



DEVELIA S.A. GROUP

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD OF 6 MONTHS, ENDED 30 June 2022
INCLUDING THE INDEPENDENT AUDITOR'S REVIEW REPORT**

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Interim Condensed Consolidated Financial Statements for the period of 6 months ended 30 June 2022
(PLN '000)

Interim Condensed Consolidated Statement of Financial Position as at 30 June 2022 (PLN'000)

	Note	30 June 2022	31 December 2021
Assets			
A. Fixed assets		557,195	525,450
1. Intangible assets		491	433
2. Property, plant and equipment	19	4,940	5,098
3. Non-current receivables	20	2,621	2,576
4. Investments in joint ventures valued by equity method	21	56,254	55,122
5. Investment property	22	466,701	451,660
6. Non-current prepayments		699	509
7. Deferred tax assets	17.2	25,489	10,052
B. Current assets		2,337,370	2,155,860
1. Inventory	23	1,897,261	1,569,632
2. Trade and other receivables	24	32,996	97,286
3. Income tax receivables		4,791	4,791
4. Derivatives assets	28.2	498	49
5. Short-term securities	25	10,081	27,053
6. Other financial assets	26	156,175	118,539
7. Cash and cash equivalents	27	228,084	332,754
8. Current prepayments		7,484	5,756
C. Non-current assets classified as held for sale	22	210,173	568,530
Total assets		3,104,738	3,249,840
Equity and liabilities			
A. Equity		1,219,796	1,400,409
I. Equity attributable to shareholders of the parent		1,219,796	1,400,409
1. Share Capital		447,558	447,558
2. Other capitals		756,481	798,905
3. Net profit/(loss)		15,757	153,946
II. Minority interest		-	-
B. Long-term liabilities		517,589	574,475
1. Non-current liabilities on account of loans and bonds	28.1	443,157	497,850
2. Non-current liabilities arising from derivatives	28.2	-	-
3. Non-current lease liabilities	30	17,707	17,618
4. Provisions	32	14,341	6,217
5. Accruals and deferred income		4,156	4,856
6. Deferred tax liability	17.2	38,228	47,934
C. Short-term liabilities		1,353,081	1,260,673
1. Current liabilities on account of loans and bonds	28.1	153,314	350,759
2. Current liabilities arising from derivatives	28.2	113	736
3. Current lease liabilities	30	76,668	75,150
4. Current trade and other payables	31	176,636	245,829
5. Income tax payables		456	4,092
6. Provisions	32	8,243	6,007
7. Accruals and deferred income	33	937,651	578,100
D. Liabilities arising from non-current assets classified as held for sale		14,272	14,283
Total equity and liabilities		3,104,738	3,249,840

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Interim Condensed Consolidated Financial Statements for the period of 6 months ended 30 June 2022
(PLN '000)

Interim Condensed Consolidated Statement of Comprehensive Income for the period of 6 months ended 30 June 2022 (PLN '000)

	Note	Period of 6 months ended 30 June 2022	Period of 6 months ended 30 June 2021
Operating activity			
Sales revenue	12	119,823	376,744
Revenue from sale of services		31,144	42,234
Revenue from sales of goods and products		88,679	334,510
Cost of goods sold		(80,828)	(260,876)
Pre-tax profit/(loss) on sales		38,995	115,868
Gain/(loss) on disposal of non-financial fixed assets		-	-
Profit/(loss) on investment property	13	21,722	(19,998)
Write-downs of inventory		-	-
Selling and distribution cost	14	(10,705)	(9,037)
General administrative expenses	14	(27,339)	(18,922)
Other operating income		3,952	2,035
Other operating expenses		(2,641)	(1,895)
Operating profit/(loss)		23,984	68,051
Financial Income	15	3,760	8,327
Financial Expenses	16	(20,122)	(8,194)
Share in profits (losses) of entities disclosed using the equity method		(256)	(5)
Pre-tax profit/(loss)		7,366	68,179
Income tax (tax expense)	17.1	8,391	(12,528)
Net profit/(loss)		15,757	55,651
Other comprehensive income subject to reclassification to financial result in subsequent reporting periods			
Cash flow hedges		816	363
Income tax relating to other components of comprehensive income		(83)	(69)
Other comprehensive income (net)		733	294
Comprehensive income		16,490	55,945

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(PLN '000)

	Period of 6 months ended 30 June 2022	Period of 6 months ended 30 June 2021
Net profit/(loss) attributable to:	15,757	55,651
Shareholders of the parent	15,757	55,651
Minority interest	-	-
Comprehensive income attributable to:	16,490	55,945
Shareholders of the parent	16,490	55,945
Minority interest	-	-
Profit/(loss) per share attributable to equity holders of the parent (basic) (PLN)	0.04	0.12
Profit/(loss) per share attributable to equity holders of the parent (diluted) (PLN)	0.04	0.12

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Interim Condensed Consolidated Financial Statements for the period of 6 months ended 30 June 2022
(PLN '000)

Interim Condensed Consolidated Statement of Cash Flows for the period of 6 months ended 30 June 2022 (PLN '000)

	Note	Period of 6 months ended 30 June 2022	Period of 6 months ended 30 June 2021
A. Cash flows from operating activities			
I. Pre-tax profit/(loss)		7,366	68,179
II. Total adjustments		(9,693)	74,246
1. Amortisation and depreciation		963	759
2. Foreign exchange gains/(losses)		8,464	(8,562)
3. Interest and profit sharing (dividends)		19,482	11,773
4. Share in profits (losses) of entities disclosed using the equity method		256	5
5. Profit(loss) on investment property		(20,605)	19,244
6. Change in provisions		(6,851)	(1,479)
7. Change in inventory		(327,629)	(70,368)
8. Change in receivables		64,245	(13,433)
9. Change in current liabilities except for loans and bonds		(69,219)	25,660
10. Change in prepayments and accruals		356,933	122,872
11. Other adjustments		(35,732)	(12,225)
III. Net cash from operating activities (I+II)		(2,327)	142,425
1. Income tax paid		(20,471)	(58,877)
IV. Net cash flow from operating activities		(22,798)	83,548
B. Cash flows from investing activities			
I. Cash inflows		462,898	55,017
1. Disposal of investment in property		391,072	-
2. Impact arising from financial assets		71,826	55,017
II. Outflows		(62,564)	(69,704)
1. Acquisition of intangible assets and property, plant and equipment		(900)	(558)
2. Investment in property		(8,971)	(12,958)
3. Expenditure for acquisition of financial assets		(52,693)	(56,183)
4. Acquisition of shares		-	(5)
III. Net cash flow from investing activities (I+II)		400,334	(14,687)
C. Cash flow from financing activities			
I. Cash inflows		5,900	157,023
1. Bank and non-bank loans		5,900	7,023
2. Issue of debt securities		-	150,000
II. Outflows		(488,106)	(119,218)
1. Repayment of bank and non-bank loans		(202,868)	(7,610)
2. Redemption of debt securities		(68,496)	(100,000)
3. Payment of liabilities arising from finance lease agreements		(194)	(172)
4. Interest		(15,147)	(11,436)
5. Dividends paid to equity holders of the parent		(201,401)	-
III. Net cash flows from financing activities (I+II)		(482,206)	37,805
D. Total net cash flows, (A.III+B.III+C.III)		(104,670)	106,666
E. Change in cash flows in the Statement of Financial Position		(104,670)	106,666
F. Cash and cash equivalents at the beginning of the period		332,754	377,036
G. Cash and cash equivalents at the end of the period, including: (F+D)		228,084	483,702
- restricted cash		20	20

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Interim Condensed Consolidated Financial Statements for the period of 6 months ended 30 June 2022
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Interim Condensed Consolidated Statement of Changes in Equity for the period of 6 months ended 30 June 2022 (PLN '000)

	Share Capital	Other capitals		Net profit/(loss)	Total capital attributable to shareholders of the parent	Minority interest	Total equity
		Supplementary capital, reserve funds and retained earnings	Other funds				
As at 01 January 2022	447,558	790,444	8,461	153,946	1,400,409	-	1,400,409
<i>Net profit/(loss) for the period of 6 months ended 30 June 2022</i>	-	-	-	15,757	15,757	-	15,757
<i>Other comprehensive income for the period of 6 months ended 30 June 2022</i>	-	-	733	-	733	-	733
Other comprehensive income for the period of 6 months ended 30 June 2022	-	-	733	15,757	16,490	-	16,490
Transfer of profit/loss for the previous period to undistributed profit	-	36,381	-	(36,381)	-	-	-
Incentive scheme	-	-	4,298	-	4,298	-	4,298
Payment of dividend	-	(83,836)	-	(117,565)	(201,401)	-	(201,401)
As at 30 June 2022	447,558	742,989	13,492	15,757	1,219,796	-	1,219,796

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	Other capitals			Net profit/(loss)	Total capital attributable to shareholders of the parent	Minority interest	Total equity
	Share Capital	Supplementary capital, reserve funds and retained earnings	Other funds				
As at 01 January 2021	447,558	1,005,329	3,701	(138,800)	1,317,788	-	1,317,788
<i>Net profit/(loss) for 2021</i>	-	-	-	153,946	153,946	-	153,946
<i>Other comprehensive income for 2021</i>	-	-	451	-	451	-	451
Total comprehensive income for 2021	-	-	451	153,946	154,397	-	154,397
Transfer of profit for the previous period to undistributed profit	-	(138,800)	-	138,800	-	-	-
Incentive scheme	-	-	4,309	-	4,309	-	4,309
Payment of dividend	-	(76,085)	-	-	(76,085)	-	(76,085)
As at 31 December 2021	447,558	790,444	8,461	153,946	1,400,409	-	1,400,409

	Other capitals			Net profit/(loss)	Total capital attributable to shareholders of the parent	Minority interest	Total equity
	Share Capital	Supplementary capital, reserve funds and retained earnings	Other funds				
As at 01 January 2021	447,558	1,005,329	3,701	(138,800)	1,317,788	-	1,317,788
<i>Net profit/(loss) for the period of 6 months ended 30 June 2021</i>	-	-	-	55,651	55,651	-	55,651
<i>Other comprehensive income for the period of 6 months ended 30 June 2021</i>	-	-	294	-	294	-	294
Other comprehensive income for the period of 6 months ended 30 June 2021	-	-	294	55,651	55,945	-	55,945
Transfer of profit for the previous period to undistributed profit	-	(138,800)	-	138,800	-	-	-
Allocated to the payment of dividend	-	(76,085)	-	-	(76,085)	-	(76,085)
As at 30 June 2021	447,558	790,444	3,995	55,651	1,297,648	-	1,297,648

Additional explanatory notes

1. General Information

The Develia S.A. Group ("the Group", "the Develia Group") consists of Develia S.A. and its subsidiary undertakings. The composition of the Group is presented in Note 2.

Develia S.A. (the "Parent Undertaking", the "Company", the "Issuer") was established by the Notarial Deed dated 3 March 2006. The Company's registered office is situated in Wrocław, Poland, at ul. Powstańców Śląskich 2-4. The Parent Undertaking has been entered into the register of entrepreneurs of the National Court Register maintained by the District Court for Wrocław-Fabryczna in Wrocław, the 4th Commercial Division of the National Court Register, under KRS No. 0000253077. The Company has been assigned statistical identification number REGON 020246398.

The Parent Undertaking and the Group's subsidiaries were established for an indefinite period. The Parent Undertaking's primary activity is:

- PKD 64.20Z Activities of financial holding companies
- PKD 68.20.Z Rental and management of own or leased real estate
- PKD 41.10.Z Completion of construction projects related to putting up buildings
- PKD 68.10.Z Buying and selling of own real estate
- PKD 41.20.Z Construction works related to the completion of residential and non-residential buildings

There is no parent undertaking of Develia S.A. as at the date hereof nor was there any such entity throughout the period covered by these financial statements.

Interim Condensed Consolidated Financial Statements of the Develia Group cover the period of 6 months ended 30 June 2022. A detailed description of the component parts of the consolidated financial statements is included in Note 6.

2. Composition of Group

As at 30 June 2022 and 31 December 2021, the Develia S.A. Group comprised the following subsidiaries, to which the full consolidation method was applied, and jointly controlled entities, valued by the equity method:

Company name	Registered office	Effective share of Develia S.A.	
		30 June 2022 Share in Capital	31 December 2021 Share in Capital
Subsidiary undertakings			
Arkady Wrocławskie S.A.	Wrocław	100%	100%
Develia Wrocław S.A.	Wrocław	100%	100%
Develia Warszawa Sp. z o.o.	Wrocław	100%	100%
Kraków Zielony Złocień Sp. z o.o.	Wrocław	100% (directly and indirectly)	100% (directly and indirectly)
LC Corp Invest I Sp. z o.o.	Wrocław	100% (directly and indirectly)	100% (directly and indirectly)
LC Corp Invest II Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest III Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest VII Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest VIII Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest IX Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest X Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest XI Sp. z o.o.	Wrocław	100%	100%

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LC Corp Invest XII Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest XV Sp. z o.o.	Wrocław	100%	100%
4resident Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest XVII Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest XV Sp. z o.o. Projekt 2 Sp. k.	Wrocław	100% (indirectly)	100% (indirectly)
LC Corp Invest XV Sp. z o.o. Projekt 4 Sp. k.	Wrocław	100% (indirectly)	100% (indirectly)
LC Corp Invest XV Sp. z o.o. Projekt 6 Sp. k.	Wrocław	100% (indirectly)	100% (indirectly)
LC Corp Invest XV Sp. z o.o. Projekt 7 Sp. k.	Wrocław	100% (indirectly)	100% (indirectly)
LC Corp Invest XV Sp. z o.o. Projekt 8 Sp. k.	Wrocław	100% (indirectly)	100% (indirectly)
LC Corp Invest XVII Sp. z o.o. Projekt 20 Sp. k.	Wrocław	100% (directly and indirectly)	100% (directly and indirectly)
LC Corp Invest XVII Sp. z o.o. Projekt 21 Sp. k.	Wrocław	100% (indirectly)	100% (indirectly)
LC Corp Invest XVII Sp. z o.o. Projekt 22 Sp. k.	Wrocław	100% (directly and indirectly)	100% (directly and indirectly)
LC Corp Invest XV Sp. z o.o. Investments S.K.A.	Wrocław	100% (directly and indirectly)	100% (directly and indirectly)
Develia Invest Sp. z o.o.	Wrocław	100%	100%
LC Corp Service S.A.	Wrocław	100% (directly and indirectly)	100% (directly and indirectly)
Jointly Controlled Entities			
Projekt Ciszewskiego Sp. z o.o.	Warsaw	80% directly	80% directly
Projekt Myśliborska Sp. z o.o.	Warsaw	80% directly	80% directly
Projekt Lizbońska Sp. z o.o.	Warsaw	80% directly	80% directly
Projekt Ciszewskiego Sp. z o.o. Sp. k.	Warsaw	80% (directly and indirectly)	80% (directly and indirectly)
Projekt Myśliborska Sp. z o.o. Sp. k.	Warsaw	80% (directly and indirectly)	80% (directly and indirectly)
Projekt Lizbońska Sp. z o.o. Sp. k.	Warsaw	80% (directly and indirectly)	80% (directly and indirectly)

As at 30 June 2022 and as at 31 December 2021, the share in the total vote held by the Parent Undertaking in its subsidiaries was equal to the share of the Parent Undertaking in the capitals of these entities.

3. Changes in Structure of Group

Acquisition and Sale of Subsidiaries Outside Group

No transaction consisting in the acquisition or sale of business units was completed by the companies belonging to the Group in the period of 6 months ended 30 June 2022.

Newly Established Entities and Changes within Group

In the period of 6 months ended 30 June 2022, the Group's composition did not change.

On 28 April 2022, the Extraordinary General Meeting of LC Corp Invest VIII Sp. z o.o. adopted a resolution on voluntary redemption of shares in the company share capital and reduction in share capital from PLN 13,600,000 to PLN 50,000, i.e. by an amount of PLN 13,550,000 by the redemption of 13,550 shares. Proceedings to notify the company's creditors of share capital reduction. The company's articles of association will be changed upon registration by the registry court.

On 01 June 2022, an increase in the share capital of LC Corp Service S.A. was registered by the District Court for Wrocław-Fabryczna in Wrocław, 6th National Court Register Division, from PLN 633,165.00 to PLN 1,133,165.00, by the issue of 500,000 new D series registered shares.

On 22 June 2022, a competent registry court registered a new company name of Warszawa Przyokopowa Sp. z o.o., which was changed to Develia Warszawa Sp. z o.o.

On 01 August 2022, a competent registry court registered a new company name of Sky Tower S.A., which was changed to Develia Wrocław S.A.

On 19 August 2022, a registry court made an entry relating to the redemption of shares in LC Corp Invest III sp. z o.o., and consequently, a reduction in its share capital from PLN 1,700,000.00 to PLN 100,000.00, i.e. by a sum of PLN 1,600,000.00.

On 29 August 2022, a competent registry court registered a new company name of LC Corp Invest XVI Sp. z o.o., which was changed to 4resident Sp. z o.o.

On 01 September 2022, a competent registry court registered a merger between LC Corp Invest III sp. z o.o. and LC Corp Invest XV sp. z o.o. Projekt 6 sp.k. and an increase in the share capital of LC Corp Invest III sp. z o.o. from PLN 100,000.00 to PLN 100,500.00. The aforesaid companies merged pursuant to Article 492(1)(1) of the Polish Commercial Partnerships and Companies Code, through the transfer of the entire assets of LC Corp Invest XV sp. z o.o. Projekt 6 sp.k. to LC Corp Invest III sp. z o.o.

4. Composition of Management Board of Parent Undertaking

As at 01 January 2022 and 30 June 2022, the Management Board of Develia S.A. did not change and was composed of the following persons:

- President of Management Board – Andrzej Oślizło
- Vice President of Management Board – Paweł Ruszczak
- Vice President of Management Board – Mariusz Poławski

5. Approval of Interim Condensed Consolidated Financial Statements

These interim condensed consolidated financial statements were approved by the Management Board on 13 September 2022.

6. Basis for Preparation of Interim Condensed Consolidated Financial Statements

These Interim Condensed Consolidated Financial Statements were prepared in accordance with the International Financial Reporting Standards ("IFRS") adopted by the EU, in particular with the International Accounting Standard No. 34.

As at the date of the approval of these financial statements for publication, on account of the ongoing process of introducing IFRS in the EU and the business activity conducted by the Group, the International Financial Reporting Standards, in terms of accounting principles adopted by the Group, vary from IFRS already approved by the EU.

IFRS comprise standards and interpretations accepted by the International Accounting Standard Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

These interim condensed consolidated financial statements were prepared using the historical cost method, except for investment real property and some derivative instruments which are measured at fair value.

The Interim Condensed Consolidated Financial Statements are presented in thousand Polish Zlotys ("PLN"), and all values included in the tables and descriptions, if not indicated otherwise, are given in PLN'000.

The Interim Condensed Consolidated Financial Statements were prepared on the assumption that the Group companies would continue as a going concern in the foreseeable future. As at the day of the approval of these Financial Statements, no circumstances were identified implying any threats to the continuation of the Group companies' business activity.

The Interim Condensed Consolidated Financial Statements do not contain all information and disclosures required for annual consolidated financial statements and they must be read together with the Group's consolidated financial statements for the year ended 31 December 2021, which were published on 30 March 2022.

Information on the accounting principles adopted by the Group was presented in the annual consolidated financial statements of the Develia Group for the year ended 31 December 2021, published on 30 March 2022.

7. Significant Values Based on Professional Judgement and Estimates

The Management Board of the Parent Undertaking used their best knowledge of the applied standards and interpretations, and also the methods and principles of the valuation of particular items of the enclosed condensed consolidated financial statements. Preparing the financial statements in accordance with IFRS required the Company's Management Board to make some estimates and assumptions, which are reflected herein. The actual results may vary from these estimates. The financial data for the period of 6 months ended 30 June 2022 presented herein was not subject to auditor's examination.

Professional Judgement

In the process of applying the accounting principles (policies) to the issues specified hereinbelow, the professional judgement of the management was, apart from the accounting estimates, of the greatest importance.

Determination of Moment When, Upon Sale of Residential and Retail Premises, Risk Is Transferred to Client

The moment of transferring the control to the client determines when revenues from the sales of residential and retail premises can be recognised.

Upon the sale of residential and retail premises, the control is transferred to the client when each and every of the following conditions are fulfilled:

- (i) obtaining the occupancy permit for the buildings;
- (ii) payment of 100% of the value of the premises, based on the developer agreement or preliminary agreement;
- (iii) acceptance of the premises by the client, evidenced by the delivery and acceptance protocol;
- (iv) signing of the developer agreement or notarial deed transferring the title.

In the case of the financing of part of the price by the state in accordance with the Act of 27 September 2013 on State Aid in the Purchase of the First Flat by Young People (MDM), the conditions set out in item (ii) are also met when a bank financing the client confirms the reservation of funds (the last instalment of the payment) for this purpose and when the developer agreement contains the relevant provision.

Uncertainty of Estimates

The basic assumptions concerning the future have been discussed below as well as other key reasons for doubts occurring as at the balance-sheet date and entailing a significant risk of the considerable adjustment of the carrying value of assets and liabilities in the following financial year.

Deferred Tax Asset

The Group recognises a deferred tax asset based on the assumption that a tax profit enabling its utilisation should be obtained in the future. Worse tax results obtained in the future could have the effect that this assumption might become groundless. Deferred income tax is presented in Note 17.2.

Fair Value of Investment Property

At the end of each quarter of an accounting year, the Group independently measures the fair value of its investment properties in EUR based on the model of investment capitalisation or maintains the valuation in EUR carried out by an independent valuer at the end of the preceding year (provided there were no significant indications to revaluation). At the end of each accounting year, the fair value of investment property is established or verified by an independent valuer. As at 30 June 2022, investment property is measured on the basis of valuations of valuers. The land located in Malin (near to Wrocław) is also presented under *Investment Property*. The value of the land in Malin was presented as a value resulting from a real estate valuer's valuation, the assessment of which was based on a comparative approach, for which the comparison in pairs method was employed, taking into account the alternative legal status of the land property and its changed purpose in the Study of land use conditions and directions of spatial development, as proposed. At the end of each accounting year, the fair value of investment property is established or verified by an independent valuer. Investment property is shown in Note 22.

Fair Value of Financial Instruments in the Form of Forward Contracts

The fair value of financial instruments in the form of forward contracts, measured at fair value through profit or loss, is determined on the last day of each quarter in a given accounting year and at the end of each accounting year on the basis of the valuation made by an institution which professionally measures such financial transactions (among others by the Bank) or on the basis of a financial model.

Fair Value of IRS and COLLAR Financial Instruments

The fair value of IRS and CAP financial instruments, covered by the cash flow hedge accounting, is determined on the last day of each quarter in a given accounting year and at the end of each accounting year on the basis of the valuation made by an institution which professionally measures such financial transactions (such as the bank).

Write-Downs of Inventory

At the end of each reporting period, the Management Board verifies if there is any evidence pointing to the loss of value of its property development projects under implementation on the basis of sales reports, market research and other available evidence. Should the risk of the loss of value occur, the value of such projects is estimated employing the DCF method, which is used to establish the write-down of inventories. The DCF method is based on discounted cash flows generated within the approved investment schedules and proceeds from the sale of premises, allowing for the sale price of 1 square metre of usable floor area of flats in accordance with the current market situation. The discount rate takes account of the weighted average cost of external and own capital (WACC).

The write-downs of inventories are estimated as at 30 June 2022 and may be subject to change depending on the fluctuation of market prices of land, selling prices of flats, construction costs, project completion schedules and discount rate calculations in the future. The actual results may vary from these estimates, which were calculated on the grounds of the data available as at the reporting date. It is also related to the uncertainty regarding the proper estimation of the market conditions in the following years. Consequently, valuation allowances may change in the following financial periods. Inventories and write-down of inventories are presented in Note 23.

Uncertainty Associated with Tax Settlements

The regulations concerning the tax on goods and services, corporate tax and burdens associated with social insurance are subject to frequent changes. These frequent changes make no appropriate reference points, inconsistent interpretations and few established precedents that might be applicable. The binding regulations also contain uncertainties, resulting in different opinions regarding the legal interpretation of tax regulations, both among public authorities and between public authorities and companies.

Tax settlements and other areas of activity (for example customs and foreign currency issues) may be subject to inspection by bodies authorised to impose high penalties and fines, and any additional tax liabilities arising from the inspection must be paid together with high interest. Having considered these conditions, the tax risk in Poland is greater than in countries with a more mature tax system.

Consequently, amounts presented and disclosed in financial statements may change in the future as a result of a final decision of a tax audit authority.

On 15 July 2016, changes were made to the Tax Ordinance Act in order to take account of the provisions of the General Anti-Avoidance Rule (GAAR). GAAR is to prevent the creation and use of artificial legal structures created in order to avoid the payment of tax in Poland. GAAR defines the avoidance of taxation as an action made above all in order to achieve a tax advantage, contrary – under given circumstances – to the object and purpose of the provisions of the tax act. In accordance with GAAR, such an action does not result in the tax advantage, if the operation was artificial. Any occurrence of (i) unjustified separation of operations, (ii) involvement of intermediary entities despite the lack of economic justification, (iii) elements that null or compensate each other and (iv) other actions having a similar effect to the previously mentioned, may be treated as a premise of artificial operations subject to GAAR. New regulations will require a much greater degree of professional judgement in assessing the tax consequences of individual transactions.

The GAAR clause should be applied to transactions made after its entry into force and transactions that had been carried out before the entry into force of the GAAR clause, but for which benefits were or are still being gained after the date of entry of this clause into force. The implementation of these provisions will enable Polish tax audit authorities to question the legal arrangements and agreements carried out by taxable persons, such as the restructuring and reorganisation of a group, provided, however, that such arrangements and agreements are related to the above clause.

The Group recognises and measures the assets or liabilities in respect of current and deferred income tax in compliance with the requirements of IAS 12, Income Tax on the basis of the tax profit (loss), tax base, unrelieved tax losses, unused tax exemptions and tax rates, taking into account the uncertainty associated with tax settlements.

The table below presents balance sheet figures of the above items as at 30 June 2022 and as at 31 December 2021:

	30 June 2022	31 December 2021
Deferred tax asset	25,489	10,052
Investment property measured at fair value	421,931	411,175
Non-current assets classified as held for sale and measured at fair value	188,002	568,530
Fair Value of Financial Instruments in the Form of Forward Contracts	(85)	(301)
Fair value of IRS and CAP financial instruments	470	(386)
Deferred tax liability	(38,228)	(47,934)
Write-down of inventories	(53,583)	(53,572)

8. Significant Accounting Principles (Policies)

The accounting principles (policies) applied to the preparation of these consolidated financial statements are consistent with those adopted to draw up the Group's consolidated financial statements for the year ended 31 December 2021, save for the following principles. The below changes to IFRS have been applied to these consolidated financial statements as of the date of their entry into force:

- **Amendments to IAS 16 "Property, Plant and Equipment"** – Proceeds Before Intended Use approved by the EU on 28 June 2021 (applicable to annual periods beginning on or after 1 January 2022);
- **Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"** – Onerous Contracts – Cost of Fulfilling a Contract, approved by the EU on 28 June 2021 (applicable to annual periods beginning on or after 1 January 2022);
- **Amendments to IFRS 3 "Business Combinations"** – Amendments to References to the Conceptual Framework including amendments to IFRS 3 approved in the EU on 28 June 2021 (applicable to annual periods beginning on or after 1 January 2022);
- **Amendments to miscellaneous standards "Improvements to IFRS (the 2018-2020 cycle)"** – amendments made as part of the IFRS Annual Improvement Process (IFRS 1, IFRS 9, IFRS 16 and IAS 41) are designed mainly to deal with non-conformities and ensure the consistency of terminology – approved by the EU on 28 June 2021 (amendments to IFRS 1, IFRS 9 and IAS 41 are applicable to annual periods beginning on or after 1 January 2022. Amendments to IFRS 16 concern only an illustrative example, hence no entry into force date has been set).

The adoption of the standards and amendments to existing standards, as mentioned above, did not exert any considerable impact on the financial statements of the Develia S.A. Group.

9. New Standards and Interpretations Published But Not Effective Yet

New standards and amendments to the existing standards which have been already issued by the IFRIC and approved by the EU, but are not in force yet:

On the approval of these financial statements, the following amendments to existing standards were issued by the IFRIC and approved for application within the EU, nevertheless they will enter into force on a later date:

- **IFRS 17 "Insurance Contracts"**, with further amendments to IFRS 17 published by the IASB on 25 June 2020 - approved in the EU on 19 November 2021 (applicable to annual periods beginning on or after 01 January 2023);
- **Amendments to IAS 1 "Presentation of Financial Statements"** – Disclosure of Accounting Policies Applied approved on 02 March 2022 (applicable to annual periods beginning on or after 01 January 2023);
- **Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"** – Definition of accounting estimates approved in the EU on 02 March 2022 (applicable to annual periods beginning on or after 01 January 2023);

New standards and amendments to the existing standards which have been already issued by the IFRIC, but which have not been approved for application within the EU yet

Currently, IFRS in the form approved by the EU do not differ significantly from regulations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), except for the following new standards and amendments to standards which as at the date of the publication of these statements were not approved for application within the EU (the below entry into force dates relate to the full version of standards):

- **Amendments to IAS 1 "Presentation of Financial Statements"** – Classification of Liabilities as Current or Non-current (applicable to annual periods beginning on or after 01 January 2023);
- **Amendments to IAS 12 "Income tax"** – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (applicable to annual periods beginning on or after 01 January 2023);
- **Amendments to IFRS 17 "Insurance Contracts"** – IFRS 17 and IFRS 9 applied for the first time - comparatives (applicable to annual periods beginning on or after 01 January 2023).
- **IFRS 14 "Regulatory Deferral Accounts"** (applicable to annual periods beginning on or after 1 January 2016) – the European Commission decided not to initiate the process of approving this temporary standard for application within the EU before the release of the final version of IFRS 14;
- **Amendments to IFRS 10, "Consolidated Financial Statements" and IAS 28, "Investments in Associates and Joint Ventures"** – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and subsequent amendments (the date of entry into force of the amendments was postponed until research works on the equity method have been completed).

The Group is in the process of verification of the impact of the above-mentioned standards on its financial situation, performance and the scope of information presented in financial statements.

According to the Group's estimates, the above-mentioned new standards and amendments to existing standards would not have had major impact on the financial statements if they had been applied by the Group at the balance-sheet date.

Apart from regulations approved by the EU, there is also hedge accounting for a portfolio of assets and liabilities, the principles of which have not been approved for application within the EU yet.

According to the Group's estimates, the application of hedge accounting for a portfolio of assets or financial liabilities under IAS 39, "Financial Instruments: Recognition and Measurement" would not have any significant impact on the financial statements, if the standard in question had been approved for application as at the balance-sheet date.

10. Seasonal or Cyclical Character of Develia S.A. Group's Operations

The operations of the Develia S.A. Group are not seasonal by nature. They are related to the investment cycles of the implemented property development projects, which is particularly noticeable in the recognition of the proceeds from the sale of residential and retail premises. In accordance with IFRS 15, such proceeds can only be recognised when practically all risks and benefits related to given premises have been transferred to the client and the revenue can be measured in a reliable manner. Consequently, the sales results in a given period depend on the value of the premises transferred to the clients in accordance with the above definition.

11. Information on operating segments

For management purposes, the Group distinguishes three reporting operating segments:

- rental services segment
- property development activity segment
- holding (other) activity segment

The tables presented below show data concerning revenues and profits of the Group's individual segments for the period of 6 months ended 30 June 2022 and 30 June 2021 and concerning assets and liabilities as at 30 June 2022 and 31 December 2021.

Period of 6 months ended 30 June 2022	Rental services	Property development activity	Holding (other) activity	TOTAL
Operating activity				

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Sales revenue	31,114	88,679	30	119,823
Revenue from sale of services	31,114	-	30	31,144
Revenue from sales of goods and products	-	88,679	-	88,679
Cost of goods sold	(16,918)	(63,910)	-	(80,828)
Pre-tax profit/(loss) on sales	14,196	24,769	30	38,995
Gain/(loss) on disposal of non-financial fixed assets	-	-	-	-
Profit /(loss) on investment property	21,722	-	-	21,722
Write-Downs of Inventory	-	-	-	-
Selling and distribution cost	(556)	(10,149)	-	(10,705)
General administrative expenses	(8,301)	(18,948)	(90)	(27,339)
Other operating income	1,737	2,159	56	3,952
Other Operating Expenses	63	(2,271)	(433)	(2,641)
Operating profit/(loss)	28,861	(4,440)	(437)	23,984
Financial Income	768	1,944	1,048	3,760
Financial Expenses	(17,993)	(138)	(1,991)	(20,122)
Share in profits (losses) of entities disclosed using the equity method	-	(256)	-	(256)
Pre-tax profit/(loss)	11,636	(2,890)	(1,380)	7,366
Income tax (tax expense)	(1,941)	10,059	273	8,391
Net profit/(loss)	9,695	7,169	(1,107)	15,757
Other comprehensive income subject to reclassification to financial result in subsequent reporting periods				
Cash flow hedges	816	-	-	816
Income tax relating to other components of comprehensive income	(83)	-	-	(83)
Other comprehensive income (net)	733	-	-	733
Comprehensive income	10,428	7,169	(1,107)	16,490

Period of 6 months ended 30 June 2021	Rental services	Property development activity	Holding (other) activity	TOTAL
Operating activity				
Sales revenue	42,202	334,515	27	376,744
Revenue from sale of services	42,202	5	27	42,234
Revenue from sales of goods and products	-	334,510	-	334,510
Cost of goods sold	(20,132)	(240,744)	-	(260,876)
Pre-tax profit/(loss) on sales	22,070	93,771	27	115,868
Gain/(loss) on disposal of non-financial fixed assets	-	-	-	-
Profit /(loss) on investment property	(19,998)	-	-	(19,998)
Write-Downs of Inventory	-	-	-	-
Selling and distribution cost	(519)	(8,518)	-	(9,037)
General administrative expenses	(4,780)	(14,057)	(85)	(18,922)
Other operating income	971	1,005	59	2,035
Other Operating Expenses	(1,318)	(444)	(133)	(1,895)
Operating profit/(loss)	(3,574)	71,757	(132)	68,051
Financial Income	7,926	-	401	8,327
Financial Expenses	(7,670)	(66)	(458)	(8,194)
Share in profits (losses) of entities disclosed using the equity method	-	-	(5)	(5)

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Pre-tax profit/(loss)	(3,318)	71,691	(194)	68,179
Income tax (tax expense)	1,180	(13,679)	(29)	(12,528)
Net profit/(loss)	(2,138)	58,012	(223)	55,651
Other comprehensive income subject to reclassification to financial result in subsequent reporting periods				
Cash flow hedges	363	-	-	363
Income tax relating to other components of comprehensive income	(69)	-	-	(69)
Other comprehensive income (net)	294	-	-	294
Comprehensive income	(1,844)	58,012	(223)	55,945

As at 30 June 2022	Rental services	Property development activity	Holding (other) activity	TOTAL
Assets and liabilities				
Total assets, including:	697,069	2,213,821	193,848	3,104,738
<i>Non-Current Receivables</i>	2,621	-	-	2,621
<i>Investments in joint ventures valued by equity method</i>	-	56,254	-	56,254
<i>Investment property</i>	466,701	-	-	466,701
<i>Inventory</i>	985	1,896,276	-	1,897,261
<i>Derivatives assets</i>	498	-	-	498
<i>Short-term securities</i>	-	-	10,081	10,081
<i>Other financial assets</i>	-	90,217	65,958	156,175
<i>Cash and cash equivalents</i>	15,259	136,894	75,931	228,084
<i>Non-current assets classified as held for sale</i>	188,002	22,171	-	210,173
Total liabilities, including:	326,938	1,532,445	25,559	1,884,942
<i>Liabilities on account of loans and bonds</i>	231,911	363,163	1,397	596,471
<i>Liabilities Arising from Derivatives</i>	113	-	-	113
<i>Accrued expenses and deferred income</i>	1,459	927,454	8,738	937,651

As at 31 December 2021	Rental services	Property development activity	Holding (other) activity	TOTAL
Assets and liabilities				
Total assets, including:	1,056,886	1,926,998	265,956	3,249,840
<i>Non-Current Receivables</i>	2,576	-	-	2,576
<i>Investments in joint ventures valued by equity method</i>	-	55,122	-	55,122
<i>Investment property</i>	451,660	-	-	451,660
<i>Inventory</i>	988	1,568,644	-	1,569,632
<i>Derivatives assets</i>	49	-	-	49
<i>Short-term securities</i>	-	-	27,053	27,053
<i>Other financial assets</i>	-	49,174	69,365	118,539
<i>Cash and cash equivalents</i>	25,362	220,836	86,556	332,754
<i>Non-current assets classified as held for sale</i>	546,507	22,023	-	568,530
Total liabilities, including:	531,110	1,233,181	85,140	1,849,431

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<i>Liabilities on account of loans, bonds and financial instruments</i>	432,616	355,629	60,364	848,609
<i>Liabilities Arising from Derivatives</i>	736	-	-	736
<i>Accrued expenses and deferred income</i>	1,576	561,542	14,982	578,100

In the period of 6 months ended 30 June 2022, no new operating segments were singled out, as well as no changes were reported for the rules applicable to the measurement of revenue, profit or loss and assets of the segments presented in the previous annual consolidated financial statements of the Group.

12. Sales revenue

	Period of 6 months ended 30 June 2022	Period of 6 months ended 30 June 2021
Revenue from the rental of office space and the shopping and service centre and related services	31,144	42,234
Revenue from sale of services (IFRS 16)	31,144	42,234
Revenue from the sale of residential and retail premises	88,679	334,193
Other	-	317
Revenue from sales of goods and products (IFRS 15)	88,679	334,510
Total revenue	119,823	376,744

The Group's activity is conducted within Poland. Within the period of 6 months ended 30 June 2022, the Group's operating activities involving the rental of commercial real property concerned the following buildings: a retail and office centre Arkady Wrocławskie in Wrocław and an office building Wola Retro in Warsaw. Until 15 March 2022, rental services were provided also in a retail and office centre Sky Tower in Wrocław. The development activity is conducted in Gdańsk, Katowice, Cracow, Warsaw and Wrocław.

13. Profit /(loss) on investment property

	Period of 6 months ended 30 June 2022	Period of 6 months ended 30 June 2021
Revenue from sales of real estate	391,072	-
Value of real estate sold	(391,072)	-
Change in real estate valuation in respect of altered EUR to PLN exchange rate within the period	20,962	(18,208)
Change in real estate valuation in respect of expenditures incurred within the period	(357)	(1,036)
Revaluation of provisions for sale of real property	705	-
Adjustment for linearisation of revenues from rental	412	(754)
Total	21,722	(19,998)

The below table presents details relating to Profit /(Loss) on Investment Property in the period of 6 months ended 30 June 2022:

Period of 6 months ended 30 June 2022	Arkady Wrocławskie	Sky Tower	Wola Retro	Malin	TOTAL
Revenue from sales of real estate	-	391,072	-	-	391,072

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Value of real estate sold	-	(391,072)	-	-	(391,072)
Change in real estate valuation in respect of altered EUR to PLN exchange rate within the period *	3,052	12,120	5,790	-	20,962
Change in real estate valuation in respect of expenditures incurred within the period	(4)	(60)	-	(293)	(357)
Revaluation of provisions for sale of real property	-	705	-	-	705
Adjustment for linearisation of revenues from rental	328	424	(340)	-	412
Total	3,376	13,189	5,450	(293)	21,722

* - For Sky Tower, the EUR-PLN exchange rate as at the transaction date, i.e. 4.7465, has been applied

14. Operating expenses

	Period of 6 months ended 30 June 2022	Period of 6 months ended 30 June 2021
Amortisation and depreciation	963	759
Consumption of materials and energy	4,172	4,073
Contracted services, including:	14,542	15,677
- Operating services in commercial buildings (cleaning, renovations, security, intermediation, etc.)	9,293	11,294
- IT and communications services	668	453
- Real property audits and market analysis	849	858
- Tax and legal advisory services	2,590	948
Taxes and charges	3,026	4,019
Remuneration	25,663	18,400
Social security and other benefits	3,904	3,375
Other costs by type	5,049	3,260
Change in products and work in progress	61,553	239,272
Total	118,872	288,835
Cost of goods sold	80,828	260,876
Selling and distribution cost	10,705	9,037
General and administrative expense	27,339	18,922
Total	118,872	288,835

Employee Share-based Incentive Scheme

In 2021, the Company introduced an incentive scheme aimed at members of the Management Board and key personnel of the Company. The scheme is expected to be operated for the years 2021-2024. Under the scheme, the appropriate portion of equity instruments (warrants) will be allocated to key personnel by the Management Board and to Management Board members by the Supervisory Board on a yearly basis. Warrants may be exchanged for the (Parent) Company's shares at a specified price, provided, however, that relevant vesting conditions have been fulfilled.

In H1 2022, on account of the incentive scheme being granted, the Group recognised, under the rules laid down in IFRS 2, in the cost of remuneration a sum of PLN 4,298,000. In 2021, the Group recognised in the cost of remuneration a sum of PLN 4,309,000.

15. Financial Income

	Period of 6 months ended 30 June 2022	Period of 6 months ended 30 June 2021
Revenue from bank interest	3,361	-
Surplus of positive over negative foreign exchange differences	-	7,800
Measurement of and gains on financial instruments	366	527
Other	33	-
Financial Income	3,760	8,327

16. Financial Expenses

	Period of 6 months ended 30 June 2022	Period of 6 months ended 30 June 2021
Interest, commission on bonds and loans (uncapitalised portion)	6,454	7,478
Interest on lease	841	608
Measurement of and losses on financial instruments	847	-
Surplus of negative over positive foreign exchange differences	11,822	-
Valuation of financial instruments	-	-
Tax expense on share capital increases in subsidiaries	-	3
Other	158	105
Financial Expenses	20,122	8,194

17. Income tax

17.1. Tax Expense

The main components of tax expense for the period of 6 months ended 30 June 2022 and 30 June 2021 are as follows:

	Period of 6 months ended 30 June 2022	Period of 6 months ended 30 June 2021
Disclosed in Profit or Loss		
Current income tax		
Current income tax expense	(16,795)	(11,803)
Adjustments of current income tax from previous years	(40)	(86)
Deferred Income Tax		
Associated with temporary differences and their reversal and tax losses	25,226	(639)
Tax expense shown in the consolidated profit or loss	8,391	(12,528)
Disclosed in Other Comprehensive Income		
Tax on net profit/(loss) on account of changes in the effective portion of cash flow hedges	(83)	(69)
Tax benefit/(tax expense) disclosed in other comprehensive income	(83)	(69)

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The reconciliation of income tax on the gross financial result before taxation at the statutory tax rate, with income tax calculated at the Group's effective tax rate for the period ended 30 June 2022 and 30 June 2021 is as follows:

	Period of 6 months ended 30 June 2022	Period of 6 months ended 30 June 2021
Gross profit /(loss) before tax on continued operations	7,366	68,179
Profit /(loss) before tax on discontinued operations	-	-
Gross profit/(loss) before tax	7,366	68,179
Tax at the statutory tax rate applicable in Poland: 19% (2021: 19%)	1,400	12,954
Non-tax-deductible costs	797	310
Undisclosed/adjusted tax losses	2,572	635
Undisclosed/adjusted temporary differences (other than tax losses) in relation to which no deferred tax was created	(13,727)	(1,314)
Differences in tax value and balance-sheet value of inventories	-	-
Settlement of discount of share acquisition price and deferred payment interest	-	-
Minimum tax on commercial real property, which did not lead to the reduction of income tax	-	-
Previous years' tax adjustments	9	85
Other	558	(142)
Tax at the effective tax rate of -113.9% (2021: 18.4 %)	(8,391)	12,528

17.2. Deferred Income Tax

Deferred income tax arises from the following items:

	Statement of financial position			Deferred income tax expense for the period ended	
	30 June 2022	31 December 2021	01 January 2021	30 June 2022	31 December 2021
Deferred tax liability					
Accrued interest and discounts on borrowings, bonds, notes and deposits	(14,138)	(11,091)	(9,148)	(3,047)	(1,943)
Valuation of investment property	(1,143)	-	-	(1,143)	-
Difference in the value of tangible assets (tax and balance-sheet depreciation)	(32,807)	(55,767)	(48,390)	22,960	(7,377)
Difference in the value of other assets (tax value and book value)	-	(15,267)	(2,498)	15,267	(12,769)
Other	(192)	(319)	(32)	127	(287)
Gross deferred tax liability	(48,280)	(82,444)	(60,068)		
Deferred tax assets					
Valuation of investment property	-	18,513	18,644	(18,513)	(131)
Provisions and prepayments and accrued income	3,363	4,594	4,021	(1,231)	573
Accrued interest and discounts on borrowings, bonds and notes	8,452	7,864	6,472	588	1,392
Foreign exchange differences	3,403	6,295	6,786	(2,892)	(491)

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Difference in the value of other assets (tax value and book value)	678	-	-	678	-
Losses potentially deductible from future taxable income	17,713	5,305	8,883	12,408	(3,578)
Debt financing costs that can be settled within 5 years	1,797	1,797	2,306	-	(509)
Other	135	194	267	(59)	(73)
Gross deferred tax assets	35,541	44,562	47,379		
Deferred tax expense				25,143	(25,193)
Net deferred tax asset	25,489	10,052	21,933		
Net deferred tax liability	(38,228)	(47,934)	(34,622)		

Considering the specificity of the conducted activity, which involves the achievement of taxable revenue at a deferred time, the Group activates incurred tax losses until taxable income is achieved, taking into account the tax regulations concerning the possibility of settling such losses. The amount of an asset resulting from tax losses disclosed in deferred tax is presented in the table above.

As at 30 June 2022, the Group carried out an analysis of the recoverability of a created and potential deferred tax asset and did not create a deferred tax asset on account, among other things, of tax losses in companies in the amount of PLN 5,958,000 (and accordingly PLN 3,191,000 as at 31 December 2021) and debt financing costs amounting to PLN 5,154,000, which can be used within the maximum period of up to five years from the end of the reporting period in which they arose. In addition, the Group did not create a deferred tax asset in the amount of PLN 29,655,000 with regard to temporary differences between the balance-sheet and tax values of respective assets and liabilities items (and accordingly PLN 49,114,000 as at 31 December 2021).

18. Indication of Effects Produced by Changes in Structure of Economic Entities, Including Following Business Combination, Take-Over, Disposal of Group Subsidiaries, Long-Term Investments, Division, Restructuring and Discontinuation of Operations

Notes 2 and 3 present the composition of the Develia S.A. Group as at 30 June 2022 and as at 31 December 2021 was presented along with changes that occurred within the period of 6 months ended 30 June 2022.

19. Property, plant and equipment

During the period of 6 months ended 30 June 2022, the Group purchased property, plant and equipment totalling PLN 678,000 (in the year ended 31 December 2021, it was: PLN 1,506,000).

In the period of 6 months ended 30 June 2022, the Group did not recognise any new lease agreements for passenger cars.

In the period of 6 months ended 30 June 2022, the Group did not enter into any significant sale transactions regarding property, plant and equipment items.

As at 30 June 2022, there are no significant contractual liabilities arising from the purchase of property, plant or equipment.

20. Non-Current Receivables

Under Non-current receivables the Group discloses the amounts of security related to timely loan servicing and required under long-term loan agreements:

- As at 30 June 2022:
 - Amount withheld in a debt servicing account in an amount of EUR 560,000 (PLN 2,621,000) in LC Corp Invest XVII Sp. z o.o. Projekt 22 Sp.k. (Wola Retro)
- As at 31 December 2021:

- - Amount withheld in a debt servicing account in an amount of EUR 560,000 (PLN 2,576,000) in LC Corp Invest XVII Sp. z o.o. Projekt 22 Sp.k. (Wola Retro)

Receivables arising from funds being blocked in security accounts, designated for timely loan servicing, will be released after the bank loan has been paid off in full (the contractual loan repayment date falls on 19/11/2027).

21. Investments in joint ventures valued by equity method

The value of investments in joint ventures being mutual contractual arrangements valued by the equity method are presented in the below table:

	30 June 2022	31 December 2021
Projekt Lizbońska Sp. z o.o. Sp. k.	45,786	44,623
Projekt Lizbońska Sp. z o.o.	-	-
Projekt Ciszewskiego Sp. z o.o. Sp. k.	8,076	8,078
Projekt Ciszewskiego Sp. z o.o.	-	1
Projekt Myśluborska Sp. z o.o. Sp. k.	2,392	2,419
Projekt Myśluborska Sp. z o.o.	-	1
TOTAL	56,254	55,122

Profit or loss of investments in joint ventures being mutual contractual arrangements valued by the equity method are presented in the below table:

	Period of 6 months ended 30 June 2022
Projekt Lizbońska Sp. z o.o. Sp. k.	(244)
Projekt Lizbońska Sp. z o.o.	-
Projekt Ciszewskiego Sp. z o.o. Sp. k.	(2)
Projekt Ciszewskiego Sp. z o.o.	(1)
Projekt Myśluborska Sp. z o.o. Sp. k.	(8)
Projekt Myśluborska Sp. z o.o.	(1)
TOTAL	(256)

The Develia S.A. Group carried out an in-depth analysis of the JV agreement made with Grupo Lar Holding Polonia Sp. z o.o. Based on that analysis, specifically, the provisions concerning the requirement for unanimity of both parties to the agreement when taking all significant decisions by companies covered by the agreement, in spite of holding 80% capital commitment in individual companies covered by the JV agreement, investments have been classified in the consolidated financial statements of the Develia S.A. Group as a joint contractual arrangement (joint ventures) and are valued by the equity method.

In 2021, on account of planned collaboration with the Atal Group in relation to a property development project to be carried out on a JV basis, Develia S.A. acquired 50% of shares in Atal Services Sp. z o.o. on 09 June 2021 (a joint venture valued by the equity method). Eventually, the property development project was not implemented. As the collaboration for the said project failed, the Issuer's Management Board disposed of 50% of company's shares back on 07 September 2021, and consequently, ended co-operation with the Atal Group. There are no equity relationships between the Develia S.A. Group and the Atal S.A. Group in connection with the aforesaid transaction.

22. Investment Real Property and Non-Current Assets Classified as Held for Sale

Investment property

As at 30 June 2022, the Group's investment property includes:

- Wola Center office building in Warsaw;
- Project under preparation: Wrocław, ul. Kolejowa
- Investment land located in Malin (near to Wrocław)

30 June 2022	Value EUR	PLN Value	Value adjustment for right of perpetual usufruct to land acc. to IFRS 16	TOTAL
Investment property already constructed				
Wola Retro	72,210	337,986	13,855	351,841
Investment property in preparation				
Wrocław, Kolejowa	n/a	39,887	4,883	44,770
Malin	n/a	70,090	-	70,090
				466,701

31 December 2021	Value EUR	PLN Value	Value adjustment for right of perpetual usufruct to land acc. to IFRS 16	TOTAL
Investment property already constructed				
Wola Retro	71,300	327,937	13,148	341,085
Investment property in preparation				
Wrocław, Kolejowa	n/a	35,600	4,885	40,485
Malin	n/a	70,090	-	70,090
				451,660

As at 30 June 2022, the fair value measurement of Wola Retro in Warsaw was made on the basis of an appraisal made by a professional real estate valuer and included expenditures incurred, increasing thus the property value as at the valuation date, compared to the value as at the balance-sheet date.

The Market value of the real property has been estimated in the income approach, using the investment method and the judgement at the Level Three, as defined in IFRS 13. Input data considered for the valuation included, among other things, investment plans, information relating to planned development including plans, descriptions and budgets, as well as environmental surveys. The income approach and the investment method are based on the assumption that the value of a real property depends on the rental income that can be obtained from the property and the capitalisation rate. Income from the real property is due to rental agreements and in the case of free surface with the use of market rental rates. The rate of return, known as capitalisation rate, is determined on the basis of the analysis of similar transactions on the market in a given financial year. Valuation is expressed in the currency of the invoiced rents, i.e. in EUR and converted into PLN at the average NBP exchange rate at the date of the end of a given accounting period.

As at 30 June 2022, the Group also disclosed the land located in Malin (near to Wrocław) as *Investment Property*. The value of the land in Malin was presented as a value resulting from a real estate valuer's valuation, the assessment of which was based on a comparative approach, for which the comparison in pairs method was employed, taking into account the alternative legal status of the land property and its changed purpose in the Study of land use conditions and directions of spatial development, as proposed.

The reconciliation of changes to the balance-sheet values of investment property in the period ended 30 June 2022 and the year 31 December 2021 is presented in the table below:

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	Period of 6 months ended 30 June 2022	Year ended 31 December 2021
At the beginning of the reporting period	451,660	1,016,745
Recognition and Settlement of Right of perpetual usufruct according to IFRS 16	704	9,837
Capital expenditure incurred	8,840	17,072
Reclassification of non-current assets classified as held for sale	-	(565,843)
Disposal of real property	-	(8)
Revaluation of property fair value (EUR/PLN conversion)	20,962	(2,983)
Revaluation of property fair value (<i>inter alia</i> : due to changes in the EUR valuation of property, finishing works and selling costs)	(15,465)	(23,160)
At the end of the reporting period	466,701	451,660

Non-current assets classified as held for sale

As at 30 June 2022, *Assets Classified as Held for Sale* included the real property: a retail and office centre “Arkady Wrocławskie” in Wrocław.

30 June 2022	Value EUR	PLN Value	Value adjustment for right of perpetual usufruct to land acc. to IFRS 16	Costs of real estate sale	TOTAL
Non-current assets classified as held for sale					
Arkady Wrocławskie		195,648	14,525	-	210,173
					210,173

Given the fact that a letter of intent was signed on 04 February 2022 and negotiations over the disposal of the ‘Arkady Wrocławskie’ real property commenced, the said property was presented as at 31 March 2022 as the sum of:

- Fair value of the investment property Arkady Wrocławskie determined on the basis of valuation made by a professional real estate valuer (valuation: EUR 37,600,000, after conversion to PLN: PLN 175,991,000); Acquisition price for land located in Wrocław at Komandorska street, the value of which as at 30 June 2022 was PLN 19,657,000.

31 December 2021	Value EUR	PLN Value	Value adjustment for right of perpetual usufruct to land acc. to IFRS 16	Costs of real estate sale	TOTAL
Non-current assets classified as held for sale					
Sky Tower	82,392	378,954	-	(17,209)	361,745
Arkady Wrocławskie		192,503	14,282	0	206,785
					568,530

As at 31 December 2021, the fair value of the investment property Sky Tower was determined in accordance with a sale and purchase agreement for the disposal of a share in the ownership right to developed land on which the “Sky Tower” building is erected, namely, as a sum of EUR 84,270,000, less the value of incentives for tenants in the amount of EUR 1,878,000 under agreements signed prior to the date of entering into the preliminary sale and purchase

agreement, which have not been paid as at the date of valuation. In addition, provisions have been made for estimated costs associated with the disposal of property in the amount of PLN 17,209,000.

Given the fact that a letter of intent was signed on 04 February 2022 and negotiations over the disposal of the 'Arkady Wrocławskie' real property commenced, the said property was presented as at 31 December 2021 as the sum of:

- Fair value of investment property Arkady Wrocławskie determined on the basis of valuation made by a professional real estate valuer (valuation: EUR 37,600,000, after conversion to PLN: PLN 172,937,000);
- Acquisition price for land located in Wrocław at Komandorska street, the value of which as at 31 December 2021 was PLN 19,566,000.

Disposal of Real Property Called 'Sky Tower' and Situated in Wrocław

On 13 September 2021, an Issuer's subsidiary, Sky Tower S.A., in which the Issuer holds 100% of shares along with 100% voting rights attaching to such shares, giving the right to vote at the general meeting, and Olimp Investment Sp. z o.o., with its registered office in Warsaw, a company controlled by an alternative investment fund managed by the Adventum Group (the "Purchaser"), entered into a preliminary sales agreement for the disposal of 79.55% of share in the ownership right to developed land on which a multi-purpose building called "Sky Tower" is built, which is located at 95 Powstańców Śląskich street, having the total area of 23,798 sq. m (the "Sky Tower Share") (the "Preliminary Agreement"). The remainder of the share in the ownership of Sky Tower, i.e. 20.45%, will remain in the possession of the owners of separated premises in the Sky Tower building. The price for the Sky Tower Share was agreed on a debt-free and cash-free basis at EUR 84,420,000, plus Value Added Tax (VAT) and less the value of incentives for tenants under agreements signed prior to the date of entering into the Preliminary Agreement, which have not been paid as at the date the final agreement (the "Final Agreement") is made, and it will be paid in full on the date of making the Final Agreement (the "Price").

On 15 March 2022, an Issuer's subsidiary, Sky Tower S.A. and Olimp Investment Sp. z o.o., a company controlled by an alternative investment fund managed by the Adventum Group, entered into a final sales agreement for the disposal of 79.55% of share in the ownership right to developed land on which a multi-purpose building called "Sky Tower" is built, which is located at 95 Powstańców Śląskich street, having the total area of approx. 23,798 sq. m (the "Sky Tower Share") (the "Sale and Purchase Agreement"). The remainder of the share in the ownership of Sky Tower, i.e. 20.45%, will remain in the possession of the owners of separated premises in the Sky Tower building. The price for the Sky Tower Share was agreed on a debt-free and cash-free basis at EUR 84,270,000.00, plus Value Added Tax (VAT) and less the value of incentives for tenants under agreements signed prior to the date of entering into the Preliminary Agreement, which had not been paid as at the date the Sale and Purchase Agreement was made, i.e. in the amount of EUR 1,878,436.64, and was paid in full on the date of making the Sale and Purchase Agreement. The Issuer, by entering into the Sale and Purchase Agreement, granted corporate guarantee up to the amount of EUR 2,438,481.95, to be used as security for the Seller's performance of its obligations arising from the said agreement.

Funds obtained from the sale were used for the complete repayment of a bank loan in the total amount of EUR 41,975,589.96 taken out under an agreement made between Sky Tower S.A. and a syndicate of banks comprised of Alior Bank S.A., based in Warsaw, and Getin Noble Bank S.A., based in Warsaw, of 29 December 2012, as amended. The maximum amount of the said loan was EUR 60,000,000, which was designated for refinancing the costs of construction of "Sky Tower" building.

23. Inventory

	30 June 2022	31 December 2021
Work in progress	1,856,719	1,516,271
Finished products	17,263	32,797
Value adjustment for right of perpetual usufruct to land according to IFRS 16	76,685	74,102
Write-Downs of Inventory	(53,583)	(53,572)
Other inventory	177	34
Total inventories	1,897,261	1,569,632

As at 30 June 2022, *Borrowing costs* of PLN 67,713,000 (as at 31 December 2021 they amounted to PLN 54,361,000) were capitalised in the value of *Inventory*.

Changes in the write-downs of inventories were as follows:

	Period of 6 months ended 30 June 2022	Year ended 31 December 2021
At the beginning of the reporting period	53,572	115,960
Increase	-	-
Used	(7)	(5,547)
Decrease	-	(56,841)
At the end of the reporting period	53,565	53,572

As at 30 June 2022 and 31 December 2021, no item of inventory was pledged or mortgaged, except for the mortgage mentioned in Note 29.

24. Trade and other receivables

	30 June 2022	31 December 2021
Trade receivables	8,073	10,684
State budget receivables (without income tax)	19,459	57,061
Receivables arising from funds being blocked in security accounts, designated for timely loan servicing	2,340	14,220
Other receivables from third parties	3,124	15,321
Total receivables (net)	32,996	97,286
Adjustment taking account of deferred income (*)	(1,597)	(1,595)
Valuation allowance for receivables	(5,451)	(6,078)
Gross receivables	40,044	104,959

(*) As at 30 June 2022 and 31 December 2021, the Group recognised receivables on account of accrued penalties and damages in the amount of PLN 1,597,000 and PLN 1,595,000 respectively, net of deferred income resulting therefrom.

Changes in the write-down of receivables were as follows:

	Period of 6 months ended 30 June 2022	Year ended 31 December 2021
At the beginning of the period	6,078	12,250
Increase	589	702
Used	(393)	(1,740)
Decrease	(823)	(5,134)
At the end of the period	5,451	6,078

Trade receivables as at 30 June 2022 and 31 December 2021 with maturity below 1 year have been broken down by maturity dates and are as follows:

30 June 2022	31 December 2021
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up to 1 month	8,073	10,684
between 1 and 3 months	-	-
between 3 and 12 months	-	-
Total current trade and other receivables	8,073	10,684

State budget receivables (without income tax) include mainly VAT receivables, of which the highest sum relates to a VAT refund of PLN 17,100,000, with maturity between 1 and 3 months.

Receivables arising from funds blocked in security accounts, designated for timely loan servicing, have maturity between 3 and 12 months.

25. Short-term securities

	<i>Interest rate</i>	<i>Repayment date</i>	30 June 2022	31 December 2021
Commercial bonds (Factoring Santander sp. z o.o.)	WIBOR 1M+0.1%	03-02-2022	-	19,853
Commercial bonds (mLeasing sp. z o.o.)	zero-coupon bonds	04-02-2022	-	7,200
Treasury bonds (WZ1122)	WIBOR 6M + 0%	22-11-2022	10,081	-
Total short-term securities			10,081	27,053

The below table shows changes in respect of short-term securities in the period:

Short-term securities – changes in the period	31 December 2021	Acquisition	Buy-back / Redemption	Profit or loss in the period	30 June 2022
Commercial bonds (Factoring Santander sp. z o.o.)	19,853	-	(19,921)	68	-
Commercial bonds (mLeasing sp. z o.o.)	7,200	7,170	(14,400)	30	-
Treasury bonds (WZ1122)	-	10,083	-	(2)	10,081
TOTAL	27,053	17,253	(34,321)	96	10,081

26. Other financial assets

	30 June 2022	31 December 2021
Investment fund units	31,682	69,365
Bank deposits over 3 months *	34,276	-
Cash in open trust accounts	90,217	49,174
Total other financial assets	156,175	118,539

* maturity date of deposits falls in October 2022

The below table shows changes in respect of investment fund units in the period:

Investment fund units	31 December 2021	Acquisition	Buy-back / Redemption	Swap	Profit or loss in the period	30 June 2022
Subfundusz QUERCUS Dłużny Krótkoterminowy (QUERCUS short-term debt investment compartment)	9,048	8	(5,000)	-	(114)	3,942
Subfundusz QUERCUS Ochrony Kapitału	5,997	9	-	-	(46)	5,960

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(QUERCUS capital protection investment compartment)						
Allianz Obligacji Inflacyjnych (Allianz inflation-indexed bonds)	2,007	-	(2,064)	-	57	-
Allianz Specjalistyczny FIO (Allianz specialised open-end fund) / Allianz Trezor	2,930	-	-	-	(6)	2,924
Allianz SFIO Stabilnego Dochodu (Allianz stable income specialised open-end fund) (formerly Aviva)	4,914	-	-	-	(39)	4,875
Generali Oszczędnościowy (Generali savings fund)	4,940	-	(4,802)	-	(138)	-
GAMMA PARASOL BIZNES SFIO (GAMMA UMBRELLA BUSINESS SPECIALISED OPEN-END FUND)	34,603	-	(25,000)	-	(416)	9,187
Allianz Specjalistyczny FIO (Allianz specialised open-end fund) / Allianz Trezor	4,926	-	-	(4,879)	(47)	-
Allianz Specjalistyczny FIO / Allianz Obligacji Inflacyjnych	-	-	-	4,879	(85)	4,794
TOTAL	69,365	17	(36,866)	-	(834)	31,682

As at the balance-sheet date, investment fund units are valued at a market price. The effects of increases or reductions in investment fund units valued at a market price (value) are presented as financial income or expenses respectively. Debt open-end investment fund units have no maturity dates and can be redeemed at any time.

The below table shows changes in respect of trust accounts in the period:

Trust accounts – changes	Period of 6 months ended 30 June 2022	Year ended 31 December 2021
At the beginning of the reporting period	49,174	32,850
Customer payments in the period	477,678	928,035
Funds released in the period	(436,635)	(911,711)
At the end of the reporting period	90,217	49,174

Cash in open trust accounts relates to funds generated in the process of selling and carrying out property development projects in accordance with the Property Development Law. An open trust account allows property developers to disburse received funds during the period of construction works. Further tranches are disbursed according to a project works schedule, namely, after the completion of consecutive construction stages.

27. Cash and Other Cash Assets

	30 June 2022	31 December 2021
Cash on hand and in a bank account	48,468	322,754
Bank deposits	179,616	10,000
Total cash and cash equivalents, including:	228,084	332,754
- restricted cash	20	20

Cash in a bank account bears interest according to floating interest rates. Short-term deposits are made for different periods, depending on the Group's current demand for cash, and bear interest at interest rates negotiated for such periods.

Deposits are shown in the below table, broken down into maturity dates:

Term deposits – maturity dates	30 June 2022	31 December
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		2021
up to 1 month	167,061	10,000
between 1 and 3 months	12,555	-
Total bank deposits	179,616	10,000

28. Financial Liabilities

28.1. Interest-bearing Bank Loans and Bonds

Non-current	Entity	Interest rate	Repayment date	30 June 2022	31 December 2021
Bank loan in EUR (a)	Arkady Wrocławskie S.A.	Euribor 3M+margin	31-12-2022	-	-
Bank loan in EUR (b)	Sky Tower S.A.	Euribor 3M+margin	15-03-2022	-	-
Bank loan in EUR (c)	LC Corp Invest XVII Sp. z o.o. Projekt 22 Sp. k. (Wola Retro)	Euribor 3M+margin	19-11-2027	124,694	120,030
Bank loan in PLN (d)	Develia S.A.	Wibor 1M+margin	01-12-2022	-	-
Bank loan in PLN (e)	Develia S.A.	Wibor 1M+margin	04-11-2023	-	84
Bank loan in PLN (f)	Develia S.A.	Wibor 3M+margin	28-04-2023	-	-
Bank loan in PLN (g)	Develia S.A.	Wibor 3M+margin	31-12-2022	-	-
Bank loan in PLN (h)	Develia S.A.	Wibor 1M+margin	12-04-2022	-	-
Bond scheme (i)	Develia S.A.	Wibor 6M+margin	05-06-2022	-	-
Bond scheme (j)	Develia S.A.	Wibor 6M+margin	28-02-2022	-	-
Bond scheme (k)	Develia S.A.	Wibor 3M+margin	19-10-2022	-	-
Bond scheme (l)	Develia S.A.	Wibor 3M+margin	22-05-2023	-	59,810
Bond scheme (m)	Develia S.A.	Wibor 3M+margin	06-10-2023	69,771	69,625
Bond scheme (n)	Develia S.A.	Wibor 3M+margin	10-05-2024	149,279	149,085
Bond scheme (o)	Develia S.A.	Wibor 3M+margin	08-10-2024	99,413	99,216
				443,157	497,850

Current	Entity	Interest rate	Repayment date	30 June 2022	31 December 2021
Bank loan in EUR (a)	Arkady Wrocławskie S.A.	Euribor 3M+margin	31-12-2022	55,140	58,243
Bank loan in EUR (b)	Sky Tower S.A.	Euribor 3M+margin	15-03-2022	-	191,137
Bank loan in EUR (c)	LC Corp Invest XVII Sp. z o.o. Projekt 22 Sp. k. (Wola Retro)	Euribor 3M+margin	30-06-2023	5,119	4,955
Bank loan in PLN (d)	Develia S.A.	Wibor 1M+margin	01-12-2022	-	-
Bank loan in PLN (e)	Develia S.A.	Wibor 1M+margin	30-06-2023	-	-
Bank loan in PLN (f)	Develia S.A.	Wibor 3M+margin	28-04-2023	-	-
Bank loan in PLN (g)	Develia S.A.	Wibor 3M+margin	31-12-2022	7,316	6,189
Bank loan in PLN (h)	Develia S.A.	Wibor 1M+margin	30-06-2023	-	-
Bond scheme (i)	Develia S.A.	Wibor 6M+margin	05-06-2022	-	50,154
Bond scheme (j)	Develia S.A.	Wibor 6M+margin	28-02-2022	-	18,707
Bond scheme (k)	Develia S.A.	Wibor 3M+margin	19-07-2022 / 19-10-2022	20,347	20,134
Bond scheme (l)	Develia S.A.	Wibor 3M+margin	23-08-2022 / 22-05-2023	60,498	328
Bond scheme (m)	Develia S.A.	Wibor 3M+margin	07-07-2022	1,306	-

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Bond scheme (n)	Develia S.A.	Wibor 3M+margin	11-08-2022	1,875	912
Bond scheme (o)	Develia S.A.	Wibor 3M+margin	08-07-2022	1,713	-
				153,314	350,759

- (a) Loan at Arkady Wrocławskie taken out in EUR on 28 February 2008 with a syndicate of banks: ING Bank Śląski S.A. and Santander Bank Polska S.A. On 29 December 2017, the Company and Santander Bank Polska S.A. executed an amendment to the consortium loan agreement of 28 February 2008 to extend the period of financing granted under the loan agreement. The amount of loan granted under the said amendment is EUR 25,000,000, and the loan repayment date was fixed for 31 December 2022. Prior to entering into the above amendment, i.e. on 27 December 2017, an amendment to the loan agreement was executed between Arkady Wrocławskie S.A. and ING Bank Śląski S.A. and Santander Bank Polska S.A., forming the previous syndicate of lending banks, under which ING Bank Śląski S.A. assigned to Santander Bank Polska S.A. its receivables against the Company arising from the loan granted within the framework of a syndicate of banks, and Santander Bank Polska S.A. accepted the said assignment becoming thus the sole lender. At this moment, all the entitlements, rights and claims (including the entire collateral), and all the risks and obligations relating to the loan were assigned to Santander Bank Polska S.A.. On 21 March 2019, Arkady Wrocławskie S.A. paid off a portion of a bank loan in an amount of EUR 5,000,000 to Santander Bank Polska S.A., which was granted under the consortium loan agreement of 28/02/2008, with further amendments. On 28 March 2019, Arkady Wrocławskie S.A. and Santander Bank Polska S.A. executed an amendment to the syndicate loan agreement of 28/02/2008 to revise the committed amount and alter the repayment schedule. On 27 April 2020, Arkady Wrocławskie S.A. and Santander Bank Polska S.A. executed an amendment to the loan agreement of 28 February 2008, including further modifications thereto, under which the payment of principal instalments originally due for payment on 31 March 2020 and 30 June 2020 was rescheduled on the date of final loan repayment, i.e. on 31 December 2022. Further, under the aforesaid amendment, the Bank decided to refrain from the verification of debt service ratios for the first two quarters of 2020. On 29 July 2020, Arkady Wrocławskie S.A. and Santander Bank Polska S.A. executed an amendment to the loan agreement of 28 February 2008, including further modifications thereto, under which the payment of principal instalments originally due for payment on 30 September 2020 and 31 December 2020 was rescheduled on 31 July 2020. Further, under the aforesaid amendment, the Bank decided to refrain from the verification of debt service ratios for Q3 and Q4 2020. On 31 July 2020, the principal in the amount of PLN 875,000 was paid off. On 27 August 2020, Arkady Wrocławskie S.A. and Santander Bank Polska S.A. executed an amendment to the loan agreement of 28 February 2008, including further modifications thereto, under which the payment of certain principal instalments originally due for payment on 31 March 2021 and 30 June 2021 was rescheduled on or before 31 August 2020. The principal amount of EUR 437,500 was repaid in full on 31 August 2020. On 28 September 2020, Arkady Wrocławskie S.A. and Santander Bank Polska S.A. executed an amendment to the loan agreement of 28 February 2008, including further modifications thereto, under which the payment of a portion of a principal instalment originally due for payment on 30 September 2021 was rescheduled on or before 30 September 2020. The principal amount of EUR 218,750 was repaid on 30 September 2020. On 27 October 2020, Arkady Wrocławskie S.A. and Santander Bank Polska S.A. executed an amendment to the loan agreement of 28 February 2008, including further modifications thereto, under which the payment of a portion of a principal instalment originally due for payment on 31 December 2021 was rescheduled on or before 30 October 2020. The principal amount of EUR 218,750 was repaid on 30 October 2020. On 30 November 2020, the Company and Santander Bank Polska S.A. executed an amendment to the loan agreement of 28 February 2008, including further modifications thereto, under which the payment of a portion of a principal instalment originally due for payment on 31 March 2021 was rescheduled on or before 30 November 2020. The principal amount of EUR 109,375 was repaid on 30 November 2020. On 28 December 2020, the Company and Santander Bank Polska S.A. executed an amendment to the loan agreement of 28 February 2008, including further modifications thereto, under which the payment of a portion of principal instalments originally due for payment on 30 September 2021, 31 December 2021 and 31 March 2022 were rescheduled on or before 31 December 2020. The principal amount of EUR 328,125 was repaid on 29 December 2020. On 30 June 2021, the Company and Santander Bank Polska S.A. executed an amendment to the loan agreement of 28 February 2008, including further modifications thereto, under which the payment of a portion of a principal instalment originally due for payment on 31 December 2021 was rescheduled on or before 30 June 2021. The principal amount of EUR 109,375 was repaid on 30 June 2021. On 23 November 2021, the Company and Santander Bank Polska S.A. executed an amendment to the loan agreement of 28 February 2008, including further modifications thereto, under which the payment of a portion of principal instalment originally due for payment on 31 March 2022 was rescheduled. On 29 October 2021, the

principal in the amount of PLN 328,125 was paid off. On 08 June 2022, the Company and Santander Bank Polska S.A. executed an amendment to the loan agreement of 28 February 2008, including further modifications thereto, under which the Bank decided to refrain from the verification of WALT until the end of Q3 2022. On 30 June 2022, the principal in the amount of PLN 875,000 was paid off.

- (b) The loan at Sky Tower S.A. taken out in EUR pursuant to the agreement of 29 December 2012 concluded with a syndicate of banks Getin Noble Bank S.A. and Alior Bank S.A., including further amendments thereto. Following the disposal of the Sky Tower building on 15 March 2022, the loan was repaid. The loan at LC Corp Invest XVII Sp. z o.o. Projekt 22 Sp. k. taken out pursuant to the agreement of 20 December 2017 with a syndicate of banks: mBank Hipoteczny S.A. and mBank S.A. up to the amount of EUR 34,187,000 for the partial financing of Wola Retro in Warsaw.
- (c) On 28 October 2020, LC Corp Invest XVII Sp. z o.o. Projekt 22 Sp. k. entered into a loan agreement with mBank S.A. covering the amount of up to EUR 34,187,000, designated, among other things, for the repayment of existing debt owed to mBank S.A. and mBank Hipoteczny S.A. and arising from a loan agreement of 20/12/2017, as amended, and for the financing and refinancing of costs relating to the construction of an office building called "Wola Retro". The aforesaid Agreement was concluded as a result of a construction loan being converted to an investment loan and previous lenders being replaced by others (mBank Hipoteczny S.A. and mBank S.A. have been replaced with one lender – mBank S.A.). On 29 March 2021, LC Corp Invest XVII Sp. z o.o. Projekt 22 Sp. k. made an amendment to the 28 October 2020 loan agreement, which changed the loan availability period from 28 April 2021 to 30 September 2021. The other provisions of the amendment set out new terms and conditions of loan utilisation and the terms and conditions under which transactions hedging against interest rate risk could be entered into. On 31 May 2021, LC Corp Invest XVII Sp. z o.o. Projekt 22 Sp. k. made an amendment to the 28 October 2020 loan agreement, under which the parties modified the terms on which transactions hedging against interest rate risk may be entered into, shortening the minimum term of such transactions from five to two years, with obligation to renew an overdue transaction for another two-year or longer period. On 27 September 2021, LC Corp Invest XVII Sp. z o.o. Projekt 22 Sp. k. made an amendment to the 28 October 2020 loan agreement, which postponed the loan availability period from 30 September 2021 to 31 March 2022. On 17 March 2022, LC Corp Invest XVII Sp. z o.o. Projekt 22 Sp. k. made an amendment to the 28 October 2020 loan agreement, which changed the loan availability period from 31 March 2022 to 30 June 2022. On 24 June 2022, LC Corp Invest XVII Sp. z o.o. Projekt 22 Sp. k. made an amendment to the 28 October 2020 loan agreement, which changed the loan availability period from 30 June 2022 to 31 December 2022.
- (d) A loan in the amount of PLN 35,000,000 granted by mBank S.A. to Develia S.A. under a revolving loan agreement of 03 December 2020, designated for financing day-to-day company's operations. The final repayment date has been agreed at 1 December 2022. On 1 April 2021, Develia S.A. and mBank S.A. made an amendment to a revolving loan agreement of 3 December 2020, under which the loan repayment security list was supplemented, enabling the company to utilise the full amount of loan up to the amount of PLN 35,000,000. As at the date hereof, no loan disbursement was made.
- (e) A loan of up to PLN 36,270,000 under a loan agreement entered into between Develia S.A. and Santander Bank Polska S.A. on 04 March 2021, designated for the financing or refinancing of costs relating to the construction of a property development project called "Prestovia House" in Warsaw. On 31 January 2022, the loan agreement made with Santander Bank Polska S.A. was closed prior to the contractual date, as the consequence of which all obligations arising from the above agreement were extinguished.
- (f) A loan of PLN 20,000,000 granted to Develia S.A. under an overdraft facility agreement made with Powszechna Kasa Oszczędności Bank Polski S.A. on 29 April 2021, designated for financing current liabilities arising from operations carried on, including the costs of projects being implemented (including purchase of land). The final repayment date has been agreed at 28 April 2022. On 27 April 2022, Develia S.A. and PKO BP S.A. made Amendment no. 1 to the 29 April 2021 overdraft facility agreement, pursuant to which the lending period was extended to 28/04/2023, the amount borrowed was increased to PLN 50,000,000 and modifications to the loan repayment security were made. On 03 August 2022, Develia S.A. and PKO BP S.A. made Amendment no. 2 to the 29 April 2021 overdraft facility agreement, pursuant to which modifications to the loan repayment security were made. As at the date hereof, no loan disbursement was made.
- (g) A loan of up to PLN 33,700,000 under a loan agreement entered into between Develia S.A. and Bank Ochrony Środowiska S.A. on 11 August 2021, designated for the financing or refinancing of costs relating to the construction of a property development project called "Kaskady Różanki" in Wrocław.
- (h) A loan of up to PLN 30,000,000 under a loan agreement entered into between Develia S.A. and Santander Bank Polska S.A. on 12 April 2022, designated for the day-to-day financing of property development activity. The final repayment date has been agreed at 12 April 2024. As at the date hereof, no loan disbursement was made.

The Develia S.A. Group

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- (i) Coupon bonds – the issue of 05 December 2017, including 50,000 five-year unsecured coupon bonds of PLN 1,000 each and a total nominal value of PLN 50,000,000 under a Bond Issue Agreement with the redemption date set at 05 June 2022, which was entered into with the banks: Pekao S.A. and mBank S.A., both having their registered offices in Warsaw. On 31 March 2022, Develia S.A. bought back bonds having the amount of PLN 19,000 before the bond maturity date. The value of obligations still outstanding and to be redeemed on 05 June 2022 equals PLN 31,000,000. On 03 June 2022, Develia S.A. redeemed the bonds.
- (j) Coupon bonds – the issue of 28 February 2018, including 45,000 four-year unsecured coupon bonds of PLN 1,000 each and a total nominal value of PLN 45,000,000 under a Bond Issue Agreement with the redemption date set at 28 February 2022, which was entered into with the banks: Pekao S.A. and mBank S.A., both having their registered offices in Warsaw.. On 23 December 2021, Develia S.A. bought back 26,504 bonds before the bond maturity date for the purpose of their redemption. On 28 February 2022, Develia S.A. redeemed the bonds.
- (k) Coupon bonds – the issue of 19 October 2018, including 66,000 four-year unsecured coupon bonds of PLN 1,000 each and a total nominal value of PLN 66,000,000 under a Bond Issue Agreement with the redemption date set at 19 October 2022 concluded with mBank S.A., having its registered office in Warsaw. The Company received calls for early redemption in the total amount of PLN 46,000,000, and on 20 July 2020, it purchased, before the bond's maturity date, obligations amounting to PLN 46,000,000. The value of obligations still outstanding and to be redeemed on 19 October 2022 equals PLN 20,000,000.
- (l) Coupon bonds – the issue of 22 May 2019, including 60,000 four-year unsecured coupon bonds of PLN 1,000 each and a total nominal value of PLN 60,000,000 under a Bond Issue Agreement with the redemption date set at 22 May 2023 concluded with mBank S.A., having its registered office in Warsaw.
- (m) Coupon bonds – the issue of 7 October 2020, including 70,000 three-year unsecured coupon bonds of PLN 1,000 each and a total nominal value of PLN 70,000,000 under a Bond Issue Agreement with the redemption date set at 6 October 2023 concluded with mBank S.A., having its registered office in Warsaw.
- (n) Coupon bonds – the issue of 11 May 2021, including 150,000 three-year unsecured coupon bonds of PLN 1,000 each and a total nominal value of PLN 150,000,000 under a Bond Issue Agreement with the redemption date set at 10 May 2024 concluded with mBank S.A., having its registered office in Warsaw.
- (o) Coupon bonds – the issue of 08 October 2021, including 100,000 three-year unsecured coupon bonds of PLN 1,000 each and a total nominal value of PLN 100,000,000 under a Bond Issue Agreement with the redemption date set at 08 October 2024 concluded with mBank S.A., having its registered office in Warsaw.

The allocation of respective loans, bonds to operating segments is presented in Note 11.

In the period of 6 months ended 30 June 2022 and in 2021, the average weighted interest of bonds was 6.51% and 3.56% respectively.

In the period of 6 months ended 30 June 2022 and in 2021, the average weighted interest of loans was 3.20% and 3.18% respectively.

The below table shows loan and bond liabilities, broken down into maturity dates (the sums presented below do not include valuations made as at the balance-sheet date):

	<1 month	1-3 months	3-12 months	1-2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
Bonds (floating interest)	5,958	-	80,000	220,000	100,000	-	-	-	405,958
Bank loan in EUR (EURIBOR)	-	-	55,290	-	-	-	-	-	55,290
Bank loan in EUR (EURIBOR)	-	-	-	-	-	-	-	-	-
Bank loan in EUR (EURIBOR)	422	846	3,851	5,249	5,382	5,518	5,657	102,845	129,770
Bank loan in PLN (WIBOR)	-	-	-	-	-	-	-	-	-
Bank loan in PLN (WIBOR)	-	-	7,316	-	-	-	-	-	7,316
	6,380	846	146,457	225,249	105,382	5,518	5,657	102,845	598,334

28.2. Assets and Liabilities Arising from Financial Instruments

As at 30 June 2022, the fair value measurement of IRS, as well as CAP/FLOOR and forward transactions hedging the risk of an interest rate was as follows:

	Transaction principal for currency [in '000]	Balance-sheet (fair) value of instruments		Transaction period	
		Financial Assets	Financial Liabilities	From	To
Forward contract [EUR]	374	-	85	27/06/2022	30/12/2022
CAP option [EUR]	13,311	477	-	07/06/2021	26/06/2023
CAP option [EUR]	578	21	-	27/01/2022	26/06/2023
CAP/FLOOR contract [EUR]	11,375		28	29/03/2019	31/12/2022
As at 30 June 2022, TOTAL		498	113		

Changes Concerning FX Forward Transactions Made by LC Corp Invest XVII Sp. z o.o. Projekt 22 Sp. k.

On 27 January 2022, LC Corp Invest XVII Sp. z o.o. Projekt 22 Sp. k., in pursuance of the 28 October 2020 loan agreement in relation to forward rate and derivative transactions, made a transaction (a cap option) hedging against interest rate risk in the amount of EUR 577,600 for the period from 25 January 2022 to 26 June 2023.

On 28 March 2022, the Company entered into, pursuant to a framework agreement of 8 February 2018, a foreign exchange forward transaction which included forward and derivative operations relating to the performance of a loan agreement and extended the settlement period of the unsettled transaction to its maturity, i.e. 30 June 2022. A new settlement date was set for the unsettled amount of PLN 6,572,000, namely, 30 June 2022. The nominal value of the aforesaid transaction at a base rate amounted to EUR 1,470,000.

On 27 June 2022, the Company entered into, pursuant to a framework agreement of 8 February 2018, a foreign exchange forward transaction which included forward and derivative operations relating to the performance of a loan agreement and extended the settlement period of the unsettled transaction to its maturity, i.e. 30 June 2022. A new settlement date was set for the unsettled amount of PLN 1,737,000, namely, 30 December 2022. The transaction was settled in full on 23 August 2022.

On 18 August 2022, the Company entered into, pursuant to a framework agreement of 8 February 2018, a foreign exchange forward transaction which included forward and derivative operations relating to the performance of a loan agreement and set the settlement period of the transaction to its maturity, i.e. 23 August 2022. The nominal value of the aforesaid transaction at a base rate amounted to EUR 534,000. The transaction was settled in full on 23 August 2022.

28.3. Issue, Redemption of Equity Securities

In the period of 6 months ended 30 June 2022, no bonds were issued.

On 28 February 2022, Develia S.A. redeemed the bonds of PLN 18,496,000.

On 31 March 2022, Develia S.A. partially redeemed bonds of PLN 19,000,000 before the bond maturity date. The value of obligations still outstanding and to be redeemed on 05 June 2022 equals PLN 31,000,000. On 5 June 2022, Develia S.A. redeemed the bonds of PLN 31,000,000.

28.4. Taking out and Repaying of Bank Loans and Borrowings

1. In the period of 6 months ended 30 June 2022, Arkady Wrocławskie S.A. repaid, according to the schedule, the instalments of the loan in EUR taken out with Santander Bank Polska S.A. in the amount of PLN 3,141,000. As at 30 June 2022, the total outstanding amount after conversion into Polish Zlotys was PLN 55,140,000.
2. In the period of 6 months ended 30 June 2022, Sky Tower repaid the loan taken out in EUR to a syndicate of banks: Getin Noble Bank S.A. and Alior Bank S.A. in the amount of PLN 197,242,000.
3. In the period of 6 months ended 30 June 2022, LC Corp Invest XVII Spółka z ograniczoną odpowiedzialnością Projekt 22 Sp. k., in accordance with a loan agreement with mBank S.A., concerning a loan taken out in EUR and designated for the partial financing of Wola Retro project in Warsaw, drew down funds in the amount of PLN 4,845,000 and repaid loan instalments in the amount of PLN 2,401,000. As at 30 June 2022, the total outstanding amount after conversion into Polish Zlotys was PLN 128,813,000.
4. In the period of 6 months ended 30 June 2022, Develia S.A., as stipulated in a loan agreement made with Santander Bank Polska S.A., under which a loan was provided for the financing or refinancing of costs relating to the construction of a property development project called "Prestovia House" in Warsaw, repaid the loan in the amount of PLN 84,000. As at 30 June 2022, there was no debt in respect of the aforesaid agreement.
5. In the period of 6 months ended 30 June 2022, Develia S.A. drew down funds in the total amount of PLN 1,055,000 in accordance with an agreement made with Bank Ochrony Środowiska S.A. under which a loan was provided for the financing or refinancing of costs relating to the construction of a property development project called "Kaskady Różanki" in Wrocław. As at 30 June 2022, the total outstanding amount was PLN 7,316,000.

28.5. Information about Failure to Repay Loan or Borrowing or Infringement of Material Provisions of Loan or Borrowing Agreement With Regard to Which No Corrective Actions Were Taken by the End of the Reporting Period

No such events occurred in any of the Group's companies.

28.6. Liquidity

The Group aims to maintain a balance between the continuity and flexibility of financing by means of using different sources of financing such as bank loans and bonds. The Group has its own funds which are used for securing day-to-day operations and ongoing property development projects, however, it is required to obtain further financing through taking out bank loans or issuing bonds to expand the business. When setting repayment dates of further loan instalments, the Company strives to make sure that proceeds from the sales of individual projects are already available.

The Group's liquidity is very good – cash and current financial assets ensure the servicing of current financial liabilities in a timely fashion. The non-current portion of liabilities includes mainly loans designed to refinance the investment property 'Wola Retro'. The repayment of commercial loans is secured by proceeds from the operations carried out by the investment properties (on account of lease agreements). Revenue from the sale of residential premises of the projects in Warsaw, Wrocław, Cracow, Gdańsk and Katowice is a source for the repayment of bonds for the financing of the Group's residential segment.

A maturity analysis of financial assets and liabilities is presented in individual notes to the consolidated financial statements relating to those categories (notes: 24-28 and 30-31).

29. Collateral

As at 30 June 2022, the following main collateral, categorised into below groups, was used as security for the repayment of loans.

29.1. Security for Loans Made to Develia S.A.

1. Security for the revolving loan agreement of 3 December 2020 made between Develia S.A. and mBank S.A.;

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- PLG-FGP guarantee granted by Bank Gospodarstwa Krajowego for the amount of PLN 28,000,000, i.e. the guarantee amount comprised of 80% of the Loan for the period from the date on which an entry is made to the BGK register to 01 March 2023;
 - Contractual mortgage of up to PLN 52,500,000 on the real property which Develia S.A. and subsidiaries LC Corp Invest XV Sp. z o.o. Investments S.K.A. and LC Corp Invest XV Sp. z o.o. Projekt 7 sp. k. own or to which they hold the right of perpetual usufruct;
 - The Company's declaration on voluntary submission to enforcement of up to PLN 52,500,000 pursuant to Article 777(1)(5) of the Code of Civil Procedure;
 - Declarations of LC Corp Invest XV Sp. z o.o. Investments S.K.A. and LC Corp Invest XV Sp. z o.o. Projekt 7 sp. k. on voluntary submission to enforcement in relation to the mortgaged real properties pursuant to Article 777(1)(6) of the Code of Civil Procedure;
2. Security for the revolving loan agreement of 4 March 2021 made between Develia S.A. and Santander Bank Polska S.A.;
- Mortgage of up to PLN 54,405,000 on the right of perpetual usufruct to real estate located in Warsaw at 45a Jagiellońska street;
 - A declaration in the form of a notarial deed on voluntary submission to enforcement in favour of Santander Bank Polska SA pursuant to Article 777(1)(5) of the Code of Civil Procedure, for a sum of up to PLN 54,405,000;
 - Registered pledges up to the highest sum of security in the amount of PLN 54,405,000 and financial pledges on accounts receivable from bank accounts relating to the project in question, however, as regards accounts receivable from the trust account, only a registered pledge will be established;
 - A hold on bank accounts relating to the project in question has been placed (except for the trust account);
 - An assignment agreement signed as security for cash receivables arising from the Project in question;
 - A power of attorney granted to the bank in respect of the bank accounts and to place a hold on bank accounts in the cases stipulated in the loan agreement
3. Security for the revolving loan agreement of 29 April 2021 made between Develia S.A. and Powszechna Kasa Oszczędności Bank Polski S.A.;
- Joint mortgage of up to PLN 75,000,000 on the real properties which Develia S.A. owns or to which it holds the right of perpetual usufruct;
 - A declaration in the form of a notarial deed on voluntary submission to enforcement in favour of PKO BP SA pursuant to Article 777(1)(5) of the Code of Civil Procedure, for a sum of up to PLN 75,000,000;
 - A financial and registered pledge up to the highest sum of security amounting to PLN 75,000,000 on cash deposited in the current account;
4. Security for the non-revolving loan agreement of 11 August 2021 made between Develia S.A. and Bank Ochrony Środowiska S.A.;
- Mortgage of up to PLN 50,550,000 on real property located in Wrocław at Chorwacka street, recorded in the Land and Mortgage Register No. WR1K/00091989/0, along with an assignment from insurance policy with coverage for construction risks, and following the completion of the Project along with an assignment from a real property insurance policy;
 - A declaration on voluntary submission to enforcement pursuant to Article 777(1)(5) of the Code of Civil Procedure for a sum of up to PLN 50,550,000;
 - Financial pledge up to the highest sum of security in the amount of PLN 50,550,000 on rights to cash deposited in the borrower's accounts maintained with Bank Ochrony Środowiska S.A., along with a netting provision;
 - Power of attorney granted to a bank by the Company to draw down cash deposited in the borrower's bank accounts;
 - Assignment of receivables arising from a contract made with the general contractor of the project;
 - A hold placed on bank accounts relating to the project (except for the trust account);
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- Transfer of copyrights for all forms of exploitation and derivative rights to design documentation and architect's on-site supervision services for the project under a condition precedent of entry into force should the Loan Agreement be terminated by the Bank.
5. Security for the revolving loan agreement of 12 April 2022 made between Develia S.A. and Santander Bank Polska.
- Mortgage up to PLN 45,000,000 on the real properties which Develia S.A. owns or to which it holds the right of perpetual usufruct;
 - A declaration on voluntary submission to enforcement of up to PLN 45,000,000 pursuant to Article 777(1)(5) of the Code of Civil Procedure;
 - Financial and registered pledge up to the highest sum of security in the amount of PLN 45,000,000 on rights to cash deposited in the borrower's accounts maintained with bank Santander Bank Polska S.A.;
 - Power of attorney granted to a bank by the Company to draw down cash deposited in the borrower's bank accounts;

29.2. Security for Loans Granted to Finance Commercial Properties

1. Security for the bank loan agreement concluded by Arkady Wrocławskie S.A.:
- Capped mortgage (loan in EUR) – up to the amount of EUR 37,500,000;
 - Pledge on the shares of Arkady Wrocławskie S.A. held by Develia S.A. – up to the amount EUR 37,500,000;
 - Registered pledge on bank accounts (loan in EUR) – up to the amount of EUR 37,500,000;
 - Assignment of rights arising from rental agreements, insurance and guarantees under agreements with contractors;
 - Declaration on submission to enforcement pursuant to Article 777 of the Code of Civil Procedure with regard to 113,700,000 ordinary registered shares held by Develia S.A. of a nominal value of PLN 1.00, each being a part of the share capital of Arkady Wrocławskie S.A., encumbered with registered pledge, under financial and registered pledge agreement, on shares as security for the repayment of secured debt;
 - Deposit of EUR 500,000.
2. Security for transactions hedging against interest rate risk (COLLAR) (hedging agreement), established by Arkady Wrocławskie S.A.:
- Contractual mortgage of up to PLN 8,250,000;
 - Declarations on submission to enforcement pursuant to Article 777 of the Code of Civil Procedure up to the total amount of PLN 8,250,000;
3. Security for the bank loan agreement signed by LC Corp Invest XVII Sp. z o.o. Projekt 22 Sp.k. in favour of mBank S.A.:
- Contractual mortgage on real property of up to EUR 51,280,500.00;
 - A subordination agreement concluded by the borrower, the Issuer and Issuer's other subsidiaries (LC Corp Invest I Sp. z o.o. and LC Corp Invest XVII Sp. z o.o.) as subordinate creditors along with the borrower – as the senior creditor, providing for an assignment as security for all subordinated debts;
 - Agreements to assign rights and debts arising from lease and other contracts associated with the project.
 - First-ranking registered pledges on the rights and debts owed to the limited partner and the general partner of the borrower's company (with pledges created in relation to the refinanced debt being senior to all other pledges), each up to the amount of EUR 51,280,500 along with a declaration on submission to enforcement pursuant to Article 777(1)(6) of the Code of Civil Procedure;
 - First-ranking registered and financial pledge on all bank accounts of the borrower (with pledges created in relation to the refinanced debt being senior to all other pledges), each up to EUR 51,280,500 along with powers of attorney for the lender;
 - Borrower's declarations on submission to enforcement towards the lender pursuant to Article 777(1) of the Code of Civil Procedure up to EUR 51,280,500.00;
 - Debt service reserve in the amount of three principal and interest instalments,
 - A support agreement concluded with the Issuer, under which the Issuer undertook, among other things, to provide financial support to the borrower, including to provide Debt Service Reserve and replenish it if it has

been drawn on, along with the Issuer's declaration on voluntary submission to enforcement towards the lender in relation to the Support Agreement up to EUR 560,000.00 pursuant to Article 777(1)(5) of the Code of Civil Procedure;

4. Security for transactions hedging against foreign exchange risk and interest rate risk (hedging agreements), established by LC Corp Invest XVII Sp. z o.o. Projekt 22 Sp.k. pursuant to the framework agreement as security for the loan agreement in favour of mBank S.A.:
 - FX risk and interest rate risk hedging agreement, secured by a mortgage of up to PLN 32,235,000 (which is junior directly to mortgage used as security for the agreement) on the real property.
 - Registered pledges on the rights to cash in all bank accounts of the Borrower up to the highest sum of security in the amount of PLN 32,235,000 in favour of mBank S.A.;
 - Declarations on submission to enforcement pursuant to Article 777 of the Code of Civil Procedure of up to PLN 32,235,000.

30. Lease Liabilities

	30 June 2022	31 December 2021
Liabilities arising from the right of perpetual usufruct to land	93,873	92,137
Liabilities on account of car leases	502	631
Total	94,375	92,768

The below tables shows discounted lease payments as at 30 June 2022, broken down into maturity periods:

	30 June 2022	31 December 2021
up to 1 month	22	21
between 1 and 3 months	43	4,419
between 3 and 12 months	5,695	198
between 1 year and 2 years	6,005	5,379
between 2 and 3 years	5,497	5,534
between 3 and 4 years	5,099	5,125
between 4 and 5 years	4,754	4,754
above 5 years	67,260	67,338
Total	94,375	92,768

31. Trade and Other Payables

	30 June 2022	31 December 2021
Trade payables	139,744	205,379
Budget liabilities (without income tax)	8,056	4,418
Liabilities on account of security deposits	28,125	35,529
Liabilities on account of dividend	-	-
Other payables	711	503
TOTAL, including:	176,636	245,829
- non-current	-	-
- current	176,636	245,829

Budget liabilities concern mainly personal income tax, the Social Insurance Institution (ZUS), VAT and civil-law taxes. Budget liabilities are settled at statutory dates.

Liabilities on account of security deposits pertain mainly to sums withheld in connection with the construction of property development projects and sums paid for the reservation of residential premises located in housing projects built by the Company.

As at 30 June 2022, trade payables broken down by maturity dates and with maturity below 1 year are as follows:

	<1 month	1-3 months	3-12 months	Total below 1 year
Trade payables	82,365	17,379	40,000	139,744

32. Provisions

The amounts of provisions and the reconciliation presenting the changes in their position during the reporting period are shown in the table below:

	<i>Retirement and disability benefits and bereavement payment</i>	<i>Disputes and litigation</i>	<i>Provision for disposal of investment property</i>	<i>Other</i>	<i>Total</i>
As at 01 January 2022	449	3,028	7,306	1,441	12,224
Created	-	116	-	2,609	2,725
Reclassification	-	-	17,209	-	17,209
Used	-	(185)	(8,586)	(31)	(8,802)
Reversed	-	(67)	(705)	-	(772)
As at 30 June 2022, including:	449	2,892	15,224	4,019	22,584
- non-current	449	285	13,607	-	14,341
- current	-	2,607	1,617	4,019	8,243

	<i>Retirement and disability benefits and bereavement payment</i>	<i>Disputes and litigation</i>	<i>Provision for disposal of investment property</i>	<i>Other</i>	<i>Total</i>
As at 01 January 2021	449	3,483	9,963	249	14,144
Created	-	2,132	49	1,300	3,481
Reclassification	-	-	-	-	-
Used	-	(604)	(2,706)	(45)	(3,355)
Reversed	-	(1,983)	-	(63)	(2,046)
As at 31 December 2021, including:	449	3,028	7,306	1,441	12,224
- non-current	449	346	5,422	-	6,217
- current	-	2,682	1,884	1,441	6,007

33. Accrued Expenses and Deferred Income

	30 June 2022	31 December 2021
Accrued expenses on account of salaries and wages	5,219	9,983
Accrued expenses on account of holidays not taken	1,995	1,504
Accrued expenses on account of additional payments for perpetual usufruct	-	-
Accrued expenses on account of the audit of financial statements	145	316
Other	1,396	3,405
Accrued expenses	8,755	15,208
Accrued rental revenues	1,441	1,441
Accrued revenues from the sale of flats	927,454	561,451
Other deferred income	1	-
Deferred income	928,896	562,892
Accrued expenses and deferred income	937,651	578,100

34. Explanations to Statement of Cash Flow

34.1. Change in Liabilities, Except for Loans and Borrowings

	Period of 6 months ended 30 June 2022	Period of 6 months ended 30 June 2021
Balance-sheet change in liabilities, except for loans and bonds	(69,193)	95,099
Investment Liabilities	(26)	6,646
Liabilities on account of payment of dividend	-	(76,085)
Change in liabilities	(69,219)	25,660

34.2. Other adjustments

	Period of 6 months ended 30 June 2022	Period of 6 months ended 30 June 2021
Valuation of forward instruments	(216)	(86)
Reclassification of open trust accounts	(41,043)	(13,700)
Recognition and settlement of assets acc. to IFRS 16	900	2,356
Valuation of share-based incentive scheme	4,299	(795)
Other	328	-
Other adjustments	(35,732)	(12,225)

35. Information Relating to Dividend Paid Out (or Declared)

On 17 May 2022, the Ordinary General Meeting of Develia S.A. adopted a resolution on the payment of dividend on the following principles:

- a) Amount of dividend: PLN 201,401,239.95
- b) Amount of dividend per share: PLN 0.45
- c) Number of shares subject to dividend: 447,558,311 shares
- d) Record date: 24 May 2022
- e) Dividend payment date: 31 May 2022

Pursuant to the said resolution, Develia S.A. paid the dividend on 31 May 2022.

36. Investment Liabilities

As at 30 June 2022, the Group does not plan to incur any significant expenditures on property, plant and equipment and intangible assets and does not have any significant contractual obligations whose subject matter is the acquisition of property, plant and equipment and intangible assets.

In 2022, the Group envisaged to incur expenditures on investment projects (inventories and investment properties) in the amount of about PLN 943,000,000.

37. Court Proceedings

As at 30 June 2022, there are no significant proceedings before the court or arbitration or public administration authorities with regard to liabilities or receivables of Develia S.A. or its subsidiaries, the value of which would have an important bearing on the financial standing of the Group companies. The subsidiary undertakings of Develia S.A. are parties to court and public administration proceedings whose value is insignificant for their operations or financial standing. The vast majority of other cases relate to claims lodged by subsidiaries of Develia S.A. against their debtors. Provisions for legal actions are shown in Note 32.

38. Changes in Contingent Assets and Liabilities, After the End of Last Accounting Year

From the end of the last financial year there were no significant changes in contingent liabilities or contingent assets of the Group companies, except for contingent liabilities arising from property development, relating to contingent fees for the removal of trees, whose total amount increased from PLN 758,000 as at 31 December 2021 to PLN 882,000 as at 30 June 2022.

In pursuance of the Sales and Purchase Agreements covering two real properties: Silesia Star in Katowice and Retro Office House in Wrocław, the Company furnished the Purchasers, Ingadi spółka z ograniczoną odpowiedzialnością ("Ingadi") and Artigo spółka z ograniczoną odpowiedzialnością ("Artigo"), with rent guarantees issued for a five-year period (covering, *inter alia*, vacant floor space), secured by suretyship provided by the Company (as the surety of LC Corp Invest XVII Sp. z o.o. Projekt 20 Sp. k. ("P20") and LC Corp Invest XVII Sp. z o.o. Projekt 21 Sp. k. ("P21"), acting as the Sellers and debtors). In relation to the aforesaid suretyship, the Company will guarantee that:

- (i) obligations and liabilities arising from the Final Agreements will be discharged by P20 and P21, and
- (ii) obligations and liabilities of P20 and P21 relating to finish works to be done by tenants designated in the Final Agreements will be discharged by P20 and P21, and
- (iii) obligations and liabilities of P20 and P21 arising from the rent guarantee agreements contemplated in the Preliminary Sales and Purchase Agreements will be discharged by P20 and P21, and
- (iv) the Company will incur debts of P20 and P21 arising from obligations and liabilities of P20 and P21 under the Final Agreements and rent guarantee agreements if the Sellers have ceased their operations, have gone into liquidation or have been dissolved, which circumstances will be described in the surety arrangements.

In pursuance of the Sales and Purchase Agreement covering the real property called "Wola Center" in Warsaw, the Company has undertaken to the Purchaser, Gisla Spółka z ograniczoną odpowiedzialnością (currently Wola Center Sp. z o.o.), to stand surety for the Seller, Warszawa Przyokopowa Spółka z ograniczoną odpowiedzialnością, and the debtor. Under the said commitment the Company guaranteed, among other things, that:

- (i) The Seller would perform the obligations and discharge the liabilities of Warszawa Przyokopowa, acting as the Seller, arising from agreements covering the subject-matter of the Transaction, and

(ii) The Company would incur debts of WP arising from obligations and liabilities of WP under the Final Sales and Purchase Agreement, if the Seller has ceased its operations, has gone into liquidation or has been dissolved, which circumstances were described in the surety arrangements.

In pursuance of the sale and purchase agreement for the disposal of 79.55% share in the ownership right to developed land located in Wrocław, on which a multi-purpose building called "Sky Tower" is built, entered into on 15 March 2022 between an Issuer's subsidiary, Develia Wrocław S.A. (formerly Sky Tower S.A.), as the seller, and Olimp Investment Sp. z o.o., with its registered office in Warsaw, as the purchaser, the Issuer granted corporate guarantee up to the amount of EUR 2,438,481.95, to be used as security for the seller's, i.e. Sky Tower S.A.'s, performance of its obligations arising from the said agreement.

Apart from the contingent liabilities representing security for bank loans described in detail in Note 29 and the above-described contingent fees relating to the removal of trees and arising from the real property sales and purchase agreements entered into, as at 30 June 2022, Group Companies did not have any other significant contingent liabilities.

39. Related Party Transactions

The following tables show the total amounts of transactions concluded with related undertakings for the period of 6 months ended 30 June 2022 and 30 June 2021, as well as for the year ended 31 December 2021:

30 June 2022

<i>Related undertaking</i>	Sales to related undertakings	Purchases from related undertakings	Receivables from related undertakings (trade and financial)	Liabilities to related undertakings (trade and financial)	Financial income (interest)	Financial expenses (interest, discounts)
Jointly Controlled Entities	-	-	-	-	-	-
Projekt Myśliborska Sp. z o.o. Sp. k.	-	-	1,407	-	19	-
Shareholders	-	-	-	-	-	-
Undertakings related through shareholders	-	-	-	-	-	-
Management and Supervisory Board						
Management Board of parent undertaking and subsidiaries	-	7,170 (*) 34 (**)	-	5	-	-
Supervisory Board	-	379 (*)	-	-	-	-

(*) Remuneration paid

(**) Other

31 December 2021

<i>Related undertaking</i>	Sales to related undertakings	Purchases from related undertakings	Receivables from related undertakings (trade and financial)	Liabilities to related undertakings (trade and financial)	Financial income (interest)	Financial expenses (interest, discounts)
Shareholders	-	-	-	-	-	-
Undertakings related through shareholders	-	-	-	-	-	-
Management and Supervisory Board						
Management Board of parent undertaking and subsidiaries	-	8,508 (*) 24 (**)	-	5	-	-
Supervisory Board	-	729 (*)	-	-	-	-

(*) Remuneration paid

(**) Other

The Develia S.A. Group

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(PLN '000)

30 June 2021

<i>Related undertaking</i>	Sales to related undertakings	Purchases from related undertakings	Receivables from related undertakings (trade and financial)	Liabilities to related undertakings (trade and financial)	Financial income (interest)	Financial expenses (interest, discounts)
Jointly Controlled Entities	-	-	1,143	-	2	-
Atal Services Sp. z o.o.	-	-	1,143	-	2	-
Shareholders	-	-	-	-	-	-
Undertakings related through shareholders	-	-	-	-	-	-
Management and Supervisory Board						
Management Board of parent undertaking and subsidiaries	-	5,508 (*)	-	-	-	-
Supervisory Board	-	357 (*)	-	-	-	-

(*) Remuneration paid

40. Financial Instruments

The table below shows the balance sheet values of all financial instruments of the Group in a breakdown by respective categories of assets and equity and liabilities, pursuant to IFRS 9:

	30 June 2022	31 December 2021
Assets measured at amortised cost	378,816	451,782
Non-Current Receivables	2,621	2,576
Trade and other receivables (<i>net of budget receivables</i>)	13,537	40,225
Treasury / commercial bonds	10,081	27,053
Cash in open trust accounts	90,217	49,174
Bank deposits over 3 months	34,276	-
Cash and Other Cash Assets	228,084	332,754
Assets measured at fair value through profit or loss	31,682	69,365
Fair Value of Financial Instruments in the Form of Forward Contracts	-	-
Open-ended debt fund units	31,682	69,365
Hedging Financial Instruments	498	49
Fair value of IRS and CAP financial instruments	498	49
Financial liabilities measured at amortised cost	859,426	1,182,788
Bank loan liabilities	192,269	380,638
Bond liabilities	404,202	467,971
Lease liabilities	94,375	92,768
Trade and other payables (<i>net of budget liabilities</i>)	168,580	241,411
Liabilities measured at fair value through profit or loss	85	301
Fair Value of Financial Instruments in the Form of Forward Contracts	85	301
Hedging Financial Instruments	28	435
Fair value of IRS and CAP financial instruments	28	435

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The below table contains a comparison of balance-sheet values and fair values of individual financial instruments:

	30 June 2022		Fair value hierarchy		
	Balance sheet value	Fair value	Level 1	Level 2	Level 3
Assets measured at amortised cost	365,279	365,279	10,081	355,198	-
Non-Current Receivables	2,621	2,621	-	2,621	-
Treasury bonds	10,081	10,081	10,081	-	-
Cash in open trust accounts	90,217	90,217	-	90,217	-
Bank deposits over 3 months	34,276	34,276	-	34,276	-
Cash and Other Cash Assets	228,084	228,084	-	228,084	-
Assets measured at fair value through profit or loss	31,682	31,682	-	31,682	-
Fair Value of Financial Instruments in the Form of Forward Contracts	-	-	-	-	-
Open-ended debt fund units	31,682	31,682	-	31,682	-
Hedging Financial Instruments	498	498	-	498	-
Fair value of IRS and CAP financial instruments	498	498	-	498	-
Financial liabilities measured at amortised cost	596,471	587,201	319,549	267,651	-
Bank loan liabilities	192,269	185,360	-	185,360	-
Bond liabilities	404,202	401,841	319,549	82,292	-
Liabilities measured at fair value through profit or loss	85	85	-	85	-
Fair Value of Financial Instruments in the Form of Forward Contracts	85	85	-	85	-
Hedging Financial Instruments	28	28	-	28	-
Fair value of IRS and CAP financial instruments	28	28	-	28	-

IFRS 13 defines the following levels of hierarchy:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – valuation techniques for which inputs are directly or indirectly observable;
- Level 3 – valuation techniques for which inputs are unobservable.

Compared to the previous reporting period, the Group did not change the classification and valuation methods employed to financial instruments. In the reporting period, there were no movements in the levels of fair value hierarchy.

41. Capital Management

The main purpose of the Group's capital management is to maintain a good credit rating and safe capital ratios which would support the Group's operating activity and increase the value for its shareholders.

The Group manages the capital structure and modifies it as a result of changes in economic conditions. In order to maintain or adjust the capital structure, the Group can change the payment of dividend to shareholders, return capital to shareholders or issue new shares. In the period ended 30 June 2022 and in the year ended 31 December 2021, there were no changes in the objectives, rules and processes binding in this area.

The Group monitors the condition of capital by means of a leverage ratio, which is calculated as a ratio of debt to equity. The Group's rules determine this ratio as not higher than 5. The Group's debt includes interest-bearing loans, bonds, liabilities on account of the acquisition of a subsidiary undertaking, trade payables and other liabilities.

	30 June 2022	31 December 2021
Liabilities on Account of Loans and Bonds	596,471	848,609
Trade and other payables	176,636	245,829
A. Debt	773,107	1,094,438
B. Equity	1,219,796	1,400,409
Leverage ratio (A/B)	0.6	0.8

42. Effects of COVID-19 Epidemic on Group's Current Operations

The Issuer monitors, on a day-to-day basis, developments relating to the impact of the SARS-CoV-2 epidemic on the Group's operations, taking actions designed to minimise its negative consequences.

In the previous years, the COVID-19 epidemic led to a delay in the process of issuing administrative decisions, e.g. decisions on building permit, which stemmed from the fact that time limits for administrative authorities to give such decisions were suspended and the working behaviour of offices changed on account of the epidemic. Furthermore, the COVID-19 epidemic had a considerable impact on the Group's operations in the commercial segment; it was reflected in revenues and cash flows generated by commercial buildings, especially those having a significant share in commercial floor space – these changes resulted in a lower value of investment real property in the years 2020-2021.

The situation caused by the introduction of the state of epidemic did not exert any significant impact on revenue and profit (or loss) made in the period of 6 months ended 30 June 2022. The COVID-19 pandemic is still considered an important risk factor. A sharp rise in the number of infections and potential restrictions imposed as a consequence of that may affect the Group's operations. The Management Board are of the opinion that it is not possible to assess the effects of the epidemic on the Group in subsequent months.

43. Risk Associated with Warfare in Ukraine

The risk factors that might adversely affect the Group's operations include the warfare waged by the Russian Federation in Ukraine and related undesirable economic effects with global implications. The potential areas of risk that can be identified at the moment with respect to the construction and property development industry in which the Group operates are as follows:

- A possible decline in demand on the housing market following customers' uncertainty over likely scenarios of how the present economic and political situation may unfold;
- A dramatic rise in the prices of key raw materials, which increases the prices of goods of key relevance to the economy, including the prices of construction works, services, equipment and materials;
- Limited availability of construction materials, equipment, services and the interruption or disruption of continuity of supplies;

- Limited availability of employees from Ukraine, which results from the fact that reservists were called up to the army, whereas others decided to return to their country in order to engage in the warfare;
- Interest rate rises and a risk of further increase thereof;
- The financial standing of borrowers, including their worse creditworthiness, as well as a credit policy pursued by banks, which is reflected in the Polish Financial Supervision Authority Office's (UKNF) statement of 07 March 2022, and consequently, limited availability of loans for residential purposes;
- Availability and cost of debt financing resulting from limited demand on the bond market;

The above factors may have a direct impact on the timely and correct performance of contracts entered into by the Group, and in particular, contracts under which construction projects are to be carried out, which stems from the fact that meeting completion dates for individual projects may prove to be difficult and project costs may rise considerably, as well as they may result in reduced demand for flats, consequently, adversely affecting the Group's revenue.

Due to the war in Ukraine and record high interest rates in H1 2022, a significant drop in demand for flats was reported. This applies mainly to customers relying on mortgage loans to finance their purchases. Higher interest rates considerably reduced customers' purchasing capacity and increased credit costs. As the current purchasing structure shows, flats are most often bought through payments made in cash.

The decline in sales affects the industry – in response to the falling demand, property developers are reducing supply, refraining from the commencement of new projects. High inflation and material prices, which continue to grow quickly, are also an impediment to the commencement of new projects. It is a common practice that currently general contracting contracts contain a price indexation clause. Consequently, property developers are not able to assess the final project profitability, leading to the suspension of many projects. According to data presented by the Central Statistical Office of Poland (GUS), currently the number of constructions started is almost 30% smaller than in the preceding year.

Given the foregoing changes in the market environment, the Management Board of Develia S.A. have decided to adjust the sales plan, withhold or postpone the construction of some projects and change current supply to meet demand. For some of projects, a pre-sales phase has been initiated, meaning that only reservation agreements are signed. The final decision as to whether construction works are to be commenced or not will be taken when a satisfactory pre-sales level and an acceptable level of general contracting costs are achieved.

Due to high market volatility and uncertainty over the conflict situation in Ukraine and its economic effects on Europe or Poland, the Management Board are incapable of assessing the impact of the conflict on future performance, nevertheless, no circumstances were identified by the Board, which would imply any threats to the continuation of the Group companies' business activity. The Management Board monitor, on an ongoing basis, the potential impact of the conflict on the Group's operations, the property development and construction market.

44. Events After End of Reporting Period

After the balance-sheet date, i.e. after 30 June 2022, no significant events that might have a major impact on financial results presented herein were observed, however, other events occurred:

- 1) On 30 June 2021, the composition of the Supervisory Board of Develia S.A. changed – Paweł Małyśka, who tendered his resignation from the Supervisory Board on 30 June 2022, was replaced by Filip Gorczyca.
- 2) On 6 July 2022, on account of a changed market and economic situation arising from the war in Ukraine, pursuant to the "2021-2025 Develia's Strategy" published in the Current Report no. 12/2021 of 18 February 2021, the Management Board of the Company decided to revise the 2022 sales target set by the Develia S.A.'s Management Board approved by the Management Board Resolution No. 7/2022 of 31/01/2022 and published in the Current Report no. 8/2022 of 31/01/2022. The said revision concerned the number of premises to be sold in 2022 (development or preliminary agreements), which was changed to 1,600-1,800 units.
- 3) On 18 July 2022, Develia S.A. stood surety for Kraków Zielony Złocień Sp. z o.o. up to PLN 922,500.00 in respect of a bank guarantee given on instruction of the said company by mBank S.A. to the City of Katowice and designed to secure the good performance of a contract of 02 November 2020 for the completion of a road project relating to the Katowice Ceglana project.
- 4) On 08 July 2022, the Management Board of the Issuer adopted a resolution under which a Public Bond Issue Programme was instituted, covering the value of up to PLN 150,000,000 (the "Bonds"). In pursuance of the Public Bond Issue Programme, the Issuer submitted to the Polish Financial Supervision Authority (*Komisja Nadzoru Finansowego*) an application for approval of a base prospectus. The Bonds may be issued in the manner set out in Article 33(1) of the Act on Bonds of 15 January 2015 (the "Bonds Act") within 12 months of the date the Polish

Financial Supervision Authority approves the Company's base prospectus, however, the Company will be permitted to issue one or more series of Bonds. In accordance with the resolution, the Bonds may be issued as unsecured bonds. Every consecutive series of Bonds will be issued under separate resolutions of the Company's Management Board setting out final terms and conditions for the issue of individual series and specifying, in particular: the issue price, the total nominal value of Bonds of respective series, conditions for the payment of Bond interest, a redemption date for Bonds of respective series, interest periods for Bonds of respective series and the types of investors to whom the respective series of Bonds will be proposed.

- 5) On 08 July 2022, the shareholders of LC Corp Invest III Sp. z o.o. and LC Corp Invest XV Sp. z o.o. Projekt 6 Sp.k. passed resolutions on a merger (merger through take-over) of LC Corp Invest XV Sp. z o.o. Projekt 6 Sp.k. (the acquired company) by LC Corp Invest III Sp. z o.o. (the acquiring company). An application to register the merger was filed with the registry court on 12 August 2022.
- 6) On 25 July 2022, the Issuer entered into a joint-venture co-operation agreement with The Heart S.A., with its registered office in Warsaw ("The Heart"), with a view to carrying out, through a special purpose vehicle (the "SPV") established to this end, a project that entails the development of a real property management system, including a real property and tenant management IT platform and a mobile application for tenants based on an order placed by the SPV (the "JV Agreement"). The Issuer and The Heart will collaborate under the JV Agreement to set up an SPV in the form of a private limited company and develop the management system mentioned above and subsequently to commercialise the system (the "Project"). The Project will derive from the experience of the Issuer and The Heart, and responsibility for operational management will rest with a team of the Issuer's representatives. The Project will be implemented in stages provided for in the JV Agreement and in line with the Project budget according to a schedule agreed. The total capital commitment of the SPV's partners as part of the co-operation under the JV Agreement will not be higher than PLN 8,520,424.00, however, the Issuer's total commitment target has been agreed to amount up to PLN 7,516,304.00, with the remaining contributions being made by The Heart and beneficiaries of an incentive scheme for key personnel, associates and members of the SPV Management Board to be introduced in the SPV. Depending on a Project stage and the progress of the incentive scheme, the Issuer, as the majority partner, will hold between 76.47% and 57.5% shares in the SPV's share capital. The JV Agreement was entered into under the following conditions precedent: (i) to obtain the consent of the President of UOKiK (Office of Competition and Consumer Protection) to concentration that involves the creation of a joint venture by the Issuer and The Heart; (ii) to obtain required corporate permits by The Heart; (iii) to agree on the contents of documentation to be attached to the JV Agreement. The other terms and conditions of the JV Agreement, including those relating to joint venture, do not vary from provisions which are generally applicable to this type of agreements.
- 7) On 1 August 2022, a competent registry court registered a new company name of Sky Tower S.A., which was changed to Develia Wrocław S.A.
- 8) On 3 August 2022, Develia S.A. and PKO BP S.A. made Amendment no. 2 to the 29 April 2021 overdraft facility agreement, pursuant to which modifications to the loan repayment security were made.
- 9) On 17 August 2022, due to a change in the market and economic situation, prolonged negotiations resulting from significant changes in offer terms and conditions, which were different from those agreed in the letter of intent signed, it was decided to stop and cease the negotiations of selling terms and conditions applicable to the right of perpetual usufruct to land located in Warsaw at Podskarbińska street and Żupnicza street, having the total area of 10,518 sq. m (the "Real Property"), along with a project to be carried out on the Real Property by the Issuer in collaboration with an European entity investing in the real property market, consisting in the construction of two residential buildings with a common underground and ground-level car park, including necessary infrastructure. Consequently, the aforesaid project was designated by the Company for retail sale.
- 10) On 18 August 2022, LC Corp Invest XVII Sp. z o.o. Projekt 22 Sp. k. entered into, pursuant to a framework agreement of 8 February 2018, a foreign exchange forward transaction which included forward and derivative operations relating to the performance of a loan agreement and set the settlement period of the transaction to its maturity, i.e. 23 August 2022. The nominal value of the aforesaid transaction at a base rate amounted to EUR 534,000. The transaction was settled in full on 23 August 2022.
- 11) On 19 August 2022, a registry court made an entry relating to the redemption of shares in LC Corp Invest III sp. z o.o., and consequently, a reduction in its share capital from PLN 1,700,000.00 to PLN 100,000.00, i.e. by a sum of PLN 1,600,000.00.
- 12) On 29 August 2022, a competent registry court registered a new company name of LC Corp Invest XVI Sp. z o.o., which was changed to 4resident Sp. z o.o.

- 13) On 01 September 2022, a competent registry court registered a merger between LC Corp Invest III sp. z o.o. and LC Corp Invest XV sp. z o.o. Projekt 6 sp.k. and an increase in the share capital of LC Corp Invest III sp. z o.o. from PLN 100,000.00 to PLN 100,500.00. The aforesaid companies merged pursuant to Article 492(1)(1) of the Polish Commercial Partnerships and Companies Code, through the transfer of the entire assets of LC Corp Invest XV sp. z o.o. Projekt 6 sp.k. to LC Corp Invest III sp. z o.o.

The document has been signed by a qualified electronic signature

Andrzej Oślizło
President of Management Board

Mariusz Poławski
Vice President of Management Board

Paweł Ruszczak
Vice President of Management Board

Lidia Kotowska
Director of Accounting Department

Anna Gremblewska-Nowak
Chief Accountant

Michał Michalczyk
Head of Financial Reporting and
Consolidation

Wrocław, 13 September 2022