

**Assessment of the Management Board's report on the activities of Develia S.A. and Develia Capital Group, financial statements of the Company and the motion of the Management Board concerning the allocation of profit for financial year 2020 and recommendation for the Ordinary General Meeting**

Pursuant to Article 382 § 3 of the Code of Commercial Companies and Partnerships, the Supervisory Board assessed the following documents with respect to their compliance with the books and documents and with the actual state of affairs:

1. the financial statements of Develia S.A. for 2020, including:
  - a) the statement of financial position as at 31 December 2020 with total assets and liabilities amounting to PLN 1 935 886 000 (in words: one billion nine hundred thirty-five million eight hundred eighty-six thousand zloty),
  - b) the statement of comprehensive income pertaining to the financial year from 1 January 2020 to 31 December 2020 showing profit after tax amounting to PLN 140 257 000 (in words: one hundred forty million two hundred fifty-seven thousand zloty) and comprehensive income amounting to PLN 140 257 000 (in words: one hundred forty million two hundred fifty-seven thousand zloty),
  - c) the statement of changes in equity pertaining to the financial year from 1 January 2020 to 31 December 2020, showing an increase in equity capital by PLN 95 502 000 (in words: ninety-five million five hundred and two thousand zloty),
  - d) the cash flow statement pertaining to the period from 1 January 2020 to 31 December 2020, showing an increase in net cash balance by PLN 31 727 000 (in words: thirty-one million seven hundred twenty-seven thousand zloty).
  - e) notes to the financial statements – Accounting principles (policies) and explanatory notes.
2. the financial statements Develia S.A. Capital Group for 2020, including:
  - a) the consolidated statement of financial position as at 31 December 2020 with total assets and liabilities amounting to PLN 2 816 241 000 (in words: two billion eight hundred sixteen million two hundred forty-one thousand zloty),
  - b) the consolidated statement of comprehensive income pertaining to the financial year from 1 January 2020 to 31 December 2020 showing loss after tax amounting to PLN 138 800 000 (in words: one hundred thirty-eight million eight hundred thousand zloty) and comprehensive income amounting to PLN 129 567 000 (in words: one hundred twenty-nine million five hundred sixty-seven thousand zloty),
  - c) the consolidated statement of changes in equity pertaining to the financial year from 1 January 2020 to 31 December 2020, showing a decrease in equity capital by PLN 174 323 000 (in words: one hundred seventy-four million three hundred twenty-three thousand zloty),
  - d) the consolidated cash flow statement pertaining to the period from 1 January 2020 to 31 December 2020, showing an increase in net cash balance by PLN 36 146 000 (in words: thirty-six million one hundred forty-six thousand zloty),
  - e) notes to the consolidated financial statements – Accounting principles (policies) and explanatory notes.
3. the Management Board's report on the Company's and the Capital Group's activities for the period from 1 January 2020 to 31 December 2020 with respect to their consistency with the books and documents and with the actual state of affairs, and
4. the proposal of the Management Board concerning the allocation of profit for 2020.

Having reviewed the documents and having read the auditor's opinion of 8 April 2021, the Supervisory Board is of the opinion that the financial statements of Develia S.A. and the Management Board's report on the Company's and the Capital Group's activities for the period from 1 January 2020 to 31 December 2020 were prepared in a reliable and correct manner and in accordance with the books and documents as well as with the facts known to the

Supervisory Board. The Supervisory Board gives a positive assessment of the application of corporate governance principles by the Company.

The Supervisory Board gives a positive opinion to the Management Board's proposal concerning the allocation of profit for 2020 and supports the Management Board's proposal to allocate net profit amounting to PLN 140 257 385.18 (in words: one hundred forty million two hundred fifty-seven thousand three hundred eighty-five zloty and 18/100), worked out by the Company in 2020, as follows:

- a) The sum of PLN 76,084,912.87 (in words: seventy-six million eighty-four thousand nine hundred twelve and 87/100) to be distributed among shareholders by the payment of dividend:
- b) The sum of 64,172,472.31 (say: sixty-four million one hundred seventy-two thousand four hundred seventy-two and 31/100) to be allocated to supplementary capital.

### **Recommendations:**

The Supervisory Board gives a positive evaluation of the Company's activity in 2020 as well as the reports and statements presented for evaluation and, therefore, recommends to the General Meeting of Develia S.A.:

1. to approve the report on the activity of the Supervisory Board for the financial year 2020, including: the assessment of the financial statements of Develia S.A. for the year ended 31 December 2020, the report of the Management Board on the activity of Develia S.A. and Develia S.A. Capital Group in 2020 as well as the financial statements of Develia S.A. Capital Group for the year ended 31 December 2020 and the assessment of the Management Board's motion concerning the allocation of profit,
2. to approve the Supervisory Board's evaluation of the Company's situation, including the evaluation of internal control systems, risk management, compliance and the internal audit function,
3. to review and approve the financial statements of Develia S.A. for the financial year 2020,
4. to review and approve the Management Board's report on the activities of Develia S.A. and Develia Capital Group in 2020,
5. to review and approve the financial statements of Develia Capital Group for the financial year 2020,
6. to acknowledge the fulfilment of duties by Members of the Management Board of Develia S.A. in 2020,
7. to acknowledge the fulfilment of duties by Members of the Supervisory Board of Develia S.A. in 2020,
8. to adopt a resolution concerning the allocation of profit for the financial year 2020.