

***Current Report No. 24/2016 of 22/09/2016***

***Conclusion by INPRO S.A. of significant agreements with Alior Bank S.A.***

The Management Board of INPRO S.A. (the "Company") with its registered office in Gdańsk informs that on 22 September 2016 the Company signed two working capital credit agreements with Alior Bank S.A. with its registered office in Warsaw (the "Bank") on the following conditions:

**I. Overdraft agreement No. U0003114448309:**

1. Object of the agreement: financing the current activities including refinancing the Company's debt at PKO BP S.A. in relation to the overdraft facility in the amount of PLN 10,000,000.00.
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 16,000,000.00.
  - b) The financial conditions do not deviate from those commonly used for that type of agreements: the credit interest rate is based on 3 M WIBOR + the Bank's margin; there is an arrangement and involvement fee.
  - c) Credit transaction period: until 21/09/2017.
  - d) Repayment conditions: a one-off principal repayment at the end of the credit use period; interest repaid on a monthly basis.
  - e) 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 as appropriate in the manner prescribed by Article 777 of the Civil Procedure Code, such a statement drawn up as a notarised deed for the Bank up to PLN 32,000,000.00; the submission of current tax and social security premium clearance certificates from the Social Security Agency, Tax Office and City Hall (with regard to real estate tax, such certificates forming credit security); submission of a document confirming the termination of the overdraft agreement with PKO BP S.A. 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.
  - f) Legal security for credit repayment:
    - i. Joint mortgage up to PLN 25,075,000.00 for the Bank on the following:
      1. First on the ownership title to land located in Gdańsk, Myśliwska Street, covered by land and mortgage register No. GD1G/00036115/3,
      2. On target basis, first on the 5799/10000 share in the perpetual usufruct right to developed land in Gdańsk, 8 Opata Jacka Rybińskiego Street, covered by land and mortgage register No. GD1G/00068140/0,
      3. first on the ownership title to non-residential premises in Gdańsk, Opata Jacka Rybińskiego Street, covered by land and mortgage register No. GD1G/00083407/1,
      4. first on the ownership title to land located in Gdańsk, Jana Pawła II Street, covered by land and mortgage register No. GD1G/00261401/1,

to secure the repayment of the principal and secondary liabilities: bank commissions, interest, and debt collection and enforcement costs.

On 19/09/2016 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 items of real estate will be for the amount 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 the mortgage.

- ii. The assignment of rights for the Bank under the insurance policy regarding the real estate located in Gdańsk, 8 Opata Jacka Rybińskiego Street.
  - iii. Statement by INPRO S.A. on the submission to enforcement in the appropriate manner prescribed by Article 777 of the Civil Procedure Code up to PLN 32,000,000 for Alior Bank S.A., such a statement drawn up as a notarised deed,
  - iv. Power of attorney to the current account at the Bank and to the Borrower's other bank accounts which exist and will be opened at the Bank.
3. 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 presentation of an updated valuation survey for the real estate in Gdańsk, Jana Pawła II Street, within 3 months from the credit launch. The obligation to transfer all proceeds (except those strictly related to property development projects financed by other banks) through bank accounts at Alior Bank S.A.; the minimum level of monthly proceeds being PLN 3,400,000. The obligation to retain not less than 50% of net profit at the Company and maintain the capitalization ratio at the level not lower than 25%.
4. 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.
5. 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.

## **II. Non-revolving credit agreement No. U0003114457054:**

1. Object of the agreement: financing of the current activity, including the refinancing of the purchase of plot No. 223/18 in Gdańsk, Opacka 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 7,500,000.00.
  - b. The financial conditions do not deviate from those commonly used for that type of agreements: the credit interest rate is based on 3 M WIBOR + the Bank's margin; there is an arrangement fee.
  - c. Credit transaction period: until 31/12/2018.
  - d. Repayment conditions: the principal repaid in equal monthly instalments (including the last balancing payment), interest repaid on a monthly basis.

- e. In addition to establishing legal security for credit repayment and the payment of the arrangement fee, the credit launch conditions will include: the submission of up-to-date tax and social security premium clearance certificates from the Social Insurance Agency, Tax Office and City Hall (with regard to tax on the real estate constituting credit security). 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.
- f. Legal security for credit repayment:
  - i. Contractual mortgage up to the amount of PLN 11,250,000.00 for the Bank on the perpetual usufruct right to land in Gdańsk, Opacka Street, plot No. 223/18, which will be segregated from the current land and mortgage register No. GD1G/00261213/6 into a new land and mortgage register to secure the repayment of the principal and secondary liabilities: bank commissions, interest and debt collection and enforcement costs.
  - ii. Power of attorney to the current account at the Bank and to the Company's other bank accounts which exist and will be kept at the Bank.
- 3. 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 transfer all proceeds from the activity (except those strictly related to property development projects financed by other banks) through bank accounts at Alior Bank S.A., the monthly minimum being PLN 1,600,000. The obligation to retain not less than 50% of net profit at the Company and maintain the capitalization ratio at the level not lower than 25%.
- 4. 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.
- 5. 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.

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)