

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
FOR SIX MONTHS ENDED ON 30 JUNE 2017,
MADE IN CONFORMITY WITH THE INTERNATIONAL
ACCOUNTING STANDARD 34 INTERIM FINANCIAL
REPORTING**



Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

SELECTED FINANCIAL DATA – CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Selected data concerning the consolidated financial statements of the INPRO SA Capital Group				
	01/01/2017	01/01/2016	01/01/2017	01/01/2016
	-	-	-	-
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
	PLN '000		EUR '000	
Net sales revenues	81 855	80 849	19 272	18 457
Gross profit (loss) on sales	29 078	20 395	6 846	4 656
Profit (loss) on operating activities	13 656	9 300	3 215	2 123
Gross profit (loss)	12 962	8 665	3 052	1 978
Net profit (loss)	10 451	6 639	2 461	1 516
- attributable to non-controlling shareholders	822	258	194	59
Earnings (loss) per share in the parent entity	0,2405	0,1594	0,0566	0,0364
Net cash flows from operating activities	(14 971)	8 424	(3 525)	1 923
Net cash flows from investing activities	(702)	(5 960)	(165)	(1 361)
Net cash flows from financing activities	6 461	(17 584)	1 521	(4 014)
Net cash flows	(9 212)	(15 120)	(2 169)	(3 452)
	30/06/2017	31/12/2016	30/06/2017	31/12/2016
	PLN '000		EUR '000	
Total assets	378 873	358 121	89 642	80 949
Liabilities and provisions for liabilities	133 284	112 485	31 535	25 426
Provisions for liabilities	3 413	8 716	808	1 970
Long-term liabilities	38 554	46 167	9 122	10 436
Short-term liabilities	94 730	66 318	22 413	14 991
Equity	245 589	245 636	58 107	55 524
- attributable to non-controlling shareholders	12 386	12 119	2 930	2 739
Number of shares (pcs)	40 040 000	40 040 000	40 040 000	40 040 000
Book value per share	6,1336	6,1348	1,4512	1,3867
ZLOTY TO EURO CONVERSION RATE	average euro rate in the period 01/01/2017-30/06/2017		average euro rate as at 30/06/2017	
	4,2474		4,2265	
	average euro rate in the period 01/01/2016-30/06/2016		average euro rate as at 31/12/2016	
	4,3805		4,4240	

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

SELECTED FINANCIAL DATA – CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

Selected data concerning the financial statements of the INPRO SA				
	01/01/2017	01/01/2016	01/01/2017	01/01/2016
	-	-	-	-
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
	PLN '000		EUR '000	
Net sales revenues	49 262	61 484	11 598	14 036
Gross profit (loss) on sales	18 549	15 472	4 367	3 532
Profit (loss) on operating activities	10 577	9 616	2 490	2 195
Gross profit (loss)	11 229	10 284	2 644	2 348
Net profit (loss)	9 102	8 437	2 143	1 926
- attributable to non-controlling shareholders	0,2273	0,2107	0,0535	0,0481
Net cash flows from operating activities	(6 094)	2 218	(1 435)	506
Net cash flows from investing activities	(3 512)	960	(829)	219
Net cash flows from financing activities	(351)	(15 588)	(83)	(3 558)
Net cash flows	(9 955)	(12 410)	(2 346)	(2 833)
	30/06/2017	31/12/2016	30/06/2017	31/12/2016
	PLN '000		EUR '000	
Total assets	314 182	309 581	74 336	69 978
Liabilities and provisions for liabilities	75 079	69 570	17 764	15 726
Provisions for liabilities	1 882	7 476	445	1 690
Long-term liabilities	6 712	19 789	1 588	4 473
Short-term liabilities	68 367	49 781	16 175	11 252
Equity	239 103	240 011	56 572	54 252
Number of shares (pcs)	40 040 000	40 040 000	40 040 000	40 040 000
Book value per share	5,9716	5,9943	1,4129	1,3549
ZLOTY TO EURO CONVERSION RATE	average euro rate in the period 01/01/2017-30/06/2017		average euro rate as at 30/06/2017	
	4,2474		4,2265	
	average euro rate in the period 01/01/2016-30/06/2016		average euro rate as at 31/12/2016	
	4,3805		4,4240	

REPORT OF THE MANAGEMENT BOARD

ON THE CAPITAL GROUP'S ACTIVITY

IN THE FIRST SIX MONTHS OF 2017

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

Contents

1. Commentary by the Management Board on the Capital Group's activity in the first six months of 2017.....	6
2. General information.....	7
3. Structure of the INPRO SA Capital Group.....	8
4. Structure of the share capital of INPRO SA.....	9
5. Condensed Interim Consolidated financial statements and rules for their preparation.....	9
6. Condensed Interim Separate financial statement.....	10
7. Information on basic products of the INPRO SA Capital Group.....	11
8. Significant risk factors and threats.....	12
9. Directions of development of the INPRO SA Capital Group.....	13
10. Events with significant influence on the Capital Group's activity and financial results.....	13
11. Information on significant transactions effected by INPRO SA or a subsidiary with related entities on conditions other than market conditions.....	14
12. Information on credit/loan sureties given by the Parent Entity or by subsidiaries or on guarantees given to an entity or its subsidiary, where the total value of sureties or guarantees is at least 10% of the Issuer's equity.....	14
13. Information on pending proceedings concerning the liabilities or receivables of INPRO SA or its subsidiaries.....	15
14. Difference between the financial performance indicated in the annual report and forecasts for a given year published previously.....	15
15. Total number and nominal value of all stock (shares) in the Company and of stock and shares in related entities, held by persons managing and supervising the Company.....	15
16. Other material information for the assessment of personnel, economic and financial position and of the financial result as well as their changes and the payment of liabilities.....	15
17. Information on the issue, buyout and repayment of non-equity and equity securities.....	17
18. Material events after the balance sheet date.....	17

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

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

1. COMMENTARY BY THE MANAGEMENT BOARD ON THE CAPITAL GROUP'S ACTIVITY IN THE FIRST SIX MONTHS OF 2017

The prosperity in the real estate market in the first six months of 2017 was supported by positive signals coming from the Polish economy. In 2017, average employment increased, inflation remained stable at around 2%, interest rates remained on low level, and wages has increased.

For the real estate market a significant event was the amendment of the "MDM" Act - in August another pool of subsidies for flats planned to be commissioned in 2017 was launched (this pool was immediately used). Compared to the first half of 2016, there was an increase in sales of apartments and an increase in the number of units that were put up for sale. However sales pace has weakened - in the second quarter of this year 6% less homes were sold than in the first quarter of the year.

Under these circumstances, it is expected that 2017 may be another year with high sales of flats, while the number of units introduced to the sales offer will increase.¹

Pre-sales of the INPRO SA Capital Group (counted as the number of preliminary sales agreement of finished investment projects, contracts with other than natural customers, and contracts concerning commercial and service premises, and also documents issued to the customers about condition of conclude an agreement that customers need to apply for funds to finance the contract and taking into account the resignation of customers from the conclusion of such contracts or the resignation of concluded contracts) in the period April - June 2017 amounted to 131 net agreements, compared to 73 agreements in analogous period of 2016 (increase of 79%) INPRO S.A. alone signed 100 net contracts in this period, 100% more than in 2016. Improvement to the pre-sale

was a result of increase of interest of the clients with company offer, including investments that within company observation are currently enjoying the most popularity, ie Kwartal Uniwersytecki II and Harmonia Oliwa (Stage I and II).

In the first six months of 2017, INPRO SA and PB Domesta Sp. z o.o. signed a total of 265 preliminary agreements net, ie 35% more than in the first six months of 2016.

In the period from January to June 2017, the INPRO Group noted a slight increase of sales compared to analogues period of 2016 (increase by 1% to the level of PLN 81,855 k. PLN) Gross profit from sales increased significantly, because it amounted to 29 million pln and this is 43% of increase. In the period under review, the INPRO Group handed over the total of 162 residential premises; that number being 11% smaller than in the first six months of 2016, in which the Group delivered 182 flats. In the reporting period, INPRO SA delivered 113 premises, compared to 150 in the previous year. In the present period INPRO SA did not put to use any multifamily construction, however has finished work on 7 detached houses in the estate of the Golf Park. PB DOMESTA finished the works on buildings No. 20 at the Leszczynowe estate (the total of 35 flats). The increase of the net return on sales compared to the same period of the last year was connected with a higher margins realized on the sold apartments (purchases for investment purposes) and improved performance of related companies. The vast majority of the turnover of INPRO and DOMESTA companies will fall to the second half of 2017, when the following projects will be completed given no delays to administrative procedures relating to occupancy permits, the following projects will be finished:

- Leszczynowe estate - building No. 21,
- Leszczynowy Staw estate - building No. 1,
- Harmonia Oliwska estate - stage I,
- Optima estate - stage I,
- Single-family houses at the Golf Park estate,

In May 2017 INPRO SA launched the sale of 96 flats at stage II of the Kwartal Uniwersytecki estate and in June the sale of 84 flats at stage II of the Harmonia Oliwska estate. In August of the present year the Company put on to its offer 105 flats of the Debiut estate, stage I located in Pruszcz

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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Gdański. In April of the present year PB DOMESTA has started selling premises in building No. 5 at the Leszczynowy Staw estate (the total of 31 flats) and in May building No. 2 at the Nowa Niepołomicka estate (the total of 37 flats). By the end of the year, the Group is planning to launch the sales in the following locations:

- Azymut estate in Gdynia- 193 premises;
- Golf Park stage D (22 single-family houses)
- Nowa Niepołomicka estate, building No. 3 (the total of 47 flats)
- Leszczynowy Staw estate, building No.3 (the total of 31 flats)
- Jaśkowa Dolina estate in Gdańsk (the total of 65 flats)

In total the Group is planning to lunch the sales of 711 new flats and houses.

2. General information

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

Table 1. Basic information on INPRO SA

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

The main object of the INPRO SA Capital Group is the construction and sale of residential and commercial real estate (INPRO SA and Przedsiębiorstwo Budowlane Domesta Sp. z o.o.).

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

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

As at 30.06.2017 the composition of the Management Board of the parent entity was as follows:

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

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

As at 30.06.2017 the composition of the Supervisory Board of the parent entity was as follows:

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

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

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

Statutory Auditor

Deloitte Polska Spółka z ograniczoną odpowiedzialnością spółka komandytowa,
Al. Jana Pawła II 22,
00-133 Warszawa
Registration No. 73.

3. Structure of the INPRO SA Capital Group

The structure of the Capital Group, and the Company's contribution as at 30/06/2017 to the share capital of subsidiaries covered by full consolidation in the financial statements is presented in the table below:

Table 2. Structure of the INPRO SA Capital Group as at 30/06/2017 – entities comprised by full consolidation

Entity	Registered office	Share in the share capital	Share capital	Object
INPRO SA	Gdańsk	not applicable	4.004.000 PLN	Property development activity (increased standard and popular flats)
Przedsiębiorstwo Budowlane DOMESTA Sp. z o.o.	Gdańsk	59.57%	300.800,00 PLN	Property development activity (popular flats)
inBet Sp. z o.o.	Kolbudy	80.32 %	13.790.840 PLN	Manufacture of concrete, reinforced concrete and steel elements
Dom Zdrojowy Sp. z o.o.	Jastarnia	100 %	19.140.385 PLN	Hotel services
Hotel Mikołajki Sp. z o.o.	Mikołajki	100 %	15.780.000 PLN	Hotel services
PI ISA Sp. z o.o.	Gdańsk	76.92%	80.000 PLN	Sanitary and heating installations
SML Sp. z o.o.	Gdańsk	100 %	200.000 PLN	interior design, finishing flats

In the first six months of 2017, the composition of the INPRO SA Capital Group did not change, however, the following events took place:

1. On 30/03/2017 the Extraordinary General Meeting of inBet Sp. z o.o. adopted a resolution on the increase of the share capital from PLN 10,790,864 to PLN 13,790,840, that is by the sum of PLN 2,999,976, by way of creation of 53,571 new shares of the nominal value of PLN 56 each, which were subscribed for by INPRO SA by cash. After the registration of the capital increase, the number of shares held by INPRO SA in inBet Sp. z o.o is 197,795, which constitutes 80.32% of the share capital. The increase of share capital was registered in National Court Register on 12.05.2017
2. On 26/04/2017 the Extraordinary General Meeting of Hotel Mikołajki Sp. z o.o. adopted a resolution on the increase of the share capital from PLN 15,780,000 to PLN 17,980,000, that is by the sum of PLN 2,200,000, by way of creation of 2,200 new shares of the nominal value of PLN 1000 each, which were subscribed for by INPRO SA by cash. After the registration of the capital increase, the number of shares held by INPRO SA in Hotel Mikołajki Sp. z o.o is 17,980, which constitutes 100.00% of the share capital. The increase of share capital was registered in National Court Register on 19.07.2017

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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4. Structure of the share capital of INPRO SA

As at 30/06/2017, the share capital of INPRO was PLN 4,004 k and was divided into 40,040,000 ordinary bearer shares of the nominal value of 10 groszes each.

Table 3. Structure of the share capital of INPRO SA as at 28/08/2017 and as at 31/12/2016:

Shareholder	Series	Number of shares	Nominal value	Share in the capital	Number of votes	Share in votes
Piotr Stefaniak	A	8 460 000	846 000	21.13%	8 460 000	21.13%
Zbigniew Lewiński	A	9 460 000	946 000	23.63%	9 460 000	23.63%
Krzysztof Maraszek	A	10 010 000	1 001 000	25.00%	10 010 000	25.00%
ING OFE	A	2 100 000	210 000	17.93%	7 177 704	17.93%
	B	5 077 704	507 770			
Shareholders with less than 5% of votes	B	4 932 296	493 230	12.31%	4 932 296	12.31%
TOTAL		40 040 000	4 004 000	100%	40 040 000	100%

In the period from 31/12/2016 until the submission of this report, the shareholders did not advise of any change in the shareholdings in INPRO SA. No change in the shareholdings by executives took place in that period, either.

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

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

The interim condensed consolidated financial statements for six months ended on 30 June 2017 were made in conformity with International Financial Reporting Standards ("IFRS") as endorsed by the European Union.

The Parent Company prepares its financial statements in accordance with IFRS, while the Group's subsidiaries keep their books of accounts in conformity with the accounting policy (principles) specified by the Accounting Act of 29 September 1994 (the "Act") and the regulations issued on its basis (the "Polish accounting standards"), regulation of the Minister of Finance of 25 September 2009 on detailed rules for drawing up, by entities other than banks, insurance and reinsurance undertakings, consolidated financial statements of capital groups and the Code of Commercial Companies.

Consolidated statement of total income

In the first six months of 2017 the INPRO Group achieved sales revenues of approximately PLN 81,9 m. This result is almost identical with the one for the first six months of the last year (a 1% increase). Net profitability increased significantly (from 8% to 13%), however. Profitability based on gross profit from sales was at the level of 36% (for comparison, that figure was 25% in the same period of 2016). Total overall income increased by PLN 4 m, i.e. 57% in relation to total income achieved in the first six months of the previous year.

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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Consolidated statement of the financial position

In the period presented, the share of fixed assets in the balance sheet total decreased slightly against the comparable period, namely to 30% (the figure being 32% as at 31/12/2016). Equity was a slightly smaller percentage of the balance sheet total than at the end of 2016 (65% compared to 69%). Equity and long-term liabilities together constituted 75% of the balance sheet total.

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

Key ratios characterising the financial and economic position of the INPRO SA Capital Group for six months of 2017 and of 2016 have been presented below.

Table 4. Ratios characterising the financial position of the INPRO SA Capital Group for the first six months of 2017 and 2016

Ratio	Way of calculation	06/2017	06/2016
<i>Net profitability</i>	<i>Net profit (loss) * 100% / Sales revenues</i>	13 %	8 %
<i>Return on sales</i>	<i>Gross profit (loss) on sales * 100% / Sales revenues</i>	36 %	25 %
<i>Net return on assets (ROA)</i>	<i>Net profit (loss) * 100% / Total assets</i>	3 %	2 %
<i>Return on equity (ROE)</i>	<i>Net profit (loss) * 100% / Equity</i>	4 %	3 %
<i>Current liquidity</i>	<i>Current assets / Short-term liabilities</i>	2,80	2,35
<i>Cash to liability ratio</i>	<i>(Current assets - inventory) / Short-term liabilities</i>	0,4	0,4
<i>Trade receivables turnover in days</i>	<i>Final state of trade receivables * 180 / Sales revenues</i>	13	14
<i>Trade liabilities turnover in days</i>	<i>Final state of trade liabilities * 180 / Sales revenues</i>	61	97
<i>Inventory turnover in days</i>	<i>Final state of inventory * 180 / Cost of sales</i>	787	632
<i>Asset structure</i>	<i>Fixed assets * 100% / Current assets</i>	43 %	45 %
<i>Asset financing structure</i>	<i>Equity * 100% / Total assets</i>	65 %	60 %
<i>Sustainability of financing</i>	<i>(Equity + long-term liabilities) / Total assets</i>	75 %	71 %
<i>Net debt ratio</i>	<i>(Financial debt - cash and cash equivalents) / Equity</i>	17 %	8 %

As it follows from the figures presented for the first six months of 2017, profitability ratios improve distinctly against the first six months of 2016. In 2017 year. Net debt ratio increased, because of rise of loans debt in INPRO and PB DOMESTA Sp. z o.o. On the other hand, turnover ratios of receivables and liabilities improved, while the inventories turnover ratio (purchase of land in INPRO and DOMESTA) increased. All the ratios are at a safe level.

The Group's cash flow statement for the first six months of 2017 shows positive cash flows only at the financial activity level (cash from loans). Negative cash flows from the operating activity follow mainly from the expenditure on land. Negative cash flows from the investing activity follow mainly from the expenditure on fixed assets (hotels, INPRO, inBet)

6. Condensed Interim Separate financial statement

Separate statement of total income INPRO SA

In the first six months of 2017, INPRO SA achieved revenues from sales of approximately PLN 49.3 m, i.e. 20% less than last year, with the increase of net profitability (from 14% to 18%). Profitability based on gross profit from sales was at the level of 38% (compared to 25% for the first six months 2016). The increase trend of the gross profit from sales was 20%. In the period

under review, despite the fact that fewer units were issued, a higher margin was applied to them - in 2017 the editions concerned mainly two locations: Kwartal Uniwersytecki estate (stage I) and building C at Chmielna Park estate in which they were bought for investment purposes.

Total overall income increased by PLN 0.7 m, which means a rise by 8%. The most significant increase in the cost group took place in the management costs and sale costs, due to the costs associated with the jubilee of 30 years of INPRO SA activity.

Separate statement of the financial position INPRO SA

In the presented period, the balance sheet structure did not change significantly. The contribution of fixed assets to the balance sheet total do not change compared to 34% as at 31.12.2016. In the liabilities structure, the contribution of long-term sources of finance (equity and long-term liabilities) decreased slightly compared to the end of previous year (from 84% to 78%), due to decrease of long-term financial debt.

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).

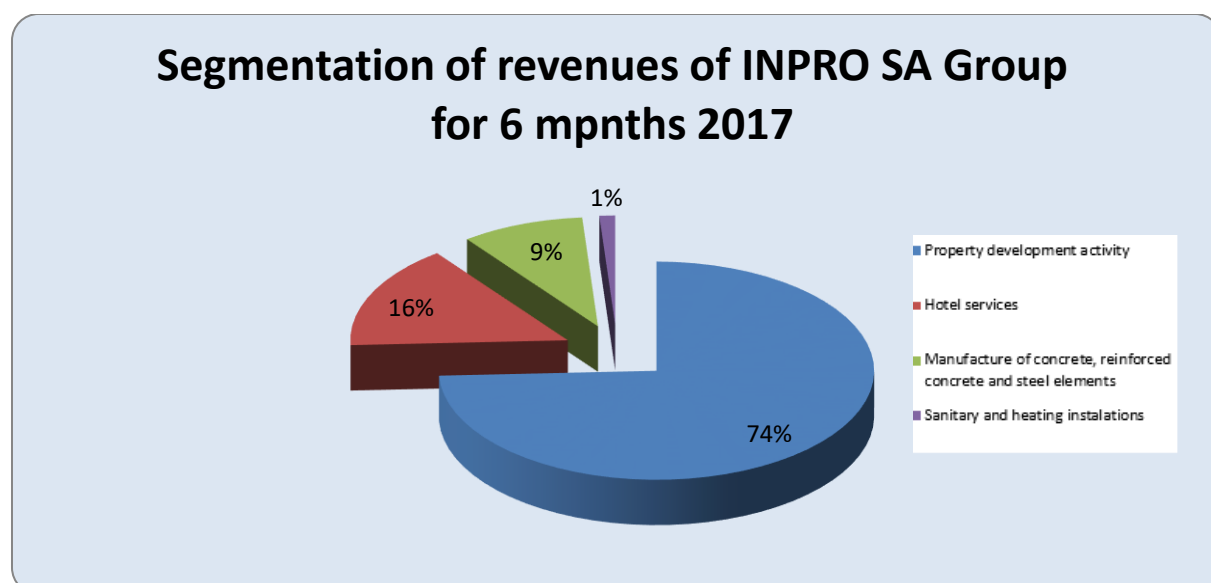
The cash flow statement of INPRO SA for the first six months of 2017 indicate negative cash flows at all levels of activities. Cash flows from operating activity are negative due to purchases of lands. Cash flows from financing activities are negative mainly due to the repayment of credit and to the payment of a dividend to the shareholders of INPRO SA. (however the level of negative cash flow on financial activity is very close to zero). Investment activity is negative due to the increase of capital in inBet and Hotel Mikołajki.

The net debt ratio for INPRO SA in the reporting period was (7%).

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

In the first six months of 2017, the main source of income for the Group was income from the sale of residential and commercial premises and residential buildings as part of property development projects in modern technology available on the domestic market, in line with profitability principle in using new solutions. The remaining sources of income from the sale of the Group's products are as follows: hotel services, manufacture of precast units and sanitary and heating installations.

The sales revenue structure is presented in the following diagram:



8. Significant risk factors and threats

Risk relating to the implementation of property development projects

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

Risk of failure to obtain credit finance

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

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

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

Competition risk

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

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

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

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

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

Land acquisition for residential development depends on the Group's efficiency of operation on one hand and on objective external factors on the other. External factors which may adversely affect the Group's efficiency of land acquisition are, first of all, the following: competition on the real estate market, the lack of local area development plans, limited resources of land with appropriate infrastructure, limitations due to Agricultural Land Trade Act 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 Poland's macroeconomic situation

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

Risk relating to administrative decisions

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

9. Directions of development of the INPRO SA Capital Group

In the second half of 2017 the Group is planning to focus on the following areas:

- the continuation of the current strategy (the Tri-City and Pruszcz Gdańsk market, in the increased standard apartment segment) and further development of activity in the popular segment,
- seeking land for new property development projects – an attractive location at the land purchase price enabling a satisfactory margin,
- the second stage of the works in the Dom Zdrojowy Hotel in Jastarnia is being considered, namely the extension to include a large conference and banquet hall for 200 persons. The Group is not planning other hotel or other major investments in the nearest future,
- the modernization strategy of the inBet Sp. z o.o. will be continued, first changes made between 2015 and 2016, have produced positive results that are clearly visible at the profit level of the subsidiary company,
- the Group also considers stronger involvement in the implementation of commercial projects.

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

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

Key factors influencing the Group's financial performance in first six months of 2017:

- Pre-sales of the INPRO SA Capital Group (counted as the number of preliminary sales agreement of finished investment projects, contracts with other than natural customers, and contracts concerning commercial and service premises, and also documents issued to the customers about condition of conclude an agreement that customers need to apply for funds to finance the contract and taking into account the resignation of customers from the conclusion of such contracts or the resignation of concluded contracts) was higher than analogues period of previous year (increase of 35% to the amount of 265 agreements net) Improvement to the pre-sale was a result of increase of interest of the clients with company offer, including investments

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

that within company observation are currently enjoying the most popularity, ie Kwartal Uniwersytecki II and Harmonia Oliwa (Stage I and II).

- in relation to the specific nature of the property development cycle, the revenues from operations are posted after approximately 2 years from the commencement of a property development project, following receipt of the occupancy permit and delivery of the premises to the buyers. In the period from January to June 2017 INPRO SA did not place in service any multifamily building, however has finished work on 7 detached houses in the estate of the Golf Park. PB DOMESTA finished the works on buildings No. 20 at the Leszczynowe estate. The total number of handed over residential premises in the period was 162 compared to 182 in previous year (decrease by 11%). Premises were delivered first of all at projects completed last year: Kwartal Uniwersytecki (stage I) and building C in Chmielna Park estate. Despite the decrease of revenues of current period in comparison with previous period, sales margin is higher as the margin realised is better.
- high profitability of the Dom Zdrojowy company and the Hotel Mikołajki company due to economic upturn at hotel services market,
- activities taken in previous years by persons managing inBet Sp. z o.o. (cost cutting, focus on the most profitable areas of activity including sales to Scandinavian companies, plant modernisation) yielded still good results – for the first six months of 2017 the company noted net profit in the amount of approximately PLN 1,4 million.

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

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

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

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

The description of transactions with related entities was presented in note 31 of this condensed interim consolidated financial statements for six months ended on 30/06/2017.

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

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

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

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

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

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

The Company has not published the projected financial results for the financial year 2017 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 persons managing and supervising the Company

The shareholdings of the members of the Management Board and Supervisory Board of INPRO SA as at 30/06/2017 were as follows:

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

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

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

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

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

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

- On 03/01/2017 PB DOMESTA Sp. z o.o. signed with Polska Kasa Opieki SA in Warsaw an amendment No. 6 to the working capital credit agreement for PLN 1,000 k. Based on the amendment the agreement was prolonged up to 31/12/2017,

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

- b) On 03/01/2017 the Gdańsk-North District Court in Gdańsk, 3rd Land and Mortgage Register Division, recorded in division IV of land and mortgage register No. GD1G/00049979/1 the contractual real estate mortgage up to the sum of PLN 22,500 k, contractual real estate mortgage up to the sum of PLN 9,000 k and contractual real estate mortgage up to the sum of PLN 2,250 k set up as equal priority rights on INPRO SA's assets, constituting a legal security for the repayment of the credit in the amount of PLN 22,500 k granted by the Consortium SGB Bank SA and Bank Spółdzielczy in Pruszcz Gdański and Bank Spółdzielczy in Tczew financing the stage I of Optima estate,
- c) On 11/01/2017 inBet Sp. z o.o. signed with PEKAO Leasing Sp. z o.o. appendix No. 1 to the lease agreement dated 28/11/2016. The lease agreement concerns four single-girder overhead cranes and based on the appendix the acquisition cost was changed from PLN 355 k to PLN 385 k,
- d) On 31/01/2017 PI ISA Sp. z o.o. signed with Bank Millenium SA in Warsaw an appendix No. 24 to the overdraft agreement for PLN 300 k. Based on the appendix No. 24 termination date was set on 04/02/2018,
- e) On 06/02/2017 INPRO SA effected the full repayment of the working capital credit for the refinancing of the purchase of part of the land in Gdańsk, City Park estate in amount of PLN 4,300 k granted by Alior Bank SA,
- f) On 15/02/2017 INPRO SA obtained a building permit regarding stages II, III, IV of the Harmonia Oliwska residential estate in Gdańsk, Opacka Street,
- g) On 15/02/2017 the Gdańsk-North District Court in Gdańsk, 3rd Land and Mortgage Register Division, recorded in division IV of land and mortgage register No. GD1G/00068140/0, GD1G/00261401/1, GD1G/00036115/3 and GD1G/00083407/1 the contractual real estate mortgage up to the sum of PLN 25,075 k, constituting a legal security for the repayment of the credit in the amount of PLN 16,000 k granted by Alior Bank SA,
- h) On 24/02/2017 INPRO SA obtained a building permit regarding stage II of Kwartal Uniwersytecki residential estate in Gdańsk, Szczecińska Street,
- i) On 15/03/2017 INPRO SA signed an agreement for purchase of land in Gdańsk, Szczecińska Street, for the price not exceeding 10 % of the Issuer's equity,
- j) On 25/04/2017 PB Domesta Sp. z o.o. signed with bank consortium: SGB – Bank SA domiciled in Poznań and Bank Spółdzielczy w Tczewie domiciled in Tczew the credit contract of 6.650 kPLN that partly finances and refinances the purchase of land in Gdańsk, Dąbrówki street. The contract has been widely described in Current Report No.10/2017 dated 26/04/2017,
- k) On 27/04/2017 INPRO SA obtained a building permit regarding stage I of the Debiut residential estate in Pruszcz Gdański,
- l) On 28/04/2017 INPRO SA effected the full repayment of the working capital credit of 8.200 kPLN granted in 2014 by Alior Bank SA designated to refinance building of 6 service estates and 3 housing estates in Kwartal Kamienic residential estate,
- m) On 28/04/2017 INPRO SA signed with a natural person purchase contract of land in Gdańsk, Dąbrówki street (18.722 m²), for the price not higher than 10% of Company's equity,
- n) On 22/05/2017 a building permit regarding Azymut residential estate in Gdynia has become valid,
- o) On 30/06/2017 PB DOMESTA Sp. z o.o. signed with natural persons preliminary purchase contract of land of surface of 8.619 m², for the price not higher than 10% of Company's equity.

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

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

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

18. Material events after the balance sheet date

- a) On 05/07/2017 INPRO SA signed with mBank SA capital credit contract of 16.700 kPLN to finance building of Harmonia Oliwska residential estate (stage II). The contract has been widely described in Current Report No.18/2017 dated 05/07/2017,
- b) On 05/07/2017 INPRO SA signed with mBank SA capital credit contract of 14.000 kPLN to finance building of Kwartał Uniwersytecki residential estate (stage II). The contract has been widely described in Current Report No.18/2017 dated 05/07/2017,
- c) On 12/07/2017 INPRO SA signed preliminary purchase contract of land in Gdańsk, Szczecińska street (Kwartał Uniwersytecki residential estate, stage III) of the surface of 5.179 m². The price not higher than 10% of Company's equity.,
- d) On 14/07/2017 INPRO SA signed with bank consortium: SGB – Bank SA domiciled in Poznań and Bank Spółdzielczy w Tczewie domiciled in Tczew annex to the credit contract designated to finance the building of Optima residential estate (stage I). The annex slightly changes the condition of launching the lots of the credit, the aim was to facilitate INPRO SA the use of cash,
- e) On 17/07/2017 PB DOMESTA Sp. z o.o. signed an operating lease contract with mLeasing Sp. z o.o. for the period of 4 years. The subject of the contract is a set of 12 building containers total price of 235 kPLN. The contract is secured by bank promissory note,
- f) On 18/07/2017 PB DOMESTA Sp. z o.o. signed two operating lease contracts with mLeasing Sp. z o.o. each for the period of 4 years. The subject of the contracts are 4 building containers total price of 71 kPLN. The contracts are secured by bank promissory note,
- g) On 09/08/2017 INPRO SA effected the full early repayment of the working capital credit of 6.000 kPLN granted in 2016 by bank consortium : SGB – Bank SA and Bank Spółdzielczy w Tczewie, designated to refinance building of 24 estates in Chmielna Park residential estate (buildings A and B),
- h) On 11/08/2017 INPRO SA signed with Alior Bank SA capital credit agreement of 6.500 kPLN to refinance building of 17 estates in Chmielna Park residential estate (buildings B and C). The contract has been widely described in Current Report No.21/2017 dated 18/08/2017,
- i) On 17/08/2017 INPRO SA signed with town council of Pruszcz Gdański a purchase agreement of land in Pruszcz Gdański, Czekanowskiego street, of the surface of 9.425 m². The price is not higher than 10% of Company's equity.

Gdańsk, 28/08/2017

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS OF THE
INPRO SA CAPITAL GROUP
FOR SIX MONTHS ENDED ON 30 JUNE 2017**

CONTENTS:

CONSOLIDATED STATEMENT OF TOTAL INCOME FOR SIX MONTHS ENDED ON 30 JUNE 2017	22
CONSOLIDATED STATEMENTS OF THE FINANCIAL POSITION AS AT 30 JUNE 2017.....	23
CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 30 JUNE 2017.....	25
CONSOLIDATED STATEMENT OF THE CHANGES IN EQUITY FOR SIX MONTHS ENDED ON 30 JUNE 2017	27
ADDITIONAL INFORMATION AND EXPLANATIONS	28
1. General information.....	28
2. Information concerning related entities	29
3. Approval of the financial statements	32
4. Grounds for the preparation of condensed interim consolidated financial statements and accounting principles	32
5. Conversion of items denominated in a foreign currency	34
6. Material values based on professional judgement and estimates	35
7. Seasonality of INPRO SA Group's activity in the period under discussion	36
8. Information on operating segments	36
9. Costs and revenues	43
10. Income tax	44
11. Earnings per share.....	45
12. Dividends paid and proposed.....	46
13. GOODWILL ON CONSOLIDATION.....	47
14. Property, plant and equipment	47
15. Investment property	48
16. Inventory	48
17. Trade and other receivables	49
18. Other financial assets	50
19. Cash..	50
20. Establishing asset revaluation deductions and their reversal	51
21. Share capital.....	51
22. Non-controlling shares	51
23. Provisions.....	52
24. Interest-bearing bank credits, loans, issued bonds and liabilities relating to finance lease	53
25. Liabilities relating to finance lease agreements and lease agreement with a purchase option.....	60
26. Trade and other liabilities.....	65

27. Contingent and other off-balance sheet items	66
28. Securities established by Group companies	66
29. Significant court cases	67
30. Financial instruments	68
31. Transactions with related entities	69
32. Transactions with the participation of the members of the Management Board.....	76
33. Remuneration of the statutory auditor or entity authorised to audit financial statements	77
CONDENSED FINANCIAL DATA OF INPRO SA.....	78
STATEMENT OF TOTAL INCOME FOR SIX MONTHS ENDED ON 30 June 2017.....	78
STATEMENT OF THE FINANCIAL POSITION FOR THE PERIOD ENDED ON 30 June 2017.....	79
CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 30 June 2017	81
STATEMENT OF THE CHANGES IN EQUITY FOR THE PERIOD ENDED ON 30 June 2017.....	83
1. Reference to the Group's interim condensed consolidated financial statements	83
2. Approval of the financial statements	83
3. Grounds for the preparation of condensed interim separate financial statements and accounting principles	83
4. Costs and revenues	84
5. Earnings per share.....	85
6. Information on operating segments	85
7. Financial instruments	86
8. INVENTORY	86
9. Trade and other receivables	87
10. Other financial assets	87
11. Interest-bearing bank credits, loans, issued bonds and liabilities relating to finance lease	88
12. Trade and other liabilities	89
13. Transactions with related entities	90
14. Contingent liabilities and receivables	92

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

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

Gdańsk, 28/08/2017

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

CONSOLIDATED STATEMENT OF TOTAL INCOME FOR SIX MONTHS ENDED ON 30 JUNE 2017

	Note	01.01.2017 -30.06.2017	01.01.2016 -30.06.2016	01.04.2017 -30.06.2017	01.04.2016 -30.06.2016
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
		PLN '000	PLN '000	PLN '000	PLN '000
Continuing operations					
Sales revenues	9.1	81 855	80 849	37 317	39 271
Cost of sales	9.2	(52 777)	(60 454)	(22 914)	(28 775)
Gross profit (loss) on sales		29 078	20 395	14 403	10 496
Selling costs	9.2	(4 538)	(2 533)	(2 612)	(1 125)
Administrative expenses	9.2	(11 331)	(9 317)	(6 530)	(4 682)
Other operating revenues		708	974	149	765
Other operating costs		(261)	(219)	(216)	(113)
Profit (loss) on operating activities		13 656	9 300	5 194	5 341
Financial income		83	189	42	93
Financial costs		(777)	(824)	(426)	(421)
Gross profit (loss)		12 962	8 665	4 810	5 013
Income tax		(2 511)	(2 026)	(1 009)	(1 176)
Net profit (loss) from continuing operations		10 451	6 639	3 801	3 837
TOTAL INCOME		10 451	6 639	3 801	3 837
Net profit (loss) attributable to:		10 451	6 639	3 801	3 837
- the parent entity's shareholders		9 629	6 381	3 402	3 674
- non-controlling shareholders		822	258	399	163
Total income attributable to:		10 451	6 639	3 801	3 837
- the parent entity's shareholders		9 629	6 381	3 402	3 674
- non-controlling shareholders		822	258	399	163
Earnings (loss) per share in the parent entity (PLN)					
- basic		0,2405	0,1594	0,0850	0,0918
- diluted		0,2405	0,1594	0,0850	0,0918

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

CONSOLIDATED STATEMENTS OF THE FINANCIAL POSITION AS AT 30 JUNE 2017

ASSETS	Note	30/06/2017	31/12/2016
		(unaudited)	(audited)
Fixed (long-term) assets		113 484	115 383
Property, plant and equipment	14	103 872	103 873
Goodwill	13	6 708	6 708
Other intangibles		89	111
Long-term receivables		24	20
Investment properties	15	801	2 853
Long term financial assets		201	201
Other long-term prepayments		12	7
Deferred tax assets	10.2	1 777	1 610
Current (short-term) assets		265 389	242 738
Inventory	16	230 799	210 110
Trade and other receivables	17	9 472	10 697
Current tax assets		298	447
Other financial assets	18	16 523	3 975
Cash and cash equivalents	19	8 297	17 509
TOTAL ASSETS		378 873	358 121

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

**CONSOLIDATED STATEMENT OF THE FINANCIAL POSITION AS AT 30/06/2017
(CONTINUED)**

EQUITY AND LIABILITIES	Note	30/06/2017	31/12/2016
		(unaudited)	(audited)
Equity (attributable to the parent entity's shareholders)		233 203	233 517
Issued share capital	21	4 004	4 004
Reserves		51	51
Retained profit		229 148	229 462
Capital attributable to non-controlling shareholders	22	12 386	12 119
Total equity		245 589	245 636
Long-term liabilities		38 554	46 167
Retirement benefit liabilities (a provision)	10.2	1 167	5 189
Deferred income tax provision	23	328	296
Long-term credits and bank borrowings	24	32 105	35 257
Other financial liabilities (lease)	25	3 235	3 775
Trade and other liabilities	26	1 719	1 650
Short-term liabilities		94 730	66 318
Short-term provisions	23	1 918	3 231
Short-term credits and bank borrowings	24	30 390	9 398
Other liabilities (financial lease)	25	1 085	1 058
Current income tax liabilities		873	154
Trade and other liabilities	26	60 464	52 477
Total liabilities		133 284	112 485
TOTAL EQUITY AND LIABILITIES		378 873	358 121

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 30 JUNE 2017

	01/01/2017 -30/06/2017	01/01/2016 -30/06/2016
Cash flows from operating activities	(unaudited)	(unaudited)
	PLN '000	PLN '000
Gross profit/(loss)	12 962	8 665
Adjustments:	(27 933)	(241)
Depreciation	1 840	1 804
Income tax paid	(5 831)	(4 778)
Gains (losses) from foreign exchange differences	(6)	16
Interest and dividends	686	808
Profit/(loss) on investing activities	(323)	(104)
(Increase)/ decrease of receivables	2 381	4 648
(Increase)/ decrease of inventory	(20 690)	1 298
Increase/ (decrease) of liabilities	(4 083)	(2 240)
Increase/ (decrease) of accrued/prepaid expenses	(672)	(628)
Increase/ (decrease) of deferred income	45	-
Change in provisions	(1 280)	(1 065)
Other	-	-
Net cash flows from operating activities	(14 971)	8 424
Cash flows from investing activities	(unaudited)	(unaudited)
	PLN '000	PLN '000
Sale of property, plant, equipment and intangibles	1 951	102
Interest received	15	-
Acquisition of property, plant, equipment and intangibles	(2 678)	(6 062)
Disposal of property, plant, equipment and intangibles	10	-
Net cash flows from investing activities	(702)	(5 960)

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 30 JUNE 2017 (CONTINUED)

	01/01/2017 -30/06/2017	01/01/2016 -30/06/2016
Cash flow from financing activities	(unaudited)	(unaudited)
	PLN '000	PLN '000
Net proceeds from issue of shares, issue of shares	-	-
Proceeds in relation to loans/credits obtained	36 345	21 245
Payments in relation to finance lease agreements	(517)	(296)
Repayment of loans/credits	(18 528)	(25 667)
Interest paid	(681)	(785)
Dividends paid to:	(10 159)	(12 069)
- the parent entity's shareholders	(10 010)	(12 012)
- non-controlling shareholders	(149)	(57)
Other financial expenditure	(1)	(15)
Other financial proceeds	-	3
Net cash flows from financing activities	6 461	(17 584)
Net change in cash and cash equivalents	(9 212)	(15 120)
Cash at the beginning of the period	17 509	27 228
Cash at the end of the period	8 297	12 108

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

CONSOLIDATED STATEMENT OF THE CHANGES IN EQUITY FOR SIX MONTHS ENDED ON 30 JUNE 2017

	Share capital	Share premium capital	Revaluation reserve	Retained profit	Attributable to non-controlling shareholders	Total
As at 01/01/2017	4 004	62 237	51	167 225	12 119	245 636
Dividend payment to the parent' entity's shareholders	-	-	-	(10 010)	-	(10 010)
Dividend payment - non-controlling shareholders	-	-	-	-	(489)	(489)
Net profit (loss) for the financial year	-	-	-	9 629	823	10 452
Increase of the share capital in inBet Sp. z o.o.	-	-	-	67	(67)	-
As at 30/06/2017	4 004	62 237	51	166 911	12 386	245 589

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

ADDITIONAL INFORMATION AND EXPLANATIONS

1. General information

The INPRO SA capital group (the "Group") consists of the parent entity, i.e. INPRO SA, and its subsidiaries (see item 2). The condensed interim consolidated financial statements of the Group comprise financial data for six months ended on 30 June 2017 with comparatives for six months ended on 30 June 2016 and as at 31 December 2016.

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

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

- hotel services (Dom Zdrojowy Sp. z o. o. and Hotel Mikołajki Sp. z o.o.),
- manufacture of precast concrete elements, manufacture and erection of steel structures for the civil engineering, industrial and municipal construction industry (inBet Sp. z o.o.),
- sanitary and heating installations (Przedsiębiorstwo Instalacyjne ISA Sp. z o.o.
- interior design, building completion and finishing (SML Sp. z o.o.- subsidiary company of INPRO SA, recorded in the register of entrepreneurs of the National Court on 14th July 2016 r., on 30th June 2017 r. not consolidated).

INPRO SA (the "Parent Company," "Company") was established by way of the notarised deed of 6 April 1987 as INPRO Spółka z ograniczoną odpowiedzialnością. On 29 May 2008 the legal status was changed from a limited liability company to a joint-stock company. The registered office of the Parent Company is in Gdańsk at ul. Opata Jacka Rybińskiego 8.

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

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

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

The Group did not discontinue any of the kinds of its activity in the first six months ended on 30 June 2017.

The share capital of INPRO SA did not change in the six months of 2017. As at 30 June 2017, the share capital of INPRO was PLN 4,004,000.00 and was divided into 40,040,000 ordinary bearer shares of the nominal value of 10 groszes each.

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

As at the balance sheet date and as at 28/08/2017, the shareholding structure of the parent entity is as follows:

SHAREHOLDING STRUCTURE						
Nominal value in PLN	Nominal value in PLN	Nominal value in PLN	Nominal value in PLN	Share in the share capital	Number of votes	Share in the number of votes
Piotr Stefaniak- President of the Management Board	A	8,460,000	846,000	21.13 %	8.460.000	21.13 %
Zbigniew Lewiński- Vice - President of the Management Board	A	9,460,000	946,000	23.63 %	9.460.000	23.63 %
Krzysztof Maraszek- Vice - President of the Management Board	A	10,010,000	1,001,000	25.00 %	10.010.000	25.00 %
NATIONALE- NEDERLANDEN PTE S.A.	A	2,100,000	210,000	17.93 %	7 177 704	17.93 %
	B	5,077,704	507,770			
Shareholders with less than 5% of votes	B	4,932,296	493,230	12.31 %	4.932.296	12.31 %
TOTAL		40 040 000	4 004 000	100 %	40 040 000	100 %

Compared to the status as at 31/12/2016, no significant changes in the shareholding structure occurred by 30/06/2017.

In the period from 30 June 2017 until the submission of this report, the shareholders did not advise of any change in the shareholdings in INPRO SA. No change in the shareholdings by executives took place in that period, either.

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

2. Information concerning related entities

2.1 Composition of the INPRO SA Capital Group

INPRO SA's subsidiaries covered by consolidation as at 30 June 2017

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 Zdrowy Sp. z o.o.	Jastarnia, ul. Tadeusza Kościuszki 2A	Hotel services	100.00 %	100.00 %	19 120
3.	P.B. Domesta Sp. z o.o.	Gdańsk, ul. Cementowa 5-9	Property development activity, main contracting for multi-family residential buildings	59.57 %	59.57 %	13 926
4.	Hotel Mikołajki Sp. z o.o.	Mikołajki, Aleja Spacerowa 11	Hotel services	100.00 %	100.00 %	15 784*

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

5.	PI ISA Sp. z o.o.	Gdańsk, ul. Opata Jacka Rybińskiego 8/6	Sanitary and heating installations	76.92 %	76.92 %	2 183
6.	SML Sp. z o.o.	Gdańsk, ul. Opata Jacka Rybińskiego 8	Interior fit-out, construction finishing services	100 %	100 %	200
						64 322

INPRO SA's subsidiaries covered by consolidation as at 31 December 2016

No.	Entity's name	Registered office	Object	Share in the share capital (%)	Share in voting rights (%)	Acquisition price of the shares
1.	inBet Sp. z o.o.	Kolbudy, ul. Przemysłowa 10	Manufacture of reinforced concrete, concrete and steel elements	74,85%	74,85%	7 907
2.	Dom Zdrojowy Sp. z o.o.	Jastarnia, ul. Tadeusza Kościuszki 2A	Hotel services	100.00 %	100.00 %	19 120
3.	P.B. Domesta Sp. z o.o.	Gdańsk, ul. Cementowa 5-9	Property development activity, main contracting for multi-family residential buildings	59.57 %	59.57 %	13 926
4.	Hotel Mikołajki Sp. z o.o.	Mikołajki, Aleja Spacerowa 11	Hotel services	100.00 %	100.00 %	15 784*
5.	PI ISA Sp. z o.o.	Gdańsk, ul. Opata Jacka Rybińskiego 8/6	Sanitary and heating installations	76.92 %	76.92 %	2 183
6.	SML Sp. z o.o.	Gdańsk, ul. Opata Jacka Rybińskiego 8	Interior fit-out, construction finishing services	100 %	100 %	200
						64 322

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

As at 30 June 2017, 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 30/06/2017 and 31/12/2016

SML Sp. z o.o. was excluded from consolidation both as at 30/06/2017 and 31/12/2016. The company was established on 01/07/2016 (the registration in the National Court Register took place on 14/07/2016). The financial data of that entity for the period ended 30/06/2017 was insignificant in relation to the whole of the consolidated financial statements. Apart from

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

SML Sp. z o.o. all the companies within the Capital Group were comprised by the full method consolidation.

The subsidiaries do not hold shares in entities not controlled.

In the first six months of 2017, the composition of the INPRO SA Capital Group did not change.

On 30/03/2017 the Extraordinary General Meeting of Shareholders of inBet Sp. z o.o. adopted a resolution on the increase of the share capital from PLN 10,790,864 to PLN 13,790,840, that is by the sum of PLN 2,999,976, by way of creation of 53,571 new shares of the nominal value PLN 56 each, which were subscribed by INPRO SA by cash. After the registration of the share capital increase on 12/05/2017, the number of shares held by INPRO SA in inBet Sp. z o.o. will be 197,795 which constitutes 80.32 % of share capital.

On 26/04/2017 the Extraordinary General Meeting of Shareholders of Hotel Mikołajki Sp. z o.o. adopted a resolution on the increase of the share capital from PLN 15,780,000 to PLN 17,980,000, that is by the sum of PLN 2,200,000, by way of creation of 2,200 new shares of the nominal value PLN 1,000 each, which were subscribed by INPRO SA. After the registration of the share capital increase on 19/07/2017, the number of shares held by INPRO SA in Hotel Mikołajki Sp. z o.o. is 17,980.

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

2.2 Share capital of the various entities comprised by the INPRO group as at 30/06/2017:

Entity's name	Share capital as at 30/06/2017
INPRO SA	4,004
Przedsiębiorstwo Budowlane 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.	15,780
Przedsiębiorstwo Instalacyjne ISA Sp. z o.o.	80
SML Sp. z o.o.	200

2.3 Securities on shares in subsidiaries

	30/06/2017	31/12/2016
Securities on shares in subsidiaries	15 780	15 780
Total	15 780	15 780

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

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

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

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

1. The satisfaction of the Pledge's claims, as its discretion, in the procedure prescribed by the provisions of law on enforcement proceedings, by taking over the ownership of the object of the pledge (at the price of the market value of the shares as determined in the valuation) or through the sale in a public tender held by a bailiff or notary public

2. Waiver by the Pledge of the possibility of exercise of the so-called corporate rights (including the exercise of the voting right) in relation to Hotel Mikołajki Sp. z o.o.

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

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

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

1. The satisfaction of the Pledge's claims, as its discretion, in the procedure prescribed by the provisions of law on enforcement proceedings, by taking over the ownership of the object of the pledge (at the price of the market value of the shares as determined in the valuation) or through the sale in a public tender held by a bailiff or notary public

2. Waiver by the Pledge of the possibility of exercise of the so-called corporate rights (including the exercise of the voting right) in relation to Hotel Mikołajki Sp. z o.o.

3. Approval of the financial statements

These interim condensed consolidated financial statements for the period of six months ended on 30 June 2017 were approved for publication by the Management Board on 28 August 2017 year.

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

4.1 Grounds for the preparation

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

These interim condensed consolidated financial statements do not comprise all information and disclosures required in annual financial statements and should be read together with the audited Consolidated Financial Statements of the Inpro SA Capital Group prepared in conformity with the International Financial Reporting Standards ("IFRSs") for the year ended on 31 December 2016.

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

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

4.2 New and revised standards and interpretations used by the Group

These interim condensed consolidated financial statements are prepared based on the same accounting policies as for the consolidated financial statements of the Group for the year ended 31 December 2016, except for the following amendments to existing standards and new interpretations that are effective for annual periods beginning on 1 January 2017:

While approving these condensed interim consolidated financial statements there were no changes to existing standards, which were published by the IASC and approved for use in the EU that are effective for the first time for the condensed interim consolidated financial statements of the year 2017.

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

While approving these condensed interim consolidated financial statements there were new standards and interpretations, which were published by the IASC and approved for use in the EU, but have not become effective yet:

- **IFRS 9 "Financial Instruments"** - adopted by the EU on 22 November 2016 (effective for annual periods beginning on or after 1 January 2018),
- **IFRS 15 "Revenue from Contracts with Customers"** and amendments to IFRS 15 "Effective date of IFRS 15" - adopted by the EU on 22 September 2016 (effective for annual periods beginning on or after 1 January 2018).

4.4 New and revised standards and interpretations, which have not been approved for use in the EU yet

IFRSs as approved by the EU do not vary considerably from the regulations adopted by the International Accounting Standards Committee (IASC) except the standards below, changes thereto and the interpretation thereof which, as at 28/08/2017, were not adopted for use in the EU (the effective dates below refer to the standards in their full version):

- **IFRS 14 "Regulatory Deferral Accounts"** (effective for annual periods beginning on or after 1 January 2016) - the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard,
- **IFRS 16 "Leases"** (effective for annual periods beginning on or after 1 January 2019),
- **IFRS 17 „ Insurance Contracts"** (effective for annual periods beginning on or after 1 January 2021),
- **Amendments to IFRS 2 "Share-based Payment"** - Classification and Measurement of Share-based Payment Transactions (effective for annual periods beginning on or after 1 January 2018),
- **Amendments to IFRS 4 "Insurance Contracts"** - Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (effective for annual periods beginning on or after 1 January 2018 or when IFRS 9 "Financial Instruments" is applied first time),
- **Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures"** - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred indefinitely until the research project on the equity method has been concluded),

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

- **Amendments to IFRS 15 "Revenue from Contracts with Customers"** - Clarifications to IFRS 15 Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2018),
- **Amendments to IAS 7 "Statement of Cash Flows"** - Disclosure Initiative (effective for annual periods beginning on or after 1 January 2017),
- **Amendments to IAS 12 "Income Taxes"** - Recognition of Deferred Tax Assets for Unrealised Losses (effective for annual periods beginning on or after 1 January 2017),
- **Amendments to IAS 40 "Investment Property"** - Transfers of Investment Property (effective for annual periods beginning on or after 1 January 2018),
- **Amendments to various standards "Improvements to IFRSs (cycle 2014-2016)"** resulting from the annual improvement project of IFRS (IFRS 1, IFRS 12 and IAS 28) primarily with a view to removing inconsistencies and clarifying wording (amendments to IFRS 12 are to be applied for annual periods beginning on or after 1 January 2017 and amendments to IFRS 1 and IAS 28 are to be applied for annual periods beginning on or after 1 January 2018),
- **IFRIC 22 "Foreign Currency Transactions and Advance Consideration"** (effective for annual periods beginning on or after 1 January 2018).
- **IFRIC 23 „Uncertainty over Income Tax Treatments"** (effective for annual periods beginning on or after 1 January 2019).

In the Group's initial opinion, the implementation of the standards and interpretations approved and published by the EU which have or will become effective after the balance sheet date or those awaiting approval by the EU will not have a material effect on the Company's financial statements.

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

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

5. Conversion of items denominated in a foreign currency

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

Rate binding on the last day of the period	30/06/2017	31/12/2016
EURO	4,2265	4,4240
The average rate, calculated as the arithmetic mean of the rates binding on the last day of each month in a period	01/01/2017 -30/06/2017	01/01/2016 -30/06/2016
EURO	4,2474	4,3805

6. Material values based on professional judgement and estimates

6.1 Professional judgement

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

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

Recognition of sales revenues

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

Discount rate

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

6.2 Uncertainty of estimates

The preparation of consolidated financial statements requires the Company's Management Board to make estimates because much information in the financial statements cannot be valued precisely. The Management Board reviews the estimates on the basis of the changes of factors taken into consideration when the estimates were made, of new information or of previous experience. It is for that reason that the estimates as at 30 June 2017 may be revised in the future. The main estimates have been described in the following notes:

Note		Kind of disclosure
16	Impairment of fixed assets and the analysis of the realisable net selling price of inventories	The Group tests fixed assets and inventories for impairment test in case factors indicating possible impairment occur. Impairment tests regarding goodwill acquired by merging business entities are conducted at the end of each financial year. The analysis of the net realisable selling price of inventories in the case of finished products (completed residential premises) is conducted by comparing their book value with current market selling prices of premises for a given stage of a project implemented by the Group.
17	Trade receivable valuation allowances	Given the grounds, the Group verifies the recovery of various trade receivables and estimates the valuation allowances on that basis.
10	Income tax	The Group recognises deferred tax assets on the basis of the assumption that a tax profit allowing the use of deferred tax will be achieved in the future. The deterioration of the tax results

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

		obtained in the future could make that assumption groundless.
23	Employee benefits	Provisions for retirement benefits and unused vacation leaves.
23	Provisions	Provisions for guarantees and sureties given and provisions for claims and court cases
	Useful life of fixed assets and intangibles	The useful life of assets and their depreciation method is estimated based on economic period of use these assets.

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

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

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

The activity of the companies PI ISA Sp. z o.o. and inBet Sp. z o.o. is not characterised by seasonality.

8. Information on operating segments

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

The Group carries activity within the following operating segments:

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

Activities in the above-mentioned segments are pursued in the territory of Poland as well as abroad (part of inBet Sp. z o.o. activity).

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 2017, 30 June 2016 and 31 December 2016.

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

Figures for the period 01/01/2017-30/06/2017	Continuing activities					Exclusions	Total activities
	Property development activity	Hotel services	Manufacture of precast units	Sanitary and heating installations	Total		
Revenues							
Sales to external customers	60 808	12 621	7 475	951	81 855		81 855
Sales between segments	354	79	1 968	1 885	4 286	(4 286)	-
Total revenues of the segment	61 162	12 700	9 443	2 836	86 141	(4 286)	81 855
Profit (loss) of the segment	22 810	2 346	3 640	356	29 152	(74)	29 078
Selling costs	(2 905)	(534)	(1 099)	-	(4 538)	-	(4 538)
Administrative expenses	(7 689)	(2 377)	(807)	(458)	(11 331)		(11 331)
Other operating revenues/costs	298	14	(52)	-	260	187	447
Profit (loss) on operating activities	12 514	(551)	1 682	(102)	13 543	113	13 656
Interest revenue	96	3	11		110	(27)	83
Interest cost	(169)	(491)	(78)	-	(738)	27	(711)
Other net revenues /financial costs	549	(2)	(13)	(4)	530	(596)	(66)
Profit (loss) before tax	12 990	(1 041)	1 602	(106)	13 445	(483)	12 962
Income tax	(2 483)	142	(195)	-	(2 536)	25	(2 511)
Net profit (loss) for the financial period	10 507	(899)	1 407	(106)	10 909	(458)	10 451
<i>- including attributable to non-controlling shareholders</i>							822

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

Figures for the period 01.04.2017-30.06.2017	Continuing activities					Exclusions	Total activities
	Property development activity	Hotel services	Manufacture of precast units	Sanitary and heating installations	Total		
Revenues							
Sales to external customers	23 798	8 371	4 437	711	37 317	-	37 317
Sales between segments	227	1	831	1 224	2 283	(2 283)	-
Total revenues of the segment	24 025	8 372	5 268	1 935	39 600	(2 283)	37 317
Profit (loss) of the segment	9 502	2 158	2 129	315	14 104	299	14 403
Selling costs	(1 633)	(285)	(695)	-	(2 613)	-	(2 613)
Administrative expenses	(4 484)	(1 237)	(572)	(237)	(6 530)	-	(6 530)
Other operating revenues/costs	(36)	3	(50)	-	(83)	17	(66)
Profit (loss) on operating activities	3 349	639	812	78	4 878	316	5 194
Interest revenue	46	1	8	-	55	(12)	43
Interest cost	(95)	(253)	(38)	-	(386)	11	(375)
Other net revenues /financial costs	549	-	(3)	(1)	545	(596)	(51)
Profit (loss) before tax	3 849	387	779	77	5 092	(281)	4 810
Income tax	(706)	(141)	(150)	-	(997)	(12)	(1 009)
Net profit (loss) for the financial period	3 143	246	629	77	4 095	(294)	3 801
<i>- including attributable to non-controlling shareholders</i>	-	-	-	-	-	-	399

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

Figures as at 30/06/2017	Continuing activities					Exclusions	Total activities
	Property development activity	Hotel services	Manufacture of precast units	Sanitary and heating installations	Total		
Assets and liabilities							
Segment assets	361 385	96 962	21 377	1 727	481 451	(102 579)	378 873
Total assets	361 385	96 962	21 377	1 727	481 451	(102 579)	378 873
Total equity	262 795	65 741	13 975	853	343 364	(97 776)	245 589
Segment liabilities	98 590	31 220	7 403	875	138 087	(4 803)	133 284
Total liabilities and capital	361 385	96 962	21 377	1 727	481 451	(102 579)	378 873
Other information concerning segments for six months of 2017	Property development activity	Hotel services	Manufacture of precast units	Sanitary and heating installations	Total	Exclusions	Total activities
Increase of fixed assets in the period	696	261	443	-	1 400	(261)	1 139
Depreciation of property, plant, equipment and intangibles	(558)	(990)	(332)	(9)	(1 889)	49	(1 840)
Total impairment loss as at 30/06/2017	(2 017)	(87)	(37)	-	(2 141)		(2 141)

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

COMPARATIVE DATA:

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

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

Figures for the period 01.04.2016-30.06.2016	Continuing activities					Exclusions	Total activities
	Property development activity	Hotel services	Manufacture of precast units	Sanitary and heating installations	Total		
Revenues							
Sales to external customers	30 775	6 980	1 272	244	39 271	-	39 271
Sales between segments	1 561	95	1 002	1 798	4 456	(4 456)	
Total revenues of the segment	32 336	7 075	2 274	2 042	43 727	(4 456)	39 271
Profit (loss) of the segment	8 926	1 611	267	254	11 058	(562)	10 496
Selling costs	(850)	(216)	(59)	-	(1 125)	-	(1 125)
Administrative expenses	(3 297)	(928)	(186)	(271)	(4 682)	-	(4 682)
Other operating revenues/costs	646	8	(1)	(1)	652	-	652
Profit (loss) on operating activities	5 425	475	21	(18)	5 903	(562)	5 341
Interest revenue	113	1	1	1	116	(28)	88
Interest cost	(108)	(299)	(37)	(2)	(446)	28	(418)
Other net revenues /financial costs	706		(2)	-	704	(702)	2
Profit (loss) before tax	6 136	177	(17)	(19)	6 277	(1 264)	5 013
Income tax	(1 062)	(1)	(221)	-	(1 284)	108	(1 176)
Net profit (loss) for the financial period	5 074	176	(238)	(19)	4 993	(1 156)	3 837
<i>- including attributable to non-controlling shareholders</i>							163

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

Figures as at 30/06/2016	Continuing activities					Exclusions	Total activities
	Property development activity	Hotel services	Manufacture of precast units	Sanitary and heating installations	Total		
Assets and liabilities							
Segment assets	354 481	99 900	14 990	2 441	471 812	(101 589)	370 223
Total assets	354 481	99 900	14 990	2 441	471 812	(101 589)	370 223
Total equity	243 415	61 684	9 094	1 133	315 326	(92 390)	222 936
Segment liabilities	111 066	38 216	5 896	1 308	156 486	(9 199)	147 287
Total liabilities and capital	354 481	99 900	14 990	2 441	471 812	(101 589)	370 223
Other information concerning segments for six months of 2016							
Purchase of fixed assets and intangibles in the period (net expenditures)	476	4 808	6 183	-	11 467	(624)	10 843
Depreciation of property, plant, equipment and intangibles	(595)	(1 010)	(218)	(13)	(1 836)	32	(1 804)
Total impairment loss as at 30/06/2016	(284)	(65)	(254)	-	(603)	21	(582)

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

9. Costs and revenues

9.1 Sales revenues

Sales revenues	01.01.2017 -30.06.2017	01.01.2016 -30.06.2016	01.04.2017 -30.06.2017	01.04.2016- 30.06.2016 (converted data Q1 2016)*	01.04.2016- 30.06.2016 (published data Q1 2016)*
Revenues from the sale of products	67 696	65 711	28 039	31 565	31 741
Revenues from the sale of services	14 122	13 036	9 249	7 648	7 648
Revenues from the sale of goods for resale and materials	37	2 102	29	58	(118)
Total sales revenues	81 855	80 849	37 317	39 271	39 271

*Presentation change of data for Q1 2016 in the amount of PLN 176 thousand refers to the shift of revenues from the sale of products to revenues from the sale of materials

9.2 Costs by category

Costs by category	01.01.2017 -30.06.2017	01.01.2016 -30.06.2016	01.04.2017 -30.06.2017	01.04.2016- 30.06.2016 (converted data Q1 2016)*	01.04.2016- 30.06.2016 (published data Q1 2016)*
Depreciation	1 840	1 804	926	939	939
Consumption of materials and energy	18 101	21 940	8 840	10 737	10 900
External services	36 305	34 572	20 980	20 398	20 398
Taxes and charges	2 118	1 498	1 144	572	572
<i>Costs of employee benefits, including:</i>	17 605	16 417	9 863	8 678	8 678
- payroll	14 463	13 683	8 170	7 300	7 300
- costs of social insurances and other benefits	3 142	2 734	1 693	1 378	1 378
Other	2 222	1 187	1 545	539	539
Total costs by category	78 191	77 418	43 298	41 863	42 026

Change in products, work in progress and accruals (+/-)	(9 515)	(3 951)	(11 214)	(6 122)	(6 122)
Costs of products for the entity's own needs (-)	(63)	(3 047)	(55)	(1 190)	(1 190)
Selling costs (-)	(4 538)	(2 533)	(2 612)	(1 125)	(1 125)
Administrative expenses (-)	(11 331)	(9 317)	(6 530)	(4 682)	(4 682)
Value of goods for resale and materials sold	33	1 884	26	31	(132)
Cost of sales	52 777	60 454	22 913	28 775	28 775

Total costs of products, goods for resale and materials sold, cost of sales and administrative expenses	68 646	72 304	32 055	34 582	34 582
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* Presentation change of data for Q1 2016 in the amount of PLN 163 thousand refers to the shift of Consumption of materials and energy to Value of goods for resale and materials sold

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

10. Income tax

10. 1 Income tax included in the statement of comprehensive income

The main components of the tax burden for the period ended on 30 June 2017 and 30 June 2016 are as follows:

Income tax	01/01/2017 -30/06/2017	01/01/2016 -30/06/2016
Consolidated statement of total income		
Current income tax	6 699	4 303
Current income tax liability	6 770	4 303
Adjustments concerning current income tax from previous years	(71)	-
Deferred income tax	(4 188)	(2 277)
Relating to the establishment and reversal of temporary differences	(4 188)	(2 277)
Tax liability shown in the consolidated statement of total income	(2 511)	2 026

10. 2 Deferred income tax

31.12.2017	Status as at the beginning of the period	(Increases) charged to accounting profit	(Decreases) charged to accounting profit	Status as at the end of the period
Temporary differences concerning deferred income tax assets:				
Provision for repairs under the guarantee	39	55	(38)	56
Provision for unused vacation leave and retirement severance pay	203	167	(180)	190
Unpaid payroll	129	178	(129)	178
Doubtful receivables	16	1	(1)	16
Provision for additional remuneration	76		(76)	-
Unrealised profits in the Group	1 703	1 031	(1 041)	1 693
Tax loss in a subsidiary	863	317	(341)	839
Provision for a balance sheet audit	6	12	(7)	11
Write-downs of inventory	383	-	-	383
Others	89	63	(46)	106

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

Effect of asset offset against deferred CIT provision at the level of separate financial statements of Inpro Group entities	(1 897)	202	(1 695)
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	1 610	2 026	(1 859)	1 777
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Temporary differences concerning the deferred income tax provision:

Result on the sale of premises on the basis of the handover and receipt report	6 298	1 565	(5 800)	2 063
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Interest on deposits and loans allowed	71	-	(25)	46
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Property, plant and equipment	746	522	(504)	764
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Differences in the valuation of fixed assets	(29)	18	-	(11)
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Effect of asset offset against deferred CIT provision at the level of separate financial statements of Inpro Group entities	(1 897)	202	(1 695)
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	5 189	2 307	(6 329)	1 167
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11. Earnings per share

Earnings per share	01.01.2017 -30.06.2017	01.01.2016 -30.06.2016	01.04.2017- 30.06.2017	01.04.2016- 30.06.2016
Net profit (loss) from continuing operations	9 629	6 381	3 402	3 674
Net profit from discontinued operations	-	-	-	-
Net profit attributable to shareholders in the parent entity	9 629	6 381	3 402	3 674
Weighted average number of ordinary shares	40 040	40 040	40 040	40 040

Basic earnings per share	01.01.2017 -30.06.2017	01.01.2016 -30.06.2016	01.04.2017- 30.06.2017	01.04.2016- 30.06.2016
Net profit	9 629	6 381	3 402	3 674
Weighted average number of ordinary shares	40 040	40 040	40 040	40 040
Basic earnings per share (PLN/share)	0,2405	0,1594	0,0850	0,0918

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

Diluted earnings per share	01.01.2017 -30.06.2017	01.01.2016 -30.06.2016	01.04.2017- 30.06.2017	01.04.2016- 30.06.2016
Net profit attributable to shareholders for diluted earnings per share calculation	9 629	6 381	3 402	3 674
Adjusted weighted average number of ordinary shares for diluted earnings per share calculation	40 040	40 040	40 040	40 040
Diluted earnings per share (PLN/share)	0,2405	0,1594	0,0850	0,0918
Basic earnings per share from continuing operations	01.01.2017 -30.06.2017	01.01.2016 -30.06.2016	01.04.2017- 30.06.2017	01.04.2016- 30.06.2016
Net profit from continuing operations	9 629	6 381	3 402	3 674
Weighted average number of ordinary shares	40 040	40 040	40 040	40 040
Basic earnings per share (PLN/share)	0,2405	0,1594	0,0850	0,0918
Diluted earnings per share from continuing operations	01.01.2017 -30.06.2017	01.01.2016 -30.06.2016	01.04.2017- 30.06.2017	01.04.2016- 30.06.2016
Net profit attributable to Shareholders for the calculation of diluted earnings per share from continuing operations	9 629	6 381	3 402	3 674
Adjusted weighted average number of ordinary shares for diluted earnings per share calculation	40 040	40 040	40 040	40 040
Diluted earnings per share (PLN/share)	0,2405	0,1594	0,0850	0,0918

12. Dividends paid and proposed

Dividends paid and proposed	01.01.2017 -30.06.2017	01.01.2016 -30.06.2016
Declared and paid dividends for ordinary shares::	10 159	12 083
- dividend proposed to the parent entity's shareholders from profit for 2016	10 010	
- dividend proposed to the non-controlling shareholders from profit for 2016	149	12 012
- dividend proposed and paid to the parent entity's shareholders from profit for 2015		71
- dividend proposed and paid to the non-controlling shareholders from profit for 2015		-

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

Total	10 159	12 083
Dividend paid to non-controlling shareholders	489	437
Total dividends and other payments to owners	10 648	12 520

In conformity with the resolution No. 11/2017 of 2/06/2017 Ordinary General Assembly of Inpro SA on the division of the Company's net profit for the period from 1 January 2016 to 31 December 2016, the part of the profit in the amount of PLN 10,010 k i.e. PLN 0.25 per share was paid as a dividend to the shareholders of Inpro. The General Assembly set out 13/06/2017 as the dividend date and 27/06/2017 as the dividend payment date.

Based on resolution No. 7/2017 of 9/06/2017 the General Meeting of a subsidiary, PB Domesta Sp. z o.o., made a decision on the payment of the dividend in the amount of PLN 1.085 k from profit for 2016, in the first six months of year 2017 the amount of PLN 148,8 k was paid.

13. Goodwill on consolidation

Goodwill on consolidation	30/06/2017	31/12/2016
Balance sheet value of goodwill on consolidation		
P.B. Domesta Sp. z o.o.	5 624	5 624
PI ISA Sp. z o.o.	1 084	1 084
Total balance sheet value	6 708	6 708

No changes on goodwill occurred in the first six months of 2017 and in 2016

	01/01/2017	01/01/2016
	-30/06/2017	-31/12/2016
Goodwill on consolidation as at the beginning of the period	6 708	6 708
Total balance sheet value as at the end of the period	6 708	6 708

As a result of the purchase of 51% of shares in P.B. Domesta Sp. z o.o. on 12 August 2010, goodwill was disclosed in the amount of PLN 5,624 k. The price of purchase of 51% of shares in P.B. Domesta Sp. z o.o. on 12 August 2010 was fixed on the basis of the valuation of P.B. Domesta Sp. z o.o. at its fair value measured by the income method. Goodwill was determined as the difference between the value of the purchased share in the net assets of the company and the purchase price.

As a result of the purchase of 76.92% of shares in PI ISA Sp. z o.o. on 01 July 2015, goodwill was disclosed in the amount of PLN 1,084 k. The price for the purchase of 76.92 % shares in PI ISA Sp. z o.o. on 1/07/2015 was fixed on the basis of the valuation of PI ISA Sp. z o.o. in conformity with the fair value determined by means of the comparable data method with data from the active market in relation to similar trades and those affecting the company under valuation.

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

An impairment test conducted as at 30 June 2017 confirmed that the value shown in the statements is realistic.

14. Property, plant and equipment

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

	30/06/2017	31/12/2016	Change from 01/01/2017 to 30/06/2017
1. Fixed assets	102 322	102 708	(386)
a) land (including the perpetual usufruct right)	4 989	4 991	(2)
b) buildings, premises and civil and hydraulic engineering structures	75 565	75 748	(183)
c) machinery and equipment	16 135	16 607	(472)
d) motor vehicles	3 118	2 551	567
e) other fixed assets	2 515	2 812	(297)
2. Fixed assets under construction	1 550	1 165	385
Total property, plant and equipment	103 872	103 873	(1)

In the first six months 2017 year the amount of fixed assets decreased by 1 thousand pln. There was no material liquidation of fixed assets in the reporting period.

15. Investment property

The Investment property represents property rented by INPRO S.A. to external entities (valuation according to purchase price)

The change of the valuation of this position is a result of selling the apartment in Hotel Mikołajki and two commercial units located in Gdańsk and accrued depreciation.

16. Inventory

Inventory	30/06/2017	31/12/2016
Materials (at the acquisition price)	1 148	984
Work in progress (at cost of manufacture)	85 000	51 316
Finished goods (at the acquisition price/ cost of manufacture)	18 143	43 406
Commodities (at the acquisition price)	126 508	114 404
Total inventory at the lower of two values: the acquisition price (cost of manufacture) and net realisable value	230 799	210 110

Obsolescence allowances on inventory	01/01/2017 -30/06/2017	01/01/2016-31/12/2016
Obsolescence allowances on inventory as at the beginning of the period	2 054	322
Obsolescence allowance made	-	1 732
Obsolescence allowance reversed	-	-
Obsolescence allowances on inventory as at the end of the period	2 054	2 054

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

In the reporting period the Company did not reverse or create the inventory revaluation deduction. Mortgages to secure existing and future claims and ordinary mortgages to secure credit repayment are established on inventory (land in perpetual usufruct recorded in goods for resale). Details of securities: see note 28 in additional information.

17. Trade and other receivables

	30/06/2017	31/12/2016
Receivables from related entities	89	16
Trade receivables	59	16
Other receivables	30	-
Receivables from other entities	8 495	10 460
Gross trade receivables	5 039	4 363
State budget receivables other than current income tax	1 981	3 090
Advances on inventory	546	2 882
Advances on fixed assets	142	71
Advances on intangibles	42	42
Other non-financial liabilities	745	12
Gross receivables	8 584	10 477
Valuation allowance for receivables	(87)	(87)
Short-term prepayments, including:	975	307
- subscription cost	8	4
- software, domains, licences	68	52
- cost of insurances	167	136
- payments under the remaining lease agreements	14	34
- rent	34	8
- advertisements	20	32
- payments for perpetual usufruct	604	-
- other prepaid expenses	60	41
Total receivables (net)	9 472	10 697

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

18. Other financial assets

Other financial assets		30/06/2017	31/12/2016
advances on separate revenue accounts (escrow accounts)*		16 523	3 975
Shares in SML Sp. z o.o.		201	201
Total		16 724	4 177

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

19. Cash

The balance of cash and cash equivalents shown in the consolidated statement of the financial position and in the consolidated cash flow statement consisted of the following items:

Cash		30/06/2017	31/12/2016
Cash at bank and in hand		5 817	11 068
Cash on long-term bank		2 480	6 441
Total cash and cash equivalents		8 297	17 509

		30/06/2017	31/12/2016
Cash in PLN		5 120	17 004
Cash in EUR		2 974	505
Cash in SEK		203	
Total cash and cash equivalents		8 297	17 509

The fair value of cash and cash equivalents as at 30 June 2017 is 8,297 k zlotys (31 December 2016: 17,509 k zlotys).

As at 30 June 2017 the Group had unused credit (working capital credits for property development projects and overdraft facilities) in the amount of 41,264 k zlotys (31 December 2016: 60,059 k zlotys), which funds will be used as the construction works progress.

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

20. Establishing asset revaluation deductions and their reversal

01/01/2017-30/06/2017	Property, plant and equipment	Value of receivables	Value of inventory	Total revaluation deductions
Status as at the beginning of the period	38	87	2 054	2 179
Establishment of revaluation deductions		5	-	5
Reversal of revaluation deductions	(38)	(5)	-	(43)
Status as at the end of the period	-	87	2 054	2 141

01/01/2016-31/12/2016	Property, plant and equipment	Value of receivables	Value of inventory	Total revaluation deductions
Status as at the beginning of the period	38	265	322	625
Establishment of revaluation deductions	-	39	1 732	1 771
Reversal of revaluation deductions	-	(217)	-	(217)
Status as at the end of the period	38	87	2 054	2 179

21. Share capital

As at:	30/06/2017	31/12/2016
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Registered share capital	4 004	4 004
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SHARE CAPITAL AS AT 31/03/2017 AND 31/12/2016 IN PLN						
Series	Kind of shares	Kind of privilege on the shares	Kind of restriction of the right to shares	Number of shares	Nominal value of one share in PLN	Value of the series/issue with reference to the nominal value in PLN
A	ordinary	none	none	30 030 000	0.10	3 003 000
B	ordinary	none	none	10 010 000	0.10	1 001 000
Total				40 040 000		4 004 000

22. Non-controlling shares

Non-controlling shares	01/01/2017 -30/06/2017	01/01/2016-31/12/2016
At the beginning of the period	12 119	10 880
Dividend payment	(489)	(437)

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

Share in the current period's profit or loss	823	1 630
Increase of the share capital in subsidiary- inBet Sp. z o.o.	(67)	46
At the end of the period	12 386	12 119

23. Provisions

01/01/2017 -30/06/2017	Benefits after the employment period	Provision for contentious issues, penalties, fines and damages	Provision for guarantees and sureties given	Other provisions	Total provisions
Status as at the beginning of the period	296	190	201	2 840	3 527
Increase (+)	279	156	289	1 296	2 020
Decrease (-)	(247)	(102)	(201)	(2 751)	(3 301)
Status as at the end of the period	328	244	289	1 385	2 246

Other provisions concern mainly unused holiday leave and warranty repair costs.

01/01/2016 -31/12/2016	Benefits after the employment period	Provision for contentious issues, penalties, fines and damages	Provision for guarantees and sureties given	Other provisions	Total provisions
Status as at the beginning of the period	290	508	423	1 459	2 680
Increase (+)	73	82	201	2 829	3 186
Decrease (-)	(68)	(400)	(423)	(1 448)	(2 339)
Status as at the end of the period	296	190	201	2 840	3 527

Time structure of provisions	30/06/2017	31/12/2016
Long-term part	328	296
Short-term part	1 918	3 231
Total provisions	2 246	3 527

	30/06/2017	31/12/2016
Discount rate (%)	2.70	2.70
Estimated remuneration growth rate (%)	0.00	0.00

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

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

Long-term financial liabilities	30/06/2017	31/12/2016
Loans and credits	32 105	35 257
Liabilities relating to finance lease and lease agreements with a purchase option	3 235	3 775
Total	35 340	39 032

Short-term financial liabilities	30/06/2017	31/12/2016
Loans and credits	30 390	9 398
Liabilities relating to finance lease and lease agreements with a purchase option	1 085	1 058
Total	31 475	10 456

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

As at 30 June 2017 and 31 December 2016, the Group had the following credits:

Value of liabilities in relation to credits as at 30/06/2017

Financing party	Credit currency	Credit/limit amount	Credit value as at the balance sheet date	Deadline for repayment	Securities – mortgage			Other securities
					Mortgage	Object	Location	
Alior Bank SA	PLN	7 500	4 821	31.12.2018	Mortgage up to the sum of PLN 11,250 k	GD1G/00285339/9	Gdańsk, ul. Opacka	power of attorney to accounts
Consortium SGB Bank SA Kaszubski Bank Spółdzielczy in Wejherowo	PLN	8 000	706	30.09.2017	Two mortgages- up to the sum of 7,200 k and up to the sum of 4,800 k	GD1Y/00114340/5	Gdańsk, ul. Wielkopolska	two blank promissory notes, power of attorney to accounts, assignment of claims from the current account
Consortium SGB Bank SA Bank Spółdzielczy in Tczew	PLN	6 000	507	30.11.2018	Two mortgages up to the sum of PLN 4,500 k each	GD1G/00264763/7, GD1G/00278657/2	Gdańsk, ul. Chmielna	assignment of rights resulting from the insurance policy, two blank promissory notes, a power of attorney to accounts, assignment of claims from the current account
Consortium SGB Bank SA, Bank Spółdzielczy in Tczew, Bank Spółdzielczy in Pruszcz Gdański	PLN	22 500	11 794	30.12.2018	Mortgages up to the sum of PLN 22,500 k –SGB – Bank SA, up to the sum of PLN 2,250k – BS in Tczew and up to the sum of PLN 9,000 k – BS in Pruszcz Gdański	GD1G//00049979/1	Gdańsk, ul. Stężycka	assignment of rights resulting from the insurance policy, three blank promissory notes, a power of attorney to accounts, assignment of claims from the current account
Consortium SGB Bank SA Bank Spółdzielczy in Tczew	PLN	7 000	5 250	28.09.2018	Two mortgages up to the sum of PLN 7,875 k, up to the sum of PLN 2,625 k	GD1Y/00103465/7, GD1Y/00109619/4	Gdynia ul. Fleszarowa - Muskat	two blank promissory notes, a power of attorney to accounts, assignment of claims from the current account

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

mBank SA	PLN	31 000	1 351	28.09.2018	Mortgage up to the sum of PLN 46,500 k	GD1G/00261213/6	Gdańsk, ul. Opacka	assignment of rights under an insurance policy, blank promissory note
PKO BP	PLN	36 214	22 324	31.12.2027	Mortgage up to the sum of PLN 54,321 k	OL1M/00025679/2*, OL1M/00026392/3 District Court in Mrągowo	The island and peninsula at Lake Mikołajskie	Inpro's sponsor statement, power of attorney to accounts, transfer of claims under apartment lease agreements, registered pledge on the shares in Hotel Mikołajki, blank promissory note, security assignment, INPRO's civil law surety, INPRO's statement on submission to enforcement in conformity with Article 777 of the Code of Civil Procedure, a statement by Hotel Mikołajki on the submission to enforcement in conformity with Article 777 of the Code of Civil Procedure
Consortium SGB Bank SA and Bank Spółdzielczy in Tczew	PLN	6 650	6 640	31.03.2020	Two mortgages up to the sum of PLN 3,300 k, up to the sum of PLN 10,300 k	land property no 359/10 and land property no 359/11 and land property no 359/12- GD1G/0001758/8	Gdańsk, ul. Dąbrówki	two blank promissory notes, power of attorney to accounts, assignment of claims from the current account
Consortium SGB Bank SA and Bank Spółdzielczy in Tczew	PLN	3 900	3 737	02.12.2019	Two mortgages up to the sum of PLN 3,900 k, up to the sum of PLN 3,900 k	GD1G/00047052/3, GD1G/00047941/2, GD1G/00049614/5	Gdańsk ul. Kruczkowskiego	two blank promissory notes, power of attorney to accounts, assignment of claims from the current account, statement on submission to enforcement
Total credit liabilities			57 130					

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

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

Open credit lines as at 30/06/2017

Financing party	Credit currency	Credit/limit amount	Credit value as at the balance sheet date	Deadline for repayment	Securities			
					Mortgage	Object	Location	Other securities
Alior Bank SA	PLN	16 000	5 326	21.09.2017	mortgage up to the sum of PLN 25,075 k	GD1G/00036115/3, GD1G/00068140/0 i GD1G/00083407/1, GD1G/00261401/1	Gdańsk, ul. Myśliwska, Opata Jacka Rybińskiego 8, ul. Jana Pawła II	assignment of rights under the construction site insurance agreement, claim deduction from bank accounts, submission to execution of art. 777 Code of Civil Procedure
BANK MILLENNIUM SA	PLN	300	1	04.02.2018	mortgage up to the sum of PLN 510 k	GD1G/00082949/5	Gdańsk, ul. Opata Jacka Rybińskiego 8	blank promissory note
PEKAO S.A.	PLN	1 000		31/12/2017	mortgage up to the sum of PLN 2,000 k	GD1G/00072944/7	Gdańsk ul. Cementowa	blank promissory note, power of attorney to accounts
Total credit liabilities			5 327					

Value of liabilities in relation to loans as at 30/06/2017

Financing party	Credit currency	Credit/limit amount	Credit value as at the balance sheet date	Deadline for repayment	Securities			Other securities
					Mortgage	Object	Location	
Idea Lesing SA	PLN	55	39	31/08/2021	-	-	-	Registered pledge on the electronic vehicle scales up to PLN 66 k
Total loan liabilities			39					

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

Liabilities of the INPRO SA Capital Group in relation to credits as at 31/12/2016

Financing party	Credit currency	Credit/limit amount	Credit value as at the balance sheet date	Deadline for repayment	Securities – mortgage			Other securities
					Mortgage	Object	Location	
Alior Bank SA	PLN	4 300	240	06/02/2017	Mortgage up to the sum of PLN 25,075 k	GD1G/00036115/3, GD1G/00068140/0, GD1G/00083407/1 GD1G/00261401/1	Gdańsk, ul. Myśliwska, Gdańsk, ul. Opata Jacka Rybińskiego 8 Gdańsk, al. Jana Pawła II	power of attorney to accounts, silent assignment of claims from the sale agreements regarding single-family houses, stages D and H
Alior Bank SA	PLN	8 200	754	28/04/2017	Mortgage up to the sum of PLN 12,300 k	GD1G/00084697/7 (on the share in the perpetual usufruct right and ownership of the building)	Gdańsk, ul. Tandeta 1	transfer of monetary claims in relation to the sale of premises, power of attorney to accounts, transfer of claims under insurance, notarised power of attorney to sell the premises credited in the case of the lack of payment
Alior Bank SA CDF Gdańsk	PLN	7 500	6 450	31/12/2018	Mortgage up to the sum of PLN 11,250 k	GD1G/00285339/9 (on the share in the perpetual usufruct right and ownership of the building)	Gdańsk, ul. Opacka	power of attorney to accountS
Consortium SGB Bank SA Kaszubski Bank Spółdzielczy in Wejherowo	PLN	8 000	2 118	30/09/2017	Two mortgages- up to the sum of 7,200 k and up to the sum of 4,800 k	GD1Y/00114340/5	Gdańsk, ul. Wielkopolska	two blank promissory notes, power of attorney to accounts, assignment of claims from the current account
Consortium SGB Bank SA Bank Spółdzielczy in Tczew Bank Spółdzielczy in Pruszcz Gdański	PLN	6 000	1 818	31/11/2018	Two mortgages up to the sum of PLN 4,500 k each	GD1G/00264763/7, GD1G/00278657/2	Gdańsk, ul. Chmielna	assignment of rights resulting from the insurance policy, two blank promissory notes, a power of attorney to accounts, assignment of claims from the current account
Consortium SGB Bank SA Bank Spółdzielczy in Tczew Bank Spółdzielczy in Pruszcz Gdański	PLN	22 500	5 548	30/12/2018	Three mortgages up to the sum of PLN 22,500 k, up to the sum of PLN 2,250 k and up to the sum of PLN 9,000 k	GD1G/00049979/1	Gdańsk, ul. Stężycka	assignment of rights resulting from the insurance policy, three blank promissory notes, a power of attorney to accounts, assignment of claims from the current account

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

Consortium SGB Bank SA Bank Spółdzielczy in Tczew	PLN	7 000	-	28/09/2018	Two mortgages up to the sum of PLN 7,875 k, up to the sum of PLN 2,625 k	GD1Y/00103465/7, GD1Y/00109619/4	Gdynia ul. Fleszarowa - Muskat	two blank promissory notes, a power of attorney to accounts, assignment of claims from the current account
mBank SA	PLN	31 000	3 107	28/09/2018	Mortgage up to the sum of PLN 46,500 k	GD1G/000261213/6	Gdańsk, ul. Opacka	assignment of rights under an insurance policy, blank promissory note
PKO BP	PLN	36 214	24 577	31/12/2027	Mortgage up to the sum of PLN 54,321 k	OL1M/00025679/2*, OL1M/00026392/3 District Court in Mrągowo	The island and peninsula at Lake Mikołajskie	Inpro's sponsor statement, power of attorney to accounts, transfer of claims under apartment lease agreements, registered pledge on the shares in Hotel Mikołajki, blank promissory note, security assignment, INPRO's civil law surety, INPRO's statement on submission to enforcement in conformity with Article 777 of the Code of Civil Procedure, a statement by Hotel Mikołajki on the submission to enforcement in conformity with Article 777 of the Code of Civil Procedure
Total credit liabilities			44 612					

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

Value of liabilities in relation to loans as at 31/12/2016

Financing party	Credit currency	Credit/limit amount	Credit value as at the balance sheet date	Deadline for repayment	Securities			Other securities
					Mortgage	Object	Location	
Idea Lesing SA	PLN	55	43	31/08/2021	-	-	-	Registered pledge on the electronic vehicle scales up to PLN 66 k
Total loan liabilities			43					

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

Open credit lines as at 30/06/2016

Financing party	Credit currency	Credit/limit amount	Credit value as at the balance sheet date	Deadline for repayment	Securities			
					Mortgage	Object	Location	Other securities
Alior Bank SA	PLN	16 000	-	21/09/2017	mortgage up to the sum of PLN 25,075 k	GD1G/00036115/3, GD1G/00068140/0 i GD1G/00083407/1, GD1G/00261401/1	Gdańsk, ul. Opata Jacka Rybińskiego 8, ul. Jana Pawła II	blank promissory note, assignment of rights under the construction site insurance agreement, claim deduction from bank accounts
BANK MILLENNIUM SA	PLN	300	-	04/02/2017	mortgage up to the sum of PLN 425 k	GD1G/00082949/5	Gdańsk, ul. Opata Jacka Rybińskiego 8	blank promissory note
PEKAO S.A.	PLN	1 000	-	31/12/2017	mortgage up to the sum of PLN 2,000 k	GD1G/00072944/7	Gdańsk, ul. Cementowa	blank promissory note
Total credit liabilities			-					

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

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

Nominal value of minimum lease payments	30/06/2017	31/12/2016
Within 1 year	1 085	1 058
Within 1 to 3 years	2 275	2 264
Within 3 to 5 years	949	1 457
More than 5 years	11	54
Total liabilities relating to finance lease - minimum total lease payments	4 320	4 833

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

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

Capital Group in relation to lease agreements as at 30/06/2017

Financing party	Object of the agreement	Agreement number	Initial value in PLN	Date of termination of the agreement	Liability as at the end of the period	Short-term part	Long-term part
Inpro SA							
Caterpillar Financial Service Poland Sp. z o.o.	428 F digger-loader	OL-028331	293 890,81	05-03-2019 r.	114	68	47
Domesta Sp. z o.o.							
Raiffeisen Leasing Polska S.A.	SUBARU	15/011787(UL)	104 353,56	31-05-2018 r.	32	32	
VOLKSWAGEN LEASING GMBH SP. Z O.O.	SKODA	6706907-1216-06621	46 911,84	31-05-2019 r.	28	14	14
mLeasing Sp. z o.o.	intermodal containers	0131172016/GD/236559	411 267,54	15-12-2021 r.	261	41	220
mLeasing Sp. z o.o.	POTAIN tower crane	0338592016/GD/248696	461 733,20	15-12-2021 r.	240	38	202
Hotel Mikołajki Sp. z o.o.							
PKO leasing SA	Recycling machine	B/O/WA/2014/11/46	157 000,00	15-11-2018 r.	73	21	52
Dom Zdrojowy Sp. z o.o.							
VOLKSWAGEN	Skoda Superb	6922827-1215-5480	99 705,14	30-04-2018 r.	24	24	
PSA Finance	CITROEN C4 Cactus	9400876372	47 967,48	25-05-2018 r.	14	14	
PSA Finance	CITROEN Berlingo VAN	9400876382	45 121,95	25-05-2018 r.	13	13	

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

inBet Sp. z o.o.							
RCI Leasing Polska Spółka z o.o.	Nissan Micra ACENTA	9000002616	33 007,81	05-02-2019 r.	12	7	5
SG Equipment Leasing Polska Sp.z o.o.	JCB 411HT front-end loader	50399	251 375,00	01-05-2022 r.	171	27	144
SG Equipment Leasing Polska Sp.z o.o.	JCB SC240 sweeper	20449	23 409,71	05-05-2018 r.	6	6	-
SG Equipment Leasing Polska Sp.z o.o.	Aggregate transport line	50448	97 999,95	05-08-2022 r.	70	11	59
RCI Leasing Polska Spółka z o.o.	Nissan Micra ACENTA	9000003077	32 063,05	17-08-2019 r.	14	6	8
BGŻ NP Paribas Spółka Akcyjna	ALUP compressor + drier	62597/12/2015	55 000,00	30-11-2019 r.	38	9	29
Idea Leasing Spółka z o.o. Sp.k.	EURA 16/9 bending machine	19398/SK	840 860,66	13-11-2020 r.	363	63	300
Pekao Leasing Sp.z o.o.	Production line	38/0211/15	5 177 626,31	12-04-2021 r.	2 617	640	1 977
Idea Leasing S.A.	Flight of stairs production form	116377	114 441,60	31-05-2021r.	69	17	52
Idea Leasing S.A.	Flight of stairs production form	116378	114 441,60	31-05-2021 r.	69	17	52
Pekao Leasing Sp.z o.o.	Toyota Avensis	38/0514/16	102 562,82	12-09-2021 r.	91	17	75
					4 411	1 102	3 310

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

Capital Group in relation to lease agreements as at 31/12/2016

Financing party	Object of the agreement	Agreement number	Initial value in thousands of PLN	Date of termination of the agreement	Liability as at the end of the period	Short-term part	Long-term part
Inpro SA							
Caterpillar Financial Service Poland Sp. z o.o.	428 F digger-loader	OL-026954	294	2019/03/05	147	66	81
Domesta Sp. z o.o.							
Raiffeisen Leasing Polska S.A.	SUBARU	15/011787(UL)	104	2018/05/31	48	33	16
VOLKSWAGEN LEASING GMBH SP. Z O.O.	SKODA	6706907-1216-06621	47	2019/05/31	35	14	21
mLeasing Sp. z o.o.	intermodal containers	0131172016/GD/236559	411	2021/12/15	281	40	241
mLeasing Sp. z o.o.	POTAIN tower crane	0131172016/GD/236559	462	2021/12/15	259	36	222
Hotel Mikołajki Sp. z o.o.							
PKO leasing SA	Recycling machine	B/O/WA/2014/11/46	157	2018/11/15	83	20	63
Dom Zdrojowy Sp. z o.o.							
VOLKSWAGEN	Skoda Superb	6922827-1215-5480	100	2018/04/30	31	28	3
PSA Finance	CITROEN C4 Cactus	9400876372.	48	2018/05/25	18	15	3
PSA Finance	CITROEN Berlingo VAN	9400876382.	45	2018/05/25	20	14	6

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

inBet Sp. z o.o.							
RCI Leasing Polska Spółka z o.o.	Nissan Micra ACENTA	9000002616	33	2019/02/05	15	7	8
SG Equipment Leasing Polska Sp.z o.o.	JCB 411HT front-end loader	50399	251	2022/05/01	185	27	158
SG Equipment Leasing Polska Sp.z o.o.	JCB SC240 sweeper	20449	23	2018/05/05	10	7	3
SG Equipment Leasing Polska Sp.z o.o.	Aggregate transport line	50448	98	2022/08/05	75	10	65
RCI Leasing Polska Spółka z o.o.	Nissan Micra ACENTA	9000003077	32	2019/08/17	17	6	11
BGŻ NP Paribas Spółka Akcyjna	ALUP compressor + drier	62597/12/2015	55	2019/11/30	42	9	33
Idea Leasing Spółka z o.o. Sp.k.	EURA 16/9 bending machine	19398/SK	841	2020/11/13	394	63	331
Pekao Leasing Sp.z o.o.	Production line	38/0211/15	5 178	2021/04/12	2 912	611	2 301
Idea Leasing S.A.	Flight of stairs production form	116377	114	2021/05/31	81	18	63
Idea Leasing S.A.	Flight of stairs production form	116378	114	2021/05/31	81	18	63
Pekao Leasing Sp.z o.o.	Toyota Avensis	38/0514/16	103	2021/09/12	99	16	84
					4 833	1 058	3 774

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

26. Trade and other liabilities

Long-term liabilities	30/06/2017	31/12/2016
Towards related entities	-	-
trade liabilities	-	-
Towards other entities	1 719	1 650
trade liabilities	1 661	1 637
other liabilities	58	13
Total trade and other long-term liabilities	1 719	1 650

Short-term liabilities	30/06/2017	31/12/2016
Towards related entities	142	55
trade liabilities	142	55
other liabilities	-	-
Towards other entities	60 322	52 421
trade liabilities	16 121	13 257
payroll payable	1 092	893
state budget liabilities other than current income tax	2 377	1 628
advances received	40 264	36 027
other liabilities	468	618
Total trade and other short-term liabilities	60 464	52 477

Total trade and other liabilities	62 183	54 127
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Unless otherwise indicated, all sums have been given in thousands of zlotys

27. Contingent and other off-balance sheet items

Contingent receivables	30/06/2017	31/12/2016
Guarantees received	238	381
Total contingent receivables	238	381

There are no contingent payables as at 30/06/2017 as well as at 31/12/2016.

28. Securities established by Group companies

Securities established on Group's assets as at 30/06/2017 and as at 31/12/2016

	30/06/2017	31/12/2016
- on fixed assets*	86 906	86 906
- on current assets**	169 241	155 275
Total	226 506	242 181

Securities established by Group companies as at 30/06/2017

* Securities established on fixed assets:

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

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

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

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

5. Contractual mortgage up to PLN 25,075 k in favour of PKO BP on the share of INPRO S.A. in the amount of 5799/10000 parts in the perpetual usufruct right to the real estate situated in Gdańsk, Opata Jacka Rybińskiego street

6. Registered pledges on the shares of INPRO in Hotel Mikołajki Sp. z o.o. described in detail in note No. 2.3

****Securities established on current assets:**

This concerns legal securities established on current assets.

The schedule of mortgages established on current assets as at 30 June 2017 in the total amount of PLN 169,241 k is included in note No. 24 of additional information.

Securities established by Group companies as at 31/12/2016

Securities established on fixed assets:

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

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

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

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

5. Registered pledges on the shares of INPRO in Hotel Mikołajki Sp. z o.o. described in detail in note No. 2.3 to financial statements for 2016.

6. Contractual mortgage up to PLN 25,075 k in favour of PKO BP on the share of INPRO S.A. in the amount of 5799/10000 parts in the perpetual usufruct right to the real estate situated in Gdańsk, Opata Jacka Rybińskiego street

Securities established on current assets:

This concerns legal securities established on current assets

The schedule of mortgages established on current assets as at 31 December 2016 in the total amount of PLN 155,275 k is included in note No. 27 of additional information to consolidated financial statements for 2016.

29. Significant court cases

As at 30/06/2017, none of the following occurred:

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

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

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

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

30. Financial instruments

The fair value of the financial instruments held by the Group as at 30 June 2017 and 31 December 2016 did not differ considerably from the figures presented in the consolidated financial statements for the particular periods for the following reasons:

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

Financial assets	Category	30/06/2017	31/12/2016
Trade and other receivables	loans and receivables	5 011	4 292
Short term financial assets	as above	16 523	3 975
Cash and cash equivalents	as above	8 297	17 509
		29 831	25 776

Financial liabilities	Category	30/06/2017	31/12/2016
Long-term loans and bank credits	financial liabilities valued as at the amortised cost	32 105	35 257
Short-term loans and bank credits	as above	30 390	9 398
Trade and other liabilities	as above	17 924	14 948
Payroll payable	as above	1 092	893
Other liabilities	as above	526	631
Other long-term financial liabilities (lease)	as above	3 235	3 774
Other short-term financial liabilities (lease)	as above	1 085	1 058
Total financial liabilities valued at the amortised cost		86 357	65 962

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

31. Transactions with related entities

SHORT-TERM RECEIVABLES/LIABILITIES at 30/06/2017		DEBTOR									
		related entities (full consolidation)						other related entities			
		Inpro SA	inBet Sp. z o.o.	Dom Zdrojowy Sp. z o.o.	P.B. Domesta Sp. z o.o.	Hotel Mikołajki Sp. z o.o.	Isa Sp. z o.o.	Hotel Oliwski Sp. z o.o.	SML Sp. z o.o.	Members of the Management Board	
CREDITOR	related entities (full consolidation)	Inpro SA	Excluded in the process of consolidation						-	1	-
		inBet Sp. z o.o.							-	-	-
		Dom Zdrojowy Sp. z o.o.							-	-	50
		P.B. Domesta Sp. z o.o.							-	-	-
		Hotel Mikołajki Sp. z o.o.							-	-	8
		Isa Sp. z o.o.							-	-	-
		TOTAL for related entities	-						59		
	other related entities	Hotel Oliwski Sp. z o.o.	-	-	-	-	-	-	-		
		SML Sp. z o.o.	-	-	-	-	-	-	-		
		Members of the Management Board	-	-	85	-	57	-	-		
	TOTAL for other related entities	142						-			

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

LONG-TERM RECEIVABLES/LIABILITIES at 30/06/2017		DEBTOR								
		related entities (full consolidation)						other related entities		
		Inpro SA	inBet Sp. z o.o.	Dom Zdrojowy Sp. z o.o.	P.B. Domesta Sp. z o.o.	Hotel Mikołajki Sp. z o.o.	Isa Sp. z o.o.	Hotel Oliwski Sp. z o.o.	SML Sp. z o.o.	Members of the Management Board
CREDITOR	related entities (full consolidation)	Excluded in the process of consolidation						-	-	-
	Inpro SA							-	-	-
	inBet Sp. z o.o.							-	-	-
	Dom Zdrojowy Sp. z o.o.							-	-	24
	P.B. Domesta Sp. z o.o.							-	-	-
	Hotel Mikołajki Sp. z o.o.							-	-	-
	Isa Sp. z o.o.							-	-	-
	TOTAL for related entities	-						-		
other related entities	Hotel Oliwski Sp. z o.o.	-	-	-	-	-	-	-	-	
	SML Sp. z o.o.	-	-	-	-	-	-	-	-	
	Members of the Management Board	-	-	-	-	-	-	-	-	
	TOTAL for other related entities	-						-		

**Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended
on 30 June 2017**

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

REVENUES / COSTS 01/01/2017-30/06/2017		BUYER											
		related entities (full consolidation)					other related entities						
		Inpro SA	inBet Sp. z o.o.	Dom Zdrojowy Sp. z o.o.	P. B. Domesta Sp. z o.o.	Hotel Mikołajki Sp. z o.o.	Isa Sp. z o.o.	Hotel Oliwski Sp. z o.o.	SML Sp. z o.o.	Members of the Management Board			
SELLER	related entities (full consolidation)	Transactions excluded in the process of consolidation											
	Inpro SA										-	7	-
	inBet Sp. z o.o.										-	-	-
	Dom Zdrojowy Sp. z o.o.										-	-	-
	P.B. Domesta Sp. z o.o.										-	-	67
	Hotel Mikołajki Sp. z o.o.										-	-	7
	Isa Sp. z o.o.					-	-	-					
	TOTAL for related entities						-	81					
other related entities	Hotel Oliwski Sp. z o.o.	-	-	-	-	-		-	-				
	SML Sp. z o.o.	-	-	-	-	-	-		-				
	Members of the Management Board	-	-	85	-	52	-	-					
	TOTAL for other related entities						137	-					

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

REVENUES / COSTS 01.04.2017-30.06.2017		BUYER													
		related entities (full consolidation)						other related entities							
		Inpro SA	inBet Sp. z o.o.	Dom Zdrojowy Sp. z o.o.	P.B. Domesta Sp. z o.o.	Hotel Mikołajki Sp. z o.o.	Isa Sp. z o.o.	Hotel Oliwski Sp. z o.o.	SML Sp. z o.o.	Members of the Management Board					
SELLER	related entities (full consolidation)	Transactions excluded in the process of consolidation						-	4	-					
	Inpro SA							-	-	-	-	-	-	-	-
	inBet Sp. z o.o.							-	-	-	-	-	-	-	-
	Dom Zdrojowy Sp. z o.o.							-	-	-	-	-	-	-	24
	P.B. Domesta Sp. z o.o.							-	-	-	-	-	-	-	-
	Hotel Mikołajki Sp. z o.o.							-	-	-	-	-	-	-	1
	Isa Sp. z o.o.	-	-	-	-	-	-	-	-						
TOTAL for related entities		-						29							
other related entities	Hotel Oliwski Sp. z o.o.	-	-	-	-	-	-	-	-						
	SML Sp. z o.o.	-	-	-	-	-	-	-	-						
	Members of the Management Board	-	-	12	-	6	-	-	-						
TOTAL for other related entities		18						-							

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

COMPARATIVE DATA:

SHORT-TERM RECEIVABLES/LIABILITIES at 31/12/2016		DEBTOR													
		related entities (full consolidation)						other related entities							
		Inpro SA	inBet Sp. z o.o.	Dom Zdrojowy Sp. z o.o.	P.B. Domesta Sp. z o.o.	Hotel Mikołajki Sp. z o.o.	Isa Sp. z o.o.	Hotel Oliwski Sp. z o.o.	SML Sp. z o.o.	Members of the Management Board					
CREDITOR	related entities (full consolidation)	Excluded in the process of consolidation													
	Inpro SA												-	1	-
	inBet Sp. z o.o.												-	-	-
	Dom Zdrojowy Sp. z o.o.												-	-	15
	P.B. Domesta Sp. z o.o.												-	-	-
	Hotel Mikołajki Sp. z o.o.												-	-	-
	Isa Sp. z o.o.						-	-	-						
	TOTAL for related entities							-	16						
other related entities	Hotel Oliwski Sp. z o.o.	-	-	-	-	-	-		-	-					
	SML Sp. z o.o.	-	-	-	-	-	-	-		-					
	Members of the Management Board	-	-	28	-	39	-	-	-						
	TOTAL for other related entities							55	-						

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

LONG-TERM RECEIVABLES/LIABILITIES at 31/12/2016		DEBTOR								
		related entities (full consolidation)						other related entities		
		Inpro SA	inBet Sp. z o.o.	Dom Zdrojowy Sp. z o.o.	P.B. Domesta Sp. z o.o.	Hotel Mikołajki Sp. z o.o.	Isa Sp. z o.o.	Hotel Oliwski Sp. z o.o.	SML Sp. z o.o.	Członkowie Zarządu
CREDITOR	related entities (full consolidation)	Excluded in the process of consolidation						-	-	-
	Inpro SA							-	-	-
	inBet Sp. z o.o.							-	-	-
	Dom Zdrojowy Sp. z o.o.							-	-	-
	P.B. Domesta Sp. z o.o.							-	-	-
	Hotel Mikołajki Sp. z o.o.							-	-	-
	Isa Sp. z o.o.							-	-	-
	TOTAL for related entities	-						-		
other related entities	Hotel Oliwski Sp. z o.o.	-	-	-	-	-	-			
	SML Sp. z o.o.									
	Members of the Management Board	-	-	-	-	-	-			
	TOTAL for other related entities	-						-		

**Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended
on 30 June 2017**

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

REVENUES / COSTS 01/01/2016-30/06/2016		BUYER												
		related entities (full consolidation)					other related entities							
		Inpro SA	inBet Sp. z o.o.	Dom Zdrojowy Sp. z o.o.	P. B. Domesta Sp. z o.o.	Hotel Mikołajki Sp. z o.o.	Isa Sp. z o.o.	Hotel Oliwski Sp. z o.o.	SML Sp. z o.o.	Members of the Management Board				
SELLER	related entities (full consolidation)	Transactions excluded in the process of consolidation						-	-	-				
	Inpro SA							-	-	-	-	-	-	-
	inBet Sp. z o.o.							-	-	-	-	-	-	-
	Dom Zdrojowy Sp. z o.o.							-	-	-	-	-	-	33
	P.B. Domesta Sp. z o.o.							-	-	-	-	-	-	-
	Hotel Mikołajki Sp. z o.o.							-	-	-	-	-	-	5
	Isa Sp. z o.o.	-	-	-	-	-	-	-						
TOTAL for related entities							-	38						
other related entities	Hotel Oliwski Sp. z o.o.	-	-	-	-	-	-	-	-					
	SML Sp. z o.o.	-	-	-	-	-	-	-	-					
	Members of the Management Board	-	-	60	-	39	-	-	-					
TOTAL for other related entities							99	-						

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

REVENUES / COSTS 01.04.2016-30.06.2016		BUYER												
		related entities (full consolidation)						other related entities						
		Inpro SA	inBet Sp. z o.o.	Dom Zdrojowy Sp. z o.o.	P.B. Domesta Sp. z o.o.	Hotel Mikołajki Sp. z o.o.	Isa Sp. z o.o.	Hotel Oliwski Sp. z o.o.	SML Sp. z o.o.	Members of the Management Board				
SELLER	related entities (full consolidation)	Transactions excluded in the process of consolidation						-	-	-				
	Inpro SA							-	-	-	-	-	-	-
	inBet Sp. z o.o.							-	-	-	-	-	-	-
	Dom Zdrojowy Sp. z o.o.							-	-	-	-	-	-	21
	P.B. Domesta Sp. z o.o.							-	-	-	-	-	-	-
	Hotel Mikołajki Sp. z o.o.							-	-	-	-	-	-	5
	Isa Sp. z o.o.	-	-	-	-	-	-	-						
	TOTAL for related entities	-						26						
	other related entities	-	-	-	-	-	-	-	-					
	Hotel Oliwski Sp. z o.o.	-	-	-	-	-	-	-	-					
	SML Sp. z o.o.	-	-	-	-	-	-	-	-					
	Members of the Management Board	-	-	38	-	34	-	-	-					
	TOTAL for other related entities	72						-						

All transactions that INPRO S.A. or his related entities done were based on market conditions.

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

In the first six months of 2017 and in the first six months of 2016 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 2017 and in the first six months of 2016 no loans were granted to the members of the Management Board.

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

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

The Auditor of the Group is Deloitte Polska Sp. z o.o. Sp. K. with its registered office in Warsaw.

Remuneration of the statutory auditor will amount to:

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

34. Employment structure

The employment level in the Group as at 30/06/2017 and as at 31/12/2016 was as follows:

	30/06/2017	31/12/2016
Management Board of the Parent Entity	3	3
Management Board of Group entities	4	5
Administration	51	53
Sales Department	19	16
Production Division	168	158
Other	140	143
Total	385	378

35. Material events after the balance sheet date

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

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

CONDENSED FINANCIAL DATA OF INPRO SA

STATEMENT OF TOTAL INCOME FOR SIX MONTHS ENDED ON 30 June 2017

Statement of total income	Note	Six months period ended		Three months period ended	
		30.06.2017 (unaudited)	30.06.2016 (unaudited)	30.06.2017 (unaudited)	30.06.2016 (unaudited)
Continuing operations					
Sales revenues	4	49 262	61 484	18 154	27 068
Cost of sales	4	(30 713)	(46 012)	(10 882)	(19 874)
Gross profit (loss) on sales		18 549	15 472	7 272	7 194
Selling costs	4	(2 475)	(1 870)	(1 439)	(733)
Administrative expenses	4	(5 778)	(4 749)	(3 255)	(2 450)
Other operating revenues		507	923	150	749
Other operating costs		(226)	(160)	(201)	(103)
Profit (loss) on operating activities		10 577	9 616	2 527	4 657
Financial revenues		683	903	634	803
Financial costs		(31)	(235)	(11)	(102)
Gross profit (loss)		11 229	10 284	3 150	5 358
Income tax		(2 127)	(1 847)	(566)	(892)
Net profit (loss) from continuing operations		9 102	8 437	2 584	4 466
TOTAL INCOME		9 102	8 437	2 584	4 466
Earnings (loss) per share in the parent entity (PLN)					
- basic		0,2273	0,2107	0,0645	0,1115
- diluted		0,2273	0,2107	0,0645	0,1115

**Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended
on 30 June 2017**

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

STATEMENT OF THE FINANCIAL POSITION FOR THE PERIOD ENDED ON 30 June 2017

ASSETS	Note	30/06/2017 (unaudited)	31/12/2016 (audited)
Fixed (long-term) assets		106 452	103 952
Property, plant and equipment		4 558	4 256
Other intangibles		29	26
Investment properties		1 104	3 326
Shares in subsidiaries	10	64 321	59 121
Other financial assets	10	36 428	37 216
Other assets		12	7
Current (short-term) assets		207 730	205 629
Inventory	8	189 084	181 736
Trade and other receivables	9	4 816	9 276
Current tax assets			222
Other financial assets	10	12 673	3 283
Cash and cash equivalents		1 157	11 112
TOTAL ASSETS		314 182	309 581

**Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended
on 30 June 2017**

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

STATEMENT OF THE FINANCIAL POSITION AS AT 30/06/2017 (CONTINUED)

EQUITY AND LIABILITIES	Note	30/06/2017 (unaudited)	31/12/2016 (audited)
Equity		239 103	240 011
Issued share capital		4 004	4 004
Reserves		531	531
Retained profits		234 568	235 476
Long-term liabilities		6 712	19 789
Retirement benefit liabilities (a provision)		233	201
Deferred income tax provision		539	4 798
Long-term credits and bank borrowings	11	4 046	12 910
Other financial liabilities (lease)	11	47	81
Trade and other liabilities	12	1 847	1 799
Short-term liabilities		68 367	49 781
Short-term provisions		1 110	2 477
Credits and borrowings	11	25 709	7 124
Other financial liabilities (lease)	11	68	67
Current income tax liabilities		873	-
Trade and other liabilities	12	40 607	40 113
Total liabilities		75 079	69 570
TOTAL EQUITY AND LIABILITIES		314 182	309 581

**Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended
on 30 June 2017**

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

CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 30 June 2017

Cash flows from operating activities	01/01/2017 -31/06/2017 (unaudited)	01/01/2016 -30/06/2016 (unaudited)
Gross profit/(loss)	11 229	10 284
Adjustments:	(17 323)	(8 066)
Depreciation	385	476
Income tax paid	(5 291)	(4 807)
Net interest and dividends	(595)	(531)
Profit/(loss) on investing activities	(329)	(101)
(Increase)/ decrease of receivables	5 729	2 840
(Increase)/ decrease of inventory	(7 348)	3 797
Increase/ (decrease) of liabilities	(8 355)	(8 805)
Increase/ (decrease) of accrued/prepaid expenses	(184)	(180)
(Increase)/decrease of accruals/prepayments in relation to long-term contracts	-	(74)
Change in provisions	(1 335)	(681)
Net cash flows from operating activities	(6 094)	2 218
Cash flows from investing activities	01/01/2017 -30/06/2017 (unaudited)	01/01/2016 -30/06/2016 (unaudited)
Sale of property, plant, equipment and intangibles	1 952	101
Interest received	160	469
Repayment of loans allowed	650	1 650
Disposal of real estate investment and intangible assets	(5 200)	(1 095)
Acquisition of property, plant, equipment and intangibles	(1 074)	(165)
Net cash flows from investing activities	(3 512)	960

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

**CASH FLOW STATEMENT OF THE FINANCIAL POSITION FOR THE PERIOD ENDED ON
30 June 2017 (CONTINUED)**

Cash flow from financing activities	01/01/2017 -30/06/2017 (unaudited)	01/01/2016 -30/06/2016 (unaudited)
Proceeds in relation to loans/credits obtained	25 794	21 245
Payments in relation to finance lease agreements	(33)	(51)
Repayment of loans/credits	(16 074)	(24 535)
Interest paid	(28)	(235)
Dividends paid	(10 010)	(12 012)
Net cash flows from financing activities	(351)	(15 588)
Net change in cash and cash equivalents	(9 955)	(12 410)
Cash at the beginning of the period	11 112	17 916
Cash at the end of the period	1 157	5 506

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

STATEMENT OF THE CHANGES IN EQUITY FOR THE PERIOD ENDED ON 30 June 2017

	Share capital	Share premium capital	Revaluation reserve	Retained profit	Total
As at 01/01/2017	4 004	62 237	531	173 239	240 011
Dividends paid				(10 010)	
Net profit (loss) for the financial year				9 102	
As at 30/06/2017	4 004	62 237	531	172 331	239 103

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

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

In the condensed additional information to the interim condensed separate financial statements, the Company only presented those notes which are significant to the correct assessment of the economic and financial position and of the Company's financial result, and those which were not included in the interim condensed consolidated financial statements. Notes Nos. 5-7 and 33 (material events after the balance sheet date) included in the condensed additional information to the interim condensed consolidated financial statements also pertain to these statements.

2. Approval of the financial statements

These interim condensed separate financial statements for the period of six months ended on 30 June 2017 were approved for publication by the Management Board on 28 August 2017.

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

These interim condensed separate financial statements for the period of six months ended on 30 June 2017 were prepared in conformity with the International Accounting Standard 34 Interim Financial Reporting.

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

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

Statements of Inpro SA prepared in conformity with the International Financial Reporting Standards ("IFRSs") for the year ended on 31 December 2016.

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

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

These interim condensed separate financial statements are prepared based on the same accounting policies as for the consolidated financial statements of the Group for the year ended 31 December 2016, apart from exceptions described in Note 4.2 of the Group's condensed additional information to the interim condensed consolidated financial statements.

4. Costs and revenues

Sales revenues	01/01/2017 -30/06/2017	01/01/2016 -30/06/2016
Revenues from the sale of products	48 302	58 681
Revenues from the sale of services	959	824
Revenues from the sale of goods for resale and materials	1	1 979
Total sales revenues	49 262	61 484
Costs by category	01/01/2017 -30/06/2017	01/01/2016 -30/06/2016
Depreciation of tangibles	377	469
Depreciation of intangibles	8	7
Consumption of materials and energy	8 675	12 478
External services	25 024	29 228
Taxes and charges	1 159	877
Costs of employee benefits, including:	8 104	7 348
- payroll	6 577	6 161
- costs of social insurances and other benefits	1 527	1 277
Other costs:	1 921	1 186
- costs of credit	458	473
- entertainment and advertising	1 262	467
- property and personal insurances	103	85
- business trips	5	24
- other operating costs	93	137
Total costs by category	45 268	51 683
Change in products, work in progress and accruals (+/-)	(6 303)	(685)
Costs of products for the entity's own needs (-)		(154)
Selling costs (-)	(2 475)	(1 870)
Administrative expenses (-)	(5 778)	(4 749)

**Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended
on 30 June 2017**

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

Value of goods for resale and materials sold	1	1 787
Cost of sales	30 713	46 012
Total costs of products, goods for resale and materials sold, cost of sales and administrative expenses	38 966	52 631

5. Earnings per share

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

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

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

Earnings per share	01/01/2017 -30/06/2017	01/01/2016 -30/06/2016
Net profit from continuing operations	9 102	8 437
Net profit from discontinued operations	-	-
Net profit attributable to ordinary shareholders for diluted earnings per share calculation	9 102	8 437

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

Basic earnings per share from continuing operations	01/01/2017 -30/06/2017	01/01/2016 -30/06/2016
Net profit from continuing operations	9 102	8 437
Weighted average number of ordinary shares	40 040	40 040
Basic earnings per share (PLN/share)	0,2273	0,2107
Diluted earnings per share	01/01/2017 -30/06/2017	01/01/2016 -30/06/2016
Net profit attributable to the shareholders used for diluted earnings per share calculation	9 102	8 437
Adjusted weighted average number of ordinary shares used for diluted earnings per share calculation	40 040	40 040
Diluted earnings per share (PLN/share)	0,2273	0,2107

6. Information on operating segments

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

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

7. Financial instruments

Financial assets	category	30/06/2017	31/12/2016
Trade and other receivables	loans and receivables	1 872	4 788
Loans given – long term	As above	1 278	2 066
Loans given – short term	As above	5	-
Funds collected on escrow accounts	As above	12 668	3 283
Cash and cash equivalents	As above	1 157	11 112
		16 980	21 249

Financial liabilities	category	30/06/2017	31/12/2016
Long-term loans and bank credits	Financial liabilities valued as at the amortised cost	4 046	12 910
Short-term loans and bank credits	As above	25 709	7 124
Trade and other liabilities	As above	12 223	11 172
Debt instrument liabilities	As above	-	-
Payroll liabilities	As above	228	333
Other long-term financial liabilities (lease)	As above	47	81
Other short-term financial liabilities (lease)	As above	68	67
Other liabilities	As above	-	-
		42 321	31 687

8. Inventory

Inventory	30/06/2017	31/12/2016
Materials at the price of acquisition	49	37
Goods for resale at the price of acquisition	102 138	99 526
Work in progress at the cost of manufacture	72 570	44 661
Finished products at the cost of manufacture	14 327	37 512
Total inventory at the lower of the two amounts: the price of acquisition (cost of manufacture) and net realisable value	189 084	181 736

**Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended
on 30 June 2017**

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

9. Trade and other receivables

	30/06/2017	31/12/2016
Receivables from related entities	2 183	3 372
Gross value of trade receivables	1 484	3 244
Other receivables	699	128
Receivables from other entities	2 331	5 781
Gross value of trade receivables	389	1 544
Receivables from the budget other than current income tax	1 035	2 425
Advances on fixed assets	329	1 800
Advances on inventory	-	9
Other non-financial liabilities	578	3
Gross receivables	4 514	9 153
Valuation allowance for receivables	-	-
Short-term prepayments, including:	302	123
- subscription cost	4	4
- software, domains, licences	16	16
- cost of insurances	77	67
- advertisements	8	19
- other prepaid expenses	197	17
Total receivables (net)	4 816	9 276

10. Other financial assets

Other financial assets (short-term)	30/06/2017	31/12/2016
Short-term deposits – funds on trust accounts*	12 669	3 283
Loans allowed to related entities	5	-
Total	12 674	3 283

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

Other financial assets (long-term)	30.06.2017	31.12.2016
Returnable additional contribution to equity of subsidiary	35 150	35 150
Loans allowed to related entities	1 278	2 066
Shares in subsidiary entities	64 321	59 121
Total	100 749	96 337

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

Long-term financial liabilities	30/06/2017	31/12/2016
Liabilities in relation to finance lease and lease agreements with a purchase option	47	81
Loans and credits	4 046	12 910
Total	4 093	12 991

Short-term financial liabilities	30/06/2017	31/12/2016
Liabilities in relation to finance lease and lease agreements with a purchase option	68	67
Loans and credits	25 709	7 124
Total	25 777	7 191

Nominal value of minimum lease payments	30/06/2017	31/12/2016
Within 1 year	68	66
Within 1 to 3 years	47	81
Total liabilities related to finance lease - total minimum lease payments	115	147

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

12. Trade and other liabilities

Long-term liabilities	30/06/2017	31/12/2016
Long-term liabilities in relation to related entities	189	172
Trade liabilities	189	172
Long-term liabilities in relation to other entities	1 658	1 627
Trade liabilities	1 658	1 627
Other liabilities	-	-
Total trade and other long-term liabilities	1 847	1 799
Short-term liabilities	30/06/2017	31/12/2016
Short-term liabilities in relation to related entities	817	746
Trade liabilities	803	746
Other liabilities	14	-
Short-term liabilities in relation to other entities	39 790	39 367
Trade and other liabilities	9 572	8 626
Payroll payable	228	333
Liabilities towards the state budget other than current income tax	773	713
Advances received	29 183	29 164
Other liabilities	34	531
Total short term trade and other liabilities	40 607	40 113
Total trade and other liabilities	42 454	41 912

Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended on 30 June 2017

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

13. Transactions with related entities

Revenues from sales to a related entity (products, services, goods for resale, materials and other revenues)	01.01.2017	01.01.2016	01.04.2017	01.04.2016
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
inBet Sp. z o.o.	42	31	27	18
Dom Zdrojowy Sp. z o.o.	91	84	28	42
Hotel Mikołajki Sp. z o.o.	179	3 360	126	1479
PI Isa Sp z o.o.	23	38	13	19
SML Sp. z o.o.	7	-	3	-
Total	342	3 513	197	1 558

Purchase from a related entity	01.01.2017	01.01.2016	01.04.2017	01.04.2016
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
inBet Sp. z o.o.	1 224	1 329	479	881
Dom Zdrojowy Sp. z o.o.	75	67	2	-
Hotel Mikołajki Sp. z o.o.	1	98	-	97
Isa Sp z o.o.	1 718	3 157	1 104	1 606
Inpro Management s.c.	-	-	-	-
Total	3 018	4 651	1 585	2 584

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

Sales of INPRO SA as per invoices	01.01.2017 -30.06.2017	01.01.2016 -30.06.2016	01.04.2017- 30.06.2017	01.04.2016- 30.06.2016
Nabywca: Hotel Mikołajki	179	3 286	126	1 214

Loans granted by Inpro SA	30/06/2017	31/12/2016
To related entities:		
Dom Zdrojowy Sp. z o.o.	1 283	2 066
Total loans granted to related entities	1 283	2 066

**Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended
on 30 June 2017**

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

Receivables from related entities

	30/06/2017	31/12/2016
Trade receivables - up to 12 months	1 027	2 787
inBet Sp. z o.o.	14	7
Dom Zdrojowy Sp. z o.o.	17	26
Hotel Mikołajki Sp. z o.o.	991	2 752
Isa Sp. z o.o.	4	1
SML Sp. z o.o.	1	1
Trade receivables - over 12 months	457	457
Hotel Mikołajki Sp. z o.o.	457	457
Other receivables- up to 12 months	699	128
inBet Sp. z o.o.	-	10
Domesta Sp. z o.o.	596	-
Hotel Mikołajki Sp. z o.o.	73	118
Board Members	30	
Total short-term receivables	2 183	3 372
inBet Sp. z o.o.	14	17
Domesta Sp. z o.o.	596	-
Dom Zdrojowy Sp. z o.o.	17	26
Hotel Mikołajki Sp. z o.o.	1 521	3 327
Isa Sp. z o.o.	4	1
SML Sp. z o.o.	1	1
Board Members	30	

Liabilities towards related entities

	30/06/2017	31/12/2016
Trade liabilities - up to 12 months	803	746
inBet Sp. z o.o.	217	359
Dom Zdrojowy Sp. z o.o.	-	-
Hotel Mikołajki Sp. z o.o.	-	2
Isa Sp. z o.o.	586	385
Trade liabilities - over 12 months	189	172
inBet Sp. z o.o.	32	28
Isa Sp. z o.o.	157	144
Other liabilities up to 12 months	14	-
Domesta Sp. z o.o.	14	-
Total short-term liabilities	1 006	918
inBet Sp. z o.o.	249	387
Domesta Sp. z o.o.	14	
Hotel Mikołajki Sp. z o.o.	-	2
Isa Sp. z o.o.	743	529

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

14. Contingent liabilities and receivables

Contingent liabilities

Continent liabilities	30/06/2017	31/12/2016
Surety for a bill of exchange	5 348	5 348
Other contingent liabilities	36 214	36 214
Total contingent liabilities	41 562	41 562

Contingent liabilities as at 30/06/2017 and as at 31/12/2016:

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

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. Total value as at the day of surety is PLN 28,517 k.

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

Contingent receivables

Contingent receivables	30/06/2017	31/12/2016
Guarantees received	238	381
Total contingent receivables	238	381

15. Securities established on Company's assets

Securities established on the Company's assets - the fair value	30/06/2017	31/12/2016
- on fixed assets	25 075	25 075
- on current assets	148 075	155 275
Total	173 150	180 350

Securities on fixed assets

1. Contractual mortgage up to PLN 25,075 k in favour of Alior Bank on the share of INPRO S.A. in the amount of 5799/10000 parts in the perpetual usufruct right to the real estate situated in Gdańsk, Opata Jacka Rybińskiego street, register No. GD1G/00068140/0 and on the ownership of non-residential premises No. 2 situated in Gdańsk, Opata Jacka Rybińskiego 8 street, register No. GD1G/00083407/1

**Condensed interim consolidated financial statements of the INPRO SA Capital Group for six months ended
on 30 June 2017**

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

(legal security for the repayment of the revolving working capital overdraft, details in report No. 24/2016 of 22/09/2016).

Securities on current assets

This item concerns legal securities established on current assets.

A schedule of mortgages established on current assets as at 30/06/2017 totalling PLN 148,075 k and as at 31 December 2016 totalling PLN 155,275 k is in note No. 24. Of consolidated financial statements of the INPRO S.A. Capital Group