

**DOM DEVELOPMENT S.A.**

**INTERIM CONDENSED  
FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD  
ENDED  
30 JUNE 2023**



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# 1 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS BY THE MANAGEMENT BOARD OF THE COMPANY

These interim condensed financial statements for the six-month period ended on 30 June 2023, comprising:

- interim condensed balance sheet as at 30 June 2023,
- interim condensed income statement for the six-month period ended 30 June 2023,
- interim condensed statement of comprehensive income for the six-month period ended 30 June 2023,
- interim condensed statement of changes in shareholders' equity for the six-month period ended 30 June 2023,
- interim condensed cash flow statement for the six-month period ended 30 June 2023,
- additional notes to the interim condensed financial statements,

were prepared and approved by the Management Board of Dom Development S.A. on 28 August 2023.

The Management Board of Dom Development S.A. declares that to the best of its knowledge, these interim condensed financial statements for the six-month period ended 30 June 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 Dom Development S.A. and its financial result.

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**Jarosław Szanajca**

President of the Management Board

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**Leszek Stankiewicz**

Vice President  
of the Management Board

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**Małgorzata Kolarska**

Vice President  
of the Management Board

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**Mikołaj Konopka**

Member of the Management Board

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**Terry R. Royon**

Member of the Management Board

## 2 INTERIM CONDENSED BALANCE SHEET

ASSETS	Note	30.06.2023 (unaudited)	31.12.2022
<b>Fixed assets</b>			
Intangible assets		19 193	19 659
Tangible fixed assets	7.5	19 393	19 566
Investments in subsidiaries, associates and jointly controlled entities	7.6	482 295	486 050
Deferred tax assets		28 184	35 832
Loans granted and other long-term receivables	7.7	365 149	309 557
Other long-term assets		13 561	22 563
<b>TOTAL FIXED ASSETS</b>		<b>927 775</b>	<b>893 227</b>
<b>Current assets</b>			
Inventory	7.8	1 864 638	1 930 509
Trade and other receivables		69 679	42 782
Corporate income tax receivables		-	-
Other current assets		38 008	4 409
Loans granted	7.7	-	-
Short-term financial assets	7.9	66 826	57 025
Cash and cash equivalents	7.10	401 624	184 078
<b>TOTAL CURRENT ASSETS</b>		<b>2 440 775</b>	<b>2 218 803</b>
<b>TOTAL ASSETS</b>		<b>3 368 550</b>	<b>3 112 030</b>
<b>EQUITY AND LIABILITIES</b>			
	Note	30.06.2023 (unaudited)	31.12.2022
<b>Shareholders' equity</b>			
Share capital	7.11	25 698	25 548
Share premium	7.11	271 558	264 208
Other capital (supplementary capital)		763 392	670 640
Reserve capital from valuation of cash flow hedges		9 461	16 444
Reserve capital from reduction of share capital		510	510
Unappropriated profit		287 431	373 684
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>1 358 050</b>	<b>1 351 034</b>
<b>Long-term liabilities</b>			
Loans, long-term portion	7.12	-	-
Bonds, long-term portion	7.13	260 000	260 000
Deferred tax provision		-	-
Long-term provisions		10 710	10 649
Lease liabilities, long-term portion	7.15	12 494	14 126
Other long-term liabilities		58 925	57 478
<b>TOTAL LONG-TERM LIABILITIES</b>		<b>342 129</b>	<b>342 253</b>
<b>Short-term liabilities</b>			
Trade payables, tax and other liabilities		261 998	273 748
Loans, short-term portion	7.12	-	50 000
Bonds, short-term portion	7.13	50 000	50 000
Accrued interest on loans and bonds	7.14	2 499	2 550
Lease liabilities, short-term portion	7.15	45 735	50 172
Corporate income tax payables		5 312	63 990
Dividends payables	7.27	282 682	-
Short-term provisions		17 656	17 637
Deferred income	7.16	1 002 489	910 646
<b>TOTAL SHORT-TERM LIABILITIES</b>		<b>1 668 371</b>	<b>1 418 743</b>
<b>TOTAL LIABILITIES</b>		<b>2 010 500</b>	<b>1 760 996</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3 368 550</b>	<b>3 112 030</b>

All amounts in PLN '000.

### 3 INTERIM CONDENSED INCOME STATEMENT

	Note	Six-month period ended 30.06.2023 <i>(unaudited)</i>	Six-month period ended 30.06.2022 <i>(unaudited)</i>	Three-month period ended 30.06.2023 <i>(unaudited)</i>	Three-month period ended 30.06.2022 <i>(unaudited)</i>
Sales revenue	7.18	748 822	860 918	166 601	269 582
Cost of sales	7.18	(516 690)	(600 341)	(119 848)	(191 607)
<b>Gross profit on sales</b>	<b>7.18</b>	<b>232 132</b>	<b>260 577</b>	<b>46 753</b>	<b>77 975</b>
Selling costs		(26 146)	(22 080)	(11 879)	(11 191)
General administrative expenses		(46 987)	(45 219)	(24 048)	(24 269)
Other operating income		2 275	1 012	1 199	570
Other operating expenses		(5 341)	(11 668)	(2 789)	(2 670)
<b>Operating profit</b>		<b>155 933</b>	<b>182 622</b>	<b>9 236</b>	<b>40 415</b>
Financial income	7.19	181 082	11 587	171 330	8 383
Financial costs		(13 713)	(7 090)	(8 301)	(4 410)
<b>Profit before tax</b>		<b>323 302</b>	<b>187 119</b>	<b>172 265</b>	<b>44 388</b>
Income tax	7.20	(35 871)	(36 780)	(4 386)	(8 716)
<b>Net profit from continued operations</b>		<b>287 431</b>	<b>150 339</b>	<b>167 879</b>	<b>35 672</b>
<b>Net profit from discontinued operations *)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net profit</b>		<b>287 431</b>	<b>150 339</b>	<b>167 879</b>	<b>35 672</b>
<b>Earnings per share:</b>					
Basic (in PLN)	7.21	11.22	5.90	6.55	1.40
Diluted (in PLN)	7.21	11.18	5.89	6.52	1.39

\*) In the six-month periods ended 30 June 2023 and 2022 the Company did not discontinue any of its activities.

All amounts in PLN '000 unless stated otherwise.

## 4 INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Six-month period ended 30.06.2023 <i>(unaudited)</i>	Six-month period ended 30.06.2022 <i>(unaudited)</i>	Three-month period ended 30.06.2023 <i>(unaudited)</i>	Three-month period ended 30.06.2022 <i>(unaudited)</i>
<b>Net profit</b>	<b>287 431</b>	<b>150 339</b>	<b>167 879</b>	<b>35 672</b>
<b>Other comprehensive income:</b>				
Net change to cash flow hedges	(8 621)	19 037	(4 128)	9 077
<b>Items to be accounted for in the income statement</b>	<b>(8 621)</b>	<b>19 037</b>	<b>(4 128)</b>	<b>9 077</b>
<b>Items not to be accounted for in the income statement</b>				
<b>Other net comprehensive income / (loss), before tax</b>	<b>(8 621)</b>	<b>19 037</b>	<b>(4 128)</b>	<b>9 077</b>
Income tax on other net comprehensive income to be accounted for in the income statement	1 638	(3 617)	784	(1 725)
<b>Other net comprehensive income</b>	<b>(6 983)</b>	<b>15 420</b>	<b>(3 344)</b>	<b>7 352</b>
<b>Total net comprehensive income</b>	<b>280 448</b>	<b>165 759</b>	<b>164 535</b>	<b>43 024</b>

All amounts in PLN '000.

## 5 INTERIM CONDENSED CASH FLOW STATEMENT

	Note	Six-month period ended 30.06.2023 (unaudited)	Six-month period ended 30.06.2022 (unaudited)
<b>Cash flow from operating activities</b>			
<b>Profit before tax</b>		<b>323 302</b>	<b>187 119</b>
Adjustments:			
Depreciation		6 336	5 512
(Profit)/loss on foreign exchange differences		(900)	1 222
(Profit)/loss on investments		(155 352)	(594)
Interest cost/(income)		(11 586)	2 045
Cost of the valuation of management option programmes		1 750	328
Changes in the operating capital:			
Changes in provisions		81	(550)
Changes in inventory		65 067	136 581
Changes in receivables		(9 657)	(16 969)
Changes in short-term liabilities, excluding loans and bonds		(14 610)	41 574
Changes in prepayments and deferred income		48 656	(266 735)
Other adjustments		900	(1 222)
<b>Cash flow generated from operating activities</b>		<b>253 987</b>	<b>88 311</b>
Interest received		7 115	1 229
Interest paid		(8 784)	(6 504)
Income tax paid		(85 263)	(39 672)
<b>Net cash flow from operating activities</b>		<b>167 055</b>	<b>43 364</b>
<b>Cash flow from investing activities</b>			
Proceeds from the sale of intangible assets and tangible fixed assets		250	356
Dividends received		141 680	-
Proceeds from borrowings granted		55 138	155 540
Other proceeds from financial assets		-	-
Bank deposits with a maturity over three months		-	-
Borrowings granted		(96 517)	(121 585)
Acquisition of intangible and tangible fixed assets		(5 015)	(4 054)
Acquisition of financial assets and additional contributions to the share capital of subsidiaries		(45)	(129 107)
<b>Net cash flow from investing activities</b>		<b>95 491</b>	<b>(98 850)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares (exercise of share options)	7.11	5 000	6 000
Proceeds from contracted loans	7.12	-	-
Proceeds from commercial papers issued	7.13	-	-
Repayment of loans and borrowings	7.12	(50 000)	-
Redemption of commercial papers	7.13	-	-
Dividends paid	7.27	-	-
<b>Net cash flow from financing activities</b>		<b>(45 000)</b>	<b>6 000</b>
<b>Increase / (decrease) in net cash and cash equivalents</b>		<b>217 546</b>	<b>(49 486)</b>
<b>Cash and cash equivalents – opening balance</b>	7.10	<b>184 078</b>	<b>364 394</b>
<b>Cash and cash equivalents – closing balance</b>	7.10	<b>401 624</b>	<b>314 908</b>

All amounts in PLN '000.

## 6 INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

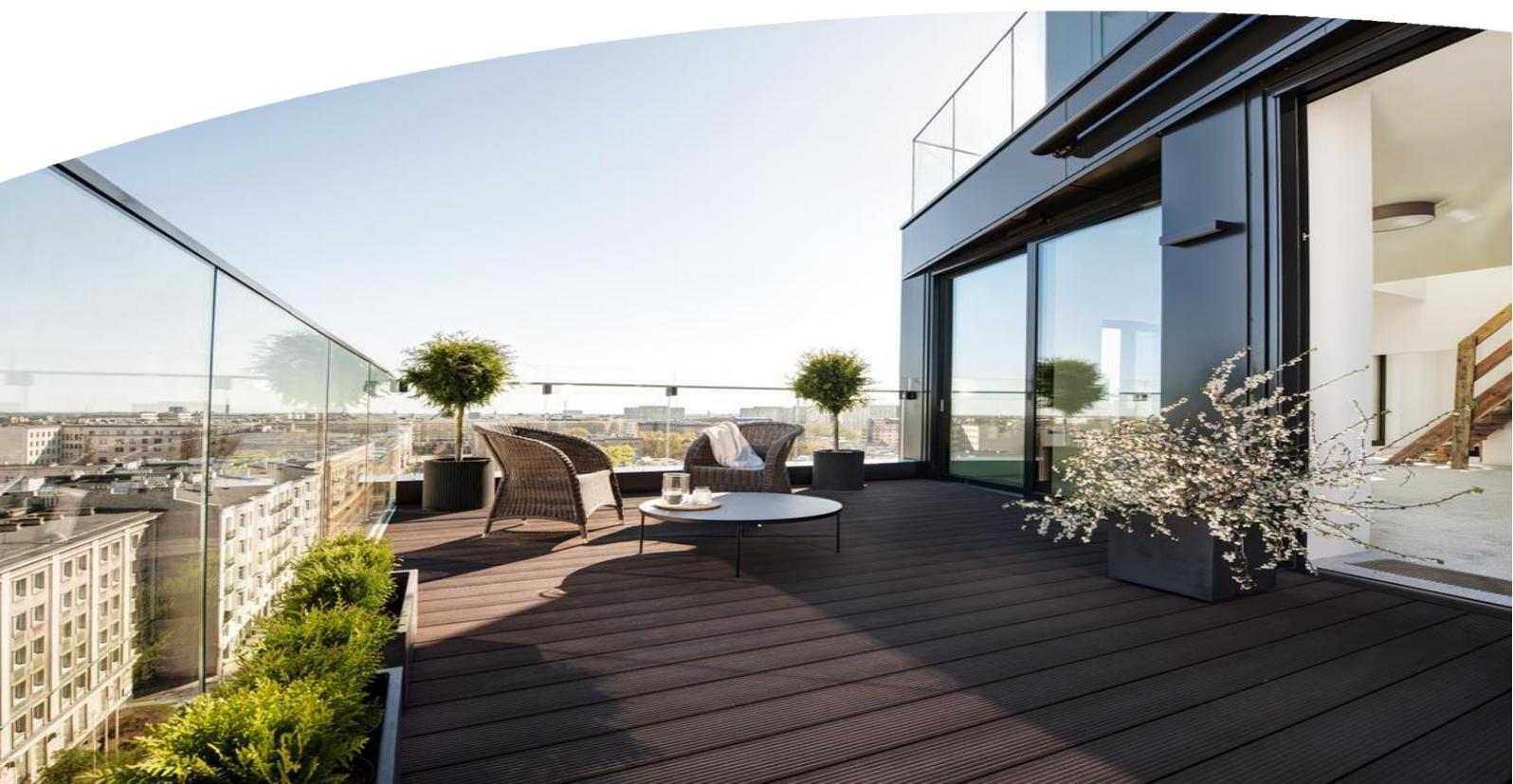
	Share capital	Share premium	Other capital (supplementary capital)	Reserve capital from reduction of share capital	Reserve capital from valuation of cash flow hedges	Unappropriated profit	Total shareholders' equity
<b>Balance as at 1 January 2023</b>	25 548	264 208	670 640	510	16 444	373 684	1 351 034
Share capital increase by exercising share options (note 7.11)	150	7 350	-	-	-	-	7 500
Transfer of profit to supplementary capital	-	-	91 002	-	-	(91 002)	-
Dividends to shareholders (note 7.27)	-	-	-	-	-	(282 682)	(282 682)
Creation of reserve capital from the valuation of the share options (note 7.23)	-	-	1 750	-	-	-	1 750
Net profit for the reporting period	-	-	-	-	-	287 431	287 431
Other net comprehensive income for the reporting period	-	-	-	-	(6 983)	-	(6 983)
<b>Total net comprehensive income</b>	-	-	-	-	(6 983)	287 431	280 448
<b>Increase / (decrease) in equity capital</b>	150	7 350	92 752	-	(6 983)	(86 253)	7 016
<b>Balance as at 30 June 2023 (unaudited)</b>	25 698	271 558	763 392	510	9 461	287 431	1 358 050

All amounts in PLN '000.

	Share capital	Share premium	Other capital (supplementary capital)	Reserve capital from reduction of share capital	Reserve capital from valuation of cash flow hedges	Unappropriated profit	Total shareholders' equity
<b>Balance as at 1 January 2022</b>	25 398	258 358	626 738	510	7 647	306 767	1 225 418
Share capital increase by exercising share options	150	5 850	-	-	-	-	6 000
Transfer of profit to supplementary capital	-	-	38 509	-	-	(38 509)	-
Dividends to shareholders (note 7.27)	-	-	-	-	-	(268 258)	(268 258)
Creation of reserve capital from the valuation of the share options (note 7.23)	-	-	328	-	-	-	328
Net profit for the reporting period	-	-	-	-	-	150 339	150 339
Other net comprehensive income for the reporting period	-	-	-	-	15 420	-	15 420
<b>Total net comprehensive income</b>	-	-	-	-	15 420	150 339	165 759
<b>Increase / (decrease) in equity capital</b>	150	5 850	38 837	-	15 420	(156 428)	(96 171)
<b>Balance as at 30 June 2022 (unaudited)</b>	25 548	264 208	665 575	510	23 067	150 339	1 129 247

All amounts in PLN '000.

## **7 ADDITIONAL NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**



## 7.1 GENERAL INFORMATION ABOUT DOM DEVELOPMENT S.A.

Name:	Dom Development S.A.
Registered office:	Plac Piłsudskiego 3, 00-078 Warszawa
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 joint stock company Dom Development S.A. (the “Company”) is the parent company of Dom Development S.A. Capital Group (the “Group”). The Company has been entered into the National Court Register under number 0000031483 maintained by the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Division of the National Court Register.

According to the Polish Classification of Business Activity the Company’s scope of activity is the development of building projects – PKD 4110Z (NACE F41.1). The Company conducts its activities mainly in Warsaw and its vicinity. The Company also has subsidiaries that run their real estate development activities in the Tricity, Wrocław and Cracow markets.

The Company is a majority-owned subsidiary of Groupe Belleforêt S.à r.l. with its registered office in Luxembourg. As at the date of the preparation of these interim condensed financial statements, Groupe Belleforêt S.à r.l. held 55.02% of the Company’s shares (see note 7.11).

The main area of activity of the Company is the construction and sale of residential real estate.

The Company conducts its activities in the territory of Poland in compliance with the Code of Commercial Companies and Partnerships and its term of operations is unlimited.

In the six-month period ended 30 June 2023, the Company did not discontinue any of its activities.

## 7.2 BASIS FOR THE PREPARATION OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

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

Certain information and disclosures, which in accordance with the International Financial Reporting Standards (“IFRS”) adopted by the European Union (EU) are normally included in annual financial statements, have been condensed or omitted in these interim condensed financial statements pursuant to International Accounting Standard No. 34, “Interim Financial Reporting” (IAS 34).

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

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 interim condensed financial statements all of the Company’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 Company as a whole, and its long-term objectives. In the opinion of the Management Board of the Company no circumstances that would indicate that there is a threat to the continued activity of the Company are known as at the date of the approval of these interim condensed financial statements.

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

The presented interim condensed balance sheet, interim condensed income statement, interim condensed statement of comprehensive income, interim condensed cash flow statement and interim condensed statement of changes in shareholders’ equity are unaudited, however they have been the subject of review by an independent certified auditor. These unaudited interim condensed financial statements do not include all the information and disclosures that are required from annual financial statements and therefore should be read in conjunction with the audited financial statements of the Company and the notes thereto for the year ended 31 December 2022.

The Company has also prepared interim condensed consolidated financial statements for Dom Development S.A. Capital Group for the six-month period ended 30 June 2023. These statements were approved by the Management Board of the Company on 28 August 2023.

## 7.3 ACCOUNTING POLICIES

Polish law requires the Company to prepare its interim condensed financial statements in accordance with IFRS, applicable to interim financial reporting as adopted by the European Union (“EU”) (IAS 34). At this particular time, due to the endorsement of IFRS by the EU and the activities of the Company, there are no differences in the IFRS policies applied by the Company and IFRS that have been endorsed by the EU.

The interim condensed financial statements have been prepared in accordance with IFRS applicable in the interim financial reporting (IAS 34) and all applicable IFRS that have been adopted by the EU.

These interim condensed financial statements are prepared based on the same accounting policies as for the financial statements of the Company for the year ended 31 December 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 IAS 12 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.

The introduced amendments were scrutinised by the Management Board of the Company and they do not materially affect the Company’s financial position, operating results or the scope of information presented in these interim condensed financial statements.

The Company has not decided for earlier adoption of any standard, interpretation or improvement/amendment, which was published and has not yet come into force.

The following standards and interpretations issued by the International Accounting Standards Board or the International Financial Reporting Interpretation Committee that have not come into force or been endorsed by the EU:

- Amendments to 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. These amendments have not been endorsed by the EU as at the date of these interim condensed 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 amended standard incorporates a new example that illustrates the application of the new requirement in this respect. The amendment is effective from 1 January 2024. This amendment has not been endorsed by the EU as at the date of these interim condensed financial statements.

- 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 European Union as at the date of these interim condensed financial statements.

The Management Board is verifying effect of the above standards on the Company’s financial position, operating results or the scope of information presented in the Company’s interim condensed 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 interim condensed financial statements of the Company for the period, when they are adopted for the first time.

## 7.4 KEY FIGURES BASED ON PROFESSIONAL JUDGEMENT AND BASIS FOR ESTIMATES

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

### BUDGETS OF THE 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.

Revenue from the performance of an unfinished construction service is determined by the percentage of completion method - in an amount proportional to the degree of completion, which is measured as the share of costs incurred from the date of conclusion of the contract to the date of valuation as at the balance sheet date

### SEASONALITY

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

## 7.5 TANGIBLE FIXED ASSETS

TANGIBLE FIXED ASSETS	30.06.2023 (unaudited)	31.12.2022
<b>Tangible fixed assets, including:</b>		
Technical equipment and other tangible fixed assets	1 352	1 593
Vehicles	2 535	2 291
Land and buildings	-	-
Right-of-use of premises	15 506	15 682
<b>Total</b>	<b>19 393</b>	<b>19 566</b>

As at 30 June 2023 there were no circumstances that would require the Company to create revaluation write downs for its tangible fixed assets.

No collaterals have been established on tangible fixed assets.

## 7.6 INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

### INTEREST IN SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

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

INTEREST IN SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITY	As at 30.06.2023			As at 31.12.2022		
	Company's interest (%)	Value of total investment	Net investment carrying value	Company's interest (%)	Value of total investment	Net investment carrying value
Dom Development Grunty sp. z o.o.	46%	24	24	46%	24	24
Dom Development Wrocław sp. z o.o.	100%	51 002	51 002	100%	51 002	51 002
Dom Development Kredyty sp. z o.o.	100%	505	505	100%	505	505
Mirabelle Investments sp. z o.o.	100%	58	58	100%	58	58
Euro Styl S.A.	100%	265 473	265 473	100%	265 473	265 473
Euro Styl Development sp. z o.o. w likwidacji	100%	252	252	100%	252	252
Dom Construction sp. z o.o.	100%	3 103	3 103	100%	3 103	3 103
Sento S.A. *)	-	-	-	100%	42 865	42 865
Dom Development Kraków sp. z o.o.	100%	156 835	156 835	100%	113 970	113 970
Dom Development Kraków 12 sp. z o.o.	100%	8 784	4 984	100%	8 784	8 784
Issogne sp. z o.o.	100%	59	59	100%	14	14
<b>Total</b>		<b>486 095</b>	<b>482 295</b>		<b>486 050</b>	<b>486 050</b>

\*) In Q2 2023, Sento S.A. (as the acquired company) was merged with Dom Development Kraków Sp. z o.o. (as the acquiring company).

- Euro Styl S.A.

Euro Styl S.A. is the parent company of the Euro Styl S.A. Capital Group. The scope of operations of this group involves real estate development projects in Tricity and the surrounding areas.

Euro Styl Construction Sp. z o.o. is a group company, which is a general contractor of residential project only for the companies of the Euro Styl S.A. Capital Group.

- Dom Development Wrocław Sp. z o.o.

The scope of operations of this company involves real estate development projects in the Wrocław area.

- Dom Development Kraków Sp. z o.o.

Dom Development Kraków Sp. z o.o. is a company set up in February 2022 to gradually consolidate property development operations of the Dom Development S.A. Capital Group on the Cracow market.

- Dom Development Kraków 12 Sp. z o.o.  
Dom Development Kraków 12 Sp. z o.o. (formerly Buma Development 12 Sp. z o.o., a company acquired in 2022 along with other Buma Group companies) is a special purpose vehicle established to run one development project in the Cracow market. That project was completed in 2022. As of 30 June 2023, the company still has a few units available for sale. There will be no other development projects run by this company.
- Dom Development Kredyty Sp. z o.o.  
As part of its statutory operations, this company provides credit intermediation services for financial institutions.
- Dom Construction Sp. z o.o.  
Dom Construction Sp. z o.o. operates as the general contractor in residential development projects. Dom Construction Sp. z o.o. provides services exclusively for the Group companies (besides of the companies belonging to Euro Styl S.A. Capital Group, in which the construction is carried out by Euro Styl Construction Sp. z o.o.).
- Dom Development Grunty Sp. z o.o.  
The Company holds 46% of shares in the share capital of Dom Development Grunty spółka z o.o., that is a company participating in property (land) transactions within the Group.
- Mirabelle Investments Sp. z o.o.  
On 7 September 2017, the Company acquired 100% of the shares in share capital of Mirabelle Investments Sp. z o.o., which was the addressee of administrative decisions and the party to the agreements required for the development of further stages of the Żoliborz Artystyczny housing project on the land with perpetual usufruct (long-term leasehold) acquired by the Company. It is not the Company's intention to carry out operations through Mirabelle Investments Sp. z o.o., and the project was developed directly by Development S.A. on the said real estate.

#### DESCRIPTION OF MATERIAL CHANGES IN THE PERIOD FROM 1 JANUARY UNTIL 30 JUNE 2023

- 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.

## 7.7 LOANS GRANTED AND OTHER LONG-TERM RECEIVABLES

LOANS GRANTED AND OTHER LONG-TERM RECEIVABLES	30.06.2023	31.12.2022
Loans granted, long-term portion	358 219	303 045
Other long-term receivables	6 930	6 512
<b>Closing balance</b>	<b>365 149</b>	<b>309 557</b>
<b>LOANS GRANTED</b>	<b>30.06.2023</b>	<b>31.12.2022</b>
Loans granted, long-term portion	358 219	303 045
Loans granted, short-term portion	-	-
<b>Total</b>	<b>358 219</b>	<b>303 045</b>

The loans presented in the above tables are shown with the interest accrued at the balance sheet date.

## BORROWINGS PROVIDED

All loans granted by the Company are loans to related entities.

The borrowings provided by the Company and their status as at 30 June 2023, including accrued interest, have been presented in the table below:

Date of the agreement	Borrower	Loan amount (less accrued interest)	Due date	Balance as at 30.06.2023
26.02.2019	Euro Styl S.A.	150 000	31.12.2025	138 517
27.09.2019	Dom Development Wrocław sp. z o.o.	200 000	31.12.2025	148 000
09.08.2022	Dom Development Kraków sp. z o.o.	75 000	31.12.2025	29 200
22.04.2021	Dom Development Kraków sp. z o.o.	17 350	31.12.2026	20 069
22.04.2021	Dom Development Kraków sp. z o.o.	6 200	31.12.2026	7 169
22.04.2021	Dom Development Kraków sp. z o.o.	13 200	31.12.2026	15 264
28.04.2023	Dom Development Kraków sp. z o.o.	165 100	31.12.2027	-
<b>Total</b>				<b>358 219</b>

## 7.8 INVENTORY

INVENTORY	30.06.2023 (unaudited)	31.12.2022
<b>Advances on deliveries</b>	<b>80 959</b>	<b>71 694</b>
including: at purchase prices/production costs	80 959	71 694
write down to the net realisable value	-	-
<b>Semi-finished goods and work in progress</b>	<b>1 743 405</b>	<b>1 824 319</b>
including: at purchase prices/production costs	1 744 211	1 820 217
rights of perpetual usufruct of land (lease)	40 099	45 007
write down to the net realisable value	(40 905)	(40 905)
<b>Finished goods</b>	<b>40 274</b>	<b>34 496</b>
including: at purchase prices/production costs	46 503	40 725
write down to the net realisable value	(6 229)	(6 229)
<b>Total</b>	<b>1 864 638</b>	<b>1 930 509</b>

INVENTORY REVALUATION WRITE DOWNS	01.01-30.06 2023 (unaudited)	01.01-30.06 2022 (unaudited)
<b>Opening balance</b>	<b>47 134</b>	<b>34 751</b>
Increments	-	-
(Decrease)	-	-
<b>Closing balance</b>	<b>47 134</b>	<b>34 751</b>

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

CARRYING VALUE OF INVENTORY USED TO SECURE THE PAYMENT OF LIABILITIES AND VALUE OF THE MORTGAGES ESTABLISHED	30.06.2023 (unaudited)	31.12.2022
<b>MORTGAGES - value of mortgages to secure liabilities under:</b>		
Real estate purchase agreements	-	-
Loan agreements of the Company and Group companies *)	660 000	585 000

\*) The Company uses bank loans, which may also be used by other specific Group companies under credit sub-limits allocated to them (see note 7.12).

## 7.9 SHORT-TERM FINANCIAL ASSETS

SHORT-TERM FINANCIAL ASSETS	30.06.2023 (unaudited)	31.12.2022
Bank deposits with a maturity over three months	-	-
Cash in open-end residential escrow accounts	51 433	35 456
Other short-term financial assets	15 393	21 569
<b>Total</b>	<b>66 826</b>	<b>57 025</b>

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

Funds accumulated in escrow accounts intended for the joint infrastructural project on development projects completed by the Company are included in *Other short-term financial assets*.

## 7.10 CASH AND CASH EQUIVALENTS

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

CASH AND CASH EQUIVALENTS	30.06.2023 (unaudited)	31.12.2022	30.06.2022 (unaudited)
Cash in hand and at bank	16 133	16 845	22 014
Short-term deposits	385 491	167 233	292 894
Other	-	-	-
<b>Total</b>	<b>401 624</b>	<b>184 078</b>	<b>314 908</b>

## 7.11 SHARE CAPITAL

### DESCRIPTION OF CHANGES TO THE SHARE CAPITAL IN THE COMPANY IN THE PERIOD FROM 1 JANUARY UNTIL 30 June 2023, AND THE BALANCE AS AT 30 June 2023

CHANGE IN THE REPORTING PERIOD	Share capital: Number of shares	Share capital: Value at the nominal value	Share premium
<b>Balance as at 01.01.2023</b>	<b>25 548 422</b>	<b>25 548</b>	<b>264 208</b>
Change	150 000	150	7 350
<b>Balance as at 30.06.2023 (unaudited)</b>	<b>25 698 422</b>	<b>25 698</b>	<b>271 558</b>

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.

The share capital was paid up in cash.

All shares are bearer shares.

## 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 determined 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.

## ADOPTION OF THE NEW MANAGEMENT OPTION PROGRAMME

In the six-month period ended 30 June 2023 no new share options for the shares in the Company were granted.

## LIST OF SHAREHOLDERS WHO HOLD, DIRECTLY OR INDIRECTLY THROUGH SUBSIDIARIES, AT LEAST 5% OF THE OVERALL NUMBER OF VOTES AT THE GENERAL SHAREHOLDERS MEETING ("GSM") AS AT THE DATE THAT THESE FINANCIAL STATEMENTS ARE PREPARED AND APPROVED BY THE COMPANY'S MANAGEMENT BOARD.

	Status as at the date of preparing of these financial statements				Change from
	Shares	% shares	Number of votes at the GSM	% votes at the GSM	the publication of the Q1 2023 report Shares
<b>Groupe Belleforêt S.à r.l.</b>	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 PTE Allianz Polska S.A. shareholding in the Company has been presented in accordance with the notification of 15.05.2023 that specifies the shares held by Allianz OFE.

**THE SHARES OF DOM DEVELOPMENT S.A. OR RIGHTS THERETO (OPTIONS) OWNED BY THE PERSONS PERFORMING MANAGEMENT AND SUPERVISORY FUNCTIONS AT DOM DEVELOPMENT S.A. AS AT THE DATE THAT THESE FINANCIAL STATEMENTS ARE PREPARED AND APPROVED BY THE COMPANY'S MANAGEMENT BOARD.**

	Status as at the date of preparing of these financial statements				Change from the publication of the Q1 2023 report	
	Shares	Nominal value of the shares (in PLN '000)	Share options	Shares and options, total	Shares	Share options
<b>MANAGEMENT BOARD</b>						
Jarosław Szanajca	1 454 050	1 454	-	1 454 050	-	-
Małgorzata Kolarska	288 764	289	-	288 764	(14 780)	-
Leszek Stankiewicz	100 000	100	150 000	250 000	-	-
Mikołaj Konopka	172 561	172	50 000	222 561	-	-
Terry R. Roydon	58 500	59	-	58 500	-	-
<b>SUPERVISORY BOARD</b>						
Grzegorz Kiełpsz	1 280 750	1 281	-	1 280 750	-	-
Janusz Zalewski	300 000	300	-	300 000	-	-
Mark Spiteri	900	1	-	900	-	-

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% shares each on the date of preparing of these financial statements.

## 7.12 LOANS

### DESCRIPTION OF MATERIAL CHANGES IN THE SIX-MONTH PERIOD ENDED 30 JUNE 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 revolving overdraft facility agreement dated 27 July 2015 under which the loan amount was increased from PLN 150 000k to PLN 200 000k. Pursuant to the said agreement, Euro Styl S.A. may still use up to PLN 50 000k of this credit limit. The term of the agreement was extended until 26 February 2027.

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

LOANS DUE WITHIN	30.06.2023 (unaudited)	31.12.2022
Less than 1 year	-	50 000
More than 1 year and less than 2 years	-	-
More than 2 years and less than 5 years	-	-
Over 5 years	-	-
<b>Total loans</b>	-	<b>50 000</b>
including: long-term	-	-
short-term	-	50 000

#### BANK LOANS AS AT 30.06.2023

Bank	Registered office	Loan amount as per agreement	Currency	Outstanding loan amount (less accrued interest)	Currency	Due date
PKO BP	Warsaw	200 000	PLN	-	PLN	26.02.2027
mBank	Warsaw	200 000	PLN	-	PLN	29.01.2027
Millennium	Warsaw	40 000	PLN	-	PLN	17.12.2023
<b>Total bank loans</b>		<b>440 000</b>		<b>-</b>		

As at 30 June 2023 and 31 December 2022 all the loans taken by the Company were expressed in Polish zloty.

#### CORE DETAILS CONCERNING CREDIT LINES HELD BY THE COMPANY

- PKO BP S.A. loan

Revolving loan in the credit facility account up to PLN 200 000k. Pursuant to the agreement with the bank, Euro Styl S.A. may use up to PLN 50 000k of this credit limit. As at 30 June 2023 Dom Development S.A. has not drawn any funds therefrom, while Euro Styl S.A. drawn PLN 15 448k.
- mBank S.A. loan

Revolving loan in the credit facility account up to PLN 200 000k. Under the said agreement, Dom Development Wrocław Sp. z o.o. may use up to PLN 60 000k of this credit limit, and Euro Styl S.A. may use up to PLN 100 000k of this credit limit. As at 30 June 2023 Dom Development S.A. and Dom Development Wrocław Sp. z o.o. has not drawn any funds therefrom, while Euro Styl S.A. drawn PLN 29 456k.
- Millennium Bank S.A. loan

Revolving loan up to PLN 40 000k. As at 30 June 2023 Dom Development S.A. has not drawn any funds from the said credit limit.

The Company recognises the nominal value of the liability under *Loans*, 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 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.

## 7.13 BONDS

BONDS	30.06.2023 (unaudited)	31.12.2022
Nominal value of the bonds issued, long-term portion	260 000	260 000
Nominal value of the bonds issued, short-term portion	50 000	50 000
<b>Nominal value of the bonds issued</b>	<b>310 000</b>	<b>310 000</b>

The Company 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.

#### BONDS ISSUED AS AT 30.06.2023

Series	Issue date	Amount	Currency	Maturity date
DOMDET2091023	09.10.2018	50 000	PLN	09.10.2023
DOMDET3121224	12.12.2019	50 000	PLN	12.12.2024
DOMDET4250925	25.09.2020	100 000	PLN	25.09.2025
DOMDET5120526	12.05.2021	110 000	PLN	12.05.2026
<b>Total</b>		<b>310 000</b>	<b>PLN</b>	

## CORE DETAILS CONCERNING THE BONDS ISSUED

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

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

## DESCRIPTION OF MATERIAL CHANGES IN THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

The total bond issue liabilities in the six-month period ended 30 June 2023 and their maturity dates have not changed.

- 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 400m, 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 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 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 400m.

## 7.14 ACCRUED INTEREST ON LOANS AND BONDS

ACCRUED INTEREST ON LOANS AND BONDS	30.06.2023 (unaudited)	31.12.2022
Accrued interest on bonds	2 499	2 550
Accrued interest on loans	-	-
<b>Total accrued interest on loans and bonds</b>	<b>2 499</b>	<b>2 550</b>

## 7.15 LEASE LIABILITIES

LEASE LIABILITIES	30.06.2023 (unaudited)	31.12.2022
<b>Lease liabilities, short-term portion, including:</b>	<b>45 735</b>	<b>50 172</b>
liabilities on account of perpetual usufruct right of land	40 542	45 204
liabilities on account of the right-of-use of office space	5 193	4 968
Other	-	-
<b>Lease liabilities, long-term portion, including:</b>	<b>12 494</b>	<b>14 126</b>
liabilities on account of the right-of-use of office space	12 494	14 126
Other	-	-
<b>Total</b>	<b>58 229</b>	<b>64 298</b>

In the case of perpetual usufruct right, fees resulting from the period, for which such right to the specific property has been granted (up to 99 years), are discounted. This period does not depend on the period of time during which the Company expects to remain the holder of such perpetual usufruct right, that is on the planned transfer of such right to buyers of units in development projects completed on such land.

As estimated by the Management Board based on property development projects planned on specific land to which the Company held the perpetual usufruct right as at 30 June 2023, out of PLN 40 542k of the land-related lease liabilities recognised as short-term:

- PLN 2 914 k is payable by the Company within 12 months following the balance sheet date,
- PLN 3 918k is payable by the Company later than 12 months following the balance sheet date,
- PLN 33 710k is to be transferred to the respective buyers of units.

## 7.16 DEFERRED INCOME

Payments from customers on account of the purchase of apartments and parking spaces are recorded as deferred income until the time that they are delivered to the buyer and are recognised in the income statement as “sales revenue”. This balance sheet item is closely dependent over time on the relationship between the sales rate (which as it increases, increases this item) and the deliveries rate (which as it decreases, decreases this item).

DEFERRED INCOME	30.06.2023 (unaudited)	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	1 002 489	910 646
Other	-	-
<b>Total</b>	<b>1 002 489</b>	<b>910 646</b>

## 7.17 SEGMENT REPORTING

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

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

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

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

Due to the fact that the Company's operating activities are carried out in the Warsaw market, i.e. within one segment, these interim condensed financial statements do not include segment-specific information.

Information on the business segments is provided in the interim condensed consolidated financial statements of the Company, which shows the operating activities on all the above mentioned markets (operating segments and reporting segments).

## 7.18 SALES REVENUE AND COST OF SALES

ANALYSIS OF SALES REVENUE AND COST OF SALES	01.01-30.06	01.01-30.06
	2023	2022
	(unaudited)	(unaudited)
Sales of finished goods	700 630	850 021
Sales of services *)	48 192	10 897
Sales of goods (land)	-	-
<b>Sales revenue, total</b>	<b>748 822</b>	<b>860 918</b>
Cost of finished goods sold	(480 533)	(593 661)
Cost of services sold	(36 157)	(6 680)
Cost of goods sold	-	-
Inventory write down to the net realisable value	-	-
<b>Cost of sales, total</b>	<b>(516 690)</b>	<b>(600 341)</b>
<b>Gross profit on sales</b>	<b>232 132</b>	<b>260 577</b>

\*) Revenue from the sale of services in the period 01.01.-30.06.2023 also includes revenue from the sale of construction services recognised by the percentage of completion method as applied to construction contracts. In the item "Other current assets" as at 30 June 2023, the Company recognised the amount of PLN 30 415k in respect of the measurement of construction contract.

## 7.19 FINANCIAL INCOME

FINANCIAL INCOME	01.01-30.06	01.01-30.06
	2023	2022
	(unaudited)	(unaudited)
Interest on bank deposits and borrowings (non-capitalised part of interest)	20 852	8 102
Discounting receivables and payables	-	3 419
Dividends received	159 336	-
Other financial income	894	66
<b>Total</b>	<b>181 082</b>	<b>11 587</b>

Dividends for 2021 in the total amount of PLN 117 276k were allocated and paid by subsidiaries to Dom Development S.A. in August 2022. The resultant income were be disclosed in the income statement of the Company in Q3 2022.

## 7.20 INCOME TAX IN THE INCOME STATEMENT

INCOME TAX	01.01-30.06	01.01-30.06
	2023	2022
	(unaudited)	(unaudited)
Current income tax	(26 585)	(44 553)
Deferred tax in the income statement	(9 286)	7 773
<b>Total</b>	<b>(35 871)</b>	<b>(36 780)</b>

## 7.21 EARNINGS PER SHARE

CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE	01.01-30.06 2023 <i>(unaudited)</i>	01.01-30.06 2022 <i>(unaudited)</i>
<b>BASIC EARNINGS PER SHARE</b>		
Profit for calculation of the basic earnings per share	287 431	150 339
The weighted average number of ordinary shares for the calculation of basic earnings per share	25 616 654	25 497 870
<b>Basic earnings per share (in PLN)</b>	<b>11.22</b>	<b>5.90</b>
<b>DILUTED EARNINGS PER SHARE</b>		
Profit for calculation of the diluted earnings per share	287 431	150 339
Potential diluting shares related to the Management Share Option Programme	89 149	44 994
The weighted average number of ordinary shares for the calculation of diluted earnings per share	25 705 803	25 542 864
<b>Diluted earnings per share (in PLN)</b>	<b>11.18</b>	<b>5.89</b>

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

## 7.22 TRANSACTIONS WITH RELATED ENTITIES

In the six-month periods ended 30 June 2023 and 2022, the Company was a party to transactions with related entities, as listed below.

DOM DEVELOPMENT S.A. AS A BUYER OF GOODS OR SERVICES:			
Counterparty	Transaction description	01.01-30.06 2023 <i>(unaudited)</i>	01.01-30.06 2022 <i>(unaudited)</i>
Woodsford Consulting Limited	Consulting services as per the agreement dated 27.06.2007 as annexed	1 731	1 527
Hansom Property Company Limited	Consulting services as per the agreement dated 02.01.2001 as annexed	1 622	1 400
M&M Usługi Doradcze M. Kolarski	Consulting services	-	135
Euro Styl S.A.	Cooperation Agreement	9	-
Dom Development Grunty Sp. z o.o.	Purchase of real properties	-	9 987
Dom Development Wrocław Sp. z o.o.	Cooperation Agreements	-	22
Dom Development Kraków Sp. z o.o.	Cooperation Agreements	29	-
Dom Construction Sp. z o.o.	Construction services	311 322	182 428
Dom Construction Sp. z o.o.	Other	-	107
Doradztwo w zakresie infrastruktury technicznej Rafał Kierski (technical infrastructure consulting)	Cooperation Agreements	1 190	690

**DOM DEVELOPMENT S.A. AS A SELLER OF GOODS OR SERVICES:**

Counterparty	Transaction description	01.01-30.06	01.01-30.06
		2023	2022
		(unaudited)	(unaudited)
Dom Development Grunty Sp. z o.o.	Other	5	6
Euro Styl S.A.	Cooperation Agreement	2 662	1 550
Euro Styl Construction Sp. z o.o.	Cooperation Agreement	2	12
Dom Land Sp. z o.o.	Other	5	4
Dom Development Wrocław Sp. z o.o.	Cooperation Agreements	1 905	1 097
Dom Development Kredyty Sp. z o.o.	Cooperation Agreements	395	313
Dom Construction Sp. z o.o.	Cooperation Agreements	4 103	4 854
Mirabelle Investments Sp. z o.o.	Other	5	4
Sento S.A.	Other	58	317
Dom Development Kraków 2 Sp. z o.o. Górka Narodowa Sp. k. (formerly Dom Development Kraków 21 Sp. z o.o. Sp. k.)	Cooperation Agreements	153	197
Issogne Sp. z o.o.	Other	5	-
Dom Development Kraków Sp. z o.o.	Other	1 412	626

**DOM DEVELOPMENT S.A. AS A LENDER:**

Counterparty	Transaction description	01.01-30.06	01.01-30.06
		2023	2022
		(unaudited)	(unaudited)
Dom Development Wrocław Sp. z o.o.	Borrowing provided	48 000	30 000
Dom Development Wrocław Sp. z o.o.	Loan repaid	40 000	-
Dom Development Wrocław Sp. z o.o.	Interest received on the borrowing	5 945	1 784
Euro Styl S.A.	Borrowing provided	48 517	-
Euro Styl S.A.	Loan repaid	-	108 000
Euro Styl S.A.	Interest received on the borrowing	4 396	266
Sento S.A. (including Sento 22 Sp. z o.o.)	Borrowing provided	-	19 000
Sento S.A. (including Sento 22 Sp. z o.o.)	Loan repaid	-	47 380
Sento S.A. (including Sento 22 Sp. z o.o.)	Interest received on the borrowing	-	999
Dom Development Kraków Sp. z o.o.	Borrowing provided	-	14 500
Dom Development Kraków Sp. z o.o.	Loan repaid	2 900	800
Dom Development Kraków Sp. z o.o.	Interest received on the borrowing	1 897	214

**DOM DEVELOPMENT S.A. AS A PAYER OF PREPAYMENTS:**

Counterparty	Transaction description	01.01-30.06	01.01-30.06
		2023	2022
		(unaudited)	(unaudited)
Dom Development Grunty Sp. z o.o.	(Net) prepayment transferred for the purchase of land	-	(9 871)
Dom Land Sp. z o.o.	(Net) prepayment transferred for the purchase of land	-	10 938

**DOM DEVELOPMENT S.A. AS A CONTRIBUTOR OF SHARE CAPITAL TO SUBSIDIARIES:**

Counterparty	Transaction description	01.01-30.06	01.01-30.06
		2023	2022
		(unaudited)	(unaudited)
Dom Development Kraków Sp. z o.o.	Share capital contribution	-	5
Sento S.A.	Share capital increase <sup>*)</sup>	-	5 290
Buma Management Sp. z o.o.	Additional contribution to the share capital <sup>*)</sup>	-	300
Issogne Sp. z o.o.	Share capital contribution	45	-

**DOM DEVELOPMENT S.A. AS A DIVIDEND RECIPIENT:**

Counterparty	Transaction description	01.01-30.06	01.01-30.06
		2023	2022
		(unaudited)	(unaudited)
Dom Construction Sp. z o.o.	Dividends received	16 856	-
Dom Development Kredyty Sp. z o.o.	Dividends received	800	-
Dom Development Kraków 12 Sp. z o.o.	Dividends received	10 316	-
Euro Styl S.A.	Dividends received	131 364	-

Dividend for 2022 due from Dom Construction Sp. z o.o. and Dom Development Kredyty was received in July 2023.

**BALANCES WITH RELATED ENTITIES – balances as in the books of the Company**

	Receivables from related entities		Liabilities to related entities	
	30.06.2023	31.12.2022	30.06.2023	31.12.2022
<b>Total balance</b>	<b>425 073</b>	<b>368 713</b>	<b>72 208</b>	<b>70 490</b>
<b>Subsidiaries</b>	<b>411 027</b>	<b>354 667</b>	<b>71 402</b>	<b>70 069</b>
Dom Development Grunty sp. z o.o.	-	-	-	-
Dom Development Wrocław sp. z o.o. additional contributions to the share capital*)	47 000	47 000	-	-
Dom Development Wrocław sp. z o.o. loans granted	148 000	140 000	-	-
Dom Development Wrocław sp. z o.o.	977	1 326	-	-
Euro Styl S.A. loans granted	138 517	90 000	-	-
Euro Styl S.A.	1 223	1 721	-	-
Euro Styl Construction sp. z o.o.	1	6	-	-
Dom Development Kredyty sp. z o.o.	217	175	-	-
Dom Construction sp. z o.o.	2 532	655	66 207	65 164
Dom Construction sp. z o.o. security deposits	-	-	5 195	4 905
Issogne sp. z o.o.	-	3	-	-
Sento S.A. loans granted	-	-	-	-
Sento S.A.	-	53	-	-
Dom Development Kraków sp. z o.o. loans granted	71 702	73 045	-	-
Dom Development Kraków sp. z o.o.	793	612	-	-
Dom Development Kraków 2 Sp. z o.o. Górka Narodowa Sp. k. (formerly Dom Development Kraków 21 Sp. z o.o. Sp.k.)	64	62	-	-
Dom Development Kraków 2 sp. z o.o. sp. k.	1	9	-	-
<b>Other entities</b>	<b>14 046</b>	<b>14 046</b>	<b>806</b>	<b>421</b>
Dom Land sp. z o.o.	13 554	13 554	-	-
Hansom Property Company Limited	-	-	132	135
Woodsford Consulting Limited	-	-	533	145
Doradztwo w zakresie infrastruktury technicznej Rafał Kierski (technical infrastructure consulting)	492	492	141	141

\*) 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.

## 7.23 COMPANY'S SHARE OPTIONS

### INCENTIVE PLAN – MANAGEMENT OPTION PROGRAMMES

As at 30 June 2023 there were two active Management Option Programmes adopted as part of the Incentive Scheme for the executives in the Company.

MANAGEMENT OPTION PROGRAMMES	30.06.2023 (unaudited)			31.12.2022		
	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 7.11).

#### Grant of new share options under the management option programme

In the six-month periods ended 30 June 2023 and 2022 the Company did not grant any new share options.

#### Exercise of share options under the management option programme

On 8 February 2023, there were exercised share options in the Company by exercising rights under subscription warrants and subscribing for 100 000 shares, as described in note 7.11.

#### Expiry of share options under the management option programme

In the six-month periods ended 30 June 2023 and 2022 no share options expired in the Company.

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

In the six-month periods ended 30 June 2023 and 2022 the amounts of PLN 1 750k and PLN 328k respectively, were accounted for in the income statement as the management options granted and in the supplementary capital.

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

		01.01-30.06 2023 (unaudited)	01.01-30.06 2022 (unaudited)
<b>Unexercised options at the beginning of the period</b>	<b>Number of options</b>	<b>300 000</b>	<b>250 000</b>
	<b>Total exercise price</b>	<b>15 000</b>	<b>11 000</b>
Options granted in the period	Number of options	-	-
	Total option exercise value	-	-
Options expired in the period	Number of options	-	-
	Total option exercise value	-	-
Options exercised in the period	Number of options	100 000	150 000
	Total option exercise value	5 000	6 000
	Weighted average exercise price per share (PLN per share)	50,00	40,00
<b>Unexercised options at the end of the period</b>	<b>Number of options</b>	<b>200 000</b>	<b>100 000</b>
	<b>Total exercise price</b>	<b>10 000</b>	<b>5 000</b>
Exercisable options at the beginning of the period	Number of options	100 000	150 000
	Total exercise price	5 000	6 000
Exercisable options at the end of the period	Number of options	-	-
	Total exercise price	-	-

## 7.24 CONTINGENT LIABILITIES

CONTINGENT LIABILITIES	30.06.2023 (unaudited)	31.12.2022
Guarantees	19 947	21 359
Sureties	6 571	6 571
<b>Total</b>	<b>26 518</b>	<b>27 930</b>

On 19 January 2023, a master agreement was signed between Dom Development S.A. and mBank S.A. setting forth the rules for Dom Development S.A. utilising bank guarantees under the guarantee line provided, up to a maximum amount of PLN 30m. mBank S.A. has made a guarantee line available to Dom Development S.A. for the period from the date of the agreement until 29 January 2027. As of the date of entry into force of the above-mentioned master agreement (i.e. 20 January 2023), the agreement has covered all bank guarantees issued by mBank S.A. on behalf of Dom Development S.A.

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

COLLATERALS FOR LIABILITIES	30.06.2023 (unaudited)	31.12.2022
Promissory notes, including:	3 900	3 900
UNIQA TU SA	3 900	3 900
<b>Total</b>	<b>3 900</b>	<b>3 900</b>

In the six-month period ended 30 June 2023 the Company did not provide any guarantees for loans or borrowings, nor any other guarantees – jointly to one entity or its subsidiary, the value of which would be material for the Company or would amount to at least 10% of the Company's shareholders' equity.

## 7.25 MATERIAL COURT CASES AS AT 30 June 2023

As at 30 June 2023 the Company was not a party to any material court cases.

## 7.26 FACTORS AND EVENTS WITH MATERIAL IMPACT ON THE CONDENSED FINANCIAL STATEMENTS OF THE COMPANY

### IMPACT OF THE ECONOMIC SITUATION ON THE ONGOING COMPANY'S OPERATIONS

In H1 2023, the Company's operations continued smoothly, and despite numerous challenges in the market environment all investment projects were progressing according to schedule.

Over that period, the situation on the housing market improved. The number of transactions increased, which is due in part to the fact that the process of interest rate hikes by the National Bank of Poland came to an end. In addition, in February this year, the Polish Financial Supervision Authority (KNF) decided to ease the recommendation regarding creditworthiness assessment for individual clients, which also helped to stimulate the demand related to the purchase of new apartments by clients.

The level of interest rates directly translates into the costs of financing the company's operations, having a particularly strong impact on highly indebted entities. Dom Development S.A. is only slightly exposed to the increased cost of debt servicing as 80% of issued bonds are hedged with financial instruments such as interest rate swaps and cap options. Moreover, the Company's low debt and high availability of finance place the Company in a good position when compared to the overall market. Some property developers have been forced to limit their investment activities, while in the opinion of the Company's Management Board, Dom Development S.A. has all the resources required to use the arising market opportunities.

H1 2023 turned out to be the period when we observed an improvement in the economic situation and a gradual recovery of sales in the residential property market. Q2 2023 was one of the calmest quarters since the outbreak of the pandemic. A significant emphasis was placed on finding a "new equilibrium" between supply and demand.

The activation of the property market is affected by several factors that have translated into good sales results. Firstly, we have been observing stabilisation of interest rates in for many months now. In addition, the demand was positively influenced by the PFSA easing its requirements as regards the credit scoring, which, combined with major increase in average salaries recorded in the last six months, resulted in higher availability flats for clients in the popular segment.

Investing in residential property continues to be encouraged by high inflation rates and a strong rental market, as well as negative real interest rates on bank deposits. The interest in new apartments is also driven by client's expectations as regards "Safe 2% Mortgage" government program to be launched soon. When combined with a limited offer from developers after a difficult 2022, this is direct stimulant for price increases.

In response to the constantly growing demand, the Company consistently launches construction of new projects in line with market expectations, thus replenishing the offer of available apartments in all the cities where it operates. This is facilitated by the stabilisation of construction costs, which gives us greater predictability when launching new projects, thus limiting the risk to margins. This ensures satisfactory profitability of the development projects under construction. The construction of all Dom Development projects by its in-house general contractors further contributes to the profitability achieved by us without compromising the high quality. In H2 2023, we plan to systematically expand our product offer with new projects.

In the current market environment, the advantage have developers such as Dom Development, namely experienced, well-known for their high quality, having a diversified land bank and a stable financial situation allowing to smoothly launch new projects.

Detailed information on the projects in progress and those completed by Dom Development S.A. in the six-month period ended 30 June 2023 has been presented below.

#### CHANGES TO THE PORTFOLIO OF ONGOING PROPERTY DEVELOPMENT PROJECTS CARRIED OUT BY THE COMPANY IN THE PERIOD FROM 1 JANUARY TO 30 JUNE 2023:

##### DEVELOPMENT PROJECTS COMMENCED FROM 1 JANUARY 2022 UNTIL 30 JUNE 2023:

PROJECT	LOCATION	NUMBER OF APARTMENTS AND RETAIL UNITS
Osiedle Urbino, stage 2	Warsaw	180
Osiedle Jagiellońska, stage 2	Warsaw	137
Osiedle Jagiellońska, stage 3	Warsaw	45
<b>Q1 2023</b>		<b>362</b>
Osiedle Przystanek Międzylesie, stage 2	Warsaw	108
Apartamenty Białej Koniczyny, stage 2	Warsaw	71
Osiedle Przy Alejach, stage 1	Warsaw	122
Osiedle Urbino, stage 2 phase 1	Warsaw	139
<b>Q2 2023</b>		<b>440</b>
<b>TOTAL</b>		<b>802</b>

##### DEVELOPMENT PROJECTS COMPLETED FROM 1 JANUARY 2022 UNTIL 30 JUNE 2023:

PROJECT	LOCATION	NUMBER OF APARTMENTS AND RETAIL UNITS
Osiedle Bokserska 71	Warsaw	234
Osiedle Ceramiczna	Warsaw	346
Dzielnica Mieszkaniowa Metro Zachód, stage 11 phase 2	Warsaw	88
<b>Q1 2023</b>		<b>668</b>
Dom na Służewcu (Kłobucka)	Warsaw	108
<b>Q2 2023</b>		<b>108</b>
<b>TOTAL</b>		<b>776</b>

Moreover, in the six-month period ended 30 June 2023, development projects were carried out within the Dom Development S.A. Capital Group through the subsidiaries on the Wrocław, Tricity and Cracow markets.

### INFORMATION ON DELIVERIES OF RESIDENTIAL AND RETAIL UNITS

Number of residential and retail units delivered to customers by the Company in the six-month period ended 30 June 2023 has been presented in the following table:

NUMBER OF APARTMENTS AND RETAIL UNITS DELIVERED	2023	2022
Q1	907	829
Q2	181	465
<b>TOTAL</b>	<b>1 088</b>	<b>1 294</b>

## 7.27 DIVIDEND AND DISTRIBUTION OF PROFIT FOR 2022

### DIVIDENDS PAID

In the six-month periods ended 30 June 2023 and 2022, the Company did not pay any dividends.

On 15 June 2023, the Ordinary General Meeting of Shareholders of the Company adopted a resolution on the distribution of net profit of the Company for 2022 and fixing the date of record and the dividend payment date. In accordance with the resolution passed, the Ordinary General Meeting of Shareholders of the Company decided to allocate the total amount of PLN 282 682 642.00 to the payment of dividends to shareholders in Dom Development S.A., i.e. PLN 11.00 per share, and a portion of the Company's 2022 net profit in the amount of PLN 91 001 662.08 to the increase of the Company's supplementary capital.

The date of record was set as 26 June 2023 and the dividend payment date as 4 July 2023.

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

## 7.28 CHANGES IN THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

The following changes in the composition of the Supervisory Board of the Company took place in the six-month period ended 30 June 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 Ordinary 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.

## 7.29 MATERIAL POST-BALANCE SHEET EVENTS

No material post-balance sheet events occurred in the six-month period ended 30 June 2023.

## 7.30 FORECASTS

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

## 7.31 SELECTED FINANCIAL DATA TRANSLATED INTO EURO

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

<b>SELECTED DATA FROM THE INTERIM CONDENSED BALANCE SHEET</b>	<b>30.06.2023</b> in EUR '000 (unaudited)	<b>31.12.2022</b> in EUR '000
Total current assets	548 452	473 102
Total assets	756 926	663 560
Total shareholders' equity	305 159	288 073
Long-term liabilities	76 878	72 977
Short-term liabilities	374 890	302 510
Total liabilities	451 767	375 487
<b><i>PLN/EURO exchange rate as at the balance sheet date</i></b>	<b>4.4503</b>	<b>4.6899</b>

<b>SELECTED DATA FROM THE INTERIM CONDENSED INCOME STATEMENT</b>	<b>01.01-30.06 2023</b> in EUR '000 (unaudited)	<b>01.01-30.06 2022</b> in EUR '000 (unaudited)
Sales revenue	162 327	185 436
Gross profit on sales	50 321	56 127
Operating profit	33 803	39 336
Profit before tax	70 084	40 304
Net profit	62 308	32 382
<b><i>Average PLN/EURO exchange rate for the reporting period</i></b>	<b>4.6130</b>	<b>4.6427</b>