

(Current Report No. 61/2021)**05/11/2021****Events Having Significant Impact on Profit/Loss for Q3 2021**

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

Develia S.A.'s Management Board In conjunction with the consolidated report for Q3 2021, the publication of which has been scheduled for 16 November 2021, the "Issuer" informs that:

I.

The Develia S.A. Group have recognised in financial results for Q3 2021 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 2021 cumulatively (a period from 01/01/2021 to 30/09/2021):

- 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 3,505,000. 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 654,000. 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 2021, the EUR exchange rate stood at PLN 4.6329, which meant an increase by PLN 0.0181 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 three quarters of 2021 totalled PLN 2,851,000 and resulted in an increase in the consolidated gross profit by the said amount.

2) For Q3 2021 (a period from 01/07/2021 to 30/09/2021):

- 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 21,713,000. 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 9,080,000. 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 2021, the EUR exchange rate stood at PLN 4.6329, which meant a decrease by PLN 0.1121 compared to the EUR exchange rate published on 30 June 2021, which amounted to PLN 4.5208), on the consolidated gross profit or loss of the Group for Q3 2021 totalled PLN 12,633,000 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.

Furthermore, the Develia S.A. Group recognised in its financial results for three quarters of 2021 cumulatively the following amounts resulting from:

- A change in the fair value of the investment property called "Sky Tower" that followed from entering into a preliminary sale and purchase agreement for the disposal of a share in the ownership right to developed land on which the "Sky Tower" building is erected; consequently, the fair value of the said property as at 30/09/2021 totalled EUR 82,255,000; The impact of the recognition of the real property valuation results in a reduction in the gross profit by PLN 3,452,000;
- Expenditures incurred on investment property in the total amount of PLN 3,787,000;
- Settlements in respect of linearisation of lease revenue in the amount of PLN 2,361,000.

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 aforesaid changes on the consolidated gross profit or loss of the Group for three quarters of 2021 (excluding the impact of the change in the EUR exchange rate described in section I above) totalled PLN 9,600,000 and resulted in a reduction in the consolidated gross profit by the said amount.

III.

Develia S.A. recognised in the financial results for three quarters of 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 statement of comprehensive income for three quarters of 2021 was PLN 90,869,000 (the whole amount recognised in H1 2021);
- A change in the amount of write-downs on shares in the Issuer's subsidiaries in the amount of PLN 765,000. The said amount will increase the Issuer's separate gross profit for three quarters of 2021. An amount of PLN 5,328,000 was recognised in the company's results for Q3 2021, leading to an increase in the gross profit.

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