DOM DEVELOPMENT S.A. CAPITAL GROUP

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

PREPARED IN ACCORDANCE
WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS

CONTENTS

1 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS BY THE MANAGEMENT BOARD OF THE COMPANY

These consolidated financial statements for the year ended on 31 December 2023, comprising:

- consolidated balance sheet prepared as at 31 December 2023,
- consolidated income statement for the twelve-month period ended 31 December 2023,
- consolidated statement of comprehensive income for the twelve-month period ended 31 December 2023,
- consolidated cash flow statement for the twelve-month period ended 31 December 2023,
- consolidated statement of changes in shareholders' equity for the twelve-month period ended 31 December 2023,
- additional notes to the consolidated financial statements

were prepared and approved by the Management Board of Dom Development S.A. on 18 March 2024.

The Management Board of Dom Development S.A. declares that to the best of its knowledge, these annual consolidated financial statements for 2023 with comparative data have been prepared in accordance with the applicable accounting policies, and reflect a true and fair economic and financial position of the Dom Development S.A. Capital Group and its financial result.

Jarosław Szanajca
President of the Management Board

Leszek Stankiewicz
Vice President of the Management Board

Monika Perekitko
Member of the Management Board

Mikołaj Konopka
Member of the Management Board

Terry R. Roydon
Member of the Management Board

2 CONSOLIDATED BALANCE SHEET

ASSETS	Note	31.12.2023	31.12.2022
Fixed assets			
Intangible assets	**7.6**	20 210	20 535
Tangible fixed assets	**7.7**	62 146	47 113
Deferred tax assets	**7.21**	31 902	52 721
Long-term receivables	**7.8**	7 313	8 817
Investment property		23 497	22 887
Other long-term assets		11 597	23 235
TOTAL FIXED ASSETS		**156 665**	**175 308**
Current assets			
Inventory	**7.9**	3 837 118	3 442 969
Trade and other receivables	**7.10**	85 695	87 679
Other current assets	**7.11**	77 357	7 549
Income tax receivables	**7.32**	2 645	3 052
Short-term financial assets	**7.12**	117 560	91 163
Cash and cash equivalents	**7.13**	286 274	304 236
TOTAL CURRENT ASSETS		**4 406 649**	**3 936 648**
TOTAL ASSETS		**4 563 314**	**4 111 956**

EQUITY AND LIABILITIES	Note	31.12.2023	31.12.2022
Shareholders' equity			
Share capital	**7.14**	25 698	25 548
Share premium	**7.15**	271 558	264 208
Other capital (supplementary capital)		765 143	670 640
Reserve capital from valuation of cash flow hedges		5 484	16 444
Reserve capital on account of the obligation to redeem non-controlling interests		-	-
Reserve capital from reduction of share capital		510	510
Unappropriated profit		381 065	435 864
Equity attributable to the shareholders of parent company		**1 449 458**	**1 413 214**
Non-controlling interests		82	59
TOTAL SHAREHOLDERS' EQUITY		**1 449 540**	**1 413 273**
Long-term liabilities			
Loans, long-term portion	**7.18**	-	-
Bonds, long-term portion	**7.19**	470 000	260 000
Deferred tax provision	**7.21**	28 012	34 005
Long-term provisions	**7.22**	45 610	36 032
Lease liabilities, long-term portion	**7.24**	38 450	30 321
Other long-term liabilities	**7.23**	107 906	80 005
TOTAL LONG-TERM LIABILITIES		**689 978**	**440 363**
Short-term liabilities			
Trade payables, tax and other liabilities	**7.25**	484 222	407 542
Loans, short-term portion	**7.18**	-	59 177
Bonds, short-term portion	**7.19**	50 000	50 000
Accrued interest on loans and bonds	**7.20**	7 191	2 550
Lease liabilities, short-term portion	**7.24**	95 295	78 964
Corporate income tax payables		24 351	75 919
Short-term provisions	**7.26**	29 080	32 842
Deferred income	**7.27**	1 733 657	1 551 326
TOTAL SHORT-TERM LIABILITIES		**2 423 796**	**2 258 320**
TOTAL LIABILITIES		**3 113 774**	**2 698 683**
TOTAL EQUITY AND LIABILITIES		**4 563 314**	**4 111 956**

All amounts in PLN '000.

3 CONSOLIDATED INCOME STATEMENT

	Note	01.01-31.12.2023	01.01-31.12.2022
Sales revenue	**7.34**	2 550 313	2 419 308
Cost of sales	**7.34**	(1 735 262)	(1 663 537)
Gross profit on sales		**815 051**	**755 771**
Selling costs	**7.35**	(77 010)	(76 536)
General administrative expenses	**7.35**	(167 636)	(157 321)
Other operating income	**7.37**	24 559	18 130
Other operating expenses	**7.38**	(36 771)	(38 505)
Operating profit		**558 193**	**501 539**
Financial income	**7.39**	23 024	23 291
Financial costs	**7.40**	(7 962)	(12 210)
Profit before tax		**573 255**	**512 620**
Income tax	**7.32**	(113 005)	(102 323)
Net profit from continued operations		**460 250**	**410 297**
Net profit from discontinued operations *)		-	-
Net profit		**460 250**	**410 297**
Net profit attributable to:			
Non-controlling interests		23	33
Shareholders of the parent company		**460 227**	**410 264**
Earnings per share attributable to shareholders of the parent company			
Basic (in PLN)	**7.31**	**17.94**	**16.07**
Diluted (in PLN)	**7.31**	**17.86**	**16.04**

*) In 2023 and 2022, the Group did not discontinue any of its operations.

All amounts in PLN ‘000 unless stated otherwise.

4 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	01.01-31.12.2023	01.01-31.12.2022
Net profit	**460 250**	**410 297**
Other comprehensive income:		
Net change to cash flow hedges	(13 531)	10 861
Items to be accounted for in the income statement	**(13 531)**	**10 861**
Items not to be accounted for in the income statement	**-**	**-**
Other net comprehensive income / (loss), before tax	**(13 531)**	**10 861**
Income tax on other net comprehensive income to be accounted for in the income statement	2 571	(2 064)
Other net comprehensive income	**(10 960)**	**8 797**
Total net comprehensive income	**449 290**	**419 094**

Net comprehensive income attributable to:		
Non-controlling interests	23	33
Shareholders of the parent company	449 267	419 061

All amounts in PLN '000.

5 CONSOLIDATED CASH FLOW STATEMENT

	Note	01.01-31.12.2023	01.01-31.12.2022
Cash flow from operating activities			
Profit before tax		**573 255**	**512 620**
Adjustments:			
Depreciation		20 704	16 507
(Profit)/loss on foreign exchange differences		(907)	1 205
(Profit)/loss on investments		(2 066)	1 440
Interest cost/(income)		10 177	8 960
Cost of the valuation of management option programmes		3 501	5 393
Changes in the operating capital:			
Changes in provisions		5 816	13 209
Changes in inventory		(371 676)	(191 939)
Changes in receivables		3 488	(11 444)
Changes in short-term liabilities, excluding loans and bonds		96 487	23 716
Changes in prepayments and deferred income		85 579	(56 162)
Other adjustments		907	(1 316)
Cash flow generated from operating activities		**425 265**	**322 189**
Interest received		10 726	8 201
Interest paid		(21 215)	(17 130)
Income tax paid		(147 051)	(109 677)
Net cash flow from operating activities		**267 725**	**203 583**
Cash flow from investing activities			
Proceeds from the sale of intangible assets and tangible fixed assets		1 262	2 584
Proceeds from borrowings granted		-	-
Other proceeds / (expenses) from financial assets		340	24 000
Borrowings granted		-	(412)
Acquisition of intangible and tangible fixed assets		(17 294)	(29 327)
Acquisition of financial assets and additional contributions to the share capital		-	(212 635)
Net cash flow from investing activities		**(15 692)**	**(215 790)**
Cash flows from financing activities			
Proceeds from issue of shares (exercise of share options)	**7.14**	5 000	8 500
Proceeds from contracted loans	**7.18**	425 456	113 409
Proceeds from commercial papers issued	**7.19**	260 000	-
Repayment of loans and borrowings		(484 633)	(87 591)
Redemption of commercial papers	**7.19**	(50 000)	(56 298)
Dividends paid	**7.17**	(424 024)	(268 258)
Payment of lease liabilities		(1 794)	(360)
Net cash flow from financing activities		**(269 995)**	**(290 598)**
Increase / (decrease) in net cash and cash equivalents		**(17 962)**	**(302 805)**
Cash and cash equivalents – opening balance	**7.13**	**304 236**	**607 041**
Cash and cash equivalents – closing balance	**7.13**	**286 274**	**304 236**

All amounts in PLN '000.

6 CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Current year

	Note	Share capital	Share premium	Other capital (supplementary capital)	Reserve capital from reduction of share capital	Capital reserves on account of the obligation to redeem non-controlling interests	Reserve capital from valuation of cash flow hedges	Unappropriated profit	Equity attributable to the shareholders of parent company	Non-controlling interests	Total shareholders' equity
Equity – opening balance		**25 548**	**264 208**	**670 640**	**510**	**-**	**16 444**	**435 864**	**1 413 214**	**59**	**1 413 273**
Share capital increase by exercising share options	**7.14, 7.15**	150	7 350	-	-	-	-	-	**7 500**	-	**7 500**
Transfer of profit to supplementary capital	**7.17**	-	-	91 002	-	-	-	(91 002)	**-**	-	**-**
Dividends to shareholders	**7.17**	-	-	-	-	-	-	(424 024)	**(424 024)**	-	**(424 024)**
Creation of reserve capital from the valuation of the share options	**7.43**	-	-	3 501	-	-	-	-	**3 501**	-	**3 501**
Non-controlling interests and reserve capital from the acquisition of a subsidiary		-	-	-	-	-	-	-	**-**	-	**-**
Net profit for the reporting period		-	-	-	-	-	-	460 227	**460 227**	23	**460 250**
Other net comprehensive income		-	-	-	-	-	(10 960)	-	**(10 960)**	-	**(10 960)**
Total net comprehensive income		**-**	**-**	**-**	**-**	**-**	**(10 960)**	**460 227**	**449 267**	**23**	**449 290**
Increase / (decrease) in equity		**150**	**7 350**	**94 503**	**-**	**-**	**(10 960)**	**(54 799)**	**36 244**	**23**	**36 267**
Equity – closing balance		**25 698**	**271 558**	**765 143**	**510**	**-**	**5 484**	**381 065**	**1 449 458**	**82**	**1 449 540**

All amounts in PLN '000.

Previous year

	Note	Share capital	Share premium	Other capital (supplementary capital)	Reserve capital from reduction of share capital	Capital reserves on account of the obligation to redeem non-controlling interests	Reserve capital from valuation of cash flow hedges	Unappropriated profit	Equity attributable to the shareholders of parent company	Non-controlling interests	Total shareholders' equity
Equity – opening balance		**25 398**	**258 358**	**626 738**	**510**	**(10 568)**	**7 647**	**332 367**	**1 240 450**	**8 728**	**1 249 178**
Share capital increase by exercising share options	**7.14, 7.15**	150	5 850	-	-	-	-	-	**6 000**	-	**6 000**
Transfer of profit to supplementary capital	**7.17**	-	-	38 509	-	-	-	(38 509)	**-**	-	**-**
Dividends to shareholders	**7.17**	-	-	-	-	-	-	(268 258)	**(268 258)**	-	**(268 258)**
Creation of reserve capital from the valuation of the share options	**7.43**	-	-	5 393	-	-	-	-	**5 393**	-	**5 393**
Non-controlling interests and reserve capital from the acquisition of a subsidiary		-	-	-	-	10 568	-	-	**10 568**	(8 702)	**1 866**
Net profit for the reporting period		-	-	-	-	-	-	410 264	**410 264**	33	**410 297**
Other net comprehensive income		-	-	-	-	-	8 797	-	**8 797**	-	**8 797**
Total net comprehensive income		**-**	**-**	**-**	**-**	**-**	**8 797**	**410 264**	**419 061**	**33**	**419 094**
Increase / (decrease) in equity		**150**	**5 850**	**43 902**	**-**	**10 568**	**8 797**	**103 497**	**172 764**	**(8 669)**	**164 095**
Equity – closing balance		**25 548**	**264 208**	**670 640**	**510**	**-**	**16 444**	**435 864**	**1 413 214**	**59**	**1 413 273**

All amounts in PLN '000.

7 ADDITIONAL NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7.1 GENERAL INFORMATION ABOUT THE PARENT COMPANY OF THE DOM DEVELOPMENT S.A. CAPITAL GROUP AND THE GROUP

GENERAL INFORMATION ABOUT THE PARENT COMPANY OF THE DOM DEVELOPMENT S.A. CAPITAL GROUP

Name:	Dom Development S.A.
Registered office:	Plac Piłsudskiego 3, 00-078 Warszawa, Poland
Legal form:	Spółka Akcyjna (public limited company)
Country of registration:	Poland
Registered address of the office:	Plac Piłsudskiego 3, 00-078 Warszawa
Principal place of business:	Poland

The parent company of Dom Development S.A. Capital Group ("the Group") is the public limited company Dom Development S.A. ("the Company" / "the parent company") entered into the National Court Register under number 0000031483, maintained by the District Court for the capital city of Warsaw, 12th Commercial Division of the National Court Register.
According to the Polish Classification of Business Activity the Company's scope of activity is the development of building projects – PKD 4110Z (NACE F41.1). The Company conducts its activities mainly in Warsaw.

The Company is a majority-owned subsidiary of Groupe Belleforêt S.à r.l. with its registered office in Luxembourg (see note 7.14) which held 55.02% of the shares in the Company as at 31 December 2023. The ultimate parent company of Dom Development S.A. Capital Group is SCOP 2003 Trust, an entity organised under the laws of England and Wales. SCOP 2003 Trust is the sole shareholder of SCOP Luxembourg 2007 S.à r.l., which is the majority shareholder of Groupe Belleforêt S.à r.l.

The ultimate consolidated financial statements are prepared by Groupe Belleforet S.à r.l.

GENERAL INFORMATION ABOUT THE GROUP

The Group's structure and the parent company interest in the share capital of the entities comprising the Group as at 31 December 2023 is presented in the table below:

COMPANY	Country of registration	Share capital held by the parent company	Voting rights held by the parent company	Consolidation method
Subsidiaries				
Dom Development Grunty sp. z o.o.	Poland	46%	100%	full consolidation
Dom Development Kredyty sp. z o.o.	Poland	100%	100%	full consolidation
Dom Development Wrocław sp. z o.o.	Poland	100%	100%	full consolidation
Dom Land sp. z o.o.	Poland	-	-	full consolidation
Euro Styl S.A.*)	Poland	100%	100%	full consolidation
Dom Construction sp. z o.o.	Poland	100%	100%	full consolidation
Dom Development Kraków sp. z o.o.	Poland	100%	100%	full consolidation
Dom Development Kraków 12 sp. z o.o.	Poland	100%	100%	full consolidation

*) Euro Styl S.A. is the parent company of the Euro Styl S.A. Capital Group.

The main area of activity of the Group is the construction and sale of residential real estate.
Dom Development Grunty sp. z o.o. is fully consolidated (with 46% share in the share capital held by the parent company) as its financial and operational policy is managed by members of the management board nominated by Dom Development S.A. The area of activities of this subsidiary is the purchase of real estate to be further developed by the Group.

The Company does not have a stake in Dom Land Sp. z o.o., but it controls this company through the persons holding office in the management board of the company. Dom Land sp. z o.o. holds 54% shares in Dom Development Grunty sp. z o.o.

All companies operating within the Group conduct business activities in the territory of Poland under the Code of Commercial Companies, with the unlimited duration.

In the twelve-month period ended 31 December 2023 the Group did not discontinue any of its activities.

MATERIAL CHANGES TO THE GROUP STRUCTURE, INCLUDING AS A RESULT OF A MERGER, ACQUISITION OR SALE OF THE COMPANIES OPERATING WITHIN THE CAPITAL GROUP, LONG-TERM INVESTMENTS, DEMERGER, RESTRUCTURING OR DISCONTINUATION OF ACTIVITIES.

- Further concentration of property development operations on the Cracow market through Dom Development Kraków Sp. z o.o.

On 20 March 2023, the Meeting of Shareholders of Dom Development Kraków Sp. z o.o. and the General Meeting of Shareholders of Sento S.A. adopted resolutions regarding the merger of Dom Development Kraków Sp. z o.o. as the acquiring company with Sento S.A. as the acquired company.
The said merger was registered in the National Court Register on 3 April 2023, therefore, as of 3 April 2023, all rights and obligations of Sento S.A. were transferred to Dom Development Kraków Sp. z o.o., and Sento S.A. ceased to exist.

- Repayment of additional contributions to the share capital in Dom Development Wrocław Sp. z o.o.

On 10 August 2023, a partial repayment of additional contributions to the share capital in the amount of PLN 15 200 thousand was received by the Company from Dom Development Wrocław Sp. z o.o.

- Sale of Issogne Sp. z o.o.

On 10 November 2023, the Company disposed of all shares in the share capital of Issogne sp. z o.o.

Save for the aforementioned transactions, within the twelve-month period ended 31 December 2023, the Group did not make any other material changes in the structure of investing in subsidiaries, associates and joint ventures.

7.2 BASIS FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been prepared on a historical cost basis.

The financial statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future.

The Russian invasion of Ukraine launched on 24 February 2022 continues to be a factor destabilising the economic environment throughout the region. The Company and its subsidiaries operate exclusively in Poland. The Company's Management Board believes that the war in Ukraine may affect the demand for dwellings, construction costs, and the availability of subcontractors. As at the date of the preparation of these consolidated financial statements all of the Group's development projects were progressing as planned or even more quickly than planned. The Company's Management Board continuously monitors the situation and analyses its potential impact from the perspective of individual projects, the Group as a whole, and its long-term objectives. In the opinion of the Management Board of the Company, as at the date of approval of these consolidated financial statements all the prerequisites have been fulfilled for the going concern assumption in the foreseeable future.

The functional currency of the parent company and other companies incorporated in these consolidated financial statements id Polish zloty PLN. These consolidated financial statements are stated in Polish zloty (PLN). Financial data included in the consolidated financial statements are expressed in thousands of PLN unless stated otherwise.

The principles of measurement of assets, liabilities and financial result presented in the additional information to the consolidated financial statements are consistent with the accounting principles adopted by the parent company.

7.3 COMPLIANCE STATEMENT

Polish law requires the Group to prepare its consolidated financial statements in accordance with the International Financial Accounting Standards (IFRS) adopted by the European Union (EU). Having considered the process of IFRS introduction that takes place in the EU and the activities of the Group, in the context of accounting policies applied by the Group there are no differences in IFRS that have been put into force and IFRS that have been endorsed by the EU for the financial year ended 31 December 2023.

These consolidated financial statements were prepared in accordance with all applicable IFRSs that have been adopted by the European Union.

IFRSs comprise standards and interpretations approved by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

Certain companies operating within the Group keep their books of accounts in accordance with accounting policies (principles) specified in the Accounting Act dated 29 September 1994 ("the Accounting Act") as amended and the regulations issued based on that Act ("Polish Accounting Standards"). The consolidated financial statements incorporate certain adjustments, not included in the books of account of such companies operating within the Group, which were made in order to align the financial statements to IFRS.

These consolidated financial statements are prepared based on the same accounting principles (policies) as for the consolidated financial statements of the Group for the year ended 31 December 2022, except for the following amendments to existing standards and new interpretations that are effective for annual periods beginning on 1 January 2023:

- Amendments to IAS 1 *Presentation of Financial Statements* and the IFRS Advisory Council's guidance on disclosure of accounting policies in practice. The amendment to IAS 1 requires disclosure of material information on accounting policies as defined in the standard. The amendment clarifies that information on accounting policies is material if, in the absence of such information, users of financial statements would not be able to understand other material information in the financial statements. Moreover, the Advisory Council's guidance on the application of the materiality concept have also been amended to provide guidance on the application of the concept of materiality to disclosures of accounting policies.

- Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors.* In February 2021, the Council published an amendment to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors in the Definition of Estimates. This amendment to IAS 8 explains how entities should distinguish changes in accounting policies from changes in accounting estimates.

- Amendments to IAS 12 "Income Taxes". The amendments to this standard published in 2021 clarify how to account for deferred tax on transactions such as leases and decommissioning obligations. Before the amendment, there was uncertainty as to whether the recognition of equal amounts of assets and liabilities for accounting purposes (e.g. initial recognition of leases) that had no impact on current tax settlements would require the recognition of deferred tax balances or whether the initial recognition exemption would apply. The initial recognition exemption means that deferred tax balances are not recognised if the recognition of an asset or liability component has no impact on the accounting or tax result at the time of recognition. The amended IAS 12 addresses this issue by requiring deferred tax to be recognised in the above situation by adding an additional provision that the initial recognition exemption does not apply if an entity recognises both an asset and a corresponding liability, and each of them leads to temporary differences.

Published standards and interpretations that have not yet come into force nor been applied by the Group

The Group has not decided for earlier adoption of the following standards, interpretations or improvements/amendments, which were published and has not yet come into force:

- Amendments to IFRS 10 and IAS 28 concerning sale or contribution of assets between an investor and its associate or joint venture. They remove the existing inconsistency between IFRS 10 and IAS 28. The accounting treatment depends on whether non-cash assets sold or contributed to an associate or a joint venture constitute a business. If the non-cash assets constitute a business the investor discloses a full gain or loss on the transaction. If the assets cannot be classified as a business the investor recognises the gain or loss only in the scope of the shares of other investors therein. The approval of this amendment has been postponed by the EU as at the date of these consolidated financial statements.

- Amendments to IAS 1 *Presentation of Financial Statements*. In 2020, the IASB published amendments to IAS 1 which clarify the presentation issue of long-term and short-term liabilities. In October 2022, the ISAB issued further amendments to IAS 1, which address the classification of liabilities as long- and short-term liabilities for which an entity is required to comply with certain covenants. Amended IAS 1 specifies that liabilities are classified as short- or long-term depending on the rights [to defer settlement of a liability] existing at the end of the reporting period. The classification is not affected by either the entity's expectations or an event after the reporting date (for example, waiver of a covenant or its violation). The published amendments are effective for financial statements for the periods beginning on or after 1 January 2024.

- Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosure*s – disclosure of supplier finance arrangement. In May 2023, the ISAB published amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures*. These amendments introduce disclosure requirements as regards supplier finance agreements (so-called reverse factoring). These amendments require the disclosure of specific information relating to such agreements to enable users of financial statements to assess how these arrangements affect an entity's liabilities and cash flows, and the entity's exposure to liquidity risk. These amendments are intended to increase the transparency of disclosures of financial liability agreements, but do not affect the recognition and measurement principles. The new disclosure obligations will be effective for annual reporting periods beginning on or after 1 January 2024. These amendments have not been endorsed by the EU as at the date of these consolidated financial statements.

- Amendment to IFRS 16 *Leases*. In September 2022, the Board amended IFRS 16 "Leases" to supplement the requirements for the subsequent measurement of a lease liability for a sale and leaseback transaction when the criteria of IFRS 15 are met and the transaction is to be accounted for as a sale. The amendment requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in such a way that no profit or loss related to the retained right-of-use is recognised. The new requirement has a particular relevance when a leaseback transaction includes variable lease payments that do not depend on an index or a rate, as such payments are excluded from "lease payments" under IFRS 16. The amendment is effective from 1 January 2024.

The Management Board is verifying effect of the above standards on the Group's financial position, operating results or the scope of information presented in the consolidated financial statements. It is not expected by the Management Board of the Company that new standards and amendments to the existing standards could have a significant impact on the consolidated financial statements of the Group for the period, when they are adopted for the first time.

7.4 MATERIAL ACCOUNTING POLICIES

BASIS OF CONSOLIDATION

These consolidated financial statements comprise the financial statements of Dom Development S.A. and its subsidiaries prepared for the year ended 31 December 2022. The financial statements of the subsidiaries, after giving consideration to the adjustments made to achieve conformity with IFRS, are prepared for the same reporting period as those of the parent company, using consistent accounting policies, and based on the same accounting policies applied to similar business transactions and events. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All significant intercompany balances and transactions, including unrealised gains arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless they indicate an impairment.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control is exercised by the parent company when the parent company holds, directly or indirectly, through its subsidiaries, more than half of the votes at the shareholders' meeting of that subsidiary, unless it is possible to prove that such holding does not represent control. Control is also exercised if the Company has the power to govern the financial or operating policy of a subsidiary.

Changes in the ownership interest of the parent company which do not result in the loss of control over a subsidiary are accounted for as equity transactions. In such cases, the Group adjusts the carrying value of the controlling interests and non-controlling interests in order to reflect the relative changes in the interests in the subsidiary. All differences between the value of the adjustment to the non-controlling interests and the fair value of the amount paid or received, are accounted for as the shareholders' equity and attributed to the owners of the parent company.

INVESTMENTS IN ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

Investment in associates and jointly controlled entities are accounted for using the equity method. Associates and jointly controlled entities are entities in which the parent company has, either directly or through its subsidiaries, significant influence and which are not its subsidiaries. The financial statements of the associates and jointly controlled entities are the basis for valuation of shares held by the parent company using the equity method. The reporting periods applied by the associates and the parent company are the same. These entities apply accounting policies as defined in the Accounting Act. Relevant adjustments are made to align financial data of the associates and jointly controlled entities with IFRS applied by the Group, before the share in their net assets is calculated. Investments in the associates and jointly controlled entities are disclosed in the balance sheet at cost plus post-purchase changes in the parent's share in the associates' and the entities' net assets, less any impairment losses. The consolidated income statement reflects the parent's share in the results of the associated and jointly controlled entities. A carrying value adjustment may also be required due to a change in proportion of the share in the associated or the jointly controlled entity, resulting from changes in other comprehensive income of this entity. The Group's share in these changes is disclosed in other comprehensive income of the Group.

Impairment assessment of the investment in associates and jointly controlled entities takes place when there are reasons indicating that such impairment occurred or when impairment write down made in the past years is no longer required.

TANGIBLE FIXED ASSETS

All tangible fixed assets are stated at purchase price less accumulated depreciation (except for land), less accumulated impairment write downs. Replacement cost of existing parts of a tangible fixed asset can be capitalised, if material. Depreciation is calculated on straight-line basis over the useful life of the asset. Depreciation rates for buildings and structures range from 2.5% to 4.5%, for vehicles the rate applied is 20% and for other fixed assets from 10% to 30%.

The right-of-use of office space is recognised in accordance with the rules set out in IFRS 16 *Leases*, and is amortised over the term of the lease.

INVENTORY

Finished goods

Finished goods represent mainly housing units and parking places. They are measured at the lower of either the cost of production or net realisable value.

The net realisable value is the estimated sales price evaluated by the Management Board based on market prices.

Work in progress

Work in progress is measured at the lower of either the purchase price/cost of production or net realisable value. In case of discrepancies an impairment write down is made. For the Company's real estate development projects, assessment of the need for impairment write down is determined using the "inventory impairment test" described below based on the analysis of production costs and net realisable value.

Inventory impairment test

If a development project is expected to generate a loss, this entails a revaluation write down of work in progress, which is immediately recognised in the income statement. The write down may also relate to the property, for which an inherent risk of postponement is associated with the development process.

For each real estate development project there are budgets prepared, which cover both, past and future cash flows for each undertaken project. These budgets are subject to revaluation at least once every three months. For the purposes of impairment review, budgets of projects cover all past and projected net revenues less direct costs of land acquisition, design, construction and other costs related to the preparation of a project, show-flats and sales offices on-site. These budgets are also encumbered with related past and projected costs of external financing and projected claims from customers (if applicable).

The budgets of projects are prepared in compliance with the prudence principle.

If a project contribution, calculated taking into account all revenues and the above-mentioned costs, is positive, there is no need to make an inventory impairment revaluation write down. A negative contribution implies that there is a potential problem of impairment, which, following a thorough analysis of cash flows for a given project, results in the recording of an impairment revaluation write down in the amount of the estimated negative value of this contribution.

The revaluation write down is recognised as the cost of sales in "Inventory write down to the net realisable value". The reversal, if any, of such an impairment write down for a given project is possible if the projected contribution for this project assumes a positive value.

If the project consists of several stages, the inventory impairment review is conducted in the following manner:

a) all future phases of the project are treated as a single project for the purposes of impairment review,

b) each phase of the project, in which sales and construction have already begun, is separated from the rest of the (construction) project and is considered separately for the purposes of impairment review.

COSTS OF EXTERNAL FINANCING

Costs of external financing are disclosed as costs in the income statement in the period, in which they were incurred, except for capitalised costs, i.e. costs that may be assigned to costs of production of qualifying assets (in the case of the Group: to work-in-progress) as a part of their production costs.

The financial costs are capitalised into work-in-progress exclusively in the period, during which the real estate development project is active. The project is considered active if designing or construction work is underway for the acquired land and during the process of obtaining key administrative decisions necessary to run the project.

The financial costs cease to be capitalised upon completion of substantially all activities, which have to be undertaken in order to prepare flats for hand-over to customers.

The capitalisation of financial costs is suspended in the case of suspension of activities connected with the project-related investment activity, including works related to design, the construction process and obtaining required permits and administrative decisions concerning the project.

TRADE AND OTHER RECEIVABLES

Trade receivables and other receivables are measured in accordance with IFRS 9, which introduced the concept of estimating impairment losses on financial assets with the use of a model based on expected losses.

BANK DEPOSITS WITH A MATURITY OVER THREE MONTHS

Bank deposits with a maturity over three months (as of the date when they are made) are presented in "Short-term financial assets".

CASH AND CASH EQUIVALENTS

Cash and short-term deposits with the maturity of up to three months (when created) are disclosed in the balance sheet at a nominal value and comprise cash at banks, in hand and short-term deposits with an original maturity of three months or less. For the purpose of the cash flow statement, the balance of cash and cash equivalents consist of cash and cash equivalents as defined above less outstanding bank overdrafts.

INTEREST-BEARING LOANS, BORROWINGS AND COMMERCIAL PAPERS

All loans, borrowings and commercial papers are initially recognised at the fair value less transaction costs associated with the loans or borrowings.

After initial recognition, interest-bearing loans, borrowings and commercial papers are subsequently valued at amortised cost, using the effective interest rate method.

Amortised cost is calculated by taking into account any transaction costs for loan or borrowing, and any discount or premium related to raising the funds.

Drawdowns and repayments on bank loans, borrowings and debt securities are presented in the cash flow statement as income or expenses from financial activities, respectively, and are not netted against each other during the reporting period. The exception are drawdowns and repayments on overdraft facilities, for which the drawdowns and repayments are presented as netted with each other, due to short payment terms, large and quick repayments/drawdowns.

TRADE PAYABLES, TAX AND OTHER LIABILITIES

Short-term trade payables, and tax and other liabilities are disclosed at the amount due and payable.

If the effect of the time value of money is material (in particular it relates to the guarantee retentions), the value of payables is determined by discounting the estimated future cash flows to present value. Where discounting is used, any decrease in the balance due to the passage of time is recognised as financial cost.

PROVISIONS

Provisions are created when the companies operating within the Group have a present obligation (legal or constructive) as a result of a past event, and if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is disclosed in the income statement net of any reimbursement.

REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the Group will achieve economic benefits from a given transaction and the revenue can be reliably measured. The following specific recognition criteria must be met before revenue is recognised:

Sale of products

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

If a real estate development project related to the sale of a property (a residential unit, commercial space, etc.) is pursued on real property (land) owned by a third party, but the project development (marketing, sale, customer service, and design and construction) is carried out by the Company and the risks associated with the project development are borne by the Company, any revenue from the sale of such real estate is recognised in the same way as described above in respect of development projects carried out on properties owned by the Company or herd under perpetual usufruct.

Sale of construction services

In the event that the total costs associated with the performance of a contract are likely to exceed the total revenues, the expected loss (excess of the total estimated costs over the total estimated revenues) are accounted for as the costs in the period concerned and recognised as the cost of sales (cost of services sold). If the value of estimated revenues as calculated by the percentage of completion method exceeds the invoiced revenues, the resulting difference is recognised under Sales Revenue (Sales of Services) and assets are recognised as Other Current Assets. However, if the value of estimated revenues as calculated by the percentage of completion method is lower than the invoiced revenues, the resulting difference is recognised under Sales Revenue (Sales of Services) and the liability is recognised as Deferred Income.

Sale of other services

The revenue from the sale of non-construction services, including revenue from housing real estate administration fees, is recognised within the period, in which a service is provided.

FOREIGN CURRENCY TRANSLATION

The financial statements are presented in PLN, which is the Group's functional (for measurement) and presentation currency. Transactions in foreign currencies are initially recorded at the exchange rate of the functional currency at the date of the transaction. Pecuniary assets and liabilities in foreign currencies are translated at the exchange rate of the functional currency applicable on the balance sheet date. The exchange rate differences are recognised in the income statement as financial income/cost.

TAXES

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those applicable as at the balance sheet date.

Deferred tax

For financial reporting purposes, the deferred tax is calculated by the method of the balance sheet liabilities in relation to the timing differences as at the balance sheet date between the tax value of assets and liabilities and their carrying value recognised in the financial statements.

Deferred tax assets are recognised with regards to all negative timing differences, carry-forward of unused tax credits and unused tax losses to the extent that it is probable that the taxable profit will be available against which the deductible timing differences and the carry-forward of unused tax credits and unused tax losses, can be utilised.

The carrying value of a deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be realised. An unrecognised deferred tax asset is reassessed at each balance sheet date and is recognised to the extent that it reflects the probability that future taxable profit will allow the deferred tax asset to be recovered.

The provision for deferred tax is created in the amount of the income tax that will be payable in future due to positive timing differences, i.e. the differences that will increase the taxable base in the future.

The assets and provisions for deferred tax are valued at the tax rates that are expected to be applicable to the year when the asset component is realised or the provision is released, assuming as the basis the tax rates (and tax regulations) that are legally or actually applicable as at the balance sheet date.

The income tax for the items recognised outside of the income statement is recognised outside of the income statement, that is in other comprehensive income for items recognised as other comprehensive income or directly in the shareholders' equity for items recognised as the shareholders' equity.

The assets and provisions for deferred tax are offset by the Group only if a legally enforceable right exists to offset the current tax assets against current tax liabilities and the deferred tax relates to the same taxable entity and the same taxation authority.

DIVIDENDS

Dividends are recognised when the shareholders' rights to receive the payment are established.

EARNINGS PER SHARE

Earnings per share for each reporting period is calculated as the quotient of the net profit for the given accounting period and the weighted average of shares in that period.

LEASE

The Group recognises assets and liabilities for all lease transactions concluded for a period of over 12 months, except for when an asset is of low value; and recognises depreciation of the leased asset separately from the interest on the lease liability in the income statement.

Right-of-use assets are recognised in the balance sheet within the same item in which the relevant underlying assets would be presented if they were owned by the Company (as lessee).

Right-of-use of office space and serviced apartments

Right-of-use of office space and serviced apartments is depreciated, and financial costs due to leasing are recognised. The related asset is recognised in the balance sheet under *Tangible fixed assets.* The liability is recognised under long- or short-term liabilities, respectively.

Rights of perpetual usufruct of land

Costs – costs related to lease of perpetual usufruct of land are expensed as *Inventory* (*Semi-finished goods and work in progress*) for the duration of the property project development.

Asset – the related asset is recognised in the balance sheet under *Inventory* or *Short-term receivables.*

Liability – the liability is recognised in its entirety under short-term liabilities.

The choice of this method of allocating the fees for perpetual usufruct right of land is due to the fact that these rights concern the properties on which the Group carries out its development projects. Consequently, lease costs of perpetual usufruct are expensed as inventories (Work in progress), and subsequently expensed, together with the cost of sales of finished goods, to the income statement in the period in which the finished goods are delivered to clients (i.e. at the point in time when sales are recognised).

On 20 July 2018, the Act on the transformation of perpetual usufruct of land developed for residential purposes into ownership of that land came into force. The Group treats land subject to the above-described conversion in a similar way as the land of which it has been the existing perpetual usufructuary, accounting for conversion fees just as for perpetual usufruct fees.

<u>Justification for the classification of assets and liabilities arising from lease of perpetual usufruct of land in the balance sheet</u>

Generally, the rights of perpetual usufruct of land with property development projects in progress are classified as inventory. The liability to pay for these rights will be settled by way of their transfer to the respective buyers of apartments to which these rights are appurtenant. Liabilities related to these rights are classified as short-term liabilities. This is consistent with the classification of the inventory to which these liabilities pertain (which are recognised as current assets). The classification of liabilities and inventory as short-term liabilities results from the fact that they are settled (i.e. the sale of apartments and the transfer of the related liabilities) within the period that is the Company's "operating cycle". The operating cycle is the period from the start of the property development project until the realisation of inventories as cash.

The Group is legally released from the debt arising from the obligation to pay perpetual usufruct fees or transformation fees only upon the legal (notarised) transfer to the buyer of the interest in the land appurtenant to the unit sold. Accordingly, until the time of transfer of the above mentioned ownership, land-related lease liability remains on the balance sheet of the Group. Therefore, at the time of handover of the unit (which is also the time of recognition of the revenue from the sale of the unit), the portion of the asset related to the lease that is appurtenant to that unit is transferred from Inventory to Receivables from the buyer, in the amount corresponding to the recognised land-related lease liability.

Until the time of transfer of the ownership to the buyer, both the receivable and the liability are recognised as a short-term receivable or liability, as they will be settled through the transfer to the buyer within the "operating cycle". At the date of ownership transfer to the buyer, land-related lease liability and the related receivables from the buyer of the unit are reversed from the accounting records.

All future payments arising from its being the holder of perpetual usufruct right, to be made during the period for which such right is granted in respect of individual properties (and which may be up to 99 years) are discounted. This period does not depend on the period of time during which the Group expects to remain the holder of such perpetual usufruct right, that is on the planned use of these properties for development projects.

7.5 KEY FIGURES BASED ON PROFESSIONAL JUDGEMENT AND BASIS FOR ESTIMATES

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

BUDGETS OF THE DEVELOPMENT PROJECTS

The decision to purchase real estate (land) is based upon analysis, where the so called “purchase budget” is the major component. This budget is prepared to assess the future profitability of projects. The budgets for these construction projects are updated based on management’s best knowledge and experience from when the real estate is purchased. The budgets for all construction projects are verified and updated when necessary, at least once every three months. Updated project budgets are the basis for:

- verification of their profitability and any potential inventory impairment write down,
- preparation of financial forecasts, annual budgets and medium term plans.

RECOGNITION OF REVENUE FROM THE SALE OF PRODUCTS

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

SEASONALITY

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

7.6 INTANGIBLE ASSETS

Current year

INTANGIBLE ASSETS	Other intangible assets	Computer software	Trademark	Intangible assets under implementation process	Total
Gross value - opening balance	**9 640**	**35 602**	**6 990**	**314**	**52 546**
Additions, acquisition of companies	-	-	-	-	-
Additions, other	1 153	4 968	-	6 408	12 529
Transfers	30	-	-	-	30
(Decrease)	(483)	-	-	(6 217)	(6 700)
Gross value - closing balance	**10 340**	**40 570**	**6 990**	**505**	**58 405**
Accumulated amortisation - opening balance	**7 733**	**17 288**	**6 990**	**-**	**32 011**
Additions, acquisition of companies	-	-	-	-	-
Additions, other	1 078	5 393	-	-	6 471
(Decrease)	(287)	-	-	-	(287)
Accumulated amortisation - closing balance	**8 524**	**22 681**	**6 990**	**-**	**38 195**
Net value - closing balance	**1 816**	**17 889**	**-**	**505**	**20 210**

Previous year

INTANGIBLE ASSETS	Other intangible assets	Computer software	Trademark	Intangible assets under implementation process	Total
Gross value - opening balance	**8 596**	**30 100**	**6 990**	**326**	**46 012**
Additions, acquisition of companies	**38**	**107**	**-**	**-**	145
Additions, other	1 006	-	-	5 487	6 493
Transfers	-	5 499	-	(5 499)	-
(Decrease)	-	(104)	-	-	(104)
Gross value - closing balance	**9 640**	**35 602**	**6 990**	**314**	**52 546**
Accumulated amortisation - opening balance	**6 596**	**12 932**	**6 291**	**-**	**25 819**
Additions, acquisition of companies	21	107	-	-	128
Additions, other	1 116	4 353	699	-	6 168
(Decrease)	-	(104)	-	-	(104)
Accumulated amortisation - closing balance	**7 733**	**17 288**	**6 990**	**-**	**32 011**
Net value - closing balance	**1 907**	**18 314**	**-**	**314**	**20 535**

Intangible assets are amortised throughout their estimated economic useful lives, which is 2-5 years on average. The value of the Euro Styl trademark, which was acquired and measured at the time of purchase of the Euro Styl S.A. Capital Group in 2017, is amortised over a period of 5 years and has been recognised as item trademark.

There are no intangible assets with an undefined useful life.

As at 31 December 2023 there were no circumstances that would require the Group to create revaluation write downs for its intangible assets. No collaterals have been established on intangible assets.

The costs of amortising intangible assets were disclosed in selling costs and general administrative expenses.

7.7 TANGIBLE FIXED ASSETS

Current year

TANGIBLE FIXED ASSETS	Right-of-use of premises	Land and buildings	Vehicles	Equipment and other tangible fixed assets	Total
Gross value - opening balance	**56 224**	**2 512**	**15 179**	**18 954**	**92 869**
Additions, acquisition of companies	-	-	-	-	-
Additions, other	17 793	2 508	3 783	4 133	28 217
(Decrease)	-	-	(2 463)	(1 548)	(4 011)
Gross value - closing balance	**74 017**	**5 020**	**16 499**	**21 539**	**117 075**
Accumulated depreciation - opening balance	**21 284**	**805**	**8 571**	**15 096**	**45 756**
Additions, acquisition of companies	-	-	-	-	-
Additions, other	6 706	255	2 218	2 748	11 927
(Decrease)	-	-	(2 094)	(660)	(2 754)
Accumulated depreciation - closing balance	**27 990**	**1 060**	**8 695**	**17 184**	**54 929**
Net value - closing balance	**46 027**	**3 960**	**7 804**	**4 355**	**62 146**

Previous year

TANGIBLE FIXED ASSETS	Right-of-use of premises	Land and buildings	Vehicles	Equipment and other tangible fixed assets	Total
Gross value - opening balance	**39 823**	**1 388**	**12 749**	**18 456**	**72 416**
Additions, acquisition of companies	-	16	366	1 722	2 104
Additions, other	16 401	1 470	5 758	1 200	24 829
(Decrease)	-	(362)	(3 694)	(2 424)	(6 480)
Gross value - closing balance	**56 224**	**2 512**	**15 179**	**18 954**	**92 869**
Accumulated depreciation - opening balance	**15 309**	**462**	**8 294**	**13 085**	**37 150**
Additions, acquisition of companies	-	2	327	1 364	1 693
Additions, other	5 975	531	2 176	2 567	11 249
(Decrease)	-	(190)	(2 226)	(1 920)	(4 336)
Accumulated depreciation - closing balance	**21 284**	**805**	**8 571**	**15 096**	**45 756**
Net value - closing balance	**34 940**	**1 707**	**6 608**	**3 858**	**47 113**

The additions to tangible fixed assets are the result of tangible fixed assets purchased.

As at 31 December 2023 there were no circumstances that would require the Group to create revaluation write downs for its tangible fixed assets.

No collaterals have been established on fixed assets.

7.8 LONG-TERM RECEIVABLES

LONG-TERM RECEIVABLES	31.12.2023	31.12.2022
Receivables from the sale of financial assets	-	3 414
Receivables from retentions	4 108	3 689
Other long-term receivables	3 205	1 714
Total	**7 313**	**8 817**

All these receivables are denominated in PLN.

There is no need to create a write down revaluating the value of long-term receivables.

7.9 INVENTORY

INVENTORY		31.12.2023	31.12.2022
Advances on deliveries		**121 445**	**101 606**
of which:	at purchase prices/production costs	121 445	101 606
	write down to the net realisable value	-	-
Semi-finished goods and work in progress		**3 511 016**	**3 054 616**
of which:	at purchase prices/production costs	3 460 500	3 026 982
	rights of perpetual usufruct of land (lease)	81 425	68 539
	write down to the net realisable value	(30 909)	(40 905)
Finished goods		**204 657**	**286 747**
of which:	at purchase prices/production costs	210 886	292 976
	write down to the net realisable value	(6 229)	(6 229)
Total		**3 837 118**	**3 442 969**

INVENTORY REVALUATION WRITE DOWNS	01.01-31.12.2023	01.01-31.12.2022
Opening balance	**47 134**	**34 751**
Increments	1 454	12 583
(Decrease)	(11 450)	(200)
Closing balance	**37 138**	**47 134**

The value of inventory revaluation write downs have resulted from the impairment tests and analysis performed by the Group.

The methodology of inventory impairment reviews has been described in note 7.4 “Material accounting policies”.

CARRYING VALUE OF INVENTORY USED TO SECURE THE PAYMENT OF LIABILITIES AND VALUE OF THE MORTGAGES ESTABLISHED	31.12.2023	31.12.2022
MORTGAGES - value of mortgages to secure liabilities under:		
Real estate purchase agreements		-
Loan agreements of the Company and Group companies	765 000	585 000

PREPARATORY WORKS

If there is no certainty as to the possibility of purchasing land for a potential project, the costs of preparatory works associated with the project are disclosed as costs in the Company’s income statement during the period in which they occur. Remaining preparatory works are capitalised under work in progress.

The below table presents the cost of preparatory works recognised in the income statement.

COST OF PREPARATORY WORKS RECOGNISED IN THE INCOME STATEMENT	01.01-31.12.2023	01.01-31.12.2022
Preparatory works	1 775	2 297

7.10 TRADE AND OTHER RECEIVABLES

TRADE AND OTHER RECEIVABLES	31.12.2023	31.12.2022
Trade receivables	43 279	31 553
Receivables from related entities	-	-
Tax receivables	27 037	44 109
Other receivables	15 379	12 017
Total	**85 695**	**87 679**

Tax receivables are VAT receivables.

The Group created receivables revaluation write downs, which have been recognised under *Other operating expenses*.

The revaluation write downs have been made based on the Group's best knowledge and experience as well as analysis of particular balances.

AGING STRUCTURE OF TRADE RECEIVABLES	31.12.2023	31.12.2022
Up to 3 months	40 156	28 520
From 3 to 6 months	1 304	720
From 6 months to 1 year	1 910	1 672
Over 1 year	5 990	8 192
Gross trade receivables	**49 360**	**39 104**
Receivables revaluation write downs	(6 081)	(7 551)
Net trade receivables	**43 279**	**31 553**

The write downs fully relate to overdue trade receivables.

CHANGE IN THE WRITE DOWNS OF TRADE AND OTHER RECEIVABLES	01.01-31.12.2023	01.01-31.12.2022
Opening balance	**7 551**	**5 974**
Increments	4 284	1 662
(Decrease)	(5 754)	(85)
Closing balance	**6 081**	**7 551**

As of the balance sheet dates there were no trade or other receivables in foreign currencies.

The costs and revenues associated with the creation and reversal of receivables revaluation write downs are recognised under other operating expenses or other operating income respectively.

7.11 OTHER CURRENT ASSETS

OTHER CURRENT ASSETS	31.12.2023	31.12.2022
Accrued costs	6 978	7 419
Settlement of long-term contracts	68 837	-
Accrued financial income on deposits	28	130
Other	1 514	-
Total	**77 357**	**7 549**

Settlement of long-term contracts concerns a construction project carried out by the Company under the general contracting arrangements. These settlements represent the difference between the revenue estimated using the percentage of completion method and the revenue invoiced.

7.12 SHORT-TERM FINANCIAL ASSETS

SHORT-TERM FINANCIAL ASSETS	31.12.2023	31.12.2022
Bank deposits with a maturity over three months	-	-
Cash in open-end residential escrow accounts	102 623	69 594
Other short-term financial assets	14 937	21 569
Total	**117 560**	**91 163**

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

Other short-term financial assets are the funds accumulated in the escrow account in connection with the construction of outdoor infrastructure related to the property development projects carried out by the Company in the Metro Zachód project.

7.13 CASH AND CASH EQUIVALENTS

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

CASH AND CASH EQUIVALENTS	31.12.2023	31.12.2022
Cash in hand and at bank	28 232	36 747
Short-term deposits	258 042	267 489
Other	-	-
Total	**286 274**	**304 236**

7.14 SHARE CAPITAL

DESCRIPTION OF CHANGES TO THE SHARE CAPITAL IN THE COMPANY IN THE PERIOD FROM 1 JANUARY UNTIL 31 DECEMBER 2023

CHANGE IN THE REPORTING PERIOD	Share capital - Number of shares	Share capital - Value at the nominal value	Share premium
Opening balance	**25 548 422**	**25 548**	**264 208**
Change	**150 000**	**150**	**7 350**
Closing balance	**25 698 422**	**25 698**	**271 558**

PROCEEDS FROM ISSUE OF SHARES	31.12.2023	31.12.2022
Proceeds from issue of shares, at nominal value	150	150
Share premium	7 350	5 850
Total	**7 500**	**6 000**

EXERCISE OF COMPANY'S SHARE OPTIONS

- Registration of series AG shares on 26 January 2023

On 19 December 2022, the Management Board adopted a resolution on the increase of share capital in the Company by issuing 50 000 series AG ordinary bearer shares. The issue price for series AG shares was determined as PLN 50.00 per share.

The shares were issued in a private placement addressed to Mr Leszek Stankiewicz, Vice President of the Management Board as a participant in Management Options Programme VII. On 29 December 2022, the Management Board adopted a resolution on the allotment of the above-mentioned shares to Mr Leszek Stankiewicz.

On 26 January 2023, this increase of the Company's share capital was registered by the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Division of the National Court Register. Series AG shares were registered by Krajowy Depozyt Papierów Wartościowych S.A. (National Depository for Securities) in the securities depository and introduced to stock exchange trading at the WSE main market on 14 June 2023.

- Exercise of share options and capital increase by way of issue of AH and AI series shares

On 6 February 2023, the Management Board resolved to increase Company's share capital from PLN 25 598 422.00 to PLN 25 698 422.00, i.e. by PLN 100 000.00, by issuing 50 000 series AH ordinary bearer shares with PLN 1.00 nominal each and 50 000 series AI ordinary bearer shares with PLN 1.00 nominal each. The issue price for series AH and AI shares was set as PLN 50.00 per share. The issue of series AH and AI shares took place through a private placement. The purpose of issuing series AH and AI shares as part of the authorised capital is to enable the Company to fulfil its obligations resulting from:

  - Management Option Programme V for Mikołaj Konopka, Member of the Management Board, concerning 250 000 shares in Dom Development S.A., and
  - Management Option Programme VII for Leszek Stankiewicz, Vice President of the Management Board, concerning 250 000 shares in Dom Development S.A. (see note 7.23).

On 8 February 2023:

- Mr Mikołaj Konopka exercised his share options in the Company by exercising his rights under subscription warrants and subscribing for 50 000 shares. The issue price for the new series AH shares was PLN 50.00 per share.
- Mr Leszek Stankiewicz exercised his share options in the Company by exercising his rights under subscription warrants and subscribing for 50 000 shares. The issue price for the new series AI shares was PLN 50.00 per share,

and they were registered by the District Court for the capital city of Warsaw on 15 May 2023. Series AH and AI shares were registered by Krajowy Depozyt Papierów Wartościowych S.A. (National Depository for Securities) in the securities depository and introduced to stock exchange trading at the WSE main market on 14 June 2023.

COMPANY'S SHARE CAPITAL STRUCTURE AS AT 31 DECEMBER 2023

Series/ issue	Type of share	Number of shares	Nominal value of series/issue (in PLN)	Capital covered with	Registration date	Right to dividends (from)
A	Bearer	21 344 490	21 344 490	cash	12.09.2006	12.09.2006
F	Bearer	2 705 882	2 705 882	cash	31.10.2006	31.10.2006
H	Bearer	172 200	172 200	cash	14.02.2007	14.02.2007
I	Bearer	92 700	92 700	cash	14.02.2007	14.02.2007
J	Bearer	96 750	96 750	cash	14.02.2007	14.02.2007
L	Bearer	148 200	148 200	cash	14.02.2007	14.02.2007
Ł	Bearer	110 175	110 175	cash	12.03.2012	07.05.2012
M	Bearer	24 875	24 875	cash	03.10.2012	09.11.2012
N	Bearer	20 000	20 000	cash	03.10.2012	09.11.2012
O	Bearer	26 000	26 000	cash	05.03.2013	17.05.2013
P	Bearer	925	925	cash	31.10.2013	23.12.2013
R	Bearer	11 000	11 000	cash	31.10.2013	23.12.2013
S	Bearer	17 075	17 075	cash	20.03.2014	02.05.2014
T	Bearer	1 000	1 000	cash	14.01.2015	27.03.2015
U	Bearer	10 320	10 320	cash	17.05.2016	01.06.2016
V	Bearer	1 000	1 000	cash	17.05.2016	01.06.2016
W	Bearer	85 830	85 830	cash	10.01.2017	10.03.2017
Y	Bearer	100 000	100 000	cash	29.03.2018	21.05.2018
Z	Bearer	100 000	100 000	cash	28.02.2019	24.04.2019
AA	Bearer	100 000	100 000	cash	31.03.2020	28.05.2020
AB	Bearer	50 000	50 000	cash	31.03.2020	28.05.2020
AC	Bearer	100 000	100 000	cash	18.02.2021	23.04.2021
AD	Bearer	80 000	80 000	cash	18.02.2021	23.04.2021
AE	Bearer	100 000	100 000	cash	02.03.2022	10.06.2022
AF	Bearer	50 000	50 000	cash	02.03.2022	10.06.2022
AG	Bearer	50 000	50 000	cash	26.01.2023	14.06.2023
AH	Bearer	50 000	50 000	cash	15.05.2023	14.06.2023
AI	Bearer	50 000	50 000	cash	15.05.2023	14.06.2023
Total		**25 698 422**	**25 698 422**			

Each share in Dom Development S.A. has a nominal value of PLN 1.

None of the Company's shares are preference and restricted shares.

LIST OF SHAREHOLDERS WHO HOLD, DIRECTLY OR INDIRECTLY THROUGH SUBSIDIARIES, AT LEAST 5% OF THE OVERALL NUMBER OF VOTES AT THE GENERAL SHAREHOLDERS MEETING ("GSM") AS AT 31 DECEMBER 2023

	Shares	% shares	Number of votes at the GSM	% votes at the GSM
Groupe Belleforêt S.à r.l.	14 140 441	55.02	14 140 441	55.02
PTE Allianz Polska S.A.*	2 501 493	9.73	2 501 493	9.73
Jarosław Szanajca	1 454 050	5.66	1 454 050	5.66

*) The shareholding by PTE Allianz Polska S.A. has been presented as per the notice dated 15.05.2023 and includes the shares held by Allianz OFE.

SHARES OF DOM DEVELOPMENT S.A. OR RIGHTS THERETO (OPTIONS) OWNED BY THE PERSONS PERFORMING MANAGEMENT AND SUPERVISORY FUNCTIONS AT DOM DEVELOPMENT S.A. AS AT 31 DECEMBER 2023

	AS AT 31.12.2023				CHANGE FROM 31 DECEMBER 2022	
	Shares	Nominal value of shares (in PLN '000)	Share options	Shares and options, total	Shares	Share options
MANAGEMENT BOARD						
Jarosław Szanajca	1 454 050	1 454	-	1 454 050	-	-
Małgorzata Kolarska	285 066	285	-	285 066	(118 478)	-
Leszek Stankiewicz*), **)	100 000	100	150 000	250 000	100 000	(100 000)
Mikołaj Konopka*)	170 061	170	50 000	220 061	31 080	(50 000)
Terry Roydon	58 500	59	-	58 500	-	-
SUPERVISORY BOARD						
Grzegorz Kiełpsz	1 280 750	1 281	-	1 280 750	-	-
Janusz Zalewski	300 000	300	-	300 000	-	-
Mark Spiteri	900	1	-	900	-	-
Anna Panasiuk	-	-	-	-	-	-
Edyta Wojtkiewicz	-	-	-	-	-	-
Philippe Bonavero	-	-	-	-	-	-
Dorota Podedworna-Tarnowska	-	-	-	-	-	-

*) On 8 February 2023, Mr. Leszek Stankiewicz and Mr. Mikołaj Konopka were allotted 50 000 shares in Dom Development S.A. each in the exercise of the Company's share options. These shares were registered by the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Division of the National Court Register on 15 May 2023.

**) On 29 December 2022, the Management Board adopted a resolution on the allotment of new shares to Mr. Leszek Stankiewicz in the exercise of 50 000 share options. These shares were registered by the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Division of the National Court Register on 26 January 2023, which is why the exercise of these options was disclosed in 2023..

The Members of the Management Board and the Supervisory Board of the Company did not hold any shares in other companies operating within the Group, except for in Dom Land Sp. z o.o., in which Jarosław Szanajca, Grzegorz Kiełpsz and Mark Spiteri held 20% of the shares each at 31 December 2023.

7.15 SHARE PREMIUM

In the twelve-month period ended 31 December 2023, the value of the item *Share premium* changed by PLN 7 350 thousand as a result of the increase of the share capital, described in note 7.14.

The value of the share premium was PLN 271 558 thousand and PLN 264 208 thousand as at 31 December 2023 and 31 December 2022 respectively.

7.16 ADDITIONAL INFORMATION ON SHAREHOLDERS' EQUITY

As at 31 December 2023 and 31 December 2022 the Company's shares were not owned by any of its subsidiaries.

In the twelve-month period ended 31 December 2023 and 2022 the Company did not hold any treasury shares.

7.17 DIVIDEND AND PROFIT DISTRIBUTION

DIVIDEND FOR 2022

The Annual General Meeting of the Company resolved on 15 June 2023 to allocate the 2022 net profit of the Company to:
- payment of dividend to the shareholders of the Company in the amount of PLN 282 682 642.00, which corresponds to PLN 11.00 per share,
- increase of the Company's supplementary capital by PLN 91 001 662.08.

The dividend for 2022 was paid by the Company on 4 July 2023.

The dividend for 2021 in the amount of PLN 268 258 431.00 (i.e. PLN 10.50 per share) was paid on 16 August 2022.

Dividends:	**01.01-31.12.2023**	**01.01-31.12.2022**
Dividends are recognised as distributions to owners, per share (in PLN)	11.00	10.50

INTERIM DIVIDEND FOR 2023

On 6 November 2023, based on the condensed interim financial statements of the Company for the six-month period ended 30 June 2023 audited by an independent statutory auditor, the Management Board of the Company decided to (and the Company's Supervisory Board of the Company consented to the same) distribute interim dividend for 2023 to the shareholders in the amount of PLN 141 341 321.00, i.e. PLN 5.50 per share.

The Management Board set the date of record for the 2023 interim dividend as 12 December 2023 and the interim dividend payment date as 18 December 2023. All the 25 698 422 of the Company's shares were eligible for interim dividend payment. The interim dividend was paid on 18 December 2023.

7.18 LOANS

DESCRIPTION OF MATERIAL CHANGES IN THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2023

On 8 February 2023, PKO Bank Polski S.A. and Dom Development S.A. and Euro Styl S.A. entered into Annex no. 4 to the overdraft facility agreement, dated 27 July 2015, under which the loan amount was increased from PLN 150 000 thousand to PLN 200 000 thousand. Pursuant to the said agreement, Euro Styl S.A. may still use up to PLN 50 000 thousand of this credit limit. The term of the agreement was extended until 26 February 2027.

On 15 November 2023, ING Bank Śląski S.A. and Dom Development S.A. signed a facility agreement setting out the rules for Dom Development S.A. to use the credit limit up to a maximum amount of PLN 50 000 thousand until 14 November 2026, with the funds from the loan to be used for the financing of current business operations.

On 17 December 2023, an annex to the Multi-Currency Line Agreement was entered into by Bank Millennium S.A. and Dom Development S.A. As a result of the said annex, the amount of the facility was increased from PLN 40 000 thousand to PLN 60 000 thousand, and the period of availability of the credit limit was extended until 17 December 2024.

On 21 December 2023, VeloBank S.A. and Dom Development S.A. signed a facility agreement setting out the rules for Dom Development S.A. to use the credit limit up to a maximum amount of PLN 50 000 thousand until 30 November 2025, with the funds from the loan to be used for the financing of current business operations, excluding land purchase.

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

LOANS DUE WITHIN		31.12.2023	31.12.2022
Less than 1 year		-	59 177
More than 1 year and less than 2 years		-	-
More than 2 years and less than 5 years		-	-
Over 5 years		-	-
Total loans		**-**	**59 177**
of which:	long-term	-	-
	short-term	-	59 177

As at 31 December 2023 and 31 December 2022 all the loans held by the Company were expressed in Polish zloty.

BANK LOANS AT 31 DECEMBER 2023

Bank	Registered office	Loan amount as per agreement	Currency	Outstanding loan amount (less accrued interest)	Currency	Due date
PKO BP S.A.	Warsaw	200 000	PLN	**0**	**PLN**	26.02.2027
mBank S.A.	Warsaw	200 000	PLN	**0**	**PLN**	29.01.2027
Bank Millennium S.A.	Warsaw	60 000	PLN	**0**	**PLN**	17.12.2024
ING Bank Śląski S.A.	Katowice	50 000	PLN	**0**	**PLN**	14.11.2026
VeloBank S.A.	Warsaw	50 000	PLN	**0**	**PLN**	30.11.2025
Total bank loans				**0**		

CORE DETAILS CONCERNING CREDIT LINES HELD BY THE COMPANY

- Loan at PKO BP

Revolving loan in the credit facility account up to PLN 200 000 thousand. Pursuant to the agreement with the bank, Euro Styl S.A. may use up to PLN 50 000 thousand of this credit limit. As at 31 December 2023 , no funds were drawn from this credit limit either by Dom Development S.A. or Euro Styl S.A.

- Loan at mBank

Revolving loan in the credit facility account up to PLN 200 000 thousand. Under the said agreement, Dom Development Wrocław Sp. z o.o. may use up to PLN 60 000 thousand of this credit limit, and Euro Styl S.A. may use up to PLN 100 000 thousand of this credit limit. As at 31 December 2023 , no funds were drawn from this credit line either by Dom Development S.A. or other Group companies.

- Loan at Millennium Bank

Revolving loan up to PLN 60 000 thousand. As at 31 December 2023 Dom Development S.A. has not drawn any funds from the said credit limit.

- Loan at ING Bank Śląski

PLN overdraft facility up to PLN 50 000 thousand. As at 31 December 2023 Dom Development S.A. has not drawn any funds from the said credit limit.

- Loan at VeloBank

Revolving working capital loan up to PLN 50 000 thousand. As at 31 December 2023 Dom Development S.A. has not drawn any funds from the said credit limit.

The Group recognises the nominal value of the liability under *Loans*, and the interest accrued as at the balance sheet date is presented separately under *Accrued interest on loans and bonds*.

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

7.19 BONDS

BONDS	31.12.2023	31.12.2022
Nominal value of the bonds issued, long-term portion	470 000	260 000
Nominal value of the bonds issued, short-term portion	50 000	50 000
Nominal value of the bonds issued	**520 000**	**310 000**

The Group recognises the nominal value of the bond liabilities under *Bonds*, and the interest charged as at the balance sheet date are presented separately under *Accrued interest on loans and bonds*.

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

CORE DETAILS CONCERNING THE BONDS ISSUED

- Agreement with Trigon Dom Maklerski S.A. and Trigon Investment Banking Spółka z ogracznicząną odpowiedzialnością & Wspólnicy S.K.

Pursuant to the agreement, Dom Development S.A. may issue bonds with a total value of up to PLN 400 million, understood as the nominal value of all outstanding bonds. The limit of the Programme is renewable. In accordance with the agreement, bonds may be issued by the Company as various series by 17 November 2027.

- Agreement with mBank S.A.

Pursuant to the agreement entered into on 7 February 2023, Dom Development S.A. may issue bonds with a total value of up to PLN 400 million, understood as the nominal value of all outstanding bonds. In accordance with the agreement, bonds may be issued by the Company in various series over the undefined period of time following the date of signing of the Issue Agreement. The limit of the Programme is renewable.

BONDS ISSUED AS AT 31.12.2023

Series	Issuer	Issue date	Amount	Currency	Maturity date
DOMDET3121224	Dom Development S.A.	12.12.2019	50 000	PLN	12.12.2024
DOMDET4250925	Dom Development S.A.	25.09.2020	100 000	PLN	25.09.2025
DOMDET5120526	Dom Development S.A.	12.05.2021	110 000	PLN	12.05.2026
DOMDEM1280928	Dom Development S.A.	28.09.2023	260 000	PLN	28.09.2028
Total			**520 000**		

The bonds remaining to be redeemed have been traded and quoted in the alternative trading system operated by Giełda Papierów Wartościowych w Warszawie S.A. (*Warsaw Stock Exchange*). The key terms of bond issue with a future maturity date can be found at:

https://inwestor.domd.pl/pl/obligacje

DESCRIPTION OF MATERIAL CHANGES IN THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2023

- New agreement with mBank S.A.

On 7 February 2023, the Management Board of Dom Development S.A. adopted a resolution according to which it agreed to establish by the Company a bond issue programme of Dom Development S.A. with a total value not exceeding PLN 400 million, understood as the nominal value of all issued and unredeemed bonds. Moreover, the Management Board of the Company consented for an issue agreement related to the said programme to be entered into by the Company and mBank S.A. with its registered office (the "Issue Agreement").

The Issue Agreement was entered into by the Company and mBank S.A. on 7 February 2023, wherein the bonds may be issued by the Company as various series for an unspecified period of time from the Issue Agreement date onwards. Bonds to be issued under the Programme will:

- be issued:

(a) as prescribed in Article 33(1) of the Bonds Act of 15 January 2015 (the "Bonds Act"), i.e. in a public offering of securities as referred to in Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "Prospectus Regulation"), save for the obligation to publish a prospectus in accordance with Article 1(4)(a) or Article 1(4)(b) of the Prospectus Regulation; or

(b) as prescribed in Article 33(2) of the Bonds Act, i.e. in an offering other than the public offering of securities referred to in the Prospectus Regulation, addressed only to one investor;

- be ordinary unsecured bearer bonds;

- have maturity of up to 60 months;

- bear interest at a fixed or variable rate;

- be dematerialised (registered) on the issue date in the securities depository operated by Krajowy Depozyt Papierów Wartościowych S.A. (*National Depository for Securities*) under a condition that they are placed on the market in an alternative trading system operated by Giełda Papierów Wartościowych w Warszawie S.A. (*Warsaw Stock Exchange*) or registered in such a depository through an issuing agent and placed on the market in an alternative trading system operated by Giełda Papierów Wartościowych w Warszawie S.A. (*Warsaw Stock Exchange*) within a specified period from the issue date.

The Issue Agreement also provides for the possibility of concluding a guarantee agreement for each series of bonds issued under the Programme. Based on the said guarantee agreement mBank S.A. shall undertake to subscribe for a specific bond series under the programme on the terms set out in such agreement.

Also on 7 February 2023, Dom Development S.A. and mBank S.A. signed an Issuing Agent Agreement in connection with the issue of bonds under the programme with a value of up to PLN 400 million.

- Premature redemption for cancellation

On 21 September 2023, Dom Development S.A. prematurely redeemed for cancellation 10 500 unsecured bearer bonds, series DOMDET2091023 , with a nominal value of PLN 1 000 each and maturing on 9 October 2023. The aggregate nominal value of the redeemed bonds is PLN 10 500 thousand. The redemption price per one bond was PLN 1 038.20. The total redemption price of the bonds was PLN 10 901 thousand.

- Bonds issue

On 28 September 2023, the Company issued 260 000 unsecured bearer bonds, series DOMDEM1280928, with the nominal value of PLN 1 000 each and the aggregate nominal value of PLN 260 000 thousand. The maturity date for these bonds is 28 September 2028. The issue value equals the nominal value of the bonds. The coupon rate for the DOMDEM1280928 series bonds is set at WIBOR 6M plus 1.55% margin. and will be paid semi-annually. No purpose for the bond issue was specified. The funds from the issue have been designated for current operations of the Company.

- Bond redemption on maturity

On 9 October 2023, the Company redeemed 39 500 bearer bonds, series DOMDET2091023, with the nominal value of PLN 1 000 each and the aggregate nominal value of PLN 39 500 thousand as maturing on this date.

7.20 ACCRUED INTEREST ON LOANS AND BONDS

ACCRUED INTEREST ON LOANS AND BONDS	31.12.2023	31.12.2022
Accrued interest on bonds	7 191	2 550
Accrued interest on loans	-	-
Total accrued interest on loans and bonds	**7 191**	**2 550**

7.21 DEFERRED TAX ASSETS AND PROVISIONS

Deferred tax is the outcome of the following items:

Current year

DEFERRED TAX ASSETS AND PROVISIONS	Balance sheet - opening balance	Change in the period as recognised in the Income statement / Statement of comprehensive income	Balance sheet - closing balance
Deferred tax provision			
Foreign exchange differences	29	(28)	1
Accrued interest	604	(147)	457
Discounting of liabilities	3 292	578	3 870
Difference between the tax and accounting result on products sold, including provisions for costs	50 273	653	50 926
Capitalised financial costs	4 053	(325)	3 728
Valuation of financial assets	3 983	(2 712)	1 271
Lease	-	31	31
Trademark	-	-	-
Other	144	163	307
Total deferred tax provision	**62 378**	**(1 787)**	**60 591**
Deferred tax assets			
Foreign exchange differences	258	(200)	58
Difference between the tax and accounting result on products sold, including provisions for costs	21 336	(21 336)	-
Inventory revaluation	8 956	(1 021)	7 935
Receivables revaluation write downs and other provisions	1 158	77	1 235
Provision for employee benefits	9 539	(581)	8 958
Provision for other costs	22 196	(577)	21 619
Elimination of margin on intragroup transactions	11 785	1 266	13 051
Costs associated with the acquisition of subsidiaries	1 318	-	1 318
Financial costs	584	2 843	3 427
Discounted receivables	249	400	649
Valuation of financial assets	-	326	326
Tax loss possible to be settled	3 553	1 520	5 073
Other	162	670	832
Total deferred tax assets	**81 094**	**(16 613)**	**64 481**

Previous year

DEFERRED TAX ASSETS AND PROVISIONS	Balance sheet - opening balance	Change in the period as recognised in the Income statement / Statement of comprehensive income	Balance sheet - closing balance
Deferred tax provision			
Foreign exchange differences	-	29	29
Accrued interest	386	218	604
Discounting of liabilities	2 098	1194	3 292
Difference between the tax and accounting result on products sold, including provisions for costs	34 142	16 131	50 273
Capitalised financial costs	3 187	866	4 053
Valuation of financial assets	1 745	2238	3 983
Lease	3	(3)	-
Trademark	133	(133)	-
Other	125	19	144
Total deferred tax provision	**41 819**	**20 559**	**62 378**
Deferred tax assets			
Foreign exchange differences	-	258	258
Difference between the tax and accounting result on products sold, including provisions for costs	692	20 644	21 336
Inventory revaluation	7 050	1 906	8 956
Receivables revaluation write downs and other provisions	768	390	1158
Provision for employee benefits	5 146	4 393	9 539
Provision for other costs	14 589	7 607	22 196
Elimination of margin on intragroup transactions	14 303	(2 518)	11 785
Costs associated with the acquisition of subsidiaries	1 088	230	1 318
Financial costs	17	567	584
Discounted receivables	772	(523)	249
Valuation of financial assets	-	0	-
Tax loss possible to be settled	546	3 007	3 553
Other	1 479	(1 317)	162
Total deferred tax assets	**46 450**	**34 644**	**81 094**

	01.01-31.12.2023	01.01-31.12.2022
Change in the deferred tax provision resulting from the acquisition of subsidiaries, determined as of the date of the acquisition	-	18 725
Deferred tax expense concerning income statement	17 397	(34 874)
Deferred tax expense concerning other net comprehensive income	(2 571)	2 064

	31.12.2023	31.12.2022
Deferred tax asset shown in the balance sheet	31 902	52 721
Deferred tax provision shown in the balance sheet, net	28 012	34 005

7.22 LONG-TERM PROVISIONS

LONG-TERM PROVISIONS	31.12.2023	31.12.2022
Provision for repair costs, long-term portion	44 502	35 481
Provision for retirement benefits	1 108	551
Total	**45 610**	**36 032**

LONG-TERM PROVISIONS – CHANGES	31.12.2023	31.12.2022
Opening balance	**36 032**	**26 573**
Provisions created in the financial year	13 995	13 593
Provisions used/reversed in the financial year	(4 417)	(4 134)
Closing balance	**45 610**	**36 032**

7.23 OTHER LONG-TERM LIABILITIES

OTHER LONG-TERM LIABILITIES	31.12.2023	31.12.2022
Guarantee retentions, long-term portion	55 332	50 483
Liability on account of the obligation to redeem non-controlling interests	-	-
Other	52 574	29 522
Closing balance	**107 906**	**80 005**

Long-term liabilities on account of the infrastructure projects carried out jointly with third parties are recognised under *Other*. These projects are carried out in connection with the Group's development projects. As at 31 December 2023, the liabilities in that regard amounted to PLN 40 108 thousand.

7.24 LEASE LIABILITIES

In accordance with the IFRS 16, the following lease liabilities were recognised in the Group's balance sheet:

- right-of-use of office space and serviced apartments,

- rights of perpetual usufruct of land.

Note 7.4 *Material accounting policies* describes in detail lease-related accounting policies, specifically, it explains the classification of such liabilities as long- or short-term.

LEASE LIABILITIES	31.12.2023	31.12.2022
Lease liabilities, short-term portion, of which:	**95 295**	**78 964**
liabilities on account of perpetual usufruct right of land	84 953	70 387
liabilities on account of the right-of-use of office and other spaces	10 028	8 577
Other	314	-
Lease liabilities, long-term portion, of which:	**38 450**	**30 321**
liabilities on account of the right-of-use of office and other spaces	38 450	30 321
Other	-	-
Total	**133 745**	**109 285**

As estimated by the Management Board based on property development projects planned on specific land to which the Group held the perpetual usufruct right as at 31 December 2023, out of PLN 84 953 thousand of the land-related lease liabilities recognised as short-term, of which:

- PLN 7 016 thousand is payable by the Group within 12 months following the balance sheet date,

- PLN 10 579 thousand is payable by the Group later than 12 months following the balance sheet date,

- PLN 67 358 thousand is to be transferred to the respective buyers of units.

7.25 TRADE PAYABLES, TAX AND OTHER LIABILITIES

TRADE PAYABLES, TAX AND OTHER LIABILITIES	31.12.2023	31.12.2022
Trade payables, including guarantee retentions (short-term portion)	243 802	197 054
Tax liabilities	8 126	5 459
Accrued costs	218 345	178 386
Company Social Benefits Fund	540	417
Other liabilities	13 409	26 226
Total liabilities	**484 222**	**407 542**
Accrued costs structure:	**218 345**	**178 386**
- estate construction costs	169 413	127 007
- employee costs	35 632	40 121
- rent for office space	974	1 308
- other	12 326	9 950

Trade payables are not interest-bearing liabilities. In addition to the guarantee retentions (as described below), the maturity for the trade payables is from 14 to 30 days.

The table below presents the carrying value of liabilities due to guarantee retentions connected to the execution of real estate development projects. The short-term and long-term portion of these liabilities are disclosed in relevant items of short-term and long-term liabilities.

GUARANTEE RETENTIONS	31.12.2023	31.12.2022
Guarantee retentions, short-term portion	42 726	42 292
Guarantee retentions, long-term portion	55 332	50 483
Total guarantee retentions	**98 058**	**92 775**

7.26 SHORT-TERM PROVISIONS

SHORT-TERM PROVISIONS	31.12.2023	31.12.2022
Provision for repair costs, short-term portion	11 130	11 180
Retirement provision	64	102
Provision for disputes	17 886	21 560
Total	**29 080**	**32 842**

SHORT-TERM PROVISIONS – CHANGES	31.12.2023	31.12.2022
Opening balance	**32 842**	**35 996**
Provisions created in the financial year	10 164	14 482
Provisions used/reversed in the financial year	(13 926)	(17 636)
Closing balance	**29 080**	**32 842**

7.27 DEFERRED INCOME

DEFERRED INCOME	31.12.2023	31.12.2022
Deferred income related to the payments received from customers for the purchase of products, not yet included as income in the income statement	1 733 657	1 551 326
Other	-	-
Total	**1 733 657**	**1 551 326**

7.28 BENEFITS AFTER EMPLOYMENT

The Group does not operate a special employee benefits programme after termination of employment.

7.29 FINANCIAL ASSETS AND LIABILITIES

CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES, AND MAXIMUM CREDIT RISK EXPOSURE

FINANCIAL ASSETS AND LIABILITIES	31.12.2023	31.12.2022
FINANCIAL ASSETS		
Long-term receivables	7 313	8 817
Loans granted	-	-
Trade and other receivables	58 658	43 570
Receivables from related entities	-	-
Total loans and receivables	**65 971**	**52 387**
Other	-	-
Financial assets valued at their fair value through the income statement (designated for trading)	**-**	**-**
Cash in hand and at bank	28 232	36 747
Short-term deposits	258 042	267 489
Short-term financial assets	117 560	91 163
Maximum credit risk exposure	**469 805**	**447 786**
FINANCIAL LIABILITIES		
Loans	-	59 177
Own bonds issued	527 191	312 550
Trade payables, accrued and other liabilities	583 462	481 671
Lease liabilities	133 745	109 285
Financial liabilities valued at amortised cost	**1 244 398**	**962 683**

Fair value of financial assets and liabilities of the Group is not materially different from their carrying value.

7.30 FINANCIAL RISK MANAGEMENT

The Group is exposed to the following types of financial risk:

- market risk (interest rate risk)
- credit risk
- liquidity risk

MARKET RISK

The market risk is a type of risk which reflects the impact of changes in market prices, such as currency exchange rates, interest rates or prices of capital instruments, on the Group's financial results or the value of financial instruments held.

The market risk generally incorporates risks such as:

- currency risk
- interest rate risk

Currency risk

If there are significant foreign currency items, the Group uses foreign currency derivatives (forward and swap) to hedge its significant F/X transactions.

As at 31 December 2023 and 31 December 2022 the Group did not have any significant assets, liabilities and future payments in foreign currencies, therefore there was no need to have hedging currency derivatives.

Interest rate risk

The fixed interest rate bank loans expose the Group to the risk of changes in the loan fair value. The variable interest rate loans and borrowings result in the cash flow risk.

The current financing structure implies that the Group does not have fixed rate loans or bonds. Currently, the Group has short-term, medium-term and long-term variable interest rate loans and bonds which results in the cash flow risk exposure.

As at the balance sheet date the Group did not have fixed interest rate long-term financial instruments.

A great deal of interest rate risk is limited naturally by holding both financial liabilities and financial assets bearing variable interest rate. Interest rate risk exposure for bond debt is reduced through hedging instruments such as:

- CAP options where a bank warrants to reimburse to the Company any difference resulting from an increase in market interest rates above the level agreed under the option. The Company hedges in that manner against increases in interest rates while maintaining the possibility to take advantage of any possible decrease of the interest rates,

- IRS (Interest Rate Swap) - the transaction involves a swap with the bank of interest payments calculated according to one interest rate for interest payments calculated according to a different interest rate. The Company swaps a variable interest rate for a fixed interest rate. Both interest payments are calculated on the basis of the nominal amount agreed in the transaction and their settlement takes place on the agreed dates through comparing the relevant reference rate with the contracted interest rate.

The structure of variable interest rate financial instruments as at the balance sheet date is as follows:

VARIABLE INTEREST RATE INSTRUMENTS	**31.12.2023**	**31.12.2022**
Financial assets	403 835	395 399
Financial liabilities	527 191	371 727
Net total	**(123 356)**	**23 672**

Interest bearing financial assets, i.e. bank deposits, are disclosed as financial assets. Interest bearing financial liabilities, i.e. loans and own bond, are disclosed as financial liabilities.

Analysis of financial result sensitivity to interest rate change

A 100-basis point (bp) change in the interest rate of instruments as at the balance sheet date would increase (decrease) the net assets and income statement (after tax) by the amounts listed in the table below. The analysis prepared for twelve-month periods ended 31 December 2023 and 31 December 2022 assumes that all other variables remain unchanged.

Current year

INTEREST RATE SENSITIVITY	Income statement Increase by 100 bps	Income statement Decrease by 100 bps	Net assets Increase by 100 bp	Net assets Decrease by 100 bp
Variable interest rate assets	3 271	(3 271)	3 271	(3 271)
Variable interest rate liabilities *)	(3 416)	3 416	(3 416)	3 416
Net sensitivity	**(145)**	**145**	**(145)**	**145**

Previous year

INTEREST RATE SENSITIVITY	Income statement Increase by 100 bps	Income statement Decrease by 100 bps	Net assets Increase by 100 bp	Net assets Decrease by 100 bp
Variable interest rate assets	1 068	(1 068)	1 068	(1 068)
Variable interest rate liabilities *)	(1 004)	1 004	(1 004)	1 004
Net sensitivity	**64**	**(64)**	**64**	**(64)**

*) The financial costs, which are related to loans and bonds, are capitalised by the Group to work-in-progress. These costs are gradually moved to the income statement together with the manufacturing costs of the inventories sold.

CREDIT RISK

Cash at bank, cash in hand, trade receivables and other receivables constitute the Group's main financial assets, and represent its highest exposure to credit risk in relation to financial assets.

The Group's credit risk is mostly related to trade receivables. The amounts presented in the balance sheet are net amounts and include write-downs revaluating bad debts, estimated by the Company's Management Board on the basis of previous experience, specific nature of the operations and analysis of the current economic environment.

Credit risk relating to the liquid funds and derivative financial instruments is limited since the transactions were concluded with reputable banks, enjoying high credit ratings awarded by international rating agencies.

In order to maintain the financial liquidity and the expected level of funds availability the Group has a specialised unit that monitors this aspect. The unit monitors the liquid funds and the forecasted cash flow on a current basis and decides on their allocation in order to maximise the attainable financial income while hedging the Group against the credit risk.

Credit risk is not highly concentrated in the Group. The risk is spread over a large number of partners and customers. Furthermore, it has to be pointed out that the receivables from the main activity of the Group, i.e. the sale of apartments, retail units and garages, are fully secured because release of the sold product takes place after a buyer has paid the full price as set out in the preliminary sales agreement.

The ageing structure of trade receivables has been presented in note 7.10 *Trade and other receivables*.

LIQUIDITY RISK

The liquidity risk is the risk that the Group will not be able to pay its financial liabilities when they become due. The Group's objective is to ensure, to the highest possible extent, that its liquidity will always be maintained at a level, which enables paying the liabilities when they become due, without incurring unacceptable losses or facing the risk of compromising the Group's reputation.

The table below presents the total value of future non-discounted cash flows for Group's financial liabilities, broken up by the maturity dates as set out in the contracts:

Current year

MATURITY STRUCTURE FOR LIABILITIES	0 – 6 months	6 – 12 months	1 – 2 years	2 – 5 years	Total
Loans	-	-	-	-	-
Own bonds issued	13 491	64 777	125 928	422 228	626 424
Trade and other payables	443 687	29 555	55 960	54 260	583 462
Lease liabilities	12 131	4 991	15 591	101 032	133 745
Total	**469 309**	**99 323**	**197 479**	**577 520**	**1 343 631**

Previous year

MATURITY STRUCTURE FOR LIABILITIES	0 – 6 months	6 – 12 months	1 – 2 years	2 – 5 years	Total
Loans	59 188	-	-	-	59 188
Own bonds issued	7 363	56 769	62 251	220 746	347 129
Trade and other payables	396 239	5 427	44 055	35 950	481 671
Lease liabilities	9 324	4 381	12 240	83 340	109 285
Total	**472 114**	**66 577**	**118 546**	**340 036**	**997 273**

The Group manages its liquidity mostly by:

- short-, medium- and long-term planning of cash flow; detailed short-term plans are updated at least once a month,
- selection of appropriate financing sources on the basis of analysis of the Group needs and the market,
- day-to-day monitoring of ratios resulting from agreements with banks,
- diversification of financing sources for the conducted development activity,
- co-operation with stable and reputable financial institutions.

Capital management

It is fundamental for the policy of the Management Board to maintain a strong capital base in order to secure the trust of investors, creditors and the market as well as to ensure further growth of the Group.

For the years ended 31 December 2023 and 2022 the return on equity (calculated as net profit to the annual average value of shareholders' equity) amounted to 32.2% and 30.8%, respectively. In that period, the average weighted cost of interest on the Group's debt amounted to 5.52% in 2023 and 4.34% in 2022.

As at 31 December 2023 and 2022 the net financial leverage ratio (calculated as the loans and bonds payable less cash and cash equivalents and short-term financial assets divided by equity) amounted to 8.5% and (1.7)%, respectively.

The companies operating within the Group are not a subject to any external capital requirements, except for the legal regulations of the Code of Commercial Companies and Partnerships.

7.31 EARNINGS PER SHARE

CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE	01.01-31.12.2023	01.01-31.12.2022
BASIC EARNINGS PER SHARE		
Profit for calculation of the basic earnings per share	460 227	410 264
The weighted average number of ordinary shares for the calculation of basic earnings per share	25 657 874	25 523 354
Basic earnings per share (in PLN)	**17.94**	**16.07**
DILUTED EARNINGS PER SHARE		
Profit for calculation of the diluted earnings per share	460 227	410 264
Potential diluting shares related to the Management Share Option Programmes	114 132	54 796
The weighted average number of ordinary shares for the calculation of diluted earnings per share	25 772 006	25 578 150
Diluted earnings per share (in PLN)	**17.86**	**16.04**

As the Group has no discontinued operations, the earnings per share from the continued operations equal the earnings per share calculated above.

7.32 INCOME TAX

INCOME TAX	01.01-31.12.2023	01.01-31.12.2022
Current income tax	(95 608)	(137 197)
Deferred tax	(17 397)	34 874
Total	**(113 005)**	**(102 323)**

The corporate income tax payables of the Group's companies as at 31 December 2023 and 2022 were PLN 24 351 thousand and PLN 75 919 thousand, respectively. At the same time, the corporate income tax receivables of the Group's companies were PLN 2 645 thousand as at 31 December 2023 and PLN 3 052 thousand as at 31 December 2022.

The difference between the income tax calculated as the product of the gross profit before tax and the statutory tax rate and the actual income tax expense accounted for in the income statement of the Group is presented in the table below.

RECONCILIATION	01.01-31.12.2023	01.01-31.12.2022
Profit before tax	**573 255**	**512 620**
As per 19% tax rate	108 918	97 398
Permanent differences not subject to the current and deferred tax in the financial statements (except for cost of the management options)	4 269	4 010
Tax effect of management options permanently not being a tax deductible cost	665	1 025
Other	(847)	(110)
Actual income tax expense	**113 005**	**102 323**
Effective tax rate (in%)	**19.71%**	**19.96%**

Regulations concerning value added tax, corporate income tax and social security contributions are subject to frequent change. These frequent changes result in a lack of reference points, incoherent interpretations and the scarcity of applicable case law. The regulations in force are also riddled with ambiguities, which gives rise to contradictory opinions regarding the interpretation of tax regulations, both among different government authorities and between government authorities and businesses.

Tax settlements and other activities (such as customs or foreign currency matters) may be audited by competent authorities, which have the right to impose substantial penalties and fines; any additional tax imposed as a result of an audit carries a hefty interest rate. Accordingly, the tax risk is higher in Poland than in other countries with a more mature tax system.

Consequently, notwithstanding the fact that the tax policies of companies operating within the Group have been very cautious and conservative, it is unlikely but not impossible that the figures presented and disclosed in the financial statements may be subject to change in the future as a result of a final decision of a tax audit authority.

Starting from 15 July 2016, General Anti-Avoidance Rules (GAAR) have been introduced to the Polish Tax Code. The purpose of the GAAR is to prevent the establishment and exploitation of artificial legal schemes aimed at the avoidance of paying taxes in Poland. The GAAR defines tax avoidance as an arrangement whose main purpose is to obtain a tax advantage that defeats, in the given circumstances, the object or purpose of a tax regulation. According to the GAAR, such an arrangement may not result in a tax advantage if it was artificial. Any occurrence of: (i) the division of a transaction into several steps without a valid reason, (ii) the employment of an intermediary despite the absence of an economic or commercial reason to do so, (iii) elements that offset or cancel out one another and/or (iv) any other arrangements similar to those mentioned above may be deemed a premise of an artificial arrangement that is subject to the GAAR provisions. These new regulations will require the courts to exercise a significantly higher degree of consideration when assessing the tax effects of a transaction.

The GAAR provision shall apply to transactions made following its entry into force and to those transactions that were made prior to the entry into force of the GAAR provision but in respect of which tax advantages have been obtained following the entry into force of the GAAR provision. The introduction of the above mentioned regulations will allow Polish tax audit authorities to question the taxpayers' legal arrangements and understandings such as the restructuring and reorganisation of a group.

7.33 SEGMENT REPORTING

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

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

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

- the Warsaw segment
- the Tricity segment
- the Wroclaw segment
- the Cracow segment

Financial data grouped together on the basis of the geographical location of the Group's real property development projects have been presented below.

Current year

	the Warsaw segment	the Wroclaw segment	the Tricity segment	the Cracow segment	Values not assigned to the segment	Total
Sales revenue	1 483 811	299 917	629 472	137 113	-	**2 550 313**
Gross profit on sales, before the allocation of purchase price	500 936	51 912	242 364	40 822	-	**836 034**
Allocation of purchase price of the acquired companies	-	-	-	(20 983)	-	**(20 983)**
Gross profit on sales after the allocation of purchase price	**500 936**	**51 912**	**242 364**	**19 838**	**-**	**815 051**
Selling costs, and general administrative expenses	-	-	-	-	(244 646)	(244 646)
Other operating income and expenses, net	-	-	-	-	(12 212)	(12 212)
Operating profit	**-**	**-**	**-**	**-**	**558 193**	**558 193**
Financial income and costs, net	-	-	-	-	15 062	15 062
Profit before tax	**-**	**-**	**-**	**-**	**573 255**	**573 255**
Income tax	-	-	-	-	(113 005)	(113 005)
Net profit	**-**	**-**	**-**	**-**	**460 250**	**460 250**

Previous year

	the Warsaw segment	the Wroclaw segment	the Tricity segment	the Cracow segment	Values not assigned to the segment	Total
Sales revenue	1 405 532	177 085	530 768	305 923	-	**2 419 308**
Gross profit on sales, before the allocation of purchase price	494 212	47 218	205 842	54 316	-	**801 588**
Allocation of purchase price of the acquired companies	-	-	(2 341)	(43 476)	-	**(45 817)**
Gross profit on sales after the allocation of purchase price	**494 212**	**47 218**	**203 501**	**10 840**	**-**	**755 771**
Selling costs, and general administrative expenses	-	-	-	-	(233 857)	(233 857)
Other operating income and expenses, net	-	-	-	-	(20 375)	(20 375)
Operating profit	**-**	**-**	**-**	**-**	**501 539**	**501 539**
Financial income and costs, net	-	-	-	-	11 081	11 081
Profit before tax	**-**	**-**	**-**	**-**	**512 620**	**512 620**
Income tax	-	-	-	-	(102 323)	(102 323)
Net profit	**-**	**-**	**-**	**-**	**410 297**	**410 297**

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7.34 SALES REVENUE AND COST OF SALES

ANALYSIS OF SALES REVENUE AND COST OF SALES	01.01-31.12.2023	01.01-31.12.2022
Sales of finished goods	2 429 468	2 133 912
Sales of services	119 688	90 789
Sales of goods (land)	1 157	194 607
Sales revenue, total	**2 550 313**	**2 419 308**
Cost of finished goods sold	(1 617 513)	(1 430 657)
Cost of services sold	(114 887)	(82 254)
Cost of goods sold	(1 085)	(138 242)
Inventory write down to the net realisable value	(1 777)	(12 384)
Cost of sales, total	**(1 735 262)**	**(1 663 537)**
Gross profit on sales	**815 051**	**755 771**

7.35 COSTS BY TYPE

OPERATING COSTS	01.01-31.12.2023	01.01-31.12.2022
Cost of sales	(1 735 262)	(1 663 537)
Selling costs	(77 010)	(76 536)
General administrative expenses	(167 636)	(157 321)
Total	**(1 979 908)**	**(1 897 394)**
Costs by type		
Depreciation	(20 704)	(17 530)
Cost of materials and energy	(769 441)	(718 322)
External services	(1 715 988)	(1 679 638)
Taxes and charges	(12 928)	(11 720)
Payroll costs	(163 813)	(154 611)
Other expenses	(8 866)	(6 842)
Goods and materials sold	(1 049)	(135 440)
Change in inventory of products and work in progress	688 815	786 755
Cost of services and products for own use	24 066	39 954
Total	**(1 979 908)**	**(1 897 394)**

7.36 PAYROLL COSTS AND EMPLOYMENT

PAYROLL COSTS (including the executives)	01.01-31.12.2023	01.01-31.12.2022
Payroll costs		
Payroll costs, of which:	139 876	132 146
- cost of share-based payments (note 7.44)	*3 551*	*5 393*
Social security and other benefits	23 937	22 465
Payroll costs, total	**163 813**	**154 611**

AVERAGE EMPLOYMENT (including the executives)	01.01-31.12.2023	01.01-31.12.2022
Individual personnel categories (number of staff)	**591**	**532**
White-collar workers	584	525
Blue-collar workers	7	7

7.37 OTHER OPERATING INCOME

OTHER OPERATING INCOME	01.01-31.12.2023	01.01-31.12.2022
Revenues from contractual penalties, arrangements and compensations	5 970	3 327
Reversed provision for costs and claims	5 734	12 649
Gain on disposal of non-financial fixed assets	743	546
Other	12 112	1 608
Total	**24 559**	**18 130**

7.38 OTHER OPERATING EXPENSES

OTHER OPERATING EXPENSES	01.01-31.12.2023	01.01-31.12.2022
Provision for and costs of penalties and arrangements	2 338	866
Donations	8 269	2 262
Provision for other costs	4 131	6 563
Bad debt written down	9 077	2 321
Cost of repairs and defects (including change in provision)	9 545	13 974
Costs of discontinued projects	-	-
Costs associated with the acquisition of subsidiaries	-	6 436
Other	3 411	6 083
Total	**36 771**	**38 505**

*) See note 7.1 and note 7.43

7.39 FINANCIAL INCOME

FINANCIAL INCOME	01.01-31.12.2023	01.01-31.12.2022
Interest on bank deposits	16 513	12 664
Revenue from discounting receivables and payables	2 996	9 679
Other interest	501	700
Valuation of CAP hedging instruments	-	-
Other	3 014	248
Total	**23 024**	**23 291**

7.40 FINANCIAL COSTS

FINANCIAL COSTS	01.01-31.12.2023	01.01-31.12.2022
Interest on loans and bonds (non-capitalised part of interest)	870	510
Other interest	464	1 742
Commissions and fees	2 051	5 045
Cost from discounting receivables and payables	1 550	1 077
Lease financial costs	1 040	1 278
Foreign exchange differences	85	1 013
Valuation of financial instruments (CAP options)	1 346	-
Loss on investments sold	-	1 318
Other	556	227
Total	**7 962**	**12 210**

7.41 INTEREST COST

INTEREST COST	01.01-31.12.2023	01.01-31.12.2022
Financial costs (interest) capitalised under work in progress	26 073	17 762
Financial costs (interest) disclosed in the income statement	1 334	2 252
Total interest costs	**27 407**	**20 014**

*) The financial costs incurred as a result of the financing of real estate development projects are generally capitalised as work in progress and relate to the costs of interest, commissions and fees on bonds and loans taken for the execution of the projects.

7.42 TRANSACTIONS WITH RELATED ENTITIES

In the twelve-month periods ended 31 December 2023 and 2022, the Group was a party to transactions with related entities, as listed below. Descriptions of the transactions have been presented in the tables. In exceptional cases, descriptions of particular agreements or explanations have also been provided.

DOM DEVELOPMENT S.A. AS A BUYER OF GOODS OR SERVICES:	01.01-31.12.2023	01.01-31.12.2022
Consulting services		
Woodsford Consulting Limited		3 162
Hansom Property Company Limited	1 889	1 678
M & M Usługi Doradcze M. Kolarski	37	197
Cooperation Agreements		
Technical infrastructure consultancy Rafał Kierski	3 859	1 380

DOM DEVELOPMENT S.A. AS A DIVIDEND PAYER:	01.01-31.12.2023	01.01-31.12.2022
Dividend paid		
Groupe Belleforêt S.à r.l	233 317	148 637

BALANCES WITH RELATED ENTITIES – balances as in the books of the Company	31.12.2023	31.12.2022
Receivables from related entities		
Total balance	**2 952**	**492**
Technical infrastructure consultancy Rafał Kierski	2 952	492

BALANCES WITH RELATED ENTITIES – balances as in the books of the Company	31.12.2023	31.12.2022
Liabilities to related entities		
Total balance	**130**	**346**
Hansom Property Company Limited	130	135
Woodsford Consulting Limited		211

*) additional contribution to the share capital of the subsidiaries has been recognised in the balance sheet under "Investments in subsidiaries, associates and jointly controlled entities".

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

7.43 COMPANY'S SHARE OPTIONS

INCENTIVE PLAN – MANAGEMENT OPTION PROGRAMMES

As at 31 December 2023 there were two active Management Option Programmes adopted as part of the Incentive Scheme for the executives in the Company.

MANAGEMENT OPTION PROGRAMMES	31.12.2023			31.12.2022		
Name of the Programme	Options in the programme (number of shares)	Options granted (number of shares)	Options exercised (number of shares)	Options in the programme (number of shares)	Options granted (number of shares)	Options exercised (number of shares)
Programme V	250 000	250 000	200 000	250 000	250 000	150 000
Programme VII *)	250 000	250 000	100 000	250 000	250 000	50 000

*) As at 31 December 2022, 50 000 share options have been exercised under Programme VII, in respect of which shares were registered by the District Court for the Capital City of Warsaw on 26 January 2023 (see note 7.15).

Active management option programmes at 31 December 2023

- Management Option Programme V

On 29 November 2019, the Supervisory Board of the Company acting pursuant to the authorisation granted to it by the Annual General Shareholders' Meeting of the Company, passed a resolution concerning the acceptance of the Rules for Management Option Programme V regarding allotment of 250 000 shares in Dom Development S.A. to Mr Mikołaj Konopka, Member of the Management Board ("Programme V"). Under Programme V, Mr Mikołaj Konopka received a one-off award of options authorising him to subscribe for 250 000 shares in Dom Development S.A. for the price of PLN 50.00 per share. The exercise of these options will be limited to 50 000 shares in any 12 month consecutive period, starting from 1 January 2021, and the non-exercised options may be exercised at a later time, however not later than by 31 December 2029.

- Management Option Programme VII

On 4 October 2022, the Supervisory Board of the Company acting pursuant to the authorisation granted by the Annual General Shareholders' Meeting of the Company, passed a resolution concerning the acceptance of the Rules for Management Option Programme VII regarding allotment of 250 000 shares in Dom Development S.A. to Mr Leszek Stankiewicz, Vice President of the Management Board – Chief Financial Officer ("Programme VII"). Under Programme VII, Mr Leszek Stankiewicz received a one-off award of options authorising him to subscribe for 250 000 shares in Dom Development S.A. for the price of PLN 50.00 per share. The exercise of these options will be limited to 50 000 shares in any calendar year, starting from 2022, and the non-exercised options may be exercised at a later time, however not later than by 31 December 2032.

Grant of new share options under the management option programme

In the twelve-month period ended 31 December 2023 the Company did not grant any new share options.

Exercise of share options under the management option programme

On 8 February 2023, Ms Małgorzata Kolarska exercised her share options in the Company by exercising her rights under subscription warrants and subscribing for 100 000 shares, as described in note 7.15.

Expiry of share options under the management option programme

In the twelve-month period ended 31 December 2023 no share options expired.

SHARE OPTIONS GRANTED AND EXERCISABLE AS AT RESPECTIVE BALANCE SHEET DATES, AND CHANGES IN THE PRESENTED PERIODS:

SHARE OPTIONS		01.01-31.12.2023	01.01-31.12.2022
Unexercised options - opening balance	**Number of options**	**300 000**	**250 000**
	Total exercise price	**15 000**	**11 000**
Options granted in the period	Number of options	-	250 000
	Total option exercise value	-	12 500
Options expired in the period	Number of options	-	-
	Total option exercise value	-	-
Options exercised in the period *)	Number of options	100 000	200 000
	Total option exercise value	5 000	8 500
	Weighted average exercise price per share (PLN per share)	50.00	42.50
Unexercised options - closing balance	**Number of options**	**200 000**	**300 000**
	Total exercise price	**10 000**	**15 000**
Exercisable options - opening balance	Number of options	100 000	150 000
	Total exercise price	5 000	6 000
Exercisable options - closing balance	Number of options	-	-
	Total exercise price	-	-

*) Options exercisable within the twelve-month period ended 3 December 2022 also include options for 50 000 AG series shares, which were not registered by the District Court for the Capital City of Warsaw, 12th Commercial Division of the National Court Register until 31 December 2022. The AG series shares were registered by the aforementioned court on 26 January 2023, as described in note 7.15.

COST OF COMPANY'S SAHARE OPTIONS ACCOUNTED FOR IN THE INCOME STATEMENT AND THE SHAREHOLDERS' EQUITY

In the twelve-month periods ended 31 December 2023 and 2022 the amounts of PLN 3 501 thousand and PLN 5 393 thousand respectively, for the management options granted were accounted for in the income statement and in the supplementary capital.

7.44 REMUNERATION OF MEMBERS OF THE COMPANY'S MANAGEMENT AND SUPERVISORY BODIES

Remuneration for key executives	01.01-31.12.2023	01.01-31.12.2022
MANAGEMENT BOARD		
Remuneration	15 413	19 193
Non-pay benefits	213	255
Total remuneration	**15 626**	**19 448**
SUPERVISORY BOARD		
Remuneration	1 431	1 389
Non-pay benefits	-	-
Total remuneration	1 431	1 389

The above table takes into account the value of remunerations (including bonuses) for holding positions in the Company's corporate bodies and in the corporate bodies of the Group's subsidiaries.

The cost of management option programme that accounted for PLN 3 501 thousand and PLN 5 393 in the years ended 31 December 2023 and 2022, respectively, have not been disclosed in the table above.

The composition of the Management Board and the Supervisory Board as at 31 December 2023 has been presented in note 7.47.

AGREEMENTS CONCLUDED BETWEEN THE COMPANY AND THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES WHICH PROVIDE FOR COMPENSATION IN THE EVENT OF THEIR RESIGNATION OR REMOVAL FROM OFFICE

All members of the Company's Management Board have been remunerated on the basis of resolutions of the Supervisory Board.

None of the Company's Management Board members is entitled to compensation in the event of resignation from their function. In accordance with the resolutions of the Supervisory Board, the following Management Board members: Jarosław Szanajca, Leszek Stankiewicz and Mikołaj Konopka, in the case of dismissal for reasons other than violation of their fundamental obligations or non re-appointment for another term of office, are entitled to the payment of 6 months' remuneration.

7.45 CONTINGENT LIABILITIES

CONTINGENT LIABILITIES	31.12.2023	31.12.2022
Guarantees	17 917	21 359
Sureties	12 651	6 571
Total	**30 568**	**27 930**

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

COLLATERALS FOR LIABILITIES	31.12.2023	31.12.2022
Promissory notes, including:		
- promissory notes as other security	5 900	5 900
- promissory notes as a security for lease agreements	-	-
Total	**5 900**	**5 900**

7.46 MATERIAL COURT CASES AS AT 31 DECEMBER 2023

As at 31 December 2023 the companies operating within the Group were not a party to any material court cases.

7.47 CHANGES IN THE COMPOSITION OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD OF THE GROUP PARENT COMPANY

MANAGEMENT BOARD

On 15 September 2023, the Company received a statement of resignation by Ms Małgorzata Kolarska from the position of Member and Vice-President of the Management Board of the Company for personal reasons, effective as of 31 December 2023.

On 20 September 2023, the Supervisory Board of the Company, acting pursuant to Article 6.2.2 of the Company's Articles of Association, appointed Ms Monika Perekitko as a Member of the Management Board of the Company for a joint three-year term of office, effective as of 1 January 2024. Ms Monika Perekitko has been involved in the property development market since 2004, and since 2011 she has been a person responsible for the creation and operations of a major property developer on the Polish market, in the capacity of a Member of its Management Board.

As at 31 December 2023 the Management Board of Dom Development S.A. was composed of 5 members:
Jarosław Szanajca, President of the Management Board
Małgorzata Kolarska, Vice 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

SUPERVISORY BOARD

The following changes in the composition of the Supervisory Board of the Company took place in the twelve-month period ended 31 December 2023.
On 12 May 2023, Mr Marek Moczulski, Member and Vice Chairman of the Company's Supervisory Board and Mr Krzysztof Grzyliński, Member of the Company's Supervisory Board, resigned from their positions on the Supervisory Board, with effect from 15 June 2023.
As of 14 June 2023, Mr Markham Dumas, Member of the Company's Supervisory Board, resigned from his position of Member of the Company's Supervisory Board.
As of 15 June 2023, a shareholder holding at least 50.1 % of the Company's shares appointed Mr Philippe Bonavero for a joint three-year term of office as a Member of the Company's Supervisory Board.
On 15 June 2023, the Annual General Meeting of Dom Development S.A. appointed Ms Edyta Wojtkiewicz and Ms Anna Maria Panasiuk to the Supervisory Board of the Company for a joint three-year term of office.

Moreover, on 15 June 2023, the Supervisory Board of the Company appointed Dorota Podedworna-Tarnowska, an existing Member of the Supervisory Board, as Vice Chairperson of the Supervisory Board.

As at 31 December 2023, the Supervisory Board of Dom Development S.A. was composed of 7 members:
Grzegorz Kiełpsz, Chairman of the Supervisory Board
Janusz Zalewski, Vice Chairman of the Supervisory Board
Dorota Podedworna-Tarnowska, Vice 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).

7.48 ADDITIONAL INFORMATION ON THE OPERATING ACTIVITY OF THE GROUP

In the twelve-month period ended 31 December 2023 the following material changes in the portfolio of the Group's development investments under construction took place:

DEVELOPMENT PROJECTS COMMENCED FROM 1 JANUARY 2023 UNTIL 31 DECEMBER 2023:

PROJECT	COMPANY	LOCATION	NUMBER OF APARTMENTS AND RETAIL UNITS
Osiedle Urbino, stage 2	Dom Development S.A.	Warsaw	180
Osiedle Jagiellońska, stage 2	Dom Development S.A.	Warsaw	137
Osiedle Jagiellońska, stage 3	Dom Development S.A.	Warsaw	45
Synteza AB	Euro Styl S.A.	Tricity	101
Lema ABC	Euro Styl S.A.	Tricity	189
Dynamika E-F-G	Euro Styl S.A.	Tricity	114
Osiedle Beauforta 2, buildings A5-A6	Euro Styl S.A.	Tricity	87
Osiedle Zielna, stage 3 phase 2	Dom Development Wrocław Sp. z o.o.	Wroclaw	72
Apartamenty nad Rzeką	Dom Development Wrocław Sp. z o.o.	Wroclaw	152
29 Aleja, stage B	Dom Development Kraków Sp. z o.o.	Cracow	151
Górka Narodowa C3	Dom Development Kraków Sp. z o.o.	Cracow	147
Q1 2023			**1 375**
Osiedle Przystanek Międzylesie, phase 2	Dom Development S.A.	Warsaw	108
Apartamenty Białej Koniczyny, phase 2	Dom Development S.A.	Warsaw	71
Osiedle Przy Alejach, phase 1	Dom Development S.A.	Warsaw	122
Osiedle Urbino 2, phase 1	Dom Development S.A.	Warsaw	139
Przy Błoniach 3, buildings B1, B8	Euro Styl S.A.	Tricity	124
Osiedle Komedy, stage 5	Dom Development Wrocław Sp. z o.o.	Wroclaw	115
Osiedle Zielna, stage 3	Dom Development Wrocław Sp. z o.o.	Wroclaw	123
Osiedle Głębocka, phase 1	Dom Development Wrocław Sp. z o.o.	Wroclaw	187
Osiedle Głębocka, phase 1	Dom Development Wrocław Sp. z o.o.	Wroclaw	159
Q2 2023			**1 148**
Dzielnica Mieszkaniowa Metro Zachód, stage 11 phase 3	Dom Development S.A.	Warsaw	89
Osiedle Przy Ryżowej, phase 1	Dom Development S.A.	Warsaw	151
Osiedle Wilno VII, phase 1	Dom Development S.A.	Warsaw	60
Osiedle Wilno VII, phase 2	Dom Development S.A.	Warsaw	126
Apartamenty Literacka, phase 1	Dom Development S.A.	Warsaw	100
Konstelacja, building C4	Euro Styl S.A.	Tricity	51
Widoki, building E,F	Euro Styl S.A.	Tricity	64
Osiedle Synteza, building C	Euro Styl S.A.	Tricity	120
Osiedle Harmonia	Dom Development Wrocław Sp. z o.o.	Wroclaw	173
Q3 2023			**934**
Osiedle Przy Ryżowej, phase 2	Dom Development S.A.	Warsaw	257
Osiedle Harmonia Mokotów, phase 1	Dom Development S.A.	Warsaw	157
Osiedle Beauforta 2, buildings A7-A9	Euro Styl S.A.	Tricity	45
Osiedle Zielna 3_3	Dom Development Wrocław Sp. z o.o.	Wroclaw	7
Braniborska, phase 2	Dom Development Wrocław Sp. z o.o.	Wroclaw	210
Apartamenty nad Oławką, phase 1	Dom Development Wrocław Sp. z o.o.	Wroclaw	88
Górka Narodowa 4	Dom Development Kraków Sp. z o.o.	Cracow	125
Q4 2023			**889**
IN TOTAL: UNITS WITH CONSTRUCTION STARTED IN 2023	**DOM DEVELOPMENT S.A. CAPITAL GROUP**		**4 346**
	DOM DEVELOPMENT S.A.	Warsaw	1 742
	EURO STYL S.A.	Tricity	895
	DOM DEVELOPMENT WROCŁAW SP. Z O.O.	Wroclaw	1 286
	DOM DEVELOPMENT KRAKÓW SP. Z O.O.	Cracow	423

*) The projects allocated to Euro Styl S.A. also include projects carried out by entities in the Euro Styl S.A. Capital Group. The Group also counts the projects in Rumia and Jastarnia as part of the Tricity market.

DEVELOPMENT PROJECTS COMPLETED FROM 1 JANUARY 2023 UNTIL 31 DECEMBER 2023:

PROJECT	COMPANY	LOCATION	NUMBER OF APARTMENTS AND RETAIL UNITS
Osiedle Bokserska 71	Dom Development S.A.	Warsaw	234
Osiedle Ceramiczna	Dom Development S.A.	Warsaw	346
Dzielnica Mieszkaniowa Metro Zachód, stage 11 phase 2	Dom Development S.A.	Warsaw	88
Osiedle przy Błoniach	Euro Styl S.A.	Tricity	110
Q1 2023			**778**
Dom na Służewcu (Kłobucka)	Dom Development S.A.	Warsaw	108
DOKI - task 2 (B)	Euro Styl S.A.	Tricity	134
Wydma	Euro Styl S.A.	Tricity	59
Dynamika C-D	Euro Styl S.A.	Tricity	106
Zielony Południk, buildings 24-25	Euro Styl S.A.	Tricity	44
Osiedle Beauforta 2, buildings A1-A4	Euro Styl S.A.	Tricity	186
Osiedle Komedy, phase 4	Dom Development Wrocław Sp. z o.o.	Wroclaw	131
Q2 2023			**768**
Zielony Południk, buildings 26-27	Euro Styl S.A.	Tricity	93
Osiedle Zielna, stage 2	Dom Development Wrocław Sp. z o.o.	Wroclaw	146
Osiedle Chociebuska	Dom Development Wrocław Sp. z o.o.	Wroclaw	196
Q3 2023			**435**
Apartamenty Ludwiki, phase 1	Dom Development S.A.	Warsaw	105
Apartamenty Ludwiki, phase 2	Dom Development S.A.	Warsaw	327
Apartamenty Solipska, phase 1	Dom Development S.A.	Warsaw	96
Apartamenty Solipska, phase 2	Dom Development S.A.	Warsaw	91
Dzielnica Mieszkaniowa Metro Zachód 4, phase 1	Dom Development S.A.	Warsaw	110
Dzielnica Mieszkaniowa Metro Zachód 4, phase 2	Dom Development S.A.	Warsaw	172
Dzielnica Mieszkaniowa Metro Zachód 11, phase 1	Dom Development S.A.	Warsaw	148
Osiedle Przystanek Międzylesie, phase 1	Dom Development S.A.	Warsaw	110
Konstelacja C1-C2	Euro Styl S.A.	Tricity	82
LAS	Euro Styl S.A.	Tricity	61
Górka Narodowa 3, phase 1	Dom Development Kraków Sp. z o.o.	Cracow	136
Q4 2023			**1 438**
IN TOTAL: UNITS WITH CONSTRUCTION ENDED IN 2023	**DOM DEVELOPMENT S.A. CAPITAL GROUP**		**3 419**
	DOM DEVELOPMENT S.A.	Warsaw	1 935
	EURO STYL S.A.	Tricity	875
	DOM DEVELOPMENT WROCŁAW SP. Z O.O.	Wroclaw	473
	DOM DEVELOPMENT KRAKÓW SP. Z O.O.	Cracow	136

INFORMATION ON DELIVERIES OF RESIDENTIAL AND COMMERCIAL UNITS BY THE GROUP COMPANIES IN THE PERIOD FROM 1 JANUARY 2023 UNTIL 31 DECEMBER 2023:

NUMBER OF APARTMENTS AND RETAIL UNITS DELIVERED			
COMPANY	**LOCATION**	**2023**	**2022**
Dom Development S.A	Warsaw	1 928	1 921
Euro Styl S.A.	Tricity	1 045	1 078
Dom Development Wrocław Sp. z o.o.	Wroclaw	618	390
Dom Development Kraków Sp. z o.o	Cracow	240	277
TOTAL		**3 831**	**3 666**

7.49 MATERIAL POST-BALANCE SHEET EVENTS

EXERCISE OF COMPANY'S SHARE OPTIONS

On 24 January 2024, the Management Board resolved to increase Company's share capital by issuing 50 000 series AJ ordinary bearer shares with PLN 1.00 nominal each and 50 000 series AK ordinary bearer shares with PLN 1.00 nominal each. The issue price for series AJ and AK shares was set as PLN 50.00 per share. Series AJ and AK shares will be issued in a private placement, as part of the authorised capital, with the purpose to enable the Company to fulfil its obligations resulting from:

- Management Option Programme V for Mikołaj Konopka, Member of the Management Board, concerning 250 000 shares in Dom Development S.A. (see note 7.44).
- Management Option Programme VII for Leszek Stankiewicz, Vice President of the Management Board, concerning 250 000 shares in Dom Development S.A. (see note 7.44).

On 8 February 2024, the Management Board adopted a resolution on the allotment of new shares to Mr Leszek Stankiewicz in the exercise of 50 000 share options and the allotment of new shares to Mr Mikołaj Konopka in the exercise of 50 000 share options. These shares were registered by the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Division of the National Court Register on 13 February 2024, i.e. after the balance sheet date.

7.50 APPROVAL OF THE FINANCIAL STATEMENTS FOR 2022

On 15 June 2023, the Annual General Shareholders' Meeting of Dom Development S.A. approved the financial statements of Dom Development S.A. for the year ended on 31 December 2022, the Management Board's report of activities of Dom Development S.A. and its Capital Group in 2022, and the consolidated financial statements of Dom Development S.A. Capital Group for the year ended on 31 December 2022, as presented by the Management Board. The Annual General Shareholders' Meeting of Dom Development S.A. gave a vote of approval for the Management Board of the Company for the year 2022.

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7.51 FORECASTS

The Management Board of Dom Development S.A. does not publish any financial forecasts concerning both, the parent company and the Group.

7.52 INFORMATION ON REMUNERATION OF THE STATUTORY AUDITOR OR THE ENTITY AUTHORISED TO AUDIT FINANCIAL STATEMENTS

The following table presents a fee of the entity licensed to audit the Company's financial statements (including the consolidated financial statements).

The financial statements for 2023 and 2022 were audited by PricewaterhouseCoopers Polska spółka z o.o. Audyt sp.k. and other PricewaterhouseCoopers Polska spółka z o.o. Audyt sp.k. related companies.

The fee paid or payable for the year ended 31 December 2023 and 31 December 2022 broken up by services, has been presented below:

SERVICES	01.01-31.12.2023	01.01-31.12.2022
Parent company	**542**	**420**
- Financial statements audit	417	260
- Review of semi-annual financial statements	91	130
- Assessment of the report on remuneration for management board and supervisory board in 2021-2022	34	30
Subsidiaries of the Capital Group	**504**	**523**
- Financial statements audit	401	423
- Review of semi-annual financial statements	103	100
- Other services	-	-
Total	**1 046**	**943**

Remuneration for auditing financial statements in 2023 also includes the fee for auditing the Company's separate condensed financial statements for the six-month period ended 30 June 2023 in the amount of PLN 125 thousand.
PricewaterhouseCoopers Polska spółka z o.o. Audyt sp.k. also provides audit service in relation to the consolidation package prepared for the purpose of consolidation by Groupe Belleforêt S.à r.l., the parent company. The fee agreed for this service is EUR 7 000 per year. This cost is borne by Groupe Belleforêt S.à r.l., and is not included in the above list.

7.53 SELECTED FINANCIAL DATA TRANSLATED INTO EURO

In accordance with the financial reporting requirements the following financial data of the Group have been translated into euro:

SELECTED DATA FROM THE CONSOLIDATED BALANCE SHEET	**31.12.2023 in EUR '000**	**31.12.2022 in EUR '000**
Total current assets	1 013 489	839 388
Total assets	1 049 520	876 768
Total shareholders' equity	333 381	301 344
Long-term liabilities	158 689	93 896
Short-term liabilities	557 451	481 528
Total liabilities	716 139	575 424
PLN/EUR exchange rate as at the balance sheet date	***4.3480***	***4.6899***

SELECTED DATA FROM THE CONSOLIDATED INCOME STATEMENT	**01.01-31.12.2023 in EUR '000**	**01.01-31.12.2022 in EUR '000**
Sales revenue	563 182	516 031
Gross profit on sales	179 988	161 204
Operating profit	123 266	106 977
Profit before tax	126 592	109 341
Net profit	101 637	87 515
Average PLN/EUR exchange rate for the reporting period	***4.5284***	***4.6883***