

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
FOR THREE MONTHS ENDED ON 31 MARCH 2018,
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, 23/05/2018

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2018

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				
	01/01/2018	01/01/2017	01/01/2018	01/01/2017
	-	-	-	-
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
	PLN '000		EUR '000	
Net sales revenues	48 335	44 538	11 568	10 384
Gross profit (loss) on sales	15 979	14 675	3 824	3 421
Profit (loss) on operating activities	8 352	8 462	1 999	1 973
Gross profit (loss)	8 042	8 152	1 925	1 901
Net profit (loss)	6 481	6 651	1 551	1 551
- attributable to non-controlling shareholders	206	424	49	99
Earnings (loss) per share in the parent entity	0.1567	0.1555	0.0375	0.0363
Net cash flows from operating activities	20 727	(5 102)	4 961	(1 190)
Net cash flows from investing activities	(1 830)	947	(438)	221
Net cash flows from financing activities	(11 919)	10 189	(2 852)	2 376
Net cash flows	6 978	6 034	1 670	1 407
	31/03/2018	31/12/2017	31/03/2018	31/12/2017
	PLN '000		EUR '000	
Total assets	446 090	425 701	105 998	102 065
Liabilities and provisions for liabilities	174 163	160 255	41 383	38 422
Provisions for liabilities	10 219	9 925	2 428	2 379
Long-term liabilities	33 981	36 592	8 075	8 773
Short-term liabilities	129 963	113 738	30 881	27 269
Equity	271 927	265 446	64 614	63 642
- attributable to non-controlling shareholders	14 133	13 927	3 358	3 339
Number of shares (pcs)	40 040 000	40 040 000	40 040 000	40 040 000
Book value per share (in PLN/EUR)	6.7914	6.6295	1.6137	1.5895
ZLOTY TO EURO CONVERSION RATE	average euro rate in the period 01/01/2018-31/03/2018		average euro rate as at 31/03/2018	
	4.1784		4.2085	
	average euro rate in the period 01/01/2017-31/03/2017		average euro rate as at 31/12/2017	
	4.2891		4.1709	

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2018

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				
	01/01/2018	01/01/2017	01/01/2018	01/01/2017
	-	-	-	-
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
	PLN '000		EUR '000	
Net sales revenues	37 830	31 109	9 054	7 253
Gross profit (loss) on sales	11 898	11 278	2 847	2 629
Profit (loss) on operating activities	7 913	8 049	1 894	1 877
Gross profit (loss)	7 822	8 078	1 872	1 883
Net profit (loss)	6 310	6 518	1 510	1 520
- attributable to non-controlling shareholders	0.1576	0.1628	0.0377	0.0380
Net cash flows from operating activities	15 200	(5 151)	3 638	(1 201)
Net cash flows from investing activities	129	1 777	31	414
Net cash flows from financing activities	(10 402)	7 989	(2 489)	1 863
Net cash flows	4 927	4 615	1 179	1 076
	31/03/2018	31/12/2017	31/03/2018	31/12/2017
	PLN '000		EUR '000	
Total assets	351 891	351 505	83 614	84 276
Liabilities and provisions for liabilities	93 156	99 079	22 135	23 755
Provisions for liabilities	8 230	7 623	1 956	1 828
Long-term liabilities	8 915	9 914	2 118	2 377
Short-term liabilities	76 011	81 542	18 061	19 550
Equity	258 735	252 426	61 479	60 521
Number of shares (pcs)	40 040 000	40 040 000	40 040 000	40 040 000
Book value per share (in PLN/EUR)	6.4619	6.3043	1.5354	1.5115
ZLOTY TO EURO CONVERSION RATE	average euro rate in the period 01/01/2018-31/03/2018		average euro rate as at 31/03/2018	
	4.1784		4.2085	
	average euro rate in the period 01/01/2017-31/03/2017		average euro rate as at 31/12/2017	
	4.2891		4.1709	

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2018

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

CONSOLIDATED STATEMENT OF TOTAL INCOME FOR THREE MONTHS ENDED ON 31 MARCH 2018

	Note	01/01/2018 -31/03/2018 (unaudited) PLN '000	01/01/2017 -31/03/2017 (unaudited) PLN '000
Continuing operations			
Sales revenues	17.1	48 335	44 538
Cost of sales	17.2	(32 356)	(29 863)
Gross profit (loss) on sales		15 979	14 675
Selling costs	17.2	(2 508)	(1 927)
Administrative expenses	17.2	(5 087)	(4 801)
Other operating revenues		158	560
Other operating costs		(190)	(45)
Profit (loss) on operating activities		8 352	8 462
Financial income		60	41
Financial costs		(370)	(351)
Gross profit (loss)		8 042	8 152
Income tax	18	(1 561)	(1 501)
Net profit (loss) from continuing operations		6 481	6 651
TOTAL INCOME		6 481	6 651
Net profit (loss) attributable to:		6 481	6 651
- the parent entity's shareholders		6 275	6 227
- non-controlling shareholders		206	424
Total income attributable to:		6 481	6 651
- the parent entity's shareholders		6 275	6 227
- non-controlling shareholders		206	424
Earnings (loss) per share in the parent entity (PLN)			
- basic		0.1567	0.1555
- diluted		0.1567	0.1555

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2018

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

CONSOLIDATED STATEMENTS OF THE FINANCIAL POSITION AS AT 31 MARCH 2018

ASSETS	Note	31/03/2018 (unaudited)	31/12/2017 (audited)
Fixed (long-term) assets		116 739	117 164
Property, plant and equipment	21	105 547	105 942
Goodwill		6 708	6 708
Other intangibles		69	77
Long-term receivables		-	-
Investment properties		2 803	2 819
Long term financial assets		-	-
Other long-term prepayments		14	20
Deferred tax assets		1 598	1 598
Current (short-term) assets		329 351	308 537
Inventory	22	253 779	241 838
Trade and other receivables	23	22 955	22 910
Current tax assets		1 286	1 286
Other financial assets	24	30 500	28 674
Cash and cash equivalents	25	20 831	13 829
TOTAL ASSETS		446 090	425 701

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2018

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

**CONSOLIDATED STATEMENT OF THE FINANCIAL POSITION AS AT 31/03/2018
(CONTINUED)**

EQUITY AND LIABILITIES	Note	31/03/2018	31/12/2017
		(unaudited)	(audited)
Equity (attributable to the parent entity's shareholders)		257 794	251 519
Issued share capital	27	4 004	4 004
Reserves		50	51
Retained profit		253 740	247 464
Capital attributable to non-controlling shareholders	28	14 133	13 927
Total equity		271 927	265 446
Long-term liabilities		40 370	41 953
Deferred income tax provision		5 996	4 968
Retirement benefit liabilities (a provision)	29	393	393
Long-term credits and bank borrowings	30	27 719	31 373
Other financial liabilities (lease)	31	3 324	3 643
Trade and other liabilities	32	2 938	1 576
Short-term liabilities		133 793	118 302
Short-term provisions	29	3 830	4 564
Short-term credits and bank borrowings	30	24 893	32 461
Other liabilities (financial lease)	31	1 296	1 344
Current income tax liabilities		80	80
Trade and other liabilities	32	103 694	79 853
Total liabilities		174 163	160 255
TOTAL EQUITY AND LIABILITIES		446 090	425 701

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2018

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CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31 MARCH 2018

	01/01/2018 -31/03/2018	01/01/2017 -31/03/2017
Cash flows from operating activities	(unaudited)	(unaudited)
	PLN '000	PLN '000
Gross profit/(loss)	8 042	8 152
Adjustments:	12 685	(13 254)
Depreciation	1 093	915
Income tax paid	(596)	(1 440)
Interest and dividends	360	328
Profit/(loss) on exchange rate	(45)	-
Profit/(loss) on investing activities	4	(475)
(Increase)/ decrease of receivables	856	5 287
(Increase)/ decrease of inventory	(11 941)	(1 099)
Increase/ (decrease) of liabilities	24 407	(15 200)
Increase/ (decrease) of accrued/prepaid expenses	(944)	(962)
Increase/ (decrease) of deferred income	225	29
Change in provisions	(734)	(637)
Other	-	-
Net cash flows from operating activities	20 727	(5 102)
Cash flows from investing activities	01/01/2018 -31/03/2018	01/01/2017 -31/03/2017
	(unaudited)	(unaudited)
	PLN '000	PLN '000
Sale of property, plant, equipment and intangibles	1	10
Interest received	-	5
Acquisition of property, plant, equipment and intangibles	(1 831)	(1 010)
Disposal of property, plant, equipment and intangibles	-	1 942
Net cash flows from investing activities	(1 830)	947

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CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31 MARCH 2018 (CONTINUED)

	01/01/2018 -31/03/2018	01/01/2017 -31/03/2017
	(unaudited)	(unaudited)
	PLN '000	PLN '000
Cash flow from financing activities		
Proceeds in relation to loans/credits obtained	4 007	18 199
Payments in relation to finance lease agreements	(433)	(267)
Repayment of loans/credits	(15 229)	(7 409)
Interest paid	(238)	(334)
Other financial proceeds	(26)	-
Net cash flows from financing activities	(11 919)	10 189
Net change in cash and cash equivalents	6 978	6 034
Change of cash due to exchange rate	(10)	-
Cash at the beginning of the period	13 863	17 509
Cash at the end of the period	20 831	23 543

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CONSOLIDATED STATEMENT OF THE CHANGES IN EQUITY FOR THREE MONTHS ENDED ON 31 MARCH 2018

	Share capital	Share premium capital	Revaluation reserve	Retained profit	Attributable to non-controlling shareholders	Total
As at 01/01/2018	4 004	62 237	51	185 227	13 927	265 446
Net profit (loss) for the financial year	-	-	-	6 275	206	6 481
As at 31/03/2018	4 004	62 237	51	191 502	14 133	271 927

	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	245 637
Net profit (loss) for the financial year	-	-	-	6 227	424	6 651
As at 31/03/2017	4 004	62 237	51	173 452	12 543	252 288

COMMENTARY BY THE MANAGEMENT BOARD ON THE CAPITAL GROUP'S ACTIVITY IN THE PERIOD OF THREE MONTHS OF 2018

The first quarter of 2018 has been consecutive quarter of high sales on property development market. Growing remuneration and lower unemployment were the factors encouraging to purchase apartments. Basing on results for the first three months of the year, it can be concluded that developers do not keep up to introduce new projects for sale at the level adequate to market demand – there are less apartments for sale currently than at the end of 2017.

Cumulatively, for three months of 2018 the INPRO Capital Group sold 245 flats (preliminary agreements net), that is 83% more than in comparative period of 2017 (in first three months of 2017 the Group sold 134 flats).

Cumulatively, for three months of 2018 the INPRO Capital Group signed 166 preliminary agreements net. For comparison, the Company concluded 83 agreements net in the same period of 2017. The greatest interest was aroused by three stages of Harmonia Oliwska (attractive location).

A subsidiary, Przedsiębiorstwo Budowlane DOMESTA Sp. z o.o., concluded 79 preliminary agreements net in the first quarter of 2018 (increase by 55 % against the comparable period of the previous year).

For the first three months of 2018 the INPRO Group noted an increase of sales revenues to the level of PLN 48,335 k that is by 9% against the comparable period of the previous year. Gross profit from sales increased by 9 % to PLN 15,979 k in the same period. The net profit decreased by 3 % to PLN 6,481 k. The net return decreased from 15 % to 13 %. The gross return on sales remained at the same level.

In the first quarter this year the INPRO Capital Group handed over the total of 119 premises (including 111 by INPRO SA); that number being 14% higher than in the 1st quarter 2017, in which the Group delivered 104 flats.

In the period from January to March 2018, the INPRO SA Group did not place any multi-family buildings in service, but placed 4 single-family houses in Golf Park. Premises were delivered first of all at projects completed last year: Harmonia Oliwska stage 1 and Optima stage 1. Przedsiębiorstwo Budowlane DOMESTA Sp. z o.o. at the end of March 2018 obtained the occupancy permit for one building in Leszczynowy Staw estate; the delivery of this building were done in April 2018.

The vast majority of the turnover of INPRO and DOMESTA companies will fall to the second half of 2018, when the following projects will be completed given no delays to administrative procedures relating to occupancy permits:

- Nowa Niepołomska estate - buildings Nos. 1,2,3,
- Leszczynowy Staw estate – building Nos. 3, 4, 5,
- Harmonia Oliwska estate stage II,
- Kwartał Uniwersytecki estate stage II,
- Debiut estate stage I,
- Single-family houses in the Golf Park estate.

By the end of the year, the Group is planning to launch the sales in both the new attractive locations and the further stages of already realised projects:

- stage III of Kwartał Uniwersytecki estate in Gdańsk (72 premises),
- stage II of Debiut Estate in Pruszcz Gdański (89 premises),
- City Park estate in Gdańsk stage II (189 premises),
- Optima estate in Gdańsk stage II (200 premises),
- Harmonia Oliwska estate stage IV in Gdańsk (157 premises),
- Wróbla Staw estate small houses stage II (4 premises),
- stage D of Golf Park (4 single-family houses),
- Nowa Niepołomska estate in Gdańsk – building No. 5 (36 premises), building No. 4 (36 premises),
- Leszczynowy Staw estate in Gdańsk – building No. 7 (34 premises), building No. 6 (34 premises),

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- Havlove estate in Gdańsk – building No. 1 (10 premises), building No. 4 (23 premises), building No. 5 (23 premises), building No. 6 (46 premises), building No. 7 (46 premises), building No. 8 (23 premises).

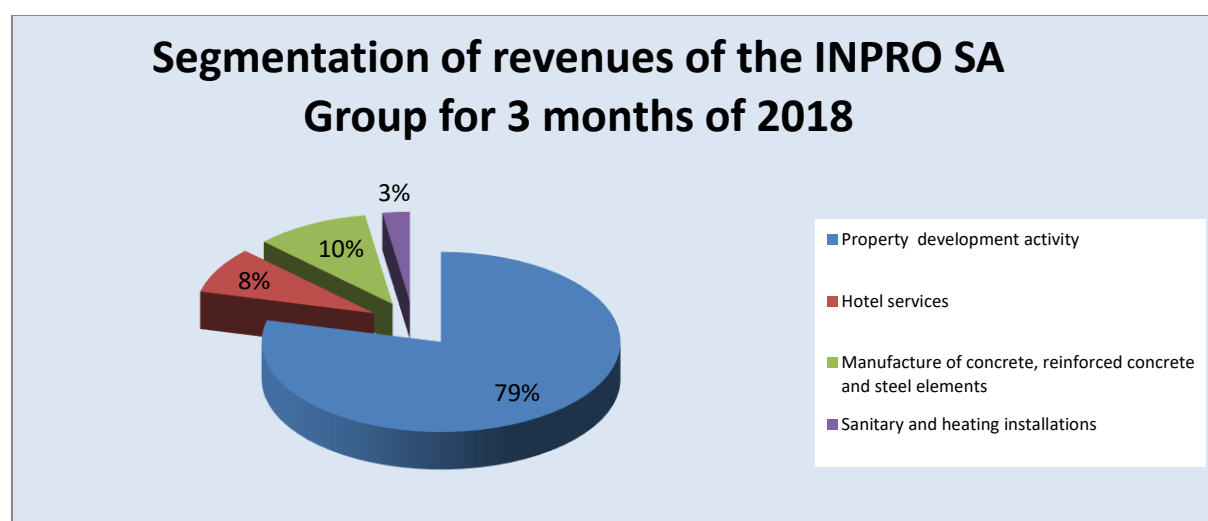
In total the INPRO Group is planning to launch 1,026 new premises in 2018.

INPRO Group

In the first three months of the financial year 2018 the Group achieved higher revenues than in the same period of the previous year, the revenues being approximately PLN 48,3 m, a figure higher by ca. PLN 3,8 m (i.e. 9%). Although the Group handed over 14% more premises than in comparative period, the realised margin was significantly lower: the gross return on sales remained at the level of 33% and net return decreased from 15 % to 13 %. An important impact on the decrease of profitability was made by the structure of delivered flats by INPRO S.A. – high share of it was Optima I project, being under MDM program. Additionally, the sale costs and administrative expenses have grown of 13% (sales costs higher of 30% due to maintenance costs of unsold flats and commissions paid to sales brokers).

In the cash flow statement for the three months of 2018 the Group noted positive cash flows only in operating activity that arise mainly from a change in advance payments towards the purchase of the premises. Negative cash flows from the investing activity are the result of investments made in inBet Sp. z o.o. (modernization of works). Negative cash flows on the financing activity arise from the repayments of credit instalments.

The share of the various segments of the activity in the Capital Group's revenues for the first quarter of 2018 is presented in the graph below:



INPRO SA

INPRO as a company noted an increase in sales revenues for the first quarter of 2018 compared to the same period of the previous year (PLN 37.8 m against PLN 31.1 m, an increase by 22 %), but also noted the decrease of profitability.

Gross profit from sales for the first quarter of 2018 was approximately PLN 11.9 m and was therefore 5% higher than in the same period of 2017. Net profit reached the level of nearly PLN 6.3 m (in comparison to PLN 6.5 m in the first quarter of 2017). The return on sales for the period of 01/01/ - 31/03/2018 was 31%, and net return 17% (for comparison, those ratios in the first quarter of 2017 were 36% and 21% respectively). During the analyzed period INPRO SA placed more premises than in the comparison 3 months, but the margin was lower – a significant part of the placed premises Optima estate, stage I, where due to MDM program, the margin was lower.

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The costs of general administration remained at a similar level. The cost of sales increased of over 30% (due to maintenance costs of unsold flats and commissions paid to sales brokers).

The net debt ratio as at 31/03/2018, calculated as the quotient of the total financial debt less cash and cash equivalents (including advances paid to escrow accounts) to equity, was 0.04.

The cash flow statement of INPRO SA for the first quarter of 2018 is as follows: only the financial activity generates negative cash flows. The operating activity positive cash flows are the result of the change in advance payments. The investing activity generates slight positive cash flows because of partial repayment of loan given to Dom Zdrojowy. Cash flows on the financing activity are negative in relation to the repayment of credit.

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 three months ended on 31 March 2018 with comparatives for three months ended on 31 March 2017 and as at 31 December 2017.

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 PB Domesta Sp. z o.o.)

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

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

INPRO SA (the "Parent Company," "Company") was established by way of the notarised deed of 6 April 1987 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 three months ended on 31 March 2018.

The share capital of INPRO SA did not change in the three months of 2018. As at 31 March 2018, 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 groszy each.

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2018

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As at the 23/05/2018, 31/03/2018 and 31/12/2017 the shareholding structure of the parent entity is as follows:

SHAREHOLDING STRUCTURE						
Entity (full name)	Series	Number of shares	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 %
ING 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 31/12/2017 until the submission of this report, the shareholders did not advise of any change in the shareholdings in INPRO SA. No change in the shareholdings by executives took place in that period, either.

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

As at 31/03/2018, the shares of INPRO SA were quoted on the parallel market of the Warsaw Stock Exchange.

Auditor

Deloitte Audyt Spółka z ograniczoną odpowiedzialnością spółka komandytowa,
Al. Jana Pawła II 22,
00-133 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.

2. Information concerning related entities

2.1 Composition of the INPRO SA Capital Group

INPRO SA's subsidiaries covered by consolidation as at 31 March 2018 and as at 31 December 2017:

No.	Entity's name	Registered office	Object	Share in the share capital (%)	Share in voting rights (%)	Acquisition price of the shares
1.	inBet Sp. z o.o.	Kolbudy, ul. Przemysłowa 10	Manufacture of reinforced concrete, concrete and steel elements	80.32 %	80.32 %	10 907
2.	Dom Zdrojowy Sp. z o.o.	Jastarnia, ul. Tadeusza Kościuszki 2A	Hotel services	100.00 %	100.00 %	19 120

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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 %	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 31 March 2018, the share in the total number of votes held by the Group in subsidiaries equals the Group's share in the capital of those entities.

Companies excluded from consolidation as at 31/03/2018 and 31/12/2017

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 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 10 k each (100% of the shares in that entity's capital-PLN 1,620 k).

2.2 Share capital of the various entities comprised by the INPRO group as at 31/03/2018:

Entity's name	Share capital as at 31/03/2018
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

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Changes in the composition of the Group between 01/01/2018 - 31/03/2018

In the first three months of 2018, the composition of the INPRO SA Capital Group did not change.

2.3 Securities on shares in subsidiaries

	31/03/2018	31/12/2017
Securities on shares in subsidiaries	17 980	17 980
Total	17 980	17 980

Pledges on shares in subsidiaries as at 31/03/2018 and 31/12/2017 concerned the registered pledge of 04th October 2017 on the shares in Hotel Mikołajki Sp. z o.o. in the amount of PLN 17,980 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 54,321 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: in the procedure prescribed by the provisions of law on enforcement proceedings, by taking over the ownership of the object of the pledge or through the sale in a public tender held by a bailiff or notary public.

When the National Court Register, District Court in Gdańsk (IX Business Division – Pledge Register), had registered the above pledge (that is 16th November 2017), the agreements of pledge dated 5th September 2011 and 23rd May 2013 were cancelled.

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

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

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
- Łukasz Maraszek - Member of the Supervisory Board
- Szymon Lewiński - Member of the Supervisory Board
- Wojciech Stefaniak - Member of the Supervisory Board

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

4. Approval of the financial statements

These interim condensed consolidated financial statements for the period of three months ended on 31 March 2018 were approved for publication by the Management Board on 23 May 2018.

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 for three months ended on 31 March 2018 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 for the year ended on 31 December 2017.

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 functional currency of the parent company and subsidiaries included in these interim condensed consolidated financial statements is the Polish zloty.

The Polish zloty is the functional and reporting currency of the Capital Group.

The data in financial statements have been presented in thousands of Polish zlotys, if not marked otherwise.

5.2 New standards 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 2017, except for the following amendments to existing standards and new interpretations that are effective for annual periods beginning on 1 January 2018:

- **Amendments to IFRS 2 "Share-based Payment"** – Classification and Measurement of Share-based Payment Transactions – adopted by the EU on 27 February 2018 (effective for annual periods beginning on or after 1 January 2018),
- **Amendments to IFRS 15 "Revenue from Contracts with Customers"** - Clarifications to IFRS 15 Revenue from Contracts with Customers – adopted by the EU on 31 October 2017 (effective for annual periods beginning on or after 1 January 2018),
- **IFRS 9 "Financial Instruments"** - adopted by the EU on 22 November 2016 (effective for annual periods beginning on or after 1 January 2018),
- **Amendments to IFRS 1 and IAS 28 due to "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 – adopted by the EU on 7 February

2018 (amendments to IFRS 1 and IAS 28 are to be applied for annual periods beginning on or after 1 January 2018),

According to amendments to **IFRS 15 "Revenue from Contracts with Customers"** the Capital Group has changed the valuation of revenues from sales of precast units due to manufacturing of products with no alternative application. Influence of this on results presented for the first quarter of 2018 is as follows:

- increase of income +489 k PLN,
- increase of cost of goods + 322 k PLN,
- increase of gross income + 165 k PLN,
- increase of income tax + 31 k PLN,
- increase of net profit + 134 k PLN.

The Capital Group implemented the above standard 1st January 2018 with no correction of comparative data.

The above amendments do not have significant influence on the Group's financial standing and profits from business operations as well as on the scope of information presented in these financial statements.

5.3 New and revised standards and interpretations, which were approved for use in the EU, but have not become effective 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 23/05/2018, 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 17 "Insurance Contracts"** (effective for annual periods beginning on or after 1 January 2021),
- **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 IAS 19 "Employee Benefits"** - Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 1 January 2019),
- **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),

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

- **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 due to "Improvements to IFRSs (cycle 2015-2017)"** resulting from the annual improvement project of IFRS (IFRS 3, IFRS 11, IAS 12 and IAS 23) primarily with a view to removing inconsistencies and clarifying wording (effective for annual periods beginning on or after 1 January 2019),
- **IFRIC 22 "Foreign Currency Transactions and Advance Consideration"** (effective for annual periods beginning on or after 1 January 2018),
- **IFRIC 23 "Uncertainty over Income Tax Treatments"** (effective for annual periods beginning on or after 1 January 2019).

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

The Capital Group did not take an opportunity for earlier adoption of any of above standards, amendments to standards and interpretations.

6. Conversion of items denominated in a foreign currency

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

Rate binding on the last day of the period	31/03/2018	31/12/2017
EURO	4.2085	4.1709

The average rate, calculated as the arithmetic mean of the rates binding on the last day of each month in a period	01/01/2018 -31/03/2018	01/01/2017 -31/03/2017
EURO	4.1811	4.2891

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

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and benefits typical of the ownership title. In the opinion of the parent company's managers, this takes place upon the delivery of the real estate to the buyer on the basis of an acceptance report signed by the parties, on condition that all the payments towards the price of the acquisition of the real estate were made by the buyer.

Discount rate

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

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 2018 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.

Operations run by PI ISA Sp. z o.o. and inBet Sp. z o.o. are not seasonal.

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

Key factors influencing the Group's financial performance for the first quarter of 2018:

- the Group's advanced sales in the first quarter of 2018, understood as the number of the signed preliminary agreements net, were 83 % higher than in the comparable period of the previous year (134 agreements in 2017 and 245 agreements in 2018). Such a high level of the sales was related to general tendencies on the property development market. Many premises were bought for investment reasons,
- 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 March 2018 the INPRO SA Capital Group did not place in service any multi-family buildings, but placed 4 single-family buildings in Golf Park estate. Przedsiębiorstwo Budowlane DOMESTA Sp. z o.o. at the end of March 2018 obtained the occupancy permit for one building in Leszczynowy Staw estate; the delivery of this building were done in April 2018. The Group noted a 14% increase of the level of premises deliveries to the buyers (the Group delivered 119 premises in the first quarter of 2018 and 104 premises in the first quarter of 2017). The deliveries were effected, first of all, at projects completed last year: Harmonia Oliwska estate stage I and Optima stage I. The decrease of profitability in the first quarter of 2018 against the previous year was influenced by the structure of the premises being delivered, with a high percentage of them being the premises at Optima I estate under the MDM Programme,
- activities taken in previous years by persons managing inBet Sp. z o.o. (cost cutting, focus on the most profitable areas of activity including sales to Sweden, plant modernisation) yielded still good results – for the first three months of 2018 the company noted net profit in the amount of approximately PLN 684 k.

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 decreasing number of flats on offer, growing costs of production),
- regulatory activities of the government, in particular amendments to Developers' Act, projects on urban-building code that liquidates the decisions of WZ, development of National Housing Programme,
- 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 buyers,
- 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 2018 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 05/01/2018, INPRO SA signed a land purchase agreement in Gdańsk, at Street Jesienna. The land purchase price does not exceed 10% of the Issuer's equity.
- b) On 16/01/2018, inBet Sp. z o.o. has signed a credit agreement with PEKAO SA on the current account in the amount of PLN 1,000,000. The term of the contract is 31/01/2019. The legal security for the loan repayment is the statement of INPRO SA about the borrower's support in the letter of comfort formula, blank promissory note, power of attorney.
- c) On 16/01/2018, INPRO SA signed an annex to the working capital credit agreement with mBank SA in the amount of PLN 300 k. Based to the agreement the period of the loan was prolonged till 04/02/2019.
- d) On 17/01/2018, INPRO SA signed a land purchase agreement in Gdańsk, at Street Szczecińska 39, 37 (University Quarter Stage III). The land purchase price does not exceed 10% of the Issuer's equity.
- e) On 24/01/2018, INPRO SA signed a preliminary purchase agreement for the land in Rumia. The land purchase price does not exceed 10% of the Issuer's equity.
- f) On 15/02/2018, INPRO SA signed a contract for the perpetual usufruct of a plot of land in Gdańsk, at ul. Opacka. The price of the fee does not exceed 10% of the Issuer's equity.
- g) On 20/02/2018, INPRO SA obtained a building permit for the Brawo housing estate in Pruszcz Gdański.
- h) On 22/02/2018, INPRO SA obtained a building permit for the construction of the second and third stage of the Debiut housing estate in Pruszcz Gdański.
- i) On 01/03/2018, PB Domesta Sp. z o.o. signed a land purchase agreement in Gdańsk, at Vaclava Havla Street. The land purchase price does not exceed 10% of the Issuer's equity.
- j) On 08/03/2018, the District Court Gdańsk - Północ in Gdańsk, III Division of Land and Mortgage Registers, entered the fourth branch of land and mortgage register no. GD1G / 00287857/0, contractual mortgage up to PLN 22,200 k on the assets of INPRO SA, constituting legal security for the repayment of the working capital credit for the financing project, Debut stage I in the amount of PLN 14,800 k. granted by Alior Bank SA.
- k) On 09/03/2018, PB Domesta Sp. z o.o. signed a land purchase agreement in Gdańsk, at Struga Street. The land purchase price does not exceed 10% of the Issuer's equity.

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- l) On 16/03/2018, INPRO SA signed a working capital credit agreement with mBank SA in the amount of PLN 34,200,000 intended to finance the construction of stage III of the Harmony Oliwa. The contract has been described in Current Report No. 3/2018 of 16/03/2018.
- m) On 19/03/2018, Dom Zdrojowy Sp. z o.o. made a partial repayment (in the amount of PLN 200,000 k) of a loan granted by INPRO SA. The outstanding debt is PLN 180 k.
- n) At the end of March 2018, inBet Sp. z o.o. has completed the essential work related to the investment started in 2017 involving the change of the use of part of the administrative building (adaptation to a hotel for workers)
- o) On 29/03/2018, INPRO SA signed a preliminary purchase agreement for the land in Gdańsk (Siedlce district). The land purchase price does not exceed 10% of the Issuer's equity.

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

15. Material events after the balance sheet date

- a) On 11/04/2018, the District Court Gdańsk - Północ in Gdańsk, III Division of Land and Mortgage Registers, entered the fourth branch of land and mortgage register no. GD1G/00285339/9, contractual mortgage up to PLN 25,050 k on the assets of INPRO SA, constituting legal security for the repayment of the working capital credit for the financing project, Harmonia Oliwska stage II in the amount of PLN 16,700 k. granted by mBank SA,
- b) On 17/04/2018, PB Domesta Sp. z o.o. obtained an occupancy permit for the Nowa Niepołomicka estate,
- c) On 19/04/2018 PB Domesta Sp. z o.o. signed with the consortium of banks: Bank Spółdzielczy w Tczewie and SGB – Bank SA a credit agreement in the amount of PLN 8,000 k for partial financing of purchase of land Gdańsk, Struga street. Legal security for the repayment of the credit are: contractual mortgage up to PLN 1,500 k and PLN 10,500 k, blank promissory note, a power of attorney to accounts, assignment of claims from the current account, notarised power of attorney to current account, insurance in Concordia Polska TUW in the amount of credit until the moment of mortgages being in force.
- d) On 19/04/2018 INPRO SA signed 3 lease agreements with Toyota Leasing Polska Sp. z o.o. for a purchase of 3 Toyota passenger cars for the period of 36 months. Total value of cars under agreements signed is PLN 145 k,
- e) On 25/04/2018, INPRO SA obtained a building permit for the construction of four small family terraced houses in Gdańsk, Wróbla Staw II estate,
- f) On 26/04/2018 the Board of Directors of INPRO SA recommended to Shareholders Meeting a dividend payment of PLN 0,25 for each share,
- g) On 30/04/2018, INPRO SA obtained an occupancy permit for 5 houses in Golf Park estate,
- h) On 30/04/2018, the District Court Gdańsk - Północ in Gdańsk, III Division of Land and Mortgage Registers, entered the fourth branch of land and mortgage register no. GD1G/00099866/1, GD1G/00093764/4, GD1G/00089506/7, GD1G/00091255/9, GD1G/00090982/7, GD1G/00091429/0, contractual mortgage up to EUR 1,674 k on the assets of inBet Sp. z o.o., constituting legal security for import letter of credit up to the sum of EUR 1,395 granted for inBet Sp. z o.o. by mBank SA,

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- i) On 09/05/2018 the Board of Directors of INPRO SA passed a resolution a dividend payment of PLN 0,25 for each share, a dividend date is set to 16/08/2018 and the date of payment is 30/08/2018,
- j) On 09/05/2018 PB Domesta Sp. z o.o. signed a lease agreement with Volkswagen Leasing GmbH for a purchase of AUDI Q5 passenger car for the period of 624 months. Total value of the car under agreements signed is PLN 213 k,
- k) On 09/05/2018 INPRO SA signed a lease agreement with Toyota Leasing Polska Sp. z o.o. for a purchase of Toyota Rav4 passenger car for the period of 60 months. Total value of the car under agreements signed is PLN 98 k.

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., SML 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 31 March 2018, 31 March 2017 and 31 December 2017.

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Figures for the period 01/01/2018-31/03/2018	Continuing activities					Exclusions	Total activities
	Property development activity	Hotel services	Manufacture of precast units	Sanitary and heating installations	Total		
Revenues							
Sales to external customers	40 748	4 214	3 228	120	48 310	25	48 335
Sales between segments	4	92	2 107	1 153	3 356	(3 356)	-
Total revenues of the segment	40 752	4 306	5 335	1 273	51 666	(3 331)	48 335
Profit (loss) of the segment	12 778	79	1 541	185	14 583	1 396	15 979
Selling costs	(1 839)	(221)	(448)	-	(2 508)	-	(2 508)
Administrative expenses	(3 589)	(990)	(282)	(226)	(5 087)	-	(5 087)
Other operating revenues/costs	35	(116)	9	-	(72)	40	(32)
Profit (loss) on operating activities	7 385	(1 248)	820	(41)	6 916	1 436	8 352
Interest revenue	9	3			12	(2)	10
Interest cost	(200)	(128)	(38)	(3)	(369)	-	(369)
Other net revenues /financial costs	-	50	-	(1)	49	-	49
Profit (loss) before tax	7 194	(1 323)	782	(45)	6 608	1 434	8 042
Income tax	(1 391)	253	(151)	45	(1 244)	(317)	(1 561)
Net profit (loss) for the financial period	5 803	(1 070)	631	-	5 364	1 117	6 481
<i>- including attributable to non-controlling shareholders</i>							206

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Figures as at 31/03/2018	Continuing activities					Exclusions	Total activities
	Property development activity	Hotel services	Manufacture of precast units	Sanitary and heating installations	Total		
Assets and liabilities							
Segment assets	426 708	93 183	25 440	1 639	546 970	(100 879)	446 091
Total assets	426 708	93 183	25 440	1 639	546 970	(100 879)	446 091
Segment liabilities	284 665	66 708	16 677	1 021	369 071	(111 276)	257 795
Total equity	142 043	26 475	8 763	618	177 899	(3 737)	174 162
Total liabilities and capital	426 708	93 183	25 440	1 639	546 970	(115 013)	431 957
Other information concerning segments for three months of 2018							
Increase of fixed assets in the period	91	270	505	-	866	(261)	605
Depreciation of property, plant, equipment and intangibles	(399)	(476)	(202)	3	(1 074)	(19)	(1 093)
Total impairment loss as at 31/03/2018	(2 299)	(88)	(37)	-	(2 424)	-	(2 424)

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2018

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COMPARATIVE DATA:

Figures for the period 01/01/2017-31/03/2017	Continuing activities					Exclusions	Total activities
	Property development activity	Hotel services	Manufacture of precast units	Sanitary and heating installations	Total		
Revenues							
Sales to external customers	37 010	4 250	3 038	240	44 538		44 538
Sales between segments	127	78	1 137	661	2 003	(2 003)	-
Total revenues of the segment	37 137	4 328	4 175	901	46 541	(2 003)	44 538
Profit (loss) of the segment	13 307	188	1 511	42	15 048	(373)	14 675
Selling costs	(1 273)	(249)	(405)	-	(1 927)	-	(1 927)
Administrative expenses	(3 204)	(1 140)	(236)	(221)	(4 801)	-	(4 801)
Other operating revenues/costs	334	11	(1)	-	344	171	515
Profit (loss) on operating activities	9 164	(1 190)	869	(179)	8 664	(202)	8 462
Interest revenue	50	2	3		55	(14)	41
Interest cost	(73)	(237)	(40)	-	(350)	14	(336)
Other net revenues /financial costs		(2)	(10)	(3)	(15)	-	(15)
Profit (loss) before tax	9 141	(1 427)	822	(182)	8 354	(202)	8 152
Income tax	(1 777)	283	(45)	-	(1 539)	38	(1 501)
Net profit (loss) for the financial period	7 364	(1 144)	777	(182)	6 815	(164)	6 651
<i>- including attributable to non-controlling shareholders</i>							424

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Figures as at 31/03/2017	Continuing activities					Exclusions	Total activities
	Property development activity	Hotel services	Manufacture of precast units	Sanitary and heating installations	Total		
Assets and liabilities							
Segment assets	355 316	95 944	20 844	1 366	473 470	(104 820)	368 650
Total assets	355 316	95 944	20 844	1 366	473 470	(104 820)	368 650
Segment liabilities	270 751	63 061	13 342	777	347 931	(95 643)	252 288
Total equity	84 565	32 883	7 502	589	125 539	(9 177)	116 362
Total liabilities and capital	355 316	95 944	20 844	1 366	473 470	(104 820)	368 650
Other information concerning segments for three months of 2017							
Purchase of fixed assets and intangibles in the period (net expenditures)	222	-	60	-	282	(261)	21
Change of fixed assets in the period	(274)	(495)	(166)	(5)	(940)	25	(915)
Depreciation of property, plant, equipment and intangibles	(2 016)	(82)	(97)	-	(2 195)	21	(2 174)
Total impairment loss as at 31/03/2017	222	-	60	-	282	(261)	21

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17. Costs and revenues

17.1 Sales revenues

Sales revenues	01/01/2018 -31/03/2018	01/01/2017 -31/03/2017
Revenues from the sale of products	44 674	39 657
Revenues from the sale of services	3 618	4 873
Revenues from the sale of goods for resale and materials	43	8
Total sales revenues	48 335	44 538

17.2 Costs by category

Costs by category	01/01/2018 -31/03/2018	01/01/2017 -31/03/2017
Depreciation	1 093	915
Consumption of materials and energy	13 421	9 260
External services	19 677	15 324
Taxes and charges	1 089	974
<i>Costs of employee benefits, including:</i>	9 205	7 742
- payroll	7 558	6 293
- costs of social insurances and other benefits	1 647	1 449
Other	986	677
Total costs by category	45 471	34 892
Change in products, work in progress and accruals (+/-)	(5 505)	1 699
Costs of products for the entity's own needs (-)	(58)	(8)
Selling costs (-)	(2 508)	(1 927)
Administrative expenses (-)	(5 087)	(4 801)
Value of goods for resale and materials sold	43	8
Cost of sales	32 356	29 863
Total costs of products, goods for resale and materials sold, cost of sales and administrative expenses	39 951	36 591

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18. Income tax

The main components of the tax burden for the period ended on 31 March 2018 and 31 March 2017 are as follows:

Income tax	01/01/2018 -31/03/2018	01/01/2017 -31/03/2017
Consolidated statement of total income		
Current income tax	805	2 161
Current income tax liability	530	2 336
Adjustments concerning current income tax from previous years	275	(175)
Deferred income tax	756	(660)
Relating to the establishment and reversal of temporary differences	756	(660)
Tax liability shown in the consolidated statement of total income	1 561	1 501

19. Earnings per share

Earnings per share	01/01/2018 -31/03/2018	01/01/2017 -31/03/2017
Net profit (loss) from continuing operations	6 275	6 227
Net profit from discontinued operations	-	-
Net profit attributable to shareholders in the parent entity	6 275	6 227
Weighted average number of ordinary shares	40 040	40 040

Basic earnings per share	01/01/2018 -31/03/2018	01/01/2017 -31/03/2017
Net profit	6 275	6 227
Weighted average number of ordinary shares	40 040	40 040
Basic earnings per share (PLN/share)	0.1567	0.1555

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Diluted earnings per share	01/01/2018 -31/03/2018	01/01/2017 -31/03/2017
Net profit attributable to shareholders for diluted earnings per share calculation	6 275	6 227
Adjusted weighted average number of ordinary shares for diluted earnings per share calculation	40 040	40 040
Diluted earnings per share (PLN/share)	0.1567	0.1555

Basic earnings per share from continuing operations	01/01/2018 -31/03/2018	01/01/2017 -31/03/2017
Net profit from continuing operations	6 275	6 227
Weighted average number of ordinary shares	40 040	40 040
Basic earnings per share (PLN/share)	0.1567	0.1555

Diluted earnings per share from continuing operations	01/01/2018 -31/03/2018	01/01/2017 -31/03/2017
Net profit attributable to Shareholders for the calculation of diluted earnings per share from continuing operations	6 275	6 227
Adjusted weighted average number of ordinary shares for diluted earnings per share calculation	40 040	40 040
Diluted earnings per share (PLN/share)	0.1567	0.1555

20. Dividends paid and proposed

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

On 09/05/2018 the Board of Directors of INPRO SA made a decision concerning a dividend for 2017 financial year. A dividend payment of PLN 0,25 per share (in total PLN 10,010 k) is to be recommended to Shareholders Meeting. A dividend date is suggested to be 16/08/2018 and the dividend payment date is 30/08/2018.

The final decision on the division of profits for 2017 will be made by the Company's Ordinary General Assembly, which was convened for 14 June 2018.

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21. Property, plant and equipment

	31/03/2018	31/12/2017	Change from 01/01/2018 to 31/03/2018
1. Fixed assets	104 021	104 942	-921
a) land (including the perpetual usufruct right)	4 987	4 989	-2
b) buildings, premises and civil and hydraulic engineering structures	77 223	77 176	47
c) machinery and equipment	15 882	16 442	-560
d) motor vehicles	3 320	3 488	-168
e) other fixed assets	2 609	2 847	-238
2. Fixed assets under construction	1 526	1 000	526
Total property, plant and equipment	105 547	105 942	-395

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

22. Inventory

Inventory	31/03/2018	31/12/2017
Materials (at the acquisition price)	1 338	1 372
Commodities (at the acquisition price)	97 753	72 139
Work in progress (at cost of manufacture)	21 367	42 459
Finished goods (at the acquisition price/ cost of manufacture)	133 321	125 868
Total inventory at the lower of two values: the acquisition price (cost of manufacture) and net realisable value	253 779	241 838

Obsolescence allowances on inventory	01/01/2018 -31/03/2018	01/01/2017- 31/12/2017
Obsolescence allowances on inventory as at the beginning of the period	2 337	2 054
Obsolescence allowance made	-	283
Obsolescence allowance reversed	-	-
Obsolescence allowances on inventory as at the end of the period	2 337	2 337

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. Details of securities: see note 30 in additional information.

In 2017 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

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is PLN 1,592 k and was calculated as a difference between acquisition value and the estimated value of compensation.

23. Trade and other receivables

	31/03/2018	31/12/2017
Receivables from related entities	10	9
Trade receivables	10	9
Other receivables	-	-
Receivables from other entities	21 679	22 682
Gross trade receivables	6 575	13 327
State budget receivables other than current income tax	3 304	2 442
Advances on inventory	9 651	2 758
Advances on fixed assets	38	2 028
Advances on intangibles	42	42
Other non-financial liabilities	2 069	2 085
Gross receivables	21 689	22 691
Valuation allowance for receivables	(89)	(87)
Short-term prepayments, including:	1 355	306
- subscription cost	4	6
- software, domains, licences	63	55
- cost of insurances	211	172
- payments under the remaining lease agreements	19	22
- rent	21	4
- advertisements	22	22
- payments for perpetual usufruct	798	-
- other prepaid expenses	217	25
Total receivables (net)	22 955	22 910

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24. Other financial assets

Other financial assets	31/03/2018	31/12/2017
advances on separate revenue accounts (escrow accounts)*	30 500	28 674
Total	30 500	28 674

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

25. 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 31 March 2018:

Cash	31/03/2018	31/12/2017
Cash at bank and in hand	20 828	13 826
Cash on long-term bank	3	3
Total cash and cash equivalents	20 831	13 829

	31/03/2018	31/12/2017
Cash in PLN	15 780	9 620
Cash in EUR	5 051	4 209
Total cash and cash equivalents	20 831	13 829

As at 31 March 2018 the Group had unused credit (working capital credits for property development projects and overdraft facilities) in the amount of PLN 91,536 k (31 December 2017: PLN 91,296 k), which funds will be used as the construction works progress.

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25.1 Explanation to the cash flow statement for the period 01/01/2018 – 31/03/2018

No.	Item	Change in the period 01/01/2018 -31/03/2018
1.	Balance sheet change in provisions	294
2.	Change in provisions in the cash flow statement	(734)
3.	Difference	(1 028)
4.	Explanation of the difference:	(1 028)
-	change in provisions in relation to CIT	(1 028)
1.	Balance sheet change in prepayments	(1 098)
2.	Change in prepayments in the cash flow statement	(944)
3.	Difference	154
4.	Explanation of the difference:	154
-	change in assets in relation to CIT	
-	other prepayments – settlement of interest on lease	154
1.	Balance sheet change in net long and short-term receivables	1 059
2.	Change in receivables in the cash flow statement	856
3.	Difference	(203)
4.	Explanation of the difference:	(203)
-	change in receivables in relation to the sale of shares	
-	change in receivables in relation to the sale of fixed assets, fixed assets under construction and intangibles	68
-	change in receivables in relation to CIT	(271)
1.	Balance sheet change in short and long-term liabilities	13 613
2.	Change in short-term liabilities in the cash flow statement	24 407
3.	Difference	10 794
4.	Explanation of the difference:	10 794
-	change in short and long-term loans and credits	11 925
-	change in liabilities in relation to CIT	117
-	change in liabilities in relation to finance lease	367
-	change in liabilities in relation to the acquisition of fixed assets, fixed assets under construction and intangibles	115
-	change in payables in relation to the purchase of shares	-

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-	change of advances on separate revenue accounts	(1 606)
-	change in deferred income	(124)
-	other	-
1.	Balance sheet change in inventory	(11 941)
2.	Change in inventory in the cash flow statement	(11 941)
3.	Difference	-
4.	Explanation of the difference:	-
1.	Balance sheet change in cash	6 968
2.	Change in cash due to exchange rate	(10)
3.	Change in cash in the cash flow statement	6 978

26. Establishing asset revaluation deductions and their reversal

01/01/2018-31/03/2018	Property, plant and equipment	Value of receivables	Value of inventory	Total revaluation deductions
Status as at the beginning of the period		87	2 337	2 424
Establishment of revaluation deductions	-	2	-	2
Reversal of revaluation deductions	-	-	-	-
Status as at the end of the period		89	2 337	2 426

01/01/2017-31/12/2017	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	283	288
Reversal of revaluation deductions	(38)	(5)	-	(43)
Status as at the end of the period	-	87	2 337	2 424

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27. Share capital

As at:		31/03/2018	31/12/2017			
Registered share capital		4 004	4 004			
SHARE CAPITAL AS AT 31/03/2018 AND 31/12/2017 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

28. Non-controlling shares

Non-controlling shares	01/01/2018 -31/03/2018	01/01/2017- 31/12/2017
At the beginning of the period	13 927	12 119
Dividend payment	-	(439)
Share in the current period's profit or loss	206	2 180
Increase of the share capital in subsidiary- inBet Sp. z o.o.	-	67
At the end of the period	14 133	13 927

29. Provisions

01/01/2018 -31/03/2018	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	393	318	990	3 256	4 957
Increase (+)	-	-	-	117	117
Decrease (-)	-	-	(60)	(791)	(851)
Status as at the end of the period	393	318	930	2 582	4 223

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01/01/2017 -31/12/2017	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 (+)	356	230	983	3 250	4 819
Decrease (-)	(259)	(102)	(194)	(2 834)	(3 389)
Status as at the end of the period	393	318	990	3 256	4 957

Time structure of provisions	31/03/2018	31/12/2017
Long-term part	393	393
Short-term part	3 830	4 564
Total provisions	4 223	4 957

	31/03/2018	31/12/2017
Discount rate (%)	2.70	2.70
Estimated remuneration growth rate (%)	0.00	0.00

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

Long-term financial liabilities	31/03/2018	31/12/2017
Loans and credits	27 719	31 373
Liabilities relating to finance lease and lease agreements with a purchase option	3 324	3 643
Total	31 043	35 016

Short-term financial liabilities	31/03/2018	31/12/2017
Loans and credits	24 893	32 461
Liabilities relating to finance lease and lease agreements with a purchase option	1 296	1 344
Total	26 189	33 805

As at 31 March 2018 and 31 December 2017, the Group had the following credits:

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Value of liabilities in relation to credits as at 31/03/2018

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	6 500	2 153	31/12/2019	Mortgage up to the sum of PLN 9,750 k	GD1G/00278657/2 GD1G/00064314/3	Gdańsk, ul. Chmielna	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	PLN	6 850	5 994	31/12/2019	Mortgage up to the sum of PLN 10,275 k	GD1G/00243821/9	Gdańsk, Street Stężycka	power of attorney to accounts, transfer of claims under insurance, notarised power of attorney to sell 10 houses in Golf Park estate stage D - in the case of the lack of payment
Alior Bank SA	PLN	14 800	-	31/11/2019	Mortgage up to the sum of PLN 22,200 k	GD1G/00287858/0	Pruszcz Gdański	power of attorney to accounts, transfer of claims under insurance, notarised power of attorney to sell the premises credited in the case of the lack of payment
Consortium SGB Bank SA Kaszubski Bank Spółdzielczy in Wejherowo	PLN	22 500	9 917	30/12/2018	Three mortgages up to the sum of PLN 22,500 k, up to the sum of PLN 2,250k and up to the sum of PLN 9,000 k	GD1G//00049979/1	Gdańsk, Street Stężycka	assignment of rights resulting from the insurance policy, three blank promissory notes, a power of attorney to accounts, assignment of claims from the current account
Consortium SGB Bank SA Bank Spółdzielczy in Tczew	PLN	7 000	2 450	28/09/2018	Two mortgages up to the sum of PLN 7,875 k (SGB-Bank SA), up to the sum of PLN 2,625 k (BS in Rzew)	GD1Y/00103465/7, GD1Y/00109619/4	Gdynia Street Fleszarowa - Muskat	two blank promissory notes, a power of attorney to accounts, assignment of claims from the current account
SGB Bank SA, Bank Spółdzielczy in Tczew	PLN	4 200	3 500	31/10/2019	Mortgage up to the sum of PLN 3,150 k Mortgage up to the sum of PLN 3,150 k	GD1G/00040518/9	Pruszcz Gdański	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
mBank SA	PLN	16 700	-	29/03/2019	Mortgage up to the sum of PLN 25,050 k.	GD1G/00285339/9	Gdańsk, Street Opacka	assignment of rights under an insurance policy, blank promissory note

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mBank SA	PLN	42 500	-	31/08/2020	Mortgage up to the sum of PLN 63,750 k	GD1Y/00114340/5	Gdynia, street Wielkopolska	assignment of rights under an insurance policy, blank promissory note
PKO BP	PLN	36 214	19 314	31/12/2027	Mortgage up to the sum of PLN 54,321 k	OL1M/00025679/2*, OL1M/00026392/3 SR 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
SBG Bank S.A. i Bank Spółdzielczy w Tczewie	PLN	6 650	6 310	31/03/2020	Mortgage up to the sum of PLN 10,000 k. Mortgage up to the sum of PLN 3,300 k.	plot nr 359/10 and plot.359/11 and plot 359/12- GD1G/0001758/8	Gdańsk, Street Dąbrówki	two blank promissory notes, a power of attorney to accounts, assignment of claims from the current account
SBG Bank S.A. i Bank Spółdzielczy w Tczewie	PLN	3 900	2 940	02/12/2019	Mortgage up to the sum of PLN 3,900 tys. zł, hipoteka do kwoty 3,900 tys. zł	GD1G/00047052/3, GD1G/00047941/2, GD1G/00049614/5	Gdańsk Street Kruczkowskiego	two blank promissory notes, a power of attorney to accounts, assignment of claims from the current account
Total credit liabilities			52 578					

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

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Value of liabilities in relation to loans as at 31/03/2018

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	34	31/08/2021	-	-	-	Registered pledge on the electronic vehicle scales up to PLN 66 k
Total loan liabilities			34					

Open credit lines as at 31/03/2018

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	-	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, ul. Myśliwska, Opata Jacka Rybińskiego 8, ul. Jana Pawła II	assignment of rights under the construction site insurance agreement, claim deduction from bank accounts, submission to execution of art. 777 Code of Civil Procedure
BANK MILLENNIUM SA	PLN	300	-	04/02/2018	mortgage up to the sum of PLN 510 k	GD1G/00082949/5	Gdańsk, ul. Opata Jacka Rybińskiego 8	blank promissory note
PEKAO S.A.	PLN	1 000	671	31/12/2018	mortgage up to the sum of PLN 2,000 k	GD1G/00072944/7	Gdańsk ul. Cementowa	-
Bank Polska Kasa Opieki SA	PLN	1 000	764*	31/01/2019				blank promissory note, power of attorney to accounts, Inpro SA letter of comfort confirming support for inBet
Total credit liabilities			764					

*Liability due to open credit line has been presented in other liabilities of the Capital Group

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Liabilities of the INPRO SA Capital Group in relation to credits as at 31/12/2017

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	6 500	4 290	31.12.2019	Mortgage up to the sum of PLN 9,750 k	GD1G/00278657/2 GD1G/00064314/3	Gdańsk, Street Chmielna	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	PLN	6 850	6 868	31.12.2019	Mortgage up to the sum of PLN 10,275 k	GD1G/00243821/9	Gdańsk, Street Stężycka	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	PLN	14 800	-	30.11.2019	Mortgage up to the sum of PLN 22.200 k	GD1G/00287858/0	Pruszcz Gdański	power of attorney to accounts, transfer of claims under insurance, notarised power of attorney to sell the premises credited in the case of the lack of payment
Consortium SGB Bank SA Kaszubski Bank Spółdzielczy in Wejherowo	PLN	22 500	15 589	30.12.2018	Three mortgages up to the sum of PLN 22,500 k, up to the sum of PLN 2,250k and up to the sum of PLN 9,000 k	GD1G//00049979/1	Gdańsk, Street Stężycka	assignment of rights resulting from the insurance policy, three blank promissory notes, a power of attorney to accounts, assignment of claims from the current account
Consortium SGB Bank SA Bank Spółdzielczy in Tczew Bank Spółdzielczy in Pruszcz Gdański	PLN	7 000	3 510	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 Street Fleszarowa - Muskat	two blank promissory notes, a power of attorney to accounts, assignment of claims from the current account

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SGB Bank SA Bank Spółdzielczy w Tczewie	PLN	4 200	4 042	31.10.2019	Mortgage up to the sum of PLN 3.150 k Mortgage up to the sum of PLN 3.150 k	GD1G/00040518/9	Pruszcz Gdański	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
SBG Bank S.A. i Bank Spółdzielczy w Tczewie	PLN	6 650	6 490	31.03.2020	Mortgage up to the sum of PLN 10.000 k. Mortgage up to the sum of PLN 3.300 k.	plot nr 359/10 and plot.359/11 and plot 359/12- GD1G/0001758/8	Gdańsk, Street Dąbrówki	two blank promissory notes, a power of attorney to accounts, assignment of claims from the current account
SBG Bank S.A. i Bank Spółdzielczy w Tczewie	PLN	3 900	3 360	02.12.2019	Mortgage up to the sum of PLN 3.900 tys. zł, hipoteka do kwoty 3.900 tys. zł	GD1G/00047052/3, GD1G/00047941/2, GD1G/00049614/5	Gdańsk Street Kruczkowskiego	two blank promissory notes, a power of attorney to accounts, assignment of claims from the current account
mBank SA	PLN	16 700	-	29.03.2019	Mortgage up to the sum of PLN 25.050 k.	GD1G/00285339/9	Gdańsk, Street Opacka	two blank promissory notes, power of attorney to accounts, assignment of claims from the current account
mBank S.A.	PLN	42 500	-	31.08.2020	Mortgage up to the sum of PLN 63.750 k	GD1Y/00114340/5	Gdynia, ul. Wielkopolska	assignment of rights under an insurance policy, blank promissory note
PKO BP	PLN	36 214	19 646	31.12.2027	Mortgage up to the sum of PLN 54,321 k	OL1M/00025679/2*, OL1M/00026392/3 SR Mragowo	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			63 795					

*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

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

Financing party	Credit currency	Credit/limit amount	Credit value as at the balance sheet date	Deadline for repayment	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 31/12/2017

Financing party	Credit currency	Credit/limit amount	Credit value as at the balance sheet date	Deadline for repayment	Securities			
					Mortgage	Object	Location	Other securities
PKO BP	PLN	16 000	-	21/09/2017	mortgage up to the sum of PLN 25,075 k	GD1G/00068140/0 SR Gdańsk Pn	Gdańsk, ul. Opata Jacka Rybińskiego 8	blank promissory note, assignment of rights under the construction site insurance agreement, claim deduction from bank accounts
BANK MILLENNIUM SA	PLN	300	-	04/02/2017	mortgage up to the sum of PLN 510 k	GD1G/00082949/5	Gdańsk, ul. Opata Jacka Rybińskiego 8	blank promissory note
PEKAO S.A.	PLN	1 000	-	31/12/2017	mortgage up to the sum of PLN 2,000 k	KW nr GD1G/00215282/3	Gdańsk Cementowa street	
Total credit liabilities			-					

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

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

Nominal value of minimum lease payments	31/03/2018	31/12/2017
Within 1 year	409	1 344
Within 1 to 3 years	1 818	2 993
Within 3 to 5 years	2 051	650
More than 5 years	342	-
Total liabilities relating to finance lease - minimum total lease payments	4 620	4 987

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

Capital Group in relation to lease agreements as at 31/03/2018

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	428 F digger-loader	OL-028331	294	05.03.2019	69	69	
SML							
Toyta Leasing Polska Sp. z o.o.	Toyota Yaris	68972016	49	20.11.2019	24	14	10
Domesta Sp. z o.o.							
Raiffeisen Leasing Polska S.A.	SUBARU	15/011787(UL)	104	31.05.2018	15	15	-
VOLKSWAGEN LEASING GMBH SP. Z O.O.	SKODA	6706907-1216-06621	47	31.05.2019	21	14	7
mLeasing Sp. z o.o. z Siedzibą w Warszawie	intermodal containers	0131172016/GD/236559	411	15.12.2021	241	43	198
mLeasing Sp. z o.o. z Siedzibą w Warszawie	POTAIN tower crane	0338592016/GD/248696	462	15.12.2021	221	39	182
mLeasing Sp. z o.o. z Siedzibą w Warszawie	Zestaw Kontenerów – sanitarne	0981482017/GD/282110 oraz 0981482017/GD/282486	71	15.10.2020	47	8	39

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mLeasing Sp. z o.o. z Siedzibą w Warszawie	Zestaw Kontenerów – biurowe, sanitarne	0953152017/GD/280972	235	15.10.2020	158	25	133
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	125	46	79
NBP Paribas Lease Group Sp. z o.o.	Digger-loader	K 06680	281	16.10.2021	248	61	187
Hotel Mikołajki Sp. z o.o.							
PKO Leasing SA	Recycling machine	B/O/WA/2014/11/46	157	15.11.2018	26	26	0
PKO Leasing SA	Toyota Auris	Umowa B/DU/O/WW/2017/10/0005	61	30.10.2020	48	3	45
PKO Leasing SA	VW Passat	Umowa B/DU/O/WW/2017/10/0005	113	30.09.2021	107	16	91
Dom Zdrojowy Sp. z o.o.							
VOLKSWAGEN	Skoda Superb	6922827-1215-5480	100	30.04.2018	1	1	-
PSA Finance	CITROEN C4 Cactus	9400876372.	48	25.05.2018	3	3	-
PSA Finance	CITROEN Berlingo VAN	9400876382.	45	25.05.2018	2	2	-
inBet Sp. z o.o.							
RCI Leasing Polska Spółka z o.o.	Nissan Nowa Micra ACENTA	9000002616	33	05.02.2019	7	7	-

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SG Equipment Leasing Polska Sp.z o.o.	Loader JCB 411HT	50399	251	01.05.2022	151	29	122
SG Equipment Leasing Polska Sp.z o.o.	Zamiatarka JCB SC240	20449	23	05.05.2018	1	1	0
SG Equipment Leasing Polska Sp.z o.o.	Aggregate transport line	50448	98	05.08.2022	62	11	51
RCI Leasing Polska Spółka z o.o.	Nissan Nowa Micra ACENTA	9000003077	32	17.08.2019	10	7	3
BGŻ BNP Paribas Spółka Akcyjna	compressor ALUP+dryer	62597/12/2015	55	30.11.2019	31	9	22
Idea Leasing Spółka z o.o. sp.k.	Bending machine EURA 16/9	19398/SK	841	13.11.2020	315	63	252
Pekao Leasing Sp.z o.o.	EURA 16/9 bending machine	38/0211/15	5 178	12.04.2021	2 140	662	1 478
Idea Leasing S.A.	Flight of stairs production form	116377	114	31.05.2021	56	18	38
Idea Leasing S.A.	Flight of stairs production form	116378	114	31.05.2021	56	18	38
Pekao Leasing Sp.z o.o.	Toyota Avensis	38/0514/16	103	12.09.2021	79	19	60
FCA Leasing Polska Sp. z o.o.	Fiat Transporter Ducato	50285/08/2017	105	20.07.2022	84	18	66
Pekao Leasing Sp.z o.o.	4 gantries GH Cranes	38/0575/16	405	12.09.2022	339	57	281
					4 620	1 296	3 324

Capital Group in relation to lease agreements as at 31/12/2017

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	428 F digger-loader	OL-028331	294	05.03.2019	147	66	81
Domesta Sp. z o.o.							
Raiffeisen Leasing Polska S.A.	SUBARU	15/011787(UL)	104	31.05.2018	48	33	16
VOLKSWAGEN LEASING GMBH SP. Z O.O.	SKODA	6706907-1216-06621	47	31.05.2019	35	14	21
mLeasing Sp. z o.o. z Siedzibą w Warszawie	intermodal containers	0131172016/GD/236559	411	15.12.2021	281	40	241
mLeasing Sp. z o.o. z Siedzibą w Warszawie	POTAIN tower crane	0338592016/GD/248696	462	15.12.2021	259	36	222
Hotel Mikołajki Sp. z o.o.							
PKO Leasing SA	Recycling machine	B/O/WA/2014/11/46	157	15.11.2018	83	20	63
Dom Zdrojowy Sp. z o.o.							
VOLKSWAGEN	Skoda Superb	6922827-1215-5480	100	30.04.2018	31	28	3
PSA Finance	CITROEN C4 Cactus	9400876372.	48	25.05.2018	18	15	3
PSA Finance	CITROEN Berlingo VAN	9400876382.	45	25.05.2018	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 Nowa Micra ACENTA	9000002616	33	05.02.2019	15	7	8
SG Equipment Leasing Polska Sp.z o.o.	Loader JCB 411HT	50399	251	01.05.2022	158	28	130
SG Equipment Leasing Polska Sp.z o.o.	Zamiatarka JCB SC240	20449	23	05.05.2018	3	3	-
SG Equipment Leasing Polska Sp.z o.o.	Aggregate transport line	50448	98	05.08.2022	64	10	54
RCI Leasing Polska Spółka z o.o.	Nissan Nowa Micra ACENTA	9000003077	32	17.08.2019	12	7	5
BGŻ BNP Paribas Spółka Akcyjna	Sprężarka ALUP+osuszacz	62597/12/2015	55	30.11.2019	33	9	24
Idea Leasing Spółka z o.o. sp.k.	Giętakarka EURA 16/9	19398/SK	841	13.11.2020	331	63	268
Pekao Leasing Sp.z o.o.	Production line	38/0211/15	5 178	12.04.2021	2 912	611	2 301
Idea Leasing S.A.	Flight of stairs production form	116377	114	31.05.2021	81	18	63
Idea Leasing S.A.	Flight of stairs production form	116378	114	31.05.2021	81	18	63
Pekao Leasing Sp.z o.o.	Toyota Avensis	38/0514/16	103	12.09.2021	99	16	84
					4 833	1 058	3 774

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

32. Trade and other liabilities

Long-term liabilities	31/03/2018	31/12/2017
Towards related entities	-	-
trade liabilities	-	-
Towards other entities	2 938	1 576
trade liabilities	2 634	1 481
other liabilities	304	95
Total trade and other long-term liabilities	2 938	1 576

Short-term liabilities	31/03/2018	31/12/2017
Towards related entities	29	53
trade liabilities	24	53
other liabilities	5	-
Towards other entities	103 665	79 800
trade liabilities	16 140	19 154
payroll payable	1 009	1 032
state budget liabilities other than current income tax	2 208	1 663
advances received	83 456	57 552
other liabilities	852	399
Total trade and other short -term liabilities	103 694	79 853

Total trade and other liabilities	106 632	81 429
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Unless otherwise indicated, all sums have been given in thousands of zlotys

33. Contingent and other off-balance sheet items

Contingent receivables	31/03/2018	31/12/2017
Guarantees received	307	67
Total contingent receivables	307	67

There are no contingent payables as at 31/03/2018 as well as at 31/12/2017.

34. Securities established by Group companies

Securities established on Group's assets as at 31/03/2018 and as at 31/12/2017

	31/03/2018	31/12/2017
- on fixed assets*	93 951	93 886
- on current assets**	164 000	164 000
Total	257 951	250 906

Securities established by Group companies as at 31/03/2018

* 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 PLN 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. inBet Sp.z o.o. – a joint contractual real estate mortgage up to EUR 1,674 k 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 letter of credit agreement dated 22 December 2017.

5. 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.

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

7. 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 (security of current credit line RB no.44/2014 dated 04/12/2014).

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

This concerns legal securities established on current assets.

The schedule of mortgages established on current assets as at 31 March 2018 in the total amount of PLN 164,000 k is included in note No. 30 of additional information.

Securities established by Group companies as at 31/12/2017

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 PLN 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. inBet Sp.z o.o. – a joint contractual real estate mortgage up to EUR 1,674 k 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 letter of credit agreement dated 22 December 2017

4. 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.

5. 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.

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

7. 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 (security of current credit line RB no.44/2014 dated 04/12/2014).

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 2017 in the total amount of PLN 164,00 k is included in note No. 27 of additional information (consolidated financial statement for 2017 financial year).

35. Significant court cases

As at 31/03/2018 there were no proceedings concerning liabilities or receivables of INPRO SA or its subsidiaries, being in court, a body competent for arbitration proceedings or a public administrative body.

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

36. Financial instruments

The fair value of the financial instruments held by the Group as at 31 March 2018 and 31 December 2017 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	31/03/2018	31/12/2017
Trade and other receivables	loans and receivables	6 497	13 249
Short term financial assets	as above	30 500	28 674
Cash and cash equivalents	as above	20 831	13 829
		57 828	55 752

Financial liabilities	Category	31/03/2018	31/12/2017
Long-term loans and bank credits	financial liabilities valued as at the amortised cost	27 719	31 373
Short-term loans and bank credits	as above	24 892	32 461
Trade and other liabilities	as above	18 798	20 688
Payroll payable	as above	1 009	1 032
Other liabilities	as above	1 237	494
Other long-term financial liabilities (lease)	as above	3 324	3 643
Other short-term financial liabilities (lease)	as above	1 296	1 344
Total financial liabilities valued at the amortised cost		78 275	91 035

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

37. Transactions with related entities

SHORT-TERM RECEIVABLES/LIABILITIES 31.03.2018		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.	SML Sp. z o.o.	Hotel Oliwski Sp. z o.o.	Board Management
CREDITOR	related entities	Inpro SA	Transactions excluded in the process of consolidation						-	-
	inBet Sp. z o.o.	-							-	
	Dom Zdrojowy Sp. z o.o.	-							10	
	P.B. Domesta Sp. z o.o.	-							-	
	Hotel Mikołajki Sp. z o.o.	-							-	
	Isa Sp. z o.o.	-							-	
	SML Sp. z o.o.	-							-	
	TOTAL related entities							-	10	
other related entities	Hotel Oliwski Sp. z o.o.	-	-	-	-	-	-			
Board Management	-	-	12	-	12	-	-			
TOTAL for other related entities							24	-		

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NALEŻNOŚCI / ZOBOWIĄZANIA handlowe długoterminowe na dzień 31.03.2018		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.	SML Sp. z o.o.	Hotel Oliwski Sp. z o.o.	Board Management	
CREDITOR	related entities	Inpro SA	Transactions excluded in the process of consolidation							-	-
	inBet Sp. z o.o.	-								-	
	Dom Zdrojowy Sp. z o.o.	-								-	
	P.B. Domesta Sp. z o.o.	-								-	
	Hotel Mikołajki Sp. z o.o.	-								-	
	Isa Sp. z o.o.	-								-	
	SML Sp. z o.o.	-								-	
	TOTAL related entities								-	-	
	other related entities	Hotel Oliwski Sp. z o.o.	-	-	-	-	-	-	-		
	Board Management	-	-	-	-	-	-	-			
TOTAL for other related entities								-	-		

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REVENUES / COSTS 01.01.2018- 31.03.2018		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.	SML Sp. z o.o.	Hotel Oliwski Sp. z o.o.	Board Management	
SELLER	related entities	Inpro SA	Transactions excluded in the process of consolidation							-	
		inBet Sp. z o.o.								-	-
		Dom Zdrojowy Sp. z o.o.								-	23
		P.B. Domesta Sp. z o.o.								-	-
		Hotel Mikołajki Sp. z o.o.								-	5
		Isa Sp. z o.o.								-	-
		SML Sp. z o.o.								-	-
		TOTAL for related entities								28	
other related entities	Hotel Oliwski Sp. z o.o.	-	-	-	-	-	-				
	Board Management	-	-	13	-	4	-	-			
	TOTAL for other related entities	17								-	

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

COMPARATIVE DATA:

SHORT-TERM RECEIVABLES/LIABILITIES at 31.12.2017		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.	SML Sp. z o.o.	Hotel Oliwski Sp. z o.o.	Board Management			
CREDITOR	related entities (full consolidation)	Transactions excluded in the process of consolidation											
	Inpro SA											-	-
	inBet Sp. z o.o.											-	-
	Dom Zdrojowy Sp. z o.o.											-	9
	P.B. Domesta Sp. z o.o.											-	-
	Hotel Mikołajki Sp. z o.o.											-	-
	Isa Sp. z o.o.											-	-
	SML Sp. z o.o.	-	-										
TOTAL related entities							-	9					
other related entities	Hotel Oliwski Sp. z o.o.	-	-	-	-	-	-						
	Board Management	-	-	25	-	28	-	-					
TOTAL for other related entities								53	-				

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LONG-TERM RECEIVABLES/LIABILITIES at 31.12.2017		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.	SML Sp. z o.o.	Hotel Oliwski Sp. z o.o.	Board Management										
CREDITOR	related entities (full consolidation)	Transactions 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.											-	-	-	-	-	-	-	-	-
	SML Sp. z o.o.	-	-	-	-	-	-	-	-	-										
TOTAL related entities								-			-									
other related entities	Hotel Oliwski Sp. z o.o.	-	-	-	-	-	-	-												
	Board Management	-	-	-	-	-	-	-												
TOTAL for other related entities								-			-									

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2018

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

REVENUES / COSTS 01.01.2017-31.03.2017		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.	Board Management				
SELLER	related entities (full consolidation)	Transactions excluded in the process of consolidation						-	4	-				
	Inpro SA							-	-	-	-	-	-	-
	inBet Sp. z o.o.							-	-	-	-	-	-	-
	Dom Zdrojowy Sp. z o.o.							-	-	-	-	-	-	24
	P.B. Domesta Sp. z o.o.							-	-	-	-	-	-	-
	Hotel Mikołajki Sp. z o.o.							-	-	-	-	-	-	-
	Isa Sp. z o.o.	-	-	-	-	-	-	-						
	TOTAL related entities	-						28						
other related entities	Hotel Oliwski Sp. z o.o.	-	-	-	-	-	-	-	-					
	SML Sp. z o.o.	-	-	-	-	-	-	-	-					
	Board Management	-	-	12	-	6	-	-	-					
	TOTAL for other related entities	18						-						

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

CONDENSED FINANCIAL DATA OF INPRO SA

STATEMENT OF TOTAL INCOME FOR THREE MONTHS ENDED ON 31 MARCH 2018

Statement of total income	Note	01/01/2018 -31/03/2018 (unaudited)	01/01/2017 -31/03/2017 (unaudited)
Continuing operations			
Sales revenues	4	37 830	31 109
Cost of sales	4	(25 932)	(19 831)
Gross profit (loss) on sales		11 898	11 278
Selling costs	4	(1 371)	(1 036)
Administrative expenses	4	(2 646)	(2 524)
Other operating revenues		78	357
Other operating costs		(46)	(26)
Profit (loss) on operating activities		7 913	8 049
Financial revenues		9	49
Financial costs		(100)	(20)
Gross profit (loss)		7 822	8 078
Income tax		(1 512)	(1 560)
Net profit (loss) from continuing operations		6 310	6 518
TOTAL INCOME		6 310	6 518

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2018

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

STATEMENT OF THE FINANCIAL POSITION FOR THE PERIOD ENDED ON 31 MARCH 2018

ASSETS	Note	31/03/2018 (unaudited)	31/12/2017 (audited)
Fixed (long-term) assets		107 790	108 032
Property, plant and equipment		5 185	5 403
Other intangibles		15	19
Investment properties		3 106	3 122
Shares in subsidiaries		64 321	64 321
Other financial assets	5	35 150	35 150
Other assets		13	17
Current (short-term) assets		244 101	243 473
Inventory	6	192 202	192 145
Trade and other receivables	7	15 983	16 145
Current tax assets		467	1 014
Other financial assets	5	22 990	26 637
Cash and cash equivalents		12 459	7 532
TOTAL ASSETS		351 891	351 505

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2018

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

STATEMENT OF THE FINANCIAL POSITION AS AT 31/03/2018 (CONTINUED)

EQUITY AND LIABILITIES	Note	31/03/2018 (unaudited)	31/12/2017 (audited)
Equity		258 735	252 426
Issued share capital		4 004	4 004
Reserves		531	531
Retained profits		254 200	247 891
Long-term liabilities		14 439	14 151
Retirement benefit liabilities (a provision)		285	285
Deferred income tax provision		5 239	3 952
Long-term credits and bank borrowings		6 122	8 239
Other financial liabilities (lease)		-	18
Trade and other liabilities	9	2 793	1 657
Short-term liabilities		78 717	84 928
Short-term provisions		2 706	3 386
Credits and borrowings	8	17 892	26 060
Other financial liabilities (lease)	8	69	69
Current income tax liabilities		-	
Trade and other liabilities	9	58 050	55 413
Total liabilities		93 156	99 079
TOTAL EQUITY AND LIABILITIES		351 891	351 505

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

CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31 MARCH 2018

Cash flows from operating activities	01/01/2018 -31/03/2018 (unaudited)	01/01/2017 -31/03/2017 (unaudited)
Gross profit/(loss)	7 822	8 078
Adjustments:	7 378	(13 230)
Depreciation	265	196
Income tax paid	321	(1 000)
Net interest and dividends	97	5
Profit/(loss) on investing activities	5	(305)
(Increase)/ decrease of receivables	425	2 305
(Increase)/ decrease of inventory	(56)	(461)
Increase/ (decrease) of liabilities	7 260	(13 406)
Increase/ (decrease) of accrued/prepaid expenses	(258)	(263)
(Increase)/decrease of accruals/prepayments in relation to long-term contracts	-	-
Change in provisions	(681)	(301)
Net cash flows from operating activities	15 200	(5 152)
Cash flows from investing activities	01/01/2018 -31/03/2018 (unaudited)	01/01/2017 -31/03/2017 (unaudited)
Sale of property, plant, equipment and intangibles	-	10
Interest received	45	88
Repayment of loans allowed	200	350
Disposal of real estate investment and intangible assets	-	1 942
Acquisition of property, plant, equipment and intangibles	(116)	(613)
Net cash flows from investing activities	129	1 777

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

CASH FLOW STATEMENT OF THE FINANCIAL POSITION FOR THE PERIOD ENDED ON 31 MARCH 2018 (CONTINUED)

Cash flow from financing activities	01/01/2018 -31/03/2018 (unaudited)	01/01/2017 -31/03/2017 (unaudited)
Proceeds in relation to loans/credits obtained	4 007	13 628
Payments in relation to finance lease agreements	(18)	(16)
Repayment of loans/credits	(14 291)	(5 603)
Interest paid	(100)	(20)
Net cash flows from financing activities	(10 402)	7 989
Net change in cash and cash equivalents	4 927	4 615
Cash at the beginning of the period	7 532	11 112
Cash at the end of the period	12 459	15 727

STATEMENT OF THE CHANGES IN EQUITY FOR THE PERIOD ENDED ON 31 MARCH 2018

	Share capital	Share premium capital	Revaluation reserve	Retained profit	Total
As at 01/01/2018	4 004	62 237	531	185 654	252 426
Net profit (loss) for the financial year	-	-	-	6 310	6 310
As at 31/03/2018	4 004	62 237	531	191 964	258 736

	Share capital	Share premium capital	Revaluation reserve	Retained profit	Total
As at 01/01/2017	4 004	62 237	531	173 239	240 011
Net profit (loss) for the financial year	-	-	-	6 518	6 518
As at 31/03/2017	4 004	62 237	531	179 757	246 529

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2018

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

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 (material events after the balance sheet date) included in the condensed additional information to the interim condensed consolidated financial statements also pertain to these statements.

2. Approval of the financial statements

These interim condensed separate financial statements for the period of three months ended on 31 March 2018 were approved for publication by the Management Board on 23 May 2018.

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

These interim condensed separate financial statements for the period of three months ended on 31 March 2018 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 2017.

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

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

These interim condensed separate financial statements are prepared based on the same accounting policies as for the separate financial statements of INPRO SA for the year ended 31 December 2017, 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	01/01/2018 -31/03/2018	01/01/2017 -31/03/2017
Revenues from the sale of products	37 243	30 698
Revenues from the sale of services	587	411
Revenues from the sale of goods for resale and materials	-	-
Total sales revenues	37 830	31 109

Costs by category	01/01/2018 -31/03/2018	01/01/2017 -31/03/2017
Depreciation	265	196
Consumption of materials and energy	7 947	5 414
External services	11 818	10 887
Taxes and charges	652	573
Costs of employee benefits, including:	4 075	3 576

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2018

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

- payroll	3 340	2 895
- costs of social insurances and other benefits	735	681
Other costs:	822	628
- costs of credit	93	218
- entertainment and advertising	331	330
- property and personal insurances	58	47
- business trips	14	4
- other operating costs	326	29
Total costs by category	25 579	21 274
Change in products, work in progress and accruals (+/-)	4 370	2 116
Costs of products for the entity's own needs (-)	-	-
Selling costs (-)	(1 371)	(1 036)
Administrative expenses (-)	(2 646)	(2 523)
Value of goods for resale and materials sold	-	-
Cost of sales	25 932	19 831
Total costs of products, goods for resale and materials sold, cost of sales and administrative expenses	29 949	23 390

5. Other financial assets

Other financial assets (short-term)	31/03/2018	31/12/2017
Short-term deposits – funds on trust accounts*	22 771	26 176
Loans allowed	220	461
Total	22 991	26 637

Other financial assets (long-term)	31/03/2018	31/12/2017
Returnable additional contribution to equity of subsidiary	35 150	35 150
Loans allowed	-	-
Total	35 150	35 150

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

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2018

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

6. Inventory

Inventory	31/03/2018	31/12/2017
Materials at the price of acquisition	63	49
Work in progress at the cost of manufacture	63 230	49 093
Finished products at the cost of manufacture	20 947	40 387
Goods for resale at the price of acquisition	107 962	102 616
Total	192 202	192 145

7. Trade and other receivables

	31/03/2018	31/12/2017
Receivables from related entities	1 711	1 132
Gross value of trade receivables	1 651	1 062
Other receivables	60	69
Receivables from other entities	13 909	14 913
Gross value of trade receivables	3 591	11 494
Receivables from the budget other than current income tax	2 354	1 184
Advances on fixed assets	-	-
Advances on inventory	7 962	2 214
Other non-financial liabilities	2	20
Gross receivables	15 620	16 045
Valuation allowance for receivables	-	-
Short-term prepayments, including:	363	100
- subscription cost	3	4
- software, domains, licences	13	19
- cost of insurances	83	65
- advertisements	11	8
- payments for perpetual usufruct	221	-
- other prepaid expenses	32	4
Total receivables (net)	15 983	16 145

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	31/03/2018	31/12/2017
Liabilities in relation to finance lease and lease agreements with a purchase option	-	18
Loans and credits	6 122	8 239
Total	6 122	8 257

Short-term financial liabilities	31/03/2018	31/12/2017
Liabilities in relation to finance lease and lease agreements with a purchase option	69	69
Loans and credits	17 892	26 060
Total	17 961	26 129

Nominal value of minimum lease payments	31/03/2018	31/12/2017
Within 1 year	69	69
Within 1 to 3 years	-	18
Total liabilities related to finance lease - total minimum lease payments	69	87

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

9. Trade and other liabilities

Long-term liabilities	31/03/2018	31/12/2017
Long-term liabilities in relation to related entities	173	187
Trade liabilities	173	187
Long-term liabilities in relation to other entities	2 620	1 470
Trade liabilities	2 620	1 470
Other liabilities	-	-
Total trade and other long-term liabilities	2 793	1 657
Short-term liabilities	31/03/2018	31/12/2017
Short-term liabilities in relation to related entities	1 109	1 098
Trade liabilities	1 109	1 098
Other liabilities	-	-
Short-term liabilities in relation to other entities	56 939	54 315
Trade and other liabilities	7 782	10 318
Payroll payable	275	367
Liabilities towards the state budget other than current income tax	779	805
Advances received	48 074	42 694
Other liabilities	30	132
Total short term trade and other liabilities	58 049	55 413
Total trade and other liabilities	60 842	57 070

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

10. Transactions with related entities

Revenues from sales to a related entity (products, services, goods for resale, materials and other revenues)	01/01/2018	01/01/2017
	31/03/2018	31/03/2017
inBet Sp. z o.o.	39	15
Dom Zdrojowy Sp. z o.o.	49	63
Hotel Mikołajki Sp. z o.o.	53	53
PI Isa Sp z o.o.	12	10
SML Sp. z o.o.	4	4
Total	157	145

Purchase from a related entity	01/01/2018	01/01/2017
	31/03/2018	31/03/2017
inBet Sp. z o.o.	1 097	745
Dom Zdrojowy Sp. z o.o.	80	73
Hotel Mikołajki Sp. z o.o.	-	1
Isa Sp z o.o.	852	614
Total	2 029	1 433

Loans granted by Inpro SA	31/03/2018	31/12/2017
To related entities:		
Dom Zdrojowy Sp. z o.o.	220	461
Total loans granted to related entities	220	461

Condensed interim consolidated financial statements of the INPRO SA Capital Group for three months ended on 31 March 2018

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

Receivables from related entities

	31/03/2018	31/12/2017
Trade receivables - up to 12 months	1 622	1 034
inBet Sp. z o.o.	22	26
Dom Zdrojowy Sp. z o.o.	26	17
Hotel Mikołajki Sp. z o.o.	1 569	986
Isa Sp. z o.o.	4	4
SML Sp. z o.o.	1	1
Trade receivables - over 12 months	29	29
Hotel Mikołajki Sp. z o.o.	29	29
Other receivables- up to 12 months	60	69
inBet Sp. z o.o.	-	9
Hotel Mikołajki Sp. z o.o.	60	60
Total short-term receivables	1 711	1 132
inBet Sp. z o.o.	22	36
Dom Zdrojowy Sp. z o.o.	26	17
Hotel Mikołajki Sp. z o.o.	1 658	1 074
Isa Sp. z o.o.	4	4
SML Sp. z o.o.	1	1

Liabilities towards related entities

	31/03/2018	31/12/2017
Trade liabilities - up to 12 months	1 109	1 098
inBet Sp. z o.o.	607	526
Dom Zdrojowy Sp. z o.o.	-	-
Hotel Mikołajki Sp. z o.o.	-	-
Isa Sp. z o.o.	502	572
Trade liabilities - over 12 months	173	187
inBet Sp. z o.o.	36	34
Isa Sp. z o.o.	137	153
Other liabilities up to 12 months	-	-
inBet Sp. z o.o.	-	-
Total short-term liabilities	1 283	1 285
inBet Sp. z o.o.	643	559
Dom Zdrojowy Sp. z o.o.	-	-
Hotel Mikołajki Sp. z o.o.	-	-
Isa Sp. z o.o.	640	726

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

11. Contingent liabilities and receivables

Contingent liabilities

Continent liabilities	31/03/2018	31/12/2017
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 31/03/2018 and as at 31/12/2017:

1. Unconditional subordinate loan enhancement agreement by INPRO S.A. 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	31/03/2018	31/12/2017
Guarantees received	307	67
Total contingent receivables	307	67