

Current Report No. **35/2017**

Report Date:

27 July 2017, 8:12 AM

Abbreviated name of the issuer:

DOM DEVELOPMENT S.A.

Subject:

The conclusion of purchase agreements concerning the perpetual usufruct (*long-term leasehold*) right to real properties in Warsaw, shares in a limited liability company and copyrights for documentation

Legal basis:

Article 17.1 of the Market Abuse Regulation – inside information

The Report:

The Management Board of Dom Development S.A. with its registered office in Warsaw (the "Company") announces that on 27 July 2017 a preliminary purchase agreement and conditional purchase agreement concerning the perpetual usufruct of real properties located in the Żoliborz District, Warsaw were entered into by the Company and Acciona Nieruchomości Żoliborz sp. z o.o.

The Management Board further announces that on 27 July 2017 a conditional purchase agreement for 100% of shares in the share capital of the company under the business name of Mirabelle Investments sp. z o.o. with its registered office in Warsaw, that is an addressee of administrative decisions and holder of copyrights for the documentation as well as a party to the contracts that are necessary to develop a housing project on the said real properties, were entered into by the Company, and with Alicionak spółka z ograniczoną odpowiedzialnością spółka komandytowa (limited partnership) with its registered office in Warsaw and Fasby Bears Sociedad Limitada with its registered office in La Coruña, Spain.

Moreover, on 27 July 2017 the Company entered into a conditional purchase agreement with Apricot Capital Group sp. z o.o. with its registered office in Warsaw and Mirabelle Investments sp. z o.o. with its registered office in Warsaw, concerning rights in a development project that may be developed on the said properties, and signed an agreement with Mirabelle Investments sp. z o.o., concerning a waiver by the said company of its rights to the real properties concerned.

The total amount of the fees that the Company has committed to pay to the above mentioned companies under the said agreements is not more than PLN 184,606,000.00 (in words: one hundred and eighty-four million six hundred and six thousand zlotys) net.

The provisions of the said agreements do not differ from standards commonly used in such agreements.

The conditional purchase agreement concerning the perpetual usufruct right to the said real property was entered into under the condition precedent that the President of the Capital City of Warsaw does not exercise their pre-emptive right. Whereby the conditional purchase agreement concerning 100% of shares in share capital of the company under the business name of Mirabelle Investments sp. z o.o. was entered into inter alia under the condition precedent of the Company purchasing the perpetual usufruct in the real property. In turn, the conditional purchase agreement concerning rights in a development project was entered into inter alia under the condition precedent of the Company purchasing 100% of shares in Mirabelle Investments sp. z o.o. The Company will announce in a separate report whether the above listed conditions have materialised or not.

All these agreements were signed in order for the Company to acquire the perpetual usufruct right to the real properties located in the Żoliborz District, Warsaw, and the rights in the documentation prepared under predevelopment of a real property project, with a view to develop a housing project by the Company. It is not the Company's intention to carry out operations through Mirabelle Investments sp. z o.o. The area of the real properties concerned is 43,603 sq.m. The Company intends to develop a multi-stage development project with approximately 1350 units on the said real property.

The information about the said sales agreement was qualified by the Management Board as insider information in accordance with the definition in Article 7 Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) 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 (Journal of Laws EU L 173 from 12.06.2014, the "MAR"), due to the substantial transaction value, compared to the Company's scale, and the size and value of the planned project.

Signatures of persons representing the Company:

Jarosław Szanajca – President of the Management Board

Janusz Zalewski – Vice President of the Management Board