

CURRENT REPORT 28/2019

2019-12-03

Negative decision on the issue of the occupancy permit for the Azymut estate

The Management Board of INPRO SA with its registered office in Gdańsk (the "Company") informs that late afternoon on 02/12/2019 the Company received a decision from the County Construction Supervision Inspector in Gdynia on the refusal to issue the occupancy permit for the Azymut estate comprising seven multi-family buildings with infrastructure, Wielkopolska / Strzelców streets in Gdynia. The occupancy permit application was filed by the Company on 10/10/2019. Upon request dated 25/10/2019 from the authority, the Company completed the documentation specified by the authority on 12/11/2019.

In its negative decision, the authority indicated that in its legal opinion the investor did not attach the relevant certifications and as-built documentation (specified in that decision), which constituted the grounds for the refusal of a decision on the occupancy permit.

INPRO SA informs that it is working intensely on the legal analysis of that issue, which will be the basis for a decision on further steps i.e. whether an appeal will be filed against the negative decision or a new occupancy permit application will be filed. Pursuant to the decision of the County Construction Supervision Inspector in Gdynia, INPRO SA has 14 days for filing the appeal.

The preliminary financial analysis of this event, which is the failure to obtain the occupancy permit (this means that the premises cannot be delivered to the buyers, such delivery being the basis for the booking of the project revenues in 2019) has been conducted today. The analysis shows that the negative decision will affect the level of net revenues and profits. It follows from the current analysis of the Company's position, however, that the level of net revenues and profits of the INPRO company should not be lower by more than 10 % against the results of INPRO SA for 2018. If the results of the other Group companies for the current year are taken into consideration, the profit of the entire Corporate Group in 2019 should not differ considerably from that in 2018, either.

We are making every effort to secure the interests of all those persons who purchased living premises at the Azymut estate. It is our aim to procure the occupancy permit for the estate and deliver the premises to the buyers as quickly as possible.

The Company undertakes to report on the further progress of the occupancy permit decision procurement process.

Detailed legal grounds: Article 17 para. 1 of the Regulation of the European Parliament and of the Council (EU) No 596/2014 of 16 April 2014 on market abuse (the 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)