

Current Report No. 33/2017 of 23/11/2017

Receipt of a third party opinion which may influence the residential premises delivery process

The Management Board of INPRO S.A. (the "Company") with its registered office in Gdańsk informs that in relation to receipt of an occupancy permit for stage I of a residential estate being built as part of the *Harmonia Oliwska* property development project, the Company advised Telewizja Polska S.A. with its registered office in Warsaw and the Branch of TVP S.A. in Gdańsk (further TVP S.A.) of the Company's intention to commence, in the last week of November 2017, the handover of the premises to their buyers in conformity with Article 27 of the Act of 16 September 2011 *on the protection of the rights of a flat and single family house buyer* (i.e. Dz.U. [*Journal of Laws*] 2016, item 555) (in accordance with which provision, "*The transfer of the right referred to in Article 1 to the buyer shall be preceded by an acceptance inspection of residential premises or a single-family house by the buyer, which acceptance inspection shall take place upon notice of the completion of the construction of the single-family house, given the lack of an objection of a competent body, or on the basis of a decision on an occupancy permit*"). The piece of information in question has been provided to give an early warning of heavier vehicular and pedestrian traffic on the premises of TVP S.A. on which the servitude of trespass by vehicle and on foot has been established (as recorded in land and mortgage register No. GD1G/00257355/2) to the grounds covered by the property development project mentioned above, such a servitude established on the basis of the agreement entered into by the Company with TVP S.A., comprised by the notarised deed, Register A No. 9854/2013 of 30/09/2013, made before Renata Górská of the Notary Public Office in Gdańsk, ulica Stolarska 4B/1, referring the the acquisition by the Company of the rights to real property at which the above-mentioned project is being implemented, about which the Company advised in current report No. 39/2013 of 01/10/2013. On 22/11/2017 in the afternoon, the Company received a letter signed by the Director of the Branch of TVP S.A. in Gdańsk, which contains information that, in the opinion of the signatory of the letter, the members of the Management Board and proxies of INPRO S.A. are the persons authorised to exercise the rights under the servitude of trespass by vehicle and on foot across real property of TVP S.A., which is unspecified in that letter. As the letter is laconic and does not specify the numbers of the items of real property or their land and mortgage registers, and fails

to identify the authority of the signatory to issue an opinion on behalf of TVP S.A., the letter had to be explained and made more specific. On 23/11/2017 the Company contacted the branch of TVP in Gdańsk and obtained information confirming that the letter referred to the servitude specified in the above-mentioned land and mortgage register. The Company also received information that TVP S.A. stopped construction traffic servicing the Company projects across the grounds covered by the servitude, which traffic used to be unobstructed.

Bearing the above circumstances in mind, the Company provides this information as the activities of the entity whose real property is encumbered with the servitude in question may reasonably indicate that this legal person may, at the point of delivery of the premises to the Company's customers, take actions preventing the use of that servitude by the Company's customers until the transfer of the title to the premises with a share in the common real property in the meaning of the Premises Ownership Act of 24 June 1994 comprising, among other things, the rights to land covered by the servitude described above.

The above may, potentially, delay the delivery of the premises to the Company's customers in conformity with the provisions of the act mentioned above and so cause the reactions of the customers and of the public which are difficult to foresee. This, in turn, may affect the Company's financial result for 2017 as the revenues at the Company's part arises upon the delivery of the premises to the buyer. The *Harmonia Oliwska* property development project is one of the Company's major projects at the moment and the level of delivery of the premises at that location may affect the Company's profit for 2017 even significantly. The Company emphasizes that, in its opinion, the position presented by the entity whose real property is encumbered with the servitude in question is legally unreasonable from the point of view of the regulations pertaining to the scope of exercise of real servitudes, including those of trespass by vehicle and on foot, and from the point of view of the relevant judicial decisions. The Company shall take legal actions aiming at explaining the situation and inform about the progress in this matter. The Company is also taking steps aimed at arriving at solutions enabling unobstructed acceptance inspections of the premises at the *Harmonia Oliwska* project.

Detailed legal grounds: Article 17 par. 1 of the Regulation of the European Parliament and of the Council (EU) No 596/2014 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 (also referred to as the MAR)