

CURRENT REPORT 08/2020

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Signing of a significant agreement with Millennium Bank S.A.

Only the Polish version of this document is legally binding.

This translation is provided for information only.

Every effort has been made to ensure the accuracy of this publication.

The Management Board of INPRO S.A. (the "Company") with its registered office in Gdańsk informs that on 23 April 2020 the Company received by return, by e-mail, working capital agreement No. 13757/20/408/04 signed electronically (the qualified signature) by Millennium Bank S.A. with its registered office in Warsaw ("Millennium", the "Bank"), the terms and conditions of the agreement being as follows:

Object of the agreement: financing of the property development project consisting in the construction of stage I of the Ostoja residential estate in Rumia.

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. The agreement contains, without limitation, the following provisions:

a) Credit amount: up to PLN 20,000,000.00.

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, engagement and handling fee.

a) Credit drawdown: until 15/10/2021, in tranches, on the prefinancing basis. Revolving credit up to PLN 27,100,000.

d) Credit transaction period: until 30/06/2022.

e) Repayment conditions: the principal repaid in 9 equal monthly instalments commencing from 30/10/2021; 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 financed by credit shall be allocated towards the premature credit repayment (the repayment of the first principal instalments, also in the credit drawdown period).

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 9,151,050.00 comprising the value of land and part of the costs/expenditure of the property development project, the Ostoja estate, stage I, documenting the advance sales at the level of 15 % of the floor area of the premises in total, and the submission of certificates from the Social Security Agency and tax office. As regards establishing a mortgage in favour of the Bank, the confirmation of filing at 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 30,000,000 in favour of Millennium Bank S.A. on the title to land located in Rumia, Jeziorna Street, covered by land and mortgage register No. GD1W/00000189/5 kept by the District Court in Wejherowo, 4th 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 cover 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) Assignment under a suspensory condition of all the rights to site records (architectural and construction) documentation,

d) Assignment agreement for claims under preliminary sale agreements for premises at the project,

e) Statement on submission to enforcement in the manner prescribed by Article 777 para. 1 item 5 of the Civil Procedure Code, up to the maximum sum of PLN 32,000,000 with the deadline by which the Bank may apply for granting the deed the writ of execution being 30/06/2025.

f) Assignment of rights to funds released from the escrow account.

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 the assignment account; completion of construction works and procurement of the occupancy permit for the building by 30/07/2021; maintaining the minimum selling price for the premises at PLN 4,900 net. The Bank obliged INPRO SA to retain the minimum 50 % of the net profit during the entire credit term for the increase of the share capital.

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 Millennium Bank S.A. during the last 12 months, that value being PLN 20,300,000.

Detailed legal grounds: Article 17 para. 1 of the Regulation of the European Parliament and of the Council (EU) No 596/2014 of 16 April 2014 on market abuse (the 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)