

CURRENT REPORT 21/2019

2019-08-12

Signing by a subsidiary of INPRO S.A. of a hotel facility lease agreement

Further to the current report No. 20/2019 of 23/07/2019, the Management Board of INPRO S.A. (the "Company") informs that the management board of the subsidiary of the Company, i.e. Dom Zdrojowy sp. z o.o. with its registered office in Jastarnia ("Dom Zdrojowy"), today entered into the Lease Agreement (the "Agreement") with Dobry Hotel Mięczkowski Spółka komandytowa with its registered office in Sopot ("Dobry Hotel"), under which Dobry Hotel Mięczkowski Spółka komandytowa with its registered office in Sopot will lease from Dom Zdrojowy sp. z o.o. the four-star (****) hotel facility named Hotel SPA – Dom Zdrojowy located in Jastarnia at Tadeusza Kościuszki 2A, and will take over the rights and obligations resulting from rental agreements for apartments located in the same building as the hotel but constituting separate real properties owned by third parties, and will also enter into other contractual relations regarding management of this hotel facility (the "Transaction").

The Management Board also informs that pursuant to the Agreement, Dom Zdrojowy and Dobry Hotel specified it will remain in force for 10 years as of the date of handing over the facility. The lessee will continue to provide hotel services in the leased facility and retain its current name Dom Zdrojowy. Additionally, in accordance with the provisions of Art. 231 of the Labour Code, the lessee will take over the employees of Dom Zdrojowy sp. z o.o. who carry out their work in this facility. The lessee will also take over the tasks and duties connected with management of the facility and, upon adoption of relevant resolutions, of the Tenants Association existing for the building in which the hotel is located.

The lease of the facility is effected against remuneration. The lessee shall pay the basic rent and, in the event the conditions for the algorithm stipulated in the Agreement are met, additionally shall calculate the annual rent, provided that the total rent per year should not exceed 5% of the issuer's equity. According to analyses, the revenues of Dom Zdrojowy sp. z o.o. under the Lease Agreement will cover the company's current liabilities (e.g. taxes, costs of accounting services etc.) and will allow the financial surplus be cumulated.

The information of entering into the Agreement has been classified by the Company as confidential due to the particular significance of the Transaction for Dom Zdrojowy sp. z o.o., a subsidiary of INPRO S.A., in particular with regard to changing its current nature and activity profile which now consists in leasing by Dom Zdrojowy its own assets.

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)