

**(Current report no. 19/2022)****23 March 2022****Signing a letter of intent for a joint venture by the Issuer****Legal basis:** Art. 17 par. 1 of MAR - confidential information

The Management Board of Develia S.A. (the "**Issuer**") hereby informs that on 23 March 2022 the Issuer and Hillwood Polska sp. z o.o. ("**Hillwood**") (the "**Partners**") concluded a Letter of Intent for an intended joint investment involving one or more joint ventures ("**JV**") within a real property in Malin, the commune of Wisznia Mała (the "**Property**"), consisting of the construction of a logistics park (centre) including necessary technical and road infrastructure ("**LOI**").

The LOI sets out the principles for cooperation between the Partners in building the logistics park (centre). The delivery parameters will be based on a business plan adopted by the parties during the negotiations of the joint venture agreement ("JV Agreement") ("Project").

Upon signing the LOI, the owner of the Property is a subsidiary of the Issuer from which the Property will be purchased in stages as the Project progresses. The Issuer estimates that if the Project is delivered as originally assumed, the revenue from the sale of the whole Property will amount to about EUR 34.7 million. The estimated value of sale of the Property comprising land is 132% higher than the present value of the Property recorded in the accounting books of the subsidiary, that is, about EUR 14.9 million.

The condition for the commencement of the Project is a change in the use of land, which will allow using the area for services.

The Partners agree to collaborate in obtaining necessary decisions, the delivery and commercialisation of the Project.

The Project will draw upon the experience of both the Issuer and the Partner, and the Hillwood team will be in charge of operations management. According to the LOI, the Issuer's commitment will be determined in the JV Agreement as 25% and Hillwood's commitment as 75%. The basic scenario estimates that the total capital commitment of the Issuer will amount to ca. EUR 8.7 million and will be fully funded from the sale of the Property to a JV.

The anticipated total value of the Project will exceed PLN 1.5 billion and the completion of the investment is planned within six years from the change of use of the Property.

The JV Agreement will be concluded if the condition precedent is fulfilled, that is, subject to obtaining the consent of the President of the Office of Competition and Consumer Protection for the business concentration through establishment of a joint venture or joint ventures by the Issuer and Hillwood and obtaining relevant corporate approvals by both Partners.

Other provisions of the LOI, including references to the Project delivery terms, do not differ from standard provisions of such agreements.

In the Issuer's opinion, the information on the conclusion of the LOI is confidential information within the meaning of Article 7 of MAR, as a potential delivery of the Project can be relevant for the assessment of the implementation of the Issuer's development projects strategy notified by the Issuer in CR 12/2021 of 18 February 2021 and for the value of the Project.

Legal basis: Article 17 paragraph 1 in connection with article 7 paragraph 1 a), paragraphs 2, 3 and 4 of 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/EC ("MAR") in connection with article 2 and 3 of Commission Implementing Regulation (EU) 2016/1055 of 29 June 2016 r. laying down implementing technical standards with regard to the technical means for appropriate public disclosure of inside information and for delaying the public disclosure of inside information in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council.