

***Current Report No. 23/2016 of 14/07/2016***

***Conclusion by INPRO S.A. 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 14 July 2016 the Company signed working capital credit agreement No. OBRKK/6/2016/35239 with the consortium of banks: SGB - Bank S.A. with its registered office in Poznań ("SGB"), Bank Spółdzielczy in Tczew with its registered office in Tczew ("BST") and Bank Spółdzielczy in Pruszcz Gdański with its registered office in Pruszcz Gdański ("BSP"), all further collectively called the "Bank," on the following conditions:

1. Object of the agreement: financing of the construction of the OPTIMA estate of multi-family buildings, stage I, in Gdańsk, Stężycka street.
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 22,500,000.00.
  - b) The credit amount in item 1 above is granted by the consortium of the Banks described above in the following proportions:
    - i. SGB-Bank S.A. in the amount of PLN 15,000,000.00
    - ii. Bank Spółdzielczy in Tczew in the amount of PLN 1,500,000.00
    - iii. Bank Spółdzielczy in Pruszcz Gdański in the amount of PLN 6,000,000.00and 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. The credit margin will increase by 1 p.p. if INPRO does not submit a legally binding entry of the mortgage.
  - d) Credit transaction period: until 31/12/2018, launched in tranches.
  - e) Repayment conditions: the principal repaid in 4 equal quarterly instalments payable from 31/03/2018; interest repaid on a monthly basis. If the premises constituting credit security are sold, an early partial credit repayment will take place in the amount min. 70% of the price for the premises sold.
  - f) In addition to establishing legal security for credit repayment and the payment of the arrangement fee, the credit launch conditions include: making a statement on submission to enforcement in the manner prescribed by Article 777 §1 item 5) of the Civil Procedure Code drawn up as a notarised deed: for SGB up to the amount of PLN 22,500,000, for BSP up to the amount of PLN 9,000,000 and for BST up to the amount of PLN 2,250,000; documenting the buyer's capital contribution in the amount of 20.89% of the project costs. As regards establishing the mortgage, the confirmation of filing at a court of a paid-for application for the entry of the mortgage will be a credit launch condition.
3. Legal security for credit repayment:
  - a) Contractual mortgage on the basis of the equal priority principle for the mortgages: up to the amount of PLN 22,500,000.00 for SGB, and up the amount of PLN 9,000,000 for BSP and up to the amount of PLN 2,250,000.00 for BST on the ownership right to land located in Gdańsk, Stężycka Street, covered by

land and mortgage register No. GD1G/00049979/1 to secure the repayment of the principal and secondary liabilities: bank commissions, interest and debt collection and enforcement costs.

On 28/06/2016 the Supervisory Board adopted a resolution on which it expressed its consent to the establishment of the mortgage.

As the mortgage to be established on the real estate will be for the amounts described above, and consent to its establishment is required from the Supervisory Board in conformity with the rules of the Company's Statutes, INPRO S.A. will submit a relevant report on the establishment of those mortgages.

- b) Assignment of rights following from the insurance policy for the real estate being the object of the security.
  - c) Three blank promissory notes – one for each of the banks being the members of the consortium,
  - d) A statement by INPRO S.A. on submission to enforcement in the manner prescribed by Article 777 §1 item 5) of the Civil Procedure Code: up to the amount of PLN 22,500,000 for SGB-Bank SA, up to the amount of PLN 9,000,000 for BSP and up to the amount of PLN 2,250,000 for BST, drawn up as a notarised deed
  - e) A power of attorney to the Company's current account and open escrow account kept at SGB in favour of SGB,
  - f) The assignment of claims from the Company's current account and open escrow account kept at SGB in favour of the Cooperative Banks (Bank Spółdzielczy).
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 constituting the repayment legal security; the unencumbered detachment of the premises will take place on condition that their total value was paid by the acquirer and after the partial credit repayment has taken place in the amount of min. 70% of the price of the premises sold; the submission every 34 months of an appraisal survey of the real estate being credited The obligation to put the annual turnover of min. PLN 15,000,000 through bank accounts at SGB-Bank S.A. Each launch of the funds from the escrow account will reduce the total amount of the credit granted by the amount of the funds paid out. The launch of the next tranches will take place on the basis of prefinancing the next construction stages.
  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 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.
  7. The Management Board of INPRO S.A. made a decision on the selection of the credit offer by the Bank on 27/06/2016. 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 28/06/2016 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 Tczew 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 33,500,000 with SGB-Bank S.A.

During the last 12 months the INPRO S.A. Group signed agreements for the total amount of PLN 28,500,000 with Bank Spółdzielczy in Tczew.

During the last 12 months the INPRO S.A. Group signed agreements for the total amount of PLN 27,500,000 with Bank Spółdzielczy in Pruszcz Gdański.

The agreement described in this current report has the greatest value among those concluded within the last 12 months.

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)