

inpro



**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
FOR THREE MONTHS ENDED ON 31 MARCH 2016,
MADE IN CONFORMITY WITH THE INTERNATIONAL
ACCOUNTING STANDARD 34 INTERIM FINANCIAL
REPORTING**

spółka
notowana na
GPW

inpro.com.pl

CONTENTS

SELECTED FINANCIAL DATA- CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS.....	4
SELECTED FINANCIAL DATA- CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS.....	5
Consolidated statement of total income for three months ended on 31 March 2016.....	6
Consolidated statement of the financial position as at 31 March 2016.....	7
Consolidated cash flow statement for the period ended on 31 March 2016.....	9
Consolidated statement of the changes in equity for three months ended on 31 March 2016.....	11
Commentary by the management board on the Capital Group's activity in the period of three months of 2016.....	12
ADDITIONAL INFORMATION AND EXPLANATIONS.....	14
1. General information.....	14
2. Information concerning related entities.....	15
3. Composition of the parent company's Management Board and Supervisory Board.....	17
4. Approval of the financial statements.....	18
5. Grounds for the preparation of condensed interim consolidated financial statements and accounting principles.....	18
6. Conversion of items denominated in a foreign currency.....	20
7. Material values based on professional judgement and estimates.....	20
8. Seasonality of INPRO SA Group's activity in a period under discussion.....	22
9. Events with significant influence on the Capital Group's activity and financial results.....	22
10. Factors affecting the Group's performance in the subsequent quarters.....	22
11. Information on significant transactions effected by INPRO SA or subsidiary with related entities on conditions other than market conditions.....	22
12. Information on credit/loan sureties and guarantees granted.....	23
13. Assessment of the ability to archive previously published projections of results for a given year.....	23
14. Other material information for the assessment of the personnel, economic and financial position and of the financial results as well as their changes and the payment of liabilities.....	23
15. Material events after the balance sheet date.....	23
16. Information on operating segments.....	24
17. Revenues and costs.....	29
18. Income tax.....	30
19. Earnings per share.....	30
20. Dividends paid and proposed.....	31
21. Property, plant and equipment.....	32
22. Inventory.....	32
23. Trade and other receivables.....	33
24. Other financial assets.....	34
25. Cash.....	34
26. Establishing asset revaluation deductions and their reversal.....	36
27. Share capital.....	37
28. Non-controlling shares.....	37

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

29. Provisions.....	38
30. Interest-bearing bank credits, loans, issued bonds and liabilities relating to finance lease.....	39
31. Liabilities relating to finance lease agreements and lease agreements with a purchase option.....	45
32. Trade and other liabilities.....	50
33. Contingent and other off- balance sheet items.....	51
34. Securities established on Group's assets.....	51
35. Significant court cases.....	53
36. Financial instruments.....	53
37. Transactions with related entities.....	55

CONDENSED FINANCIAL DATA OF INPRO SA.....61

Statement of total income for three months ended on 31 March 2016.....61

Statement of the financial position as at 31 March 2016.....62

Cash flow statement for the period ended on 31 March 2016.....64

Statement of the changes in equity for the period ended on 31 March 2016.....66

1. Reference to the Group's interim condensed consolidated financial statements.....	66
2. Approval of the financial statements.....	66
3. Grounds for the preparation of condensed interim separate financial statements and accounting principles.....	63
4. Costs and revenues.....	67
5. Other financial assets.....	68
6. Inventory.....	68
7. Trade and other receivables.....	69
8. Interest-bearing bank credits, loans, issued bonds and liabilities relating to finance lease.....	70
9. Trade liabilities.....	71
10. Transactions with related entities.....	72
11. Contingent liabilities and receivables.....	74

Piotr Stefaniak President of the Management Board	Krzysztof Maraszek Vice - President of the Management Board	Zbigniew Lewiński Vice - President of the Management Board	Elżbieta Marks The person responsible for keeping the books

Gdańsk, 16/05/2016

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums 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 Capital Group				
	01/01/2016	01/01/2015	01/01/2016	01/01/2015
	-	-	-	-
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	PLN '000		EUR '000	
Net sales revenues	41 578	32 011	9 545	7 716
Gross profit (loss) on sales	9 899	7 764	2 273	1 871
Profit (loss) on operating activities	3 959	2 782	909	670
Gross profit (loss)	3 652	2 290	838	552
Net profit (loss)	2 802	1 792	643	432
- attributable to non-controlling shareholders	95	39	22	9
Earnings (loss) per share in the parent entity (PLN/EUR)	0,0676	0,0438	0,0155	0,0105
Net cash flows from operating activities	(2 206)	2 981	(506)	718
Net cash flows from investing activities	(1 153)	(527)	(265)	(127)
Net cash flows from financing activities	1 814	(27 217)	416	(6 560)
Net cash flows	(1 545)	(24 763)	(355)	(5 969)
	31/03/2016	31/12/2015	31/03/2016	31/12/2015
	PLN '000		EUR '000	
Total assets	371 206	368 184	86 966	86 398
Liabilities and provisions for liabilities	139 587	139 367	32 702	32 704
Provisions for liabilities	5 207	6 374	1 220	1 496
Long-term liabilities	36 347	36 563	8 515	8 580
Short-term liabilities	98 033	96 430	22 967	22 628
Equity	231 619	228 817	54 264	53 694
- attributable to non-controlling shareholders	10 975	10 880	2 571	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)	5,7847	5,7147	1,3552	1,3410
ZLOTY TO EURO CONVERSION RATE	average euro rate in the period 01/01/2016-31/03/2016		average euro rate as at 31/03/2016	
	4,3559		4,2684	
	average euro rate in the period 01/01/2015-31/03/2015		average euro rate as at 31/12/2015	
	4,1489		4,2615	

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

SELECTED FINANCIAL DATA – CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

Selected data concerning the financial statements of the INPRO SA				
	01/01/2016	01/01/2015	01/01/2016	01/01/2015
	-	-	-	-
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	PLN '000		EUR '000	
Net sales revenues	34 416	26 313	7 901	6 342
Gross profit (loss) on sales	8 278	7 037	1 901	1 696
Profit (loss) on operating activities	4 959	4 333	1 138	1 044
Gross profit (loss)	4 926	4 324	1 131	1 042
Net profit (loss)	3 971	3 470	912	836
- attributable to non-controlling shareholders	0,0992	0,0867	0,0228	0,0209
Net cash flows from operating activities	(2 048)	5 006	(470)	1 207
Net cash flows from investing activities	1 396	(1 679)	321	(405)
Net cash flows from financing activities	2 727	(26 271)	626	(6 332)
Net cash flows	2 075	(22 944)	476	(5 530)
	31/03/2016	31/12/2015	31/03/2016	31/12/2015
	PLN '000		EUR '000	
Total assets	331 916	331 521	77 761	77 794
Liabilities and provisions for liabilities	101 290	104 866	23 730	24 608
Provisions for liabilities	4 717	5 700	1 105	1 338
Long-term liabilities	11 675	11 247	2 735	2 639
Short-term liabilities	84 898	87 919	19 890	20 631
Equity	230 626	226 655	54 031	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)	5,7599	5,6607	1,3494	1,3283
ZLOTY TO EURO CONVERSION RATE	average euro rate in the period		average euro rate as at	
	01/01/2016-31/03/2016		31/03/2016	
	4,3559		4,2684	
	average euro rate in the period		average euro rate as at	
01/01/2015-31/03/2015		31/12/2015		
4,1489		4,2615		

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

CONSOLIDATED STATEMENT OF TOTAL INCOME FOR THREE MONTHS ENDED ON 31 MARCH 2016

	Note	01/01/2016 -31/03/2016 (unaudited) PLN '000	01/01/2015 -31/03/2015 (unaudited) PLN '000
Continuing operations			
Sales revenues	17.1	41 578	32 011
Cost of sales	17.2	(31 679)	(24 247)
Gross profit (loss) on sales		9 899	7 764
Selling costs	17.2	(1 408)	(1 132)
Administrative expenses	17.2	(4 635)	(4 112)
Other operating revenues		209	352
Other operating costs		(106)	(90)
Profit (loss) on operating activities		3 959	2 782
Financial income		96	100
Financial costs		(403)	(592)
Gross profit (loss)		3 652	2 290
Income tax	18	(850)	(498)
Net profit (loss) from continuing operations		2 802	1 792
TOTAL INCOME		2 802	1 792
Net profit (loss) attributable to:		2 802	1 792
- the parent entity's shareholders		2 707	1 753
- non-controlling shareholders		95	39
Total income attributable to:		2 802	1 792
- the parent entity's shareholders		2 707	1 753
- non-controlling shareholders		95	39
Earnings (loss) per share in the parent entity (PLN)			
- basic		0,0676	0,0438
- diluted		0,0676	0,0438

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

CONSOLIDATED STATEMENT OF THE FINANCIAL POSITION AS AT 31 MARCH 2016

ASSETS	Note	31/03/2016	31/12/2015
		(unaudited)	(unaudited)
Fixed (long-term) assets		107 789	106 213
Property, plant and equipment	21	97 004	95 551
Goodwill		6 708	6 708
Other intangibles		127	145
Long-term receivables		12	9
Investment properties		1 721	1 730
Other long-term prepayments		80	82
Deferred tax assets		2 137	1 988
Current (short-term) assets		263 417	261 971
Inventory	22	209 553	213 440
Trade and other receivables	23	14 331	13 213
Current tax assets		293	269
Other financial assets	24	13 557	7 821
Cash and cash equivalents	25	25 683	27 228
TOTAL ASSETS		371 206	368 184

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

**CONSOLIDATED STATEMENT OF THE FINANCIAL POSITION AS AT 31/03/2016
(CONTINUED)**

EQUITY AND LIABILITIES	Note	31/03/2016	31/12/2015
		(unaudited)	(unaudited)
Equity (attributable to the parent entity's shareholders)		220 644	217 937
Issued share capital	27	4 004	4 004
Reserves		51	51
Retained profit		216 589	213 882
Capital attributable to non-controlling shareholders	28	10 975	10 880
Total equity		231 619	228 817
Long-term liabilities		39 095	40 547
Retirement benefit liabilities (a provision)		2 458	3 694
Deferred income tax provision	29	290	290
Long-term credits and bank borrowings	30	34 029	33 363
Other financial liabilities (lease)	31	884	944
Trade and other liabilities	32	1 434	2 256
Short-term liabilities		100 492	98 820
Short-term provisions	29	2 459	2 390
Short-term credits and bank borrowings	30	20 382	19 095
Other liabilities (financial lease)	31	353	395
Current income tax liabilities		896	779
Trade and other liabilities	32	76 402	76 161
Total liabilities		139 587	139 367
TOTAL EQUITY AND LIABILITIES		371 206	368 184

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31 MARCH 2016

	01/01/2016 -31/03/2016	01/01/2015 -31/03/2015
Cash flows from operating activities	(unaudited)	(unaudited)
	PLN '000	PLN '000
Gross profit/(loss)	3 652	2 290
Adjustments:	(5 858)	691
Depreciation	865	1 467
Income tax paid	(2 142)	(226)
Exchange gains (losses)	-	(12)
Interest and dividends	386	586
Profit/(loss) on investing activities	(102)	(5)
(Increase)/ decrease of receivables	(117)	(4 335)
(Increase)/ decrease of inventory	3 884	(962)
Increase/ (decrease) of liabilities	(7 797)	5 757
Increase/ (decrease) of accrued/prepaid expenses	(905)	(917)
Change in provisions	69	(662)
Other	1	-
Net cash flows from operating activities	(2 206)	2 981
Cash flows from investing activities	01/01/2016 -31/03/2016	01/01/2015 -31/03/2015
	(unaudited)	(unaudited)
	PLN '000	PLN '000
Sale of property, plant, equipment and intangibles	-	135
Interest received	-	4
Acquisition of property, plant, equipment and intangibles	(1 153)	(666)
Net cash flows from investing activities	(1 153)	(527)

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31 MARCH 2016 (CONTINUED)

	01/01/2016 -31/03/2016	01/01/2015 -31/03/2015
	(unaudited)	(unaudited)
	PLN '000	PLN '000
Cash flow from financing activities		
Proceeds in relation to loans/credits obtained	14 863	5 827
Payments in relation to finance lease agreements	(103)	(118)
Repayment of loans/credits	(12 552)	(11 933)
Interest paid	(396)	(979)
Buyout of debt securities (bonds)	-	(20 000)
Other financial expenses	-	(15)
Other financial proceeds	2	1
Net cash flows from financing activities	1 814	(27 217)
Net change in cash and cash equivalents	(1 545)	(24 763)
Cash at the beginning of the period	27 228	38 715
Cash at the end of the period	25 683	13 952

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

CONSOLIDATED STATEMENT OF THE CHANGES IN EQUITY FOR THREE MONTHS ENDED ON 31 MARCH 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
Net profit (loss) for the financial year	-	-	-	2 707	95	2 802
As at 31/03/2016	4 004	62 237	51	154 352	10 975	231 619

	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
Net profit (loss) for the financial year	-	-	-	1 753	39	1 792
As at 31/03/2015	4 004	62 237	51	131 945	10 582	208 819

COMMENTARY BY THE MANAGEMENT BOARD ON THE CAPITAL GROUP'S ACTIVITY IN THE PERIOD OF THREE MONTHS OF 2016

The first quarter 2015 saw the continuation of the very good current sales trend on the property development market. Despite higher requirements imposed on flat buyers with regard to their equity contribution when obtaining credit (a 15% equity contribution is required since 2016, the persons using the Flat for Young People Programme and those buying flats as an investment allowed a high level of sales to be maintained.

On a year-to-date basis, for the first three months of 2016, the INPRO Group sold 124 premises in total (in the meaning of preliminary agreements net), which is nearly 27% more than in the comparable period (the Group having sold 98 premises over the first three months of the last year).

In the reporting period, INPRO SA signed 87 preliminary agreements net. For comparison, the Company concluded 84 agreements net in the same period of 2014. The greatest interest was aroused by the Chmielna Park and Kwartal Uniwersytecki because of an attractive location (mainly for investment purposes) and by the Wróbla Staw multi-family buildings because of availability in the Flat for Young People programme.

A subsidiary, Przedsiębiorstwo Budowlane DOMESTA Sp. z o.o., concluded 37 preliminary agreements net in the first quarter of 2016 (increase by 164 % against the comparable period of the previous year).

For the first three months of 2016 the INPRO Group noted an increase of sales revenues to the level of PLN 41,578 k that is by 30% against the comparable period of the previous year. Gross profit from sales increased by 27% to PLN 9,899 k in the same period. The net profit increased by 56% to PLN 2,802 k. The net return increased from 6% to 7% with the growth of the profit level. The gross return on sales in 2016 was at the same level as for the three months of 2015 (24%).

In the first quarter this year the INPRO Capital Group handed over the total of 110 premises (including 100 by INPRO SA); that number being 45% bigger than in the 1st quarter 2015, in which the Group delivered 76 flats.

In the period from January to March 2016, the INPRO SA Group did not place any building in service, and premises were delivered first of all at projects completed last year: the Wróbla Staw multi-family houses and Chmielna Park estate.

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

- Leszczynowe estate - buildings Nos. 16, 17, 18 and 19,
- Kwartal Uniwersytecki estate,
- Chmielna Park estate, building C,
- 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.

A subsidiary, Przedsiębiorstwo Budowlane DOMESTA Sp. z o.o. launched the sale of 24 flats at the Leszczynowe estate (building No. 19). By the end of the year, the Group is planning to launch the sales in the following locations:

- stage I of the Optima estate in Gdańsk (Stężycka street)- 204 premises;
- Azymut estate in Gdynia- 200 premises;
- Leszczynowe estate in Gdańsk, buildings Nos. 20 (35 premises) and 21 (35 premises).
- the estate at Niepołomicka street in Gdańsk, building No. 1 (47 premises) and No. (47 premises).

In the first three months of the financial year 2016 the Group achieved higher revenues than in the same period of the previous year, the former revenues being approximately PLN 41.6 m, a figure

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

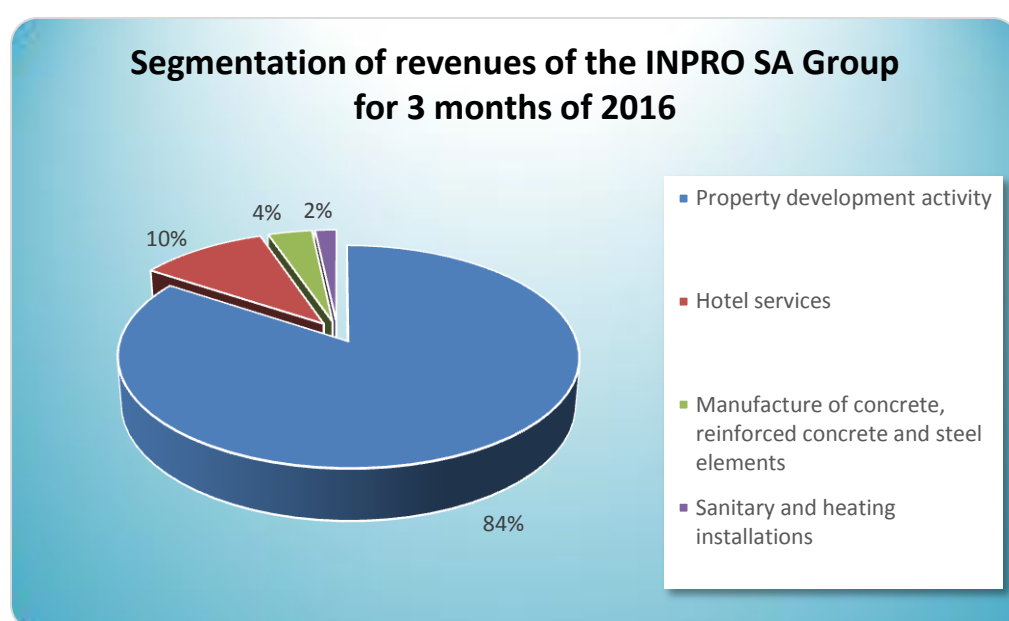
higher by ca. PLN 8.9 m (i.e. 30%). As explained above, in 2016 the Group delivered 45% more premises than in the comparable period.

A comparable margin was realised, however, on the premises delivered: the gross return on sales remained at the level of 24%, and net return increased from 6% to 7%.

The cost of sales and the costs of general administration remained at a similar level.

In the cash flow statement for the three months of 2016 the Group noted negative cash flows in both operating and investing activity. Negative cash flows from operating activities arise mainly from a change in advance payments towards the purchase of the premises. Negative cash flows from the investing activity follow, first of all, from the expenditure on fixed assets of the Mikołajki Hotel and the modernisation of the production plant in inBet Sp. z o.o. Positive cash flows on the financing activity arise, however, from the launch of credit instalments.

The share of the various segments of the activity in the Capital Group's revenues for the first quarter of 2016 is presented in the graph below:



INPRO SA

Similarly to the Capital Group, INPRO as a company noted a considerable increase in sales revenues for the first quarter of 2016 compared to the same period of the previous year (PLN 34.4 m against PLN 26.3 m, an increase by 31%).

Gross profit from sales for the first quarter of 2016 was approximately PLN 8.3 m and was therefore 18% higher than in the same period of 2015. Net profit reached the level of nearly PLN 4 m (in comparison to PLN 3.5 m in the first quarter of 2015). The return on sales for the period of 01/01/-31/03/2016 was 24%, and net return 12% (for comparison, those ratios in the first quarter of 2015 were 27% and 13% respectively).

The cost of sales and the costs of general administration remained at a similar level.

The net debt ratio as at 31/03/2016, calculated as the quotient of the total financial debt less cash and cash equivalents (including advances paid to escrow accounts) to equity, was 0.04.

The cash flow statement of INPRO SA for the first quarter of 2015 the Group is as follows: only the principal activity generates negative cash flows. The investing activity generates positive cash flows because of the repayment of the load granted to Dom Zdrojowy. Cash flows on the financing activity are positive in relation to the launch of credit instalments. Negative cash flows from the

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

operating activities arise in relation to a change in advance payments towards the purchase of premises.

ADDITIONAL INFORMATION AND EXPLANATIONS

1. General information

The INPRO SA capital group (the "Group") consists of the parent entity, i.e. INPRO SA, and its subsidiaries (see item 2). The condensed interim consolidated financial statements of the Group comprise financial data for three months ended on 31 March 2016 with comparatives for three months ended on 31 March 2015 and as at 31 December 2015.

The basic object of the Capital 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:

- 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.- previous name Rugby Prefabrykaty Sp. z o.o.),
- hotel services (Dom Zdrojowy Sp. z o. o. and Hotel Mikołajki Sp. z o.o.),
- sanitary and heating installations (Przedsiębiorstwo Instalacyjne ISA Sp. z o.o. – a company included in the INPRO SA Capital Group as from 1 July 2015).

INPRO SA (the "Parent Company," "Company") was established by way of the notarised deed of 6 April 1987 as 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 and the tax identification number: 589-000-85-40.

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

The Group did not discontinue any of the kinds of its activity in the first three months ended on 31 March 2016.

The share capital of INPRO SA did not change in the first three months of 2016. As at 31 March 2016, the share capital of INPRO was PLN 4,004,000.00 and was divided into 40,040,000 ordinary bearer shares of the nominal value of 10 groszes each.

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

As at the 16/05/2016, 31/03/2016 and 31/12/2015 the shareholding structure of the parent entity is as follows:

SHAREHOLDING STRUCTURE						
Nominal value in PLN	Nominal value in PLN	Nominal value in PLN	Nominal value in PLN	Share in the share capital	Number of votes	Share in the number of 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%

In the period from 31/12/2015 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.

As at 31/03/2016, the shares of INPRO SA were quoted on the parallel market of the Warsaw Stock Exchange.

Auditor

Deloitte Polska Spółka z ograniczoną odpowiedzialnością spółka komandytowa,
Al. Jana Pawła II 19,
00-854 Warszawa

This entity is recorded on the list of entities authorised to audit financial statements, kept by the Polish National Chamber of Statutory Auditors under number 73.

2. Information concerning related entities

2.1 Composition of the INPRO SA Capital Group

INPRO SA's subsidiaries covered by consolidation as at 31 March 2016 and as at 31 December 2015:

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

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

* The total capital employment of INPRO SA in a subsidiary, Hotel Mikołajki Sp. z o.o., comprises, in addition to the shares specified above, returnable additional contributions provided in 2015 in the amount of PLN 35 150 k

As at 31 March 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.

As at 31 March 2016 (similarly to 31/12/2015) all the companies within the Capital Group were comprised by the full method consolidation.

The subsidiaries do not hold shares in entities not controlled.

In the first three months of 2016, the composition of the INPRO SA Capital Group did not change.

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 1,620k).

2.2 Share capital of the various entities comprised by the INPRO group as at 31/03/2016:

Entity's name	Share capital as at 31/03/2016
INPRO SA	4.004
Przedsiębiorstwo Budowlane DOMESTA Sp. z o.o.	301
inBet Sp. z o.o.	9.696
Dom Zdrojowy Sp. z o.o.	19.140
Hotel Mikołajki Sp. z o.o.	15.780
Przedsiębiorstwo Instalacyjne ISA Sp. z o.o.	80

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

2.3 Securities on shares in subsidiaries

	31/03/2016	31/12/2015
Securities on shares in subsidiaries	15 780	15 780
Total	15 780	15 780

I Registered pledge of 05 September 2011 on the shares in Hotel Mikołajki Sp. z o.o. in the amount of PLN 15,582 k for the following credit agreements:

- investment credit of 5 September 2011 in the amount of PLN 36,214 k granted to Hotel Mikołajki Sp. z o.o. by PKO BP SA; the highest security amount fixed in the pledge agreement being PLN 137,617 k;

Claim satisfaction conditions: in the event of a failure to repay the whole or part of the secured claim, the following may take place:

1. The satisfaction of the Pledge's claims, as its discretion, in the procedure prescribed by the provisions of law on enforcement proceedings, by taking over the ownership of the object of the pledge (at the price of the market value of the shares as determined in the valuation) or through the sale in a public tender held by a bailiff or notary public
2. Waiver by the Pledge of the possibility of exercise of the so-called corporate rights (including the exercise of the voting right) in relation to Hotel Mikołajki Sp. z o.o.

II Registered pledge of 23 May 2013 on the shares in Hotel Mikołajki Sp. z o.o. in the amount of PLN 198 k for the following credit agreements:

- investment credit of 5 September 2011 in the amount of PLN 36,214 k granted to Hotel Mikołajki Sp. z o.o. by PKO BP SA; the highest security amount fixed in the pledge agreement being PLN 72,428 k;

Claim satisfaction conditions: in the event of a failure to repay the whole or part of the secured claim, the following may take place:

1. The satisfaction of the Pledge's claims, as its discretion, in the procedure prescribed by the provisions of law on enforcement proceedings, by taking over the ownership of the object of the pledge (at the price of the market value of the shares as determined in the valuation) or through the sale in a public tender held by a bailiff or notary public
2. Waiver by the Pledge of the possibility of exercise of the so-called corporate rights (including the exercise of the voting right) in relation to Hotel Mikołajki Sp. z o.o.

3. Composition of the Parent Company's Management Board and Supervisory Board

As at the date of preparation of these consolidated financial statements, the composition of the Management Board of the Parent Entity was as follows:

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

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

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

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 interim consolidated financial statements, the composition of the Supervisory Board of the Parent Entity was as follows:

- Jerzy Glanc - Chairman of the Supervisory Board
- Krzysztof Gaśak - Deputy Chairman of the Supervisory Board
- Szymon Lewiński - Member of the Supervisory Board
- Łukasz Maraszek - 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.

4. Approval of the financial statements

These interim condensed consolidated financial statements for the period of three months ended on 31 March 2016 were approved for publication by the Management Board on 16 May 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 Consolidated Financial Statements of the Inpro SA Capital 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 Capital Group. 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 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 above amendments do not have significant influence on the Group's financial standing and profits from business operations as well as on the scope of information presented in these financial statements.

5.3 New and revised standards and interpretations, which were approved for use in the EU, but have not become effective yet

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.

5.4 New and revised standards and interpretations, which have not been approved for use in the EU 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 thereto and the interpretation thereof which, as at 16/05/2016, 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 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"**

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

- 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.

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	31/03/2016	31/12/2015
EURO	4.2684	4.2615

The average rate, calculated as the arithmetic mean of the rates binding on the last day of each month in a period	01/01/2016 -31/03/2016	01/01/2015 -31/03/2015
EURO	4.3559	4.1489

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.

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

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 31 March 2016 may be revised in the future. The main estimates have been described in the following notes:

Note		Kind of disclosure
22	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.
23	Trade receivable valuation allowances	Given the grounds, the Group verifies the recovery of various trade receivables and estimates the valuation allowances on that basis.
18	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.
29	Employee benefits	Provisions for retirement benefits and unused vacation leaves.
29	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 the first quarter 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 615 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.

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

Key factors influencing the Group's financial performance for the first quarter of 2016:

- the Group's advanced sales in the first quarter of 2016, understood as the number of the signed preliminary agreements net, were higher than in the comparable period of the previous year (an increase by 27 % to 124 agreements net). Such a high level of the sales was related to the good structure of the Group's sales offer on the one hand, and to general tendencies on the property development market on the other. Premises earmarked for lease were very popular.
- 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 March 2016 the INPRO SA Capital Group did not place in service any buildings, it noted, however, a 45% increase of the level of premises deliveries to the buyers (the Group delivered 110 premises in the first quarter of 2016 and 76 premises in the first quarter of 2015). The deliveries were effected, first of all, at projects completed last year: Wróbla Staw multi-family buildings and Chmielna Park estate. The increase of profitability in the first quarter of 2016 against the previous year was influenced by the structure of the premises being delivered, with a high percentage of them being the premises at projects arousing keen interest at which a satisfactory margin was realised.

- improvement of the profitability of the Dom Zdrojowy company and the Hotel Mikołajki company due to economic boom at hotel services market,
- activities taken in previous years by persons managing inBet Sp. z o.o. (cost cutting, focus on the most profitable areas of activity, plant modernisation) yielded still good results – for the first three months of 2016 the company noted net profit in the amount of approximately PLN 67 k.

10. Factors affecting the Group's performance in the subsequent quarters

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

- 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,
- the way of building a portfolio of flats to let by BGK Nieruchomości,
- the policy pursued by the banks financing the developers and flat buyers,
- the macroeconomic situation in Poland and in the world (confirmation by the Central Statistical Office of an increase of the economic growth pace).

11. 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.

12. 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.

13. Assessment of the ability to achieve previously published projections of results for a given year

The Company has not published the projected financial results for the financial year 2016 so far.

14. 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.
- b) 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.
- c) 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.
- d) 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.
- e) 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.
- f) 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.
- g) 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.

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.

15. Material events after the balance sheet date

- a) 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.
- b) 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.
- c) 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, the number of shares held by INPRO SA in inBet Sp. z o.o will be 144,224, which constitutes 74.85% of the share capital.

- d) 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.
- e) 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.
- f) 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.

16. 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.)- new operating segment of the INPRO SA Capital Group

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 31 March 2016, 31 March 2015 and 31 December 2015.

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

Figures for the period 01/01/2016-31/03/2016	Continuing activities					Exclusions	Total activities
	Property development activity	Hotel services	Manufacture of precast units	Sanitary and heating installations	Total		
Revenues							
Sales to external customers	35 030	4 341	1 487	720	41 578	-	41 578
Sales between segments	1 955	62	701	1 586	4 304	(4 304)	-
Total revenues of the segment	36 985	4 403	2 188	2 306	45 882	(4 304)	41 578
Profit (loss) of the segment	9 057	301	337	197	9 892	7	9 899
Selling costs	(1 241)	(107)	(60)	-	(1 408)	-	(1 408)
Administrative expenses	(2 832)	(1 332)	(184)	(287)	(4 635)	-	(4 635)
Other operating revenues/costs	117	4	(18)	-	103	-	103
Profit (loss) on operating activities	5 101	(1 134)	75	(90)	3 952	7	3 959
Interest revenue	107	12	2		121	(35)	86
Interest cost	(138)	(288)	(5)	(3)	(434)	35	(399)
Other net revenues /financial costs	-	6	-	-	6	-	6
Profit (loss) before tax	5 070	(1 404)	72	(93)	3 645	7	3 652
Income tax	(992)	148	(5)	-	(849)	(1)	(850)
Net profit (loss) for the financial period	4 078	(1 256)	67	(93)	2 796	6	2 802
<i>- including attributable to non-controlling shareholders</i>							95

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

Figures as at 31/03/2016	Continuing activities					Exclusions	Total activities
	Property development activity	Hotel services	Manufacture of precast units	Sanitary and heating installations	Total		
Assets and liabilities							
Segment assets	358 562	98 931	10 529	2 741	470 763	(99 557)	371 206
Total assets	358 562	98 931	10 529	2 741	470 763	(99 557)	371 206
Segment liabilities	251 264	61 508	8 237	1 451	322 460	(90 841)	231 619
Total equity	107 298	37 423	2 292	1 290	148 303	(8 716)	139 587
Total liabilities and capital	358 562	98 931	10 529	2 741	470 763	(99 557)	371 206
Other information concerning segments for three months of 2016							
Purchase of fixed assets and intangibles in the period (net expenditures)	19	2 694	299	-	3 012	(1 859)	1 153
Change of fixed assets in the period	79	108	28	-	215	-	215
Depreciation of property, plant, equipment and intangibles	(284)	(504)	(87)	(6)	(881)	16	(865)
Total impairment loss as at 31/03/2016	(284)	(75)	(254)	-	(613)	21	(592)

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

COMPARATIVE DATA:

Figures for the period 01/01/2015-31/03/2015	Continuing activities				Exclusions	Total activities
	Property development activity	Hotel services	Manufacture of precast units	Total		
Revenues						
Sales to external customers	27 920	3 207	884	32 011	-	32 011
Sales between segments	404	44	1 591	2 039	(2 039)	-
Total revenues of the segment	28 324	3 251	2 475	34 050	(2 039)	32 011
Profit (loss) of the segment	7 577	(256)	595	7 916	(152)	7 764
Selling costs	(914)	(218)	-	(1 132)	-	(1 132)
Administrative expenses	(2 349)	(1 489)	(274)	(4 112)	-	(4 112)
Other operating revenues/costs	49	207	6	262	-	262
Profit (loss) on operating activities	4 363	(1 756)	327	2 934	(152)	2 782
Interest revenue	278	4	1	283	(183)	100
Interest cost	(204)	(471)	(1)	(676)	183	(493)
Other net revenues /financial costs	(86)	(13)	-	(99)	-	(99)
Profit (loss) before tax	4 351	(2 236)	327	2 442	(152)	2 290
Income tax	(859)	322	10	(527)	29	(498)
Net profit (loss) for the financial period	3 492	(1 914)	337	1 915	(123)	1 792
<i>- including attributable to non-controlling shareholders</i>						39

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums 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)

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

17. Costs and revenues

17.1 Sales revenues

Sales revenues	01/01/2016 -31/03/2016	01/01/2015 -31/03/2015
Revenues from the sale of products	33 970	28 555
Revenues from the sale of services	5 388	3 452
Revenues from the sale of goods for resale and materials	2 220	4
Total sales revenues	41 578	32 011

17.2 Costs by category

Costs by category	01/01/2016 -31/03/2016	01/01/2015 -31/03/2015
Depreciation	865	1 467
Consumption of materials and energy	11 040	9 145
External services	14 174	15 808
Taxes and charges	926	1 417
<i>Costs of employee benefits, including:</i>	7 739	5 588
- payroll	6 383	4 533
- costs of social insurances and other benefits	1 356	1 055
Other	648	1 048
Total costs by category	35 392	34 473
Change in products, work in progress and accruals (+/-)	2 171	(4 805)
Costs of products for the entity's own needs (-)	(1 857)	(181)
Selling costs (-)	(1 408)	(1 132)
Administrative expenses (-)	(4 635)	(4 112)
Value of goods for resale and materials sold	2 016	4
Cost of sales	31 679	24 247
Total costs of products, goods for resale and materials sold, cost of sales and administrative expenses	37 722	29 491

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

18. Income tax

The main components of the tax burden for the period ended on 31 March 2016 and 31 March 2015 are as follows:

Income tax	01/01/2016 -31/03/2016	01/01/2015 -31/03/2015
Consolidated statement of total income		
Current income tax	2 236	629
Current income tax liability	2 236	628
Adjustments concerning current income tax from previous years	-	1
Deferred income tax	(1 386)	(131)
Relating to the establishment and reversal of temporary differences	(1 386)	(131)
Tax liability shown in the consolidated statement of total income	850	498

19. Earnings per share

Earnings per share	01/01/2016 -31/03/2016	01/01/2015 -31/03/2015
Net profit (loss) from continuing operations	2 707	1 753
Net profit from discontinued operations	-	-
Net profit attributable to shareholders in the parent entity	2 707	1 753
Weighted average number of ordinary shares	40 040	40 040

Basic earnings per share	01/01/2016 -31/03/2016	01/01/2015 -31/03/2015
Net profit	2 707	1 753
Weighted average number of ordinary shares	40 040	40 040
Basic earnings per share (PLN/share)	0,0676	0,0438

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

Diluted earnings per share	01/01/2016 -31/03/2016	01/01/2015 -31/03/2015
Net profit attributable to shareholders for diluted earnings per share calculation	2 707	1 753
Adjusted weighted average number of ordinary shares for diluted earnings per share calculation	40 040	40 040
Diluted earnings per share (PLN/share)	0,0676	0,0438

Basic earnings per share from continuing operations	01/01/2016 -31/03/2016	01/01/2015 -31/03/2015
Net profit from continuing operations	2 707	1 753
Weighted average number of ordinary shares	40 040	40 040
Basic earnings per share (PLN/share)	0,0676	0,0438

Diluted earnings per share from continuing operations	01/01/2016 -31/03/2016	01/01/2015 -31/03/2015
Net profit attributable to Shareholders for the calculation of diluted earnings per share from continuing operations	2 707	1 753
Adjusted weighted average number of ordinary shares for diluted earnings per share calculation	40 040	40 040
Diluted earnings per share (PLN/share)	0,0676	0,0438

20. Dividends paid and proposed

The Company did not pay any dividend in the current and comparative period.

On 5 April 2016 the Management Board of INPRO SA made a decision on the payment of the dividend for 2015. The Ordinary General Assembly of the Company will be proposed the payment of the dividend of PLN 0.30 per share (total PLN: 12 012 k). The recommendation of the Management Board regarding the proposed dividend was presented in the resolution of the Management Board of 14/04/2016. It was suggested that 27 May 2016 should be the dividend date and 10 June 2016 should be the dividend payment date.

The recommendation by the Management Board was reviewed and accepted by way of the resolution of the Supervisory Board of 18 April 2016. The final decision on the division of profits for 2015 will be made by the Company's Ordinary General Assembly, which was convened for 17 May 2016.

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

21. Property, plant and equipment

	31/03/2016	31/12/2015	Change from 01/01/2016 to 31/03/2016
1. Fixed assets	92 580	93 203	(623)
a) land (including the perpetual usufruct right)	5 000	5 001	(1)
b) buildings, premises and civil and hydraulic engineering structures	71 882	72 040	(158)
c) machinery and equipment	10 808	10 959	(151)
d) motor vehicles	2 563	2 622	(59)
e) other fixed assets	2 327	2 581	(254)
2. Fixed assets under construction	4 424	2 348	2 076
Total property, plant and equipment	97 004	95 551	1 453

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

The increase in the "Fixed assets under construction" is mainly related to a project in Mikołajki (the construction of a canopied link building) and investment expenditure by inBet Sp. z o.o. relating to the commissioning of a new floor slab production line.

22. Inventory

Inventory	31/03/2016	31/12/2015
Materials (at the acquisition price)	855	891
Commodities (at the acquisition price)	69 459	51 927
Work in progress (at cost of manufacture)	29 374	49 260
Finished goods (at the acquisition price/ cost of manufacture)	109 865	111 362
Total inventory at the lower of two values: the acquisition price (cost of manufacture) and net realisable value	209 553	213 440

Obsolescence allowances on inventory	01/01/2016 -31/03/2016	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

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

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 30 in additional information.

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.

23. Trade and other receivables

	31/03/2016	31/12/2015
Receivables from related entities	8	10
Trade receivables	7	10
Other receivables	1	-
Receivables from other entities	13 347	13 165
Gross trade receivables	6 259	8 526
State budget receivables other than current income tax	3 191	1 301
Advances on inventory	1 528	1 275
Advances on fixed assets	2 219	2 054
Other non-financial liabilities	150	9
Gross receivables	13 355	13 175
Valuation allowance for receivables	(232)	(265)
Short-term prepayments, including:	1 208	303
- subscription cost	10	7
- software, domains, licences	57	52
- cost of insurances	143	134
- payments under the remaining lease agreements	4	6
- rent	38	2
- advertisements	45	37
- payments for perpetual usufruct	845	-
- other prepaid expenses	66	65
Total receivables (net)	14 331	13 213

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

24. Other financial assets

Other financial assets	31/03/2016	31/12/2015
advances on separate revenue accounts (escrow accounts)*	13 557	7 821
Others		
Total	13 557	7 821

* applicable to payments made by the customers of INPRO SA and PB Domesta Sp. z o.o on the basis of property development agreements

25. 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 31 March 2016:

Cash	31/03/2016	31/12/2015
Cash at bank and in hand	7 970	8 710
Cash on long-term bank	17 713	18 518
Total cash and cash equivalents	25 683	27 228

	31/03/2016	31/12/2015
Cash in PLN	25 683	27 228
Total cash and cash equivalents	25 683	27 228

The fair value of cash and cash equivalents as at 31 March 2016 is 25,683 k zlotys (31 December 2015: 27,228 k zlotys).

As at 31 March 2016 the Group had unused credit (working capital credits for property development projects and overdraft facilities) in the amount of 73,089 k zlotys (31 December 2015: 51,845 k zlotys), which funds will be used as the construction works progress.

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

25.1 Explanation to the cash flow statement for the period 01/01/2016 – 31/03/2016

No.	Item	Change in the period 01/01/2016 -31/03/2016
1.	Balance sheet change in provisions	(1 167)
2.	Change in provisions in the cash flow statement	69
3.	Difference	1 236
4.	Explanation of the difference:	1 236
-	change in provisions in relation to CIT	1 236
1.	Balance sheet change in prepayments	(1 052)
2.	Change in prepayments in the cash flow statement	(905)
3.	Difference	147
4.	Explanation of the difference:	147
-	change in assets in relation to CIT	149
-	other prepayments – settlement of interest on lease	(2)
1.	Balance sheet change in net long and short-term receivables	(240)
2.	Change in receivables in the cash flow statement	(117)
3.	Difference	123
4.	Explanation of the difference:	123
-	change in receivables in relation to the sale of fixed assets, fixed assets under construction and intangibles	99
-	change in receivables in relation to CIT	24
1.	Balance sheet change in short and long-term liabilities	1 387
2.	Change in short-term liabilities in the cash flow statement	(7 797)
3.	Difference	(9 184)
4.	Explanation of the difference:	(9 184)
-	change in short and long-term loans and credits	(1 953)
-	change in overdraft	(357)
-	change in liabilities in relation to CIT	(117)
-	change in liabilities in relation to finance lease	102
-	change in liabilities in relation to the acquisition of fixed assets, fixed assets under construction and intangibles	(1 123)
-	change of advances on separate revenue accounts	(5 736)

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

No.	Item	Change in the period 01/01/2016 -31/03/2016
1.	Balance sheet change in inventory	3 887
2.	Change in inventory in the cash flow statement	3 884
3.	Difference	(3)
4.	Explanation of the difference:	(3)
-	transfer of inventory to fixed assets	(3)
1.	Balance sheet change in cash	(1 545)
2.	Change in cash in the cash flow statement	(1 545)

26. Establishing asset revaluation deductions and their reversal

01/01/2016-31/03/2016	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	-	(52)	-	(52)
Status as at the end of the period	38	232	322	592

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

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

27. Share capital

As at:	31/03/2016	31/12/2015
Registered share capital	4 004	4 004

SHARE CAPITAL AS AT 31/03/2016 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

28. Non-controlling shares

Non-controlling shares	01/01/2016 -31/03/2016	01/01/2015- 31/12/2015
At the beginning of the period	10 880	10 543
Dividend payment		(345)
Share in the current period's profit or loss	95	896
Extension of the Capital Group- acquisition of shares in subsidiary (PI ISA Sp. z o.o.)		323
Increase of the share capital in subsidiary- inBet Sp. z o.o.		486
Acquisition of new shares in subsidiary- PB Domesta Sp. z o.o.		(1 023)
At the end of the period	10 975	10 880

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

29. Provisions

01/01/2016 -31/03/2016	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 (+)	-	-	-	252	252
Decrease (-)	-	-	(7)	(176)	(183)
Status as at the end of the period	290	508	416	1 535	2 749

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

Time structure of provisions	31/03/2016	31/12/2015
Long-term part	290	290
Short-term part	2 459	2 390
Total provisions	2 749	2 680

	31/03/2016	31/12/2015
Discount rate (%)	2,50	2,50
Estimated remuneration growth rate (%)	0,00	0,00

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

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

Long-term financial liabilities	31/03/2016	31/12/2015
Loans and credits	34 029	33 363
Liabilities relating to finance lease and lease agreements with a purchase option	884	944
Total	34 913	34 307

Short-term financial liabilities	31/03/2016	31/12/2015
Loans and credits	20 382	19 095
Liabilities relating to finance lease and lease agreements with a purchase option	353	395
Total	20 735	19 490

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

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

Value of liabilities in relation to credits as at 31/03/2016

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	1 314	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
Consortium SGB Bank SA BS in Tczew	PLN	11 000	772	30/09/2016	Two mortgages up to the sum of PLN 9,350 k each	GD1G/00268665/8	Gdańsk, ul. Jasieńska	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	4 235	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	3 675	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	5 647	30/11/2018	two mortgages up to the sum of PLN 4,500 k each	GD1G/00264763/7 i 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
mBank SA	PLN	34 600	8 160	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

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

mBank SA	PLN	24 300	1 995	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
mBank SA	PLN	31 000	-	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	26 224	31/12/2027	mortgage up to the sum of PLN 54,321 k	OL1M/00025679/2, OL1M/00026392/3 Mrągowo District Court	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			54 411					

* the mortgage also comprises land and mortgage registers for the premises segregated from land and mortgage register No. OL1M/00025679/2, i.e. the 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

Open credit lines as at 31/03/2016

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	357	02/12/2016	mortgage up to the sum of PLN 15,000 k	GD1G/00068140/0 Gdańsk-North District Court	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	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	Land and mortgage register GD1G/00215282/3 (current assets)	Gdańsk Jasień, plot No. 251/6	blank promissory note
Total credit liabilities			357					

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

Liabilities of the INPRO SA Capital 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. Jasieńska	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. Jasieńska	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

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

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 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, 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

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

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			-					

Unless otherwise indicated, all sums have been given in thousands of zlotys

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

Nominal value of minimum lease payments	31/03/2016	31/12/2015
Within 1 year	353	395
Within 1 to 3 years	433	463
Within 3 to 5 years	363	382
More than 5 years	88	99
Total liabilities relating to finance lease - minimum total lease payments	1 237	1 339

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

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

Capital Group in relation to lease agreements as at 31/03/2016

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 Service Poland Sp. z o.o.	428 F digger-loader	OL-026954	242	2016/08/31	31	31	-
Domesta Sp. z o.o.							
Volkswagen Leasing Gbmh Sp. z o.o.	AUDI Q5	6706907-1214-07329	182	2016/09/30	65	65	-
Raiffeisen Leasing Polska S.A.	SUBARU	15/011787(UL)	104	2018/05/31	75	34	41
Hotel Mikołajki Sp. z o.o.							
PKO leasing SA	CITROEN JUMPER	L/O/OL/2013/05/0009	77	2016/07/15	9	9	-
PKO leasing SA	Recycling machine	B/O/WA/2014/11/46	157	2018/11/15	97	19	78
PKO leasing SA	Two Melex vehicles	B/O/OL/2013/08/0003	72	2016/08/15	12	12	-
Dom Zdrowy Sp. z o.o.							
VOLKSWAGEN	Skoda Superb	6922827-1215-5480	100	2018/04/30	56	29	27
PSA Finance	CITROEN C4 Cactus	9400876372.	48	2018/05/25	29	14	15
PSA Finance	CITROEN Berlingo VAN	9400876382.	45	2018/05/25	29	13	16
inBet Sp. z o.o.							
RCI Leasing Polska Spółka z o.o.	Nissan Micra ACENTA	9000002616	33	2019/02/05	20	7	13

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

SG Equipment Leasing Polska Sp.z o.o.	JCB 411HT front-end loader	50399	251	2022/05/01	205	26	179
SG Equipment Leasing Polska Sp.z o.o.	JCB SC240 sweeper	20449	23	2018/05/05	15	7	8
SG Equipment Leasing Polska Sp.z o.o.	Aggregate transport line	50448	98	2022/08/05	83	10	73
RCI Leasing Polska Spółka z o.o.	Nissan Micra ACENTA	9000003077	32	2019/08/17	22	6	16
BGŻ NP Paribas Spółka Akcyjna	ALUP compressor + drier	62597/12/2015	55	2019/11/30	48	8	40
Idea Leasing Spółka z o.o. Sp.k.	EURA 16/9 bending machine	19398/SK	841	2020/11/13	441	63	378
					1 237	353	884

Capital 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

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

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 three months ended
on 31 March 2016**

Unless otherwise indicated, all sums have been given in thousands of zlotys

32. Trade and other liabilities

Long-term liabilities	31/03/2016	31/12/2015
Towards related entities	-	-
trade liabilities	-	-
Towards other entities	1 434	2 256
trade liabilities	1 434	1 756
other liabilities	-	500
Total trade and other long-term liabilities	1 434	2 256
Short-term liabilities	31/03/2016	31/12/2015
Towards related entities	28	24
trade liabilities	28	24
other liabilities	-	-
Towards other entities	76 374	76 137
trade liabilities	30 721	32 849
payroll payable	1 050	863
state budget liabilities other than current income tax	1 987	1 421
advances received	41 338	40 490
other liabilities	1 278	514
Total trade and other short -term liabilities	76 402	76 161
Total trade and other liabilities	77 836	78 417

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

33. Contingent and other off-balance sheet items

Contingent liabilities	31/03/2016	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 is 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 list with a description is included in the further part of these interim condensed consolidated financial statements, in which the separate data of INPRO SA was presented (note 11).

In the period of three months ended on 31/03/2016, the Group's companies did not give sureties for credits or loans, neither did those companies grant guarantees jointly to one entity or subsidiary, where the value of sureties or guarantees would be material for the Group or constitute at least 10% of the Company's equity.

Contingent receivables	31/03/2016	31/12/2015
Guarantees received	63	379
Total contingent receivables	63	379

34. Securities established by Group companies

Securities established on Group's assets as at 31/03/2016 and as at 31/12/2015

	31/03/2016	31/12/2015
- on fixed assets*	76 831	76 746
- on current assets**	203 300	136 350
Total	280 131	213 096

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

Securities established by Group companies as at 31/03/2016

*** 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.

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. 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 March 2016 in the total amount of PLN 203,300 k is included in note No. 30 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. Registered pledges on the shares of INPRO in Hotel Mikołajki Sp. z o.o. described in detail in note No. 2.3

6. 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. 27 of additional information.

35. Significant court cases

As at 31/03/2016, 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.

36. Financial instruments

The fair value of the financial instruments held by the Group as at 31 March 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.

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

Financial assets	Category	31/03/2016	31/12/2015
Trade and other receivables	loans and receivables	6 034	8 271
Short term financial assets	as above	13 557	7 821
Cash and cash equivalents	as above	25 683	27 228
		45 274	43 320

Financial liabilities	Category	31/03/2016	31/12/2015
Long-term loans and bank credits	financial liabilities valued as at the amortised cost	34 029	33 363
Short-term loans and bank credits	as above	20 382	19 095
Trade and other liabilities	as above	32 183	34 629
Payroll payable	as above	1 050	863
Other liabilities	as above	1 278	1 014
Other long-term financial liabilities (lease)	as above	884	944
Other short-term financial liabilities (lease)	as above	353	395
Total financial liabilities valued at the amortised cost		90 159	90 303

Unless otherwise indicated, all sums have been given in thousands of zlotys

37. Transactions with related entities

SHORT-TERM RECEIVABLES/ LIABILITIES at 31/03/2016		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)	Inpro SA	Excluded in the process of consolidation						-	-
		inBet Sp. z o.o.							-	-
		Dom Zdrojowy Sp. z o.o.							-	7
		P.B. Domesta Sp. z o.o.							-	-
		Hotel Mikołajki Sp. z o.o.							-	-
		Isa Sp. z o.o.							-	-
		TOTAL for related entities							-	7
other related entities	Hotel Oliwski Sp. z o.o.	-	-	-	-	-	-			
	Members of the Management Board	-	-	23	-	5	-			
	TOTAL for other related entities							28	-	

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

LONG-TERM RECEIVABLES/LIABILITIES at 31/03/2016		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)	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							-	-

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

REVENUES / COSTS 01/01/2016- 31/03/2016		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						-	-
		inBet Sp. z o.o.							-	-
		Dom Zdrojowy Sp. z o.o.							-	12
		P.B. Domesta Sp. z o.o.							-	-
		Hotel Mikołajki Sp. z o.o.							-	-
		Isa Sp. z o.o.							-	-
		TOTAL for related entities	-	12						
other related entities	Hotel Oliwski Sp. z o.o.	-	-	-	-	-	-	-		
	Members of the Management Board	-	-	22	-	5	-	-		
	TOTAL for other related entities	-	-	22	-	5	-	27	-	

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums 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.
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 three months ended on 31 March 2016

Unless otherwise indicated, all sums 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							-	-		

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

REVENUES / COSTS 01/01/2015- 31/03/2015		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.	Hotel Oliwski Sp. z o.o.	Isa Sp. z o.o.	Inpro Management Sp. z o.o.	Members of the Management Board	
SELLER	related entities	Inpro SA	Excluded in the process of consolidation					-	18	1	-
	inBet Sp. z o.o.	Excluded in the process of consolidation					-	-	-	-	
	Dom Zdrojowy Sp. z o.o.	Excluded in the process of consolidation					-	-	-	13	
	P.B. Domesta Sp. z o.o.	Excluded in the process of consolidation					-	-	-	-	
	Hotel Mikołajki Sp. z o.o.	Excluded in the process of consolidation					-	-	-	-	
	TOTAL for related entities						32				
	other related entities	Hotel Oliwski Sp. z o.o.	-	-	4	-	-				
	Isa Sp. z o.o.	1 534	-	-	196	-					
	Inpro Managemen t s.c.	510	-	-	-	-					
	Members of the Managemen t Board	-	-	15	-	24					
TOTAL for other related entities	2 283					-					

Unless otherwise indicated, all sums have been given in thousands of zlotys

CONDENSED FINANCIAL DATA OF INPRO SA

STATEMENT OF TOTAL INCOME FOR THREE MONTHS ENDED ON 31 MARCH 2016

Statement of total income	Note	01/01/2016 -31/03/2016 (unaudited)	01/01/2015 -31/03/2015 (unaudited)
Continuing operations			
Sales revenues	4	34 416	26 313
Cost of sales	4	(26 138)	(19 276)
Gross profit (loss) on sales		8 278	7 037
Selling costs	4	(1 137)	(888)
Administrative expenses	4	(2 299)	(1 865)
Other operating revenues		174	264
Other operating costs		(57)	(215)
Profit (loss) on operating activities		4 959	4 333
Financial revenues		100	277
Financial costs		(133)	(286)
Gross profit (loss)		4 926	4 324
Income tax		(955)	(854)
Net profit (loss) from continuing operations		3 971	3 470
TOTAL INCOME		3 971	3 470

**Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended
on 31 March 2016**

Unless otherwise indicated, all sums have been given in thousands of zlotys

**STATEMENT OF THE FINANCIAL POSITION FOR THE PERIOD ENDED ON 31 MARCH
2016**

ASSETS	Note	31/03/2016 (unaudited)	31/12/2015 (audited)
Fixed (long-term) assets		102 511	102 696
Property, plant and equipment		4 278	4 486
Other intangibles		11	15
Investment properties		1 721	1 730
Shares in subsidiaries		57 825	57 825
Other financial assets	5	38 663	38 636
Other assets		13	4
Current (short-term) assets		229 405	228 825
Inventory	6	186 258	191 940
Trade and other receivables	7	10 501	9 787
Other financial assets	5	12 655	9 182
Cash and cash equivalents		19 991	17 916
TOTAL ASSETS		331 916	331 521

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

STATEMENT OF THE FINANCIAL POSITION AS AT 31/03/2016 (CONTINUED)

EQUITY AND LIABILITIES	Note	31/03/2016 (unaudited)	31/12/2015 (audited)
Equity		230 626	226 655
Issued share capital		4 004	4 004
Reserves		531	531
Retained profits		226 091	222 120
Long-term liabilities		14 343	15 144
Retirement benefit liabilities (a provision)		183	183
Deferred income tax provision		2 485	3 714
Long-term credits and bank borrowings		10 072	8 839
Trade and other liabilities	9	1 603	2 408
Short-term liabilities		86 947	89 722
Short-term provisions		2 049	1 803
Credits and borrowings	8	18 116	16 828
Other financial liabilities (lease)	8	31	49
Current income tax liabilities		896	610
Trade and other liabilities	9	65 590	70 358
Accruals/prepayments in relation to long-term contracts		265	74
Total liabilities		101 290	104 866
TOTAL EQUITY AND LIABILITIES		331 916	331 521

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31 MARCH 2016

Cash flows from operating activities	01/01/2016 -31/03/2016 (unaudited)	01/01/2015 -31/03/2015 (unaudited)
Gross profit/(loss)	4 926	4 324
Adjustments:	(6 974)	682
Depreciation	233	334
Income tax paid	(1 898)	(56)
Net interest and dividends	97	103
Profit/(loss) on investing activities	(101)	-
(Increase)/ decrease of receivables	(352)	(1 975)
(Increase)/decrease of uninvoiced receivables from the settlement of long-term contracts	-	(169)
(Increase)/ decrease of inventory	5 679	(166)
Increase/ (decrease) of liabilities	(10 797)	3 314
Increase/ (decrease) of accrued/prepaid expenses	(272)	(439)
(Increase)/decrease of accruals/prepayments in relation to long-term contracts	191	-
Change in provisions	246	(264)
Net cash flows from operating activities	(2 048)	5 006
Cash flows from investing activities	01/01/2016 -31/03/2016 (unaudited)	01/01/2015 -31/03/2015 (unaudited)
Sale of property, plant, equipment and intangibles	3	51
Interest received	1 090	40
Repayment of loans allowed	312	650
Acquisition of property, plant, equipment and intangibles	(9)	(120)
Expenses in relation to loans allowed to related entities	-	(2 300)
Net cash flows from investing activities	1 396	(1 679)

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

CASH FLOW STATEMENT OF THE FINANCIAL POSITION FOR THE PERIOD ENDED ON 31 MARCH 2016 (CONTINUED)

Cash flow from financing activities	01/01/2016 -31/03/2016 (unaudited)	01/01/2015 -31/03/2015 (unaudited)
Proceeds in relation to loans/credits obtained	14 863	5 827
Payments in relation to finance lease agreements	(18)	(42)
Repayment of loans/credits	(11 986)	(11 367)
Interest paid	(132)	(689)
Buyout of debt instruments	-	(20 000)
Net cash flows from financing activities	2 727	(26 271)
Net change in cash and cash equivalents	2 075	(22 944)
Cash at the beginning of the period	17 916	28 887
Cash at the end of the period	19 991	5 943

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

STATEMENT OF THE CHANGES IN EQUITY FOR THE PERIOD ENDED ON 31 MARCH 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
Net profit (loss) for the financial year	-	-	-	3 971	3 971
As at 31/03/2016	4 004	62 237	531	163 854	230 626

	Share capital	Share premium capital	Revaluation reserve	Retained profit	Total
As at 01/01/2015	4 004	62 237	531	136 837	203 609
Net profit (loss) for the financial year	-	-	-	3 470	3 470
As at 31/03/2015	4 004	62 237	531	140 307	207 079

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 and 15 (material 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 three months ended on 31 March 2016 were approved for publication by the Management Board on 16 May 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.

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

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. Costs and revenues

Sales revenues	01/01/2016 -31/03/2016	01/01/2015- 31/03/2015
Revenues from the sale of products	32 193	25 915
Revenues from the sale of services	243	185
Revenues from the sale of goods for resale and materials	1 980	213
Total sales revenues	34 416	26 313

Costs by category	01/01/2016 -31/03/2016	01/01/2015- 31/03/2015
Depreciation	233	334
Consumption of materials and energy	5 772	7 026
External services	12 092	13 889
Taxes and charges	629	858
Costs of employee benefits, including:	3 542	2 502
- payroll	2 890	1 981
- costs of social insurances and other benefits	652	522
Other costs:	643	971
- costs of credit	296	561
- entertainment and advertising	245	258
- property and personal insurances	66	68
- business trips	10	10
- other operating costs	26	74
Total costs by category	22 911	25 580

Change in products, work in progress and accruals (+/-)	4 863	(3 760)
Costs of products for the entity's own needs (-)	(3)	-
Selling costs (-)	(1 137)	(888)
Administrative expenses (-)	(2 299)	(1 865)
Value of goods for resale and materials sold	1 803	209
Cost of sales	26 138	19 276

Total costs of products, goods for resale and materials sold, cost of sales and administrative expenses	29 574	22 029
--	---------------	---------------

**Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended
on 31 March 2016**

Unless otherwise indicated, all sums have been given in thousands of zlotys

5. Other financial assets

Other financial assets (short-term)	31/03/2016	31/12/2015
Short-term deposits – funds on trust accounts*	12 322	7 456
Loans allowed	333	1 726
Total	12 655	9 182

Other financial assets (long-term)	31/03/2016	31/12/2015
Returnable additional contribution to equity of subsidiary	35 150	35 150
Loans allowed	3 513	3 486
Total	38 663	38 636

* applicable to payments made by the customers on the basis of property development agreements

6. Inventory

Inventory	31/03/2016	31/12/2015
Materials at the price of acquisition	41	37
Work in progress at the cost of manufacture	59 943	46 915
Finished products at the cost of manufacture	26 600	44 704
Goods for resale at the price of acquisition	99 674	100 284
Total	186 258	191 940

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

7. Trade and other receivables

	31/03/2016	31/12/2015
Receivables from related entities	2 867	2 632
Gross value of trade receivables	2 867	2 580
Other receivables	-	52
Receivables from other entities	7 250	7 035
Gross value of trade receivables	4 099	5 778
Receivables from the budget other than current income tax	1 545	164
Advances on fixed assets	24	-
Advances on inventory	1 460	1 093
Other non-financial liabilities	122	-
Gross receivables	10 117	9 667
Valuation allowance for receivables	-	-
Short-term prepayments, including:	384	120
- subscription cost	5	5
- software, domains, licences	12	16
- cost of insurances	64	70
- advertisements	25	24
- payments for perpetual usufruct	249	-
- other prepaid expenses	29	5
Total receivables (net)	10 501	9 787

Unless otherwise indicated, all sums have been given in thousands of zlotys

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

Long-term financial liabilities	31/03/2016	31/12/2015
Loans and credits	10 072	8 839
Total	10 072	8 839

Short-term financial liabilities	31/03/2016	31/12/2015
Liabilities in relation to finance lease and lease agreements with a purchase option	31	49
Loans and credits	18 116	16 828
Total	18 147	16 877

Nominal value of minimum lease payments	31/03/2016	31/12/2015
Within 1 year	31	49
Within 1 to 3 years	-	-
Total liabilities related to finance lease - total minimum lease payments	31	49

Unless otherwise indicated, all sums have been given in thousands of zlotys

9. Trade and other liabilities

Long-term liabilities	31/03/2016	31/12/2015
Long-term liabilities in relation to related entities	172	163
Trade liabilities	172	163
Long-term liabilities in relation to other entities	1 431	2 245
Trade liabilities	1 431	1 745
Other liabilities	-	500
Total trade and other long-term liabilities	1 603	2 408
Short-term liabilities	31/03/2016	31/12/2015
Short-term liabilities in relation to related entities	1 215	833
Trade liabilities	1 215	833
Short-term liabilities in relation to other entities	64 375	69 525
Trade and other liabilities	26 661	29 614
Payroll payable	263	259
Liabilities towards the state budget other than current income tax	595	686
Advances received	35 707	38 585
Other liabilities	1 149	381
Total short term trade and other liabilities	65 590	70 358
Total trade and other liabilities	67 193	72 766

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

10. Transactions with related entities

Revenues from sales to a related entity (products, services, goods for resale, materials and other revenues)	01/01/2016 31/03/2016	01/01/2015 31/03/2015
inBet Sp. z o.o.	13	235
Dom Zdrojowy Sp. z o.o.	42	-
Hotel Mikołajki Sp. z o.o.	1 881	169
PI Isa Sp z o.o.	19	18
Total	1 955	422

Purchase from a related entity	01/01/2016 31/03/2016	01/01/2015 31/03/2015
inBet Sp. z o.o.	448	1 474
Dom Zdrojowy Sp. z o.o.	67	45
Hotel Mikołajki Sp. z o.o.	1	185
Isa Sp z o.o.	1 551	1 534
Inpro Management s.c.	-	510
Total	2 067	3 748

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 31/03/2016	01/01/2015 31/03/2015
	-	-

Buyer: Hotel Mikołajki	2 072	-
------------------------	-------	---

Loans granted by Inpro SA	31/03/2016	31/12/2015
----------------------------------	-------------------	-------------------

To related entities:

Dom Zdrojowy Sp. z o.o.	3 846	5 212
-------------------------	-------	-------

Total loans granted to related entities	3 846	5 212
--	--------------	--------------

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

Receivables from related entities

	31/03/2016	31/12/2015
Trade receivables - up to 12 months	2 419	2 145
inBet Sp. z o.o.	6	123
Dom Zdrojowy Sp. z o.o.	17	17
Hotel Mikołajki Sp. z o.o.	2 387	2 003
Isa Sp. z o.o.	9	2
Trade receivables - over 12 months	448	436
Hotel Mikołajki Sp. z o.o.	448	436
Other receivables- up to 12 months	-	52
inBet Sp. z o.o.	-	8
Hotel Mikołajki Sp. z o.o.	-	44
Total short-term receivables	2 867	2 633
inBet Sp. z o.o.	6	131
Dom Zdrojowy Sp. z o.o.	17	17
Hotel Mikołajki Sp. z o.o.	2 835	2 483
Isa Sp. z o.o.	9	2

Liabilities towards related entities

	31/03/2016	31/12/2015
Trade liabilities - up to 12 months	1 215	833
inBet Sp. z o.o.	215	346
Dom Zdrojowy Sp. z o.o.	-	-
Hotel Mikołajki Sp. z o.o.	-	-
Isa Sp. z o.o.	1 000	487
Trade liabilities - over 12 months	172	163
inBet Sp. z o.o.	19	18
Isa Sp. z o.o.	153	145
Other liabilities up to 12 months	-	-
Dom Zdrojowy Sp. z o.o.	-	-
Total short-term liabilities	1 387	996
inBet Sp. z o.o.	234	364
Dom Zdrojowy Sp. z o.o.	-	-
Hotel Mikołajki Sp. z o.o.	-	-
Isa Sp. z o.o.	1 153	632

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2016

Unless otherwise indicated, all sums have been given in thousands of zlotys

11. Contingent liabilities and receivables

Continent liabilities	31/03/2016	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 31/03/2016 and as at 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.

Gdańsk, 16 May 2016