

**(Current Report No. 24/2020)****13.07.2020****Agreement on the Plan of Merger of Develia S.A. and its subsidiaries – LC Corp Invest XXI Sp. z o.o. and LC Corp Invest XXIV Sp. z o.o.**

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

The Management Board of Develia S.A. ("Issuer"), hereby informs that on 13 July 2020 the Management Boards of Develia S.A. and its subsidiaries - LC Corp Invest XXI Sp. z o.o. with its registered office in Wrocław and LC Corp Invest XXIV Sp. z o.o. with its registered office in Wrocław adopted resolutions on agreement on the Plan of Merger of the Issuer ("Acquiring Company") with the Issuer's subsidiaries - LC Corp Invest XXI Sp. z o.o. with its registered office in Wrocław ("Acquired Company 1") and LC Corp Invest XXIV Sp. z o.o. with its registered office in Wrocław ("Acquired Company 2").

The planned merger will be carried out in compliance with Art. 492(1)(1) of the Code of Commercial Companies and Partnerships ("CCC") by transfer to the Acquiring Company - as the sole shareholder of the Acquired Company 1 and Acquired Company 2 of all assets of the Acquired Company 1 and Acquired Company 2 (merger by acquisition).

The merger will be carried out as an element of the simplification process of the organisational structure of the entire Develia group and implementation of the strategy in accordance with which all development investments are to be carried out by the Acquiring Company. Additionally, the merger will result in concentration of assets held by the Acquired Company 1 and Acquired Company 2 in the Acquiring Company, will simplify and accelerate cash flows and generation of profit by the Acquiring Company, also for the purpose of dividend distribution.

Since all shares in the Acquired Company 1 and all shares in the Acquired Company 2 are held by the Issuer, which is their sole shareholder, the merger will be carried out in compliance with Art. 516(6) in conjunction with (1) and (5) of the CCC, that is:

- a) without issue of shares in the Acquiring Company to the shareholders of the Acquired Company 1 and shareholders of the Acquired Company 2,
- b) without specifying in the Plan of Merger the exchange ratio of shares in the Acquired Companies for shares in the Acquiring Company,
- c) without specifying in the Plan of Merger any principles related to shares in the Acquiring Company,
- d) without specifying in the Plan of Merger the date as of which shares in the Acquiring Company issued to the shareholders of the Acquired Company 1 and shareholders of the Acquired Company 2 will give the right to the Acquiring Company's profit distributions.

Considering that all shares in the share capital of the Acquired Company 1 and all shares in the share capital of the Acquired Company 2 are held by the Issuer and, therefore, the merger is to be carried out in a simplified manner, pursuant to Art. 515(1) of the CCC, the merger will take place without any increase in the Issuer's share capital, and pursuant to Art. 516(6) of the CCC, the Plan of Merger will not be audited for its correctness and reliability and no reports of the management boards of the companies involved in the merger will be made.

Furthermore, pursuant to Art. 499 of the CCC, due to the fact that the Issuer as a public company, has been publishing and disclosing to its shareholders its semi-annual financial statements, it is not required that the Issuer as the Acquiring Company prepares information on its accounting condition made for the merger, as referred to in Art. 499(2)(4) of the CCC and, thus, it has not been made or attached to the merger plan.

Pursuant to the provisions of Art. 500(2)(1) of the CCC, it is not necessary to publish the Plan of Merger in the Monitor Sądowy i Gospodarczy in the manner provided for by the provisions of Art. 500 (2) of the CCC, since on 13 July 2020 the Plan of Merger was published free of charge on the web site of the merging companies at <http://www.develia.pl/> in the "Investors Relations" - "Other" tab. At the same time, the Company publishes the Plan of Merger as an attachment to this Current Report.

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