

(Current Report No. 50/2022)**07/09/2022****Events Having Significant Impact on H1 2022 Profit**

Legal basis: Article 17(1) of MAR - inside information

In connection with the H1 2022 consolidated quarterly report, the publication of which has been scheduled for 13 September 2022, the Management Board of Develia S.A. ("the Issuer") inform that the impact of significant events on the consolidated gross profit of the Develia S.A. Group for H1 2022 is estimated to be PLN +13,151,000, meaning an increase in the consolidated gross profit. Details relating to the events having an impact on the consolidated profit are presented in sections I to II below.

I.

The Develia S.A. Group have recognised in financial results for H1 2022 amounts resulting from a substantial change in the EUR exchange rate and having a significant impact on the gross profit (loss) within the period, i.e.:

1) For H1 2022 cumulatively (a period from 01/01/2022 to 30/06/2022):

- An increase in the fair value of investment property, the valuation of which is made in EUR and translated into PLN, in the amount of PLN 20,962,000. This amount will be disclosed in the consolidated statement of comprehensive income under "Profit/(Loss) on Investment Property";
- An increase in the measurement of loan liabilities resulting from loans taken out in EUR for the construction of investment property in the amount of PLN 8,571,000. This amount will be disclosed in the consolidated statement of comprehensive income under "Financial expenses".

The impact of the aforementioned change in the EUR exchange rate (as at 30 June 2022, the EUR exchange rate stood at PLN 4.6806, which meant an increase by PLN 0.0812 compared to the EUR exchange rate published on 31 December 2021, which amounted to PLN 4.5994 in the case of Sky Tower the EUR exchange rate as at 15 March 2022, i.e. on the real property disposal date, stood at 4.7465, meaning that an increase by 0.1471 was reported), on the consolidated gross result of the Group for H1 2022 totalled PLN 12,391,000 and resulted in an increase in the consolidated gross profit by the said amount.

The above calculation does not take into consideration possible FX differences arising from the translation of spare funds from the disposal of Sky Tower in EUR to PLN.

2) For Q2 2022 (a period from 01/04/2022 to 30/06/2022):

- An increase in the fair value of investment property, the valuation of which is made in EUR and translated into PLN, in the amount of PLN 3,060,000. This amount will be disclosed in the consolidated statement of comprehensive income under "Profit/(Loss) on Investment Property";
- An increase in the measurement of loan liabilities resulting from loans taken out in EUR for the construction of investment property in the amount of PLN 389,000. This amount will be disclosed in the consolidated statement of comprehensive income under "Financial expenses".

The impact of the aforementioned change in the EUR exchange rate (as at 30 June 2022, the EUR exchange rate stood at PLN 4.6806, which meant an increase by PLN 0.0281 compared to the EUR exchange rate published on 31 March 2022, which amounted to PLN 4.6525), on the consolidated gross result of the Group for Q2 2022 totalled PLN 2,671,000 and resulted in an increase in the consolidated gross profit by the said amount.

The change in the EUR exchange rate is of a non-monetary nature and has no bearing on the current position and operating activities of Develia S.A. companies.

II.

Furthermore, the Develia S.A. Group recognised in its financial results for H1 2022 amounts resulting from:

- Expenditures incurred on investment property in the total amount of PLN 357,000;
- Settlements in respect of linearisation of lease revenue in the amount of PLN 412,000.
- Revaluation of provisions for sale of real property in the amount of PLN 705,000.

The aforesaid amounts will be recognised under "Profit/(Loss) on Investment Property" and will result in an increase in the consolidated gross profit.

The impact of the recognition of the changes referred to hereinabove on the consolidated gross result of the Group for H1 2022 (excluding the impact of the change in the EUR exchange rate described in section I above) totalled PLN 760,000 and resulted in an increase in the consolidated gross profit by the said amount.

III.

Develia S.A. recognised in the financial results for H1 2022 substantial amounts having a significant impact on the financial gross result in the period, in respect of:

- Dividends received and share in profit, the total amount of which, as disclosed in the H1 2022 statement of comprehensive income was PLN 203,841,000; An amount of PLN 121,882,000 was recognised in the company's result for Q2 2022;

- A change in the amount of write-downs on the Issuer's shares held in subsidiaries in the amount of PLN 22,991,000. The said amount will decrease the Issuer's separate gross result for H1 2022. An amount of PLN 31,143,000 was recognised in the company's result for Q2 2022, leading to a decrease in the gross result.

The foregoing items have no effect on the consolidated financial statements of the Develia S.A. Group.

The figures and data mentioned above reflect the Management Board's knowledge as at the date of the publication of the report and constitute estimates.

This information, according to the Issuer's Management Board, constitutes inside information within the meaning of Article 17(1) of the European Parliament and of the Council (EU) No. 596/2014 of 16 April 2014 on market abuse.