The Management Board remains focused on maximising profitability, ensuring a balanced approach to supply and pricing amid weaker market demand. Amid weaker market demand, the Group companies focused on strategic adjustments to their offerings, ensuring a disciplined approach to supply management while balancing sales pace and pricing levels.

The Dom Development Group holds a well-established position in the high-standard residential segment, where exceptional quality, timely project completion, and comprehensive customer service drive demand. These attributes are reflected in the above-market average values of units sold by the Group companies.

In 2024, the average gross transaction value, including turnkey finishing options, storage units, and parking spaces, was PLN 833 thousand per unit. Among the Group's markets, Krakow recorded the highest average transaction value at PLN 955 thousand, with the strongest annual price growth of 36%. In Warsaw, the figure stood at PLN 894 thousand, while in Tricity and Wroclaw, transaction values increased by 11% and 16% year-on-year, respectively.

The year-on-year increase in average transaction values reflects strong demand and persistently low supply. In 2024, approximately 51% of sales transactions completed by Group companies were cash purchases without mortgage financing.

NET SALES (UNITS)



SALES BY MARKET	2024	2023	CHANGE
Warsaw Dom Development S.A.	1,791	1,690	6%
Tricity Euro Styl S.A.	1,038	1,111	(7)%
Wroclaw Dom Development Wroclaw Sp. z o.o.	920	647	42%
Krakow Dom Development Krakow Sp. z o.o.	520	458	14%
Dom Development Group	**4,269**	**3,906**	**9%**

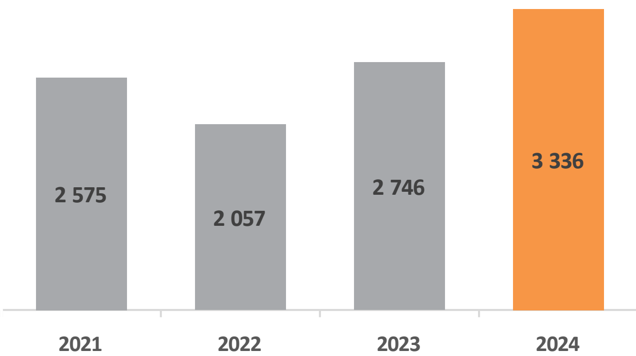
Demand for housing remained strong, with a growing share of mortgage-financed purchases. In the fourth quarter of 2024, 56% of sales were financed with a mortgage, compared with 49% for the full year. Investor-led demand also remained elevated, as reflected in the high proportion of cash transactions, which accounted for 51% of total sales across Dom Development Group in 2024. Dom Development S.A. achieved net sales of PLN 1,501 million in new residential units.

In Tricity, Euro Styl S.A. sold 1,038 units, generating PLN 728 million in net revenue. The company's revenue mix comprised multiphase, high-quality urban developments, including DOKI, Osiedle Synteza, Konstelacja, and Osiedle Beauforta.

Dom Development Wroclaw Sp. z o.o. reported sales of 920 units, generating PLN 643 million in net revenue. Sales volume in Wroclaw nearly doubled compared with 2023. The sales mix was primarily driven by large-scale developments, including Osiedle Międzyleska, Braniborska 80, and Osiedle Rapsodia.

In Krakow, Dom Development Krakow Sp. z o.o. continued to strengthen its position, selling 520 units with a net revenue of PLN 464 million. The company's flagship projects in 2024 included Osiedle Górka Narodowa and Apartamenty Park Matecznego.

VALUE OF UNITS SOLD (PLN million)



NET SALES (PLN million)	2024	2023	CHANGE
Warsaw Dom Development S.A.	1,501	1,347	11%
Tricity Euro Styl S.A.	728	708	3%
Wroclaw Dom Development Wroclaw Sp. z o.o.	643	390	65%
Krakow Dom Development Krakow Sp. z o.o.	464	301	54%
Dom Development Group	**3,336**	**2,746**	**21%**

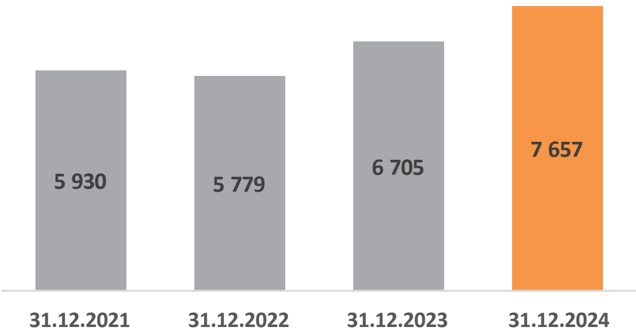
AVAILABLE STOCK

By the end of 2024, the Group's available stock increased by 57% compared with year-end 2023. The most significant expansion occurred in the Krakow market, where the number of units available for sale more than doubled. Last year, the Group launched construction across 45 developments spanning four metropolitan areas. Through focused execution and strategic planning, we successfully capitalised on market conditions and growth opportunities. While residential sales reached a record high in the Group's history, we simultaneously worked at pace to replenish and expand our development portfolio.

AVAILABLE STOCK	2024	2023	CHANGE
Warsaw Dom Development S.A.	1,448	795	82%
Tricity Euro Styl S.A.	1,062	598	78%
Wroclaw Dom Development Wroclaw Sp. z o.o.	739	773	(4)%
Krakow Dom Development Krakow Sp. z o.o.	527	238	121%
Dom Development Group	**3,776**	**2,404**	**57%**

As at 31 December 2024 and 31 December 2023

UNITS UNDER CONSTRUCTION



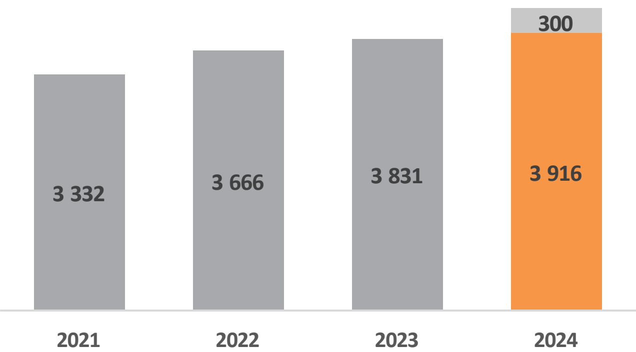
UNITS UNDER CONSTRUCTION	2024	2023	CHANGE
Warsaw Dom Development S.A.	3,236	2,857	13%
Tricity Euro Styl S.A.	2,225	1,823	22%
Wroclaw Dom Development Wroclaw Sp. z o.o.	1,157	1,404	(18)%
Krakow Dom Development Krakow Sp. z o.o.	1,039	621	67%
Dom Development Group	**7,657**	**6,705**	**14%**

As at 31 December 2024 and 31 December 2023

The Group ended 2024 with a total of 7,657 units under construction, of which 4,162 units had already been sold.

In the Management Board's view, the 14% increase in the Group's active development pipeline represents a significant achievement, particularly in light of the growing challenges in securing administrative permits and the limited availability of suitable development land. Despite the record scale of operations, all projects remained on schedule and within budget. This success was largely driven by the Group's in-house general contractors – Dom Construction Sp. z o.o. and Euro Styl Construction Sp. z o.o. Both companies consistently delivered projects on time, meeting the Group's high-quality standards and cost-efficiency targets while maintaining profitability.

UNITS DELIVERED



UNITS DELIVERED	2024	2023	CHANGE
Warsaw Dom Development S.A.	1,969	1,928	2%
Tricity Euro Styl S.A.	950	1,045	(9)%
Wroclaw Dom Development Wroclaw Sp. z o.o.	522	618	(16)%
Krakow Dom Development Krakow Sp. z o.o.	475	240	98%
Dom Development Group	**3,916**	**3,831**	**2%**

The completion and handover of units is a primary driver of the Group's financial performance. The on-schedule execution of construction projects in 2024 resulted in unit handovers aligning with the Management Board's expectations.

In 2024, the Dom Development Group completed and handed over 4,216 units, including 3,916 units delivered to individual buyers and 300 units to an institutional PRS investor.

This represents a substantial increase over the previous record year of 2023, when the Group delivered 3,831 units. The Group's 2024 financial performance was notably driven by handovers in key projects, including Metro Zachód (636 units, excluding PRS), Osiedle Jagiellońska (268 units), and Osiedle Przystanek Międzylesie (210 units) in Warsaw; DOKI (301 units) in Tricity; Osiedle Zielna (149 units) in Wroclaw; and Górka Narodowa (308 units) in Krakow.

The delivery volumes are closely tied to project schedules. In 2024, the Group completed 38 developments, comprising a total of 4,586 units.

LAND BANK

The Group's land bank consists of sites designated for future developments currently in preparation. The units planned for construction on acquired and controlled properties and those already under construction form the foundation for the Company's and the Group's financial performance in the coming years. According to the Management Board's assessment, the land bank held by the Group's development companies is appropriately structured and sufficient to support the Group's investment strategy. The optimal land bank level – defined as land in preparation – should provide a pipeline sufficient to support sales for at least three years.

In the Management Board's assessment, given the declining availability of development land and the need for sustainable urban land use, Group companies will increasingly focus on redevelopment and urban revitalisation projects as part of their long-term growth strategy. Land market conditions vary significantly across metropolitan areas. Warsaw remains the most challenging market in terms of land availability for residential development. This is driven by historical factors, complex legal status issues affecting certain properties, intense competition, and administrative approval constraints. As a result, a significant portion of Dom Development S.A.'s Warsaw land bank consists of controlled sites where the Company has secured purchase rights, but ownership transfer and full payment are deferred until the necessary approvals and administrative decisions have been obtained.

LAND BANK UNITS – LAND PURCHASED AND LAND UNDER CONTROL	2024	2023	CHANGE
Warsaw Dom Development S.A.	9,902	10,972	(10)%
Tricity Euro Styl S.A.	5,150	4,528	14%
Wroclaw Dom Development Wroclaw Sp. z o.o.	2,392	2,230	7%
Krakow Dom Development Krakow Sp. z o.o.	1,564	2,040	(23)%
Dom Development Group	**19,008**	**19,770**	**(4)%**

As at 31 December 2024 and 31 December 2023

This approach to land acquisitions enables the Company to swiftly commence developments once the final purchase transaction is completed.

In line with the Management Board's strategy, the Group's land bank remains at a very high level, providing a five-year sales horizon, driven by the active acquisition of prime development sites. The Group currently holds a high-quality land bank across all metropolitan areas in which it operates. In the Management Board's opinion, this well-structured land portfolio will support the Group's ability to maintain its market leadership in the coming years.

1.7 KEY EVENTS OF 2024

CHANGE IN THE MANAGEMENT BOARD OF DOM DEVELOPMENT

In 2024, Dom Development Group underwent a significant leadership transition. Effective 31 December 2024, Jarosław Szanajca stepped down as President of the Management Board after a distinguished tenure that saw the Company achieve dynamic growth and strengthen its market position.

From the beginning of 2025, Mikołaj Konopka has assumed the role of President of the Management Board. A member of Dom Development's Management Board since 2018, he has played a key role in overseeing the Company's core operations. With extensive experience in the construction and property development sectors gained at Euro Styl S.A., he has led the Group's general contracting activities and expansion into Krakow. His expertise and deep understanding of the business provide a solid foundation for a seamless transition and continued growth.

The Supervisory Board and the Management Board of Dom Development are confident that Mikołaj Konopka's leadership, strategic vision, and industry knowledge will drive the Company forward, ensuring the delivery of its long-term objectives and further progress in areas such as sustainable development (ESG). While stepping down as President, Jarosław Szanajca remains involved in the Group's future by joining the Supervisory Board, providing continuity, guidance, and strategic oversight. This transition marks a new chapter in Dom Development's journey, reinforcing its commitment to sustained growth and market leadership in the property development sector.

THE GROUP AS MARKET LEADER IN WROCLAW

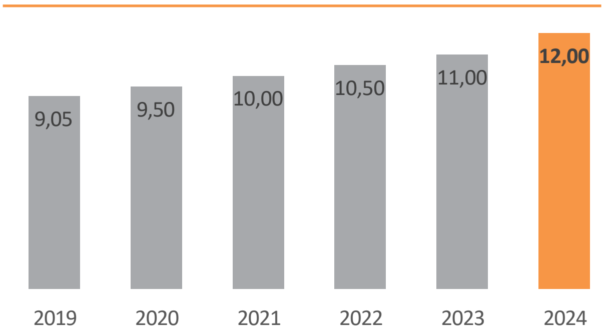
Dom Development Group has been active in Wroclaw since 2008, steadily expanding its presence in the market. Today, all of the Group's projects in the city are delivered by Dom Development Wroclaw Sp. z o.o.

In 2024, Dom Development Wroclaw became the leading developer in Wroclaw. With a well-secured land bank supporting future projects, the company is well-positioned to further strengthen its contribution to the Group's overall performance. During the year, it sold 920 units in the Wroclaw region, accounting for 15.5% of total residential sales in the local market.

The company also launched five new developments in 2024, with a total of 772 units. Despite this significant level of new project activity, its land bank expanded by 2% year-on-year, strengthening the subsidiary's ability to drive further growth.

Dom Development Wroclaw is known for delivering high-quality, modern, and sustainable homes in one of Poland's most attractive cities. Its diverse offering, high-quality construction, sustainable solutions, and prime locations continue to drive strong demand for the company's developments. With Wroclaw's property market experiencing dynamic growth, the city remains a highly attractive destination for both homebuyers and property investors.

DIVIDEND PAID PER SHARE



RECORD DIVIDEND PAYOUT

On 19 June 2024, the General Meeting of Dom Development S.A., in line with the Management Board's recommendation, approved a record dividend of PLN 12 per share. The dividend record date was set for 26 June 2024, with the payout executed on 4 July 2024.

In total, the Company distributed PLN 309,581 thousand to its shareholders. This comprised an interim dividend of PLN 141,341 thousand (representing 31% of the Group's consolidated net profit for 2023 and 32% of the Company's net profit for 2023) and a final dividend of PLN 168,239 thousand (equivalent to 37% of the Group's consolidated net profit for 2023 and 38% of the Company's net profit for 2023). The dividend yield, based on the Company's share price on the last trading day with dividend rights, was 3.25% for the interim dividend and 3.57% for the final dividend.

The remaining net profit of PLN 131,533 thousand was allocated to the Company's reserve capital.

In 2024, for the second time in its history, Dom Development decided to pay an interim dividend against the current year's earnings, amounting to PLN 6 per share. The total interim dividend payout for 2024 was PLN 154,790 thousand, with the dividend record date set for 12 December 2024 and the payment made on 18 December 2024.

The dividend distribution aligns with Dom Development S.A.'s dividend policy, published on 3 April 2013, which aims to increase dividend payments over time. The Management Board remains committed to maximising shareholder returns while maintaining a strong balance sheet and high liquidity.

The Management Board believes that the Company's high return on equity (ROE) will enable it to remain among the top dividend-paying companies listed on the Warsaw Stock Exchange while allocating a portion of its earnings to further strengthen its balance sheet and support business growth. The Board's intention is to continue increasing the dividend per share, subject to prevailing market conditions.

DEBT FINANCING

BONDS

Bond issuance

On 5 December 2024, the Company issued 140,000 unsecured bearer bonds of series DOMDEM20512229, each with a nominal value of PLN 1,000, for a total nominal value of PLN 140,000 thousand. The bonds mature on 5 December 2029. The issue price was equal to the nominal value of the bonds. The interest rate for the DOMDEM20512229 series was set based on the 6-month WIBOR reference rate plus a margin of 1.40%. Interest payments will be made semi-annually. The proceeds from the issuance were allocated to finance the Company's current operations, with no specific purpose designated.

Bond redemption on maturity

On 12 December 2024, the Company redeemed 50,000 bearer bonds of series DOMDET3121224, each with a nominal value of PLN 1,000, for a total nominal value of PLN 50,000 thousand.

CREDIT FACILITIES

On 27 May 2024, Dom Development S.A. and VeloBank S.A. signed an amendment to the revolving credit facility agreement dated 21 December 2023. Under the terms of this amendment, the credit limit was increased from PLN 50,000 thousand to PLN 60,000 thousand.

On 6 December 2025, Dom Development S.A., Euro Styl S.A., and PKO Bank Polski S.A. executed Amendment No. 5 to the overdraft credit facility agreement dated 27 July 2015, as subsequently amended. Under the amendment, the facility limit was increased from PLN 200,000 thousand to PLN 230,000 thousand. In accordance with the agreement, Euro Styl S.A. continues to be entitled to utilise up to PLN 50,000 thousand of this facility, with no change to this sub-limit.

On 12 December 2024, Dom Development S.A. and Bank Millennium S.A. executed an amendment to the multi-currency credit facility agreement originally dated 18 December 2019, as subsequently amended. Under the amendment, the facility limit was increased from PLN 60,000 thousand to PLN 85,000 thousand, and the availability period was extended to 17 December 2026.

NEW TURNKEY APARTMENTS

Dom Development was the first developer in Poland to introduce a turnkey finish offering, responding to growing customer demand for high-quality, ready-to-move-in homes, and has successfully provided a range of interior finishing packages aligning with the latest design trends. In 2024, our turnkey finishing packages continued to gain traction, accounting for 20% of all apartments sold in Warsaw and Wroclaw.

Turnkey solutions provide homebuyers with a seamless and efficient way to complete their interiors, eliminating the need for separate contractor management and reducing time-to-move. Our offering includes a choice of pre-designed packages, a broad selection of materials and finishes across different price points, and an optional bespoke service with professional interior design support. All turnkey finishes are covered by a two-year statutory warranty, providing additional assurance to customers. We continue to strengthen this proposition through our in-house Interior Design Department, which offers expert guidance on innovative solutions while helping customers tailor their interiors to their individual needs and preferences. All finishing works are completed under Dom Development's direct supervision by trusted subcontractors. Our long-standing relationships with suppliers of construction, finishing, and decorative materials allow us to secure cost efficiencies, delivering added value to our customers. This service remains particularly attractive to two key customer segments: investors, who favour our competitively priced 'Profit' finishing package to maximise rental yields and reduce operational hassle, and owner-occupiers, who often select the 'Concept' package, which offers a wider range of premium materials and greater scope for personalisation.

These projects prioritise interior personalisation, ensuring that each space is tailored to the needs and preferences of future residents.

FUNDACJA NASZ DOM

The year 2024 marked the launch of operational activities of Fundacja Nasz Dom, established to consolidate the charitable initiatives previously undertaken independently by various companies within the Dom Development Group. The Foundation's efforts have primarily focused on supporting the Ukrainian community in Poland and Ukraine, as well as engaging with local communities.

One of the key initiatives in 2024 was a PLN 3.2 million investment in the refurbishment of a property near Vinnytsia, Ukraine, transforming it into a new home for internally displaced persons. This project, undertaken in partnership with the Ukrainian foundation Housing for IDPs, involves on-site construction works to create 14 residential units for families who have lost their homes due to the Russian aggression in Ukraine. A crucial component of the project is the construction of an air-raid shelter with a capacity for 30 people, alongside the landscaping of the 500 m² site.

Another major initiative led by the Foundation in 2024 was its support for the Warsaw Ukrainian School (*SzkoUA*), an innovative educational institution established shortly after the outbreak of the war, now attended by nearly 300 children. The partnership began in May, with the Foundation funding a school trip to the Masurian Lakes region, where students participated in outdoor education, cultural excursions, and recreational activities. Building on this collaboration, the Foundation is now financing the refurbishment of a new school building in ul. Terespolska in Warsaw. Until now, SzkoUA has operated out of ageing, unmodernised pavilions that offered suboptimal learning conditions. The relocation to the new facility – made possible by a PLN 2 million investment from the Nasz Dom Foundation – will significantly enhance the school's environment, providing a much-improved space for students and staff.

Alongside its flagship initiatives, Fundacja Nasz Dom undertook several targeted community projects. As part of its support for the Great Orchestra of Christmas Charity, the foundation successfully bid on a three-day trip to London, including tickets to the Warner Bros Studio Tour London, which was then donated to one of the youngest beneficiaries of the Mam Marzenie Foundation. During the summer, Fundacja Nasz Dom provided funding for a two-week seaside holiday for foster families organised by the Rodzina Plus Foundation. In the second half of 2024, the foundation contributed financial support to a medical clinic in Kłodzko that was severely affected by flooding in September. The donation funded the purchase of office furniture and computer equipment. The Foundation also supported the 16th International Puppet School Meetings – METAPHORS, a cultural initiative showcasing the work of students from leading Polish and international theatre academies specialising in puppetry acting and directing. Towards the end of the year, the Foundation funded the purchase of new gym equipment for a Warsaw-based fire and rescue unit.

The Foundation's efforts extended beyond providing direct financial support, with a focus on securing additional funding to maximise its impact. In September, a representative of Fundacja Nasz Dom participated in the Build Europe conference, an industry forum that brings together national developer associations. The event provided an opportunity to present Dom Development's initiatives in supporting the Ukrainian community. Discussions in Prague, followed by further engagement, resulted in securing additional funding from German companies. These funds were subsequently donated to the Housing for IDPs Foundation.

1.8 RISKS AND FACTORS RELEVANT TO THE DEVELOPMENT OF THE COMPANY AND THE GROUP

EXTERNAL AND INTERNAL FACTORS AFFECTING THE DEVELOPMENT OF THE COMPANY AND THE GROUP, INCLUDING KEY RISK FACTORS AND THREATS, AND THEIR POTENTIAL IMPACT

EXTERNAL FACTORS

ECONOMIC CONDITIONS AND POLITICAL SITUATION IN THE REGION

On 24 February 2024, the war in Ukraine entered its third year, continuing to have profound implications for international security and geopolitical stability. The Ukrainian armed forces, government, and citizens remain steadfast in their resistance against Russian aggression. Last year, international economic sanctions were further reinforced, while humanitarian and military aid continues to support Ukraine.

According to a report by the Polish Economic Institute, more than 80% of businesses believe that the war has contributed to rising costs of raw materials and capital goods, increased operating expenses, and heightened business risk. Nearly half of the surveyed companies had to raise prices for their products or services as a direct consequence of the conflict. The sectors most affected included industrial manufacturing, small-scale retail, and construction.

Labour shortages emerged as a challenge, particularly in the construction sector, due to military mobilisation and workforce displacement. With its in-house general contracting capabilities, long-standing relationships with subcontractors, and the advantages of scale enabling optimal resource allocation, the Group is well-positioned to execute its objectives as planned in the coming year and strengthen its competitive position despite the challenging geopolitical environment.

The Management Board continuously monitors the situation, assessing its potential long-term impact on projects and the Group as a whole. Thanks to its disciplined approach to maintaining a strong balance sheet and low net debt, the Group companies are well placed to operate with confidence and sustain long-term growth potential.

INTEREST RATES

The housing market is traditionally seen as inversely correlated with interest rates – low rates attract capital to the property sector and improve mortgage affordability, while higher rates tend to dampen demand. Last year underscored the strength of this relationship. According to data from the Credit Information Bureau, mortgage lending in Poland reached PLN 87.1 billion in 2024, marking a significant 36.1% increase compared with 2023. However, in Poland's largest metropolitan areas, demand for residential properties cooled relative to the previous year. 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. During the year, the market saw a gradual recovery in housing supply as developers responded to the exceptionally low inventory levels at the beginning of the year. Although interest rates remained unchanged, the cost of new mortgage offerings saw a slight increase. According to data from the National Bank of Poland, the average mortgage interest rate rose to 7.45% in December 2024, up from 7.35% in November.

Within the Dom Development Group, cash transactions accounted for 51% of total sales in 2024, while mortgage-financed purchases represented 49%.

INFLATION

Inflation in Poland followed a volatile trajectory throughout 2024. According to Statistics Poland (GUS), the annual inflation rate stood at 3.7% in January before easing to 2.8% in February. By March, inflation had reached its lowest level of the year at 2.0%, but this downward trend was short-lived. From April onwards, inflation accelerated, peaking at 4.9% in September and 5.0% in October. November marked the first decline in seven months, with inflation moderating to 4.7%.

The primary drivers of these fluctuations were energy, food, and service prices. In October, food and nonalcoholic beverage prices increased by 4.9%, while energy carrier costs surged by 11.5%. Rising electricity prices played a particularly significant role in driving inflationary pressures. In addition to energy and food price fluctuations, fuel price volatility and base effects from the previous year contributed to inflationary trends in 2024.

Last year presented both challenges and key policy decisions that influenced Poland's economic landscape. At the beginning of 2024, the government raised the 500+ child benefit to 800+, aiming to ease the impact of inflation on households. In the autumn, a new social initiative, 'Active Parent', was introduced to support parents in balancing employment with childcare responsibilities. However, not all announced policies were implemented. The *Mieszkanie na Start* (Housing for Starters) programme, which had generated strong expectations, was ultimately cancelled, leaving many young families without anticipated financial support for homeownership.

Analysts expect Poland's GDP growth in 2024 to range between 2.7% and 2.9%, slightly below the earlier forecast of 3%. The slowdown is primarily driven by weaker global economic conditions and limited investment activity in the current macroeconomic environment.

However, this deceleration is expected to be temporary, with growth projected to accelerate in 2025. A key catalyst for recovery could be monetary easing, as potential interest rate cuts would stimulate domestic demand and improve credit availability. Additionally, the disbursement of funds from the National Recovery Plan (KPO) is set to provide further support, particularly through investment in infrastructure and innovation.

While 2024 presented near-term challenges, the broader outlook remains positive, with improving conditions expected to support economic expansion in the years ahead.

Real estate remains one of the most effective asset classes for preserving capital value in an inflationary environment.

In 2024, construction material prices continued to decline in real terms, with an average year-on-year decrease of 1.7% between January and December.

Dom Development Group leverages its in-house general contracting capabilities to optimise the construction process from the earliest stages of project planning. By harnessing economies of scale and fostering long-term partnerships with trusted subcontractors, the Group enhances cost efficiency while maintaining strong, reliable supplier relationships. These structural advantages have become increasingly significant and are expected to remain key competitive strengths in the year ahead.

The Group's internal general contractors – Dom Construction and Euro Styl Construction – ensure consistently high-quality execution, timely project delivery, cost efficiency, and satisfactory margins. This vertically integrated model enables the Company and the Group to effectively mitigate construction cost inflation risks, supporting strong profitability and long-term operational resilience.

LABOUR MARKET CONDITIONS

The performance of the housing market is closely tied to labour market dynamics, and Poland continues to rank among the leading European economies with one of the lowest unemployment rates. The Polish labour market remained strong in 2024, demonstrating resilience despite broader economic shifts.

The year also brought significant changes, presenting both challenges and opportunities for businesses and employees. Economic, demographic, and technological developments played a key role in shaping employment conditions and business operations.

According to Statistics Poland (GUS) and the Ministry of Family and Social Policy, Poland's unemployment rate stood at 5.1% at the end of December 2024, remaining broadly in line with the previous year. This stability reflects the resilience of the labour market despite evolving economic conditions. Crucially, Poland's unemployment rate remained below the EU average of 6.2%.

Poland's unemployment rate remained stable at the same level in December 2023 and December 2024. In the cities where the Group operates, unemployment continued to remain below the natural rate.

A key factor influencing home purchase decisions – particularly for buyers relying on mortgage financing – is confidence in job stability. The labour market remained robust throughout 2024 and is expected to remain strong in 2025, supporting overall housing demand.

The average monthly wages in the enterprise sector increased by 9.8% year-on-year in nominal terms, reaching PLN 8,821.25 gross in December 2024.

Stable employment levels and real wage growth continue to provide strong support for housing demand. The Management Board believes that labour market conditions will play a key role in shaping the residential development sector in 2024, particularly in the mainstream (popular) housing segment.

The proportion of Ukrainian immigrants among all foreign workers in Poland has been gradually declining, making way for an increasing share of workers from other countries. Over the past two years, their share has decreased by six percentage points. Despite this shift, Ukrainians remain the largest group applying for residence permits in Poland, with 286,000 applications submitted in 2024.

ADMINISTRATIVE DECISIONS

Residential development projects require the Group to obtain multiple permits, approvals, and clearances at various stages of the development process. While the Company takes a prudent approach to project scheduling, there remains a risk of delays in securing necessary approvals, revisions to previously granted decisions (e.g. due to appeals, which often entail no consequences for appellants), or, in some cases, the outright refusal of approvals. Such challenges can impact the execution and timely completion of both ongoing and planned projects, posing potential risks to the Group's development pipeline.

The Group maintains a well-balanced scale of operations and a consistent pipeline of new developments, supported by a high-quality land bank, which currently secures more than three years of sales for Dom Development S.A.

A key component of risk management is the rigorous evaluation of potential projects and continuous oversight of ongoing developments. The Group applies proven investment models and structured decision-making processes, with strict compliance monitored by the Management Board to ensure disciplined execution.

AVAILABILITY OF CAPITAL

Property development is capital-intensive and requires long-term financial commitment, making liquidity management a key priority for the Company's Management Board. Banks' lending appetite plays a crucial role in shaping housing demand.

The Management Board considers the Dom Development Group to have minimal exposure to risks related to capital availability. The Group's low net debt, strong cash position, and high creditworthiness among financial institutions provide a competitive advantage, ensuring the uninterrupted execution of its development plans.

As of 31 December 2024, the Dom Development Group held PLN 577 million in cash and had access to PLN 625 million in undrawn credit facilities. With interest-bearing debt of PLN 610 million, of which only PLN 100 million was short-term, the Group's net debt stood at just PLN 33 million, reflecting its strong financial position.

Capital availability remains a key factor affecting housing demand. Both prospective homebuyers and existing mortgage holders continue to await a more favourable borrowing environment. However, the Monetary Policy Council kept interest rates unchanged, while banks increased mortgage rates on new loans. According to National Bank of Poland (NBP) data, the average mortgage interest rate rose to 7.45% in December 2024 from 7.35% in November.

LEGAL REGULATIONS

Upcoming legal and regulatory changes present a potential risk that could directly or indirectly affect the Group's operations and financial performance.

On 1 January 2024, new tax regulations came into effect, introducing additional fiscal burdens on bulk residential acquisitions by institutional investors. Under the new rules, the purchase of a sixth and subsequent residential unit within a single development (on the same land plot) is now subject to an increased transfer tax. This 6% transfer tax applies in addition to VAT, effectively resulting in double taxation on such transactions. These regulatory changes may constrain sales activity and create challenges for developers in working with institutional investors, potentially impacting liquidity and transaction volumes in the residential market.

In April 2024, amendments to the regulation on technical conditions for buildings and their location came into effect, introducing stricter requirements for new developments and their location. The revised regulations set a minimum floor area for commercial units in newly designed buildings and increase the minimum setback distance from the site boundary for buildings exceeding four above-ground storeys. Additional changes include stricter requirements for the placement of accessible parking spaces, ensuring greater distance from residential windows, increased minimum standards for recreational space areas within developments, tighter acoustic insulation requirements for residential units, and enhanced regulations for balcony partitions, mandating appropriate separations for balconies built on a shared slab.

On 24 September 2023, the Act of 7 July 2023 amending the spatial planning and development act came into force. This legislative update introduced changes not only to the spatial planning and development act but also to nearly 50 other legal acts. The key objectives of the reform include:

- abolishing the study of spatial conditions and directions of spatial development and replacing it with a General Plan, which will cover the entire municipality and serve as a legally binding local act, rather than merely a guiding document as was previously the case. This will ensure a stronger alignment between municipal planning policies and local zoning regulations,

- establishing new rules for issuing and enforcing zoning decisions, redefining the criteria and validity of development conditions,

- amending the planning procedure,

- repealing the Special Housing Act (commonly known as 'Lex Developer') and introducing an Integrated Investment Plan, a new planning tool.

The existing spatial plans will remain in force only until 31 December 2025, after which they will expire. By 1 January 2026, all municipalities will be required to adopt a master plan – a newly mandated planning document that will apply to the entire municipal area. Following an assessment of housing demand, the master plan will designate zones for multi-family residential development. All newly adopted local plans and zoning decisions must align with this framework. Failure to implement a master plan by 31 December 2025 will result in the suspension of planning decisions, meaning that affected municipalities will be unable to issue new zoning decisions for development projects and adopt new local spatial development plans or amend existing ones.

Following the implementation of the spatial planning reform, all previously adopted local development plans will remain in force, allowing developers to continue securing building permits, land subdivision approvals, environmental permits, and other administrative decisions based on existing zoning regulations.

Zoning decisions issued before 24 September 2023 will also remain valid and may still be used to obtain building permits. Additionally, new zoning decisions can continue to be issued between 24 September 2023 and the adoption of a master plan. However, if a master plan is not adopted by 31 December 2025, municipalities will no longer be able to issue new zoning decisions from 1 January 2026 onwards until the new plan is in place. Any applications initiated after this date will not be processed. Once a master plan is adopted, new zoning decisions will only be granted if the development site falls within an infill development zone designated within the plan. Currently, zoning decisions are issued without an expiry date. Under the new regulations, from 1 January 2026, all zoning decisions will expire after five years from the date they become legally binding.

The regulatory changes outlined above are expected to significantly constrain the supply of land for multi-family residential development from 1 January 2026, when the core elements of the spatial planning reform take effect.

The Management Board believes that the proposed changes will reduce development potential, limit the efficient use of land, and increase project delivery costs. These factors are expected to have a direct impact on housing supply, leading to fewer new homes being delivered and upward pressure on prices. Additionally, the profitability of development projects is likely to be affected. Many land acquisition decisions made by developers were based on previous planning regulations and capacity assessments, and changes to these parameters could alter the commercial viability of projects within existing land banks.

On 1 July 2024, the transition period allowing developers to sell and deliver residential projects under the previously applicable Homebuyer Protection Act came to an end. From this date, the sale of all remaining units in a developer's offering must comply with the current Act on homebuyers' protection and the Developer Guarantee Fund. Under the new framework, all transactions must be conducted through escrow accounts, with final payments released only after the transfer of ownership to the buyer. Additionally, all buyer deposits are now subject to non-refundable contributions to the Developer Guarantee Fund. The Management Board has identified potential financial and operational impacts arising from these changes, including shifts in cash flow structures and higher transaction costs arising from the mandatory escrow account mechanisms and developer contributions to the fund. The Company has accounted for these factors in its financial planning and has implemented measures to mitigate risks associated with the new regulatory framework.

Applications for the Secure Mortgage 2% scheme have now closed. Unofficial reports suggest that the Ministry of Development and Technology is preparing a replacement programme, with new proposals expected to be announced in the second or third quarter of 2025. It remains to be seen whether the new scheme will introduce loan limits, which could restrict access to subsidised mortgages for properties in major metropolitan areas, particularly in prime, well-connected locations with strong infrastructure.

The Group's approach to mitigating regulatory risk is based on rigorous assessment of future projects and continuous monitoring of active developments, applying established investment models and structured decision-making processes.

INTERNAL FACTORS

MANAGEMENT OF THE GROUP

In recent years, the Dom Development Group has significantly expanded its operations. Since 2017, the Group has entered the Tricity and Krakow markets, integrated in-house general contracting, and broadened its business model through strategic diversification. This is reflected in the increasing contribution of subsidiaries to the Group's operational and financial performance. The Management Board has implemented a structured approach to Group management, optimising its corporate framework to support both organic growth and future acquisition opportunities.

The 2017 acquisition of the Euro Styl group, which brought residential development operations in Tricity and general contracting capabilities into the Group, required process integration, organisational alignment, and system enhancements, alongside improved communication and enhanced information flow. The successful execution of this integration has strengthened the Group's expertise in value creation through strategic acquisitions.

Following the acquisition of Euro Styl S.A., the Group gained its own in-house general contractor, Euro Styl Construction Sp. z o.o. The following year, a strategic decision was made to establish a dedicated general contracting subsidiary, which initially focused on the Warsaw and Wroclaw markets before expanding into Krakow in 2021. Today, Dom Construction Sp. z o.o. is a fast-growing general contractor, combining high-quality execution with cost efficiency, delivering strong profitability and competitive pricing. In 2024, the company reported revenue of PLN 3.2 billion.

In 2024, the Group strengthened its presence in the Krakow market, where it first entered in mid-2021. The consolidation of operations under Dom Development Krakow Sp. z o.o. has allowed the Group to leverage brand strength, standardise processes, and enhance development execution, utilising land banks acquired through the BUMA and Sento Group transactions.

The Group also recorded strong growth in the Wroclaw market, where its subsidiary, Dom Development Wroclaw Sp. z o.o., nearly doubled its sales in 2024. This expansion enabled the company to advance from the third to the second position in the local market.

All those changes present challenges in terms of efficient Group management and maintaining the organisational agility needed to adapt to an evolving and competitive economic environment. The Management Board actively mitigates these risks by implementing advanced IT systems to support reporting, data management, and information distribution, standardising business processes across subsidiaries, and ensuring direct oversight by designated Management Board members.

HUMAN CAPITAL

Residential development is a highly specialised industry that requires long-term commitment, deep sector expertise, and experienced professionals. The Dom Development Group benefits from a stable and highly skilled workforce, with low employee turnover and a significant number of long-serving team members, reflecting the Group's strong organisational culture and commitment to talent retention.

In addition to its strong in-house expertise, the Group has established long-standing relationships with reputable business partners, enabling its subsidiaries to deliver outstanding performance at every stage of the development process.

This includes securing prime land acquisitions, designing efficient architectural concepts, ensuring timely project execution, and fostering strong customer relationships, all of which contribute to the strength and reputation of the Group's brand.

The Management Board actively mitigates risks related to talent retention by offering incentive programmes for employees across the Group and prioritising the continuous development of executive leadership and specialist management expertise.

MARKETS

Since 1996, we have been active in the Warsaw residential market, expanding into Wroclaw in 2008. In June 2017, we strengthened our presence by entering the Tricity market through Euro Styl, a company within the Dom Development Group. Since 2021, our operations have also included Krakow, where Dom Development Krakow was established following the integration of Sento and Buma.

For years, the Dom Development Group has maintained its position as the market leader in Warsaw. As Poland's economic, commercial, and academic hub, Warsaw continues to attract a growing workforce, underpinning sustained demand for housing. As a result, the capital's residential market remains the largest in the country, characterised by strong fundamentals and high pricing levels.

The Warsaw market presents significant challenges for developers, particularly in terms of project delivery. The housing supply remains constrained due to a shortage of fully permitted development land and delays in planning and administrative procedures. To mitigate risks associated with its concentration in Warsaw, the Management Board has pursued a geographic diversification strategy within the Dom Development Group.

This strategy focuses on the growth of subsidiaries operating in Tricity, Wroclaw, and Krakow, enabling the Group to expand its footprint across four key residential markets in Poland in 2024. The Management Board believes that this approach – alongside the growing contribution of subsidiaries to revenue and financial performance – is an effective way to enhance shareholder value.

ACQUISITION OF LAND FOR FUTURE PROJECTS

The future success of the Dom Development Group depends on its ability to secure prime development land in a timely manner, at competitive prices and with sustainable margins, despite evolving market conditions. The ability to acquire new sites represents a key competitive advantage in the residential development sector, given the limited availability of well-located, fully permitted plots.

As of 31 December 2024, the Group's land bank comprised 19 thousand units, including planned projects and secured land across four key residential markets in Poland. The Management Board considers the current land bank to be well-aligned with market requirements, factoring in the length of planning approval processes, regulatory changes, and conditions in the mortgage market.

A well-diversified land bank enables the Dom Development Group to respond flexibly to market demand, reinforcing its position as a leading residential developer in Poland. In 2024, the Management Board focused on securing prime development sites, ensuring a balanced land pipeline across all core markets and providing a strong foundation for future growth. The Group's ability to acquire high-quality land at scale is supported by its experienced team and strong financial position, allowing for the swift execution of transactions, including large-scale acquisitions.

Our competitive strengths lie in our actively replenished, well-located and diversified land bank and the ability to adjust the development pipeline to evolving market conditions.

PARTNER RELATIONSHIPS

Delivering high-quality developments on time is critical to building trust and confidence among our customers. The Dom Development Group upholds rigorous efficiency standards and expects the same from its partners. It operates as a demanding yet reliable business partner, ensuring that projects are executed to the highest standards. Through long-term relationships with subcontractors, the Group is among the few developers in the market that have consistently delivered projects on schedule, even during periods of severe labour shortages in 2017 and 2018 and throughout the market disruption caused by the military conflict in Ukraine in 2022.

This collaborative approach enhances operational efficiency, minimises delays and cost overruns, and safeguards the Group's reputation against external risks. Maintaining strong partnerships with trusted contractors enables the Group to proactively manage these risks.

The Management Board believes that in the current economic and geopolitical climate, the Group's ability to maintain long-term relationships with suppliers and ensure order stability, driven by the scale of its operations, has become even more critical.

CUSTOMER SATISFACTION

For many buyers, purchasing a home is a milestone decision, often accompanied by high expectations and strong emotions. Recognising this, the Dom Development Group is committed to delivering a seamless and positive home-buying experience, ensuring that customer satisfaction is both immediate and long-lasting.

As the Polish residential market matures, the second-home and investment segments are becoming increasingly prominent, reinforcing the importance of strong developer brands. The Dom Development Group's market strength is not only reflected in its high sales volumes but also in its pricing resilience and reputation, built on a longstanding commitment to delivering quality and meeting customer expectations.

Reputation is a critical factor in the residential development sector, where homebuyers often rely on word-of-mouth recommendations and online reviews when making purchasing decisions. The Dom Development Group actively monitors and analyses customer satisfaction, both at a Group-wide level and across specific developments, using the Net Promoter Score (NPS) methodology – a widely recognised industry benchmark measured on a scale from -100 to 100.

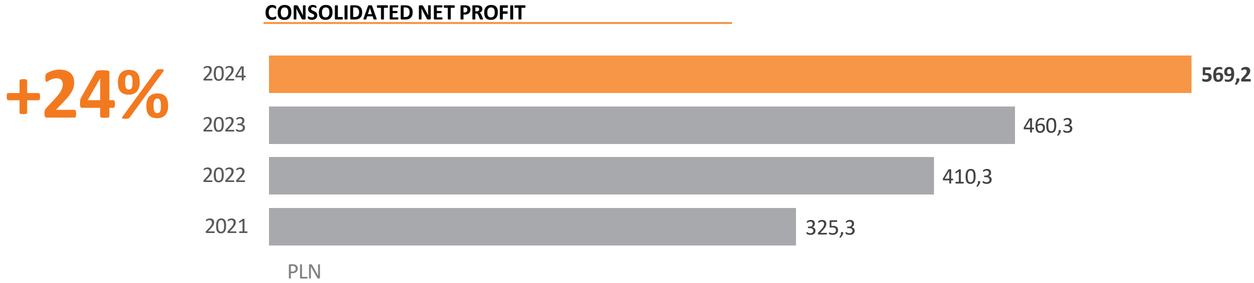
In the 2024 financial year, the Group achieved an NPS score of 67, reflecting its commitment to delivering a high-quality customer experience. This score represents a strong performance, particularly when compared with industry benchmarks in more mature markets such as the UK, as reported by the Home Builders Federation in March 2024.

Through continuous monitoring of customer feedback and satisfaction levels, the Dom Development Group is increasingly effective in aligning its offering with buyer expectations. Insights from customer feedback on completed developments are carefully analysed and incorporated into future projects.

2 DISCUSSION OF THE FINANCIAL RESULTS OF DOM DEVELOPMENT S.A. AND ITS GROUP

2.1 PROFITS AND PROFITABILITY

2.1.1 CONSOLIDATED FINANCIAL RESULTS OF THE DOM DEVELOPMENT GROUP



The Dom Development Group delivered record financial results in 2024. In recent years, the Group has consistently strengthened its financial performance while maintaining a strong focus on profitability. An effective sales strategy, timely project execution, and high-quality developments drove a 24% increase in consolidated revenue to PLN 3,168.2 million, while gross profit rose by 25% to PLN 1,019.2 million.

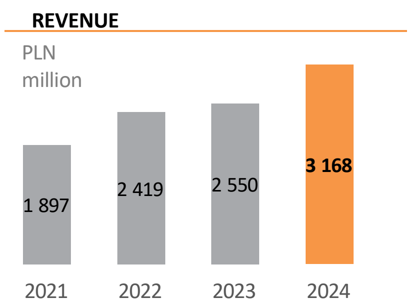
The increase in both revenue and gross profit was primarily driven by an 18% year-on-year rise in the average sales value per completed unit. Additionally, revenue from services – mainly construction services provided under a project for an institutional investor (PRS segment) – saw a significant margin expansion to 19% in 2024, up from 4% in 2023.

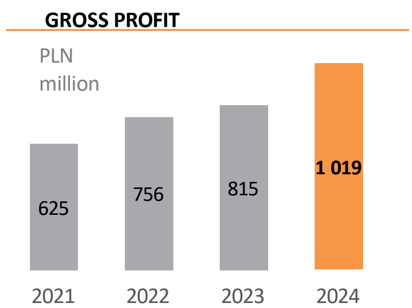
Last year was marked by stable construction costs and strong demand for the Group's developments, enabling us to achieve record sales volumes while continuing our margin maximisation strategy. This strong performance was reflected in an increase in gross margin to 32.2%, up from 32.0% in 2023.

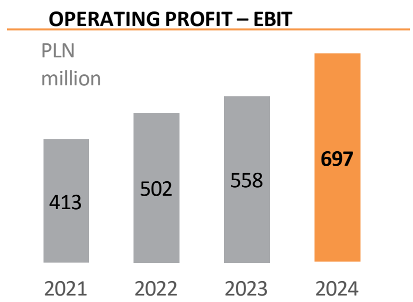
In 2024, the Group significantly expanded the scale of its development activity, delivering record sales of 4,269 units – an increase of 9% compared with the strong results of 2023. The Group's operations grew dynamically across all its markets. In the view of the Management Board, this reflects the effective utilisation of the Group's execution capacity despite persistent inflationary pressures affecting the Polish economy throughout the year.

The Group delivered a record operating profit of PLN 697.2 million in 2024, up 25% compared with the previous year. A strong focus on operational efficiency enabled the Group to maintain a robust operating margin of 22%. In the view of the Management Board, this is a highly satisfactory level given the current market environment and confirms the strength of the Group's business model.

The Group also achieved a record-high consolidated net profit of PLN 569.2 million in 2024, equivalent to PLN 22.07 per share. Such strong performance was driven by exceptional operating results, supported by a conservative approach to cost provisions. The Management Board further highlights that this record profit is accompanied by a historically high level of future revenue to be recognised, reflecting the substantial volume of residential sales agreements signed for units scheduled for handover in the coming reporting periods.







The Management Board considers the Dom Development Group's financial performance in 2024 to be very strong, reflecting the Group's ability to capitalise on opportunities presented by the economic environment.

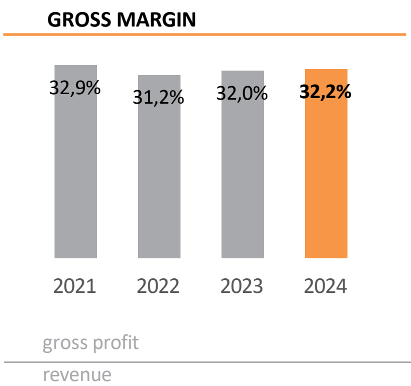
The Group's consistent profit growth, alongside a relatively stable level of equity – despite distributing the majority of its consolidated profit for 2012–2023 as dividends and making its second-ever interim dividend payment of PLN 155 million for 2024 – underscores its strong and stable return on equity (ROE), a key differentiator for the Dom Development Group within the sector. In 2024, ROE came in at 39.3%, further demonstrating the Group's operational efficiency and ability to anticipate and respond effectively to market signals.

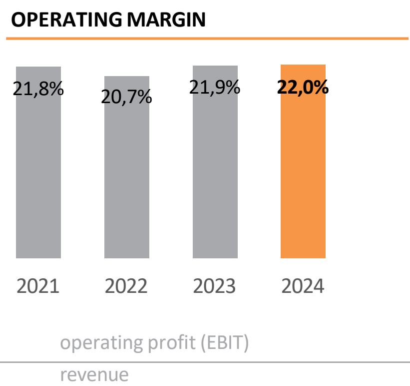
Return on assets (ROA) increased slightly by 1.3 percentage points to approximately 12.5%, which the Management Board considers a very strong result. The Group's assets are growing in line with its financial performance, driven primarily by a 12% year-on-year increase in inventory. This reflects the Group's future earnings potential, as inventory largely consists of properties and expenditures on design and construction work related to units that have been sold (contracted) but not yet handed over to buyers and, consequently, not yet recognised as revenue in the statement of profit or loss.

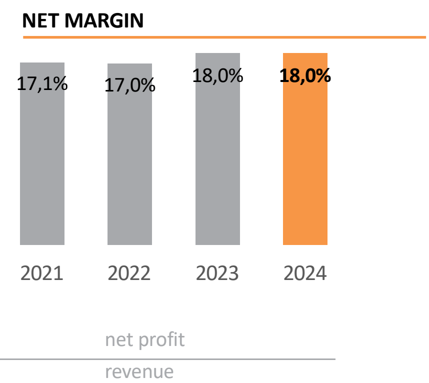
In 2024, several exceptional market factors had a significant impact on the financial results presented in this report.

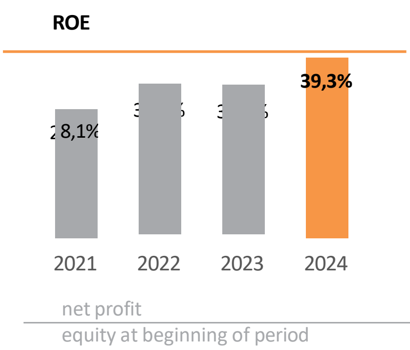
The residential property market in Poland's largest metropolitan areas experienced a moderation in demand compared with the previous year. The softer demand can be attributed to several factors, including uncertainty regarding the proposed government mortgage support scheme, which the government ultimately abandoned in December 2024, and persistently high interest rates, making mortgages in Poland some of the most expensive in the European Union. During the year, the market saw a gradual recovery in housing supply as developers responded to the exceptionally low inventory levels at the beginning of the year. For buyers, this meant a wider range of available properties and a deceleration 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.

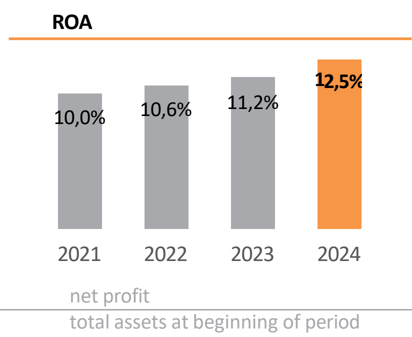
Against this backdrop, Dom Development Group achieved record-breaking sales in 2024, with 4,269 net units sold – the highest annual result in the 29-year history of the Group. This reflects the strong appeal of our offering and its excellent alignment with the needs of both mortgage-financed and cash-buying clients. This result reaffirms our established position in the residential market. The Group's strong reputation and proven credibility were the key factors influencing their choice of Dom Development.

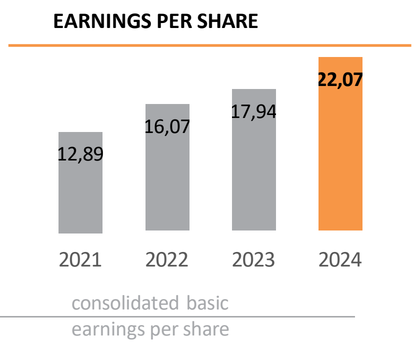












2.1.2 FINANCIAL RESULTS OF DOM DEVELOPMENT S.A.

FINANCIAL RESULTS AND PROFITABILITY OF DOM DEVELOPMENT S.A.	2024	2023	Change y/y
STATEMENT OF PROFIT OR LOSS			
Revenue	1,782,984	1,487,820	19.8%
Gross profit	501,069	488,325	2.6%
Operating profit – EBIT	314,284	333,915	(5.9)%
Net profit	419,020	441,114	(5.0)%
Earnings per share - basic	**16.25**	**17.19**	**(5.5)%**
PROFITABILITY RATIOS			
Gross margin	28.1%	32.8%	(4.7) p.p.
Operating margin	17.6%	22.4%	(4.8) p.p.
Net margin	23.5%	29.6%	(6.1) p.p.
ROE (return on equity)	30.6%	32.7%	(2.1) p.p.
ROA (return on assets)	12.7%	14.2%	(1.5) p.p.

The Management Board considers Dom Development S.A.'s financial performance in 2024 to be strong, with revenue increasing by 19.8% year on year. The Company handed over 1,969 units to retail buyers, representing a 2% increase compared with the previous year, while the average value of a unit handed over in 2024 rose by 12% to PLN 807 thousand. This further reinforces Dom Development S.A.'s well-established position in the higher-standard residential segment. At the same time, the Company maintained a solid gross margin of 28.1%, following an exceptionally high margin of 32.8% in the previous year.

The lower profitability in 2024 compared with 2023 was primarily due to the handover of developments with, on average, lower margins than those delivered in the prior year.

In 2024, the Company continued to pursue its market diversification strategy through subsidiaries operating in the Tricity market (Euro Styl S.A.), Wroclaw (Dom Development Wroclaw Sp. z o.o.), and Krakow (Dom Development Krakow Sp. z o.o.).

A key highlight of the year was the Krakow subsidiary, which was established following the successful acquisitions of local developers Sento and Buma (integrated into the Group in 2021 and 2022, respectively). The consolidation of all Krakow operations has strengthened the Group's presence in this strategically important market.

The Group's successful expansion drove further growth across the regional markets in 2024. Total unit sales reached a record 4,269, representing a 9% year-on-year increase. Dividends received from subsidiaries remained stable at PLN 156 million, broadly in line with the previous year.

The Company's leading position in the Warsaw market, combined with its successful diversification into other major urban centres in Poland, enabled it to achieve a strong net profit of PLN 419 million in 2024. The net margin for the period remained very high at 23.5%.

2.2 FINANCIAL POSITION OF THE COMPANY AND THE GROUP

The financial position of the Company and its Group in 2024 remained very strong, continuing to set the Group apart within the sector. The Group's total assets increased over the year to PLN 5,289 million as at 31 December 2024, compared with PLN 4,563 million at the end of 2023.

ASSETS

As in previous years, the Group's asset base was predominantly composed of current assets, which stood at PLN 5,081 million as at 31 December 2024. Non-current assets represented just 4% of total assets. The Group maintained a strong liquidity position, with cash and cash equivalents – including funds held in open escrow accounts – remaining at a high level of PLN 577 million. This financial strength provides the Group with the flexibility to navigate market dynamics.

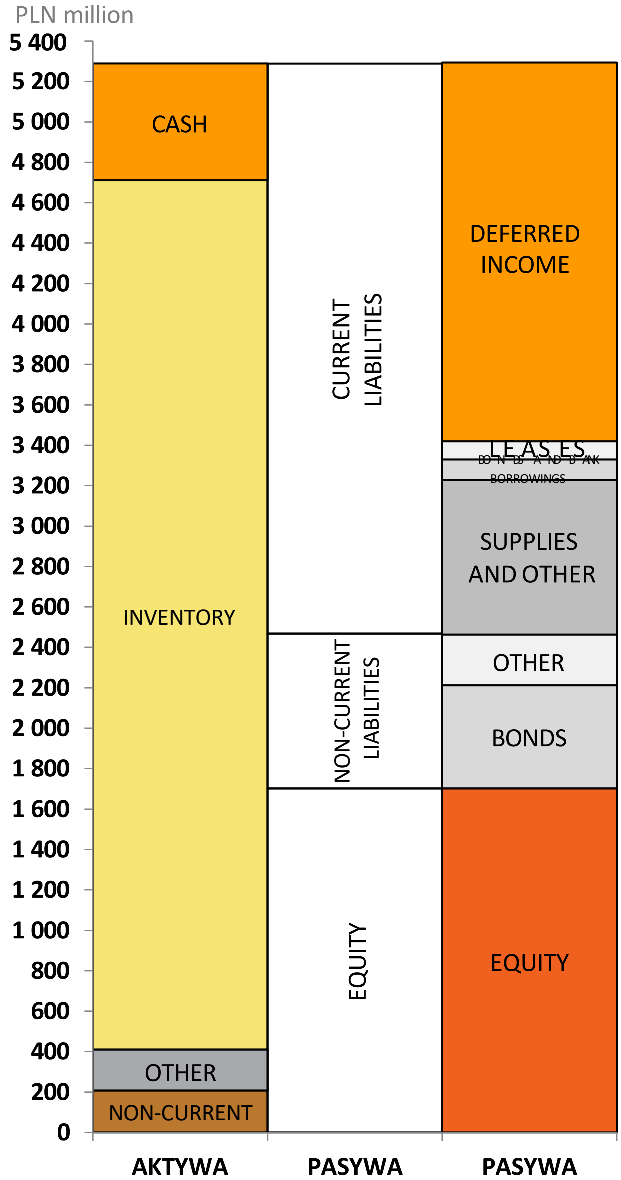
Funds held in escrow accounts by the Group companies remained relatively high, at PLN 217 million as at 31 December 2024, compared with PLN 103 million a year earlier. This increase was primarily driven by regulatory changes imposing stricter requirements on the timing of fund releases from escrow accounts to the developer's current account. Despite this, funds held in escrow accounted for only about 12% of invoiced sales recognised under 'deferred income' in liabilities at year-end. This underscores the Group's strong operational efficiency and disciplined project execution. The phased release of funds from open developer escrow accounts is directly tied to construction progress, with disbursements occurring in line with predefined project milestones.

Inventory remained the largest component of the Group's assets, representing 81% of the total. Over the course of 2024, inventory increased by 12% to PLN 4,301 million. This primarily includes projects under construction and investment land for future developments, with a combined value of PLN 3,841 million.

EQUITY AND LIABILITIES

The Dom Development Group closed 2024 with equity of PLN 1,702 million, up 17% compared with 31 December 2023. This increase was primarily driven by the recognition of net profit of PLN 569 million, partially offset by dividend distributions, including the remaining PLN 168 million payout from the 2023 profit and an interim dividend of PLN 155 million paid in December 2024 from the 2024 profit.

STRUCTURE OF THE GROUP'S BALANCE SHEET AS AT 31 DECEMBER 2024



SELECTED DATA FROM THE CONSOLIDATED BALANCE SHEET OF THE DOM DEVELOPMENT GROUP (PLN thousand)	31 Dec 2024	Share in total equity and liabilities	31 Dec 2023	Change y/y
Total non-current assets	**207,508**	**4%**	**156,665**	**32%**
Current assets				
Inventory	4,301,204	81%	3,837,118	12%
Trade and other receivables	109,740	2%	85,695	28%
Other current assets and loans granted	28,978	1%	77,357	(63)%
Income tax receivables	50,118	1%	2,645	1,795%
Cash and cash equivalents and current financial assets	590,970	11%	403,834	46%
Total current assets	**5,081,010**	**96%**	**4,406,649**	**15%**
TOTAL ASSETS	**5,288,518**	**100%**	**4,563,314**	**16%**
Equity				
Share capital	25,798	<1%	25,698	<1%
Share premium	276,458	5%	271,558	2%
Capital reserves, statutory reserve funds and retained earnings	1,399,406	26%	1,152,202	21%
Total equity	**1,701,662**	**32%**	**1,449,458**	**17%**
Non-controlling interests	174	<1%	82	112%
TOTAL EQUITY	**1,701,836**	**32%**	**1,449,540**	**17%**
Liabilities				
Total non-current liabilities	766,357	14%	689,978	11%
Total current liabilities	2,820,325	53%	2,423,796	16%
Total liabilities	**3,586,682**	**68%**	**3,113,774**	**15%**
Total equity and liabilities	**5,288,518**	**100%**	**4,563,314**	**16%**

The Group's total liabilities amounted to PLN 3,587 million as at the end of 2024, of which PLN 1,874 million was classified as deferred income under current liabilities.

As in previous years, the Group maintained a highly comfortable liability structure. As at 31 December 2024, the Group's current interest-bearing liabilities consisted solely of bonds amounting to PLN 100 million. The remaining interest-bearing debt, totalling PLN 510 million, was long-term and comprised bonds with a structured maturity profile extending until 2029. The Group's total interest-bearing debt at year-end stood at PLN 610 million. The Group also maintained record-high available financing of over PLN 1.2 billion, consisting of PLN 577 million in cash and PLN 625 million in undrawn credit lines.

As at 31 December 2024, current liabilities related to deferred income remained the largest component of the Group's liabilities. Despite the record-high revenue recognised in the Group's consolidated statement of profit or loss for 2024, deferred income increased by PLN 141 million compared with the previous year-end. This reflects the Group's ability to capitalise on favourable market conditions while maintaining its strategic focus on maximising sales margins and overall profitability.

LIQUIDITY RATIOS

Given the unique characteristics of the residential development sector – marked by exceptionally long production cycles and regulatory constraints on financing – the Group's exceptionally strong financial position and liquidity deserve particular attention. This reflects a series of long-term strategic decisions and actions undertaken by the Management Board. The Group's robust financial ratios are largely the result of a well-structured financing strategy, which prioritises medium- and long-term funding over short-term financing. Key contributing factors also include the approach to project execution and funding – such as the timing of new developments and the composition of the product mix available for sale – as well as the Group's land acquisition strategy.

The Group's liquidity position remained very strong in 2024, despite its continued expansion and increasing financial commitment to a growing number of development projects.

The Dom Development Group consistently maintained a strong liquidity position, with a current ratio of 5.37 as at year-end 2024.

The quick ratio remained stable at 0.82 as at 31 December 2024. It confirms the Group's strong liquidity position, which serves as a key competitive advantage in an uncertain market environment – reinforcing confidence among customers, business partners, investors, and financial institutions.

The cash ratio remained broadly in line with the previous year at 0.38, further underscoring the Group's solid liquidity position.

GROUP'S LIQUIDITY RATIOS	FORMULA	31 Dec 2024	31 Dec 2023
Current ratio	current assets / current liabilities*)	5.37	6.39
Quick ratio	(current assets - inventory) / current liabilities*)	0.82	0.83
Cash ratio	cash and cash equivalents / current liabilities*)	0.38	0.41

*) Current liabilities net of deferred income

DEBT RATIOS

Thanks to a well-balanced operational strategy – including carefully timed project launches, phased development pacing, and disciplined property acquisitions – combined with a prudent financial approach focused on a well-structured funding model, the Group's debt ratios remain at safe levels, reinforcing its strong creditworthiness in the financial markets. The debt ratios at the end of 2024 remained largely unchanged compared with year-end 2024, reflecting the Management Board's conservative approach to financing sources. Among the Group's debt indicators, the most significant change was in the net interest-bearing debt ratio, which declined from a comfortable 9% to an even lower 1.9%. The Group's debt structure was primarily composed of issued bonds, totalling PLN 610 million. This included the issuance of PLN 260 million in five-year bonds in September 2023 and PLN 140 million in five-year bonds in December 2024. Another slight change was seen in the debt-to-equity ratio, which declined from 214.8% to 210.8% in 2024.

Overall, all of the Group's debt ratios remain at safe and stable levels. This strong financial position enabled the Company to distribute an interim dividend for the second time in its history while maintaining the Management Board's disciplined financial policy. The Board prioritises a well-balanced capital structure, ensuring appropriate levels of debt – including interest-bearing debt – alongside net assets, current assets, and prudent liquidity ratios to safeguard financial stability.

GROUP'S DEBT RATIOS	FORMULA	31 Dec 2024	31 Dec 2023
Equity to assets ratio	total 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 debt / equity	35.8%	35.9%
Net interest-bearing debt ratio	((interest bearing liabilities less cash and cash equivalents*) / equity)	1.9%	9.0%

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

CASH FLOWS

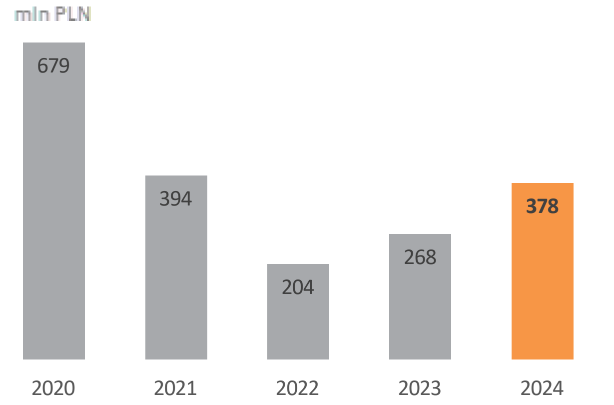
In 2024, the Dom Development Group generated PLN 378 million in net cash flows from operating activities, while maintaining stable investment outlays for ongoing and future development projects, calibrated to prevailing and forecast market conditions. The Management Board considers this a very good result, reflecting the resilience of the Group's business model.

The year-on-year increase in operating cash flows was primarily driven by higher sales volumes and strong cash inflows from customers, supported by the disciplined and timely execution of development projects. This was a result of a record number of units sold during the year. It is also worth noting that deferred income increased by PLN 141 million in 2024.

The Group reported a net cash outflow of PLN 73 million from investing activities, primarily reflecting investments in the Euro Styl group, which is undertaking two development projects through joint ventures. Net cash outflows from financing activities amounted to PLN 231 million in 2024, driven mainly by the distribution of the remaining PLN 168 million dividend from the 2023 profit and the PLN 155 million interim dividend for 2024. This was partially offset by a PLN 90 million increase in bond-related debt.

As a result, the Group's consolidated cash balance increased by PLN 75 million over the year, to PLN 361 million as at 31 December 2024.

CASH FLOW FROM OPERATING ACTIVITIES



2.2.1 FINANCIAL POSITION OF THE COMPANY

SELECTED DATA FROM THE BALANCE SHEET OF DOM DEVELOPMENT S.A. (PLN thousand)	31 Dec 2024	Share in total equity and liabilities	31 Dec 2023	Change y/y
Investments in subsidiaries, associates and joint ventures	449,328	13%	472,613	(5)%
Long-term loans granted	154,500	4%	462,337	(67)%
Other non-current assets	56,153	2%	67,260	(17)%
Total non-current assets	**659,981**	**19%**	**1,002,210**	**(34)%**
Current assets				
Inventory	2,124,970	60%	2,050,861	4%
Trade and other receivables	56,472	2%	52,790	7%
Income tax receivables	48,425	1%	0	n/a
Other current assets	22,525	1%	74,836	(70%)
Loans granted	360,750	10%	0	n/a
Cash and cash equivalents and current financial assets	272,189	8%	116,462	134%
Total current assets	**2,885,331**	**81%**	**2,294,949**	**26%**
TOTAL ASSETS	**3,545,312**	**100%**	**3,297,159**	**8%**
Equity				
Share capital	25,798	1%	25,698	<1%
Share premium	276,458	8%	271,558	2%
Capital reserves, statutory reserve funds and retained earnings	1,168,068	33%	1,070,909	9%
TOTAL EQUITY	**1,470,324**	**41%**	**1,368,165**	**7%**
Liabilities				
Total non-current liabilities	580,095	16%	550,872	5%
Total current liabilities	1,494,893	42%	1,378,122	8%
Total liabilities	**2,074,988**	**59%**	**1,928,994**	**8%**
Total equity and liabilities	**3,545,312**	**100%**	**3,297,159**	**8%**

The Company's total assets increased by 8% in 2024 to PLN 3,545 million. Inventory represented the majority of the Company's assets and amounted to PLN 2,125 million at the end of 2024, a 4% increase from the prior year.

Loans granted (exclusively to subsidiaries) increased by 11% in 2024 to PLN 515 million.

The structure of the Company's equity and liabilities remained largely unchanged compared with year-end 2023. Equity, which accounted for 41% of total assets, remained broadly stable at PLN 1,470 million as at 31 December 2024, despite the distribution of the remaining PLN 168 million dividend from the 2023 profit and the PLN 155 million interim dividend for 2024. Non-current liabilities stood at approximately PLN 580 million, having increased by a 5% increase year on year. These primarily comprised bonds issued by the Company, with a total amount of PLN 510 million. Current liabilities remained broadly in line with 2023 levels at PLN 1,495 million. As at year-end 2024, the total value of bonds issued by the Company had increased by PLN 90 million compared with the previous year-end, while the Company remained free of bank debt.

The Company's strong balance sheet structure is reflected in the liquidity and debt ratios presented below.

COMPANY'S LIQUIDITY RATIOS	FORMULA	31 Dec 2024	31 Dec 2023
Current ratio	current assets / current liabilities*)	4.55	5.71
Quick ratio	(current assets - inventory) / current liabilities*)	1.20	0.61
Cash ratio	cash and cash equivalents / current liabilities*)	0.20	0.08

*) Current liabilities net of deferred income

COMPANY'S DEBT RATIOS	FORMULA	31 Dec 2024	31 Dec 2023
Equity to assets ratio	total 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 debt / 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

All of the liquidity and debt ratios presented above remain at strong and secure levels, actively managed by the Company's leadership. As at 31 December 2024, Dom Development S.A. had PLN 625 million in available, undrawn credit facilities at five of Poland's largest banks.

2.3 ASSESSMENT OF FINANCIAL MANAGEMENT AND THE GROUP'S ABILITY TO DELIVER INVESTMENT PLANS

The Dom Development Group has the full capacity to finance its ongoing residential projects. The Group companies intend to fund their developments through a combination of equity, debt securities issued by Dom Development S.A., bank borrowings, and customer deposits on pre-sold units. The Management Board ensures that the maturity structure of issued debt securities and credit facilities is aligned with the typical residential development cycle, with a particular focus on maintaining and expanding the Group's land bank for future projects.

The Group's ability to execute its project development strategy was reaffirmed in 2024. The Management Board successfully balanced the payment of an interim dividend of PLN 155 million with maintaining a strong liquidity position and low net interest-bearing debt. As at 31 December 2024, Dom Development S.A. and its Group had substantial financial resources and a solid reputation among banks and bondholders, ensuring ready access to attractive external financing.

The Management Board delivered on its commitment to enhancing the Group's market diversification, including further expansion into the Krakow market, maintaining the scale of operations in Warsaw, and driving the continued growth of its subsidiaries in Tricity and Wroclaw. In 2025, the Management Board intends to build on this strategy, with an increasing contribution from subsidiaries to the Group's sales. A key driver of these objectives will be the effective acquisition of new land for the Group's land bank, which reached over 19,000 units in 2024, securing a five-year sales pipeline.

In 2023, the Company commenced the development of a residential estate comprising 397 units for a professional institutional investor in the Private Rental Sector (PRS). The project is being constructed on land that the Company sold to the investor in 2022, with 300 units handed over in 2024.

The scale of operations of the Group's construction subsidiaries – Dom Construction Sp. z o.o. and Euro Styl Construction Sp. z o.o. – also expanded in 2024. The Management Board expects in-house general contracting to remain the primary method of project delivery in the coming years but remains open to engaging external general contractors in local markets where terms offered by such contractors are commercially competitive.

In the Management Board’s view, the Group has the necessary resources and capabilities to deliver on its investment plans, which are underpinned by the Company’s and the Group’s extensive experience in the sector.

2.4 BANK BORROWING, BONDS, AND OTHER LIABILITIES

2.4.1 NEW AND TERMINATED BANK BORROWINGS

On 27 May 2024, Dom Development S.A. and VeloBank S.A. signed an amendment to the revolving credit facility agreement dated 21 December 2023. Under the terms of this amendment, the credit limit was increased from PLN 50,000 thousand to PLN 60,000 thousand.

On 6 December 2024, Dom Development S.A., Euro Styl S.A., and PKO Bank Polski S.A. executed Amendment No. 5 to the overdraft credit facility agreement dated 27 July 2015, as subsequently amended. Under the amendment, the facility limit was increased from PLN 200,000 thousand to PLN 230,000 thousand. In accordance with the agreement, Euro Styl S.A. continues to be entitled to utilise up to PLN 50,000 thousand of this facility, with no change to this sub-limit.

On 12 December 2024, Dom Development S.A. and Bank Millennium S.A. executed an amendment to the multi-currency credit facility agreement originally dated 18 December 2019, as subsequently amended. Under the amendment, the facility limit was increased from PLN 60,000 thousand to PLN 85,000 thousand, and the availability period was extended to 17 December 2026.

As at 31 December 2024, the Group had not drawn any borrowings nor utilised its available credit facilities of PLN 625 million.

For details on bank borrowings, see Note 7.18 to the Group’s Consolidated Financial Statements for 2024.

2.4.2 BONDS

The Company is a party to two bond issuance agreements.

Agreement with Trigon Dom Maklerski S.A. and Trigon Investment Banking Spółka z ograniczoną odpowiedzialnością & Wspólnicy S.K. Under the terms of the agreement, Dom Development S.A. may issue bonds with a total nominal value of up to PLN 400 million (including all bonds issued and outstanding) The programme limit is revolving, and the Company may issue bonds in multiple series until 17 November 2027.

Agreement with mBank S.A.

Under the terms of the agreement, dated 7 February 2023, Dom Development S.A. may issue bonds with a total nominal value of up to PLN 400 million (including all bonds issued and outstanding) The Company may issue bonds in multiple series for an indefinite period from the date of the agreement. The programme limit is revolving.

- Bond issuance

On 5 December 2024, the Company issued 140,000 unsecured bearer bonds of series DOMDEM20512229, each with a nominal value of PLN 1,000, for a total nominal value of PLN 140,000 thousand. The bonds mature on 5 December 2029. The issue price was equal to the nominal value of the bonds. The interest rate for the DOMDEM20512229 series was set based on the 6-month WIBOR reference rate plus a margin of 1.40%. Interest payments will be made semi-annually. The proceeds from the issuance were allocated to finance the Company’s current operations, with no specific purpose designated.

- Bond redemption on maturity

On 12 December 2024, the Company redeemed 50,000 bearer bonds of series DOMDET3121224, each with a nominal value of PLN 1,000, for a total nominal value of PLN 50,000 thousand, as scheduled.

As at 31 December 2024, the Company reported the value of outstanding bonds as PLN 510 million under non-current liabilities and PLN 100 million under current liabilities.

For details on bonds issued, redeemed, and repurchased by the Group companies, see Note 7.19 to the Group's Consolidated Financial Statements for 2024.

2.4.3 NEW AND TERMINATED NON-BANK BORROWINGS

In 2024, the Group companies did not enter into or terminate any non-bank borrowing agreements with entities outside the Group.

As at 31 December 2024, the Company had no outstanding non-bank borrowings. Throughout 2024, the Company neither took out nor repaid any non-bank borrowings.

2.4.4 LOANS GRANTED

LOANS GRANTED BY GROUP COMPANIES IN 2024

BORROWER	AGREEMENT DATE	DUE DATE	LOAN AMOUNT (PLN thousand)	INTEREST RATE
LOANS GRANTED BY DOM DEVELOPMENT KRAKOW SP. Z O.O.				
Dom Development Krakow 1 Sp. z o.o.*	1 Mar 2024	31 Dec 2024	25	6M WIBOR + 4%
LOANS GRANTED BY EURO STYL S.A.				
Apartamenty Las Jastarnia Sp. z o.o.	10 Jul 2024	30 Nov 2026	2,000	6M WIBOR + 2.3%
Euro Styl Montownia Sp. z o.o.	17 Jan 2024	31 Jan 2026	1,000	6M WIBOR + 2.3%
Euro Styl Montownia Sp. z o.o.	24 Oct 2024	30 Nov 2026	500	6M WIBOR + 2.3%
GGI Dolne Miasto Sp. z o.o.	27 Feb 2024	30 Nov 2026	800	6M WIBOR + 2.3%
GGI Dolne Miasto Sp. z o.o.	25 Mar 2024	30 Nov 2026	1,000	6M WIBOR + 2.3%
GGI Dolne Miasto Sp. z o.o.	27 May 2024	30 Nov 2026	1,000	6M WIBOR + 2.3%
GGI Dolne Miasto Sp. z o.o.	24 Jul 2024	30 Nov 2026	500	6M WIBOR + 2.3%
GGI Dolne Miasto Sp. z o.o.	21 Aug 2024	30 Nov 2026	1,000	6M WIBOR + 2.3%
GGI Dolne Miasto Sp. z o.o.	26 Sep 2024	30 Nov 2026	1,000	6M WIBOR + 2.3%
GGI Dolne Miasto Sp. z o.o.	31 Oct 2024	30 Nov 2026	3,000	6M WIBOR + 2.3%
Bysewska Sp. z o.o.	1 Jul 2024	1 Jul 2029	49,200	6M WIBOR + 2.5%
Bysewska Sp. z o.o.	13 Aug 2024	30 Nov 2026	200	6M WIBOR + 2.5%
Bysewska Sp. z o.o.*	29 Jul 2024	7 Jan 2025	11,070	6M WIBOR + 2.5%
Doki V Sp. z o.o.	12 Jul 2024	31 Dec 2029	25,000	6M WIBOR + 2.5%
Doki V Sp. z o.o.	12 Jul 2024	28 Feb 2025	2,875	6M WIBOR + 2.5%

* The loans were repaid as at 31 December 2024.

Information on loans granted by the Group companies in 2024 is presented in the table above.

2.4.5 SURETIES PROVIDED AND RECEIVED

Dom Development S.A. did not receive or issue any sureties in 2024.

2.4.6 GUARANTEES PROVIDED AND RECEIVED

GUARANTEES ISSUED IN 2024 ON BEHALF OF GROUP COMPANIES			
GRANTOR	**BORROWER**	**TYPE OF GUARANTEE**	**GUARANTEED AMOUNT (PLN thousand)**
Dom Development S.A.	Inwestycja 2016	Bank guarantee	5,242
Dom Development S.A.	Sp. z o.o.	Bank guarantee	6,500
Dom Development S.A.	AFI Lazurowa	Insurance guarantee	9,569
Dom Development S.A.	Sp. z o.o.	Insurance guarantee	3,267
Dom Development S.A.	Capital City of Warsaw, Bemowo District	Insurance guarantee	696

GUARANTEES RECEIVED IN 2024 BY GROUP COMPANIES			
GRANTOR	**BORROWER**	**TYPE OF GUARANTEE**	**GUARANTEED AMOUNT (PLN thousand)**
mBank S.A.	Dom Development S.A.	Bank guarantee	8,058
InterRisk Towarzystwo Ubezpieczeń S.A. Vienna Insurance Group	Dom Development Wroclaw Sp. z o.o.	Insurance guarantee	15
InterRisk Towarzystwo Ubezpieczeń S.A. Vienna Insurance Group	Dom Development Wroclaw Sp. z o.o.	Insurance guarantee	14
InterRisk Towarzystwo Ubezpieczeń S.A. Vienna Insurance Group	Dom Development Wroclaw Sp. z o.o.	Insurance guarantee	11
InterRisk Towarzystwo Ubezpieczeń S.A. Vienna Insurance Group	Dom Development Wroclaw Sp. z o.o.	Bank guarantee	35
InterRisk Towarzystwo Ubezpieczeń S.A. Vienna Insurance Group	Dom Development Wroclaw Sp. z o.o.	Bank guarantee	43
ALIOR BANK S.A.	Dom Construction Sp. z o.o.	Bank guarantee	712
Bank Handlowy w Warszawie S.A.	Dom Construction Sp. z o.o.	Bank guarantee	779
Bank Handlowy w Warszawie S.A.	Dom Construction Sp. z o.o.	Bank guarantee	1,870
BNP Paribas Bank Polska S.A.	Dom Construction Sp. z o.o.	Bank guarantee	5,187
Credit Agricole	Dom Construction Sp. z o.o.	Bank guarantee	581
ING Bank Śląski S.A.	Dom Construction Sp. z o.o.	Bank guarantee	260
mBank S.A.	Dom Construction Sp. z o.o.	Bank guarantee	261
Santander Bank Polska S.A.	Dom Construction Sp. z o.o.	Bank guarantee	532
SOCIETE GENERALE Sp. Akcyjna Oddział w Polsce	Dom Construction Sp. z o.o.	Insurance guarantee	500
TU UNIQUA S.A.	Dom Construction Sp. z o.o.	Insurance guarantee	246
UNIQA Towarzystwo Ubezpieczeniowe S.A.	Dom Construction Sp. z o.o.	Insurance guarantee	116

2.4.7 MATERIAL OFF-BALANCE SHEET ITEMS

The Company and its Group subsidiaries had no significant off-balance sheet items.

2.5 USE OF PROCEEDS FROM ISSUE OF SECURITIES

In 2024, the Company issued 100,000 ordinary bearer shares (50,000 AJ Series shares and 50,000 AK Series shares) with a par value of PLN 1.00 per share. These shares were issued through a private placement following the exercise of rights under the 5th and 7th Management Share Option Programmes by Mr Leszek Stankiewicz, Vice President of the Management Board, and Mr Mikołaj Konopka, Member of the Management Board of Dom Development S.A., as set out in Note 4.9 to this report. The proceeds were used to finance the day-to-day operations of the Company. In 2024, the Company issued new bonds with a total nominal value of PLN 140 million. For details, see Note 2.4.2 of this report. The proceeds were used to finance the day-to-day operations of the Company.

2.6 RELATED-PARTY TRANSACTIONS

All transactions made by the Group companies (or their subsidiaries) with related parties are entered into on an arm's length basis.

For a description of related-party transactions, see Note 7.43 to the Group's consolidated financial statements for the year ended 31 June 2024.

2.7 MATERIAL AGREEMENTS

In the 2024 financial year, the Group companies did not enter into any material agreements with entities outside the Group, except as described below.

2.8 PARTNERSHIP OR COOPERATION AGREEMENTS

- BYSEWSKA Sp. z o.o.

On 2 July 2024, Euro Styl S.A. entered into an investment agreement with Activa JJ Sp. z o.o. regarding a planned residential development project. The project involves the comprehensive development and construction of several dozen single-family and multi-family residential buildings, along with the necessary infrastructure. The scope of the project includes, in particular, the design, financing, construction, and sale of approximately 550 residential units. For this purpose, Bysewska Sp. z o.o. was established with a share capital of PLN 100 thousand, with each co-investor holding a 50% equity interest as at 31 December 2024.

- DOKI V Sp. z o.o.

On 12 July 2024, Euro Styl S.A. entered into an investment agreement with Grupa Torus Sp. z o.o. S.K.A., represented by Torus Sp. z o.o. (registered in Gdańsk), for the development of a residential project. The project involves the comprehensive development and construction of multi-family residential buildings, together with the necessary infrastructure, as well as an ancillary project, if applicable. The scope of the project includes the design, financing, construction, and sale of approximately 550 residential and commercial units.

For this purpose, DOKI V Sp. z o.o. was established with a share capital of PLN 100 thousand, with each co-investor holding a 50% equity interest as at 31 December 2024.

For details of the agreements, see Note 7.39 to the Group's consolidated financial statements for the year ended 31 December 2024.

2.9 CAPITAL INVESTMENTS OF THE COMPANY AND THE GROUP

IDENTIFICATION OF KEY DOMESTIC AND FOREIGN INVESTMENTS, INCLUDING SECURITIES, FINANCIAL INSTRUMENTS, INTANGIBLE ASSETS, AND REAL ESTATE, WITH A PARTICULAR FOCUS ON EQUITY INVESTMENTS OUTSIDE THE GROUP AND A DESCRIPTION OF THEIR FINANCING METHODS

Dom Development S.A. and its Group companies do not engage in investment activities involving the deployment of funds into financial instruments, securities, or intangible assets. Properties acquired by the Company and its subsidiaries are directly linked to operational activities and do not constitute capital investments. Consequently, they are recognised as inventory in the Company's and the Group's assets, with the related funding classified within cash flows from operating activities.

3 CONSOLIDATED SUSTAINABILITY REPORTING

3.1 GENERAL INFORMATION

BP-1 – GENERAL BASIS FOR PREPARATION OF SUSTAINABILITY STATEMENTS

The sustainability statement applies to the Group's upstream and downstream value chain. The value chain comprises suppliers, manufacturers and subcontractors of the Group and their activities associated with supplying raw materials, materials and services to the Group, as well as customers and end-users of products delivered by the Group (downstream value chain). For a detailed description of the value chain, see section SBM-1 of this sustainability statement.

The formal basis for the preparation of this sustainability statement is the Accounting Act of 29 September 1994 (Dz. U. of 2023, item 120, as amended), which implements Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022, amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC, and Directive 2013/34/EU regarding corporate sustainability reporting (OJ EU L 2022, No 322, p. 15) (Corporate Sustainability Reporting Directive – CSRD). This Directive has been transposed into national law by the provisions of the Act of 6 December 2024 amending the Accounting Act, the Act on Statutory Auditors, Audit Firms, and Public Oversight, and certain other acts (Dz. U. of 2024, item 1863).

The report has been subject to external verification conducted by an authorised entity in accordance with the National Standard on Assurance Engagements relating to Sustainability Reporting 3002PL – Assurance Engagement Providing Limited Assurance on Sustainability Reporting ("KSUA 3002PL") and, as applicable, the National Standard on Assurance Engagements Other than Audits or Reviews 3000 (Z), compliant with International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("KSUA 3000 (Z)"), as adopted by resolutions of the National Council of Statutory Auditors.

In preparing this sustainability statement, the Group has elected to apply the exemption from presenting comparative information, except for disclosures relating to the Taxonomy, for which comparative data presentation is mandatory. The comparative data presented have not been subject to external assurance.

The sustainability statement does not use the option to omit any specific information relating to intellectual property, know-how, or the results of innovation.

It also does not use the exemption from disclosing impending developments or matters in the course of negotiation.

The outcomes of the stakeholder engagement conducted as part of the double materiality assessment have been presented to the Company's Management Board and Supervisory Board.

Where the Group has established objectives, actions or metrics that are not defined in accordance with ESRS, this has been explicitly stated. In addition, where applicable, disclosures have been provided detailing the measures being undertaken to ensure future compliance.

Consolidation

Unless noted otherwise, this sustainability statement contains information, data, metrics, and statements related to the Group. It provides sustainability information for the Group covering the period from 1 January to 31 December 2024. The scope of consolidation in this statement aligns with that of the consolidated financial statements for the financial year ending 31 December 2024. The sustainability statement is prepared annually.

BP-2 – DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES

In 2024, no specific circumstances affected the preparation of the sustainability statement.

Based on the ESRS guidelines,[1] the following time horizons were established:

[1] ESRS – European Sustainability Reporting Standards.

- Short-term perspective – business outlook of 1 year
- Medium-term perspective – business model outlook (aligned with the planning, execution, and sales cycle of residential development projects) from 2 to 3 years
- Long-term perspective – strategic planning extending from 3 to 6 years.

Due to the nature of the industry, a time horizon of more than three years is always a long-term perspective for the Group. This timeframe goes beyond the standard project development cycle, which includes planning, execution, and sales.

Adopting a three-year perspective does not exempt the Group companies from addressing key issues such as climate risks, the life cycle of buildings, and the implementation of a circular economy model. The Group recognises these factors as having long-term implications that extend beyond the three-year horizon and includes them in assessing impacts, risks, and opportunities. Nevertheless, any feasible and planned initiatives in these areas are executed within three years, so they primarily focus on the medium term. The Group's time horizons were applied in the risk and financial materiality assessments. Additionally, the Group does not disclose metrics in its sustainability statement that incorporate upstream or downstream value chain data where such data relies on indirect sources. It also refrains from disclosing quantitative metrics or financial amounts that are subject to a high degree of measurement uncertainty.

Similarly, the Group does not provide information in this sustainability statement based on other regulations or widely accepted interpretations and standards related to sustainability reporting.

This sustainability statement is the first prepared by the Group in accordance with ESRS and covers information relating exclusively to the 2024 reporting period, except for comparative data required for disclosures pursuant to Article 8 of Regulation 2020/852.

In 2024, the Group used omissions based on the exemptions allowed under Appendix C to ESRS 1, as detailed below.

	Disclosure Requirement	Full name of the Disclosure Requirement	Phase-in or effective date (including the first year)	Will it be applied?
ESRS 2	SBM-1	Strategy, business model and value chain	The undertaking shall report the information prescribed by ESRS 2 SBM-1 paragraph 40(b) (breakdown of total revenue by significant ESRS sector) and 40(c) (list of additional significant ESRS sectors) starting from the application date specified in a Commission Delegated Act to be adopted pursuant to article 29b (1) third subparagraph, point (ii), of Directive 2013/34/EU.	NO
ESRS 2	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	The undertaking may omit the information prescribed by ESRS 2 SBM-3 paragraph 48(e) (anticipated financial effects) for the first year of preparation of its sustainability statement. The undertaking may comply with ESRS 2 SBM-3 paragraph 48(e) by reporting only qualitative disclosures for the first 3 years of preparation of its sustainability statement if it is impracticable to prepare quantitative disclosures.	YES
ESRS E1	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	Undertakings or groups not exceeding, on their balance sheet dates, the average number of 750 employees during the financial year (on a consolidated basis where applicable) may omit the datapoints on Scope 3 emissions and total GHG emissions for the first year of preparation of their sustainability statement.	YES
ESRS E1	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	The undertaking may omit the information prescribed by ESRS E1-9 for the first year of preparation of its sustainability statement. The undertaking may comply with ESRS E1-9 by reporting only qualitative disclosures for the first 3 years of preparation of its sustainability statement, if it is impracticable to prepare quantitative disclosures.	YES

ESRS E2	E2-6	Anticipated financial effects from pollution-related risks and opportunities	The undertaking may omit the information prescribed by ESRS E2-6 for the first year of preparation of its sustainability statement. Except for the information prescribed by paragraph 40 (b) on the operating and capital expenditures occurred in the reporting period in conjunction with major incidents and deposits, the undertaking may comply with ESRS E2-6 by reporting only qualitative disclosures, for the first 3 years of preparation of its sustainability statement.	N/A
ESRS E3	E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	The undertaking may omit the information prescribed by ESRS E3-5 for the first year of preparation of its sustainability statement. The undertaking may comply with ESRS E3-5 by reporting only qualitative disclosures, for the first 3 years of preparation of its sustainability statement.	YES
ESRS E4	All disclosure requirements	All disclosure requirements	Undertakings or groups not exceeding on their balance sheet dates the average number of 750 employees during the financial year (on a consolidated basis where applicable) may omit the information specified in the disclosure requirements of ESRS E4 for the first 2 years of preparation of their sustainability statement.	YES
ESRS E4	E4-6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	The undertaking may omit the information prescribed by ESRS E4-6 for the first year of preparation of its sustainability statement. The undertaking may comply with ESRS E4-6 by reporting only qualitative disclosures, for the first 3 years of preparation of its sustainability statement.	YES
ESRS E5	E5-6	Potential financial effects from resource use and circular economy-related risks and opportunities	The undertaking may omit the information prescribed by ESRS E5-6 for the first year of preparation of its sustainability statement. The undertaking may comply with ESRS E5-6 by reporting only qualitative disclosures, for the first 3 years of preparation of its sustainability statement.	YES
ESRS S1	All disclosure requirements	All disclosure requirements	Undertakings or groups not exceeding on their balance sheet dates the average number of 750 employees during the financial year (on a consolidated basis where applicable) may omit the information specified in the disclosure requirements of ESRS S1 for the first year of preparation of their sustainability statement.	NO
ESRS S1	S1-7	Characteristics of non-employee workers in the undertaking's own workforce	The undertaking may omit reporting for all datapoints in this Disclosure Requirement for the first year of preparation of its sustainability statement.	NO
ESRS S1	S1-8	Collective bargaining coverage and social dialogue	The undertaking may omit this Disclosure Requirement with regard to its own employees in non-EEA countries for the first year of preparation of its sustainability statement.	N/A
ESRS S1	S1-11	Social protection	The undertaking may omit the information prescribed by ESRS S1-11 for the first year of preparation of its sustainability statement.	YES
ESRS S1	S1-12	Persons with disabilities	The undertaking may omit the information prescribed by ESRS S1-12 for the first year of preparation of its sustainability statement.	N/A
ESRS S1	S1-13	Training and skills development	The undertaking may omit the information prescribed by ESRS S1-13 for the first year of preparation of its sustainability statement.	YES
ESRS S1	S1-14	Occupational health and safety	The undertaking may omit the data points on cases of work-related ill-health and on number of days lost to injuries, accidents, fatalities and work-related ill health for the first year of preparation of its sustainability statement.	YES
ESRS S1	S1-14	Occupational health and safety	The undertaking may omit reporting on non-employees for the first year of preparation of its sustainability statement.	NO
ESRS S1	S1-15	Work-life balance	The undertaking may omit the information prescribed by ESRS S1-15 for the first year of preparation of its sustainability statement.	YES
ESRS S2	All disclosure requirements	All disclosure requirements	Undertakings or groups not exceeding on their balance sheet dates the average number of 750 employees during the financial year (on a consolidated basis where applicable) may	YES

			omit the information specified in the disclosure requirements of ESRS S2 for the first 2 years of preparation of their sustainability statement.	
ESRS S3	All disclosure requirements	All disclosure requirements	Undertakings or groups not exceeding on their balance sheet dates the average number of 750 employees during the financial year (on a consolidated basis where applicable) may omit the information specified in the disclosure requirements of ESRS S3 for the first 2 years of preparation of their sustainability statement.	YES
ESRS S4	All disclosure requirements	All disclosure requirements	Undertakings or groups not exceeding on their balance sheet dates the average number of 750 employees during the financial year (on a consolidated basis where applicable) may omit the information specified in the disclosure requirements of ESRS S4 for the first 2 years of preparation of their sustainability statement.	YES

This sustainability statement does not disclose the anticipated impacts of significant physical and transition risks or address potential climate-related opportunities.
The report does not include metrics covering upstream or downstream value chain data estimated using indirect sources (Scope 3 emissions). Due to delays in the operation of the Guarantees of Origin Register, the volume of electricity purchased from renewable sources is determined based on invoices received or supplier statements. Estimates relating to future outcomes, such as valuations of the Group's future cash flows, are also subject to uncertainty.

GOV-1 – THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

Composition of the Management Board

The Management Board of Dom Development S.A. (the 'Company') is characterised by diversity in age, educational backgrounds, and professional experiences. This diversity brings a multifaceted perspective, including a comprehensive approach to sustainability matters.

For the first ten months of 2024, the Management Board consisted of five members: four men (80%) and one woman (20%). However, in the last two months of the year, the Management Board was comprised only of men. All members of the Management Board are executive members, with no non-executive roles. Each member has been with the Company for many years, and their appointments are based on their expertise and professional competencies. In 2024, the members of the Management Board came from backgrounds in law, economics, and real estate management, all possessing extensive experience in the real estate development sector both in Poland and abroad. The President of the Management Board also serves as the designated representative for employees and oversees the HR function.

In line with the ESG DOM 2030 Strategy announced on 28 June 2022, the Management Board of Dom Development S.A., in collaboration with the majority shareholder, is committed to increasing female representation on the Board to at least 30% by 2026. As of March 2025, women will account for 40% of the Management Board.

Section GOV-2 of this sustainability statement provides information about the roles and responsibilities of the administrative, management, and supervisory bodies.

In 2024, the composition of the Management Board of Dom Development S.A. was as follows:

Jarosław Szanajca

President of the Management Board

The President of the Management Board directed the Management Board's work and coordinated its other Members' activities. His primary responsibilities included:

- overseeing the proper execution of the Company's operational and financial activities,
- defining its commercial and product strategy,
- supervising its marketing and promotional policy,
- approving the key principles of the HR management policy – particularly in relation to senior management appointments within the Company and its related entities,
- exercising ownership oversight of subsidiaries, and
- approving the Company's organisational structure and internal regulations.

In 2024, the President of the Management Board had oversight of the following organisational units within the Company: the Sales Department and Marketing Department (both until the appointment of Grzegorz Smoliński as a Management Board member), as well as the HR Department, Administration Department, Legal Department, Risk Management, Assurance, and Compliance Department, Infrastructure Department, the ESG Coordinator, the Director of Risk Management and Compliance, the Internal Auditor, and the Data Protection Officer.

Mr Jarosław Szanajca holds a master's degree in law from the Faculty of Law and Administration at the University of Warsaw. He has 31 years of experience in the real estate development industry and has been with the Company since 1996, serving as its President for 27 years.

Leszek Stankiewicz

Vice President of the Management Board, CFO

The primary responsibilities of the Vice President of the Management Board – Chief Financial Officer (CFO) include:

- defining the financial policy of the Company and its subsidiaries,
- managing the Company's budget and financial plans,
- overseeing asset management, including cash flow, receivables, and liabilities,
- leading the risk management programme, including the organisation of internal control and oversight systems,
- supervising corporate affairs and investor relations, including engagement with the Warsaw Stock Exchange (GPW), the Central Securities Depository of Poland (KDPW), and the Polish Financial Supervision Authority (KNF),
- assessing the Company's financial condition and conducting macroeconomic analyses to evaluate their impact on the Company's financial strategy, also preparing reports on the Company's financial position.

Additionally, the CFO is responsible for:

- negotiating and executing key financial transactions, including credit facility agreements and bond issuances,
- developing the Company's medium-term financial plans and annual budgets.

The Vice President of the Management Board – Chief Financial Officer oversees the following areas of the Company's activities: Financial Controlling, Investor Relations, Cash Management, Finance Department, Accounting Department, Financial Reporting, IT & Data Governance Department, and Interior Design Department.

Mr Leszek Stankiewicz holds a degree in economics and is a graduate of the Faculty of Economic Sciences at the University of Warsaw and the Warsaw School of Economics (SGH), where he studied Finance and Banking. He has 11 years of experience in the construction and real estate development industries and has been with the Group for five years, serving as Vice President of the

Management Board for the past three years.
On 29 November 2024, Mr Leszek Stankiewicz submitted his resignation from his role as Member and Vice President of the Management Board, effective 28 February 2025.

Mikołaj Konopka

Member of the Management Board, President of the Management Board of Euro Styl S.A.

This Management Board Member's responsibilities include participation in Board-level decision-making on the Company's operational activities, with a particular focus on oversight of the Group's General Contractor entities.

Since 2022, Mr Mikołaj Konopka has also managed ESG matters across the Group. He holds a master's degree in economics from the Faculty of Economics at the University of Gdańsk and has 16 years of experience in the real estate development sector. He has been with the Company for five years and has served as a Management Board Member throughout this period.

The Company's majority shareholder, Groupe Belleforêt S.à r.l., based in Luxembourg (holding at least 50.1% of shares), has appointed Mr Mikołaj Konopka as President of the Management Board for a new three-year term, effective 1 January 2025.
The primary responsibilities of this Management Board Member include participating in Board-level decision-making on the Company's operational activities, with a particular focus on land acquisition and project development processes.

Terry Roydon

Member of the Management Board

Mr Terry Roydon holds a degree from the University of London and has 53 years of international experience in real estate development. He has been associated with the Company for 26 years, initially serving as a Supervisory Board Member before assuming the role of Management Board Member. The primary responsibilities of this Management Board Member included participating in Board-level decision-making on the Company's operational activities, with a particular focus on land acquisition and project development processes.

The Management Board Member oversaw the following organisational units: the Real Estate Department, Development Project Department, Project Support Department, Project Preparation Department, Owner Supervision and Warranty Service Department, and Customer Service Department.

Monika Perekitko

Member of the Management Board

Ms Monika Perekitko is a graduate of the Interfaculty Studies in Spatial Economy at the Warsaw University of Life Sciences (SGGW) and has 20 years of experience in the real estate industry.
On 29 October 2024, Ms. Monika Perekitko submitted her resignation from her position as a Management Board Member, effective the same day.

Grzegorz Smoliński

Member of the Management Board

The Supervisory Board appointed Mr Grzegorz Smoliński as a Management Board Member of the Company, effective 29 October 2024. His primary responsibilities include overseeing the Company's marketing and promotional strategy, defining its commercial and product strategy, and ensuring high customer service and relationship management standards. He is also responsible for developing the Group's mortgage financing. Mr Smoliński has been with the Company for 27 years.

He holds a degree in Finance and Banking from the Higher School of Insurance and Banking in Warsaw (now Vistula University of Finance and

Business) and an MBA from the Warsaw School of Economics (SGH). He oversees the following organisational units of the Company: Sales Department, Marketing Department and Customer Service Department, overseeing the Company's commercial and product policies, as well as ensuring high standards of customer care. He is also responsible for developing the Group's mortgage financing. Mr Smoliński has been with the Company for 27 years.

He holds a degree in Finance and Banking from the Higher School of Insurance and Banking in Warsaw (now Vistula University of Finance and Business) and an MBA from the Warsaw School of Economics (SGH). He oversees the following organisational units within the Company: the Sales, Marketing, and Customer Service Departments.

Appointment, performance evaluation, and competencies of the Management Board

In accordance with the Company's Articles of Association, the Management Board of Dom Development S.A. shall comprise between 4 and 8 members, including the President, with a three-year term of office. The Supervisory Board determines the number of members on the Management Board. A shareholder holding at least 50.1% of the Company's shares has the exclusive right to appoint and remove half of the Management Board members, which includes the President and the Vice President responsible for finance, as specified in the Rules of the Management Board. If the Management Board comprises an odd number of members, the majority shareholder (holding at least 50.1% of shares) is entitled to appoint three members in a five-member Management Board and four members in a seven-member Management Board. This right to appoint and remove members is exercised through a written statement submitted to the Company. For statements to be validly made and signed on behalf of the Company, either two members of the Management Board must act jointly, one member of the Management Board must act jointly with a commercial proxy (*prokurent*) authorised with either sole or joint representation authority, or two commercial proxies must act jointly.

The Management Board operates in accordance with the provisions of the Commercial Companies Code, the Company's Articles of Association, and the Rules of the Management Board, which are publicly available and approved by the Supervisory Board. As the Company's executive body, the Management Board is responsible for overseeing its day-to-day operations and representing the Company externally. It makes decisions on all matters not reserved by law, the Articles of Association, or a resolution of the General Meeting that fall exclusively within the competence of the General Meeting or the Supervisory Board. Resolutions of the Management Board are adopted by an absolute majority of votes. In case of a tie, the President of the Management Board has the deciding vote. When setting the Company's strategic objectives and operational priorities, the Management Board acts in the best interests of the Company, complies with applicable laws, and considers the interests of shareholders, employees, and creditors. To ensure transparency and efficiency in corporate governance, the Management Board adheres to professional standards, exercising diligence within reasonable business risk parameters, and considers a wide range of available information, analyses, and expert opinions.

The Management Board of Dom Development S.A., alongside the management of its subsidiaries, participates in sustainability training programs provided by organisations such as the Polish Association of Listed Companies. The Group is supported in its sustainability reporting by internal and external experts who provide updates on the latest ESG regulatory developments. The Management Board is responsible for the Group's sustainability strategy and governance, including setting strategic objectives related to material impacts, risks, and opportunities. It approves the Group's sustainability strategy, endorses related policies and procedures, and oversees compliance with applicable sustainability regulations. The operational activities of Management Board members in this domain are supported by the ESG Coordinator, who operates in accordance with the Non-Financial and Sustainability Reporting Procedure adopted by the Group in November 2024. This procedure establishes processes for monitoring and managing impacts, risks, and opportunities and outlines the governance framework applicable to this area. The ESG Coordinator is responsible for conducting periodic ESG reviews, monitoring progress against sustainability commitments, and preparing recommendations for the Supervisory Board and other governance bodies regarding sustainability-related actions, focusing specifically on impacts, risks, and opportunities. In fulfilling these responsibilities, the ESG Coordinator leads the Non-Financial Reporting Team and collaborates closely with the Group's governance and management structures. The impact, risk, and opportunity management framework is fully integrated into the Group's internal control environment and aligned with best practices in corporate governance.

Composition of the Supervisory Board

The Supervisory Board exercises ongoing oversight of the activities of Dom Development S.A. From 1 January 2024 to 31 December 2024, the Supervisory Board of Dom Development S.A. comprised seven members:

1. Grzegorz Kiełpsz – Chairman of the Supervisory Board (appointed 17 September 2008)

Mr Grzegorz Kiełpsz holds a secondary education qualification, has 31 years of experience in the real estate development sector and has been with the Company for 29 years. He previously served as Vice President of the Management Board before assuming the role of Chairman of the Supervisory Board. Mr Kiełpsz stepped down as Chairman of the Supervisory Board with effect from 31 December 2024, while continuing to serve as a Supervisory Board Member.

2. Janusz Zalewski – Deputy Chairman of the Supervisory Board (appointed 15 March 2021)

Mr Janusz Zalewski holds a degree in economics from the Warsaw School of Economics (formerly the Main School of Planning and Statistics – SGPiS). He has 24 years of experience in the real estate development sector and has been with the Company for 25 years, having previously served as Vice President of the Management Board before his appointment as Deputy Chairman of the Supervisory Board.

3. Dorota Podedworna-Tarnowska – Deputy Chairwoman of the Supervisory Board (Independent Member, appointed 7 June 2018)

Dr Dorota Podedworna-Tarnowska holds a PhD in Economics from the Warsaw School of Economics and has extensive expertise in economics, finance, accounting, financial review, and audit. She has served as an Independent Member of the Supervisory Board for six years.

4. Mark Richard Anthony Spiteri – Member of the Supervisory Board (appointed 1 April 2012)

Mr Mark Spiteri holds a degree in economics from the London School of Economics. He has 19 years of experience in the real estate development sector and has been a Supervisory Board Member for 12 years.

5. Philippe Bonavero – Member of the Supervisory Board (appointed 15 June 2023)

Mr Philippe Bonavero holds a law degree from the University of London. Since 2016, he has served as a director of a UK-based construction company.

6. Anna Maria Panasiuk – Member of the Supervisory Board (Independent Member, appointed 15 June 2023)

Dr Anna Maria Panasiuk holds a law degree from the University of Gdańsk, where she completed her master's studies at the Faculty of Law and Administration. She also holds a PhD in Law. Dr Panasiuk has extensive experience in capital markets laws and regulations, gained through her legal advisory work for investment funds and holding companies. She has served as a Member of the Supervisory Board since June 2023.

7. Anna Maria Panasiuk – Member of the Supervisory Board (Independent Member, appointed 15 June 2023)

Ms Edyta Wojtkiewicz holds a degree in economics from the Warsaw School of Economics. She has extensive professional experience, gained through roles in her career. She has served as a Member of the Supervisory Board since June 2023.

All members of the Supervisory Board are non-executive directors. As of 2024, the Supervisory Board comprises four men (57%) and three women (43%). Five of its seven members hold Polish citizenship, while two are British citizens. The Board comprises individuals with extensive expertise and professional experience in management, accounting, finance, and law, as well as those with specialised knowledge and industry-specific experience relevant to the Company's activities.

Composition and appointment of the Supervisory Board

The Supervisory Board comprises five to nine members, each appointed for a joint three-year term. The General Meeting determines the number of members on the Supervisory Board. It is responsible for their appointment and removal, except for special rights held by a shareholder with at least 50.1% of the Company's shares. This shareholder has the right to appoint and remove half of the Supervisory Board members, which includes one Deputy Chairman. If the Supervisory Board has an odd number of members, this shareholder can appoint three members if there are five members on the Board, four members if there are seven, or five members if there are nine. This right is exercised by submitting a written statement to the Company that specifies the appointment or removal of a member. At least two Supervisory Board members, appointed by the General Meeting, must meet the independence criteria outlined in Section 7.7 of the Company's Articles of Association. This independence requirement also extends to their immediate family members, including spouses, direct descendants, and ascendants.

The Supervisory Board operates according to the provisions of the Commercial Companies Code, the Company's Articles of Association, and the publicly accessible Rules of the Supervisory Board, which detail its organisation and operational procedures. Additionally, the Board adheres to the Code of Best Practice for WSE Listed Companies. As a permanent oversight body, it supervises all areas of the Company's operations, including sustainability matters. The Board adopts resolutions and issues opinions on matters within its exclusive competence as specified in the Company's Articles of Association and according to established procedures or applicable law.

In 2024, the Supervisory Board held 14 meetings attended by members of the Management Board. The Board complied with the requirement to have at least two independent members per the independence criteria set out in the Company's Articles of Association. Resolutions of the Supervisory Board on the following matters required the approval of a majority of independent members:

Approval of any benefits granted by the Company or its related entities to Management Board members, regardless of their legal basis.

Approval of the Company or its subsidiaries entering into significant transactions with a related entity, a Supervisory Board member, a Management Board member, or their related parties. Appointment of the independent statutory auditor to audit the Company's financial statements.

The Supervisory Board systematically integrates impacts, risks, and opportunities into its oversight of the Group's strategy implementation. As part of this process, it assesses how sustainability-related impacts and risks align with the Company's long-term objectives, corporate reputation, and relationships with stakeholders. In its risk management oversight, the Supervisory Board monitors the effectiveness of implemented control mechanisms, identifies priority risk areas, and responds to emerging opportunities. It also evaluates trade-offs, such as balancing short-term financial performance with long-term resilience, ensuring that decisions support the Group's sustainable growth strategy. Regular reporting and collaboration with senior management enable the Supervisory Board to oversee these processes effectively. Further details on the Supervisory Board's sustainability-related responsibilities can be found in Section GOV-2.

Supervisory Board Committees

Audit Committee

By the provisions of the Company's Articles of Association and the Audit Committee Rules adopted on 5 September 2006 and subsequently amended on 29 December 2006, 29 June 2007, 3 April 2008, 5 October 2010, and 31 August 2023, the Audit Committee is a standing committee of the Supervisory Board.

The Audit Committee comprises three members, appointed by the Supervisory Board from among its members. The majority of Audit Committee members, including the Chairperson, are independent within the meaning of Article 129(3) of the Act of 11 May 2017 on statutory auditors, audit firms, and public oversight (Dz.U. of 2020, item 1415), as well as Section 7.7 of the Company's Articles of Association. All members of the Audit Committee have expertise and skills in accounting or financial reporting audit. At least one member has industry-specific knowledge and expertise relevant to the Company's business.

The responsibilities and powers of the Audit Committee are set out in the Audit Committee Rules, as approved by the Supervisory Board. The primary responsibilities of the Audit Committee include:

1. Overseeing the Management Board in relation to:
   - compliance with applicable laws and regulations, particularly the Accounting Act of 29 September 1994 and the Act of 11 May 2017 on statutory auditors, audit firms, and public oversight;
   - preparation of the Company's financial information, with a particular focus on the selection of accounting policies, application and assessment of the impact of new regulations, and information on the treatment of estimates, forecasts, and other relevant matters in financial statements;
   - implementation of recommendations and observations made by the independent statutory auditor appointed by the Supervisory Board;

2. issuing recommendations to the Supervisory Board regarding the appointment and dismissal of the independent statutory auditor;
3. overseeing the independence and objectivity of the statutory auditor, including concerning audit firm rotation and fee arrangements;
4. overseeing the effectiveness of the risk management system;
5. monitoring the Company's compliance framework;
6. overseeing the effectiveness of the internal control system and internal audit function, particularly in respect of financial reporting;
7. monitoring the effectiveness and adequacy of the whistleblowing system or any other mechanism for reporting irregularities;
8. evaluating the work of the independent statutory auditor.

From 1 January 2024 to 31 December 2024, the Audit Committee comprised:

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

In 2024, the Audit Committee held six meetings, three of which included briefings on non-financial reporting matters within the Dom Development Group.

Remuneration Committee

In accordance with the Company's Articles of Association and the Remuneration Committee Rules adopted on 5 September 2006 and subsequently amended on 29 December 2006, 5 October 2010, and 4 October 2023, the Remuneration Committee is a standing committee of the Supervisory Board. The Remuneration Committee consists of at least three members appointed by the Supervisory Board from among its members. At least two Committee members must be Independent Supervisory Board Members, as defined in Section 7.7 of the Company's Articles of Association. The Supervisory Board appoints one of the Independent Supervisory Board Members, as defined in Section 7.7 of the Company's Articles of Association, to serve as Chairperson of the Remuneration Committee. Each member of the Remuneration Committee may be removed at any time by the Supervisory Board. The Remuneration Committee's responsibilities and powers are set out in the publicly available Remuneration Committee Rules, as approved by the Supervisory Board. The primary responsibilities of the Remuneration Committee include:

- periodically reviewing the remuneration framework for Management Board members and submitting recommendations to the Supervisory Board in this regard;
- preparing proposals on cash remuneration and non-monetary benefits for individual Management Board members, including, in particular, managerial share option programmes (convertible into Company shares), for consideration by the Supervisory Board;
- proposing drafts of the Company's remuneration policy.

Members of the Management Board, representatives of the independent statutory auditor, as well as Company directors and employees may attend Remuneration Committee meetings by invitation. In 2024, the Remuneration Committee held seven meetings.

From 1 January 2024 to 31 December 2024, the Remuneration Committee comprised:

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

In 2024, the Audit Committee received three briefings from the financial auditor, the Management Board Member responsible for ESG, and the ESG Coordinator on the double materiality assessment process, including the key impacts, risks, and opportunities identified (see SBM-3).

Further details on the responsibilities of the Supervisory Board Committees can be found in Section 4 of this statement.

Diversity metrics

Since 2022, Dom Development S.A. has implemented a Diversity Policy reaffirming its commitment to fostering a respectful, inclusive, and multicultural society. The Company emphasises the importance of equal treatment for all, regardless of gender, age, disability, health status, race, nationality, ethnic origin, religion, political beliefs, trade union membership, sexual orientation, gender identity, family and social status, lifestyle, position within the Company, or any other defining characteristic.

The Group is dedicated to creating a workplace free from discrimination and inappropriate behaviour, ensuring that employees' integrity and self-worth are maintained. The Company's strength lies in the engagement, experience, knowledge, and diversity of its employees, all of whom play a significant role in its growth. Every employee is valued and recognised as a unique asset to the Group.

The main objectives of the Diversity Policy are:

- To maximise the potential of employees by leveraging their diverse skills, experience, and talents within a culture of respect and support;
- To support the achievement of the Company's strategic objectives by defining diversity principles applicable to Supervisory Board members, Management Board members, and employees;
- To attract a diverse talent pool in the recruitment process, ensuring a wide range of skills, education, and professional experience;
- To maintain a non-discriminatory approach in recruitment and human resources management processes.

Details of the Diversity Policy measures applicable to the Management Board and Supervisory Board members are available at: https://inwestor.domd.pl.

The Management Board of Dom Development S.A. constitutes the senior management.

Diversity Metrics in the Management Board of Dom Development S.A.

Age group	number	%	number	%
	Female		Male	
	1 Jan 2024 – 2[illegible] Oct 2024			
Under 30 years	0	0	0	0
31 to 50 years	1	20	1	20
Over 50 years	0	0	3	60
Total	**1**	**20**	**4**	**80**
	[illegible] Oct 2024 – 3[illegible] Dec 2024			
Age group	number	%	number	%
	Female		Male	
Under 30 years	0	0	0	0
31 to 50 years	0	0	2	40
Over 50 years	0	0	3	60
Total	**0**	**0**	**5**	**100**

GOV-2 – INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED BY THE UNDERTAKING'S ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The significant importance of ESG (Environmental, Social, and Governance) matters and their wide-ranging effects on the Group's business activities and strategic development have prompted the creation of a dedicated Non-Financial Reporting Team within the Company's organisational structure. This team is tasked with advancing the Group's ESG agenda, overseeing the implementation of sustainability commitments, and coordinating the management of the Group's sustainability framework. The responsibilities of each governing body and individual regarding impacts, risks, and opportunities are clearly defined within the mandates and authorities assigned to the respective entities in the Group. They are integrated into the Group's internal regulations.

Supervisory Board

The Supervisory Board exercises ongoing oversight of the Company's operations across all business areas, including sustainability matters. While no separate assessment is conducted specifically for ESG management, the Supervisory Board evaluates the Company's overall performance, with sustainability as a key pillar. In its oversight of the Group's business strategy, including its sustainability strategy, the Supervisory Board assesses both long-term and short-term factors that may impact the Company's activities, such as market developments, regulatory changes, and technological advancements. The Supervisory Board follows an internal procedure for the periodic assessment of material transactions within the meaning of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading and on Public

Companies. The Supervisory Board grants approval for material transactions where statutory exemptions do not apply and authorises agreements and the performance of obligations by the Company and related parties in accordance with applicable laws and the Company's Articles of Association. When making decisions, the Supervisory Board considers the impacts, risks, and opportunities associated with significant transactions, conducting a comprehensive analysis of all material aspects of each transaction. As part of its governance oversight, the Supervisory Board regularly reviews the effectiveness of policies and control mechanisms, including assessing reports on identifying and monitoring key risks and the Group's crisis management plans. The Board also considers trade-offs, such as balancing the costs of implementing risk mitigation measures against the potential impact of failing to do so on the Company's operations.

The Audit Committee of the Supervisory Board receives regular updates on:

- Material impacts, risks, and opportunities;
- The implementation of due diligence and regulatory compliance;
- Progress against the objectives and actions set out in the Group's strategies and policies.

These updates are provided by Management Board members and designated individuals responsible for risk management, regulatory compliance, internal audit, and ESG oversight. This process enables the Group to monitor compliance with sustainability regulations and exercise effective oversight of impacts, risks, and opportunities. The frequency of reporting is determined by the nature of the information, regulatory requirements, and the Group's internal procedural frameworks. Reporting is typically conducted periodically; however, in the event of material developments or exceptional circumstances, information is provided on an ad hoc basis. Information is presented in the form of financial and non-financial statements, risk assessments, and internal audit findings. Additionally, Audit Committee meetings include presentations on the effectiveness of adopted strategies and objectives related to the management of material impacts, risks, and opportunities.

In 2024, the Supervisory Board validated the outcomes of the double materiality assessment and oversaw the implementation of the objectives and actions set out in the DOM 2030 ESG Strategy.

Management Board

Given that ESG considerations permeate all areas of the Group's activities, responsibility for this area has been assigned to the Management Board Member for ESG since 2022. Matters relating to material impacts, risks and opportunities, and due diligence processes are reported by the ESG Coordinator and discussed with the Management Board Member responsible for the respective area during regular face-to-face meetings and ongoing reviews.

The Management Board monitors progress against ESG-related objectives by reviewing the implementation of actions set out in the ESG Strategy and the Group's business results. This includes an analysis of both financial and non-financial data, reflecting the extent to which strategic objectives have been met. Progress monitoring is conducted through regular reviews involving the ESG Coordinator. The Management Board works closely with functions responsible for regulatory compliance, internal audit, and risk management, ensuring comprehensive oversight of the Group's critical operational areas. The frequency of reporting is determined by the nature of the information, regulatory requirements, and the Group's internal procedural frameworks. Reporting is typically conducted on a quarterly basis, but in the event of material developments or exceptional circumstances, information is provided on an ongoing basis. The internal control framework plays a key role in the monitoring process, facilitating the assessment of the effectiveness of implemented measures and the identification of areas requiring improvement.

When making decisions on major transactions, the Management Board considers potential trade-offs, such as balancing economic benefits with potential social or environmental impacts, with the aim of ensuring sustainable value creation for stakeholders. The Management Board actively monitors sustainability-related risks and sets objectives linked to material impacts, risks, and opportunities by defining strategic priorities, implementing appropriate policies, and overseeing their execution.

In 2024, the Management Board focused on impacts, risks, and opportunities identified as material during the double materiality assessment process.

Members of both the Management Board and the Supervisory Board have access to expert insights from external advisory firms and actively participate in sustainability training programmes organised by the Polish Association of Listed Companies.

ESG Coordinator

At the operational level, responsibility for sustainability-related activities rests with the ESG Coordinator, who reports both organisationally and functionally directly to the President of the Management Board while also reporting on the implementation and oversight of sustainability matters to the Supervisory Board through the Audit Committee. The ESG Coordinator's responsibilities include coordinating sustainability-related projects, collecting and processing non-financial data, and overseeing the operational implementation of the ESG strategy, which encompasses the execution of planned initiatives and activities.

Senior management

The complexity and cross-functional nature of sustainability-related initiatives necessitate the active engagement of the entire senior management team, including business area owners, in ESG processes. This engagement is evident in furthering the development of sustainability initiatives and integrating ESG considerations into business operations, contributing to the preparation of the sustainability statement, and providing subject-matter expertise in key projects such as materiality assessments and the analysis and evaluation of climate-related risks. Senior management also holds dedicated meetings to review progress against sustainability objectives, assess outcomes, and determine whether corrective measures are necessary. Effective communication across management levels plays a crucial role in ensuring the alignment and consistency of sustainability efforts across the Group.

ESG governance structure at the Dom Development Group

SUPERVISORY BOARD

Oversight of implementation of ESG Strategy

Monitoring Group's compliance with ESG regulatory requirements

AUDIT COMMITTEE

Validation of results of double materiality assessment

Acceptance of ESG auditor appointment

MANAGEMENT BOARD

Adoption of ESG Strategy

Monitoring of ESG Strategy delivery

Approval of Group sustainability policies

Approval of Sustainability Statement

PRESIDENT OF MANAGEMENT BOARD

COMPANY MANAGEMENT BOARD MEMBER RESPONSIBLE FOR ESG

Advising Company's Management Board on ESG matters

Coordinating delivery of ESG DOM 2030 Strategy

Supporting Group's ESG goals and ensuring effective operation of environmental management system

Oversight of ESG activities and processes

Establishing accountability and enforcing execution of ESG activities

COMPANY'S CFO

Coordinates financial reporting, including taxonomy disclosures and investor relations.

Responsible for Group's financial matters, supported by financial functions of Group companies

CEOs OF GROUP COMPANIES

Monitoring of local ESG-related activities

Monitoring of reporting certain ESG metrics

GROUP ESG COORDINATOR

Coordinates ESG reporting

Coordinates implementation of DOM 2030 ESG Strategy

Interacts with stakeholders on ESG matters

Interacts with external institutions and expert organizations working on ESG matters

CHIEF RISK AND COMPLIANCE OFFICER (CRCO)

CRCO supports ESG Coordinator in non-financial reporting and management of the ESG area

Among other things, the CRCO coordinates ethics and corporate governance matters, oversees the Group's regulatory compliance and risk management. As part of day-to-day activities, he supports the preparation and implementation of sustainable development policies

ASSURANCE LEAD

The Head of Internal Audit conducts an independent assessment of the adequacy and effectiveness of risk management, undertaking assurance activities to identify risk-exposed areas and providing advisory support to improve risk management practices

GOV-3 – INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

Remuneration of the Management Board

In accordance with the Remuneration Policy for Management Board and Supervisory Board Members of Dom Development S.A., which is adopted and periodically updated by the Supervisory Board, members of the Management Board are entitled to:

1. Fixed monthly remuneration, commensurate with their responsibilities and the qualifications required to perform their duties. This fixed remuneration is pre-determined and not contingent on the Company's financial performance.

Additionally, Management Board members may be entitled to:

2. Variable remuneration in the form of a performance-based bonus, which must not exceed five times the fixed remuneration. The award of this bonus is based on financial and non-financial performance criteria aligned with the Company's strategic objectives, particularly:
   - profit before tax,
   - net profit,
   - other operational metrics relevant to the Management Board member's area of responsibility.
3. Remuneration in the form of financial instruments, as granted by the Supervisory Board.

In addition to the above remuneration components, Management Board members may be granted additional monetary or non-monetary benefits by the Supervisory Board, including but not limited to:

- a company car, mobile phone, and laptop, as required for the performance of their duties,
- private medical care package,
- group life insurance cover,
- directors' and officers' liability insurance,
- sports membership benefits,
- coverage or reimbursement of training costs necessary for professional development.

In fulfilling their responsibilities, Management Board members are required to uphold the Company's commitments to social responsibility, including:

- contributing to environmental protection,
- undertaking actions to mitigate and eliminate the Company's negative social impacts,
- ensuring safe and comfortable working conditions for the Company's employees and business partners.

Remuneration of the Supervisory Board

Members of the Supervisory Board are entitled to remuneration, which may consist of:

1. Fixed remuneration, comprising:
   - base remuneration;
   - additional allowances for holding roles on Supervisory Board committees.

The monthly fixed allowance for Supervisory Board members assuming additional roles is determined as a percentage of the base remuneration and amounts to:

- 25% for members serving as Committee Chairpersons,
- 15% for members serving on committees without chairing a committee;

2. Non-monetary benefits.

Members of the Management Board and Supervisory Board are not entitled to supplementary pension schemes or early retirement programmes.

In 2024, the Group did not incorporate sustainability-related criteria into the remuneration framework for Management Board and Supervisory Board members and did not set financial targets linked to ESG performance. However, the Group is considering introducing a financial component tied to ESG performance as part of its overall remuneration framework.

GOV-4 – STATEMENT ON DUE DILIGENCE

Core elements of due diligence	Sections in the sustainability statement
Embedding due diligence in governance, strategy and business model	GOV-2
Engaging with affected stakeholders in all key steps of the due diligence	SBM-3 IRO-1 S1-2 S1-3 S1-14 S1-17 G1-1 G1-2
Identifying and assessing adverse impacts	SBM-3
Taking actions to address those adverse impacts	E1-3 E1-4 E3-2 E4-3 E5-2 S1-1 S1-3 S1-4 S3 G1 G1-3
Tracking the effectiveness of these efforts and communicating	GOV-2 S1-1 S1-2 S1-4 S1-17 G1-3

GOV-5 – RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

The Supervisory Board oversees the internal control, risk management, compliance, and internal audit systems within the Group, primarily through the Audit Committee. It also provides an evaluation of the Company's activities to the General Meeting, including an assessment of the adequacy and effectiveness of these systems.

Risk management and internal controls pertaining to sustainability are central to the Group's organisational culture and corporate governance framework. They align with the strategic objective of enhancing operational capabilities and uphold the principles of sustainable and responsible business conduct. This process ensures that strategic priorities are translated into clear operational targets. Operational management is inherently linked to risk management, which encompasses assigning responsibility for operational performance, evaluating performance, and enhancing operational efficiency across all levels of the Company and the Group.

Sustainability risk management

From an environmental, social, and governance (ESG) perspective, particular emphasis is placed on compliance risk, alongside certain operational risks. Key risks pertinent to risk management and oversight of the sustainability reporting process include those concerning the completeness and integrity of data, the accuracy of estimates, and the timely submission of information. The Group manages these risks in accordance with its internally established non-financial and sustainability reporting framework.

The sustainability risk management process is an integral component of the Group's overall risk management framework. The primary risks in the area of sustainability pertain to environmental, social, and governance (ESG) factors, which have been identified through the double materiality assessment process. These risks are classified as compliance, operational, or business risks and are assessed as part of the Group's ongoing operational risk evaluation. The principal risks identified and the strategies for their mitigation are detailed in subsection SBM-3. Sustainability risk management within the Group is supported by the Non-Financial Reporting Team, which plays a key role in mitigating sustainability-related risks (including ESG risks) by overseeing internal processes and engaging in ongoing collaboration with relevant business areas. The principles governing sustainability risk management are defined in internal policies and procedures, including the Non-Financial and Sustainability Reporting Procedure, adopted by the Group in November 2024, and the Risk Management and Compliance Policy. The Group defines sustainability risk as the potential occurrence of an event that may adversely impact the environment, social matters, business operations, financial results, or reputation. The aim of the Group's sustainability risk management system is to ensure the early identification and effective handling of material risks. The sustainability risk management system, encompassing both risk identification and mitigation strategies, including relevant controls, is aligned with the Group's broader risk management framework. It is structured around the three lines of defence model, as further elaborated in section 4.11 of this sustainability statement.

Climate risk management constitutes a crucial aspect of the Group's overarching risk management framework. This system is thoroughly integrated into the organisational structure and decision-making processes, thereby ensuring the engagement of key function holders. It represents a continuous and adaptive process, evolving in response to changes in the economic environment, the Group's activities, and the influence of identified risks on the Group's strategic objectives.

To ensure effective governance of sustainability risk management, the approach to managing these risks has been woven into the Group's existing risk management framework. Selected sustainability risks are factored into business decision-making.

The Company oversees sustainability risk management at the Group level, in line with the broader risk management system, as detailed in section 4.11 of this statement.

The sustainability risk management process within the Group is organised into five key stages:

1. Risk identification;
2. Risk measurement and assessment;
3. Risk monitoring and control;
4. Risk reporting and communication;
5. Management actions.

This process is operationally led by the ESG Coordinator, with support from the Company's senior management, who serve as business process owners, and the Group Chief Risk and Compliance Officer, who is responsible for coordinating risk identification, assessment, and compliance management at the Group level. Furthermore, the process is overseen by the Assurance Lead, who directs internal audit activities across the Group.

The sustainability risk management framework is integrated within the Group's structured governance model, which operates at three levels of oversight:

1. Supervisory oversight – the highest level of oversight, exercised by the Company's Supervisory Board, which, through the Audit Committee, also oversees sustainability risk management and compliance, assessing their adequacy and effectiveness;
2. Executive oversight – conducted by the management boards of the Group's subsidiaries and the Company's Management Board, which consolidates and manages risks at the Group level;
3. Operational oversight – implemented within the internal control framework, coordinated at both Group and subsidiary levels.

Internal control system for sustainability

Effective risk management is strengthened by the Group's internal control system, which is organised around the three lines of defence model, as detailed in section 4.11 of this sustainability statement. This system is tailored to the scope, scale, and organisational structure of the Group, ensuring that internal controls are proportionate, adequate, and implemented at the Group level. It aims to safeguard the effectiveness and efficiency of operations, the reliability of non-financial reporting, and compliance with applicable laws and internal regulations.

The Group's internal control system has been established at the Company level and operates across each Group entity, taking into account their legal and operational independence while ensuring that the system remains proportionate and adequate to the Group's needs. Internal controls over sustainability reporting are managed within the framework of the Group's established corporate governance practices, employing mature processes and methodologies. This system is supported by:

- advanced accounting, business reporting, and document management systems;
- a system for collecting resource consumption data, including energy and utilities;
- transparent internal procedures, featuring financial controls and compliance frameworks;
- a clearly defined and structured organisational hierarchy;
- the expertise, knowledge, and experience of individuals involved in the internal control process;
- management oversight and regular evaluation of the Group's activities;
- independent assurance through the audit of financial and non-financial statements by an independent statutory auditor;
- internal audit functions.

Compliance system for sustainability

A robust and well-developed compliance culture is essential for the successful implementation of the DOM 2030 ESG Strategy across the Group's operations. The Compliance System aims to prevent legal risks arising from non-compliance with relevant laws and internal regulations, thereby supporting a strong corporate governance framework. Within the Group, sustainability compliance management is defined as the process of identifying, assessing, and managing risks associated with non-compliance or breaches of legal requirements, internal regulations, and established standards of conduct set by the Company or the Group, in relation to material impacts, risks, and opportunities in the area of sustainability.

The Company's Chief Risk and Compliance Officer provides expert support in sustainability and advises on executing sustainability risk management activities. This role also includes assessing and measuring compliance risk, alongside overseeing the development and implementation of remedial measures to mitigate the risk's materialisation, whether at the subsidiary or Group level. The Chief Risk and Compliance Officer additionally assists the ESG Coordinator in:

- preparing and submitting management reports and updates to the management boards of Group companies and the Company's Supervisory Board;
- developing and promoting best practices in sustainability compliance;
- establishing and enhancing uniform compliance standards in line with the principles set out in subsection GOV-2.

Internal audit system for sustainability

The internal audit function operates in accordance with the principles of independence from operational activities and objectivity, aiming to enhance value and improve the operational efficiency of the Dom Development Group. Internal audit activities involve a systematic and structured assessment of the Group's risk management, control, and corporate governance processes, contributing to their continuous improvement. The internal audit function supports the Group by providing assurance regarding the effectiveness of sustainability-related processes and offering advisory services to strengthen governance and risk management in the area of sustainability.

The Assurance Lead supervises the execution of the internal audit function, reporting functionally to the Audit Committee and organisationally to the President of the Management Board of Dom Development S.A. This dual reporting structure ensures the independence and objectivity of the function.

The assurance and advisory activities conducted by the internal audit align with the DOM 2030 ESG Strategy and the Internal Audit Strategy for 2024–2027. These activities encompass key business objectives and sustainability challenges, including:

- monitoring ESG risks across the Group's operations;
- assessing compliance with regulatory requirements for sustainability reporting (CSRD, ESRS);
- verifying the accuracy and quality of ESG data reported by the Group.

The Assurance Lead provides updates to the Management Board and the Audit Committee regarding the execution of the audit plan, the findings from completed audits, and the implementation status of recommendations resulting from identified observations. These reports are prepared with both a business perspective and a focus on sustainability, ensuring alignment with the Group's wider sustainability objectives.

SBM-1 – STRATEGY, BUSINESS MODEL AND VALUE CHAIN

Business profile

Dom Development S.A., the parent of the Group, has been in operation since 1996 and is the largest residential developer in Poland. By the end of 2024, the Group companies delivered over 50,000 residential units.

Since 2006, Dom Development S.A. has been listed on the Warsaw Stock Exchange (WSE) and is a constituent of the mWIG40 index. The Company is also included in the WIG-ESG index, which comprises the most socially responsible publicly traded companies in Poland.

The Group's principal business activity is the development and sale of residential properties, primarily targeting individual homebuyers as its main customer base.

The Group delivers multi-family residential developments in Poland's key metropolitan markets, including Warsaw, Wroclaw, Krakow, and the Tri-City area, where it operates under the Euro Styl brand.

The breakdown of total revenue and employee headcount by location (IFRS 8) is presented in sections 1.6 and 1.5 of this statement. The only reportable segment in the financial statements is real estate (NACE M.68.11 – Buying and selling of own real estate). Dom Development S.A. is the largest developer in Poland in terms of total assets, revenue, and profitability. Among Polish real estate companies listed on the Warsaw Stock Exchange (WSE), the Company ranks first in terms of return on equity (ROE). Additionally, as of the end of 2024, Dom Development S.A. had the highest market capitalisation among Polish developers, amounting to PLN 4.9 billion.

Beyond its economic dimension, the Group's activities also have a significant social impact. In fulfilling its business mission, the Group actively contributes to the achievement of the Sustainable Development Goals (SDGs). Customer satisfaction is a key performance metric, enabling the Group to engage with customer feedback and respond effectively to evolving needs and expectations. The Group is committed to responsible residential development, taking into account future social and climate challenges. Through its activities, the Group helps address housing shortages and enhance the quality of life in Poland's major urban centres.

Strategy of the Group

The Group's strategic business objectives – including growth and market consolidation, maintaining a strong balance sheet, and maximising return on equity (ROE) – are outlined in section 1.3 of this sustainability statement. Sustainable development is a core pillar of the Group's strategy.

As the leading residential developer in Poland, the Dom Development Group plays a significant role in shaping urban planning and improving the quality of life in the metropolitan areas where it operates. The Management Board actively supports sustainable urbanisation by implementing internal project planning standards. From residential units and communal spaces to architectural solutions and green areas, every aspect of the Group's residential developments is carefully designed to foster liveable, high-quality urban environments. The Group's sustainability initiatives and objectives are defined in the DOM 2030 ESG Strategy.

All objectives outlined in this document pertain to the Group's principal business activity – the development and sale of residential properties. The strategy is implemented across all companies within the Group. Social objectives focus on two key stakeholder groups: customers and local communities. The DOM 2030 ESG Strategy, overseen by the Group Management Board, sets out three overarching objectives:

– reducing environmental impact and promoting urban biodiversity;
– strengthening local communities by creating high-quality urban fabric that fosters social integration;
– ensuring the highest standards of corporate governance and maintaining clear communication with all stakeholders.

The strategy does not address future challenges, solutions, or projects related to sustainability reporting. However, certain material impacts identified through the double materiality assessment have been indirectly incorporated into the DOM 2030 ESG Strategy and integrated into the ongoing activities of the Group companies. The strategy is accessible on the Group's website: www.domd.pl/esg.

Business model

The Group companies adopt a business model that aligns its management approach with the principles of sustainable development. The Dom Development Group is one of the few entities equipped with the necessary resources and capabilities to successfully deliver complex and capital-intensive projects. These resources comprise:

– external inputs: materials, raw materials, and utilities used in the construction process;
– well-designed, implemented, and continuously monitored operational and support processes;
– intangible assets, such as:
    - a highly skilled and experienced workforce,
    - unique expertise in project management, construction processes, real estate sales, and stakeholder relationship management,
    - business and strategic partnerships,
    - IT systems and technologies.

The Company's business model is inherently linked to its resource base, which acts as the foundation of its activities and a crucial driver of value creation. Successful delivery of development projects necessitates access to a comprehensive range of tangible, human, and intangible resources, ensuring effective project management and supporting the company's long-term growth and strategic objectives.

The Group adopts a comprehensive approach to securing, developing, and managing the resources that underpin its business model and value chain. As part of its resource acquisition strategy, the Group ensures a stable and high-quality supply of materials, raw materials, and utilities used in the construction process. It collaborates with reliable and reputable suppliers, guaranteeing the consistency and quality of components while mitigating the risk of operational disruptions. A key strategic priority is the attraction and development of a highly skilled workforce, which is essential for the efficient execution of projects and the organisation's long-term growth. To enhance resource efficiency, the Group invests in technologies and process optimisation solutions that improve construction and operational performance. Well-designed, implemented, and monitored operational and support processes enable the Group to manage projects effectively, increase efficiency, and reduce environmental impact. Resource security is sustained through robust risk management, quality control, and supply chain optimisation, allowing the Company to mitigate project execution risks and ensure operational stability. This approach facilitates the effective management of capital-intensive projects and contributes to long-term value creation for stakeholders.

The business model and value chain of Dom Development Group generate measurable value for customers, investors, and other stakeholders, both in the short and long term. By adopting a comprehensive approach to resource management and business relationships, the Group effectively delivers complex, capital-intensive projects while maintaining a strong commitment to sustainable development and high-quality service standards.

For customers, the main benefit is the high quality and durability of completed developments. Optimised operational processes and precise supply chain management ensure timely project delivery, enhancing buyer satisfaction. For investors, the Group's business model offers financial stability and predictable operational performance. Transparency in operations and adherence to ESG principles contribute to long-term value creation and enhance the Group's appeal to long-term investors. For other stakeholders, including business partners, subcontractors, and suppliers, the Group nurtures stable, long-term relationships based on transparent principles of cooperation. Through effective value chain management, the Group drives sector-wide progress, promoting innovation, industry best practices, and high standards within the construction sector.

Value chain

The value chain encompasses the complete range of activities, resources, and relationships associated with an organisation’s business model and the external environment in which it operates.

A workshop session attended by representatives responsible for ESG, risk management, and compliance was held to map the key activities, resources, and relationships within the Group. Participants examined the business model, strategy, and commercial relationships, as well as the operational activities carried out across all Group companies.

The outcome of this process is the development of a value chain model for the Dom Development Group, based on an analysis of material flows and business relationships. This model covers the key stages, from producers and suppliers of primary raw materials used in manufacturing construction materials, through counterparties providing services supporting the activities of Group companies, to the operations conducted within the Group itself. While the Dom Development Group does not manage the entire value chain, it effectively shapes its key components, striving to optimise processes within its own business activities. Through a strategic approach to cooperation with suppliers, subcontractors and financial institutions, the Group achieves high operational efficiency and ensures the stability of its investment projects. This results in tangible benefits, including high-quality projects, timely project execution, cost predictability and long-term financial stability—delivering value to customers, investors and other stakeholders alike.

Upstream relationships primarily affect the Group’s general contracting activities (i.e. the construction sector), while downstream relationships influence the operations of the Group companies engaged in property sales and management.

Though the warranty service function is managed in-house, its collaboration with subcontractors providing services to customers means it impacts both upstream and downstream relationships.

Upstream:

As part of its value chain mapping, the Group has identified its Tier 2 and Tier 3 suppliers, along with subcontractors. Tier 3 suppliers are primarily producers and suppliers of raw materials such as steel, aluminium, glass, timber, and building ceramics, which are utilised in the production of construction materials, as well as suppliers of energy resources like natural gas, electricity, and vehicle fuels. Water is classified as a separate resource since it is used in manufacturing, operational processes, and sanitary installations. Tier 2 suppliers provide construction materials including concrete, reinforcement steel, sand-lime blocks, insulation materials, and windows. This category also encompasses companies supplying equipment and services that are essential for the construction process, such as construction machinery, scaffolding, and site facilities. The Group’s value chain also includes subcontractors, comprising construction service providers responsible for excavation, demolition, concrete pouring, masonry, and finishing works. The Group’s subcontractors additionally include design and engineering firms that specialise in architecture, structural design, and building systems planning. Subcontracted services extend beyond core construction activities to include specialist support functions. In this segment, subcontractors consist of external law firms and independent consultants who provide specialised support services. The primary stakeholders in the upstream segment are Tier 2 and Tier 3 suppliers, as well as subcontractors. These entities represent the most frequent points of engagement for the Group and are integral to the execution of its operational activities and the delivery of its strategic objectives.

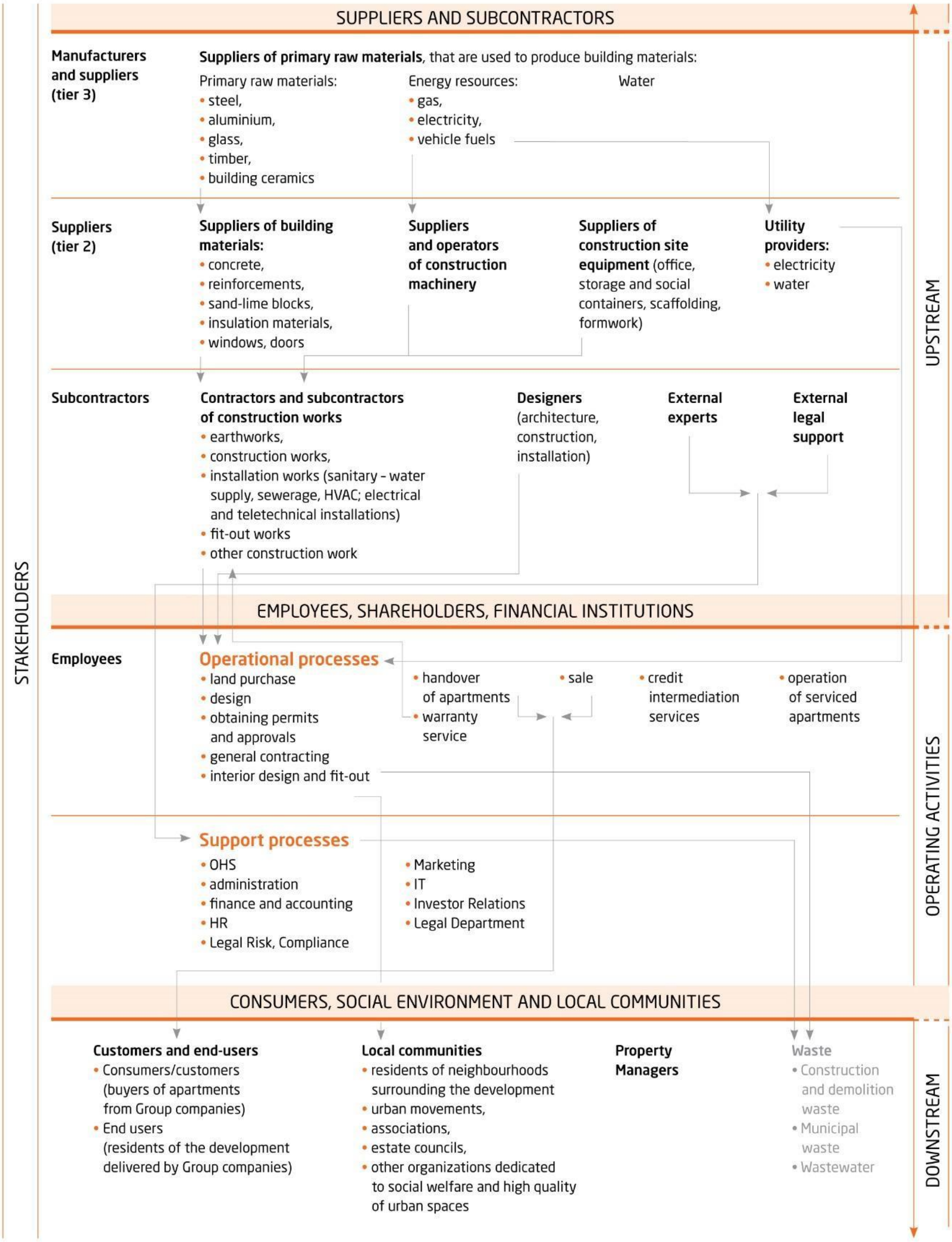
Internal processes:

The next stage in the value chain comprises the Group’s internal processes, which are categorised into operational processes and support functions. Operational processes are organised into four segments: project execution, property sales, mortgage brokerage services, and the management of serviced apartments. Project execution includes a range of activities, such as land acquisition, design, permitting, sales, construction, interior fit-out, and the handover of residential units. The Group’s activities in mortgage brokerage and the management of serviced apartments represent marginal areas of the business. Support functions encompass marketing, human resources, administration, finance, accounting, auditing, risk management and compliance, IT & Data Governance, occupational health and safety (OHS), investor relations, and legal services. The key stakeholders at this stage of the value chain include employees, capital market investors, lending institutions, public authorities, and insurance companies.

Downstream:

The Group's development projects are primarily sold to individual buyers. Operational activities that support homebuyers include the handover of residential units and warranty services, which are conducted either by subcontractors or in-house by Dom Development. At the final stage of the value chain, key considerations encompass waste management (both municipal waste and construction and demolition waste) and wastewater disposal. The key stakeholders at this stage include individual and transactional buyers, end users (residents of developments delivered by Group companies), local communities, and property managers.

Value chain



STAKEHOLDERS
SUPPLIERS AND SUBCONTRACTORS
UPSTREAM
Manufacturers and suppliers (tier 3)
Suppliers of primary raw materials, that are used to produce building materials:
Primary raw materials:
• steel,
• aluminium,
• glass,
• timber,
• building ceramics
Energy resources:
• gas,
• electricity,
• vehicle fuels
Water
Suppliers (tier 2)
Suppliers of building materials:
• concrete,
• reinforcements,
• sand-lime blocks,
• insulation materials,
• windows, doors
Suppliers and operators of construction machinery
Suppliers of construction site equipment (office, storage and social containers, scaffolding, formwork)
Utility providers:
• electricity
• water
Subcontractors
Contractors and subcontractors of construction works
• earthworks,
• construction works,
• installation works (sanitary - water supply, sewerage, HVAC; electrical and teletechnical installations)
• fit-out works
• other construction work
Designers (architecture, construction, installation)
External experts
External legal support
EMPLOYEES, SHAREHOLDERS, FINANCIAL INSTITUTIONS
OPERATING ACTIVITIES
Employees
Operational processes
• land purchase
• design
• obtaining permits and approvals
• general contracting
• interior design and fit-out
• handover of apartments
• warranty service
• sale
• credit intermediation services
• operation of serviced apartments
Support processes
• OHS
• administration
• finance and accounting
• HR
• Legal Risk, Compliance
• Marketing
• IT
• Investor Relations
• Legal Department
CONSUMERS, SOCIAL ENVIRONMENT AND LOCAL COMMUNITIES
DOWNSTREAM
Customers and end-users
• Consumers/customers (buyers of apartments from Group companies)
• End users (residents of the development delivered by Group companies)
Local communities
• residents of neighbourhoods surrounding the development
• urban movements,
• associations,
• estate councils,
• other organizations dedicated to social welfare and high quality of urban spaces
Property Managers
Waste
• Construction and demolition waste
• Municipal waste
• Wastewater

SBM-2 – INTERESTS AND VIEWS OF STAKEHOLDERS

The nature, scope, and frequency of Dom Development Group's engagement with various stakeholder groups vary. These interactions aim to ensure effective operations management, foster long-term relationships with diverse stakeholders, and, consequently, strengthen the Group's market position while sustainably achieving its objectives. Stakeholder engagement activities carried out to date:

Stakeholders	Stakeholder engagement / Method of engagement	Topics addressed	Purpose of stakeholder engagement
Employees	– Employee Opinion Barometer – annual satisfaction survey – Direct communication with line managers – Workshops, conferences, and training programmes – Team-building activities – Internal intranet, newsletters, and informational emails – Non-financial reports	– Working conditions – Education and professional and personal development – Occupational health and safety (OHS) – Company updates – New policies, procedures and guidelines	– Understanding employees' views and needs – Enhancing employee engagement and satisfaction – Fostering a sense of belonging within the organisation – Consulting on employee initiatives – Communicating important company matters
Local communities	– Collaboration with local associations on CSR initiatives[2] – Organisation and support of local events – Non-financial reports	– Project implementation and timelines – CSR activities – Execution of the DOM 2030 ESG Strategy – Green Project Standard[3]	– Understanding the needs and expectations of local communities – Providing updates on projects and addressing concerns
Customers	– Direct communication with Sales Department, Customer Service Office, and Warranty Service (in person, via email, phone, or company website) – NPS surveys[4] – Social media channels	– Project details and surroundings, including apartment finishing standards and materials used Project completion timelines – Mortgage financing Customer satisfaction and feedback on property use – Customer-requested modifications	– Providing comprehensive information on developments and their surroundings, ensuring high-quality customer service – Addressing customer inquiries and concerns – Delivering a high-quality product – Supporting mortgage financing – Gathering feedback and monitoring customer satisfaction – Implementing customer-requested modifications
Competitors	– Participation in conferences and meetings of the Polish Association of Developers (PZFD)	– New industry regulations – Joint initiatives in urban spaces	– Collaborating on industry positions regarding regulatory, technical, and financial matters – Planning cooperation and joint urban development projects, including infrastructure

[2] CSR – Corporate Social Responsibility.
[3] Green Project Standard – internal standard of the Group. It is available at https://www.domd.pl/getmedia/3d965c05-5e89-4036-8300-3c8b719556a0/Dom_Development-Zielona-Kart-Inwestycji-2023-2.pdf.
[4] Net Promoter Score.

Media	– Press releases and conferences, analysis and assessment of the Company's and industry's current situation – Interviews with company representatives	– Group activities – Market conditions – Regulatory changes – Financial results – Corporate events – CSR activities	– Providing accurate and complete information on the Group's activities – Providing information on ongoing projects and CSR initiatives
Public authorities	– Collaboration in obtaining permits and administrative decisions – Fulfilling reporting and disclosure obligations – Direct meetings with administration representatives – Participation in consultations	– Industry regulations – Reporting and disclosure obligations – Permits and compliance – DOM 2030 ESG Strategy	– Ensuring regulatory compliance – Ensuring the quality and completeness of reported documents – Providing accurate and complete information about the Group's activities, answering questions
Business partners (suppliers and subcontractors)	– Direct collaboration and business negotiations regarding service/material pricing	– Product and service specifications, quality and pricing – Cooperation schedules and timelines – Product certifications – Contracts and partnership procedures	– Establishing business relationships – Defining terms of cooperation, including commercial terms, schedules, and payment deadlines – Ensuring transparency and fair business practices – Reviewing and summarising cooperation
Property managers	– Collaboration on project handovers	– Quality of the completed development – Building lifecycle management – Green Project Standard – Future recommendations and guidance	– Smooth handover of projects to property managers – Addressing concerns and providing clarifications
Capital market investors	– Direct engagement with Investor Relations Department (review and analysis of current and periodic reports), General Meetings, Investor Days – Meetings with stock market analysts and representatives of financial institutions	– Financial results – Execution of business strategy – Implementation of DOM 2030 ESG Strategy and CSR initiatives	– Providing comprehensive information on financial performance, strategy execution, and plans – Addressing concerns and providing clarifications
Lending institutions	– Engagement with Dom Development Kredyty (mortgage subsidiary)	– Financial results – Regulatory compliance – ESG Strategy	– Ensuring full transparency on financial performance – Ensuring full transparency on applicable regulations – Addressing concerns and providing clarifications
Insurance companies	– Engagement with Legal and Finance Departments	– Insurance policies and coverage programmes undertaken by Group companies	– Negotiating and executing insurance contracts – Discussing terms of cooperation Addressing concerns and providing clarifications
Non-Governmental Organisations	– Engagement with Marketing Department, primarily regarding CSR initiatives	– Partnership opportunities – CSR activities	– Initiating cooperation – Planning and executing CSR projects

Industry organisations	– Collaboration on industry policy positions – Engagement with the Polish Association of Developers (PZFD) – Training programmes and presentations – Direct meetings, and discussions	– Market conditions – Financial results – Legal, technical, and financial analyses – Training programmes – Legal regulations	– Initiating cooperation – Knowledge-sharing and education – Reviewing legislative proposals and participating in public consultations
Social partners (students, potential employees, former employees, employees of suppliers & contractors, trade unions)	– Architectural competitions for university students – Internships and apprenticeships for construction and architecture students – Lectures, workshops, webinars, and training sessions delivered by Group representatives – Competitions for employees' children – Construction site visits for preschoolers, students, and university students	– Joint initiatives such as competitions, internships, and construction site visits	– Implementing shared space, interior, and public space design projects – Organising competitions, internships, and construction site visits – Promoting best practices in project development and execution – Sharing professional experience – Advancing a culture of sustainable development

The identification of the Group’s key stakeholders was performed through a structured assessment process. The management staff analysed the impact of individual stakeholders. This assessment considered stakeholders’ expertise and professional experience, as well as the frequency and significance of interactions in the context of implementing the business strategy, timeliness, quality and effectiveness of activities. The analysis also verified whether each stakeholder was included in the ESRS guidelines and identified in prior non-financial reports.

The process resulted in the inclusion of local communities, public authorities, business partners, and capital market investors as key stakeholders. Despite receiving a lower overall assessment score, property managers, workers within the value chain, and end-users were also included in the final list of key stakeholders due to their strategic significance across the Group’s value chain.

Identifying and integrating key stakeholders' interests and perspectives is particularly important in the group's business model. These aspects have been thoroughly analysed as part of the materiality assessment process.

Stakeholders	Key stakeholders	Method of communication	Role description	Interests and opinions of key interested parties about the business strategy and model	Examples of how stakeholders’ interests and opinions have been addressed
			Stakeholders		
Employees – own workforce	Internal	Surveys / in-depth interviews / ESG-focused surveys / training sessions / newsletters	Employees are a key asset of every company within the Group, directly impacting its value and productivity. They seek to work for environmentally sustainable and	Employees expect stable employment conditions, opportunities for professional development, collaboration with a well-established and ethical company, enhanced integration	– Enhancing internal communication, including the expansion of the intranet and the introduction of an employee newsletter – Implementing employee integration initiatives such as team-building

			ethically responsible companies.	initiatives, and effective internal communication. They also seek support in skills development.	trips, and joint charitable activities - Investing in team skills development, particularly in managing large and complex projects. Ensuring a professional working environment with long-term career prospects
Value chain workers	External	Training sessions/newsletters	This group primarily consists of subcontractors' employees working on construction sites. They are a critical resource for the Group and significantly impact project timeliness and quality. This workforce is highly diverse in terms of cultural backgrounds and experiences high turnover due to the nature of their work. The Group also includes employees of subcontractor companies. Ensuring safe working conditions and fair employment practices for value chain workers is a priority for the Group.	Expectations vary depending on role, level of responsibility, and local market conditions. Site workers expect safe and stable working conditions, access to appropriate protective equipment, clear communication, and mutual respect.	− Conducting training sessions tailored to subcontractor employees' needs − Strengthening occupational health and safety (OHS) measures on construction sites, implementing comprehensive safety programmes − Optimising processes to improve communication and daily cooperation − Establishing clear employment conditions for subcontractors
Local communities	External	Surveys	Their influence can shape the company's sustainability initiatives, including by driving the adoption of appropriate actions. This group includes residents of neighbourhoods surrounding developments, urban movements, associations, district councils, and organisations focused on public welfare and	Group companies are assessed based on their impact on urban fabric and residents' quality of life. Communities value aesthetic urban spaces, the development of missing infrastructure, and corporate social responsibility in areas surrounding developments.	− Financial support for local sports and cultural events − Implementation of multi-phase projects addressing infrastructure gaps in major urban areas − Integration of sustainability principles into project planning and execution, including the development of publicly accessible green spaces − Support for and implementation of local social initiatives

			quality of urban space.		
Competitors	External	Analysis of ESG reports	It indirectly impacts the organisation's development, as market competition incentivises improvements in the quality of operations and products, encourages the expansion of the customer base, and enhances the ability to meet customer needs more effectively.	The construction industry expects fair competition, increased efficiency, and innovation in project execution. A competitive environment requires companies to differentiate themselves while maintaining good industry relationships.	− Improving external communication on sustainability initiatives − Raising industry standards (e.g. concerning material quality, innovation, customer amenities) − Enhancing market awareness and improving the industry's public relations − Participating in industry initiatives − Implementing digital solutions (e.g. BIM, electronic signatures) − Promoting transparency and business ethics through reporting
Users of non-financial reports					
Public authorities	External	Surveys / ESG-focused surveys	As legislators, public authorities exercise regulatory oversight over corporate activities, ensuring adherence to public interest considerations and free market principles. They assess the progress of the business sector in achieving public policy objectives or engaging in public-private partnership (PPP) initiatives.	Public authorities expect companies to align with local policies, regulations, and guidelines. In collaborating with public authorities, Group companies play a key role in delivering residential and infrastructure developments.	− Ensuring compliance with national regulatory requirements in processes, procedures, and policies − Creating value and mitigating risk through the development of compliance frameworks − Timely execution of development projects − Ensuring transparency in business operations − Contributing to public infrastructure development
Business partners	External	Surveys	Robust and efficient supply chains are essential for achieving corporate objectives. Business partners require reliable ESG-related data	Business partners expect reliability, timeliness, and long-term collaboration in the supply of materials and services.	− Enhancing communication − More effective risk management through proactive response to supply chain events − Implementing transparent cooperation principles and fostering long-

			to align with their sustainability goals and inform their partnership decisions.		term business relationships − Maintaining large-scale operations, ensuring consistent orders, predictability, and stability in collaboration
Property managers	External	Surveys / ESG-focused surveys	Property managers are responsible for maintaining properties, ensuring their appropriate use. They are also responsible for investing in the managed property and ensuring its financial and technical sustainability.	Property managers primarily collaborate with Group companies to modernise and maintain properties. Their expectations focus on quality of execution, cost efficiency of implemented solutions, and consideration for building occupants.	− Providing feedback on applied design solutions − Ensuring high-quality materials used in development projects − Implementing cost-reducing solutions for building operations − Addressing user needs as reported by property managers − Ensuring safety and regulatory compliance
Capital market investors	External	Surveys / ESG-focused surveys	Their decisions often determine the financing feasibility of projects. Investors seek to understand better sustainability-related risks and opportunities in relation to their own activities, including from a long-term perspective, as well as the social and environmental impact of these activities.	Investors expect stable financial performance, high profitability, and transparency in corporate governance. A company's capacity to execute large-scale, capital-intensive projects is also a key consideration.	− Responding to ESG-related inquiries − Adapting external sustainability communications to align with investor expectations − Focusing on the premium segment, which ensures high margins and large-scale operations − Expanding the business model to include aparthotel projects, enhancing efficiency and margin optimisation − Transparent reporting of financial results and action strategies
Lending institutions				Lending institutions, such as banks and investment funds, expect Group companies to demonstrate financial credibility, responsible project management, and effective risk mitigation. Their primary objective is to ensure that the provided financing is repaid in accordance with contractual terms and that the projects undertaken by the Group deliver the expected returns.	− Ensuring financial stability, consistently reflected in financial reports − Minimising risk through insurance cover for Group projects − Building a robust project portfolio and ensuring timely project execution − Maintaining transparency and clear communication with lending institutions
Insurance companies				Insurance providers engaging with Group companies focus on mitigating project-related risks. They expect companies to	− Securing comprehensive insurance policies to mitigate project-related risks − Cultivating

				demonstrate accountability, implement appropriate safety procedures, and establish robust risk management frameworks to mitigate potential financial losses.	partnerships with insurers
Industry organisations	External	Surveys	Industry organisations enhance human capital development within the sector through training programmes, legal advisory services, and consultancy. They contribute to shaping public perception, serving as a platform for information exchange with public authorities and competitors.	They support the development of the construction sector and promote best practices. Industry organisations expect construction companies to participate in sector initiatives actively, adhere to ethical and technical standards, and collaborate on industry-wide advancements.	– Promoting sustainability initiatives – Engaging in educational – Supporting legislative initiatives – Upholding ethical standards and enhancing the industry's reputation
Customers	External	Surveys / in-depth interviews / ESG-focused surveys	These are the people who have entered into a property purchase contract. They make purchasing decisions considering, among other things, the transparency of business conduct and ESG/CSR activities. They require the highest quality products and appropriate handling of complaints. Their awareness has a significant impact on shaping ESG/CSR activities.	Customers seek apartments in prime locations with access to urban infrastructure, built to high technical standards and integrating sustainable, environmentally responsible solutions. – They expect transparent communication.	– Enhancing the product offering to better align with customer expectations – Optimising processes related to property purchase, defect reporting, repairs, and warranty services – Ensuring well-informed design decisions to avoid suboptimal project solutions – Providing residential properties across multiple segments, including standard and premium offerings – Executing multi-phase developments that integrate with urban infrastructure
End-users	External		These are the people who live in the Group's settlements. End users are residents of the Group's developments, and use the amenities provided within the developments. This group expects high-quality customer service and an efficient	End users expect the Group to deliver high-quality, functional, aesthetically appealing, durable, and safe properties tailored to their needs.	– Designing developments that reflect the genuine needs and preferences of residents – Raising environmental awareness among residents – Implementing cost-saving solutions to reduce the cost of operating shared facilities – Ensuring superior construction quality

	warranty support system.	– Designing functional residential units and optimised estate layouts

The Group has established robust mechanisms to systematically collect, analyse, and communicate stakeholder feedback and priorities to the relevant governing bodies. The following outlines the approach adopted to ensure the effectiveness of this process.

Process	Method of implementation
Regular reporting to the Management Board and supervisory bodies	– Meetings with the management boards of Group companies are held at least quarterly. These meetings address the organisation's impact on various stakeholder groups, including customers, local communities, business partners, capital market investors, and public institutions. – Environmental, social, and governance (ESG) data is incorporated into reports and presented to supervisory bodies. – The Management Board is informed of potential risks related to stakeholder actions, such as public protests or regulatory changes.
Stakeholder feedback and reporting mechanisms	– Dedicated communication channels, including specific email addresses and helplines, enable stakeholders to submit feedback, complaints, and proposals. The relevant teams analyse submissions, and concise reports escalate key insights to the governing bodies.
Stakeholder satisfaction and expectations assessment	– Regular satisfaction surveys, including Net Promoter Score (NPS) surveys for customers and the Employee Opinion Barometer, are conducted. The results are reviewed at the Management Board level. – Analytical tools are utilised to monitor sentiment in traditional and social media, allowing for swift responses to potential issues.
Risk management and regulatory compliance	– Governing bodies are regularly updated on legislative changes affecting the development sector, including environmental and construction regulations that impact stakeholder interests. – The results of internal and external audits assessing the company's regulatory compliance are presented to supervisory bodies.
Transparency in external communications	– Financial and non-financial reports and other disclosures are published regularly, providing stakeholders and supervisory bodies with clear information on the company's impact on its operating environment.

Stakeholder interests and perspectives are pivotal in shaping the Group's strategy and business model, influencing its strategic priorities, governance approach, and engagement with the external environment.

Stakeholders	Impact on strategy and business model
Employees (own workforce)	Employees' interests, views, and rights influence the Group's strategy and business model by shaping organisational culture, operational efficiency, and customer relations. Employees expect fair remuneration, professional development opportunities, and safe working conditions, prompting the Company to invest in training and incentive programmes. Their engagement and feedback directly impact customer service quality and project execution effectiveness. Respecting employee rights fosters team loyalty and a strong corporate reputation, enhancing competitiveness and long-term success.
Value chain workers (subcontractor employees engaged in project execution)	The quality of work delivered by subcontractor employees is critical to the timely and high-standard completion of projects. Ensuring fair wages and safe working conditions minimises the risk of disruptions to project delivery. By partnering with responsible subcontractors, Group companies strengthen their corporate reputation, reduce operational risks, and enhance long-term business stability.
Local communities	Community perspectives and concerns are essential for securing public acceptance of projects. The Group engages in public consultations and incorporates local perspectives into its planning. Adhering to community rights and regulatory requirements, particularly regarding resident protection, is key to avoiding conflicts and fostering positive stakeholder relationships. A proactive approach to community engagement enhances the Group's reputation and supports its long-term market success.
Customers and end-users	Customers expect transparency, integrity, and high-quality service, shaping the Group's operational standards and product offerings— their preferences regarding location, finishing standards, and sustainable solutions influence project design and market positioning. Customer rights, including data protection and warranty provisions, necessitate regulatory compliance and underpin trust-building efforts. Aligning the strategy with customer expectations enables the Group to gain a competitive advantage and achieve long-term success.

SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

The table below presents descriptions of the Group's material impacts identified through the materiality assessment, along with an outline of where these impacts are concentrated within the business model, own operations, and value chain. Three of the impacts listed below represent additional disclosures specific to the Group relating to ESRS E3. All other impacts are covered by the disclosure requirements set out in the ESRS. As of the date of this sustainability statement, the Group has not identified any new material impacts, nor does it anticipate any future material impacts on its business model, value chain, strategy, or decision-making processes.

The Group is engaged with the identified material impacts either through its own operations or as a result of its business relationships. Some of these material impacts have been incorporated into the DOM 2030 ESG Strategy and the ongoing activities of the Group companies. This applies to:

- Impact on climate change mitigation, relating to decisions on actions aimed at reducing the Group's Scope 1 and Scope 2 emissions. The Group companies are progressively increasing the procurement of energy from renewable sources. The DOM 2030 ESG Strategy includes initiatives to reduce CO_2 emissions in Scope 1 and Scope 2. Investing in renewable energy enables the Group to meet regulatory requirements while reducing long-term operating costs. Given the high technical standards and regulatory requirements, the Group companies design and implement developments with adaptive solutions, enhancing the value of the properties offered.

- Impact on biodiversity arising from the Group's own operations, which result in direct environmental disturbances, such as tree and shrub clearance. The Group addresses and mitigates these impacts through compensatory measures, including extensive replanting within new residential developments and creating green spaces as part of the Urban Greenery project.

- Impact on the circular economy arising from both the Group's own operations – such as the digitisation of operational processes – and its business relationships, particularly concerning the use of raw materials in construction and compliance with legal requirements for waste management. By 2025, the Group will implement the Green Procurement Standard, which will integrate circular economy principles into its business operations.

Topic	Sub-topic	Sub-sub-topics	Description of significant impact	Impact area	Business model stage	Impact type	Time horizon
Climate change	Climate change mitigation	GHG emissions	Buildings constructed by the Group's companies comply with current technical standards concerning energy performance, airtightness, acoustics, and structural integrity; however, they have not been aligned with the requirements of the EPBD Directive.	Own operations, Upstream	Land purchases, Design, Construction	Actual negative impact	Short-, medium-, and long-term
			The Group companies aim to reduce the Group's Scope 1 and 2 emissions by progressively increasing the procurement of energy from renewable sources.	Own operations	Land purchases, Design, Construction	Actual positive impact	
			The construction sector's high emissions intensity is driven by the procurement and processing of raw materials from energy-intensive and high-emission industries and the significant energy consumption on construction sites.	Own operations, Upstream	Construction	Actual negative impact	
	Energy		Energy demand required to perform construction activities within the Group companies is increasing.	Own operations, Upstream	Construction	Actual negative impact	
Water and marine resources	Water	Water consumption	The Group companies use large amounts of water to carry out construction work. Water is also used during demolition works to mitigate excessive dust emissions. The water used is sourced primarily from municipal water supply networks in the cities where the Group operates.	Own operations	Construction	Actual negative impact	
Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	Climate change	The Group contributes positively to biodiversity through the introduction of new plantings of native and habitat-specific vegetation.	Own operations	Design, Construction	Actual positive impact	Short-, medium-, and long-term
		Land-use change, fresh water-use change and sea-use change	The Group adversely impacts biodiversity through its activities, which result in land use changes.	Own operations	Land purchases	Actual negative impact	
		Direct exploitation	The Group adversely impacts biodiversity through its activities, which result in direct environmental disturbances, such as tree and shrub clearance.	Own operations	Design, Construction	Actual negative impact	
		Invasive alien species	The Group positively impacts biodiversity by avoiding the introduction of invasive non-native plant species in its development projects.	Own operations	Design, Construction	Potential positive impact	

Circular economy	Resource inflows, including resource use		The construction industry, including Group companies, uses large quantities of natural resources in the construction process.	Own operations, Downstream	Construction	Actual negative impact	Short-, medium-, and long-term
	Resource outflows related to products and services		The Group companies reduce material consumption and increase their efficiency through process optimisation and the use of digital technologies.	Own operations, Downstream	Design, Construction	Actual positive impact	
	Waste		The construction and serviced apartment sectors contribute significantly to waste generation. The volume of waste the Group generates largely depends on the number of ongoing development projects and the scope of serviced apartment operations. Waste primarily arises during construction and demolition activities in the construction sector, and the provision of serviced apartment management services.	Own operations, Downstream	Construction	Actual negative impact	
			Group companies ensure regulatory-compliant waste segregation, enhancing opportunities for reuse, recycling, and recovery while elevating industry standards.	Own operations, Downstream	Construction	Potential positive impact	
Own workforce	Working conditions	Secure employment	The Group companies positively impact the Group's employment model. As part of their business model, they prioritise permanent employment within their operations and provide employee development opportunities.	Own operations	Own operations – all elements of the business model	Actual positive impact	Short-, medium-, and long-term
		Working time	The Group companies impact work organisation, including task scheduling based on available resources and in-house internal labour market analyses. Despite the prevalent task-based working arrangements, daily overtime remains a feature at Group companies.			Actual negative impact	
		Adequate wage	The Group companies impact employee remuneration. The average salary at Group companies exceeds the average monthly remuneration in the enterprise sector.			Actual positive impact	
		Work-life balance	The Group companies impact the work environment and organisational structure with respect to work-life balance. Despite predefined schedules, workload and overtime disrupt employees' ability to maintain a balance between professional and personal life.			Actual negative impact	
		Occupational health and safety	The Group companies impact workplace safety. The industry is widely recognised as high-risk and prone to workplace accidents.			Potential negative impact	
			Due to the significance of health and safety impacts, the Group has a system of policies, internal standards, controls and educational activities.			Potential positive impact	
Value chain workers	Working conditions	Occupational health and safety	The Dom Development Group impacts working conditions on construction sites where work is carried out by subcontracted employees. The industry is exposed to a high risk of accidents.	Upstream	Construction	Potential negative impact	Short-, medium-, and long-term

			The Group has an Occupational Health and Safety Policy and an Environmental Protection Policy and has implemented a system of measures to mitigate risks to the health and safety of workers on construction sites.		Construction	Potential positive impact	
Affected communities	industry metric	Supporting the development of sustainable cities	As an investor and general contractor, the Group plays an important and positive role in transforming the cities and regions in which we operate. The Group companies help shape these areas, enhancing their cohesion, attractiveness, and development while contributing to the revitalisation of the local economic and social environment.	Downstream	Design, Construction	Actual positive impact	Short-, medium-, and long-term
	industry metric	Managing relationships with immediate environment	The Group companies positively impact their immediate environment and local communities by implementing initiatives set out in their CSR Strategies.		Marketing Department	Actual positive impact	
			The Group companies' execution of projects and associated inconveniences may negatively impact local communities.		Construction	Potential negative impact	
Consumers and end-users	Information-related impacts for consumers and/or end-users	Privacy	The Group companies positively impact consumer privacy through property-related contracting, among other things. As an organisation, we recognise the risks associated with breaches of confidentiality and, consequently, the potential infringement of individuals' rights and freedoms arising from the processing of their personal data. The Company has several relevant policies and procedures in place.	Own operations, Downstream	Legal Department	Actual positive impact	Short-, medium-, and long-term
		Access to (quality) information	The Group companies positively impact the quality of information provided to customers (including clarity of provisions and exclusion of abusive clauses in contracts). The Group companies have already implemented communication rules aligned with the draft of the 'green claims' directive.	Own operations, Downstream	Marketing Department	Actual positive impact	
		Access to products and services	The Group companies operate in residential construction, contributing to the expansion of the housing supply in the market and increasing the availability of residential units in the country's major metropolitan areas.	Own operations, Downstream	Sales Department	Actual positive impact	
		Responsible marketing practices	The Group companies positively impact the information provided to external stakeholders, including individual customers, capital market investors, and shareholders. All information is subject to verification and internal controls.	Own operations, Downstream	Marketing Department	Actual positive impact	
Business conduct	Corporate culture		The Group strengthens its positive impact on business practices by fostering a strong corporate culture and implementing a systematic approach to risk management, compliance, and internal control.	Own operations, Downstream	Legal Department, HR Department, Risk, Compliance & Audit Department	Actual positive impact	
	Protection of whistle-blowers		The Group has implemented a robust system for reporting irregularities and protecting whistleblowers, compliant with national regulations, thereby positively contributing to whistleblower protection.		Risk, Compliance & Audit Department	Actual positive impact	
	Political engagement and lobbying activities		The Group companies do not engage in any political or lobbying activities.	Own operations,	Risk, Compliance & Audit Department	Potential positive impact	Short-,

			Downstream			medium-, and long-term
Managing relationships with suppliers, including payment practices		Negotiating and establishing contractual payment terms with business partners and suppliers at the Group is conducted in accordance with the provisions of the Act of 4 November 2022 amending the Act on counteracting excessive delays in commercial transactions and the Act on public finances. This ensures the protection of smaller enterprises in asymmetric relationships with a debtor classified as a large enterprise.	Own operations, Upstream	Design, Construction	Actual positive impact	
Corruption and bribery	Prevention and detection, including training	The project execution process is exposed to the risk of corruption incidents, particularly in areas such as obtaining building permits, which require interaction with public administration, and subcontractor selection processes, which carry a risk of bribery.	Own operations	Land purchase, Construction, Obtaining permits	Potential negative impact	
	Incidents	The Group companies have not identified corruption incidents in the past 3 years.		Land purchase, Construction, Obtaining permits	Actual positive impact	

Regarding identified climate change impacts, the Group has not conducted a resilience assessment of its strategy and business model to determine its capacity to mitigate material impacts and risks or to leverage significant opportunities.

The Group has not identified any material adverse impacts related to land degradation, desertification, or soil sealing. The activities of the Group companies do not impact endangered species.

Residential development projects undertaken within 500 metres of designated nature conservation areas (including assessment of their impact on biodiversity).

No.	Project name	Location (province/municipality)	Area of the site [hectares]	Designated nature conservation areas	Competent authority	Activities negatively impacting biodiversity-sensitive areas		Compensatory measures
						direct impact	indirect impact	
1	Harmonia Mokotów	Mazowieckie/Warsaw	2.37	Jezioro Czerniakowskie, Warsaw Protected Landscape Area	Mayor of the Capital City of Warsaw	Removal of 35 trees	The construction phase will result in temporary environmental impacts, including noise emissions, air pollution, and the generation of wastewater and waste. However, these effects will be transient and short-term in relation to the project's operational phase.	1. Provision of no less than 13,280 m² of biologically active surface, including 8,477 m² on native soil. 2. Planting of at least 75 trees. 3. Planting of at least 83 specimen shrubs. 4. Planting of no less than 3,120 m² of shrubs. 5. Planting of climbers at 1m intervals, covering a total of 380 linear metres of fencing, 30 linear metres of façades, and 150 linear metres of small architectural structures, in areas free from other development. 6. Creation of a species-rich wildflower meadow instead of conventional lawns in the final landscaping phase.
2	Mokotów Sportowy	Mazowieckie/Warsaw	10.17	Jezioro Czerniakowskie	Mayor of the Capital City of Warsaw	Removal of 10 trees and 9 shrubs		1. Planting at least 13 trees with a minimum trunk circumference of 16–18 cm on native soil. 2. Planting 42 trees within the development area or on the garage rooftop. 3. Planting of 1,950 shrubs. 4. Planting of 15 specimen shrubs. 5. Planting of 480 m² of herbaceous perennials. 6. Planting 375 linear metres of climbers, including at least 39 metres on structures with a minimum height of 11 m and 336 linear metres along fences with a minimum height of 1.8 m. 7. Creation of a 163 m² species-rich wildflower meadow with a mix of perennials.
3	Widoki	Province of Gdańsk	1.94	Tri-City Landscape Park	Mayor of Rumia	Removal of 46 trees		1. Tree planting at a minimum density of one tree per 300 m² of designated biologically active area, using species that are native to the local geography and habitat.

Managing impacts, risks, and opportunities related to the Group’s direct workforce (comprising employees engaged under an employment contract) is a critical component of its strategy and business model. Initiatives aimed at supporting employee development and well-being facilitate the alignment of organisational objectives with employee expectations. The group's own workforce plays a pivotal role in its business model and strategic direction, as employees create added value, deliver it to customers, and contribute to building a sustainable competitive advantage.

There are no widespread or systemic adverse human rights impacts in the Group’s operations, either in relation to its own workforce or value chain workers. The double materiality assessment did not identify any significant impacts on the Group’s own workforce arising from transformation plans aimed at reducing environmental impacts and enhancing the ecological and climate-neutral nature of its activities.

The double materiality assessment of value chain workers focused on employees of entities contracting with general contractors to perform construction work aligned with their business profile, specialisation, experience, and operational capacity, as defined in the respective agreements. These individuals work on sites of the Group’s development projects but are not part of its own workforce. The Group’s nonemployee workers are individuals engaged under civil law contracts and B2B contracts.

During the double materiality assessment, the Group identified disclosures specific to its operational activities, namely stakeholder relationship management and co-creation of the urban fabric. The impacts, risks, and opportunities in this area primarily relate to local communities, including residents of surrounding neighbourhoods, urban movements, associations, housing estate councils, and other organisations dedicated to social welfare and the quality of urban spaces.

The scope of ESRS S4 disclosures covers all Group customers and end users, as these groups are particularly affected by marketing strategies related to the information provided on property developments available for sale.

The table below provides a summary of key risks and opportunities identified through the materiality assessment, detailing their relevance within the business model, own operations, and value chain. As of the report’s publication date, the Group has not identified any current or anticipated material risks or opportunities that could impact its business model, value chain, strategy, or decision-making processes.

Topic	Sub-topic	Sub-sub-topics	Impact description	Risks	Opportunities	Anticipated financial effects		
						Short-term perspective	Medium-term perspective	Long-term perspective
Climate change	Climate change mitigation / GHG emissions	GHG emissions	Buildings constructed by the Group's companies comply with current technical standards concerning energy performance, airtightness, acoustics, and structural integrity; however, they have not been aligned with the requirements of the EPBD Directive.	Transition risks: Risk of rising electricity and heating costs, and the obligation to comply with regulatory requirements.	1. Potential shifts in customer purchasing behaviour towards low-carbon housing choices.	1. Potential shifts in customer purchasing behaviour towards low-carbon housing choices.	1. Increase in operating costs.	1. Long-term increases in energy costs could affect profitability.
Climate change	Energy		Energy demand required to perform construction activities within the Group companies is increasing.	Transition risks: Risk of increasing energy costs due to Poland's high-carbon energy mix, leading to higher operating costs.	1. Commitment to innovation, including Power Purchase Agreements (PPAs) for long-term renewable energy procurement.	1. Commitment to innovation, including Power Purchase Agreements (PPAs) for long-term renewable energy procurement.	1. Rising energy costs will result in higher operating costs.	1. Increased energy expenditure will reduce the availability of funds for other projects.
Climate change	Climate change mitigation / GHG emissions		The Group companies aim to reduce the Group's Scope 1 and 2 emissions by progressively increasing the procurement of energy from renewable sources..	Transition risk: Increased expenditure on decarbonising operations to meet reduction targets.		1. Decarbonisation-related expenditures may lead to higher operating costs. 2. Investments in emission-reducing technologies may initially reduce cash flows due to high implementation costs.	1. Achieving emission reduction targets can generate cost savings (e.g. through the use of renewable energy), enhancing profitability.	1. Decarbonisation may become a competitive advantage, driving long-term profitability growth.
Climate change	Climate change mitigation / GHG emissions		The construction sector's high emissions intensity is driven by the procurement and processing of raw materials from energy-intensive and high-emission industries and the		1. Reduction of buildings' carbon footprint using low-carbon materials.	1. Rising energy prices will increase production costs and may lead to	1. Adopting new low-emission construction technologies and materials will require	1. Utilising renewable energy sources and recycling construction

			significant energy consumption on construction sites.			higher raw material costs.	significant financial outlays.	materials may reduce costs in the long term.
Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	Land-use change, fresh water-use change and sea-use change	The Group impacts biodiversity through its operations, which result in land use changes.	1. Restrictions on land availability due to the potential exclusion of floodplain and agricultural areas from development.		1. Changes in the pace of development activity, potentially leading to a decline in revenue. 2. Changes in cash flows associated with the execution of development projects	1. Potential cost increases resulting from the need to relocate planned developments.	1. Land availability restrictions may impact long-term cash flow growth.
Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	Direct exploitation	The Group impacts biodiversity through its operations, resulting in direct environmental disturbances, such as tree and shrub clearance.		1. Creation of new publicly accessible green spaces, which may enhance the Company's reputation and drive sales growth.	1. Costs of obtaining environmental permits and approvals. 2. Costs of environmental compensatory measures. 3. Costs of additional environmental consultations.	1. Potential increase in operating costs due to actions by local communities and non-governmental organisations (NGOs).	1. Higher operating costs resulting from stricter environmental regulations. 2. Increase in environmental levies.
Circular economy	Resource inflows, including resource use		The construction industry, including Group companies, uses large quantities of natural resources in the construction process.	1. Risk related to rising costs and constrained availability of natural resources.	1. Increased utilisation and reuse of secondary raw materials, in line with circular economy principles.	1. Higher costs of raw materials (e.g. steel, cement, and timber) will result in increased project execution costs.	1. Supply chain disruptions and rising material costs may reduce cash flows in the medium term.	1. Long-term cost efficiencies through enhanced resource management may contribute to improved cash flow resilience.
Circular economy	Resource outflows		The Group companies reduce material consumption and increase	1. Digitalisation risks, including cybersecurity	1. Digitalisation of operations and	1. Higher costs driven by the	1. Rising costs of cybersecurity may	1. Rising costs of cybersecurity

	related to products and services		their efficiency through process optimisation and the use of digital technologies.	threats, business continuity vulnerabilities, and unauthorised data access.	increased financial outlays, driven by potential cost efficiencies in services and processes, resulting in overall cost reductions.	need to implement additional security measures.	impact the Company’s profitability.	may impact the Company’s profitability.
Circular economy	Waste		The construction and serviced apartment sectors contribute significantly to waste generation. The volume of waste the Group generates largely depends on the number of ongoing development projects and the scope of serviced apartment operations. Waste primarily arises during construction and demolition activities in the construction sector, and the provision of serviced apartment management services.	1. Increase in waste collection costs.	1. Reduction in financial expenditure resulting from potential material savings.	1. Increase in operating expenses.	1. Long-term savings from effective waste management may improve cash flows.	1. Long-term savings from effective waste management may improve cash flows.
Own workforce	Working conditions	Secure employment	The Group companies impact the Group’s employment model. Their business model prioritises permanent employment in their own operations and provides for employee development.	1. Risk of changes in the approach to employing the Company's own workforce and potential lengthening of recruitment processes, resulting in higher operating costs.	1. Ensuring the Company's smooth operation by employing and retaining highly skilled workforce.	1. Changes in employment structures may result in higher recruitment, training, and employee onboarding costs.	1. Adapting to the evolving labour market may enhance organisational efficiency, positively impacting long-term profitability.	1. Adapting to the evolving labour market may enhance organisational efficiency, positively impacting long-term profitability.
Own workforce	Working conditions	Working time	The Group companies impact work organisation, including the scheduling of tasks based on available resources and in-house internal labour market analyses. Despite the prevalent task-based working arrangements, daily overtime remains a feature at the Group companies.	1. Risk of the organisation failing to adapt to the generational transition and potential challenges in attracting new employees.		1. Failure to adapt to the generational transition may lead to a decline in operational efficiency.	1. Enhanced management and adaptation of the organisation to the evolving needs of new employees may contribute to improved cash flows.	1. Enhanced management and adaptation of the organisation to the evolving needs of new employees may contribute to

								improved cash flows.
Own workforce	Working conditions	Adequate wage	The Group companies impact employee remuneration. The average salary at Group companies exceeds the average monthly remuneration in the enterprise sector.	1. Potential cost increases due to rising wage pressures among own workforce.		1. Higher operating costs, including increased expenditure on salaries, security contributions, and other employee benefits.	1. Competitive remuneration may enhance employee loyalty, reduce staff turnover, and lower costs for recruiting and training new employees.	1. Increased pressure to deliver strong financial performance.
Own workforce	Working conditions	Occupational health and safety	The Group companies impact workplace safety. The industry is widely recognised as high-risk and prone to workplace accidents.	1. Direct and indirect costs associated with occupational health and safety (OHS) incidents and regulatory compliance, which may impact the Company's reputation.	1. Reduction in workplace accidents and mental health issues, leading to increased productivity and lower absenteeism among own workforce.	1. OHS incidents may incur significant costs, including compensation claims, penalties, or fines.	1. OHS incidents may incur significant costs, including compensation claims, penalties, or fines.	1. Incidents can lead to the loss of long-term contracts.
Own workforce	Working conditions	Occupational health and safety	Due to the significance of health and safety impacts, the Group has a system of policies, internal standards, controls and educational activities.		1. Enhancing workplace safety across the Group companies.	1. Costs related to the formulation and periodic review of policies, employee training, compliance audits, and the procurement of necessary protective equipment.	1. Reduction in costs associated with workplace accidents, including compensation claims, employee absenteeism, and expenditure on replacement recruitment. 2. Lower insurance costs and improved productivity.	1. Sustained reduction in operating costs.
Own workforce	Equal treatment and opportunities for all	Training and skills development	Group companies actively participate in developing and training their workforce. The Group aims to ensure that its companies remain attractive employers and that employees have opportunities	1. Slowdown in project execution due to shortage of qualified specialists among own workforce.	1. Enhancing workforce quality, accelerating decision-making, and minimising	1. A shortage of qualified specialists may delay project execution, reducing revenue	1. A prolonged shortage of qualified specialists could adversely impact the Company's growth potential, reducing	1. A prolonged shortage of qualified specialists could adversely impact the Company's

			for professional growth at every stage of their careers. Employee performance within Group companies is assessed annually through a formal appraisal process, which includes individual development reviews.		the number of errors.	from new development projects.	revenue and profitability.	ability to deliver complex projects, affecting its long-term development and competitive position.
Value chain workers	Working conditions	Secure employment	The Group companies impact value chain workers through established principles governing working conditions. The Group also indirectly impact value chain workers, for example, by requiring compliance with the Code of Conduct.	1. Risk of losing skilled workforce.		1. Costs associated with implementing monitoring and reporting mechanisms.	1. Reduction in costs related to labour rights violations.	1. Sustained reduction in operating costs.
Value chain workers	Working conditions	Working time	The Group companies impact value chain workers through established principles governing working conditions. The Group also indirectly impact value chain workers, for example, by requiring compliance with the Code of Conduct.	1. Risk of the organisation failing to adapt to the generational transition.		1. Costs associated with implementing monitoring and reporting mechanisms.	1. Reduction in costs related to labour rights violations.	1. Sustained reduction in operating costs.
Value chain workers	Working conditions	Adequate wage	The Group companies impact value chain workers through established principles governing working conditions. The Group also indirectly impact value chain workers, for example, by requiring compliance with the Code of Conduct. The adopted fair competition practices positively impact the wages and salaries of workers on the Group's construction sites.	1. Potential cost increases due to rising wage pressures among subcontractor's employees.		1. Costs associated with implementing monitoring and reporting mechanisms.	1. Reduction in costs related to labour rights violations.	1. Sustained reduction in operating costs.
Value chain workers	Working conditions	Occupational health and safety	The Dom Development Group impacts work safety on construction sites where subcontracted employees work. The industry is widely recognised as high-risk and prone to workplace accidents.	1. Direct and indirect costs associated with occupational health and safety (OHS) incidents and regulatory compliance, which may impact the Company's reputation.	1. Reduction in the number of accidents among value chain workers.	1. OHS incidents may incur significant costs, including compensation claims, penalties, or fines.	1. OHS incidents may incur significant costs, including compensation claims, penalties, or fines.	1. Incidents can lead to the loss of long-term contracts.

	specific disclosure		As an investor and general contractor, the Group plays a key role in shaping the transformation of the cities and regions in which it operates. The Group companies help shape these areas, enhancing their cohesion, attractiveness, and development while contributing to the revitalisation of the local economic and social environment.	1. Risk of project execution being dependent on local government decisions.	1. Execution of city-forming projects with supporting infrastructure.	1. Delays in obtaining permits may lead to project execution delays and postponed revenue realisation.	Waiting for administrative decisions may impact revenue recognition.	1. Limited ability to adapt swiftly to market changes and advance new projects, potentially impacting cash flows.
	specific disclosure		The Group companies impact their immediate environment and local communities by implementing initiatives set out in their CSR Strategies.	1. Failure to deliver commitments made in strategic documents and the associated reputational risk.	1. Execution of local social impact projects.	1. Delays in project execution lead to additional costs and may reduce cash flows, e.g. due to project suspensions or modifications.	1. Increase in costs related to negotiations/ mediations.	1. Potential cost increases arising from the need to align projects with local community expectations.
	specific disclosure		The Group companies, through the execution of their projects and associated inconveniences, may have a negative impact on local communities.	1. Increasing local community protests due to inconveniences caused by project execution.		1. Loss of investor and client trust, which may result in reduced revenue.	1. Loss of investor and client trust, which may result in reduced revenue.	1. Long-term loss of trust may limit the ability to attract new projects and expand operations, impacting financial performance.
Consumers and end-users	Social inclusion of consumers and/or end-users	Responsible marketing practices	The Group companies impact the information provided to external stakeholders, including individual customers, capital market investors, and shareholders. All information is subject to verification and internal controls.		1. Building the Company's reputation and brand as a socially responsible and transparent business.	1. Costs associated with developing and implementing control processes and training employees responsible for communication.	1. Enhanced financial stability through improved investor relations, which may, in turn, facilitate access to capital. 2. Mitigating costs associated with potential legal disputes from disseminating misleading information.	1. Enhanced financial stability through improved investor relations, which may, in turn, facilitate access to capital.

Business conduct	Management of relationships with suppliers including payment practices	Payment practices	The process of negotiating and establishing contractual payment terms with business partners and suppliers at the Group is conducted in accordance with the provisions of the Act of 4 November 2022 amending the Act on counteracting excessive delays in commercial transactions and the Act on public finances. This ensures the protection of smaller enterprises in asymmetric relationships with a debtor classified as a large enterprise.	1. Potential conflicts with or loss of business partners.		1. Reducing the number of contracts and projects with business partners may negatively impact cash flows.	1. Costs associated with contract renegotiations or securing new business partners may affect cash flows.	1. Costs associated with contract renegotiations or securing new business partners may affect cash flows.

IRO-1 – DESCRIPTION OF THE PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

The Group conducted a materiality assessment to identify material impacts, risks, and material opportunities for disclosure. Through internal discussions, the business model was analysed in terms of key sustainability considerations. The assessment considered factors such as the nature of the sales offering, the characteristics of the local markets in which the Group operates, the nature of the supply chain and labour market dynamics, and the broader sustainability challenges facing the property development and construction industries. The assessment considered the Group's impacts, both through its own operations and as a result of its business relationships. The analysis included identifying and evaluating factors that are material to the Group's broader operating environment. Regarding its own operations, the Group analysed its impacts on the environment, society, and corporate governance (ESG), including the consumption of raw materials, construction waste management, and effects on local communities. The assessment also accounted for impacts arising from business relationships, including interactions with suppliers and subcontractors.

The methodology fully aligns with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). The methodology incorporated the principle of double materiality, meaning that the assessment considered impact materiality, i.e. the significance of the Group's impact on people and the environment, as well as financial materiality, i.e. the effect of sustainability-related matters on the Group's financial position, performance, cash flows, access to financing, or cost of capital over the short, medium, and long term.

The materiality assessment described in this document was conducted in the first half of 2024. This process incorporated both qualitative and quantitative inputs from internal and external stakeholders. It also involved the engagement of senior management, the management boards of Group companies, and the Supervisory Board. The analysis was conducted through a structured approach comprising four key phases:

- Phase 1: Analysis of the Group's activities
- Phase 2: Identification of key impacts
- Phase 3: Prioritisation of the most material impacts based on ESRS guidelines
- Phase 4: Identification and prioritisation of risks and opportunities
- Phase 5: Approval of material topics by the Management Board and the Supervisory Board of Dom Development S.A.

Phase 1: Analysis of the Group's activities

As part of the analysis of the Group's operations, measures were undertaken to comprehensively evaluate its activities. A detailed analysis of the business plan and strategy was carried out to verify compliance of strategic assumptions with current development objectives and directions. The financial statements were reviewed, enabling the Group to assess its financial position and economic resilience.
Additionally, investor communications were examined to evaluate transparency and compliance with applicable reporting and disclosure standards. As part of the analysis, the types of business activities conducted, products offered, and operational locations were mapped, providing a comprehensive picture of the scale of the Group's operations and its market position.

Phase 2: Identification of key impacts

The analysis of material risks, impacts, and opportunities encompassed not only the Group's core activities in the construction and real estate sectors but also the impacts on the mortgage brokerage and serviced apartments sectors.
Based on the ESRS guidelines[5], the following time horizons were adopted:

[5] ESRS – European Sustainability Reporting Standards.

- Short-term perspective – business outlook = reporting period adopted in financial reporting (12 months),
- Medium-term perspective – business model outlook (aligned with the planning, execution, and sales cycle of residential development projects) from 2 to 3 years
- Long-term perspective – strategic planning outlook = over 3 years

Due to the nature of the industry, a time horizon of more than three years is always a long-term perspective for the Group. This timeframe goes beyond the standard project development cycle, which includes planning, execution, and sales.

Adopting a three-year perspective does not exempt Group companies from considering key issues such as climate risks, the life cycle of buildings, or the implementation of the circular economy model. The Group recognises these as having long-term implications beyond the three-year horizon. However, any feasible and planned initiatives in these areas are implemented within a three-year timeframe, meaning they remain within a medium-term perspective at most.

The Group's time horizons were applied in the risk and financial materiality assessments.

The validity of the materiality assessment is one year and expires in December 2025. By that time, the Group will undertake a review of the results and a partial revision of the process. Should there be material changes in the organisational structure or significant shifts in external factors that could result in new impacts, risks or opportunities, or alter those already identified, the Group will undertake a reassessment sooner, as deemed appropriate.

The Group adopted a top-down approach to conducting the materiality assessment. The process began with analysing the matters listed in ESRS 1 AR 16, which serve as the baseline for identifying material sustainability matters. Based on preliminary analyses, the Group supplemented this list with sustainability-related issues specific to its operations. Subsequently, potential impacts, risks, and opportunities were mapped to these topics.[6] The assessment of impacts and risks was conducted on a gross basis, considering the situation before implementing mitigation measures.

The working group involved in the materiality assessment included individuals with the highest expertise in due diligence processes, such as the Chief Risk and Compliance Officer and the Management Board representative for Risk Management. In assessing ESG matters, they used their in-depth knowledge of the Company's due diligence procedures.

To identify relevant impacts, initial assessments were conducted based on:

a) the Group's existing materiality matrices, previously published in non-financial statements and developed following the GRI standard,[7]
b) sector-specific NFRS materiality matrices,[8]
c) matters identified as material and incorporated into the Group's established due diligence processes,[9]
d) publicly available sector and industry materiality indices,[10]
e) analysis of a benchmark group of comparable companies,
f) review of academic publications and industry literature on trends relevant to the sectors in which Group companies operate, and
g) customer feedback derived from opinion surveys (NPS – Net Promoter Score). The NPS analysis was conducted exclusively for the real estate sector, as the survey is limited to this area and includes only customers who have purchased an apartment.

Tools used for the assessment also included:

[6] Following a review of the table provided in Annex A to ESRS 1, sustainability matters irrelevant to the Group's activities were excluded. This exclusion was based on an initial assessment of the business model, corporate strategy, and value chain, carried out by ESG specialists responsible for the assessment.

[7] Global Reporting Initiative.

[8] Non-Financial Reporting Standards.

[9] The assessment also considered the outcomes of the Group's due diligence processes, along with the due diligence procedures in place, which are based on DOM 2030 ESG Strategy, environmental decisions issued by regulatory authorities, the Code of Conduct, the Dom Development Group policies, as well as the Group's actions taken to implement and enforce the principles outlined in these documents.

[10] Tools to help assess materiality in specific industries; SASB's Materiality Finder and MSCI's ESG Industry Materiality Map were used.

a) qualitative interviews (60 people) with the Group executives,
b) external interviews (6 people) with experts specialising in sustainability and climate change education for architects, sustainable construction, building carbon footprint assessment, market dynamics, the circular economy, and sustainable design,
c) external interviews (10 people) with key business partners,
d) analysis of 178 questionnaires completed by employees working for the Group.

As part of the process, the Group considered impacts arising from own operations and those linked to its business relationships. Some of these material impacts have been incorporated into the DOM 2030 ESG Strategy and the ongoing activities of the Group companies.

The Group reviewed its resources, operational processes, and value chain concerning climate-related topics to identify climate-related impacts, risks, and opportunities. This analysis covered:

- Own operations: Review of construction processes and project design for climate change adaptation, climate change mitigation (including reduction of greenhouse gas emissions) and energy consumption.
- Upstream value chain: Analysis of suppliers and manufacturers of building materials and equipment in the context of their ability to provide low-carbon materials.

The review was conducted using the following methods, assumptions and tools:

- Climate risk analysis, i.e. the identification of physical risks (based on climate change scenarios for Poland in the 21st century, prepared by the IEP-NRI as part of the Climate 2.0 project in the RCP 8.5 scenario compared with the 2011-2020 decade, as well as Urban Adaptation Plans for the cities of Gdańsk, Krakow, Warsaw, and Wroclaw) and transition risks (regulatory, market, and technological risks).
- Greenhouse gas emissions assessment, including analysis of the Group's Scope 1 and Scope 2 emissions in previous years.
- Assessment of supplier actions, i.e. a summary of measures undertaken by construction material suppliers to reduce emissions and provide low-carbon building materials.
- Industry and regulatory benchmarking, comparing the Group's activities with best practices in the real estate and construction sectors to identify climate change mitigation and adaptation solutions.

For the assessment of physical climate risks, the Group analysed the locations where it operates. Location was the sole differentiating factor. Disaggregation was applied exclusively to assess climate change adaptation impacts. No additional factors were identified as affecting the materiality assessment.

Analysis of climate risks

The Group, drawing on available national climate projections, has assessed climate risks (both physical and transition risks) that may arise in specific operational locations and their potential impact on its assets. The climate risk analysis was performed for the time horizon extending to 2050. Since 2021, the Group has been calculating the carbon footprint of its operations (Scope 1 and 2 emissions) and has set a reduction target for 2030.

According to scientific research,[11] Warsaw, Krakow, and Wroclaw are expected to experience a long-term increase in the number of days with extremely high temperatures (Tmax ≥ 25°C). These changes will be most pronounced in Wroclaw, which is projected to see an additional six days per year with such temperatures by 2050 compared with the current decade. Rising temperatures are also expected to prolong dry periods accompanied by high air temperatures and intensify the urban heat island effect. Another physical risk facing the Group companies is the projected increase in average annual precipitation, with Krakow expected

[11] Prepared on the basis of the scenarios of climate change for Poland in the 21st century, prepared by the IEP-NRI as part of the Climate 2.0 project in the RCP 8.5 scenario compared with the 2011-2020 decade (assuming the current rate of growth of GHG emissions) and Urban Adaptation Plans [https://klimada2.ios.gov.pl/klimat-scenariusze; accessed on 1 February 2024].

to be most affected, alongside a rise in the number of days with rainfall exceeding 20 mm. These changes will increase the likelihood of:

- river flooding in Warsaw, Krakow, and Wroclaw,
- coastal flooding in the Tri-City area,
- urban flash floods in the Tri-City area.

Strategy

The Group identified various climate-related, social, and governance risks, categorised as physical and transition risks. Additionally, several opportunities were identified. ESG-related risks and opportunities are fundamental to shaping the Group's strategy and financial planning. The identified risks were added to the risk register, which forms part of the Group's risk management policy. Mitigation measures have been implemented to address these risks.

Environmental risks

Risk type	Threats	Examples of potential financial impacts	Methods for preventing or minimising the impact of risks
Legal regulations	1) Failure to respond to regulatory changes at the EU level, in particular: 1. Amendments to the Directive of the European Parliament and the Council on the energy performance of buildings; 2. CBAM – indirect impact on the increase of material prices (aluminium, steel, cement, ceramics, gypsum, lime); 3. EU ETS from 2026 in the district heating sector – indirect impact on thermal energy pricing; 4. EU Taxonomy – requirement to progressively align buildings with Technical Screening Criteria (TSC) requirements; 5. Corporate Sustainability Due Diligence Directive (CSDDD) – requirement to prevent all potential adverse environmental and social impacts across the value chain; 6. New regulations restricting the use of specific transport models, which could significantly impact the utilisation of infrastructure operated by the Company; 7. Changes in the insurance market resulting from regulatory developments under the European Commission Communication 'Managing Climate Risk – Protecting Citizens and Enhancing Prosperity'.	1) Increased operating costs, such as higher insurance premiums. 2) Revenue loss due to: - stricter spatial planning regulations - lower demand for high-emission products 3) Higher costs driven by: - stricter environmental regulations - potential legal disputes, fines, and penalties - increasing non-financial reporting requirements, resulting in: - higher land acquisition costs or potential inability to acquire land, - underestimation of project costs at the time of land purchase, - rising project execution costs, - uncertainty in cost estimation and financial valuation of development project execution, - more significant cost pressures from Subcontractors and potential need to increase workforce.	1. Continuous monitoring of legal requirements related to environmental protection and non-financial reporting 2. Executing development projects in full compliance with all environmental and climate regulations 3. Active engagement with industry bodies and technical working groups, contributing to regulatory consultations and policy development 4. Effectively delegating duties and responsibilities related to the identification of the environmental aspects of regulations 5. Monitoring the validity of provisions and effective dates of decisions issued by governmental authorities 6. A clear procedure to be followed in case new permits need to be secured or existing permits need to be updated in connection with a project 7. Reviewing environmental reporting templates and deadlines 8. Ongoing monitoring of regulatory and legislative processes with potential business impact 9. Monitoring political movements to anticipate the impact of possible changes on operations
Technological changes	1. Digitalisation of operations and the associated risks (cybersecurity threats, business continuity vulnerabilities, and unauthorised access to data) 2. Failure to align its systems with business and regulatory requirements	1) Higher CAPEX 2) Declining demand for high-emission products and services, leading to revenue loss 3) Increased production costs due to rising input prices (e.g. energy, water) and higher	1. Enhanced cooperation and dialogue with value chain participants 2. Promotion and gradual implementation of low-emission solutions and materials

	3. Requirement to adapt heat supply methods in development projects, including the integration of renewable energy sources (RES) 4. Replacing existing materials, equipment, and fleet with lower-emission alternatives 5. Requirement to use lower-emission materials and implement measures to achieve zero-emission buildings in development projects 6. Commitment to innovation, including Power Purchase Agreements (PPAs) for long-term procurement of renewable energy 7. Potential shortening of the lifecycle of owned assets – accelerated depreciation, retirement, or write-down of high-carbon assets, including machinery, equipment, and fleet 8. Increased costs associated with the potential complete electrification of the fleet	end-of-life disposal expenses (e.g. waste processing) 4) Higher cost driven by: - need to procure advanced low-emission equipment and systems - conversion and adaptation of business processes - accelerated depreciation of high-emission equipment and materials 5) Higher investment and increased R&D expenditure to support the implementation of new technologies 6) Higher costs driven by: - adaptation measures to address climate change - meeting evolving customer preferences.	3. Establishment of industry and cross-industry partnerships to promote low-emission solutions 4. Implementation of measures to reduce demand for electricity, thermal energy, and water 5. Adoption of project-level material management plans to eliminate waste
Market	1. Pace and quality of legislative changes 2. Dependence of debt financing on ESG regulations 3. Financial position of the Company contingent on the overall condition of the industry	1) Revenue loss due to: - failure to satisfy customer requirements - evolving customer requirements regarding the Company's current product portfolio	1. Assessing the profitability of development projects that use low-carbon materials and technologies 2. Enhancing capabilities through training on low-carbon design and the application of new technologies

	4. Market shifts driven by increased supply 5. Loss of financial liquidity 6. Failure to meet or delays in meeting customer expectations for higher-efficiency residential units/buildings 7. Rising costs of raw materials, construction materials, and services 8. Rising electricity and thermal energy prices due to Poland’s high-emission energy mix 9. Difficulties in attracting and retaining customers, employees, business partners, and investors for whom environmental considerations may become increasingly important over time, particularly if the company’s activities are perceived as harmful to the climate	- interruptions in construction work 2) Higher costs driven by: - fluctuations in energy and raw material prices - expenditure on new implementations of climate-friendly business processes 3) Increase in revenue due to: - access to new market segments - easier access to and retention of skilled workforce	3. Price sensitivity assessments for materials and contingency planning for centralised procurement 4. Strengthening the ability to meet customer preferences and improving collaboration with value chain stakeholders 5. Diversifying the portfolio of products, materials and technologies; more extensive sourcing of low-carbon materials, working with suppliers and exploring options for the circular economy 6. Review of insurance arrangements and monitoring of changes in the insurance market 7. Assessing exposure to physical climate risk for asset and project locations near waterways and coastlines 8. Enhancing the resilience of assets to extreme weather events through strengthened safeguards and the implementation of adaptive solutions 9. Incorporating location-specific risk factors into the planning and execution of development projects. 10. Conducting customer preference surveys and Net Promoter Score (NPS) analysis 12. Entering into long-term contracts and agreements with multiple external suppliers

Physical risks

The Group companies manage physical risks to which development projects are exposed. Risk analyses were prepared based on the scenarios of climate change for Poland in the 21st century, prepared by the IEP-NRI as part of the Climate 2.0 project in the RCP 8.5 scenario compared with the 2011-2020 decade (assuming the current rate of growth of GHG emissions) and Urban Adaptation Plans [https://klimada2.ios.gov.pl/klimat-scenariusze; accessed on 1 February 2024]

Risk	Threats	Examples of potential financial impacts	Methods for preventing or minimising the impact of risks
			1. Investing in blue infrastructure and nature-based solutions

Acute risk (caused by extreme weather events) – Increased precipitation and heavy rainfall (annual total precipitation and number of days per year with rainfall > 20mm)	1. Increased likelihood of local flooding caused by irregular precipitation patterns 2. Higher probability of urban flash floods 3. More frequent operation of combined sewer overflow (CSO) systems and increased volume of wastewater discharged into receiving bodies 4. Rising costs of stormwater and combined sewage pumping 5. Need to explore new solutions in water and wastewater infrastructure and stormwater management 6. Contaminated surface runoff 7. Damage to infrastructure (e.g. flooding of transformer stations) 8. Rising groundwater levels 9. Insufficient capacity of sewer networks 10. Impact on the waterproofing integrity of buildings and risk of moisture infiltration	1. Impairments and early decommissioning of existing assets due to property damage 2. Potential limitations on asset insurance availability in high-risk locations 3. Rising insurance premiums due to increased expenditure on adaptive measures and more stringent policy conditions 4. Lower revenue due to lower production output or supply chain disruptions 5. Lower revenue and higher costs resulting from adverse impacts on employees (e.g. health, safety, absenteeism) 6. Higher property taxes due to costs associated with remediation and mitigation measures 7. Increased risk premiums leading to higher financing costs	2. Implementing best water management practices and instruments 3. Developing climate-resilient building technologies designed to withstand high temperatures 4. Enhancing projects' micro-retention capacity, including the construction of small ponds and reservoirs 5. Preventive and awareness-raising initiatives promoting appropriate workplace behaviours 6. Proper storage of materials
Acute risk (caused by extreme weather events) – Heatwaves (number of hot and extreme heat days)	1. Potential restrictions on access to water from rivers and groundwater 2. Rising operating cost driven by higher water prices and consumption restrictions 3. Increased water demand 4. Increased susceptibility of bituminous pavements to vehicle-induced damage 5. Need to implement technical solutions to mitigate surface heat accumulation 6. Shift in heat demand patterns – increased necessity for air conditioning installations 7. Elevated pollutant concentrations and photochemical smog formation		

Chronic risks (arising from long-term shifts in climate patterns) – water scarcity and water stress variability in groundwater levels, persistent heat waves, heat stress, changing wind patterns	1. Potential disruptions to the electricity supply during summer and winter periods 2. Water access constraints may impact the availability and pricing of materials and services 3. Need to adjust work schedules due to increased frequency and intensity of weather events 4. Potential impact on project profitability in locations subject to elevated environmental risks 5. Risk of diminished land value within the land bank 6. Constraints on the availability of locations for real estate development projects 7. Potential constraints on the availability of construction materials

On pollution-related matters, the Group reviewed its sites and operational processes to identify impacts, risks, and opportunities associated with pollution. The analysis included:

- identification of actual and potential sources of pollution, including emissions of particulates, noise, and chemical substances, as well as impacts on soil and water. The analysis also assessed compliance with applicable environmental protection regulations;
- high-level assessment of the value chain, including the activities of material manufacturers, specifically the sourcing and production of construction materials that may contribute to pollution.

The Group did not conduct an in-depth analysis of the value chain at a higher level; therefore, the direct impacts of primary raw material extraction on the Group's operations are unknown at this stage. Additionally, the Group did not hold consultations with local communities as part of the analysis.

On biodiversity and ecosystems, the Group reviewed its assets, operational processes, and value chain to assess impacts, risks, and opportunities. The analysis, carried out as part of the Group's operational activities, included: regulatory compliance assessment, including a review of administrative decisions issued by regulatory authorities related to biodiversity protection. This included requirements for environmental impact assessments (EIA) and conservation plans for Natura 2000 sites. In 2024, the Group was conducting three projects located within 500 metres of areas designated under nature protection regimes, classified as sensitive from a biodiversity conservation perspective.

The Group did not hold consultations with local communities as part of the analysis. The Group did not conduct scenario analyses related to biodiversity and ecosystems. The Group did not identify or assess its dependencies on biodiversity, ecosystems, and associated ecosystem services across its own operations and value chain. The Group did not identify or evaluate transition risks and opportunities, physical risks and opportunities, or systemic risks.

On water and marine matters, the Group reviewed its assets, resources, operational processes, and value chain to identify related impacts, risks, and opportunities. This analysis covered:

- the Group's own operations, including an assessment of water consumption during construction processes, the operation of office facilities, and the assessment of potential measures to improve water efficiency;
- the downstream value chain, assessing potential actions and benefits associated with water-saving solutions.

The analysis did not identify any material financial risks in this area.

The Group did not hold consultations with local communities as part of the analysis.

On resource use and the circular economy, the Group reviewed its assets, operational processes, and value chain to assess related impacts, risks, and opportunities. This analysis covered:

- the Group's own operations, including an assessment of waste management practices across the Group entities;
- the downstream value chain, including the assessment of the activities of customers using serviced apartments;
- the upstream value chain, including assessment of the collaboration with waste collection and processing entities.

The Group did not hold consultations with local communities as part of the analysis.

On business conduct, the Group reviewed its assets to assess related impacts, risks, and opportunities. The analysis considered:

- locations – the four markets in which the Group operates;
- business sectors of the Group companies (M.68.11 Buying and selling of own real estate, F.41.00 Construction of residential and non-residential buildings, L.66.19 Other activities auxiliary to financial services, except insurance and pension funding, M.68.20 Rental and operating of own or leased real estate).

A review was conducted of the existing processes, policies, procedures, and legal requirements that shape the operations of the Group's entities. As part of the double materiality assessment, the impact of business practices, including corporate culture, whistleblower protection policies, and supplier relationship management, was identified as material by employees, management, and key suppliers of construction materials. Additionally, the Group did not hold consultations with local communities as part of the analysis.

Phase 3: Prioritisation of the most material impacts

To prioritise material impacts, risks, and opportunities, the previously identified impacts, risks, and opportunities were evaluated.

In assessing impact materiality, sustainability matters were analysed based on the following criteria:

1. For identified actual negative impacts:
   - scale,
   - scope,
   - irremediable character of the impact.
2. For potential negative impacts and potential positive impacts:
   - scale,
   - scope,
   - irremediable character of the impact,
   - probability of occurrence.
3. For actual positive impacts, the assessment criteria were scale and scope.

Impacts were deemed material if their materiality was classified as important, significant, or critical.

Assessment scales							
Scale [magnitude of the impact and its consequences]		Scope [how widespread the impact and its consequences are]		Irremediable character [whether and to what extent negative impacts can be remediated]		Likelihood [how likely the occurrence of the impact is]	
0	None	0	none	0	very easy to remediate	0	none
1	Minimal	1	limited	1	relatively easy to remediate in the short term	1	very low / practically impossible
2	Low	2	Local	2	remediable in the short term	2	low
3	Moderate	3	moderate	3	difficult to remediate or medium-term	3	moderate
4	High	4	widespread	4	very difficult to remediate or long-lasting	4	high
5	Absolute	5	global	5	irremediable/irreversible	5	very large / practically certain

Materiality thresholds for potential positive impact [scale, scope, likelihood]

Materiality threshold	Scale
Critical	13 - 15
Significant	11 - 12
Important	8 - 10
Informational	5 - 7
None	0 - 4

Materiality thresholds for actual negative impact [scale, scope, likelihood]

Materiality threshold	Severity scale
Critical	13 - 15
Significant	11 - 12
Important	8 - 10
Informational	5 - 7
None	0 - 4

Materiality thresholds for actual positive impact [scale, scope]

Materiality threshold	Severity scale
Critical	10

Materiality thresholds for potential negative impact [scale, scope, irreversibility]

Materiality threshold	Scale
Critical	16 - 20

Significant	8 - 9
Important	5 - 7
Informational	2 - 4
None	0 - 1

Significant	13 - 15
Important	9 - 12
Informational	6 - 8
None	0 - 5

Phase 4: Identification and assessment of risks and opportunities

In the next step, based on the identified impacts, risks and opportunities related to environmental, social, and governance areas were developed.

As part of the double materiality analysis, the Group companies considered both financial and non-financial aspects of risks and opportunities, linking them to the identified impacts. This approach provided a more comprehensive understanding of how external and internal factors affect the Group's long-term strategy and business model. Through this integrated approach, the Group companies can effectively manage resources, mitigate risks, and capitalise on opportunities to enhance financial performance, corporate reputation, and business resilience in the changing market and regulatory environment.

The prioritisation of sustainability-related risks in relation to other risk categories is carried out within the Group's risk management framework. Despite the long-term nature of certain physical climate risks, the Group has integrated sustainability-related risks into the overall risk register. As with other risk categories, ESG risks are assessed based on their likelihood of occurrence and potential consequences. Following this assessment, ESG risks are classified according to their materiality in the context of delivery to the organisation's strategic objectives. Risks that could adversely affect operational activities, financial performance, or stakeholder relationships are considered particularly significant.

To determine financial materiality, an internal assessment was conducted by ESG coordination personnel and risk and compliance management teams, comprising an assessment of the likelihood of occurrence for each identified risk or opportunity on a 0–5 scale (0 indicating that the event is highly unlikely to occur, and 5 indicating that its occurrence is highly probable); and an assessment of the potential impact on a 0–5 scale (0 indicating no material impact on business operations, and 5 indicating catastrophic consequences for the business).

Likelihood [how likely the occurrence of the impact is]			scale of financial consequences		
0	None	none	0	none	consequences are not relevant to the business
1	very low / practically impossible	very low likelihood of occurrence	1	very low	minimal impact that can be remediated by standard measures
2	low	considering current practices and procedures, such incident is unlikely to occur	2	low	incident affecting normal operation of a project of local scope
3	moderate	incident occurred in a situation with similar circumstances/conditions	3	moderate	serious incident requiring additional action, resulting in moderate impacts
4	high	occurrence of incident is likely	4	high	critical incident necessitating exceptional measures, with long-term consequences
5	very large / practically certain	occurrence of incident is very likely, may happen multiple times	5	very high	catastrophic consequences potentially resulting in asset liquidation and causing substantial damage

Phase 5: Approval of material topics by the Management Board of Dom Development S.A.

The implementation and understanding of the process were essential to providing feedback, establishing priorities, and considering the various stakeholders responsible for impact, risk, and opportunities. The results of the double materiality assessment were presented to the management boards of the Group companies to obtain iterative feedback and validate the process. Following the review and consideration of feedback, the Management Board of Dom Development S.A. approved the selected material sustainability topics to be reported by the Group. The results were also presented to the Audit Committee of the Supervisory Board.

Decision-making process in the double materiality assessment and related internal control procedures

Process	Actions	Responsible function
Scope of analysis	Legal and regulatory analysis	Non-Financial Reporting Team, Risk & Compliance Team
Identification of Impacts, Risks, and Opportunities	Preliminary assessments	Non-Financial Reporting Team, management of Group companies
Impact Assessment	Assessing the materiality of identified matters	Non-Financial Reporting Team, Risk & Compliance Team
Financial Assessment	Assessing the impact of risks and opportunities on financial performance using materiality thresholds	Non-Financial Reporting Team, Risk & Compliance Team
Strategic decisions	Determining priority actions affecting strategy and the business model. These actions include both short-term initiatives (e.g. adjustments to operational procedures) and long-term strategies (e.g. investments in renewable energy).	Management Board

The decision-making process in the double materiality assessment was accompanied by related internal control procedures, which included:

1. Adopting internal sustainability policies.
2. Documenting the process for identifying and assessing risks related to double materiality.
3. Regularly verifying the double materiality analysis for compliance with regulatory guidelines and internal standards.
4. Collecting data on resource consumption internally.
5. Implementing principles for regular sustainability training and awareness-building within the organisation.

Business owners of individual areas are responsible for monitoring and managing material impacts, risks and opportunities. Impacts, risks and opportunities are regularly monitored for their probability and potential consequences should they materialise. Emerging risks and opportunities relating to residential projects are also continuously reviewed.

The Group has embedded material sustainability considerations within its management processes. The due diligence tools deployed by the Group enable ongoing monitoring of the effectiveness of implemented actions, facilitating both the identification and assessment of potential adverse impacts and risks, and the timely implementation of effective remedial measures.

IRO-2 – DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE UNDERTAKING'S SUSTAINABILITY STATEMENT

Information requiring disclosure concerning material impacts, risks, and opportunities has been determined based on qualitative criteria, particularly the significance of the information in relation to material sustainability matters and its usefulness to users of the sustainability statement. The ESRS disclosure requirements applicable to the Group's consolidated sustainability reporting, including references to relevant ESRS clauses and corresponding page numbers, are set out in the table below.

Disclosure number	Disclosure name	Page in the statement	Reference to other EU legislation	Disclosure requirement and related datapoint	Page in the statement
ESRS 2 General disclosures					
BP-1	General basis for preparation of the sustainability report	Page 48			
BP-2	Disclosures in relation to specific circumstances	Pages 48-51			
GOV-1	The role of the administrative, management and supervisory bodies	Pages 51 to 58	Commission Delegated Regulation (EU) 2020/1816	ESRS GOV-1, paragraph 21 (d)	Page 58
			Indicator No. 13 in Table 1 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS GOV-1, paragraph 21 (d)	Page 58
			Commission Delegated Regulation (EU) 2020/1816	ESRS GOV-1, paragraph 21 (e)	N/A
GOV-2	Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies	Pages 59-61			
GOV-3	Integration of sustainability-related performance in incentive schemes	Page 62			
GOV-4	Statement on due diligence	Page 63	Indicator 10 in Table 3 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS GOV-4, paragraph 30	Page 63
GOV-5	Risk management and internal controls over sustainability reporting	Pages 63-66			
SBM-1	Strategy, business model and value chain	Pages 66-69	Indicator 4 in Table 3 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS 2 SBM-1, 40 (d) (i)	N/A
			Commission Delegated Regulation (EU) 2020/1816	ESRS 2 SBM-1, 40 (d) (i)	N/A
SBM-2	Interests and views of stakeholders	Pages 70-78			
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Pages 78-92			
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Page 93-104			
IRO-2	Disclosure Requirements in ESRS covered by the undertaking’s sustainability statement	Pages 105-112			
ESRS E1 Climate Change					
E1-1	Transition plan for climate change mitigation and adaptation	Page 113	Regulation (EU) 2021/1119, Article 2(1)	ESRS E1-1, paragraph 14	Page 113
			Article 12 (1), (d) to (g) and Article 12 (2), of Delegated Regulation (EU) 2020/1818	ESRS E1-1, paragraph 16 (g)	N/A
E1-2	Policies related to climate change mitigation and adaptation	Page 113			
E1-3	Actions and resources in relation to climate change policies	Pages 113-114			

E1-4	Targets related to climate change mitigation and adaptation	Pages 114-115	Delegated Regulation (EU) 2020/1818, Article 6	ESRS E1-4, paragraph 34	Page 114-115
			Indicator 4 in Table 2 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS E1-4, paragraph 34	Page 114-115
E1-5	Energy consumption and mix	Pages 115-116	Indicator 5 of Table 1 and Indicator 5 of Table 2 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS E1-5, paragraph 38	Page 114-115
			Indicator 5 in Table 1 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS E1-5, paragraph 37	Page 114-115
			Indicator 6 in Table 1 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS E1-5, paragraphs 40-43	Page 114-115
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	Pages 116-118	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)	ESRS E1-6, paragraph 44	Page 116-118
			Indicators 1 and 2 in the table in Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS E1-6, paragraph 44	Page 116-118
			Indicator 3 in Table 1 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS E1-6, 53-55	Page 116-118
			Delegated Regulation (EU) 2020/1818, Article 8(1)	ESRS E1-6, 53-55	Page 116-118
E1-7	GHG removals and carbon credits	N/A	Regulation (EU) 2021/1119, Article 2(1)	ESRS E1-7, paragraph 56	None
			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II	ESRS E1-9, paragraph 66	None
			Article 449a of Regulation (EU) No 575/2013; points 46 and 47 of Commission Implementing Regulation (EU) 2022/2453; template 5: Banking book – Climate change physical risk: Exposures subject to physical risk	ESRS E1-9, paragraph 66 (a)	None
	Anticipated financial effects from material physical and transition	exemption in	Article 449a of Regulation (EU) No 575/2013; points 46 and 47 of Commission Implementing Regulation (EU) 2022/2453; template 5: Banking	ESRS E1-9, 67 (c)	None

E1-9	risks and potential climate-related opportunities	accordance with Appendix C	book – Climate change physical risk: Exposures subject to physical risk		
			Article 449a of Regulation (EU) No 575/2013; point 34 of Commission Implementing Regulation (EU) 2022/2453; template 2: Banking book – Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral	ESRS E1-9, 67 (c)	None
			Delegated Regulation (EU) 2020/1818, Annex II	ESRS E1-9, paragraph 69	None
ESRS E2 Pollution					
E2-1	Policies related to pollution	Not material			
E2-2	Actions and resources related to pollution	Not material			
E2-3	Targets related to pollution	Not material			
E2-4	Pollution of air, water and soil	Not material	Indicator 8 of Table 1 of Annex I, Indicator 2 of Table 2 of Annex I, Indicator 1 of Table 2 of Annex I and Indicator 3 of Table 2 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS E2-4, paragraph 28	None
E2-5	Substances of concern and substances of very high concern	Not material			
ESRS E3 Water and marine resources					
E3-1	Policies related to water and marine resources	Page 118	Indicator 7 in Table 2 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS E3-1, paragraph 9	Page 118
			Indicator 8 in Table 2 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS E3-1, paragraph 13	Page 118
			Indicator 12 in Table 2 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS E3-1, paragraph 14	N/A
E3-2	Actions and resources related to water and marine resources	Page 118-119			
E3-3	Targets related to water and marine resources	Page 119			
E3-4	Water consumption	Pages 119-120	Indicator 6.2 in Table 2 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS E3-4, paragraph.. 28 (c)	Pages 119-120
			Indicator 6.1 in Table 2 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS E3-4, paragraph. 29	Pages 119-120
ESRS E4 Biodiversity and ecosystems					
E4-1		Page 120	Indicator 7 in Table 1 of Annex I to the Regulation on sustainability-related	ESRS 2 IRO-1-E4 16 (a) i	Page 120

			disclosures in the financial services sector		
	Transition plan and consideration of biodiversity and ecosystems in strategy and business model		Indicator 10 in Table 2 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS 2 IRO-1-E4 paragraph 16 (b)	Page 120
			Indicator 14 in Table 2 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS 2 IRO-1-E4 paragraph 16 (c)	Page 120
E4-2	Policies related to biodiversity and ecosystems	Page 120	Indicator 11 in Table 2 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS E4-2, paragraph 24 (b)	Page 120
			Indicator 12 in Table 2 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS E4-2, paragraph 24 (c)	N/A
			Indicator 15 in Table 2 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS E4-2, paragraph 24 (d)	N/A
E4-3	Actions and resources related to biodiversity and ecosystems	Pages 120-121			
E4-4	Targets related to biodiversity and ecosystems	Page 121			
E4-5	Impact metrics related to biodiversity and ecosystems change	Page 121-122			
ESRS E5 Resource use and circular economy					
E5-1	Policies related to resource use and circular economy	Page 122			
E5-2	Actions and resources in relation to resource use and circular economy	Page 122-123			
E5-3	Targets related to resource use and circular economy	Page 123			
E5-4	Resource inflows	Pages 123-124			
E5-5	Resource inflows	Pages 124-125	Indicator 13 in Table 2 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS E5-5, paragraph 37 (d)	Page 124-125
			Indicator 9 in Table 1 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS E5-5, paragraph 39	Page 124-125
Disclosures pursuant to Article 8 of Regulation 2020/852		Pages 126-137			
ESRS S1 Own workforce					
S1-1	Policies related to own workforce	Page 138	Delegated Regulation (EU) 2020/1816, Annex II	ESRS S1-1, paragraph 21	Page 138
			Indicator 13 in Table 3 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS 2 SBM-3-S1 (14) (f)	Not material
			Indicator 12 in Table 3 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS 2 SBM-3-S1 (14) (g)	Not material
			Indicator 9 in Table 3 and Indicator 11 in Table 1 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS S1-1 20	Not material
			Indicator 11 in Table 3 of Annex I to the Regulation on sustainability-related	ESRS S1-1 22	N/A

			disclosures in the financial services sector		
			Indicator 1 in Table 3 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS S1-1 23	Page 142
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	Page 139			
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	Pages 139-140	Indicator 5 in Table 3 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS S1-3 paragraph 32 (c)	Pages 139-140
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Page 140			
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Page 140			
S1-6	Characteristics of the undertaking's employees	Pages 140-141			
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	Page 141			
S1-9	Diversity metrics	Pages 141-142			
S1-10	Adequate wages	Page 142			
S1-14	Health and safety metrics	Pages 142-143	Delegated Regulation (EU) 2020/1816, Annex II	ESRS S1-14, 88 (b) I (c)	Pages 142-143
			Indicator 2 in Table 3 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS S1-14, 88 (b) I (c)	Pages 142-143
			Indicator 3 in Table 3 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS S1-14, paragraph 88 (e)	Pages 142-143
S1-16	Remuneration metrics (pay gap and total remuneration)	Page 143	Delegated Regulation (EU) 2020/1816, Annex II	ESRS S1-16, paragraph 97 (a)	Page 143
			Indicator 12 in Table 1 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS S1-16, paragraph 97 (a)	Page 143
			Indicator 8 in Table 3 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS S1-16, paragraph 97 (b)	Page 143
S1-17	Incidents, complaints and severe human rights impacts	Pages 143-144	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art. 12 (1)	ESRS S1-17, 104 (a)	Page 144
			Indicator 10 in Table 1 and Indicator 14 in Table 3 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS S1-17, 104 (a)	Page 138

			Indicator 7 in Table 3 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS S1-17, paragraph 103 (a)	Page 138
ESRS S2 Workers in the value chain					
BP-2	Disclosures in relation to specific circumstances	Page 144	indicator 12 and 13 of Table 3 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS 2 SBM-2-S2, paragraph 11 (b)	Not material
S2-1	Policies related to value chain workers	exemption in accordance with Appendix C	indicator 9 of Table 3 and Indicator 11 of Table 1 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS S2-1, paragraph 17	None
			indicator 11 and 4 in Table 3 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS S2-1, paragraph 18	Page 144
			indicator 10 in Table 1 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS S2-1, paragraph 19	Page 138
			Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art. 12 (1)	ESRS S2-1, paragraph 19	Page 138
			Delegated Regulation (EU) 2020/1816, Annex II	ESRS S2-1, paragraph 19	Page 138
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	exemption in accordance with Appendix C	Indicator 14 in Table 3 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS S2-4, paragraph 36	None
ESRS S3 Affected communities					
BP-2	Disclosures in relation to specific circumstances	Page 144			
S3-1	Policies related to affected communities	exemption in accordance with Appendix C	Indicator 9 of Table 3 of Annex I and Indicator 11 of Table 1 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS S3-1, paragraph 16	Page 138
			Indicator 10 in Table 1 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS S3-1, paragraph 17	Page 138
			Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art. 12 (1)	ESRS S3-1, paragraph 17	Page 138
S3-4	Taking action on material impacts, and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions and approaches	exemption in accordance with Appendix C	Indicator 14 in Table 3 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS S3-4, paragraph 36	Not material
ESRS S4 Consumers and end-users					
BP-2	Disclosures in relation to specific circumstances	Page 144-145			
S4-1	Policies related to consumers and end-users	exemption in accordance with Appendix C	Indicator 9 in Table 3 and Indicator 11 in Table 1 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS S4-1, paragraph 16	Page 144-145
			Indicator 10 in Table 1 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS S4-1, paragraph 17	Page 138

			Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art. 12 (1)	ESRS S4-1, paragraph 17	Page 138
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	exemption in accordance with Appendix C	Indicator 14 in Table 3 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS S4-1, paragraph 35	None

ESRS G1 Governance

G1-1	Corporate culture and business conduct policies	Pages 146	Indicator 15 in Table 3 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS G1-1, paragraph 10 (b)	Page 147
			Indicator 6 in Table 3 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS G1-1, paragraph 10 (d)	Page 146
G1-2	Management of relationships with suppliers	Pages 146-147			
G1-3	Prevention and detection of corruption or bribery	Pages 147-148			
G1-4	Confirmed incidents of corruption or bribery	Page 148	Indicator 17 in Table 3 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS G1-4, paragraph 24 (a)	Page 148
			Delegated Regulation (EU) 2020/1816, Annex II	ESRS G1-1, paragraph 24 (a)	Page 148
			Indicator 16 in Table 3 of Annex I to the Regulation on sustainability-related disclosures in the financial services sector	ESRS G1-4, paragraph 24 (b)	Pages 147-148
G1-5	Political influence and lobbying activities	Page 148			
G1-6	Payment practices	Pages 148-149			

3.2 ENVIRONMENTAL INFORMATION

ESRS E1 CLIMATE CHANGE

E1-1 – TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION AND ADAPTATION

The Group does not have a transition plan. Developing a transition plan is not expected before 2030.

E1-2 – POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

The Dom Development Group does not have a policy addressing energy efficiency, climate change mitigation, or climate change adaptation. The climate change objectives and actions are set out in the ESG DOM 2030 Strategy. The development of a dedicated policy is not planned before 2030.

E1-3 – ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES

As part of their efforts to minimise emissions, in 2024 the Group companies purchased 5,599 MWh of renewable energy, which was used to power ongoing projects.

In line with the ESG Strategy, the Group companies plan to continue initiatives aimed at reducing greenhouse gas emissions at least until 2030, focusing on key areas that contribute to lowering emissions both during the construction process and throughout subsequent stages of the buildings' life cycle. Both ongoing and future initiatives are expected to contribute to achieving the emission reduction target set out in the DOM 2030 ESG Strategy; however, the scale and pace of these actions are currently difficult to estimate.

The achieved and expected reductions in greenhouse gas emissions resulting from the initiatives described in this section are detailed in section E1-4.

The Group applies climate adaptation solutions within its own operations to mitigate the most material physical climate risks identified as significant for its business, integrating such solutions at the design and construction stages. These measures are implemented in compliance with applicable national laws, technical guidelines and industry standards.

Identified physical climate risk	Adaptation measures
Flood	Site planning, flood risk assessment and flood hazard maps before development Increasing permeable surfaces on project sites Urban water retention solutions: Urban infiltration strips and linear rain gardens Sustainable urban drainage systems (SUDS) Assessing drainage capacities and analysing geotechnical surveys to ensure proper runoff management Foundation waterproofing Installing pumps in basements to manage excess water Implementing backflow prevention devices Positioning boilers and cooling units on rooftops Utilising water-resistant materials Developing site-specific drainage systems around buildings Planting of trees Elevating electrical, mechanical, and utility systems above ground level Using waterproof insulation (EPS, XPS)

	Securing flood-specific insurance for development projects
Storms and heavy rainfall	Reinforcing roof structures Ensuring that the lowest residential floors are elevated above ground level Designing buildings with optimised wind resistance for greater structural durability Installing efficient roof drainage systems Implementing lightning protection systems Favouring hedges and shrubs near buildings Utilising dense vegetation in rows Integrating rain-resistant facade systems, including sandwich panels, profiled sheets, and fibre-cement cladding Strengthening connections between external building elements (roof-to-wall, wall-to-foundation, foundation-to-ground) Installing backup power generators – to be used exclusively for fire protection systems. Implementing surge protection devices to safeguard electrical systems from voltage spikes Securing outdoor furniture and panels to prevent wind-related damage Utilising hydrophobic materials Constructing infiltration ditches to manage excess water runoff Implementing passive landslide control solutions (retaining walls, gabion walls, geotextiles, turf reinforcement, and slope geometry modification) Designing inverted roofs Incorporating extensive green roofs Choosing permeable and semi-permeable soils Creating rain gardens and drainage channels Ground preparation Disconnecting surface water runoff from the sewage system Installing rainwater harvesting tanks
Water stress and drought	Maintaining a minimum 500-metre buffer between developments and forested areas Harvesting rainwater Increasing the use of fire-resistant materials Identifying and mapping areas at water risk
Heat stress	Utilising thermal mass and phase-change materials (PCM) Applying light-coloured and reflective materials Enhancing insulation in external walls, windows, and roofs Temperature zoning within buildings (to prevent excessive heat transfer) Installing rooftop photovoltaic (PV) systems Green roofs Flexible structural joints Geothermal energy systems and heat pumps – for development projects in Warsaw and Tricity.
	Double-skin facades – only in Tricity. Comprehensive insulation of walls, windows and roofs
Ground subsidence	Peripheral drainage system installed at least 2 metres from the building Maintaining a safe distance between trees and buildings Using deep or semi-deep foundations Implementing substructures Designing uniform foundations, avoiding partial basements Reinforcing building structures (horizontal and vertical strengthening: encasing foundations with reinforced concrete or prestressed concrete beams for added durability, horizontal joint reinforcements embedded within masonry mortar layers, vertical joint reinforcements for load-bearing walls)

The Company funds these measures from its own financial resources and has not adopted an action plan linked to the key performance indicators (KPIs) required under Commission Delegated Regulation (EU) 2021/2178. All such measures are implemented within the development project budgets, with associated costs disclosed in Note 7.35 to the consolidated financial statements under

'Raw materials and consumables used' and 'Services'.

E1-4 – TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

As part of its DOM 2030 ESG Strategy, the Group has set a carbon reduction target of 30% (for Scope 1 and Scope 2 emissions[12]) per unit under construction by 2030, compared with the 2021 baseline year.[13] This target has been set in relative rather than absolute terms, as the scale of the Group companies' operations fluctuates over time (for example, due to an increase in the number of construction projects or expansion into new markets). Consequently, the current target relates exclusively to the operational activities of all Group companies concerning electricity and heat procurement management, gas consumption, and vehicle fleet management. The emission reduction target was adopted internally and approved by the Management Board. Since its adoption, the geographic or emission boundaries have remained unchanged.

The Group's emissions reduction target is a gross target, meaning that it does not account for GHG removals, carbon credits or avoided emissions as methods of achieving its climate goals. Additionally, the target is not science-based and does not align with the 1.5°C global warming limit. The Group's reported emissions are not subject to regulated carbon trading schemes. The location-based methodology was selected for the calculations.

To track the effectiveness of climate-related measures, the Group relies on the following monitoring mechanisms:

- automated data collection, enabling regular tracking of resource consumption (energy and utilities),
- annual reporting of performance and progress in emissions reduction, aligned with the GHG Protocol and disclosed in sustainability statements,
- operational optimisations and modifications, based on data-driven analysis.

Details on reporting principles are provided in the subsection 'Greenhouse gas (GHG) emissions reporting'.

Objective	Baseline year	2024	2030 target
Greenhouse gas emissions (tonnes of tCO_2 equivalent)	2.67 tCO_2e/unit	1.71 tCO_2e/unit	1.87 tCO_2e/unit

E1-5 – ENERGY CONSUMPTION AND MIX

The Group's energy demand arises from three key operational areas:

- purchase of electricity and heat for construction works,

[12] Scope 1 – Direct emissions resulting from the combustion of fuels in stationary sources and the combustion of fuels in the organisation's fleet vehicles.
Scope 2 – Indirect emissions resulting from the generation of electricity and heat supplied to the enterprise by the energy supplier.

[13] 2021 was chosen as the baseline year for the Group's emissions reduction target based on both external (anticipated future legislative changes) and internal factors (changes of the business scale and evolving ESG strategies within the Group). Additionally, the baseline emissions value has undergone independent verification.

- administrative functions,
- use of business vehicles.

Energy and fuel consumption data is sourced from billing invoices, reflecting actual usage. When converting energy consumption into megawatt-hours (MWh), the following conversion factors were used:

- 1 MWh = 1 000 kWh;
- 1 MWh = 3,6 GJ;
- 1 MWh = 0,086 toe.

Energy consumption structure	2024
Fuel consumption from coal and coal products (MWh)	0.00
Fuel consumption from crude oil and petroleum products (MWh)	3,096.26
Fuel consumption from natural gas (MWh)	291.35
Fuel consumption from other fossil sources (MWh)	0.00
Consumption of purchased or acquired electricity, heat, steam, and cooling from non-renewable sources (MWh)	22,066.20
Total fossil energy consumption (MWh)	**25,453.81**
Share of non-renewable sources in total energy consumption (%)	82%
Consumption from nuclear sources (MWh)	0.00
Share of nuclear sources in total energy consumption (%)	0.00
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	0.00
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	5,599.00
The consumption of self-generated non-fuel renewable energy (MWh)	0.00
Total renewable and low-carbon energy consumption (MWh)	**5,599.00**
Share of renewable sources in total energy consumption (%)	18%
Total energy consumption (MWh)	**31,052.81**
Energy intensity (MWh/number of units under construction)	**4.06**
Energy intensity (MWh/PLN)[14]	**9.80**

1. *Data according to the market-based methodology.*
2. *To determine energy intensity, the Group considers energy consumption from its operations, specifical ly for the following sectors: M.68.11 Buying and selling of own real estate, F.41.00 Construction of residential and non-res idential buildings, L.66.19 Other activities auxiliary to financial services, except insurance and pension funding, M.68.20 Re ntal and operating of own or leased real estate*

The Group companies are already implementing measures to reduce energy consumption and thus lower emissions, including:

- purchasing energy from renewable sources,
- gradual fleet transition to lower-emission vehicles.

E1-6 – GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

[14] Calculated as total energy consumption per net revenue presented in section 1.6 of this sustainability statement.

Scope 1 emissions are direct emissions from sources and activities owned or controlled by the Group. These are emissions from the following sources:

- combustion of fuels such as natural gas and heating oil in stationary sources,
- combustion of fuel such as diesel oil in mobile equipment and generators,
- combustion of fuels such as diesel oil or gasoline in the vehicle fleet,
- leakage sources, e.g. from air conditioning systems.

The Group identified biogenic CO_2 emissions resulting from fuel combustion, which amounted to 44,351.448 tCO_2 in Scope 1. Additionally, the Group does not account for any purchased, sold or transferred carbon credits or GHG allowances in the calculation of Scope 1 GHG emissions.

Scope 2 emissions are indirect greenhouse gas emissions that are a consequence of the Group's activities. The GHG protocol classifies them as emissions from the generation of purchased electricity, heat, steam, and cooling. As in previous years, the Group reports greenhouse gas (GHG) emissions using two calculation methodologies: market-based and location-based. The location-based methodology quantifies Scope 2 greenhouse gas emissions based on average emission factors from energy production in specific geographical locations, including local grid boundaries. The market-based methodology quantifies Scope 2 greenhouse gas emissions based on the actual emissions from energy producers from whom the reporting entity contractually purchases electricity. This approach incorporates instruments such as guarantees of origin and renewable energy certificates. At the Group, there are no biogenic CO_2 emissions from the combustion or biodegradation of biomass, process emissions or Scope 2 fugitive emissions. Currently, there are no indicators available to calculate biogenic emissions from purchased electricity and heat. Additionally, the Group does not account for any removals or purchased, sold or transferred carbon credits or GHG allowances in calculating Scope 2 GHG emissions.

Scope 3 emissions are other indirect greenhouse gas emissions that are a consequence of the Group's activities but occur from sources not owned or controlled by the Group. The Group companies will report Scope 3 emissions in the next reporting period (for 2025).

Emissions type	**2024**	**2021**
	(tCO_{2e})	**(tCO_{2e})**
Direct emissions from stationary combustion	59.65	41.37
Direct emissions from mobile combustion	708.73	458.45
Total Scope 1	**768.38**	**499.82**
Indirect emissions from purchased/acquired electricity [location based]	6,840.10	6,049.66
Indirect emissions from purchased/acquired electricity [market based]	3,212.97	6,334.11
Indirect emissions from purchased/acquired heat	5,459.31	9,307.78
Total Scope 2 [location based]	**12,299.41**	**15,357.45**
Total Scope 2 [market based]	**8,672.28**	**15,641.89**
Intensity (Scope 1+2 GHG emissions/number of units under construction)	1.71 tCO_2e/unit	2.67 tCO_2e/unit
Intensity (GHG location-based Scope 1+2 emissions/ net revenue)	PLN 4.12 tCO_{2e}/PLN million	PLN 8.36 tCO_{2e}/PLN million
Intensity (GHG market-based Scope 1+2 emissions / net revenue)	PLN 2.98 tCO_{2e}/PLN million	PLN 8.51 tCO_{2e}/PLN million

Greenhouse gas (GHG) emissions reporting

1. 2021 is the baseline year.

2. Emissions are reported for the entire Group.
3. Scope 1 GHG emissions were calculated using the GHG Protocol Corporate Accounting and Reporting Standard.
   - The emission factor for natural gas was based on DEFRA (UK Department for Environment, Food & Rural Affairs) data.
   - The emission factors for gasoline and heating oil were based on data from the National Centre for Emissions Management (KOBiZE). Calorific values for gasoline and diesel were derived from fuel material safety data sheets published by PKN Orlen.
4. The indicators applied have been published by credible institutions and are applicable across the Group's operations.
5. Scope 2 GHG emissions were calculated using the GHG Protocol Corporate Accounting and Reporting Standard. Emission intensity factors used:
   - Location-based method: for electricity in Poland: 559.8 $kgCO_2/MWh$ based on KOBiZE data.
   - Market based method: based on data from electricity suppliers: EON Polska S.A., Polenergia Sp. z o.o., Tauron S.A. and ENERGA S.A., as well as their renewable energy guarantees.
   - In 2024, the Group companies purchased 5,599 MWh of energy from renewable sources, as evidenced by relevant contracts. It was assumed that the Group companies would redeem 100% of the contracted guarantees of origin.
   - for heat: based on 2023 data from the Energy Regulatory Office (URE)
6. The IPCC 100-year GWP factors were applied for calculating CO_2 equivalent emissions from non-CO_2 greenhouse gases.
7. derived from physical meter readings or invoiced data.
8. No joint ventures under the Group's operational control required reporting or consolidation in 2024 because no GHG emissions occurred from these sources last year.

ESRS E3 WATER AND MARINE RESOURCES

E3-1 – POLICIES RELATED TO WATER AND MARINE RESOURCES

The Group does not have a separate policy addressing water resources management, including the sustainable development of oceans and seas. The development of a dedicated policy is not planned before 2030.

To determine whether the Group operates in water stressed areas, the Aqueduct Water Risk Atlas – a publicly available and free tool – was used. The assessment confirmed that none of the Group's projects are located in areas of water stress or high-water stress. The Group companies do not purchase water from areas of water stress or high-water stress, and do not conduct business activities within such areas.[15]

E3-2 – ACTIONS AND RESOURCES RELATED TO WATER AND MARINE RESOURCES

The Group companies use water primarily in construction activities (such as concrete mixture bonding, masonry and plastering processes or the curing of concrete in summer). The Group's developments are supplied with water for domestic, commercial, and fire protection purposes. Water is also used during demolition works to mitigate excessive dust emissions. The

[15] A situation in which the amount of adequate quality water available is not sufficient to meet the needs of people and the environment [in:] Water resources across Europe — confronting water stress: an updated assessment. EEA Report 12/2021.

purchased water comes primarily from municipal water supply systems in the cities where the Group companies operate. The companies do not withdraw water from surface water sources, including marine waters. Sanitary wastewater is discharged into municipal sewage systems and subsequently treated at municipal wastewater treatment plants. The companies do not discharge wastewater directly into the environment. In compliance with legal regulations, rainwater is either managed on-site within the development projects or redirected to municipal sewage systems. Depending on ground and water conditions, the Group employs two primary methods for managing rainwater within its projects:

- technical solutions: retention tanks (including pipe-based reservoirs) or drainage boxes, which enable gradual rainwater discharge and soil infiltration.
- nature-based solutions: through the arrangement of rain gardens, which have positive biodiversity impacts,[16] and/or green roofs, which facilitate rainwater retention.

Wastewater from garage floors undergoes additional treatment through oil and hydrocarbon separators. Variations in water usage associated with the Group's operations are directly linked to the execution phases of ongoing development projects.

Water resource management measures are implemented on a continuous basis, as part of ongoing development projects. Accordingly, the Group has not set any specific timeframes or developed any Opex or Capex-intensive action plan. As the Group does not conduct operations in areas exposed to water-related risks, including regions experiencing significant water stress, it has not implemented measures in this regard.

E3-3 – TARGETS RELATED TO WATER AND MARINE RESOURCES

The Group has not set any measurable, outcome-oriented targets for water management, due to the absence of relevant regulatory requirements and policies. The setting of such targets is not expected before 2030.

E3-4 – WATER CONSUMPTION

Water consumption data within the Group is compiled based on actual usage stated in billing invoices from water supply providers. Information on water discharges is derived from administrative decisions issued during the reporting year.

Total water consumption [m³]	27,367.37
Total water consumption in areas at water risk, including areas of high-water stress [m³]	0.00
Total water recycled and reused [m³]	0.00
Total water stored and changes in storage [m³]	0.00
Water discharges [m³]	25,366.26
Water withdrawals [m³]	52,733.63

[16] Rain gardens:
- reduce irrigation needs, minimising municipal water consumption for nearby plants,
- lower surrounding temperatures during summer,
- contribute to increased water availability in the local environment,
- mitigate water table depletion and localised flooding during heavy rainfall,
- create a microclimate that attracts pollinators, insects, and small wildlife,
- help purify water and soil from pollutants thanks to carefully selected plant species.

Water intensity [m^3/EUR million[17]]	37.18

The water stress level for each of the Group's operational locations was determined using the Aqueduct Water Risk Atlas developed by the World Resources Institute (WRI).[18]

Location	Water stress level	Total water consumption [m^3]
Warsaw segment	Low (<10%)	6,750.16
Krakow segment	Medium – High (20-40%)	4,730.11
Tricity segment	Medium – High (20-40%)	5,788.10
Wroclaw segment	Low (<10%)	10,099.00

ESRS E4 BIODIVERSITY AND ECOSYSTEMS

E4-1 – TRANSITION PLAN AND CONSIDERATION OF BIODIVERSITY AND ECOSYSTEMS IN STRATEGY AND BUSINESS MODEL

The Dom Development Group does not have in place a transition plan for biodiversity and ecosystems. The Group does not expect to develop such plan before 2030. The Group has not conducted an analysis of the resilience of its business model and strategy in relation to biodiversity and ecosystems.

E4-2 – POLICIES RELATED TO BIODIVERSITY AND ECOSYSTEMS

The Group does not have in place a separate policy specifically addressing biodiversity and ecosystems. The development of a dedicated policy is not planned before 2030.

E4-3 – ACTIONS AND RESOURCES RELATED TO BIODIVERSITY AND ECOSYSTEMS

Recognising the impact of property development on the natural environment, the Group companies actively promote and engage in initiatives aimed at revitalising areas previously used for other purposes, including industrial sites. Such locations are often situated near transport and service infrastructure, making their redevelopment, such as by introducing residential functions, an effective way to combat urban sprawl. As part of the DOM 2030 ESG Strategy, the Group has committed

[17] Refers to net revenue.

[18] https://www.wri.org/applications/aqueduct/water-risk-atlas/#/?advanced=false&basemap=hydro&indicator=bws_cat&lat=52.499503824480215&lng=19.23486448824406&mapMode=view&month=1&opacity=0.5&ponderation=DEF&predefined=false&projection=absolute&scenario=optimistic&scope=baseline&threshold&timeScale=annual&year=baseline&zoom=7

to revitalisation projects that reclaim and transform 'forgotten' urban spaces. An example of this approach is the project at ul. Rydlówka 5 in Krakow's district of Podgórze, launched in 2024.

The Group companies have not incorporated local community knowledge nor conducted an analysis of the financial impacts of remediation activities.

The Group does integrate nature-based solutions into its projects, including green roofs, rain gardens, and measures to mitigate the urban heat island effect.

In line with the DOM 2030 ESG Strategy, the Group officially launched the Urban Greenery initiative in 2024, dedicated to transforming at least one publicly accessible space in each urban area where its companies operate.

In justified cases,[19] the Group companies are required to conduct soil remediation, following the specific procedures set out in administrative decisions issued by regional environmental protection authorities. Contaminated soil is always removed and transferred to licensed remediation contractors for further management outside its original location, and clean soil is brought in to replace it.

In 2024, no significant environmental contamination incidents related to hazardous substance spills were identified at any of the Group companies. The Group is committed to ensuring that every construction site is equipped with various spill containment and neutralisation solutions for fuels and construction chemicals, such as: hydrophobic loose absorbents, hydrophobic absorbent mats in sheets or rolls, absorbent pillows and booms, or biopreparations.

As the Group includes general contractor companies, efforts are made to limit the environmental impact of development projects. Various measures are implemented to minimise disruption to the natural surroundings,

E4-4 – TARGETS RELATED TO BIODIVERSITY AND ECOSYSTEMS

The Group has not set any measurable, outcome-oriented targets specifically for biodiversity and ecosystems, as these aspects are already addressed by the DOM 2030 ESG Strategy through existing goals, actions, and plans. The setting of such targets is not expected before 2030. The objectives and associated actions identified in the ESG Strategy concerning the implementation of the 'Urban Greenery' programme and revitalisation initiatives are detailed in section E4-3. Targets related to the establishment of publicly accessible green spaces and developments on degraded sites have not been aligned with global biodiversity frameworks; ecological thresholds have not been applied, nor have impacts been explicitly considered in their determination.

E4-5 – IMPACT METRICS RELATED TO BIODIVERSITY AND ECOSYSTEMS CHANGE

In compliance with national regulations, the Group has selected specific, available impact metrics, including:

- number of planted vegetation units,
- land area removed from agricultural use,
- weight of soil designated for removal as part of remediation,
- number of trees approved for felling in areas subject to nature protection, located within 500 metres of a project site.

The metrics selected by the Group are voluntary and are not mandated by law. They reflect various aspects of the companies' biodiversity impacts, such as vegetation planting, land-use changes, and

[19] when we become the owner of a post-industrial site.
- when there is legacy contamination of the earth's surface (according to the Polish Environmental Protection Law).

natural resource exploitation. Both national regulations and internal procedures require that the Group prioritises native and habitat-compatible species for replanting, which supports ecosystem diversity. The selected metrics are collected across all locations where the Group operates. Input data is sourced from administrative decisions issued during the reporting year, while monitoring of the metrics is conducted on an annual basis. The Group does not reference specific ecological thresholds, official guidelines, policies, or agreements in its biodiversity approach. Additionally, it has not set any measurable biodiversity conservation targets at this stage.

Metric	Warsaw segment	Wroclaw segment	Krakow segment	Tricity segment	Total
Number of planted vegetation units, incl.					
Single- and multi-stem trees [pcs]	467	155	97	364	1,083
Shrubs [pcs]	68,942	8,157	6,944	45,373	129,416
Climbers, perennials, and ornamental grasses [pcs]	23,562	10,888	5,583	38,210	78,243
Land area removed from agricultural use [ha]	1.06	0.00	0.00	0.00	1.06
Weight of soil designated for removal as part of remediation [t]	6,122.50	0.00	81,981.82	8,505.11	96,609.43
Number of trees approved for felling in areas subject to nature protection, located within 500 metres of project site [pcs]	45	0.00	0.00	46	91

ESRS E5 RESOURCE USE AND CIRCULAR ECONOMY

E5-1 – POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

The Group does not have a formalised circularity policy. Actions in this area are carried out in accordance with applicable national legal requirements. The development of a separate policy, namely a Green Procurement Standard, is planned no earlier than 2025.

E5-2 – ACTIONS AND RESOURCES IN RELATION TO RESOURCE USE AND CIRCULAR ECONOMY

The Group consistently implements circular economy (CE) principles in its operations, focusing on waste minimisation—particularly within production processes—and maximising added value, for instance through the development of Product-as-a-Service (PaaS) systems and the reuse of materials. To support these efforts, the Group companies are digitalising and automating their operations, leading to reduced material consumption. Key initiatives in this area include electronic document workflow to reduce paper usage, optimised defect inspection processes enabled by mobile devices and a dedicated application, and extensive use of BIM 360[20] in daily operations to streamline resource management. The Group carries out these activities on an ongoing basis, without defined time horizons.

[20] BIM (Building Information Modeling)

To reduce the carbon footprint of its buildings, the Group is gradually increasing the use of low-emission concrete and recycled steel in its projects.

E5-3 – TARGETS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

The Group has not set any measurable, outcome-oriented targets for resource use and circular economy. The Group will define these targets in 2025 within the adopted Green Procurement Standard, which will encompass the Group's value chain.

E5-4 – RESOURCE INFLOWS

Throughout its operations and value chain, the Group uses a wide range of material resources. The key resource categories include building materials used in construction. The main non-renewable materials used by the Group companies on construction sites are reinforcement steel, concrete, as well as sand-lime blocks and ceramic blocks. Among these, steel (reinforcement bars) is considered a critical resource, as it plays an essential role in building structures.

The Group discloses the following information about the materials used in its production processes:

- weight of technical and biological materials used during the reporting period,
- percentage of secondary reused or recycled materials used in construction projects and to manufacture components.

Data about the materials used is sourced directly from suppliers. The Group does not disclose the proportion of biological materials, including wood and other natural resources, used in construction processes, given the limited scope for their extensive application in residential construction.

Material consumption in 2024

Biological (raw) materials	
Material	**Unit of measure [t]**
sawn timber	18.03
shuttering plywood	27.67
OSB	12.91
shipping pallets	158.01
TOTAL	**216.63**
Technical (raw) materials	
Material	**Unit of measure [t]**
reinforcement steel – new	19,854.18
reinforcement steel – secondary reused, recycled	5,108.02
concrete – new	328,525.08
concrete – secondary reused, recycled	0.00
sand-lime blocks – new	8,035,873.80
sand-lime blocks – secondary reused, recycled	0.00
concrete blocks – new	15,335.00
concrete blocks – secondary reused, recycled	0.00
ceramic blocks – new	4,957,320.00
ceramic blocks – secondary reused, recycled	0.00
XPS (extruded polystyrene) – new	6.41
XPS – secondary reused, recycled	0.00
precast concrete balconies – new	41,275.55
precast concrete balconies – secondary reused, recycled	0.00
bricks (ceramic and clinker) – new	12.04
bricks (ceramic and clinker) – secondary reused, recycled	0.00
wool – new	46.30

wool – secondary reused, recycled	0.00
TOTAL – new materials	**13,398,248.35**
TOTAL – secondary reused, recycled materials	**5,108.02**

E5-5 – RESOURCE OUTFLOWS

The quantity of waste generated by the Group depends largely on the number of ongoing projects. Waste is primarily produced during construction and demolition works.

For each project, waste management is conducted in compliance with environmental protection laws, specifically the Polish Environmental Protection Act and Waste Act, ensuring the protection of human life, health and the environment.[21][22] The first priority is to prevent waste on construction sites, which is achieved through all kinds of measures (e.g. the use of appropriate materials and raw materials) aimed to minimise waste generation and waste quantities (through selective waste collection and on-site reuse whenever possible).

The waste management process is planned during the development of the Health and Safety Plan (BIOZ), which includes a Waste Management Plan tailored to each project.

During construction, waste is sorted and stored separately in clearly marked containers within designated areas with sealed surfaces. Hazardous waste is not stored on-site.

All generated waste is transferred exclusively to licensed contractors that hold permits for waste collection and treatment. Each waste management company must have an active Waste Database (BDO) number, ensuring full compliance with waste tracking regulations. This guarantees that the waste is properly processed, reused, and reintegrated into the circular economy.

The waste generated in the largest quantity on construction sites consists of mixed construction, renovation, and demolition waste. In the Group's opinion, their share in the total waste mass remains too high. The Group companies will aim to gradually reduce this volume mainly through:

- adapting to new requirements regarding the segregation of construction and demolition waste,[23]
- introducing regular training and inspections for both own workforce and subcontractor staff to ensure proper waste segregation,
- implementing measures to ultimately penalise non-compliance with segregation rules,
- reusing materials available on construction sites (e.g. treating demolition debris as a building material if it meets the required parameters).

According to current interpretation of the applicable legislation, all materials removed from construction sites are classified as waste and are subject to strict legal procedures. Potential reuse of waste as building materials involves a series of inspections and compliance with technical requirements.

The waste reported by the Group originates from demolition and construction works. Among the waste reported by the Group, metals such as iron and steel are present.

Total quantity of waste	**2024**
Total quantity of waste diverted from disposal	5.89
Total quantity of hazardous waste diverted from disposal	0.52

[21] Dz.U. 2001, item 627, as amended.

[22] Dz.U. 2013, item 21, as amended.

[23] As of 1 January 2025, the obligation of selective collection, reception, and sorting of construction and demolition waste should cover at least the following waste fractions: wood, metals, glass, plastics, gypsum, and mineral waste (including concrete, bricks, tiles, ceramic materials, and stones).

including preparation for reuse	0.00
including recycling	0.52
including other recovery processes	0.00
Total non-hazardous waste diverted from disposal	5.37
including preparation for reuse	0.00
including recycling	5.37
including other recovery processes	0.00
Total quantity of non-recycled waste [t]	16,115.28
Percentage of recycled waste [%]	100
Total quantity of waste sent for disposal	16,109.91
Total quantity of hazardous waste sent for disposal	0.05
including incineration	0.05
including landfilling	0.00
including other disposal processes	0.00
Total non-hazardous waste sent for disposal	16,109.86
including incineration	0.00
including landfilling	16,109.86
including other disposal processes	0.00
Total quantity of waste generated [t]	16,118.66
Total quantity of hazardous waste	0.57
Total non-hazardous waste	16,118.09

The summary includes waste reported across all Group companies. The method of waste management has been estimated.

3.3 DISCLOSURES PURSUANT TO ARTICLE 8 OF REGULATION 2020/852

The European Green Deal, adopted by the European Commission in 2019, is an action plan aimed at financing sustainable economic growth. Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, amending Regulation (EU) 2019/2088, provides a uniform classification tool for sustainable activities ('EU Environmental Taxonomy', 'EU Taxonomy' or 'Taxonomy').

The delegated act defining the technical screening criteria is Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, as amended by Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023. In 2023, Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council and amending Commission Delegated Regulation (EU) 2021/2178 was also adopted. By contrast, the Delegated Act on nuclear and natural gas activities is Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022.

The reporting of disclosures relating to the EU Taxonomy assesses eligibility and compliance with the Taxonomy.

The verification of eligibility requires an assessment of the business activity in terms of its significant contribution to the achievement of at least one of the six environmental objectives that allow the activity to be considered environmentally sustainable. These objectives are:

- climate change mitigation (CCM),
- Climate Change Adaptation (CCA),
- sustainable use and protection of water and marine resources (WTR),
- transition to a circular economy (CE),
- pollution prevention and control (PPC),
- protection and restoration of biodiversity and ecosystems (BIO).

For an economic activity to qualify as environmentally sustainable under the EU Taxonomy, which is used to determine the extent to which a given investment is environmentally sustainable, it must simultaneously meet four conditions:

1. make a significant contribution to at least one of the six environmental objectives mentioned above;
2. do not cause significant harm to any of the environmental objectives (DNSH - Do No Significant Harm principle);
3. be carried out in accordance with the minimum safeguards;
4. meet the technical screening criteria (TSC).

The criteria for making a substantial contribution to one or more of the six environmental objectives and to the "Do No Significant Harm" principle are defined through the technical screening criteria set out in the Taxonomy Delegated Acts (Delegated Regulation 2021/2139, Delegated Regulation 2022/1214, Delegated Regulation 2023/2486, Delegated Regulation 2023/2485 and Delegated Regulation 2020/852).

Mandatory disclosures of non-financial companies concern key performance indicators, which relate to the percentage share of Taxonomy-compliant, Taxonomy-eligible but not Taxonomy-aligned, and Taxonomy-non-eligible business activities, and accompanying information. The percentage of operations is presented under three indicators:

- turnover;
- capital expenditures (CapEx),
- operating expenses (OpEx).

Accounting policy

Non-financial companies are required to explain, as part of the disclosure of accounting policies, how turnover, capital expenditures and operating expenses have been determined and assigned to the numerator.

The calculation of the turnover, capital expenditure (CAPEX) and operating expense (OPEX) indicators was based on the definitions set out in Annex I to Commission Delegated Regulation (EU) 2021/2178. The Group's indicators were calculated using the same consolidation principles as those applied in the preparation of the financial statements. The data used for the calculations was sourced from the Dom Development Group's financial accounting system and financial accounting systems of the Group companies. The Group has implemented mechanisms to avoid double counting when allocating turnover, capital expenditures, and operating expenditures by applying appropriate consolidation eliminations, in accordance with applicable accounting regulations. For operating expenditures, all accounts within the Group's financial and accounting system were reviewed, with identified items meeting the definition of OpEx subsequently allocated to the relevant taxonomy-eligible activity in each instance.

Turnover

The denominator of the turnover KPI includes total revenue from the sale of finished goods, services and merchandise, representing the Group's total consolidated revenue in 2024, as disclosed in Note 7.34 of the consolidated financial statements. The numerator includes revenue from taxonomy-eligible activities, namely:

- 4.15 Heating/cooling distribution
- 7.1 Construction of new buildings
- 7.7 Acquisition and ownership of buildings
- 2.1 Accommodation activities
- 5.1 Activities related to the construction, expansion and operation of water collection, treatment and supply systems

For the turnover KPI, the entire allocated eligible turnover related to revenue from the sale of finished goods and the sale of services (IFRS 15). Given the nature of the Group's activities, no instances of own consumption were recorded in 2024.

Capital expenditures (CapEx)

The denominator of the CapEx KPI comprises additions to property, plant and equipment and increases in right-of-use assets (as disclosed in Note 7.7 of the Group's consolidated financial statements for 2024), as well as intangible assets (as disclosed in Note 7.6 of the Group's consolidated financial statements for 2024), both internally generated and acquired.

For the Dom Development Group, the denominator includes the total amounts specified in:

- Note 7.6 Intangible assets (other additions)

- Note 7.7 Property, plant and equipment (other additions).

The numerator comprises the above capital expenditures relating to eligible activities, broken down into the following activities:

- 7.1 Construction of new buildings
- 6.5 Transport by motorbikes, passenger cars and light commercial vehicles
- 8.1 Data processing, hosting and related activities
- 7.7 Acquisition and ownership of buildings

Capital expenditures incurred by the Group in 2024 on taxonomy-eligible activities related to additions in internally generated property, plant and equipment (22.9%), land and buildings (27.9%), means of transport (18.5%), and increases in right-of-use assets (30.7%).

Operating Expenses (OpEx)

For operating expenditures (OpEx), the denominator includes costs incurred to maintain assets in good working condition and costs related to short-term rentals and operating leases. These specifically comprise vehicle servicing and repair expenses, building maintenance costs, IT infrastructure repairs, and short-term rental or operating lease costs.

The numerator comprises operating expenditures relating to taxonomy-eligible activities, specifically non-capitalised costs associated with the rental (excluding services) of construction equipment, office equipment used during project execution, and site accommodation units (98%). These amounts relate exclusively to general contractor companies involved in the construction of new buildings—Dom Construction and Euro Styl Construction—as no eligible expenditures were identified in the other Group companies.

Verification of activity eligibility

In preparing disclosures for the year 2024, the Dom Development Group conducted an analysis of its business activities to identify those eligible under the EU Taxonomy. The financial information disclosed below covers revenue (turnover) derived from taxonomy-eligible economic activities, as well as related capital and operating expenditures.

The Group's principal business is construction of residential buildings. Following the analysis, the following taxonomy-eligible activities were identified:

Sector	Code	Activity	Description
Construction and real estate activities	CCM 7.1	Construction of new buildings	Development of construction projects involving residential and non-residential buildings by assembling financial, technical, and physical resources to complete building projects intended for subsequent sale, as well as construction works related to erecting complete residential or non-residential buildings, carried out either on own account for sale or under a contractual or fee arrangement.
Construction and real estate activities	CCM 7.7	Acquisition and ownership of buildings	The activity includes the acquisition of property and the exercise of ownership rights related to such property.
Accommodation activities	BIO 2.1	Hotels, holiday, camping grounds and similar accommodation	Provision of short-term tourist accommodation with accompanying services
Energy	CCM 4.15	District heating/cooling distribution	Construction, refurbishment and operation of pipelines and associated infrastructure for distribution of heating and cooling, ending at the sub-station or heat exchanger.
Water supply, sewerage, waste management and remediation activities	CCM 5.1	Construction, extension and operation of water collection, treatment and supply systems	Construction, extension and operation of water collection, treatment and supply systems
Transport	CCM 6.5	Transport by motorbikes, passenger cars and light commercial vehicles	Purchase, financing, rental, leasing and operation of vehicles classified in category M1.
Information and communication	CCM 8.1	Data processing; hosting and related activities	Data hosting, data manipulation, streaming, control, display, switching, exchange, transmission, or processing via data centres, including edge computing.

Verification of activity alignment

An eligible activity that simultaneously:

- makes a substantial contribution to at least one of the environmental objectives specified in the EU Taxonomy (meeting the technical screening criteria),
- does no significant harm to any of the other environmental objectives,
- and is conducted in compliance with the minimum safeguards defined in Article 18 of Regulation 2020/852,

can be classified as environmentally sustainable (Taxonomy-aligned). As part of the preparation of taxonomy disclosures, an analysis was carried out to verify the alignment of eligible activities with the technical screening criteria applicable to individual types of activities specified in Delegated Regulations 2021/2139, 2023/2485 and 2023/2486.

Based on a detailed analysis and verification of the Group's activities against the requirements of the EU Taxonomy, no activities were identified that fully meet all the specified technical screening criteria. The primary reasons for this include:

- non-compliance with the stringent energy efficiency standards requiring buildings to achieve at least 10% lower energy consumption than the threshold specified for nearly zero-energy buildings (NZEB) according to technical screening criteria;
- absence of lifecycle global warming potential (GWP) calculations for ongoing development projects;
- and insufficient documentation explicitly confirming the Group's alignment with the requirements of the EU Taxonomy.

Minimum safeguards

The Group assessed compliance with the minimum safeguards stipulated in the EU

Taxonomy. This assessment confirmed that the Group has adopted policies and procedures necessary to meet these minimum social safeguards. Furthermore, the evaluation identified no indications of non-compliance with the minimum safeguards in any of the reviewed areas, nor were any breaches or irregularities identified that resulted in final court judgments or administrative decisions.

The review of compliance with the minimum safeguards was conducted in accordance with the recommendations set out in the 'Final Report on Minimum Safeguards' issued by the Platform on Sustainable Finance. The Dom Development Group complies with the minimum safeguards, conducting its activities in line with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The Group has adopted and implements policies and procedures ensuring:

- the protection of human rights, labour rights, and consumer rights,
- compliance with environmental regulations,
- prevention of bribery and corruption,
- compliance with competition law,
- observance of tax regulations.

In this sustainability statement, the Group presents its second annual disclosure of taxonomy-eligible activities for the reporting period from 1 January 2024 to 31 December 2024, including comparative data for the previous reporting period (1 January 2023 to 31 December 2023).The tables below set out the Dom Development S.A. Group's taxonomy disclosures for 2024, prepared in accordance with the methodology described earlier in this section and aligned with Annex II to Commission Delegated Regulation (EU) 2021/2178, as amended by Commission Delegated Regulation (EU) 2023/2486, and Commission Delegated Regulation (EU) 2023/2485.

Proportion of turnover derived from products or services associated with taxonomy-aligned economic activities

Financial year 2024		**Year**		**Substantial contribution criteria**						**Do No Significant Harm (DNSH) criteria**									
Business activities	Code or codes	Turnover	Proportion of turnover, 2024	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity	Minimum safeguards	**Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) activities 2023**	Category Enabling activity	Category Transitional activity
		PLN million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	**%**	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0%	N/E:	N/E:	N/EL	N/EL	N/EL	N/EL								0%		
of which enabling		0	0%	0%	0%	0%	0%	0%	0%								0%	E	
of which transitional		0	0%	0%													0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Construction of new buildings	CCM 7.1	2,928.45	92%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								95.26%		
Acquisition and ownership of buildings	CCM 7.7	0,27	0.01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Provision of short-term tourist accommodation with accompanying services	BIO 2.1	15.12	0.5%	N/EL	N/EL	N/EL	N/EL	N/EL	EL								0.34%		
District heating/cooling distribution	CCM 4.15	1.87	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.02%		
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1	1.66	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		

Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	**2,947.37**	93%	93%	0%	0%	0%	0%	0.5%	[redacted]	95.62%	[redacted]
A. Turnover of Taxonomy-eligible activities (A.1+A.2)	**2,947.37**	93%	93%	0%	0%	0%	0%	0%	[redacted]	95.62%	[redacted]
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES											
Turnover of Taxonomy-non-eligible activities	220.81	7%									
TOTAL	3,168.18	100%									

Key performance indicators defined in accordance with Delegated Regulation 2023/2486

Environmental objective	Proportion of turnover / Total turnover	
	Taxonomy-aligned by objective	Taxonomy-eligible by objective
Climate change mitigation	0%	93%
Climate change adaptation	0%	0%
Water and marine resources	0%	0%
Circular economy	0%	0%
Pollution	0%	0%
Biodiversity	0%	0.5%

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities

Financial year 2024	Year			Substantial contribution criteria						Do No Significant Harm (DNSH) criteria									
Business activities	Code or codes	Capital expenditure	Proportion of CapEx, year 2024	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity	Minimum safeguards	**Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) activities 2023**	Category Enabling activity	Category Transitional activity
		PLN million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	**%**	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
of which enabling		0	0%	0%	0%	0%	0%	0%	0%								0%	E	
of which transitional		0	0%	0%													0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Construction of new buildings	CCM 7.1	7.65	20%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								6.15%		
Acquisition and ownership of buildings	CCM 7.7	8.4	22%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								43.64%		

Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	5.07	13%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	[redacted]	9.28%	[redacted]
Data processing; hosting and related activities	CCM 8.1	6.27	17%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	[redacted]	10.14%	[redacted]
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		27.38	72%	72%	0%	0%	0%	0%	0%	[redacted]	69.20%	[redacted]
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		27.38	72%	72%	0%	0%	0%	0%	0%	[redacted]	69.20%	[redacted]
B. TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES												
CapEx of Taxonomy-non-eligible activities		10.57	28%									
TOTAL		**37.95**	**100%**									

Key performance indicators defined in accordance with Delegated Regulation 2023/2486

Environmental objective	Proportion of CapEx/ Total CapEx	
	Taxonomy-aligned by objective	Taxonomy-eligible by objective
Climate change mitigation	0%	72%
Climate change adaptation	0%	0%
Water and marine resources	0%	0%
Circular economy	0%	0%
Pollution	0%	0%
Biodiversity	0%	0%

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities

Financial year 2024	Year			Substantial contribution criteria						Do No Significant Harm (DNSH) criteria									
Business activities	Code or codes	Operating expenditure	Proportion of OpEx, 2024	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity	Minimum safeguards	**Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) activities 2023**	Category Enabling activity	Category Transitional activity
		PLN million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	**%**	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	N/E;	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
of which enabling		0	0%	0%	0%	0%	0%	0%	0%								0%	E	
of which transitional		0	0%	0%													0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (g)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Construction of new buildings	CCM 7.1	10.32	14.85%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								13.64%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0.62	0.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.35%		
Data processing; hosting and related activities	CCM 8.1	0.03	0.05%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.17%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		10.97	15.79%	15.79%	%	%	%	%	%								15.16%		
A. OpEx of Taxonomy-eligible economic activities (A.1+A.2)		10.97	15.79%	15.79%	%	%	%	%	%								15.16%		

B. TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES		
OpEx of Taxonomy non-eligible economic activities	84.21	58.49%
TOTAL	**69.47**	**100%**

Environmental objective	Proportion of OPEx/ Total OpEx	
	Taxonomy-aligned by objective	Taxonomy-eligible by objective
Climate change mitigation	0%	15.79%
Climate change adaptation	0%	0%
Water and marine resources	0%	0%
Circular economy	0%	0%
Pollution	0%	0%
Biodiversity	0%	0%

The Group's activities are not related to nuclear energy or natural gas. The disclosure required by Annex III to Commission Delegated Regulation (EU) 2022/1214, supplementing Commission Delegated Regulation (EU) 2021/2178 with Annex XII regarding standardised templates for disclosures referred to in Article 8(6) and (7)—that is, for activities related to nuclear energy and natural gas—is provided below.

Nuclear energy related activities		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Data restatement

The Dom Development Group is committed to transparent disclosure of information regarding the proportion of environmentally sustainable activities in its revenue, capital expenditures and operating expenditures, in accordance with the EU Taxonomy. With this in mind, during the preparation of the Taxonomy disclosures for 2024, the Group revised the approach applied in the previous year. Consequently, the amounts related to capital expenditures for activity 7.1 Construction of new buildings (CCM) have been recalculated, and activities 6.5 Transport by motorbikes, passenger cars and light commercial vehicles (CCM), 7.7 Acquisition and ownership of buildings (CCM) and 8.1 Data processing, hosting and related activities (CCM)—for which both capital expenditures and operating expenditures were incurred—have been included in this year's disclosures. Additionally, following improvements to the methodology applied in calculating KPI denominators, the denominator for the OpEx KPI has been reassessed, and the related cost items have been revised accordingly. These adjustments are reflected in the tables presented in earlier pages, within the column corresponding to the N-1 period.

The originally reported KPI figures for the N-1 period (2023), together with the restated values determined under the revised approach described above, are set out below:

7.1 CCM Construction of new buildings

KPI	Values reported in 2023 (PLN thousand)	% denominator of KPI	Restated values for 2023 (PLN thousand)	% denominator of KPI
Eligible turnover	2,429,468	95.26%	2,429,468	95.26%
Eligible CapEx	1,783	4.37%	2,508	6.15%
Eligible OpEx	7,030	88.06%	7,337	13.64%
OpEx - denominator	7,983	-	53,790	-

6.5 CCM Transport by motorbikes, passenger cars and light commercial vehicles

KPI	Values reported in 2023 (PLN thousand)	% denominator of KPI	Restated values for 2023 (PLN thousand)	% denominator of KPI
Eligible turnover	0	0%	0	0%
Eligible CapEx	0	0%	2,508	6.15%
Eligible OpEx	0	0%	723	1.35%
OpEx - denominator	7,983	-	53,790	-

8.1 CCM Data processing, hosting and related activities

KPI	Values reported in 2023 (PLN thousand)	% denominator of KPI	Restated values for 2023 (PLN thousand)	% denominator of KPI
Eligible turnover	0	0%	0	0%
Eligible CapEx	0	0%	4,133	10.14%
Eligible OpEx	0	0%	9	0.12%
OpEx - denominator	7,983	-	53,790	-

7.7 CCM Acquisition and ownership of buildings

KPI	Values reported in 2023 (PLN thousand)	% denominator of KPI	Restated values for 2023 (PLN thousand)	% denominator of KPI
Eligible turnover	0	0%	0	0%
Eligible CapEx	0	0%	17,793	43.64%
Eligible OpEx	0	0%	0	0%
OpEx - denominator	7,983	-	53,790	-

3.4 SOCIAL INFORMATION

S1 Own workforce

S1-1 – POLICIES RELATED TO OWN WORKFORCE

The Employment Policy is the document governing how the Group engages with its workforce. It covers individuals employed at the Group companies under employment contracts as well as those performing tasks based on civil-law contracts. This policy outlines the commitments of all Group companies regarding employment. Its purpose is not only to ensure compliance with the applicable legal regulations but also to define and promote a healthy work-life balance while addressing equal opportunities and non-discrimination (on the grounds of gender, race, religion, nationality, sexual orientation, age, or disability). The Group has not implemented specific policies aimed at the elimination of discrimination. Any such violations can be reported in accordance with the Whistleblowing and Misconduct Reporting Procedure. The principles outlined in the UN Guiding Principles on Business and Human Rights are incorporated into the Fundamental Rights Policy. This policy explicitly states that the Group companies oppose all forms of forced labour, human trafficking, and worker exploitation while strictly adhering to the absolute prohibition of child labour. The policy also addresses the social and professional reintegration of employees, enabling them to return to work and actively participate in professional life. Reintegration programmes include training, job search assistance, and psychological support. Workplace accident prevention is addressed by the Group's Health, Safety and Environment Policy. Through their policies, the Group companies commit to:

- fostering stable forms of employment,
- respecting employees' rights to establish or join trade unions,
- ensuring safe and healthy working conditions,
- providing flexible work arrangements and promoting work-life balance,
- facilitating employees' return to work after long-term leave,
- offering social and professional reintegration programmes,
- ensuring equal and non-discriminatory treatment in HR processes,
- providing development, training, and skill enhancement opportunities for employees,
- promoting ethical values,
- structuring recruitment and candidate selection processes,
- maintaining a transparent remuneration and benefits system,
- adopting a zero-tolerance approach to irregularities,
- creating a workplace culture that respects diversity and fosters a positive organisational atmosphere.

The Fundamental Rights Policy, which incorporates the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises, requires the Group companies to monitor and comply with the provisions outlined in these documents. This includes:

- identifying and managing risks related to violations of fundamental rights within the company's operations, including during internal due diligence processes,
- taking actions to mitigate risks within the scope covered by the policy,
- monitoring the effectiveness of these actions.

The policy obligates the Group companies to take appropriate remedial actions in cases where its provisions are violated. These may include terminating a contract with a business partner, suspending deliveries from the contractor, or requiring the contractor to take remedial measures.

The policy applies to all employees of the Group companies, and the Management Boards of these companies are responsible for its implementation and oversight.

S1-2 – PROCESSES FOR ENGAGING WITH OWN WORKFORCE AND WORKERS' REPRESENTATIVES ABOUT IMPACTS

At the Group, there are several key procedures governing how it engages with its workforce, including:

1) with respect to recruitment and onboarding:
   a. transparency in the recruitment process – providing candidates with complete information about job requirements, responsibilities, and working conditions,
   b. onboarding of new employees – sharing information about the company, internal procedures, training opportunities, and employee benefits;
2) with respect to defining responsibilities and goals:
   a. setting periodic objectives – establishing measurable, achievable, and time-bound objectives, with periodic meetings to review progress;
3) with respect to communication and information flow:
   a. regular team meetings – to discuss ongoing matters, priorities, and challenges,
   b. communication channels – ensuring employees have access to communication tools, knowledge-sharing platforms, and clear, transparent information,
   c. 'Open door policy' – encouraging employees to directly reach out to supervisors with any questions, concerns, or issues;
4) with respect to development and training:
   a. identifying training needs – conducting annual surveys to assess training requirements, organising tailored training sessions and workshops for individuals and teams, and providing access to webinars and e-learning;
5) with respect to feedback from employees:
   a. regular performance evaluations – scheduling evaluation meetings based on employee needs to discuss work performance, progress, and areas for improvement;
6) with respect to employee well-being:
   a. ensuring work-life balance – offering remote work options in compliance with labour regulations, organising team bonding events, and engaging employees in initiatives promoting a healthy lifestyle and cultural activities,
   b. support in difficult situations – providing access to psychological assistance and adjusting responsibilities in the case of personal difficulties;
7) with respect to monitoring and improving the engagement:
   a. collecting employee feedback – conducting annual satisfaction surveys through the Employee Sentiment Barometer.

S1-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKERS TO RAISE CONCERNS

Employees can raise concerns and express their needs directly in conversation with their supervisor. Additionally, they have channels to anonymously report any concerns related to significant, actual, or potential positive or negative impacts that are affecting them or may affect them in the future. Employees can submit reports confidentially through the following channels: dedicated email addresses (etyka@domd.pl, etykaES@eurostyl.com.pl, riskandcompliance@domd.pl), traditional mail, telephone or in-person reporting. All reports are treated as confidential, and access is restricted to specifically designated individuals who are not involved in the reported case.

New employees receive information about the feedback channels during their onboarding process and are invited to participate in a satisfaction survey after three months of employment. All other employees can share their opinions annually through the Employee Sentiment Barometer. Additionally, employee feedback is collected by supervisors during the annual appraisal process. The Group companies evaluate the effectiveness of corrective measures identified through surveys by analysing survey results, implementing proposed solutions, and monitoring developments in areas subject to corrective actions.

To track and analyse negative workforce-related impacts, the HR Department monitors key metrics such as employee turnover, absenteeism and annual performance evaluations. Additionally, the department heads hold regular meetings to provide employees with a platform to openly share their feedback and concerns.

Information relating to the protection of individuals using whistleblowing procedures is provided in section G1-1.

S1-4 – TAKING ACTION ON MATERIAL IMPACTS ON OWN WORKFORCE, AND APPROACHES TO MITIGATING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO OWN WORKFORCE, AND EFFECTIVENESS OF THOSE ACTIONS

In 2024, no decisions were made regarding the minimisation of the negative impacts related to employees' working hours and the effect of overtime on work-life balance disruptions.

S1-5 – TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

The Group has not set any measurable, outcome-oriented targets for managing material negative impacts, risks and opportunities related to its own workforce. However, in line with the goal outlined in the DOM 2030 ESG Strategy, the Group will implement an HR Strategy in 2025 and define specific targets within that year.

S1-6 – CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES

Employees presented in the tables below include all personnel employed by the Group under employment contracts, expressed as full-time equivalents (FTEs) as at the end of the reporting period, i.e., as at 31 December 2024. The data disclosed in the Group's consolidated financial statements represent average employment in 2024, amounting to 697 full-time equivalents (FTEs).

The number of permanent employees presented in the table includes only personnel employed by the Group under indefinite-term employment contracts. Temporary employees are those employed under fixed-term contracts, probationary periods and/or as replacements. Individuals engaged under civil-law contracts are employed according to the provisions of the Civil Code. Self-employed personnel provide services under business-to-business (B2B) arrangements.

Quantitative data regarding the Group's own workforce have been sourced from external employee data registration systems and consolidated at the Group level.

Gender	Number of employees
Male	275
Female	447
Total employees	**722**

Information on employees by contract type, broken down by gender

Information	Female	Male	TOTAL
Number of employees	447	275	722
Number of permanent employees	389	232	621
Number of temporary employees	58	43	101
Number of full-time employees	434	272	706

Number of part-time employees	13	3	16

The Dom Development Group operates in Poland's four largest urban areas and does not employ personnel outside its country of operation.

Most of the Group's workforce is employed under employment contracts. As at the end of 2024, 98% of employees were employed on a full-time basis.

Information on employees by contract type, broken down by location (head count)

Information	Warsaw segment	Tricity segment	Wroclaw segment	Krakow segment	TOTAL
Number of employees	391	132	123	76	722
Number of permanent employees	361	110	96	54	621
Number of temporary employees	30	23	26	22	101
Number of full-time employees	386	123	122	75	706
Number of part-time employees	5	9	1	1	16

In 2024, the Group companies created 176.85 new full-time positions, of which 110.85 (63%) were filled by women. During the same period, 85.85 full-time positions were terminated across Group companies. The employee turnover rate in 2024 was 12.35%, calculated as the number of employees who left the Group during 2024 relative to the total workforce as at 31 December 2024.

S1-7 – CHARACTERISTICS OF NON-EMPLOYEE WORKERS IN THE UNDERTAKING'S OWN WORKFORCE

Non-employee workers within the Group's own workforce include individuals:

- engaged under civil-law contracts,
- independent contractors.

The data presented reflect the average number of individuals engaged in 2024 under civil-law or B2B contracts, excluding full-time equivalent calculations, as these are not applicable.

Information on non-employee workers by contract type, broken down by gender

Information	Female	Male	TOTAL
Number of employees under civil-law contracts	13	15	28
Number of self-employed workers	57	153	210

Number of individuals with contracts with the undertaking to supply labour	0
Number of independent contractors	210
Number of individuals provided by undertakings primarily engaged in employment activities (NACE code N78)	0

S1-9 – DIVERSITY METRICS

The numerical and percentage gender distribution within senior management is presented in section GOV-1.

Number of employees by age group

Age group	Number of employees
Under 30 years	228
31 to 50 years	442
Over 50 years	52

S1-10 – ADEQUATE WAGES

Wages at the Group companies correspond to the type of work performed and the qualifications of employees. All employees, irrespective of their position, receive base pay and performance-based bonuses that reflect their responsibilities and achievements. These matters are always subject to arrangements agreed upon with the Management Board, considering the quantity and quality of work executed. The Group offers a competitively structured benefits package, which includes base pay, bonus schemes, and additional benefits.

All employees engaged under employment contracts receive adequate remuneration, defined as base pay exceeding the statutory minimum[24] wage—the commonly used benchmark in Poland, which the Group has also adopted for sustainability reporting purposes.

S1-14 – HEALTH AND SAFETY METRICS

All employees of the Group companies classified as own workforce are covered by an occupational health and safety management system based on legal requirements. All employees of the Group companies classified as own workforce are covered by an occupational health and safety management system based on legal requirements.

Data on workplace accidents, ill health and confirmed occupational diseases affecting employees are collected using a dedicated application (eBHP) and through internal registers. All employees and independent contractors can report incidents via the application, with submissions directed immediately to the OHS Department, which undertakes the necessary actions to analyse and manage each incident. The application enables incident reporting, health-related notifications, data updating, generation and storage of required documentation, as well as monitoring and handling of reported cases by the OHS Department.

Data collection and management are the responsibility of Occupational Health and Safety personnel, who review reports promptly and undertake actions in accordance with applicable regulations. Accident reports are logged in a dedicated incident module within the application, enabling comprehensive recording of incidents and effective data management. For third-party employees, data collection methods vary depending on the nature of the contractual relationship and work location. At construction sites, accident reporting is the responsibility of the Site Manager, who subsequently enters the information into the system. For subcontractors, data records are maintained by the work

[24] As defined in the Polish Minimum Wage Act of 10 October 2002 (Dz.U. of 2023, item 1667).

organiser, which provides the basis for their inclusion in the tables.

The Company does not currently hold certification confirming the implementation of an occupational health and safety management system.

Percentage of personnel within the entity's own workforce who are covered by the entity's health and safety management system based on legal requirements and/or recognised standards or guidelines	100%
Number of fatalities as a result of work-related injuries and work-related ill health	0
Number of fatalities among other workers operating on the entity's premises as a result of work-related injuries and work-related ill health	2
Number of recordable work-related accidents	3
Rate of recordable work-related accidents	2.084
Number of cases of recordable work-related ill health among own workforce, subject to legal restrictions on the collection of data	2
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health among own workforce	13

S1-16 REMUNERATION METRICS

The gender pay gap is defined as the difference in average remuneration (gross hourly pay) between female and male employees. The calculations cover employees employed under employment contracts. Figures are presented separately for categories corresponding to different management levels. In preparing the information presented below, the Group included in its calculations the total of the following remuneration components:

- base salary, comprising guaranteed and fixed monetary pay;
- variable cash benefits, including bonuses, commissions, and other forms of variable cash payments; and
- non-cash benefits, such as private life insurance and healthcare.

Percentage gap in pay between female and male employees in a given category[25]

Level of management	Metric
executive level	19.77%
managerial level	17.26%
operational level	-2.78%

The measurement of this indicator has not been validated by an external entity other than the assurance service provider.

The ratio of the annual total remuneration of the highest-paid individual in the organisation to the median annual total remuneration of all other employees (excluding the highest-paid individual) for 2024 is 39.

S1-17 – INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS

The internally implemented Whistleblowing and Misconduct Reporting Procedure facilitates anonymous reporting of any misconduct occurring within the company. These procedures adhere to applicable legal requirements, allowing for reporting various types of misconduct, including corruption-related concerns, and defining the roles and responsibilities of both the whistleblower and the Group company handling the

25
1. Operational level – Non-managerial positions within the job families: assistant, specialist, expert
2. Managerial level – Managerial positions with or without subordinate teams, as well as director-level positions without subordinate teams
3. Senior management level – Executive-level positions with subordinate teams

report. Reports can be submitted through designated channels, including anonymous reporting where permissible, utilising the mechanisms specified in the procedures. Reports can be sent via dedicated email addresses (etyka@domd.pl, etykaES@eurostyl.com.pl), traditional mail, as well as through telephone or in-person communication. Concerns may also be raised openly with a direct supervisor, following the hierarchical reporting structure, or, in exceptional circumstances, directly with the President of the Management Board. Alternatively, concerns may be reported to the Risk and Compliance team within each company of the Group by emailing riskandcompliance@domd.pl, via telephone, or through other internal communication methods commonly used in the company. The Chief Risk and Compliance Officer of the Group is also available to all personnel for guidance and support on whistleblowing matters.

Regardless of the reporting method, every report initiates an internal investigation. Whistleblowers who submit reports in good faith are protected from any form of retaliation. The Company will also refrain from taking actions aimed at identifying individuals who have submitted anonymous reports. In the case of official reports made through formal channels, the Group companies ensure the support and protection of the whistleblower's identity.

In 2024, no complaints were submitted through the reporting channels (including grievance mechanisms) by the entity's own employees. Additionally, no significant incidents concerning respect for human rights involving Group employees were recorded.

S2 WORKERS IN THE VALUE CHAIN

Occupational health and safety for value chain workers have been identified as a material topic as a result of the double materiality assessment.

The Group's business model and strategy acknowledge its impact on the occupational safety of subcontractor staff, focusing on minimising risks in the construction industry, which is recognised as particularly prone to accidents. The Group addresses these risks through a comprehensive system of measures and solutions aimed at protecting the health and lives of workers on construction sites. This approach includes regular audits, safety training and safety compliance checks, which contribute to reducing workplace accidents. Additionally, at every construction site, health and safety training is provided for own workforce and non-employee workers, and preventive procedures are put in place, such as occupational risk assessments and ongoing monitoring of working conditions.

The Group does not have any policies in place addressing this topic, nor has it set any relevant targets or metrics. Accordingly, the Group does not report on measurable outcomes achieved through such initiatives.

S3 AFFECTED COMMUNITIES

As a result of the double materiality assessment, specific disclosures related to local communities have been identified as material. These include:

- supporting the development of sustainable cities,
- managing relationships with the social environment.

The Group's business model and strategy take into account the impact of its operations on urban development and community relationships. Supporting the development of sustainable cities is achieved through the design and execution of development projects that not only enhance urban attractiveness and cohesion but also contribute to local economic and social development. The Group companies actively engage in urban fabric development, creating community-friendly spaces that promote social integration and contributing to the emergence or revitalisation of local environments. Managing relationships with the social environment primarily involves dialogue with local communities and the implementation of measures to minimise inconveniences associated with project execution. The Group companies take into consideration potential negative impacts of their activities, such as noise and traffic disruptions, and undertake actions to mitigate these effects.

The Group does not have any policies in place addressing this topic, nor has it set any relevant targets or metrics. Accordingly, the Group does not report on measurable outcomes achieved through such initiatives.

S4 CONSUMERS AND END-USERS

As a result of the dual materiality assessment, the following consumer and end-user topics have been considered material:

- privacy,
- access to (quality) information,
- access to products and services,
- responsible marketing practices.

The business model and strategy of the Group, which operates in the real property and construction sector, consider its impact on privacy, access to information, access to products and services, and responsible marketing practices through the implementation of relevant policies, procedures, and standards. Regarding privacy, the Group applies personal data protection procedures to prevent confidentiality breaches and safeguard individuals' rights, particularly in contract signing processes. With respect to access to information, the Group ensures that contractual provisions are clear and legally compliant. It also adheres to the ‘green claims’ directive to promote transparency and accuracy in its communications. The Group’s operations increase the availability of housing stock in major urban areas, responding to market demand and contributing to improved housing conditions. Regarding responsible marketing practices, the Group prioritises credibility and verification of information provided to customers, investors, and shareholders, fostering trust and transparency.

The Group does not have any policies in place addressing this topic, nor has it set any relevant targets or metrics. Accordingly, the Group does not report on measurable outcomes achieved through such initiatives.

3.5 GOVERNANCE INFORMATION

G1 BUSINESS CONDUCT

G1-1 – CORPORATE CULTURE AND BUSINESS CONDUCT POLICIES

The Group does not have in place any specific business conduct policy, as the existing actions, policies, and procedures are deemed sufficient. The development of a dedicated policy is not planned before 2028.

Additionally, the Group does not provide any business conduct-related internal training. The Group companies have established their corporate culture by clearly defining their values, mission, and vision, which are communicated to employees. The corporate culture is further strengthened through internal communication (messages from the Management Board, newsletters, intranet), implementation of training programmes, and support for employee and inclusion promoting initiatives. The corporate culture is evaluated through employee feedback collection and analysis of employee turnover rates.

Protection of whistle-blowers

In line with the commitment to fostering a culture of transparency and accountability, selected Group companies have implemented a dedicated whistleblowing system for reporting irregularities, misconduct, and criminal offences. This system is set out in the publicly available Whistleblowing and Misconduct Reporting Procedures, which are fully compliant with applicable legal requirements, including those governing external reporting. The procedures enable the reporting of any type of misconduct, including corruption-related concerns, and establish the roles and responsibilities of both the whistleblower and the Group company handling the report. Reports can be submitted through designated channels, including anonymous reporting where permissible, utilising the mechanisms specified in the procedures. Reports can be sent via dedicated email addresses (etyka@domd.pl, etykaES@eurostyl.com.pl), traditional mail, as well as through telephone or in-person communication. Concerns may also be raised openly with a direct supervisor, following the hierarchical reporting structure, or, in exceptional circumstances, directly with the President of the Management Board. Alternatively, concerns may be reported to the Risk and Compliance team by emailing riskandcompliance@domd.pl, via telephone, or through other internal communication methods generally used in the Company. The Chief Risk and Compliance Officer of the Group is also available to all personnel for guidance and support on whistleblowing matters.

Regardless of the reporting method, every report initiates an internal investigation. Whistleblowers who submit reports in good faith are protected from any form of retaliation. The Company will also refrain from taking actions aimed at identifying individuals who have submitted anonymous reports. In the case of official reports made through formal channels, the Group companies ensure the support and protection of the whistleblower's identity. The Group companies have procedures for the prompt, independent, and objective investigation of incidents related to business conduct, including corruption and bribery cases.

The functions most vulnerable to corruption and bribery risks within the Group include:

- bidding for contracts and contract execution,
- relations with government offices and public institutions,
- supply chain and subcontractor relations,
- financial settlements.

The Group does not have in place any animal welfare policy. The Group does not have in place any policy on business conduct-related internal training.

G1-2 – MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

The Group strategically shapes its relationships with suppliers, considering cost and quality aspects and risks within the supply chain. The construction industry is recognised as one where late payments are a common issue. The Group companies can influence the size and duration of trade credit granted by suppliers, allowing them to make purchases with deferred payment terms. However, the process of negotiating and establishing contractual payment terms with business partners and suppliers at the Group is conducted in accordance with the provisions of the Act of 4 November 2022 amending the Act on counteracting excessive delays in commercial transactions and the Act on public finances. This ensures the protection of smaller enterprises in asymmetric relationships with a debtor classified as a large enterprise.

These factors contribute to the risk of potential conflicts or the loss of business partners.

General contractor companies of the Group promote local content within the supply chain, which helps reduce CO_2 emissions associated with transporting materials. Additionally, all Group companies require suppliers to adhere to environmental and social standards outlined in the Contractor Code of Conduct.

However, the Group does not incorporate social or environmental criteria in its supplier selection process.

The Group has not implemented a specific policy aimed at preventing late payments, particularly to SMEs, as it relies on compliance with existing applicable regulations in this regard.

G1-3 – PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

Counteracting corruption is a key area of corporate responsibility. All companies of the Dom Development Group have adopted an Anti-Corruption, Gift and Conflict of Interest Policy. The Group is currently working on adapting its policies to meet the disclosure requirements specified by the ESRS. The policy referred to in this statement does not yet fully comply with all requirements outlined in MDR-P. This policy does not reference the provisions of the United Nations Convention Against Corruption. However, it outlines anti-corruption principles applicable to both employees and business partners, a process for identifying corruption risks, and actions to be taken in the event of a corruption report. Any incidents can be reported through the designated channels outlined in company policies, including the email addresses (etyka@domd.pl, etykaES@eurostyl.com.pl), traditional mail, telephone or in-person reporting. Alternatively, concerns may be reported to the Risk and Compliance team by emailing riskandcompliance@domd.pl, via telephone, or through other internal communication methods generally used in the company. The Chief Risk and Compliance Officer of the Group is also available to all personnel for guidance and support on whistleblowing matters. Individuals conducting investigations, or the investigative committee, are separate from the governance structures involved in the case, ensuring an independent review process. As part of the Group's anti-corruption, gift and conflict of interest policies, the Chief Risk and Compliance Officer reports to the management boards and supervisory bodies on the effectiveness of these policies and, when circumstances allow, submits investigation reports to the management boards of the Group companies concerned.

In 2024, the Group companies did not conduct anti-corruption and bribery prevention training, as the Group's training programme schedules such sessions for 2025.

Every personnel member and business partner must familiarise themselves with the anti-corruption policies applicable at the Group. Employees must also participate in training sessions provided by the Group to educate them about corruption risks, mechanisms, and offenses. This training covers key anti-corruption principles, including the applicable rules for employees and business partners, guidelines for interactions with public administration bodies, policies on giving and receiving gifts, and ways to avoid conflicts of interest. A corruption risk assessment conducted for the Group confirmed that there are no areas where corruption risk is absent. Consequently, the relevant training programmes will be directed at all employees. Additionally, the Group provides its personnel with educational materials and one-pagers containing essential guidelines on reporting corruption incidents, facilitating the process of informing the company about potential risks. The Group's business partners are required to comply with the anti-corruption provisions outlined in the Contractor Code of Conduct, including:

a) refraining from any corrupt activities and ensuring lawful reporting and accounting for all transactions, costs, and expenses,
b) adhering to regulations regarding conflicts of interest, the giving and receiving of gifts, and the reporting and resolution of any misconduct,
c) preventing corruption in all forms, including bribery and extortion, by implementing effective measures against corruption, discrimination, money laundering, terrorist financing, and other unlawful or unethical practices,
d) raising awareness among their staff regarding their rights and responsibilities in relation to anti-corruption, conflicts of interest, and gift-giving policies,
e) promptly informing the Group of any violations of the Contractor Code of Conduct.

The Group continuously identifies corruption-related risks both externally and internally. The criteria used by the Group to assess the effectiveness of its anti-corruption measures include the number of reported incidents related to corruption, the frequency of corruption-related events, and the Group's subjective assessment of its daily business operations. As part of its compliance efforts, the Group conducts business operations based on due diligence processes and allocates the duties and responsibilities among personnel within various Group processes.

The Group's Chief Risk and Compliance Officer reports to the management boards of Group companies and their supervisory bodies findings from compliance activities and the overall implementation of anti-corruption measures.

The process of identifying corruption risks is carried out through regular reviews of the Group's internal processes to detect areas prone to corruption risks. The processes most vulnerable to corruption and bribery risks within the Group include:

- bidding for contracts and contract execution,
- relations with government offices and public institutions,
- supply chain and subcontracting processes,
- financial settlements.

The Chief Risk and Compliance Officer assesses identified corruption risks and evaluates their potential impact on the Group's operations. Where necessary, they develop a mitigation plan in line with the Group's risk management framework. The Chief Risk and Compliance Officer also oversees the implementation of the corruption risk management plan. Responsibility for implementing the risk management plan rests with business owners.

G1-4 CONFIRMED INCIDENTS OF CORRUPTION OR BRIBERY

In 2024, no incidents of corruption or bribery were recorded at the Group companies. Additionally, there were no convictions or fines for violations of anti-corruption and anti-bribery regulations, and no incidents where

- employees would be dismissed or disciplined due to corruption or bribery,
- contracts with business partners would be terminated or not renewed due to corruption or bribery-related violations.

G1-5 – POLITICAL INFLUENCE AND LOBBYING ACTIVITIES

The Group companies do not engage in lobbying activities and are apolitical organisations. The Group has not made any financial or in-kind contributions of a political nature. Members of the Management Board and Supervisory Board have not held comparable positions in public administration in the two years preceding their appointment during the reporting period. At the same time, as a core value, the Group respects the right of its employees to hold diverse political views and participate in social life. The Group companies do not tolerate any form of discrimination, including discrimination on the grounds of political beliefs or affiliations.

G1-6 – Payment practices

Since its establishment in the property development market, the Group has been committed to building and maintaining trust as a reliable payer/debtor that settles its obligations on time. To ensure timely payments, the Group companies have implemented appropriate processes to manage purchase invoice workflows, which allow them to verify, approve and account for supplier invoices within the payment deadlines, and then settle the payments by the due date.

As a trusted and reliable debtor, the Group can influence the size and duration of trade credit granted by suppliers, allowing it to make purchases with deferred payment terms. However, the process of negotiating and establishing contractual payment terms with business partners and suppliers at the Group is conducted in accordance with the provisions of the Act of 4 November 2022 amending the Act on counteracting excessive delays in commercial transactions and the Act on public finances. This ensures the protection of smaller enterprises in asymmetric relationships with a debtor classified as a large enterprise. The Group has not identified the need for a separate policy to prevent late payments, as it adheres to the applicable legal regulations. The Group has not set any relevant metrics, either.

Ensuring transparency in payment practices helps reduce the likelihood of unethical behaviour and lowers the risk of engaging in business relationships with partners that impose excessively long payment terms. In compliance with the regulatory deadline, i.e. by 30 April of each year, the Group companies subject to the reporting obligation[26] submit an annual report on payment terms in commercial transactions for the previous year.

Standard payment terms in contracts signed by the Group companies (regardless of their size) commence after receiving an invoice from the business partner, in accordance with the contractual provisions. We also accept shorter payment terms (14 days), as agreed in the course of business negotiations. We try not to exceed the statutory period of 30 days. The Group companies do not differentiate their suppliers based on size. The average invoice payment period is 17 days.

No legal proceedings are currently pending against any of the Group companies for late payments.

According to the table below, the percentage of payments made in line with standard payment terms, i.e. within 30 days, is 99.9%.

Payment terms in commercial transactions in 2024

Percentage share of individual cash payments not settled within the contractual deadline in the previous calendar year, with delays exceeding the deadline by:	Dom Development S.A.	Dom Development Wroclaw Sp. z o.o.	Dom Construction Sp. z o.o.	Euro Styl S.A.	Euro Styl Constructio n Sp. o.o.
up to 5 days	3.32%	3.14%	3.79%	6.65%	4.02%
6 to 30 days	2.00%	5.87%	3.52%	8.14%	2.39%
31 to 60 days	0.10%	0.35%	0.08%	0.74%	0.02%
61 to 120 days	0.01%	0.06%	0.01%	0.16%	-0.01%
over 120 days	0.00%	0.00%	0.00%	0.00%	0.04%

[26] Fiscal unity groups, property market companies and corporate income tax payers whose income earned in the tax year exceeded the equivalent of EUR 50 million. In the case of the Dom Development Group, the entities required to submit the report are: Dom Development S.A., Dom Construction Sp. z o.o., Dom Development Wroclaw Sp. z o.o., Euro Styl S.A., Euro Styl Construction Sp. z o.o.

4 CORPORATE GOVERNANCE

4.1 CORPORATE GOVERNANCE CODE APPLICABLE TO THE COMPANY

CORPORATE GOVERNANCE PRINCIPLES VOLUNTARILY ADOPTED BY THE COMPANY AND THEIR PUBLICLY AVAILABLE SOURCE

In 2024, Dom Development S.A. was subject to the set of rules adopted by the Board of Giełda Papierów Wartościowych w Warszawie S.A. (the Warsaw Stock Exchange) on 29 March 2021 under Resolution No. 13/1834/2021, i.e., the 'Best Practice for WSE Listed Companies 2021' ('BPWSE 2021').

The Management Board and Supervisory Board of the Company have adopted the Best Practice for WSE Listed Companies 2021, subject to the exceptions outlined below.

In 2024, the Company did not comply with principle 1.4.2 pursuant to which information on the ESG related strategy should include, without limitation: a presentation of a gender pay gap ratio with regard to salaries paid out to its employees, calculated as the percentage difference in the monthly average salary (including bonuses, awards and other allowances) between women and men in the past year, and a presentation of information on measures taken in order to eliminate any possible inequalities in that regard, along with a presentation of the related risks, and the time horizon in which equality is planned to be achieved.

Beginning with the 2022 report, the Company publishes a consolidated sustainability statement (ESG), including a gender pay gap ratio.

With respect to members of the Management Board, in 2024 the Company did not comply with principle 2.2. In accordance with principle 2.2, decisions to elect members of the management board or the supervisory board of companies should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in principle 2.1.

Members of the Management Board of Dom Development S.A. are appointed by a shareholder holding at least 50.1% of Company shares and by the Supervisory Board. The Supervisory Board and the majority shareholder of Dom Development S.A. were informed by the Management Board of the Company about the corporate governance recommendations concerning a minimum 30% representation of the underrepresented gender within the composition of the governing body.

From 1 March 2025, female representation on the Management Board of Dom Development S.A. will increase to 40%, with two women serving on the five-member Management Board.

As for the Supervisory Board, female representation exceeded 40% in 2024.

In 2024, the Company revised its application of principle 3.6, ensuring full compliance. The Head of Internal Audit now reports hierarchically to the President of the Management Board and functionally to the Chairperson of the Audit Committee.

The Company does not comply with principle 4.13, according to which a resolution on a new issue of shares with the exclusion of pre-emption right that also grants the pre-emption right to subscribe to the newly issued shares to selected shareholders or other entities may be adopted if at least the following conditions are met:

a) the company has a rational, economically justified need to urgently raise capital or the share issue is related to rational, economically justified transactions, among others such as a merger with or the acquisition of another company, or the shares are to be taken up under an incentive scheme established by the company;

b) the persons granted the pre-emptive right are to be selected according to objective general criteria;

c) the purchase price of the shares is in a rational relation with the current share price of the company or is to be determined in book-building on the market.

In 2024, the Company did not comply with this principle in relation to resolutions authorising new share issuances with the disapplication of pre-emption rights arising from the exercise of the Company's existing Management Share Option Programmes. These programmes are designed to provide the Company with effective tools and mechanisms to incentivise key management personnel to drive long-term value creation for both the Company and the Dom Development Group. The principle was also not complied with where the share issue price had been predetermined by the General Meeting.

The final principle not complied with by the Company is principle 6.3, which stipulates that companies' incentive schemes include a stock option programme for managers, the implementation of the stock option programme should depend on the beneficiaries' achievement, over a period of at least three years, of pre-defined, realistic financial and non-financial targets and sustainable development goals adequate to the company, and the share price or option exercise price for the beneficiaries cannot differ from the value of the shares at the time when such programme was approved.

The Company had two executive option schemes in place in 2024. One of the schemes established a cap on the number of options that could be exercised, limiting it to 20% of the total shares available under the programme in any given calendar year over the five-year period following its adoption. The second programme imposed a cap on the number of options that could be exercised, limiting it to 20% of the total shares available under the programme in each calendar year over the five-year period, commencing from the year in which the programme was adopted. Furthermore, any unexercised options under both programmes could be exercised at a later date but no later than the end of the year in which the respective programme reaches its 10-year term.

In the opinion of the Company's Management Board, the allocation of granted options into five tranches, with the exercise period commencing at 12-month intervals, represents an alternative to the framework set out in principle 6.3 of the Best Practice for WSE Listed Companies 2021 for aligning Management Board remuneration with the Company's long-term business and financial objectives.

The management share option programmes in effect at the Company in 2024 were structured to align the remuneration of key management personnel with shareholder value creation over a period of at least five years. The ability to exercise individual tranches immediately reflects the nature of the real estate development sector, which is highly cyclical and carries the risk of temporary dislocation between the share price and the Company's underlying performance and operational effectiveness.

The set of principles of the 'Best Practice for Warsaw Stock Exchange Listed Companies 2021' is publicly available on: https://www.gpw.pl/pub/GPW/files/PDF/dobre_praktyki/DPSN21_BROSZURA.pdf.

The Company has published information on its compliance with the recommendations and principles set out in the Best Practice for WSE Listed Companies 2021 at the following address:

https://inwestor.domd.pl/pl/lad-korporacyjny

In accordance with Principle 1.5 of the Best Practice for WSE Listed Companies 2021, the Group discloses that in 2024, it incurred the following expenditures on charitable activities:

Expenditure	**2024 (PLN thousand)**
Social organisations	827
Charitable institutions	3,633*
Culture and arts	8
Total charitable donations	**4,533**

* of which PLN 3,501 thousand was allocated to support people affected by the war in Ukraine

CORPORATE GOVERNANCE PRINCIPLES VOLUNTARILY ADOPTED BY THE COMPANY AND THEIR PUBLICLY AVAILABLE SOURCE

In 2024, Dom Development S.A. adhered to the principles set out in the Code of Good Practice published by the Polish Association of Developers. The Code is publicly available at:

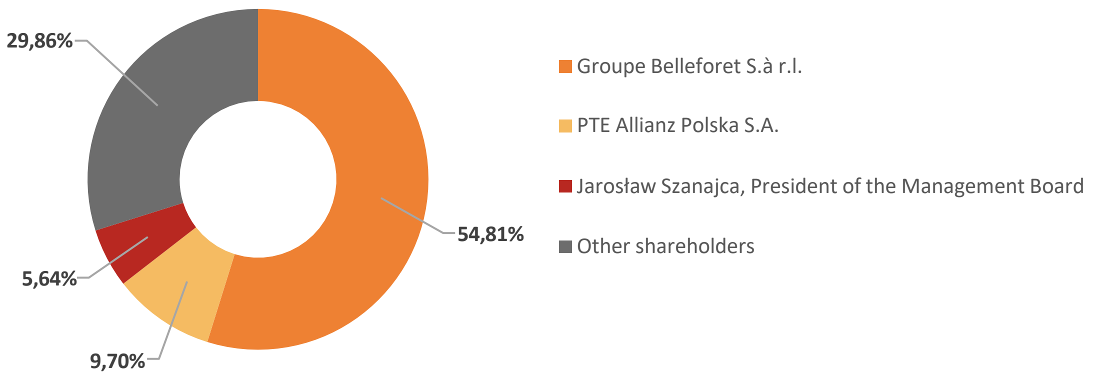
http://www.warszawa.pzfd.pl/strefa-klienta/kodeks-dobrych-praktyk

In 2024, the Company complied with all the principles set out in the Code.

4.2 SHARE CAPITAL, SHAREHOLDERS

SHAREHOLDING STRUCTURE

The shareholding structure of Dom Development S.A. as at 31 December 2024 was as follows:



As at 31 December 2024, the Company was controlled by the parent Groupe Belleforêt S.à r.l., which held 54.81% of the Company shares. The shareholding structure of Dom Development S.A. is stable. Representatives of Groupe Belleforêt S.à r.l. serve on the Management Board and the Supervisory Board of the Company. They played a key role in founding Dom Development S.A. and remain an invaluable source of expertise and support for the management of the Company and its subsidiaries.

The long-term involvement of the shareholders contributes to Dom Development S.A.'s success, facilitating sustainable growth and business optimisation and building the value of both the Company and the Group. The Management Board believes that this transparent and stable ownership structure benefits the Company's business, as the property development sector's extended production cycles, spanning years, require a long-term perspective.

Shares in Dom Development S.A. are held by multiple Open Pension Funds, with PTE Allianz Polska S.A. being the largest among them.

On 16 May 2023, the Company received a notification from PTE Allianz Polska S.A., the manager of Allianz Polska Otwarty Fundusz Emerytalny (open-end pension fund) ('Allianz OFE'), stating that following the winding up of Drugi Allianz Polska Otwarty Fundusz Emerytalny ('Drugi Allianz OFE') and the transfer of its assets to Allianz OFE, the total number of votes attached to shares held in Allianz OFE accounts had exceeded 5% of the total voting rights at the Company's General Meeting. As a result, Allianz OFE held 2,501,493 shares in the Company, representing 9.70% of the share capital and entitling it to exercise 2,501,493 votes, equivalent to 9.70% of the total voting rights at the General Meeting.

The table below provides detailed information on shareholders holding, directly or indirectly through subsidiaries, at least 5% of the total voting rights at the General Meeting as at 31 December 2024, as well as changes in their shareholding position since 31 December 2023.

Except for the Company share options detailed in Note 7.44 to the Group's 2024 Consolidated Financial Statements, the Management Board is not aware of any agreements, including those concluded after the reporting date, that could result in future changes to the shareholding structure among existing shareholders or bondholders. Furthermore, the Dom Development Group has no knowledge of any shareholder agreements or cooperation arrangements in place during 2024.

LIST OF SHAREHOLDERS HOLDING DIRECTLY OR INDIRECTLY (THROUGH SUBSIDIARIES) AT LEAST 5% OF THE TOTAL VOTING RIGHTS AT THE GENERAL MEETING OF SHAREHOLDERS ('GM')

AS AT 31 DECEMBER 2024	SHARES	CHANGE IN THE NUMBER OF SHARES SINCE 31 DECEMBER 2023	NUMBER OF VOTING RIGHTS	OWNERSHIP INTEREST AND SHARE IN TOTAL VOTING RIGHTS
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%

SPECIAL CONTROL RIGHTS

PERSONS HOLDING ANY SECURITIES WITH SPECIAL CONTROL RIGHTS, AND DESCRIPTION OF THESE RIGHTS

Pursuant to paragraph 6.2.2 of the Articles of Association of Dom Development S.A., a shareholder holding at least 50.1% of shares in the Company is personally vested with the right to appoint and dismiss half of the members of the Management Board, including the President of the Management Board and the Vice President of the Management Board who is responsible, pursuant to the Management Board Rules, for the Company's finances. For an odd number of Management Board members, a shareholder holding at least 50.1% of the shares in the Company is authorised to appoint, accordingly, three (for a five-person Management Board) or four (for a seven-person Management Board) Management Board members. The above right is exercised by way of serving a written statement to the Company regarding the appointment or dismissal of a given Management Board member. The remaining members of the Management Board are appointed and dismissed by the Supervisory Board.

Pursuant to Article 7.4 of the Articles of Association of Dom Development S.A., a shareholder holding at least 50.1% of the shares in the Company is vested with the personal right to appoint and dismiss half of the members of the Supervisory Board, including one Vice Chairperson thereof. If the Supervisory Board has an odd number of members, this shareholder can appoint three members if there are five members on the Board, four members if there are seven, or five members if there are nine. This right is exercised by submitting a written statement to the Company that specifies the appointment or removal of a member.

As at 31 December 2024, Groupe Belleforêt S.à r.l., a company with its registered office in Luxembourg, was the shareholder holding at least 50.1% of the Company's shares.

LIMITATION OF RIGHTS IN SHARES

RESTRICTIONS ON THE EXERCISE OF VOTING RIGHTS

Pledgees and beneficial owners of shares in the Company are not entitled to exercise their voting rights attached to shares.

RESTRICTIONS ON THE TRANSFER OF OWNERSHIP TITLE TO THE ISSUER'S SECURITIES

No restrictions are in place in Dom Development S.A. regarding the transfer of ownership title to shares in Dom Development S.A.

The transferability of subscription warrants issued by Dom Development S.A. under its management option

programmes is restricted, as such warrants may only be exercised by participants of the respective programme.

In the event of a participant's death, the warrants may be exercised by their heirs subject to the consent of the Supervisory Board of Dom Development S.A.

4.3 GENERAL MEETING

PROCEDURES OF THE GENERAL MEETING, ITS PRINCIPAL POWERS, AND A DESCRIPTION OF SHAREHOLDERS' RIGHTS AND THE METHODS FOR THEIR EXERCISE, IN PARTICULAR THE PRINCIPLES SET OUT IN THE RULES OF PROCEDURE OF THE GENERAL MEETING, IF SUCH RULES HAVE BEEN ADOPTED, UNLESS SUCH INFORMATION RESULTS DIRECTLY FROM APPLICABLE LAW

The General Meeting convenes as either an Annual or an Extraordinary General Meeting and operates as a governing body of the Company in accordance with the provisions of the Code of Commercial Companies and Partnerships Act of 15 September 2000 (consolidated text: Dz. U. of 2013, item 1030, as amended), the Company’s Articles of Association, and the publicly available Rules of Procedure of the General Meeting dated 5 September 2006, as amended by Resolution No. 27 of 15 May 2008 and Resolution No. 31 of 21 May 2009 of the Annual General Meeting of Dom Development S.A.

The Annual General Meeting is convened by the Management Board and is held in Warsaw within six months following the end of each financial year. Shareholders are entitled to participate in the General Meeting provided they hold shares in the Company as of the record date, which falls 16 days prior to the date of the General Meeting. Members of the Company’s Management Board and Supervisory Board are not required to receive formal invitations to attend the General Meeting. Other individuals, including statutory auditors and experts, may attend the General Meeting or specific parts thereof at the invitation of the Management Board, provided their presence is warranted to present opinions on matters under discussion. A statutory auditor is required to attend any General Meeting where the Company’s financial matters are addressed.

The General Meeting is deemed valid and may adopt resolutions only if shareholders representing at least 50.1% of the total voting rights are present. Resolutions are adopted by an absolute majority of validly cast votes unless otherwise provided for under the Commercial Companies Code or the Company’s Articles of Association. Voting may be conducted using an electronic system to cast and count votes. Pledgees and beneficial owners of shares are not entitled to exercise voting rights attached to the shares.

A resolution to remove an item from the agenda of the General Meeting or to abandon an item previously included in the agenda – whether at the initiative of shareholders or otherwise – requires a three-quarters majority of votes cast and the explicit prior consent of all shareholders present who submitted the motion for it to be valid.

The Chairperson submits the agenda for approval after verifying and signing the attendance list. The General Meeting may adopt the proposed agenda as presented, amend the order of proceedings, or remove specific items, subject to the provisions of the Company’s Articles of Association. The General Meeting may introduce new matters to the agenda for discussion; however, no resolutions may be adopted on such matters. The Chairperson of the Meeting is not authorised to remove items from the agenda or amend it without the consent of the General Meeting.

Each participant in the General Meeting has the right to speak on matters included in the adopted agenda as they arise for discussion. Additionally, any participant may submit a formal motion. The Chairperson gives the floor to a participant willing to lodge a formal motion out of turn. Formal motions are motions concerning the debate and voting procedure.

The General Meeting adopts resolutions on matters included in the agenda through voting, which is conducted by open ballot, subject to the provisions of the Company’s Articles of Association and the Commercial Companies Code.

The Annual General Meeting of Dom Development S.A. was held on 19 June 2024, while the Extraordinary General Meeting took place on 21 November 2024. Both General Meetings were convened at the request of the Management Board, and no motions were submitted by shareholders for the convening of a General Meeting.

The proceedings of the General Meetings were conducted in accordance with the provisions of the Commercial Companies Code, the Company's Articles of Association, the open and publicly available Rules of Procedure of the General Meeting of Dom Development S.A., and the Best Practice for WSE Listed Companies. Shareholders were provided with access to draft resolutions included in the agenda no later than 26 days before the scheduled date of each General Meeting. The Company duly verified shareholders' identities and their entitlement to participate in the General Meeting without raising any objections regarding the accuracy or validity of documents submitted by shareholders or their authorised representatives to evidence their rights.

The Chairperson of the General Meeting ensured the meetings proceeded efficiently and in good order. No sessions of the General Meeting were cancelled or adjourned. Members of the Management Board and the Supervisory Board who attended the General Meeting provided clear and comprehensive responses on all matters falling within their respective areas of responsibility and as required under applicable laws.

The manner in which resolutions were adopted at the General Meeting safeguarded the rights of minority shareholders, including their ability to express reservations and raise objections to proposed resolutions. None of the resolutions adopted was appealed in court.

The Annual General Meeting of Dom Development S.A. was held within the timeframe prescribed by Article 395 of the Commercial Companies Code. Documentation relating to the financial statements for the financial year 2023 was published on the Company's website three months prior to the date of the Annual General Meeting.

All resolutions passed by the General Meeting in 2024 were adopted with due regard to the Company's best interests and the rights of all stakeholders. Resolutions adopted by the General Meetings are available at: https://inwestor.domd.pl/pl/wza.

4.4 RULES FOR AMENDING THE ARTICLES OF ASSOCIATION

Under Articles 430 § 1 and 415 § 1 of the Commercial Companies Code, amendments to the Articles of Association of Dom Development S.A. require a resolution of the General Meeting adopted by a three-quarters majority vote and subsequent registration with the relevant court. If the amendment proposes to confer benefits upon shareholders or to restrict individual rights personally granted to specific shareholders under Article 354 of the Commercial Companies Code, consent from all affected shareholders is required. The Management Board of Dom Development S.A. is responsible for submitting amendments to the Articles of Association to the registration court. Additionally, the General Meeting may authorise the Supervisory Board to prepare a consolidated text of the Articles of Association incorporating the amendments or to implement other editorial changes specified within the resolution adopted by the General Meeting.

4.5 MANAGEMENT BOARD OF DOM DEVELOPMENT S.A.

PRINCIPLES FOR THE APPOINTMENT OR DISMISSAL OF THE MANAGEMENT BOARD

PRINCIPLES GOVERNING THE APPOINTMENT AND DISMISSAL OF MANAGEMENT PERSONNEL AND THEIR AUTHORITY, IN PARTICULAR REGARDING THE ISSUANCE OR REDEMPTION OF SHARES

In accordance with the Company's Articles of Association, the Management Board of Dom Development S.A. shall comprise between 4 and 8 members, including the President, with a three-year term of office. The Supervisory Board determines the number of members on the Management Board. A shareholder holding at least 50.1% of the Company's shares has the exclusive right to appoint and remove half of the Management Board members, which includes the President and the Vice President responsible for finance, as specified in the Rules of the Management Board. If the Management Board comprises an odd number of members, the majority shareholder (holding at least 50.1% of shares) is entitled to appoint three members in a five-member Management Board and four members in a seven-member Management Board. The above right is exercised by way of serving a written statement to the Company regarding the appointment or dismissal of a given Management Board member. The remaining members of the Management Board are appointed and dismissed by the Supervisory Board.

The Management Board represents the Company in and out of court. For statements to be validly made and executed on behalf of the Company, two members of the Management Board must act jointly, or alternatively, one member of the Management Board must act jointly with a commercial proxy.

Pursuant to Article 3.2.8 of the Company's Articles of Association, the Management Board is authorised to increase the Company's share capital through the issuance of new shares, up to a maximum aggregate nominal value of PLN 1,350,000 (one million three hundred and fifty thousand Polish złoty). Such increase may be conducted through one or multiple share capital increases within the limits of the authorised capital stated above. The Management Board's authority to increase share capital and issue new shares under the authorised capital provision of up to PLN 1,350,000 shall expire three years from the date the amendment to the Articles of Association, adopted by resolution No. 5 of the General Meeting dated 30 August 2022, is entered into the business register.

The authority to increase the share capital, as described in the preceding sentence, includes the issuance of subscription warrants whose subscription rights may expire after the expiry date specified above.

Subject to obtaining Supervisory Board approval, the Management Board may disapply shareholders' pre-emptive rights, either wholly or in part, regarding shares issued within the limits of the authorised capital.

Any increase in share capital by the Management Board under the authorised capital provisions requires a favourable opinion from the Supervisory Board. In all other respects, unless stipulated otherwise by the Commercial Companies Code, the Management Board is empowered to decide upon any matters relating to share capital increases within the authorised capital limits.

Pursuant to Article 3.2.6 of the Company's Articles of Association, repurchase of its own shares by the Company for redemption purposes requires solely the approval of the Supervisory Board, without necessitating consent from the General Meeting (subject to Article 393, item 6 of the Commercial Companies Code).

COMPOSITION OF THE MANAGEMENT BOARD

From 1 January 2024 to 29 October 2024, the Management Board of Dom Development S.A. comprised five members:

- Jarosław Szanajca, President of the Management Board,
- Leszek Stankiewicz, Vice President of the Management Board,
- Monika Perekitko, Member of the Management Board,
- Terry Roydon, Member of the Management Board,
- Mikołaj Konopka, Member of the Management Board.

On 29 October 2024, the Company received a notice of resignation from Monika Perekitko announcing her resignation as Member of the Management Board, effective 29 October 2024.

On 29 October 2024, the Company's Supervisory Board appointed Grzegorz Smoliński as a Member of the Management Board.

Accordingly, in the period from 29 October 2024 until 31 December 2024, the Management Board of Dom Development S.A. was composed of five members as follows:

- Jarosław Szanajca, President of the Management Board,
- Leszek Stankiewicz, Vice President of the Management Board,
- Terry Roydon, Member of the Management Board,
- Mikołaj Konopka, Member of the Management Board.
- Grzegorz Smoliński, Member of the Management Board,

On 28 August 2024, the Company received a notice of resignation from Jarosław Szanajca announcing his resignation as President of the Management Board, effective 31 December 2024. Following his departure, Mr Szanajca intended to join the Supervisory Board and contribute to the Company's continued development in that capacity. At the same time, Mr Szanajca recommended to the Company's majority shareholder, Groupe Belleforêt S.à r.l. of Luxembourg that Mikołaj Konopka, then serving as a Member of the Management Board, be appointed President of the Management Board, effective 1 January 2025.

Acting pursuant to Article 6.2.2 of the Company's Articles of Association, Groupe Belleforêt S.à r.l. appointed Mikołaj Konopka as President of the Management Board for a joint three-year term, effective 1 January 2025.

Furthermore, on 29 October 2024, Groupe Belleforêt S.à r.l. of Luxembourg, a shareholder holding at least 50.1% of Company shares, appointed Justyna Wilk as a Member of the Management Board, effective 1 January 2025.

On 29 November 2024, the Company received a notice of resignation from Leszek Stankiewicz announcing his resignation as Member and Vice President of the Management Board, effective 28 February 2025.

Furthermore, on 29 November 2024, the Company's shareholder holding at least 50.1% of its shares, Groupe Belleforêt S.à r.l. of Luxembourg, appointed Monika Dobosz as Member and Vice President of the Management Board for a joint three-year term, effective from 1 March 2025. In accordance with the Rules of the Management Board, Ms Dobosz will be responsible for finance at Dom Development S.A.

PRINCIPLES GOVERNING THE OPERATION OF THE MANAGEMENT BOARD

The Management Board operates in accordance with the provisions of the Commercial Companies Code, the Company's Articles of Association, and the Rules of the Management Board, which are publicly available and approved by the Supervisory Board.

As the Company's executive body, the Management Board is responsible for overseeing its day-to-day operations and representing the Company externally. It takes decisions on all matters concerning the Company, except for those reserved to the General Meeting or the Supervisory Board by applicable law, the Company's Articles of Association, or by resolution of the General Meeting.

For statements to be validly made and signed on behalf of the Company, either two members of the Management Board must act jointly, one member of the Management Board must act jointly with a commercial proxy (*prokurent*) authorised with either sole or joint representation authority, or two commercial proxies must act jointly. Resolutions of the Management Board are adopted by an absolute majority of votes. In case of a tie, the President of the Management Board has the deciding vote. In setting strategic objectives as well as current operational priorities for the Company, the Management Board was guided by the company's overarching interests, in full compliance with applicable laws, and duly considered the interests of shareholders, employees, and creditors.

To ensure transparency and effectiveness in the governance of the Company, the Management Board adhered to professional standards of conduct, operating within acceptable parameters of commercial risk, and thoroughly considered a broad range of available information, analyses, and expert opinions.

Remuneration decisions followed clearly defined procedures, were proportionate to the scope of individual responsibilities and competencies, and reflected the Company's business performance. Furthermore, the remuneration was benchmarked against remuneration practices at comparable companies operating in the residential property development market. The amount, form, and structure of remuneration for members of the Management Board were determined by the Supervisory Board in accordance with the applicable 'Dom Development S.A. Remuneration Policy for Members of the Management Board and Supervisory Board'.

4.6 SUPERVISORY BOARD

PRINCIPLES FOR THE APPOINTMENT AND DISMISSAL OF THE SUPERVISORY BOARD

The Supervisory Board comprises five to nine members, each appointed for a joint three-year term.

The General Meeting determines the number of members on the Supervisory Board. It is responsible for their appointment and removal, except for special rights held by a shareholder with at least 50.1% of the Company's shares. This shareholder has the right to appoint and remove half of the Supervisory Board members, which includes one Deputy Chairman. If the Supervisory Board has an odd number of members, this shareholder can appoint three members if there are five members on the Board, four members if there are seven, or five members if there are nine. This right is exercised by submitting a written statement to the Company that specifies the appointment or removal of a member.

At least two Supervisory Board members, appointed by the General Meeting, must meet the independence criteria outlined in Section 7.7 of the Company's Articles of Association. This independence requirement also extends to their immediate family members, including spouses, direct descendants, and ascendants.

COMPOSITION OF THE SUPERVISORY BOARD

As at 31 December 2024, the Supervisory Board of Dom Development S.A. consisted of seven members:

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

On 21 November 2024, the Extraordinary General Meeting of Dom Development S.A. passed a resolution amending Resolution No. 24 of the Annual General Meeting of Dom Development S.A. dated 30 June 2022, which determined the number of Supervisory Board members. It was resolved that, with effect from 1 January 2025, the Supervisory Board of Dom Development S.A. shall comprise eight members.

On 21 November 2024, the Extraordinary General Meeting of Dom Development S.A. appointed Jarosław Szanajca as Member of the Supervisory Board, effective 1 January 2025, for a joint three-year term.

On 22 November 2024, Grzegorz Kiełpsz, Chairman of the Supervisory Board, submitted his resignation from the position of Chairman, effective 31 December 2024. Mr Kiełpsz will continue to serve as Member of the Supervisory Board.

On 29 November 2024, the Supervisory Board appointed Jarosław Szanajca as Chairman of the Supervisory Board, effective 1 January 2025.

PRINCIPLES GOVERNING THE OPERATION OF THE SUPERVISORY BOARD

The Supervisory Board operates according to the provisions of the Commercial Companies Code, the Company’s Articles of Association, and the publicly accessible Rules of the Supervisory Board, which detail its organisation and operational procedures. Additionally, the Board adheres to the Code of Best Practice for WSE Listed Companies. As a permanent oversight body, it supervises all areas of the Company’s operations.

The Supervisory Board adopts resolutions and issues opinions on matters within its exclusive competence as specified in the Company’s Articles of Association and according to established procedures or applicable law.

The Supervisory Board held its meetings regularly. Members of the Management Board attended the meetings. In 2024, the Supervisory Board held 14 meetings. The Management Board provided the Supervisory Board with comprehensive and timely information regarding all significant matters relating to the Company's operations.

The Supervisory Board met the requirement to include at least two independent members, as defined by the independence criteria set out in the Company's Articles of Association.

Supervisory Board resolutions concerning: (i) approval for the Company or its affiliated entities to grant any benefits or considerations to members of the Management Board, irrespective of the reason, (ii) approval for the Company or its affiliated entities to enter into a material agreement with any related entity, or with any member of the Supervisory Board or the Management Board, or entities affiliated with such members, and (iii) the appointment of the statutory auditor for the audit of the Company’s financial statements, were each adopted with the consent of a majority of the independent members of the Supervisory Board.

The remuneration of Supervisory Board members was determined transparently and did not represent a material portion of the Company's expenses or significantly affect its financial result. The remuneration amounts were approved by a resolution of the General Meeting and disclosed in the annual report.

At the Annual General Meeting held on 19 June 2024, shareholders approved the Supervisory Board's report on its activities in 2023, prepared in accordance with the Best Practice for WSE Listed Companies 2021 and the Commercial Companies Code.

SUPERVISORY BOARD COMMITTEES

Two committees, the Audit Committee and the Remuneration Committee, were established within the structure of the Supervisory Board.

AUDIT COMMITTEE

As at 31 December 2024, the Audit Committee was composed of:

- Dorota Podedworna-Tarnowska, Chairwoman of the Audit Committee,
- Mark Spiteri, Member of the Audit Committee,
- Edyta Wojtkiewicz, Member of the Audit Committee.

The Audit Committee is a standing committee of the Supervisory Board. The Audit Committee comprises at least three members, appointed by the Supervisory Board from among its members. At least two members of the Audit Committee, including its Chairperson, must be independent members of the Supervisory Board as defined under Article 129(3) of the Act on statutory auditors, audit firms and public oversight of 11 May 2017 (Dz.U. 2024, item 1035) and Article 7.7 of the Company's Articles of Association. Furthermore, at least one member of the Audit Committee must have relevant expertise and qualifications in accounting or financial auditing. At least one member must have industry-specific knowledge and expertise relevant to the Company's business.

The statutory criteria of independence are met by the Chairwoman of the Audit Committee, Ms Dorota Podedworna-Tarnowska and Ms Edyta Wojtkiewicz.

All members of the Audit Committee have expertise and skills in accounting or financial reporting audit. Ms Dorota Podedworna-Tarnowska, Chairwoman of the Audit Committee, graduated in finance and banking and holds a doctorate in economics. In her professional work, she applies her extensive expertise in economics, finance, accounting, auditing, and financial statement audits. Ms Edyta Wojtkiewicz graduated from the Faculty of Finance and Banking at the Warsaw School of Economics. Throughout her professional career, she has served as a financial controller, chief accountant, and finance director, gaining substantial knowledge and experience in economics, finance, accounting, auditing, and financial statement audits. A Member of the Audit Committee, Mr Mark Spiteri, is a chartered accountant.

He applies his extensive practical experience in property development project management and real estate market operations gained through collaboration with property developers and consultancy firms. The responsibilities and competencies of the Audit Committee are detailed in the open and publicly available Rules of the Audit Committee, approved by the Supervisory Board.

The responsibilities and powers of the Audit Committee are set out in the open and publicly available Rules of the Audit Committee, as approved by the Supervisory Board.

The responsibilities of the Audit Committee include, in particular: (i) supervising the Management Board's compliance with applicable laws and regulations, notably the Accounting Act of 29 September 1994 and the Act on statutory auditors, audit firms and public oversight of 11 May 2017; overseeing the preparation of financial information by the Company, including the selection and consistent application of accounting policies; monitoring the implementation and evaluating the impact of new legal regulations; supervising the presentation of estimates, forecasts, and similar items in annual reports; and ensuring adherence to recommendations and findings provided by the statutory auditor appointed by the Supervisory Board; (ii) making recommendations to the Supervisory Board regarding the appointment and dismissal of the statutory auditor; (iii) assessing the independence and objectivity of the statutory auditor, particularly concerning any potential change of auditor and determining their remuneration; (iv) reviewing and evaluating the statutory auditor's performance; (v) ensuring the effectiveness of the Company's risk management framework; (vi) monitoring the performance of the compliance management system; (vii) supervising the effectiveness of internal controls and the internal audit function, particularly in relation to financial reporting; and (viii) monitoring the effectiveness and adequacy of the whistleblowing procedures or any alternative mechanisms established for reporting irregularities.

In performing its duties, the Audit Committee collaborates closely with the Supervisory Board, the Management Board, senior and middle management, as well as with the external and internal auditors.

The Vice President of the Management Board responsible for finance, the Deputy Finance Director – Financial Controller, and representatives of the external and internal audit functions attend Audit Committee meetings by invitation. In 2024, the Audit Committee held seven meetings.

The audit firm engaged to audit the Company's financial statements provided a permissible non-audit service to the Company in 2024. This involved an attestation service assessing the Supervisory Board's Report on the Remuneration of Members of the Management Board and the Supervisory Board of Dom Development S.A. for 2023.
The Audit Committee evaluated the audit firm's independence and approved the provision of this non-audit service.
In line with the Company's auditor selection policy, the Supervisory Board appoints the audit firm responsible for conducting the audit based upon a recommendation issued by the Audit Committee. In addition, transparent and non-discriminatory selection criteria have been established for the evaluation of bids submitted by audit firms, which guide the Audit Committee in preparing its recommendation and the Supervisory Board in selecting the audit firm. These criteria include, as a prerequisite:

- Independence and impartiality of the audit firm. To satisfy this requirement, the selected audit firm must submit an annual written confirmation to the Audit Committee no later than the date of the statutory audit, attesting to its independence from Dom Development S.A. and the Dom Development Group companies. The audit firm is also required to discuss with the Audit Committee any potential risks to its independence, along with the measures implemented to mitigate such risks;
- Furthermore, a fundamental criterion in selecting an audit firm to carry out the statutory audit of financial statements is the quality and reliability of the services provided; the audit fee must not be contingent upon any conditional arrangements, dependent upon the audit results, or influenced by or contingent upon the provision of any additional services to the audited entity or its affiliates;
- the track record and capacity in auditing financial statements of public interest entities, as well as its experience and capabilities in auditing companies operating in the residential property development and real estate sectors;
- the ability to conduct audits nationwide and deliver services to the required scope;
- the capacity to provide ongoing monitoring of regulatory changes; and
- the verification of the professional qualifications and experience of individuals directly involved in the audit process.

In accordance with the Company's policy on permissible non-audit services provided by the audit firm conducting the statutory audit, its affiliated entities, or any member of its network, the appointed audit firm, its affiliates, and any network members are prohibited from directly or indirectly providing Dom Development S.A. or its affiliated entities with any prohibited services, non-audit services unrelated to the statutory audit, or financial review services from the first day of the audited period until the issuance of the audit report. In the case of internal audit, risk management, or information system procedures, this restriction is effective in the financial year immediately preceding the audited period. The services listed in Article 136(2) of the Act of 11 May 2017 on statutory auditors, audit Firms and Public oversight are not prohibited. Such services may only be provided if they are unrelated to the tax policy of Dom Development S.A., subject to the Audit Committee's assessment of any threats to auditor independence and the adequacy of the safeguards applied, and only with the prior approval of the Audit Committee. If the auditor or the audit firm provides services to Dom Development S.A. or companies within the Dom Development Group for at least three consecutive financial years, the total fees for such services must not exceed 70% of the average fees paid over the consecutive three financial years for the statutory audit of the financial statements of Dom Development S.A. and the consolidated financial statements of the Dom Development Group.

The Audit Committee's recommendation of 21 August 2023 regarding the selection of the audit firm complies with the requirements set out in Article 130(2) of the Act on statutory auditors, audit firms, and public oversight of 11 May 2017.

REMUNERATION COMMITTEE

As at 31 December 2024, the Remuneration Committee was composed of:

- Dorota Podedworna-Tarnowska – Chairwoman of the Remuneration Committee,
- Mark Spiteri – Member of the Remuneration Committee,
- Anna Maria Panasiuk – Member of the Remuneration Committee.

The Remuneration Committee is a standing committee of the Supervisory Board. The Remuneration Committee consists of at least three members appointed by the Supervisory Board from among its members. At least two Committee members must be Independent Supervisory Board Members, as defined in Section 7.7 of the Company's Articles of Association. The Supervisory Board appoints one of the Independent Supervisory Board Members, as defined in Section 7.7 of the Company's Articles of Association, to serve as Chairperson of the Remuneration Committee. Each member of the Remuneration Committee may be removed at any time by the Supervisory Board.

The Remuneration Committee's responsibilities and powers are set out in the publicly available Remuneration Committee Rules, as approved by the Supervisory Board.

The Remuneration Committee is responsible, in particular, for: (i) periodically reviewing the remuneration framework for Management Board members and providing recommendations to the Supervisory Board accordingly;

(ii) preparing proposals on cash remuneration and non-monetary benefits for individual Management Board members, including, in particular, management share option programmes (with granted options convertible into Company shares), for consideration by the Supervisory Board;

(iii) proposing drafts of the Company's remuneration policy.

The President of the Management Board and the HR Director attend Remuneration Committee meetings by invitation. In 2024, the Remuneration Committee held seven meetings.

4.7 REPORT ON THE REMUNERATION POLICY

REMUNERATION FRAMEWORK ADOPTED BY THE COMPANY

The remuneration policy in place for the Company's management, supervisory bodies, and key executives at Dom Development S.A. is designed to support the Company's strategy and both its short- and long-term objectives.

In the 2024 financial year, there were no significant changes in the implementation of the remuneration policy adopted by the Company on 31 August 2020 by resolution of the Annual General Meeting of Dom Development S.A.

The remuneration policy was developed in compliance with Polish and European regulations governing executive remuneration in publicly listed companies. It aims to ensure a transparent and well-defined approach to the remuneration of Management Board and Supervisory Board members, aligning with the Company's business strategy while reflecting the current business environment and prevailing market practices in publicly listed companies.

The Remuneration Policy is designed to ensure:

- Alignment with the Company's business strategy, safeguarding its long-term interests, and supporting the stability of its growth while serving the interests of its shareholders, investors, and stakeholders;
- Transparency in the remuneration framework for Management Board members by establishing a single remuneration structure covering all duties performed for the Company. Management Board members may also hold positions in the Company's subsidiaries;
- Supervisory Board remuneration that is appropriate to the Company's overall remuneration practices and aligned with market standards;
- Effective governance of the Remuneration Policy, with measures in place to prevent conflicts of interest in its implementation.

TERMS AND AMOUNT OF REMUNERATION, BONUSES, AND BENEFITS FOR MANAGEMENT BOARD MEMBERS

In accordance with the Articles of Association of the Company, the terms of contracts and remuneration for the President of the Management Board and the other Members of the Management Board is the responsibility of the Supervisory Board, upon the recommendation of the Remuneration Committee in this regard.

The Remuneration Committee periodically reviews the remuneration framework for Management Board members and submits relevant recommendations to the Supervisory Board. It proposes remuneration levels and additional benefits for individual Management Board members, including, in particular, benefits under the management share option programme (options convertible into shares in the Company's share capital), for consideration by the Supervisory Board.

The remuneration of Management Board members and key executives is determined in accordance with the adopted Remuneration Policy and comprises a fixed component (base salary), a variable performance-based component (bonus scheme), and non-monetary benefits. In 2024, the principles of the remuneration framework remained consistent with those of previous years, with remuneration structured around an incentive system linked to the Company's financial performance and strategic business and financial objectives. The awarding of the annual discretionary bonus was contingent upon the extent to which individual annual targets, aligned with the Company's business objectives, were achieved. In 2024, the remuneration (including bonuses) paid or potentially payable to individual members of the Company's management bodies for their service on these bodies at both the Company and its subsidiaries was as follows:

REMUNERATION AND BONUSES OF MANAGEMENT BOARD MEMBERS OF DOM DEVELOPMENT S.A. (PLN thousand)	Fixed components	Variable components*	Non-monetary benefits
For serving on governing bodies of Dom Development S.A.			
Jarosław Szanajca	1,489	2,726	28
Monika Perekitko[1]	1,200	3,817	15
Grzegorz Smoliński[2]	170	898	0
Leszek Stankiewicz	1,429	2,680	19
Mikołaj Konopka	396	1,148	-
Terry Roydon	72	2,195	-

* Variable remuneration based on the estimated bonus calculation for 2024, prior to the approval of the underlying financial statements.

[1] Ms Monika Perekitko resigned as a member of the Management Board effective 29 October 2024.

[2] Mr Grzegorz Smolinski was appointed to serve as a member of the Board as of 30 October 2024.

REMUNERATION AND BONUSES OF MANAGEMENT BOARD MEMBERS OF DOM DEVELOPMENT S.A. (PLN thousand)	Company name	Fixed components	Variable components	Non-monetary benefits
For serving on governing bodies of subsidiaries				
Jarosław Szanajca	Euro Styl S.A.	120	-	-
Leszek Stankiewicz	Dom Construction Sp. z o.o.	40	-	-
Mikołaj Konopka	Euro Styl S.A.	702	2,069	40
Mikołaj Konopka	Euro Styl Construction Sp. z o.o.	6	-	-
Mikołaj Konopka	Apartamenty Las Jastarnia Sp. z o.o.	6	-	-
Mikołaj Konopka	Euro Styl Montownia Sp. z o.o.	6	-	-
Mikołaj Konopka	GGI Dolne Miasto Sp. z o.o.	6	-	-
Mikołaj Konopka	Your Destination Sp. z o.o.	6	-	-

Apart from dividends, no profit distributions were made to the Company's management in 2024.

The Company also operates Management Share Option Programmes, details of which are presented in Note 3.8 of this report and Note 7.44 to the consolidated financial statements of the Group for 2024.

Information on share options granted to and exercised by the Management Board members of Dom Development S.A. is presented in the table below.

STOCK OPTIONS GRANTED AND EXERCISED IN 2024	Options granted and outstanding as at 1 January 2024 (number of shares)	Options granted in 2024 (number of shares)	Options exercised in 2024 (number of shares)	Closing price of shares at the exercise date	Exercise price per option	Option exercise date
Jarosław Szanajca	-	-	-	-	-	-
Leszek Stankiewicz	150,000	-	50,000	PLN 164.20	PLN 50.00	6 Feb 2024
Monika Perekitko	-	-	-	-	-	-
Grzegorz Smoliński	-	-	-	-	-	-
Mikołaj Konopka	50,000	-	50,000	PLN 160.60	PLN 50.00	30 Jan 2024
Terry Roydon	-	-	-	-	-	-

NON-MONETARY COMPONENTS OF REMUNERATION FOR MEMBERS OF THE MANAGEMENT BOARD AND KEY MANAGERS

The remuneration of the Company's Management Board members, Supervisory Board members, and key executives of the Group also includes non-monetary components in the form of additional benefits in kind, such as private medical care and a company car available for personal use.

PENSION OBLIGATIONS FOR FORMER MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

The Company has no obligations arising from pensions or similar benefits for former management or supervisory board members.

AGREEMENTS WITH MEMBERS OF THE MANAGEMENT BOARD IN CASE OF RESIGNATION OR DISMISSAL

All members of the Company's Management Board receive remuneration based on the resolutions of the Supervisory Board.

No member of the Management Board is entitled to compensation in the event of resignation. Pursuant to Supervisory Board resolutions, in the event of dismissal for reasons other than a material breach of duties or non-reappointment for a further term, Jarosław Szanajca, Monika Perekitko, Grzegorz Smoliński, Leszek Stankiewicz, and Mikołaj Konopka are entitled to a severance payment equivalent to six months' remuneration.

AMOUNT OF REMUNERATION, BONUSES, AND BENEFITS FOR SUPERVISORY BOARD MEMBERS

In 2024, the remuneration paid, due, or potentially due to each individual Supervisory Board member was as follows:

REMUNERATION AND BONUSES OF SUPERVISORY BOARD MEMBERS OF DOM DEVELOPMENT S.A. (PLN thousand)	at Dom Development S.A.	at other Group companies
Grzegorz Kiełpsz	600	-
Janusz Zalewski	110	-
Mark Spiteri	144	-
Dorota Podedworna-Tarnowska	166	-
Anna Panasiuk	127	-
Edyta Wojtkiewicz	127	-
Philippe Bonavero	110	-

Apart from dividends, no profit distributions were made to members of the Company's supervisory bodies in 2024.

ASSESSMENT OF THE REMUNERATION POLICY

In the view of the Company's Management Board, the remuneration of members of the Management Board and the Supervisory Board was fully aligned with the Remuneration Policy. The Company's approach, which links Management Board remuneration to financial performance while ensuring the achievement of strategic business objectives, provides a foundation for the Company's operational stability and supports long-term value creation for shareholders.

4.8 HOLDINGS OF DOM DEVELOPMENT SHARES BY MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

TOTAL NUMBER AND PAR VALUE OF DOM DEVELOPMENT SHARES AND SHARES IN OTHER GROUP COMPANIES HELD BY MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

				AS AT 31 DECEMBER 2024	CHANGE SINCE 31 DECEMBER 2023	
	Shares	Par value (PLN thousand)	Share options	Total shares and options	Shares	Share options
MANAGEMENT BOARD						
Jarosław Szanajca	1,454,050	1,454	-	1,454,050	-	-
Mikołaj Konopka	213,561	214	-	213,561	43,500	(50,000)
Leszek Stankiewicz	-	-	-	-	(150,000)	(150,000)
Grzegorz Smoliński	3,003	3	-	3,003	(297)	-
Terry Roydon	58,500	59	-	58,500	-	-
SUPERVISORY BOARD						
Grzegorz Kiełpsz	1,280,750	1,281	-	1,280,750	-	-
Janusz Zalewski	91,000	91	-	91,000	(209,000)	-
Mark Spiteri	900	1	-	900	-	-
Anna Panasiuk	-	-	-	-	-	-
Edyta Wojtkiewicz	-	-	-	-	-	-
Philippe Bonavero	-	-	-	-	-	-
Dorota Podedworna-Tarnowska	-	-	-	-	-	-

Members of the Company's Management Board and Supervisory Board did not hold any interests in other Group companies, except for Dom Land Sp. z o.o., in which, as at 31 December 2024, Jarosław Szanajca, Grzegorz Kiełpsz, and Mark Spiteri each held a 20% shareholding.

4.9 MANAGEMENT SHARE OPTION PROGRAMMES

EMPLOYEE SHARE PROGRAMMES EFFECTIVE IN 2024

AGREEMENTS KNOWN TO THE COMPANY, CONCLUDED DURING THE LAST FINANCIAL YEAR, THAT MAY RESULT IN FUTURE CHANGES TO THE SHAREHOLDINGS OF EXISTING SHAREHOLDERS

The Company had two executive option schemes in place in 2024.

On 29 November 2019, the Supervisory Board passed resolution No. 02/11/19 approving the terms of the 5th Management Share Option Programme for Mr. Mikołaj Konopka, Member of the Management Board, covering 250,000 shares in Dom Development S.A. ('5th Programme'). Pursuant to the terms of the programme, Mr Konopka was granted a one-off award of options, entitling him to acquire 250,000 shares in Dom Development S.A. at a price of PLN 50.00 (fifty zloty, zero grosz) per share. The exercise of these options is limited to 50,000 shares within any consecutive 12-month period, commencing on 1 January 2020. Any unexercised options may be carried forward and exercised at a later date but no later than 31 December 2029. As at 31 December 2024, all options granted under the 5th Management Share Option Programme had been fully exercised.

On 4 November 2022, the Supervisory Board resolution No. 01/10/22 approved the terms of the 7th Management Share Option Programme for Mr Leszek

Stankiewicz, Vice President of the Management Board, covering 250,000 shares in Dom Development S.A. ('7th Programme'). Pursuant to the terms of the programme, Mr Stankiewicz was granted a one-off award of options, entitling him to acquire 250,000 shares in Dom Development S.A. at an exercise price of PLN 50.00 (fifty zloty, zero grosz) per share. The exercise of these options will be limited to 50,000 shares per calendar year, starting from 2022. Any unexercised options may be carried forward and exercised at a later date but no later than 31 December 2032. On 29 November 2024, Mr. Stankiewicz formally renounced his right to exercise options over 100,000 shares in the Company granted to him under the programme. As a result, the 7th Programme has been extinguished.

For information on Management Share Option Programmes, see Note 7.44. to the Group's Consolidated Financial Statements for 2024.

CONTROL SYSTEM FOR EMPLOYEE SHARE PROGRAMMES

The management share option programmes implemented by the Company were adopted by the Annual General Meeting, which also authorised the Supervisory Board to establish detailed rules for their execution.

On 30 August 2022, the Annual General Meeting authorised the Management Board to increase the Company's share capital within the authorised capital framework and to issue warrants enabling the exercise of subscription rights under the 5th Management Share Option Programme for Mikołaj Konopka, a Member of the Management Board of Dom Development S.A., in respect of 250,000 shares, and under the 7th Management Share Option Programme for Leszek Stankiewicz, Vice President of the Management Board and Chief Financial Officer of Dom Development S.A., also in respect of 250,000 shares. The Management Board adopted resolutions on share capital increases with the approval of the Supervisory Board.

4.10 APPLICATION OF THE DIVERSITY POLICY WITH RESPECT TO THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

In the opinion of the Management Board, the composition of both the Management Board and the Supervisory Board of Dom Development S.A. ensured a diverse range of age, education, and professional experience, providing a well-rounded perspective that supports the Company's operations and oversight.

Until November 2024, the Management Board consisted of five members: four men and one woman. All members of the Management Board have been with the Group for many years, and their appointment was determined by their expertise and qualifications. The members of the Management Board come from backgrounds in law, economics, and real estate management, all possessing extensive experience in the real estate development sector both in Poland and abroad. Years of experience and a broad perspective enable the Management Board to make strategic decisions efficiently.

With a view to safeguarding the long-term growth of the Company and the Group, the Management Board prioritises the development and diversity of key management personnel. The Company's divisions and departments are led by directors and deputy directors comprising both men and women, representing a diverse range of educational backgrounds, professional experience, and age groups.

The Supervisory Board of the Company includes individuals with experience across various industries, including property development. Among its members are individuals with a longstanding association with Dom Development S.A., such as its former Chairman and co-founder, Grzegorz Kiełpsz, as well as representatives of the majority shareholder, Groupe Belleforêt S.à r.l. To uphold the highest standards of corporate oversight, the Supervisory Board of Dom Development S.A. has included, and continues to include, three Independent Members – Dr Dorota Podedworna-Tarnowska, Ms Edyta Wojtkiewicz, and Dr Anna Maria Panasiuk – who possess extensive, well-documented expertise in business and financial reporting. This diversity of experience enables a broad-based assessment of the Management Board's actions and the strategic direction of the Group. As at 31 December 2024, the Supervisory Board comprised four men and three women.

4.11 INTERNAL CONTROL AND RISK MANAGEMENT

The Company's Management Board is responsible for the Group's internal control system and its effectiveness in drawing up financial statements. The Supervisory Board oversees the internal control, risk management, compliance, and internal audit systems within the Group, primarily through the Audit Committee. It also provides an evaluation of the Company's activities to the General Meeting, including an assessment of the adequacy and effectiveness of these systems.

The Group defines risk as the possibility of an event occurring that could have an adverse impact on its operations, financial performance, or reputation. The aim of the Group's risk management system is to ensure the early identification and effective handling of material risks associated with the Group's operations. The risk management system is based on three lines of defence. Risk management is central to the Group's organisational culture and corporate governance framework. It aligns with the strategic objective of enhancing operational capabilities and upholds the principles of sustainable and responsible business conduct. This process ensures that strategic priorities are translated into clear operational targets. Operational management is inherently linked to risk management, which encompasses assigning responsibility for operational performance, evaluating performance, and enhancing operational efficiency across all levels of the Company and the Group.

In recent years, the Group's structure has evolved considerably, and the scale of its operations and geographical diversification have increased. In response to these developments, the Company's Management Board has decided to implement compliance, risk management, and internal audit systems across all Group companies by the end of 2024. This initiative forms part of the DOM 2030 Strategy, developed as an outcome of the Company's ESG (Environmental, Social, and Governance) commitments.

Since 2000, the Company has operated a formalised risk management process, which was updated in 2023 to ensure the active involvement of all Group companies in identifying and assessing the likelihood and impact of risks across both core and supporting business areas. At the same time, necessary measures are defined to mitigate or eliminate these risks, including the implementation of procedures, processes, and internal controls. Risk management also extends to the accuracy and quality of data, which directly impacts the reliability of financial reporting.

In 2024, the Chief Risk and Compliance Officer and Assurance Lead:

a) provided support to the Management Boards of the Group companies in identifying and mitigating risks,
b) supported developing and updating effective procedures,
c) identified processes that ensure continuity of the Group companies' business,
d) took steps aimed at fostering the exchange of best practices and knowledge across the Group,
e) supported the Management Boards of the Group companies in implementing tested processes and procedures tailored to the scale of each Group company's operations to ensure the highest standards of governance and regulatory compliance,
f) contributed to embedding a strong compliance culture across all Group companies.

RISK MANAGEMENT SYSTEM IN THE DOM DEVELOPMENT GROUP

The Risk and Compliance Management Policy forms the foundation of the risk management system within the Dom Development Group.

The Company oversees risk management at the Group level, ensuring that internal processes facilitate the collection and processing of the information necessary for effective and appropriate risk management across the organisation. The system ensures that risks identified by individual Group entities are analysed and assessed using a consistent methodology and common standards. The key components of the risk management framework support alignment across the Group while enabling the achievement of its strategic business objectives.

The risk management principles define clear roles and responsibilities, proportionate to the scale and nature of the Group's operations. The Management Board of each Group company, supported by business area owners, is responsible for determining the appropriate level of risk within the company's operations. At the Group level, the Chief Risk and Compliance Officer conducts a coordinated review of the risk management process. Individuals overseeing risk management, compliance, and internal audit within the Group report directly to the President of the Management Board of Dom Development S.A. and have direct access to members of the Supervisory Board and the Audit Committee. They also participate in selected meetings of the Group's governing and supervisory bodies.

The risk management framework ensures a structured allocation of responsibilities, enabling each Group company to manage its risks effectively while maintaining alignment with the overarching Group-wide risk strategy. The Management Boards of individual Group companies are accountable for fulfilling their obligations in compliance with applicable legal and regulatory requirements. In particular, they are responsible for implementing an effective and proportionate risk management system aligned with the Group-wide framework to ensure consistency and integration across all entities.

The primary objectives of the Group's risk management framework are to:

1. safeguard and enhance shareholder value by ensuring operational efficiency and its continuous improvement, including the protection and strengthening of the Company's and the Group's reputation while minimising the risk of financial losses,
2. implement tools for the early identification of potential events that could have a material impact on the Company and the Group, thereby reinforcing financial stability,
3. maintain identified risks within predefined limits and categories, including through the implementation of internal control mechanisms,
4. promote a proactive approach to risk reporting, assessment, and management, enabling the accurate forecasting of risk factors across various time horizons,
5. ensure full compliance with applicable laws and best practices in all business activities,
6. continuously enhance risk management practices through performance analysis and the adoption of recommendations for improvement,
7. strengthen investor and stakeholder confidence.

The Management Board oversees risk management with the support of:

1. Senior management, specifically business process owners, who are responsible for the ongoing management of risks. Their role includes ensuring strict adherence to procedures and implementing agreed processes to prevent risks from materialising or to maintain them within acceptable thresholds;
2. The Group's Chief Risk and Compliance Officer, who is responsible for coordinating risk identification and assessment, as well as overseeing compliance at the Group level. This role involves close collaboration with business owners to facilitate risk communication, enhance methodologies and tools for risk and compliance management, and drive the exchange of best practices across the Group;
3. The Assurance Lead, who heads the internal audit function and provides an independent assessment of the effectiveness and adequacy of the risk management framework. This includes conducting assurance activities to identify key risk areas and delivering advisory support to strengthen risk management practices across the Group.

The risk management process within the Dom Development S.A. Group is structured into five key steps:

1. Risk identification – regular identification of risks that may impact the Company's operations, along with ongoing monitoring and assessment of changes to ensure the effectiveness of mitigation measures. This process is particularly focused on evolving socio-political, legal, technological, business, and economic conditions;
2. Risk measurement and assessment – conducting risk assessments and maintaining a risk register, which defines the methodology for measuring and evaluating risks across the Group. Risk measurement and assessment are conducted based on the nature and materiality of each risk type. This includes evaluating both financial and non-financial impacts should an identified risk materialise, using a structured probability-impact scale to determine its potential effect on the operations and the achievement of business objectives at both the Company and Group levels;
3. Risk monitoring and control – continuous monitoring of risks to assess whether adopted mitigation strategies remain effective and appropriate. This includes evaluating whether existing risk responses should be maintained or

adjusted and ensuring effective operational risk management through internal functional control, operating within a mature corporate governance framework;

4. Risk reporting and communication – ensuring timely, complete, and relevant risk information is available to the Company's personnel for decision-making. This process also ensures that all participants in risk management maintain a consistent understanding of threats and opportunities associated with risk materialisation while fostering an organisational culture that integrates risk awareness into daily operations.
5. Management actions – including the execution of an effective internal audit function, led by the Assurance Lead.

As part of its comprehensive risk management framework, the Group has established a structured allocation of responsibilities across three levels of oversight:

1. Top-level oversight – exercised by the Supervisory Board, which, through the Audit Committee, oversees the risk management and compliance processes and assesses their adequacy and effectiveness;
2. Mid-level oversight – exercised by the Management Boards of individual Group companies and the Management Board of Dom Development S.A., which consolidates risks at the Group level;
3. Operational oversight – implemented within the internal control framework, coordinated at both Group and subsidiary levels.

INTERNAL CONTROL SYSTEM

The Group's risk management framework is supported by a structured internal control system based on the three-lines-of-defence model:

- **First line of defence** – Business process owners manage operational risks within their respective areas, making day-to-day decisions as part of the risk management process while considering risk levels and mitigation measures. They are also responsible for overseeing control functions within their respective areas to ensure an effective and efficient internal control environment tailored to their operational responsibilities.

- **Second line of defence** – A dedicated risk management function operates at the Group level, aggregating risks across the organisation and supporting risk identification, assessment, monitoring, and reporting. Oversight in this area is provided by the individual responsible for compliance and risk management, with a focus on establishing systemic solutions to enhance the efficiency and effectiveness of the Group's internal control framework.

- **Third line of defence** – The internal audit function conducts independent audits of internal processes, providing assurance on the effectiveness of controls and risk management.

FIRST LINE	day-to-day risk management of processes and systems at the operational level	business process owners and process operators
SECOND LINE	monitoring as part of the internal control and risk management process	Risk Management Team
THIRD LINE	independent assessment of the risk management process	internal audit

The three-lines-of-defence model forms a robust internal control system at the Group level, tailored to the scope, scale, and organisational structure of its operations. This system ensures operational effectiveness and efficiency, reliable financial and non-financial reporting, and compliance with legal and internal regulatory requirements.

The Group's internal control system is designed at the Company level and implemented across all Group entities, taking into account their formal independence, proportionality, and relevance. It comprises governance oversight, a comprehensive framework of policies and procedures, organisational structures, reporting systems, IT controls, compliance functions, and other control mechanisms that safeguard the Group's operational stability and resilience. The internal control system fulfils three core functions that are critical to the Group:

- control function – encompassing all control mechanisms embedded within the Company's operational processes,
- independent compliance function – responsible for ensuring regulatory adherence and implementing systemic solutions to enhance the effectiveness and efficiency of the internal control and risk management framework,
- independent internal audit function.

Internal controls over sustainability reporting are managed within the framework of the Group's established corporate governance practices, leveraging mature processes and methodologies. This system is underpinned by:

- advanced accounting, business reporting, and document management systems;
- a system for collecting resource consumption data, including energy and utilities;
- transparent internal procedures, featuring financial controls and compliance frameworks;
- a clearly defined and structured organisational hierarchy;
- the expertise, knowledge, and experience of individuals involved in the internal control process;
- management oversight and regular evaluation of the Group's activities;
- independent assurance through the audit of financial and non-financial statements by an independent statutory auditor;
- internal audit functions.

The effectiveness of the Group's internal control and risk management systems in financial reporting is maintained through a clear segregation of duties and defined competencies in the preparation of financial information. At both the Company and Group level, the bookkeeping and financial reporting functions are carried out by highly qualified finance and accounting teams. The Group's consolidated financial statements are prepared by the Company's finance and accounting division under the supervision of the Vice President of the Management Board of Dom Development S.A.

The effectiveness of internal controls and the integrity of financial reporting are safeguarded through a clear allocation of responsibilities, a well-defined division of competencies within the teams, and the implementation of appropriate authorisation controls within the Group's IT systems. The Group also maintains independent teams responsible for budgeting and management reporting. The Group's financial and accounting system serves as the primary data source for both separate and consolidated financial statements, as well as for management reporting, ensuring that financial information is readily available to support decision-making. Both statutory and management accounts are prepared in accordance with the Group's accounting policy and International Financial Reporting Standards (IFRS).

Monthly financial and operational management reports incorporate not only historical financial data but also operational forecasts and financial projections. These reports are reviewed and analysed by middle and senior management, business units across the Group, and the Company's Management Board to support strategic oversight and operational decision-making. For each completed reporting period, the Group's financial performance is subject to a detailed review against budgetary assumptions and forecasts. Given the nature of the residential development sector, this analysis extends beyond aggregated revenue and cost categories to include financial and operational data for individual development projects. Any identified variances are scrutinised and explained, with any errors – where applicable – corrected in the Group companies' accounting records on an ongoing basis.
Both management and statutory reporting are conducted under the oversight exercised by the Financial Controller and the President of the Management Board, Chief Financial Officer. The Group's financial statements are verified by an independent statutory auditor. In line with the Group's established standards, its financial statements are always audited by a statutory auditor with recognised and appropriately high qualifications. The Company has developed an Audit Life Cycle, a structured framework governing the coordination and communication between the Management Board, the statutory auditor, and the Audit Committee of the Supervisory Board. Its primary objective is to ensure an effective relationship and communication flow between the Audit Committee and the statutory auditor.
A key risk mitigation measure for the Group in managing its exposure to market risks is the proper assessment of potential risks and the ongoing monitoring of development investments. This process is conducted based on the Company's established investment models and decision-making procedures.
The calculation of the cost of goods sold is based not only on costs recorded in the accounting records but also on the detailed budgets of individual development projects, in accordance with the Group's accounting policies. These budgets are prepared and updated based on the Group's expertise and experience. Throughout the lifecycle of development projects, budgets are reviewed and updated at least every three months. This process is governed by the Group's formalised policies and is subject to rigorous oversight by the management boards of the respective companies, as well as the Company's Management Board. In the consolidation process, a key focus is the elimination of intra-group sales, with particular attention given to the accurate assessment and subsequent elimination of unrealised margins on such transactions.

ESG RISKS

ESG risk management is an integral part of the overall risk management process. ESG-related risks are classified as key business risks. The Group's ESG risk management framework is supported by the Non-Financial Reporting Team, whose activities include mitigating the risk of greenwashing through the oversight of internal processes and ongoing cooperation with the reputational risk function. The principles governing ESG risk management are set out in the Non-Financial and Sustainability Reporting Procedure, adopted by the Group in November 2024.

COMPLIANCE SYSTEM

A robust and well-developed compliance culture is a key enabler of the strategy, supporting its effective implementation across the Group's operations. The compliance system aims to prevent the emergence of legal risks associated with non-compliance with applicable laws and internal regulations. It is continuously adapted to reflect evolving regulatory requirements, which are primarily driven by external factors. Its scope includes internal regulations governing employment, ethics, social and environmental matters, corporate governance, and whistleblowing within the Company and the Group.

The compliance management process within the Group is defined as the management of risks arising from non-compliance with legal requirements, internal regulations, or established standards of conduct by the Company or the Group. Failure to comply may result in:

- legal sanctions against a Group company or individuals acting on its behalf;
- financial losses, reputational damage, or a loss of credibility.

The Group maintains consistent and robust compliance standards while monitoring compliance risk across the organisation.

The Group companies have compliance systems that align with established standards and are proportionate to their operational profile and scale of activities. The Compliance Team, composed of local representatives from Group companies, is responsible for analysing compliance risk across the Group. Its mandate includes supporting business functions, assessing and measuring compliance risk, and implementing remedial and preventive measures to mitigate potential exposures. Additionally, the Compliance Team is responsible for providing the business with support aligned with best market practices and applicable legal requirements, as well as developing processes that facilitate the sharing of best practices and knowledge across the Group. The compliance function also supports the delivery of the Group's strategic objectives and the creation of a positive working environment that fosters both strong financial performance and enhanced operational efficiency and agility.

The Group companies are required to report any identified compliance risks on an ongoing basis to the Company's Chief Risk and Compliance Officer, who is responsible for coordinating compliance risk management at the Group level. The Group companies may appoint a local representative responsible for implementing and coordinating risk and compliance management tasks, working in close cooperation with the individual overseeing this function at the Group level. Alternatively, they may leverage Group resources and assign this responsibility to the Company's Chief Risk and Compliance Officer.

The Compliance Team, operating under the supervision of the Company's Chief Risk and Compliance Officer, is responsible for analysing the information received, with a particular focus on:

- assessing compliance risk at both the individual company and at the Group level;
- preparing and submitting management reports and updates to the management boards of Group companies and the Company's Supervisory Board;
- developing best practices and enhancing uniform compliance standards across the Group.

The Compliance Team is also responsible for:

- issuing guidelines and recommendations on compliance matters, taking into account the principles of proportionality and appropriateness;
- providing expert support and advisory services to Group companies in the implementation of compliance-related activities.

Compliance risk includes, in particular, the risk of the Group companies failing to adapt their operations to the evolving legal and regulatory environment.

The identification and assessment of compliance risk for specific internal processes within the Group are the responsibility of business owners, who lead the respective organisational units within each Group company. Additionally, compliance risk within the Group companies is identified based on reports submitted to the registers of conflicts of interest, gifts, and irregularities. The assessment and measurement of compliance risk are carried out by determining the potential impact of risk materialisation.

Compliance risk monitoring is carried out through:

1. systemic analysis of the risk management register;
2. ongoing monitoring of regulatory requirements and alignment of business activities with the evolving legal and regulatory environment;
3. raising awareness among Group employees on compliance matters;
4. ensuring uniform standards and consistent implementation of compliance practices across the Group.

Management actions in response to compliance risk include, in particular:

1. risk acceptance, for example, in the context of legal and regulatory changes; or
2. risk mitigation, including: adjusting procedures and processes to align with regulatory requirements and reviewing and designing internal regulations to ensure compliance; or
3. risk avoidance, by adopting best market practices and preventing Group companies from engaging in activities that may breach applicable regulations.

In fostering a compliance culture, we strive to set the highest standards for modern compliance management within the Group. Our compliance activities are carried out with a focus on ensuring the highest quality of oversight, aligning the Group's operations with best market practices, legislative developments, and the recommendations of regulatory authorities. We also undertake supporting initiatives aimed at enhancing compliance awareness among the Company's personnel and ensuring the continuous assessment of compliance areas defined by the Company. The Compliance Team is involved in the development of internal training programmes, designed to increase employees' confidence in handling compliance-related matters in their day-to-day responsibilities. This, in turn, contributes to greater operational efficiency, reduced legal risk in business activities, and the development of legal and compliance documentation that balances regulatory requirements with business needs. Through an appropriate governance structure, the compliance system ensures the adoption, monitoring, and ongoing update of relevant policies and procedural frameworks across the Group.

INTERNAL AUDIT FUNCTION

The internal audit function operates in accordance with the principles of independence from operational activities and objectivity, aiming to enhance value and improve the operational efficiency of the Dom Development Group. Internal audit activities involve a systematic and structured assessment of the Group's risk management, control, and corporate governance processes, contributing to their continuous improvement. It supports the Dom Development Group in achieving its strategic objectives by providing assurance on the effectiveness of these processes and offering advisory support.

The key responsibilities of internal audit include:

- developing and implementing an internal audit plan, which defines the scope of areas to be reviewed and the tasks to be undertaken in the coming years, covering all business activities and corporate management systems;
- issuing recommendations based on audit findings;
- reviewing the implementation status of remedial measures arising from audit recommendations.

The internal audit plan is prepared based on an annual risk identification and assessment process covering the Group's business activities. A draft of the plan is submitted to the Management Board and subsequently to the Audit Committee for review and approval. The implementation of recommendations resulting from internal audits is the responsibility of Management Board Members overseeing the relevant business units or of Group Directors. The internal audit function, based on information received from the respective units, verifies the extent to which the recommendations have been implemented and determines whether they can be considered fully executed.

The internal audit function is overseen by the Assurance Lead, who reports functionally to the Audit Committee and organisationally to the President of the Management Board of Dom Development S.A., which ensures the Lead's independence and objectivity. Both assurance and advisory activities are carried out in line with the Internal Audit Strategy, the effectiveness of which is subject to ongoing monitoring. To this end, the Assurance Lead provides the Management Board and the Audit Committee with regular updates on the implementation of the audit plan, the findings of completed audits, and the progress and status of recommendations arising from the findings.

The internal audit function is structured to meet the expectations of the Management Board and the Audit Committee and has been established in accordance with the required standards and best practices of the Institute of Internal Auditors and the Code of Best Practice for WSE Listed Companies.

4.12 MATERIAL COURT PROCEEDINGS

As at 31 December 2024, none of the Group companies were party to any material court proceedings.

4.13 THE AUDITOR

ENGAGEMENT OF THE STATUTORY AUDITOR FOR THE AUDIT AND REVIEW OF THE FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

On 31 August 2023, in accordance with its powers under Article 7.12.3 of the Company's Articles of Association and in compliance with applicable regulations and professional standards, the Supervisory Board of the Company, acting on the recommendation issued by the Company's Audit Committee in Resolution 04/08/23 of 21 August 2023, engaged PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt Sp.k. (formerly PricewaterhouseCoopers Sp. z o.o.) of Warsaw, to audit the full-year financial statements of Dom Development S.A. for the year ended 31 December 2024 and the consolidated financial statements of the Dom Development Group for the year ended 31 December 2024; and to review the condensed financial statements of Dom Development S.A. for the six-month period ended 30 June 2024, and the condensed consolidated financial statements of the Dom Development Group for the six-month period ended 30 June 2024.

PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt Sp.k., registered office at ul. Polna 11 in Warsaw, is registered on the list of entities authorised to audit financial statements under number 144.

The engagement agreement with PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt Sp.k. was concluded on 25 August 2023 (and amended on 6 October 2024) for the period necessary to conduct the review and audit of the aforementioned financial statements.

The Company previously engaged PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt Sp.k. to deliver training services in 2002 and 2011. Additionally, it engaged affiliated entities of PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt Sp.k. to deliver training services in 2013 and 2014, and to provide legal services from 2012 to 2015. The audit firm responsible for auditing the Company's financial statements for 2022 and 2023, as well as the consolidated financial statements of the Group for 2022 and 2023, provided permissible non-audit services to the Company in 2022, 2023, and 2024.

The financial statements for 2018–2024, as well as the interim condensed financial statements for the six-month period ended 30 June 2024, were audited by PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt Sp.k. and other entities affiliated with PricewaterhouseCoopers Polska spółka z o.o. Audyt Sp.k.

For information on the remuneration of the audit firm for 2024 and 2023, see Note 7.53 to the Consolidated Financial Statements of the Group for 2024.

Pursuant to a representation issued by the Supervisory Board, the Management Board confirms that:

- The selection of the audit firm to audit the annual consolidated financial statements for 2024 was carried out in compliance with applicable regulations, including those governing the selection process and procedures for appointing an audit firm;
- The audit firm and members of the audit engagement team met the requirements necessary to issue an impartial and independent audit report on the annual consolidated financial statements in accordance with applicable laws, professional standards, and professional ethics;
- The applicable rules on audit firm rotation, key audit partner rotation, and mandatory cooling-off periods have been observed;
- The Company 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 the provision of certain non-audit services by the audit firm.

5 AUTHORISATION FOR ISSUE OF THE MANAGEMENT BOARD'S REPORT ON THE ACTIVITIES OF DOM DEVELOPMENT S.A. AND ITS GROUP IN 2024

This Management Board's Report on the Activities of Dom Development S.A. and its Group in 2024 was prepared and authorised for issue by the Management Board on 17 March 2025.

The Management Board represents that this Director's Report on the Activities of Dom Development S.A. and its Group in 2024 provides a true and fair view of the development, performance, and position of the Company and the Group, including a description of the key risks and uncertainties.

Mikołaj Konopka
President of the Management Board, Dom Development S.A.

Monika Dobosz
Vice President of the Management Board, Dom Development S.A.

Justyna Wilk
Member of the Management Board, Dom Development S.A.

Grzegorz Smoliński
Member of the Management Board, Dom Development S.A.

Terry R. Roydon
Member of the Management Board, Dom Development S.A.