

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS PREPARED IN CONFORMITY WITH
IAS 34 "INTERIM FINANCIAL REPORTING"
FOR SIX MONTHS ENDED
ON 30 JUNE 2021**



SELECTED FINANCIAL DATA – INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Selected data concerning the interim condensed consolidated financial statements of the INPRO SA Corporate Group				
	01/01/2021	01/01/2020	01/01/2021	01/01/2020
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	PLN '000		EUR '000	
Net sales revenues	113 135	131 664	24 880	29 645
Gross profit (loss) on sales	35 934	30 839	7 902	6 944
Profit (loss) on operating activities	20 075	17 406	4 415	3 919
Gross profit (loss)	18 309	15 957	4 026	3 593
Net profit (loss)	14 889	12 831	3 274	2 889
- including attributable to non-controlling shareholders	3 170	1 372	697	309
Earnings (loss) per share in the Parent Entity	0.2927	0.2862	0.0644	0.0644
Net cash flows from operating activities	(10 232)	29 249	(2 250)	6 586
Net cash flows from investing activities	(370)	(6 422)	(81)	(1 446)
Net cash flows from financing activities	10 104	4 209	2 222	948
Net cash flows	(498)	27 036	(110)	6 088
	30/06/2021	31/12/2020	30/06/2021	31/12/2020
	PLN '000		EUR '000	
Total assets	736 362	686 464	162 883	148 753
Liabilities and provisions for liabilities	355 036	298 144	78 534	64 606
Provisions for liabilities	15 031	28 830	3 325	6 247
Long-term liabilities (without provisions)	57 290	60 149	12 673	13 034
Short-term liabilities (without provisions)	282 715	209 165	62 536	45 325
Equity	381 326	388 320	84 349	84 147
- including attributable to non-controlling shareholders	23 978	22 634	5 304	4 905
Number of shares (pcs)	40 040 000	40 040 000	40 040 000	40 040 000
Book value per share	9.5236	9.6983	2.1066	2.1016
ZLOTY TO EURO CONVERSION RATES	average EUR rate in the period		average EUR rate as at	
	01/01/2021 -30/06/2021		30/06/2021	
	4.5472		4.5208	
	average EUR rate in the period		average EUR rate as at	
	01/01/2020 -30/06/2020		31/12/2020	
	4.4413		4.6148	

SELECTED FINANCIAL DATA – INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

Selected financial data concerning the separate financial statements of INPRO SA				
	01/01/2021	01/01/2020	01/01/2021	01/01/2020
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	PLN '000		EUR '000	
Net sales revenues	47 071	89 820	10 352	20 224
Gross profit (loss) on sales	13 407	17 844	2 948	4 018
Profit (loss) on operating activities	6 740	10 418	1 482	2 346
Gross profit (loss)	9 710	12 940	2 135	2 914
Net profit (loss)	8 562	11 016	1 883	2 480
Profit (loss) per share	0.2138	0.2751	0.0470	0.0619
Net cash flows from operating activities	(8 198)	15 123	(1 803)	3 405
Net cash flows from investing activities	1 702	(195)	374	(44)
Net cash flows from financing activities	(8 124)	5 312	(1 787)	1 196
Net cash flows	(14 620)	20 240	(3 215)	4 557
	30/06/2021	31/12/2020	30/06/2021	31/12/2020
	PLN '000		EUR '000	
Total assets	520 768	494 477	115 194	107 150
Liabilities and provisions for liabilities	194 417	156 668	43 005	33 949
Provisions for liabilities	11 255	23 175	2 490	5 022
Long-term liabilities (without provisions)	14 004	25 243	3 098	5 470
Short-term liabilities (without provisions)	169 158	108 250	37 418	23 457
Equity	326 351	337 809	72 189	73 201
Number of shares (pcs)	40 040 000	40 040 000	40 040 000	40 040 000
Book value per share	8.1506	8.4368	1.8029	1.8282
ZLOTY TO EURO CONVERSION RATES	average EUR rate in the period		average EUR rate as at	
	01/01/2021 -30/06/2021		30/06/2021	
	4.5472		4.5208	
	average EUR rate in the period		average EUR rate as at	
	01/01/2020 -30/06/2020		31/12/2020	
4.4413		4.6148		

**REPORT OF THE MANAGEMENT BOARD
ON THE ACTIVITY OF THE INPRO SA
CORPORATE GROUP
IN THE FIRST SIX MONTHS OF 2021**

GDAŃSK, 13 SEPTEMBER 2021

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

1. Commentary of the Management Board on the activity of the INPRO SA Corporate Group in the first six months of 2021

According to preliminary data from Statistics Poland, the Gross National Product in Poland grew by 10.9 % in the second quarter year to year (compared to 8.2 decrease in the comparable period in 2020). That was the highest growth since 1995 when Statistics Poland started to publish information on the GNP. In the second quarter 2021, the GNP increased by 1.9 % quarter to quarter.

Inflation and the unemployment rate increased. Given low interest rates, the demand for mortgage was very high.

Apartment sales on the property development market in mid-2021 remained at a very high level. Between April and June this year, a total of 19,500 flats were sold in six biggest Polish agglomerations (6,900 in the second quarter 2020). As it follows from the JLL report for the 2nd quarter of 2021: "In the first six months of the current year, nearly 39 k flats were sold, which is 7.2 % more than in the first six months of 2017, the best half a year so far". 15.8 k units were placed on the market (with 10.5 k in the second quarter last year), however, the offering level at the end of June this year dropped down by 22.6 % compared to June last year. This is the lowest offering level since the 3rd quarter of 2010¹.

INPRO SA Corporate Group's advance sales (calculated as the number of preliminary sale agreements net i.e. with the resignations from the following taken into consideration: reservation agreements, preliminary sale agreements concerning completed projects, agreements with entities other than customers who are natural persons, and agreements concerning commercial units) from April to June 2021 were 191 agreements net compared to 91 agreements in the same period of the previous year (a 110 % increase). The low transaction level in the Group last year was due to a high number of resignations from reservation agreements in April and May 2020 in relation to the announcement of the SARS-CoV-2 pandemic.

In the first six months of 2021, INPRO SA and Domesta Sp. z o.o. signed a total of 410 preliminary agreements net, i.e. 46 % more than in 2020.

The sales revenues generated by the INPRO Group from January to June 2021 was 14 % lower than in the comparable period of 2020 (PLN 113.1 m versus PLN 131.7 m). Owing to higher profitability on the units sold, total overall income increased by PLN 2.1 m, i.e. by 16 % of total income achieved in the first six months of the previous year.

In the first six months of the current year, the INPRO Corporate Group handed over the total of 221 units; that number being 19 % smaller than in the first six months of 2020, in which the Group delivered 273 flats. In the reporting period, INPRO SA placed 4 single-family houses (161 units) at the Start estate in service. Meanwhile, DOMESTA Sp. z o.o. completed the works on buildings A and C at the Traffic estate (a total of 95 units) and on building 3 at the Nowa Niepołomicka II estate (24 units).

The vast majority of the turnover of INPRO SA and DOMESTA Sp. z o.o. will be realised in the second half of 2021. Given no delays to occupancy permit administrative procedures, the following projects will be implemented by the end of 2021:

¹ Data based on the report titled the Housing Market in Poland by JLL for the 2nd quarter of 2021, the reports of Statistics Poland and on the company's sources.

- Traffic estate, building B (10/2021),
- Havlove estate, building 10 (9/2021),
- Optima estate, stage III (9/2021),
- Brawo estate (9/2021),
- Ostoja estate, stage I (10/2021).

The Group is planning to place over 400 units in service in the second half of 2021, and approximately 700 units in the whole year. For comparison, the Group placed the total of 954 units in service in the whole of 2020.

In the first quarter of 2021, INPRO SA placed Brawo 2 project (91 units), and then stage V of the Optima estate (24 units) and stage I of the Koncept estate (87 units) in May. Then, the offer was expanded with stage II of the Ostoja estate in Rumia (108 units) in June, the Rytm estate (107 units) in July, the next (sixth) stage of the Optima estate (64 units and 40 single-family houses) in August. Meanwhile, DOMESTA Sp. z o.o. launched buildings 1, 2 and 3 at the Leszczynowy Park estate (a total of 152 units). Until the end of 2021, the Group is still planning to launch the sales of:

- Rumia Centralna estate, stage I (102 units),
- The estate at Ptasia street (72 units).

In the last quarter of the year, DOMESTA Sp. z o.o. is planning to start the construction of stage II of the Matarnia Office Park at Budowlanych Street (the floor area of the second stage is 2,095 m²). In 2021, the Group is planning to put approximately 850 new flats and houses on the market provided that the adverse impact of the SARS-CoV-2 pandemic on the Group's business opportunities does not aggravate restrict demand from customers.

2. Basic information

INPRO SA (the "Company", "Parent") is the parent entity of the INPRO SA 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
PKD2007	4120Z – construction works relating to the erection of residential and non-residential buildings

The main object of the INPRO SA Group is the construction and sale of residential and commercial real estate (the Issuer and DOMESTA Sp. z o.o.).

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

- fit-out and finishing of flats (SML Sp. z o.o.),
- manufacture of precast concrete and reinforced concrete items for the civil engineering, industrial and municipal construction industry (inBet Sp. z o.o.),
- plumbing and heating systems (PI ISA Sp. z o.o.),
- renting and managing of own real property (Hotel Mikołajki Sp. z o.o. and Dom Zdrojowy Sp. z o.o. as from 01/09/2019),

As at 30/06/2021, the composition of the Management Board of INPRO SA was as follows:

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

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

As at 30/06/2021, the composition of the Supervisory Board was as follows:

- | | |
|----------------------------|---|
| - Jerzy Glanc | - Chairperson of the Supervisory Board |
| - Krzysztof Gąsak | - Deputy Chairperson of the Supervisory Board |
| - Łukasz Maraszek | - Secretary of the Supervisory Board |
| - Beata Krzyżagórska-Żurek | - Independent Member of the Supervisory Board |
| - Mariusz Linda | - Independent Member of the Supervisory Board |
| - Szymon Lewiński | - Member of the Supervisory Board |
| - Wojciech Stefaniak | - Member of the Supervisory Board |

At the session of the Supervisory Board of INPRO SA on 12/03/2021, a member of the Supervisory Board, Mr Krzysztof Gąsak, filed resignation (without reasons) from the function of the Audit Committee member with the Chairperson of the Supervisory Board effective from 12/03/2021. Mr Krzysztof Gąsak stated that the resignation did not comprise resignation from the mandate of the Company's Supervisory Board member until the end of the term of office for which he had been elected.

In relation to the above, as from 12/03/2021, the Audit Committee has consisted of the remaining persons appointed as its members on 9 July 2020 as follows:

- | | |
|----------------------------|--|
| - Beata Krzyżagórska-Żurek | - Independent Member, Chairperson of the Audit Committee |
| - Mariusz Linda | - Independent Member of the Audit Committee |
| - Jerzy Glanc | - Member of the Audit Committee |

Statutory auditor

MOORE REWIT Audyt Sp. z o.o.,
ul. Starodworska 1,
80-137 Gdańsk

The entity recorded on the list of entities authorised to audit financial statements, maintained by the Polish Chamber of Statutory Auditors, under number 101.

3. Corporate group structure

The structure of the Group, and the Company's contribution as at 30/06/2021 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 Corporate Group as at 30/06/2021 – entities comprised by full consolidation

Entity	Registered office	Share in the share capital	Share capital	Object
INPRO SA	Gdańsk	not applicable	PLN 4 004 000	Property development activity (upper-end flats and apartments)
DOMESTA Sp. z o.o.	Gdańsk	59.57 %	PLN 300 800	Property development activity (popular flats)
inBet Sp. z o.o.	Kolbudy	80.32 %	PLN 13 790 840	Manufacture of concrete and reinforced concrete items
Dom Zdrojowy Sp. z o.o.	Gdańsk	100 %	PLN 19 140 385	Renting and managing of own real property
Hotel Mikołajki Sp. z o.o.	Gdańsk	100 %	PLN 17 980 000	Renting and managing of own real property
Przedsiębiorstwo Instalacyjne ISA Sp. z o.o.	Gdańsk	76.92 %	PLN 80 000	Plumbing and heating systems
SML Sp. z o.o.	Gdańsk	100 %	PLN 200 000	Fit-out and finish of flats

During the first six months of 2021, the composition of the INPRO SA Corporate Group did not change in comparison with 31/12/2020.

4. Capital structure of INPRO SA

As at 30/06/2021 the share capital of INPRO was PLN 4,004,000.00 and was divided into 40,040,000 ordinary bearer shares of the nominal value of 10 groszes each.

Table 3. Structure of the share capital of INPRO SA as at 31/12/2020 and 13/09/2021

Shareholder	Series	Number of shares	Nominal value in PLN	Share in the share capital	Number of votes	Share in the number of votes
Krzysztof Maraszek	A	10 010 000	1 001 000	25.00 %	10 010 000	25.00 %
Zbigniew Lewiński	A	9 460 000	946 000	23.63 %	9 460 000	23.63 %
Piotr Stefaniak	A	8 460 000	846 000	21.13 %	8 460 000	21.13 %
NATIONALE-NEDERLANDEN OFE	A	2 100 000	210 000	17.93 %	2 100 000	17.93 %
	B	5 077 704	507 770		5 077 704	
Shareholders with less than 5 % of votes	B	4 932 296	493 230	12.31 %	4 932 296	12.31 %
TOTAL		40 040 000	4 004 000	100 %	40 040 000	100 %

To the Company's best knowledge, no significant changes in the shareholding structure occurred against the status as at 31/12/2020. During the first six months of 2021 and until the submission of this report, the shareholders did not advise of any change in the shareholdings in INPRO SA.

5. Consolidated financial statements and principles for their preparation

The 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 indicating a threat to the Group companies to continue as a going concern are found.

These semi-annual consolidated financial statements were prepared in conformity with the International Financial Reporting Standards ("IFRS") approved by the European Union.

While the Parent prepares the financial statements in conformity with the IFRS endorsed by the European Union, the remaining Group entities keep their accounting books in conformity with the principles commonly applied and practices followed by Polish enterprises – in conformity with the Accounting Act of 29 September 1994, the Regulation of the Minister of Finance of 25 September 2009 on the detailed rules for the preparation of consolidated financial statements of corporate groups by entities other than banks, insurance companies and reinsurance companies and in conformity with the Commercial Companies Code. For the purposes of the consolidated statements, financial data from separate statements of the subsidiaries are converted as appropriate.

Companies comprised by consolidation

The following companies were comprised by direct consolidation with INPRO SA for the period from 01/01/2021 to 30/06/2021:

- | | |
|---|--|
| 1) inBet Sp. z o.o. | – by means of the full consolidation method, |
| 2) Dom Zdrojowy Sp. z o.o. | – by means of the full consolidation method, |
| 3) DOMESTA Sp. z o.o. | – by means of the full consolidation method, |
| 4) Hotel Mikołajki Sp. z o.o. | – by means of the full consolidation method, |
| 5) Przedsiębiorstwo Instalacyjne ISA Sp. z o.o. | – by means of the full consolidation method, |
| 6) SML Sp. z o.o. | – by means of the full consolidation method. |

Consolidated statement of total income

In the first six months of 2021, the INPRO SA Corporate Group achieved the sales revenues at PLN 113.1 m, which is 14 % lower than in the first six months of the last year (the revenues in the first six months of 2020 were exceptionally high as obtaining the occupancy permit for the Azymut estate was postponed from 2019 to 2020). Net profitability increased from 10 % in 2020 to 13 % in 2021, and profitability based on gross profit from sales increased from 23 % to 32 % in the period in question (the profitability of projects being completed was higher). Total overall income increased by PLN 2.1 m, i.e. 16 % of total income achieved in the first six months of the previous year. The costs of sales and administrative expenses went up by 19 % against 2020 and this was due to the increase of the costs of salaries, foreign sales of precast units and higher depreciation in relation to placing an office building in service by DOMESTA.

Consolidated statement of the financial position

In the period presented, the share of non-current assets in the balance sheet total decreased slightly against the comparable period, namely to 20 % (the figure being 22 % as at 31/12/2020). This was mainly due to the increase of the level of current assets i.e. inventory and cash at escrow accounts. Equity accounted for 52 % of the balance sheet total. For comparison, that contribution was 57 % at the end of 2020. Equity and long-term liabilities accounted for the total of 60 % of the balance sheet total (67 % at the end of 2020) – a decrease of that indicator due to the drop of the level of the deferred income tax reserve. In 2020, the deferred income tax reserve was created for delivered units, in relation to which notarised deeds of sale were signed as late as in 2021. At the equity and liabilities side, an increase of short-term trade liabilities may be noted in relation to the increase of the level of advances paid towards the purchase of units.

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 showing the financial and economic position of the INPRO SA Corporate Group for six months of 2021 and in 2020 are presented below.

Table 4. Ratios describing the financial position of the INPRO Corporate Group in the first six months of 2021 and 2020

Ratio	Way of calculation	06/2021	06/2020
Net profitability	Net profit (loss) * 100 % / Sales revenues	13 %	10 %
Return on sales	Gross profit (loss) on sales * 100 % / Sales revenues	32 %	23 %
Net return on assets (ROA)	Net profit (loss) * 100 % / Total assets	2 %	2 %
Return on equity (ROE)	Net profit (loss) * 100 % / Equity	4 %	4 %
Current liquidity	Current assets / Short-term liabilities	2	2
Cash to liability ratio	(Current assets – inventory) / Short-term liabilities	0.5	0.4
Trade receivables turnover in days	Final state of trade receivables * 180 / Sales revenues	43	14
Trade liabilities turnover in days	Final state of trade liabilities * 180 / Cost of sales	80	44
Inventory turnover in days	Final state of inventory * 180 / Cost of sales	1011	737
Asset structure	Non-current assets * 100 % / Current assets	25 %	29 %
Asset financing structure	Equity * 100 % / Total assets	52 %	50 %
Sustainability of financing	(Equity + long-term liabilities) / Total assets	60 %	62 %
Net debt ratio	(Financial debt – cash and cash equivalents – other financial assets) / Equity	8 %	2 %

As it follows from the presented data in the first six months of 2021, compared to the first six months of 2020, the net and gross profitability ratios increased and the return on equity and on assets remained at the same level. The net debt ratio remains low due to the low credit debt level in the Group and a high level of advances at escrow accounts (with the funds at escrow accounts taken into consideration, that ratio was zero). All the turnover ratios became higher. Liquidity ratios remained at a similar level. All the ratios are at a safe level.

The Group's cash flow statement for the first six months of 2021 shows positive cash flows at the financing activity level (the launch of credit funds). The principal activity generates negative cash flows (the increase of the level of inventory and receivables, a high amount of income tax paid for units delivered in 2020). Slightly negative cash flows from the investing activity follow mainly from the expenditure on fixed assets.

6. Separate financial statements

Separate financial statements of INPRO SA's total income

In the first six months of 2021, INPRO SA obtained sales revenues at approximately PLN 47.1 m (a drop by 48 % compared to the result for six months of 2020, when the deadline for obtaining the occupancy permit for the Azymut estate was postponed from 2019 to 2020). Profitability based on gross profit from sales was at the level of 28 % (compared to 20 % for the first six months of 2020). Net profitability was 18 % (compared to 12 % for the first six months of 2020). The total level of the costs of sales and administrative expenses decreased slightly.

Separate statements of INPRO SA's financial position

The balance sheet structure did not change significantly in the period being presented. The contribution of non-current assets in the balance sheet total remained at a similar level compared to 31/12/2020 (21 % at the end of June 2021 against 22 % at the end of 2020). In the liabilities structure, the contribution of long-term sources of finance (equity and long-term liabilities) decreased against the end of 2020 (from 76 % to 65 %) due to the decrease of the level of short-term trade and other liabilities (advances paid towards the purchase of units, and the liability in relation to dividend payment. The level of reserves dropped down; in 2020 deferred income tax reserves were created for the delivered units in relation to which notarised deeds of sale were signed as late as in 2021.

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).

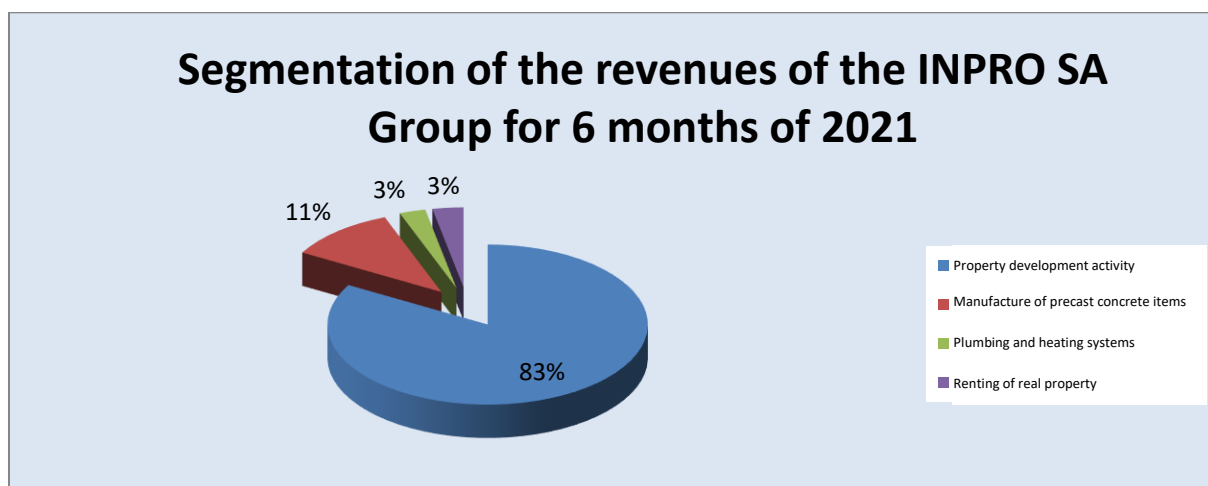
The cash flow statement of INPRO SA for the first six months of 2021 shows negative cash flows from operating activities (paid income tax for units delivered in 2020) and financing activities (credit repayment). Investing activities generate small positive cash flows due to the sale of the unit built in previous years (the Kwartal Kamienic), which was counted as non-current assets.

In the reporting period, the net debt ratio for INPRO SA had a negative value.

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

In the first six months of 2021, 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 innovative solutions. The other sources of revenues from the sale of the Group's products are: production of Filigran semi-precast concrete floor slab, renting and managing of own real property, plumbing and heating systems as well as fit-out and finish of flats.

The sales revenue structure is presented in the following diagram:



8. Significant risk factors and threats

Risk factors and threats which are significant in the opinion of the Management Board have been described below:

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 (including as a result of the coronavirus epidemic) 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 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) prolonged building permit procurement procedures, (iii) postponement of the deadline for the completion of construction works (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 units 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 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 property location; (ii) prices of the units; (iii) structure of the offering; (iv) progress of construction; (v) the architectural layout of the units; (vi) credit on offer by the banks working with the developer. A less favourable business outlook in residential construction industry may influence the growth of competition on the property development market, which may imply the need to adjust the offer to market conditions (including price reduction), more intense implementation of projects and takeover of skilled workers. The above factors may cause a cost increase and thus 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 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 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 Corporate Group

In the second half of 2021 the Group is planning to focus on the following areas:

- continuation of the current strategy (the Tri-City market and the surroundings – Pruszcz Gdański, Rumia, Elbląg, Olsztyn and the construction of an apartment building in Mikołajki, by the Mikołajki Leisure & SPA Hotel) in the upper-end flats, as well as the further development of operations in the popular segment,
- seeking land for new property development projects – an attractive location at the land purchase price enabling a satisfactory margin,
- in relation to signing the paid tenancy agreement for the Mikołajki Hotel in Mikołajki in June 2018 and the paid tenancy agreement for the Dom Zdrojowy in Jastarnia in August 2019, the Group suspended the hotel activity and started the rental of own real property. In consideration of the period for which the tenancy agreements have been signed, the strategy of operations in that area will be maintained for 10 years.
- The further strengthening of the "Inpro" brand as a symbol of high quality, reliability and safety will be a significant element in the Group's strategy.

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 Corporate Group's activity and financial results

Key factors influencing the Group's financial performance in the first six months of 2021:

- the Group's preliminary sales in the first six months of 2021, such sales understood as the number of signed preliminary sale agreements net (in the meaning of the concluded preliminary sale agreements net i.e. after resignations from the following taken into consideration: reservation agreements, preliminary sale agreements concerning completed projects, agreements with entities other than customers who are natural persons, and agreements concerning commercial units) was higher than in the comparable period of the previous year (a 46 % increase up to 410 agreements net). In relation to the announcement of the SARS-CoV-2 pandemic, the Group noted a downturn in demand and a bigger number of resignations from reservation/unit purchase agreement, particularly in April and May 2020. The sales level in the reporting period returned to that from before the pandemic.
- 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 units to the buyers. In the period from January to June 2021, INPRO SA placed 4 multi-family buildings (161 units) at the Start estate, stage I, in service. DOMESTA Sp. z o.o. completed the works on buildings A and C at the Traffic estate (a total of 95 units) and on building 3 at the Nowa Niepołomicka II estate (24 units). The total number of deliveries in the period in question was 221 compared to 273 in the previous year (a decrease by 19 %). By the end of the year, the Group is still planning to place over 400 units in service, thus a major part of the Group's revenues from property development activity will be realised in the second half of the year.

- The influence of the SARS-CoV-2 epidemic on the property development market was not significant, and the developers' results for 2021 were satisfactory, which was mainly due to low interest rates and cheap credit.
- The hotel trade is one of the trades which were most badly affected by the SARS-CoV-2 pandemic. Restrictions introduced in relation to the pandemic practically prevented hotel trade from January to mid-May 2021. Consequently, hotels basically had no revenues. Dobry Hotel Spółka z ograniczoną odpowiedzialnością Spółka komandytowa (the tenant for the Dom Zdrojowy and Hotel Mikołajki hotel facilities) requested the Management Board of INPRO SA to renegotiate the terms and conditions of rent payments. As a result of negotiations between Dobry Hotel and Dom Zdrojowy, annexes extending the time limit for the payment of the rent for the period from January to May 2021 until the end of October 2021 were signed. The rent for the tenancy of the Hotel Mikołajki was paid as per the agreement. The above arrangements concerning rent payments for the hotels were made in accordance with the liquidity rule for both hotel-operating companies of the Group. The sales of accommodation in the Group's hotel facilities in the summer holiday season (after the spring restrictions on hotel activity were lifted) were high, with significant demand for hotel services. Given high demand for hotel services, the prices for hotel services increased.
- In the first six months of 2021, inBet noted an increase of revenues by 9 % against the first six months of the last year. After the difficult first six months of the last year when the SARS-CoV-2 pandemic broke out, the demand for precast items has increased in 2021 in response to higher demand at the residential property market.

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

- the impact of the epidemic caused by the SARS-CoV-2 coronavirus on the national and world's economy,
- the development of the property development market with special consideration for its competitiveness (the growth of costs of materials and workmanship as well as poor availability of land for new projects),
- the government's regulatory activity and changes in law, especially the oncoming entry into force of the act on the protection of the rights of a flat and single family house buyer and on the Developers' Guarantee Fund, the development of project implementation based on the provisions of the Act of 5 July 2018 on facilitation of the preparation and implementation of residential and associated projects, the implementation of the endorsed policy of the National Housing Programme, as well as other changes in legislation in the area of the widely understood construction and town planning law,
- the policy of the National Bank of Poland concerning interest rates on the banking market,
- the banks' policy in mortgage loans, readiness to offer escrow accounts and credit for developers,
- the possibility of procurement of various administrative decisions and permits.

In view of the rapidly changing circumstances, the Management Board of INPRO SA is unable to specify unambiguously the impact of the epidemic on the activity in the long-term perspective, on financial results and on the development prospects of the Corporate Group.

In view of the staged payments for the units being purchased, a high level of funds on escrow accounts, credit finance obtained for the projects under way, including through the issue of bonds and finance available through working capital credit under the overdraft facility (plus the working capital credit at PLN 15 m for INPRO and PLN 10 m for DOMESTA, both at Alior Bank SA

and secured within BGK liquidity guarantees, those funds being a safety buffer for the nearest 12 months), we cannot see a risk of a significant reduction of INPRO and DOMESTA's liquidity in the months to come, with the factors indicated above taken into consideration. In the opinion of the Management Board, the continuation of activity is not at risk at the moment.

Despite the top-down restrictions on hotel operations, the prospects for the activity of the hotel companies within the Group in 2021 seem to be stable. Taking into account the high demand for hotel services in the last summer season, the increasingly wider vaccination campaign and the fatigue of the society with the imposed restrictions, which turns into an urgent need to take advantage of the offer for tourists, the sale of hotel rooms in the summer period is satisfactory, which will allow the tenant of hotel facilities to make timely payments.

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 13 of the interim condensed consolidated financial statements of the Group for 2021 (abbreviated financial data of INPRO).

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 significant

In the period in question, INPRO SA did not grant significant credit/loan sureties or guarantees other than those described in item 16.

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

In the reporting period, no important proceedings were pending with regard to the liabilities or claims of INPRO SA or its subsidiary before a court, a body competent for arbitration proceedings or a public administrative body.

14. Assessment of the ability to achieve previously published projections of results for the year

The Company has not published the projected financial results for the financial year 2021 so far.

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

The shareholdings of the members of the Management Board and Supervisory Board of INPRO SA as at 30/06/2021 and 13/09/2021 were as follows:

Table 5. Members of the Management Board holding the shares of INPRO SA as at 30/06/2021 and 13/09/2021

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

The members of the Management Board did not hold stock (shares) in other entities of the Group. The members of the Supervisory Board did not hold stock (shares) in any entity of the Group. No change in the shareholdings by executives and supervising persons took place in the reporting period and until the submission of this report.

It should also be noted that the entities related to INPRO SA as at 30/06/2021 were as follows:

- Hotel Oliwski Sp. z o.o., that company being personally related through Mr Piotr Stefaniak, who holds 162 shares of the nominal value of PLN 10,000 each, totalling 100 % of the shares in that entity's capital (PLN 1,620,000).

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 material information for the assessment of the Issuer's capacity to pay liabilities

- a) On 20/01/2021 INPRO SA obtained the decision on the building permit for the construction of a residential building at Jasińskiego Street in Gdańsk – the Optima V project.
- b) On 22/01/2021 PI ISA Sp. z o.o. signed with Millennium Bank SA an annexe to the overdraft agreement for PLN 300 k thus extending the repayment deadline until 04/02/2022. Other terms of the agreement remained undisturbed.
- c) On 27/01/2021, Dom Zdrojowy Sp. z o.o. signed Annexe No. 4 to the hotel facility tenancy agreement of 12/08/2019 with Dobry Hotel Mięczkowski Sp. K. Sp. z o.o. Under the annexe, it was agreed that rent for November and December 2020 would be paid by 31/07/2021; a quarterly settlement was introduced for the 1st quarter of 2021 (the rest of the instalments unchanged) – one invoice for 3 months, payable in arrears (and not in advance, as previously) by 30/10/2021.
- d) On 29/01/2021 inBet Sp. z o.o. signed with PEKAO SA an annexe to the overdraft agreement for PLN 2,000 k thus extending the repayment deadline until 31/01/2022.
- e) On 10/02/2021 DOMESTA Sp. z o.o. effected the full repayment of the working capital credit agreement in the amount of PLN 2,310 k signed with the consortium of banks:

Bank Spółdzielczy in Tczew and Bank Spółdzielczy in Skórcz, for the refinancing of the costs of land purchase in Gdańsk, Niepołomska Street.

- f) On 17/02/2021 DOMESTA Sp. z o.o. signed Annexe No. 1 to the bond issue organisation agreement of 22/10/2020 with MICHAEL / STROM Dom Maklerski SA. Based on the annexe, the parameters of the planned issue of series A bonds were changed: issue value up to PLN 18,500 k, ordinary bearer bonds registered in the National Depository for Securities, with a 3-month coupon, for the period of 3 years, secured with a mortgage on land in Gdańsk, Guderskiego Street. Bond allocation was effected on 11/03/2021.
- g) On 01/03/2021 INPRO SA signed with mBank SA a working capital credit agreement for PLN 21,900 k for the partial financing of the costs of construction of stage IV of the OPTIMA estate in Gdańsk, Jasińskiego Street. The agreement was described in current report No. 3/2021 of 01/03/2021.
- h) On 01/03/2021 INPRO SA signed with mBank SA a working capital credit agreement for PLN 32,400 k for the partial financing of the costs of construction of stage II of the START estate in Gdańsk, Nowatorów Street. The agreement was described in current report No. 3/2021 of 01/03/2021.
- i) At the session of the Supervisory Board of INPRO SA on 12/03/2021, a member of the Supervisory Board, Mr Krzysztof Gąsak, filed resignation (without reasons) from the function of the Audit Committee member with the Chairperson of the Supervisory Board effective from 12/03/2021. Mr Krzysztof Gąsak stated that the resignation did not comprise resignation from the mandate of the Company's Supervisory Board member until the end of the term of office for which he had been elected. In relation to the above, as from 12/03/2021, the Audit Committee has consisted of the remaining persons appointed as its members on 9 July 2020 as follows: 1) Ms Beata Krzyżagórska-Żurek - an independent member, Chairperson of the Audit Committee; 2) Mr Mariusz Linda - an independent member; 3) Mr Jerzy Glanc - an independent member.
- j) On 18/03/2021, Dom Zdrojowy Sp. z o.o. signed with Dobry Hotel Mięczkowski Spółka Komandytowa Annexe No. 5 to the hotel facility tenancy agreement of 12/09/2019. Based on the annexe, the deadline for the payment of monthly rent for April 2021 was postponed until 31/10/2021. The annexe was signed in consideration of the exceptional situation related to the introduction of further restrictions in hotel and commercial cooking activity, which were imposed in relation to the state of SARS-CoV-2 epidemic announced for the territory of the Republic of Poland.
- k) On 24/03/2021 INPRO SA signed with the consortium of banks: SGB Bank SA and Kaszubski Bank Spółdzielczy in Wejherowo, a working capital credit agreement for PLN 14,000 k for the partial financing of the construction of the Debiut estate, stage IV, in Pruszcz Gdański. The agreement was described in current report No. 7/2021 of 24/03/2021.
- l) On 30/03/2021 INPRO SA obtained the decision on the building permit for the construction of a residential estate in Gdańsk, Człuchowska/Unruga streets.
- m) On 06/04/2021 the Gdańsk-North District Court in Gdańsk, 3rd Land and Mortgage Register Division, recorded in division IV of land and mortgage register No. GD1G/00295593/0 the contractual real estate mortgage up to the sum of PLN 38,250 k on INPRO SA's assets, such mortgage constituting a legal security for the repayment of the working capital credit financing the cost of construction of the BRAWO estate in Pruszcz Gdański in the amount of PLN 25,500 k granted by mBank SA.
- n) On 13/04/2021 inBet Sp. z o.o. signed an operating lease agreement for 36 months with Volkswagen Financial Services Polska Sp. z o.o. for the purchase of a SKODA Kamiq 19. The net value of the object of lease is PLN 67 k. The agreement does not provide for legal security for the repayment of the lease.

- o) On 19/04/2021 DOMESTA Sp. z o.o. effected the full repayment of the working capital credit agreement in the amount of PLN 8,000 k signed with the consortium of banks: Bank Spółdzielczy in Tczew and SGB Bank with its registered office in Poznań for the refinancing of the costs of land purchase in Gdańsk, Struga Street.
- p) On 28/04/2021 DOMESTA Sp. z o.o. signed an annexe to the overdraft agreement for PLN 4,000 k with Alior Bank SA. Based on the annex, the financing period was extended to 27/04/2022. The legal credit repayment security includes the de minimis guarantee for 15 months up to 80 % of the credit amount. The remaining provisions of the credit agreement were not changed.
- q) On 10/05/2021 inBet Sp. z o.o. effected the buyout of the lease agreement of 2015 for the purchase of the precast concrete item manufacturing line (EBAWE) for PLN 5,178 k. In relation to the termination of the lease agreement, the legal repayment security for the bill of exchange granted by INPRO SA in relation to the liabilities of inBet Sp. z o.o. expired.
- r) On 19/05/2021 inBet Sp. z o.o. signed an operating lease agreement for 60 months with ING Lease (Polska) Sp. z o.o for the purchase of the rail-mounted single girder hook gantry crane. The net value of the object of lease is PLN 266 k. The security for the agreement is a blank promissory note.
- s) On 21/05/2021 DOMESTA Sp. z o.o. signed a purchase agreement for land in Gdańsk, Ptasia Street. The purchase price of the land does not exceed 10 % of the Issuer's equity.
- t) On 24/05/2021, Dom Zdrojowy Sp. z o.o. signed Annexe No. 6 to the hotel facility tenancy agreement of 12/08/2019 with Dobry Hotel Mięczkowski Sp. Komandytowa. Based on the annexe, it was agreed that the rent for May 2021 would be paid by 30/10/2021.
- u) On 27/05/2021 the Management Board of INPRO SA adopted a resolution on the commencement of the buy-back of own shares by INPRO SA. The total amount which may be designated by the Company for the acquisition of Own Shares, along with the costs of their purchase, will be not more than PLN 11,000,000.00. The resolution of the Management Board is described in current report No. 12/2021 of 27/05/2021.
- v) On 27/05/2021 the Management Board of INPRO SA made a decision on dividend payment at PLN 0.50 per share (the total of PLN 20,020,000) from the profit for 2020.
- w) On 31/05/2021, in relation to a surplus of funds generated on the project, the credit agreement signed with mBank SA in 2020 for PLN 31,500 k for the financing of the costs of construction of the Start estate, stage I, was closed before the deadline.
- x) On 02/06/2021 inBet Sp. z o.o. signed an operating lease agreement for 60 months with ING Lease (Polska) Sp. z o.o for the purchase of 4 steel formwork tilting tables. The net value of the object of lease is PLN 820 k. The security for the agreement is a blank promissory note.
- y) On 10/06/2021 INPRO SA obtained the final and legally valid decision on the building permit for the construction of single- and multi-family residential buildings in Gdańsk, Jasińskiego Street – Optima VI.
- z) On 24/06/2021 INPRO SA signed with mBank SA a working capital credit agreement for PLN 21,045 k for the partial financing of the costs of construction of stage II of the BRAWO 2 estate in Pruszcz Gdański. The agreement was described in current report No. 16/2021 of 24/06/2021.
- aa) On 30/06/2021 DOMESTA Sp. z o.o. signed a purchase agreement for land in Gdańsk, Budowlanych Street. The purchase price of the land 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 Company did not effect any issue, buy-back or repayment of non-equity and equity securities.

18. Material events after the balance sheet date

- a) On 01/07/2021 INPRO SA obtained the final and legally valid decision on the building permit for the construction of single- and multi-family residential buildings in Gdańsk Matarnia – the RYTM project.
- b) On 06/07/2021 INPRO SA signed with Pozytywne Inicjatywy Edukacja Sp. z o.o. the assignment agreement to the lease agreement of 2019 concerning playgroup premises at the Optima estate. Based on the assignment agreement, the lessee's rights and duties were transferred from Pozytywne Inicjatywy Edukacja Sp. z o.o. to Centrum Usług Wspólnych Sp. z o.o.
- c) On 19/07/2021, upon instruction from inBet Sp. z o.o., PZU SA issued an advance return guarantee to inBet's contractor, a Swedish company, with the expiry date of 20/12/2021.
- d) On 22/07/2021 INPRO SA signed the organisation agreement for the issue of bearer bonds up to PLN 35,000,000 for 48 months with Michael / Ström Dom Maklerski SA with its registered office in Warsaw. The bonds will be secured by a contractual real estate mortgage on the real property, that being the "Dom Zdrojowy" hotel located in the Dom Zdrojowy building in Jastarnia. The issue of the bonds will be effected by way of a public offer, without the need to draw up a prospectus or offering memorandum.
- e) On 23/07/2021 INPRO SA signed a purchase agreement for land in Olsztyn. The purchase price of the land does not exceed 10 % of the Issuer's equity.
- f) On 28/07/2021 DOMESTA Sp. z o.o. signed with Bank Spółdzielczy in Tczew a credit agreement for the refinancing of the purchase costs of land in Gdańsk, Ptasia Street, in the amount of PLN 3,000 k for 36 months. The legal security on the repayment is constituted by a mortgage up to PLN 6,000 k on real property being credited, a blank promissory note and a power of attorney to the current account. The credit agreement contains standard provisions and is a typical agreement concluded in transactions of that kind.
- g) On 26/08/2021 Domesta Sp. z o.o. signed a purchase agreement for land in Gdańsk Łostowice. The purchase price of the land does not exceed 10 % of the Issuer's equity.
- h) On 31/08/2021 INPRO SA signed with Centrum Usług Wspólnych Sp. z o.o. with its registered office in Gdańsk the lease agreement on the basis of which INPRO SA granted real property operating lease for playgroup premises in a building constructed at the Start estate in Gdańsk, Nowatorów Street. The net value of the object of lease is PLN 2,767 k. The lease period is 5 years.
- i) On 31/08/2021 INPRO SA signed with mBank SA an annexe to the working capital credit agreement for PLN 25,500 k financing the construction of the BRAWO estate in Pruszcz Gdański. Based on the annexe, in relation to the release of cash from the residential escrow account operated for the project being credited, the credit was closed before the deadline.

- j) On 02/09/2021 DOMESTA Sp. z o.o. signed with Bank Spółdzielczy in Skórcz a credit agreement for the refinancing of the purchase costs of land in Gdańsk Łostowice for the amount of PLN 4,750 k for 36 months. The legal security on the repayment is constituted by a mortgage up to PLN 7,125 k on real property being credited, a blank promissory note, the power of attorney to the current account and a statement on submission to enforcement under Article 777 of the Civil Procedure Code. The credit agreement contains standard provisions and is a typical agreement concluded in transactions of that kind.
- k) On 06/09/2021 INPRO SA signed with mBank SA an annexe to the working capital credit agreement for PLN 21,045 k financing the construction of the BRAWO 2 estate in Pruszcz Gdański. On the basis of the annexe, the final credit drawdown date was changed from 30/10/2022 to 31/10/2022.

Gdańsk, on 13/09/2021

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS OF THE INPRO SA
CORPORATE GROUP

FOR THE FIRST SIX MONTHS OF 2021**

GDAŃSK, 13 SEPTEMBER 2021

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CONSOLIDATED STATEMENT OF PROFIT/LOSS AND OTHER TOTAL INCOME FOR 6 MONTHS ENDED ON 30 JUNE 2021

	Note	01/01/2021- 30/06/2021 (unaudited) PLN '000	01/01/2020 -30/06/2020 (unaudited) PLN '000	01/04/2021 -30/06/2021 (unaudited) PLN '000	01/04/2020 -30/06/2020 (unaudited) PLN '000
Continuing operations					
Sales revenues	10.1	113 135	131 664	62 527	53 900
Cost of sales	10.2	(77 201)	(100 825)	(45 493)	(41 817)
Gross profit (loss) on sales		35 934	30 839	17 034	12 083
Selling costs	10.2	(4 221)	(3 757)	(1 880)	(1 568)
Administrative expenses	10.2	(11 961)	(9 788)	(6 218)	(4 982)
Other operating revenues		536	284	528	274
Other operating costs		(213)	(172)	(117)	(86)
Profit (loss) on operating activities		20 075	17 406	9 347	5 721
Financial revenues		82	191	49	79
Financial costs		(1 848)	(1 640)	(713)	(1 016)
Gross profit (loss)		18 309	15 957	8 683	4 784
Income tax	11	(3 420)	(3 126)	(1 574)	(937)
Net profit (loss) from continuing operations		14 889	12 831	7 109	3 847
TOTAL INCOME		14 889	12 831	7 109	3 847
Net profit (loss) attributable to:		14 889	12 831	7 109	3 847
- the parent entity's shareholders		11 719	11 459	5 158	2 360
- non-controlling shareholders		3 170	1 372	1 951	1 487
Total income attributable to:		14 889	12 831	7 109	3 847
- the parent entity's shareholders		11 719	11 459	5 158	2 360
- non-controlling shareholders		3 170	1 372	1 951	1 487
Earnings per share from continuing operations, attributable to shareholders of the parent entity (PLN/share):					
- basic		0.2927	0.2862	0.1288	0.0589
- diluted		0.2927	0.2862	0.1288	0.0589

CONSOLIDATED STATEMENT OF THE FINANCIAL POSITION AS AT 30 JUNE 2021

ASSETS	Note	30/06/2021 (unaudited)	31/12/2020 (audited)
Non-current (long-term) assets		148 902	151 594
Property, plant and equipment	15	55 676	56 520
Goodwill	14	6 708	6 708
Other intangibles		128	69
Long-term receivables		1 148	1 789
Investment property	16	83 317	84 910
Other long-term prepaid expenses		-	13
Deferred income tax assets	11.2	1 925	1 585
Current (short-term) assets		587 460	534 870
Inventory	17	433 473	402 484
Trade and other receivables	18	31 542	20 875
Current tax assets		608	663
Other financial assets	19	31 727	20 216
Cash and cash equivalents	20	90 110	90 632
TOTAL ASSETS		736 362	686 464

**CONSOLIDATED STATEMENT OF THE FINANCIAL POSITION AS AT 30 JUNE 2021
(CONTINUED)**

EQUITY AND LIABILITIES	Note	30/06/2021 (unaudited)	31/12/2020 (audited)
Equity (attributable to the parent entity's shareholders)		357 348	365 686
Issued share capital	22	4 004	4 004
Reserves		11 051	51
Retained profit		280 056	299 394
Share premium		62 237	62 237
Capital attributable to non-controlling shareholders	23	23 978	22 634
Total equity		381 326	388 320
Long-term liabilities		60 877	74 772
Deferred income tax provision	11.2	3 171	14 248
Provision for retirement benefits obligations	24	416	375
Long-term credit and bank borrowings	25	28 564	48 944
Debt instrument liabilities		17 020	-
Other financial liabilities (lease)	26	6 179	6 217
Trade and other liabilities	27	5 527	4 988
Short-term liabilities		294 159	223 372
Short-term provisions	24	11 444	14 207
Short-term credit and borrowings	25	42 284	28 160
Debt instrument liabilities		26 114	24 836
Other financial liabilities (lease)	26	2 020	2 238
Current income tax liabilities		1 053	41
Trade and other liabilities	27	211 244	153 890
Total liabilities		355 036	298 144
TOTAL EQUITY AND LIABILITIES		736 362	686 464

CONSOLIDATED CASH FLOW STATEMENT FOR SIX MONTHS ENDED ON 30 JUNE 2021

	01/01/2021 -30/06/2021	01/01/2020 -30/06/2020
	(unaudited) PLN `000	(unaudited) PLN `000
Profit /(loss) before tax (gross)	18 309	15 957
Adjustments:	(28 541)	13 292
Depreciation	3 997	2 659
Income tax paid	(13 769)	(4 870)
Exchange gains (losses)	23	10
Interest and dividends	1 667	1 546
Profit / (loss) on investing activities	(121)	85
Increase / (decrease) of receivables	(6 182)	14 009
Increase / (decrease) of inventory	(30 989)	(12 551)
Increase / (decrease) of liabilities	20 200	17 392
Increase / (decrease) of accrued/prepaid expenses	(645)	(705)
Change in provisions	(2 722)	(4 283)
Net cash flows from operating activities	(10 232)	29 249
	01/01/2021 -30/06/2021	01/01/2020 -30/06/2020
	(unaudited) PLN `000	(unaudited) PLN `000
Sale of property, plant, equipment and intangibles	1 998	34
Loan granting	(30)	-
Acquisition of property, plant, equipment and intangibles	(2 338)	(6 447)
Other expenditure	-	(9)
Net cash flows from investing activities	(370)	(6 422)

CONSOLIDATED CASH FLOW STATEMENT FOR 6 MONTHS ENDED ON 30 JUNE 2021 (CONTINUED)

	01/01/2021 -30/06/2021	01/01/2020 -30/06/2020
	(unaudited)	(unaudited)
	PLN '000	PLN '000
Proceeds in relation to loans/credit obtained	34 976	37 992
Payments in relation to finance lease agreements	(1 209)	(1 182)
Repayment of loans/credit	(41 226)	(30 701)
Interest paid	(984)	(1 550)
Dividends paid to:	-	(831)
- the parent entity's shareholders	-	-
- non-controlling shareholders	-	(831)
Issue of debt securities (bonds)	18 500	-
Other financial expenditure	(419)	-
Other financial proceeds	466	481
Net cash flows from financing activities	10 104	4 209
Total net cash flows	(498)	27 036
Balance sheet change in the position	(522)	27 028
Change in cash in relation to foreign exchange gains/losses	24	8
Cash at the beginning of the period	90 605	19 846
Cash at the end of the period	90 107	46 882

Interim condensed consolidated financial statements of the INPRO SA Group for the first six months of 2021

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

CONSOLIDATED STATEMENT OF THE CHANGES IN EQUITY FOR 6 MONTHS ENDED ON 30 JUNE 2021

	Share capital	Share premium	Revaluation reserve including revaluation of property, plant and equipment	Retained profit	Attributable to non-controlling shareholders	Total
As at 01/01/2021	4 004	62 237	51	299 394	22 634	388 320
Dividend payment to the parent entity's shareholders	-	-	-	(20 020)	-	(20 020)
Dividend payment – non-controlling shareholders	-	-	-	(37)	(1 826)	(1 863)
Net profit (loss) for the financial year	-	-	-	11 719	3 170	14 889
Revaluation reserve created to finance the acquisition of own shares of INPRO SA	-	-	11 000	(11 000)	-	-
As at 30/06/2021	4 004	62 237	11 051	280 056	23 978	381 326

	Share capital	Share premium	Revaluation reserve from revaluation of property, plant and equipment	Retained profit	Attributable to non-controlling shareholders	Total
As at 01/01/2020	4 004	62 237	51	242 383	19 207	327 882
Dividend payment to the parent entity's shareholders	-	-	-	(6 006)	-	(6 006)
Dividend payment – non-controlling shareholders	-	-	-	(23)	(1 324)	(1 347)
Net profit (loss) for the financial year	-	-	-	63 040	4 751	67 791
As at 31/12/2020	4 004	62 237	51	299 394	22 634	388 320

ADDITIONAL INFORMATION AND EXPLANATIONS

1. General information

The INPRO SA Corporate Group (the "Group") consists of the parent entity, i.e. INPRO SA, and its subsidiaries (see note 2). The interim condensed consolidated financial statements of the Group comprise financial data for six months ended on 30 June 2021 with comparatives for six months ended on 30 June 2020 and as at 31 December 2020.

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

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

- manufacture of precast concrete items (inBet Sp. z o.o.),
- renting of own real property (Hotel Mikołajki Sp. z o.o. and Dom Zdrojowy Sp. z o.o.),
- plumbing and heating systems (Przedsiębiorstwo Instalacyjne ISA Sp. z o.o.),
- interior fit-out and construction finishing services (SML Sp. z o.o.).

INPRO SA (the "Parent Company," "Company") was established by way of the notarised deed of 6 April 1987. On 29 May 2008 the company's legal status was changed from a limited liability company to a joint-stock company.

The registered office of the Parent Company is in Gdańsk at ul. Opata Jacka Rybińskiego 8. The Parent Company is recorded in the register of entrepreneurs of the National Court Register kept by the District Court in Gdańsk, 7th Business Division of the National Court Register, under number KRS 306071. The Parent Company was given the REGON business registry number 008141071 and the tax identification number: 589-000-85-40.

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

The Group did not discontinue any of the kinds of its activity in the first six months ended on 30 June 2021.

In the reporting period, the share capital of INPRO SA did not change. As at 30/06/2021, it was PLN 4,004,000.00 and was divided into 40,040,000 ordinary bearer shares of the nominal value of 10 groszes each.

As at 13 September 2021, 30 June 2021 and 31 December 2020, the shareholding structure of the parent entity is as follows:

SHAREHOLDING STRUCTURE						
Entity (first name and surname)	Series	Number of shares	Nominal value in PLN	Share in the share capital	Number of votes	Share in the number of votes
Krzysztof Maraszek - President of the Management Board	A	10 010 000	1 001 000	25.00 %	10 010 000	25.00 %
Zbigniew Lewiński - Vice-President of the Management Board	A	9 460 000	946 000	23.63 %	9 460 000	23.63 %
Piotr Stefaniak – Vice-President of the Management Board	A	8 460 000	846 000	21.13 %	8 460 000	21.13 %
NATIONALE-NEDERLANDEN OFE	A	2 100 000	210 000	17.93 %	2 100 000	17.93 %
	B	5 077 704	507 770		5 077 704	
Shareholders with less than 5 % of votes	B	4 932 296	493 230	12.31 %	4 932 296	12.31 %
TOTAL		40 040 000	4 004 000	100 %	40 040 000	100 %

No significant changes in the shareholding structure occurred against the status as at 31/12/2020 until 30/06/2021.

In the period after 30/06/2021, until the submission of this report, the shareholders did not advise of any change in the shareholdings in INPRO SA. No change in the executives' shareholdings took place in that period, either.

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

As at 30/06/2021, the shares of INPRO SA were quoted on the parallel market of the Warsaw Stock Exchange.

Statutory auditor:

MOORE REWIT Audyt Sp. z o.o.,
ul. Starodworska 1,
80-137 Gdańsk

The entity recorded on the list of entities authorised to audit financial statements, maintained by the Polish Chamber of Statutory Auditors, under number 101.

2. Information on the entities comprised by the Group

2.1 Corporate Group's composition and its changes

INPRO SA's subsidiaries covered by consolidation as at 30 June 2021 and 31 December 2020:

Interim condensed consolidated financial statements of the INPRO SA Group for the first six months of 2021

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

No.	Entity's name	Registered office	Object	Share in the share capital (%)	Share in voting rights (%)	Acquisition price of the shares
1.	inBet Sp. z o.o.	Kolbudy, ul. Przemysłowa 10	Manufacture of reinforced concrete, concrete and steel elements	80.32 %	80.32 %	10 907
2.	Dom Zdrojowy Sp. z o.o.	Gdańsk, ul. Opata Jacka Rybińskiego 8	Renting and managing of own real property	100.00 %	100.00 %	19 120
3.	DOMESTA Sp. z o.o.	Gdańsk, ul. Budowlanych 68B	Property development activity, main contracting for residential buildings	59.57 %	59.57 %	13 926
4.	Hotel Mikołajki Sp. z o.o.	Gdańsk, ul. Opata Jacka Rybińskiego 8	Renting and managing of own real property	100.00 %	100.00 %	17 984*
5.	PI ISA Sp. z o.o.	Gdańsk, ul. Opata Jacka Rybińskiego 8/6	Plumbing and heating systems	76.92 %	76.92 %	2 183
6.	SML Sp. z o.o.	Gdańsk, ul. Opata Jacka Rybińskiego 8	Construction finishing services	100.00 %	100.00 %	201
						64 321

* The total equity interest of INPRO SA in a subsidiary, Hotel Mikołajki Sp. z o.o., comprises, in addition to the shares specified above, returnable additional contributions (PLN 35,150 k).

As at 30 June 2021, the share in the total number of votes held by the Group in subsidiaries equals the Group's share in the capital of those entities.

Companies excluded from consolidation as at 30/06/2021 and 31/12/2020:

All the subsidiaries within the Corporate Group were comprised by the full method consolidation.

There are no shares in uncontrolled entities in INPRO SA's subsidiaries.

In addition to the interests mentioned above, INPRO SA is associated with Hotel Oliwski Sp. z o.o., that company being personally related through Mr Piotr Stefaniak, who holds 162 shares of the nominal value of PLN 10,000 each, totalling 100 % of the shares in that entity's capital (PLN 1,620,000).

The transactions with personally related entities are presented in note 32 to these statements.

2.2 Share capital of entities within the Corporate Group

Share capital of the various entities comprised by the INPRO Group as at 30/06/2021:

Entity	Share capital as at 30/06/2021
INPRO SA	4 004
DOMESTA Sp. z o.o.	301
inBet Sp. z o.o.	13 791
Dom Zdrojowy Sp. z o.o.	19 140
Hotel Mikołajki Sp. z o.o.	17 980
Przedsiębiorstwo Instalacyjne ISA Sp. z o.o.	80
SML Sp. z o.o.	200

Changes in the Group's composition in the period 01/01/2021 – 30/06/2021

During the six months of 2021, the composition of the INPRO SA Corporate Group did not change in comparison with 31/12/2020.

2.3 Security on shares in subsidiaries

The following security is established on the shares held by INPRO SA in subsidiaries:

	30/06/2021	31/12/2019
Security on the shares of INPRO SA in subsidiaries	17 980	17 980
Total	17 980	17 980

The security on the shares of INPRO S.A. as at both 30/06/2021 and 31/12/2020 concerned the registered pledge of 04/10/2017 on the shares in Hotel Mikołajki Sp. z o.o. in the amount of PLN 17,980 k for the following credit agreement:

- investment credit of 05/09/2011 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 54,321 k. If the whole or part of the secured claim is not repaid, the satisfaction of the claims may take place by the satisfaction of the pledgee's claims, at its choice, in the manner prescribed by the regulations on enforcement proceedings, by the seizure of the title to the object of the pledge or by its sale in a public tender organised by a bailiff or notary public.

On the date of the registration of the pledge in the pledge register maintained by the Gdańsk-North District Court in Gdańsk, 9th Business Division of Pledge Registers (i.e. as from 16/11/2017), the agreement of 5 September 2011 for the registered pledging on rights, as amended, and the agreement of 23 May 2013 for the registered pledging of rights were terminated.

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

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

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

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

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

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

- | | |
|----------------------------|---|
| - Jerzy Glanc | - Chairperson of the Supervisory Board |
| - Krzysztof Gąsak | - Deputy Chairperson of the Supervisory Board |
| - Łukasz Maraszek | - Secretary of the Supervisory Board |
| - Beata Krzyżagórska-Żurek | - Independent Member of the Supervisory Board |
| - Mariusz Linda | - Independent Member 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.

At the session of the Supervisory Board of INPRO SA on 12/03/2021, a member of the Supervisory Board, Mr Krzysztof Gąsak, filed resignation (without reasons) from the function of the Audit Committee member with the Chairperson of the Supervisory Board effective from 12/03/2021. Mr Krzysztof Gąsak stated that the resignation did not comprise resignation from the mandate of the Company's Supervisory Board member until the end of the term of office for which he had been elected.

In relation to the above, as from 12/03/2021, the Audit Committee has consisted of the remaining persons appointed as its members on 9 July 2020 as follows:

- | | |
|----------------------------|---|
| - Jerzy Glanc | - Member of the Audit Committee |
| - Beata Krzyżagórska-Żurek | - Independent Member of the Audit Committee |
| - Mariusz Linda | - Independent Member of the Audit Committee |

4. Approval of the financial statements

These interim condensed consolidated financial statements for the period of six months ended on 30 June 2021 were approved by the Management Board on 13 September 2021 for publication on 14 September 2021.

5. Grounds for preparation and accounting principles

5.1 Grounds for preparation

These interim condensed consolidated financial statements for six months ended on 30 June 2021 were prepared in accordance with IAS 34 "Interim Financial Reporting" and relevant International Financial Reporting Standards (IFRS) effective for interim financial reporting, and accepted by the International Accounting Standards Committee (IASC) and International Financial Reporting Interpretations Committee in the wording approved by the European Union and effective as at 30/06/2021.

These interim condensed consolidated financial statements do not comprise all information and disclosures required in the annual financial statements and should be read together with the Group's audited Consolidated Financial Statements for the year ended on 31 December 2020.

These interim condensed consolidated financial statements were prepared in the historical cost convention and on the assumption that the Group companies would 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 functional currency of the parent entity and subsidiaries included in these interim condensed consolidated financial statements is Polish zloty. Polish zloty is also the reporting currency of the Corporate Group.

Unless indicated otherwise, the data in the interim condensed consolidated financial statements is shown in thousands of zlotys.

5.2 Accounting policy and standards used for the first time

The following new standards, amendments to the existing standards and interpretation issued by the International Accounting Standards Committee (IASC) and approved for use in the EU became effective for the first time in 2021:

- **Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16** – the IBOR reform.

As at the date of publication of these statements, no significant influence of the remaining new standards and interpretation of the financial statements has been noted.

Standards and amendments to the standards endorsed by the IASC, but not approved for application in the EU:

- **For first time adoption after 1 January 2021**
 - Amendments to IFRS 16 "Leases"- lease COVID-19 related concessions
- **First time adoption after 1 January 2022**
 - Amendments to IFRS 3 "Business combinations" – update of references to the Conceptual Framework;
 - Amendments to IAS 16 "Property, Plant and Equipment" – Proceeds before Intended Use;

- Amendments to IAS 37 „Provisions, Contingent Liabilities and Contingent Assets” – explanations of costs recognised in the analysis of whether an agreement is a contract creating encumbrances;
 - Annual amendment programme 2018-2020 - amendments contain explanations and specify the guidelines included in the standards with regard to recognition and valuation: IFRS 1 “First Time Adoption of International Financial Reporting Standards”, IFRS 9 “Financial Instruments” - (Fees in the 10 per cent Test for Derecognition of Financial Liabilities), IAS 41 “Agriculture” - (Taxation in Fair Value Measurements) and to illustrating examples to IFRS 16 “Lease”;
 - Improvements to IFRS 2018-2020, minor changes to IFRS 1, IFRS 9, IFRS 16 and IAS 41 effective from 1 January 2022 (published on 14 May 2020).
- **For first time adoption after 1 January 2023**
 - IFRS 17 “Insurance Contracts” and amendments to IFRS 17;
 - Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current;
 - Amendments to IAS 1 “Presentation of Financial Statements” and guidelines of the IFRS Committee with regard to disclosures concerning accounting policies in practice - the requirement to disclose significant information on accounting principles;
 - Amendments to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” – the definition of estimates (the definition of the concept of “significant”);
 - Amendments to IAS 12 “Income Taxes” – Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

Standards and amendments to standards NOT adopted by the IASC, but requiring the earlier adoption of other standards:

- **Amendments to IFRS 4 “Insurance Contracts”** – deferred adoption of IFRS 9 “Financial Instruments”.

According to the Company's estimates, the new standards mentioned above and amendments to the existing standards would not have significant impact on the financial statements if applied by the Company as at the balance sheet date. The Company decided not to take advantage of the opportunity of early adoption of the above-mentioned new standards and amendments to the existing standards and interpretations.

6. Conversion of items denominated in a foreign currency

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

Rate binding on the last day of the period	30/06/2021	31/12/2020
EURO	4.5208	4.6148

The average rate, calculated as the arithmetic mean of the rates binding on the last day of each month in a period	01/01/2021 -30/06/2021	01/01/2020 -30/06/2020
EURO	4.5472	4.4413

7. Material values based on professional judgement and estimates

7.1 Professional judgement

In the event that a transaction is not regulated in any standard or interpretation, the Management Board, while being guided by a subjective judgement, specifies and applies accounting policies, which 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 property (mainly residential units) are recognised upon satisfying the performance obligation by delivering the promised goods to the customer. In the Group's opinion, 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 on the financial situation. This concerns, for example, the value of the provisions for employee benefits. That rate is also used during goodwill testing for permanent impairment. The discount rate taken by the Management Board of the parent entity is based on the interest rate on 10-year treasury bonds.

7.2 Uncertainty of estimates

The preparation of consolidated financial statements requires the Company's Management Board to make estimates because much information in the financial statements cannot be measured 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 2021 may be revised in the future. The main estimates have been described in the following notes:

Note		
17	Impairment of non-current assets and the analysis of the realisable net selling price of inventories	The Group tests property, plant and equipment as well as 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.
21	Trade receivable valuation allowances	The Group makes the valuation of the allowance for the expected credit losses in the amount equal to the expected credit losses in the entire life of the instrument.
11	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.
24	Employee benefits	Provisions for retirement benefits and unused vacation leaves
24	Provisions	Provisions for guarantees and sureties given and provisions for claims and court cases

Useful life of property, plant and equipment and of intangibles	Depreciation rates are determined on the basis of the estimated useful life of property, plant and equipment and the value of intangibles.
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8. Seasonality of INPRO SA Group's activity in the period under discussion

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

The activity of the other Group companies is not seasonal.

No significant deviations were noted in the reporting period compared to other periods in relation to seasonality.

9. 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 distinguishes the following operating segments for reporting purposes:

- property development segment, which comprises INPRO SA, Domesta Sp. z o.o. and SML Sp. z o.o.;
- segment involving the renting of own real property, which comprises Hotel Mikołajki Sp. z o.o. and Dom Zdrojowy Sp. z o.o.;
- segment involving the manufacture of precast concrete items with inBet Sp. z o.o.;
- plumbing and heating segment comprising PI ISA Sp. z o.o.

Activities in the above-mentioned segments are pursued in the territory of Poland. It is appropriate to mention that inBet Sp. z o.o. sells part of its products to foreign customers.

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 2021, 30 June 2020 and 31 December 2020.

Interim condensed consolidated financial statements of the INPRO SA Group for the first six months of 2021

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

Figures for the period 01/01/2021-30/6/2021	Continuing operations					Exclusions	Total activities
	Property development activity	Manufacture of precast items	Plumbing and heating systems	Renting of real property	Total		
Revenues							
Sales to external customers	100 246	8 337	776	3 776	113 135	-	113 135
Sales between segments	210	4 966	2 407	-	7 583	(7 583)	-
Total revenues of the segment	100 456	13 303	3 183	3 776	120 718	(7 583)	113 135
Profit (loss) of the segment	28 134	4 007	454	3 753	36 348	(414)	35 934
Selling costs	(2 943)	(1 278)	-	-	(4 221)	-	(4 221)
Administrative expenses	(8 573)	(795)	(538)	(2 078)	(11 984)	23	(11 961)
Other operating revenues/costs	333	(8)	-	(2)	323	-	323
Profit (loss) on operating activities	16 951	1 926	(84)	1 673	20 466	(391)	20 075
Interest revenue	93	-	-	-	93	(11)	82
Interest cost	(534)	(46)	(4)	(154)	(738)	11	(727)
Other net revenues/financial costs	2 572	(20)	-	(1)	2 551	(3 672)	(1 121)
Profit (loss) before tax	19 082	1 860	(88)	1 518	22 372	(4 063)	18 309
Income tax	(2 853)	(359)	-	(289)	(3 501)	81	(3 420)
Net profit (loss) for the financial year	16 229	1 501	(88)	1 229	18 871	(3 982)	14 889
<i>- including attributable to non- controlling shareholders</i>							3 170

Interim condensed consolidated financial statements of the INPRO SA Group for the first six months of 2021

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

Figures for the period 01/04/2021-30/06/2021	Continuing operations					Exclusions	Total activities
	Property development activity	Manufacture of precast items	Plumbing and heating systems	Renting of real property	Total		
Revenues							
Sales to external customers	55 712	4 682	165	1 968	62 527	-	62 527
Sales between segments	93	2 993	1 387	-	4 473	(4 473)	-
Total revenues of the segment	55 805	7 675	1 552	1 968	67 000	(4 473)	62 527
Profit (loss) of the segment	12 894	2 458	203	1 950	17 505	(471)	17 034
Selling costs	(1 207)	(673)	-	-	(1 880)	-	(1 880)
Administrative expenses	(4 434)	(425)	(294)	(1 078)	(6 231)	13	(6 218)
Other operating revenues/costs	250	(18)	-	-	232	179	411
Profit (loss) on operating activities	7 503	1 342	(91)	872	9 626	(279)	9 347
Interest revenue	58	-	-	-	58	(6)	52
Interest cost	(256)	(20)	(4)	(77)	(357)	6	(351)
Other net revenues/financial costs	3 490	(23)	3	(1)	3 469	(3 834)	(365)
Profit (loss) before tax	10 795	1 299	(92)	794	12 796	(4 113)	8 683
Income tax	(1 271)	(246)	5	(152)	(1 664)	90	(1 574)
Net profit (loss) for the financial year	9 524	1 053	(87)	642	11 132	(4 023)	7 109
<i>- including attributable to non-controlling shareholders</i>							1 951

Interim condensed consolidated financial statements of the INPRO SA Group for the first six months of 2021

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

Figures as at 30/06/2021	Continuing operations					Exclusions	Total activities
	Property development activity	Manufacture of precast items	Plumbing and heating systems	Renting of real property	Total		
Assets and liabilities							
Segment assets	707 941	37 717	2 625	93 550	841 833	(105 471)	736 362
Total assets	707 941	37 717	2 625	93 550	841 833	(105 471)	736 362
Total equity	373 799	28 135	1 268	78 342	481 544	(100 218)	381 326
Segment liabilities	334 142	9 582	1 357	15 208	360 289	(5 253)	355 036
Total liabilities and capital	707 941	37 717	2 625	93 550	841 833	(105 471)	736 362
Other information concerning segments in the first six months of 2021							
Increases in fixed assets and intangibles in the period	1 574	199	-	-	1 773	-	1 773
Depreciation of non-current assets	(1 592)	(807)	(3)	(1 629)	(4 031)	34	(3 997)
Total asset impairment loss as at 30/06/2021	(1 429)	(209)	-	(14)	(1 652)	-	(1 652)

Interim condensed consolidated financial statements of the INPRO SA Group for the first six months of 2021

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COMPARATIVE DATA:

Figures for the period 01/01/2020-30/6/2020	Continuing operations					Exclusions	Total activities
	Property development activity	Manufacture of precast items	Plumbing and heating systems	Renting of real property	Total		
Revenues							
Sales to external customers	122 489	5 489	1 508	2 178	131 664	-	131 664
Sales between segments	267	6 681	3 592	-	10 540	(10 540)	-
Total revenues of the segment	122 756	12 170	5 100	2 178	142 204	(10 540)	131 664
Profit (loss) of the segment	24 696	4 330	868	2 128	32 022	(1 183)	30 839
Selling costs	(2 812)	(945)	-	-	(3 757)	-	(3 757)
Administrative expenses	(7 693)	(637)	(509)	(972)	(9 811)	23	(9 788)
Other operating revenues/costs	263	38	-	(10)	291	(179)	112
Profit (loss) on operating activities	14 454	2 786	359	1 146	18 745	(1 339)	17 406
Interest revenue	131	-	-	1	132	(16)	116
Interest cost	(596)	(77)	-	(279)	(952)	15	(937)
Other net revenues/financial costs	2 297	75	(4)	(1)	2 367	(2 995)	(628)
Profit (loss) before tax	16 286	2 784	355	867	20 292	(4 335)	15 957
Income tax	(2 591)	(524)	(80)	(159)	(3 354)	228	(3 126)
Net profit (loss) for the financial year	13 695	2 260	275	708	16 938	(4 107)	12 831
<i>- including attributable to non- controlling shareholders</i>							1 372

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Figures for the period 01/04/2020-30/6/2020	Continuing operations					Exclusions	Total activities
	Property development activity	Manufacture of precast items	Plumbing and heating systems	Renting of real property	Total		
Revenues							
Sales to external customers	49 168	2 919	1 031	782	53 900	-	53 900
Sales between segments	101	3 025	1 994	-	5 120	(5 120)	-
Total revenues of the segment	49 269	5 944	3 025	782	59 020	(5 120)	53 900
Profit (loss) of the segment	9 647	2 204	590	709	13 150	(1 067)	12 083
Selling costs	(1 154)	(414)	-	-	(1 568)	-	(1 568)
Administrative expenses	(3 974)	(298)	(289)	(433)	(4 994)	12	(4 982)
Other operating revenues/costs	137	34	-	16	187	1	188
Profit (loss) on operating activities	4 656	1 526	301	292	6 775	(1 054)	5 721
Interest revenue	63	-	-	-	63	(7)	56
Interest cost	(280)	(34)	-	(124)	(438)	6	(432)
Other net revenues/financial costs	2 575	23	(1)	(1)	2 596	(3 157)	(561)
Profit (loss) before tax	7 014	1 515	300	167	8 996	(4 212)	4 784
Income tax	(771)	(280)	(65)	(31)	(1 147)	210	(937)
Net profit (loss) for the financial year	6 243	1 235	235	136	7 849	(4 002)	3 847
<i>- including attributable to non-controlling shareholders</i>							1 486

Interim condensed consolidated financial statements of the INPRO SA Group for the first six months of 2021

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

Figures as at 31/12/2020	Continuing operations					Exclusions	Total activities
	Property development activity	Manufacture of precast items	Plumbing and heating systems	Renting of real property	Total		
Assets and liabilities							
Segment assets	656 853	34 097	2 904	93 164	787 018	(100 554)	686 464
Total assets	656 853	34 097	2 904	93 164	787 018	(100 554)	686 464
Total equity	381 091	28 135	1 857	77 111	488 194	(99 874)	388 320
Segment liabilities	275 762	5 962	1 047	16 053	298 824	(680)	298 144
Total liabilities and capital	656 853	34 097	2 904	93 164	787 018	(100 554)	686 464
Other information concerning segments for 2020							
Increases in fixed assets and intangibles in the period	1 347	1 013	1	62	2 423	-	2 423
Depreciation of non-current assets	(2 640)	(1 544)	(8)	(1 263)	(5 455)	63	(5 392)
Total asset impairment loss as at 31/12/2020	(1 562)	(209)	-	(14)	(1 785)	-	(1 785)

10. Costs and revenues**10.1 Sales revenues**

Sales revenues	01/01/2021 -30/06/2021	01/01/2020 -30/06/2020	01/04/2021 -30/06/2021	01/04/2020 -30/06/2020
Revenues from the sales of products	102 731	124 607	57 802	50 755
Revenues from the sales of services	10 353	7 046	4 674	3 138
Revenues from the sale of goods for resale and materials	51	11	51	7
Total sales revenues	113 135	131 664	62 527	53 900

10.2 Costs by category

Costs by category	01/01/2021 -30/06/2021	01/01/2020 -30/06/2020	01/04/2021 -30/06/2021	01/04/2020 -30/06/2020
Depreciation	3 997	2 659	2 004	1 307
Consumption of materials and energy	34 973	38 247	23 198	17 937
External services	70 169	70 408	41 509	36 376
Taxes and charges	1 669	3 388	831	484
Costs of employee benefits, including:	18 622	17 281	10 663	9 213
- payroll	15 490	14 320	9 036	7 813
- costs of social security and other benefits	3 132	2 961	1 627	1 400
Other costs	1 863	1 516	1 043	601
Total costs by category	131 293	133 499	79 248	65 918
Change in products, work in progress and accruals (+/-)	(38 070)	(19 146)	(25 808)	(17 561)
Costs of products for the entity's in-house needs (-)	-	(2)	-	(1)
Selling costs (-)	(4 221)	(3 757)	(1 880)	(1 568)
Administrative expenses (-)	(11 961)	(9 788)	(6 218)	(4 982)
Value of goods for resale and materials sold	160	19	151	10
Cost of sales	77 201	100 825	45 493	41 817
Total costs of products, goods for resale and materials sold, cost of sales and administrative expenses	93 383	114 370	53 591	48 367

11. Income tax**11.1 Income tax disclosed in the statement of total income**

The main components of tax payable for the periods ended on 30 June 2021 and 30 June 2020 are as follows:

Income tax	01/01/2021 -30/06/2021	01/01/2020 -30/06/2020
Consolidated statement of total income		
Current income tax	14 837	7 783
Current income tax liability	14 836	7 783
Adjustments concerning current income tax from previous years	1	-
Deferred income tax	(11 417)	(4 657)
Relating to the establishment and reversal of temporary differences	(11 417)	(4 657)
Tax liability shown in the consolidated statement of total income	3 420	3 126

11.2 Deferred income tax

30/06/2021	Status as at the beginning of the period	(Increases) charged to profit or loss	(Decreases) charged to profit or loss	Status as at the end of the period
Temporary differences concerning deferred income tax assets:				
Provision for repairs under the guarantee	116	-	(12)	104
Provision for unused vacation leave and retirement severance pay	211	88	(60)	239
Unpaid payroll	519	14	(416)	117
Doubtful receivables	6	6	(4)	8
Bond issue cost	-	23	-	23
Unrealised profit or loss in the Group	10 896	7 222	(9 010)	9 108
Provision for a balance sheet audit	8	2	(7)	3
Provision for indemnities	33	-	-	33
Provision for the loss of profit in relation to price reduction/inventory revaluation	266	-	(17)	249
Provision for commission on the sale of premises	243	-	(243)	-
Impact of changes in accounting policy - IFRS 16	45	47	(45)	47
Other	195	25	(20)	200
Effect of deferred CIT asset offset against deferred CIT provisions at the level of separate financial statements of INPRO Corporate Group entities	(10 953)	2 747	-	(8 206)
	1 585	10 174	(9 834)	1 925

Temporary differences concerning the deferred income tax provision:

Result on the sale of premises on the basis of the handover and receipt report	23 953	9 313	(23 162)	10 104
Interest on deposits and loans allowed	15	2	-	17
Property, plant and equipment	1 124	1 039	(982)	1 181
Differences in the valuation of fixed assets – unrealised profit or loss	49	-	-	49
Impact of changes in accounting policy - IFRS 15	17	20	(17)	20
Other	43	19	(56)	6
Effect of deferred CIT asset offset against deferred CIT provisions at the level of separate financial statements of INPRO Corporate Group entities	(10 953)	2 747	-	(8 206)
	14 248	13 140	(24 217)	3 171

12. Earnings per share

Earnings per share	01/01/2021 -30/06/2021	01/01/2020 -30/06/2020	01/04/2021 -30/06/2021	01/04/2020 -30/06/2020
Net profit (loss) from continuing operations	11 719	11 459	5 158	2 361
Net profit from discontinued operations	-	-	-	-
Net profit attributable to shareholders in the parent entity	11 719	11 459	5 158	2 361
Weighted average number of ordinary shares	40 040	40 040	40 040	40 040

Basic earnings per share	01/01/2021 -30/06/2021	01/01/2020 -30/06/2020	01/04/2021 -30/06/2021	01/04/2020 -30/06/2020
Net profit	11 719	11 459	5 158	2 361
Weighted average number of ordinary shares	40 040	40 040	40 040	40 040
Basic earnings per share (PLN/share)	0.2927	0.2862	0.1288	0.0590

Diluted earnings per share	01/01/2021 -30/06/2021	01/01/2020 -30/06/2020	01/04/2021 -30/06/2021	01/04/2020 -30/06/2020
Net profit attributable to the parent entity's shareholders used for diluted earnings per share calculation	11 719	11 459	5 158	2 361
Adjusted weighted average number of ordinary shares used for diluted earnings per share calculation	40 040	40 040	40 040	40 040
Diluted earnings per share (PLN/share)	0.2927	0.2862	0.1288	0.0590

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Basic earnings per share from continuing operations	01/01/2021 -30/06/2021	01/01/2020 -30/06/2020	01/04/2021 -30/06/2021	01/04/2020 -30/06/2020
Net profit from continuing operations	11 719	11 459	5 158	2 361
Weighted average number of ordinary shares	40 040	40 040	40 040	40 040
Basic earnings per share (PLN/share)	0.2927	0.2862	0.1288	0.0590

Diluted earnings per share from continuing operations	01/01/2021 -30/06/2021	01/01/2020 -30/06/2020	01/04/2021 -30/06/2021	01/04/2020 -30/06/2020
Net profit attributable to Shareholders used for the calculation of diluted earnings per share from continuing operations	11 719	11 459	5 158	2 361
Adjusted weighted average number of ordinary shares used for diluted earnings per share calculation	40 040	40 040	40 040	40 040
Diluted earnings per share (PLN/share)	0.2927	0.2862	0.1288	0.0590

13. Dividends paid and proposed

Dividends paid and proposed	01/01/2021 -30/06/2021	01/01/2020 -30/06/2020
Declared and paid dividends for ordinary shares:	20 057	6 029
- dividend declared and paid to the parent entity's shareholders from profit for 2020	20 020	-
- dividend declared and paid to the non-controlling shareholders from profit for 2020	37	-
- dividend declared and paid to the parent entity's shareholders from profit for 2019	-	6 006
- dividend declared and paid to the non-controlling shareholders from profit for 2019	-	23
Total dividends reducing the Group's profit	20 057	6 029
Dividend declared and paid to non-controlling shareholders	1 826	1 324
Total dividends and other payments to owners	21 883	7 353

30/06/2021

Pursuant to resolution No. 8/2021 of 28 June 2021 the Ordinary General Meeting of INPRO SA decided to allocate part of the Company's net profit for 2020 in the amount of PLN 20.020.000 i.e. PLN 0.50 per share towards the dividend to the Company's shareholders. The General Assembly set out 26 July 2021 as the record date and 9 August 2021 as the dividend date.

Based on resolution No. 8/2021 of 28 May 2021, the General Meeting of DOMESTA Sp. z o.o. made a decision on the payment to the shareholders of the dividend from profit for 2020 in the amount of PLN 3,500 k, including PLN 2,086 k to INPRO SA.

Based on resolution No. 7/2021 of 17 June 2021, the General Meeting of PI ISA Sp. z o.o. made a decision on the payment to the shareholders of the dividend from profit for 2020 in the amount of PLN 500 k, including PLN 346,153.85 k to INPRO SA.

Based on resolution No. 5/2021 of 16 June 2021, the General Meeting of inBet Sp. z o.o. made a decision on the payment to the shareholders of the dividend from profit for 2020 in the amount of PLN 1,500 k, including PLN 1,204,800 to INPRO SA.

30/06/2020

Pursuant to resolution No. 11/2020 of 25 June 2020 the Ordinary General Meeting of INPRO SA decided to allocate part of the Company's net profit for 2019 in the amount of PLN 6.006.000 i.e. PLN 0.15 per share towards the dividend to the Company's shareholders. The General Assembly set out 3 August 2020 as the record date and 17 August 2020 as the dividend date.

Based on resolution No. 6/2020 of 19 June 2020, the General Meeting of PB DOMESTA Sp. z o.o. made a decision on the payment to the shareholders of the dividend from profit for 2019 in the amount of PLN 2,055 k, including PLN 1,225 k to INPRO SA.

Based on resolution No. 4/2020 of 16 June 2020, the General Meeting of PI ISA Sp. z o.o. made a decision on the payment to the shareholders of the dividend from profit for 2019 in the amount of PLN 430 k, including PLN 308 k to INPRO SA.

Based on resolution No. 7/2020 of 18 June 2020, the General Meeting of inBet Sp. z o.o. made a decision on the payment to the shareholders of the dividend from profit for 2019 in the amount of PLN 2,000 k, including PLN 1,606 k to INPRO SA.

14. Goodwill

	30/06/2021	31/12/2020
Balance sheet value of goodwill on consolidation		
DOMESTA Sp. z o.o.	5 624	5 624
PI ISA Sp. z o.o.	1 084	1 084
	6 708	6 708

During the first six months of 2021 and in 2020, no changes in goodwill on consolidation occurred:

	01/01/2021	01/01/2020
	-30/06/2021	-31/12/2020
Goodwill on consolidation at the beginning of the period	6 708	6 708
Goodwill on consolidation at the end of the period	6 708	6 708

As a result of the purchase of 51 % of shares in PB Domesta Sp. z o.o. on 12/08/2010, goodwill was disclosed in the amount of PLN 5,624 k. The price for the purchase of 51 % shares in PB DOMESTA Sp. z o.o. on 12/08/2010 was fixed on the basis of the valuation of PB DOMESTA Sp. z o.o. in conformity with the fair value measured by means of 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 Przedsiębiorstwo Instalacyjne ISA Sp. z o.o. on 01/07/2015, goodwill was shown 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. at 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 was made as at 31/03/2015. Goodwill was determined as the difference between the value of the purchased share in the net assets of the company and the purchase price.

During the first six months of 2021, no circumstances occurred which might be related to a goodwill impairment risk.

15. Property, plant and equipment

Balance sheet totals	30/06/2021	31/12/2020	Change from 01/01/2021 to 30/06/2021
1. Fixed assets	54 790	55 230	(440)
a) land (including the perpetual usufruct right to land)	5 256	5 505	(249)
b) buildings, premises and civil and hydraulic engineering structures	25 895	26 466	(571)
c) machinery and equipment	18 718	18 690	28
d) motor vehicles	2 229	2 150	79
e) other fixed assets	2 692	2 419	273
2. Fixed assets under construction	886	1 290	(404)
Total property, plant and equipment	55 676	56 520	(844)

There were no material purchases or liquidation of fixed assets in the reporting period.

16. Investment property

The item titled "Investment property" shows the leased hotel facilities belonging to Dom Zdrojowy Sp. z o.o. and Hotel Mikołajki Sp. z o.o., as well as units leased to third parties by INPRO SA.

17. Inventory

Inventory	30/06/2021	31/12/2020
Materials (at the acquisition price)	2 429	1 265
Work in progress (at the cost of manufacture)	165 138	141 663
Finished goods (at the acquisition price / cost of manufacture)	50 353	38 419
Goods for resale (at the acquisition price)	215 553	221 137
Total inventory at the lower of two values: the acquisition price (cost of manufacture) and net realisable value	433 473	402 484

Inventory revaluation deductions	01/01/2021 -30/06/2021	01/01/2020 -31/12/2020
Obsolescence allowances on inventory as at the beginning of the period	1 421	1 747
Revaluation deduction made	-	91
Reversed revaluation deduction	(91)	(417)
Obsolescence allowances on inventory as at the end of the period	1 330	1 421

In the reporting period, the Group did not create obsolescence allowances on inventory, however, the allowance created in 2020 was reversed. Ordinary mortgages and those to secure existing and future claims are established on inventories to secure credit repayment. Details of security: see note 29 in additional information.

18. Trade and other receivables

	30/06/2021	31/12/2020
Receivables from related entities	-	-
Trade receivables	-	-
Other receivables	-	-
Receivables from other entities	30 801	20 834
Gross trade receivables	14 460	9 001
State budget receivables other than current income tax	2 658	8 892
Advances on inventory	12 413	1 212
Advances on fixed assets	197	282
Advances on intangibles	-	23
Other non-financial receivables	1 073	1 424
Total gross receivables	30 801	20 834
Valuation allowances for receivables	(264)	(306)

Short-term prepayments, including:	1 005	347
- subscription costs	6	1
- software, domains, licences	42	28
- cost of insurances	273	205
- payments under the remaining lease agreements	55	74
- rent	-	10
- advertisements	13	7
- payments in relation to WSE and NDS	4	-
- payments for perpetual usufruct, real property tax	561	14
- other prepaid expenses	51	8
Total receivables (net)	31 542	20 875

19. Other financial assets

Other financial assets	30/06/2021	31/12/2020
Advances at separate revenue (escrow) accounts*	31 727	20 216
Total	31 727	20 216

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

20. 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 30/06/2021:

Cash	30/06/2021	31/12/2020
Cash at bank and in hand	90 110	89 132
Cash at bank deposits (without overnight deposits)	-	1 500
Total cash and cash equivalents	90 110	90 632

	30/06/2021	31/12/2020
Cash in PLN	89 114	89 831
Cash in foreign currency [EUR and SEK]	996	801
Total cash and cash equivalents	90 110	90 632

As at 30/06/2021 the Group had unused credit (working capital credits for property development projects and overdraft facilities) in the amount of PLN 146,247 k (31/12/2020: PLN 90,600 k), which funds will be used as the construction works progress.

21. Establishing asset revaluation deductions and their reversal

01/01/2021-30/06/2021	Property, plant and equipment	Value of receivables	Value of inventory	Total revaluation deductions
Status as at the beginning of the period	58	306	1 421	1 785
Establishment of revaluation deductions (+)	-	-	-	-
Reversal of revaluation deductions (-)	-	(42)	(91)	(133)
Status as at the end of the period	58	264	1 330	1 652

01/01/2020-31/12/2020	Property, plant and equipment	Value of receivables	Value of inventory	Total revaluation deductions
Status as at the beginning of the period	58	234	1 747	2 039
Establishment of revaluation deductions (+)	-	82	91	173
Reversal of revaluation deductions (-)	-	(10)	(417)	(427)
Status as at the end of the period	58	306	1 421	1 785

22. Share capital

As at:	30/06/2021	31/12/2020
Registered share capital	4 004	4 004

SHARE CAPITAL AS AT 30/06/2021 AND 31/12/2020 IN PLN						
Series	Kind of shares	Kind of privilege on the shares	Kind of restriction of rights 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

23. Non-controlling shares

Non-controlling shares	01/01/2021 -30/06/2021	01/01/2020 -31/12/2020
As at the beginning of the period	22 634	19 207
Dividend payment	(1 826)	(1 324)
Share in the profit or loss for the current period	3 170	4 751
As at the end of the period	23 978	22 634

24. Provisions

01/01/2021 -30/06/2021	Benefits after the employment period	Provision for contentious issues, penalties, fines and damages	Provision for guarantees and sureties granted	Other provisions	Total provisions
Status as at the beginning of the period	375	1 209	612	12 386	14 582
Increase (+)	100	26	-	1 575	1 701
Decrease (-)	(59)	(306)	(61)	(3 997)	(4 423)
Status as at the end of the period	416	929	551	9 964	11 860

01/01/2020 -31/12/2020	Benefits after the employment period	Provision for contentious issues, penalties, fines and damages	Provision for guarantees and sureties granted	Other provisions	Total provisions
Status as at the beginning of the period	353	1 174	466	8 566	10 559
Increase (+)	195	291	312	8 499	9 297
Decrease (-)	(173)	(256)	(166)	(4 679)	(5 274)
Status as at the end of the period	375	1 209	612	12 386	14 582

Time structure of provisions	30/06/2021	31/12/2020
Long-term part	416	375
Short-term part	11 444	14 207
Total provisions	11 860	14 582

	30/06/2021	31/12/2020
Discount rate (%)	1.7	1.7
Estimated remuneration growth rate (%)	-	-

25. Interest-bearing bank credit, loans, issued bonds and liabilities relating to finance lease

Long-term financial liabilities	30/06/2021	31/12/2020
Loans and credit	28 564	48 944
Long-term bonds	17 020	-
Liabilities relating to finance lease and lease agreements with a purchase option	3 288	3 310
Other	1 743	1 313
Impact of IFRS 16	2 891	2 907
Total	53 506	56 474

Short-term financial liabilities	30/06/2021	31/12/2020
Loans and credit	42 284	28 160
Bond issue – the short-term part	26 114	24 836
Liabilities relating to finance lease and lease agreements with a purchase option	1 815	1 932
Impact of IFRS 16	205	306
Total	70 418	55 234

As at 30/06/2021 and 31/12/2020, the Group had the following credit:

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Credit payable by the INPRO SA Corporate Group as at 30/06/2021

Financing party	Credit currency	Credit/limit amount	Liability value as at the balance sheet date	Deadline for repayment	Security			Other security
					Mortgage	Mortgage object	Location	
SGB Bank SA	PLN	10 850	5 580	31/12/2022	mortgage up to PLN 16,275 k	GD1G/00315282/4	Gdańsk, ul. Unruga	blank promissory note, power of attorney to the current account, statement on submission to enforcement (Article 777 of the Civil Procedure Code) up to PLN 16,275 k in favour of SGB Bank S.A.
SGB Bank SA	PLN	9 000	6 944	02/10/2023	mortgage up to PLN 13,500 k	GD1G/00094562/5	Rotmanka	blank promissory note, power of attorney to the current account, statement on submission to enforcement (Article 777 of the Civil Procedure Code) up to PLN 13,500 k in favour of SGB Bank S.A.
Consortium of SGB Bank SA and KBS in Wejherowo	PLN	14 000	3 668	30/09/2023	Mortgage up to PLN 15,000 k, mortgage up to PLN 6,000 k	GD1G/00328648/2	Pruszcz Gdański	assignment under the insurance policy, 2 blank promissory notes, power of attorney to the current and escrow account, assignment of claims from the escrow account at KSB in Wejherowo in favour of SGB Bank S.A., assignment of claims from the current account at SGB Bank SA in favour of KBS SA in Wejherowo, statement on submission to enforcement (Article 777 of the Civil Procedure Code) up to PLN 15,000 k in favour of SGB Bank S.A. and up to PLN 6,000 k in favour of KBS SA in Wejherowo
mBank SA	PLN	21 045	-	31/10/2023	Contractual real estate mortgage up to PLN 31,568 k	GD1G/00305894/4	ul. Jana z Kolna, Pruszcz Gdański	assignment of rights under the insurance policy, blank promissory note, global assignment of the receivables due to INPRO SA from the buyers of units in favour of the Bank
mBank SA	PLN	25 500	-	30/09/2022	contractual real estate mortgage up to PLN 38,250 k	GD1G/00295593/0	Pruszcz Gdański	assignment of rights under the insurance policy, blank promissory note, global assignment of the receivables due to INPRO SA from the buyers of units in favour of the Bank
mBank SA	PLN	21 900	-	30/08/2023	contractual real estate mortgage up to PLN 32,850 k	GD1G/00323464/3 and GD1G/00243821/9 (plot 28/8)	ul. Jasińskiego, Gdańsk	assignment of rights under insurance policy, blank promissory note, assignment of claims from the buyers of units in favour of the Bank
mBank SA	PLN	32 400	-	29/09/2023	contractual real estate mortgage up to PLN 48,600 k	GD1G/00031092/0	ul. Nowatorów, Gdańsk	assignment of rights under the insurance policy, blank promissory note, global assignment of the receivables due to INPRO SA from the buyers of units in favour of the Bank
Powiślański Bank Spółdzielczy SA	PLN	5 000	556	31/10/2021	contractual real estate mortgage up to PLN 7,500 k	GD1Y/00109619/4, GD1Y/00103465/7	Gdynia ul. Fleszarowa - Muskat	blank promissory note, power of attorney to bank accounts
Millennium Bank SA	PLN	20 000	10 486	30/06/2022	contractual real estate mortgage up to PLN 30,000 k	GD1W/00000189/5	Rumia, ul. Jeziorna	assignment of rights under the insurance policy, assignment under sales agreements for premises, assignment of rights to site records under a suspensory condition, a statement under Article 777 of the Civil Procedure Code

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Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

PKO BP SA	PLN	36 214	12 523	31/12/2027	joint mortgage up to: PLN 54,321 k	OL1M/00025679/2*, OL1M/00026392/3 District Court in Mrągowo	the island and peninsula at Lake Mikołajskie	registered pledge on the shares in Hotel Mikołajki, blank promissory note, assignment under the insurance policy, Inpro's sponsor statement, power of attorney to bank accounts, assignment of claims under apartment lease agreements, INPRO's surety under civil law, INPRO's statement on submission to enforcement under Article 777 of the Civil Procedure Code, Hotel Mikołajki's statement on submission to enforcement under Article 777 of the Civil Procedure Code
Consortium of SBG Bank S.A. and Bank Spółdzielczy in Tczew	PLN	10 000	6 560	31/10/2022	Mortgage up to PLN 12,000 k, mortgage up to PLN 8,000 k	Plot No. 256/5 - land and mortgage register GD1G/00236219/4	Gdańsk ul. Leszczynowa	2 blank promissory notes, power of attorney to the current account, assignment of claims from the current account, bridging insurance at Concordia Polska TUW for the credit amount until legally valid mortgage establishment, statement on submission to enforcement (Article 777 of the Civil Procedure Code)
Consortium of SBG Bank S.A. and Bank Spółdzielczy in Tczew	PLN	10 000	9 002	01/03/2032	mortgage up to PLN 14,000 k, mortgage up to PLN 6,000 k	Plot No. 178/7 - land and mortgage register GD1G/00299491/4	Gdańsk ul. Jesienna	2 blank promissory notes, power of attorney to the current account, assignment of claims from the current account, transfer of claims from office lease agreements, monetary deposit of PLN 300 k as credit service security, transfer of claims under the insurance agreement for the above real property, statement on submission to enforcement (Article 777 of the Civil Procedure Code)
Alior Bank SA	PLN	15 000	15 000	21/06/2022	-	-	-	power of attorney to the Company's accounts at the Bank, blank promissory note, statement on submission to enforcement (Article 777 of the Civil Procedure Code, guarantee from the Liquidity Guarantee Fund up to 80 % of the credit amount (PLN 12 m), granted until 21/09/2022
Alior Bank SA	PLN	25 000	500	31/07/2022	-	-	-	power of attorney to bank accounts, Company's submission to the regime of Article 777 of the Civil Procedure Code blank promissory note Guarantee from the Liquidity Guarantee Fund up to PLN 20,000 k until 31/10/2022
Total credit liabilities			70 819					

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Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

Loans payable by the INPRO SA Corporate Group as at 30/06/2021

Financing party	Loan currency	Loan amount	Liability value as at the balance sheet date	Deadline for repayment	Security			
					Mortgage	Mortgage object	Location	Other
Idea Leasing SA	PLN	55	6	31/08/2021	-	-	-	Registered pledge on the electronic truck weighbridge up to PLN 66,420.00
Total loans payable			6					

Open credit lines as at 30/06/2021

Financing party	Credit currency	Credit/limit amount	Liability value as at the balance sheet date	Deadline for repayment	Security			
					Mortgage	Mortgage object	Location	Other
Alior Bank S.A.	PLN	16 000	-	17/10/2021	joint mortgage up to PLN 24,000 k	GD1G/00036115/3, GD1G/00068140/0 and GD1G/00083407/1, GD1G/00261401/1, GD1G/00281583/6, GD1G/00279506/6, GD1G/00285339/9, GD1G/00284240/1, GD1G/00000020/9	Gdańsk, ul. Myśliwska, Opata Jacka Rybińskiego 8, ul. Jana Pawła II, ul. Opacka	power of attorney to bank accounts, assignment under insurance policy for real property in Gdańsk, Opata Jacka Rybińskiego 8, Company's submission to the regime of Article 777 of the Civil Procedure Code
Millennium Bank S.A.	PLN	300	-	04/02/2022	mortgage securing existing and future claims up to PLN 510 k	GD1G/00082949/5	Gdańsk. ul. Opata Jacka Rybińskiego 8	blank promissory note
Bank Polska Kasa Opieki S.A.	PLN	2 000	-	31/01/2022	-	-	-	blank promissory note, power of attorney to accounts, INPRO SA's statement on support of inBet Sp. z o.o. in the letter of comfort formula
Alior Bank S.A.	PLN	4 000	23	27/04/2022	mortgage up to PLN 6,000 k PLN	GD1G/00072944/7	Gdańsk, ul. Cementowa	Assignment of rights under real property insurance policy, power of attorney to the current account, the de minimis guarantee for 16 months up to 80 % of the credit amount
Total credit liabilities			23					

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Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

Credit payable by the INPRO SA Corporate Group as at 31/12/2020

Financing party	Credit currency	Credit/limit amount	Liability value as at the balance sheet date	Deadline for repayment	Security			Other security
					Mortgage	Mortgage object	Location	
SGB Bank SA	PLN	10 850	7 440	31/12/2022	mortgage up to PLN 16,275 k	GD1G/00315282/4	Gdańsk, ul. Unruga	blank promissory note, power of attorney to the current account, statement on submission to enforcement (Article 777 of the Civil Procedure Code) up to PLN 16,275 k in favour of SGB Bank S.A.
SGB Bank SA	PLN	9 000	8 486	02/10/2023	mortgage up to PLN 13,500 k	GD1G/00094562/5	Rotmanka	blank promissory note, power of attorney to the current account, statement on submission to enforcement (Article 777 of the Civil Procedure Code) up to PLN 13,500 k in favour of SGB Bank S.A.
mBank SA	PLN	31 500	2 845	31/05/2022	contractual real estate mortgage up to PLN 47,250 k	GD1G/00031092/0	Gdańsk, ul. Nowatorów	assignment of rights under the insurance policy, blank promissory note, global assignment of the receivables due to INPRO SA from the buyers of units in favour of the Bank
mBank SA	PLN	25 500	5 623	30/09/2022	contractual real estate mortgage up to PLN 38,250 k	GD1G/00295593/0	Pruszcz Gdański	assignment of rights under the insurance policy, blank promissory note, global assignment of the receivables due to INPRO SA from the buyers of units in favour of the Bank
Powiślański Bank Spółdzielczy SA	PLN	5 000	1 389	31/10/2021	contractual real estate mortgage up to PLN 7,500 k	GD1Y/00109619/4, GD1Y/00103465/7	Gdynia ul. Fleszarowa - Muskat	blank promissory note, power of attorney to bank accounts
Millennium Bank SA	PLN	20 000	9 432	30/06/2022	contractual real estate mortgage up to PLN 30,000 k	GD1W/00000189/5	Rumia, ul. Jeziorna	assignment of rights under the insurance policy, assignment under sale agreements for the premises, Assignment all the rights to site records under a suspensory condition, a statement under Article 777 of the Civil Procedure Code
PKO BP SA	PLN	36 214	13 520	31/12/2027	joint mortgage up to: PLN 54,321 k	OL1M/00025679/2*, OL1M/00026392/3 District Court in Mrągowo	the island and peninsula at Lake Mikołajskie	registered pledge on the shares in Hotel Mikołajki, blank promissory note, assignment under the insurance policy, INPRO's sponsor statement, power of attorney to bank accounts, assignment of claims under apartment lease agreements, INPRO's surety under civil law, INPRO's statement on submission to enforcement under Article 777 of the Civil Procedure Code, Hotel Mikołajki's statement on submission to enforcement under Article 777 of the Civil Procedure Code
Consortium of SBG Bank S.A. and Bank Spółdzielczy in Tczew	PLN	8 000	1 275	18/04/2021	mortgage up to PLN 1,500 k, mortgage up to PLN 10,500 k	Plot No. 16/3 and plot 15/7 – perpetual usufruct right – KW GD1G/00064755/6	Gdańsk ul. Struga 2/6	2 blank promissory notes, power of attorney to the current account, assignment of claims from the current account, bridging insurance for the credit amount until legally valid mortgage establishment, statement on submission to enforcement (Article 777 of the Civil Procedure Code)

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Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

Consortium of SBG Bank S.A. and Bank Spółdzielczy in Tczew	PLN	2 310	563	21/06/2021	mortgage up to PLN 2,079 k, mortgage up to PLN 1,386 k	Plot No. 241/15 and plot 241/17 – land and mortgage register GD1G/00276536/4	Gdańsk, ul. Niepołomska	2 blank promissory notes, power of attorney to the current account, statement on submission to enforcement (Article 777 of the Civil Procedure Code)
Consortium of SBG Bank S.A. and Bank Spółdzielczy in Tczew	PLN	10 000	9 020	31/10/2022	Mortgage up to PLN 12,000 k, mortgage up to PLN 8,000 k	Plot No. 256/5 - land and mortgage register GD1G/00236219/4	Gdańsk ul. Leszczynowa	2 blank promissory notes, power of attorney to the current account, assignment of claims from the current account, bridging insurance at Concordia Polska TUW for the credit amount until legally valid mortgage establishment, statement on submission to enforcement (Article 777 of the Civil Procedure Code)
Consortium of SBG Bank S.A. and Bank Spółdzielczy in Tczew	PLN	10 000	10 000	01/03/2032	mortgage up to PLN 14,000 k, mortgage up to PLN 6,000 k	Plot No. 178/7 - land and mortgage register GD1G/00299491/4	Gdańsk ul. Jesienna	2 blank promissory notes, power of attorney to the current account, assignment of claims from the current account, transfer of claims from office lease agreements, monetary deposit of PLN 300 k as credit service security, transfer of claims under the insurance agreement for the above real property, statement on submission to enforcement (Article 777 of the Civil Procedure Code)
Alior Bank SA	PLN	15 000	7 000	21/06/2022	-	-	-	power of attorney to the Company's accounts at the Bank, blank promissory note, statement on submission to enforcement (Article 777 of the Civil Procedure Code, guarantee from the Liquidity Guarantee Fund up to 80 % of the credit amount (PLN 12 m), granted until 21/09/2022
Alior Bank SA	PLN	25 000	500	31/07/2022	-	-	-	power of attorney to bank accounts, Company's submission to the regime of Article 777 of the Civil Procedure Code blank promissory note Guarantee from the Liquidity Guarantee Fund up to PLN 20,000 k until 31/10/2022
Total credit liabilities			77 093					

Loans payable by the INPRO SA Corporate Group as at 31/12/2020

Financing party	Loan currency	Loan amount	Liability value as at the balance sheet date	Deadline for repayment	Security			
					Mortgage	Mortgage object	Location	Other
Idea Leasing SA	PLN	55	11	31/08/2021	-	-	-	Registered pledge on the electronic truck weighbridge up to PLN 66,420.00
Total loans payable			11					

Interim condensed consolidated financial statements of the INPRO SA Group for the first six months of 2021

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

Open credit lines as at 31/12/2020

Financing party	Credit currency	Credit/limit amount	Liability value as at the balance sheet date	Deadline for repayment	Security			
					Mortgage	Mortgage object	Location	Other
Alior Bank S.A.	PLN	16 000	-	17/10/2021	joint mortgage up to PLN 24,000 k	GD1G/00036115/3, GD1G/00068140/0 and GD1G/00083407/1, GD1G/00261401/1, GD1G/00281583/6, GD1G/00279506/6, GD1G/00285339/9, GD1G/00284240/1, GD1G/00000020/9	Gdańsk, ul. Myśliwska, Opata Jacka Rybińskiego 8, ul. Jana Pawła II, ul. Opacka	power of attorney to bank accounts, assignment under insurance policy for real property in Gdańsk, Opata Jacka Rybińskiego 8, Company's submission to the regime of Article 777 of the Civil Procedure Code
Millennium Bank S.A.	PLN	300	-	04/02/2022	mortgage securing existing and future claims up to PLN 510 k	GD1G/00082949/5	Gdańsk. ul. Opata Jacka Rybińskiego 8	blank promissory note
Bank Polska Kasa Opieki S.A.	PLN	2 000	-	31/01/2022	-	-	-	blank promissory note, power of attorney to accounts, INPRO SA's statement on support of inBet Sp. z o.o. in the letter of comfort formula
Alior Bank S.A.	PLN	4 000	-	19/12/2021	mortgage up to PLN 6,000 k	GD1G/00072944/7	Gdańsk, ul. Cementowa	Assignment of rights under real property insurance policy, power of attorney to the current account, the de minimis guarantee for 16 months up to 80 % of the credit amount
Total credit liabilities			-					

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

Nominal value of minimum lease payments	30/06/2021	31/12/2020
Within 1 year	1 815	1 932
Within from 1 to 3 years	3 288	2 587
Within from 3 to 5 years	-	723
Over 5 years	-	-
Impact of IFRS 16	3 096	3 213
Total liabilities relating to finance lease - minimum total lease payments	8 199	8 455

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

Interim condensed consolidated financial statements of the INPRO SA Group for the first six months of 2021

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

Liabilities of the INPRO SA Corporate Group in relation to lease agreements as at 30/06/2021

Financing party	Object of the agreement	Agreement number	Initial value	Agreement end date	Liability as at the end of the period	Short-term part	Long-term part
INPRO SA							
Toyota Leasing Polska Sp. z o.o.	Toyota Rav 4	37972018	110	10/05/2023	41	21	20
RCI Leasing Polska Sp. z o.o.	Nissan Qashqai	900000689	90	23/05/2022	22	22	-
Toyota Leasing Polska Sp. z o.o.	Toyota C HR	41932019	76	20/07/2022	25	24	1
Volkswagen Leasing GmbH	Seat Leon	5230446-1219-13763	106	23/07/2022	34	34	-
Toyota Leasing Polska Sp. z o.o.	Toyota C HR	68572019	87	07/10/2022	35	27	8
RCI Leasing Polska Sp. z o.o.	Nissan Qashqai	9000007251	82	15/10/2022	34	26	8
Santander Leasing SA	Nissan Qashqai	NP1/04339/2020	90	24/05/2023	52	28	24
Toyota Leasing Polska Sp. z o.o.	Toyota Corolla	60372020	72	24/07/2023	47	21	26
Volkswagen Leasing GmbH	VW T-roc	5230446-1221-03877	108	09/06/2024	95	33	62
SML Sp. z o.o.							
Volkswagen Leasing GmbH Sp. z o.o.	Skoda Fabia III	9460163-1219-00838	49	15/12/2021	8	8	-
Volkswagen Financial Services Polska Sp. z o.o.	Skoda Kamiq	9460163-1221-00958	76	12/03/2024	66	24	42
DOMESTA Sp. z o.o.							
mLeasing Sp. z o.o. with its registered office in Warsaw	Cabin set – office and sanitary cabins	0131172016/GD/236559	406	15/12/2021	79	79	-
mLeasing Sp. z o.o. with its registered office in Warsaw	POTAIN tower crane	0338592016/GD/248696	370	15/12/2021	75	75	-
mLeasing Sp. z o.o. with its registered office in Warsaw	Cabin set – sanitary cabins	0981482017/GD/282110 and 0981482017/GD/282486	71	15/08/2021	18	18	-
mLeasing Sp. z o.o. with its registered office in Warsaw	Cabin set – office and sanitary cabins	0953152017/GD/280972	235	15/10/2021	64	64	-
NBP Paribas Lease Group Sp. z o.o.	Digger loader	K 06680	281	16/10/2021	25	25	-
mLeasing Sp. z o.o. with its registered office in Warsaw	Cabin set – sanitary cabins	160672018/GD/318178	275	30/06/2022	101	101	-
VOLKSWAGEN FINANCIAL SERVICES POLSKA SP. Z O.O.	SKODA	6706907-1218-17900	54	30/09/2021	3	3	-
mLeasing Sp. z o.o. with its registered office in Warsaw	Cabin set – sanitary cabins	2738972019/GD/388004	205	30/06/2022	87	20	67
mLeasing Sp. z o.o. with its registered office in Warsaw	TEREX tower crane	2644792019/GD/388306	857	31/07/2024	525	129	396
mLeasing Sp. z o.o. with its registered office in Warsaw	TEREX tower crane	2743462019/GD/388315	852	31/08/2024	533	128	405

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VOLKSWAGEN FINANCIAL SERVICES POLSKA Sp. z o.o.	SKODA KAROQ	6706907-1220-26780	120	03/11/2023	90	36	54
VOLKSWAGEN FINANCIAL SERVICES POLSKA Sp. z o.o.	SKODA KAROQ	6706907-1220-26789	120	03/11/2023	90	36	54
VOLKSWAGEN FINANCIAL SERVICES POLSKA Sp. z o.o.	SKODA KAROQ	6706907-1220-26790	120	03/11/2023	90	36	54
mLeasing Sp. z o.o. Warszawa	VOLVO XC60	4595662021/GD/506951	205	15/05/2023	119	41	78
inBet Sp. z o.o.							
SG Equipment Leasing Polska Sp. z o.o.	JCB 411HT loader	50399	251	01/05/2022	53	53	-
SG Equipment Leasing Polska Sp. z o.o.	Aggregate transport line	50448	98	05/08/2022	24	13	11
Pekao Leasing Sp. z o.o.	Toyota Avensis	38/0514/16	103	12/09/2021	8	8	-
Leasys Polska Sp. z o.o.	Fiat Transporter Ducato	50285/08/2017	105	20/07/2022	23	20	3
Bank Polska Kasa Opieki SA	Four GH gantry cranes	38/0575/16	405	12/09/2022	143	66	77
Pekao Leasing Sp. z o.o.	Fortech 5T double-girder hook gantry crane	38/0483/18	145	12/02/2024	84	23	61
Pekao Leasing Sp. z o.o.	Rail-mounted Fortech 10T double-girder hook gantry crane	38/0482/18	172	12/02/2024	90	24	66
Pekao Leasing Sp. z o.o.	HAK 30T rail-mounted transport platform	38/0484/18	235	12/12/2023	125	48	77
ING Lease (Polska) Sp. z o.o.	Hyster Zeppelin fork-lift truck	870838-MU-0	146	15/02/2024	75	27	48
Pekao Leasing Sp. z o.o.	FEGO containerised heating system	38/0016/19	211	12/01/2025	155	28	127
Pekao Leasing Sp. z o.o.	ZREMB concrete batch plant	38/0017/19	1 398	12/09/2025	839	190	649
ING Lease (Polska) Sp. z o.o.	Toyota RAV 4	334635-AF-0	136	15/11/2022	59	35	24
Pekao Leasing Sp. z o.o.	Single-girder rail gantry cranes (5T and 8 T)	38/0496/19	329	12/02/2025	237	50	187
ING Lease (Polska) Sp. Z o.o.	Single-girder rail gantry cranes, 5T, 2 pcs	893964-ST-0	267	15/05/2025	200	39	161
ING Lease (Polska) Sp. Z o.o.	Milling plotter	337368-OF-0	53	15/05/2025	38	9	29
Millennium Leasing sp. Z o.o.	Wall formwork (tilting tables) - 2 pcs	325252	380	05/02/2026	320	65	255
ING Lease (Polska) Sp. Z o.o.	Column manipulator with float	3151/GD/20-03/DM/2020	250	15/03/2026	214	43	171
ING Lease (Polska) Sp. Z o.o.	Toyota Corolla MY21	343728-AF-0	67	15/04/2025	58	15	43
					5 103	1 815	3 288

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Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

Liabilities of the INPRO SA Corporate Group in relation to lease agreements as at 31/12/2020

Financing party	Object of the agreement	Agreement number	Initial value	Agreement end date	Liability as at the end of the period	Short-term part	Long-term part
INPRO SA							
Toyota Leasing Polska Sp. z o.o.	Toyota Auris	27582018	59	10/03/2021	6	6	-
Toyota Leasing Polska Sp. z o.o.	Toyota Auris	27592018	59	10/03/2021	6	6	-
Toyota Leasing Polska Sp. z o.o.	Toyota Yaris	27572018	43	10/03/2021	4	4	-
Toyota Leasing Polska Sp. z o.o.	Toyota Rav 4	37972018	110	10/05/2023	50	20	30
RCI Leasing Polska Sp. z o.o.	Nissan Qashqai	900000689	90	23/05/2022	35	27	8
Toyota Leasing Polska Sp. z o.o.	Toyota C HR	41932019	76	20/07/2022	36	23	13
Volkswagen Leasing GmbH	Seat Leon	5230446-1219-13763	106	23/07/2022	51	51	-
Toyota Leasing Polska Sp. z o.o.	Toyota C HR	68572019	87	07/10/2022	48	26	22
RCI Leasing Polska Sp. z o.o.	Nissan Qashqai	9000007251	82	15/10/2022	46	24	22
Santander Leasing SA	Nissan Qashqai	NP1/04339/2020	90	24/05/2023	66	27	39
Toyota Leasing Polska Sp. z o.o.	Toyota Corolla	60372020	72	24/07/2023	57	33	24
SML Sp. z o.o.							
Volkswagen Leasing GmbH	Skoda Fabia III	9460163-1219-00838	49	15/01/2020	15	15	-
DOMESTA Sp. z o.o.							
mLeasing Sp. z o.o. with its registered office in Warsaw	Cabin set – office and sanitary cabins	0131172016/GD/236559	406	15/12/2021	105	105	-
mLeasing Sp. z o.o. with its registered office in Warsaw	POTAIN tower crane	0338592016/GD/248696	370	15/12/2021	98	98	-
mLeasing Sp. z o.o. with its registered office in Warsaw	Cabin set – sanitary cabins	0981482017/GD/282110 and 0981482017/GD/282486	71	15/08/2021	22	22	-
mLeasing Sp. z o.o. with its registered office in Warsaw	Cabin set – office and sanitary cabins	0953152017/GD/280972	235	15/10/2021	79	79	-
NBP Paribas Lease Group Sp. z o.o.	Digger loader	K 06680	281	15/11/2021	59	59	-
mLeasing Sp. z o.o. with its registered office in Warsaw	Cabin set – sanitary cabins	160672018/GD/318178	275	30/06/2022	117	33	84
VOLKSWAGEN LEASING GMBH SP. Z O.O.	SKODA	6706907-1218-08371	51	30/04/2021	5	5	-
VOLKSWAGEN LEASING GMBH SP. Z O.O.	SKODA	6706907-1218-17900	54	30/09/2021	12	12	-
mLeasing Sp. z o.o. with its registered office in Warsaw	Cabin set – sanitary cabins	2738972019/GD/388004	205	30/06/2023	97	20	77
mLeasing Sp. z o.o. with its registered office in Warsaw	POTAIN tower crane	2644792019/GD/388306	857	31/07/2024	587	126	461

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Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

mLeasing Sp. z o.o. with its registered office in Warsaw	POTAIN tower crane	2743462019/GD/388315	852	31/08/2024	595	125	470
VOLKSWAGEN LEASING GMBH SP. Z O.O.	SKODA KAROQ	6706907-1220-26780	120	03/11/2023	108	36	72
VOLKSWAGEN LEASING GMBH SP. Z O.O.	SKODA KAROQ	6706907-1220-26789	120	03/11/2023	108	36	72
VOLKSWAGEN LEASING GMBH SP. Z O.O.	SKODA KAROQ	6706907-1220-26790	120	03/11/2023	108	36	72
inBet Sp. z o.o.							
SG Equipment Leasing Polska Sp. z o.o.	JCB 411HT loader	50399	251	01/05/2022	69	33	36
SG Equipment Leasing Polska Sp. z o.o.	Aggregate transport line	50448	98	05/08/2022	30	13	17
Pekao Leasing Sp. z o.o.	Construction accessories production line	38/0211/15	5 178	12/04/2021	250	250	-
Idea Leasing SA	Stair flight production formwork	116 377	114	31/05/2021	6	6	-
Idea Leasing SA	Stair flight production formwork	116378	114	31/05/2021	6	6	-
Pekao Leasing Sp. z o.o.	Toyota Avensis	38/0514/16	103	12/09/2021	21	21	-
Leasys Polska Sp. z o.o.	Fiat Transporter Ducato	50285/08/2017	105	20/07/2022	33	20	13
Bank Polska Kasa Opieki SA	Four GH gantry cranes	38/0575/16	405	12/09/2022	175	65	110
Pekao Leasing Sp. z o.o.	Fortech 5T double-girder hook gantry crane	38/0483/18	145	12/02/2024	95	22	73
Pekao Leasing Sp. z o.o.	Rail-mounted Fortech 10T double-girder hook gantry crane	38/0482/18	172	12/02/2024	101	23	78
Pekao Leasing Sp. z o.o.	HAK 30T rail-mounted transport platform	38/0484/18	235	12/12/2023	149	47	102
ING Lease (Polska) Sp. z o.o.	Hyster Zeppelin fork-lift truck	870838-MU-0	146	15/02/2024	87	26	61
Pekao Leasing Sp. z o.o.	FEGO containerised heating system	38/0016/19	211	12/01/2025	168	27	141
Pekao Leasing Sp. z o.o.	ZREMB concrete batch plant	38/0017/19	1 398	12/09/2025	932	188	744
ING Lease (Polska) Sp. z o.o.	Toyota RAV 4	334635-AF-0	136	15/11/2022	76	34	42
Pekao Leasing Sp.z o.o.	Single-girder rail gantry cranes (5T and 8 T)	38/0496/19	329	12/02/2025	262	50	212
ING Lease (Polska) Sp. Z o.o.	Single-girder rail gantry cranes, 5T, 2 pcs	893964-ST-0	267	15/05/2025	219	38	181
ING Lease (Polska) Sp. Z o.o.	Milling plotter	337368-OF-0	53	15/05/2025	43	9	34
					5 242	1 932	3 310

27. Trade and other liabilities

Long-term liabilities	30/06/2021	31/12/2020
In relation to related entities	-	-
trade liabilities	-	-
In relation to other entities	5 527	4 988
trade liabilities	3 340	3 110
other liabilities	2 187	1 878
Total trade and other long-term liabilities	5 527	4 988
Short-term liabilities	30/06/2021	31/12/2020
In relation to related entities	14 365	33
trade liabilities	4	33
other liabilities	14 361	-
In relation to other entities	196 879	153 857
trade liabilities	30 959	39 312
payroll payable	499	530
state budget liabilities other than current income tax	3 385	1 448
advances received	153 729	112 012
other liabilities	8 307	555
Total trade and other short-term liabilities	211 244	153 890
Total trade and other liabilities	216 771	158 878

28. Contingent liabilities and receivables

Contingent receivables	30/06/2021	31/12/2020
Guarantees received	36 931	37 127
Total contingent receivables	36 931	37 127

The main item among contingent liabilities as at 30/06/2021 is the guarantee from the Liquidity Guarantee Fund up to PLN 20,000 k with the liability expiry date of 31/10/2022, established as repayment security in relation to credit at PLN 25,000 k granted to INPRO SA by Alior Bank SA, and the guarantee from the Liquidity Guarantee Fund up to PLN 12,000 k with the expiry date of 21/09/2022 established as repayment security in relation to credit at PLN 15,000 k granted to DOMESTA Sp. z o.o. by Alior Bank SA. Both credit facilities are described in the credit table, note No. 25.

Contingent liabilities	30/06/2021	31/12/2020
Liabilities in relation to bank guarantees granted mainly as security on the performance of trade agreements	3 029	2 871
Other contingent liabilities	-	-
Total contingent liabilities	3 029	2 871

29. Security on the Group's assets

Security established on the Groups assets as at 30 June 2021 and 31 December 2020

	30/06/2021	31/12/2020
- on non-current assets*	142 331	147 331
- on current assets**	170 525	211 240
Total	312 856	358 571

Security established by Group companies as at 30/06/2021

* Security on non-current assets

1. Joint contractual mortgage up to PLN 54,321 k established on real estate situated in Mikołajki (land and mortgage registers No. OL1M/00026392/3 and OL1M/00025679/2) in favour of Powszechna Kasa Oszczędności Bank Polski SA Regional Corporate Branch in Gdańsk, in relation to credit granted to Hotel Mikołajki Sp. z o.o.

2. Mortgage up to PLN 6,000 k established on plot No. 186/2 located in Gdańsk, ul. Cementowa 5-9, – land and mortgage register GD1G/00072944/7, in favour of Alior Bank SA to secure an overdraft facility granted to DOMESTA Sp. z o.o.

3. Mortgage up to PLN 510 k on real property 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.

4. Registered pledges on the shares of INPRO in Hotel Mikołajki Sp. z o.o., detailed in note No. 2.3.

5. Joint contractual mortgage up to PLN 24,000 k in favour of Alior Bank SA on the share of INPRO SA in the amount of 5799/10000 parts in the perpetual usufruct right to the real estate situated in Gdańsk, ul. Opata Jacka Rybińskiego, land and mortgage register No. GD1G/00068140/0, on the right to non-residential premises No.2 in Gdańsk, ul. Opata Jacka Rybińskiego 8, land and mortgage register No. GD1G/00083407/1 (legal security for the repayment of an overdraft facility; details in current report No. 24/2016 of 22/09/2016 and of the annexe in current report No. 25/2019 of 14/10/2019 r.).

6. Contractual real estate mortgage up to PLN 37,500 k established on the ownership title to premises with the 56,820/100,000 share in the joint ownership of the real estate from which the premises were separated, such real estate situated in Jastarnia, ul. Kościuszki 2A - land and mortgage register GD2W/00040638/7 (Dom Zdrojowy) in favour of MWW TRUSTEES Sp. z o.o. with its registered office in Warsaw as security for 25,000 bearer bonds of the nominal value of PLN 1 k each, issued by INPRO SA on 10/10/2018.

7. Contractual real estate mortgages up to PLN 14,000 k and up to PLN 6,000 k established on plot No. 178/7 located in Gdańsk, Budowlana Street (previously Jesienna), KW GD1G/00299491/4 in favour of the consortium of SBG Bank SA and Bank Spółdzielczy in Tczew to secure credit granted to DOMESTA Sp. z o.o. financing the construction of the Matarnia Office Park.

**** Security on current assets**

This concerns legal security established on current assets. The schedule of mortgages established on current assets as at 30/06/2021 in the total amount of PLN 170,525 k is included in note No. 25.

Security established by Group companies as at 31/12/2020

*** Security on non-current assets**

1. Joint contractual mortgage up to PLN 54,321 k established on real estate situated in Mikołajki (land and mortgage registers No. OL1M/00026392/3 and OL1M/00025679/2) in favour of Powszechna Kasa Oszczędności Bank Polski SA Regional Corporate Branch in Gdańsk, in relation to credit granted to Hotel Mikołajki Sp. z o.o.

2. inBet Sp. z o.o. – a joint contractual 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 security of operating lease agreement No. 38/0211/15 of 24 June 2015.

3. Mortgage up to PLN 6,000 k established on plot No. 186/2 located in Gdańsk, ul. Cementowa 5-9, – land and mortgage register GD1G/00072944/7, in favour of Alior Bank SA to secure an overdraft facility granted to DOMESTA Sp. z o.o.

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

5. Registered pledges on the shares of INPRO in Hotel Mikołajki Sp. z o.o., detailed in note No. 2.3.

6. Joint contractual mortgage up to PLN 24,000 k in favour of Alior Bank SA on the share of INPRO SA in the amount of 5799/10000 parts in the perpetual usufruct right to the real estate situated in Gdańsk, ul. Opata Jacka Rybińskiego, land and mortgage register No. GD1G/00068140/0, on the right to non-residential premises No.2 in Gdańsk, ul. Opata Jacka Rybińskiego 8, land and mortgage register No. GD1G/00083407/1 (legal security for the repayment of an overdraft facility; details in current report No. 24/2016 of 22/09/2016 and of the annexe in current report No. 25/2019 of 14/10/2019 r.).

7. Contractual real estate mortgage up to PLN 37,500 k established on the ownership title to premises with the 56,820/100,000 share in the joint ownership of the real estate from which the premises were separated, such real estate situated in Jastarnia, ul. Kościuszki 2A - land and mortgage register GD2W/00040638/7 (Dom Zdrojowy) in favour of MWW TRUSTEES Sp. z o.o. with its registered office in Warsaw as security for 25,000 bearer bonds of the nominal value of PLN 1 k each, issued by INPRO SA on 10/10/2018.

8. Contractual real estate mortgages up to PLN 14,000 k and up to PLN 6,000 k established on plot No. 178/7 located in Gdańsk, Budowlana Street (previously Jesienna), KW GD1G/00299491/4 in favour of the consortium of SBG Bank SA and Bank Spółdzielczy in Tczew to secure credit granted to DOMESTA Sp. z o.o. financing the construction of the Matarnia Office Park.

**** Security on current assets**

This concerns legal security established on current assets. The schedule of mortgages established on current assets as at 31/12/2020 in the total amount of PLN 211,240 k is included in note No. 25.

30. Significant court cases

As at 30/06/2021, no important proceedings were pending with regard to the liabilities or claims of INPRO SA or its subsidiary before a court, a body competent for arbitration proceedings or a public administrative body.

31. Financial instruments

The fair value of the financial instruments held by the Group as at 30/06/2021 and 31/12/2020 did not differ considerably from the figures presented in the consolidated statements for the particular periods for the following reasons:

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

Financial assets	Classification in accordance with IFRS 9	30/06/2021	Was as at 31/12/2020	Should be as at 31/12/2020
Trade receivables	Assets measured at the amortised cost	14 196	8 695	8 695
Other short-term financial assets	as above	31 703	20 216	20 216
Short-term loans granted	as above	24	-	-
Cash and cash equivalents	as above	90 110	90 632	90 632
Other long-term financial receivables (lease)	as above	1 145	640	1 786
Other short-term financial receivables (lease)	as above	854	1 786	640
		138 032	121 969	121 969

Financial liabilities	Classification in accordance with IFRS 9	30/06/2021	31/12/2020
Long-term loans and bank credit	financial liabilities valued as at the amortised cost	28 564	48 944
Short-term loans and bank credit	as above	42 284	28 160
Trade liabilities	as above	34 303	42 455
Payroll payable	as above	499	530
Long-term liabilities in relation to issue of debt securities	as above	17 020	-
Short-term liabilities in relation to issue of debt securities	as above	26 114	24 836
Other long-term financial liabilities (lease)	as above	6 179	6 217
Other short-term financial liabilities (lease)	as above	2 020	2 238
Other liabilities	as above	10 494	2 434
		167 477	155 814

32. Transactions with related entities

SHORT-TERM TRADE RECEIVABLES/LIABILITIES at 30/06/2021		DEBTOR										
		related entities – full consolidation							other related entities			
		INPRO SA	inBet Sp. z o.o.	Dom Zdrojowy Sp. z o.o.	DOMESTA Sp. z o.o.	Hotel Mikołajki Sp. z o.o.	PI ISA Sp. z o.o.	SML Sp. z o.o.	Oliwski Hotel Sp. z o.o.	Members of the Management Board	PKB Meronk S.C.	
CREDITOR	related entities	INPRO SA	settlements eliminated in the consolidation process							-	-	-
		inBet Sp. z o.o.	settlements eliminated in the consolidation process							-	-	-
		Dom Zdrojowy Sp. z o.o.	settlements eliminated in the consolidation process							-	-	-
		DOMESTA Sp. z o.o.	settlements eliminated in the consolidation process							-	-	-
		Hotel Mikołajki Sp. z o.o.	settlements eliminated in the consolidation process							-	-	-
		PI ISA Sp. z o.o.	settlements eliminated in the consolidation process							-	-	-
		SML Sp. z o.o.	settlements eliminated in the consolidation process							-	-	-
		TOTAL for related entities										-
	other related entities	Hotel Oliwski Sp. z o.o.	-	-	-	-	-	-	-			
		Members of the Management Board	13 965	-	-	-	-	157	-			
	PKB Meronk S.C.	-	243	-	-	-	-	-				
	TOTAL for other related entities								14 365			

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LONG-TERM TRADE RECEIVABLES/LIABILITIES at 30/06/2021		DEBTOR									
		related entities – full consolidation						other related entities			
		INPRO SA	inBet Sp. z o.o.	Dom Zdrojowy Sp. z o.o.	DOMESTA Sp. z o.o.	Hotel Mikołajki Sp. z o.o.	PI ISA Sp. z o.o.	SML Sp. z o.o.	Oliwski Hotel Sp. z o.o.	Members of the Management Board	PKB Meronk S.C.
CREDITOR	related entities	INPRO SA	settlements eliminated in the consolidation process						-	-	-
	inBet Sp. z o.o.	-							-	-	
	Dom Zdrojowy Sp. z o.o.	-							-	-	
	DOMESTA Sp. z o.o.	-							-	-	
	Hotel Mikołajki Sp. z o.o.	-							-	-	
	PI ISA Sp. z o.o.	-							-	-	
	SML Sp. z o.o.	-							-	-	
	TOTAL for related entities							-	-	-	
	other related entities	Hotel Oliwski Sp. z o.o.	-	-	-	-	-	-	-	-	
	Members of the Management Board	-	-	-	-	-	-	-	-	-	
PKB Meronk S.C.	-	-	-	-	-	-	-	-	-		
TOTAL for other related entities							-	-	-		

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TRADE REVENUES/ COSTS 01/01/2021-30/06/2021		DEBTOR										
		related entities – full consolidation							other related entities			
		INPRO SA	inBet Sp. z o.o.	Dom Zdrojowy Sp. z o.o.	DOMESTA Sp. z o.o.	Hotel Mikołajki Sp. z o.o.	PI ISA Sp. z o.o.	SML Sp. z o.o.	Oliwski Hotel Sp. z o.o.	Members of the Management Board	PKB Meronk S.C.	
CREDITOR	related entities	INPRO SA	settlements eliminated in the consolidation process							-	-	-
		inBet Sp. z o.o.								-	-	-
		Dom Zdrojowy Sp. z o.o.								-	-	-
		DOMESTA Sp. z o.o.								-	-	-
		Hotel Mikołajki Sp. z o.o.								-	-	-
		PI ISA Sp. z o.o.								-	-	-
		SML Sp. z o.o.								-	-	-
		TOTAL for related entities										-
	other related entities	Hotel Oliwski Sp. z o.o.	-	-	-	-	-	-	-			
		Members of the Management Board	-	-	-	-	-	-	-			
	PKB Meronk S.C.	-	152	-	-	-	-	-				
	TOTAL for other related entities										152	

COMPARATIVE DATA:

SHORT-TERM TRADE RECEIVABLES/LIABILITIES at 31/12/2020		DEBTOR										
		related entities – full consolidation							other related entities			
		INPRO SA	inBet Sp. z o.o.	Dom Zdrojowy Sp. z o.o.	DOMESTA Sp. z o.o.	Hotel Mikołajki Sp. z o.o.	PI ISA Sp. z o.o.	SML Sp. z o.o.	Oliwski Hotel Sp. z o.o.	Members of the Management Board	PKB Meronk S.C.	
CREDITOR	related entities	INPRO SA	settlements eliminated in the consolidation process							-	-	-
		inBet Sp. z o.o.	settlements eliminated in the consolidation process							-	-	-
		Dom Zdrojowy Sp. z o.o.	settlements eliminated in the consolidation process							-	-	-
		DOMESTA Sp. z o.o.	settlements eliminated in the consolidation process							-	-	-
		Hotel Mikołajki Sp. z o.o.	settlements eliminated in the consolidation process							-	-	-
		PI ISA Sp. z o.o.	settlements eliminated in the consolidation process							-	-	-
		SML Sp. z o.o.	settlements eliminated in the consolidation process							-	-	-
	TOTAL for related entities									-		
	other related entities	Hotel Oliwski Sp. z o.o.	-	-	-	-	-	-	-			
		Members of the Management Board	-	-	-	-	-	-	-			
PKB Meronk S.C.		-	33	-	-	-	-	-				
TOTAL for other related entities									33			

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Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

LONG-TERM TRADE RECEIVABLES/LIABILITIES at 31/12/2020		DEBTOR									
		related entities – full consolidation						other related entities			
		INPRO SA	inBet Sp. z o.o.	Dom Zdrojowy Sp. z o.o.	DOMESTA Sp. z o.o.	Hotel Mikołajki Sp. z o.o.	PI ISA Sp. z o.o.	SML Sp. z o.o.	Oliwski Hotel Sp. z o.o.	Members of the Management Board	PKB Meronk S.C.
CREDITOR	related entities	INPRO SA	settlements eliminated in the consolidation process						-	-	-
		inBet Sp. z o.o.							-	-	-
		Dom Zdrojowy Sp. z o.o.							-	-	-
		DOMESTA Sp. z o.o.							-	-	-
		Hotel Mikołajki Sp. z o.o.							-	-	-
		PI ISA Sp. z o.o.							-	-	-
		SML Sp. z o.o.							-	-	-
	TOTAL for related entities							-			
	other related entities	Hotel Oliwski Sp. z o.o.	-	-	-	-	-	-			
		Members of the Management Board	-	-	-	-	-	-			
PKB Meronk S.C.		-	-	-	-	-	-				
TOTAL for other related entities							-				

Interim condensed consolidated financial statements of the INPRO SA Group for the first six months of 2021

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

TRADE REVENUES/COSTS 01/01/2020- 30/06/2020		DEBTOR											
		related entities – full consolidation							other related entities				
		INPRO SA	inBet Sp. z o.o.	Dom Zdrojowy Sp. z o.o.	PB DOMESTA Sp. z o.o.	Hotel Mikołajki Sp. z o.o.	PI ISA Sp. z o.o.	SML Sp. z o.o.	Hotel Oliwski Sp. z o.o.	Members of the Management Board	Solutio Sp z o.o.	PKB Meronk S.C.	
CREDITOR	related entities	INPRO SA	settlements eliminated in the consolidation process							-	417	-	-
		inBet Sp. z o.o.								-	-	-	-
		Dom Zdrojowy Sp. z o.o.								-	7	-	-
		PB DOMESTA Sp. z o.o.								-	-	-	-
		Hotel Mikołajki Sp. z o.o.								-	-	-	-
		PI ISA Sp z o.o.								-	-	-	-
		SML Sp. z o.o.								-	-	-	-
		TOTAL for related entities								424			
	other related entities	Hotel Oliwski Sp. z o.o.	-	-	-	-	-	-	-				
		Members of the Management Board	-	-	-	-	-	-	-				
	Solutio Sp z o.o.	-	-	-	-	-	-	-					
	PKB Meronk S.C.	-	140	-	-	-	-	-					
	TOTAL for other related entities								140				

33. Transactions with the participation of the Members of the Management Board

In the first six months of 2021 and in the first six months of 2020 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 2021 and in the first six months of 2020 no loans were granted to the members of the Management Board.

34. Auditor's remuneration

The Group's auditor is MOORE REWIT Audyt Sp. z o.o.

The auditor's remuneration will be as follows:

- a) in relation to the audit of the annual consolidated financial statements and separate financial statements of the companies within the INPRO SA Group: PLN 91 k net,
- b) review of the interim consolidated financial statements of the Group and of the interim separate financial statements of INPRO SA: PLN 28 k net.

35. Employment structure

The employment level in the Group as at 30/06/2021 and 31/12/2020 was as follows:

	30/06/2021	31/12/2020
Management Board of the parent entity*	5	5
Management Boards of Group entities*	5	4
Administration	46	68
Sales Department	24	23
Production Division	145	131
Other	49	45
Total	274	276

*) Including the Members of the Management Board performing their tasks on the basis of the company management agreement (until July 2015) and management contracts (since August 2015)

CONDENSED FINANCIAL DATA OF INPRO SA**STATEMENT OF PROFIT/LOSS AND OTHER TOTAL INCOME FOR THE PERIOD ENDED ON 30 JUNE 2021**

Statement of total income	Note	01/01/2021	01/01/2020	3 months ended on	
		-30/06/2021	-30/06/2020	30/06/2021	30/06/2020
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
Continuing operations					
Sales revenues	4	47 071	89 820	22 570	18 658
Cost of sales	4	(33 664)	(71 976)	(17 471)	(14 927)
Gross profit (loss) on sales		13 407	17 844	5 099	3 731
Selling costs	4	(1 922)	(2 185)	(679)	(926)
Administrative expenses	4	(4 997)	(5 366)	(2 551)	(2 769)
Other operating revenues		327	199	199	115
Other operating costs		(75)	(74)	(60)	(33)
Profit (loss) on operating activities		6 740	10 418	2 008	118
Financial revenues		3 730	3 269	3 695	3 202
Financial costs		(760)	(747)	(380)	(410)
Gross profit (loss)		9 710	12 940	5 323	2 910
Income tax		(1 148)	(1 924)	(306)	35
Net profit (loss) from continuing operations		8 562	11 016	5 017	2 945
TOTAL INCOME		8 562	11 016	5 017	2 945

STATEMENT OF THE FINANCIAL POSITION AS AT 30 JUNE 2021

ASSETS	Note	30/06/2021 (unaudited)	31/12/2020 (audited)
Non-current (long-term) assets		107 009	109 601
Property, plant and equipment		4 998	7 119
Other intangibles		14	21
Investment property		111	112
Long-term receivables	10	1 145	1 786
Shares in related entities		64 321	64 321
Other financial assets	8	36 240	36 229
Other assets		180	13
Current (short-term) assets		413 759	384 876
Inventory	9	313 183	283 748
Trade and other receivables	10	13 115	8 421
Current tax assets		556	588
Other financial assets, including loans allowed	8	23 389	13 983
Cash and cash equivalents		63 516	78 136
TOTAL ASSETS		520 768	494 477

**STATEMENT OF THE FINANCIAL POSITION AS AT 30 JUNE 2021
(CONTINUED)**

EQUITY AND LIABILITIES	Note	30/06/2021 (unaudited)	31/12/2020 (audited)
Equity		326 351	337 809
Issued share capital		4 004	4 004
Reserves		11 531	531
Share premium		62 237	62 237
Retained profit		248 579	271 037
Long-term liabilities		14 326	36 212
Provision for retirement benefits		322	272
Deferred income tax provision		-	10 697
Long-term credit and bank borrowings	11	9 388	20 813
Other financial liabilities (lease)	11	664	720
Trade and other liabilities	12	3 545	3 197
Long-term prepaid expenses		407	513
Short-term liabilities		180 091	120 456
Short-term provisions		10 933	12 206
Short-term credit and borrowings	11	18 346	14 902
Debt instrument liabilities	11	25 029	24 761
Other financial liabilities (lease)	11	410	490
Current income tax liabilities		-	-
Trade and other liabilities	12	125 161	67 885
Short-term prepaid expenses		212	212
Total liabilities		194 417	156 668
TOTAL EQUITY AND LIABILITIES		520 768	494 477

CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 30 JUNE 2021

Cash flows from operating activities	01/01/2021 -30/06/2021 (unaudited)	01/01/2020 -30/06/2020 (unaudited)
Profit /(loss) before tax (gross)	9 710	12 940
Adjustments:	(17 908)	2 183
Depreciation	663	647
Income tax paid	(11 993)	(3 450)
Net interest and dividends	(2 939)	(2 477)
Profit/(loss) on investing activities	(76)	24
(Increase)/ decrease of receivables	(660)	8 304
(Increase)/ decrease of inventory	(29 435)	(7 344)
Increase / (decrease) of liabilities	28 031	9 600
Increase / (decrease) of accrued/prepaid expenses	(170)	(145)
Increase / (decrease) of deferred income	(106)	(106)
Change in provisions	(1 223)	(2 870)
Net cash flows from operating activities	(8 198)	15 123
Cash flows from investing activities	01/01/2021 -30/06/2021 (unaudited)	01/01/2020 -30/06/2020 (unaudited)
Sale of property, plant, equipment and intangibles	1 953	10
Acquisition of property, plant, equipment and intangibles	(251)	(196)
Other capital expenditure	-	(9)
Net cash flows from investing activities	1 702	(195)

CASH FLOW STATEMENT OF THE FINANCIAL POSITION FOR THE PERIOD ENDED ON 30 JUNE 2021 (CONTINUED)

Cash flow from financing activities	01/01/2021 -30/06/2021 (unaudited)	01/01/2020 -30/06/2020 (unaudited)
Proceeds in relation to loans/credit obtained	26 953	31 188
Payments in relation to finance lease agreements	(128)	(109)
Repayment of loans/credit	(34 935)	(25 532)
Interest paid	(61)	(716)
Other financial proceeds	466	481
Other financial expenditure	(419)	-
Net cash flows from financing activities	(8 124)	5 312
Net increase in cash and cash equivalents	(14 620)	20 240
Cash at the beginning of the period	78 136	13 831
Cash at the end of the period	63 516	34 071

STATEMENT OF THE CHANGES IN EQUITY FOR THE PERIOD ENDED ON 30 JUNE 2021

Changes in equity	Share capital	Share premium	Revaluation reserve	Retained profit	Total
As at 01/01/2021	4 004	62 237	531	271 037	337 809
Dividend payment	-	-	-	(20 020)	(20 020)
Revaluation reserve created to finance the acquisition of own shares	-	-	11 000	(11 000)	-
Net profit (loss) for the financial year	-	-	-	8 562	8 562
As at 30/06/2021	4 004	62 237	11 531	248 579	326 351

Changes in equity	Share capital	Share premium	Revaluation reserve	Retained profit	Total
As at 01/01/2020	4 004	62 237	531	222 876	289 648
Dividend payment	-	-	-	(6 006)	(6 006)
Net profit (loss) for the financial year	-	-	-	54 167	54 167
As at 31/12/2020	4 004	62 237	531	271 037	337 809

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

In the condensed additional information to the interim condensed separate financial statements, the Company only presented those notes which are significant to the correct assessment of the economic and financial position and of the Company's financial result, and those which were not included in the interim condensed consolidated financial statements. Notes Nos. 5-8 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 of INPRO SA for six months ended on 30 June 2021 were approved by the Management Board on 13 September 2021 for publication on 14 September 2021.

3. Grounds for preparation and accounting principles

These interim condensed separate financial statements for six months ended on 30 June 2021 were made in conformity with IAS 34 "Interim Financial Reporting."

These unaudited interim condensed separate financial statements do not comprise all information and disclosures required in the annual financial statements and should be read together with the Company's audited separate financial statements for the year ended on 31 December 2020.

These interim condensed separate financial statements were prepared in the historical cost convention and on the assumption that the Company would be able to continue as the going concern in the foreseeable future. As at the date of signing of these financial statements, no circumstances are found to exist which indicate a threat 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 Company. Unless indicated otherwise, the data in these interim condensed separate financial statements is shown in thousands of zlotys.

Accounting principles used for the preparation of these interim condensed separate financial statements are coherent with those used for the preparation of the separate financial statements of INPRO SA for the year ended on 31 December 2020 with the exceptions described in note 5.2 of the condensed additional information to the interim condensed consolidated financial statements of the Group.

4. Costs and revenues

Sales revenues	01/01/2021 -30/06/2021	01/01/2020 -30/06/2020
Revenues from the sales of products	45 383	88 411
Revenues from the sales of services	1 688	1 409
Revenues from the sale of goods for resale and materials	-	-
Total sales revenues	47 071	89 820
Costs by category	01/01/2021 -30/06/2021	01/01/2020 -30/06/2020
Depreciation of fixed assets	651	639
Depreciation of intangibles	11	7
Depreciation of investment property	1	1
Consumption of materials and energy	20 031	27 763
External services	42 687	46 696
Taxes and charges	752	2 913
Costs of employee benefits, including:	9 044	8 906
- payroll	7 463	7 277
- costs of social security and other benefits	1 581	1 629
Other costs, including:	1 498	1 249
- costs of credit	547	-
- entertainment and advertising	663	458
- property and personal insurances	182	537
- business trips	7	1
- other operating costs	99	253
Total costs by category	74 675	88 174
Change in products, work in progress and accruals (+/-)	(34 092)	(8 647)
Costs of products for the entity's in-house needs (-)	-	-
Selling costs (-)	(1 922)	(2 185)
Administrative expenses (-)	(4 997)	(5 366)
Value of goods for resale and materials sold	-	-
Cost of sales	33 664	71 976
Total costs of products, goods for resale and materials sold, cost of sales and administrative expenses	40 583	79 527

5. Earnings (loss) per share

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

The diluted earnings (loss) per share are calculated by dividing net profit for a period, such profit (loss) attributable 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 (loss) and shares used for the calculation of the basic and diluted earnings per share are presented below:

Earnings (loss) per share	01/01/2021 -30/06/2021	01/01/2020 -30/06/2020
Net profit (loss) from continuing operations	8 562	11 016
Net profit (loss) from discontinued operations	-	-
Net profit (loss) attributable to ordinary shareholders	8 562	11 016

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

Basic earnings (loss) per share	01/01/2021 -30/06/2021	01/01/2020 -30/06/2020
Net profit (loss)	8 562	11 016
Weighted average number of ordinary shares	40 040	40 040
Basic earnings (loss) per share (PLN/share)	0.2138	0.2751

Diluted earnings (loss) per share	01/01/2021 -30/06/2021	01/01/2020 -30/06/2020
Net profit (loss) attributable to ordinary shareholders for the calculation of diluted earnings (loss) per share	8 562	11 016
Adjusted weighted average number of ordinary shares used for diluted earnings per share calculation	40 040	40 040
Diluted earnings (loss) per share (PLN/share)	0.2138	0.2751

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 Corporate Group in the consolidated statements.

7. Financial instruments

Financial assets	30/06/2021	Was as at 31/12/2020	Should be as at 31/12/2020
Trade and other receivables	5 811	4 905	4 905
Loans granted – long term	1 090	1 079	1 079
Other short-term financial assets	23 389	13 983	13 983
Cash and cash equivalents	63 516	78 136	78 136
Other long-term financial receivables (lease)	1 145	640	1 786
Other short-term financial receivables (lease)	854	1 786	640
	95 805	100 529	100 529

Financial liabilities	30/06/2021	31/12/2020
Long-term loans and bank credit	9 388	20 813
Short-term loans and bank credit	18 346	14 902
Trade and other liabilities	34 387	16 482
Debt instrument liabilities	25 029	24 761
Other long-term financial liabilities (lease)	664	720
Other short-term financial liabilities (lease)	410	490
	88 224	78 168

8. Other financial assets

Other short-term financial assets	30/06/2021	31/12/2020
Advances at separate revenue (escrow) accounts*	23 389	13 983
Total	23 389	13 983

Other long-term financial assets	30/06/2021	31/12/2020
Additional contributions to the related entity's capital	35 150	35 150
Loans to related entities	1 090	1 079
Total	36 240	36 229

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

9. Inventory

Inventory	30/06/2021	31/12/2020
Materials at the acquisition price	340	140
Work in progress at the cost of manufacture	127 172	100 373
Finished goods at the cost of manufacture	29 143	22 985
Commodities at the acquisition price	156 528	160 250
Total	313 183	283 748

10. Trade and other receivables

	30/06/2021	31/12/2020
Receivables from related entities	3 858	281
Gross trade receivables	221	238
Other receivables	3 637	43
Receivables from other entities	9 064	8 130
Gross trade receivables	5 710	4 787
Other financial liabilities	-	-
State budget receivables other than current income tax	1 898	2 141
Advances on inventory	587	482
Advances on fixed assets	15	80
Other non-financial receivables	854	640
Gross receivables	12 922	8 411
Valuation allowance for receivables	(120)	(120)
Short-term prepayments, including:	313	130
- subscription of periodicals	6	1
- software, domains, licences	35	22
- cost of insurances	110	86
- rent	-	10
- advertisements	10	5
- payments in relation to WSE and NDS	4	-
- payments in relation to perpetual usufruct and real property tax	121	-
- other prepaid expenses	27	6
Total receivables (net)	13 115	8 421

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

Long-term financial liabilities	30/06/2021	31/12/2020
Liabilities relating to finance lease and lease agreements with a purchase option	149	158
Loans and credit	9 388	20 813
Long-term bonds	-	-
Impact of IFRS 16	515	562
Total	10 052	21 533

Short-term financial liabilities	30/06/2021	31/12/2020
Liabilities relating to finance lease and lease agreements with a purchase option	236	247
Loans and credit	18 346	14 902
Bond issue – the short-term part	25 029	24 761
Impact of IFRS 16	174	243
Total	43 785	40 153

Nominal value of minimum lease payments	30/06/2021	31/12/2020
Within 1 year	236	247
Within from 1 to 3 years	149	158
Within from 3 to 5 years	-	-
Impact of IFRS 16	689	805
Total liabilities relating to finance lease - minimum total lease payments	1 074	1 210
Financial costs in relation to finance lease	8	19

12. Trade liabilities

Long-term liabilities	30/06/2021	31/12/2020
In relation to related entities	205	197
Trade liabilities	205	197
In relation to other entities	3 340	3 000
Trade liabilities	3 340	3 000
Other liabilities	-	-
Total trade and other long-term liabilities	3 545	3 197
Short-term liabilities	30/06/2021	31/12/2020
In relation to related entities	16 019	1 199
Trade liabilities	2 054	1 199
other liabilities	13 965	-
In relation to other entities	109 142	66 686
Trade liabilities	14 823	12 086
Payroll payable	237	308
State budget liabilities other than current income tax	676	678
Advances received	86 807	53 344
Other liabilities	6 599	270
Total trade and other short -term liabilities	125 161	67 885
Total trade and other liabilities	128 706	71 082

13. Transactions with related entities

Revenues from the sale of products, services, goods for resale and materials to related entities	01/01/2021 - 30/06/2021	01/01/2020 - 30/06/2020	01/04/2021 - 30/06/2021	01/04/2020 - 30/06/2020
inBet Sp. z o.o.	96	96	42	42
Dom Zdrojowy Sp. z o.o.	36	22	10	10
Hotel Mikołajki Sp. z o.o.	22	22	10	10
PI ISA Sp z o.o.	22	47	12	28
SML Sp z o.o.	19	8	9	3
Members of the Management Board	-	417	-	-
Total	195	612	83	93

Interim condensed consolidated financial statements of the INPRO SA Group for the first six months of 2021

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

Purchase from related entities	01/01/2021 - 30/06/2021	01/01/2020 - 30/06/2020	01/04/2021 - 30/06/2021	01/04/2020 - 30/06/2020
inBet Sp. z o.o.	4 234	4 583	2 515	1 938
PI ISA Sp z o.o.	1 490	2 825	814	1 542
SML Sp z o.o.	-	58	-	-
Total	5 724	7 466	3 329	3 480

Loans granted by Inpro SA	30/06/2021	31/12/2020
To related entities:		
Hotel Mikołajki Sp. z o.o.	1 090	1 079
Total loans granted to related entities	1 090	1 079

Receivables from related entities

	30/06/2021	31/12/2020
Trade receivables – up to 12 months	221	238
inBet Sp. z o.o.	17	32
Dom Zdrojowy Sp. z o.o.	4	9
Hotel Mikołajki Sp. z o.o.	194	194
PI ISA Sp. z o.o.	2	2
SML Sp. z o.o.	4	1
Other receivables up to 12 months	3 637	43
inBet Sp. z o.o.	1 205	3
DOMESTA Sp. z o.o.	2 086	-
Hotel Mikołajki Sp. z o.o.	-	40
PI ISA Sp. z o.o.	346	-
Total receivables	3 858	281
inBet Sp. z o.o.	1 222	35
Dom Zdrojowy Sp. z o.o.	4	9
DOMESTA Sp. z o.o.	2 086	-
Hotel Mikołajki Sp. z o.o.	194	234
PI ISA Sp. z o.o.	348	2
SML Sp. z o.o.	4	1

Liabilities in relation to related entities

	30/06/2021	31/12/2020
Trade liabilities - up to 12 months	2 054	1 199
inBet Sp. z o.o.	1 740	458
PI ISA Sp. z o.o.	314	741
Trade liabilities – over 12 months	205	197
inBet Sp. z o.o.	16	19
PI ISA Sp. z o.o.	189	178
Other liabilities up to 12 months	14 066	101
inBet Sp. z o.o. – - impact of IFRS 16	101	101
Members of the Management Board	13 965	-
Other liabilities over 12 months	143	189
inBet Sp. z o.o. – - impact of IFRS 16	143	189
Total liabilities	16 468	1 686
inBet Sp. z o.o.	2 000	767
PI ISA Sp. z o.o.	503	919
Members of the Management Board	13 965	-

14. Contingent liabilities and receivables**Contingent liabilities**

Contingent liabilities	30/06/2021	31/12/2020
Surety for a promissory note	-	5 348
Liability in relation to bank guarantees granted mainly as security for trade agreements	2 566	2 566
Other contingent liabilities	36 214	36 214
Total contingent liabilities	38 780	44 128

Contingent liabilities as at 30/06/2021:

1. Unconditional agreement for granting by INPRO SA of subordinate loans to 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 credit awarded by that Bank. The security for investment credit under agreement No. 59 1020 1811 0000 0796 0048 7611 of 05/09/2011 as amended, in the amount of PLN 36,214 k (credit obtained by Hotel Mikołajki Sp. z o.o.).

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, in the total amount of PLN 28,517,303.81 as at 25/06/2015.

3. Bank payment guarantee for PLN 2,566,140 issued upon instruction from INPRO SA by mBank SA in favour of the Gdańsk City Commune, with the expiry date of 31/12/2022. The guarantee was issued to secure funds for the purposes of the announcement by the Directorate for Gdańsk City Development of the public contract for the undertaking comprising stage III of the road project Nowa Opacka Street) and

as security for the commune's claims in the event of INPRO SA's failure to pay invoices for construction works executed as part of the road project.

Contingent liabilities as at 31/12/2020:

1. Unconditional agreement for granting by INPRO SA of subordinate loans to 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 credit awarded by that Bank. The security for investment credit under agreement No. 59 1020 1811 0000 0796 0048 7611 of 05/09/2011 as amended, in the amount of PLN 36,214 k (credit obtained by Hotel Mikołajki Sp. z o.o.).

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, in the total amount of PLN 28,517,303.81 as at 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 5,347,553.56 signed with PEKAO Leasing Sp. z o.o.

4. Bank payment guarantee for PLN 2,566,140 issued upon instruction from INPRO SA by mBank SA in favour of the Gdańsk City Commune, with the expiry date of 31/12/2022. The guarantee was issued to secure funds for the purposes of the announcement by the Directorate for Gdańsk City Development of the public contract for the undertaking comprising stage III of the road project (Nowa Opacka Street) and as security for the commune's claims in the event of INPRO SA's failure to pay invoices for construction works executed as part of the road project.

Contingent receivables

Contingent receivables	30/06/2021	31/12/2020
Guarantees received	20 377	20 573
Total contingent receivables	20 377	20 573

The main item among contingent liabilities as at 30/06/2021 is the guarantee from the Liability Guarantee Fund up to PLN 20,000 k with the expiry date of 31/10/2022. The guarantee is established as security for the repayment of credit in the amount of PLN 25,000 k granted to INPRO SA by Alior Bank SA and described in the credit table, note 25 to the Group's interim condensed consolidated financial statements.

15. Security on the Company's assets

Security established for Group companies - the fair value	30/06/2021	31/12/2020
- on non-current assets*	24 000	24 000
- on current assets**	150 525	176 775
Total	174 525	200 775

* Security on non-current assets

Joint contractual mortgage up to PLN 24,000 k in favour of Alior Bank SA on the share of INPRO SA in the amount of 5799/10000 parts in the perpetual usufruct right to the real estate situated in Gdańsk, ul. Opata Jacka Rybińskiego, land and mortgage register No. GD1G/00068140/0, on the right to non-residential premises No. 2 in Gdańsk, ul. Opata Jacka Rybińskiego 8, land and mortgage register GD1G/00083407/1 (a legal security for the repayment of an overdraft facility; details in current report No. 24/2016 of 22/09/2016 and current report No. 25/2019 of 14/10/2019).

**** Security on current assets**

This concerns legal security established on current assets. The schedule of mortgages established in current assets as at 30/06/2021 and 31/12/2020 in the total amount of PLN 150,525 k and PLN 176,775 k is included in note No. 24 to the consolidated financial statements of the INPRO SA Group.

<p>Krzysztof Maraszek <i>President of the Management Board</i></p>	
<p>Piotr Stefaniak <i>Vice-President of the Management Board</i></p>	
<p>Zbigniew Lewiński <i>Vice-President of the Management Board</i></p>	
<p>Robert Maraszek <i>Vice-President of the Management Board</i></p>	
<p>Marcin Stefaniak <i>Vice-President of the Management Board</i></p>	
<p>Elżbieta Marks <i>The person responsible for keeping the books of accounts</i></p>	

Gdańsk, 13 September 2021