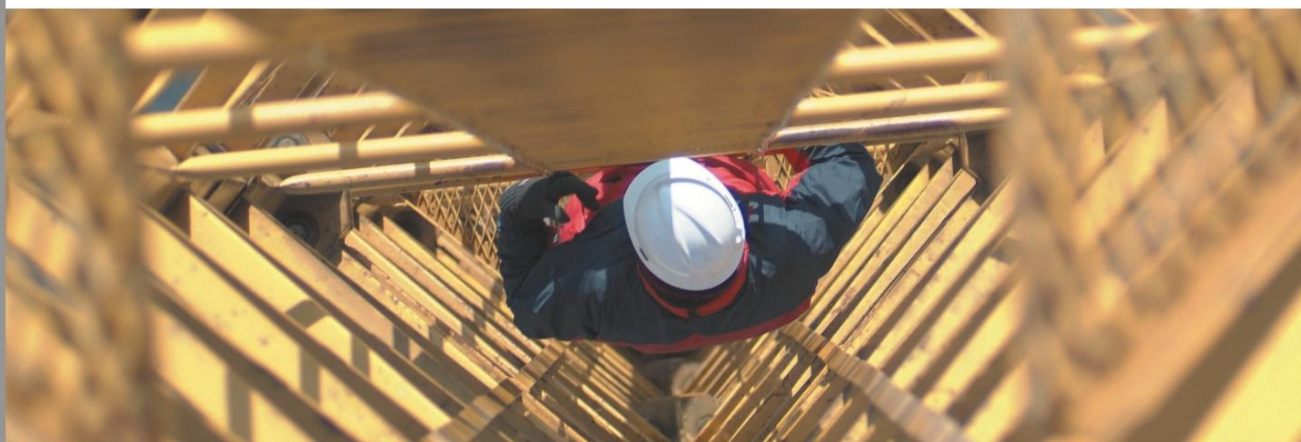


inpro



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

spółka
notowana na
GPW

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

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

SELECTED FINANCIAL DATA – CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Selected data concerning the condensed interim consolidated financial statements of the INPRO SA Capital Group				
	01/01/2016	01/01/2015	01/01/2016	01/01/2015
	-	-	-	-
	30/06/2016	30/06/2015	30/06/2016	30/06/2015
	PLN '000		EUR '000	
Net sales revenues	80 849	79 897	18 457	19 326
Gross profit (loss) on sales	20 395	20 730	4 656	5 014
Profit (loss) on operating activities	9 300	9 980	2 123	2 414
Gross profit (loss)	8 665	9 559	1 978	2 312
Net profit (loss)	6 639	7 847	1 516	1 898
- attributable to non-controlling shareholders	258	389	59	94
Earnings (loss) per share in the parent entity (PLN/EUR)	0,1594	0,1863	0,0364	0,0451
Net cash flows from operating activities	8 424	13 144	1 923	3 179
Net cash flows from investing activities	(5 960)	(2 040)	(1 361)	(494)
Net cash flows from financing activities	(17 584)	(21 585)	(4 014)	(5 221)
Net cash flows	(15 120)	(10 481)	(3 452)	(2 535)
	30/06/2016	31/12/2015	30/06/2016	31/12/2015
	PLN '000		EUR '000	
Total assets	370 223	368 184	83 657	86 398
Liabilities and provisions for liabilities	147 287	139 367	33 282	32 704
Provisions for liabilities	3 058	6 374	691	1 496
Long-term liabilities	36 798	36 563	8 315	8 580
Short-term liabilities	107 431	96 430	24 276	22 628
Equity	222 936	228 817	50 375	53 694
- attributable to non-controlling shareholders	10 747	10 880	2 428	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)	5,5678	5,7147	1,2581	1,3410
ZLOTY TO EURO CONVERSION RATE	average EUR rate in the period 01/01/2016-30/06/2016		average EUR rate as at 30/06/2016	
	4,3805		4,4255	
	average EUR rate in the period 01/01/2015-30/06/2015		average EUR rate as at 31/12/2015	
	4,1341		4,2615	

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

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

SELECTED FINANCIAL DATA – CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

Selected data concerning the condensed interim separate financial statements of the INPRO SA				
	01/01/2016	01/01/2015	01/01/2016	01/01/2015
	-	-	-	-
	30/06/2016	30/06/2015	30/06/2016	30/06/2015
	PLN '000		EUR '000	
Net sales revenues	61 484	62 864	14 036	15 206
Gross profit (loss) on sales	15 472	17 056	3 532	4 126
Profit (loss) on operating activities	9 616	10 695	2 195	2 587
Gross profit (loss)	10 284	11 834	2 348	2 863
Net profit (loss)	8 437	9 580	1 926	2 317
- attributable to non-controlling shareholders	0,2107	0,2393	0,0481	0,0579
Net cash flows from operating activities	2 218	14 333	506	3 467
Net cash flows from investing activities	960	(4 167)	219	(1 008)
Net cash flows from financing activities	(15 588)	(19 694)	(3 558)	(4 764)
Net cash flows	(12 410)	(9 528)	(2 833)	(2 305)
	30/06/2016	31/12/2015	30/06/2016	31/12/2015
	PLN '000		EUR '000	
Total assets	325 285	331 521	73 502	77 794
Liabilities and provisions for liabilities	102 205	104 866	23 095	24 608
Provisions for liabilities	2 564	5 700	579	1 338
Long-term liabilities	9 943	11 247	2 247	2 639
Short-term liabilities	89 698	87 919	20 268	20 631
Equity	223 080	226 655	50 408	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)	5,5714	5,6607	1,2589	1,3283
ZLOTY TO EURO CONVERSION RATE	average EUR rate in the period 01/01/2016-30/06/2016		average EUR rate as at 30/06/2016	
	4,3805		4,4255	
	average EUR rate in the period 01/01/2015-30/06/2015		average EUR rate as at 31/12/2015	
	4,1341		4,2615	

REPORT OF THE MANAGEMENT BOARD

ON THE CAPITAL GROUP'S ACTIVITY

IN THE FIRST SIX MONTHS OF 2016

**Condensed interim consolidated financial statements of the INPRO SA Capital Group
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Piotr Stefaniak President of the Management Board	Krzysztof Maraszek Vice-President of the Management Board	Zbigniew Lewiński Vice-President of the Management Board

Gdańsk, 31/08/2016

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

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

Information below contains both the consolidated financial data of INPRO SA and the separate results of INPRO SA

1. COMMENTARY BY THE MANAGEMENT BOARD ON THE CAPITAL GROUP'S ACTIVITY IN THE FIRST SIX MONTHS OF 2016

The economic situation in the first six months of 2016 was relatively stable with positive tendencies in the majority of the economic sectors. The average salary increased in 2016 (with the lowest unemployment rate of 8.8% at the end of June since 2000); the prices fell down and salaries went up compared to the previous year. Events outside Poland were the most important for Polish economy, however. The results of the referendum in Great Britain and the expected implications of Brexit were reflected in stock market downfalls and in the increases on the currency market.

The announcement of assumptions to the National Housing Programme was a significant event for the property development market. A further increase in the sales of flats and in the number of premises placed on the market was noted, particularly in the segment of cheaper premises qualifying for the Flat for Young People (MDM) programme. On the other hand, strong demand for flats in that segment caused the running out of the reserve pool for the additional contributions to flats finished this year. In the first days of July, BGK announced that the first reserve pool for 2017 was also exhausted.

It seems in those circumstances that 2016 may be yet another year with very high flat sales with the simultaneous growth of the number of premises placed on the market.¹

Net advance sales of the INPRO SA Group from April to June 2016 were 76 agreements net compared to 139 ones in the same period of the previous year (a 45% decrease). In that period, INPRO alone signed 50 agreements net i.e. 58% fewer than in the same months of 2015. The decrease of the level of advance sales (the sales were going down month by month in the 2nd quarter) was related to prolonged bank procedures related to opening an escrow account for the stage I of the Optima property development project (the popular flats segment). The demand for flats in that segment is very strong, and at the end of June this year INPRO only had 9 units available in that segment. The escrow account for the stage I of the Optima property development project was signed on 18 July this year, in relation to which a growing number of preliminary sale agreements is expected in the months to come.

In the first six months of 2016, INPRO SA and PB Domesta Sp. z o.o. noted a smaller decrease of net advance sales than in the 2nd quarter this year alone. In the first six months of 2016, INPRO SA and PB Domesta Sp. z o.o. signed a total of 201 preliminary agreements net, i.e. 15% fewer than in the first six months of 2015.

In the first six months of 2016, the INPRO Group noted a slight increase of the proceeds from sales (by 1%), to the level of PLN 80,849 k. Gross profit from sales decreased by 2% against the same period of 2015. In the period under review, the INPRO Group handed over the total of 182 residential premises; that number being 8% smaller than in the first six months of 2015, in which the Group delivered 197 flats. In the reporting period, INPRO SA delivered 150 premises, compared to 166 in the previous year. The level of delivery was only slightly lower than last year despite the fact that INPRO SA did not place any building in service from January to June 2016. PB DOMESTA finished the works on buildings Nos. 16 and 17 at the Leszczynowe estate (the total of 54 flats), however. The drop of the net return on sales compared to the same period of the last year was connected with a higher share of premises sold at promotional prices in the 2nd quarter of this year.

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 No. 18 and 19,
- Chmielna Park estate, building C,
- Kwartał Uniwersytecki estate,
- Single-family houses at the Wróbla Staw estate, stage D, and at the Golf Park estate.

¹ Data based on the report titled the Housing Market in Poland by REAS for the 2nd quarter 2016, the reports of the Main Statistical Office and on the company's sources.

**Condensed interim consolidated financial statements of the INPRO SA Capital Group
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In February 2016 INPRO SA launched the sale of 151 flats at stage I of the Harmonia Oliwska estate and six single-family houses at the Golf Park estate, and the sales of the first flats commenced in July at the above-mentioned Optima project, stage I (100 flats being placed on the market initially). PB DOMESTA has started selling premises in buildings Nos. 19 and 20 at the Leszczynowe estate (the total of 59 flats). By the end of the year, the Group is planning to launch the sales in the following locations:

- Azymut estate in Gdynia- 200 premises;
- Leszczynowe estate in Gdańsk, building No. 21 (28 premises).
- the estate at Niepołomicka street in Gdańsk, building No. 1 (47 premises),
- Leszczynowy Staw estate in Gdańsk, building No. 1 (31 premises).

2. General information

INPRO SA (the "Company," "Parent Entity") is the parent entity of the INPRO SA Capital Group:

Table 1. Basic information on INPRO SA

Full name (business name)	INPRO Spółka Akcyjna
Registered office	80-320 Gdańsk, ul. Opata Jacka Rybińskiego 8
Business registry number (REGON)	008141071
Tax ID (NIP)	589-000-85-40
Court registration number (KRS)	0000306071
Polish Classification of Activity (PKD) 2007	4120Z - construction works relating to the erection of residential and non-residential buildings

The main object of the INPRO SA Capital Group is the construction and sale of residential and commercial real estate (INPRO SA and Przedsiębiorstwo Budowlane 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.),
- 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.).

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

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

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

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

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

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

Statutory Auditor

Deloitte Polska Spółka z ograniczoną odpowiedzialnością spółka komandytowa,
Al. Jana Pawła II 19,
00-854 Warszawa
Registration No. 73.

3. Structure of the INPRO SA Capital Group

The structure of the Capital Group, and the Company's contribution as at 30/06/2016 to the share capital of subsidiaries covered by full consolidation in the financial statements is presented in the table below:

Table 2. Structure of the INPRO SA Capital Group as at 30/06/2016 – entities comprised by full consolidation

Entity	Registered office	Share in the share capital	Share capital	Object
INPRO SA	Gdańsk	not applicable	4.004.000 PLN	Property development activity (increased standard and popular flats)
Przedsiębiorstwo Budowlane DOMESTA Sp. z o.o.	Gdańsk	59.57%	300.800,00 PLN	Property development activity (popular flats)
inBet Sp. z o.o.	Kolbudy	74.85 %	10.790.864 PLN	Manufacture of concrete, reinforced concrete and steel elements
Dom Zdrojowy Sp. z o.o.	Jastarnia	100 %	19.140.385 PLN	Hotel services
Hotel Mikołajki Sp. z o.o.	Mikołajki	100 %	15.780.000 PLN	Hotel services
PI ISA Sp. z o.o.	Gdańsk	76.92%	80.000 PLN	Sanitary and heating installations

In the first six months of 2016, the composition of the INPRO SA Capital Group did not change, however, the following events took place:

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

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4. Structure of the share capital of INPRO SA

As at 30/06/2016, the share capital of INPRO was PLN 4,004 k and was divided into 40,040,000 ordinary bearer shares of the nominal value of 10 groszes each.

Table 3. Structure of the share capital of INPRO SA as at 31/08/2016 and as at 31/12/2015:

Shareholder	Series	Number of shares	Nominal value	Share in the capital	Number of votes	Share in votes
Piotr Stefaniak	A	8 460 000	846 000	21.13%	8 460 000	21.13%
Zbigniew Lewiński	A	9 460 000	946 000	23.63%	9 460 000	23.63%
Krzysztof Maraszek	A	10 010 000	1 001 000	25.00%	10 010 000	25.00%
ING OFE	A	2 100 000	210 000	17.93%	7 177 704	17.93%
	B	5 077 704	507 770			
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.

5. Condensed Interim Consolidated financial statements and rules for their preparation

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

The interim condensed consolidated financial statements for six months ended on 30 June 2016 were made in conformity with IAS 34 "Interim Financial Reporting."

The Group's subsidiaries keep their books of accounts in conformity with the accounting policy (principles) specified by the Accounting Act of 29 September 1994 (the "Act") and the regulations issued on its basis (the "Polish accounting standards"). The condensed interim consolidated financial statements contain adjustments not included in the accounting books of the Group' entities in order to bring the financial statements of those entities to compliance with the IFRS.

Consolidated statement of total income

In the first six months of 2016 the INPRO Group achieved sales revenues of approximately PLN 81 m. This result is almost identical with the one for the first six months of the last year (a 1% increase). Net profitability decreased (from 10% to 8%), however. Profitability based on gross profit from sales was at the level of 25% (for comparison, that figure was 26% in the same period of 2015). The decrease trend of the gross profit from sales was 2%. Total overall income decreased by PLN 1.2 m, i.e. 15% in relation to total income achieved in the first six months of the previous year.

Consolidated statement of the financial position

In the period presented, the share of fixed assets in the balance sheet total increased slightly against the comparable period, namely to 31% (the figure being 29% as at 31/12/2015). Equity was a slightly smaller percentage of the balance sheet total than at the end of 2015 (60% compared to 62%). Equity and long-term liabilities together constituted 71% of the balance sheet total.

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The most significant item among short-term assets is inventory (land with construction expenditure on projects under way); in terms of short-term liabilities, those are trade and other liabilities (advances paid towards the purchase of premises).

Key ratios characterising the financial and economic position of the INPRO SA Capital Group for six months of 2016 and in 2015 have been presented below.

Table 4. Ratios characterising the financial position of the INPRO SA Capital Group for the first six months of 2016 and 2015

Ratio	Way of calculation	06/2016	06/2015
<i>Net profitability</i>	<i>Net profit (loss) * 100% / Sales revenues</i>	8%	10%
<i>Return on sales</i>	<i>Gross profit (loss) on sales * 100% / Sales revenues</i>	25%	26%
<i>Net return on assets (ROA)</i>	<i>Net profit (loss) * 100% / Total assets</i>	2%	2%
<i>Return on equity (ROE)</i>	<i>Net profit (loss) * 100% / Equity</i>	3%	4%
<i>Current liquidity</i>	<i>Current assets / Short-term liabilities</i>	2,35	2,35
<i>Cash to liability ratio</i>	<i>(Current assets - inventory) / Short-term liabilities</i>	0,4	0,5
<i>Trade receivables turnover in days</i>	<i>Final state of trade receivables * 360 / Sales revenues</i>	14	9
<i>Trade liabilities turnover in days</i>	<i>Final state of trade liabilities * 360 / Sales revenues</i>	97	54
<i>Inventory turnover in days</i>	<i>Final state of inventory * 360 / Cost of sales</i>	632	646
<i>Asset structure</i>	<i>Fixed assets * 100% / Current assets</i>	45%	38%
<i>Asset financing structure</i>	<i>Equity * 100% / Total assets</i>	60%	57%
<i>Sustainability of financing</i>	<i>(Equity + long-term liabilities) / Total assets</i>	71%	69%
<i>Net debt ratio</i>	<i>(Financial debt - cash and cash equivalents) / Equity</i>	8%	21%

As it follows from the figures presented for the first six months of 2016, profitability ratios went down slightly against the first six months of 2015. The improvement of the net debt ratio is a positive phenomenon. The receivables and liabilities turnover ratios deteriorated slightly, however. All the ratios are at a safe level.

The Group's cash flow statement for the first six months of 2016 shows positive cash flows only at the operating activity level. Negative cash flows from the investing activity follow mainly from the expenditure on fixed assets (inBet Sp. z o.o., hotels). Cash flows from the financing activity are negative mainly due to the repayment of credits and dividend payment to the shareholders of INPRO SA.

6. Condensed Interim Separate financial statement

Separate statement of total income INPRO SA

In the first six months of 2016, INPRO SA achieved revenues from sales of approximately PLN 61.5 m, i.e. 2% less than last year, with the drop of net profitability (from 15% to 14%). Profitability based on gross profit from sales was at the level of 25%. The decrease trend of the gross profit from sales was 9%.

Total overall income decreased by PLN 1.1 m, which means a drop by 12%. The most significant increase in the cost group took place in the management costs.

Separate statement of the financial position INPRO SA

The asset structure did not change considerably in the period being presented. The contribution of fixed assets to the balance sheet total increased slightly (from 31% as at 31/12/2015 to 32% as at 30/06/2016). In the liabilities structure, the contribution of long-term sources of finance (equity and

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long-term liabilities) decreased slightly from 73% as at 31/12/2015 to 72% as at the end of the current reporting period.

The most significant item among short-term assets is inventory (land with construction expenditure on projects under way); in terms of short-term liabilities, those are trade and other liabilities (advances paid towards the purchase of premises).

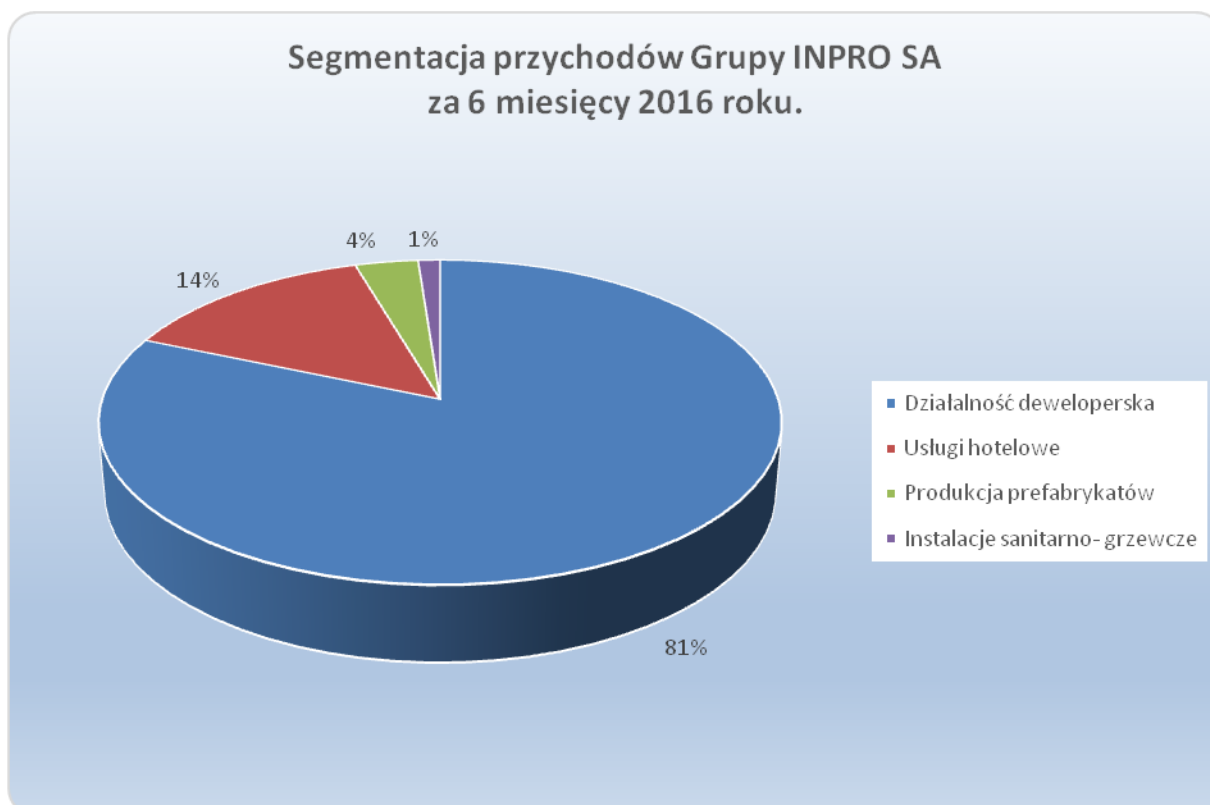
The cash flow statement of INPRO SA for the first six months of 2016 is as follows: only financing activities generate negative cash flows. The investing activity generates slightly positive cash flows because of the repayment of loans granted to Dom Zdrojowy Sp. z o.o. Cash flows from financing activities are negative mainly due to the repayment of credit and to the payment of a dividend to the shareholders of INPRO SA.

The net debt ratio for INPRO SA in the reporting period was negative (-2%) because of a higher level of cash than the financial debt.

7. Information on basic products of the INPRO SA Capital Group

In the first six months of 2016, the main source of income for the Group was income from the sale of residential and commercial premises and residential buildings as part of property development projects in modern technology available on the domestic market, in line with profitability principle in using new solutions. The remaining sources of income from the sale of the Group's products are as follows: hotel services, manufacture of precast units and sanitary and heating installations.

The sales revenue structure is presented in the following diagram:



8. Significant risk factors and threats

Risk relating to the implementation of property development projects

The property development project cycle is a long-term one (over 24 months) and characterised by considerable financial expenditure and its full return after as long as minimum 2 years. In particular, the following events may have a significant influence on the developer's financial results: (i) the need to incur additional costs, (ii) change of the time for completion of construction (iii) delay to the procurement of an occupancy permit; (iv) delays to the completion of the documentation necessary for signing notarised deeds of sale.

Risk of failure to obtain credit finance

Banks directly influence the end customer's apartment purchase capacity as the vast majority of new premises are bought on credit. The banks' expansive sales policy combined with less restrictive credit worthiness testing has an impact on easier credit availability to prospective apartment buyers. Conversely, the banks' restrictive sales policy combined with more restrictive credit worthiness testing by financial institutions or more conservative recommendations used by the regulators, causes the limited availability of finance which, in turn, results in the reduced number of apartments sold. Experience from the last few years indicates that both the former situation, created by the banks' uncontrolled fight for the customer, which results in a rapid increase of apartment prices, and the latter, caused by the worldwide crisis, which in turn caused the banks' aversion to risk and a serious slowdown on the apartment market, are not advantageous to both the customers and developers.

Similar reactions may be observed in the case of corporate credit granted directly to the developers for projects under way. Restrictions in credit finance contribute to projects being suspended, be it at the stage of construction commencement or as early as land purchase, with the resulting fall of apartment supply. That situation may bring about sharper apartment price fluctuations and the reduction of the range of apartments on offer.

The Group has had positive financial results for many years and has a very good credit history and very good relations with financial institutions.

Competition risk

Entities in the trade in question compete with one another, in particular in the following areas: (i) real estate location; (ii) prices of the premises; (iii) structure of the offering; (iv) progress of construction; (v) the architectural layout of the premises; (vi) credits on offer by the banks working with the developer. A more pessimistic business outlook in the residential construction industry segment recent years influenced the growth of competition on the property development market. If competition continues to become more severe, this may influence the following: the need to adjust the offer to market conditions (including price reduction), more intense implementation of projects, acquisition of skilled workers and, possibly, moving the business off the Tri-City. The above factors may cause a cost increase and thus to the deterioration of the Group's financial results. The Group watches and analyses the competitors' activity and makes relevant steps to minimise that risks on an ongoing basis.

Risk of concentration of the Group's property development activity on the local market

The Tri-City market is the main market in the Group's activity. Revenues from sales as well as profits depend on the situation on that market. The lower level of investment, of household income and of consumer's demand on the Tri-City markets may have an adverse influence on the Group's financial result and development prospects.

Risk relating to the lack of the possibility of acquiring a sufficient amount of land in the future

The possibility of implementation of the Group's strategy in the area of the property development activity depends, to a considerable extent, on the possibility of acquiring appropriate land necessary for the implementation of property development projects both in the Tri-City and the surroundings, as well as in other attractive locations within the Group's interest.

Land acquisition for residential development depends on the Group's efficiency of operation on one hand and on objective external factors on the other. External factors which may adversely affect the Group's efficiency of land acquisition are, first of all, the following: competition on the real estate market, the lack of local area development plans, limited resources of land with appropriate infrastructure and lengthy procedures relating to the procurement of necessary decisions.

The Group is unable to guarantee that no problems will occur in the future with land acquisition for property development projects even though the Group has no problems with the acquisition of

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appropriate amount of land at present. Any disturbance of the acquisition process of an appropriate amount of land would slow down the Group's development in the area of residential property development projects.

Risk relating to Poland's macroeconomic situation

The macroeconomic situation in Polish economy, the pace of its development and the economic situation in the region, the European Union and on the world's market have a significant influence on the construction market. The factors directly affecting the Group's financial results include: the GDP growth pace, inflation, the unemployment rate, monetary and fiscal policy of the state, level of investment of enterprises, household income level and consumer demand. Both the factors mentioned above and the direction and level of their changes influence the accomplishment of the objectives established by the Group. If the pace of economic development in Poland and on other markets slackens or instruments of shaping the economic policy of the state are used which adversely affect the Group's market position, the demand level may fall down and the Group's costs increase and, therefore, the financial results may deteriorate.

Risk relating to administrative decisions

The Issuer cannot guarantee that administrative decisions (permits, permissions, licences, concessions and consents) such as a building permit, zoning approval, occupancy permit and environmental decision required in relation to property development projects will be obtained by the Group and that any existing or new decisions will not be challenged. Whilst the Issuer exercises due diligence in applying for relevant administrative decisions, the Issuer cannot guarantee that the risk of failure to obtain the above decisions or of their challenging will be eliminated. Consequently, that risk may adversely affect the Group's activity, financial situation, results or development prospects.

9. Directions of development of the INPRO SA Capital Group

In the second half of 2016 the Group is planning to focus on the following areas:

- the continuation of the current strategy (the Tri-City market, in the increased standard apartment segment) and further development of activity in the popular segment,
- seeking land for new property development projects – an attractive location at the land purchase price enabling a satisfactory margin,
- the second stage of the works in the Dom Zdrojowy Hotel in Jastarnia is being considered, namely the extension to include a large conference and banquet hall for 200 persons. In 2016 the construction of a canopied link building connecting the island with the main land was completed in the Mikołajki Hotel. The Group is not planning other hotel or other major investments in the nearest future,
- the Group also considers stronger involvement in the implementation of commercial projects.

The Management Board of INPRO SA is of the opinion that the continuation of the Group's activity is not threatened.

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

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

the Group's advanced sales in the first six months of 2016, understood as the number of the signed preliminary agreements net, was lower than in the comparable period of the previous year (a decrease by 15% to 201 agreements net). The decrease of the level of preliminary sales was related to prolonged procedures related to opening an escrow account for the stage I of the Optima property development project comprising popular flats.

- the increase of the revenues from the Group's sales in the first six months of 2016 against the comparable period is partly the result of the purchase of shares in Przedsiębiorstwo Instalacyjne ISA Sp. z o.o. on 01/07/2015.
- 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 June 2016 INPRO SA did not placed in service any building. PB DOMESTA has finished the works on multi-family buildings Nos. 16 and 17 at the Leszczynowe estate. The total number of delivery procedures in the period in question was 182 compared to 197

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in the previous year (a decrease by 8 %). The deliveries were effected, first of all, at the following projects: Wróbla Staw multi-family building and the Chmielna Park estate. The drop of the net return on sales against the comparable period was connected with a higher share of premises sold at promotional prices in the 2nd quarter of this year.

- improvement of the profitability of the Dom Zdrojowy company and the Hotel Mikołajki company due to economic boom at hotel services market,

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

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

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.

The description of transactions with related entities was presented in note 31 of this condensed interim consolidated financial statements for six months ended on 30/06/2016.

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. Information on pending proceedings concerning the liabilities or receivables of INPRO SA or its subsidiaries

In the reporting period, none of the following proceedings were pending before a court, a body competent for arbitration proceedings or a public administrative body:

- proceedings concerning INPRO's or its subsidiary's liabilities or receivables whose value would be at least 10% of the Company's equity;
- two or more cases of proceedings concerning liabilities or receivables whose total value is at least 10% of the Company's equity respectively.

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

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

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15. Total number and nominal value of all stock (shares) in the Company and of stock and shares in related entities, held by persons managing and supervising the Company

The shareholdings of the members of the Management Board and Supervisory Board of INPRO SA as at 30/06/2016 were as follows:

Table 5. Members of the Management Board holding shares of INPRO SA as at 30/06/2016

	Number of shares	Shares Nominal value in PLN
Management Board		
Piotr Stefaniak - President of the Management Board	8 460 000	846 000.00
Zbigniew Lewiński – Vice-President of the Management Board	9 460 000	946 000.00
Krzysztof Maraszek – Vice-President of the Management Board	10 010 000	1 001 000.00
Total	27 930 000	2 793 000.00

The members of the Management Board did not hold stock (shares) in other entities of the Group. To the best of the Company's knowledge, the members of the Supervisory Board did not hold stock (shares) in any entity of the Group.

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

No changes in the Company's shareholdings by executives/supervising persons took place in the reporting period.

16. 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 03/02/2016, PI ISA Sp. z o.o. signed with Bank Millennium S.A. an annexe to an overdraft agreement on the basis of which the loan amount was increased from PLN 250 k to PLN 300 k and the loan term extended until 04/02/2017.
- c) On 09/02/2016 INPRO SA effected the full early repayment of the working capital credit for the financing of the construction of the Wróbla Staw single-family buildings in the amount of PLN 10,000 k obtained from Alior Bank SA on 19/09/2013.
- d) On 11/02/2016 INPRO SA effected the full early repayment of the working capital credit for the financing of the construction of the first stage of the Wróbla Staw multi-family buildings in the amount of PLN 5,000 k obtained from a consortium of banks: SGB-Bank S.A. and Bank Spółdzielczy in Pruszcz Gdański on 16/07/2015.
- e) On 12/02/2016 the building permit for the construction of stage I of the estate at Stężycka Street in Gdańsk became valid in law.
- f) On 01/03/2016 INPRO SA signed with the Municipality of the City of Gdańsk an agreement for the perpetual use of plot No. 222/2 in Gdańsk, Opacka street, for the price not exceeding 10 % of the Issuer's equity.

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

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.

17. Information on the issue, buyout and repayment of non-equity and equity securities

In the reporting period the Group did not issue, buy out or repay any securities.

18. Material events after the balance sheet date

- a) On 01/07/2016, on the basis of a notarised deed, Register A No. 5802/2016, the Company subscribed for 4,000 shares of the nominal value of PLN 50.00 each, of the total value of PLN 200,000.00, in the newly created company, SML Sp. z o.o. INPRO S.A. covered the whole of the shares by cash. INPRO S.A. is the sole shareholder in the above company and is entitled to all the shares in the share capital. The object of the new company in the INPRO S.A. Group will be the "turn-key" finish of flats at selected property development projects. The Gdańsk-North District Court in Gdańsk issued a ruling on the company registration in the National Court Register on 14/07/2016 under number KRS 0000628286.
- b) On 14/07/2016 the Company signed with the consortium of banks: SGB – Bank SA, Bank Spółdzielczy in Pruszcz Gdański and Bank Spółdzielczy in Tczew, a working capital credit agreement

**Condensed interim consolidated financial statements of the INPRO SA Capital Group
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- for PLN 22,500 k for the financing of the construction of stage I of Optima residential estate in Gdańsk. The agreement was described in current report No. 23/2016 of 14/07/2016.
- c) On 15/07/2016 INPRO SA signed a sale agreement for land at Kartuska Street in Gdańsk. The price for which the Company sold the land does not exceed 10% of the Issuer's equity.
 - d) On 26/07/2016 INPRO SA signed with mBank SA an annexe to the credit agreement financing the construction of building C at the Chmielna Park residential estate. Based on the annexe, the credit agreement was repaid before the deadline in full on 27/07/2016.
 - e) On 04/08/2016 INPRO SA signed with a preliminary purchase agreement for land located in Gdynia, Fleszerowej-Muskat Street. The value of the land does not exceed 10% of the Issuer's equity.

Gdańsk, 31/08/2016

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS OF THE
INPRO SA CAPITAL GROUP
FOR SIX MONTHS ENDED ON 30 JUNE 2016**

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

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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 responsible for keeping the books of accounts

Gdańsk, 31/08/2016

**Condensed interim consolidated financial statements of the INPRO SA Capital Group
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**CONSOLIDATED STATEMENT OF TOTAL INCOME FOR SIX MONTHS ENDED ON
30 JUNE 2016**

	Note	Completed six months		Completed three months	
		01/01/2016 -30/06/2016	01/01/2015 -30/06/2015	01/04/2016 -30/06/2016	01/04/2015 -30/06/2015
		(unaudited) PLN '000	(unaudited) PLN '000	(unaudited) PLN '000	(unaudited) PLN '000
Continuing operations					
Sales revenues	9.1	80 849	79 897	39 271	47 886
Cost of sales	9.2	(60 454)	(59 167)	(28 775)	(34 920)
Gross profit (loss) on sales		20 395	20 730	10 496	12 966
Selling costs	9.2	(2 533)	(2 301)	(1 125)	(1 169)
Administrative expenses	9.2	(9 317)	(8 792)	(4 682)	(4 680)
Other operating revenues		974	921	765	569
Other operating costs		(219)	(578)	(113)	(488)
Profit (loss) on operating activities		9 300	9 980	5 341	7 198
Financial income		189	173	93	73
Financial costs		(824)	(594)	(421)	(2)
Gross profit (loss)		8 665	9 559	5 013	7 269
Income tax	10	(2 026)	(1 712)	(1 176)	(1 214)
Net profit (loss) from continuing operations		6 639	7 847	3 837	6 055
TOTAL INCOME		6 639	7 847	3 837	6 055
Net profit (loss) attributable to:		6 639	7 847	3 837	6 055
- the parent entity's shareholders		6 381	7 458	3 674	5 705
- non-controlling shareholders		258	389	163	350
Total income attributable to:		6 639	7 847	3 837	6 055
- the parent entity's shareholders		6 381	7 458	3 674	5 705
- non-controlling shareholders		258	389	163	350

**Condensed interim consolidated financial statements of the INPRO SA Capital Group
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CONSOLIDATED STATEMENT OF THE FINANCIAL POSITION AS AT 30 JUNE 2016

ASSETS	Note	30/06/2016	31/12/2015
		(unaudited)	(audited)
Fixed (long-term) assets		114 264	106 213
Property, plant and equipment	14	103 636	95 551
Goodwill	13	6 708	6 708
Other intangibles		119	145
Long-term receivables		14	9
Investment property	15	1 709	1 730
Other long-term prepayments		64	82
Deferred tax assets	10.2	2 014	1 988
Current (short-term) assets		255 959	261 971
Inventory	16	212 139	213 440
Trade and other receivables	17	9 203	13 213
Current income tax receivables		71	269
Other financial assets	18	22 438	7 821
Cash and cash equivalents	19	12 108	27 228
TOTAL ASSETS		370 223	368 184

**Condensed interim consolidated financial statements of the INPRO SA Capital Group
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**CONSOLIDATED STATEMENT OF THE FINANCIAL POSITION AS AT 30 JUNE 2016
(CONTINUED)**

EQUITY AND LIABILITIES	Note	30/06/2016	31/12/2015
		(unaudited)	(audited)
Equity (attributable to the parent entity's shareholders)		212 189	217 937
Issued share capital	21	4 004	4 004
Reserves		51	51
Retained profit		208 134	213 882
Capital attributable to non-controlling shareholders	22	10 747	10 880
Total equity		222 936	228 817
Long-term liabilities		38 560	40 547
Deferred income tax provision	10.2	1 443	3 694
Retirement benefit liabilities (a provision)	23	319	290
Long-term credits and bank borrowings	24	31 323	33 363
Other financial liabilities (lease)	25	3 725	944
Trade and other liabilities	26	1 750	2 256
Short-term liabilities		108 727	98 820
Short-term provisions	23	1 296	2 390
Short-term credits and borrowings	24	16 740	19 095
Other financial liabilities (lease)	25	1 012	395
Current income tax liabilities		106	779
Trade and other liabilities	26	89 573	76 161
Total liabilities		147 287	139 367
TOTAL EQUITY AND LIABILITIES		370 223	368 184

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

	01/01/2016 -30/06/2016	01/01/2015 -30/06/2015
	(unaudited)	(unaudited)
	PLN '000	PLN '000
Gross profit/(loss)	8 665	9 559
Adjustments:		
Depreciation	(241)	3 585
Income tax paid	1 804	2 983
Profits (loss) on exchange rate differences	(4 778)	(1 418)
Net interest and dividends	16	-
Profit/(loss) on investing activities	808	89
(Increase)/ decrease of receivables	(104)	451
(Increase)/ decrease of inventory	4 648	(4 024)
Increase/ (decrease) of liabilities	1 298	(493)
Increase/ (decrease) of accrued/prepaid expenses	(2 240)	5 784
Change in provisions	(628)	(540)
Change in provisions	(1 065)	753
Net cash flows from operating activities	8 424	13 144
	01/01/2016 -30/06/2016	01/01/2015 -30/06/2015
	(unaudited)	(unaudited)
	PLN '000	PLN '000
Sale of property, plant, equipment and intangibles	102	59
Interest received	-	10
Acquisition of property, plant, equipment and intangibles	(6 062)	(1 654)
Acquisition of financial assets	-	(455)
Net cash flows from investing activities	(5 960)	(2 040)

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

	01/01/2016 -30/06/2016	01/01/2015 -30/06/2015
	(unaudited)	(unaudited)
	PLN '000	PLN '000
Proceeds in relation to loans/credits obtained	21 245	17 488
Payments in relation to finance lease agreements	(296)	(223)
Repayment of loans/credits	(25 667)	(17 398)
Interest paid	(785)	(1 413)
Dividends paid to:	(12 069)	-
- <i>the parent entity's shareholders</i>	(12 012)	-
- <i>non-controlling shareholders</i>	(57)	-
Buyout of debt securities (bonds)	-	(20 000)
Other financial expenditure	(15)	(43)
Other financial proceeds	3	4
Net cash flows from financing activities	(17 584)	(21 585)
Net change in cash and cash equivalents	(15 120)	(10 481)
Cash at the beginning of the period	27 228	38 715
Cash at the end of the period	12 108	28 234

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CONSOLIDATED STATEMENT OF THE CHANGES IN EQUITY FOR SIX MONTHS ENDED ON 30 JUNE 2016

	Share capital	Share premium capital	Revaluation reserve	Retained profit	Attributable to non-controlling shareholders	Total
As at 01/01/2016	4 004	62 237	51	151 645	10 880	228 817
Dividend payment to the parent' entity's shareholders	-	-	-	(12 012)	-	(12 012)
Dividend payment - non-controlling shareholders	-	-	-	(71)	(437)	(508)
Net profit (loss) for the financial year	-	-	-	6 381	258	6 639
Increase of the share capital in inBet Sp. z o.o.	-	-	-	(46)	46	-
As at 30/06/2016	4 004	62 237	51	145 897	10 747	222 936

	Share capital	Share premium capital	Revaluation reserve	Retained profit	Attributable to non-controlling shareholders	Total
As at 01/01/2015	4 004	62 237	51	130 192	10 543	207 027
Dividend payment to the parent' entity's shareholders	-	-	-	(3 603)	-	(3 603)
Dividend payment - non-controlling shareholders	-	-	-	(31)	(345)	(376)
Net profit (loss) for the financial year	-	-	-	7 458	389	7 847
Increase of the share in a subsidiary, PB Domesta	-	-	-	568	(1 023)	(455)
Increase of the share capital in inBet Sp. z o.o.	-	-	-	(384)	384	-
Presentation adjustment (approximations)	-	-	(1)	1	-	-
As at 30/06/2015	4 004	62 237	50	134 201	9 948	210 440

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

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

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 consolidated financial statements of the Group comprise financial data for six months ended on 30 June 2016 with comparatives for six months ended on 30 June 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:

- hotel services (Dom Zdrojowy Sp. z o. o. and Hotel Mikołajki Sp. z o.o.),
- manufacture of precast concrete elements, manufacture and erection of steel structures for the civil engineering, industrial and municipal construction industry (inBet Sp. z o.o.),
- sanitary and heating installations (PI ISA Sp. z o.o.)

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

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

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

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

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

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

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

As at the balance sheet date and as at 31/08/2016, the shareholding structure of the parent entity is as follows:

SHAREHOLDING STRUCTURE AS AT 30/06/2016 AND 31/08/2016						
Entity (full name)	Series	Number of shares	Nominal value in PLN	Share in share capital	Number of votes	Share in the number of votes
Piotr Stefaniak	A	8 460 000	846 000	21.13%	8 460 000	21.13%
Zbigniew Lewiński	A	9 460 000	946 000	23.63%	9 460 000	23.63%
Krzysztof Maraszek	A	10 010 000	1 001 000	25.00%	10 010 000	25.00%
ING OFE	A	2 100 000	210 000	17.93%	7 177 704	17.93%
	B	5 077 704	507 770			
Shareholders with less than 5% of votes	B	4 932 296	493 230	12.31%	4 932 296	12.31%
TOTAL		40 040 000	4 004 000	100%	40 040 000	100%

Compared to the status as at 31/12/2015, no significant changes in the shareholding structure occurred by 30/06/2016.

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

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

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

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

2. Information concerning related entities

2.1 Composition of the INPRO SA Capital Group

INPRO SA's subsidiaries covered by consolidation as at 30 June 2016:

No.	Entity's name	Registered office	Object	Share in the share capital (%)	Share in voting rights (%)	Acquisition price of the shares
1.	inBet Sp. z o.o.	Kolbudy, ul. Przemysłowa 10	Manufacture of reinforced concrete, concrete and steel elements	74.85%	74.85%	7 907
2.	Dom Zdrojowy Sp. z o.o.	Jastarnia, ul. Tadeusza Kościuszki 2A	Hotel services	100.00%	100.00%	19 120
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
						58 920

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

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

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

* 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 (35,150 k PLN)

As at 30 June 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 30 June 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 six months of 2016, the composition of the INPRO SA Capital Group did not change.

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

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

2.2 Share capital of related entities

Share capital of the various entities comprised by the INPRO group as at 30/06/2016:

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

Entity's name	Share capital as at 30/06/2016
INPRO SA	4.004
PB DOMESTA Sp. z o.o.	301
inBet Sp. z o.o.	10.791
Dom Zdrojowy Sp. z o.o.	19.140
Hotel Mikołajki Sp. z o.o.	15.780
PI ISA Sp. z o.o.	80

2.3 Securities on shares in subsidiaries

	30.06.2016	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.

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

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

3. Approval of the financial statements

These interim condensed consolidated financial statements for the period of six months ended on 30 June 2016 were approved for publication by the Management Board on 31 August 2016.

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

4.1 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. Unless indicated otherwise, the data in financial statements have been presented in thousands of zlotys.

4.2 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

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

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

IFRS (IFRS 5, IFRS 7, IAS 19 and IAS 34) mainly aiming at minimising inconvenience and specifying the vocabulary (effective for annual periods commencing on or after 1 January 2016).

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

4.3. 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.

4.4 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 31/08/2016, were not adopted for use in the EU (the effective dates below refer to the standards in their full version):

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

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

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

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

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

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

5. Conversion of items denominated in a foreign currency

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

Rate binding on the last day of the period	30/06/2016	31/12/2015
EURO	4,4255	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 -30/06/2016	01/01/2015 -30/06/2015
EURO	4,3805	4,1341

6. Material values based on professional judgement and estimates

6.1 Professional judgement

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

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

Recognition of sales revenues

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

Discount rate

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

6.2 Uncertainty of estimates

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

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

Note		Kind of disclosure
16	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.
17	Trade receivable valuation allowances	Given the grounds, the Group verifies the recovery of various trade receivables and estimates the valuation allowances on that basis.
10	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.
23	Employee benefits	Provisions for retirement benefits and unused vacation leaves.
23	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.

6.3 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 six months of 2016 was lowered against in relation to the comparable period.

If Hotel Mikołajki Sp. z o.o. had not made the change, the depreciation cost shown in this interim condensed consolidated financial statements would have been higher by PLN 1,230 k.

7. 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.

8. 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:

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

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

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

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

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

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

Figures for the period 01/01/2016-30/06/2016	Continuing activities					Exclusions	Total activities
	Property development activity	Hotel services	Manufacture of precast units	Sanitary and heating installations	Total		
Revenues							
Sales to external customers	65 805	11 321	2 759	964	80 849		80 849
Sales between segments	3 516	157	1 703	3 384	8 760	(8 760)	-
Total revenues of the segment	69 321	11 478	4 462	4 348	89 609	(8 760)	80 849
Profit (loss) of the segment	17 983	1 912	604	451	20 950	(555)	20 395
Selling costs	(2 091)	(323)	(119)	-	(2 533)	-	(2 533)
Administrative expenses	(6 129)	(2 260)	(370)	(558)	(9 317)	-	(9 317)
Other operating revenues/costs	763	12	(19)	(1)	755	-	755
Profit (loss) on operating activities	10 526	(659)	96	(108)	9 855	(555)	9 300
Interest revenue	220	13	3	1	237	(63)	174
Interest cost	(246)	(587)	(42)	(5)	(880)	63	(817)
Other net revenues /financial costs	706	6	(2)	-	710	(702)	8
Profit (loss) before tax	11 206	(1 227)	55	(112)	9 922	(1 257)	8 665
Income tax	(2 054)	147	(226)	-	(2 133)	107	(2 026)
Net profit (loss) for the financial period	9 152	(1 080)	(171)	(112)	7 789	(1 150)	6 639
<i>- including attributable to non-controlling shareholders</i>							258

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

Figures for the period 01/04/2016-30/06/2016	Continuing activities					Exclusions	Total activities
	Property development activity	Hotel services	Manufacture of precast units	Sanitary and heating installations	Total		
Revenues							
Sales to external customers	30 775	6 980	1 272	244	39 271	-	39 271
Sales between segments	1 561	95	1 002	1 798	4 456	(4 456)	
Total revenues of the segment	32 336	7 075	2 274	2 042	43 727	(4 456)	39 271
Profit (loss) of the segment	8 926	1 611	267	254	11 058	(562)	10 496
Selling costs	(850)	(216)	(59)	-	(1 125)	-	(1 125)
Administrative expenses	(3 297)	(928)	(186)	(271)	(4 682)	-	(4 682)
Other operating revenues/costs	646	8	(1)	(1)	652	-	652
Profit (loss) on operating activities	5 425	475	21	(18)	5 903	(562)	5 341
Interest revenue	113	1	1	1	116	(28)	88
Interest cost	(108)	(299)	(37)	(2)	(446)	28	(418)
Other net revenues /financial costs	706		(2)	-	704	(702)	2
Profit (loss) before tax	6 136	177	(17)	(19)	6 277	(1 264)	5 013
Income tax	(1 062)	(1)	(221)	-	(1 284)	108	(1 176)
Net profit (loss) for the financial period	5 074	176	(238)	(19)	4 993	(1 156)	3 837
<i>- including attributable to non-controlling shareholders</i>							163

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

Figures as at 30/06/2016	Continuing activities					Exclusions	Total activities
	Property development activity	Hotel services	Manufacture of precast units	Sanitary and heating installations	Total		
Assets and liabilities							
Segment assets	354 481	99 900	14 990	2 441	471 812	(101 589)	370 223
Total assets	354 481	99 900	14 990	2 441	471 812	(101 589)	370 223
Segment liabilities	243 415	61 684	9 094	1 133	315 326	(92 390)	222 936
Total equity	111 066	38 216	5 896	1 308	156 486	(9 199)	147 287
Total liabilities and capital	354 481	99 900	14 990	2 441	471 812	(101 589)	370 223

Other information concerning segments for six months of 2016	Property development activity	Hotel services	Manufacture of precast units	Sanitary and heating installations	Total	Exclusions	Total activities
Gross growth of fixed assets in the period	476	4 808	6 183	-	11 467	(624)	10 843
Depreciation of property, plant, equipment and intangibles	(595)	(1 010)	(218)	(13)	(1 836)	32	(1 804)
Total impairment loss as at 30/06/2016	(284)	(65)	(254)	-	(603)	21	(582)

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

Figures for the period 01/01/2015-30/06/2015	Continuing activities				Exclusions	Total activities
	Property development activity	Hotel services	Manufacture of precast units	Total		
Revenues						
Sales to external customers	67 674	10 652	1 571	79 897	-	79 897
Sales between segments	885	52	3 189	4 126	(4 126)	-
Total revenues of the segment	68 559	10 704	4 760	84 023	(4 126)	79 897
Profit (loss) of the segment	18 146	1 551	945	20 642	88	20 730
Selling costs	(2 083)	(218)	-	(2 301)	-	(2 301)
Administrative expenses	(5 137)	(3 074)	(581)	(8 792)	-	(8 792)
Other operating revenues/costs	(401)	712	36	347	(4)	343
Profit (loss) on operating activities	10 525	(1 029)	400	9 896	84	9 980
Interest revenue	1 108	10	4	1 122	(952)	170
Interest cost	(362)	(1 071)	(8)	(1 441)	952	(489)
Other net revenues /financial costs	388	9		397	(499)	(102)
Profit (loss) before tax	11 659	(2 081)	396	9 974	(415)	9 559
Income tax	(2 510)	551	258	(1 701)	(11)	(1 712)
Net profit (loss) for the financial period	9 149	(1 530)	654	8 273	(426)	7 847
<i>- including attributable to non-controlling shareholders</i>						389

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

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

Figures for the period 01/04/2015-30/06/2015	Continuing activities				Exclusions	Total activities
	Property development activity	Hotel services	Manufacture of precast units	Total		
Revenues						
Sales to external customers	39 754	7 445	687	47 886	-	47 886
Sales between segments	481	8	1 598	2 087	(2 087)	-
Total revenues of the segment	40 235	7 453	2 285	49 973	(2 087)	47 886
Profit (loss) of the segment	10 569	1 807	350	12 726	240	12 966
Selling costs	(1 169)	-	-	(1 169)	-	(1 169)
Administrative expenses	(2 788)	(1 585)	(307)	(4 680)	-	(4 680)
Other operating revenues/costs	(450)	505	30	85	(4)	81
Profit (loss) on operating activities	6 162	727	73	6 962	236	7 198
Interest revenue	830	6	3	839	(769)	70
Interest cost	(158)	(600)	(7)	(765)	769	4
Other net revenues /financial costs	474	22		496	(499)	(3)
Profit (loss) before tax	7 308	155	69	7 532	(263)	7 269
Income tax	(1 651)	229	248	(1 174)	(40)	(1 214)
Net profit (loss) for the financial period	5 657	384	317	6 358	(303)	6 055
<i>- including attributable to non-controlling shareholders</i>						350

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

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

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

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

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

9. Costs and revenues

9.1 Sales revenues

Sales revenues	01/01/2016	01/01/2015	01/04/2016	01/04/2016	01/04/2015
	30/06/2016	30/06/2015	30/06/2016*	30/06/2016**	30/06/2015
Revenues from the sale of products	65 711	70 663	31 565	31 741	42 108
Revenues from the sale of services	13 036	9 220	7 648	7 648	5 768
Revenues from the sale of goods for resale and materials	2 102	14	58	(118)	10
Total sales revenues	80 849	79 897	39 271	39 271	47 886

* transformed data - the change in the presentation of data for the 1st quarter of 2016 for PLN 176 k concerns the transfer of the revenues from the sale of products to the revenues from the sale of goods for resale and materials

** published data

9.2 Costs by category

Costs by category	01/01/2016	01/01/2015	01/04/2016	01/04/2016	01/04/2015
	30/06/2016	30/06/2015	30/06/2016*	30/06/2016**	30/06/2015
Depreciation	1 804	2 983	939	939	1 516
Consumption of materials and energy	21 940	18 975	10 737	10 900	9 830
External services	34 572	37 124	20 398	20 398	21 316
Taxes and charges	1 498	1 873	572	572	456
Costs of employee benefits, including:	16 417	12 097	8 678	8 678	6 509
- payroll	13 683	9 870	7 300	7 300	5 337
- costs of social insurances and other benefits	2 734	2 227	1 378	1 378	1 172
Other costs	1 187	1 641	539	539	593
Total costs by category	77 418	74 693	41 863	42 026	40 220
Change in products, work in progress and accruals (+/-)	(3 951)	(3 906)	(6 122)	(6 122)	899
Costs of products for the entity's own needs (-)	(3 047)	(541)	(1 190)	(1 190)	(360)
Selling costs (-)	(2 533)	(2 301)	(1 125)	(1 125)	(1 169)
Administrative expenses (-)	(9 317)	(8 792)	(4 682)	(4 682)	(4 680)
Value of goods for resale and materials sold	1 884	14	31	(132)	10
Cost of sales	60 454	59 167	28 775	28 775	34 920

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

Total costs of products, goods for resale and materials sold, cost of sales and administrative expenses	72 304	70 260	34 582	34 582	40 769
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* transformed data - the change in the presentation of data for the 1st quarter of 2016 concerns the transfer of PLN 163 k from the "Consumption of materials and energy" to "Value of goods for resale sold"

** published data

10. Income tax

10.1 Income tax disclosed in the statement of total income

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

Income tax	01/01/2016 -30/06/2016	01/01/2015 -30/06/2015
Consolidated statement of total income		
Current income tax	4 303	2 590
Current income tax liability	4 303	2 591
Adjustments concerning current income tax from previous years	-	(1)
Deferred income tax	(2 277)	(878)
Relating to the establishment and reversal of temporary differences	(2 277)	(878)
Tax liability shown in the consolidated statement of total income	2 026	1 712

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10.2 Deferred income tax

30/06/2016	Status as at the beginning of the period	(Increases) charged to accounting profit	(Decreases) charged to accounting profit	Status as at the end of the period
Provision for repairs under the guarantee	81	31	(81)	31
Provision for unused vacation leave and retirement severance pay	175	131	(154)	152
Unpaid payroll	139	121	(139)	121
Doubtful receivables	15		(2)	13
Unrealised profits in the Group	1 002	586	(57)	1 531
Tax loss in a subsidiary	856	357		1 213
Provision for a balance sheet audit	4	-	(4)	-
Write-downs of inventory	54			54
Provision for contentious court cases	60	4	(33)	31
Others	287	52	(154)	185
Effect of asset offset against deferred CIT provision at the level of separate financial statements of Inpro Group entities	(685)	-	(632)	(1 317)
	1 988	1 282	(1 256)	2 014
Result on the sale of premises on the basis of the handover and receipt report	3 838	701	(2 608)	1 931
Interest on deposits and loans allowed	187		(81)	106
Property, plant and equipment	351	381	(5)	727
Differences in the valuation of fixed assets	3	-	(7)	(4)
Effect of asset offset against deferred CIT provision at the level of separate financial statements of Inpro Group entities	(685)	-	(632)	(1 317)
	3 694	1 082	(3 333)	1 443

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

11. Earnings per share

Earnings per share	01/01/2016 -30/06/2016	01/01/2015 -30/06/2015	01/04/2016- 30/06/2016	01/04/2015- 30/06/2015
Net profit (loss) from continuing operations	6 381	7 458	3 674	5 705
Net profit from discontinued operations	-	-	-	-
Net profit attributable to shareholders in the parent entity	6 381	7 458	3 674	5 705
Weighted average number of ordinary shares	40 040	40 040	40 040	40 040

Basic earnings per share	01/01/2016 -30/06/2016	01/01/2015 -30/06/2015	01/04/2016- 30/06/2016	01/04/2015- 30/06/2015
Net profit	6 381	7 458	3 674	5 705
Weighted average number of ordinary shares	40 040	40 040	40 040	40 040
Basic earnings per share (PLN/share)	0,1594	0,1863	0,0918	0,1425

Diluted earnings per share	01/01/2016 -30/06/2016	01/01/2015 -30/06/2015	01/04/2016- 30/06/2016	01/04/2015- 30/06/2015
Net profit attributable to shareholders for diluted earnings per share calculation	6 381	7 458	3 674	5 705
Adjusted weighted average number of ordinary shares for diluted earnings per share calculation	40 040	40 040	40 040	40 040
Diluted earnings per share (PLN/share)	0,1594	0,1863	0,0918	0,1425

Basic earnings per share from continuing operations	01/01/2016 -30/06/2016	01/01/2015 -30/06/2015	01/04/2016- 30/06/2016	01/04/2015- 30/06/2015
Net profit from continuing operations	6 381	7 458	3 674	5 705
Weighted average number of ordinary shares	40 040	40 040	40 040	40 040
Basic earnings per share (PLN/share)	0,1594	0,1863	0,0918	0,1425

Diluted earnings per share from continuing operations	01/01/2016 -30/06/2016	01/01/2015 -30/06/2015	01/04/2016- 30/06/2016	01/04/2015- 30/06/2015
Net profit attributable to Shareholders for the calculation of diluted earnings per share from continuing operations	6 381	7 458	3 674	5 705
Adjusted weighted average number of ordinary shares for diluted earnings per share calculation	40 040	40 040	40 040	40 040
Diluted earnings per share (PLN/share)	0,1594	0,1863	0,0918	0,1425

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

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

12. Dividends paid and proposed

Dividends paid and proposed	01/01/2016 -30/06/2016	01/01/2015 -30/06/2015
Declared and paid dividends for ordinary shares::	12 083	3 634
- dividend proposed to the parent entity's shareholders from profit for 2015	12 012	-
- dividend proposed to the non-controlling shareholders from profit for 2015	71	-
- dividend proposed and paid to the parent entity's shareholders from profit for 2014	-	3 603
- dividend proposed and paid to the non-controlling shareholders from profit for 2014	-	31
Total	12 083	3 634
Dividend paid to non-controlling shareholders	437	345
Total dividends and other payments to owners	12 520	3 979

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

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

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

13. Goodwill on consolidation

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

The price of purchase of 51% of shares in P.B. Domesta Sp. z o.o. on 12 August 2010 was fixed on the basis of the valuation of P.B. Domesta Sp. z o.o. at its fair value measured by the income method. Goodwill was determined as the difference between the value of the purchased share in the net assets of the company and the purchase price.

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

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

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

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Goodwill on consolidation	30/06/2016	31/12/2015
Balance sheet value of goodwill on consolidation		
P.B. Domesta Sp. z o.o.	5 624	5 624
PI ISA Sp. z o.o.	1 084	1 084
Total balance sheet value	6 708	6 708

No changes on goodwill occurred in the first six months of 2016 and in 2015, which is presented in the table below. An impairment test conducted as at 31 December 2015 confirmed that the value shown in the statements is realistic. The reasons for the permanent impairment of goodwill were not noted in the first six months of 2016, either.

	01/01/2016 -30/06/2016	01/01/2015 -31/12/2015
Goodwill on consolidation as at the beginning of the period	6 708	5 624
Changes of goodwill on consolidation in the period (acquisition of shares in PI ISA Sp. z o.o.)	-	1 084
Total balance sheet value as at the end of the period	6 708	6 708

14. Property, plant and equipment

Balance sheet totals	30/06/2016	31/12/2015	Change from Jan. to June 2016
1. Fixed assets	102 335	93 203	9 132
a) land (including the perpetual usufruct right)	4 999	5 001	(2)
b) buildings, premises and civil and hydraulic engineering structures	75 797	72 040	3 757
c) machinery and equipment	16 327	10 959	5 368
d) motor vehicles	2 485	2 622	(137)
e) other fixed assets	2 727	2 581	146
2. Fixed assets under construction	1 301	2 348	(1 047)
Total property, plant and equipment	103 636	95 551	8 085

The balance sheet value of property, plant and equipment in the first six months increased by PLN 8.085 k.

In the fixed assets area, the following are of the greatest significance:

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

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

15. Investment property

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

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

16. Inventory

Inventory	30/06/2016	31/12/2015
Materials (at the acquisition price)	1 095	891
Commodities (at the acquisition price)	78 640	51 927
Work in progress (at cost of manufacture)	25 911	49 260
Finished goods (at the acquisition price/ cost of manufacture)	106 493	111 362
Total inventory at the lower of two values: the acquisition price (cost of manufacture) and net realisable value	212 139	213 440

Obsolescence allowances on inventory	01/01/2016 -30/06/2016	01/01/2015 -31/12/2015
Obsolescence allowances on inventory as at the beginning of the period	322	38
Obsolescence allowance made	-	284
Obsolescence allowance reversed	-	-
Obsolescence allowances on inventory as at the end of the period	322	322

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

In the reporting period the Company did not reverse or create the inventory revaluation deduction. Mortgages to secure existing and future claims and ordinary mortgages to secure credit repayment are established on inventory (land in perpetual usufruct recorded in goods for resale). Details of securities: see note 24 in additional information.

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

17. Trade and other receivables

	30/06/2016	31/12/2015
Receivables from related entities	11	10
Trade receivables	11	10
Other receivables	-	-
Receivables from other entities	8 468	13 165
Gross trade receivables	3 834	8 526
State budget receivables other than current income tax	2 046	1 301
Advances on inventory	2 322	1 275
Advances on fixed assets	231	2 054
Other non-financial liabilities	35	9
Gross receivables	8 479	13 175
Valuation allowance for receivables	(222)	(265)
Short-term prepayments, including:	946	303
- subscription cost	7	7
- software, domains, licences	52	52
- cost of insurances	154	134
- payments under the remaining lease agreements	4	6
- rent	35	2
- advertisements	42	37
- payments for perpetual usufruct	589	-
- other prepaid expenses	63	65
Total receivables (net)	9 203	13 213

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18. Other financial assets

Other financial assets	30/06/2016	31/12/2015
advances on separate revenue accounts (escrow accounts)*	22 438	7 821
Others	-	-
Total	22 438	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

19. Cash

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

Cash	30/06/2016	31/12/2015
Cash at bank and in hand	11 322	8 710
Cash on long-term bank	786	18 518
Total cash and cash equivalents	12 108	27 228

	30/06/2016	31/12/2015
Cash in PLN	12 108	27 228
Total cash and cash equivalents	12 108	27 228

The fair value of cash and cash equivalents as at 30 June 2016 is 12,108 k zlotys (31/12/2015: 27,228 k zlotys).

As at 30 June 2016 the Group had unused credit (working capital credits for property development projects and overdraft facilities) in the amount of 77,650 k zlotys (31/12/2015: 51,845 k zlotys), which funds will be used as the construction works progress.

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

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20. Establishing asset revaluation deductions and their reversal

01/01/2016 -30/06/2016	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	-	18	-	18
Reversal of revaluation deductions	-	(61)	-	(61)
Status as at the end of the period	38	222	322	582

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

21. Share capital

As at:	30/06/2016	31/12/2015
Registered share capital	4 004	4 004

SHARE CAPITAL AS AT 30/06/2016 AND 31/12/2015 IN PLN						
Series	Kind of shares	Kind of privilege on the shares	Kind of restriction of the right to shares	Number of shares	Nominal value of one share in PLN	Value of the series/issue with reference to the nominal value in PLN
A	ordinary	none	none	30 030 000	0.10	3 003 000
B	ordinary	none	none	10 010 000	0.10	1 001 000
Total				40 040 000		4 004 000

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22. Non-controlling shares

Non-controlling shares	01/01/2016 -30/06/2016	01/01/2015- 31/12/2015
At the beginning of the period	10 880	10 543
Dividend payment	(437)	(345)
Share in the current period's profit or loss	258	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.	46	486
Acquisition of new shares in subsidiary- PB Domesta Sp. z o.o.	-	(1 023)
At the end of the period	10 747	10 880

23. Provisions

01/01/2016 -30/06/2016	Benefits after the employment period	Provision for contentious issues, penalties, fines and damages	Provision for guarantees and sureties given	Other provisions	Total provisions
Status as at the beginning of the period	290	508	423	1 459	2 680
Increase (+)	71	50	164	874	1 159
Decrease (-)	(42)	(400)	(423)	(1 359)	(2 224)
Status as at the end of the period	319	158	164	974	1 615

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	30/06/2016	31/12/2015
Long-term part	319	290
Short-term part	1 296	2 390
Total provisions	1 615	2 680

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	30/06/2016	31/12/2015
Discount rate (%)	1,75	2,50
Estimated remuneration growth rate (%)	0,00	0,00

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

Long-term financial liabilities	30/06/2016	31/12/2015
Loans and credits	31 323	33 363
Liabilities relating to finance lease and lease agreements with a purchase option	3 725	944
Total	35 048	34 307

Short-term financial liabilities	30/06/2016	31/12/2015
Loans and credits	16 740	19 095
Liabilities relating to finance lease and lease agreements with a purchase option	1 012	395
Total	17 752	19 490

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

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Value of liabilities in relation to credits as at 30/06/2016

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	956	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	2 157	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 Kaszubski Bank Spółdzielczy in Wejherowo	PLN	8 000	3 529	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	2 450	31/12/2016	two mortgages –up to the sum of PLN 7,000 k and up to the sum of PLN 3,000 k	GD1G/00268666/5	Gdańsk, ul. Jasieńska	assignment of rights resulting from the insurance policy, two blank promissory notes, a power of attorney to accounts, assignment of claims from the current account
Consortium SGB Bank SA Bank Spółdzielczy in Tczew	PLN	6 000	4 927	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	7 872	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	487	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

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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	25 685	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			48 063					

Open credit lines as at 30/06/2016:

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	-	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			-					

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(unless indicated otherwise, all amounts 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

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(unless indicated otherwise, all amounts 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

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(unless indicated otherwise, all amounts 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			-					

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

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

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

Nominal value of minimum lease payments	30/06/2016	31/12/2015
Within 1 year	1 012	395
Within 1 to 3 years	1 803	463
Within 3 to 5 years	1 845	382
More than 5 years	77	99
Total liabilities relating to finance lease - minimum total lease payments	4 737	1 339

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

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

Capital Group in relation to lease agreements as at 30/06/2016

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	14	14	-
Caterpillar Financial Service Poland Sp. z o.o.	428 F2 digger-loader	OL-028331	294	2019/03/05	180	66	114
Domesta Sp. z o.o.							
Volkswagen Leasing Gbmh Sp. z o.o.	AUDI Q5	6706907-1214-07329	182	2016/09/30	51	51	-
Raiffeisen Leasing Polska S.A.	SUBARU	15/011787(UL)	104	2018/05/31	67	35	32
Volkswagen Leasing Gbmh Sp. z o.o.	SKODA	6706907-1216-06621	47	2019/05/31	43	15	29
Hotel Mikołajki Sp. z o.o.							
PKO leasing SA	CITROEN JUMPER	L/O/OL/2013/05/0009	77	2016/07/15	4	4	-
PKO leasing SA	Recycling machine	B/O/WA/2014/11/46	157	2018/11/15	92	19	73
PKO leasing SA	Two Melex vehicles	B/O/OL/2013/08/0003	72	2016/08/15	8	8	-
Dom Zdrowy Sp. z o.o.							
VOLKSWAGEN	Skoda Superb	6922827-1215-5480	100	2018/04/30	48	28	19
PSA Finance	CITROEN C4 Cactus	9400876372.	48	2018/05/25	26	14	11
PSA Finance	CITROEN Berlingo VAN	9400876382.	45	2018/05/25	26	13	13

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

inBet Sp. z o.o.							
RCI Leasing Polska Spółka z o.o.	Nissan Micra ACENTA	9000002616	33	2019/02/05	18	7	12
SG Equipment Leasing Polska Sp.z o.o.	JCB 411HT front-end loader	50399	251	2022/05/01	198	26	172
SG Equipment Leasing Polska Sp.z o.o.	JCB SC240 sweeper	20449	23	2018/05/05	13	7	6
SG Equipment Leasing Polska Sp.z o.o.	Aggregate transport line	50448	98	2022/08/05	80	10	70
RCI Leasing Polska Spółka z o.o.	Nissan Micra ACENTA	9000003077	32	2019/08/17	20	6	14
BGŻ NP Paribas Spółka Akcyjna	ALUP compressor + drier	62597/12/2015	55	2019/11/30	46	8	38
Idea Leasing Spółka z o.o. Sp.k.	EURA 16/9 bending machine	19398/SK	841	2020/11/13	426	63	363
Pekao Leasing Sp.z o.o.	Construction accessories production line	38/0211/15	5 178	2021/04/12	3 197	580	2 617
Idea Leasing S.A.	Stair flight production line	116377	114	2021/05/31	90	19	71
Idea Leasing S.A.	Stair flight production line	116378	114	2021/05/31	90	19	71
					4 737	1 012	3 725

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

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 six months ended on 30 June 2016

(unless indicated otherwise, all amounts 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

26. Trade and other liabilities

Long-term liabilities	30/06/2016	31/12/2015
Towards related entities	-	-
trade liabilities	-	-
Towards other entities	1 750	2 256
trade liabilities	1 750	1 756
other liabilities	-	500
Total trade and other long-term liabilities	1 750	2 256

Short-term liabilities	30/06/2016	31/12/2015
Towards related entities	79	24
trade liabilities	79	24
Towards other entities	89 494	76 137
trade liabilities	30 845	32 849
payroll payable	983	863
state budget liabilities other than current income tax	2 114	1 421
advances received	54 033	40 490
other liabilities	1 519	514
Total trade and other short -term liabilities	89 573	76 161

Total trade and other liabilities	91 323	78 417
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Skonsolidowane Sprawozdanie Finansowe Grupy Kapitałowej INPRO SA za 2015 rok

Wszystkie kwoty w tysiącach złotych, o ile nie podano inaczej

27. Contingent and other off-balance sheet items

Continent liabilities	30/06/2016	31/12/2015
Liabilities in relation to bank guarantees granted mainly as a security on the performance of trade agreements	-	68
Total contingent liabilities	-	68

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

Contingent liabilities within the Group were excluded in the consolidation process. Their schedule with description is included in the separate financial statements of INPRO SA (note 14).

Contingent receivables	30/06/2016	31/12/2015
Guarantees received	40	379
Total contingent receivables	40	379

28. Securities established on Group's assets

Securities established on Group's assets as at 30/06/2016 and as at 31/12/2015:

	30/06/2016	31/12/2015
- on fixed assets*	76 831	76 746
- on current assets**	138 100	136 350
Total	214 931	213 096

Securities established by Group companies as at 30/06/2016

*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

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(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 30/06/2016 in the total amount of PLN 138,100 k is included in note No. 24 of additional information.

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

Securities established on fixed assets:

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

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

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

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

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

(legal security for the repayment of the revolving working capital overdraft)

Securities established on current assets:

This concerns legal securities established on current assets.

The schedule of mortgages established on current assets as at 31 December 2015 in the total amount of PLN 136,350 k is included in note No. 24 of additional information.

29. Significant court cases

As at 30/06/2016, 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.

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Wszystkie kwoty w tysiącach złotych, o ile nie podano inaczej

30. Financial instruments

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

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

Financial assets	Category	30/06/2016	31/12/2015
Trade and other receivables	Loans and receivables	3 623	8 271
Short term financial assets	As above	22 438	7 821
Cash and cash equivalents	As above	12 108	27 228
		38 169	43 320

Financial liabilities	Category	30/06/2016	31/12/2015
Long-term loans and bank credits	financial liabilities valued as at the amortised cost	31 323	33 363
Short-term loans and bank credits	As above	16 740	19 095
Trade and other liabilities	As above	32 674	34 629
Debt instrument liabilities (short-term)	As above	983	863
Other liabilities	As above	1 519	1 014
Other long-term financial liabilities (lease)	As above	3 725	944
Other short-term financial liabilities (lease)	As above	1 012	395
Total financial liabilities valued at the amortised cost		87 976	90 303

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Wszystkie kwoty w tysiącach złotych, o ile nie podano inaczej

31. Transactions with related entities

SHORT-TERM RECEIVABLES/LIABILITIES at 30/06/2016		DEBTOR							
		related entities (full consolidation)						other related entities	
		Inpro SA	inBet Sp. z o.o.	Dom Zdrojowy Sp. z o.o.	P.B. Domesta Sp. z o.o.	Hotel Mikołajki Sp. z o.o.	Isa Sp. z o.o.	Hotel Oliwski Sp. z o.o.	Members of the Management Board
CREDITOR	related entities (full consolidation)	Excluded in the process of consolidation						-	-
	Inpro SA							-	-
	inBet Sp. z o.o.							-	-
	Dom Zdrojowy Sp. z o.o.							-	11
	P.B. Domesta Sp. z o.o.							-	-
	Hotel Mikołajki Sp. z o.o.							-	-
	Isa Sp. z o.o.	-	-						
TOTAL for related entities		-						11	
other related entities	Hotel Oliwski Sp. z o.o.	-	-	-	-	-	-		
	Members of the Management Board	-	-	39	-	40	-		
TOTAL for other related entities		79						-	

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Wszystkie kwoty w tysiącach złotych, o ile nie podano inaczej

LONG-TERM RECEIVABLES/LIABILITIES at 30/06/2016		DEBTOR								
		related entities (full consolidation)						other related entities		
		Inpro SA	inBet Sp. z o.o.	Dom Zdrojowy Sp. z o.o.	P.B. Domesta Sp. z o.o.	Hotel Mikołajki Sp. z o.o.	Isa Sp. z o.o.	Hotel Oliwski Sp. z o.o.	Members of the Management Board	
CREDITOR	related entities	Inpro SA	Excluded in the process of consolidation						-	-
	inBet Sp. z o.o.	-							-	
	Dom Zdrojowy Sp. z o.o.	-							-	
	P.B. Domesta Sp. z o.o.	-							-	
	Hotel Mikołajki Sp. z o.o.	-							-	
	Isa Sp. z o.o.	-							-	
	TOTAL for related entities							-	-	
other related entities	Hotel Oliwski Sp. z o.o.	-	-	-	-	-	-	-		
Members of the Management Board	-	-	-	-	-	-	-	-		
TOTAL for other related entities							-	-		

Skonsolidowane Sprawozdanie Finansowe Grupy Kapitałowej INPRO SA za 2015 rok

Wszystkie kwoty w tysiącach złotych, o ile nie podano inaczej

REVENUES / COSTS 01/01/2016- 30/06/2016		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					-	-
	Inpro SA	-						-	
	inBet Sp. z o.o.	-						-	
	Dom Zdrojowy Sp. z o.o.	-						33	
	P.B. Domesta Sp. z o.o.	-						-	
	Hotel Mikołajki Sp. z o.o.	-						5	
	Isa Sp. z o.o.	-	-						
TOTAL for related entities							-	38	
other related entities	Hotel Oliwski Sp. z o.o.	-	-	-	-	-			
	Members of the Management Board	-	-	60	-	39	-		
TOTAL for other related entities							99	-	

Skonsolidowane Sprawozdanie Finansowe Grupy Kapitałowej INPRO SA za 2015 rok

Wszystkie kwoty w tysiącach złotych, o ile nie podano inaczej

REVENUES / COSTS 01/04/2016- 30/06/2016		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					-	-
	Inpro SA	-							
	inBet Sp. z o.o.	-							
	Dom Zdrojowy Sp. z o.o.	-						21	
	P.B. Domesta Sp. z o.o.	-							
	Hotel Mikołajki Sp. z o.o.	-						5	
	Isa Sp. z o.o.	-	-						
TOTAL for related entities							-	26	
other related entities	Hotel Oliwski Sp. z o.o.	-	-	-	-	-	-	-	
other related entities	Members of the Management Board	-	-	38	-	34	-	-	
TOTAL for other related entities							72	-	

Skonsolidowane Sprawozdanie Finansowe Grupy Kapitałowej INPRO SA za 2015 rok

Wszystkie kwoty w tysiącach złotych, o ile nie podano inaczej

COMPARATIVE DATA

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

Skonsolidowane Sprawozdanie Finansowe Grupy Kapitałowej INPRO SA za 2015 rok

Wszystkie kwoty w tysiącach złotych, o ile nie podano inaczej

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	-	-							

Skonsolidowane Sprawozdanie Finansowe Grupy Kapitałowej INPRO SA za 2015 rok

Wszystkie kwoty w tysiącach złotych, o ile nie podano inaczej

REVENUES / COSTS 01/01/2015 -30/06/2015		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.	Członkowie Zarządu			
SELLER	related entities	Excluded in the process of consolidation					-	36	1	-			
	Inpro SA						-	-	-	-	-	-	-
	inBet Sp. z o.o.						-	-	-	-	-	-	-
	Dom Zdrojowy Sp. z o.o.						-	-	-	-	-	-	29
	P.B. Domesta Sp. z o.o.						-	-	-	-	-	-	-
	Hotel Mikołajki Sp. z o.o.	-	-	-	-	-	-	3					
	TOTAL for related entities	-					69						
	other related entities	-	-	7	-	-	-	-	-				
	Hotel Oliwski Sp. z o.o.	3 016	-	-	237	-	-	-	-				
	Isa Sp. z o.o.	1 140	-	-	-	-	-	-	-				
Inpro Management s.c.	-	-	57	-	54	-	-	-					
Członkowie Zarządu	4 511					-							
TOTAL for other related entities	4 511					-							

Skonsolidowane Sprawozdanie Finansowe Grupy Kapitałowej INPRO SA za 2015 rok

Wszystkie kwoty w tysiącach złotych, o ile nie podano inaczej

REVENUES / COSTS 01/04/2015 -30/06/2015		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.	Członkowie Zarządu			
SELLER	related entities	Inpro SA	Excluded in the process of consolidation					-	18	-	-		
		inBet Sp. z o.o.						-	-	-	-	-	-
		Dom Zdrojowy Sp. z o.o.						-	-	-	-	-	16
		P.B. Domesta Sp. z o.o.						-	-	-	-	-	-
		Hotel Mikołajki Sp. z o.o.						-	-	-	-	-	3
		TOTAL for related entities	-					37					
	other related entities	Hotel Oliwski Sp. z o.o.	-	-	3	-	-						
		Isa Sp. z o.o.	1 482	-	-	41	-						
		Inpro Management S.C.	630	-	-	-	-						
		Management Board	-	-	42	-	30						
	TOTAL for other related entities	2 228					-						

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

32. Transactions with the participation of the members of the Management Board

In the first six months of 2016 and in the first six months of 2015 there were no significant transactions in the Group with the participation of the members of the Management Board of the companies comprised by the Group.

In the first six months of 2016 and in the first six months of 2015 no loans were granted to the members of the Management Board.

Skonsolidowane Sprawozdanie Finansowe Grupy Kapitałowej INPRO SA za 2015 rok

Wszystkie kwoty w tysiącach złotych, o ile nie podano inaczej

33. Remuneration of the statutory auditor or entity authorised to audit financial statements

The financial statements for 2016 are subject to review and audit by Deloitte Polska Sp. z o.o. Sp. K. with its registered office in Warsaw.

Remuneration of the statutory auditor will amount to:

- a) audit of the annual consolidated financial statements and of annual separate financial statements of the INPRO SA Group companies PLN 79 k
- b) review of the interim consolidated financial statements and of interim separate financial statements of the INPRO SA Group companies PLN 26 k

34. Employment structure

The employment level in the Group as at 30/06/2016 and as at 31/12/2015 was as follows:

	30/06/2016	31/12/2015
Management Board of the Parent Entity	3	3
Management Board of Group entities	6	5
Administration	51	42
Sales Department	19	17
Production Division	157	187
Other	135	109
Total	371	363

*) Including the Management Board performing its tasks on the basis of the company management agreement.

35. Material events after the balance sheet date

The events after the balance sheet date were described in item 18 of the Report of the Management Board.

Skonsolidowane Sprawozdanie Finansowe Grupy Kapitałowej INPRO SA za 2015 rok

Wszystkie kwoty w tysiącach złotych, o ile nie podano inaczej

CONDENSED INTERIM SEPARATE FINANCIAL DATA OF INPRO SA
STATEMENT OF TOTAL INCOME FOR SIX MONTHS ENDED ON 30 JUNE 2016

	Completed six months			Completed three months	
		01/01/2016	01/01/2015	01/04/2016	01/04/2015
	Note	30/06/2016	-30/06/2015	-30/06/2016	-30/06/2015
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
		PLN '000	PLN '000	PLN '000	PLN '000
Continuing operations					
Sales revenues	4	61 484	62 864	27 068	36 551
Cost of sales	4	(46 012)	(45 808)	(19 874)	(26 532)
Gross profit (loss) on sales		15 472	17 056	7 194	10 019
Selling costs	4	(1 870)	(2 022)	(733)	(1 134)
Administrative expenses	4	(4 749)	(3 938)	(2 450)	(2 073)
Other operating revenues		923	305	749	41
Other operating costs		(160)	(706)	(103)	(491)
Profit (loss) on operating activities		9 616	10 695	4 657	6 362
Financial income		903	1 569	803	1 292
Financial costs		(235)	(430)	(102)	(144)
Gross profit (loss)		10 284	11 834	5 358	7 510
Income tax		(1 847)	(2 254)	(892)	(1 400)
Net profit (loss) from continuing operations		8 437	9 580	4 466	6 110
TOTAL INCOME		8 437	9 580	4 466	6 110

Skonsolidowane Sprawozdanie Finansowe Grupy Kapitałowej INPRO SA za 2015 rok

Wszystkie kwoty w tysiącach złotych, o ile nie podano inaczej

STATEMENT OF THE FINANCIAL POSITION FOR THE PERIOD ENDED ON 30 JUNE 2016

ASSETS	Note	30/06/2016	31/12/2015
		(unaudited)	(audited)
Fixed (long-term) assets		103 354	102 696
Property, plant and equipment		4 403	4 486
Other intangibles		8	15
Investment property		1 709	1 730
Shares in subsidiaries		58 920	57 825
Other financial assets	10	38 306	38 636
Other assets		8	4
Current (short-term) assets		221 931	228 825
Inventory	8	188 140	191 940
Trade and other receivables	9	7 826	9 787
Other financial assets	10	20 459	9 182
Cash and cash equivalents		5 506	17 916
TOTAL ASSETS		325 285	331 521

Skonsolidowane Sprawozdanie Finansowe Grupy Kapitałowej INPRO SA za 2015 rok

Wszystkie kwoty w tysiącach złotych, o ile nie podano inaczej

STATEMENT OF THE FINANCIAL POSITION FOR THE PERIOD ENDED ON 30 JUNE 2016 (CONTINUED)

EQUITY AND LIABILITIES	Note	30/06/2016	31/12/2015
		(unaudited)	(audited)
Equity		223 080	226 655
Issued share capital		4 004	4 004
Reserves		531	531
Retained profits		218 545	222 120
Long-term liabilities		11 410	15 144
Retirement benefit liabilities (a provision)		208	183
Deferred income tax provision		1 259	3 714
Long-term credits and bank borrowings	11	7 904	8 839
Other financial liabilities (lease)	11	114	-
Trade and other liabilities	12	1 925	2 408
Short-term liabilities		90 795	89 722
Short-term provisions		1 097	1 803
Credits and borrowings	11	14 473	16 828
Other financial liabilities (lease)	11	80	49
Current income tax liabilities		106	610
Trade and other liabilities	12	75 039	70 358
Accruals/prepayments in relation to long-term contracts		-	74
Total liabilities		102 205	104 866
TOTAL EQUITY AND LIABILITIES		325 285	331 521

Skonsolidowane Sprawozdanie Finansowe Grupy Kapitałowej INPRO SA za 2015 rok

Wszystkie kwoty w tysiącach złotych, o ile nie podano inaczej

CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 30 JUNE 2016

Cash flows from operating activities	01/01/2016 -30/06/2016 (unaudited)	01/01/2015 -30/06/2015 (unaudited)
Gross profit/(loss)	10 284	11 834
Adjustments:	(8 066)	2 499
Depreciation	476	679
Income tax paid	(4 807)	(1 644)
Net interest and dividends	(531)	(999)
Profit/(loss) on investing activities	(101)	-
(Increase)/ decrease of receivables	2 840	(224)
(Increase)/decrease of invoiced receivables from the settlement of long-term contracts	-	(530)
(Increase)/ decrease of inventory	3 797	1 761
Increase/ (decrease) of liabilities	(8 805)	2 522
Increase/ (decrease) of accrued/prepaid expenses	(180)	(298)
(Increase)/decrease of accruals/prepayments in relation to long-term contracts	(74)	-
Change in provisions	(681)	1 232
Net cash flows from operating activities	2 218	14 333
Cash flows from investing activities	01/01/2016 -30/06/2016	01/01/2015 -30/06/2015
Sale of property, plant, equipment and intangibles	101	51
Interest received	469	88
Repayment of loans allowed	1 650	1 600
Acquisition of financial assets	(1 095)	(3 454)
Acquisition of property, plant, equipment and intangibles	(165)	(152)
Expenses in relation to loans allowed to related entities	-	(2 300)
Net cash flows from investing activities	960	(4 167)

Skonsolidowane Sprawozdanie Finansowe Grupy Kapitałowej INPRO SA za 2015 rok

Wszystkie kwoty w tysiącach złotych, o ile nie podano inaczej

**CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 30 JUNE 2015
(CONTINUED)**

	01/01/2016 -30/06/2016 (unaudited)	01/01/2015 -30/06/2015 (unaudited)
Cash flow from financing activities		
Proceeds in relation to loans/credits obtained	21 245	17 488
Payments in relation to finance lease agreements	(51)	(84)
Repayment of loans/credits	(24 535)	(16 265)
Interest paid	(235)	(833)
Dividends paid	(12 012)	-
Buyout of debt securities (bonds)	-	(20 000)
Net cash flows from financing activities	(15 588)	(19 694)
Net change in cash and cash equivalents	(12 410)	(9 528)
Cash at the beginning of the period	17 916	28 887
Cash at the end of the period	5 506	19 359

Skonsolidowane Sprawozdanie Finansowe Grupy Kapitałowej INPRO SA za 2015 rok

Wszystkie kwoty w tysiącach złotych, o ile nie podano inaczej

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

	Share capital	Share premium capital	Revaluation reserve	Retained profit	Total
As at 01/01/2016	4 004	62 237	531	159 883	226 655
Dividend payment	-		-	(12 012)	(12 012)
Net profit (loss) for the financial year	-	-	-	8 437	8 437
As at 30/06/2016	4 004	62 237	531	156 308	223 080

	Share capital	Share premium capital	Revaluation reserve	Retained profit	Total
As at 01/01/2015	4 004	62 237	531	136 837	203 609
Dividend payment	-	-	-	(3 603)	(3 603)
Net profit (loss) for the financial year	-	-	-	9 580	9 580
As at 30/06/2015	4 004	62 237	531	142 814	209 586

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. 5-7 (including, among other things, the seasonality of the activity) and 33 (materials events after the balance sheet date) included in the condensed additional information to the interim condensed consolidated financial statements also pertain to these statements.

2. Approval of the financial statements

These interim condensed separate financial statements for the period of six months ended on 30 June 2016 were approved for publication by the Management Board on 31 August 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

Skonsolidowane Sprawozdanie Finansowe Grupy Kapitałowej INPRO SA za 2015 rok

Wszystkie kwoty w tysiącach złotych, o ile nie podano inaczej

signing these financial statements, no circumstances are found to exist which indicate a threat to the company to continue as a going concern.

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

These interim condensed separate financial statements are prepared based on the same accounting policies as for the consolidated financial statements of the Group for the year ended 31 December 2015, apart from exceptions described in Note 4.2 of the Group's condensed additional information to the interim condensed consolidated financial statements.

4. Costs and revenues

Sales revenues	01/01/2016 -30/06/2016	01/01/2015 -30/06/2015
Revenues from the sale of products	58 681	62 092
Revenues from the sale of services	824	458
Revenues from the sale of goods for resale and materials	1 979	314
Total sales revenues	61 484	62 864
Costs by category	01/01/2016 -30/06/2016	01/01/2015 -30/06/2015
Depreciation of property, plant and equipment	469	651
Depreciation of intangibles	7	28
Consumption of materials and energy	12 478	13 403
External services	29 228	31 618
Taxes and charges	877	1 218
Costs of employee benefits, including:	7 438	5 340
- payroll	6 161	4 231
- costs of social insurances and other benefits	1 277	1 109
Other costs:	1 186	1 604
- costs of credit	473	861
- entertainment and advertising	467	517
- property and personal insurances	85	96
- business trips	24	17
- other operating costs	137	113
Total costs by category	51 683	53 862
Change in products, work in progress and accruals (+/-)	(685)	(2 402)
Costs of products for the entity's own needs (-)	(154)	-
Selling costs (-)	(1 870)	(2 022)
Administrative expenses (-)	(4 749)	(3 938)
Value of goods for resale and materials sold	1 787	308
Cost of sales	46 012	45 808
Total costs of products, goods for resale and materials sold, cost of sales and administrative expenses	52 631	51 768

Skonsolidowane Sprawozdanie Finansowe Grupy Kapitałowej INPRO SA za 2015 rok

Wszystkie kwoty w tysiącach złotych, o ile nie podano inaczej

5. Earnings per share

The basic earnings per share are calculated by dividing net profit for a period, such profit falling to the Company's ordinary shareholders, by the average weighted number of the issued ordinary shares occurring in the period.

The diluted earnings per share are calculated by dividing net profit for a period, such profit falling to ordinary shareholders (following the deduction of interest on redeemable privileged shares convertible into ordinary shares) by the average weighted number of the issued ordinary shares occurring in the period (such number having been adjusted by the impact of diluting options and diluting privileged shares convertible into ordinary ones).

The figures concerning profit and shares used for the calculation of the basic and diluted earnings per share have been presented below:

Earnings per share	01/01/2016 -30/06/2016	01/01/2015 -30/06/2015
Net profit from continuing operations	8 437	9 580
Net profit from discontinued operations	-	-
Net profit attributable to ordinary shareholders for diluted earnings per share calculation	8 437	9 580

The weighted average number of issued ordinary shares used for the calculation of the earnings per share from continuing operations is presented below.

Basic earnings per share from continuing operations	01/01/2016 -30/06/2016	01/01/2015 -30/06/2015
Net profit from continuing operations	8 437	9 580
Weighted average number of ordinary shares	40 040	40 040
Basic earnings per share (PLN/share)	0,2107	0,2393

Diluted earnings per share	01/01/2016 -30/06/2016	01/01/2015 -30/06/2015
Net profit attributable to the shareholders used for diluted earnings per share calculation	8 437	9 580
Adjusted weighted average number of ordinary shares used for diluted earnings per share calculation	40 040	40 040
Diluted earnings per share (PLN/share)	0,2107	0,2393

6. Information on operating segments

In relation to the specific nature of the activity of Inpro SA (property development activity), the Company does not delineate separate operating segments in separate financial statements. Separate information on operating segments is presented for the Inpro SA Capital Group in the consolidated statements.

Skonsolidowane Sprawozdanie Finansowe Grupy Kapitałowej INPRO SA za 2015 rok

Wszystkie kwoty w tysiącach złotych, o ile nie podano inaczej

7. Financial instruments

Financial assets	category	30/06/2016	31/12/2015
Trade and other receivables	loans and receivables	4 771	8 358
Loans given – long term	As above	3 156	3 486
Loans given – short term	As above	-	1 726
Short term financial assets	As above	20 459	7 456
Cash and cash equivalents	As above	5 506	17 916
		33	38 942
		892	

Financial liabilities	category	30/06/2016	31/12/2015
Long-term loans and bank credits	Financial liabilities valued as at the amortised cost	7 904	8 839
Short-term loans and bank credits	As above	14 473	16 828
Trade and other liabilities	As above	29 481	32 355
Debt instrument liabilities	As above	-	-
Payroll payable	As above	203	259
Other long-term financial liabilities (lease)	As above	114	-
Other short-term financial liabilities (lease)	As above	80	49
Other liabilities	As above	918	881
		53 173	59 211

8. Inventory

Inventory	30/06/2016	31/12/2015
Materials at the price of acquisition	41	37
Goods for resale at the price of acquisition	96 304	46 915
Work in progress at the cost of manufacture	73 910	44 704
Finished products at the cost of manufacture	17 885	100 284
Total inventory at the lower of the two amounts: the price of acquisition (cost of manufacture) and net realisable value	188 140	191 940

Skonsolidowane Sprawozdanie Finansowe Grupy Kapitałowej INPRO SA za 2015 rok

Wszystkie kwoty w tysiącach złotych, o ile nie podano inaczej

9. Trade and other receivables

	30/06/2016	31/12/2015
Receivables from related entities	4 330	2 632
Trade receivables	3 221	2 580
Advances on inventory	407	-
Other receivables	702	52
Receivables from other entities	3 200	7 035
Gross value of trade receivables	1 550	5 778
Receivables from the budget other than current income tax	893	164
Advances on inventory	749	1 093
Advances on fixed assets	6	-
Other non-financial liabilities	2	-
Total gross receivables	7 530	9 667
Valuation allowances for receivables	-	-
Short-term prepayments, including:	296	120
- subscription cost	3	5
- software, domains, licences	7	16
- cost of insurances	68	70
- advertisements	30	24
- payments for perpetual usufruct	166	-
- other prepaid expenses	22	5
Total receivables (net)	7 826	9 787

10. Other financial assets

Other financial assets (short-term)	30/06/2016	31/12/2015
Loans allowed	-	1 726
Short-term deposits – funds on trust accounts*	20 459	7 456
Total other financial assets	20 459	9 182

Skonsolidowane Sprawozdanie Finansowe Grupy Kapitałowej INPRO SA za 2015 rok

Wszystkie kwoty w tysiącach złotych, o ile nie podano inaczej

Other financial assets (long-term)	30/06/2016	31/12/2015
Loans allowed	3 156	3 486
Returnable additional contribution to equity of subsidiary	35 150	35 150
	38 306	38 636

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

Long-term financial liabilities	30/06/2016	31/12/2015
Liabilities relating to finance lease and contracts of lease with a purchase option	114	-
Loans and credits	7 904	8 839
Total	8 018	8 839

Short-term financial liabilities	30/06/2016	31/12/2015
Liabilities relating to finance lease and contracts of lease with a purchase option	80	49
Loans and credits	14 473	16 828
Total	14 553	16 877

Liabilities relating to finance lease and contracts of lease with a purchase option

Nominal value of minimum lease payments	30/06/2016	31/12/2015
Within 1 year	80	49
Within 1 to 3 years	114	-
Total	194	49

Skonsolidowane Sprawozdanie Finansowe Grupy Kapitałowej INPRO SA za 2015 rok

Wszystkie kwoty w tysiącach złotych, o ile nie podano inaczej

12. Trade and other liabilities

Long-term liabilities	30/06/2016	31/12/2015
Towards related entities	178	163
Trade liabilities	178	163
Towards other entities	1 747	2 245
Trade liabilities	1 747	1 745
Other liabilities	-	500
Total trade and other long-term liabilities	1 925	2 408
Short-term liabilities	30/06/2016	31/12/2015
Towards related entities	1 202	833
Trade liabilities	1 202	833
Towards other entities	73 837	69 525
Trade liabilities	26 354	29 614
Payroll payable	203	259
State budget liabilities other than current income tax	695	686
Advances received	45 667	38 585
Other liabilities	918	381
Total trade and other short -term liabilities	75 039	70 358
Total trade and other liabilities	76 964	72 766

13. Transactions with related entities

Revenues from sales to a related entity (products, services, goods for resale, materials and other revenues)	01/01/2016-30/06/2016	01/01/2015-30/06/2015	01/04/2016-30/04/2016	01/04/2015-30/06.2015
inBet Sp. z o.o.	31	355	18	120
Dom Zdrojowy Sp. z o.o.	84	-	42	-
Hotel Mikołajki Sp. z o.o.	3 360	530	1479	361
Isa Sp. z o.o.	38	36	19	18
Inpro Management s.c.	-	1	-	-
Total	3 513	922	1 558	499

Skonsolidowane Sprawozdanie Finansowe Grupy Kapitałowej INPRO SA za 2015 rok

Wszystkie kwoty w tysiącach złotych, o ile nie podano inaczej

Purchase from a related entity	01/01/2016- 30/06/2016	01/01/2015- 30/06/2015	01/04/2016- 30/04/2016	01/04/2015- 30/06/2015
inBet Sp. z o.o.	1 329	2 881	881	1 407
Dom Zdrojowy Sp. z o.o.	67	52	-	7
Hotel Mikołajki Sp. z o.o.	98	187	97	2
Isa Sp. z o.o.	3 157	3 016	1 606	1 482
Inpro Management s.c.	-	1 140	-	630
Total	4 651	7 276	2 584	3 528

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- 30/06/2016	01/01/2015- 30/06/2015	01/04/2016- 30/06/2016	01/04/2015- 30/06/2015
Buyer: Hotel Mikołajki Sp. z o.o.	3 286		1 214	

Loans granted by Inpro SA	30/06/2016	31/12/2015
To related entities:		
Dom Zdrojowy Sp. z o.o.	3 156	5 212
Total loans granted to related entities	3 156	5 212

Receivables from related entities

	30/06/2016	31/12/2015
Trade receivables - up to 12 months	3 173	2 145
inBet Sp. z o.o.	7	123
Dom Zdrojowy Sp. z o.o.	17	17
Hotel Mikołajki Sp. z o.o.	3 143	2 003
Isa Sp. z o.o.	6	2
Trade receivables - over 12 months	455	436
Hotel Mikołajki Sp. z o.o.	455	436
Other receivables- up to 12 months	702	52
inBet Sp. z o.o.	-	8
Hotel Mikołajki Sp. z o.o.	-	44
PB Domesta Sp. z o.o.	506	-
Isa Sp. z o.o.	196	-
Total receivables	4 330	2 633
inBet Sp. z o.o.	7	131
Dom Zdrojowy Sp. z o.o.	17	17
Hotel Mikołajki Sp. z o.o.	3 598	2 483
PB Domesta Sp. z o.o.	506	
Isa Sp. z o.o.	202	2

Skonsolidowane Sprawozdanie Finansowe Grupy Kapitałowej INPRO SA za 2015 rok

Wszystkie kwoty w tysiącach złotych, o ile nie podano inaczej

Liabilities towards related entities

	30/06/2016	31/12/2015
Trade liabilities - up to 12 months	1 203	833
inBet Sp. z o.o.	601	346
Dom Zdrojowy Sp. z o.o.	-	-
Hotel Mikołajki Sp. z o.o.	-	-
Isa Sp. z o.o.	602	487
Trade liabilities - over 12 months	177	163
inBet Sp. z o.o.	23	18
Isa Sp. z o.o.	154	145
Total liabilities	1 380	996
inBet Sp. z o.o.	624	364
Dom Zdrojowy Sp. z o.o.	-	-
Hotel Mikołajki Sp. z o.o.	-	-
Isa Sp. z o.o.	756	632

14. Contingent liabilities and receivables

Contingent liabilities	30/06/2016	31/12/2015
Surety for a bill of exchange	5 348	5 348
Other contingent liabilities	36 214	36 214
Total contingent liabilities	41 562	41 562

Contingent liabilities as at 30/06/2016 and 31/12/2015:

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

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

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

Contingent receivables	30/06/2016	31/12/2015
Guarantees received	40	379
Total contingent receivables	40	379

Skonsolidowane Sprawozdanie Finansowe Grupy Kapitałowej INPRO SA za 2015 rok

Wszystkie kwoty w tysiącach złotych, o ile nie podano inaczej

15. Securities established on Company's assets

Securities established on the Company's assets - the fair value	30/06/2016	31/12/2015
- on fixed assets	30 780	30 780
- on current assets	138 100	136 350
Total	168 880	167 130

Securities on fixed assets

1. Registered pledges on INPRO's shares in Hotel Mikołajki Sp. z o.o. as described in detail in note No. 35.6 "Credit risk" for the total amount of PLN 15,780 k

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

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

Securities on current assets

This item concerns legal securities established on current assets.

A schedule of mortgages established on current assets as at 30/06/2016 totalling PLN 138,1 k and as at 31 December 2015 totalling PLN 136,35 k is in note No. 24.