



**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
FOR NINE MONTHS ENDED ON 30 SEPTEMBER 2016,
MADE IN CONFORMITY WITH THE INTERNATIONAL
ACCOUNTING STANDARD 34 INTERIM FINANCIAL
REPORTING**



Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended on 30 September 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

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Gdańsk, 14/11/2016

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(unless indicated otherwise, all amounts have been given in thousands of zlotys)

SELECTED FINANCIAL DATA - CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Selected data concerning the consolidated financial statements of the INPRO SA Corporate Group				
	01/01/2016	01/01/2015	01/01/2016	01/01/2015
	-	-	-	-
	30/09/2016	30/09/2015	30/09/2016	30/09/2015
	PLN '000		EUR '000	
Net sales revenues	118 893	133 974	27 214	32 217
Gross profit (loss) on sales	33 210	37 228	7 602	8 952
Profit (loss) on operating activities	15 674	20 827	3 588	5 008
Gross profit (loss)	14 714	19 993	3 368	4 808
Net profit (loss)	11 552	16 382	2 644	3 939
- attributable to non-controlling shareholders	891	633	204	152
Earnings (loss) per share in the parent entity (PLN/EUR)	0,2663	0,3933	0,0609	0,0946
Net cash flows from operating activities	15 079	24 910	3 452	5 990
Net cash flows from investing activities	(7 674)	(3 926)	(1 757)	(944)
Net cash flows from financing activities	(7 752)	(24 809)	(1 774)	(5 966)
Net cash flows	(347)	(3 825)	(79)	(920)
	30/09/2016	31/12/2015	30/09/2016	31/12/2015
	PLN '000		EUR '000	
Total assets	381 845	368 184	88 554	86 398
Liabilities and provisions for liabilities	153 996	139 367	35 713	32 704
Provisions for liabilities	2 052	6 374	476	1 496
Long-term liabilities	43 770	36 563	10 151	8 580
Short-term liabilities	108 174	96 430	25 087	22 628
Equity	227 849	228 817	52 841	53 694
- attributable to non-controlling shareholders	11 380	10 880	2 639	2 553
Number of shares (pcs)	40 040 000	40 040 000	40 040 000	40 040 000
Book value per share (in PLN/EUR)	5,6905	5,7147	1,3197	1,3410
ZLOTY TO EURO CONVERSION RATE	average EUR rate in the period 01/01/2016-30/09/2016		average EUR rate as at 30/09/2016	
	4,3688		4,3120	
	average EUR rate in the period 01/01/2015-30/09/2015		average EUR rate as at 31/12/2015	
	4,1585		4,2615	

Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended on 30 September 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

SELECTED FINANCIAL DATA– CONDENSED INTERIM SEPARATE STATEMENTS

Selected data concerning the financial statements of the INPRO SA				
	01/01/2016	01/01/2015	01/01/2016	01/01/2015
	-	-	-	-
	30/09/2016	30/09/2015	30/09/2016	30/09/2015
	PLN '000		EUR '000	
Net sales revenues	77 300	96 296	17 694	23 156
Gross profit (loss) on sales	18 111	25 935	4 146	6 237
Profit (loss) on operating activities	8 826	16 817	2 020	4 044
Gross profit (loss)	9 450	17 903	2 163	4 305
Net profit (loss)	7 717	14 477	1 766	3 481
- attributable to non-controlling shareholders	0,1927	0,3616	0,0441	0,0869
Net cash flows from operating activities	2 786	27 599	638	6 637
Net cash flows from investing activities	2 347	(11 335)	537	(2 726)
Net cash flows from financing activities	(4 269)	(21 687)	(977)	(5 215)
Net cash flows	864	(5 423)	198	(1 304)
	30/09/2016	31/12/2015	30/09/2016	31/12/2015
	PLN '000		EUR '000	
Total assets	333 342	331 521	77 306	77 794
Liabilities and provisions for liabilities	110 982	104 866	25 738	24 608
Provisions for liabilities	1 352	5 700	314	1 338
Long-term liabilities	17 682	11 247	4 101	2 639
Short-term liabilities	91 948	87 919	21 324	20 631
Equity	222 360	226 655	51 568	53 187
Number of shares (pcs)	40 040 000	40 040 000	40 040 000	40 040 000
Book value per share (in PLN/EUR)	5,5534	5,6607	1,2879	1,3283
ZLOTY TO EURO CONVERSION RATE	average EUR rate in the period 01/01/2016-30/09/2016		average EUR rate as at 30/09/2016	
	4,3688		4,3120	
	average EUR rate in the period 01/01/2015-30/09/2015		average EUR rate as at 31/12/2015	
	4,1585		4,2615	

Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended on 30 September 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

CONSOLIDATED STATEMENT OF TOTAL INCOME FOR NINE MONTHS ENDED ON 30 SEPTEMBER 2016

		01/01/2016	01/01/2015	01/07/2016	01/07/2015
	Note	30/09/2016	30/09/2015	30/09/2016	30/09/2015
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
		PLN '000	PLN '000	PLN '000	PLN '000
Continuing operations					
Sales revenues	16.1	118 893	133 974	38 044	54 077
Cost of sales	16.2	(85 683)	(96 746)	(25 229)	(37 579)
Gross profit (loss) on sales		33 210	37 228	12 815	16 498
Selling costs	16.2	(3 706)	(3 215)	(1 173)	(914)
Administrative expenses	16.2	(14 773)	(13 635)	(5 456)	(4 843)
Other operating revenues		1 239	1 097	265	176
Other operating costs		(296)	(648)	(77)	(70)
Profit (loss) on operating activities		15 674	20 827	6 374	10 847
Financial income		245	282	56	109
Financial costs		(1 205)	(1 116)	(381)	(522)
Gross profit (loss)		14 714	19 993	6 049	10 434
Income tax	17	(3 162)	(3 611)	(1 136)	(1 899)
Net profit (loss) from continuing operations		11 552	16 382	4 913	8 535
TOTAL INCOME		11 552	16 382	4 913	8 535
Net profit (loss) attributable to:		11 552	16 382	4 913	8 535
- the parent entity's shareholders		10 661	15 749	4 280	8 291
- non-controlling shareholders		891	633	633	244
Total income attributable to:		11 552	16 382	4 913	8 535
- the parent entity's shareholders		10 661	15 749	4 280	8 291
- non-controlling shareholders		891	633	633	244
Earnings per share from continued activities, attributable to shareholders of the parent entity (PLN/share):					
- basic		0,2663	0,3933	0,1069	0,2071
- diluted		0,2663	0,3933	0,1069	0,2071

Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended on 30 September 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

CONSOLIDATED STATEMENT OF THE FINANCIAL POSITION AS AT 30 SEPTEMBER 2016

ASSETS	Note	30/09/2016	31/12/2015
		(unaudited)	(audited)
Fixed (long-term) assets		114 125	106 213
Property, plant and equipment	22	103 795	95 551
Goodwill	20	6 708	6 708
Other intangibles		102	145
Long- term receivables		17	9
Investment properties	23	1 697	1 730
Long-term financial assets	26	201	-
Long-term prepayments		57	82
Deferred tax assets		1 548	1 988
Current (short-term) assets		267 720	261 971
Inventory	24	217 670	213 440
Trade and other receivables	25	13 207	13 213
Current income tax receivables		44	269
Other financial assets	26	9 918	7 821
Cash and cash equivalents	27	26 881	27 228
TOTAL ASSETS		381 845	368 184

Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended on 30 September 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

CONSOLIDATED STATEMENT OF THE FINANCIAL POSITION AS AT 30 SEPTEMBER 2016 (CONTINUED)

EQUITY AND LIABILITIES	Note	30/09/2016	31/12/2015
		(unaudited)	(audited)
Equity (attributable to the parent entity's shareholders)		216 469	217 937
Issued share capital	29	4 004	4 004
Reserves		51	51
Retained profit		212 414	213 882
Capital attributable to non-controlling shareholders	30	11 380	10 880
Total equity		227 849	228 817
Long-term liabilities		44 929	40 547
Deferred income tax provision		840	3 694
Retirement benefit liabilities (a provision)	31	319	290
Long-term credits and bank borrowings	32	38 432	33 363
Other financial liabilities (lease)	33	3 479	944
Trade and other liabilities	34	1 859	2 256
Short-term liabilities		109 067	98 820
Short-term provisions	31	893	2 390
Short-term credits and borrowings	32	20 546	19 095
Debt instrument liabilities		-	-
Other financial liabilities (lease)	33	987	395
Current income tax liabilities		82	779
Trade and other liabilities	34	86 559	76 161
Total liabilities		153 996	139 367
TOTAL EQUITY AND LIABILITIES		381 845	368 184

Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended on 30 September 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 30 SEPTEMBER 2016

	01/01/2016 -30/09/2016	01/01/2015 -30/09/2015
	(unaudited)	(unaudited)
	PLN '000	PLN '000
Gross profit/(loss)	14 714	19 993
Adjustments:	365	4 917
Depreciation	2 790	4 538
Income tax paid	(6 049)	(3 107)
Exchange gains (losses)	16	-
Net interest and dividends	1 186	1 064
Profit/(loss) on investing activities	(109)	(32)
(Increase)/ decrease of receivables	311	(9 490)
(Increase)/ decrease of inventory	(4 232)	(8 946)
Increase/ (decrease) of liabilities	8 212	20 017
Increase/ (decrease) of accrued/prepaid expenses	(292)	(284)
Change in provisions	(1 468)	861
Other	-	296
Net cash flows from operating activities	15 079	24 910
	01/01/2016 -30/09/2016	01/01/2015 -30/09/2015
	(unaudited)	(unaudited)
	PLN '000	PLN '000
Sale of property, plant, equipment and intangibles	106	69
Interest received	-	26
Acquisition of property, plant, equipment and intangibles	(7 579)	(2 355)
Acquisition of financial assets	(201)	(1 666)
Net cash flows from investing activities	(7 674)	(3 926)

Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended on 30 September 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 30 JUNE 2016 (CONTINUED)

	01/01/2016 -30/09/2016 (unaudited)	01/01/2015 -30/09/2015 (unaudited)
Net proceeds from the delivery of shares and issue of stock	-	102
Proceeds in relation to loans/credits obtained	55 648	25 895
Payments in relation to finance lease agreements	(566)	(359)
Repayment of loans/credits	(49 156)	(24 505)
Interest paid	(1 162)	(1 921)
Dividends paid to:		
- <i>the parent entity's shareholders</i>	<i>(12 012)</i>	<i>(3 604)</i>
- <i>non-controlling shareholders</i>	<i>(508)</i>	<i>(376)</i>
Buyout of debt securities (bonds)	-	(20 000)
Other financial expenditure	-	(51)
Other financial proceeds	4	10
Net cash flows from financing activities	(7 752)	(24 809)
Net change in cash and cash equivalents	(347)	(3 825)
Cash at the beginning of the period	27 228	38 715
Cash at the end of the period	26 881	34 890

Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended on 30 September 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

CONSOLIDATED STATEMENT OF THE CHANGES IN EQUITY FOR NINE MONTHS ENDED ON 30 SEPTEMBER 2016

	Share capital	Share premium capital	Revaluation reserve	Retained profit	Attributable to non-controlling shareholders	Total
As at 01.01.2016	4 004	62 237	51	151 645	10 880	228 817
Dividend payment to the parent' entity's shareholders	-	-	-	(12 012)	-	(12 012)
Dividend payment - non-controlling shareholders	-	-	-	(71)	(437)	(508)
Net profit (loss) for the financial year	-	-	-	10 661	891	11 552
Increase of the share capital in inBet Sp. z o.o.	-	-	-	(46)	46	-
As at 30/09/2016	4 004	62 237	51	150 177	11 380	227 849

	Share capital	Share premium capital	Revaluation reserve	Retained profit	Attributable to non-controlling shareholders	Total
As at 01/01/2015	4 004	62 237	51	130 192	10 543	207 027
Dividend payment to the parent entity's shareholders	-	-	-	(3 604)	-	(3 604)
Dividend payment - non-controlling shareholders	-	-	-	(31)	(345)	(376)
Net profit (loss) for the financial year	-	-	-	15 749	633	16 382
Increase of the share in a subsidiary, PB Domesta	-	-	-	568	(1 023)	(455)
Increase of the share capital in inBet Sp. z o.o.	-	-	-	(384)	486	102
Acquisition of shares in PI ISA Sp. z o.o.	-	-	-	-	323	323
Presentation adjustment (approximations)	-	-	(1)	1	-	-
As at 30/09/2015	4 004	62 237	50	142 491	10 617	219 399

COMMENTARY BY THE MANAGEMENT BOARD ON THE CORPORATE GROUP'S ACTIVITY IN THE FIRST NINE MONTHS OF 2016

In the third quarter 2016, the property development market noted a slight drop of apartment sales against the previous quarter. The sales level continued, however, to be high. The pace of putting new premises on the market slowed down, too, compared to the second quarter of this year. In September this year the Council of Ministers endorsed the National Housing Programme.

On a year-to-date basis, for nine months of 2016, the INPRO SA Group sold 296 premises (in the meaning of preliminary agreements net), which is a 27% decrease (the Group having sold 405 premises over nine months of the last year).

In the period from July to September 2016, INPRO SA signed 61 preliminary agreements net. A subsidiary, Przedsiębiorstwo Budowlane DOMESTA Sp. z o.o., concluded 34 preliminary agreements net in the third quarter 2016, which means that the entire INPRO Group signed 95 preliminary agreements net in total. This means the decrease of the sales volume in comparison with the same period of the previous year by 43%.

The decrease in the preliminary sales level against the comparable period was, in particular, influenced by a smaller number of flats for sale than last year, by the range of the offer, by placing further property development projects on the market being postponed, and by a high base effect (the third quarter 2015 was a record sales time over the last few years).

In the third quarter this year the INPRO Group handed over the total of 49 premises; that number being 60% smaller than in the third quarter 2015, in which the Group delivered 122 flats. On a year-to-date basis, for nine months of this year, the Group delivered the total of 231 premises in comparison with 319 premises last year. The level of deliveries in the reporting period corresponds to a small number of completed projects. In the period from January to September 2016 INPRO SA placed only 4 single-family houses at the Wróbla Staw estate in service. PB DOMESTA finished the works on buildings Nos. 16 and 17 at the Leszczynowe estate (the total of 54 flats), however.

For the first nine months of 2016 the INPRO Group noted a decrease of sales revenues to the level of PLN 118,893 k that is by 11% against the comparable period of the previous year. Gross profit from sales decreased in the same proportion (i.e. by 11%) to PLN 33,210 k. Considering a small number of property development projects completed by the end of September 2016 (compared to the first nine months of 2015), the result achieved by the Group in the reporting period is very satisfactory.

The vast majority of the turnover of INPRO and DOMESTA companies will fall to the last quarter of 2016, when the following projects will be completed given no delays to administrative procedures relating to occupancy permits:

- Leszczynowe estate – buildings No. 18 (the occupancy permit of 7 October) and No. 19,
- Chmielna Park estate, building C,
- Kwartal Uniwersytecki estate (the occupancy permit of 20 October),
- Single-family houses at the Wróbla Staw estate, stage H, and at the Golf Park estate

In February 2016 INPRO SA launched the sale of 151 flats at stage I of the Harmonia Oliwska estate and six single-family houses at the Golf Park estate, and the sales of the first flats commenced in July at the above-mentioned Optima project, stage I (100 flats being placed on the market initially). PB DOMESTA has started selling premises in buildings Nos. 19,20 and 21 at the Leszczynowe estate (the total of 87 flats). By the end of the year, in addition to launching the sales of the next 112 premises at the Optima estate, the Group is planning to launch the sales in the following locations:

- the estate at Niepołomska street in Gdańsk, building No. 1 (47 premises) and No. 2 (37 premises)
- Leszczynowy Staw estate in Gdańsk, building No. 1 (31 premises), No. 2 (31 premises) and No. 4 (31 premises).

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

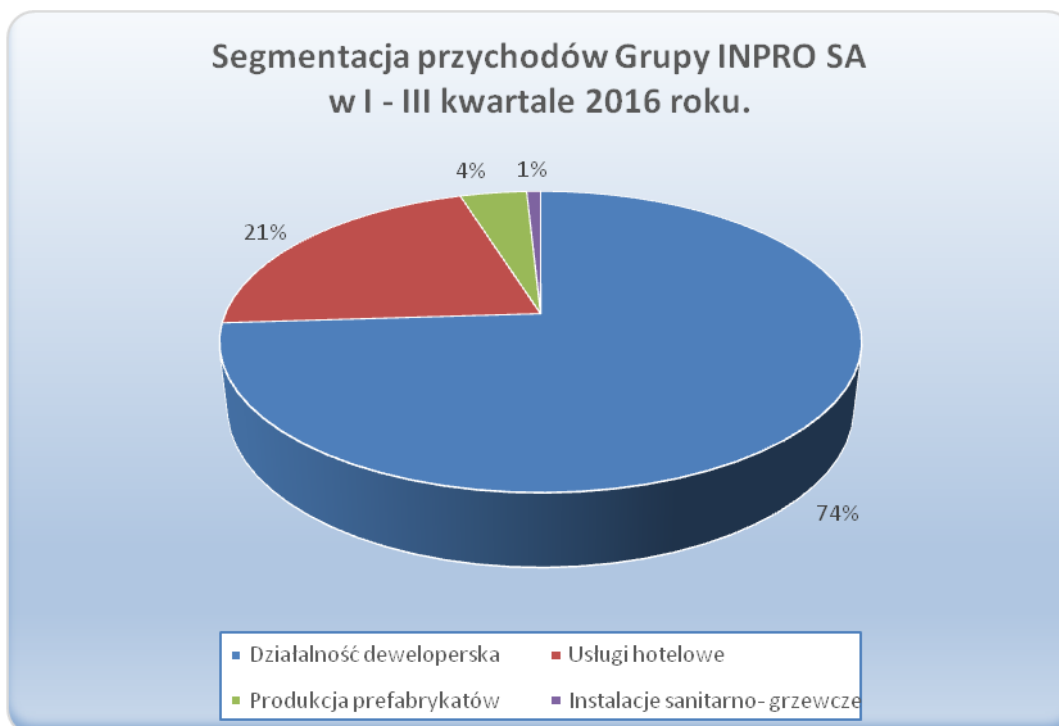
The INPRO SA Group

In the first three quarters of the financial year 2016 the Group achieved smaller revenues than in the same period of the previous year, the former revenues being nearly PLN 119 m, a figure lower by ca. PLN 15 m (i.e. 11%) compared to the results in 2015. Considering the fact that the main projects within the Group will be completed in the last quarter of 2016 (thus the revenue from those will arise as late as in the last quarter), the result generated in the reporting period is very satisfactory against the comparable period. For the purposes of comparison, the total of 336 premises in multi-family buildings and 14 single-family houses were placed in service by the end of 2015, and only 54 flats and 4 single-family houses by the end of September 2016. Thus, the revenue for the first three quarters of 2016 was generated at projects completed in the previous years (mainly 2015).

The cost of sales in the reporting period was 11% lower than in the 3rd quarter of 2015. Due to the costs and sales decreasing at the same rate, gross profit from sales was also lower by 11% than in the previous year. In relation to the increase of administrative expenses and selling costs, net profit achieved in the first three quarters of 2016 (PLN 11,552 k) was 29% lower than in the same period of 2015. In line with the parameters above, the Group noted a decrease of net profitability on its activity from 12% to 10%.

In the cash flow statement for the nine months of 2016 the Group noted negative cash flows in both investing and financing activity. Negative cash flows from the investing activity follow mainly from the expenditure on fixed assets (inBet Sp. z o.o. and the hotels). Cash flows from financing activities are negative mainly due to the repayment of credit and to the payment of a dividend to the shareholders of INPRO SA.

The sales revenue structure is presented in the following diagram:



Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

INPRO SA

Similarly to the Group, INPRO as a company noted a considerable reduction in sales revenues for the three quarters of 2016 compared to the same period of the previous year (PLN 77.3 m against PLN 96.3 m, a drop by 20%).

The decreasing trend of the cost of sales was slower than in the case of revenues, the former being 16%. Gross profit from sales for nine months of 2016 was over PLN 18 m and was therefore 30% lower than in the same period of 2015. Net profit reached the level of PLN 7.7 m (a 47% decrease).

The net debt ratio as at 30/09/2016, calculated as the quotient of the total financial debt less cash and cash equivalents to equity, was 0.03.

In the cash flow statement for the three quarters of 2016, only the financing activities generate negative cash flows. The investing activity generates positive cash flows because of the repayment of loans taken by Dom Zdrojowy Sp. z o.o. Cash flows from financing activities are negative due to the repayment of credit and to the payment of a dividend.

ADDITIONAL INFORMATION AND EXPLANATIONS

1. General information

The INPRO SA Corporate Group (the "Group") consists of the parent entity, i.e. INPRO SA, and its subsidiaries (see item 2). The consolidated financial statements of the Group comprise financial data for nine months ended on 30 September 2016 with comparatives for nine months ended on 30 September 2015 and as at 31 December 2015.

The basic object of the Corporate Group is the property development activity that is the construction and sale of residential and commercial premises (INPRO SA and Domesta Sp. z o.o.)

In addition, other companies within the Group are involved in the following:

- hotel services (Dom Zdrojowy Sp. z o. o. and Hotel Mikołajki Sp. z o.o.),
- manufacture of precast concrete elements, manufacture and erection of steel structures for the civil engineering, industrial and municipal construction industry (inBet Sp. z o.o.),
- sanitary and heating installations (Przedsiębiorstwo Instalacyjne ISA Sp. z o.o.),
- interior fit-out and construction finishing services (SML Sp. z o.o. – a subsidiary of INPRO SA entered into the National Court Register on 14 July 2016, not covered by consolidation as at 30 September 2016).

INPRO SA (the "Parent Company," "Company") was established by way of the Notarised Deed of 6 April 1987 as Biuro Projektów i Usług Inwestycyjnych Budownictwa INPRO Spółka z ograniczoną odpowiedzialnością. On 29 May 2008 the legal status was changed from a limited liability company to a joint-stock company.

The registered office of the Parent Company is in Gdańsk at ul. Opata Jacka Rybińskiego 8.

The Parent Company is recorded in the register of entrepreneurs of the National Court Register kept by the District Court in Gdańsk, 7th Business Division of the National Court Register, under number KRS 306071.

The Parent Company was given the REGON business registry number 008141071.

The duration of the Parent Company and entities in the Corporate Group is unspecified.

The Group did not discontinue any of the kinds of its activity in the first nine months ended on 30 September 2016.

The share capital of INPRO SA did not change in the first nine months of 2016. As at 30 September 2016, the share capital of INPRO was PLN 4,004 k and was divided into 40,040,000 ordinary bearer shares of the nominal value of 10 groszes each.

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(unless indicated otherwise, all amounts have been given in thousands of zlotys)

As at the balance sheet date, 14/11/2016, 30/09/2016 and 31/12/2015, the shareholding structure of the parent entity is as follows:

SHAREHOLDING STRUCTURE AS AT 30/09/2016 AND 31/12/2015						
Nominal value in PLN	Nominal value in PLN	Nominal value in PLN	Nominal value in PLN	Share in the capital	Number of votes	Share in votes
Piotr Stefaniak- President of the Management Board	A	8.460.000	846.000	21,13%	8.460.000	21,13%
Zbigniew Lewiński- Vice-President of the Management Board	A	9.460.000	946.000	23,63%	9.460.000	23,63%
Krzysztof Maraszek- Vice-President of the Management Board	A	10.010.000	1.001.000	25%	10.010.000	25%
ING OFE	A	2.100.000	210.000	17,93%	2.100.000	17,93%
	B	5.077.704	507.770		5.077.704	
Shareholders with less than 5% of votes	B	4.932.296	493.230	12,31%	4.932.296	12,31%
TOTAL		40 040 000	4 004 000	100%	40 040 000	100%

Compared to the status as at 31/12/2015, no significant changes in the shareholding structure occurred by 30/09/2016.

In the period from 30 September 2016 until the submission of this report, the shareholders did not advise of any change in the shareholdings in INPRO SA. No change in the shareholdings by executives took place in that period, either.

The members of the supervising body of INPRO SA do not hold the Company's shares.

2. Composition of the INPRO SA Corporate Group

As at 30/09/2016 and 31/12/2015, the Group comprises INPRO SA and the following subsidiaries:

30/09/2016

No.	Entity's name	Registered office	Object	Share in the share capital (%)	Share in voting rights (%)	Acquisition price of the shares
1.	inBet Sp. z o.o.	Kolbudy, ul. Przemysłowa 10	Manufacture of reinforced concrete, concrete and steel elements	74.85%	74.85%	7 907
2.	Dom Zdrojowy Sp. z o.o.	Jastarnia, ul. Tadeusza Kościuszki 2A	Hotel services	100.00%	100.00%	19 120

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3.	P.B. Domesta Sp. z o.o.	Gdańsk, ul. Cementowa 5-9	Property development activity, main contracting for multi-family residential buildings	59.57%	59.57%	13 926
4.	Hotel Mikołajki Sp. z o.o.	Mikołajki, Aleja Spacerowa 11	Hotel services	100.00%	100,00%	15 784
5.	PI ISA Sp. z o.o.	Gdańsk, ul. Opata Jacka Rybińskiego 8/6	Sanitary and heating installations	76.92%	76.92%	2 183
6.	SML Sp. z o.o.	Gdańsk, ul. Opata Jacka Rybińskiego 8	Interior fit-out, construction finishing services	100.00%	100.00%	201
						59 121

31/12/2015

No.	Entity's name	Registered office	Object	Share in the share capital (%)	Share in voting rights (%)	Acquisition price of the shares
1.	inBet Sp. z o.o.	Kolbudy, ul. Przemysłowa 10	Manufacture of reinforced concrete, concrete and steel elements	72.00%	72.00%	6 812
2.	Dom Zdrojowy Sp. z o.o.	Jastarnia, ul. Tadeusza Kościuszki 2A	Hotel services	100.00%	100.00%	19 120
3.	P.B. Domesta Sp. z o.o.	Gdańsk, ul. Cementowa 5-9	Property development activity, main contracting for multi-family residential buildings	59.57%	59.57%	13 926
4.	Hotel Mikołajki Sp. z o.o.	Mikołajki, Aleja Spacerowa 11	Hotel services	100.00%	100.00%	15 784*
5.	PI ISA Sp. z o.o.	Gdańsk, ul. Opata Jacka Rybińskiego 8/6	Sanitary and heating installations	76.92%	76.92%	2 183
						57 825

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Share capital of the various entities comprised by the INPRO group as at 30/09/2016:

Entity's name	Share capital as at 30/09/2016
INPRO SA	4.004
Przedsiębiorstwo Budowlane DOMESTA Sp. z o.o.	301
inBet Sp. z o.o.	10.791
Dom Zdrojowy Sp. z o.o.	19.140
Hotel Mikołajki Sp. z o.o.	15.780
Przedsiębiorstwo Instalacyjne ISA Sp. z o.o.	80
SML Sp. z o.o.	200

As at 30 September 2016, the share in the total number of votes held by the Group in subsidiaries equals the Group's share in the capital of those entities.

Companies excluded from consolidation as at 30/09/2016 and as at the end of the comparable period:

As at 30 September 2016, SML Sp. z o.o. was excluded from consolidation because of the fact that it was established on 1 July 2016 (the registration in the National Court Register took place on 14/07/2016), therefore the financial data of that entity was insignificant in relation to the whole of the consolidated financial statements. All the companies within the Group were comprised by the full method consolidation.

As at 31/12/2015 all the companies within the Corporate Group were comprised by the full method consolidation.

The subsidiaries do not hold shares in entities not controlled.

In the nine months of 2016 the composition of the INPRO SA Corporate Group was extended to include SML Sp. z o.o.

On 01/07/2016, on the basis of a notarised deed, Register A No. 5802/2016, the Company subscribed for 4,000 shares of the nominal value of PLN 50.00 each, of the total value of PLN 200,000.00, in the newly created company, SML Sp. z o.o. INPRO S.A. covered the whole of the shares by cash. INPRO S.A. is the sole shareholder in the above company and is entitled to all the shares in the share capital.

The object of the new company in the INPRO S.A. Group will be the "turn-key" finish of flats at selected property development projects. The Gdańsk-North District Court in Gdańsk issued a ruling on the company registration in the National Court Register on 14/07/2016 under number KRS 0000628286.

Moreover, the following events took place:

- a) On 06/04/2016 the Extraordinary General Meeting of inBet Sp. z o.o. adopted a resolution on the increase of the share capital from PLN 9,695,672 to PLN 10,790,864, that is by the sum of PLN 1,095,192, by way of creation of 19,557 new shares of the nominal value of PLN 56 each, which were subscribed for by INPRO SA by cash. After the registration of the capital increase (11/05/2016), the number of shares held by INPRO SA in inBet Sp. z o.o. is 144,224, which constitutes 74.85% of the share capital. The increase of the capital was registered by the National Court Register on 11/05/2016.

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In addition to the above, INPRO SA is related to Hotel Oliwski Sp. z o.o., a company personally related through Mr Piotr Stefaniak – 162 shares of the nominal value of PLN 10k each (100% of the shares in that entity's capital-PLN 1,620 k).

3. Composition of the parent company's Management Board and Supervisory Board

As at the date of preparation of these condensed financial statements, the composition of the Management Board of the parent entity was as follows:

- Piotr Stefaniak – President of the Management Board
- Zbigniew Lewiński – Vice-President of the Management Board
- Krzysztof Maraszek – Vice-President of the Management Board

No changes in the composition of the body occurred in the period in question.

For the shareholdings of the members of the Management Board, see the shareholding structure in note 1.

As at the date of preparation of these condensed financial statements, the composition of the Supervisory Board of the parent entity was as follows:

- Jerzy Glanc – Chairman of the Supervisory Board
- Krzysztof Gąsak – Vice-Chairman of the Supervisory Board
- Łukasz Maraszek – Secretary of the Supervisory Board
- Szymon Lewiński – Member of the Supervisory Board
- Wojciech Stefaniak – Member of the Supervisory Board

No changes in the composition of the body occurred in the period in question.

On 18 December 2015 the Management Board of INPRO SA received a statement from a member of the Supervisory Board, Mr Robert Maraszek, on resignation from his function as a member of the Supervisory Board effective on 31 December 2015. The resignation did not contain any reasons. In relation to the above, on 18/12/2015 the Supervisory Board, while taking advantage of its power under clause 10 item 2 of the Company's Statutes, adopted resolution No. 35/2015 on the basis of which the Supervisory Board elected Mr Łukasz Maraszek a new member of the Supervisory Board. Mr Łukasz Maraszek was appointed member of the Supervisory Board for the period from 01/01/2016 to the election of a new member of the Supervisory Board by the nearest General Assembly. On 17 May 2016 the Ordinary General Assembly decided again to appoint Mr Łukasz Maraszek (effective from 17 May 2016) member of the Company's Supervisory Board for the joint term of office.

4. Approval of the financial statements

These interim condensed consolidated financial statements for the period of nine months ended on 30 September 2016 were approved for publication by the Management Board on 14 November 2016.

5. Grounds for the preparation of condensed interim consolidated financial statements and accounting principles

5.1 Grounds for the preparation

These interim condensed consolidated financial statements were prepared in conformity with the International Accounting Standard 34 Interim Financial Reporting.

These interim condensed consolidated financial statements do not comprise all information and disclosures required in annual financial statements and should be read together with the audited

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Consolidated Financial Statements of the Inpro SA Corporate Group prepared in conformity with the International Financial Reporting Standards ("IFRSs") for the year ended on 31 December 2015.

These interim condensed consolidated financial statements were prepared on the assumption that the Group companies will be able to continue as the going concern in the foreseeable future. As at the date of signing these financial statements, no circumstances are found to exist which indicate a threat to the Group companies to continue as a going concern.

These interim condensed consolidated financial statements were prepared in Polish zlotys (PLN). The Polish zloty is the functional and reporting currency of the Corporate Group. Unless indicated otherwise, the data in financial statements have been presented in thousands of zlotys.

5.2 New and revised standards and interpretations used by the Group

These interim condensed consolidated financial statements are prepared based on the same accounting policies as for the consolidated financial statements of the Group for the year ended 31 December 2015, except for the following amendments to existing standards and new interpretations that are effective for annual periods beginning on 1 January 2016:

- **Amendments to IFRS 10 "Consolidated Financial Statements," IFRS 12 "Disclosure of Interest in Other Entities" and IAS 28 "Investments in Associates and Other Entities"** – Investment Entities: Applying the Consolidation Exception - approved in the EU on 22 September 2016 (effective for annual periods commencing on or after 1 January 2016),
- **Amendments to IFRS 11 "Joint Arrangements"** – Acquisition of Interest in Joint Arrangements (effective for annual periods commencing on or after 1 January 2016),
- **Amendments to IAS 1 "Presentation of Financial Statements"** – Disclosure Initiative (effective for annual periods commencing on or after 1 January 2016),
- **Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangibles"** – Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods commencing on or after 1 January 2016),
- **Amendments to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture"** – Agriculture: Bearer Plants (effective for annual periods commencing on or after 1 January 2016),
- **Amendments to IAS 19 "Employee Benefits"** – Defined Benefits Plans: Employee Contributions - approved in the EU on 17 December 2014 (effective for annual periods commencing on or after 1 February 2015).
- **Amendments to IAS 27 "Separate Financial Statements"** – Equity Method in Separate Financial Statements (effective for annual periods commencing on or after 1 January 2016),
- **Amendments to various standards "Improvements to the IFRS (the 2010-2012 cycle)"** – amendments made under the procedure for the introduction of annual improvements to the IFRS (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38) mainly aiming at minimising inconvenience and specifying the vocabulary, approved in the EU on 17 December 2014 (effective for annual periods commencing on or after 1 February 2015),
- **Amendments to various standards "Improvements to IFRS (the 2012-2014 cycle)"** – amendments made within the procedure for the introduction of annual improvements to the IFRS (IFRS 5, IFRS 7, IAS 19 and IAS 34) mainly aiming at minimising inconvenience and specifying the vocabulary (effective for annual periods commencing on or after 1 January 2016).

The introduced amendments do not materially affect the Company's financial position, operating results or the scope of information presented in these interim condensed consolidated financial statements.

While approving these condensed interim consolidated financial statements there were no new or revised standards and interpretations, which were published by the IASC and approved for use in the EU, but have not become effective yet.

IFRSs as approved by the EU do not vary considerably from the regulations adopted by the International Accounting Standards Committee (IASC) except the standards below, changes

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thereto and the interpretation thereof which, as at 14/11/2016, were not adopted for use in the EU (the effective dates below refer to the standards in their full version):

- **IFRS 9 "Financial Instruments"** (effective for annual periods commencing on or after 1 January 2018),
- **IFRS 14 "Regulatory Deferral Accounts"** (effective for annual periods commencing on or after 1 January 2016),
- **IFRS 15 "Revenue from Contracts with Customers"** (effective for annual periods commencing on or after 1 January 2017),
- **IFRS 16 "Leasing"** (effective for annual periods commencing on or after 1 January 2019),
- **Amendments to IFRS 2 "Share Based Payments"** – Classification and Measurement of Share-based Payment Transactions (effective for annual periods commencing on or after 1 January 2018),
- **Amendments to IFRS 4 "Insurance Agreements"** – the application of IFRS "Financial Instruments" with IFRS 4 "Insurance Instruments" (effective for annual periods commencing on or after 1 January 2018 upon the application of IFRS 9 "Financial Instruments" for the first time),
- **Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 Investments in Associates and Joint Ventures"** – Sales or Contributions of Assets between an Investor and its Associate/Joint Venture or Joint Ventures (effective for annual periods beginning on or after 1 January 2016),
- **Amendments to IFRS 10 "Consolidated Financial Statements," IFRS 12 "Disclosure of Interest in Other Entities" and IAS 28 "Investments in Associates and Other Entities"** – Investment Entities: Applying the Consolidation Exception (effective for annual periods commencing on or after 1 January 2016),
- **Amendments to IFRS 7 "Cash flow statement"**- initiative as regards disclosures (effective for annual periods commencing on or after 1 January 2017),
- **Amendments to IFRS 12 "Income tax"**- recognition of deferred income tax assets on unrealised losses (effective for annual periods commencing on or after 1 January 2017).

Hedge accounting regarding the portfolio of financial assets and liabilities, whose rules were not approved for application in the EU, remains outside the regulations approved by the EU.

According to the Group's estimates, the application of hedge accounting with regard to the portfolio of financial assets or liabilities as per IAS 39 "Financial Instruments: Recognition and Measurement" would not have a significant influence on the financial statements if it was accepted for application as at the balance sheet date.

The Management Board of the parent entity reviews the impact of new standards, i.e. IFRS 9 and IFRS 15, on consolidated and separate financial statements.

In the Group's initial opinion, the implementation of the standards and interpretations approved and published by the EU which have or will become effective after the balance sheet date or those awaiting approval by the EU will not have a material effect on the Company's financial statements. However, the Management Board additionally conducts a detailed analysis of the influence of the above amendments on the Company's financial standing and profits from business operations as well as on the scope of information presented in financial statements.

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6. Conversion of items denominated in a foreign currency

The following rates have been taken for the purposes of the balance sheet valuation:

Rate binding on the last day of the period	30/09/2016	31/12/2015
EURO	4,3120	4,2615

Average rate, calculated as the arithmetic mean of the rates binding on the last day of each month in the period	01/01/2016 -30/09/2016	01/01/2015 -30/09/2015
EURO	4,3688	4,1585

7. Material values based on professional judgement and estimates

7.1 Professional judgement

In the event that a transaction is not regulated in any standard or interpretation, the Management Board, while being guided by a subjective judgement, specifies and applies accounting policies, which will ensure that the financial statements contain appropriate and credible information and will:

- present a true, clear and fair view of the economic and financial position of the Group, the results of its activity and cash flows,
- reflect the commercial substance of transactions,
- be objective,
- be prepared in conformity with the conservative valuation principle,
- be complete in all essential aspects.

Recognition of sales revenues

Revenues from the sale of real estate (mainly residential units) are recognised upon the transfer to the buyer of the real estate of the control of the real estate being acquired and of the significant risks and benefits typical of the ownership title. In the opinion of the parent company's managers, this takes place upon the delivery of the real estate to the buyer on the basis of an acceptance report signed by the parties, on condition that all the payments towards the price of the acquisition of the real estate were made by the buyer.

Discount rate

The discount rate taken influences the figures presented in the consolidated report of the financial situation. This concerns, for example, the value of the provisions for employee benefits. That rate is also used during goodwill testing for permanent impairment. The discount rate taken by the Management Board of the parent entity is based on the interest rate on 10-year treasury bonds.

7.2 Uncertainty of estimates

The preparation of consolidated financial statements requires the Company's Management Board to make estimates because much information in the financial statements cannot be valued precisely. The Management Board reviews the estimates on the basis of the changes of factors taken into consideration when the estimates were made, of new information or of previous experience. It is for that reason that the estimates as at 30 June 2016 may be revised in the future. The main estimates have been described below.

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Impairment of fixed assets and the analysis of the realisable net selling price of inventories	The Group tests fixed assets and inventories for impairment test in case factors indicating possible impairment occur. Impairment tests regarding goodwill acquired by merging business entities are conducted at the end of each financial year. The analysis of the net realisable selling price of inventories in the case of finished products (completed residential premises) is conducted by comparing their book value with current market selling prices of premises for a given stage of a project implemented by the Group.
Trade receivable valuation allowances	Given the grounds, the Group verifies the recovery of various trade receivables and estimates the valuation allowances on that basis.
Income tax	The Group recognises deferred tax assets on the basis of the assumption that a tax profit allowing the use of deferred tax will be achieved in the future. The deterioration of the tax results obtained in the future could make that assumption groundless.
Employee benefits	Provisions for retirement benefits and unused vacation leaves.
Provisions	Provisions for guarantees and sureties given and provisions for claims and court cases
Useful life of fixed assets and intangibles	The useful life of assets and their depreciation method is reviewed at least at the end of each financial year.

7.3 Change of estimates in the current reporting period

Hotel Mikołajki Sp. z o.o. updated the useful life of fixed assets effective on 1 January 2016. In relation to the decrease of depreciation rates, the depreciation cost shown in the interim condensed consolidated financial statements for nine months of 2016 was lowered against in relation to the comparable period.

If Hotel Mikołajki Sp. z o.o. had not made the change, the depreciation cost shown in this interim condensed consolidated financial statements would have been higher by PLN 1,845 k.

8. Seasonality of INPRO SA Group's activity in the period under discussion

The Group's property development activity is not characterised by seasonality, and the revenues depend directly on the length and character of the property development cycle.

The hotel activity of the companies within the Group is characterised by the seasonality of the revenues from sales. No significant deviations were noted in the reporting period compared to other periods in relation to seasonality.

The activity of PI ISA Sp. z o.o., inBet Sp. z o.o. oraz SML Sp. z o.o. is not characterised by seasonality.

9. Events with significant influence on the Corporate Group's activity and financial results

Key factors influencing the Group's financial performance in the first nine months of 2016:

- the Group's advanced sales in nine months of 2016, understood as the number of the signed preliminary agreements net, was lower than in the comparable period of the previous year (a decrease by 27% to 296 agreements net). The decrease in the preliminary sales level against the comparable period was, in particular, influenced by a smaller number of flats for sale than last year, by the range of the offer, by placing further property development projects on the market being postponed, and by a high base effect. The third quarter of the last year was a record sales quarter over the last few years. For comparison, the decrease of the sales in the 3rd quarter 2016 in relation to a comparable quarter in 2014 is 11% (the Group recorded the same decrease in comparison to the 3rd quarter 2016 to 2015). At the end of June 2016, INPRO SA had on offer approximately 100 premises fewer than a year before. At the same time, the offer

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included a smaller number of popular flats and upper-end apartments in the price range from PLN 5,200 to 6,200/m² than last year.

- in relation to the specific nature of the property development cycle, the revenues from operations are posted after approximately 2 years from the commencement of a property development project, following receipt of the occupancy permit and delivery of the premises to the buyers. In the period from January to September 2016, INPRO SA placed in service only four single-family houses at the Wróbla Staw estate, and PB Domesta completed the works on buildings Nos. 16 and 17 at the Leszczynowe estate (54 premises in total). The total number of deliveries in the period in question was 231 compared to 319 in the previous year (a decrease by 28 %). Deliveries in the reporting period concerned mainly the projects completed in previous years. A considerable part of the turnover related to the property development activity will be attributable to the last quarter of this year.
- improvement of the profitability of the Dom Zdrojowy company and the Hotel Mikołajki company due to economic boom at hotel services market.

In the subsequent quarters, the Group's financial performance will be affected, first of all, by the following:

- the macroeconomic situation in Poland and in the world,
- the development of the property development market with special consideration for its competitiveness (a growing number of flats on offer),
- regulatory activities of the government, in particular the endorsement of the act concerning the "Flat for Young People" programme and of the Flat Acquirers' Rights Protection Act, and recommendation S3 becoming effective, the adoption of the 500+ programme, work on the National Housing Programme and the endorsement of the Agricultural Land Trade Act.
- the possibility of procurement of various administrative decisions and permits,
- the policy of the National Bank of Poland concerning interest rates on the banking market,
- the policy pursued by the banks financing the developers and flat buyers,
- improvement of the situation in the hotel trade.

10. Information on significant transactions effected by INPRO SA or a subsidiary with related entities on conditions other than market conditions

All the transactions by the Company or its subsidiaries with related entities were entered into on market conditions.

The description of transactions with related entities was presented in note 39 of this condensed interim consolidated financial statements for nine months ended on 30/09/2016.

11. Information on credit/loan sureties given by the Parent Entity or by subsidiaries or on guarantees given to an entity or its subsidiary, where the total value of sureties or guarantees is at least 10% of the Issuer's equity

In the period in question, INPRO SA and its subsidiaries did not grant credit sureties, loans or guarantees.

12. Difference between the financial performance indicated in the annual report and forecasts for a given year published previously

The Company did not publish financial forecasts for 2016.

13. Other material information for the assessment of the personnel, economic and financial position and of the financial result as well as their changes and the payment of liabilities

- a) On 26/01/2016 INPRO SA signed with the consortium of banks: SGB – Bank SA and Bank Spółdzielczy w Tczewie a working capital credit agreement for PLN 6,000 k refinancing the construction of 24 premises in Gdańsk, buildings A and B at the Chmielna Park residential estate. The agreement was described in current report No. 2/2016 of 26/01/2016.

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- b) On 03/02/2016, PI ISA Sp. z o.o. signed with Bank Millennium S.A. an annexe to an overdraft agreement on the basis of which the loan amount was increased from PLN 250 k to PLN 300 k and the loan term extended until 04/02/2017.
- c) On 09/02/2016 INPRO SA effected the full early repayment of the working capital credit for the financing of the construction of the Wróbla Staw single-family buildings in the amount of PLN 10,000 k obtained from Alior Bank SA on 19/09/2013.
- d) On 11/02/2016 INPRO SA effected the full early repayment of the working capital credit for the financing of the construction of the first stage of the Wróbla Staw multi-family buildings in the amount of PLN 5,000 k obtained from a consortium of banks: SGB-Bank S.A. and Bank Spółdzielczy in Pruszcz Gdański on 16/07/2015.
- e) On 12/02/2016 the building permit for the construction of stage I of the estate at Stężycka Street in Gdańsk became valid in law.
- f) On 01/03/2016 INPRO SA signed with the Municipality of the City of Gdańsk an agreement for the perpetual use of plot No. 222/2 in Gdańsk, Opacka street, for the price not exceeding 10 % of the Issuer's equity.
- g) On 10/03/2016 INPRO SA signed with mBank SA a working capital credit agreement for PLN 31,000 k financing the construction of stage I of the Harmonia Oliwska residential estate. The agreement was described in current report No. 5/2016 of 10/03/2016.
- h) On 15/03/2016 the Gdańsk-North District Court in Gdańsk, 3rd Land and Mortgage Register Division, recorded in division IV of land and mortgage register No. GD1G/00064314/3 the contractual real estate mortgage up to the sum of PLN 36,450 k on INPRO SA's assets constituting a legal security for the repayment of the credit in the amount of PLN 24,300 k granted by mBank and financing the construction of building C at the Chmielna Park estate.
- i) On 04/04/2016 the Management Board of INPRO S.A. adopted resolutions on granting of joint power of proxy to Mr Robert Maraszek and Mr Marcin Stefaniak. Both of the above-mentioned proxies were granted the power of joint proxy authorising them to act together with the other.
- j) On 05/04/2016 the Company's Management Board decided to recommend the Company's General Assembly the payment of the dividend in the amount of PLN 0.30 per share.
- k) On 26/04/2016 the Company effected the full early repayment of the working capital credit in the amount of PLN 11,000 k signed with the consortium of banks: SGB – Bank SA and Bank Spółdzielczy in Tczew, the credit having been allocated for the financing of the construction of phase II of the Wróbla Staw multi-family buildings.
- l) On 27/04/2016 inBet Sp. z o.o. started a new semi-precast floor production line financed by way of an operating lease agreement with PEKAO Leasing Sp. z o.o. (the book value of the line is approximately PLN 5.1 m).
- m) On 28/04/2016 the Company signed an agreement with Powszechna Kasa Oszczędności Bank Polski SA for the transfer of a cash claim following from the business property insurance of the enterprises (within the scope related to the insurance of the office building in Gdańsk, ul. Opata Jacka Rybińskiego 8). The agreement constitutes a legal security for the repayment of the overdraft facility in the amount of PLN 10 m granted by the Bank and was described in current report No. 13/2016 of 29/04/2016.
- n) On 28/04/2016 the Gdańsk-North District Court in Gdańsk, 7th Business Division of the National Court Register, issued a ruling on the registration of the joint power of proxy granted to Mr Robert Maraszek and of the joint power of proxy granted to Mr Marcin Stefaniak.
- o) On 31/05/2016 INPRO SA signed with mBank SA an annexe to the working capital credit agreement for PLN 31,000 k for financing the construction of stage I of the Harmonia Oliwska residential estate. Under the annexe, the start of the credit use period was postponed from 01/06/2016 to 01/08/2016.

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(unless indicated otherwise, all amounts have been given in thousands of zlotys)

- p) On 16/06/2016 PB DOMESTA Sp. z o.o. concluded a preliminary purchase agreement for land at Kruczkowskiego Street in Gdańsk. The value of the agreement does not exceed 10% of the Issuer's equity.
- q) On 14/07/2016 the Company signed with the consortium of banks: SGB – Bank SA, Bank Spółdzielczy in Pruszcz Gdański and Bank Spółdzielczy in Tczew, a working capital credit agreement for PLN 22,500 k for the financing of the construction of stage I of Optima residential estate in Gdańsk. The agreement was described in current report No. 23/2016 of 14/07/2016.
- r) On 15/07/2016 INPRO SA signed a sale agreement for land at Kartuska Street in Gdańsk. The price for which the Company sold the land does not exceed 10% of the Issuer's equity.
- s) On 26/07/2016 INPRO SA signed with mBank SA an annexe to the credit agreement financing the construction of building C at the Chmielna Park residential estate. Based on the annexe, the credit agreement was repaid before the deadline in full on 27/07/2016.
- t) On 04/08/2016 INPRO SA signed with a preliminary purchase agreement for land located in Gdynia, Fleszerowej-Muskat Street. The value of the land does not exceed 10% of the Issuer's equity.
- u) On 04/08/2016 inBet Sp. z o.o. signed a loan agreement with Idea Leasing SA for PLN 55.4 k for the purchase of an electronic truck weighbridge. The loan was given for 60 months. The legal security for the repayment of the agreement is a registered pledge on the object of lease up to PLN 66.4 k.
- v) On 11/08/2016 PB DOMESTA Sp. z o.o. signed a lease agreement for PLN 406 k with mLeasing Sp. z o.o. for the purchase of two sets consisting of 11 containers each. The lease was granted for 60 months.
- w) On 22/09/2016 INPRO SA signed an overdraft agreement for up to PLN 16,000 k with Alior Bank SA. The funds under that agreement were used to repay the overdraft facility up to PLN 10,000 k allowed by PKO BP SA. The agreement with Alior Bank SA was described in current report No. 24/2016 of 22/09/2016.
- x) On 22/09/2015 INPRO SA signed with Alior Bank SA a working capital credit agreement for PLN 7,500 partially refinancing the costs of the purchase of plot No. 223/18 at Opacka Street in Gdańsk. The agreement was described in current report No. 24/2016 of 22/09/2016.
- y) On 22/09/2016 INPRO SA signed with Alior Bank SA an annexe to the working capital credit agreement of 2014 refinancing the costs of purchase of land at Jana Pawła II Street in Gdańsk. Based on the annexe, the previous mortgage security of the credit repayment was replaced with a combined mortgage constituting at the same time the legal security for the repayment of the overdraft facility as described in current report No. 24/2016 of 22/09/2016.

In the reporting period there occurred no other events, which have not been described above, material for the assessment of the personnel, economic or financial position and of the financial result.

14. Material events after the balance sheet date

- a) On 07/10/2016 PB DOMESTA Sp. z o.o. obtained an occupancy permit for the Leszczynowe Estate property development project, building No. 18. The permit became final on 24/10/2016.
- b) On 13/10/2016 INPRO SA was served a decision of 07/10/2016 on the approval of the construction design and on granting a building permit for an estate of multi-family buildings called "AZYMUT" at Strzelców Street in Gdynia. The decision described above is not final. It follows from information acquired by the Company by telephone from a body of first instance that one of the parties to the proceedings has filed an appeal against the decision. By the date of publication of this report, the Company has not, however, received official information from that body on filing the appeal, such information having been provided in the manner prescribed by Article 131 of the Administrative Procedure Code.
- c) On 20/10/2016 INPRO SA obtained an occupancy permit for the Kwartał Uniwersytecki property development project at Szczecińska Street in Gdańsk. The permit became final on 07/11/2016.

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- d) On 25/10/2016 the Gdańsk-North District Court in Gdańsk, 3rd Land and Mortgage Register Division, recorded in division IV of land and mortgage register No. GD1G/00261213/3 the contractual real estate mortgage up to the amount of PLN 46,500 k on INPRO SA's assets constituting a legal security for the repayment of the credit in the amount of PLN 31,000 k granted by mBank and financing the construction of stage I of the Harmonia Oliwska estate in Gdańsk.
- e) On 26/10/2016 INPRO SA signed a preliminary purchase agreement for land at Szczecińska Street in Gdańsk. The purchase price of the land does not exceed 10% of the Issuer's equity.
- f) On 27/10/2016 INPRO SA signed a purchase agreement for land in Pruszcz Gdański. The purchase price of the land does not exceed 10% of the Issuer's equity.
- g) On 03/11/2016 PB DOMESTA Sp. z o.o. signed a preliminary purchase agreement for land at Dąbrówki Street in Gdańsk. The purchase price of the land does not exceed 10% of the Issuer's equity.
- h) On 07/11/2016 INPRO SA effected the full early repayment of the credit financing the construction of the Kwartał Uniwersytecki project obtained from mBank SA on 30/07/2015.
- i) On 09/11/2016 INPRO SA effected the full early repayment of the credit financing the construction of the Wróbla Staw Multi-Family Buildings project, stage I, obtained from the consortium of banks: SGB Bank SA and Bank Spółdzielczy in Tczew on 26/02/2015.

15. Information on operating segments

Operating segments were created at the level of various companies in the Group with differences in products and services taken into consideration. The data regarding the sale of homogeneous products and services by various Group companies were aggregated for reporting purposes. Aggregation for reporting purposes was based on the kind of activity i.e. the kind of products and services sold.

The Group carries activity within the following operating segments:

- 1) property development activity (INPRO SA, PB Domesta Sp. z o.o., the sale of apartments at Hotel Mikołajki Sp. z o.o.),
- 2) hotel services (Dom Zdrojowy Sp. z o.o. and Hotel Mikołajki Sp. z o.o.),
- 3) manufacture of concrete, reinforced concrete and steel elements (inBet Sp. z o.o.),
- 4) sanitary and heating installations (PI ISA Sp. z o.o.)

Activities in the above-mentioned segments are pursued in the territory of Poland.

The tables below present the data concerning revenues and profits as well as certain assets and liabilities of the Group's various operating segments for the accounting period ended on 30 September 2016, 30 September 2015 and 31 December 2015.

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(unless indicated otherwise, all amounts have been given in thousands of zlotys)

Figures for the period 01/01/2016-30/09/2016	Continuing activities					Exclusions	Total activities
	Property development activity	Hotel services	Manufacture of precast units	Sanitary and heating installations	Total		
Revenues							
Sales to external customers	87 993	25 134	4 767	999	118 893		118 893
Sales between segments	3 936	158	3 375	4 751	12 220	(12 220)	-
Total revenues of the segment	91 929	25 292	8 142	5 750	131 113	(12 220)	118 893
Profit (loss) of the segment	23 120	8 639	1 313	647	33 719	(509)	33 210
Selling costs	(2 933)	(530)	(243)	-	(3 706)	-	(3 706)
Administrative expenses	(9 588)	(3 783)	(599)	(803)	(14 773)	-	(14 773)
Other operating revenues/costs	917	54	(30)	(2)	939	4	943
Profit (loss) on operating activities	11 516	4 380	441	(158)	16 179	(505)	15 674
Interest revenue	271	18	4	1	294	(81)	213
Interest cost	(338)	(851)	(82)	(6)	(1 277)	81	(1 196)
Other net revenues /financial costs	723	6	(4)	-	725	(702)	23
Profit (loss) before tax	12 172	3 553	359	(163)	15 921	(1 207)	14 714
Income tax	(2 268)	(703)	(288)	-	(3 259)	97	(3 162)
Net profit (loss) for the financial period	9 904	2 850	71	(163)	12 662	(1 110)	11 552
<i>- including attributable to non-controlling shareholders</i>							891

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(unless indicated otherwise, all amounts have been given in thousands of zlotys)

Figures for the period 01/07/2016-30/09/2016	Continuing activities					Exclusions	Total activities
	Property development activity	Hotel services	Manufacture of precast units	Sanitary and heating installations	Total		
Revenues							
Sales to external customers	22 188	13 813	2 008	35	38 044	-	38 044
Sales between segments	420	1	1 672	1 367	3 460	(3 460)	-
Total revenues of the segment	22 608	13 814	3 680	1 402	41 504	(3 460)	38 044
Profit (loss) of the segment	5 137	6 727	709	196	12 769	46	12 815
Selling costs	(842)	(207)	(124)	-	(1 173)	-	(1 173)
Administrative expenses	(3 459)	(1 523)	(229)	(245)	(5 456)	-	(5 456)
Other operating revenues/costs	154	42	(11)	(1)	184	4	188
Profit (loss) on operating activities	990	5 039	345	(50)	6 324	50	6 374
Interest revenue	51	5	1	-	57	(18)	39
Interest cost	(92)	(264)	(40)	(1)	(397)	18	(379)
Other net revenues /financial costs	17	-	(2)	-	15	-	15
Profit (loss) before tax	966	4 780	304	(51)	5 999	50	6 049
Income tax	(214)	(850)	(62)	-	(1 126)	(10)	(1 136)
Net profit (loss) for the financial period	752	3 930	242	(51)	4 873	40	4 913
<i>- including attributable to non-controlling shareholders</i>							633

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

Figures as at 30/09/2016	Continuing activities					Exclusions	Total activities
	Property development activity	Hotel services	Manufacture of precast units	Sanitary and heating installations	Total		
Assets and liabilities							
Segment assets	364 241	99 986	15 333	1 856	481 416	(99 571)	381 845
Total assets	364 241	99 986	15 333	1 856	481 416	(99 571)	381 845
Segment liabilities	244 166	65 614	9 336	1 083	320 199	(92 350)	227 849
Total equity	120 075	34 372	5 997	773	161 217	(7 221)	153 996
Total liabilities and capital	364 241	99 986	15 333	1 856	481 416	(99 571)	381 845
Other information concerning segments for nine months of 2016							
	Property development activity	Hotel services	Manufacture of precast units	Sanitary and heating installations	Total	Exclusions	Total activities
Gross growth of fixed assets in the period	734	3 922	6 286	-	10 942	(261)	10 681
Depreciation of property, plant, equipment and intangibles	(903)	(1 537)	(379)	(19)	(2 838)	48	(2 790)
Total impairment loss as at 30/09/2016	(284)	(66)	(254)	-	(604)	21	(583)

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

Figures for the period 01/01/2015-30/09/2015	Continuing activities					Exclusions	Total activities
	Property development activity	Hotel services	Manufacture of precast units	Sanitary and heating installations	Total		
Revenues							
Sales to external customers	107 208	23 707	2 316	743	133 974	-	133 974
Sales between segments	1 492	55	5 110	1 191	7 848	(7 848)	-
Total revenues of the segment	108 700	23 762	7 426	1 934	141 822	(7 848)	133 974
Profit (loss) of the segment	29 278	6 861	1 505	366	38 010	(782)	37 228
Selling costs	(2 997)	(218)	-	-	(3 215)	-	(3 215)
Administrative expenses	(7 649)	(4 841)	(884)	(261)	(13 635)	-	(13 635)
Other operating revenues/costs	(279)	688	44	-	453	(4)	449
Profit (loss) on operating activities	18 353	2 490	665	105	21 613	(786)	20 827
Interest revenue	1 289	26	10	1	1 326	(1 048)	278
Interest cost	(596)	(1 450)	(11)	-	(2 057)	1 048	(1 009)
Other net revenues /financial costs	388	9	-	(1)	396	(499)	(103)
Profit (loss) before tax	19 434	1 075	664	105	21 278	(1 285)	19 993
Income tax	(3 754)	(192)	207	(27)	(3 766)	155	(3 611)
Net profit (loss) for the financial period	15 680	883	871	78	17 512	(1 130)	16 382
<i>- including attributable to non-contr shareholders</i>							633

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(unless indicated otherwise, all amounts have been given in thousands of zlotys)

Figures for the period 01/07/2015-30/09/2015	Continuing activities					Exclusions	Total activities
	Property development activity	Hotel services	Manufacture of precast units	Sanitary and heating installations	Total		
Revenues							
Sales to external customers	39 534	13 055	745	743	54 077	-	54 077
Sales between segments	607	3	1 921	1 191	3 722	(3 722)	-
Total revenues of the segment	40 141	13 058	2 666	1 934	57 799	(3 722)	54 077
Profit (loss) of the segment	11 132	5 310	560	366	17 368	(870)	16 498
Selling costs	(914)	-	-	-	(914)	-	(914)
Administrative expenses	(2 512)	(1 767)	(303)	(261)	(4 843)	-	(4 843)
Other operating revenues/costs	122	(24)	8	-	106	-	106
Profit (loss) on operating activities	7 828	3 519	265	105	11 717	(870)	10 847
Interest revenue	181	16	6	1	204	(96)	108
Interest cost	(234)	(379)	(3)	-	(616)	96	(520)
Other net revenues /financial costs	-	-	-	(1)	(1)	-	(1)
Profit (loss) before tax	7 775	3 156	268	105	11 304	(870)	10 434
Income tax	(1 244)	(743)	(51)	(27)	(2 065)	166	(1 899)
Net profit (loss) for the financial period	6 531	2 413	217	78	9 239	(704)	8 535
<i>- including attributable to non-controlling shareholders</i>							244

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

Figures as at 31/12/2015	Continuing activities					Exclusions	Total activities
	Property development activity	Hotel services	Manufacture of precast units	Sanitary and heating installations	Total		
Assets and liabilities							
Segment assets	354 928	100 223	10 319	2 748	468 218	(100 034)	368 184
Total assets	354 928	100 223	10 319	2 748	468 218	(100 034)	368 184
Total equity	247 185	62 764	8 170	1 545	319 664	(90 847)	228 817
Segment liabilities	107 743	37 459	2 149	1 203	148 554	(9 187)	139 367
Total liabilities and capital	354 928	100 223	10 319	2 748	468 218	(100 034)	368 184
Other information concerning segments for 2015							
Change of fixed assets in the period	1 378	844	2 146	413	4 781	-	4 781
Depreciation of fixed assets	(1 464)	(4 444)	(191)	(11)	(6 110)	63	(6 047)
Total impairment loss as at 31/12/2015	(284)	(127)	(235)	-	(646)	21	(625)

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16. Costs and revenues

16.1 Sales revenues

Sales revenues	01/01/2016 -30/09/2016	01/01/2015 -30/09/2015	01/07/2016- 30/09/2016	01/07/2015- 30/09/2015
Revenues from the sale of products	83 321	108 003	17 610	37 340
Revenues from the sale of services	28 977	25 951	15 941	16 731
Revenues from the sale of goods for resale and materials	6 595	20	4 493	6
Total sales revenues	118 893	133 974	38 044	54 077

16.2 Costs by category

Costs by category	01/01/2016 -30/09/2016	01/01/2015 -30/09/2015	01/07/2016- 30/09/2016	01/07/2015- 30/09/2015
Depreciation	2 790	4 538	986	1 555
Consumption of materials and energy	30 662	31 940	8 722	12 965
External services	53 554	56 186	18 982	19 062
Taxes and charges	1 976	2 557	478	684
Costs of employee benefits, including:	25 322	20 281	8 905	8 184
- payroll	21 353	16 704	7 670	6 834
- costs of social insurances and other benefits	3 969	3 577	1 235	1 350
Other costs	2 190	2 162	1 003	521
Razem koszty rodzajowe	116 494	117 664	39 076	42 971
Change in products, work in progress and accruals (+/-)	(14 611)	(3 240)	(10 660)	666
Costs of products for the entity's own needs (-)	(4 161)	(848)	(1 114)	(307)
Selling costs (-)	(3 706)	(3 215)	(1 173)	(914)
Administrative expenses (-)	(14 773)	(13 635)	(5 456)	(4 843)
Value of goods for resale and materials sold	6 440	20	4 556	6
Cost of sales	85 683	96 746	25 229	37 579
Total costs of products, goods for resale and materials sold, cost of sales and administrative expenses	104 162	113 596	31 858	43 336

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17. Income tax

The main components of the tax burden for the period ended on 30 September 2016 and 30 September 2015 are as follows:

Income tax	01/01/2016 -30/09/2016	01/01/2015 -30/09/2015
Consolidated statement of total income		
Current income tax	5 577	3 774
Current income tax liability	5 577	3 773
Adjustments concerning current income tax from previous years	-	1
Deferred income tax	(2 415)	(163)
Relating to the establishment and reversal of temporary differences	(2 415)	(163)
Tax liability shown in the consolidated statement of total income	3 162	3 611

18. Earnings per share

Earnings per share	01/01/2016 -30/09/2016	01/01/2015 -30/09/2015	01/07/2016- 30/09/2016	01/07/2015- 30/09/2015
Net profit (loss) from continuing operations	10 661	15 749	4 280	8 291
Net profit from discontinued operations	-	-	-	-
Net profit attributable to shareholders in the parent entity	10 661	15 749	4 280	8 291
Weighted average number of ordinary shares	40 040	40 040	40 040	40 040

Basic earnings per share	01/01/2016 -30/09/2016	01/01/2015 -30/09/2015	01/07/2016- 30/09/2016	01/07/2015- 30/09/2015
Net profit	10 661	15 749	4 280	8 291
Weighted average number of ordinary shares	40 040	40 040	40 040	40 040
Basic earnings per share (PLN/share)	0,2663	0,3933	0,1069	0,2071

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Diluted earnings per share	01/01/2016 -30/09/2016	01/01/2015 -30/09/2015	01/07/2016- 30/09/2016	01/07/2015- 30/09/2015
Net profit attributable to shareholders for diluted earnings per share calculation	10 661	15 749	4 280	8 291
Adjusted weighted average number of ordinary shares for diluted earnings per share calculation	40 040	40 040	40 040	40 040
Diluted earnings per share (PLN/share)	0,2663	0,3933	0,1069	0,2071
Basic earnings per share from continuing operations	01/01/2016 -30/09/2016	01/01/2015 -30/09/2015	01/07/2016- 30/09/2016	01/07/2015- 30/09/2015
Net profit from continuing operations	10 661	15 749	4 280	8 291
Weighted average number of ordinary shares	40 040	40 040	40 040	40 040
Basic earnings per share (PLN/share)	0,2663	0,3933	0,1069	0,2071
Diluted earnings per share from continuing operations	01/01/2016 -30/09/2016	01/01/2015 -30/09/2015	01/07/2016- 30/09/2016	01/07/2015- 30/09/2015
Net profit attributable to Shareholders for the calculation of diluted earnings per share from continuing operations	10 661	15 749	4 280	8 291
Adjusted weighted average number of ordinary shares for diluted earnings per share calculation	40 040	40 040	40 040	40 040
Diluted earnings per share (PLN/share)	0,2663	0,3933	0,1069	0,2071

19. Dividends paid and proposed

Dividends paid and proposed	01/01/2016 -30/09/2016	01/01/2015 -30/09/2015
Declared and paid dividends for ordinary shares::	12 083	3 635
- dividend proposed to the parent entity's shareholders from profit for 2015	12 012	-
- dividend proposed to the non-controlling shareholders from profit for 2015	71	-
- dividend proposed and paid to the parent entity's shareholders from profit for 2014	-	3 604
- dividend proposed and paid to the non-controlling shareholders from profit for 2014	-	31
Total	12 083	3 635
Dividend paid to non-controlling shareholders	437	345
Total dividends and other payments to owners	12 520	3 980

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30/09/2016

In conformity with the resolution No. 12/2016 Ordinary General Assembly of Inpro SA on the division of the Company's net profit for the period from 1 January 2015 to 31 December 2015, the part of the profit in the amount of PLN 12,012 k i.e. PLN 0.30 per share was paid as a dividend to the shareholders of Inpro. The General Assembly set out 27/05/2016 as the dividend date and 10/06/2016 as the dividend payment date.

Based on resolution No. 6/2016 the General Meeting of a subsidiary, PB Domesta Sp. z o.o., made a decision on the payment of the dividend in the amount of PLN 910 k from profit for 2015.

Based on resolution No. 4 of 29/06/2015 r. the General Meeting of a subsidiary, PI ISA Sp. z o.o., made a decision on the payment of the dividend in the amount of PLN 300 k from profit for 2015.

30/09/2015

In conformity with the resolution of the Ordinary General Assembly of Inpro SA on the division of the Company's net profit for the period from 1 January 2014 to 31 December 2014, the part of the profit in the amount of PLN 3,604 k i.e. PLN 0.09 per share was paid as a dividend to the shareholders of Inpro. The General Assembly set out 14 July 2015 as the dividend date and 28 July 2015 as the dividend payment date.

Based on resolution No. 7/2015 the General Meeting of a subsidiary, PB Domesta Sp. z o.o., made a decision on the payment of the dividend in the amount of PLN 853 k from profit for 2014.

20. Goodwill on consolidation

	<u>30/09/2016</u>	<u>31/12/2015</u>
Balance sheet value of goodwill on consolidation		
P.B. Domesta Sp. z o.o.	5 624	5 624
PI ISA Sp. z o.o.	1 084	1 084
Total balance sheet value	6 708	6 708

During 2015 and the first three quarters of 2016, the following changes in goodwill on consolidation occurred:

	<u>01/01/2016- 30/09/2016</u>	<u>01/01/2015- 31/12/2015</u>
Goodwill on consolidation as at the beginning of the period	6 708	5 624
Changes of goodwill on consolidation in the period (acquisition of shares in PI ISA Sp. z o.o.)	-	1 084
Total balance sheet value as at the end of the period	6 708	6 708

As a result of the purchase of 51% of shares in P.B. Domesta Sp. z o.o. on 12 August 2010, goodwill was disclosed in the amount of PLN 5,624 k.

As a result of the purchase of 76.92% of shares in PI ISA Sp. z o.o. on 01 July 2015, goodwill was disclosed in the amount of PLN 1,084 k.

The price for the purchase of 76.92 % shares in PI ISA Sp. z o.o. on 1/07/2015 was fixed on the basis of the valuation of PI ISA Sp. z o.o. in conformity with the fair value determined by means of the comparable data method with data from the active market in relation to similar trades and those affecting the company under valuation.

The valuation date is 31 March 2015. Goodwill was determined as the difference between the value of the purchased share in the net assets of the company and the purchase price.

An impairment test conducted as at 31 December 2015 confirmed that the value shown in the statements is realistic. The reasons for the permanent impairment of goodwill were not noted in the first nine months of 2016, either.

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21. Extension of the Group with new business entities

On 01/07/2016 INPRO SA established a new subsidiary under the business name of SML Sp. z o.o. INPRO SA subscribed for 4,000 shares in the share capital at the nominal value of PLN 50 per share, totalling PLN 200,000 (100%), which were covered by that amount in cash.

SML Sp. z o.o. was registered in the National Court Register on 14/07/2016 under number 0000628286. The main object of that entity is interior fit-out and construction finishing services. As at the balance sheet date, the financial data of the newly created subsidiary was irrelevant from the Group's point of view, therefore SML Sp. z o.o. was not comprised by consolidation.

On 01/07/2015 INPRO SA entered into three purchase agreements for the total of 270 shares in Przedsiębiorstwo Instalacyjne ISA Sp. z o.o. with its registered office in Gdańsk. On the basis of the signed agreements INPRO SA purchased 90 shares at the nominal value of PLN 200 each from each of the members of the Management Board of INPRO S.A., that is from Mr Piotr Stefaniak, Mr Krzysztof Maraszek and Mr Zbigniew Lewiński. After the purchase of the shares, INPRO S.A. holds in PI ISA Sp. z o.o. the total of 270 shares of the nominal value of PLN 54,000, such shares granting jointly 76.92 % of the capital of that entity (PLN 80,000). The purchase agreement was registered in the National Court Register on 07/09/2015.

22. Property, plant and equipment

Balance sheet values	30/09/2016	31/12/2015	change from Jan. to Sept. 2016
1. Fixed assets	101 999	93 203	8 796
a) land (including the perpetual usufruct right)	4 998	5 001	(3)
b) buildings, premises and civil and hydraulic engineering structures	75 738	72 040	3 698
c) machinery and equipment	16 109	10 959	5 150
d) motor vehicles	2 566	2 622	(56)
e) other fixed assets	2 588	2 581	7
2. Fixed assets under construction	1 796	2 348	(552)
Total property, plant and equipment	103 795	95 551	8 244

The balance sheet value of property, plant and equipment in the first nine months increased by PLN 8.244 k. In the fixed assets area, the following are of the greatest significance:

- placing in service the canopied link building between the two parts of the hotel complex in the Mikołajki Hotel,
- placing in service a new precast concrete unit production line at inBet Sp. z o.o.

There was no material liquidation of fixed assets in the reporting period.

23. Investment property

In the "Investment property" item, premises leased by INPRO SA to third parties (the valuation model: the purchase price) are presented.

A change of the value of that item in the current period results from depreciation only.

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(unless indicated otherwise, all amounts have been given in thousands of zlotys)

24. Inventory

Inventory	30/09/2016	31/12/2015
Materials (at the acquisition price)	981	891
Work in progress (at cost of manufacture)	98 462	51 927
Finished goods (at the acquisition price/ cost of manufacture)	16 490	49 260
Commodities (at the acquisition price)	101 737	111 362
Total inventory at the lower of two values: the acquisition price (cost of manufacture) and net realisable value	217 670	213 440

Obsolescence allowances on inventory	01/01/2016 -30/09/2016	01/01/2015- 31/12/2015
Obsolescence allowances on inventory as at the beginning of the period	322	38
Obsolescence allowance made	-	284
Obsolescence allowance reversed	-	-
Obsolescence allowances on inventory as at the end of the period	322	322

In 2015 the Group made a revaluation deduction on the value of parking spaces in buildings A and B at the City Park project in relation to bringing them down to the net selling prices. The amount of the deduction was PLN 284 k.

In the reporting period the Company did not reverse or create the inventory revaluation deduction. Mortgages to secure existing and future claims and ordinary mortgages to secure credit repayment are established on inventory (land in perpetual usufruct recorded in goods for resale). Details of securities: see note 32 in additional information.

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(unless indicated otherwise, all amounts have been given in thousands of zlotys)

25. Trade and other receivables

	30/09/2016	31/12/2015
Receivables from related entities	13	10
Trade receivables	13	10
Other receivables	-	-
Receivables from other entities	12 801	13 165
Gross trade receivables	4 288	8 526
State budget receivables other than current income tax	1 726	1 301
Advances on inventory	6 635	1 275
Advances on fixed assets	108	2 054
Other non-financial liabilities	44	9
Gross receivables	12 814	13 175
Valuation allowance for receivables	(223)	(265)
Short-term prepayments, including:	616	303
- subscription cost	4	7
- software, domains, licences	70	52
- cost of insurances	144	134
- payments under the remaining lease agreements	2	6
- rent	15	2
- advertisements	42	37
- payments for perpetual usufruct	295	-
- other prepaid expenses	44	65
Total receivables (net)	13 207	13 213

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(unless indicated otherwise, all amounts have been given in thousands of zlotys)

26. Other financial assets

Other financial assets	30/09/2016	31/12/2015
Advances on separate revenue accounts (escrow accounts)*	9 918	7 821
Long-term financial assets – shares in SML Sp. z o.o.	201	-
Total	10 119	7 821

27. Cash

The balance of cash and cash equivalents shown in the consolidated statement of the financial position and in the consolidated cash flow statement consisted of the following items as at 30/09/2016:

Cash	30/09/2016	31/12/2015
Cash at bank and in hand	26 875	8 710
Cash on long-term bank	6	18 518
Total cash and cash equivalents	26 881	27 228

	30/09/2016	31/12/2015
Cash in PLN	26 881	27 228
Total cash and cash equivalents	26 881	27 228

The fair value of cash and cash equivalents as at 30/09/2016 is 26,881 k zlotys (31/12/2015 r.: 27,228 k zlotys).

As at 30 September 2016 the Group had unused credit (working capital credits for property development projects and overdraft facilities) in the amount of 61,541 k zlotys 31/12/2015: 51,845 k zlotys), which funds will be used as the construction works progress.

As at 30/06/2016 the Group didn't have unused investment credits.

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(unless indicated otherwise, all amounts have been given in thousands of zlotys)

27.1 Explanation to the cash flow statement for the period 01/01/2016 – 30/09/2016

No.	Item	Change in the period 01/01/2016-30/09/2016
1.	Balance sheet change in provisions	(4 322)
2.	Change in provisions in the cash flow statement	(1 468)
3.	Difference	2 854
4.	Explanation of the difference:	2 854
-	change in provisions in relation to CIT	2 854
1.	Balance sheet change in prepayments	152
2.	Change in prepayments in the cash flow statement	(292)
3.	Difference	(444)
4.	Explanation of the difference:	(444)
-	change in deferred tax assets	(440)
-	other prepayments – settlement of interest on lease	(4)
1.	Balance sheet change in net long and short-term receivables	536
2.	Change in receivables in the cash flow statement	311
3.	Difference	(225)
4.	Explanation of the difference:	(225)
-	change in receivables in relation to CIT	(225)

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

27.1 Explanation to the cash flow statement

No.	Item	Change in the period 01/01/2016-30/09/2016
1.	Balance sheet change in short and long-term liabilities	18 951
2.	Change in short-term liabilities in the cash flow statement	8 212
3.	Difference	(10 739)
4.	Explanation of the difference:	(10 739)
-	change in short and long-term loans and credits	(6 519)
-	change in liabilities in relation to CIT	698
-	change in liabilities in relation to finance lease	(3 128)
-	change in liabilities in relation to the acquisition of fixed assets, fixed assets under construction and intangibles	307
-	change of advances on separate revenue accounts	(2 097)
1.	Balance sheet change in inventory	(4 230)
2.	Change in inventory in the cash flow statement	(4 232)
3.	Difference	(2)
4.	Explanation of the difference:	(2)
-	transfer of inventory to fixed assets	(2)
1.	Balance sheet change in cash	(347)
2.	Change in cash in the cash flow statement	(347)

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

28. Establishing asset revaluation deductions and their reversal

01/01/2016-30/09/2016	Property, plant and equipment	Value of receivables	Value of inventory	Total revaluation deductions
Status as at the beginning of the period	38	265	322	625
Establishment of revaluation deductions	-	19	-	19
Reversal of revaluation deductions	-	(61)	-	(61)
Status as at the end of the period	38	223	322	583

01/01/2015-31/12/2015	Property, plant and equipment	Value of receivables	Value of inventory	Total revaluation deductions
Status as at the beginning of the period	38	321	38	397
Establishment of revaluation deductions	-	17	284	301
Reversal of revaluation deductions	-	(73)	-	(73)
Status as at the end of the period	38	265	322	625

29. Share capital

As at:	30/09/2016	31/12/2015
Registered share capital	4 004	4 004

SHARE CAPITAL AS AT 30/09/2016 AND 31/12/2015 IN PLN						
Series	Kind of shares	Kind of privilege on the shares	Kind of restriction of the right to shares	Number of shares	Nominal value of one share in PLN	Value of the series/issue with reference to the nominal value in PLN
A	ordinary	none	none	30 030 000	0.10	3 003 000
B	ordinary	none	none	10 010 000	0.10	1 001 000
Total				40 040 000		4 004 000

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(unless indicated otherwise, all amounts have been given in thousands of zlotys)

30. Non-controlling shares

Non-controlling shares	01/01/2016 -30/09/2016	01/01/2015 -31/12/2015
At the beginning of the period	10 880	10 543
Dividend payment	(437)	(345)
Share in the current period's profit or loss	891	896
Increase of the share capital in subsidiary- inBet Sp. z o.o.	46	486
Extension of the Corporate Group- acquisition of shares in subsidiary (PI ISA Sp. z o.o.)	-	323
Purchase of additional shares in a subsidiary, PB Domesta Sp. z o.o.	-	(1 023)
At the end of the period	11 380	10 880

31. Provisions

01/01/2016 -30/09/2016	Benefits after the employment period	Provision for contentious issues, penalties, fines and damages	Provision for guarantees and sureties given	Other provisions	Total provisions
Status as at the beginning of the period	290	508	423	1 459	2 680
Increase (+)	71	50	155	550	826
Decrease (-)	(42)	(400)	(423)	(1 429)	(2 294)
Status as at the end of the period	319	158	155	580	1 212

01/01/2015- 31/12/2015	Benefits after the employment period	Provision for contentious issues, penalties, fines and damages	Provision for guarantees and sureties given	Other provisions	Total provisions
Status as at the beginning of the period	237	398	329	1 938	2 902
Increase (+)	96	410	94	1 453	2 053
Decrease (-)	(43)	(300)	-	(1 932)	(2 275)
Status as at the end of the period	290	508	423	1 459	2 680

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Time structure of provisions	30/09/2016	31/12/2015
Long-term part	319	290
Short-term part	893	2 390
Total provisions	1 212	2 680

	30/09/2016	31/12/2015
Discount rate (%)	1,75	2,50
Estimated remuneration growth rate (%)	0,00	0,00

32. Interest-bearing bank credits, loans, issued bonds and liabilities relating to finance lease

Long-term financial liabilities	30/09/2016	31/12/2015
Loans and credits	38 432	33 363
Liabilities relating to finance lease and lease agreements with a purchase option	3 479	944
Total	41 911	34 307

Short-term financial liabilities	30/09/2016	31/12/2015
Loans and credits	20 546	19 095
Liabilities relating to finance lease and lease agreements with a purchase option	987	395
Total	21 533	19 490

As at 30 September 2016 and 31 December 2015, the Group had the following credits:

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Value of liabilities in relation to credits as at 30/09/2016

Financing party	Credit currency	Credit/limit amount	Credit value as at the balance sheet date	Deadline for repayment	Securities – mortgage			Other securities
					Ordinary	Object	Location	
Alior Bank SA	PLN	4 300	597	06/02/2017	Mortgage up to the sum of PLN 25.075 k	GD1G/00036115/3, GD1G/00068140/0, GD1G/00083407/1, GD1G/00261401/1	Gdańsk, ul. Myśliwska, Opata Jacka Rybińskiego 8, ul. Jana Pawła II	power of attorney to accounts, silent assignment of claims from the sale agreements regarding single-family houses, stages D and H
Alior Bank SA	PLN	8 200	1 454	28/04/2017	Mortgage up to the sum of PLN 12,300 k	GD1G/00084697/7 (on the share in the perpetual usufruct right and ownership of the building)	Gdańsk, ul. Tandeta 1	transfer of monetary claims in relation to the sale of premises, power of attorney to accounts, transfer of claims under insurance, notarised power of attorney to sell the premises credited in the case of the lack of payment
Alior Bank SA	PLN	7 500	7 232	31/12/2018	Mortgage up to the sum of PLN 11,250 k	GD1G/00285339/9	Gdańsk, ul. Opacka	power of attorney to accounts
Consortium SGB Bank SA Kaszubski Bank Spółdzielczy in Wejherowo	PLN	8 000	2 824	30/09/2017	two mortgages-up to the sum of PLN 7,200 k and up to the sum of PLN 4,800 k	GD1Y/00114340/5	Gdańsk, ul. Wielkopolska	two blank promissory notes, power of attorney to accounts, assignment of claims from the current account
Consortium SGB Bank SA Bank Spółdzielczy in Tczew	PLN	5 000	1 225	31/12/2016	two mortgages – up to the sum of PLN 7,000 k and up to the sum of PLN 3,000 k	GD1G/00268666/5	Gdańsk, ul. Jasieńska	assignment of rights resulting from the insurance policy, two blank promissory notes, a power of attorney to accounts, assignment of claims from the current account
Consortium SGB Bank SA Bank Spółdzielczy in Tczew	PLN	6 000	4 120	30/11/2018	two mortgages up to the sum of PLN 4,500 k each	GD1G/00264763/7 and GD1G/00278657/2	Gdańsk, ul. Chmielna	assignment of rights resulting from the insurance policy, two blank promissory notes, a power of attorney to accounts, assignment of claims from the current account

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Consortium SGB Bank SA Bank Spółdzielczy in Tczew, Bank Spółdzielczy in Pruszcz Gdański	PLN	22 500	2 766	30/12./2018	mortgages up to the amount of PLN 22,500 k for SGB-Bank SA, up to the amount of PLN 2,250 k for Bank Spółdzielczy in Tczew and up to the amount of PLN 9,000 for Bank Spółdzielczy in Pruszcz Gdański	GD1G//00049979/1	Gdańsk, ul. Stężycka	assignment of rights under an insurance policy, three blank promissory notes, power of attorney to the current and escrow account, assignment of claims from the current and escrow accounts at SGB-Bank SA for the other banks, a statement on submission to enforcement
mBank SA	PLN	34 600	9 136	29/12/2017	Mortgage up to the sum of PLN 51,900 k	GD1G/00232555/3 and GD1G/00065617/4	Gdańsk, ul. Szczecińska	assignment of rights under an insurance policy, blank promissory note, statement on submission to enforcement
mBank SA	PLN	31 000	4 461	28/09/2018	Mortgage up to the sum of PLN 46,500 k	GD1G/00261213/6	Gdańsk, ul. Opacka	assignment of rights under an insurance policy, blank promissory note
PKO BP	PLN	36 214	25 118	31/12/2027	Mortgage up to the sum of PLN 54,321 k	OL1M/00025679/2*, OL1M/00026392/3 SR Mrągowo	The island and peninsula at Lake Mikołajskie	Inpro's sponsor statement, power of attorney to accounts, transfer of claims under apartment lease agreements, registered pledge on the shares in Hotel Mikołajki, blank promissory note, security assignment
Total credit liabilities			58 933					

*this mortgage also comprises land and mortgage registers of the premises segregated from land and mortgage register No. OL1M/00025679/2, that is registers with the following numbers: OL1M/00037334/9, OL1M/00037335/6, OL1M/00037336/3, OL1M/00037337/0, OL1M/00037481/4, OL1M/00037338/7, OL1M/00037339/4

Value of liabilities in relation to loans as at 30/09/2016

Financing party	Credit currency	Credit/limit amount	Credit value as at the balance sheet date	Deadline for repayment	Securities – mortgage			Other securities
					Ordinary	Object	Location	
Idea Lesing SA	PLN	55	45	31/08/2021	-	-	-	Registered pledge on the electronic truck weighbridge up to PLN 66,420.00
Total loans liabilities			45					

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Open credit lines as at 30/09/2016:

Financing party	Credit currency	Credit/limit amount	Credit value as at the balance sheet date	Deadline for repayment	Securities – mortgage			
					Ordinary	Object	Location	Other securities
Alior Bank SA	PLN	16 000	-	21/09/2017	mortgage up to the sum of PLN 25.075 k	GD1G/00036115/3, GD1G/00068140/0 i GD1G/00083407/1, GD1G/00261401/1	Gdańsk, ul. Myśliwska, Opata Jacka Rybińskiego 8, ul. Jana Pawła II	power of attorney to accounts, assignment of rights under an insurance policy, Opata Jacka Rybińskiego 8, submission to the provisions of Article 777 of the Civil Procedure Code
BANK MILLENNIUM SA	PLN	300	-	04/02/2017	mortgage up to the sum of PLN 510 k	GD1G/00082949/5	Gdańsk. ul. Opata Jacka Rybińskiego 8	blank promissory note,
PEKAO S.A.	PLN	1 000	-	31/12/2016	mortgage up to the sum of PLN 2,000 k	GD1G/00072944/7	Gdańsk, ul. Cementowa	blank promissory note,
Total credit liabilities			-					

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Liabilities of the INPRO SA Corporate Group in relation to credits as at 31/12/2015

Financing party	Credit currency	Credit/limit amount	Credit value as at the balance sheet date	Deadline for repayment	Securities – mortgage			Other securities
					Mortgage	Object	Location	
Alior Bank SA	PLN	10 000	179	18/09/2016	Mortgage up to the sum of PLN 15,000 k	GD1G/00260693/7 and on the share in: GD1G/00256721/2, GD1G/00257490/0	Gdańsk, ul. Jasiońska	power of attorney to accounts, power of attorney to accounts and to sell real estate if credit is not repaid, security assignment, silent assignment of claims from preliminary sale agreements
Alior Bank SA	PLN	4 300	1 672	06/02/2017	Mortgage up to the sum of PLN 6,450 k	GD1G/00261401/1	Gdańsk, al. Rzeczpospolitej	power of attorney to accounts, silent assignment of claims from the sale agreements regarding single-family houses, stages D and H
Alior Bank SA	PLN	8 200	2 389	28/04/2017	Mortgage up to the sum of PLN 12,300 k	GD1G/00084697/7 (on the share in the perpetual usufruct right and ownership of the building)	Gdańsk, ul. Tandeta 1	transfer of monetary claims in relation to the sale of premises, power of attorney to accounts, transfer of claims under insurance, notarised power of attorney to sell the premises credited in the case of the lack of payment
Alior Bank SA CDF Gdańsk	PLN	5 473	-	10/06/2018	Mortgage up to the sum of PLN 8,210 k	GD1G/00087942/1	Gdańsk, ul. Olsztyńska 1A	unconfirmed transfer of cash claims in relation to sale agreements for premises being credited, power of attorney to accounts, confirmed transfer of a cash claim under real property insurance, power of attorney for the bank to sell the premises credited in the case of the lack of payment
Consortium SGB Bank SA BS in Tczew	PLN	11 000	1 428	30/09/2016	Two mortgages up to the sum of PLN 9,350 k each	GD1G/00268665/8	Gdańsk, ul. Jasiońska	security assignment, 2 blank promissory notes, power of attorney to accounts, assignment of rights from claims from the current account
Consortium SGB Bank SA Kaszubski Bank Spółdzielczy in Wejherowo	PLN	8 000	4 941	30/09/2017	Two mortgages- up to the sum of 7,200 k and up to the sum of 4,800 k	GD1Y/00114340/5	Gdańsk, ul. Wielkopolska	two blank promissory notes, power of attorney to accounts, assignment of claims from the current account

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Consortium SGB Bank SA Bank Spółdzielczy in Tczew	PLN	5 000	4 900	31/12/2016	Two mortgages- up to the sum of PLN 7,000 k, and up to the sum of PLN 3,000 k	GD1G/00268666/5	Gdańsk, ul. Jasieńska	assignment of rights resulting from the insurance policy, two blank promissory notes, a power of attorney to accounts, assignment of claims from the current account
Consortium SGB Bank SA Bank Spółdzielczy in Pruszcz Gdański	PLN	5 000	3 226	31/12/2016	Two mortgages up to the sum of PLN 5,000 k each	GD1G/00268666/5	Gdańsk, ul. Jasieńska	assignment of rights resulting from the insurance policy, two blank promissory notes, a power of attorney to accounts, assignment of claims from the current account
mBank SA	PLN	34 600	6 932	29/12/2017	Mortgage up to the sum of PLN 51,900 k	GD1G/00065617/4	Gdańsk, ul. Szczecińska	assignment of rights under an insurance policy, blank promissory note, statement on submission to enforcement
mBank SA	PLN	24 300	-	29/12/2017	Mortgage up to the sum of PLN 36,450 k	GD1G/00064314/3	Gdańsk, ul. Chmielna	assignment of rights under an insurance policy, blank promissory note
PKO BP	PLN	36 214	26 791	31/12/2027	Mortgage up to the sum of PLN 54,321 k	OL1M/00025679/2*, OL1M/00026392/3 District Court in Mragowo	The island and peninsula at Lake Mikołajskie	Inpro's sponsor statement, power of attorney to accounts, transfer of claims under apartment lease agreements, registered pledge on the shares in Hotel Mikołajki, blank promissory note, security assignment, INPRO's civil law surety, INPRO's statement on submission to enforcement in conformity with Article 777 of the Code of Civil Procedure, a statement by Hotel Mikołajki on the submission to enforcement in conformity with Article 777 of the Code of Civil Procedure
Total credit liabilities			52 458					

*this mortgage also comprises land and mortgage registers of the premises segregated from land and mortgage register No. OL1M/00025679/2, that is registers with the following numbers: OL1M/00037334/9, OL1M/00037335/6, OL1M/00037336/3, OL1M/00037337/0, OL1M/00037481/4, OL1M/00037338/7, OL1M/00037339/4

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Open credit lines as at 31/12/2015

Financing party	Credit currency	Credit/limit amount	Credit value as at the balance sheet date	Deadline for repayment	Securities			
					Ordinary	Object	Location	Ordinary
PKO BP	PLN	10 000	-	02/12/2016	mortgage up to the sum of PLN 15,000 k	GD1G/00068140/0 SR Gdańsk Pn	Gdańsk, ul. Opata Jacka Rybińskiego 8	blank promissory note, assignment of rights under the construction site insurance agreement, claim deduction from bank accounts
BANK MILLENNIUM SA	PLN	250	-	04/02/2016	mortgage up to the sum of PLN 425 k	GD1G/00082949/5	Gdańsk, ul. Opata Jacka Rybińskiego 8	blank promissory note
PEKAO S.A.	PLN	1 000	-	31/12/2016	mortgage up to the sum of PLN 2,000 k	KW nr GD1G/00215282/3	Gdańsk Jasień, plot No. 251/6	blank promissory note
Total credit liabilities			-					

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33. Liabilities relating to finance lease agreements and lease agreement with a purchase option

Nominal value of minimum lease payments	30/09/2016	31/12/2015
Within 1 year	987	395
Within 1 to 3 years	1 890	463
Within 3 to 5 years	1 523	382
More than 5 years	66	99
Total liabilities relating to finance lease - minimum total lease payments	4 466	1 339

As at the balance sheet date, the Group had the following liabilities relating to lease agreements:

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30/09/2016

Financing party	Object of the agreement	Agreement number	Initial value in thousands of PLN	Date of termination of the agreement	Liability as at the end of the period	Short-term part	Long-term part
Inpro SA							
Caterpillar Financial Services Poland Sp. z o.o.	428 F2 digger-loader	OL-028331	294	2019/03/05	164	66	98
Domesta Sp. z o.o.							
Volkswagen Leasing Gmbh Sp.z o.o.	AUDI Q5	6706907-1214-07329	182	2016/09/30	38	38	-
Raiffeisen Leasing Polska S.A.	SUBARU	15/011787(UL)	104	2018/05/31	58	34	24
VOLKSWAGEN LEASING GMBH SP. Z O.O.	SKODA	6706907-1216-06621	47	2019/05/31	40	15	25
Hotel Mikołajki Sp. z o.o.							
PKO leasing SA	Recycling machine	B/O/WA/2014/11/46	157	2018/11/15	88	20	68
Dom Zdrojowy Sp. z o.o.							
VOLKSWAGEN	Skoda Superb	6922827-1215-5480	100	2018/04/30	39	28	11
PSA Finance	CITROEN C4 Cactus	9400876372.	48	2018/05/25	22	14	8
PSA Finance	CITROEN Berlingo VAN	9400876382.	45	2018/05/25	22	14	8
inBet Sp. z o.o.							
RCI Leasing Polska Spółka z o.o.	Nissan Micra ACENTA	9000002616	33	2019/02/05	17	7	10
SG Equipment Leasing Polska Sp.z o.o.	JCB 411HT front-end loader	50399	251	2022/05/01	11	7	4

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SG Equipment Leasing Polska Sp.z o.o.	JCB SC240 sweeper	20449	23	2018/05/05	192	27	165
SG Equipment Leasing Polska Sp.z o.o.	Aggregate transport line	50448	98	2022/08/05	78	10	68
RCI Leasing Polska Spółka z o.o.	Nissan Micra ACENTA	9000003077	32	2019/08/17	19	6	13
BGŻ BNP Paribas Spółka Akcyjna	ALUP compressor + drier	62597/12/2015	55	2019/11/30	44	8	36
Idea Leasing Spółka z o.o. sp.k.	EURA 16/9 bending machine	19398/SK	841	2020/11/13	410	63	347
Pekao Leasing Sp.z o.o.	Construction accessories production line	38/0211/15	5 178	2021/04/12	3 055	595	2 460
Idea Leasing S.A.	Stair flight production line	116377	114	2021/05/31	84	17	67
Idea Leasing S.A.	Stair flight production line	116378	114	2021/05/31	85	18	67
					4 466	987	3 479

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(unless indicated otherwise, all amounts have been given in thousands of zlotys)

Corporate Group in relation to lease agreements as at 31/12/2015

Financing party	Object of the agreement	Agreement number	Initial value in thousands of PLN	Date of termination of the agreement	Liability as at the end of the period	Short-term part	Long-term part
Inpro SA							
BGŻ Leasing Spółka z o.o.	Two Liebherr 71 EC-B 5 tower cranes	3859/10/BG	464	2015/12/15	1	1	-
Caterpillar Financial Service Poland Sp. z o.o.	428 F digger-loader	OL-026954	242	2016/08/31	48	48	-
Domesta Sp. z o.o.							
Volkswagen Leasing Gbmh Sp. z o.o.	AUDI Q5	6706907-1214-07329	213	2016/09/30	79	79	-
Raiffeisen Leasing Polska S.A.	SUBARU	15/011787(UL)	104	2018/05/31	84	34	50
Hotel Mikołajki Sp. z o.o.							
PKO leasing SA	CITROEN C5	B/O/OL/2013/02/0008	92	2016/02/15	3	3	-
PKO leasing SA	CITROEN JUMPER	L/O/OL/2013/05/0009	77	2016/07/15	13	13	-
PKO leasing SA	Recycling machine	B/O/WA/2014/11/46	157	2018/11/15	102	19	83
PKO leasing SA	Two Melex vehicles	B/O/OL/2013/08/0003	72	2016/08/15	16	16	-
Dom Zdrojowy Sp. z o.o.							
VOLKSWAGEN	Skoda Superb	6922827-1215-5480	100	2018/04/30	63	28	35

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PSA Finance	CITROEN C4 Cactus	9400876372.	48	2018/05/25	33	14	19
PSA Finance	CITROEN Berlingo VAN	9400876382.	45	2018/05/25	33	13	20
inBet Sp. z o.o.							
RCI Leasing Polska Spółka z o.o.	Nissan Micra ACENTA	9000002616	33	2019/02/05	21	6	15
SG Equipment Leasing Polska Sp.z o.o.	JCB 411HT front-end loader	50399	226	2022/05/01	211	26	185
SG Equipment Leasing Polska Sp.z o.o.	JCB SC240 sweeper	20449	23	2018/05/05	17	7	10
SG Equipment Leasing Polska Sp.z o.o.	Aggregate transport line	50448	98	2022	85	10	75
RCI Leasing Polska Spółka z o.o.	Nissan Micra ACENTA	9000003077	32	2019/08/17	23	6	17
BGŻ NP Paribas Spółka Akcyjna	ALUP compressor + drier	62597/12/2015	55	2019/11/30	50	9	41
Idea Leasing Spółka z o.o. Sp.k.	EURA 16/9 bending machine	19398/SK	841	2020/11/13	457	63	394
					1 339	395	944

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

34. Trade and other liabilities

Long-term liabilities	30/09/2016	31/12/2015
Towards related entities	-	-
trade liabilities	-	-
Towards other entities	1 859	2 256
trade liabilities	1 859	1 756
other liabilities	-	500
Total trade and other long-term liabilities	1 859	2 256
Short-term liabilities	30/09/2016	31/12/2015
Towards related entities	286	24
trade liabilities	286	24
Towards other entities	86 273	76 137
trade liabilities	12 459	32 849
payroll payable	966	863
state budget liabilities other than current income tax	1 768	1 421
advances received	70 430	40 490
other liabilities	650	514
Total trade and other short-term liabilities	86 559	76 161
Total trade and other liabilities	88 418	78 417

**Śródroczne Skrócone Skonsolidowane Sprawozdanie Finansowe Grupy INPRO SA za trzy kwartały
2015 roku**

Wszystkie kwoty w tysiącach złotych, o ile nie podano inaczej

35. Contingent and other off-balance sheet items

Continent liabilities	30/09/2016	31/12/2015
Liabilities in relation to bank guarantees granted mainly as a security on the performance of trade agreements	-	68
Total contingent liabilities	-	68

The above contingent liability (as at 31/12/2015) was constituted by a bank guarantee granted by Bank Millennium to a third party entity thus constituting a performance security for the works by PI ISA Sp. z o.o. Guarantee expiry date: 14.01.2016 r.

Contingent liabilities within the Group were excluded in the consolidation process. Their schedule with description is included in the separate financial statements of INPRO SA (note 11).

Contingent receivables	30/09/2016	31/12/2015
Guarantees received	33	379
Total contingent receivables	33	379

36. Securities established on Group's assets

Securities established on Group's assets as at 30/09/2016 and as at 31/12/2015:

	30/09/2016	31/12/2015
- on fixed assets*	86 972	76 746
- on current assets**	211 775	136 350
Total	298 747	213 096

Securities established by Group companies as at 30/09/2016

***Securities established on fixed assets:**

1. A joint contractual real estate mortgage in the amount of PLN 54,321 k established on real estate situated in Mikołajki (land and mortgage registers No. OL1M/00026392/3 and KW OL1M/00025679/2) for Powszechna Kasa Oszczędności Bank Polski S.A. the Regional Corporate Branch Office in Gdańsk, in relation to credit granted to Hotel Mikołajki Sp. z o.o.

2. Inbet Sp.z o.o.– a joint contractual real estate mortgage up to 5 million zlotys on real estate covered by land and mortgage registers Nos. GD1G/00099866/1, GD1G/00093764/4, GD1G/00089506/7, GD1G/00090982, GD1G/00091255/9, GD1G/00091429/0 for PEKAO Leasing Sp. z o.o. as a security of operating lease agreement No. 38/0211/15 of 24 June 2015.

3. A mortgage up to PLN 2,000 k established on plot No. 186/2 located in Gdańsk Jasień ul. Cementowa 5-9–land and mortgage register No. GD1G/00072944/7, for PEKAO SA to secure overdraft facility granted to PB DOMESTA Sp. z o.o.

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

4. Mortgage up to PLN 510 k on real estate located in Gdańsk, ul. Opata Jacka Rybińskiego 8, land and mortgage register No. GD1G/00082949/5, constituting security for an overdraft facility obtained by PI ISA Sp. z o.o.

5. Joint mortgage up to the amount of PLN 25,075 k for Alior Bank SA on the 5799/10000 share of INPRO SA in the perpetual usufruct right to real estate located in Gdańsk, Opata Jacka Rybińskiego Street, land and mortgage register No. GD1G/00068140/0, and on the title to non-residential premises No. 2 in Gdańsk, 8 Opata Jacka Rybińskiego Street, land and mortgage register No. GD1G/00083407/1 (a legal security for the repayment of the overdraft facility; for details see current report No. 24/2016 of 22/09/2016)

6. Registered pledge on the electronic truck weighbridge up to PLN 66,420.00 (the assets of inBet Sp. z o.o) for Idea Leasing SA

**** Securities established on current assets**

This concerns legal securities established on current assets.

The schedule of mortgages established on current assets as at 30/09/2016 in the total amount of PLN 211 775 k is included in note No. 32 of additional information.

Securities established by Group companies as at 31/12/2015

Securities established on fixed assets:

1. A joint contractual real estate mortgage in the amount of PLN 54,321 k established on real estate situated in Mikołajki (land and mortgage registers No. OL1M/00026392/3 and KW OL1M/00025679/2) for Powszechna Kasa Oszczędności Bank Polski S.A. the Regional Corporate Branch Office in Gdańsk, in relation to credit granted to Hotel Mikołajki Sp. z o.o.

2. Inbet Sp.z o.o.– a joint contractual real estate mortgage up to 5 million zlotys on real estate covered by land and mortgage registers Nos. GD1G/00099866/1, GD1G/00093764/4, GD1G/00089506/7, GD1G/00090982, GD1G/00091255/9, GD1G/00091429/0 for PEKAO Leasing Sp. z o.o. as a security of operating lease agreement No. 38/0211/15 of 24 June 2015.

3. A mortgage up to PLN 2,000 k established on plot No. 186/2 located in Gdańsk Jasień ul. Cementowa 5-9–land and mortgage register No. GD1G/00072944/7, for PEKAO SA to secure overdraft facility granted to PB DOMESTA Sp. z o.o.

4. Mortgage up to PLN 425 k on real estate located in Gdańsk, ul. Opata Jacka Rybińskiego 8, land and mortgage register No. GD1G/00082949/5, constituting security for an overdraft facility obtained by PI ISA Sp. z o.o.

5. Contractual mortgage up to PLN 15,000 k in favour of PKO BP on the share of INPRO S.A. in the amount of 5799/10000 parts in the perpetual usufruct right to the real estate situated in Gdańsk, Opata Jacka Rybińskiego street
(legal security for the repayment of the revolving working capital overdraft)

Securities established on current assets:

This concerns legal securities established on current assets.

The schedule of mortgages established on current assets as at 31 December 2015 in the total amount of PLN 136,350 k is included in note No. 32 of additional information.

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

37. Significant court cases

As at 30/09/2016, none of the following occurred:

a) a single case of proceedings before a court, a body competent for arbitration proceedings or a public administrative body, such proceedings concerning the Company's or subsidiaries' claims or liabilities, whose value would be at least 10% of the Company's equity;

b) two or more cases of proceedings before a court, a body competent for arbitration proceedings or a public administrative body, such proceedings concerning the claims and liabilities, whose total value would be at least 10% of the Company's equity.

The proceedings to which the Parent Company or its subsidiaries are a party do not have significant influence on the Group's activity.

38. Financial instruments

The fair value of the financial instruments held by the Group as at 30 September 2016 and 31 December 2015 did not differ considerably from the figures presented in the consolidated financial statements for the particular periods for the following reasons:

- a discounting effect, if any, in relation to short-term instruments is not significant;
- those instruments concern the transactions effected on market conditions.

Financial assets	Category	30/09/2016	31/12/2015
Trade and other receivables	Loans and receivables	4 078	8 271
Short term financial assets	As above	9 918	7 821
Cash and cash equivalents	As above	26 881	27 228
		40 877	43 320

Financial liabilities	Category	30/09/2016	31/12/2015
Long-term loans and bank credits	financial liabilities valued as at the amortised cost	38 432	33 363
Short-term loans and bank credits	As above	20 546	19 095
Trade and other liabilities	As above	14 604	34 629
Debt instrument liabilities (short-term)	As above	966	863
Other liabilities	As above	650	1 014
Other long-term financial liabilities (lease)	As above	3 479	944
Other short-term financial liabilities (lease)	As above	987	395
Total financial liabilities valued at the amortised cost		79 664	90 303

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

39. Transactions with related entities

SHORT-TERM RECEIVABLES/ LIABILITIES at 30/09/2016		DEBTOR												
		related entities (full consolidation)						other related entities						
		Inpro SA	inBet Sp. z o.o.	Dom Zdrojowy Sp. z o.o.	P.B. Domesta Sp. z o.o.	Hotel Mikołajki Sp. z o.o.	Isa Sp. z o.o.	Hotel Oliwski Sp. z o.o.	Members of the Management Board					
CREDITOR	related entities (full consolidation)	Excluded in the process of consolidation												
	Inpro SA												-	-
	inBet Sp. z o.o.												-	-
	Dom Zdrojowy Sp. z o.o.												-	9
	P.B. Domesta Sp. z o.o.												-	-
	Hotel Mikołajki Sp. z o.o.												-	3
	Isa Sp. z o.o.						-	-						
	TOTAL for related entities							-	12					
other related entities	Hotel Oliwski Sp. z o.o.	-	-	-	-	-	-							
	Members of the Management Board	-	-	205	-	81	-							
	TOTAL for other related entities							286	-					

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

LONG-TERM RECEIVABLES/ LIABILITIES at 30/09/2016		DEBTOR								
		related entities (full consolidation)						other related entities		
		Inpro SA	inBet Sp. z o.o.	Dom Zdrojowy Sp. z o.o.	P.B. Domesta Sp. z o.o.	Hotel Mikołajki Sp. z o.o.	Isa Sp. z o.o.	Hotel Oliwski Sp. z o.o.	Members of the Management Board	
CREDITOR	related entities	Inpro SA	Excluded in the process of consolidation						-	-
		inBet Sp. z o.o.							-	-
		Dom Zdrojowy Sp. z o.o.							-	-
		P.B. Domesta Sp. z o.o.							-	-
		Hotel Mikołajki Sp. z o.o.							-	-
		Isa Sp. z o.o.							-	-
		TOTAL for related entities							-	-
	other related entities	Hotel Oliwski Sp. z o.o.	-	-	-	-	-	-		
		Members of the Management Board	-	-	-	-	-	-		
	TOTAL for other related entities							-	-	

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(unless indicated otherwise, all amounts have been given in thousands of zlotys)

REVENUES / COSTS 01/01/2016- 30/09/2016		BUYER												
		related entities - full consolidation						other related entities						
		Inpro SA	inBet Sp. z o.o.	Dom Zdrojowy Sp. z o.o.	P.B. Domesta Sp. z o.o.	Hotel Mikołajki Sp. z o.o.	Isa Sp. z o.o.	Hotel Oliwski Sp. z o.o.	Members of the Management Board					
SELLER	related entities	Excluded in the process of consolidation						-	324					
	Inpro SA							-	-	-	-	-	-	-
	inBet Sp. z o.o.							-	-	-	-	-	-	-
	Dom Zdrojowy Sp. z o.o.							-	-	-	-	-	1	44
	P.B. Domesta Sp. z o.o.							-	-	-	-	-	-	-
	Hotel Mikołajki Sp. z o.o.							-	-	-	-	-	-	12
	Isa Sp. z o.o.	-	-	-	-	-	-	-						
TOTAL for related entities								-	381					
other related entities	Hotel Oliwski Sp. z o.o.	-	-	-	-	-	-	-						
	Members of the Management Board	-	-	144	-	142	-	-						
TOTAL for other related entities								286	-					

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(unless indicated otherwise, all amounts have been given in thousands of zlotys)

REVENUES / COSTS 01/07/2016-30/09/2016		BUYER							
		related entities - full consolidation					other related entities		
		Inpro SA	inBet Sp. z o.o.	Dom Zdrojowy Sp. z o.o.	P.B. Domesta Sp. z o.o.	Hotel Mikołajki Sp. z o.o.	Isa Sp. z o.o.	Hotel Oliwski Sp. z o.o.	Members of the Management Board
SELLER	related entities	Inpro SA	Excluded in the process of consolidation					-	324
		inBet Sp. z o.o.						-	-
		Dom Zdrojowy Sp. z o.o.						1	11
		P.B. Domesta Sp. z o.o.						-	-
		Hotel Mikołajki Sp. z o.o.						-	7
		Isa Sp. z o.o.						-	-
	TOTAL for related entities	-	343						
other related entities	Hotel Oliwski Sp. z o.o.	-	-	-	-	-			
	Members of the Management Board	-	-	84	-	103	-		
TOTAL for other related entities		187						-	

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

COMPARATIVE DATA

SHORT-TERM RECEIVABLES/LIABILITIES at 31/12/2015		DEBTOR							
		related entities (full consolidation)						other related entities	
		Inpro SA	inBet Sp. z o.o.	Dom Zdrojowy Sp. z o.o.	P.B. Domesta Sp. z o.o.	Hotel Mikołajki Sp. z o.o.	Isa Sp. z o.o.	Hotel Oliwski Sp. z o.o.	Members of the Management Board
CREDITOR	related entities (full consolidation)	Excluded in the process of consolidation							
	Inpro SA								
	inBet Sp. z o.o.								
	Dom Zdrojowy Sp. z o.o.								10
	P.B. Domesta Sp. z o.o.								
	Hotel Mikołajki Sp. z o.o.								
	Isa Sp. z o.o.								
TOTAL for related entities								-	10
other related entities	Hotel Oliwski Sp. z o.o.	-	-	-	-	-	-		
	Members of the Management Board	-	-	18	-	6	-		
TOTAL for other related entities								24	-

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

LONG-TERM RECEIVABLES/LIABILITIES at 31/12/2015		DEBTOR								
		related entities (full consolidation)						other related entities		
		Inpro SA	inBet Sp. z o.o.	Dom Zdrojowy Sp. z o.o.	P.B. Domesta Sp. z o.o.	Hotel Mikołajki Sp. z o.o.	Isa Sp. z o.o.	Hotel Oliwski Sp. z o.o.	Members of the Management Board	
CREDITOR	related entities	Inpro SA	Excluded in the process of consolidation						-	-
		inBet Sp. z o.o.							-	-
		Dom Zdrojowy Sp. z o.o.							-	-
		P.B. Domesta Sp. z o.o.							-	-
		Hotel Mikołajki Sp. z o.o.							-	-
		Isa Sp. z o.o.							-	-
	TOTAL for related entities							-	-	
	other related entities	Hotel Oliwski Sp. z o.o.	-	-	-	-	-	-		
Members of the Management Board	-	-	-	-	-	-				
TOTAL for other related entities							-	-		

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(unless indicated otherwise, all amounts have been given in thousands of zlotys)

REVENUES / COSTS 01/01/2015 -30/09/2015		BUYER									
		related entities - full consolidation						other related entities			
		Inpro SA	inBet Sp. z o.o.	Dom Zdrojowy Sp. z o.o.	P.B. Domesta Sp. z o.o.	Hotel Mikołajki Sp. z o.o.	Isa Sp. z o.o. (01.07.2015- 30.09.2015)	Isa Sp. z o.o. (01.01.2015- 30.06.2015)	Hotel Oliwski Sp. z o.o.	Inpro Management Sp. z o.o.	members of the management board
SELLER	related entities	Inpro SA	536	58	-	885	13	36	-	1	-
	inBet Sp. z o.o.	4 550		-	560	-	-	-	-	-	-
	Dom Zdrojowy Sp. z o.o.	40	-		-	-	-	-	-	97	
	P.B. Domesta Sp. z o.o.	-	-	-		-	-	-	-	-	
	Hotel Mikołajki Sp. z o.o.	5	-	9	-		-	-	-	68	
	Isa Sp. z o.o. (01.07.2015- 30.09.2015)	1 136	-	-	55	-		-	-	-	
	TOTAL for related entities						7 847				202
	other related entities	Isa Sp. z o.o. (01.01.2015- 30.06.2015)	3 016	-	-	237	-				
	Hotel Oliwski Sp. z o.o.	3	-	8	-	-	-				
	Inpro Management s.c.	1 426	-	-	-	-	-				
	members of the management board	-	-	207	-	171	-				
TOTAL for other related entities						5 068				-	

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

REVENUES / COSTS 01/07/2015 -30/09/2015		BUYER								
		related entities - full consolidation						other related entities		
		Inpro SA	inBet Sp. z o.o.	Dom Zdrojowy Sp. z o.o.	P.B. Domesta Sp. z o.o.	Hotel Mikołajki Sp. z o.o.	Isa Sp. z o.o.	Hotel Oliwski Sp. z o.o.	Inpro Management Sp. z o.o.	members of the management board
SELLER	related entities	Inpro SA	181	58	-	355	13	-	-	-
	inBet Sp. z o.o.	1 696	-	-	224	-	-	-	-	-
	Dom Zdrojowy Sp. z o.o.	-	-	-	-	-	-	-	-	68
	P.B. Domesta Sp. z o.o.	-	-	-	-	-	-	-	-	-
	Hotel Mikołajki Sp. z o.o.	3	-	-	-	-	-	-	-	65
	Isa Sp. z o.o.	1 136	-	-	55	-	-	-	-	-
	TOTAL for related entities						3 721			133
Other related entities	Hotel Oliwski Sp. z o.o.	3	-	1	-	-	-	-	-	-
	Inpro Management s.c.	286	-	-	-	-	-	-	-	-
	members of the management board	-	-	150	-	117	-	-	-	-
TOTAL for other related entities						557			-	

All the transactions by the Company or its subsidiaries with related entities were entered into on market conditions.

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

**CONDENSED INTERIM SEPARATE FINANCIAL DATA OF INPRO SA
STATEMENT OF TOTAL INCOME FOR NINE MONTHS ENDED ON 30 SEPTEMBER
2016**

Statement of total income	Note	Completed nine months		Completed three months	
		30/09/2016 (unaudited)	30/09/2015 (unaudited)	30/09/2016 (unaudited)	30/09/2015 (unaudited)
Continuing operations					
Sales revenues	4	77 300	96 296	15 816	33 432
Cost of sales	4	(59 189)	(70 361)	(13 177)	(24 553)
Gross profit (loss) on sales		18 111	25 935	2 639	8 879
Selling costs	4	(2 618)	(2 838)	(748)	(816)
Administrative expenses	4	(7 584)	(5 970)	(2 835)	(2 032)
Other operating revenues		1 121	414	198	109
Other operating costs		(204)	(724)	(44)	(18)
Profit (loss) on operating activities		8 826	16 817	(790)	6 122
Financial income		947	1 728	44	159
Financial costs		(323)	(642)	(88)	(212)
Gross profit (loss)		9 450	17 903	(834)	6 069
Income tax		(1 733)	(3 426)	114	(1 172)
Net profit (loss) from continuing operations		7 717	14 477	(720)	4 897
TOTAL INCOME		7 717	14 477	(720)	4 897
Earnings (loss) per share in the parent entity (PLN)					
- basic		0,1927	0,3616	-0,0180	0,1223
- diluted		0,1927	0,3616	-0,0180	0,1223

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

STATEMENT OF THE FINANCIAL POSITION AS AT 30 SEPTEMBER 2016

ASSETS	Note	30/09/2016 (unaudited)	31/12/2015 (unaudited)
Fixed (long-term) assets		102 440	102 696
Property, plant and equipment		4 406	4 486
Other intangibles		4	15
Investment property		1 697	1 730
Shares in subsidiaries		59 121	57 825
Other financial assets		37 201	38 636
Other assets		11	4
Current (short-term) assets		230 902	228 825
Inventory	5	194 015	191 940
Trade and other receivables	6	9 821	9 787
Other financial assets		8 286	9 182
Cash and cash equivalents		18 780	17 916
TOTAL ASSETS		333 342	331 521

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(unless indicated otherwise, all amounts have been given in thousands of zlotys)

**STATEMENT OF THE FINANCIAL POSITION AS AT 30 SEPTEMBER 2016
ROKU (CONTINUED)**

EQUITY AND LIABILITIES	Note	30/09/2016 (unaudited)	31/12/2015 (unaudited)
Equity		222 360	226 655
Issued share capital		4 004	4 004
Reserves		531	531
Retained profits		217 825	222 120
Long-term liabilities		18 289	15 144
Retirement benefit liabilities (a provision)		208	183
Deferred income tax provision		399	3 714
Long-term credits and bank borrowings	7	15 543	8 839
Other financial liabilities (lease)	7	98	-
Trade and other liabilities	8	2 041	2 408
Short-term liabilities		92 693	89 722
Short-term provisions		745	1 803
Credits and borrowings	7	18 272	16 828
Other financial liabilities (lease)	7	66	49
Current income tax liabilities		81	610
Trade and other liabilities	8	73 529	70 358
Accruals/prepayments in relation to long-term contracts			74
Total liabilities		110 982	104 866
TOTAL EQUITY AND LIABILITIES		333 342	331 521

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 30 SEPTEMBER 2016

Cash flows from operating activities	01/01/2016 -30/09/2016 (unaudited)	01/01/2015 -30/09/2015 (unaudited)
Gross profit/(loss)	9 450	17 903
Adjustments:	(6 664)	9 696
Depreciation	732	988
Income tax paid	(5 578)	(2 719)
Net interest and dividends	(461)	(882)
Profit/(loss) on investing activities	(106)	-
(Increase)/ decrease of receivables	62	4 393
(Increase)/decrease of unvoiced receivables from the settlement of long-term contracts	-	(89)
(Increase)/ decrease of inventory	(2 078)	(9 052)
Increase/ (decrease) of liabilities	1 974	15 815
Increase/ (decrease) of accrued/prepaid expenses	(102)	(119)
(Increase)/decrease of accruals/prepayments in relation to long-term contracts	(74)	-
Change in provisions	(1 033)	1 361
Net cash flows from operating activities	2 786	27 599
Cash flows from investing activities	01/01/2016 -30/09/2016 (unaudited)	01/01/2015 -30/09/2015 (unaudited)
Sale of property, plant, equipment and intangibles	106	51
Interest received	694	2 118
Repayment of loans allowed	2 550	29 555
Dividends from related entities	702	477
Acquisition of financial assets	(1 296)	(5 900)
Additional payments to a subsidiary's capital	-	(35 149)
Acquisition of property, plant, equipment and intangibles	(409)	(187)
Expenses in relation to loans allowed to related entities	-	(2 300)
Net cash flows from investing activities	2 347	(11 335)

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

**CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 30 SEPTEMBER 2016
(CONTINUED)**

Cash flow from financing activities	01/01/2016 -30/09/2016 (unaudited)	01/01/2015 -30/09/2015 (unaudited)
Proceeds in relation to loans/credits obtained	55 593	25 895
Payments in relation to finance lease agreements	(81)	(127)
Repayment of loans/credits	(47 446)	(22 805)
Interest paid	(323)	(1 046)
Dividends paid	(12 012)	(3 604)
Buyout of debt securities (bonds)	-	(20 000)
Net cash flows from financing activities	(4 269)	(21 687)
Net change in cash and cash equivalents	864	(5 423)
Cash at the beginning of the period	17 916	28 887
Cash at the end of the period	18 780	23 464

STATEMENT OF THE CHANGES IN EQUITY FOR THE PERIOD ENDED ON 30 SEPTEMBER 2016

	Share capital	Share premium capital	Revaluation reserve	Retained profit	Total
As at 01/01/2016	4 004	62 237	531	159 883	226 655
Dividend payment	-	-	-	(12 012)	(12 012)
Net profit (loss) for the financial year	-	-	-	7 717	7 717
As at 30/09/2016	4 004	62 237	531	155 588	222 360

	Share capital	Share premium capital	Revaluation reserve	Retained profit	Total
As at 01/01/2015	4 004	62 237	531	136 837	203 609
Dividend payment	-	-	-	(3 604)	(3 604)
Net profit (loss) for the financial year	-	-	-	14 477	14 477
As at 30/09/2015	4 004	62 237	531	147 710	214 482

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

1. Reference to the Group's interim condensed consolidated financial statements

In the condensed additional information to the interim condensed separate financial statements, the Company only presented those notes which are significant to the correct assessment of the economic and financial position and of the Company's financial result, and those which were not included in the interim condensed consolidated financial statements. Notes Nos. 5-8 (including, among other things, the seasonality of the activity), 39 (Transactions with related entities) and 14 (materials events after the balance sheet date) included in the condensed additional information to the interim condensed consolidated financial statements also pertain to these statements.

2. Approval of the financial statements

These interim condensed separate financial statements for the period of nine months ended on 30 September 2016 were approved for publication by the Management Board on 14 November 2016.

3. Grounds for the preparation of condensed interim separate financial statements and accounting principles

These interim condensed separate financial statements were prepared in conformity with the International Accounting Standard 34 Interim Financial Reporting.

These interim condensed separate financial statements do not comprise all information and disclosures required in annual financial statements and should be read together with the audited Separate Financial Statements of Inpro SA prepared in conformity with the International Financial Reporting Standards ("IFRSs") for the year ended on 31 December 2015.

These interim condensed separate financial statements were prepared on the assumption that the company will be able to continue as the going concern in the foreseeable future. As at the date of signing these financial statements, no circumstances are found to exist which indicate a threat to the company to continue as a going concern.

These interim condensed separate financial statements were prepared in Polish zlotys (PLN). The Polish zloty is the functional and reporting currency of the parent entity. Unless indicated otherwise, the data in financial statements have been presented in thousands of zlotys.

These interim condensed separate financial statements are prepared based on the same accounting policies as for the consolidated financial statements of the Group for the year ended 31 December 2015, apart from exceptions described in Note 5.2 of the Group's condensed additional information to the interim condensed consolidated financial statements.

4. Cost and revenues

Sales revenues	01/01/2016 -30/09/2016	01/01/2015 -30/09/2015
Revenues from the sale of products	69 627	94 940
Revenues from the sale of services	1 294	891
Revenues from the sale of goods for resale and materials	6 379	465
Total sales revenues	77 300	96 296

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

Costs by category	01/01/2016 -30/09/2016	01/01/2015 -30/09/2015
Depreciation of property, plant and equipment	721	947
Depreciation of intangibles	11	41
Consumption of materials and energy	17 239	21 986
External services	43 202	47 612
Taxes and charges	1 050	1 428
Costs of employee benefits, including:	11 581	8 781
- payroll	9 735	7 055
- costs of social insurances and other benefits	1 846	1 726
Other costs:	2 085	2 081
- costs of credit	939	1 169
- entertainment and advertising	771	640
- property and personal insurances	119	119
- business trips	31	23
- other operating costs	225	130
Total costs by category	75 889	82 876
Change in products, work in progress and accruals (+/-)	(11 569)	(4 162)
Costs of products for the entity's own needs (-)	(870)	-
Selling costs (-)	(2 618)	(2 838)
Administrative expenses (-)	(7 584)	(5 970)
Value of goods for resale and materials sold	5 941	455
Cost of sales	59 189	70 361
Total costs of products, goods for resale and materials sold, cost of sales and administrative expenses	69 391	79 169

5. Inventory

Inventory	30/09/2016	31/12/2015
Materials at the price of acquisition	54	37
Goods for resale at the price of acquisition	89 647	46 915
Work in progress at the cost of manufacture	12 767	44 704
Finished products at the cost of manufacture	91 547	100 284
Total inventory at the lower of the two amounts: the price of acquisition (cost of manufacture) and net realisable value	194 015	191 940

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

6. Trade and other receivables

	30/09/2016	31/12/2015
Receivables from related entities	3 251	2 632
Trade receivables	3 251	2 580
Other receivables	-	52
Receivables from other entities	6 355	7 035
Gross value of trade receivables	247	5 778
Receivables from the budget other than current income tax	699	164
Advances on inventory	5 408	1 093
Other non-financial liabilities	1	-
Total gross receivables	9 606	9 667
Valuation allowances for receivables	-	-
Short-term prepayments, including:	215	120
- subscription cost	2	5
- software, domains, licences	10	16
- cost of insurances	70	70
- advertisements	30	24
- payments for perpetual usufruct	84	-
- other prepaid expenses	19	5
Total receivables (net)	9 821	9 787

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

7. Interest-bearing bank credits, loans, issued bonds and liabilities relating to finance lease

Long-term financial liabilities	30/09/2016	31/12/2015
Liabilities relating to finance lease and contracts of lease with a purchase option	98	-
Loans and credits	15 543	8 839
Total	15 641	8 839

Short-term financial liabilities	30/09/2016	31/12/2015
Liabilities relating to finance lease and contracts of lease with a purchase option	66	49
Loans and credits	18 272	16 828
Total	18 338	16 877

Nominal value of minimum lease payments	30/09/2016	31/12/2015
Within 1 year	66	49
Within 1 to 3 years	98	-
Total	164	49

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

8. Trade and other liabilities

Long-term liabilities	30/09/2016	31/12/2015
Towards related entities	192	163
Trade liabilities	192	163
Towards other entities	1 849	2 245
Trade liabilities	1 849	1745
Other liabilities	-	500
Total trade and other long-term liabilities	2 041	2 408
Short-term liabilities	30/09/2016	31/12/2015
Towards related entities	1 388	833
Trade liabilities	1 388	833
Other liabilities	-	-
Towards other entities	72 141	69 525
Trade liabilities	7 950	29 614
Payroll payable	214	259
State budget liabilities other than current income tax	642	686
Advances received	62 809	38 585
Other liabilities	526	381
Total trade and other short -term liabilities	73 529	70 358
Total trade and other liabilities	75 570	72 766

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

9. Financial instruments

Financial assets	category	30/09/2016	31/12/2015
Trade and other receivables	loans and receivables	3 498	8 358
Loans given – long term	As above	2 050	3 486
Loans given – short term	As above	-	1 726
Short term financial assets	As above	8 286	7 456
Cash and cash equivalents	As above	18 780	17 916
		32 614	38 942

Financial liabilities	category	30/09/2016	31/12/2015
Long-term loans and bank credits	Financial liabilities valued as at the amortised cost	15 543	8 839
Short-term loans and bank credits	As above	18 272	16 828
Trade and other liabilities	As above	11 379	32 355
Payroll payable	As above	214	259
Other long-term financial liabilities (lease)	As above	98	-
Other short-term financial liabilities (lease)	As above	66	49
Other liabilities	As above	526	881
		46 098	59 211

10. Transactions with related entities

Revenues from sales to a related entity (products, services, goods for resale, materials and other revenues)	01/01/2016	01/01/2015	01/07/2016	01/07/2015
	-	-	-	-
	30/09/2016	30/09/2015	30/09/2016	30/09/2015
inBet Sp. z o.o.	70	536	39	181
Dom Zdrojowy Sp. z o.o.	126	58	42	58
PB Domesta Sp. z o.o.	5	-	5	-
Hotel Mikołajki Sp. z o.o.	3 677	885	317	355
PI Isa Sp z o.o.	59	49	21	13
SML Sp. z o.o.	1	-	1	-
Management board	324	-	324	-
Inpro Management S.C.	-	2	-	1
Total	4 262	1 530	749	608

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

Purchase from a related entity	01/01/2016	01/01/2015	01/07/2016	01/07/2015
	30/09/2016	30/09/2015	30/09/2016	30/09/2015
inBet Sp. z o.o.	2 876	4 544	1 547	1 663
Dom Zdrojowy Sp. z o.o.	67	75	-	23
Hotel Mikołajki Sp. z o.o.	98	190	-	3
Isa Sp z o.o.	4 341	4 152	1 184	1 136
Hotel Oliwski Sp. z o.o.	-	3	-	3
Inpro Management s.c.	-	1 426	-	286
Total	7 382	10 390	2 731	3 114

The data in the table concerning the sales by INPRO SA to Hotel Mikołajki Sp. z o.o. were presented by long-term contracts.

Sales of INPRO SA as per invoices	01/01/2016	01/01/2015	01/07/2016	01/07/2015
	30/09/2016	30/09/2015	30/09/2016	30/09/2015
Buyer: Hotel Mikołajki	3 602	796	316	796

Loans granted by Inpro SA	30/09/2016	31/12/2015
To related entities:		
Dom Zdrojowy Sp. z o.o.	2 050	5 212
Total loans granted to related entities	2 050	5 212

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

Receivables from related entities

	30/09/2016	31/12/2015
Trade receivables - up to 12 months	2 794	2 145
inBet Sp. z o.o.	23	123
Dom Zdrojowy Sp. z o.o.	17	17
PB Domesta Sp. z o.o.	6	-
Hotel Mikołajki Sp. z o.o.	2 734	2 003
Isa Sp. z o.o.	13	2
SML Sp. z o.o.	1	-
Trade receivables - over 12 months	457	436
Hotel Mikołajki Sp. z o.o.	457	436
Other receivables- up to 12 months	-	52
inBet Sp. z o.o.		8
Hotel Mikołajki Sp. z o.o.		44
PB Domesta Sp. z o.o.		-
Isa Sp. z o.o.		-
Total receivables	3 251	2 633
inBet Sp. z o.o.	23	131
Dom Zdrojowy Sp. z o.o.	17	17
PB Domesta Sp. z o.o.	6	-
Hotel Mikołajki Sp. z o.o.	3 191	2 483
SML Sp. z o.o.	1	-
Isa Sp. z o.o.	13	2

Liabilities towards related entities

	30/09/2016	31/12/2015
Trade liabilities - up to 12 months	1 388	833
inBet Sp. z o.o.	939	346
Dom Zdrojowy Sp. z o.o.	-	-
Hotel Mikołajki Sp. z o.o.	-	-
Isa Sp. z o.o.	449	487
Trade liabilities - over 12 months	192	163
inBet Sp. z o.o.	29	18
Isa Sp. z o.o.	163	145
Total liabilities	1 580	996
inBet Sp. z o.o.	968	364
Dom Zdrojowy Sp. z o.o.	-	-
Hotel Mikołajki Sp. z o.o.	-	-
Isa Sp. z o.o.	612	632

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

11. Contingent liabilities and receivables

Contingent liabilities	30/09/2016	31/12/2015
Surety for a bill of exchange	5 348	5 348
Other contingent liabilities	36 214	36 214
Total contingent liabilities	41 562	41 562

Contingent liabilities as at 30/09/2016 and 31/12/2015:

1. Unconditional subordinate loan enhancement agreement for Hotel Mikołajki sp. z o.o. to cover additional costs, if any, of the project in excess of those specified in the business plan submitted to PKO BP and to repay credits awarded by that Bank. Surety for the non-revolving working capital credit under agreement No. 59 1020 1811 0000 0796 0048 7611 in the amount of PLN 36,214 k of 5 September 2011. (credit obtained by Hotel Mikołajki Sp. z o.o., the debt as at 31/12/2015 is PLN 26,791 k).

2. Joint and severable civil law surety given by INPRO S.A. for the liabilities of Hotel Mikołajki Sp. z o.o. in relation to investment credit agreement No. 59 1020 1811 0000 0796 0048 7611 of 05/09/2011, as amended, such a surety granted on the basis of Annexe No. 4 of 25/06/2015.

3. Surety for a bill of exchange granted by INPRO S.A. for the liabilities of inBet Sp. z o.o. under operating lease agreement No. 38/0211/15 of 10/07/2015 of PLN 5,348 k signed with PEKAO Leasing Sp. z o.o.

Contingent receivables	30/09/2016	31/12/2015
Guarantees received	33	379
Total contingent receivables	33	379

12. Securities established on Company's assets

Securities established on the Company's assets - the fair value	30/09/2016	31/12/2015
- on fixed assets	40 855	30 780
- on current assets	211 775	136 350
Total	252 630	167 130

Securities on fixed assets as at 30/09/2016

1. Registered pledges on INPRO's shares in Hotel Mikołajki Sp. z o.o. for the total amount of PLN 15,780 k

2. Joint mortgage up to the amount of PLN 25,075 k for Alior Bank SA on the 5799/10000 share of INPRO SA in the perpetual usufruct right to real estate located in Gdańsk, Opata Jacka Rybińskiego Street, land and mortgage register No. GD1G/00068140/0, and on the title to non-residential premises No. 2 in Gdańsk, 8 Opata Jacka Rybińskiego Street, land and mortgage register No. GD1G/00083407/1 (a legal security for the repayment of the overdraft facility; for details see current report No. 24/2016 of 22/09/2016)

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2016

(unless indicated otherwise, all amounts have been given in thousands of zlotys)

Securities on current assets as at 30/09/2016

This item concerns legal securities established on current assets.

A schedule of mortgages established on current assets as at 30/09/2016 totalling PLN 212 k is in note No. 32.

Securities on fixed assets as at 31/12/2015

1. Registered pledges on INPRO's shares in Hotel Mikołajki Sp. z o.o. for the total amount of PLN 15,780 k

2. Contractual mortgage up to PLN 15,000 k in favour of PKO BP on the share of INPRO S.A. in the amount of 5799/10000 parts in the perpetual usufruct right to the real estate situated in Gdańsk, Opata Jacka Rybińskiego street

(legal security for the repayment of the revolving working capital overdraft, details in current report No. 44/2014 of 04/12/2014).

Securities on current assets as at 31/12/2015

This item concerns legal securities established on current assets.

A schedule of mortgages established on current assets as at 31 December 2015 totalling PLN 136,350 k and as at 31 December 2014 totalling PLN 140,511 k is in note No. 32.

Gdańsk, 14/11/2016