

**(Current Report No. 27/2020)****23/07/2020****Information Regarding Management Board's Resolution on Suspension of Company's Dividend Policy and Recommendation as to Allocation of Profit for Financial Year 2019**

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

With reference to the Current Report no. 15/2020, the Management Board of Develia S.A. ("the Issuer"), inform that on 23 July 2020 they adopted a resolution on the suspension of the Issuer's Dividend Policy as regards the payment of dividend for the financial year 2019, under which the Company's shareholders will receive dividend corresponding to at least 25 per cent of net consolidated profit adjusted for net total revaluation (for income tax) settled through profit or loss, and published in the Current Report No. 127/2017 of 7 December 2017.

The foregoing decision was dictated by the present situation related to a pandemic of SARS-CoV-2 virus leading to the spread of COVID-19, the consequences of which are difficult to foresee in relation to the country's and the Issuer's economic situation.

In view of the above, the Issuer's Management Board decided to recommend the Ordinary General Meeting that Develia S.A.'s profit for the financial year ended 31 December 2019, amounting to PLN 176,268,480.04 (in words: one hundred seventy-six million two hundred sixty-eight thousand and four hundred and eighty and 4/100 Polish Zlotys) be allocated as follows:

- a) A sum of PLN 144,960,750.00 (in words: one hundred forty-four million nine hundred sixty thousand and seven hundred and fifty Polish Zlotys) to be allocated for reserve capital designated for the payment of dividend and advances on dividends in the future;
- b) A sum of PLN 31,307,730.04 (in words: thirty-one million three hundred and seven thousand and seven hundred and thirty and 4/100 Polish Zlotys) to be allocated for supplementary capital.

The foregoing Management Board's recommendation as to the allocation of the 2019 profit received the approval of the Supervisory Board on 23 July 2020, nevertheless the final decision regarding the allocation of profit will be taken by the Ordinary General Meeting of Develia S.A..