

CURRENT REPORT 09/2020

2020-04-27

Conclusion by a subsidiary of a significant agreement with a consortium of banks

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 "Issuer") with its registered office in Gdańsk informs that on 27 April 2020 it received information that a subsidiary, Przedsiębiorstwo Budowlane Domesta Sp. z o.o. (KRS 0000061417) (further the "Company") signed working capital credit agreement No. KKK/2000 on 27/04/2020 with the consortium of banks: SGB - Bank S.A. with its registered office in Poznań ("**SGB**") and Bank Spółdzielczy in Tczew with its registered office in Tczew ("**BST**"), both further called the "**Bank**," on the following conditions:

1. Object of the agreement: partial financing and refinancing of the costs of construction of an office building in Gdańsk, Jesienna Street, land and mortgage register No. GD1G/00299491/3.
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. The agreement contains, without limitation, the following provisions:
 - a) Credit amount: up to PLN 10,000,000.00.
 - 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 7,000,000.00
 - ii. Bank Spółdzielczy in Tczew in the amount of PLN 3,000,000.00and 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 a commission for application review, an arrangement fee and a commitment fee as well as the fee for early repayment.
 - d) Drawings: in instalments until 31/12/2020.
 - e) Credit transaction period: until 01/03/2032.
 - f) Repayment conditions: 60 monthly instalments at PLN 166,267 each, payable from 01/02/2021, then 72 monthly instalments at PLN 329 each plus the last compensatory instalment of PLN 292; interest repaid monthly.
3. 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 14,000,000, making a statement of 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 BST up to PLN 6,000,000; documenting the conclusion of the lease/tenancy agreements for minimum 12.97 % of the total floor area of the office building; submission of a current tax clearance certificate from the tax office for INPRO SA; submission of the unconditional consent from Alior Bank S.A. to the striking out of the contractual real estate mortgage of PLN 15,750,000.00 from land and mortgage register No. GD1G/00299491/3 (such mortgage mentioned in current report No. 10/2019 of 26/04/2019); submission of a notarised deed containing the application for the

striking out of the contractual real estate mortgage up to PLN 15,750,000.00 for Alior Bank S.A and the application for the establishment of contractual real estate mortgages for the consortium of the banks; and documenting the investor's contribution at PLN 6,202,000.

4. Legal security for credit repayment:
 - a) Contractual mortgage on the basis of the equal priority principle for the mortgages: up to PLN 14,000,000 for SGB, and up to PLN 6,000,000 for BST on the real property located in Gdańsk, Jesienna Street, land and mortgage register GD1G/00299491/3 – to secure the repayment of the principal and secondary liabilities: bank commissions, interest and debt collection and enforcement costs.
 - b) Two blank promissory notes – one for each of the banks being the members of the consortium.
 - c) Statement by PB DOMESTA Sp. z o.o. on submission to enforcement in the manner prescribed by Article 777 §1 item 5) of the Civil Procedure Code up to PLN 14,000,000 for SGB-Bank SA with the deadline for granting the writ of execution being 1 March 2035 and up to PLN 6,000,000 for BST with the deadline for granting the writ of execution being 1 March 2035, drawn up as a notarised deed.
 - d) Power of attorney to the Company's current account kept at BST in favour of BST.
 - e) Assignment of claims from the Company's current account kept at BST in favour of SGB.
 - f) Transfer of claims under office lease agreements.
 - g) Monetary deposit of PLN 300,000 as a security for credit servicing.
 - h) Assignment of claims under the insurance agreement for the real property mentioned above – against construction risks in the course of the project, and against fire and other misfortunes upon project completion, for the banks pro rata to their involvement in the consortium.
 - i) Assignment of claims from the account maintained by mBank S.A. Oddział Korporacyjny Gdańsk for BST, pro rata to the share in the consortium.
 - j) Assignment of claims from the account maintained by mBank S.A. Oddział Korporacyjny Gdańsk for SGB, pro rata to the share in the consortium.
5. Additional conditions: if the required DSCR is at the minimum level of 1.2, the Bank will change the principal repayment programme to equal principal instalments payable monthly over the remaining payback period without its extension; lease agreements shall be concluded for the minimum period of 5 years; 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 legal security of credit repayment. The obligation to put the annual turnover of minimum PLN 15,000,000 in 2020 and minimum PLN 20,000,000 from 2021 through bank accounts at BST. Business settlements relating to the lease of the project being financed at an auxiliary account (separate revenue account) maintained by BST. Submission of the final occupancy permit for the project being financed on receipt of the permit, but not later than by 14 January 2021. Maintaining the DSCR at the level of 1.2 and ICR at the level of 1.4 throughout the credit period. The ratios will be verified every 6 months, commencing from the level as at 30 June 2021.
6. 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.
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.

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 SGB - Bank S.A. and with Bank Spółdzielczy in Tczew during the last 12 months, that value being PLN 46,450,000.

Przedsiębiorstwo Budowlane Domesta Sp. z o.o. (KRS 0000061417) also informed the Management Board of INPRO SA, that it had not used the credit granted to Przedsiębiorstwo Budowlane Domesta Sp. z o.o. by Alior Bank S.A. for the financing and refinancing of the part of expenditures related to the construction of the office building at Jesienna Street in Gdańsk.

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)