

(Current Report No. 59/2020)**04/11/2020****Events Having Significant Impact on Profit/Loss for Q3 2020**

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

Develia S.A.'s Management Board In conjunction with the consolidated report for Q3 2020, the publication of which has been scheduled for 16 November 2020, the "the Issuer" informs that:

I.

The Develia S.A. Group have recognised in financial results for Q3 2020 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 three quarters of 2020 cumulatively (a period from 01/01/2020 to 30/09/2020):

- An increase in the fair value of investment property, the valuation of which is made in EUR and translated into PLN, in an amount of PLN 67,446,000. 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 an amount of PLN 21,292,000. 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 September 2020, the EUR exchange rate stood at PLN 4.5268, which meant an increase by PLN 0.2683 compared to the EUR exchange rate published on 31 December 2019, which amounted to PLN 4.2585), on the consolidated gross profit or loss of the Group for three quarters of 2020 totalled PLN 46,154,000 and resulted in an increase in the consolidated gross profit by the said amount.

2) For Q3 2020 (a period from 01/07/2020 to 30/09/2020):

- An increase in the fair value of investment property, the valuation of which is made in EUR and translated into PLN, in an amount of PLN 14,273,000. 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 an amount of PLN 3,760,000. 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 September 2020, the EUR exchange rate stood at PLN 4.5268, which meant a decrease by PLN 0.0608 compared to the EUR exchange rate published on 30 June 2020, which amounted to PLN 4.4660), on the consolidated gross profit or loss of the Group for Q3 2020 totalled PLN 10,513,000 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 companies.

II.

In the period of three quarters of 2020, the Group incurred expenditures on investment property in a total amount of PLN 15,811,000, of which PLN 2,286,000 was recognised for Q3 2020. The said amount was disclosed under "Profit/(Loss) on Investment Property" and resulted in a reduction in the consolidated gross profit.

In the period of three quarters of 2020, the Group made settlement in respect of linearisation of lease revenue in an amount of PLN 6,369,000, of which PLN 1,793,000 was recognised for Q3 2020. The said amount was disclosed under "Profit/(Loss) on Investment Property".

III.

Develia S.A. recognised in the Q3 2020 financial results a change in the value of write-downs of Issuer's shares in subsidiaries in an amount of PLN 834,000. The said amount will increase the Issuer's separate financial result for Q3 2020.

The foregoing change has no effect on the consolidated financial statements of the Develia S.A. Group.

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.