

**(Current Report No. 52/2021)****13/09/2021****Conclusion of preliminary agreement for the sale of share in the ownership title to the land property developed with the Sky Tower building**

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

The Management Board of DEVELIA S.A. ("Issuer") informs that on 13.09.2021 a subsidiary of the Issuer - Sky Tower S.A. ("ST" or "Seller") - in which the Issuer holds 100% of shares entitling to 100% of votes at the general meeting, concluded with Olimp Investment spółka z ograniczoną odpowiedzialnością with its registered office in Warsaw, a subsidiary of an alternative investment fund managed by Adventum Group (the "Purchaser") a preliminary agreement for the sale of a 79.55% interest in the ownership title to the property developed with a mixed-use building known as Sky Tower, located in Wrocław at 95 Powstańców Śląskich Street, with a total area of approximately 23,798 m<sup>2</sup> (the "Sky Tower Share") (the "Preliminary Agreement"). The remainder of the Sky Tower Share, i.e. 20.45%, will be held by the owners of the separate premises in the Sky Tower building.

The price for the Sky Tower Share has been set on a debt-free and cash-free basis at EUR 84,420,000.00, which will be increased by the applicable VAT and reduced by the value of incentives for tenants under agreements signed prior to the date of the Preliminary Agreement and not paid as at the date of the Final Agreement (the "Final Agreement") and will be paid in full on the date of the Final Agreement (the "Price").

The conclusion of the Final Agreement for the sale of the Sky Tower Share is expected to take place by 31 December 2021, although this deadline may be extended. The conclusion of the Final Agreement will be preceded by the occurrence of a number of circumstances and events, including the fulfilment of conditions precedent, which are, inter alia, receiving pay - off letter issued by the bank crediting the Sky Tower, the tax indemnity insurance or tax ruling regarding the VAT, as well as measures taken regarding the change of the property manager, the confirmation of the services and utility supply agreements indicated in the Preliminary Agreement, conclusion of the new facility agreement on the terms and conditions indicated in the Preliminary Agreement.

The parties may rescind the Preliminary Agreement in cases set forth in the Preliminary Agreement relating to non-performance of the provisions set forth therein. The Preliminary Agreement provides for the possibility of paying contractual penalties in the amount of EUR 3,000,000.00 by both the Purchaser and the Seller in the event of non-fulfilment of conditions precedent through the fault of the Seller or the Purchaser, respectively.

Other conditions of the Preliminary Agreement do not differ from the provisions commonly used in this type of agreements.

Issuer will provide the corporate guarantee up to the amount of EUR 1,000,000.00 increased for the equivalence of potential lease collaterals which secure the Seller's performance of the obligations pursuant to the Preliminary Agreement.

[In the annual financial statements as on 31 December 2020, Sky Tower was presented as an investment property and the balance-sheet valuation of the Sky Tower Share is EUR 83,000,000.00. Pursuant to the fact that the Final Price will be dependent on the number of circumstances, the Issuer will inform about the impact of affect the Issuer's financial result and the consolidated financial result presented in the report regarding the Preliminary Agreement.

This report is based on the significance of the event in terms of the Issuer's business.

In the opinion of the Management Board of the Issuer, this current report constitutes confidential information within the meaning of Article 7 MAR.

Legal basis: Article 17(1) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation) 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/EC ("MAR").