



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



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

Gdańsk, 13/11/2017

Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended on 30 September 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
	-	-	-	-
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
	PLN '000		EUR '000	
Net sales revenues	112 054	118 893	26 325	27 214
Gross profit (loss) on sales	39 453	33 210	9 269	7 602
Profit (loss) on operating activities	16 902	15 674	3 971	3 588
Gross profit (loss)	15 868	14 714	3 728	3 368
Net profit (loss)	12 828	11 552	3 014	2 644
- attributable to non-controlling shareholders	1 075	891	253	204
Earnings (loss) per share in the parent entity (PLN/EUR)	0.2935	0.2663	0.0690	0.0609
Net cash flows from operating activities	(21 430)	15 079	(5 035)	3 452
Net cash flows from investing activities	(1 108)	(7 674)	(260)	(1 757)
Net cash flows from financing activities	15 951	(7 752)	3 747	(1 774)
Net cash flows	(6 587)	(347)	(1 547)	(79)
	30/09/2017	31/12/2016	30/09/2017	31/12/2016
	PLN '000		EUR '000	
Total assets	420 055	358 121	97 481	80 949
Liabilities and provisions for liabilities	172 090	112 485	39 936	25 426
Provisions for liabilities	2 954	8 716	685	1 970
Long-term liabilities	36 320	40 682	8 429	9 196
Short-term liabilities	132 816	63 087	30 822	14 260
Equity	247 965	245 636	57 544	55 524
- attributable to non-controlling shareholders	12 688	12 119	2 944	2 739
Number of shares (pcs)	40 040 000	40 040 000	40 040 000	40 040 000
Book value per share (in PLN/EUR)	6.1929	6.1348	1.4372	1.3867
ZLOTY TO EURO CONVERSION RATE	average euro rate in the period 01.01.2017-30.09.2017		average euro rate as at 30.09.2017	
	4.2566		4.3091	
	average euro rate in the period 01.01.2016-30.09.2016		average euro rate as at 31.12.2016	
	4.3688		4.4240	

Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended on 30 September 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
	-	-	-	-
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
	PLN '000		EUR '000	
Net sales revenues	57 290	77 300	13 459	17 694
Gross profit (loss) on sales	20 029	18 111	4 705	4 146
Profit (loss) on operating activities	8 292	8 826	1 948	2 020
Gross profit (loss)	8 876	9 450	2 085	2 163
Net profit (loss)	7 182	7 717	1 687	1 766
- attributable to non-controlling shareholders	0.1794	0.1927	0.0421	0.0441
Net cash flows from operating activities	(17 377)	2 786	(4 082)	638
Net cash flows from investing activities	(2 112)	2 347	(496)	537
Net cash flows from financing activities	10 593	(4 269)	2 489	(977)
Net cash flows	(8 896)	864	(2 090)	198
	30/09/2017	31/12/2016	30/09/2017	31/12/2016
	PLN '000		EUR '000	
Total assets	344 489	309 581	79 945	69 978
Liabilities and provisions for liabilities	107 306	69 570	24 902	15 726
Provisions for liabilities	1 172	7 476	272	1 690
Long-term liabilities	6 297	14 790	1 461	3 343
Short-term liabilities	99 837	47 304	23 169	10 693
Equity	237 183	240 011	55 042	54 252
Number of shares (pcs)	40 040 000	40 040 000	40 040 000	40 040 000
Book value per share (in PLN/EUR)	5.9236	5.9943	1.3747	1.3549
ZLOTY TO EURO CONVERSION RATE	average euro rate in the period		average euro rate as at	
	01.01.2017-30.09.2017		30.09.2017	
	4.2566		4.3091	
	average euro rate in the period		average euro rate as at	
01.01.2016-30.09.2016		31.12.2016		
4.3688		4.4240		

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

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

CONSOLIDATED STATEMENT OF TOTAL INCOME FOR NINE MONTHS ENDED ON 30 SEPTEMBER 2017

		01/01/2017 30/09/2017 (unaudited) PLN '000	01/01/2016 30/09/2016 (unaudited) PLN '000	01/07/2017 30/09/2017 (unaudited) PLN '000	01/07/2016 30/09/2016 (unaudited) PLN '000
Continuing operations					
Sales revenues	17.1	112 054	118 893	30 199	38 044
Cost of sales	17.2	(72 601)	(85 683)	(19 824)	(25 229)
Gross profit (loss) on sales		39 453	33 210	10 375	12 815
Selling costs	17.2	(7 202)	(3 706)	(2 664)	(1 173)
Administrative expenses	17.2	(15 866)	(14 773)	(4 535)	(5 456)
Other operating revenues		830	1 239	122	265
Other operating costs		(313)	(296)	(52)	(77)
Profit (loss) on operating activities		16 902	15 674	3 246	6 374
Financial income		102	245	18	56
Financial costs		(1 136)	(1 205)	(358)	(381)
Gross profit (loss)		15 868	14 714	2 906	6 049
Income tax	18	(3 040)	(3 162)	(529)	(1 136)
Net profit (loss) from continuing operations		12 828	11 552	2 377	4 913
TOTAL INCOME		12 828	11 552	2 377	4 913
Net profit (loss) attributable to:		12 828	11 552	2 377	4 913
- the parent entity's shareholders		11 753	10 661	2 124	4 280
- non-controlling shareholders		1 075	891	253	633
Total income attributable to:		12 828	11 552	2 377	4 913
- the parent entity's shareholders		11 753	10 661	2 124	4 280
- non-controlling shareholders		1 075	891	253	633
Earnings (loss) per share in the parent entity (PLN)					
- basic		0.2935	0.2663	0.0530	0.1069
- diluted		0.2935	0.2663	0.0530	0.1069

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

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

CONSOLIDATED STATEMENTS OF THE FINANCIAL POSITION AS AT 30 SEPTEMBER 2017

ASSETS	Note	30/09/2017 (unaudited)	31/12/2016 (audited)
Fixed (long-term) assets		114 112	115 383
Property, plant and equipment	23	104 743	103 873
Goodwill	21	6 708	6 708
Other intangibles		73	111
Long-term receivables		26	20
Investment properties		795	2 853
Long term financial assets		201	201
Other long-term prepayments		16	7
Deferred tax assets		1 550	1 610
Current (short-term) assets		305 943	242 738
Inventory	25	259 115	210 110
Trade and other receivables	26	14 585	10 697
Current tax assets		533	447
Other financial assets	27	20 788	3 975
Cash and cash equivalents	28	10 922	17 509
TOTAL ASSETS		420 055	358 121

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

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

**CONSOLIDATED STATEMENT OF THE FINANCIAL POSITION AS AT 30/09/2017
(CONTINUED)**

EQUITY AND LIABILITIES	Note	30/09/2017 (unaudited)	31/12/2016 (audited)
Equity (attributable to the parent entity's shareholders)		235 277	233 517
Issued share capital	30	4 004	4 004
Reserves		51	51
Retained profit		231 222	229 462
Capital attributable to non-controlling shareholders	31	12 688	12 119
Total equity		247 965	245 636
Long-term liabilities		37 513	46 167
Deferred income tax provision		866	5 189
Retirement benefit liabilities (a provision)	32	328	296
Long-term credits and bank borrowings	33	30 909	35 257
Other financial liabilities (lease)	34	3 639	3 775
Trade and other liabilities	35	1 771	1 650
Short-term liabilities		134 577	66 318
Short-term provisions	32	1 761	3 231
Short-term credits and bank borrowings	33	42 227	9 398
Other liabilities (financial lease)	34	1 223	1 058
Current income tax liabilities		80	154
Trade and other liabilities	35	89 286	52 477
Total liabilities		172 090	112 485
TOTAL EQUITY AND LIABILITIES		420 055	358 121

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

	01/01/2017 -30/09/2017	01/01/2016 -30/09/2016
Cash flows from operating activities	(unaudited)	(unaudited)
	PLN '000	PLN '000
Gross profit/(loss)	15 868	14 714
Adjustments:	(37 298)	365
Depreciation	2 828	2 790
Income tax paid	(7 462)	(6 049)
Profit/ (loss) on currency differences	259	16
Interest and dividends	803	1 186
Profit/(loss) on investing activities	(364)	(109)
(Increase)/ decrease of receivables	(3 298)	311
(Increase)/ decrease of inventory	(49 005)	(4 232)
Increase/ (decrease) of liabilities	20 663	8 212
Increase/ (decrease) of accrued/prepaid expenses	(374)	(292)
Increase/ (decrease) of deferred income	90	-
Change in provisions	(1 438)	(1 468)
Net cash flows from operating activities	(21 430)	15 079
Cash flows from investing activities	(unaudited)	(unaudited)
	PLN '000	PLN '000
Sale of property, plant, equipment and intangibles	169	106
Interest received	22	-
Acquisition of property, plant, equipment and intangibles	(3 410)	(7 579)
Disposal of property, plant, equipment and intangibles	2 111	-
Acquisition of financial assets	-	(201)
Net cash flows from investing activities	(1 108)	(7 674)

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

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

	01/01/2017 -30/09/2017	01/01/2016 -30/09/2016
Cash flow from financing activities	(unaudited)	(unaudited)
	PLN '000	PLN '000
Proceeds in relation to loans/credits obtained	59 557	55 648
Payments in relation to finance lease agreements	(946)	(566)
Repayment of loans/credits	(31 100)	(49 156)
Interest paid	(1 061)	(1 162)
Dividends paid to:	(10 499)	(12 520)
- <i>the parent entity's shareholders</i>	<i>(10 010)</i>	<i>(12 012)</i>
- <i>non-controlling shareholders</i>	<i>(489)</i>	<i>(508)</i>
Other financial proceeds	-	4
Net cash flows from financing activities	15 951	(7 752)
Net change in cash and cash equivalents	(6 587)	(347)
Cash at the beginning of the period	17 509	27 228
Cash at the end of the period	10 922	26 881

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CONSOLIDATED STATEMENT OF THE CHANGES IN EQUITY FOR NINE MONTHS ENDED ON 30 SEPTEMBER 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	-	-	-	(50)	(439)	(489)
Net profit (loss) for the financial year	-	-	-	11 753	1 075	12 828
Increase of the share capital in inBet Sp. z o.o.	-	-	-	67	(67)	-
As at 30/09/2017	4 004	62 237	51	168 985	12 688	247 965

	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	-	-	-	10 661	891	11 552
Increase of the share capital in inBet Sp. z o.o.	-	-	-	(46)	46	-
As at 30/09/2016	4 004	62 237	51	150 177	11 380	227 849

COMMENTARY BY THE MANAGEMENT BOARD ON THE CAPITAL GROUP'S ACTIVITY IN THE PERIOD OF NINE MONTHS OF 2017

In the third quarter of 2017 flat sales were retained at the same level as in the previous quarter.¹ Last 12 months (4Q2016 - 3Q2017) were the best period in terms of sales on the property development market. In addition, the number of flats allowed to sales within last 12 months reached record levels.

During the nine-month-period ended on 30 September 2017 the INPRO Group signed 487 preliminary sales agreements net (71% increase). The value was calculated as the number of preliminary sales agreements net regarding finished projects, the number of agreements with entities other than natural persons, the number of agreements regarding service premises and the number of documents handed over that contain the description of the conditions of signing the development agreements which allow customers apply for money necessary to finance the development agreements. The value also includes the number of customers that resigned from signing the development agreements and the number of customers that resigned from the agreements that have been already signed.

In the third quarter 2017 INPRO SA signed 152 preliminary agreements net and Przedsiębiorstwo Budowlane Domesta Sp. z o.o. (a subsidiary) signed 70 preliminary agreements net – the Group in total signed 222 preliminary agreements net (increase by 155%).

The increase of presales level is the result of a greater number (by 60%) of available flats in comparison to the third quarter of 2016. The other reason is the increased interest in the Company's offer, especially regarding the most popular investments – Kwartal Uniwersytecki stage II, Optima stage I and Harmonia Oliwska stages I and II.

In the period from July to September 2017 the Group handed over 29 premises, which means 41% decrease comparing to the same period of 2016 (49 premises). On a year-to-date basis, for nine months of this year, the Group delivered the total of 191 premises in comparison with 231 premises last year. During the operating period INPRO SA did not place in service any new multi-family buildings, but the Company finished the works on 7 multi-family houses in Golf Park estate. PB Domesta finished the works on buildings No. 20 (35 flats) and No. 21 (28 flats) in Leszczynowa estate.

Income sales of the INPRO Group decreased to PLN 112 m (by 6%) during nine months of 2017. Gross profit from sales increased by 19% up to PLN 35.9 m. Taking into account relatively low number of flats that were handed over within the operating period (in comparison to the nine-month-period in previous year) the net profit level is satisfactory. The increase of the return on sales ratio is the result of higher margin realised on sold flats (purchases for investment purposes) and the increase of financial results 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:

- Leszczynowy Staw estate – building No. 1,
- Harmonia Oliwska stage I,
- Optima estate stage I.

In May 2017 INPRO SA has launched the sales of 96 flats in Kwartal Uniwersytecki stage II and in June 2017 sales of 84 flats in Harmonia Oliwska. In August the Company offered to sales 105 premises in Debiut estate stage I in Pruszcz Gdański and 193 premises in Azymut estate in Gdynia. Another 12 detached houses in Golf Park estate were available to buy from September 2017.

PB DOMESTA Sp. z o.o. launched in 2017 the sales of following projects:

- Leszczynowy Staw estate in Gdańsk – building No. 5 (31 premises), building No. 3 (31 premises),

¹ Based on REAS Residential Market in Poland 3Q 2017 report.

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- Nowa Niepołomicka estate in Gdańsk – building No. 2 (37 premises), building No. 3 (41 premises),
- Ambiente estate in Gdańsk (Jaśkowa Dolina street) (57 premises).

In total the INPRO Group launched 687 new premises in 2017.

INPRO Group

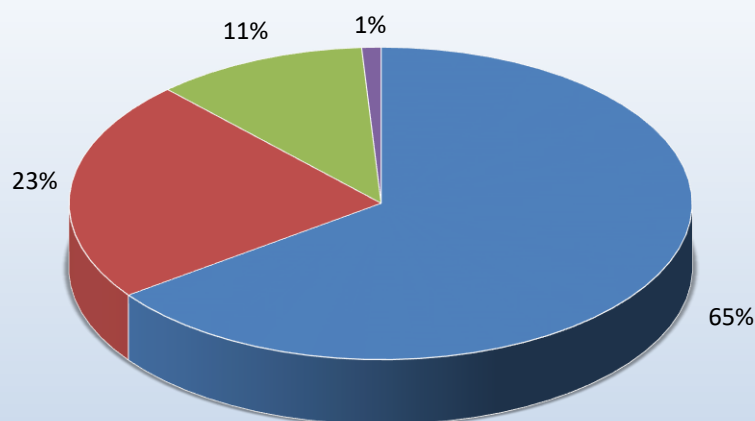
In the first three quarters of the financial year 2017 the Group achieved lower revenues than in the same period of the previous year, the revenues being approximately PLN 112 m, a figure lower by ca. PLN 7 m (i.e. 6 %). However, it is worth noting that the main investments of the Group will be finished in the last quarter of 2017, therefore the income will also arise within last three months of 2017, so the results are satisfactory. For purposes of comparison until the end of September 2016 the Group handed over 231 flats and single-family houses, whereas within 9 months of 2017 only 191 flats and single-family houses were handed over.

In comparison to the third quarter of 2016 the cost of sales was 15 % lower and the gross profit increased up to PLN 39.5 m (by 19 %). Gross return on sales was 35 % (comparing to 28 %). The cost of sales and the costs of general administration increased in total by 25 % and the net profitability of the Group increased from 10 % to 11 %.

In the cash flow statement for nine months of 2017 the Group noted negative cash flows both in operating and investing activity. Negative cash flow within operating activity arise mainly from purchasing the premises. Negative cash flows from the investing activity are the result of the costs of modernisation of InBet. Cash flows on the financing activity are positive due to the launch of credit instalments.

The share of the various segments of the activity in the Capital Group's revenues for the first three quarters of 2017 is presented in the graph below:

Segmentation of revenues of the INPRO SA Group for quarters I - III of 2017



- Property development activity
- Hotel services
- Manufacture of concrete, reinforced concrete and steel elements
- Sanitary and heating instalations

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INPRO SA

INPRO as a company also noted a decrease in sales revenues for three quarters of 2017 compared to the same period of the previous year (PLN 57.3 m against PLN 77.3 m, a decrease by 26 %).

The cost of sales decreased more than the income sales – decrease by 37 %. Gross profit from sales for nine months of 2017 was over PLN 20 m and was 11 % higher than in the comparative period of 2016. Net profit was PLN 7.2 m (7 % decrease).

Within the costs the most important growth applied to general administration costs and the cost of sales (18 %) and was connected with 30 years of INPRO SA's activity jubilee.

The net debt ratio as at 30/09/2017, calculated as the quotient of the total financial debt less cash and cash equivalents (including advances paid to escrow accounts) to equity, was 0.09.

The cash flow statement of INPRO SA for three quarters of 2017 is as follows: only the financial activity generates positive cash flows. The operating activity negative cash flows are the result of the change in advance payments towards purchase of the premises. The investing activity generates negative cash flows because of the increase of the share capital of inBet Sp. z o.o. and Hotel Mikołajki Sp. z o.o. Cash flows on the financing activity are positive in relation to the launch of credit instalments.

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 nine months ended on 30 September 2017 with comparatives for nine months ended on 30 September 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 Zdrowy 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 fit-out, construction finishing services (SML Sp. z o.o.)

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

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

The Parent Company was given the REGON business registry number 008141071 and the tax identification number: 589-000-85-40.

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

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

The share capital of INPRO SA did not change in the nine months of 2017. As at 30 September 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 nine months ended on 30 September 2017

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As at the 13/11/2017, 30/09/2017 and 31/12/2016 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 OFE	A	2,100,000	210,000	17.93 %	2,100,000	17.93 %
	B	5,077,704	507,770		5,077,704	
Shareholders with less than 5% of votes	B	4,932,296	493,230	12.31 %	4,932,296	12.31 %
TOTAL		40 040 000	4 004 000	100 %	40 040 000	100 %

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

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

As at 30/09/2017, the shares of INPRO SA were quoted on the parallel market of the Warsaw Stock Exchange.

Auditor

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

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

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

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

2. Information concerning related entities

2.1. Composition of the INPRO SA Capital Group

As at 30/09/2017 the Group comprises INPRO SA and the following subsidiaries:

No.	Entity's name	Registered office	Object	Share in the share capital (%)	Share in voting rights (%)	Acquisition price of the shares
1.	inBet Sp. z o.o.	Kolbudy, ul. Przemysłowa 10	Manufacture of reinforced concrete, concrete and steel elements	80.32 %	80.32 %	10 907
2.	Dom Zdrojowy Sp. z o.o.	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 %	17 984*
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	100.00 %	100.00 %	201
						64 321

* 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 September 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.

As at 31/12/2016 the Group comprises INPRO SA and the following subsidiaries:

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

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

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

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	100.00 %	100.00 %	201
						59 121

Companies excluded from consolidation as at 30/09/2017 and 31/12/2016

SML Sp. z o.o. was excluded from consolidation both as at 30/09/2017 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 30/09/2017 was insignificant in relation to the whole of the consolidated financial statements. Apart from 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 nine months of 2017, the composition of the INPRO SA Capital Group did not change.

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

2.2 Share capital of the various entities comprised by the INPRO group as at 30/09/2017:

Entity's name	Share capital as at 30/09/2017
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.	17,980
Przedsiębiorstwo Instalacyjne ISA Sp. z o.o.	80
SML Sp. z o.o.	200

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

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

Changes in the composition of the Group between 01/01/2017-30/09/2017

Within nine months of 2017, the composition of the INPRO SA Capital Group did not change. Although the following resolution was passed:

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, 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 by cash. 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. will be 17,980.

2.3 Securities on shares in subsidiaries

	30/09/2017	31/12/2016
Securities on shares in subsidiaries	15 780	15 780
Total	15 780	15 780

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

On 28/09/2017 Extraordinary General Assembly adopted amendments to the Company's Statutes and the Rules of the Supervisory Board in order to adjust Company's regulations and enable to establish and maintain an Audit Committee. On 12/10/2017 the Supervisory Board appointed the following Audit Committee members:

- Krzysztof Gąsak - Chairman of the Audit Committee, Independent Member
- Jerzy Glanc - Independent Member of Audit Committee
- Łukasz Maraszek - Member of Audit Committee

4. Approval of the financial statements

These interim condensed consolidated financial statements for the period of nine months ended on 30 September 2017 were approved for publication by the Management Board on 13 November 2017.

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

5.1 Grounds for the preparation

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

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

5.2 New and revised standards and interpretations used by the Group

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

At the date of authorisation of these financial statements no amendments to the existing standards issued by the International Accounting Standards Board (IASB) and effective for the current reporting period were adopted by the European Union.

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

While approving these condensed interim consolidated financial statements there were 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).

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

IFRSs as approved by the EU do not vary considerably from the regulations adopted by the International Accounting Standards Committee (IASC) except the standards below, changes thereto and the interpretation thereof which, as at 16/05/2016, were not adopted for use in the EU (the effective dates below refer to the standards in their full version):

- **IFRS 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 9 "Financial Instruments"** - Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 January 2019),
- **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),
- **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 28 "Investments in Associates and Joint Ventures"** - Long-term Interests in Associates and Joint Ventures (effective for annual periods beginning on or after 1 January 2019),
- **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)

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.

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

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

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

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

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

6. Conversion of items denominated in a foreign currency

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

Rate binding on the last day of the period	30/09/2017	31/12/2016
EURO	4.3091	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 -30/09/2017	01/01/2016 -30/09/2016
EURO	4.2566	4.3688

7. Material values based on professional judgement and estimates

7.1 Professional judgement

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

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

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

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

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

also used during goodwill testing for permanent impairment. The discount rate taken by the Management Board of the parent entity is based on the interest rate on 10-year treasury bonds.

7.2 Uncertainty of estimates

The preparation of consolidated financial statements requires the Company's Management Board to make estimates because much information in the financial statements cannot be valued precisely. The Management Board reviews the estimates on the basis of the changes of factors taken into consideration when the estimates were made, of new information or of previous experience. It is for that reason that the estimates as at 31 March 2016 may be revised in the future. The main estimates have been described in the following notes:

Note		Kind of disclosure
22	Impairment of fixed assets and the analysis of the realisable net selling price of inventories	The Group tests fixed assets and inventories for impairment test in case factors indicating possible impairment occur. Impairment tests regarding goodwill acquired by merging business entities are conducted at the end of each financial year. The analysis of the net realisable selling price of inventories in the case of finished products (completed residential premises) is conducted by comparing their book value with current market selling prices of premises for a given stage of a project implemented by the Group.
23	Trade receivable valuation allowances	Given the grounds, the Group verifies the recovery of various trade receivables and estimates the valuation allowances on that basis.
18	Income tax	The Group recognises deferred tax assets on the basis of the assumption that a tax profit allowing the use of deferred tax will be achieved in the future. The deterioration of the tax results obtained in the future could make that assumption groundless.
29	Employee benefits	Provisions for retirement benefits and unused vacation leaves.
29	Provisions	Provisions for guarantees and sureties given and provisions for claims and court cases
	Useful life of fixed assets and intangibles	The useful life of assets and their depreciation method is reviewed at least at the end of each financial year.

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

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

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

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

Key factors influencing the Group's financial performance in three quarters 2017:

- presales of the Group within 3 quarters of 2017, understood as the number of the signed preliminary agreements net, were significantly higher than in the comparative period of 2016 (increase by 71 %, up to 487 agreements net). Such an increase is the result of 2 factors, first – the number of premises available is over 60 % higher than in the 3rd quarter of 2016 and the other is connected with the increased interest regarding the most

popular estates – Kwartał Uniwersytecki stage II, Optima stage I and Harmonia Oliwska stages 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 September 2017 the INPRO SA Capital Group did not place in service any multi-family buildings, but placed 7 single-family buildings in Golf Park estate. PB Domesta finished the works on buildings No. 20 (35 flats) and No. 21 (28 flats) in Leszczynowe estate. The total number of deliveries in the analysed period was 191 in comparison to 231 in analogous period of 2016 (decrease by 17 %). The deliveries were effected, first of all, at projects completed last year: Kwartał Uniwersytecki and building C in Chmielna Park estate. Despite the decrease of sales of INPRO SA the return on sales increased (from 23 % to 35 %), due to realising higher margin.
- improvement of the profitability of 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, plant modernisation) yielded still good results – for nine months of 2017 the company noted net profit in the amount of approximately PLN 2.4 m.

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

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

- the macroeconomic situation in Poland and in the world,
- the development of the property development market with special consideration for its competitiveness (a growing number of flats on offer),
- regulatory activities of the government, in particular the endorsement of the act concerning the Flat for Young People Programme and of the Agricultural Land Sales Act, the adoption of the 500+ Programme and the activities in the amendment of Flat Acquirers' Right Protection Act,
- possibility of obtaining different decisions and administrative permissions,
- the policy of National Bank of Poland regarding interest rates,
- the policy pursued by the banks financing the developers and flat buyer,
- the situation in hotel industry.

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

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

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

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

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

The Company has not published the projected financial results for the financial year 2017 so far.

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

- a) On 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,
- 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/00049979/3 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 Kwartał 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,

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- l) On 28/04/2017 INPRO SA effected the full repayment of the working capital credit of PLN 8,200 k 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 07/06/2017 inBet Sp. z o.o. signed with PEKAO Leasing Sp. z o.o. amendment No. 2 to the lease agreement signed on 28/11/2016 for the purchase of four-single girder overhead travelling cranes. Based on the amendment the price was changed from PLN 385 k to PLN 404.5 k,
- p) 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.
- q) On 05/07/2017 INPRO SA signed with mBank SA a working capital credit contract of PLN 16,700 k 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,
- r) On 05/07/2017 INPRO SA signed with mBank SA a working capital credit contract of 14.000 kPLN to finance building of Kwartal Uniwersytecki residential estate (stage II). The contract has been widely described in Current Report No.18/2017 dated 05/07/2017,
- s) On 12/07/2017 INPRO SA signed preliminary purchase contract of land in Gdańsk, Szczecińska street (Kwartal Uniwersytecki residential estate, stage III) of the surface of 5,179 m². The price not higher than 10% of Company's equity,
- t) 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,
- u) 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 a blank promissory note,
- v) 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 a blank promissory note,
- w) 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),
- x) On 11/08/2017 INPRO SA signed with Alior Bank SA a working 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,
- y) On 17/08/2017 INPRO SA signed with the 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,

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- z) On 30/08/2017 inBet Sp. z o.o. signed a lease contract with FCA Leasing Polska Sp. z o.o. for the period of 5 years. The subject of the contract is a car – Fiat Transporter Ducato total price of which is PLN 94 k,
- aa) On 06/09/2017 INPRO SA signed a preliminary purchase contract of land covering area of 5,750 m² in Gdańsk, Nowatorów street. The price not higher than 10% of Company's equity,
- bb) On 07/09/2017 INPRO SA effected an early full repayment of the working capital credit for the refinancing of the stage I of Harmonia Oliwska estate in amount of PLN 31,000 k granted by mBank SA,
- cc) On 19/09/2017 PB DOMESTA Sp. z o.o. signed an operating lease contract with Volkswagen Leasing GmbH for the period of 3 years. The subject of the contract are three cars – Skoda Rapid, total price of which is PLN 150 k,
- dd) On 21/09/2017 INPRO SA signed with Alior Bank SA an amendment to the working capital credit agreement for PLN 16,000 k. Based on the amendment the agreement was prolonged up to 20/09/2017,
- ee) On 25/09/2017 INPRO SA signed with mBank SA an amendment to the credit agreement financing Kwartal Uniwersytecki estate stage II, described in point r) above. Based on the amendment the credit value was decreased from PLN 14,000 k to PLN 12,540 k – by the value of funds released from the escrow account run for the particular investment,
- ff) On 29/09/2017 INPRO SA signed with mBank SA a working capital credit contract of PLN 42,500 k to finance Azymut estate in Gdynia. The contract was described in details in current report No 29/2017 dated 29/09/2017,
- gg) On 30/09/2017 INPRO SA effected a full repayment of the working capital credit (PLN 8,000 k) signed in 2014 with bank consortium: SGB Bank SA and Kaszubski Bank Spółdzielczy in Wejherowo. The credit was taken in order to finance the purchase of land in Gdynia for Azymut estate.

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

15. Material events after the balance sheet date

- a) On 03/10/2017 INPRO SA obtained a building permit regarding construction a complex of office – service buildings in Gdańsk, Grunwaldzka street, next to Harmonia Oliwska estate,
- b) On 04/10/2017 INPRO SA signed with PKO BP SA a registered pledge agreement established on the Company's shares in Hotel Mikołajki Sp. z o.o. – it applies to 2,200 shares (total value: PLN 2.2 m). New shares were created based on a resolution of Extraordinary General Meeting of Shareholders of Hotel Mikołajki Sp. z o.o. dated 26/04/2017,
- c) On 05/10/2017 INPRO SA signed with Alior Bank SA a working capital credit agreement for PLN 14,800 k to finance 1st stage of Debiut estate in Pruszcz Gdański. One of legal securities is a registered pledge agreement regarding the escrow account for the investment. The credit agreement was described in details in current report No. 31/2017 dated 05/10/2017,
- d) On 16/10/2017 INPRO SA signed a working capital credit agreement for PLN 4,200k to refinance the costs of purchasing the land in Pruszcz Gdański with bank consortium: SGB Bank SA and Bank Spółdzielczy in Tczew,
- e) On 03/11/2017 Hotel Mikołajki Sp. z o.o. signed an appendix No. 6 to the investment credit for PLN 36,214 k, granted in 2011 to finance the construction of the hotel & apartment

complex in Mikołajki. Due to the early partly repayment (PLN 1.6 m) the reimbursement schedule was slightly changed,

- f) On 08/11/2017 INPRO SA obtained an occupancy permit regarding stage I of Optima estate localized in Gdańsk, Stężyńska street.

16. Information on operating segments

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

The Group carries activity within the following operating segments:

- 1) property development activity (INPRO SA, PB Domesta Sp. z o.o., the sale of apartments at Hotel Mikołajki Sp. z o.o.),
- 2) hotel services (Dom Zdrojowy Sp. z o.o. and Hotel Mikołajki Sp. z o.o., 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 (inBet Sp. z o.o.).

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 September 2017, 30 September 2016 and 31 December 2016.

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Figures for the period 01/01/2017-30/09/2017	Continuing activities					Exclusions	Total activities
	Property development activity	Hotel services	Manufacture of precast units	Sanitary and heating installations	Total		
Revenues							
Sales to external customers	72 549	25 978	11 917	1 610	112 054	-	112 054
Sales between segments	535	80	3 254	3 504	7 373	(7 373)	-
Total revenues of the segment	73 084	26 058	15 171	5 114	119 427	(7 373)	112 054
Profit (loss) of the segment	25 768	7 749	5 806	773	40 096	(643)	39 453
Selling costs	(4 577)	(847)	(1 778)	-	(7 202)	-	(7 202)
Administrative expenses	(10 943)	(3 181)	(1 048)	(694)	(15 866)	-	(15 866)
Other operating revenues/costs	328	19	(17)	-	330	187	517
Profit (loss) on operating activities	10 576	3 740	2 963	79	17 358	(456)	16 902
Interest revenue	108	8	15	-	131	(32)	99
Interest cost	(325)	(641)	(115)	-	(1 081)	32	(1 049)
Other net revenues /financial costs	549	(5)	(27)	(6)	511	(595)	(84)
Profit (loss) before tax	10 908	3 102	2 836	73	16 919	(1 051)	15 868
Income tax	(2 055)	(606)	(440)	(26)	(3 127)	87	(3 040)
Net profit (loss) for the financial period	8 853	2 496	2 396	47	13 792	(964)	12 828
<i>- including attributable to non-controlling shareholders</i>							1 075

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Figures for the period 01/07/2017-30/09/2017	Continuing activities					Exclusions	Total activities
	Property development activity	Hotel services	Manufacture of precast units	Sanitary and heating installations	Total		
Revenues							
Sales to external customers	11 741	13 357	4 442	659	30 199	-	30 199
Sales between segments	181	1	1 286	1 619	3 087	(3 087)	-
Total revenues of the segment	11 922	13 358	5 728	2 278	33 286	(3 087)	30 199
Profit (loss) of the segment	2 958	5 403	2 166	417	10 944	(569)	10 375
Selling costs	(1 672)	(313)	(679)	-	(2 664)	-	(2 664)
Administrative expenses	(3 254)	(804)	(241)	(236)	(4 535)	-	(4 535)
Other operating revenues/costs	30	5	35	-	70	-	70
Profit (loss) on operating activities	(1 938)	4 291	1 281	181	3 815	(569)	3 246
Interest revenue	12	5	4	-	21	(5)	16
Interest cost	(156)	(150)	(37)	-	(343)	5	(338)
Other net revenues /financial costs	-	(3)	(14)	(2)	(19)	1	(18)
Profit (loss) before tax	(2 082)	4 143	1 234	178	3 474	(568)	2 906
Income tax	428	(748)	(245)	(26)	(591)	62	(529)
Net profit (loss) for the financial period	(1 654)	3 395	990	153	2 883	(506)	2 377
<i>- including attributable to non-controlling shareholders</i>							252

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Figures as at 30/09/2017	Continuing activities					Exclusions	Total activities
	Property development activity	Hotel services	Manufacture of precast units	Sanitary and heating installations	Total		
Assets and liabilities							
Segment assets	399 295	96 857	23 373	2 315	521 840	(101 785)	420 055
Total assets	399 295	96 857	23 373	2 315	521 840	(101 785)	420 055
Segment liabilities	261 145	68 899	14 962	1 006	346 012	(98 047)	247 965
Total equity	138 150	27 958	8 411	1 309	175 828	(3 738)	172 090
Total liabilities and capital	399 295	96 857	23 373	2 315	521 840	(101 785)	420 055
Other information concerning segments for three quarters of 2017							
Increase of fixed assets in the period	1 247	429	1 425	3	3 104	(261)	2 843
Depreciation of property, plant, equipment and intangibles	(900)	(1 482)	(506)	(16)	(2 904)	76	(2 828)
Total impairment loss as at 30/09/2017	(2 017)	(87)	(37)	-	(2 141)	-	(2 141)

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COMPARATIVE DATA:

Figures for the period 01/01/2016-30/09/2016	Continuing activities					Exclusions	Total activities
	Property development activity	Hotel services	Manufacture of precast units	Sanitary and heating installations	Total		
Revenues							
Sales to external customers	87 993	25 134	4 767	999	118 893	-	118 893
Sales between segments	3 936	158	3 375	4 751	12 220	(12 220)	-
Total revenues of the segment	91 929	25 292	8 142	5 750	131 113	(12 220)	118 893
Profit (loss) of the segment	23 120	8 639	1 313	647	33 719	(509)	33 210
Selling costs	(2 933)	(530)	(243)	-	(3 706)	-	(3 706)
Administrative expenses	(9 588)	(3 783)	(599)	(803)	(14 773)	-	(14 773)
Other operating revenues/costs	917	54	(30)	(2)	939	4	943
Profit (loss) on operating activities	11 516	4 380	441	(158)	16 179	(505)	15 674
Interest revenue	271	18	4	1	294	(81)	213
Interest cost	(338)	(851)	(82)	(6)	(1 277)	81	(1 196)
Other net revenues /financial costs	723	6	(4)	-	725	(702)	23
Profit (loss) before tax	12 172	3 553	359	(163)	15 921	(1 207)	14 714
Income tax	(2 268)	(703)	(288)	-	(3 259)	97	(3 162)
Net profit (loss) for the financial period	9 904	2 850	71	(163)	12 662	(1 110)	11 552
<i>- including attributable to non-controlling shareholders</i>							891

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Figures for the period 01/07/2016-30/09/2016	Continuing activities					Exclusions	Total activities
	Property development activity	Hotel services	Manufacture of precast units	Sanitary and heating installations	Total		
Revenues							
Sales to external customers	22 188	13 813	2 008	35	38 044	-	38 044
Sales between segments	420	1	1 672	1 367	3 460	(3 460)	-
Total revenues of the segment	22 608	13 814	3 680	1 402	41 504	(3 460)	38 044
Profit (loss) of the segment	5 137	6 727	709	196	12 769	46	12 815
Selling costs	(842)	(207)	(124)	-	(1 173)	-	(1 173)
Administrative expenses	(3 459)	(1 523)	(229)	(245)	(5 456)	-	(5 456)
Other operating revenues/costs	154	42	(11)	(1)	184	4	188
Profit (loss) on operating activities	990	5 039	345	(50)	6 324	50	6 374
Interest revenue	51	5	1	-	57	(18)	39
Interest cost	(92)	(264)	(40)	(1)	(397)	18	(379)
Other net revenues /financial costs	17	-	(2)	-	15	-	15
Profit (loss) before tax	966	4 780	304	(51)	5 999	50	6 049
Income tax	(214)	(850)	(62)	-	(1 126)	(10)	(1 136)
Net profit (loss) for the financial period	752	3 930	242	(51)	4 873	40	4 913
<i>- including attributable to non-controlling shareholders</i>							633

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Figures as at 30/09/2016	Continuing activities					Exclusions	Total activities
	Property development activity	Hotel services	Manufacture of precast units	Sanitary and heating installations	Total		
Assets and liabilities							
Segment assets	364 241	99 986	15 333	1 856	481 416	(99 571)	381 845
Total assets	364 241	99 986	15 333	1 856	481 416	(99 571)	381 845
Segment liabilities	244 166	65 614	9 336	1 083	320 199	(92 350)	227 849
Total equity	120 075	34 372	5 997	773	161 217	(7 221)	153 996
Total liabilities and capital	364 241	99 986	15 333	1 856	481 416	(99 571)	381 845
Other information concerning segments for three quarters of 2016							
Purchase of fixed assets and intangibles in the period (net expenditures)	734	3 922	6 286	-	10 942	(261)	10 681
Depreciation of property, plant, equipment and intangibles	(903)	(1 537)	(379)	(19)	(2 838)	48	(2 790)
Total impairment loss as at 30/09/2016	(284)	(66)	(254)	-	(604)	21	(583)

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17. Costs and revenues

17.1 Sales revenues

Sales revenues	01/01/2017	01/01/2016	01/07/2017	01/07/2016
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
Revenues from the sale of products	83 213	83 321	15 517	17 610
Revenues from the sale of services	28 787	28 977	14 665	15 941
Revenues from the sale of goods for resale and materials	54	6 595	17	4 493
Total sales revenues	112 054	118 893	30 199	38 044

17.2 Costs by category

Costs by category	01/01/2017	01/01/2016	01/07/2017	01/07/2016
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
Depreciation	2 828	2 790	988	986
Consumption of materials and energy	29 242	30 662	11 141	8 722
External services	61 795	53 554	25 490	18 982
Taxes and charges	3 817	1 976	1 700	478
<i>Costs of employee benefits, including:</i>	27 462	25 322	9 857	8 905
- payroll	22 727	21 353	8 264	7 670
- costs of social insurances and other benefits	4 735	3 969	1 593	1 235
Other	3 400	2 190	1 177	1 003
Total costs by category	128 544	116 494	50 353	39 076
Change in products, work in progress and accruals (+/-)	(32 838)	(14 611)	(23 323)	(10 660)
Costs of products for the entity's own needs (-)	(81)	(4 161)	(19)	(1 114)
Selling costs (-)	(7 202)	(3 706)	(2 664)	(1 173)
Administrative expenses (-)	(15 866)	(14 773)	(4 535)	(5 456)
Value of goods for resale and materials sold	44	6 440	10	4 556
Cost of sales	72 601	85 683	19 822	25 229
Total costs of products, goods for resale and materials sold, cost of sales and administrative expenses	95 669	104 162	27 021	31 858

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18. Income tax

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

Income tax	01/01/2017 -30/09/2017	01/01/2016 -30/09/2016
Consolidated statement of total income		
Current income tax	7 302	5 577
Current income tax liability	7 373	5 577
Adjustments concerning current income tax from previous years	(71)	-
Deferred income tax	(4 263)	(2 415)
Relating to the establishment and reversal of temporary differences	(4 263)	(2 415)
Tax liability shown in the consolidated statement of total income	3 039	3 162

19. Earnings per share

Earnings per share	01/01/2017 30/09/2017	01/01/2016 30/09/2016	01/07/2017 30/09/2017	01/07/2016 30/09/2016
Net profit (loss) from continuing operations	11 753	10 661	2 124	4 280
Net profit from discontinued operations	-	-	-	-
Net profit attributable to shareholders in the parent entity	11 753	10 661	2 124	4 280
Weighted average number of ordinary shares	40 040	40 040	40 040	40 040

Basic earnings per share	01/01/2017 30/09/2017	01/01/2016 30/09/2016	01/07/2017 30/09/2017	01/07/2016 30/09/2016
Net profit	11 753	10 661	2 124	4 280
Weighted average number of ordinary shares	40 040	40 040	40 040	40 040
Basic earnings per share (PLN/share)	0.2935	0.2663	0.0530	0.1069

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	01/01/2017	01/01/2016	01/07/2017	01/07/2016
Diluted earnings per share	-	-	-	-
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
Net profit attributable to shareholders for diluted earnings per share calculation	11 753	10 661	2 124	4 280
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)	0.2935	0.2663	0.0530	0.1069
Basic earnings per share from continuing operations	01/01/2017	01/01/2016	01/07/2017	01/07/2016
	-	-	-	-
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
Net profit from continuing operations	11 753	10 661	2 124	4 280
Weighted average number of ordinary shares	40 040	40 040	40 040	40 040
Basic earnings per share (PLN/share)	0.2935	0.2663	0.0530	0.1069
Diluted earnings per share from continuing operations	01/01/2017	01/01/2016	01/07/2017	01/07/2016
	-	-	-	-
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
Net profit attributable to Shareholders for the calculation of diluted earnings per share from continuing operations	11 753	10 661	2 124	4 280
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)	0.2935	0.2663	0.0530	0.1069

20. Dividends paid and proposed

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

Dividends paid and proposed	01/01/2017	01/01/2016
	-30/09/2017	-30/06/2016
Declared and paid dividends for ordinary shares::	10 060	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	50	-
- dividend proposed and paid to the parent entity's shareholders from profit for 2015	-	12 012
- dividend proposed and paid to the non-controlling shareholders from profit for 2015	-	71
Total	10 060	12 083
Dividend paid to non-controlling shareholders	439	437
Total dividends and other payments to owners	10 499	12 520

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30/09/2017

Based on 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. Dividend covered all shares. The General Assembly set out 13/06/2017 as the dividend date and 27/06/2017 as the dividend payment date.

Based on the resolution No. 7/2017 of 09/06/2017 Ordinary General Assembly of PB DOMESTA Sp. z o.o. 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 1,085 k, including PLN 595,800 for INPRO SA.

30/09/2016

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

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

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

21. Goodwill on consolidation

	30/09/2017	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

	01/01/2017- 30/09/2017	01/01/2016- 31/12/2016
Goodwill on consolidation as at the beginning of the period	6 708	6 708
Increases	-	-
Decreases	-	-
Total balance sheet value as at the end of the period	6 708	6 708

22. Extension of the Group with new business entities

On 01/07/2016 INPRO SA established a new subsidiary under the business name of SML Sp. z o.o. INPRO SA subscribed for 4,000 shares in the share capital at the nominal value of PLN 50 per share, totalling PLN 200,000 (100%), which were covered by that amount in cash.

SML Sp. z o.o. was registered in the National Court Register on 14/07/2016 under number 0000628286. The main object of that entity is interior fit-out and construction finishing services. As at the balance sheet date, the financial data of the newly created subsidiary was irrelevant from the Group's point of view, therefore SML Sp. z o.o. was not comprised by consolidation.

On 01/07/2015 INPRO SA entered into three purchase agreements for the total of 270 shares in Przedsiębiorstwo Instalacyjne ISA Sp. z o.o. with its registered office in Gdańsk. On the basis of the signed agreements INPRO SA purchased 90 shares at the nominal value of PLN 200 each from each of the members of the Management Board of INPRO S.A., that is from Mr Piotr Stefaniak,

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Mr Krzysztof Maraszek and Mr Zbigniew Lewiński. After the purchase of the shares, INPRO S.A. holds in PI ISA Sp. z o.o. the total of 270 shares of the nominal value of PLN 54,000, such shares granting jointly 76.92 % of the capital of that entity (PLN 80,000). The purchase agreement was registered in the National Court Register on 07/09/2015.

23. Fixed assets

	30/09/2017	31/12/2016	Change from 01/01/2017 to 30/09/2017
1. Fixed assets	103 437	102 708	729
a) land (including the perpetual usufruct right)	4 986	4 991	(5)
b) buildings, premises and civil and hydraulic engineering structures	75 847	75 748	99
c) machinery and equipment	16 332	16 607	(275)
d) motor vehicles	3 393	2 551	842
e) other fixed assets	2 879	2 812	67
2. Fixed assets under construction	1 306	1 165	141
Total property, plant and equipment	104 743	103 873	870

In the operating period there were no material purchases and disposals.

24. Investment property

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

A change of the value of that item in the current period results from depreciation, the sale of an apartment in Hotel Mikołajki and two service premises in Gdańsk.

25. Inventory

Inventory	30/09/2017	31/12/2016
Materials (at the acquisition price)	1 195	984
Commodities (at the acquisition price)	114 565	51 316
Work in progress (at cost of manufacture)	11 555	43 406
Finished goods (at the acquisition price/ cost of manufacture)	131 800	114 404
Total inventory at the lower of two values: the acquisition price (cost of manufacture) and net realisable value	259 115	210 110
Obsolescence allowances on inventory	01/01/2017 -30/09/2017	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

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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 33 in additional information.

In 2016 the Group made a revaluation deduction on the value of parking spaces in buildings A and B at the City Park project in relation to bringing them down to the net selling prices. The Group included also revaluation deduction concerning the dispossession of Chmielna Park land. The amount is PLN 1,592 k and was calculated as a difference between acquisition value and the estimated value of compensation.

26. Trade and other receivables

	30/09/2017	31/12/2016
Receivables from related entities	32	16
Trade receivables	32	16
Other receivables	-	-
Receivables from other entities	13 968	10 460
Gross trade receivables	5 387	4 363
State budget receivables other than current income tax	4 727	3 090
Advances on inventory	3 306	2 882
Advances on fixed assets	115	71
Advances on intangibles	42	42
Other non-financial liabilities	391	12
Gross receivables	14 000	10 477
Valuation allowance for receivables	(87)	(87)
Short-term prepayments, including:	672	307
- subscription cost	6	4
- software, domains, licences	60	52
- cost of insurances	186	136
- payments under the remaining lease agreements	6	34
- rent	17	8
- advertisements	32	32
- payments for perpetual usufruct	319	-
- other prepaid expenses	46	41
Total receivables (net)	14 585	10 697

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27. Other financial assets

Other financial assets	30/09/2017	31/12/2016
advances on separate revenue accounts (escrow accounts)*	20 788	3 975
Shares in SML Sp. z o.o.	201	201
Total	20 989	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

28. Cash

The balance of cash and cash equivalents shown in the consolidated statement of the financial position and in the consolidated cash flow statement consisted of the following items as at 30 September 2017:

Cash	30/09/2017	31/12/2016
Cash at bank and in hand	9 432	11 068
Cash on long-term bank	1 490	6 441
Total cash and cash equivalents	10 922	17 509

	30/09/2017	31/12/2016
Cash in PLN	10 880	17 004
Cash in EUR	42	505
Total cash and cash equivalents	10 922	17 509

The fair value of cash and cash equivalents as at 30 September 2017 is 10,922 k zlotys (31 December 2016: 17,509 k zlotys).

As at 30 September 2017 the Group had unused credit (working capital credits for property development projects and overdraft facilities) in the amount of 86,726 k zlotys (31 December 2016: 60,059 k zlotys, including open credit line up to PLN 16,000 k), which funds will be used as the construction works progress.

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28.1 Explanation to the cash flow statement for the period 01/01/2017 – 30/09/2017

No.	Item	Change in the period 01/01/2017 -30/09/2017
1.	Balance sheet change in provisions	(5 763)
2.	Change in provisions in the cash flow statement	(1 438)
3.	Difference	4 325
4.	Explanation of the difference:	4 325
-	change in provisions in relation to CIT	4 325
1.	Balance sheet change in prepayments	(314)
2.	Change in prepayments in the cash flow statement	(374)
3.	Difference	(60)
4.	Explanation of the difference:	(60)
-	change in assets in relation to CIT	(60)
1.	Balance sheet change in net long and short-term receivables	(3 617)
2.	Change in receivables in the cash flow statement	(3 298)
3.	Difference	319
4.	Explanation of the difference:	319
-	change in receivables in relation to the sale of fixed assets, fixed assets under construction and intangibles	233
-	change in receivables in relation to CIT	86
1.	Balance sheet change in short and long-term liabilities	65 366
2.	Change in short-term liabilities in the cash flow statement	20 663
3.	Difference	(44 703)
4.	Explanation of the difference:	(44 703)
-	change in short and long-term loans and credits	(28 482)
-	change in liabilities in relation to CIT	73
-	change in liabilities in relation to finance lease	(27)
-	change in liabilities in relation to the acquisition of fixed assets, fixed assets under construction and intangibles	626
-	change of advances on separate revenue accounts	(16 812)
-	change in deferred income	(90)
-	other	9

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1.	Balance sheet change in inventory	(49 005)
2.	Change in inventory in the cash flow statement	(49 005)
3.	Difference	-
4.	Explanation of the difference:	-
1.	Balance sheet change in cash	(6 587)
2.	Change in cash in the cash flow statement	(6 587)

29. Establishing asset revaluation deductions and their reversal

01/01/2017-30/09/2017	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

30. Share capital

As at:	30/09/2017	31/12/2016
Registered share capital	4 004	4 004

SHARE CAPITAL AS AT 30/09/2017 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

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31. Non-controlling shares

Non-controlling shares	01/01/2017 -30/09/2017	01/01/2016- 31/12/2016
At the beginning of the period	12 119	10 880
Dividend payment	(439)	(437)
Share in the current period's profit or loss	1 075	1 630
Increase of the share capital in subsidiary- inBet Sp. z o.o.	(67)	46
At the end of the period	12 688	12 119

32. Provisions

01/01/2017 -30/09/2017	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 (+)	280	156	289	1 451	2 176
Decrease (-)	(248)	(102)	(223)	(3 041)	(3 614)
Status as at the end of the period	328	244	267	1 250	2 089

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	30/09/2017	31/12/2016
Long-term part	328	296
Short-term part	1 761	3 231
Total provisions	2 089	3 527

	30/09/2017	31/12/2016
Discount rate (%)	2.70	2.70
Estimated remuneration growth rate (%)	0.00	0.00

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

Long-term financial liabilities	30/09/2017	31/12/2016
Loans and credits	30 909	35 257
Liabilities relating to finance lease and lease agreements with a purchase option	3 639	3 775
Total	34 548	39 032

Short-term financial liabilities	30/09/2017	31/12/2016
Loans and credits	42 227	9 398
Liabilities relating to finance lease and lease agreements with a purchase option	1 223	1 058
Total	43 450	10 456

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

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Value of liabilities in relation to credits as at 30/09/2017

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	4 286	31/12/2018	Mortgage up to the sum of PLN 11,250 k	GD1G/00285339/9	Gdańsk, Opacka street	power of attorney to accounts
Alior Bank SA	PLN	6 500	5 732	31/12/2019	Mortgage up to the sum of PLN 9,750 k	GD1G/00278657/2 GD1G/00064314/3	Gdańsk, Chmielna street	power of attorney to accounts, notary power of attorney for Bank to sell premises bought on credit in case of not paying credit instalments, assignment of rights resulting from the insurance policy, INPRO's statement on submission to enforcement in conformity with Article 777 of the Code of Civil Procedure, unverified transfer of the debts associated with the premises bought on credit
Consortium SGB Bank SA Kaszubski Bank Spółdzielczy in Wejherowo	PLN	8 000	-	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, Wielkopolska street	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	-	30/11/2018	Two mortgages up to the sum of PLN 4,500 k each	GD1G/00264763/7, GD1G/00278657/2	Gdańsk, Chmielna street	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, , INPRO's statement on submission to enforcement in conformity with Article 777 of the Code of Civil Procedure
Consortium SGB Bank SA, Bank Spółdzielczy in Tczew, Bank Spółdzielczy in Pruszcz Gdański	PLN	22 500	15 543	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, Stężycka street	assignment of rights resulting from the insurance policy, three blank promissory notes, a power of attorney to accounts (current and escrow), assignment of claims from the current and escrow accounts in SGB Bank SA to other banks, , INPRO's statement on submission to enforcement in conformity with Article 777 of the Code of Civil Procedure

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Consortium SGB Bank SA Bank Spółdzielczy in Tczew	PLN	7 000	4 550	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, Fleszarowa – Muskat street	two blank promissory notes, a power of attorney to accounts, assignment of claims from the current account, INPRO's statement on submission to enforcement in conformity with Article 777 of the Code of Civil Procedure
mBank SA	PLN	14 000	-	29/03/2019	Mortgage up to the sum of PLN 21,000 k	GD1G/00101978/7 GD1G/00101979/4	Gdańsk, Szczecińska street	assignment of rights resulting from the insurance policy, one blank promissory note
mBank SA	PLN	16 700	-	29/03/2019	Mortgage up to the sum of PLN 25,050 k	GD1G/00285339/9	Gdańsk, Opacka street	assignment of rights resulting from the insurance policy, one blank promissory note
mBank SA	PLN	31 000	-	28/09/2018	Mortgage up to the sum of PLN 46,500 k	GD1G/000261213/6	Gdańsk, Opacka street	assignment of rights resulting from the insurance policy, one blank promissory note
mBank SA	PLN	42 500	-	31/08/2020	Mortgage up to the sum of PLN 63,750 k	GD1Y/00114340/5	Gdynia, Wielkopolska street	assignment of rights resulting from the insurance policy, one blank promissory note
PKO BP	PLN	36 214	21 964	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

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Consortium SGB Bank SA Bank Spółdzielczy in Tczew	PLN	6 650	6 620	31/03/2020	Mortgage up to the sum of PLN 13,300 k	GD1G/00292543/4**	Gdańsk, Dąbrówki street	two blank promissory notes, a power of attorney to accounts, assignment of claims from the current account,
Consortium SGB Bank SA Bank Spółdzielczy in Tczew	PLN	3 900	3 672	02/12/2019	Mortgage in the amount of PLN 7,800 k	GD1G/00047052/3, GD1G/00047941/2, GD1G/00049614/5	Gdańsk, Kruczkowskiego street	two blank promissory notes, a power of attorney to accounts, assignment of claims from the current account, statement on submission to enforcement in conformity with Article 777 of the Code of Civil Procedure, a statement on the submission to enforcement in conformity with Article 777 of the Code of Civil Procedure
Total credit liabilities			62 367					

*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

** New land and mortgage register (excluded from GD1G/0001758/8)

Value of liabilities in relation to loans as at 30/09/2017

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	37	31/08/2021	-	-	-	Registered pledge on the electronic vehicle scales up to PLN 66 k
Total loan liabilities			37					

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Open credit lines as at 30/09/2017

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	10 680	20/09/2018	mortgage up to the sum of PLN 25,075 k	GD1G/00036115/3, GD1G/00068140/0 i GD1G/00083407/1, GD1G/00261401/1	Gdańsk, Myśliwska street, Opata Jacka Rybińskiego 8, Jana Pawła II street	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	-	04/02/2017	mortgage up to the sum of PLN 425 k	GD1G/00082949/5	Gdańsk, Opata Jacka Rybińskiego 8	blank promissory note
PEKAO S.A.	PLN	1 000	52	31/12/2017	mortgage up to the sum of PLN 2,000 k	GD1G/00072944/7	Gdańsk, Cementowa street	blank promissory note, a power of attorney to accounts
Total credit liabilities			10 732					

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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, Myśliwska street, Gdańsk, Opata Jacka Rybińskiego 8 street Gdańsk, Jana Pawła II street	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, Tandeta 1 street	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, Opacka street	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, Wielkopolska street	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, Chmielna street	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

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Consortium SGB Bank SA Bank Spółdzielczy in Tczew Bank Spółdzielczy in Pruszcz Gdański	PLN	22 000	5 548	31/12/2018	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, Stężycka street	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	-	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, Fleszarowa – Muskat street	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, Opacka street	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/00037337/0, OL1M/00037481/4, OL1M/00037338/7, OL1M/00037339/4

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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					

Open credit lines 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	
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	250	-	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

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

Nominal value of minimum lease payments	30/09/2017	31/12/2016
Within 1 year	1 223	1 058
Within 1 to 3 years	2 625	2 264
Within 3 to 5 years	1 014	1 457
More than 5 years	-	54
Total liabilities relating to finance lease - minimum total lease payments	4 586	4 862

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 30/09/2017

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	97	68	29
Domesta Sp. z o.o.							
Raiffeisen Leasing Polska S.A.	SUBARU	15/011787(UL)	104	2018/05/31	24	24	-
VOLKSWAGEN LEASING GMBH SP. Z O.O.	SKODA	6706907-1216-06621	47	2019/05/31	25	15	10
mLeasing Sp. z o.o.	intermodal containers	0131172016/GD/236559	411	2021/12/15	251	42	209
mLeasing Sp. z o.o.	POTAIN tower crane	0131172016/GD/236559	462	2021/12/15	231	39	192
mLeasing Sp. z o.o.	intermodal containers	0981482017/GD/282110 oraz 0981482017/GD/282486	71	15/10/2020	48	7	41
mLeasing Sp. z o.o.	intermodal containers	0953152017/GD/280972	235	15/10/2020	165	25	140
VOLKSWAGEN LEASING GMBH SP. Z O.O.	SKODA – 3 cars	Nr 6706907-1217-12639, nr 6706907-1217-12641, nr 6706907-1217-12641	151	15/10/2020	136	45	91
Hotel Mikołajki Sp. z o.o.							
PKO leasing SA	Recycling machine	B/O/WA/2014/11/46	157	2018/11/15	68	21	47

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Dom Zdrojowy Sp. z o.o.							
VOLKSWAGEN	Skoda Superb	6922827-1215-5480	100	2018/04/30	17	17	-
PSA Finance	CITROEN C4 Cactus	9400876372.	48	2018/05/25	10	10	-
PSA Finance	CITROEN Berlingo VAN	9400876382.	45	2018/05/25	9	9	-
inBet Sp. z o.o.							
RCI Leasing Polska Spółka z o.o.	Nissan Micra ACENTA	9000002616	33	2019/02/05	10	7	3
SG Equipment Leasing Polska Sp.z o.o.	JCB 411HT front-end loader	50399	251	2022/05/01	165	28	137
SG Equipment Leasing Polska Sp.z o.o.	JCB SC240 sweeper	20449	23	2018/05/05	4	4	-
SG Equipment Leasing Polska Sp.z o.o.	Aggregate transport line	50448	98	2022/08/05	67	10	57
RCI Leasing Polska Spółka z o.o.	Nissan Micra ACENTA	9000003077	32	2019/08/17	12	6	6
BGŻ NP Paribas Spółka Akcyjna	ALUP compressor + drier	62597/12/2015	55	2019/11/30	36	9	27
Idea Leasing Spółka z o.o. Sp.k.	EURA 16/9 bending machine	19398/SK	841	2020/11/13	347	63	284
Pekao Leasing Sp.z o.o.	Production line	38/0211/15	5 178	2021/04/12	2 460	648	1 813
Idea Leasing S.A.	Flight of stairs production form	116377	114	2021/05/31	67	18	49
Idea Leasing S.A.	Flight of stairs production form	116378	114	2021/05/31	67	18	49

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

Pekao Leasing Sp.z o.o.	Toyota Avensis	38/0514/16	103	2021/09/12	88	18	70
FCA Leasing Polska Sp. z o.o.	Fiat Transporter Ducato	50285/08/2017	105	2022-07-20	93	18	75
Pekao Leasing Sp.z o.o.	4 Suwnice GH Cranes	38/0575/16	405	2022-09-12	364	54	310
					4 862	1 223	3 639

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

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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

35. Trade and other liabilities

Long-term liabilities	30/09/2017	31/12/2016
Towards related entities	-	-
trade liabilities	-	-
Towards other entities	1 771	1 650
trade liabilities	1 671	1 637
other liabilities	100	13
Total trade and other long-term liabilities	1 771	1 650
Short-term liabilities	30/09/2017	31/12/2016
Towards related entities	247	55
trade liabilities	247	55
other liabilities	-	-
Towards other entities	89 039	52 421
trade liabilities	18 825	13 257
payroll payable	1 058	893
state budget liabilities other than current income tax	2 097	1 628
advances received	66 889	36 027
other liabilities	170	618
Total trade and other short-term liabilities	89 286	52 477
Total trade and other liabilities	91 057	54 127

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

36. Contingent and other off-balance sheet items

Contingent receivables	30/09/2017	31/12/2016
Guarantees received	51	381
Total contingent receivables	51	381

There are no contingent payables as at 30/09/2017 as well as at 31/12/2016.

37. Securities established by Group companies

Securities established on Group's assets as at 30/09/2017 and as at 31/12/2016

	30/09/2017	31/12/2016
- on fixed assets*	86 906	86 906
- on current assets**	111 425	155 275
Total	198 331	242 181

Securities established by Group companies as at 30/09/2017

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

6. Contractual mortgage up to PLN 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 30 September 2017 in the total amount of PLN 11.425 k is included in note No. 30 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

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 203,300 k is included in note No. 27 of additional information.

38. Significant court cases

As at 30/09/2017, 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.

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

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

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

39. Financial instruments

The fair value of the financial instruments held by the Group as at 30 September 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	30/09/2017	31/12/2016
Trade and other receivables	loans and receivables	5 332	4 292
Short term financial assets	as above	20 788	3 975
Cash and cash equivalents	as above	10 922	17 509
		37 042	25 776

Financial liabilities	Category	30/09/2017	31/12/2016
Long-term loans and bank credits	financial liabilities valued as at the amortised cost	30 909	35 257
Short-term loans and bank credits	as above	42 227	9 398
Trade and other liabilities	as above	20 743	14 948
Payroll payable	as above	1 058	893
Other liabilities	as above	270	631
Other long-term financial liabilities (lease)	as above	3 639	3 774
Other short-term financial liabilities (lease)	as above	1 223	1 058
Total financial liabilities valued at the amortised cost		100 069	65 962

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

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

40. Transactions with related entities

SHORT-TERM RECEIVABLES/LIABILITIES at 30/09/2017		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.							-	-	28
		P.B. Domesta Sp. z o.o.							-	-	-
		Hotel Mikołajki Sp. z o.o.							-	-	3
		Isa Sp. z o.o.							-	-	-
	TOTAL for related entities							-		32	
other related entities	Hotel Oliwski Sp. z o.o.	-	-	-	-	-	-	-	-		
	SML Sp. z o.o.	-	-	-	-	-	-	-	-		
	Members of the Management Board	-	-	184	-	63	-	-	-		
TOTAL for other related entities							247		-		

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

LONG-TERM RECEIVABLES/LIABILITIES at 30/09/2017		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.							-	-	-	
	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 nine months ended
on 30 September 2017**

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

REVENUES / COSTS 01/01/2017-30/09/2017		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						-	11	-				
	Inpro SA							-	-	-	-	-	-	-
	inBet Sp. z o.o.							-	-	-	-	-	-	-
	Dom Zdrojowy Sp. z o.o.							-	-	-	-	-	-	94
	P.B. Domesta Sp. z o.o.							-	-	-	-	-	-	-
	Hotel Mikołajki Sp. z o.o.							-	-	-	-	-	-	10
	Isa Sp. z o.o.	-	-	-	-	-	-	-						
TOTAL for related entities		-						115						
other related entities	Hotel Oliwski Sp. z o.o.	-	-	-	-	-	-	-	-					
	SML Sp. z o.o.	-	-	-	-	-	-	-	-					
	Members of the Management Board	-	-	238	-	131	-	-	-					
TOTAL for other related entities		369						-						

**Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended
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Unless otherwise indicated, all sums have been given in thousands of zlotys

REVENUES / COSTS 01/07/2017-30/09/2017		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.							-	-	-	-	-	-	27
	P.B. Domesta Sp. z o.o.							-	-	-	-	-	-	-
	Hotel Mikołajki Sp. z o.o.							-	-	-	-	-	-	3
	Isa Sp. z o.o.	-	-	-	-	-	-	-						
TOTAL for related entities							-	34						
other related entities	Hotel Oliwski Sp. z o.o.	-	-	-	-	-	-	-	-					
	SML Sp. z o.o.	-	-	-	-	-	-	-	-					
	Members of the Management Board	-	-	153	-	79	-	-	-					
TOTAL for other related entities							232	-						

Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended on 30 September 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	-	27	-	-	-						
	TOTAL for other related entities							55			-				

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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		-						-		

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

REVENUES / COSTS 01/01/2016-30/09/2016		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												-	-	324
	inBet Sp. z o.o.												-	-	-
	Dom Zdrojowy Sp. z o.o.												1	-	44
	P. B. Domesta Sp. z o.o.												-	-	-
	Hotel Mikołajki Sp. z o.o.												-	-	12
	Isa Sp. z o.o.						-	-	-						
	TOTAL for related entities							-	381						
other related entities	Hotel Oliwski Sp. z o.o.	-	-	-	-	-	-		-	-					
	SML Sp. z o.o.	-	-	-	-	-	-		-	-					
	Members of the Management Board	-	-	144	-	142	-	-	-						
	TOTAL for other related entities							286	-						

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

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

REVENUES / COSTS 01/07/2016-30/09/2016		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						-	-	324				
	Inpro SA							-	-	-	-	-	-	-
	inBet Sp. z o.o.							-	-	-	-	-	-	-
	Dom Zdrojowy Sp. z o.o.							1	-	-	-	-	-	11
	P.B. Domesta Sp. z o.o.							-	-	-	-	-	-	-
	Hotel Mikołajki Sp. z o.o.							-	-	-	-	-	-	7
	Isa Sp. z o.o.	-	-	-	-	-	-	-						
	TOTAL for related entities	-						343						
	other related entities	-	-	-	-	-	-	-	-					
	Hotel Oliwski Sp. z o.o.	-	-	-	-	-	-	-	-					
	SML Sp. z o.o.	-	-	-	-	-	-	-	-					
	Members of the Management Board	-	-	84	-	103	-	-	-					
	TOTAL for other related entities	187						-						

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

CONDENSED FINANCIAL DATA OF INPRO SA

STATEMENT OF TOTAL INCOME FOR NINE MONTHS ENDED ON 30 SEPTEMBER 2017

Statement of total income	Note	01/01/2017	01/01/2016	01/07/2017	01/07/2016
		30/09/2017	30/09/2016	30/09/2017	30/09/2016
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
Continuing operations					
Sales revenues	4	57 290	77 300	8 028	15 816
Cost of sales	4	(37 261)	(59 189)	(6 548)	(13 177)
Gross profit (loss) on sales		20 029	18 111	1 480	2 639
Selling costs	4	(3 800)	(2 618)	(1 325)	(748)
Administrative expenses	4	(8 245)	(7 584)	(2 467)	(2 835)
Other operating revenues		550	1 121	43	198
Other operating costs		(242)	(204)	(16)	(44)
Profit (loss) on operating activities		8 292	8 826	(2 285)	(790)
Financial revenues		696	947	13	44
Financial costs		(112)	(323)	(81)	(88)
Gross profit (loss)		8 876	9 450	(2 353)	(834)
Income tax		(1 694)	(1 733)	432	114
Net profit (loss) from continuing operations		7 182	7 717	(1 921)	(720)
TOTAL INCOME		7 182	7 717	(1 921)	(720)

Earnings (loss) per share in the parent entity (PLN)

- basic	0.1794	0.1927	-0.0480	-0.0180
- diluted	0.1794	0.1927	-0.0480	-0.0180

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

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

**STATEMENT OF THE FINANCIAL POSITION FOR THE PERIOD ENDED
ON 30 SEPTEMBER 2017**

ASSETS	Note	30/09/2017 (unaudited)	31/12/2016 (audited)
Fixed (long-term) assets		105 785	103 952
Property, plant and equipment		4 614	4 256
Other intangibles		24	26
Investment properties		1 097	3 326
Shares in subsidiaries		64 321	59 121
Other financial assets	5	35 607	37 216
Other assets		122	7
Current (short-term) assets		238 704	205 629
Inventory	6	211 147	181 736
Trade and other receivables	7	8 284	9 276
Current tax assets		184	222
Other financial assets	5	16 873	3 283
Cash and cash equivalents		2 216	11 112
TOTAL ASSETS		344 489	309 581

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

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

STATEMENT OF THE FINANCIAL POSITION AS AT 30/09/2017 (CONTINUED)

EQUITY AND LIABILITIES	Note	30/09/2017 (unaudited)	31/12/2016 (audited)
Equity		237 183	240 011
Issued share capital		4 004	4 004
Reserves		531	531
Retained profits		232 648	235 476
Long-term liabilities		6 530	19 789
Retirement benefit liabilities (a provision)		233	201
Deferred income tax provision		-	4 798
Long-term credits and bank borrowings		4 415	12 910
Other financial liabilities (lease)		29	81
Trade and other liabilities	9	1 853	1 799
Short-term liabilities		100 776	49 781
Short-term provisions		939	2 477
Credits and borrowings	8	36 375	7 124
Other financial liabilities (lease)	8	68	67
Trade and other liabilities	9	63 394	40 113
Total liabilities		107 306	69 570
TOTAL EQUITY AND LIABILITIES		344 489	309 581

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

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

CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 30 SEPTEMBER 2017

Cash flows from operating activities	01/01/2017 -30/09/2017 (unaudited)	01/01/2016 -30/09/2016 (unaudited)
Gross profit/(loss)	8 876	9 450
Adjustments:	(26 253)	(6 664)
Depreciation	596	732
Income tax paid	(6 561)	(5 578)
Net interest and dividends	(525)	(461)
Profit/(loss) on investing activities	(329)	(106)
(Increase)/ decrease of receivables	1 401	62
(Increase)/ decrease of inventory	(29 412)	(2 078)
Increase/ (decrease) of liabilities	10 199	1 974
Increase/ (decrease) of accrued/prepaid expenses	(116)	(102)
(Increase)/decrease of accruals/prepayments in relation to long-term contracts	-	(74)
Change in provisions	(1 506)	(1 033)
Net cash flows from operating activities	(17 377)	2 786
Cash flows from investing activities	01/01/2017 -30/09/2017 (unaudited)	01/01/2016 -30/09/2016 (unaudited)
Sale of property, plant, equipment and intangibles	34	106
Interest received	321	694
Repayment of loans allowed	1 320	2 550
Dividends from related entities	596	702
Other investing incomes (disposal of investing property)	2 111	-
Disposal of real estate investment and intangible assets	(5 200)	(1 296)
Acquisition of property, plant, equipment and intangibles	(1 294)	(409)
Net cash flows from investing activities	(2 112)	2 347

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

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 SEPTEMBER 2017 (CONTINUED)**

Cash flow from financing activities	01/01/2017 -30/09/2017 (unaudited)	01/01/2016 -30/09/2016 (unaudited)
Proceeds in relation to loans/credits obtained	48 955	55 593
Payments in relation to finance lease agreements	(50)	(81)
Repayment of loans/credits	(28 199)	(47 446)
Interest paid	(103)	(323)
Dividends paid	(10 010)	(12 012)
Net cash flows from financing activities	10 593	(4 269)
Net change in cash and cash equivalents	(8 896)	864
Cash at the beginning of the period	11 112	17 916
Cash at the end of the period	2 216	18 780

Condensed interim consolidated financial statements of the INPRO SA Capital Group for nine months ended on 30 September 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 SEPTEMBER 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
Dividend payment	-	-	-	(10 010)	(10 010)
Net profit (loss) for the financial year	-	-	-	7 182	7 182
As at 30/09/2017	4 004	62 237	531	170 411	237 183

	Share capital	Share premium capital	Revaluation reserve	Retained profit	Total
As at 01/01/2016	4 004	62 237	531	159 883	226 655
Dividend payment	-	-	-	(12 012)	(12 012)
Net profit (loss) for the financial year	-	-	-	7 717	7 717
As at 30/09/2016	4 004	62 237	531	155 588	222 360

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

In the condensed additional information to the interim condensed separate financial statements, the Company only presented those notes which are significant to the correct assessment of the economic and financial position and of the Company's financial result, and those which were not included in the interim condensed consolidated financial statements. Notes Nos. 5-8 and 15 (materials events after the balance sheet date) included in the condensed additional information to the interim condensed consolidated financial statements also pertain to these statements.

2. Approval of the financial statements

These interim condensed separate financial statements for the period of nine months ended on 30 September 2017 were approved for publication by the Management Board on 13 November 2017.

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

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

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

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

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

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 5.2 of the Group's condensed additional information to the interim condensed consolidated financial statements.

4. Costs and revenues

Sales revenues	01/01/2017 -30/09/2017	01/01/2016 -30/09/2016
Revenues from the sale of products	55 937	69 627
Revenues from the sale of services	1 352	1 294
Revenues from the sale of goods for resale and materials	1	6 379
Total sales revenues	57 290	77 300

Costs by category	01/01/2017 -30/09/2017	01/01/2016 -30/09/2016
Depreciation (fixed assets)	583	721
Depreciation (intangible assets)	13	11
Consumption of materials and energy	13 515	17 239
External services	40 869	43 202
Taxes and charges	2 498	1 050
Costs of employee benefits, including:	12 170	11 581
- payroll	10 006	9 735
- costs of social insurances and other benefits	2 164	1 846
Other costs:	2 891	2 085
- costs of credit	784	939
- entertainment and advertising	1 726	771
- property and personal insurances	155	119
- business trips	18	31
- other operating costs	137	225
Total costs by category	72 467	75 889
Change in products, work in progress and accruals (+/-)	(23 162)	(11 569)
Costs of products for the entity's own needs (-)	-	(870)
Selling costs (-)	(3 800)	(2 618)
Administrative expenses (-)	(8 245)	(7 584)
Value of goods for resale and materials sold	1	5 941
Cost of sales	37 261	59 189
Total costs of products, goods for resale and materials sold, cost of sales and administrative expenses	49 306	69 391

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

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

5. Other financial assets

Other financial assets (short-term)	30/09/2017	31/12/2016
Short-term deposits – funds on trust accounts*	16 873	3 283
Loans allowed	-	-
Total	16 873	3 283

Other financial assets (long-term)	30/09/2017	31/12/2016
Returnable additional contribution to equity of subsidiary	35 150	35 150
Loans allowed	458	2 066
Shares in related companies	64 321	59 121
Total	99 929	96 337

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

6. Inventory

Inventory	30/09/2017	31/12/2016
Materials at the price of acquisition	56	37
Work in progress at the cost of manufacture	93 588	44 661
Finished products at the cost of manufacture	10 075	37 512
Goods for resale at the price of acquisition	107 428	99 526
Total	211 147	181 736

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

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

7. Trade and other receivables

	30/09/2017	31/12/2016
Receivables from related entities	1 057	3 372
Gross value of trade receivables	1 057	3 244
Other receivables	-	128
Receivables from other entities	6 996	5 782
Gross value of trade receivables	211	1 544
Receivables from the budget other than current income tax	3 692	2 426
Advances on fixed assets	-	9
Advances on inventory	2 792	1 800
Other non-financial liabilities	301	3
Gross receivables	8 053	9 154
Valuation allowance for receivables	-	-
Short-term prepayments, including:	231	123
- subscription cost	3	4
- software, domains, licences	10	16
- cost of insurances	84	67
- advertisements	17	19
- payments for perpetual usufruct	103	-
- other prepaid expenses	14	17
Total receivables (net)	8 284	9 277

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

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

Long-term financial liabilities	30/09/2017	31/12/2016
Liabilities in relation to finance lease and lease agreements with a purchase option	29	81
Loans and credits	4 415	12 910
Total	4 444	12 991

Short-term financial liabilities	30/09/2017	31/12/2016
Liabilities in relation to finance lease and lease agreements with a purchase option	68	67
Loans and credits	36 375	7 124
Total	36 443	7 191

Nominal value of minimum lease payments	30/09/2017	31/12/2016
Within 1 year	68	66
Within 1 to 3 years	29	81
Total liabilities related to finance lease - total minimum lease payments	97	147

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

9. Trade and other liabilities

Long-term liabilities	30/09/2017	31/12/2016
Long-term liabilities in relation to related entities	188	172
Trade liabilities	188	172
Long-term liabilities in relation to other entities	1 665	1 627
Trade liabilities	1 665	1 627
Total trade and other long-term liabilities	1 853	1 799

Short-term liabilities	30/09/2017	31/12/2016
Short-term liabilities in relation to related entities	1 582	746
Trade liabilities	1 582	746
Short-term liabilities in relation to other entities	61 811	39 366
Trade and other liabilities	10 187	8 626
Payroll payable	237	333
Liabilities towards the state budget other than current income tax	724	713
Advances received	50 574	29 163
Other liabilities	89	531
Total short term trade and other liabilities	63 393	40 112

Total trade and other liabilities	65 246	41 911
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10. Financial instruments

Financial assets	category	30/09/2017	31/12/2016
Trade and other receivables	loans and receivables	1 268	4 788
Loans given – long term	As above	458	2 066
Loans given – short term	As above	-	-
Short term financial assets	As above	16 873	3 283
Cash and cash equivalents	As above	2 216	11 112
		20 815	21 249

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

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

Financial liabilities	category	30/09/2017	31/12/2016
Long-term loans and bank credits	Financial liabilities valued as at the amortised cost	4 414	12 910
Short-term loans and bank credits	As above	36 375	7 124
Trade and other liabilities	As above	13 622	11 172
Payroll payable	As above	236	333
Other long-term financial liabilities (lease)	As above	29	81
Other short-term financial liabilities (lease)	As above	68	67
Other liabilities	As above	-	-
		54 744	31 687

11. 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	01/07/2017	01/07/2016
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
inBet Sp. z o.o.	92	70	50	39
Dom Zdrojowy Sp. z o.o.	133	126	42	42
PB Domesta Sp. z o.o.	-	5	-	5
Hotel Mikołajki Sp. z o.o.	241	3 677	62	317
PI Isa Sp z o.o.	45	59	22	21
SML Sp. z o.o.	12	1	5	1
Management Board	-	324	-	324
Total	523	4 262	181	749

Purchase from a related entity	01/01/2017	01/01/2016	01/07/2017	01/07/2016
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
inBet Sp. z o.o.	2 217	2 876	993	1 547
Dom Zdrojowy Sp. z o.o.	75	67	-	-
Hotel Mikołajki Sp. z o.o.	3	98	2	-
Isa Sp z o.o.	3 027	4 341	1 309	1 184
Total	5 322	7 382	2 304	2 731

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	01/01/2016	01/07/2017	01/07/2016
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
Buyer: Hotel Mikołajki	241	3 602	62	316

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

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

Loans granted by Inpro SA	30/09/2017	31/12/2016
To related entities:		
Dom Zdrojowy Sp. z o.o.	458	2 066
Total loans granted to related entities	458	2 066

Receivables from related entities

	30/09/2017	31/12/2016
Trade receivables - up to 12 months	601	2 787
inBet Sp. z o.o.	33	7
Dom Zdrojowy Sp. z o.o.	17	26
PB Domesta Sp. z o.o.	10	-
Hotel Mikołajki Sp. z o.o.	526	2 752
Isa Sp. z o.o.	14	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	-	128
inBet Sp. z o.o.	-	10
Hotel Mikołajki Sp. z o.o.	-	118
Total short-term receivables	1 058	3 372
inBet Sp. z o.o.	33	17
Dom Zdrojowy Sp. z o.o.	17	26
PB Domesta Sp. z o.o.	10	-
Hotel Mikołajki Sp. z o.o.	983	3 327
Isa Sp. z o.o.	14	1
SML Sp. z o.o.	1	1

Liabilities towards related entities

	30/09/2017	31/12/2016
Trade liabilities - up to 12 months	1 582	747
inBet Sp. z o.o.	561	359
Hotel Mikołajki Sp. z o.o.	-	2
Isa Sp. z o.o.	1 021	386
Trade liabilities - over 12 months	188	172
inBet Sp. z o.o.	30	28
Isa Sp. z o.o.	158	144
Other liabilities up to 12 months	-	-
inBet Sp. z o.o.	-	-

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

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

Total short-term liabilities	1 770	919
inBet Sp. z o.o.	591	387
Hotel Mikołajki Sp. z o.o.	-	2
Isa Sp. z o.o.	1 179	530

12. Contingent liabilities and receivables

Contingent liabilities

Continent liabilities	30/09/2017	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 30/09/2017 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	30/09/2017	31/12/2016
Guarantees received	51	381
Total contingent receivables	51	381

13. Securities established on Company's assets

Securities established on the Company's assets - the fair value	30/09/2017	31/12/2016
- on fixed assets	25 075	25 075
- on current assets	90 325	155 275
Total	115 400	180 350

Securities on fixed assets

Joint mortgage up to the amount of PLN 25,075 k for Alior Bank SA on the 5799/10000 share of INPRO SA in the perpetual usufruct right to real estate located in Gdańsk, Opata Jacka Rybińskiego Street, land and mortgage register No. GD1G/00068140/0, and on the title to non-residential premises No. 2 in Gdańsk, 8 Opata Jacka Rybińskiego Street, land and mortgage register No. GD1G/00083407/1 (a legal security for the repayment of the overdraft facility; for details see current report No. 24/2016 of 22/09/2016)

Securities on current assets

A schedule of mortgages established on current assets as at 30 September 2017 totalling PLN 90,325 k and as at 31 December 2016 totalling PLN 155,275 k is in note No. 33.