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Delayed Disclosure of Inside Information: Signing of Letter of Intent and Entering into Negotiations on Disposal of Real Property "Wola Retro"

Legal basis: Article 17(1) 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/EC (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 13 October 2022 under Article 17(4) of the MAR.

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

The Management Board of Develia S.A. (the "Issuer" or the "Company") inform that on 13 October 2022, the Issuer's subsidiary – LC Corp Invest XVII Spółka z ograniczoną odpowiedzialnością Projekt 22 sp.k. ("P22") – entered into a letter of intent with an international entity investing in commercial real property in relation to the possible disposal of a right of perpetual usufruct to a real property located in Warsaw at Skierniewicka street, on which an office development called "Wola Retro" is built (the "Real Property").

Upon signing the letter of intent, P22 and the purchaser entered into negotiations on the terms and conditions of the disposal of the Real Property. The parties set in the letter of intent a total estimate selling price for the Real Property at EUR 72,500,000, which will be adjusted for parameters determined by the parties.

The preliminary sales and purchase agreement is scheduled to be made not later than until 31 January 2023, whereas the final sales and purchase agreement in Q1 2023. One of the transaction conditions being negotiated includes granting by P22 guarantee for the minimum rent revenue from the tenants of the Real Property in the period of three years of its disposal. The terms and conditions of the letter of intent, including those relating to conditions under which the transaction will be effected, do not vary from provisions which are generally applicable to this type of documents.

According to the Issuer, this information constitutes inside information within the meaning of Article 7 of the MAR, as the transaction, if effected, on account of its value, and the Issuer's business, will be a significant transaction to the Issuer.

The Issuer is of the opinion that delaying the public disclosure of the information on P22 entering into the letter of intent and opening negotiations over the terms and conditions of the disposal of the Real Property with the purchaser 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, specifically, adversely affect the negotiations being conducted.

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.