



CARPATHIA CAPITAL

**SEMIANNUAL REPORT  
FIRST HALF OF 2015**



For the financial period	First half of 2015 (January 1,2015 – June 30, 2015)
Date of the report	31 August 2015
Name of the company	Carpathia Capital S.A.
Website	<a href="http://www.carpathiacapital.eu">www.carpathiacapital.eu</a>
Registered office	Kraśińskiego Street no. 16, 60-830 Poznań
Telephone/Fax number	+48 61 851 86 77
Unique Tax Reference Number	7811897074
Trade Register number	302762319
Regulated market on which the issued securities are traded	AeRO Market, administered by the Bucharest Stock Exchange
Subscribed and paid-up share capital	PLN 1.893.048
The main characteristics of the securities issued by the trading company	1.003.666 series B shares with a nominal value of PLN 0,50
Ticker	CRPC

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# I. ACTIVITY OF CARPATHIA CAPITAL

The Company's investment objective is to achieve long-term capital growth through investing in a diversified portfolio of Romanian SMEs, listed and to be listed on the AeRO Market of the Bucharest Stock Exchange.

The Company's strategy is based on the following pillars:

- **Outstanding opportunity**

The Management Board believes that lack of patient capital for SMEs in CEE, where the demand for capital from SMEs is high and supply is substantially limited, provides an investment opportunity. Initiative of the Bucharest Stock Exchange to launch AeRO, alternative equity market for SMEs and start-ups in Romania creates the market space for both entries and exits.

- **Unique portfolio**

The Company portfolio will represent a diversified mix of early-stage and early-growth companies with professional management teams and compelling prospects of development. The returns on capital deployed will not be the only economic benefit. We aim to support the development of knowledge based economy by championing growth of Romanian SMEs.

- **Founders**

INC S.A., public company listed on the Main Market of the Warsaw Stock Exchange, is the founding shareholder of Carpathia Capital. INC S.A. has built reputation as an advisor and investor to early-growth companies in Poland, acting as WSE IPO Partner raising €255,8m, acting as WSE Authorized Adviser raising €87,5m and bringing tens of companies to listing. In February 2015 INC was designated as an Authorized Adviser for the AeRO market and since then has managed to list two companies in the above mentioned alternative trading system of BVB.

## CHARACTERISTICS OF INVESTMENT ACTIVITY

FUNDS AVAILABLE FOR INVESTMENTS	Approx. RON 8 800 000
INVESTMENT LIMIT FOR ONE COMPANY	From 200 000 RON to 1 000 000 RON
COMPANY STAGE OF DEVELOPMENT	Various (start-up, growth, mature)
INDUSTRY PREFERENCES	No assumed industry preferences
INVESTMENT HORIZON	One to five years
PREFERRED INVESTMENT EXIT ROUTE	Listing of shares on the AeRO or the NewConnect market

## II. SIGNIFICANT EVENTS

- **Private placements**

The private placements for common shares of B2 and C series have been closed in February 2015 bringing PLN 3,2m (approx. RON 3,4m) in cash for the Company. The shares were registered by the Court in the Trade Register in May 2015.

The private placement of D series common shares has been closed in May 2015 bringing PLN 2,1m (approx. RON 2,2m) in cash for the Company. The shares were registered by the Court in the Trade Register in August 2015.

After the registration the Company's share capital amounts to PLN 1 893 048,00 (one million eight hundred ninety three thousand fourty eight zlotys) and is composed of:

- a) 1 000 000 (one million) series A preferred shares (giving 2 votes per share) with nominal value of PLN 0,50 (fifty groszy) per share,
- b) 1 003 666 (one million three thousand six hundred sixty six) series B common shares with nominal value of PLN 0,50 (fifty groszy) per share,
- c) 275 000 (two hundred seventy five thousand) series B2 common shares with nominal value of PLN 0,50 (fifty groszy) per share,
- d) 795 991 (seven hundred ninety five thousand nine hundred ninety one) series C common shares with nominal value of PLN 0,50 (fifty groszy) per share.
- e) 711 439 (seven hundred eleven thousand four hundred thirty nine) series D common shares with nominal value of PLN 0,50 (fifty groszy) per share.

The share capital was fully paid in cash.

- **Changes in shareholders structure**

On May 20<sup>th</sup>, 2015 the Company received from the shareholder – INC S.A. an ownership disclosure of changes in holding of the Company votes below the threshold resulting from a registration of a share capital increase by the Court in the Trade Register. After the registration INC S.A. held 32,52% of share capital with 2.000.000 votes resulting from 1.000.000 A series preferred shares (giving two votes per share).

After the registration of D series common shares by the Court in the Trade Register in August 2015 INC S.A. holds 26,41% of share capital with 2.000.000 votes resulting from 1.000.000 A series preferred shares (giving two votes per share).

OWNERSHIP STRUCTURE OF SHARE CAPITAL AS OF AUGUST 31 <sup>st</sup> , 2015	Number of shares	Share of equity	Share of voting rights	Equity (ths of PLN)
INC S.A.	1 000 000	26,41%	41,79%	500
Other shareholders	2 786 096	73,59%	58,21%	1 393
<b>Total</b>	<b>3 786 096</b>	<b>100,000%</b>	<b>100,000%</b>	<b>1 893</b>

- **Start of the AeRO market**

On 25th of February 2015 Bucharest Stock Exchange launched AeRO market for SMEs and start-ups in Romania. This strategic step opened the room for investment activity for Carpathia Capital, both in terms of potential sourcing, development and exits.

- **Listing of Carpathia Capital on AeRO market**

According to commitment as described in the Information Memorandum prepared for private offering of common shares series B the Company undergone admission procedure to list shares on the AeRO Market. The Company debuted on 25th of February 2015 during the opening of the AeRO Market, being the first foreign issuer on that market.

- **First portfolio investment of Carpathia Capital**

According to current report no 1/2015 Carpathia Capital SA informed about its first capital investment. On March 9th, 2015 the Company signed a sales-purchase contract with Bittnet Systems SA headquartered in Bucharest, Romania. According to the contract the Company purchased 450.439 nominative shares, having a nominal value of RON 0,10 each and a total value of RON 45.043,90, representing 10% of SC Bittnet Systems SA share capital and 10% of the total number of votes at the General Shareholder Meeting. The purchase price for 450 439 shares of SC Bittnet Systems SA amounted to the total value of EUR 150.000 (approximately RON 665.000), that is EUR 0,33 (approximately RON 1,46) per share, and was fully paid with cash. More information about Bittnet Systems can be found in section Portfolio Companies.

On 15<sup>th</sup> April 2015 Bittnet Systems SA debuted on AeRO market. According to the investment commitment described in the Information Memorandum of Bittnet Systems, Carpathia Capital has been gradually deploying shares of Bittnet Systems to provide adequate liquidity after the listing.

- **Marketing activities**

In the first half of 2015, the Company has been engaged in a number of events oriented towards increasing visibility and the profile of AeRO Market as well as promoting value offer of Carpathia Capital for Romanian SMEs.

The most important were the following:

- "The market AeRO - trading platform for SMEs and start-ups", took place on February 12<sup>th</sup>, 2015 in Bucharest, organized by the Bucharest Stock Exchange
- "Bucharest – new destination for financing European growth stories", took place on May 6<sup>th</sup>, 2015 at the European Parliament, Brussels, Belgium, organized by the Bucharest Stock Exchange in cooperation with the European People's Party in the European Parliament in Brussels
- „The Regional Finance and Investment Conference for SouthEast Europe”, took place on June 4<sup>th</sup>, 2015 in Bucharest, organized by the Euromoney Conferences
- "Discover your potential! Discussion on the possibility of raising capital", took place on June 30<sup>th</sup>, 2015 in Constanța, organized by the Bucharest Stock Exchange and the Chamber of Commerce and Industry of Romania

Carpathia Capital will be a partner in The Cooperation Forum Poland – Romania – the Republic of Moldova to be held on September 17<sup>th</sup>, 2015 in Wroclaw, Poland. The event aims to draw the attention of the Polish public and opinion leaders how important partner for Poland is Romania and how important this partnership can be for Moldova.

The Forum will be centered on three main areas of the cooperation between Poland, Romania and the Republic of Moldova: foreign policy, business and culture.

- **Project sourcing**

Carpathia Capital has been investigating several projects (start-up, early-stage, early-growth) for its investment portfolio.

Before capital deployment investment team is obliged to carry out due diligence to assess the fundamental value of potential portfolio company.

The Company's portfolio will be constructed on the basis of an assessment of the fundamental value of individual securities and will not be structured on the basis of sector weightings.

The Company's portfolio is expected to be diversified across a number of sectors and, while there are no specific limits placed on exposure to any one sector, the Company will at all times invest and manage the portfolio in a manner consistent with spreading investment risk.

- **General Shareholders' Meeting resolutions in the first six months of 2015**

The main resolutions of shareholders at the June 30<sup>th</sup>, 2015 GSM were the following:

- The approval of the financial statements of the Company for the financial year 2014.
- The approval of the Management Board's report on the Company's activity in the financial year 2014.
- Adoption of the resolution regarding coverage of the Company's losses for the financial year 2014.
- Adoption of the resolutions regarding acknowledgment of performance of duties by the Management Board Members in the financial year 2014.
- Adoption of the resolutions regarding acknowledgment of performance of duties by the Supervisory Board Members in the financial year 2014.
- Adoption of the resolution regarding the remuneration of the Supervisory Board.

### III. RISK FACTORS

RISK FACTOR	DESCRIPTION
<b>LACK OF OPERATING HISTORY</b>	The Company is a recently formed entity and has no operating history upon which investors can evaluate future performance. There can be no assurance that the Company will achieve its investment objectives or that the strategy applied by the Company will be successful. The Management Board considers that track record of the INC S.A. as the funding shareholder and experience of the managing team with capital delivered by investors provide solid base for development of the investment activity.
<b>MARKET AND ECONOMIC RISKS</b>	The Company and its portfolio companies may be materially affected by market, economic and political conditions globally and in the jurisdictions and sectors in which they invest or operate, including factors affecting interest rates, the availability of credit, currency exchange rates and trade barriers. These factors are outside the Company's control and could adversely affect the liquidity and value of its investments and may reduce the ability of the Company to make attractive new investments.
<b>CURRENCY EXCHANGE RATES RISK</b>	The base currency of the Company is Polish zloty (PLN) and as such, the returns to investors will be impacted by currency movements between the Polish zloty (PLN) and other currencies in which the Company holds investments. These currency movements may be advantageous or disadvantageous to Polish zloty (PLN) returns. In addition, an investor must consider its personal effective 'base' currency as any currency movements between the Polish zloty (PLN) and the individual's base currency could result in a loss of capital invested.
<b>OPERATING DEFICITS</b>	The expenses of operating the Company may exceed the Company's income, thereby requiring the difference to be paid out of the Company's capital, reducing the value of the Company's investments and potential for profitability.
<b>RISK OF PORTFOLIO COMPANIES' FAILURE</b>	The Company will generally seek to analyze a target company's historical performance and prospects with a view toward understanding the sustainable margins, strengths and weaknesses in a company's cost structure and analyzing the quality of cash flows of the underlying investment, including capital intensity needed to sustain its asset base, requirements for growth, degrees of flexibility to reduce its cost base if volumes or prices decline, and requirements for debt amortization or other external payments. The Company will also seek to define the market in which a company competes and, in particular, to assess what the company does, including what products and services it provides and to whom; to understand threats it may face for pricing or cost structure; and to identify drivers of market growth or decline, including changes in industry structure, technology or demographics. However any investment may not perform as well as forecast, either because of changes in the economic climate, management errors or otherwise, resulting in the partial or total loss of the Company's investment.
<b>LIQUIDITY RISK</b>	<p>Company is exposed to liquidity risk. Liquidity risk may result from the lack of an active market, the reduced number of market participants, or the reduced capacity of market participants to make a transaction. Issuer with principal investment strategies that involve investments in securities of companies with smaller market capitalizations have the greatest exposure to liquidity risk. Exposure to liquidity risk may be heightened for these companies that are not widely traded, and that may be subject to purchase and sale restrictions. Such risks will include an increased risk of substantially smaller size and lower trading volume of securities for such smaller companies (as compared to equities in larger companies), which may result in a potential lack of liquidity and increased price volatility.</p> <p>The investment team will adopt flexible exit strategies on the markets which cannot be</p>



	considered liquid due to insufficient number of transactions.
<b>FRONTIER MARKET RISKS</b>	Investment in securities issued by an entity domiciled in Romania will be exposed to a higher level of risk than in cases of developed markets. In particular each of the risks discussed above under the following headings will be specifically relevant to any such investments and may have a greater likelihood of impacting the Company: political and/or regulatory risk, currency risk, accounting, auditing and financial reporting standards and exchange rates risk.
<b>DEVELOPMENT OF THE AERO MARKET</b>	Because AeRO market is a newly created alternative market there are several risks factors related to its further development. There is no certainty that the AeRO market will attract companies interested in going public and new investors. Lack of new issuers and investor may lead to the lack of possibilities for investment and divestment for the Issuer. Dynamic development of the AeRO market may lead to tightening of admission and trading regulations and indirectly to decline in investor's and potential issuer's interest.

## IV. KEY PERFORMANCE INDICATORS

PLN'000	30.06.2015	31.12.2014	30.06.2014
Number of portfolio companies	1	0	0
Equity	8 212	4 237	500
Cash	7 645	4 071	500
Financial assets in other entities	1 131	0	0
Long-term liabilities	0	0	0
Short-term liabilities	709	17	0

PLN'000	01.01.2015 30.06.2015	04.04.2014 31.12.2014	04.04.2014 30.06.2014
Gain (loss) on investments	31	6	0
- profit from listing	0	0	0
- profit/loss on sales of securities	26	0	0
- interest and dividend	16	6	0
- revaluation of investment portfolio	-11	0	0

### COMMENTS FROM THE MANAGEMENT BOARD

According to the business plan and previously disseminated information, the Company collected funds for future investments – as reflected by the increase of cash resources – which amounted to PLN 7.645k as of June 30<sup>th</sup>, 2015. Cash remained the Company's most significant asset with a share of 85,7% of its total assets.

Financial assets in other entities constituted the second most important position (12,7% of total assets), all of which are presented as assets held for trading with a carrying value of PLN 1.131k. The Company's portfolio comprised of shares (PLN 426k) and short term futures contracts (705k), both with unlimited marketability, thus ensuring high liquidity investments:

- on March 9<sup>th</sup>, 2015 Carpathia reported its first portfolio investment in Bittnet Systems SA headquartered in Bucharest, Romania. On April 15<sup>th</sup>, 2015 Bittnet Systems SA debuted on AeRO – market for equities launched by BVB. By the date of this semiannual report some of the previously acquired shares had been sold, which resulted in profit on sales of securities. The remaining shares of Bittnet Systems SA are presented as financial assets in other entities with a carrying value of PLN 426k.
- during the second quarter of 2015 the Company invested part of its liquid assets in short term WIG futures (with main Polish stock exchange index as the underlying) which are presented as financial assets in other entities with a carrying value of PLN 705k.

Equity as of July 30<sup>th</sup>, 2015 amounted to PLN 8.212k, 93,8% higher than at the end of 2014, which was primarily the result of share issues described in the *Significant Events* section.

The Company remained debt free. Provisions and long term liabilities were equal to zero and the reported value of short term liabilities (PLN 709k) comprised of negligible trade payables (PLN 3k) and income tax liabilities (PLN 1k) with significant value of other liabilities (PLN 705k) which are presented as a commitment to acquire financial assets (also 705k) equal to the carrying value of short term WIG futures presented as financial assets.

During the second quarter of 2015 (and simultaneously during its first half) Carpathia Capital managed to report a gain on investments equal to PLN 31k, which resulted from profit on sales of securities (PLN 26k) and interest and dividend (PLN 16k), negatively influenced by revaluation of investment portfolio (PLN -11k).

Taking PLN 24k of administrative costs into consideration, the Company was left with operating profit of PLN 7k and net profit of PLN 6k.

## REALIZATION OF FINANCIAL FORECAST

The slow progress in building up the investment portfolio is a result of pace of development of the market as well as careful approach to valuation and assessing prospects of development for potential portfolio companies.

Initially our activity was focused towards building visibility of the AeRO market and promoting the idea of equity market solutions for SMEs in Romania. Not diminishing the great enthusiasm of the entrepreneurs we are obliged to choose from the best available alternatives, taking into account the value proposition for the shareholders of Carpathia Capital.

Profit and loss account	HY 2015 [PLN'000]	HY 2015 [RON'000]	Forecast 2015 [RON'000]	% of forecast realization
Profits/losses from investment activities	31	33,3	700	4,76%
- Profit from sale of financial instruments	26	27,9	200	13,96%
- Profit from revaluation of investment portfolio	-11	-11,8	500	-2,36%
Administrative costs	24	25,8	100	25,77%
Operational result	7	7,5	600	1,25%
Financial result	7	7,5	600	1,25%
Gross result	7	7,5	600	1,25%
Net result	6	6,4	486	1,33%
Net result per share [RON]*	0,0030	0,0032	0,2426	1,33%
Net result per share [RON]**	0,0016	0,0017	0,1284	1,33%

\* calculated using the number of shares registered by Court at the date of financial forecast publication (2 003 666 shares)

\*\* calculated using the number of shares registered by Court as of August 31<sup>st</sup>, 2015 (3 786 096 shares)

All the above financial data was translated using average RONPLN exchange rate of 0,9312 (calculated as an average of RONPLN quotation at the end of each calendar month in the first half of 2015, quoted by the National Bank of Poland).

## V. FINANCIAL STATEMENTS

### STATEMENT OF COMPREHENSIVE INCOME

<i>continued operations</i>	Notes	01.01.2015 30.06.2015	04.04.2014 31.12.2014	04.04.2014 30.06.2014
Revenue from sales of products and services		0	0	0
- from related parties		0	0	0
Cost of products, goods and materials sold, including		0	0	0
- to related parties		0	0	0
Selling and distribution expenses		0	0	0
<b>Profit on sales</b>		<b>0</b>	<b>0</b>	<b>0</b>
Other operating revenues		0	0	0
Other operating expenses		0	0	0
Gain (loss) on investments	2	31	6	0
- profit from listing		0	0	0
- profit/loss on sales of securities		26	0	0
- interest and dividend		16	6	0
- revaluation of investment portfolio		-11	0	0
Administrative expenses	1	24	26	0
<b>Operating profit</b>		<b>7</b>	<b>-20</b>	<b>0</b>
Financial expenses		0	0	0
- for related parties		0	0	0
Share of profits of associates		0	0	0
<b>Profit before tax</b>		<b>7</b>	<b>-20</b>	<b>0</b>
Income tax	3	1	0	0
<b>Net profit for the operating period</b>		<b>6</b>	<b>-20</b>	<b>0</b>

## STATEMENT OF COMPREHENSIVE INCOME

	01.01.2015 30.06.2015	04.04.2014 31.12.2014	04.04.2014 30.06.2014
Net profit for the operating period	6	-20	0
Other comprehensive income:	0	0	0
- valuation of financial assets available for sale	0	0	0
<b>Total comprehensive income</b>	<b>6</b>	<b>-20</b>	<b>0</b>

## STATEMENT OF FINANCIAL POSITION

	Notes	30.06.2015	31.12.2014	30.06.2014
<b>A. Non-current assets</b>		<b>0</b>	<b>0</b>	<b>0</b>
Intangible assets		0	0	0
- goodwill		0	0	0
Tangible fixed assets		0	0	0
Non-current financial assets		0	0	0
Deferred tax assets		0	0	0
Long-term receivables		0	0	0
- from related parties		0	0	0
- from other entities		0	0	0
Other long-term assets		0	0	0
<b>B. Current assets</b>		<b>8 921</b>	<b>4 257</b>	<b>500</b>
Inventories		0	0	0
Receivables from related parties	4	0	0	0
Receivables from other entities	4	120	186	0
- income tax receivables		0	0	0
Financial assets in related parties	5	0	0	0
Financial assets in other entities	P	1 131	0	0
Cash and other monetary assets	5	7 645	4 071	500
Other short-term assets	6	25	0	0
<b>Total assets</b>		<b>8 921</b>	<b>4 257</b>	<b>500</b>

## STATEMENT OF FINANCIAL POSITION

	Notes	30.06.2015	31.12.2014	30.06.2014
<b>A. EQUITY</b>		<b>8 212</b>	<b>4 237</b>	<b>500</b>
Share capital	7	1 537	500	500
Treasury shares (negative value)		0		0
Supplementary capital	8	4 593	0	0
Revaluation reserve		0	0	0
Other reserve capitals	9	2 096	3 757	0
Profits (losses) from previous years		-20	0	0
Net profit (loss)		6	-20	0
<b>B. PROVISIONS</b>		<b>0</b>	<b>0</b>	<b>0</b>
Provision for deferred income tax		0	0	0
Other provisions		0	0	0
<b>C. Long-term liabilities</b>		<b>0</b>	<b>0</b>	<b>0</b>
Loans and borrowings		0	0	0
Financial leasing liabilities		0	0	0
<b>D. Short-term liabilities</b>	10	<b>709</b>	<b>17</b>	<b>0</b>
Loans and borrowings		0	0	0
Trade payables		3	17	0
Tax, customs, insurance and other liabilities		1	0	0
- income tax liabilities		1	0	0
Liabilities related to wages and salaries		0	0	0
Financial leasing liabilities		0	0	0
Other liabilities		705	0	0
<b>E. Accruals</b>	11	<b>0</b>	<b>3</b>	<b>0</b>
<b>TOTAL LIABILITIES</b>		<b>8 921</b>	<b>4 257</b>	<b>500</b>

## STATEMENT OF CHANGES IN EQUITY

	Share capital	Treasury shares	Supplementary capital		Other capitals	Profits from previous years	Result of current period	Total Equity
			Share premium account	Other				
<b>Balance as at 01.01.2015</b>	<b>500</b>	-	-	-	<b>3 757</b>	<b>-20</b>	-	<b>4 237</b>
Changes in accounting policies	-	-	-	-	-	-	-	-
<b>Balance as at 01.01.2015 after changes</b>	<b>500</b>	-	-	-	<b>3 757</b>	<b>-20</b>	-	<b>4 237</b>
<b>Changes in equity since 01.01.2015 till 30.06.2015</b>								
Issue of shares	1 037	-	4 593	-	-1 661	-	-	3 969
Transfer of financial result to equity	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	6	6
<b>Balance as at 30.06.2015</b>	<b>1 537</b>	-	<b>4 593</b>	-	<b>2 096</b>	<b>-20</b>	<b>6</b>	<b>8 212</b>



## STATEMENT OF CHANGES IN EQUITY

	Share capital	Treasury shares	Supplementary capital		Other capitals	Profits from previous years	Result of current period	Total Equity
			Share premium account	Other				
<b>Balance as at 04.04.2014</b>	-	-	-	-	-	-	-	-
Changes in accounting policies	-	-	-	-	-	-	-	-
<b>Balance as at 04.04.2014 after changes</b>	-	-	-	-	-	-	-	-
<b>Changes in equity since 04.04.2014 till 31.12.2014</b>								
Issue of shares	500	-	-	-	3 757	-	-	4 257
Transfer of financial result to equity	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	-20	-20
<b>Balance as at 31.12.2014</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 757</b>	<b>-</b>	<b>-20</b>	<b>4 237</b>

## STATEMENT OF CHANGES IN EQUITY

	Share capital	Treasury shares	Supplementary capital		Other capitals	Profits from previous years	Result of current period	Total Equity
			Share premium account	Other				
<b>Balance as at 04.04.2014</b>	-	-	-	-	-	-	-	-
Changes in accounting policies	-	-	-	-	-	-	-	-
<b>Balance as at 04.04.2014 after changes</b>	-	-	-	-	-	-	-	-
<b>Changes in equity since 04.04.2014 till 30.06.2014</b>								
Issue of shares	500	-	-	-	-	-	-	500
Transfer of financial result to equity	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	-	-
<b>Balance as at 30.06.2014</b>	<b>500</b>	-	-	-	-	-	-	<b>500</b>

## STATEMENT OF CASH FLOWS

	01.01.2015 30.06.2015	04.04.2014 31.12.2014	04.04.2014 30.06.2014
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>I. Profit (loss) before tax</b>	<b>7</b>	<b>-20</b>	<b>0</b>
<b>II. Total adjustments</b>	<b>-43</b>	<b>3</b>	<b>0</b>
<b>III. Changes in working capital</b>	<b>53</b>	<b>-169</b>	<b>0</b>
<b>IV. Income tax paid</b>	<b>-1</b>	<b>0</b>	<b>0</b>
<b>V. Net cash flows from operating activities</b>	<b>16</b>	<b>-186</b>	<b>0</b>
<b>B. CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
<b>I. Inflows</b>	<b>239</b>	<b>0</b>	<b>0</b>
1. Inflows from sale of intangible assets	0	0	0
2. Inflows from sale of tangible fixed assets	0	0	0
3. Inflows from sale of investment properties	0	0	0
4. Net inflows from sale of subsidiaries	0	0	0
5. Inflows from repayment of borrowings granted	0	0	0
6. Inflows from sale of other financial assets	239	0	0
7. Inflows from sale of bonds	0	0	0
8. Inflows from interest received	0	0	0
9. Inflows from dividends received	0	0	0
<b>II. Outflows</b>	<b>650</b>	<b>0</b>	<b>0</b>
1. Outflows for acquisition of intangible assets	0	0	0
2. Outflows for acquisition of tangible fixed assets	0	0	0
3. Outflows for acquisition of investment properties	0	0	0
4. Net outflows for acquisition of subsidiaries	0	0	0
5. Outflows for loans granted	0	0	0
6. Outflows for acquisition of other financial assets	650	0	0
<b>III. Net cash flows from investment activities</b>	<b>-411</b>	<b>0</b>	<b>0</b>
<b>C. CASH FLOWS FROM FINANCIAL ACTIVITIES</b>			
<b>I. Inflows</b>	<b>3 969</b>	<b>4 257</b>	<b>500</b>
1. Net inflows from issuance of shares	3 969	4 257	500
2. Inflows from loans and borrowings	0	0	0

3. Inflows from issuance of debt securities	0	0	0
4. Other inflows from financial activities	0	0	0
<b>II. Outflows</b>	<b>0</b>	<b>0</b>	<b>0</b>
1. Outflows for acquisition of own shares	0	0	0
2. Redemption of debt securities	0	0	0
3. Repayment of loans and borrowings	0	0	0
4. Payment of liabilities arising from financial leases	0	0	0
5. Outflows for interest paid	0	0	0
6. Outflows for dividends paid	0	0	0
7. Other outflows for financial activities	0	0	0
<b>III. Net cash flows from financial activities</b>	<b>3 969</b>	<b>4 257</b>	<b>500</b>
<b>Balance sheet change in cash</b>	<b>3 574</b>	<b>4 071</b>	<b>500</b>
<b>Cash opening balance</b>	<b>4 071</b>	<b>0</b>	<b>0</b>
- change in cash due to exchange differences	0	0	0
<b>Cash closing balance</b>	<b>7 645</b>	<b>4 071</b>	<b>500</b>

## NOTES TO THE FINANCIAL STATEMENTS

### I. INFORMATION ABOUT CARPATHIA CAPITAL S.A.

CARPATHIA CAPITAL S.A. is an investment joint-stock company. CARPATHIA CAPITAL S.A. concentrates its core activities on acquiring shares of the both public and private companies in order to dispose them.

The issuer is an investment entity within the meaning of IFRS 10 §27.

An investment entity is an entity that:

- obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both, and
- measures and evaluates the performance of substantially all of its investments on a fair value basis.

#### Registered office

CARPATHIA CAPITAL S.A.  
Kraśińskiego 16 Street  
60-830 Poznań

#### Registration court

District Court Poznań - Nowe Miasto i Wilda, VIII Business Registry Division in Poznań  
KRS number 0000511985

The company has been established for an unlimited period of time.

National Business Registry Number: 302762319

Tax Identification Number: 781-189-70-74

#### Management Board

Composition of the Management Board at the date of the report:

Paweł Śliwiński – President of the Management Board

#### Supervisory Board

Composition of the Supervisory Board at the date of the report:

Justyna Światowiec Szczepańska – Member of the Supervisory Board

Rafał Śliwiński – Member of the Supervisory Board

Piotr Białowąs – Member of the Supervisory Board

#### Parent Company

INC S.A. is the parent company of CARPATHIA CAPITAL S.A.

## **2. PRESENTATION PRINCIPLES**

### **Principles of preparation of the financial statements**

The basis for the preparation of the financial statements is IAS 34 “Interim Financial Reporting”. The financial statements should be read together with the last annual financial statements for the period from 4<sup>th</sup> April, 2014 to 31<sup>st</sup> December, 2014.

The financial statements of the CARPATHIA CAPITAL S.A. have been prepared in accordance with International Financial Reporting Standards (IAS/IFRS).

This financial statements has been prepared in accordance with accounting standards used and issued in EU at the date of this financial statements.

The financial statements prepared by the Company covers the period from 1<sup>st</sup> January, 2015 to 30<sup>th</sup> June, 2015. Comparative data are presented for the period from 4<sup>th</sup> April, 2014 to 30<sup>th</sup> June, 2014 and for the period from 4<sup>th</sup> April, 2014 to 31<sup>st</sup> December, 2014.

This financial statements has been prepared on the assumption that the Company will continue as a going concern in the foreseeable future. As at the date of approval of this financial statements for publication, there were no circumstances that would indicate a threat to the Company’s ability to continue as a going concern.

## **3. FINANCIAL STATEMENTS ADJUSTMENTS**

There was no objections in opinions of entities authorized to audit financial statements for the period for which financial statements are presented. No adjustments were made in the financial statements for the period for which financial statements is presented.

## **4. CURRENCY IN WHICH FINANCIAL STATEMENTS HAS BEEN PREPARED AND THE SIZE OF THE UNITS THAT WERE USED FOR THE PRESENTATION OF AMOUNTS IN THE FINANCIAL STATEMENTS**

This financial statements have been presented in the Polish zloty (“PLN”) which is the reporting currency and the functional currency of the Company and all figures are in PLN thousand.

## **5. ACCOUNTING POLICIES**

The financial statements has been prepared on a historical cost basis, except for the revaluation of financial instruments and investment properties on the basis of the fair value model.

### **Goodwill**

Goodwill in the financial statements is not amortized but it is tested for impairment.

### **Intangible assets**

Expenditures for purchased software and other intangible assets are capitalized and straight-line amortized over the projected useful life.

In the case of impairment of assets classified as intangible assets a revaluation write-down is made.

Intangible assets are recognized at each balance sheet date at acquisition price less any accumulated amortization calculated to the balance sheet date and less any revaluation write-downs.

### **Tangible fixed assets**

Fixed assets are those assets whose projected useful life is more than one year and which are assigned to the operations of the Company or transferred to other entities under lease agreements or other similar agreements. Fixed assets under leases are classified as non-current assets when substantially all the risks and rewards of ownership of the asset will be transferred to the Company. Fixed assets are measured at acquisition price and at cost of production less any depreciation calculated and less impairment losses.

Fixed assets are depreciated over their projected useful life.

Fixed assets of the cost to 3.5 thousand PLN are subject to one-time depreciation. The exception is the computer equipment, depreciated on the basis of the projected useful life.

Borrowing costs directly attributable to the acquisition or production of assets which require a longer period of time to be available for use or sale are capitalized as part of the cost of qualified assets until putting those fixed assets into use.

Depreciation is calculated for all fixed assets, other than land and assets under construction using the straight-line method at the following annual rates of amortization:

- Vehicles 20%;
- Computer equipment 30%;
- Others 18% to 100%.

### **Non-current assets held for sale**

Non-current assets (and groups of net assets held for sale) classified as held for sale are measured at the carrying value or fair value less costs to sell, whichever is lower. The Company classifies an asset (or group) as held for sale if its carrying value will be recovered principally through a sale transaction rather than through continuing use.

### **Financial assets**

Financial assets are recognized at the date of the transaction.

Financial assets at the date of acquisition or origination are classified into the following categories:

- financial assets measured at fair value through profit or loss,
- loans and receivables,
- financial assets held to maturity,
- financial assets available for sale.

Financial asset measured at fair value through profit or loss is an asset or financial liability component, which is assigned for trading and financial assets designated by the Management Board of the Company as measured at fair value through profit or loss.

Assets that are classified as financial assets measured at fair value through profit or loss are measured in accordance with the principles set out below for determining fair value. The effects of the valuation of those financial assets are recognized in the statement of comprehensive income.

Financial assets held to maturity are financial assets with fixed or determinable payments and fixed maturity that an entity has the intention and ability to hold to maturity.

Financial assets that are classified as loans and receivables and financial assets held to maturity are measured at amortized cost.

Financial assets available for sale are non-derivative financial assets that are designated as available for sale and financial assets that are not classified in the other categories.

Financial assets classified as available for sale are measured at fair value. The effects of the valuation are recognized in the revaluation reserve.

At the end of the reporting period, the company assesses the need for revaluation write-downs in financial assets.

### **Determining the fair value of financial assets**

Determining the fair value of financial assets is as follows:

- if they are listed on an active market – it is the market value; active market is a market where homogeneous items are traded, prices are publicly announced, at any time there is a possibility to meet buyers and sellers,
- if they are not listed on an active market - the fair value is determined by using a valuation model for a particular financial instrument or by estimation based on the price of a similar instrument listed on an active market, where:
  - if no more than 12 months have passed from the acquisition of financial assets not listed on an active market to the balance sheet date, than assuming the principle that the transaction price is the best reflection of the fair value of financial asset – at acquisition price,
  - if more than 12 months have passed from the acquisition of financial asset not listed on an active market to the balance sheet date, and the value received as a result of the financial instrument's valuation does not differ by more than 15% of the acquisition price, then the fair value is recognized as the acquisition price,
- if there is no possibility to apply any model because of too much importance of the estimation – at acquisition price.

### **Classification and valuation of shares and interests in other entities**

According to the decision of the Management Board of CARPATHIA CAPITAL SA shares that are taken up or acquired by the Company in preparation for its listing (shares of portfolio companies) are classified as financial assets measured at fair value through profit or loss. The value of shares and interests in other entities is determined in accordance with the above-mentioned principles "Determining the fair value of financial assets"

Shares classified as financial assets measured at fair value through profit or loss are measured at the balance sheet date at fair value, referring valuation effects on the financial result.

### **Investment properties**

As an investment properties are treated properties if they are treated as source of income from rent and/or increase in value over time. Investment properties are measured at the balance sheet date at fair value. Gains and losses arising from changes in fair value of investment properties are recognized in the income statement in the period in which they arise.

The Company may decide about the valuation of investment properties at acquisition price or production cost.



### **Trade receivables**

Receivables are recognized at amount due less any revaluation write-downs. Revaluation write-downs increase other operating expenses.

### **Inventories**

Inventories are measured at the real purchase prices less any impairment losses. Release of inventories is measured using the FIFO method.

### **Cash and cash equivalents**

Cash and cash equivalents are recognized at nominal value. Cash in foreign currencies are translated at the balance sheet date at the closing rate from the balance sheet date.

### **Prepaid expenses**

Prepaid expenses are made in relation to the expenses relating to future reporting periods that meet the definitions of assets in accordance with IFRS. Revaluation write-downs of prepaid expenses are made on the basis of the elapsed time. The time and method of settlement are justified by the nature of the settled expenses.

### **Equity**

Equity excluding treasury shares, are measured in principle at its nominal value. Treasury shares are measured at acquisition price.

### **Provisions**

Provisions are recognized, when:

- an entity has a present obligation (legal or constructive) as a result of past events;
- it is likely that the fulfillment of the obligation will cause an outflow of resources embodying economic benefits and
- the amount of the obligation can be reliably estimated.

If the above conditions are not met, the provisions are not recognized.

### **Liabilities**

Liabilities are recognized at the amount due.

### **Accruals**

Accruals are recognized in the amount of liabilities in the current reporting period.

The Company withdraws from estimating accruals for employee benefits due to the small number of employees and due to the fact that the employee benefits are given to them at the settlement period.

### **Current and deferred income tax**

Compulsory charges on financial result consists of current tax and deferred tax.

Current tax burden is calculated on the basis of income (tax base) for the particular financial year.

Deferred tax is calculated using the balance method on the basis of existing temporary differences between the value of assets and liabilities recognized in the financial statements and their tax bases.

In connection with the temporary differences, provisions and assets for deferred income tax are recognized.

The value of assets for deferred income tax is reviewed at each balance sheet date in order to determine whether the projected future taxable profit will be sufficient for their implementation. Otherwise, a revaluation write-down is made. Provisions and assets for deferred income tax are calculated on the basis of the tax rates that will apply in the period when the asset is realized or the liability is become due. Deferred tax is recognized in the income statement, except when it relates to items recognized directly in equity, in which case the deferred tax is also recognized in equity.

### **The financial result**

The net profit (loss) includes: profit (loss) on sales, profit (loss) on other operating activities, profit (loss) on financial activities, profit (loss) on extraordinary operations and obligatory charges of profit before tax.

Revenue from sales of products and services is the amount due on this account from the customer less VAT payable, discounts and other sales-related taxes (eg. the excise duty). The moment of sale is to give the customer the goods or services and the transition of ownership to the customer. In the case of the Company, its revenues from sales of products include revenues from the advisory services provided by the Company.

Other operating income and expenses are the expenses and revenues associated with the disposal of tangible fixed assets, creating and realizing provisions and not directly related to the core business but having an impact on the financial result.

Financial income includes income from financial operations while financial expenses include expenses incurred in financial operations. The Company's financial income includes mainly interest earned on bank deposits while financial expenses primarily include interest on loans and borrowings.

In the case of dividend income in the income statement the recognition occurs at the time when the legal right to receive payment for shareholders is established.

Result of extraordinary events is the difference between the realized extraordinary profits and losses incurred as a result of random events.

### **Impairment**

At each balance sheet date, the Company reviews the net value of fixed assets in order to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated (The net selling price or value in use, depending on which one is higher) in order to determine the potential value of impairment loss.

## **6. SIGNIFICANT VALUES BASED ON PROFESSIONAL JUDGMENT AND ESTIMATES**

### **Valuation of the financial assets not listed on an active market**

The fair value of assets not listed on an active market is determined:

- by using a valuation model for a particular financial instrument or by estimation based on the price of a similar instrument listed on an active market, where:
  - if no more than 12 months have passed from the acquisition of financial assets not listed on an active market to the balance sheet date, than assuming the

principle that the transaction price is the best reflection of the fair value of financial asset – at acquisition price,

- if more than 12 months have passed from the acquisition of financial asset not listed on an active market to the balance sheet date, and the value received as a result of the financial instrument's valuation does not differ by more than 15% of the acquisition price, then the fair value is recognized as the acquisition price,
- if there is no possibility to apply any model because of too much importance of the estimation – at acquisition price.

### **Provisions**

Provisions are recognized, when:

- an entity has a present obligation (legal or constructive) as a result of past events;
- it is likely that the fulfillment of the obligation will cause an outflow of resources embodying economic benefits and
- the amount of the obligation can be reliably estimated.

If the above conditions are not met, the provisions are not recognized.

### **Impairment**

At each balance sheet date, the Company reviews the net value of fixed assets in order to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated (The net selling price or value in use, depending on which one is higher) in order to determine the potential value of impairment loss.

### **Depreciation of fixed assets and amortization of intangible assets**

Depreciation and amortization is calculated for all fixed assets and intangible assets, other than land and assets under construction using the straight-line method at the following annual rates:

- Vehicles 20%;
- Computer equipment 30%;
- Others 18% to 100%.

## 7. EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

### Note no 1

EXPENSES BY TYPE	01.01.2015 30.06.2015	04.04.2014 31.12.2014	04.04.2014 30.06.2014
a) Depreciation of property, plant and equipment and amortization of intangible assets	0	0	0
b) Materials and energy	0	0	0
c) External services	22	15	0
d) Taxes and charges	2	11	0
e) Wages and salaries	0	0	0
f) Social security costs	0	0	0
g) Other expenses by type	0	0	0
Expenses by type	24	26	0
Changes in inventories, products and accruals	0	0	0
Cost of production for internal purposes (negative value)	0	0	0
Selling and distribution expenses (negative value)	0	0	0
Administrative expenses (negative value)	-24	-26	0
Cost of products sold	0	0	0

### Note no 2

FINANCE INCOME FROM DIVIDENDS AND SHARE IN PROFIT	01.01.2015 30.06.2015	04.04.2014 31.12.2014	04.04.2014 30.06.2014
a) from related parties	0	0	0
b) from other entities	0	0	0
<b>Total finance income from dividends and share of profit</b>	<b>0</b>	<b>0</b>	<b>0</b>

INTEREST INCOME	01.01.2015 30.06.2015	04.04.2014 31.12.2014	04.04.2014 30.06.2014
a) on loans granted	0	0	0
- to related parties	0	0	0
- to other entities	0	0	0
b) other interest income	16	6	0
- from related parties	0	0	0
- from other entities (bank interest, interest on receivables)	16	6	0
<b>Total interest income</b>	<b>16</b>	<b>6</b>	<b>0</b>

OTHER INVESTMENT INCOME	01.01.2015 30.06.2015	04.04.2014 31.12.2014	04.04.2014 30.06.2014
a) Foreign exchange gains	0	0	0
- realized	0	0	0
- unrealized	0	0	0
b) reversed provisions	0	0	0
c) other, including:	26	0	0
- gain on disposal of investments	26	0	0
- revaluation of investments	0	0	0
- other	0	0	0
<b>Total other investment income</b>	<b>26</b>	<b>0</b>	<b>0</b>

LOSS ON INVESTMENTS	01.01.2015 30.06.2015	04.04.2014 31.12.2014	04.04.2014 30.06.2014
Revaluation of investments	11	0	0
<b>Total loss on investments</b>	<b>11</b>	<b>0</b>	<b>0</b>

### Note no 3

CURRENT INCOME TAX	01.01.2015 30.06.2015	04.04.2014 31.12.2014	04.04.2014 30.06.2014
1. Profit before tax	7	-20	0
2. Differences between profit (loss) before tax and income tax base (by title)	8	3	0
- expenses that are not deductible	0	3	0
- statistical revenues	0	0	0
- revenues that do not constitute income tax revenues	0	0	0
- statistical costs	-3	0	0
- revaluation of investments	11	0	0
3. Deducted losses from previous years	0	0	0
4. Income tax base	15	-17	0
5. Income tax at the 19% rate	0	0	0
6. Tax increases, omissions, exemptions, deductions and reductions	0	0	0
7. Income tax expense reported in the tax return for the period, including:	0	0	0
- reported in the income statement, including:	0	0	0
- flat-rate tax paid on dividends received	0	0	0
- relating to items that decreased or increased equity	0	0	0
- relating to items that decreased or increased goodwill or negative goodwill	0	0	0

**Note no 4**

CURRENT RECEIVABLES	30.06.2015	31.12.2014	30.06.2014
a) from related parties	0	0	0
- trade receivables, with a repayment period:	0	0	0
- up to 12 months	0	0	0
- over 12 months	0	0	0
- other	0	0	0
- under litigation	0	0	0
b) from other entities	120	186	0
- trade receivables, with a repayment period:	0	0	0
- up to 12 months	0	0	0
- over 12 months	0	0	0
- related to taxes, subsidies, customs, social and health insurance and other benefits	45	19	0
- other	75	167	0
- including: from the sale of financial assets	0	0	0
- under litigation	0	0	0
Total net current receivables	0	0	0
c) impairment of receivables	0	0	0
<b>Total gross current receivables</b>	<b>120</b>	<b>186</b>	<b>0</b>

GROSS CURRENT RECEIVABLES (CURRENCY STRUCTURE)	30.06.2015	31.12.2014	30.06.2014
a) in polish currency	120	186	0
b) in foreign currencies (by currency and translated to PLN)	0	0	0
<b>Total gross current receivables</b>	<b>120</b>	<b>186</b>	<b>0</b>

**Note no 5**

CURRENT FINANCIAL ASSETS	30.06.2015	31.12.2014	30.06.2014
a) in subsidiaries	0	0	0
- assets held for trading	0	0	0
- assets designated by the entity upon initial recognition as financial assets measured at fair value through profit or loss	0	0	0
- debt securities	0	0	0
- financial assets held to maturity	0	0	0
- loans granted	0	0	0
- financial assets available for sale	0	0	0

b) in jointly controlled entities	0	0	0
- assets held for trading	0	0	0
- assets designated by the entity upon initial recognition as financial assets measured at fair value through profit or loss	0	0	0
- debt securities	0	0	0
- financial assets held to maturity	0	0	0
- loans granted	0	0	0
- financial assets available for sale	0	0	0
c) in associates	0	0	0
- assets held for trading	0	0	0
- assets designated by the entity upon initial recognition as financial assets measured at fair value through profit or loss	0	0	0
- debt securities	0	0	0
- financial assets held to maturity	0	0	0
- loans granted	0	0	0
- financial assets available for sale	0	0	0
d) in significant investor	0	0	0
- assets held for trading	0	0	0
- assets designated by the entity upon initial recognition as financial assets measured at fair value through profit or loss	0	0	0
- debt securities	0	0	0
- financial assets held to maturity	0	0	0
- loans granted	0	0	0
- financial assets available for sale	0	0	0
e) in the parent company	0	0	0
- assets held for trading	0	0	0
- assets designated by the entity upon initial recognition as financial assets measured at fair value through profit or loss	0	0	0
- debt securities	0	0	0
- financial assets held to maturity	0	0	0
- loans granted	0	0	0
- financial assets available for sale	0	0	0
f) in other entities	1 131	0	0
- assets held for trading	1 131	0	0
- assets classified by the entity upon initial recognition as financial assets measured at fair value through profit or loss	0	0	0
- debt securities	0	0	0

- financial assets held to maturity	0	0	0
- loans granted	0	0	0
- financial assets available for sale	0	0	0
g) cash and other monetary assets	7 645	4 071	500
- cash in hand and at bank	7 645	4 071	500
- other cash equivalents	0	0	0
- other monetary assets	0	0	0
<b>Total current financial assets</b>	<b>8 776</b>	<b>4 071</b>	<b>500</b>

CURRENT FINANCIAL ASSETS (BY MARKETABILITY)	30.06.2015	31.12.2014	30.06.2014
A. With unlimited marketability, exchange listed (carrying value)	1 131	0	0
a) shares (carrying value):	426	0	0
- fair value	426	0	0
- market value	426	0	0
- value at acquisition price	426	0	0
b) bonds (carrying value):	0	0	0
- fair value	0	0	0
- market value	0	0	0
- value at acquisition price	0	0	0
c) other – by type (carrying value):	0	0	0
c1) Short term WIG futures	705	0	0
- fair value	705	0	0
- market value	705	0	0
- value at acquisition price	705	0	0
B. With unlimited marketability, listed on OTC markets (carrying value)	0	0	0
a) shares (carrying value):	0	0	0
- fair value	0	0	0
- market value	0	0	0
- value at acquisition price	0	0	0
b) bonds (carrying value):	0	0	0
- fair value	0	0	0
- market value	0	0	0
- value at acquisition price	0	0	0



c) other – by type (carrying value):	0	0	0
c1)	0	0	0
- fair value	0	0	0
- market value	0	0	0
- value at acquisition price	0	0	0
C. With unlimited marketability, not listed on a regulated market (carrying value)	0	0	0
a) shares (carrying value):	0	0	0
- fair value	0	0	0
- market value	0	0	0
- value at acquisition price	0	0	0
b) bonds (carrying value):	0	0	0
- fair value	0	0	0
- market value	0	0	0
- value at acquisition price	0	0	0
c) loans granted:	0	0	0
- fair value (with interest)	0	0	0
- value at acquisition price	0	0	0
d) cash in hand and at bank:	7 645	4 071	500
- fair value	7 645	4 071	500
- market value	7 645	4 071	500
- value at acquisition price	7 645	4 071	500
D. With limited marketability (carrying value)	0	0	0
a) shares (carrying value):	0	0	0
- fair value	0	0	0
- market value	0	0	0
- value at acquisition price	0	0	0
b) bonds (carrying value):	0	0	0
- fair value	0	0	0
- market value	0	0	0
- value at acquisition price	0	0	0
c) other – by type (carrying value):	0	0	0
c1)	0	0	0

- fair value	0	0	0
- market value	0	0	0
- value at acquisition price	0	0	0
Total value at acquisition price	8 776	4 071	500
Total value opening balance	4 071	0	0
Total revaluation gains/losses	0	0	0
<b>Total carrying value</b>	<b>8 776</b>	<b>4 071</b>	<b>500</b>

CASH AND OTHER MONETARY ASSETS (CURRENCY STRUCTURE)	30.06.2015	31.12.2014	30.06.2014
a) in polish currency	7 309	4 071	500
b) in foreign currencies (by currency and translated to PLN)	336	0	0
Other foreign currencies in PLN ths	336	0	0
<b>Total cash and other monetary assets</b>	<b>7 645</b>	<b>4 071</b>	<b>500</b>

#### Note no 6

OTHER SHORT TERM INVESTMENTS (BY TYPE)	30.06.2015	31.12.2014	30.06.2014
<b>Total other short term investments</b>	<b>0</b>	<b>0</b>	<b>0</b>

PREPAID EXPENSES	30.06.2015	31.12.2014	30.06.2014
a) prepaid expenses, including:	25	0	0
- fee for the use of "e-misja" system	25	0	0
Other prepaid expenses	0	0	0
<b>Total cash and other monetary assets</b>	<b>25</b>	<b>0</b>	<b>0</b>

#### Note no 7

SHARE CAPITAL (STRUCTURE) as at 30.06.2015								
Share series	Share type	Type of preference	Restrictions on shares	Number of shares	Series/issue nominal value	Coverage of capital (payment manner)	Date of registration	Right to dividend (since)
A	registered	2 voices per share	none	1 000 000	PLN 500 000	cash	26-06-2014	26-06-2014
B	bearer	none	none	1 003 666	PLN 501 833	cash	29-01-2015	01-01-2015
B2	bearer	none	none	275 000	PLN 137 500	cash	14-05-2015	01-01-2015
C	bearer	none	none	795 991	PLN 397 996	cash	14-05-2015	01-01-2015
<b>Total number of shares</b>				<b>3 074 657</b>				
<b>Total share capital</b>					<b>PLN 1 537 328,50</b>			
<b>Share nominal value = PLN 0,50</b>								

OWNERSHIP STRUCTURE OF SHARE CAPITAL AT SIGNING OF FINANCIAL STATEMENT	No of shares	Share of equity	Share of voting rights	Equity (ths of PLN)
INC S.A.	1 000 000	26,41%	41,79%	500
Other shareholders	2 786 096	73,59%	58,21%	1 393
<b>Total</b>	<b>3 786 096</b>	<b>100,00%</b>	<b>100,00%</b>	<b>1 893</b>

#### Note no 8

SUPPLEMENTARY CAPITAL	30.06.2015	31.12.2014	30.06.2014
a) from the sale of shares above their nominal value net of issue costs and covering the losses from previous years	4 593	0	0
b) statutory reserve	0	0	0
c) created in accordance with the statute / agreement exceeding the (minimal) statutory reserve value	0	0	0
d) from additional payments from shareholders / partners	0	0	0
e) other (by type)	0	0	0
- value of the series A share issue before the registration of the capital increase	0	0	0
<b>Total reserve capital</b>	<b>4 593</b>	<b>0</b>	<b>0</b>

#### Note no 9

RESERVE CAPITAL	30.06.2015	31.12.2014	30.06.2014
a) statutory reserve	0	0	0
b) created in accordance with the statute / agreement	0	0	0
c) other (by type)	2 096	3 757	0
- value of the shares issued before the registration of the capital increase	2 096	3 757	0
<b>Total reserve capital</b>	<b>2 096</b>	<b>3 757</b>	<b>0</b>

#### Note no 10

CURRENT LIABILITIES	30.06.2015	31.12.2014	30.06.2014
a) to subsidiaries	0	0	0
b) to jointly controlled entities	0	0	0
c) to associates	0	0	0
d) to significant investor	0	0	0
e) to parent company	0	0	0
f) to other entities	709	17	0
- loans and borrowings, including:	0	0	0
- long-term during the repayment period	0	0	0
- related to issue of debt securities	0	0	0

- related to dividends	0	0	0
- other financial liabilities, including:	0	0	0
- trade payables, with a repayment period:	3	17	0
- up to 12 months	3	17	0
- over 12 months	0	0	0
- advances received for deliveries	0	0	0
- related to promissory notes	0	0	0
- related to taxes, customs, insurance and other benefits	1	0	0
- related to wages and salaries	0	0	0
- other (by type)	705	0	0
- including: commitment to acquire financial assets	705	0	0
- including: liabilities under finance leases	0	0	0
- including: advances on subsidies	0	0	0
- including: insurance liabilities	0	0	0
g) special funds (by title)	0	0	0
- social benefits fund	0	0	0
<b>Total current liabilities</b>	<b>709</b>	<b>17</b>	<b>0</b>

CURRENT LIABILITIES (CURRENCY STRUCTURE)	30.06.2015	31.12.2014	30.06.2014
a) in polish currency	709	17	0
b) in foreign currencies (by currency and translated to PLN)	0	0	0
<b>Total current liabilities</b>	<b>709</b>	<b>17</b>	<b>0</b>

#### Note no 11

OTHER PREPAYMENTS AND ACCRUALS	30.06.2015	31.12.2014	30.06.2014
a) accrued expenses	0	3	0
- non-current (by title)	0	0	0
- current (by title)	0	3	0
- provision for costs	0	3	0
<b>Total other prepayments and accruals</b>	<b>0</b>	<b>3</b>	<b>0</b>

**Note no 12**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>01.01.2015 30.06.2015</b>	<b>04.04.2014 31.12.2014</b>	<b>04.04.2014 30.06.2014</b>
<b>I. Profit before tax</b>	<b>7</b>	<b>-20</b>	<b>0</b>
<b>II. Adjustments to reconcile profit before tax to net cash flows:</b>	<b>-43</b>	<b>3</b>	<b>0</b>
1. Depreciation and amortisation	0	0	0
2. Net foreign exchange differences	0	0	0
3. Interest and share of profit (dividends)	0	0	0
4. Gain (loss) on investment activity	-15	0	0
5. Changes in provisions	0	0	0
6. Changes in prepayments and accruals	-28	3	0
7. Other adjustments	0	0	0
<b>III. Changes in working capital</b>	<b>53</b>	<b>-169</b>	<b>0</b>
<b>IV. Income tax paid</b>	<b>-1</b>	<b>0</b>	<b>0</b>
<b>V. Net cash flows from operating activities</b>	<b>16</b>	<b>-186</b>	<b>0</b>

## VI. SIGNATURES



Paweł Śliwiński  
*CEO/President of the Management Board*