

PRESENTATION FOR INVESTORS

April 2021

 **DEVELIA**

With a view of the future...



Management Board



Andrzej Oślizło, President

Andrzej Oślizło graduated from the Academy of Economics in Katowice (where he studied Economics) and the Silesian University of Technology in Gliwice (where he studied Information Technology). He completed the MBA programme at the European University in Montreux, Switzerland. For more than twenty years he has been in charge of business undertakings. His area of specialisation includes enterprise management, investments, mergers and take-overs, and specifically foreign expansion. Throughout his career, he has successfully served as president and member of management boards at companies operating in the following industries: ICT, transport, forwarding & logistics, finance and banking (Schenker, LOT, Aviva, Expander Advisors, Burietta - the Inelo Group, and many others). His professional experience also includes working with Private Equity funds.



Paweł Ruszczak, Vice President

Paweł Ruszczak graduated from the Warsaw School of Economics (SGH). He specialises in corporate financial management. He has been involved in the development business for more than 15 years, serving, among other things, as Finance Director at Orco Poland, Polish company Orco Property Group and as Finance Director and Management Board Member at Archicom.



Mariusz Poławski, Vice President

Mariusz Poławski graduated from the University of Warsaw (the Faculty of Management). He also completed courses in project economics, management, psychology of leadership and corporate governance. He has almost 20-years' experience of working in managerial positions. From 2003, he was engaged in the Marvipol Group, acting in the capacity of Managing Director, Operations Director, Member and Vice President of the Management Board. Throughout the past seven years, he has been responsible mainly for the housing and warehousing sector, including the implementation and commercialisation of development projects.



Tomasz Wróbel, Management Board Member

Tomasz Wróbel graduated from the University of Wrocław (the Faculty of Law). He worked for many years in the banking sector, acting in a managerial capacity. He also gained experience in international projects. For more than 25 years he has been specialising in the development of new strategies and projects in the banking and real property sector. Since 2010, he has been serving as Develia's Management Board Member, and since 2018, he has been in charge of all commercial projects. He carried out and supervised transactions resulting in the sale of assets of EUR 215m, with a total floor space of approx. 85,000 GLA.

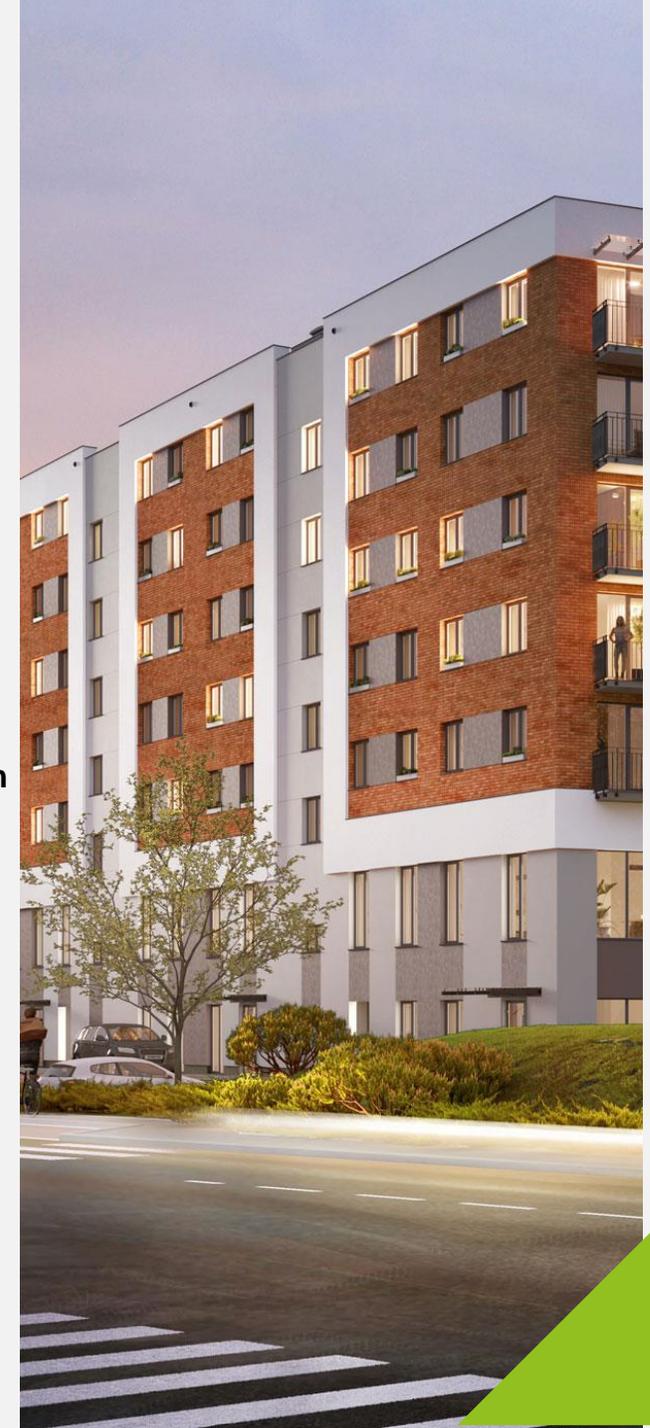
Develia Group – Summary

- Housing sector
 - ✓ **1,361** premises sold in 2020
 - ✓ **1,153** premises delivered in 2020
 - ✓ **1,278** new premises on the 2020 offer
 - ✓ **68** reservation agreements as at the end of 2020
 - ✓ A good beginning of the year, with **580** premises sold in Q1 2021 **+86%** compared to 2020

- Commercial sector
 - ✓ The disposal of the “Wola Center” office building for a total selling price for the deal of **EUR 101.9m**
 - ✓ Revaluation of commercial buildings – write-down of Sky Tower and Arkady Wrocławskie of **EUR 53.7m**

- Develia Group – 2020 Performance
 - ✓ Gross margins on sales in the development segment of **31.3%**
 - ✓ Consolidated Net loss of **PLN 138.8m vs net profit PLN 117.4m (2019)**
 - ✓ Consolidated net profit adjusted for total revaluation settled through profit or loss **PLN 99.0m vs PLN 193.3m (2019)**
 - ✓ Separate net profit of Develia S.A. **PLN 140.3m vs PLN 176.3m (2019)**

- February 2021 The Group announced a new strategy for the years 2021-2025 and the 2021 Targets



Agenda

1. Market situation
2. Housing sector
3. Commercial real property
4. Financial Data
5. Strategy for 2021-2025 (Basic KPIs) and 2021 Targets
6. Attachments

1.

Market situation



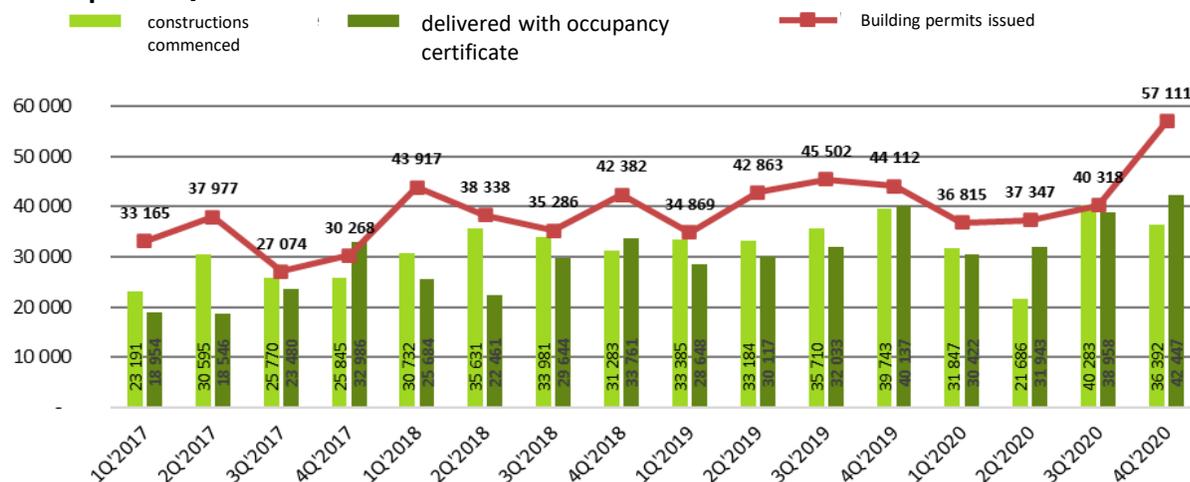
Housing market

Flats made available for sale and sold



Source: JLL (an aggregate of the following markets: Warsaw, Kraków, Wrocław, Gdańsk, Sopot & Gdynia, Poznań, Łódź)

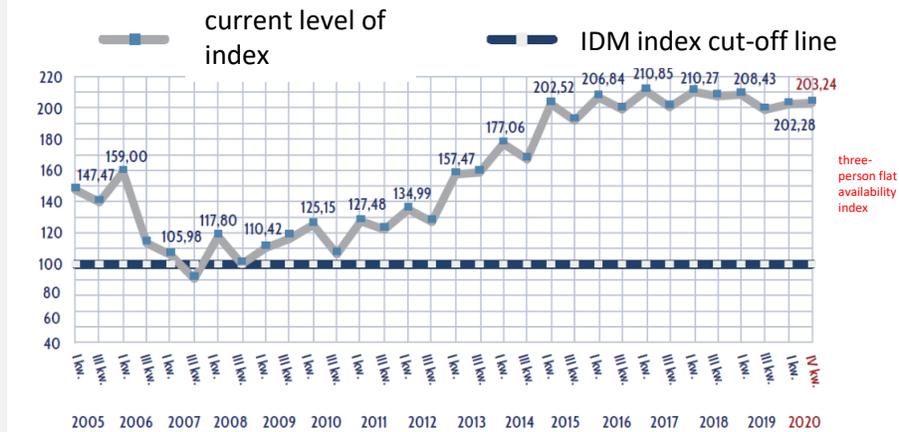
Number of building permits granted, constructions started and flats delivered by developers on a quarterly basis



Source: GUS (Central Statistical Office of Poland)

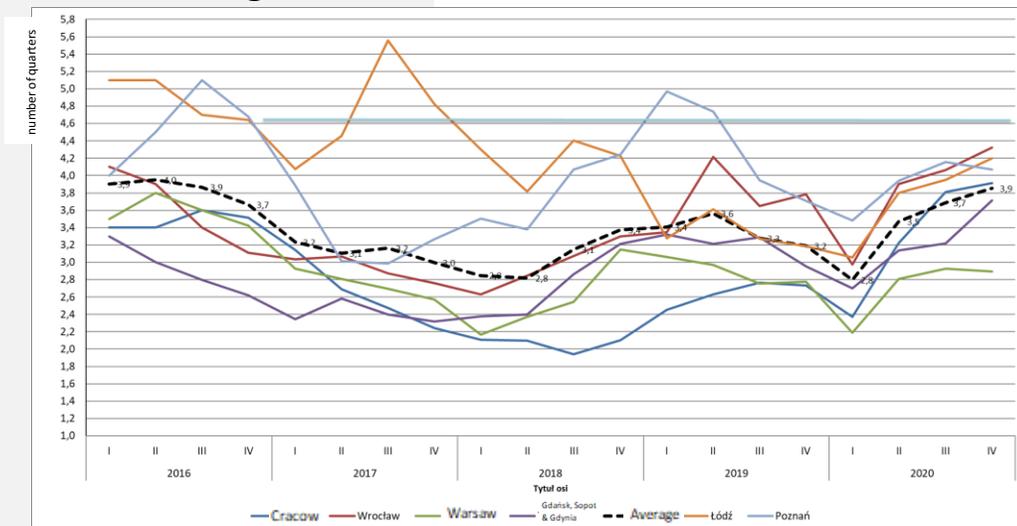
- Sales on the housing market reached a record high in 2017 (72,600), due to limited supply and higher prices of flats the sales in 2018-2019 remained at a similar level of approx. 65,000 premises.
- Even though it will not be possible to achieve the 2019/2020 market level in 2021, a stable sales volume can be expected. It can be expected that demand will recover in consecutive years.
- It is believed that the structure of demand may change, that is to say, investment demand will decrease, but this decline will be offset by the greater number of buyers seeking “a safe haven” for their savings.
- Poland has one of the lowest housing stocks amongst all EU states. Large Western European countries have more than 500 flats per 1,000 citizens, in Poland it is approx. 386.
- The highest ever quarterly number of flats on the Polish property development market, for which building permits have been obtained, stems from COVID-19 and changes to technical requirements being introduced as of 2021.

Housing availability index for three-person flats



Source: Amron-Sarfin

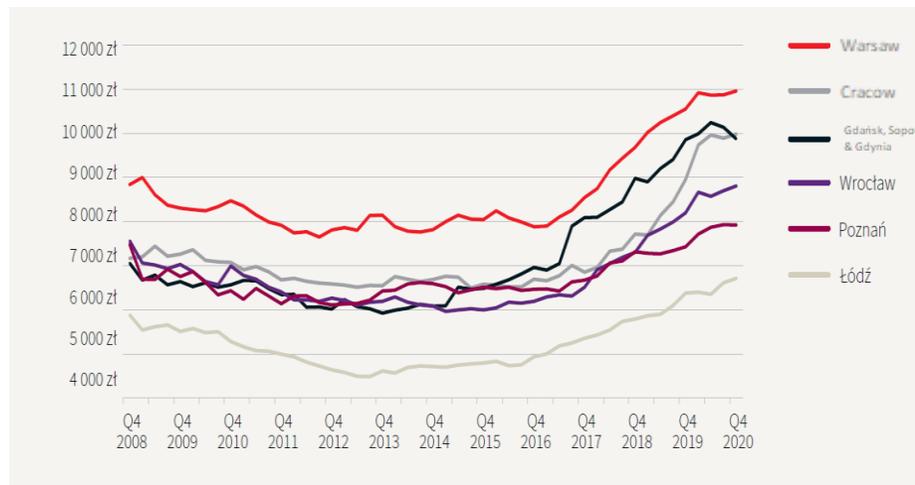
Time of selling flats on the offer – a trend



Source: Emmerson

- Housing availability index remains at a high level – an average citizen of a big city can afford to buy a flat.
- In spite of the COVID-19 pandemic and lower sales volume in 2020, flat sale indicators remain at safe levels, and for Warsaw, one can refer to “a property developer’s market” (demand exceeds supply)
- The prices of flats on the offer have not declined compared to the end of 2019.
- A short period during which flats on the offer are being sold off, a low number of finished flats and a high demand for flats imply either a stability of pricing levels or a prospect of their growth (especially in the cities where a shortfall in supply can be seen, e.g. in Warsaw)

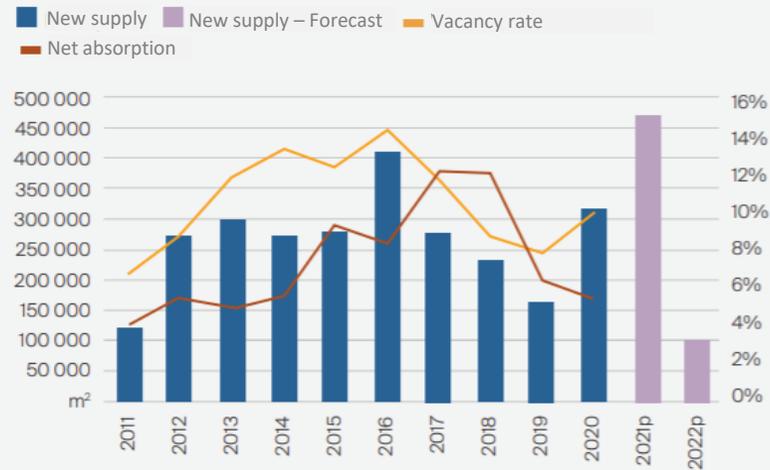
Average prices of flats on the primary housing market (in PLN per sq m, including VAT, coming with a builder’s finish)



Source: JLL (an aggregate of the following markets: Warsaw, Kraków, Wrocław, Gdańsk, Sopot & Gdynia, Poznań, Łódź)

Commercial Real Property Market

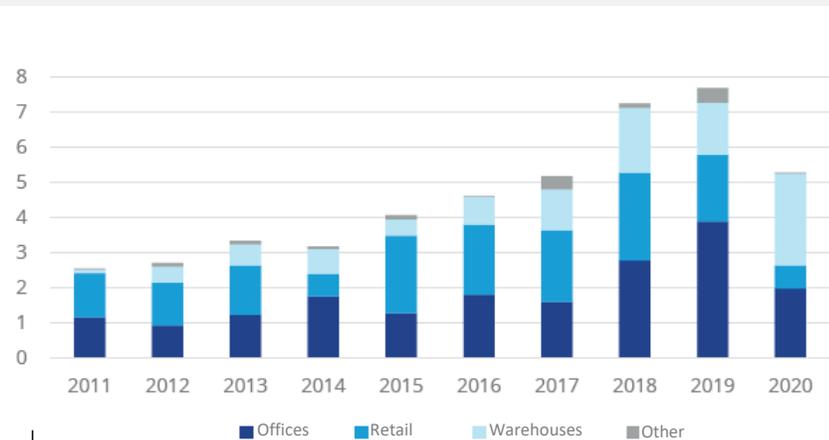
Chart 1: Annual office supply and vacancy rate in Warsaw



P – forecast based on projects under construction

Source: Knight Frank

Value of Investment Transactions in 2011-2020 (bn EUR)

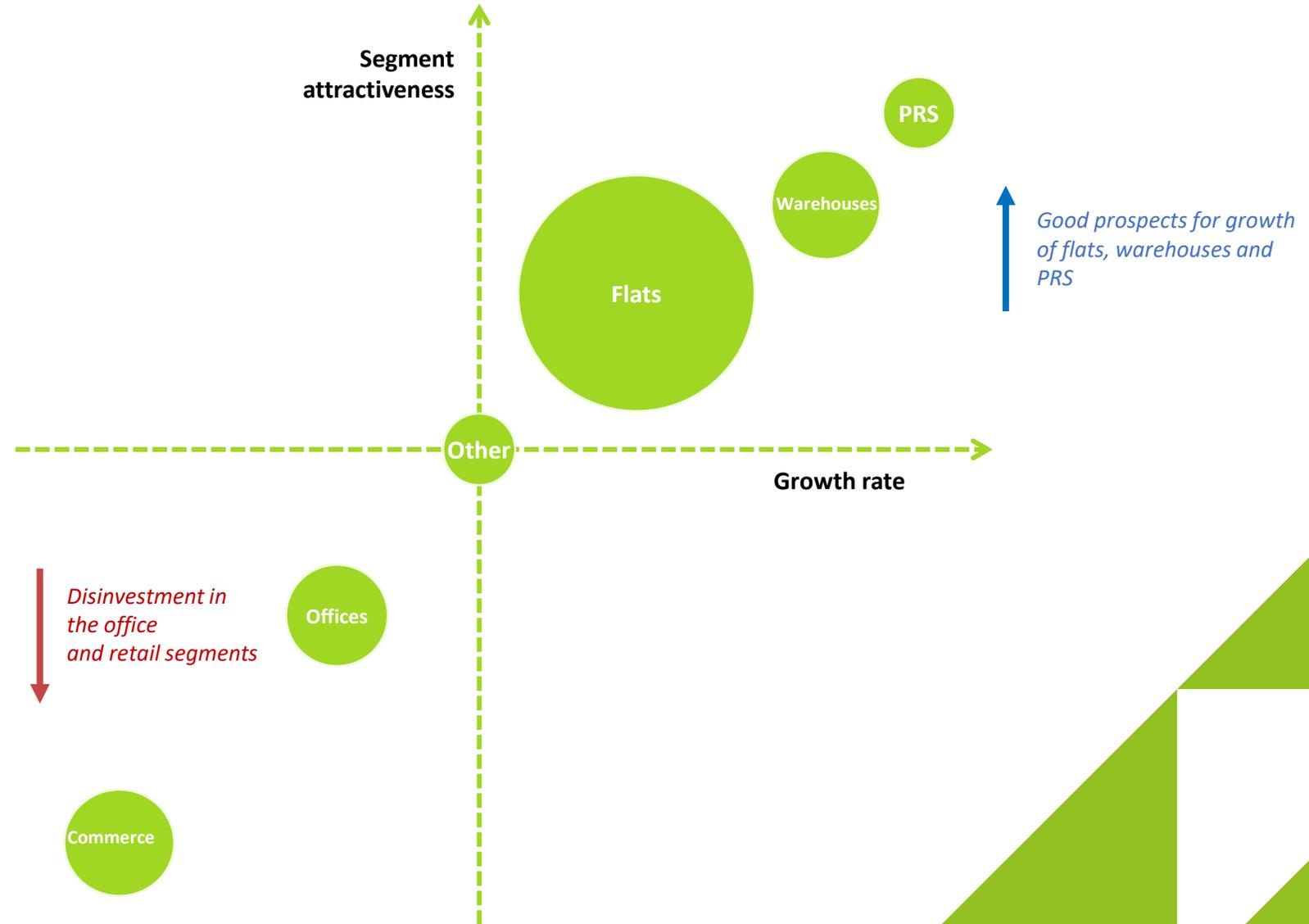


Source: Colliers

- Substantial increase in offices available for subletting in Warsaw – before COVID-19 such volumes were very small, at the end of 2020 more than 100,000 sq m.
- In Q4 2020, floor space leased out under subletting agreements accounts for 6% of total demand, while the average quarterly result in previous quarters is 1%.
- Demand for office space in Warsaw in 2020 amounted to 602,000 sq m, i.e. 31% less than in 2019.
- The number of vacancies rose on all main markets, e.g. in Warsaw at the end of Q4 2020 it was 9.9%.
- Despite a changing market situation, asking rent rates remain stable. Owing to broad incentives offered by building owners, effective rates are approx. 20% lower than asking rates.
- Property developers withheld the commencement of new office projects.
- In the 2nd half of the year, specifically in Q4, an increase in yields resulting from sales transactions concluded for office and retail buildings.
- At the end of 2020, the Polish market stabilised, and the transaction value stood at EUR 5.3 bn, considerably below the record high of EUR 7.7 bn in 2019. The warehousing market amounted to EUR 2.6 bn, which accounted for a 50% share in the market and more than 70% YoY. The value of transactions on the office market declined by 50% compared to 2019, reaching EUR 1.9 bn and a 38% share in the market. Restrictions ensuing from the pandemic affected the retail sector considerably, for which the turnover in 2020 amounted only to approx. EUR 0.7 bn (12% share in the market).
- There is uncertainty over the situation on the office market in 2021 due to COVID-19, the impact of home office and a hybrid work model on lease demand in subsequent years.

- **Housing segment** – demand exceeds supply (a housing gap of approx. 2.4m flats), good prospects for growth until 2028, low interest rate policy has a positive impact on flat prices and creditworthiness, transfer of capital from term deposits to the real property sector as thesaurisation (safe haven).
- **Warehouses** – the warehousing market is the fastest growing segment of the commercial market having good prospects for the further growth of demand for state-of-the-art warehouses, sorting hubs and parcel machines, which stems from the development of the logistics sector and the diversification of supply chains.
- **PRS** – the sector is at an early stage of development in Poland, but it has prospects for rapid growth, considerable interest of Western funds, opportunities for recurring income.
- **Commerce** – distribution channels continue to switch from traditional to online trade.
- **Offices** – a sudden slump caused by COVID, a greater role of remote work, looking for rental savings.

Growth rate and attractiveness of segments



2.

Housing sector



Biggest companies in the property developer business

| | 2020 | 2019 | y/y |
|-----------------------|---------------|---------------|--------------|
| Dom Development | 3 756 | 3 661 | 2,6% |
| Atal | 2 896 | 3 196 | -9,4% |
| Murapol (**) | 2 720 | 2 868 | -5,2% |
| Robyg (**) | 2 155 | 2 569 | -16,1% |
| Budimex Nieruchomości | 1 672 | 1 655 | 1,0% |
| Echo Investment | 1 570 | 1 357 | 15,7% |
| Victoria Dom(*) (**) | 1 476 | 1 570 | -6,0% |
| DEVELIA | 1 361 | 1 510 | -9,9% |
| Archicom | 1 219 | 1 462 | -16,6% |
| Ronson | 918 | 761 | 20,6% |
| J.W. Construction (*) | 651 | 1 026 | -36,5% |
| Inpro | 635 | 769 | -17,4% |
| Lokum Deweloper | 463 | 268 | 72,8% |
| CTN | 267 | 315 | -15,2% |
| Wikana | 157 | 283 | -44,5% |
| Total | 21 916 | 23 270 | -5,8% |

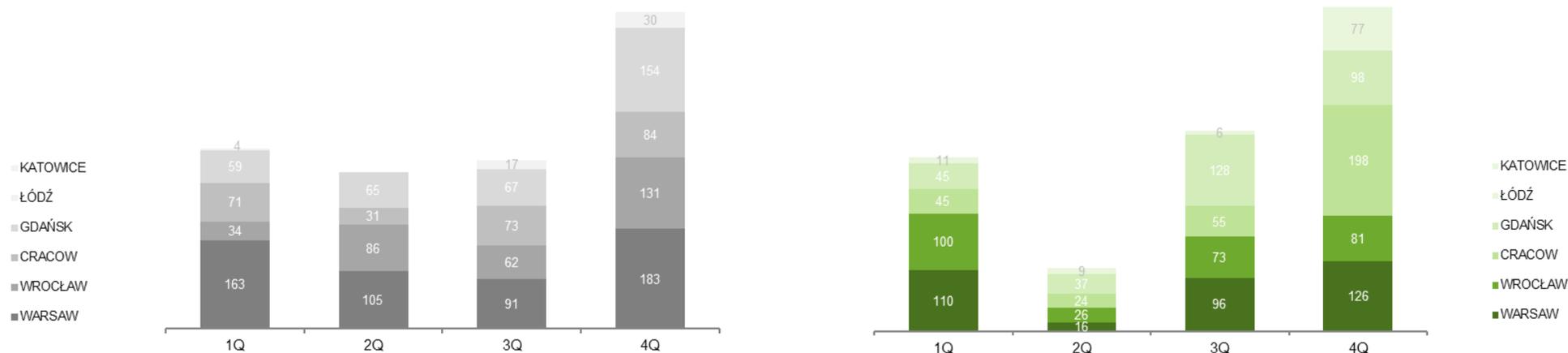
Source: <https://rynekpierwotny.pl/> 15-01-2021

(*) development agreements, preliminary sales agreements and non-refundable reservations in total

(**) a company listed on the Catalyst market

Premises sold

Housing segment as at 31/12/2020



| CITY | 1Q | 2Q | 3Q | 4Q | 2019 |
|---------------------------------|------------|------------|------------|-------------|-------------|
| SALES | 331 | 287 | 310 | 582 | 1510 |
| WARSAW | 163 | 105 | 91 | 183 | 542 |
| WROCLAW | 34 | 86 | 62 | 131 | 313 |
| CRACOW | 71 | 31 | 73 | 84 | 259 |
| GDAŃSK | 59 | 65 | 67 | 154 | 345 |
| ŁÓDŹ | 4 | | | | 4 |
| KATOWICE | | | 17 | 30 | 47 |
| <i>cumulatively in the year</i> | 331 | 618 | 928 | 1510 | |

quarter cumulatively year to year

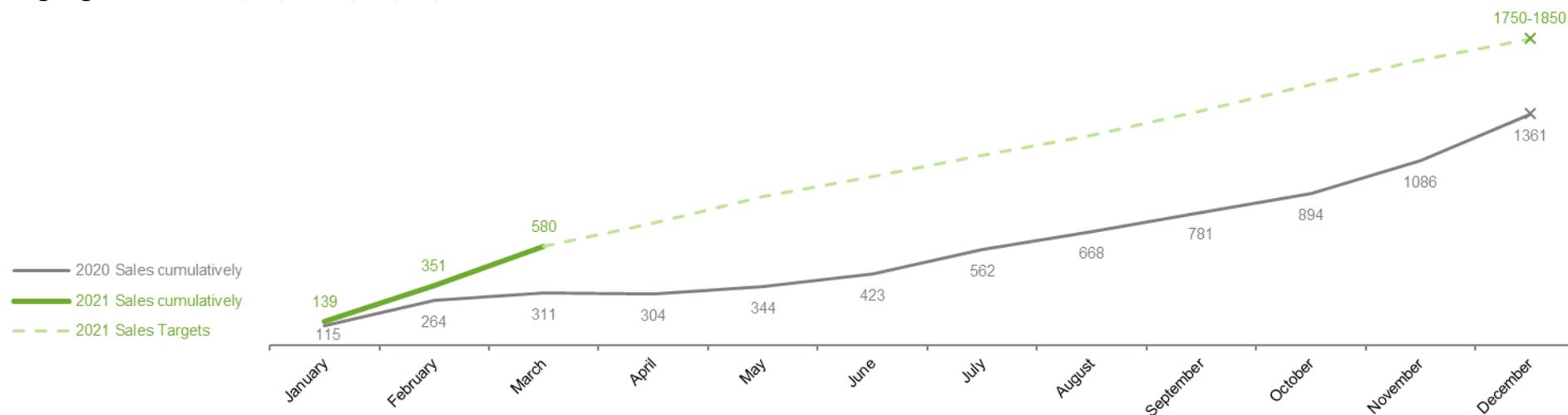
| CITY | 1Q | 2Q | 3Q | 4Q | 2020 |
|---------------------------------|------------|------------|------------|-------------|-------------|
| SALES | 311 | 112 | 358 | 580 | 1361 |
| WARSAW | 110 | 16 | 96 | 126 | 348 |
| WROCLAW | 100 | 26 | 73 | 81 | 280 |
| CRACOW | 45 | 24 | 55 | 198 | 322 |
| GDAŃSK | 45 | 37 | 128 | 98 | 308 |
| ŁÓDŹ | | | | | |
| KATOWICE | 11 | 9 | 6 | 77 | 103 |
| <i>cumulatively in the year</i> | 311 | 423 | 781 | 1361 | |

-6% -32% -16% -10%

- 2,187 premises sold and not delivered, including 120 finished premises
- 1,278 new premises on the offer
- 68 reservation agreements

Premises sold

Housing segment as at 31/12/2020 / 31/03/2021



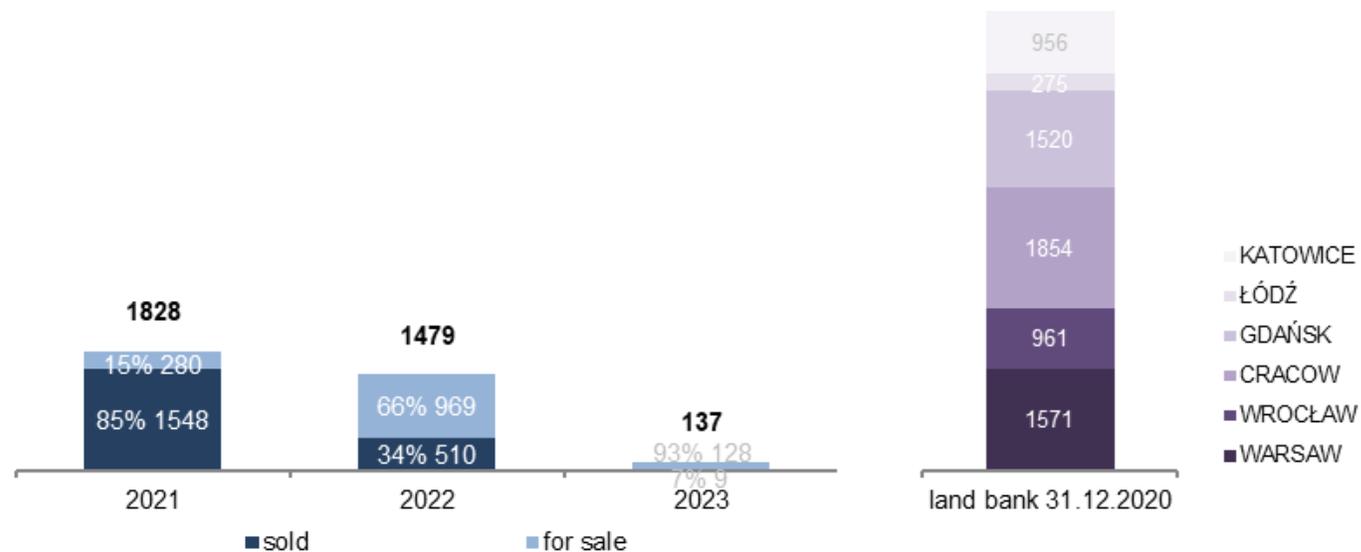
| CITY | 1Q | 2Q | 3Q | 4Q | 2020 | 1Q | 2Q | 3Q | 4Q | 2021 |
|---------------------------------|------------|------------|------------|-------------|-------------|------------|----|----|----|------------|
| SALES | 311 | 112 | 358 | 580 | 1361 | 580 | | | | 580 |
| WARSAW | 110 | 16 | 96 | 126 | 348 | 131 | | | | 131 |
| WROCŁAW | 100 | 26 | 73 | 81 | 280 | 106 | | | | 106 |
| CRACOW | 45 | 24 | 55 | 198 | 322 | 153 | | | | 153 |
| GDAŃSK | 45 | 37 | 128 | 98 | 308 | 125 | | | | 125 |
| ŁÓDŹ | | | | | | | | | | |
| KATOWICE | 11 | 9 | 6 | 77 | 103 | 65 | | | | 65 |
| <i>cumulatively in the year</i> | 311 | 423 | 781 | 1361 | | 580 | | | | |

quarter cumulatively year to year

+86%

Delivery potential based on flats under construction

Housing segment as at 31/12/2020 / Sales progress acc. to commencement of deliveries

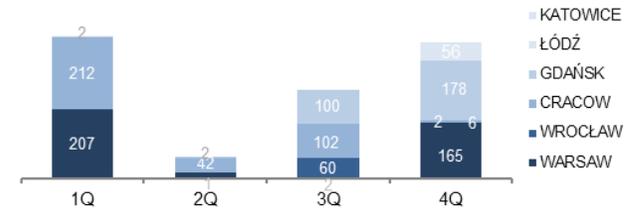
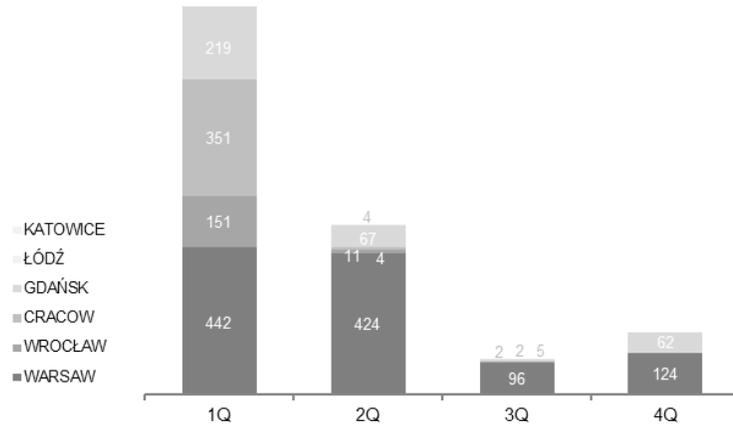


- The projects the construction of which is to commence in March and April 2021 will be available for delivery in 2022
- 2021 targets for new premises to be added to the offer – 1,500-1,700 units

- 1,153 premises delivered in 2020
- 211 premises built in 2020 and ready for delivery
- Company's 2021 delivery targets – 1,800-1,900 premises

Premises delivered

Housing segment as at 31/12/2020



| CITY | 1Q | 2Q | 3Q | 4Q | 2019 |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|
| DELIVERY | 1163 | 510 | 105 | 186 | 1964 |
| WARSAW | 442 | 424 | 96 | 124 | 1086 |
| WROCLAW | 151 | 11 | 2 | 2 | 164 |
| CRACOW | 351 | 4 | 2 | 2 | 357 |
| GDAŃSK | 219 | 67 | 5 | 62 | 353 |
| ŁÓDŹ | 0 | 4 | 0 | 0 | 4 |
| KATOWICE | 0 | 0 | 0 | 0 | 0 |
| <i>cumulatively in the year</i> | 1163 | 1673 | 1778 | 1964 | |

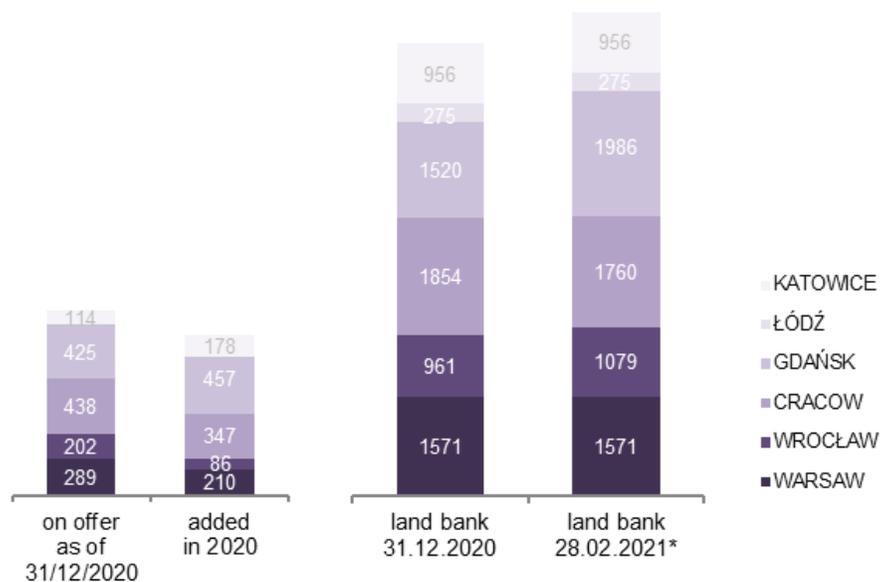
| CITY | 1Q | 2Q | 3Q | 4Q | 2020 |
|--|------------|------------|------------|-------------|-------------|
| DELIVERY | 421 | 61 | 264 | 407 | 1153 |
| WARSAW | 207 | 17 | 2 | 165 | 391 |
| WROCLAW | 2 | 0 | 0 | 2 | 62 |
| CRACOW | 212 | 42 | 102 | 6 | 362 |
| GDAŃSK | 2 | 2 | 100 | 178 | 282 |
| ŁÓDŹ | 0 | 0 | 0 | 0 | 0 |
| KATOWICE | 0 | 0 | 0 | 56 | 56 |
| <i>quarter cumulatively year to year</i> | 421 | 482 | 746 | 1153 | |
| | -64% | -71% | -58% | -41% | |

quarter cumulatively year to year

Premises on the offer and land bank

Housing segment as at 31/12/2020 / 28/02/2021

2021 targets for new premises to be added to the offer – 1,500-1,700 units



| CITY | on offer as of 31/12/2020 | added in 2020 | land bank 31.12.2020 | land bank 28.02.2021* |
|-----------------|---------------------------|---------------|----------------------|-----------------------|
| OFFER | 1468 | 1278 | 7137 | 7627 |
| WARSAW | 289 | 210 | 1571 | 1571 |
| WROCŁAW | 202 | 86 | 961 | 1079 |
| CRACOW | 438 | 347 | 1854 | 1760 |
| GDAŃSK | 425 | 457 | 1520 | 1986 |
| ŁÓDŹ | | | 275 | 275 |
| KATOWICE | 114 | 178 | 956 | 956 |

*Land purchased after 31/12/2020 has been considered

Assets – housing estates



Aleje Praskie
Warsaw, Praga-Południe
■ under preparation: 1,208



Bajkowe
Gdańsk, Maćkowy
■ under preparation: 809



Ceglana Park
Katowice, Brynów
■ available for sale: 114
■ under preparation: 956



Osiedle Latarników
Gdańsk, Letnica
■ available for sale: 189
■ under preparation: 159



Słoneczne Miasteczko
Kraków, Bieżanów-Prokocim
■ available for sale: 184
■ under preparation: 304



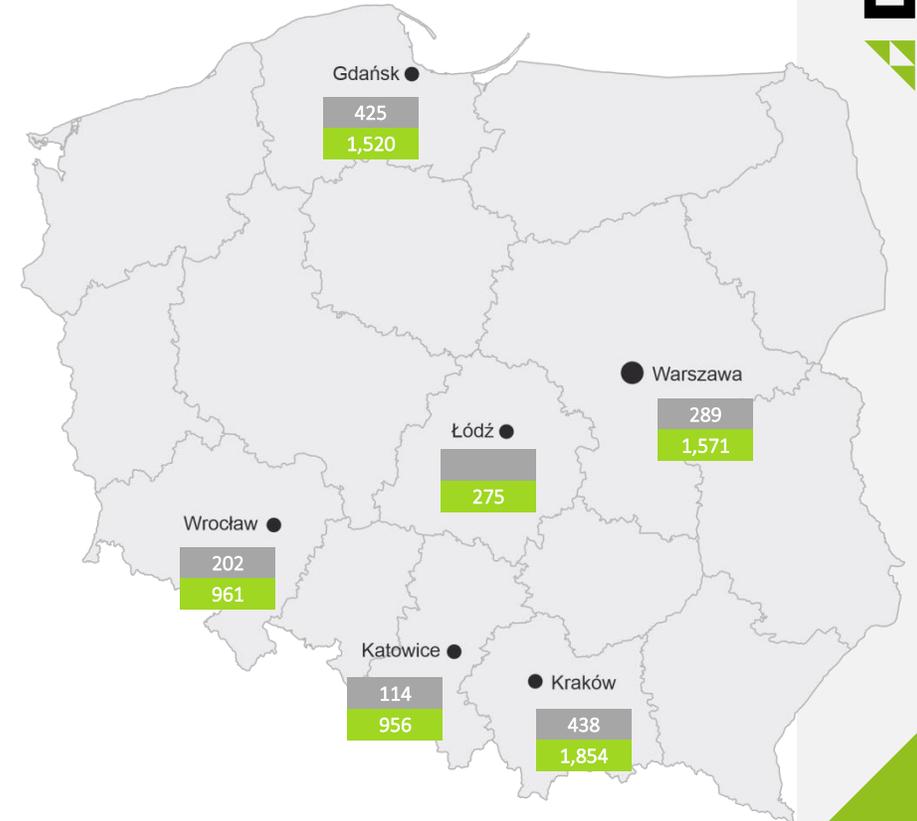
Między Parkami
Wrocław, Krzyki
■ available for sale: 105



Centralna Park
Kraków, Czyżyny
■ available for sale: 123
■ under preparation: 864



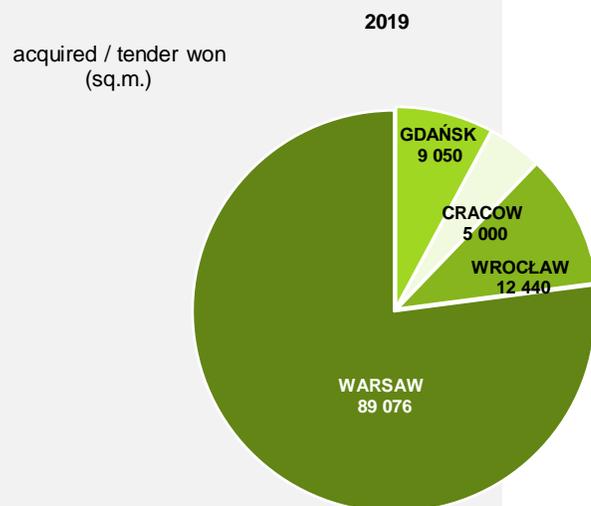
other projects in 6 cities
■ available for sale: 753
■ under preparation: 2,837



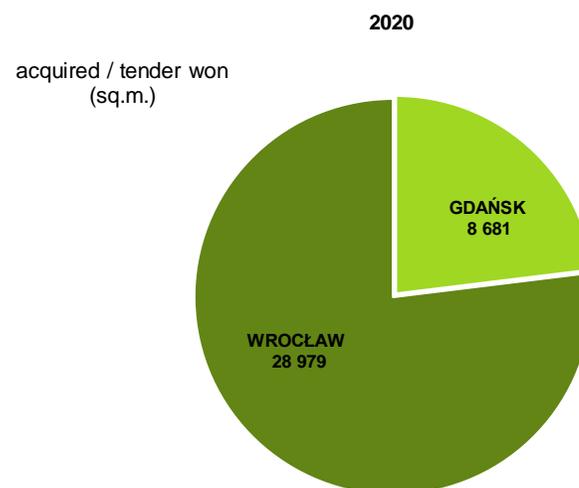
| | |
|-----------------------|-------|
| Premises on offer | 1,468 |
| Premises in land bank | 7,137 |

| Location | 2019 | | 2020 | | 01-02'2021* | |
|--|--|---------------------------------|--|---------------------------------|--|---------------------------------|
| | acquired / tender won Housing unit usable floor area (sq.m.) | Estimated number of units | acquired / tender won Housing unit usable floor area (sq.m.) | Estimated number of units | acquired / tender won Housing unit usable floor area (sq.m.) | Estimated number of units |
| GDAŃSK | 9 050 | 169 | 8 681 | 158 | 24 700 | 466 |
| CRACOW | 5 000 | 89 | - | - | - | - |
| WROCLAW | 12 440 | 235 | 28 979 | 525 | 12 194 | 164 |
| WARSAW | 89 076 | 1 653 ⁽¹⁾ | - | - | - | - |
| TOTAL | 115 566 | 2 146 | 37 660 | 683 | 36 894 | 630 |
| Net value of land [mpln] | 202,5 | | 41,2 | | 49,4 | |
| Net value of land / sq.m. [pln] | 1 752 | | 1 095 | | 1 339 | |

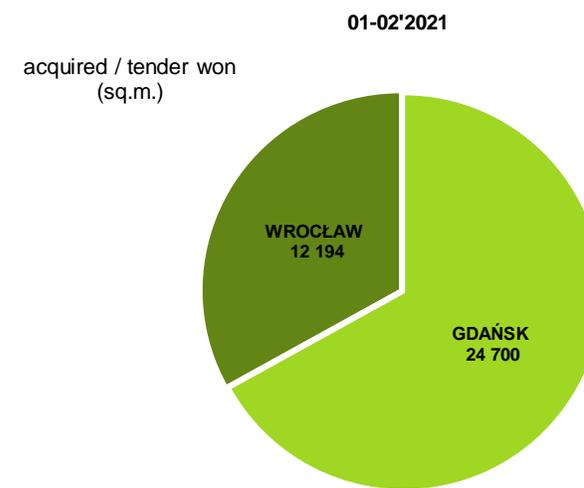
(1) quantitative parameters have not been considered for some parcels of land without a decision on conditions for construction and land development
* as at 28/02/2021



■ GDAŃSK ■ CRACOW ■ WROCLAW ■ WARSAW



■ GDAŃSK ■ WROCLAW



■ GDAŃSK ■ WROCLAW



3.

Commercial real property



Commercial assets – new strategy for 2021-2025

- In the office and retail area, Develia intends to **make disinvestment of its real property portfolio**. Resources from this area will be used to support the principal business, including the development of PRS.
- We only opt for mixed-use projects that support the housing component in line with the strategy: build, commercialise, sell, after recovering capital invested in buildings currently owned. This area will be concentrated on increasing the value of existing buildings and their sale or transformation of land to the principal business, including PRS.
- We also take into account implementing projects in a different formula than projects carried out so far, e.g. in the profit-share formula or as partnerships.
- 2021 targets for commercial segment
 - ✓ Disposal of the “Wola Retro” building in 2021/2022
 - ✓ Preparation of the “Sky Tower” building for disposal



Revaluation of investment property

| Year ended 31 December 2020 | Arkady Wrocławskie | Wola Center | Sky Tower | Silesia Star | Retro Office House | Wola Retro | Malin | TOTAL |
|--|-----------------------|----------------|------------------|-----------------|--------------------------|---------------|-----------------|------------------|
| Revenue from sales of real estate | - | 436 071 | - | - | - | - | - | 436 071 |
| Value of real estate sold | - | (436 071) | - | - | - | - | - | (436 071) |
| Changes in real estate value within the period PLN | - | - | - | - | - | - | (17 062) | (17 062) |
| Changes in real estate value within the period EUR | (71 568) | - | (174 435) | - | - | (9 472) | - | (255 475) |
| Change in real estate valuation in respect of altered EUR to PLN exchange rate within the period | 18 356 | 2 130 | 42 313 | - | - | 25 304 | - | 88 103 |
| Change in real estate valuation in respect of expenditures incurred within the period | (1 134) | - | (18 306) | - | - | - | - | (19 440) |
| Updating the value of provisions related to the sale of real estate | - | 554 | - | (1 516) | (74) | - | - | (1 036) |
| Adjustment for linearisation of revenues from lease | (1 005) | - | (1 226) | - | - | (6 337) | - | (8 568) |
| Total | (55 351) | 2 684 | (151 654) | (1 516) | (74) | 9 495 | (17 062) | (213 478) |

Assets – commercial facilities

Wola Retro

- Warsaw, Wola, ul. Skierniewicka
- Delivery date: 2019
- Leasable area: 25,598 sq. m
- Occupancy rate: 74%
- Vacant space: 6,658 sq. m
- Asset falling within a top investment category
- Sale in 2021/2022



Sky Tower

- Wrocław, Krzyki, ul. Powstańców Śląskich
- Delivery date: 2013
- Leasable area: 53,923 sq. m
- Occupancy rate: 84%
- Vacant space: 8,685 sq. m
- Preparation for sale in 2021



Arkady Wrocławskie

- Wrocław, Krzyki, ul. Powstańców Śląskich
- Delivery date: 2007
- Leasable area: 38,833 sq. m
- Occupancy rate: 95%
- Vacant space: 1,935 sq. m
- Very limited opportunities for revitalisation to market standards
- Considerable business pressure resulting from the company's small engagement in retail activities





Malin

Land for new project developments

- Area of 169 ha
- Real property is awaiting amendments to land use and land development plans – completion scheduled for 2022.
- Seeking a JV partner to construct warehouse areas or disinvestment
- A very interesting project for partial disinvestment and commercialisation in the area for which the Company has not developed business competencies yet



Wrocław, ul. Kolejowa

Land for new project developments

- Area of 5,428 sq. m
- Conversion to a mixed-use project – PRS/flats with a commercial component
- Disinvestment if no interest in PRS has been attracted and/or proper office pre-let has been secured.

Investment Portfolio

as at 31/12/2020



| CITY | PROJECT | STATUS | Yield [%] | GAV [mPLN] | NAV [mPLN] | NOI [mPLN] | NOI [mEUR] | Usable Floor Area [sq.m.] |
|---------|-----------------------------------|----------------|-----------|----------------|--------------|-------------|--------------|---------------------------|
| WROCLAW | ARKADY WROCLAWSKIE <i>center</i> | COMPLETED | 8,50 | 176,7 | 114,4 | 15,1 | 3,37 | 38 833 |
| WROCLAW | SKY TOWER <i>office building</i> | COMPLETED | 7,75 | 383,0 | 182,6 | 24,1 | 5,38 | 53 923 (*) |
| WARSAW | WOLA RETRO <i>office building</i> | COMPLETED | 6,00 | 333,2 | 214,3 | 10,5 | 2,35 | 25 598 |
| | | | | 893,0 | 511,3 | 49,7 | 11,10 | 118 354 |
| WROCLAW | Investment land KOLEJOWA | IN PREPARATION | | 33,7 | 33,7 | | | 33 000 |
| WROCLAW | Investment land MALIN | IN PREPARATION | | 70,1 | 70,1 | | | |
| | | | | 103,8 | 103,8 | | | 33 000 |
| IFRS 16 | | | | 20,0 | | | | |
| | | TOTAL | | 1 016,8 | 615,1 | 49,7 | 11,10 | 151 354 |

(*) in reconstruction

4.

Financial Data

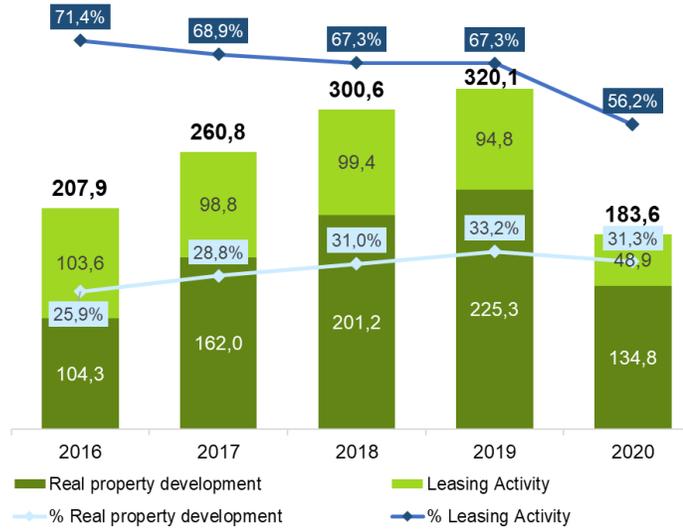


Financial Results

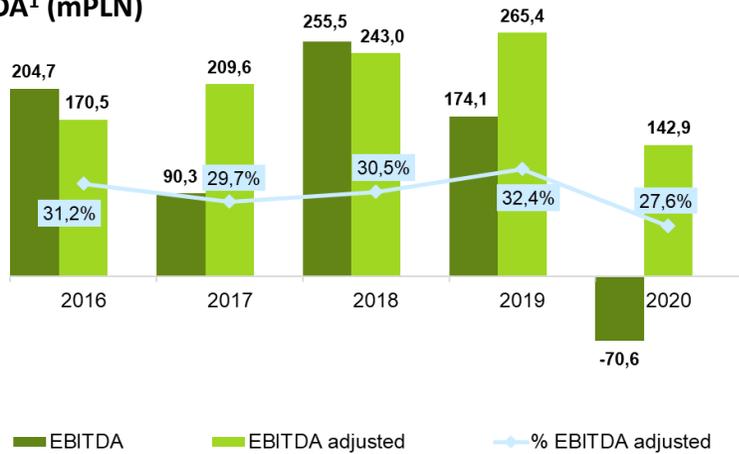
Revenue from sales (mPLN)



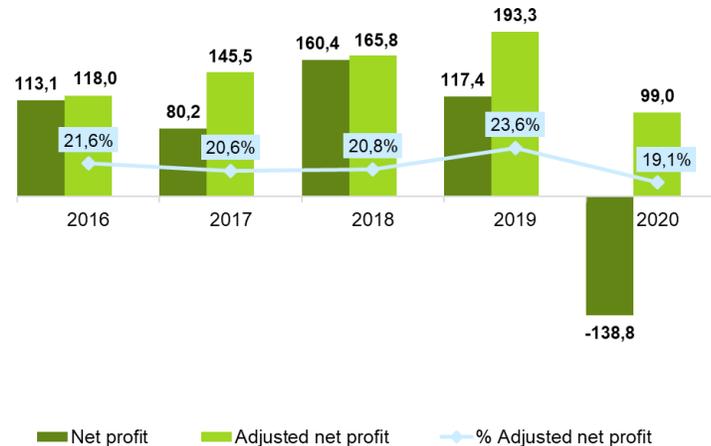
Gross sales margin (mPLN)



EBITDA¹ (mPLN)



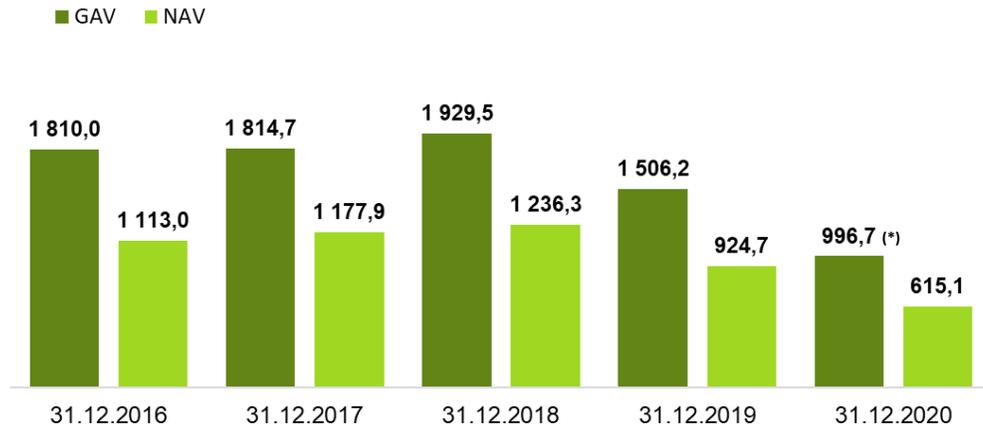
Net profit and adjusted net profit² (mPLN)



¹EBITDA adjusted for real property revaluation result,
²Net profit adjusted for real property and foreign currency loan revaluation results

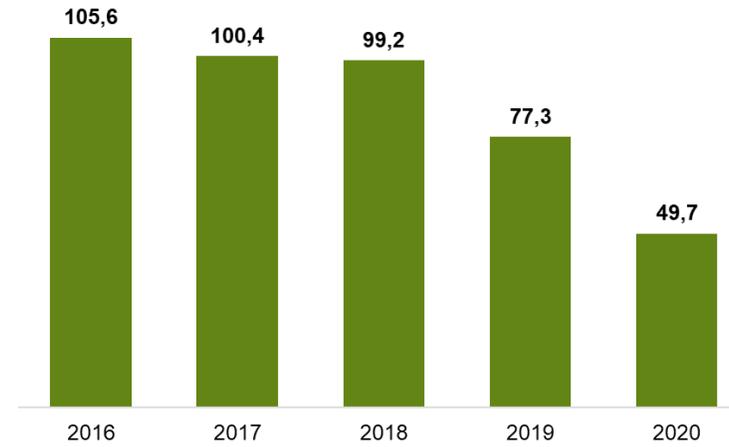
Assets

Investment property and assets held for sale (mPLN)

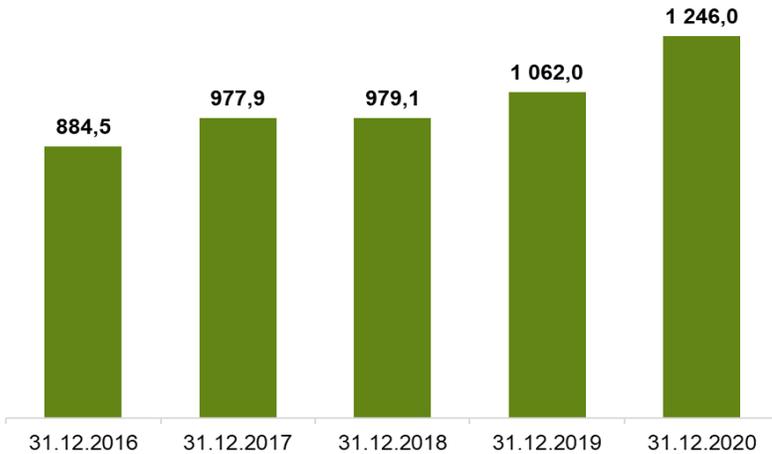


(*) GAV including the Kolejowa & Malin Projects and without adjustment resulting from IFRS 16 – a sum of PLN 20m

NOI of investment property (mPLN)

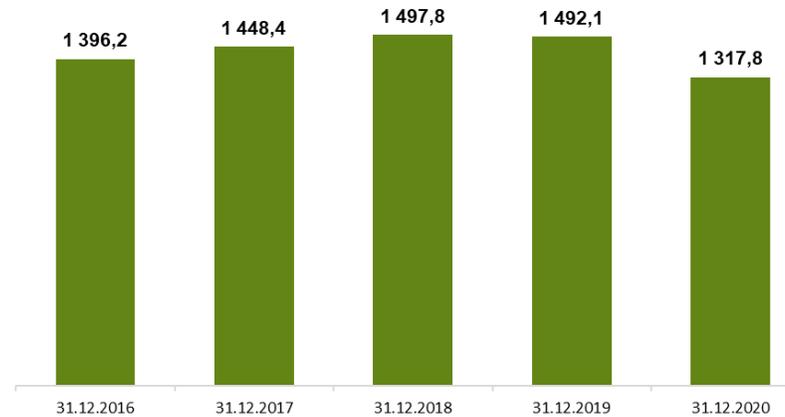


Inventory value (mPLN)



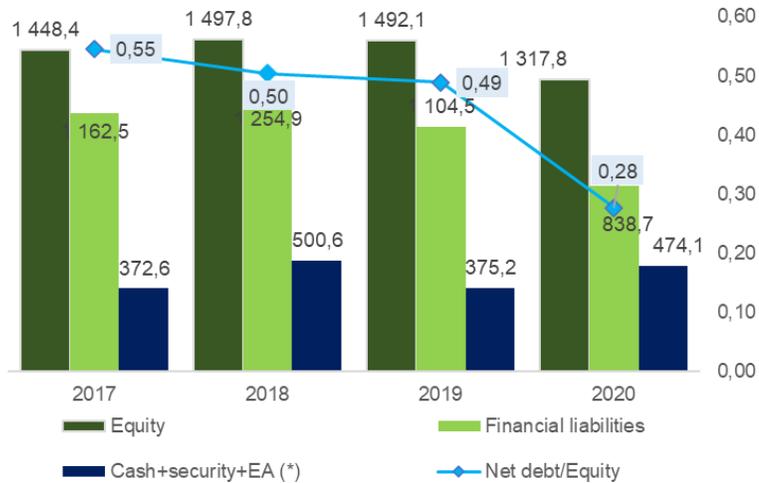
- inventory includes land, projects under construction and finished premises, but not sold yet

Equity (mPLN)



Financial Position

Indebtedness¹ - ratios



¹Financial liabilities under bond issue conditions (i.e. along with liabilities arising from the purchase of Sky Tower and defined in IFRS 16 – charges for perpetual usufruct).

(*) Escrow Accounts

Bank loans commercial segment (mPLN)

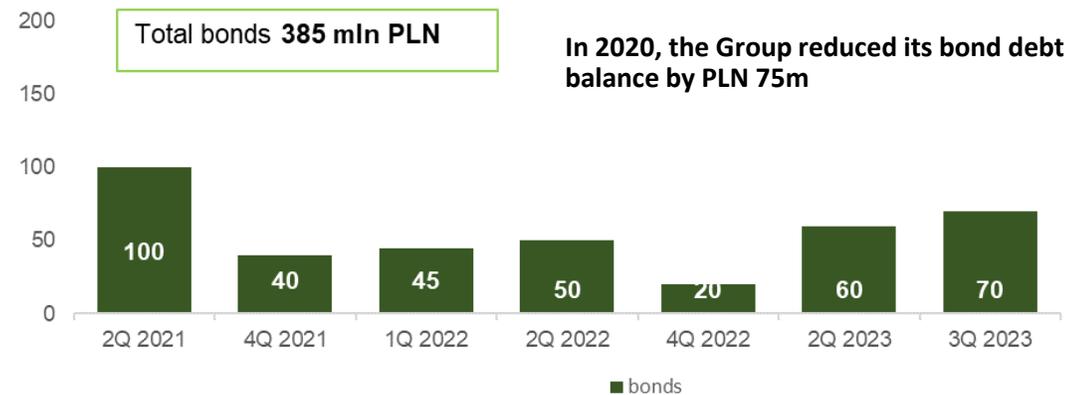
| No | Project | Total repayment date | Balance as of 31/12/2020 | GAV | LTV |
|--------------|-------------------------|----------------------|--------------------------|--------------|--------------|
| 1 | Arkady Wrocławskie | 31.12.2022 | 62,4 | 176,7 | 35,3% |
| 2 | Sky Tower | 20.12.2022 | 200,4 | 383,0 | 52,3% |
| 3 | Wola Retro - k. inwest. | 19.11.2027 | 118,8 | 333,2 | 35,7% |
| | IFRS 16 | | | 15,1 | |
| TOTAL | | | 381,6 | 908,1 | 42,0% |

Net debt/equity vs Sales margin - ratios



Own elaboration – figures for 2020
*Archicom and Inpro – figures for 3Q 2020

Bond maturity structure (mPLN)



Dividend Policy

Dividend paid out in consideration of adjusted consolidated net profit (mPLN)

| | | | | | | |
|---------------|-------|-------|-------|--------|-------|-------|
| Dividend rate | 7.96% | 3.50% | 9.68% | 10.04% | 5.68% | 7.3% |
| Payout rate | 89.3% | 26.6% | 73.8% | 72.9% | 23.2% | 75.0% |
| DPS (PLN) | 0.18 | 0.07 | 0.24 | 0.27 | 0.10 | 0.17 |



(*) The dividend policy was suspended in 2019 under the resolution carried by the Company's Management Board in 23/07/2020 due to circumstances relating to the SARS-CoV-2 pandemic; PLN 100.2m was allocated to reserve funds for the payment of dividend and advances on dividends in the future

- The 2015-2019 dividend rate corresponding with the latest price of shares cum dividend listed recently
- The 2020 dividend rate corresponding with the share price of 23/03/2021

5.

Strategy for 2021-2025 and 2021 Targets



Key KPIs – Summary



Increasing the scale of operations from nearly 1,400 to 3,100 (in 2025) in the housing segment (**CAGR 18% y/y**), increasing the share **up to 5%** in the markets on which the company operates



Relocating capitals from commercial activities to housing business – the share of flats from 50% (2020) to 85% (2025).

The remaining portion, including PRS and commercial activities max. 15%



Boosting effectiveness – increase in ROE from 7% to 15%



Average annual budget for land acquisition and M&A PLN 350m. Developing land bank for more than **10,000 premises** in 2025, ensuring further profitable growth of the company for years to come.



Dividend potential of over PLN 650m for payment in the period from 2021 to 2025



Carrying out repeatable **PRS projects – 300-400 premises per year**, providing support through the development of an operating platform for rental management, if necessary.



Maintaining secure financing structure at a level corresponding to industry benchmarks (net debt/equity 0.30-0.49)



The **Malin Project** – first **profits** to be made in **2024-2025**

The strategy put forward assumes maximising the company's value and at the same time providing foundations for DEVELIA's further growth.

2021 Targets



The **sale** under development and preliminary sales agreements of **1,750 – 1,850 premises**
i.e. approx. 30% growth compared to 2020.



Sale of the building (2021/2022):
Wola Retro



The **delivery** of **1,800 – 1,900 premises**
i.e. approx. 55 % growth compared to 2020.



Preparing for the sale of the building:
Sky Tower



Adding to the offer of **1,500 – 1,700 premises**
i.e. approx. 20% growth compared to 2020.



Commencing the first housing project in the **institutional rental segment (PRS)**

6.

Attachments



Develia Group – P&L

| | 31 December 2020 | 31 December 2019 |
|---|---------------------|------------------|
| Operating activity | | |
| Sales revenue | 517 114 | 819 264 |
| Revenue from sales of services | 86 972 | 140 850 |
| Revenue from sales of goods and products | 430 142 | 678 414 |
| Cost of sales | (333 496) | (499 152) |
| Pre-tax profit/(loss) on sales | 183 618 | 320 112 |
| Gain/(loss) on disposal of non-financial fixed assets | - | 221 |
| Revaluation of non-financial fixed assets | (213 478) | (91 234) |
| Write-downs of Inventories | - | (394) |
| Selling and distribution cost | (14 275) | (16 419) |
| General administrative expenses | (28 996) | (38 308) |
| Other operating income | 5 174 | 5 275 |
| Other operating expenses | (4 465) | (6 571) |
| Operating profit/(loss) | (72 422) | 172 682 |
| Financial income | 2 320 | 15 948 |
| Financial expenses | (64 371) | (37 584) |
| Pre-tax profit/(loss) | (134 473) | 151 046 |
| Income tax (tax expense) | (4 327) | (33 664) |
| Net profit/(loss) | (138 800) | 117 382 |
| Other comprehensive income subject to reclassification to profit(loss) in subsequent reporting periods | | |
| Cash flow hedges | 11 399 | (2 944) |
| Income tax relating to other components of comprehensive income | (2 166) | 715 |
| Other comprehensive income (net) | 9 233 | (2 229) |
| Total comprehensive income | (129 567) | 115 153 |

Develia Group – Balance sheet/assets

| | 31 December 2020 | 31 December 2019 |
|--|------------------|------------------|
| Assets | | |
| A. Non-current assets | 1 053 680 | 1 234 709 |
| 1. Intangible assets | 404 | 334 |
| 2. Property, plant and equipment | 4 513 | 5 897 |
| 3. Non-current receivables | 9 013 | 8 699 |
| 4. Land classified as fixed assets | - | 86 603 |
| 5. Investment property | 1 016 745 | 1 096 679 |
| 6. Non-current prepayments and accrued income | 1 072 | 1 089 |
| 7. Deferred tax assets | 21 933 | 35 408 |
| B. Current assets | 1 762 561 | 1 562 934 |
| 1. Inventory | 1 245 976 | 1 062 028 |
| 2. Trade and other receivables | 23 180 | 123 356 |
| 3. Income tax receivables | 5 205 | 8 296 |
| 4. Derivative assets | - | 239 |
| 5. Current financial assets | 20 013 | - |
| 6. Other financial assets | 88 005 | 25 576 |
| 7. Cash and Cash Equivalents | 377 036 | 340 890 |
| 8. Current prepayments and accrued income | 3 146 | 2 549 |
| C. Non-current assets classified as held for sale | - | 446 282 |
| Total assets | 2 816 241 | 3 243 925 |

Develia Group – Balance sheet/liabilities

| | 31 December 2020 | 31 December 2019 |
|---|------------------|------------------|
| Equity and liabilities | | |
| A. Equity | 1 317 788 | 1 492 111 |
| I. Equity attributable to shareholders of the parent | 1 317 788 | 1 492 111 |
| 1. Share capital | 447 558 | 447 558 |
| 2. Other capital | 1 009 030 | 927 171 |
| 3. Net profit/(loss) | (138 800) | 117 382 |
| II. Minority interest | - | - |
| B. Non-current liabilities | 661 756 | 1 028 223 |
| 1. Non-current liabilities on account of loans and bonds | 599 217 | 886 734 |
| 2. Non-current derivatives liabilities | 1 081 | 11 983 |
| 3. Non-current lease liabilities | 18 898 | 18 769 |
| 4. Provisions | 7 938 | 5 319 |
| 5. Deferred tax liability | 34 622 | 105 418 |
| C. Current liabilities | 836 697 | 706 818 |
| 1. Current liabilities on account of loans and bonds | 168 072 | 128 299 |
| 2. Current derivatives liabilities | 430 | 428 |
| 3. Current lease liabilities | 50 954 | 41 512 |
| 4. Current trade and other payables | 96 916 | 127 117 |
| 5. Income tax payables | 50 168 | 39 319 |
| 6. Provisions | 6 206 | 8 831 |
| 7. Accruals and deferred income | 463 951 | 361 312 |
| D. Liabilities arising from non-current assets classified as held for sale | - | 16 773 |
| Total equity and liabilities | 2 816 241 | 3 243 925 |

| | 31 December 2020 | 31 December 2019 (converted) |
|---|------------------|---------------------------------|
| Operating income | | |
| Revenue from sale of services, products and goods | 45 362 | 53 616 |
| Revenue from interest and discount | 4 365 | 10 491 |
| Revenue from dividend | 235 559 | 234 596 |
| Other financial income | 7 | 4 499 |
| Other operating income | 530 | 209 |
| Total operating income | 285 823 | 303 411 |
| Operating expenses | | |
| Operating expenses, cost of sold products and goods | (60 781) | (78 442) |
| Costs of interest and discounts | (9 457) | (17 659) |
| Other financial expenses | (106 285) | (2 841) |
| Other operating expenses | (103) | (886) |
| Total operating expenses | (176 626) | (99 828) |
| Pre-tax profit/(loss) | 109 197 | 203 583 |
| Income tax (tax expense) | 31 060 | (27 331) |
| Net profit/(loss) on continued operations | 140 257 | 176 252 |
| Discontinued operations | | |
| Profit (loss) on discontinued operations in the financial year | - | - |
| Net profit/(loss) | 140 257 | 176 252 |
| Other comprehensive income | | |
| Other components of comprehensive income | - | - |
| Income tax relating to other components of comprehensive income | - | - |
| Other comprehensive income (net) | - | - |
| Total comprehensive income | 140 257 | 176 252 |

Develia S.A. – Balance sheet/assets

| | 31 December 2020 | 31 December 2019 (converted) |
|--|------------------|---------------------------------|
| Assets | | |
| A. Non-current assets | 942 134 | 1 003 527 |
| 1. Intangible assets | 305 | 282 |
| 2. Property, plant and equipment | 7 153 | 6 145 |
| 3. Non-current loans and receivables | 93 125 | 63 940 |
| 4. Non-current investments | 827 535 | 932 744 |
| 5. Non-current prepayments and accrued income | 410 | 416 |
| 6. Deferred tax assets | 13 606 | - |
| B. Current assets | 993 752 | 724 785 |
| 1. Inventory | 790 063 | 556 959 |
| 2. Trade and other receivables | 14 498 | 98 955 |
| 3. Income tax receivables | 455 | 3 719 |
| 4. Current financial assets | 20 013 | - |
| 5. Other financial assets | 95 070 | 24 157 |
| 6. Cash and Cash Equivalents | 71 808 | 40 081 |
| 7. Current prepayments and accrued income | 1 845 | 914 |
| C. Non-current assets classified as held for sale | - | - |
| Total assets | 1 935 886 | 1 728 312 |

Develia S.A. – Balance sheet/liabilities

| | 31 December 2020 | 31 December 2019 (converted) |
|---|------------------|---------------------------------|
| Equity and liabilities | | |
| A. Equity | 1 043 538 | 948 036 |
| 1. Share capital | 447 558 | 447 558 |
| 2. Called-up share capital not paid | - | - |
| 3. Supplementary capital | 353 524 | 322 216 |
| 4. Other reserve funds | 100 205 | - |
| 5. Other capital | 1 994 | 1 994 |
| 6. Retained profit/(Loss carried forward) | 140 257 | 176 268 |
| B. Non-current liabilities | 432 945 | 534 367 |
| 1. Non-current financial liabilities | 428 663 | 514 150 |
| 2. Non-current lease liabilities | 3 837 | 2 744 |
| 3. Provisions | 445 | 19 |
| 4. Deferred tax liability | - | 17 454 |
| C. Current liabilities | 459 403 | 245 909 |
| 1. Current financial liabilities | 148 207 | 103 221 |
| 2. Current lease liabilities | 17 236 | 11 061 |
| 3. Current trade and other payables | 17 444 | 35 007 |
| 4. Income tax payables | - | - |
| 5. Provisions | - | - |
| 6. Accruals and deferred income | 276 516 | 96 620 |
| Total equity and liabilities | 1 935 886 | 1 728 312 |

Residential projects under construction

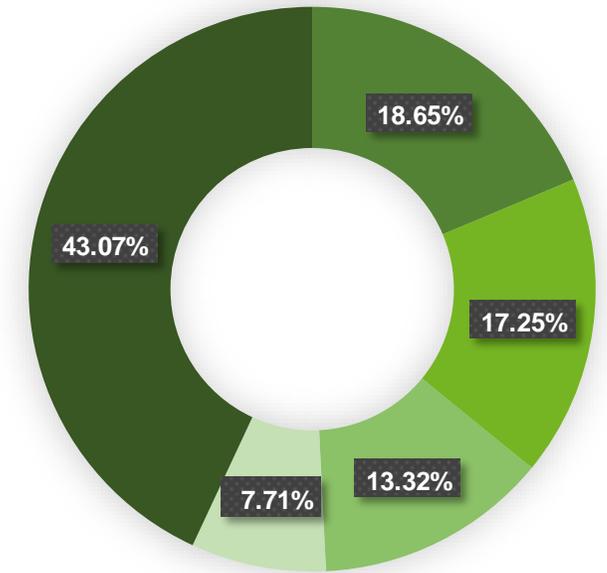
| Name of Project | City | District | Segment | Planned Construction Completion Date | Number of Apartments and Commercial Premises | Area (sq m) |
|-------------------------------------|----------|-------------------|----------------------|--------------------------------------|--|----------------|
| Mały Gróchów (stage 1-2) | Warsaw | Gróchów | Apartments, services | Q1 2021 | 105 | 5,318 (*) |
| | | | | Q1 2021 | 137 | 7,010 (*) |
| Rokokowa Residence | Warsaw | Bielany | Apartments, houses | Q1 2021 | 29 | 3,548 |
| Mała Praga (stage 5) | Warsaw | Praga Południe | Apartments, services | Q4 2021 | 48 | 2,940 |
| Na Woli (stage 9) | Warsaw | Wola | Apartments, services | Q4 2021 | 305 | 15,873 |
| Prestovia House | Warsaw | Praga Północ | Flats | Q4 2022 | 162 | 8,363 (**) |
| Kamienna (stage 1-2) | Wrocław | Huby | Apartments, services | Q2 2021 | 253 | 13,082 |
| | | | | Q2 2021 | 186 | 9,761 |
| Nowa Raclawicka | Wrocław | Krzyki | Flats | Q2 2021 | 231 | 13,319 |
| Między Parkami (stage 2) | Wrocław | Klecina | Flats | Q4 2021 | 202 | 12,972 |
| Słoneczne Miasteczko (stage 9 - 12) | Cracow | Bieżanów-Prokocim | Flats | Q1 2021 | 102 | 5,865 (*) |
| | | | | Q3 2021 | 124 | 8,647 |
| | | | | Q1 2022 | 102 | 5,776 |
| | | | | Q4 2022 | 108 | 5,790 (**) |
| Przy Mogiłskiej (stage 1-2) | Cracow | Prądnik Czerwony | Flats | Q2 2021 | 65 | 3,031 |
| | | | | Q4 2023 | 137 | 6,505 |
| Centralna Park (stage 6) | Cracow | Czyżyny | Apartments, services | Q4 2022 | 270 | 14,421 |
| Świętokrzyska Park (stage 7) | Gdańsk | Łostowice | Flats | Q2 2021 | 108 | 5,146 |
| Osiedle Latarników (stage 1 - 2) | Gdańsk | Letnica | Apartments, services | Q4 2021 | 135 | 7,677 |
| | | | | Q4 2022 | 218 | 12,101 |
| Baltea | Gdańsk | Przymorze | Apartments, services | Q4 2022 | 239 | 15,221 |
| Ceglana Park (stage 2) | Katowice | Brynów | Apartments, services | Q3 2022 | 178 | 10,395 |
| Total | | | | | 3,444 | 192,761 |

As at 31 December 2020, the Group had sold 2,067 premises which were under construction at that time.

(*) For the Mały Gróchów Project (stage 1-2) and the Słoneczne Miasteczko Project (stage 9), construction works were finished after the balance-sheet date.

(**) Prestovia House (162 premises), Słoneczne Miasteczko-stage 12 (108 premises), added to the offer and preparation works commenced in 2020, construction commencement in 2021

Shareholding



| NAME | Number of shares | |
|---|------------------|--------------------|
| | % | pcs. |
| Nationale-Nederlanden Otworthy Fundusz Emerytalny | 18.65 | 83,470,921 |
| OFE PZU „Złota Jesień” | 17.25 | 77,195,648 |
| Aviva OFE AVIVA Santander | 13.32 | 59,612,000 |
| MetLife Otworthy Fundusz Emerytalny | 7.71 | 34,528,295 |
| Other shareholders | 43.07 | 192,751,447 |
| | 100.00 | 447,558,311 |

Shareholders having more than 5 % of the Company's shares.
As at 6 Oct 2020 (to the best of the Issuer's knowledge)

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