

Current Report No. 18/2017 of 05/07/2017
Signing of significant agreements with mBank S.A.

The Management Board of INPRO S.A. (the "Company") with its registered office in Gdańsk informs that on 5 July 2017 the Company signed two working capital credit agreements with mBank S.A. with its registered office in Warsaw ("mBank," the "Bank") on the following conditions:

I. Credit agreement No. 10/049/17/Z/OB on the credit account:

Object of the agreement: financing of the construction of stage II of the Harmonia Oliwska property development project in Gdańsk.

1. 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 16,700,000.00.
 - 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 is an arrangement and handling fee.
 - c) Credit use: from 25/08/2017 to 27/09/2018, in tranches, on the prefinancing basis.
 - d) Credit transaction period: until 29/03/2019.
 - e) Repayment conditions: the principal repaid in 6 equal monthly instalments commencing from 31/10/2018; interest repaid on a monthly basis. Each release from the open housing trust account of the funds paid in relation to the sale of premises on the project mentioned in item 1 shall be allocated in the following way: 93% of the payment towards the premature repayment of the credit (the repayment of the first principal instalments, also during the credit use period), 7% to the Company's auxiliary account kept by the Bank.
 - f) In addition to establishing legal security for credit repayment and the payment of the fee, the credit launch conditions will include: documenting the borrower's contribution in the amount of PLN 5,623,700.00 comprising the value of land and part of the costs/expenditure of the property development project described in item 1; documenting the advance sales at the level of 5% of the floor area of the premises in total (property development agreements + the payment of the 1st instalment). Before the credit launch, the Company must submit a certificate on the repayment of the working capital credit obtained on 22/09/2016 at Alior Bank SA for the refinancing of the costs of purchase of land at Opacka Street and file an application for the striking out of the mortgage established on the land for Alior Bank SA. As regards the mortgage in favour of mBank, the confirmation of filing with a court of a paid-for application for the entry of the mortgage and the payment of relevant civil law transaction tax are the credit launch conditions, too.
2. Legal security for credit repayment:
 - a) A contractual real estate mortgage up to PLN 25,050,000 in favour of mBank S.A. on the perpetual usufruct right to land located in Gdańsk, Opacka Street, covered by land and mortgage register No GD1G/00285339/9 kept by the Gdańsk-North District Court in Gdańsk, 3rd Land and Mortgage Register Division (the mortgage will be finally established on real property constituting a plot belonging only to stage II of the Harmonia Oliwska project being financed by the Bank; this is because the Bank declared that it would issue

consent to the unencumbered detachment from the plot described above of plots to be set out and designated for the construction of the other stages of that property development project) – to secure the repayment of the principal and secondary liabilities: bank commissions, interest and debt collection and enforcement costs. As the mortgage to be established on the 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.

- b) Assignment of rights following from the insurance agreement for the real estate being credited in favour of the Bank.
 - c) A blank promissory note with a promissory note declaration.
3. Additional conditions: from the date of the conclusion of the credit agreement, the funds from the sale of the premises at the project being credited are not covered by the Property Development Act; such funds are to be sent to a separate revenue account; completion of construction works and procurement of the occupancy permit for the building by 30/09/2018; maintaining in the credit period of the financial ratios specified by the Bank, and documented advance sales at the level of 20% by the end of January 2018. The Company was obliged not to give sureties and guarantees for other entities in excess of the total value of 20% of net assets shown in the annual financial statements for the previous accounting year after they have been audited by a statutory auditor.
 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. Credit agreement No. 10/045/17/Z/OB on the credit account:

Object of the agreement: financing of a property development project consisting in the construction of a residential estate called Kwartał Uniwersytecki II in Gdańsk.

1. 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 14,000,000.00.
 - 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 is an arrangement and handling fee.
 - c) Credit use: from 25/07/2017 to 30/08/2018, in tranches, on the prefinancing basis.
 - d) Credit transaction period: until 29/03/2019.
 - e) Repayment conditions: the principal repaid in 7 equal monthly instalments commencing from 28/09/2018; interest repaid on a monthly basis. Each release from the open housing trust account of the funds paid in relation to the sale of premises on the project mentioned in item 1 shall be allocated in the following way: 93% of the payment towards the premature repayment of the credit (the

repayment of the first principal instalments, also during the credit use period), 7% to the Company's auxiliary account kept by the Bank.

- f) In addition to establishing legal security for credit repayment and the payment of the fee, the credit launch conditions will include: documenting the borrower's contribution in the amount of PLN 7,179,800.00 comprising the value of land and part of the costs/expenditure of the property development project described in item 1, documenting the advance sales at the level of 5% of the floor area of the premises in total (property development agreements + the payment of the 1st instalment). As regards the mortgage, the confirmation of filing with a court of a paid-for application for the entry of the mortgage and the payment of relevant civil law transaction tax are the credit launch conditions, too.
2. Legal security for credit repayment:
 - a) A contractual real estate mortgage up to PLN 21,000,000 in favour of mBank S.A. on the perpetual usufruct right to land located in Gdańsk, Szczecińska Street, covered by land and mortgage registers Nos. GD1G/00101978/7, GD1G/00101979/4 and on the land and mortgage register which will be established after plot 250/15 has been segregated from land and mortgage register No. GD1G/00065617/4, kept by the Gdańsk-North District Court, 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 mortgage to be established on the 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.
 - b) Assignment of rights following from the insurance agreement for the real estate being credited in favour of the Bank.
 - c) A blank promissory note with a promissory note declaration.
 3. Additional conditions: from the date of the conclusion of the credit agreement, the funds from the sale of the premises at the project being credited are not covered by the Property Development Act; such funds are to be sent to a separate revenue account; completion of construction works and procurement of the occupancy permit for the building by 31/08/2018; maintaining in the credit period of the financial ratios specified by the Bank, and documented advance sales at the level of 20% by the end of December 2017. The Company was obliged not to give sureties and guarantees for other entities in excess of the total value of 20% of net assets shown in the annual financial statements for the previous accounting year after they have been audited by a statutory auditor.
 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.

The Issuer's significant criterion for agreements is the considerable total value, on the Issuer's scale, of the object of the agreements concluded by the entities belonging to the INPRO

Corporate Group with mBank S.A. during the last 12 months, that value being PLN 30,700,000.

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)