

***Current Report No. 46/2015 of 01/12/2015***

***Signing of a significant agreement with Powszechna Kasa Oszczędności Bank Polski S.A.***

The Management Board of INPRO S.A. (the "Company") with its registered office in Gdańsk informs that on 30 November 2015 the Company signed annexe No. 1 to revolving working capital overdraft agreement No. 86 1020 1811 0000 0902 0014 7769 of 03/12/2014 (described in current report No. 44/2014 of 04/12/2014) with Powszechna Kasa Oszczędności Bank Polski S.A. with its registered office in (02-515) Warsaw, ul. Puławska 15, recorded in the Register of Entrepreneurs by the District Court for the Capital City of Warsaw, 13<sup>th</sup> Business Division of the National Court Register, under number KRS 0000026438 (the "Bank," "PKO BP"). The agreement was renewed on the following conditions:

1. Object of the agreement: revolving overdraft facility for the coverage of liabilities following from the economic activity.
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 10,000,000.00.
  - b) The financial conditions do not deviate from those commonly used for that type of agreements: the credit interest rate is based on 1 M WIBOR + the Bank's margin; there are commissions for application review, consultation, credit award, administration and the unused credit amount.
  - c) Credit use: 12 months from 03/12/2015, a revolving credit.
  - d) Credit transaction period: 12 months, until 02/12/2016.
  - e) Repayment conditions: a one-off principal repayment at the end of the credit period; interest repaid on a monthly basis.
3. Legal security for credit repayment is **as before**, that is:
  - a) First charge contractual mortgage for PKO BP up to the amount of PLN 15,000,000.00 on the 5799/10000 share of INPRO S.A. on the perpetual usufruct right to real estate located in Gdańsk, Opata Jacka Rybińskiego street, plot No. 385/1, developed, covered by land and mortgage register No. GD1G/00068140/0 kept by the Gdańsk-North District Court in Gdańsk, 3<sup>rd</sup> Land and Mortgage Register Division, to secure the repayment of the principal and secondary liabilities: bank commissions, interest and debt collection and enforcement costs.
  - 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 to the Bank of a cash claim following from the property insurance agreement for enterprises, confirmed by an insurance policy issued by TUiR Allianz Polska S.A.:

- insurance policy No. 000-15-002-00122846 of 04/03/2015 covering within the scope of insurance the amount of PLN 14,330,630.59, valid until 04/03/2016, the object of the transfer being the part of the claim constituting the insured sum comprising the replacement value of the office building at ul. Opata Jacka Rybińskiego 8 in Gdańsk, up to the amount of PLN 5,272,000. It was indicated in the scope of the claim transfer that the transfer also comprises any subsequent insurance agreements which are the continuation of that policy, and confirmed by the next policy.

The claim transfer agreement of 01/04/2015 (described in current report No. 14/2015 of 01/04/2015) contain standard provisions and is a typical agreement concluded in transactions of that kind. The assignment 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.

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

- c) A blank promissory note with a promissory note declaration.
  - d) A contractual right to compensate PKO BP's claim in relation to a credit transaction with a claim of the bank account holder against PKO BP.
  - e) A statement on submission to enforcement on the basis of Article 97 of the Banking Law.
4. Additional conditions: within 7 days from signing the annexe to the credit agreement, INPRO S.A. is obliged to file a notarised statement on submission to enforcement under Article 777 par. 1 item 5) of the Code of Civil Procedure. The obligation to notify the Bank of an intention to contract a liability of a credit nature and grant a loan, surety or guarantee; the Bank has the right to express a negative opinion within 30 days; the obligation to advise of planned payments out of profit; the obligation to maintain the net debt / EBITDA ratio at the maximum level of 3.5. Running 100% turnover at the current account at PKO BP less turnover related to the implementation of property development projects. The reduction of the total share in the share capital or the number of votes belonging to Piotr Stefaniak, Zbigniew Lewiński and Krzysztof Maraszek causing the loss of the control package or below 51% will be the basis for the termination of the credit agreement by the Bank. The Bank will have the right to terminate the credit agreement in the event that, in the Bank's opinion, the amount of the dividend stemming from the motion by the Management Board addressed to the general meeting, the dividend being designated for the payment for each accounting year (in the period in which the credit agreement is effective) means a threat to the punctuality of the repayment of the liabilities towards the Bank, and the Company failed to take the Bank's opinion into account and did not change that amount, and also when the amount of the dividend actually paid, on the basis of the resolution of the general meeting, poses a threat to the punctuality of the payment of the liabilities towards the Bank.
  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 Management Board of INPRO S.A. made a decision on the selection of the credit offer by PKO BP S.A. on 27/11/2015.
  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.

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 27/11/2015 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 the Bank 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 value of PLN 60,544,630.59 with PKO BP.

Among agreements concluded within the last 12 months, the greatest value is attached to annexe No. 4 to investment credit agreement No. 59 1020 1811 0000 0796 0048 7611 of 05/09/2011 r. as amended, on the basis of which INPRO S.A.'s subsidiary, Hotel Mikołajki Sp. z o.o., was granted a credit in the amount of PLN 36,214,000.00 for the partial financing of the construction of the hotel and apartment complex in Mikołajki. The annexe was described in current report No. 25/2015 of 25/06/2015.

In accordance with the signed annexe, the following conditions of the credit agreement were amended:

- An additional security for the credit agreement was established in the form of granting by INPRO S.A. of a credit repayment surety with the guarantor subjecting itself to an enforcement procedure by way of a notarised deed in the manner prescribed by Article 777 § 1 item 5 of the Code of Civil Procedure (up to PLN 28,784,717.44),
- An additional security for the credit agreement was established in the form of the Borrower subjecting itself to an enforcement procedure by way of a notarised deed in the manner prescribed by Article 777 § 1 item 5 of the Code of Civil Procedure (up to PLN 57,034,607.62),
- The contents of the description of the mortgage security was put in order by adding the current numbers of land and mortgage registers with the numbers of plots constituting the legal security for credit repayment.
- The Bank gave consent to the "conversion" of the loans granted to Hotel Mikołajki by INPRO S.A. and of unpaid invoices for the general contractor services (up to the total amount of PLN 35,149,757.52) for the returnable additional payments towards capital, which will be effected by INPRO S.A. after the General Meeting of Hotel Mikołajki Sp. z o.o. adopted a relevant resolution regarding the obligation to make additional payments. The partial reimbursement of the additional payments may take place upon the Bank's consent provided that the Borrower jointly achieved the specified financial ratios calculated on the basis of the annual financial statements approved by the auditor;
- The Bank expressed consent to the use of the funds on the separate revenue account (the total of PLN 2,585,157.73) from the sale of apartments for the implementation of a project in the form of an enclosed pedestrian bridge connecting the hotel building on the Birds' Island on Lake Mikołajskie with land. The control of the launch of the funds will be exercised by an independent technical adviser approved by the Bank;
- The Bank gave consent to the payment to Hotel Mikołajki Sp. z o.o. of the subsequent revenues from the sale of apartments (above the amount of PLN 2,585,157.73) to the current account.

The annexe to 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.

The Company considers the above-mentioned agreement to be significant because its value exceeds 10% of INPRO's equity.

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).