

**(Current Report No. 13/2023)****27/03/2023****Events Having Significant Estimated Impact on 2022 Profit or Loss**

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

In connection with the 2022 consolidated annual report, the publication of which has been scheduled for 30 March 2023, 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 2022 is estimated to be PLN minus 8,955,000, meaning a decrease in the consolidated gross profit. Details relating to the events having an impact on the consolidated profit or loss are presented in sections I to II below.

**I.**

The Develia Group have recognised in the 2022 profit or loss amounts resulting from a substantial change in the EUR exchange rate and having a significant impact on the gross profit or loss within the period, i.e.:

1) For 2022 cumulatively (a period from 01/01/2022 to 31/12/2022):

- 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 21,975,000. 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 7,786,000. 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 31 December 2022, the EUR exchange rate stood at PLN 4.6899, which meant an increase by PLN 0.0905 compared to the EUR exchange rate published on 31 December 2021, which amounted to PLN 4.5994), on the 2022 consolidated gross profit or loss of the Group totalled PLN 14,189,000 and resulted in an increase in the consolidated gross profit by the said amount.

2) For Q4 2022 (a period from 01/10/2022 to 31/12/2022):

- A decrease in the fair value of investment property, the valuation of which is made in EUR and translated into PLN, in the amount of PLN 19,591,000. This amount will be disclosed in the consolidated statement of comprehensive income under "Profit/(Loss) on Investment Property";
- A decrease in the measurement of loan liabilities resulting from loans taken out in EUR for the construction of investment property in the amount of PLN 8,386,000. This amount will be disclosed in the consolidated statement of comprehensive income under "Financial income".

The impact of the aforementioned change in the EUR exchange rate (as at 31 December 2022, the EUR exchange rate stood at PLN 4.6899, which meant a decrease by PLN 0.1799 compared to the EUR exchange rate published on 30 September 2022, which amounted to PLN 4.8698), on the consolidated gross profit or loss of the Group for Q4 2022 totalled PLN 11,205,000 and resulted in a reduction 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.**

The Develia Group have recognised in the 2022 profit or loss significant amounts resulting from a substantial change in the fair value of investment property and having a significant impact on the gross profit or loss in the period, i.e.:

- A change in the fair value of the investment property called "Wola Retro" that followed from entering into a sale and purchase agreement for the disposal of a share in the ownership right to developed land on which the "Wola Retro" building is erected; consequently, the fair value of the said property as at 31/12/2022 totalled EUR 69,791,000; The impact of the recognition of the real property valuation results in a reduction in the gross profit or loss by PLN 19,498,000; the said amount was disclosed in the results for Q4 2022;
- provisions made for the sale and purchase agreement relating to the investment property "Wola Retro" in Warsaw in the amount of PLN 19,163,000;
- A change in the value of the real property "Arkady Wrocławskie", the fair value of which as at 31/12/2022 amounted to EUR 42,400,000. The impact of the recognition of the real property valuation results in an increase in the 2022 gross profit or loss by PLN 2,776,000; the said amount was recognised in the results for Q4 2022,

- A change in the value of the Malin real property, the fair value of which as at 31/12/2022 amounted to PLN 81,940,000. The impact of the recognition of the real property valuation results in an increase in the 2022 gross profit or loss by PLN 11,850,000; the said amount was recognised in the results for Q4 2022,
- Revaluation of provisions for the sale and purchase agreements relating to the following investment properties: Silesia Star in Katowice, Retro Office House in Wrocław and Sky Tower in Wrocław in the aggregate amount of PLN 343,000;
- Expenditures incurred on investment properties in the total amount of PLN 415,000;
- Settlements in respect of linearisation of lease revenue in the amount of PLN minus 963,000.

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

The following figures relate to the value of the Group's investment property as at 31 December 2022:

- Arkady Wrocławskie along with investment land – EUR 42,400,000;
- Wola Retro – EUR 69,791,000;
- Investment land in Malin – PLN 81,940,000;

The following figures relate to the value of the Group's investment property as at 30 September 2022:

- Arkady Wrocławskie – EUR 37,600,000 + investment land having a book value of PLN 19,701,000;
- Wola Retro – EUR 73,290,000;
- Investment land in Malin – PLN 70,090,000;

The following figures relate to the value of the Group's investment property as at 31 December 2022:

- Arkady Wrocławskie – EUR 37,600,000 + investment land having a book value of PLN 19,566,000;
- Sky Tower – EUR 82,392,000;
- Wola Retro – EUR 71,300,000;
- Investment land in Malin – PLN 70,090,000;

The changes in valuations presented above will be disclosed in the consolidated statement of comprehensive income under "Profit/(Loss) on Investment Property".

### **III.**

Develia S.A. recognised in the 2022 profit or loss substantial amounts having a significant impact on the gross profit or loss in the period, in respect of:

- Dividends received and share in profits, the total amount of which, as disclosed in the statement of comprehensive income for 2022, was PLN 209,734,000; No new dividends were recognised in Q4 2022.
- A change in the amount of write-downs on the Issuer's shares held in subsidiaries in the amount of PLN 1,167,000. The said amount will be added to the Issuer's separate profit or loss for 2022. An amount of PLN 17,983,000 was recognised in the company's profit or loss for Q4 2022, leading to the financial result being increased.

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 Regulation of the European Parliament and of the Council (EU) No. 596/2014 of 16 April 2014 on market abuse.