

CURRENT REPORT 26/2022

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Establishing the incentive programme in a subsidiary and execution of the incentive programme participation agreement by the subsidiary

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 with its registered office in Gdańsk (the "Issuer") informs that on 18 August 2022 the Extraordinary General Meeting of DOMESTA Sp. z o.o. with its registered office in Gdańsk (the Issuer's subsidiary, further the "Company") adopted resolution No. 7/2022 on establishing the Incentive Programme for the Company's President of the Management Board Przemysław Maraszek (hereinafter: the "Incentive Programme") whose terms and conditions are described in a greater detail in the further part of this report.

The objective of the Incentive Programme is to achieve the following in the long-term horizon: (i) improvement of financial and non-financial performance of the Company, (ii) achieving the long-term growth of the Company's value for its shareholders, (iii) sustainable development of the Company, (iv) stable operation of the Company and (v) binding the person entitled under the programme with the Company and motivating that person to achieve the objectives mentioned above.

In relation to the adoption of the resolution mentioned above, on 18 August 2022 the Company represented by the Chairman of the Supervisory Board of that Company, under resolution No. 1 of 18 August 2022, entered into the incentive programme participation agreement with Mr Przemysław Krzysztof Maraszek (hereinafter also referred to as the "Right Holder"), the President of the Management Board of DOMESTA Sp. z o.o. and its key manager [such agreement hereinafter being referred to as the "Agreement"].

The Incentive Programme described above and forming the basis for the execution of the Agreement consists in granting the Right Holder, when the programme conditions have been met, the right to the preferential subscription of not more than 40 (forty) newly created shares in DOMESTA Sp. z o.o. with its registered office in Gdańsk. For that purpose, in the Agreement, on the terms and conditions set out therein, DOMESTA Sp. z o.o. undertook to cause the adoption by the General Meeting of a resolution on the increase of the Company's share capital and offer the subscription of the newly created shares to the Right Holder.

It is planned to perform the Incentive Programme in 2022-2026, however, the newly created shares may be subscribed for in 2023-2027. The Incentive Programme shall cover five consecutive financial years starting from the year ending on 31 December 2022, and ending on the year ending on 31 December 2026.

In relation to each year of the Incentive Programme, the Right Holder may subscribe for 8 (eight) newly created shares in the Company's share capital, at the price specified in the Incentive Programme.

Pursuant to the terms and conditions of the Incentive Programme and of the Agreement, the following conditions must be jointly fulfilled for the right of subscription of the newly created shares to be granted to the Right Holder in relation to each year of the Incentive Programme:

(a) the Right Holder shall serve in the Company's Management Board without any interruptions throughout the entire year of the Incentive Programme;

(b) The Right holder has obtained approval of the performance of duties in the Company's Management Board for the given year of the Incentive Programme;

(c) the Company's financial statements for the given year as considered and approved by the Ordinary General Meeting show the profit level complying with the conditions of the Incentive Programme.

Fulfilling the above conditions in the given year of the Incentive Programme shall be verified by the Company. If any of these conditions is not fulfilled in the given year of the Incentive Programme, the General Meeting will not be obliged to adopt the resolution on the increase of the Company's share capital. If the conditions of the Incentive Programme in the given year are fulfilled, the General Meeting of DOMESTA Sp. z o.o., will have to be convened in order to adopt the resolution on the increase of the share capital through the creation of the number of new shares to which the Right Holder is entitled for the given period of the Incentive Programme, and then to offer the subscription of those shares to the Right Holder.

If the adopted Incentive Programme is fully performed and, as a result, the share capital of DOMESTA Sp. z o.o. is increased through the creation of 40 new shares, the Issuer's share in the share capital of DOMESTA Sp. z o.o. will decrease from 59.57 % to 53.85 %.

Detailed legal grounds: Article 17(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).