

Current report No. 32/2015 of 17/07/2015
Signing of a significant agreement with a consortium of banks

The Management Board of INPRO S.A. (the "Company") with its registered office in Gdańsk informs that on 16 July 2015 the Company signed a working capital credit agreement No. GD/43/UK01/2015 with the consortium of banks: SGB - Bank S.A. ("SGB") with its registered office in Poznań and Bank Spółdzielczy with its registered office in Pruszcz Gdański ("BS"), both further collectively called the "Bank," on the following conditions:

1. Object of the agreement: financing of the construction of the Wróbla Staw estate of multi-family buildings (stage I) in Gdańsk, the Jasiień district (this is the second credit financing this property development project).
2. Significant conditions of the agreement: The agreement between the Company and the Bank contains standard provisions and is a typical agreement concluded in transactions of that kind. It contains, without limitation, the following provisions:
 - a) Credit amount: up to PLN 5,000,000.00.
 - b) The credit amount in item 1 above is granted by the consortium of the Banks described above in the following proportions:
 - a) SGB-Bank S.A. in the amount of PLN 2,500,000.00
 - b) Bank Spółdzielczy in Pruszcz Gdański in the amount of PLN 2,500,000.00, and the claims of each of those banks in relation to the credit granted are separate and they are not joint and severable.
 - c) The financial conditions do not deviate from those commonly used for that type of agreements: the credit interest rate is based on 3 M WIBOR + the Bank's margin; there is an arrangement fee.
 - d) Credit use: until 30/12/2015.
 - e) Credit transaction period: until 31/12/2016.
 - f) Repayment conditions: the principal repaid in 4 equal quarterly instalments commencing from 31/03/2016; interest repaid on a monthly basis.
 - g) In addition to establishing legal security for credit repayment and the payment of the arrangement fee, the credit launch conditions include: the submission of a resolution by the Supervisory Board expressing consent to the establishment of the mortgage. As regards the mortgage, the confirmation of filing with a court of a paid-for application for the entry of the mortgage is a credit launch condition.
3. Legal security for credit repayment:
 - a) Contractual mortgage on the basis of the equal priority principle for SGB: up to the amount of PLN 5,000,000.00 and up to PLN 5,000,000.00 on the ownership right to plots belonging to the Wróbla Staw Multi-Family Buildings project, stage I, located in Gdańsk, Jasińska street, such plots covered by land and mortgage register No. GD1G/00268666/5 kept by the Gdańsk-North District Court in Gdańsk, 3rd Land and Mortgage Register Division, to secure the repayment of the principal and secondary liabilities: bank commissions, interest and debt collection and enforcement costs.

As the total value of the mortgages will be higher than the Polish zloty equivalent of 1,000,000 euros converted with reference to the average rate published by the National Bank of Poland binding on the date of the rise of the obligation to provide information, INPRO S.A. will submit a relevant report on the establishment of those mortgages.

- b) Assignment of rights following from insurance policies for the real estate being credited in favour of the Bank.

The object of the claim transfer agreement is the transfer in favour of each of the banks participating in the consortium (pro rata to their share in the credit facility) of a cash claim following from the insurance agreement in the period of the construction works: construction/assembly risks, policy No. AE 000323. The policy was signed with InterRisk Vienna Insurance Group S.A. on 12/07/2013 (plus three annexes), and provides the cover for the maximum amount of PLN 24,958,418.00, while being valid until 31/01/2016. The assignment will also concern each subsequent insurance agreement, which is the continuation of policy No. AE 000323. When the occupancy permit has been obtained, the object of the assignment will be insurance against fire, other elements and other misfortunes.

The Company considers the above-mentioned claim transfer agreement to be significant because its value, together with the other agreements concluded with the Bank, exceeds 10% of INPRO S.A.'s equity.

- c) Two blank promissory notes with a promissory note declaration and the Company's two statements on submission to enforcement under the note – one promissory note with a declaration and statement for each of the banks comprised by the consortium.
- d) A power of attorney to the Company's current account kept at SGB for the benefit of SGB.
- e) An assignment of claims from the Company's current account kept at SGB in favour of BS.
4. Additional conditions: the obligation to advise the Bank of contracting a credit-like liability, e.g. a credit, loan, surety, guarantee, promissory note and other balance-sheet and off-balance-sheet liabilities; the obligation to obtain the Bank's consent to establishing any kind of encumbrance (including a mortgage) on the real estate covered by land and mortgage register No. GD1G/00268666/5; the unmortgaged detachment of the premises will take place on condition that their total value was paid by the acquirer; the submission of an appraisal survey of the real estate being credited within 3 months from project completion, and every 34 months, and also if the market value of the real estate decreases by at least 10%. The obligation to put the annual turnover of min. PLN 15,000,000 through bank accounts at SGB-Bank S.A. The Company is to submit an up-to-date real estate tax clearance statement within 14 days from the date of signing the agreement.
5. If credit repayment is late, the Bank will collect interest on the outstanding amount for the period from the day following the deadline until the payment with reference to the interest rate for overdue credit.
6. The agreement contains the Company's statement on voluntary submission to enforcement on the basis of the bank enforcement title with regard to any of the Bank's claim under the credit agreement; each of the Banks may, however, issue a bank enforcement title up to the debt amount being not higher than PLN 5,000,000.00 and request a writ of execution for that title until 31/12/2019.
7. The credit agreement does not contain other special conditions deviating from those commonly used in agreements of that kind or provisions pertaining to penalties, whose value would exceed 10 % of the value of that agreement or the equivalent of 200,000 euros with reference to the average rate published for a given currency by the National Bank of Poland and binding on the date of conclusion of that agreement.

8. The Management Board of INPRO S.A. made a decision on the selection of the credit offer by the Bank on 13/07/2015. At the same time the Company informs that the assumptions to the provisions contained in the credit agreement were reported by way of the confidential report of 13/07/2015 titled: Selection of the working capital credit offer.

The significance criterion for agreements is the total value of the object of agreements entered into with SGB-Bank S.A. and Bank Spółdzielczy in Pruszcz Gdański during the last 12 months, which exceeds 10% of the Company's equity.

During the last 12 months the INPRO S.A. Group signed agreements for the total amount of PLN 67,916,836 with SGB - Bank S.A.

During the last 12 months the INPRO S.A. Group signed agreements for the total amount of PLN 29,958,418 with Bank Spółdzielczy in Pruszcz Gdański.

The assignment agreement described in item 3 b) of this report has the greatest value among those concluded within the last 12 months.

Detailed legal grounds: § 5 par. 1 item 3 of the Regulation of the Minister of Finance of 19 February 2009 on current and periodic information submitted by the issuers of securities and on the conditions for regarding information required by the law of a non-member state as equivalent (Dz. U. [*Journal of Laws*] of 2009, No. 33, item 259 of 28 February 2009, as amended).