

CURRENT REPORT 20/2019

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Negotiations on a transaction which may change the rules of management and operation of a subsidiary

INPRO Spółka Akcyjna with its registered office in Gdańsk ("INPRO", the "Company") informs that today the Management Board of the Company's subsidiary i.e. Dom Zdrojowy Sp. z o.o. has received from a third party, Dobry Hotel Mięczkowski Spółka komandytowa with its registered office in Sopot ("Dobry Hotel") the draft heads of terms of cooperation and the negotiation process concerning the tenancy of real property belonging to Dom Zdrojowy Sp. z o.o., that is the "*Dom Zdrojowy*" hotel facility in Jastarnia. The document will be further processed and negotiated to develop satisfactory terms and conditions of the tenancy agreement on the basis of which the above-mentioned entity, having wide experience in hotel activity, will lease the hotel facility from Dom Zdrojowy Sp. z o.o. to pursue its activity there and collect benefits from that activity.

The Company's Management Board emphasizes that the negotiations do not mean that they will end in fixing the final cooperation conditions and in entering into a final tenancy agreement as the success of that process also depends on the success of the negotiations.

As the sole shareholder of Dom Zdrojowy Sp. z o.o., INPRO SA considers the above information on the possible change of the nature of the subsidiary, which has been the operator of the hotel facility so far, to be confidential information in the meaning of 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).

The Company undertakes to report on the further negotiation process.

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)