

CURRENT REPORT 11/2022

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Signing a significant agreement with mBank SA

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 SA (the "Company") with its registered office in Gdańsk informs that on 22 April 2022 the Company signed working capital agreement No. 10/020/22/Z/OB with mBank SA with its registered office in Warsaw ("mBank", the "Bank") on the following conditions:

Object of the agreement: financing of a property development project consisting in the construction of the RYTM residential estate 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 type. The agreement contains, without limitation, the following provisions:

- a) Credit amount: up to PLN 35,940,000.00.
- 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 a credit facility fee and handling fee.
- c) Drawings: from 24/04/2022 to 31/07/2023 in tranches, on the prefinancing basis.
- d) Credit transaction period: until 31/07/2024.
- e) Repayment conditions: the principal repaid in 12 equal monthly instalments commencing from 31/08/2023; 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 the credit 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 11,360,000.00 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 15 % of the floor area of the premises in total (property development agreements + the payment of the 1st instalment of a minimum 10% of the price of the unit). As regards establishing a mortgage in favour of mBank, 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. Credit legal security:

- a) A contractual real estate mortgage up to PLN 53,910,000 in favour of mBank SA on land located in Gdańsk, Mjr Mieczysława Ślabego Street, such land being plot No. 10/27, for which the Gdańsk-North District Court in Gdańsk, 3rd Land and Mortgage Register Division, maintains land and mortgage register No. GD1G/00190254/6 – to secure the repayment of the principal amount 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 SA 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.
- d) Global assignment of the receivables due to INPRO SA from the buyers of the premises at the project to the Bank.

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 separate revenue account; completion of construction works and procurement of the occupancy permit for the building by 31/07/2023; maintaining the financial ratios specified by the Bank during the credit period. The Company was obligated not to give sureties or 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 were 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 significance 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 SA during the last 12 months, that value being PLN 105,335,000.

Detailed legal grounds: Article 17 para. 1 of 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).