

(Current Report No. 49/2021)**02/09/2021****Events Having Significant Impact on H1 2021 Profit and Loss**

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

In connection with the H1 2021 consolidated quarterly report, the publication of which has been scheduled for 8 September 2021, the Management Board of Develia S.A. ("the Issuer") inform that:

I.

The Develia S.A. Group have recognised in financial results for H1 2021 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 2021 cumulatively (a period from 01/01/2021 to 30/06/2021):

- 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 18,208,000. 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 8,426,000. 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 30 June 2021, the EUR exchange rate stood at PLN 4.5208, which meant a decrease by PLN 0.0940 compared to the EUR exchange rate published on 31 December 2020, which amounted to PLN 4.6148), on the consolidated gross profit or loss of the Group for H1 2021 totalled PLN 9,782,000 and resulted in a reduction in the consolidated gross profit by the said amount.

2) For Q2 2021 (a period from 01/04/2021 to 30/06/2021):

- 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 27,022,000. 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 12,200,000. 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 30 June 2021, the EUR exchange rate stood at PLN 4.5208, which meant a decrease by PLN 0.1395 compared to the EUR exchange rate published on 31 March 2021, which amounted to PLN 4.6603), on the consolidated gross profit or loss of the Group for Q2 2021 totalled PLN 14,822,000 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 companies.

II.

Furthermore, the Develia S.A. Group recognised in its financial results for H1 2021 amounts resulting from:

- Expenditure incurred on investment property in the total amount of PLN 1,036,000;
- Settlements in respect of linearisation of lease revenue in the amount of PLN 754,000.

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

The impact of the recognition of the changes referred to hereinabove on the consolidated gross profit or loss of the Group for H1 2021 (excluding the impact of the change in the EUR exchange rate described in section I above) totalled PLN 1,790,000 and resulted in a reduction in the consolidated gross profit by the said amount.

III.

Develia S.A. recognised in the financial results for H1 2021 substantial amounts having a significant impact on the financial gross profit or loss in the period, in respect of:

- Dividends received and share in profit, the total amount of which, as disclosed in the H1 2021 statement of comprehensive income was PLN 90,869,000; An amount of PLN 64,890,000 was recognised in the company's result for Q2 2021;
- A change in the amount of write-downs on the Issuer's shares held in subsidiaries in the amount of PLN 4,563,000. The said amount will decrease the Issuer's separate gross results for H1 2021. An amount of PLN 9,096,000 was recognised in the company's result for Q2 2021, leading to the gross result being decreased.

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.