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Delay of Disclosure of Inside Information: Entering into Agreement and Opening Negotiations on Joint Venture Co-operation

Legal basis: Article 17(1) in conjunction with Article 17(4) of MAR - inside information

Acting pursuant to Article 17(1) in conjunction with Article 17(4) of the Regulation of the European Parliament and of the Council (EU) No. 596/2014 of 16 April 2014 on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/WE (the "MAR"), and having considered the fact that the grounds for delay in the disclosure of inside information ceased to exist, the Management Board of Develia S.A. (the "Issuer") are disclosing the inside information the disclosure of which to the public was delayed by the Issuer on 8 June 2021 under Article 17(4) of the MAR.

The wording of the inside information the disclosure of which was delayed:

The Issuer's Management Board inform that on 8 June 2021 the Issuer made with two entities which are not related to the Issuer (the "Partners") the Memorandum of Understanding of joint venture co-operation with a view to carrying out housing projects in Warsaw and setting up one or more investment companies which will be the owners of rights and obligations arising out of projects (the "MoU") and that upon executing the MoU by the other party – the Partners, i.e. on 11/06/2021, it opened negotiations on joint venture co-operation.

Upon executing the MoU, all the parties thereto entered into negotiations of the terms and conditions of a transaction entailing the creation of a joint venture with a view to carrying out housing estates in Warsaw and setting up one or more investment companies which will be the owners of rights and obligations arising out of projects, and which are to be contributed by one of the Partners while creating one or more investment companies that will be the owners of rights and obligations arising out of the said projects. The projects will derive from the experience of both Partners, and responsibility for operational management will rest with the Partners' team.

The Parties agreed in the MoU that their total capital commitment would amount to PLN 125,000,000, with the Issuer's commitment accounting for 80% and the Partners' – 20%.

The other terms and conditions of the MoU, including those relating to conditions under which the transaction would be effected, do not vary from provisions generally applicable to this type of instruments.

According to the Issuer, the information on entering into the MoU constitutes inside information within the meaning of Article 7 of the MAR, as the transaction, if effected, will be considered by the Issuer a significant transaction on account of its value.

The Issuer is of the opinion that delaying the disclosure of the information on entering into the MoU and opening negotiations on joint venture co-operation to the public has not misled the public, and the Issuer was able to ensure the confidentiality of the inside information the disclosure of which was delayed. The Issuer's Management Board decided to delay the disclosure of the inside information in question, since its immediate disclosure could prejudice the legitimate interests of the Issuer.

Pursuant to Article 17(4) of the MAR, the Issuer, immediately after this report has been published, will inform KNF (the Polish Financial Supervision Authority) that disclosure of the inside information in question was delayed and provide a written explanation of how the conditions for such delay were met.