

FON SE



**REPORT  
OF FON SE**

**INCLUDING CONDENSED  
FINANCIAL STATEMENT**

**as at 30 November 2018 and for 11 months ended 30 November 2018**

**PREPARED IN COMPLIANCE WITH  
INTERNATIONAL FINANCIAL REPORTING STANDARDS**

**UNAUDITED**

Tallinn, 29 April 2019



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## Brief description

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FON SE is a public company with many years of traditions on the capital market. The basic direction of the Company's activity is financial activity. As part of its financial services, the Company offers medium-term cash loans to business entities. FON SE has got also the wind farm.

In the reporting period, the Issuer generated revenues mainly from wind farm owned, loan activities i.e. interest on loans granted.

The Company is listed on the Warsaw Stock Exchange.

As at 30.11.2018 Patro Invest OÜ owns 23.123.763 shares representing 33.03% votes on general meeting of shareholders of FON SE SE indirectly. As at 30.11.2018 the biggest shareholder of Patro Invest OÜ is Damian Patrowicz by the time of compiling these financial statements.

The company moved its registered office from Poland to Estonia effective as at 30.11.2018, therefore the Management Board decided to publish the interim report for the period 01.01.2018 - 30.11.2018, and the next interim report will contain 4 months, i.e. the period from 01/12/2018 to 31/03/2019.

Business name:	FON SE (until 19.04.2018 FON S.A.)
Address:	Narva mnt 5, 10117 Tallinn, Estonia (until 30.11.2018 ul. Zygmunta Padlewskiego 18C, 09-402 Płock, Polska)
Commercial Registry no.	14617916 Äriregistri (until 30.11.2018 KRS:0000028913 NIP:5480075844 REGON:070009914)
Beginning of current financial year:	01.01.2018
End of current financial year:	30.06.2019
Beginning of interim period:	01.01.2018
End of interim period:	30.11.2018
Auditor:	Not appointed
Phone:	+48-796-118-929
E-mail:	<a href="mailto:biuro@fon-sa.pl">biuro@fon-sa.pl</a>
Internet homepage:	<a href="http://www.fon-sa.pl/">http://www.fon-sa.pl/</a>



## Management report

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### Overview of business areas

The main business activity of FON SE is financial activity. As part of its financial services, the Company offers medium-term cash loans to business entities. FON SE has got also the wind farm.

### List of important events which occurred in the reporting period

On 28/03/2018 the Management Board has decided to make the revaluation of the value of the Company's assets on 31/12/2017 at the balance sheet date. 27.000.000 Ethereum blockchain-based tokens called PATRO-ICO1 purchased by the Issuer from Patro Invest OU based in Tallinn have been updated by reducing their value in the amount of 6.577.000,00 zł.

On 18/04/2018 the Company settled the entire loan granted to the company TOP MARKA S.A. since 30/12/2013 in the amount of PLN 18.295.394,34. The Issuer settled the whole loan by settling the value of the property taken over in Poznań at ul. Kopanina 54/56 in the amount of the last public sale announcement, i.e. in the amount of PLN 25.000.000,00.

As a result of obtaining satisfaction of all claims of the Issuer against TOP MARKA S.A. under the Loan Agreement of 30/12/2013, the Issuer was obliged to transfer the surplus value of the collateral realized over the value of claims due to INVESTMENT FRIENDS SE as a mortgage creditor secured on real estate in Poznań at Kopanina Street 54/56. In addition, pursuant to the Agreement of 18/04/2018, the parties agreed that after making a payment of PLN 6.699.234,28 and provided that the Issuer granted additional security to the remainder claims INVESTMENT FRIENDS SE in Płock against TOP MARKA SA in the form of the Issuer's surety up to the amount of PLN 590.000,00. INVESTMENT FRIENDS SE in Płock filed a statement of consent for the cancellation of the mortgage from the property in Poznań at Kopanina Street 54/56 up to PLN 15.000.000,00.

On 19/04/2018 the merger of the Issuer FON SPÓŁKA AKCYJNA with registered office in Płock with the company FON 1 Polska Akciowspolečnost with registered office in Ostrava in the Czech Republic was registered. As a result of this merger there was created FON SE with the share capital of EUR 7.700.000,00 which is divided into 70.000.000 shares with a nominal value of EUR 0,11.

On 24/04/2018 the Management Board of FON SE concluded with FON Zarządzanie Nieruchomościami Sp. z o.o. in Płock, an agreement under which the Issuer, in exchange for a cash benefit in the amount of PLN 25.000.000,00, will exempt FON Zarządzanie Nieruchomościami Sp. z o.o. from the obligation to transfer back the ownership of the property in Poznań at ul. Kopanina 54/56.



On 24/04/2018 FON SE granted the company FON Zarządzanie Nieruchomościami Sp. z o.o. in Płock a cash loan in the amount of PLN 19.044.400,00 for the period up to 24/04/2021. The loan is subject to variable interest rate equal to WIBOR 1 month, increased by 4,5%. FON Zarządzanie Nieruchomościami Sp. z o.o. secured the return of the loan amount with real estate in Poznań at ul. Kopanina 54/56.

On 26/04/2018 The Management Board replaced 13.001.000 ordinary bearer shares of series B into 13.001.000 ordinary registered series B shares.

On 28/05/2018 the Management Board has decided to make the revaluation of the value of the Company's assets on 31/03/2018 at the balance sheet date. 27.000.000 Ethereum blockchain-based tokens called PATRO-ICO1 purchased by the Issuer from Patro Invest OU based in Tallinn have been updated by reducing their value in the amount of PLN 675.000,00.

On 26/08/2018 the Management Board has decided to make the revaluation of the value of the Company's assets on 30/06/2018 at the balance sheet date. 27.000.000 Ethereum blockchain-based tokens called PATRO-ICO1 purchased by the Issuer from Patro Invest OU based in Tallinn have been updated by reducing their value in the amount of PLN 225.000,00.

On 11/10/2018 the Issuer has concluded with the company PATRO INWESTYCJE Sp. z o.o. headquartered in Płock, a trust deed. The subject of the trusteeship agreement is the day-to-day management and administration of the Issuer's real estate and the procedure of searching for buyers and selling the Company's real estate. As part of the trust agreement, the Issuer transferred to PATRO INWESTYCJE Sp. z o.o. in Płock, the Company's rights to real estate, which comprise two undeveloped land properties located in Wista (Śląskie Voivodeship), two land properties located in Zielona (Masovian Province) and the Company's share in perpetual usufruct of land and share in a compound on this land of building real estate located in Płock. Total estimated market value of the real estate subject to the Trust Agreement of 11/10/2018 PLN amounts to PLN 682.000,00. Securities have been established for the Issuer with the Agreement of 11/10/2018.

On 7/11/2018 the Issuer made a decision as a result of financial analysis based on received financial data of IFEA Sp. z o.o. about making on 30/09/2018 value revaluation in the Issuer's financial assets due to changes in the value of owned 12.899 shares of IFEA Sp. z o.o. constituting 44,58% in the share capital, reducing their value by PLN 12.010 thousand.

On 16/11/2018 the Management Board has decided to make the revaluation of the value of the Company's assets on 30/09/2018 at the balance sheet date. 27.000.000 Ethereum blockchain-based tokens called PATRO-ICO1 purchased by the Issuer from Patro Invest OU based in Tallinn have been updated by reducing their value in the amount of 450.000,00 zł.



On 30/11/2018 the Management Board of FON SE informed that a register of commercial companies (Ariregister) relevant to the law of Estonia registered the transfer of the registered office of the Issuer to Estonia in accordance with the provisions of the Transfer Plan of 19/03/2018 and Resolutions of the General Meeting of Shareholders of 30/05/2018 and 19/11/2018. The new address of the Issuer is Tallinn, Estonia, Narva mnt 5, 10117.

### List of important events which occurred after the balance date

On 18/03/2019 the Company has obtained licences for carrying on financial activities, including providing services related to trading of virtual currency which are considered to be legal tenders. The licences were issued by Estonian Financial Intelligence Unit and are registered under the following numbers: FRK000677 and FVR000776.

On 12/04/2019 the Management Board of FON SE headquartered in Tallinn conculed an agreement with PATRO INVEST OÜ headquartered in Tallinn regarding redemption of owned 27.000.000 (twenty-seven million) of Ethereum blockchain-based tokens called PATRO-ICO1 (<https://www.ethereum.org>). Upon concluded agreement, the Parties decided that PATRO INVEST OÜ headquartered in Tallinn on 12/04/2019 redeems 27.000.000 Ethereum blockchain-based tokens for the total price PLN 2.467.800,00 with payment term up to 31/12/2019.

### Management

The law, the articles of association, decisions and goals stated by the shareholders and the Supervisory Board are followed in the managing the company.

### Financial ratios

Ratios	30.11.2018	31.12.2017
Total assets (PLN)	45.116.000	65.192.000
Return on assets	-17,75%	-9,31%
Equity (PLN)	44.979.000	64.999.000
Return on equity	-17,80%	-9,34%
Debt ratio	0,30%	0,30%
Net loss for the period (PLN)	-8.010.000	-6.070.000



Shares (30.11.2018)	30.11.2018	31.12.2017
Closing price of the share (PLN)	0.12	0.19
Earnings per share (PLN)	-0.11	-0.09
Price-to-earnings (PE) ratio	-1.05	-2.19
Book value of the share (PLN)	0.64	0.93
Price-to-book ratio	0.19	0.20
Current liquidity ratio	49,35	157,67
Debt ratio of equity	0,3%	0,3%
Market capitalisation (PLN)	8.400.000	13.300.000

Return on assets = net profit / total assets

Return on equity = net profit/ equity

Debt ratio = liabilities / total assets

Earnings per share = net profit/ number of shares

Price-to-earnings (PE) ratio = closing price of the share / earnings per share

Book value of the share = equity / number of shares

Price-to-book ratio=closing price of share / book value of share

the Market capitalisation = close price\*number of shares

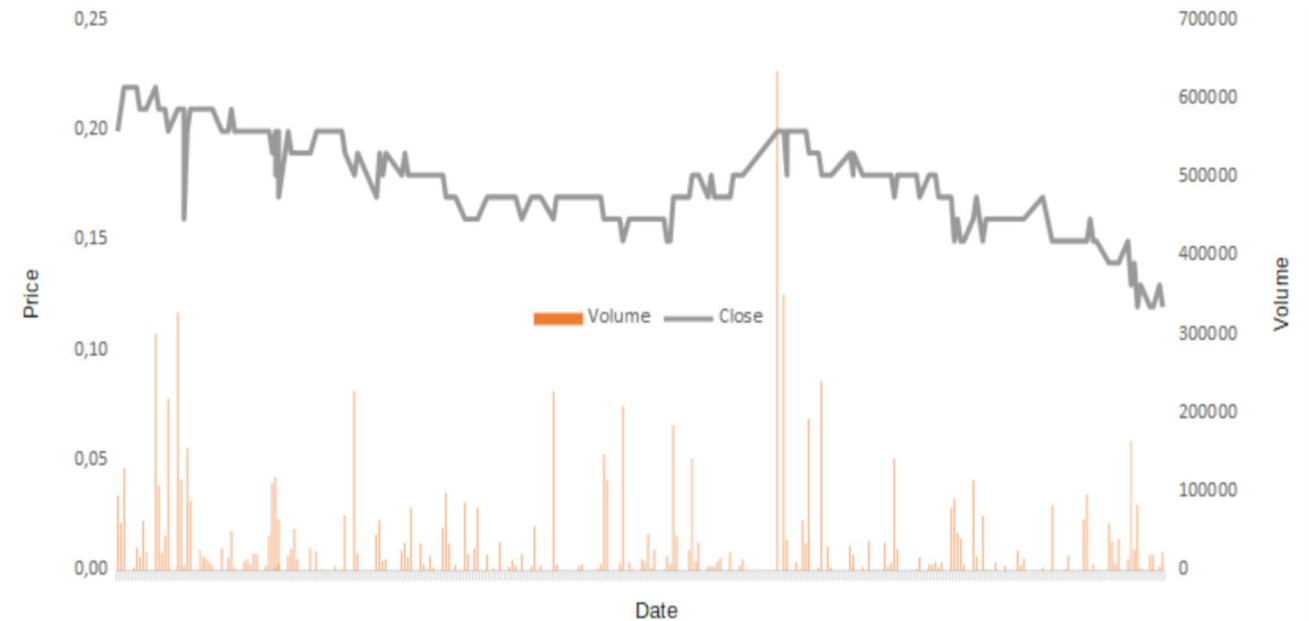
## Shares

Since 27 May 1999, the shares of FON SE have been listed on the Warsaw Stock Exchange. FON SE has issued 70.000.000 registered shares, each with the book value of 0,11 EUR. The shares are freely transferable, no statutory restrictions apply.

The share, with a price of 0,19 PLN at the end of 2017, closed at 0,12 PLN at the end of November 2018.



**Share price and trading statistics on the Warsaw Stock Exchange since 01.01.2018 to 30.11.2018:**



**The list of direct shareholders with over 5% holdings as at 30/11/2018:**

Shareholder	Number of shares	% ownership	Number of votes	% votes
Patro Invest OÜ	23.123.763	33,03	23.123.763	33,03
Other	46.876.237	66,97	46.876.237	66,97
Total	70.000.000	100,00	70.000.000	100,00

**The structure of indirect shareholders as at 30/11/2018:**

Shareholder	Number of shares	% ownership	Number of votes	% votes
Damian Patrowicz	23.123.763	33,03	23.123.763	33,03

**Personal costs**

The average annual employment for the reporting period up to 31/12/2017 amounted to 2.0 of the employment contract. The average annual employment for the reporting period up to 30/11/2018 amounted to 1.8 of the employment contract.

(in PLN thousand)	30.11.2018	31.12.2017
Management Board	0	0
Supervisory Board	12	15





## Description of main risks

### Risk management objectives and principles

The main types of risks resulting from financial instruments of the Company include: interest rate risk, liquidity risk, credit risk and risk related to financial securities. The Management Board is responsible for establishment of risk management in the Company and supervision of its observance. The principles of risk management aim at identification and analysis of risks the Company is exposed to, setting out proper limits and control, as well as monitoring of the risks and compliance with the limits.

### Credit risk

Credit risk refers to the risk of financial loss in case of a borrower or the other part of the contract defaults on its contractual obligations. Credit risk is connected mainly with receivables. Exposure of the Company on credit risk derives mainly from individual features of every customer. The Company continuously monitors its receivables. The Company prepares writ-offs due to impairment which corresponds to estimated value of incurred losses on trade receivables, other receivables and investments. The aim of applied by the Company credit policy is maintenance of high and safe level of financial liquidity, timely regulation of payables toward suppliers and minimisation of costs related to bank payables handling. Minimisation of use of bank credits and financial costs connected to them is also obtained via proper policy of payables and receivables management toward suppliers and recipients. The aim of this policy is to agree such timeframes of payments which allow the Company to use trade credit and meet prescribed payment deadlines, at the same time.

### Liquidity risk

The process of liquidity risk management is based on monitoring of anticipated cash flows, and then matching maturities of assets and liabilities, analysis of working capital and maintenance of access to various kinds of financial sources. The Company's aim is to maintain a balance between continuity and flexibility of financing by use of financing sources such as: loan, bank credit, financial lease agreements.

### Risk of shares price's fluctuations and limited liquidity

Immanent feature of market trading are shares's price fluctuations and short-term fluctuations of turnover. It might result in possible sale or purchase of the qualifying holding of the Issuer's shares will be connected with a necessity to accept significantly less favourable price than the reference price. The Issuer can not also exclude significant, temporary limitations of liquidity which may significantly hamper sales or purchase of the Issuer's shares,

### Risk connected to links between members of the Issuer's corporate bodies

There are interpretations indicating the possibility of risks based on negative influence of links between members of the governing bodies of the Company on their decisions. It refers especially to influence of these links on the Supervisory Board of the Issuer with regard to supervision of ongoing activities of the Company. While estimating the possibility of such risk occurrence, it should be taken into



consideration that supervising bodies are under control of the other governing body - General Meeting, and it is in the interest of the Supervisory Board member to fulfill their duties in reliable and legal manner. Otherwise, the Supervisory Board members can be sanctioned by the General Meeting or they can be exposed to criminal liability due to act to detriment of the Company.

**Risk connected with taken loan and given warranty**

There is a risk of defaulting in payment of the taken loan, and therefore a necessity for a lender to realize given warranty based on entry in the Company's real estate mortgage. The Company will make any reasonable actions in order to reduce this risk. However, because of significance and complexity of the organizational and legal changes, it is impossible to exclude occurrence of unfavourable events.

**Risk connected to change of the seat and article of association of the Issuer**

While transferring the seat of the Company to Estonia, there is a risk related to effective adaptation of the Issuer to organizational and legal laws applicable in Estonia. These changes can temporarily influence organizational effectiveness of the Issuer and risk of possible mistakes and errors in law interpretations, obligations of entities operating in Estonia, local and related to listing of the Company's shares on Warsaw Stock Exchange disclosure obligations, and their proper implementation by the Issuer can occur.

**Risk related to shareholder structure**

As at the date of preparing this financial statements 33,03% of the share capital and 33,03% of votes at the general meeting of the Issuer directly belongs to Patro Invest OU. Therefore, this Shareholder has significant influence on adopted by the general meeting resolutions.

**Risk related to economic situation in Poland and Estonia**

Economic situation and prosperity in Poland has significant influence on financial result obtained by all entities, including the Issuer. Development of companies investing in financial instruments and carrying out the financial activities is dependent mainly on circumstances of business activity. In case of transferring the Company's seat to Estonia, this risk will concern the new seat.



## **Management and Supervisory Boards and Auditor**

The Management Board of FON SE has one member - Damian Patrowicz. The Members of the Supervisory Board of FON SE delegated Damian Patrowicz as a Member of Supervisory Board to perform the duties of Chairman of FON SE until 29/06/2018. On 05/07/2018 Damian Patrowicz was appointed by the Supervisory Board as the Chairman of the Management Board.

The Supervisory Board of FON SE in the reporting period was as following: Wojciech Hetkowski, Małgorzata Patrowicz, Martyna Patrowicz, Jacek Koralewski, Mariusz Patrowicz (the Member since 4/07/2018), Damian Patrowicz (the Member until 4/07/2018).

On 11/01/2019 Mariusz Patrowicz submitted the resignation from the position of a Member of the Issuer's Supervisory Board.

The Auditor was not appointed as at 30/11/2018.



## Interim report

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### Management Board's declaration

The Management Board confirms the correctness and completeness of the unaudited interim report of FON SE for the 11 months of 2018.

The Management Board confirms that to the best of their knowledge:

1. the accounting policies and presentation of information applied in the preparation of the interim report are in compliance with International Financial Reporting Standards (IFRS) as adopted in the European Union;
2. the interim report presents a true and fair view of the financial position, the results of operations and cash flows of the Company;
3. the management report presents true and fair view of significant events that took place during the accounting period and their impact to financial statements and includes the description of major risks and doubts;
4. company is going concern.

Member of the Management Board

Damian Patrowicz

29.04.2019



## Balance

INTERIM BALANCE SHEET STATEMENT (in PLN thousand)	30.11.2018 (unaudited)	31.12.2017 (audited)
<b>A s s e t s</b>		
<b>I. Fixed assets</b>	<b>41 612</b>	<b>41 857</b>
Intangible assets (note 2)	2 250	4 725
Property, plant and equipment	1 008	1 383
Long-term financial assets (note 3)	38 288	35 703
Long-term accruals	66	46
<b>II. Current assets</b>	<b>3 504</b>	<b>23 335</b>
Inventory	1 287	1 291
Short-term receivables (note 4)	416	92
Short-term financial assets (note 5)	1 628	21 581
Cash and cash equivalents	164	363
Short-term accruals	9	8
<b>Total assets</b>	<b>45 116</b>	<b>65 192</b>
<b>Liabilities</b>		
<b>I. Equity</b>	<b>44 979</b>	<b>64 999</b>
Share capital	32 116	35 000
Supplementary capital	93 655	93 655
Capital from merger of entities	16 624	16 640
Revaluation capital	-45 204	-33 210
Other provisions	15 980	13 096
Losses from previous years and the current year	-68 192	-60 182
<b>II. Long-term liabilities</b>	<b>66</b>	<b>45</b>
Deferred income tax provision	66	45
<b>III. Short-term liabilities (note 6)</b>	<b>71</b>	<b>148</b>
Trade liabilities	25	107
Other liabilities	36	21
Reserves for liabilities	10	20
<b>Total liabilities</b>	<b>45 116</b>	<b>65 192</b>
<b>Book value</b>	<b>44 979</b>	<b>64 999</b>
<b>Number of shares</b>	<b>70 000 000</b>	<b>70 000 000</b>
<b>Book value per share (PLN)</b>	<b>0,64</b>	<b>0,93</b>
<b>Diluted number of shares</b>	<b>70 000 000</b>	<b>70 000 000</b>
<b>Diluted book value per share (PLN)</b>	<b>0,64</b>	<b>0,93</b>



## Income statement

INCOME STATEMENT (in PLN thousand)	1.10.2018 - 30.11.2018 (unaudited)	1.01.2018 - 30.11.2018 (unaudited)	1.01.2017 - 31.12.2017 (audited)
I. Revenue from sales of products, goods and materials	843	1 921	2 444
II. Cost of products, goods and materials sold	109	226	594
III. Gross profit on sales	<b>734</b>	<b>1 695</b>	<b>1 850</b>
IV. General management costs	258	573	847
V. Other operating revenues	<b>26</b>	<b>50</b>	<b>33</b>
VI. Other operating costs	<b>881</b>	<b>2 718</b>	<b>6 838</b>
VII. Loss on operating activities	<b>-379</b>	<b>-1 546</b>	<b>-5 818</b>
VIII. Financial revenues	<b>21</b>	<b>29</b>	<b>1</b>
IX. Financial costs	<b>5 308</b>	<b>6 477</b>	<b>855</b>
X. Pre-tax profit	<b>-5 666</b>	<b>-7 994</b>	<b>-6 673</b>
XI. Income tax	-6	16	-603
XII. Net loss	<b>-5 660</b>	<b>-8 010</b>	<b>-6 070</b>
The weighted average number of ordinary shares		<b>70 000 000</b>	<b>49 226 027</b>
Loss per one ordinary share (in PLN)		<b>-0,11</b>	<b>-0,12</b>
The weighted diluted average number of ordinary shares		<b>70 000 000</b>	<b>49 226 027</b>
Diluted loss per one ordinary share (in PLN)		<b>-0,11</b>	<b>-0,12</b>



## Cash flow statement

INTERIM CASH FLOW STATEMENT (in PLN thousand)	1.01.2018 - 30.11.2018 (unaudited)	1.01.2017 - 30.12.2017 (audited)
<b>Operating activities</b>		
<b>I. Gross profit (loss)</b>	-7 994	-6 673
<b>II. Total adjustments</b>	25 876	6 388
Depreciation	205	221
Exchange gains (losses)	-8	8
Interest and profit sharing (dividends)	-1 732	-2 598
Profit (loss) on investment activities	9 016	7 503
Change in reserves	-1	-578
Change in inventories	4	515
Change in receivables	-242	44
Change in liabilities	-65	59
Change in accruals	-10	576
Other adjustments*	18 709	638
<b>I. Net cash flow from operating activities</b>	<b>17 882</b>	<b>-285</b>
<b>Investment activities</b>		
<b>I. Inflows from investment activities</b>	<b>929</b>	<b>6 841</b>
Disposal of financial assets	300	667
Received repayments of the loans	284	1 597
Received interest	345	4 577
<b>II. Outflows from investment activities</b>	<b>19 010</b>	<b>17 577</b>
Acquisition of intangible assets and property, plant and equipment	0	11 383
Expenses for purchasing of financial assets	0	1 456
Loans granted	19 010	4 738
<b>II. Net cash flow from investment activities</b>	<b>-18 081</b>	<b>-10 736</b>
<b>Financial activities</b>		
<b>I. Inflows from financial activities</b>	<b>0</b>	<b>11 250</b>
Net inflows from the issue of shares and other capital instruments and capital contributions	0	11 250
<b>II. Outflows from financial activities</b>	<b>0</b>	<b>0</b>
<b>III. Net cash flow from financial activities</b>	<b>0</b>	<b>11 250</b>
<b>Total net cash flow (I+/-II+/-III)</b>	<b>-199</b>	<b>229</b>
<b>Balance sheet change in cash</b>	<b>-199</b>	<b>229</b>
<b>Cash opening balance</b>	<b>363</b>	<b>134</b>
<b>Cash closing balance</b>	<b>164</b>	<b>363</b>

\* Other adjustments result from the merger of entities and loan compensation to TOP MARKA S.A



## Condensed interim statement of changes in equity

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (in PLN thousand)	01.01.2018 - 30.11.2018	01.01.2017 - 31.12.2017
<b>Opening balance of equity</b>	<b>64 999</b>	<b>65 694</b>
Opening balance of share capital	35 000	76 000
Increase due to issue of shares	0	11 250
Reduction due to reduction of the share capital	2 884	52 250
Closing balance of share capital	32 116	35 000
Opening balance of supplementary capital	93 655	58 045
Increase due to reduction of the nominal value of shares	0	52 250
Closing balance of supplementary capital	93 655	110 295
Opening balance of revaluation capital	-33 210	-27 335
Reduction in the valuation of financial assets	11 994	5 875
Closing balance of capital from revaluation	-45 204	-33 210
Opening balance of capital from merger of entities	16 640	0
Reduction due to merger	16	0
Closing balance of capital from merger of entities	16 624	0
Opening balance of other reserve capital	13 096	13 096
Increase due to reduction of the share capital	2 884	0
Closing balance of other reserve capital	15 980	13 096
Opening balance of retained profit/not settled loss of previous years	-60 182	-54 112
Decrease due to loss for the reporting period	3 625	6 070
Closing balance of retained profit/not settled loss of previous years	-63 807	-60 182
<b>Closing balance of equity</b>	<b>49 364</b>	<b>64 999</b>





## Notes to the interim report for 11 months 2018

### Note 1 Accounting Principles Followed upon Preparation of the Interim Accounts

#### General Information

The Company's main area of operations is financial activity, i.e. interest on loans granted and interest on funds deposited on bank accounts and deposits. The company also generates revenues from its wind farms.

#### Bases for Preparation

The accounting policies used for preparing the interim report of FON SE for 11 months of 2018 are in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union. The presentation of the financial statements complies with the requirements of IAS 34 "Interim Financial Reporting" with the exception that similar comparative data for the previous period have been omitted. The reason for the omission is the change of the Issuer's registered office on 30/11/2018. Data for the period since January to November 2018 should be compared with the data for the whole 2017. Interim financial statements should be read together with the annual report of last year. The accounting policies that have been used in the preparation of the interim report are the same as those used in the annual report for the year ended 31 December 2017.

The financial statements have been prepared in PLN (PLN), and selected data in note 9 in (EUR).

Management estimates that FON SE is a going concern and the Company's interim report for 11 months of 2018 presents a true and fair view of the financial position, the results of operations and the cash flows of FON SE. This interim report has not been audited.

### Note 2 Intangible assets

(in PLN thousand)	30.11.2018	31.12.2017
Intangible assets	2 250	4 725
Other intangible assets	2 250	4 725

The company has intangible assets: 27.000.000 tokens based on the Ethereum blockchain named PATRO-ICO1. In the reporting period, a write-off due to impairment loss of PLN 2.475.000,00 was made. The total impairment loss cumulatively is PLN 9.050.000,00.



### Note 3 Short-term investments

SHORT-TERM INVESTMENTS DUE TO LOANS AND BORROWINGS								
Name of Company	Head-quarters	The value of LOAN		The value of LOAN to repay		Terms	Term of repayment	Security
		PLN		PLN				
Fly.pl sp. z o.o.*	Warszawa	125.000,00	PLN	139.475,72	PLN	Wibor 3M+1%	04.01.2017	bill of exchange, declaration of submission to enforcement
Fly.pl sp. z o.o.*	Warszawa	650.000,00	PLN	711.664,52	PLN	Wibor 3M+1%	04.01.2017	bill of exchange, declaration of submission to enforcement
Fly.pl sp. z o.o.*	Warszawa	84 336,15	PLN	92.750,75	PLN	Wibor 3M+1%	04.01.2017	bill of exchange
Fly.pl sp. z o.o.*	Warszawa	15 722,23	PLN	17.147,09	PLN	Wibor 3M+1%	04.01.2017	bill of exchange
Fly.pl sp. z o.o.*	Warszawa	120.000,00	PLN	130.790,92	PLN	Wibor 3M+1%	04.01.2017	bill of exchange
Fly.pl sp. z o.o.*	Warszawa	380.000,00	PLN	414.282,87	PLN	Wibor 3M+1%	04.01.2017	mortgage, bill of exchange, guarantee
Natural person	Płock	20.000,00	PLN	9.921,03	PLN	8%	31.12.2016	lack
Top Marka S.A.**	Płock	12.000,00	PLN	14.514,70	PLN	10%	30.09.2017	lack
Top Marka S.A.**	Płock	1.300,00	PLN	1.537,58	PLN	10%	01.02.2017	lack
Auto Kluge	Płock	500.000,00	PLN	241.546,05	PLN	12,50%	31.08.2016	bill of exchange, declaration of submission to enforcement, assignment by way of security
Natural person	Płock	329.565,00	PLN	262.556,76	PLN	9,9%	24.08.2017	bill of exchange, assignment by way of security, declaration of submission to enforcement
Natural person	Płock	37.000,00	PLN	14.477,56	PLN	8%	31.12.2017	blank bill, pledge
Patro Invest sp. z o.o.	Płock	700.000,00	PLN	499.875,18	PLN	3%	30.09.2019	blank bill

\* The Company created a write-off for loans for TOP MARKA S.A. in the amount of PLN 16.052,29

\* The Company created a write-off for loans for FLY.PL Sp. z o.o. in the amount of PLN 906.111,86



## Note 4 Short-term receivables

SHORT-TERM RECEIVABLES (in PLN thousand)	30.11.2018	31.12.2017
- for deliveries and services	144	35
- taxes, subsidies, customs duties, social and health insurance and other benefits	4	27
- other	268	30
<b>Total short-term receivables</b>	<b>416</b>	<b>92</b>
Write-offs of short-term receivables	919	929
<b>TOTAL SHORT-TERM RECEIVABLES</b>	<b>1 335</b>	<b>1 021</b>
CHANGE OF WRITE-OFFS OF SHORT-TERM RECEIVABLES	30.11.2018	31.12.2017
Opening balance	929	942
a) Increase	10	0
b) Decrease	20	13
- dissolution of write-offs in connection with payment	20	13
<b>Closing balance</b>	<b>919</b>	<b>929</b>

## Note 5 Long-term investments

Loans granted by FON SE as at 30/11/2018:

LONG-TERM INVESTMENTS DUE TO LOANS AND BORROWINGS								
Name of Company	Head-quarters	The value of LOAN		The value of LOAN to repay		Terms	Term of repayment	Security
		PLN	PLN	PLN	PLN			
Nowy Wiatr sp. z o.o.*	Płock	4.700.000,00	PLN	4.385.117,66	PLN	6,50%	31.12.2019	bill of exchange
Fon Zarządzanie Nieruchomościami sp. z o.o.	Płock	19.042.000,00	PLN	19.151.964,48	PLN	WIBOR 1M+4,5%	24.04.2021	bill of exchange, mortgage

\* The Company created a write-off for loans for Nowy Wiatr Sp. z o.o. in the amount of PLN 4 385 117,66.



## Note 6 Short-term liabilities

<b>SHORT-TERM LIABILITIES</b>	<b>30.11.2018</b>	<b>31.12.2017</b>
<b>a) Liabilities to related parties</b>	<b>6</b>	<b>77</b>
- for deliveries and services	6	77
<b>b) Liabilities to other entities</b>	<b>55</b>	<b>51</b>
- for deliveries and services	19	30
- tax, customs, insurance and other liabilities	25	21
- other	11	0
<b>TOTAL SHORT-TERM LIABILITIES</b>	<b>61</b>	<b>128</b>

## Note 7 Related party transactions

<b>TRANSACTIONS WITH RELATED ENTITIES FOR 11 MONTHS 2018  (in PLN thousand)</b>	<b>Sale of products, goods and materials</b>	<b>Revenues from interest</b>	<b>Purchases from related entities</b>	<b>Interest expenses for related entities</b>	<b>Receivables from deliveries and services</b>	<b>Other receivables</b>	<b>Liabilities due to deliveries and services</b>	<b>Loans and other liabilities to related party</b>
DAMF INVEST S.A.								
ATLANTIS SE			2		1			
Refus sp. z o.o. in liquidation					1			
RESBUD SE								
Investment Friends SE	11				9			
Investment Friends Capital SE	11				4			
Elkop S.A.	81		9		100			
Fon Zarządzanie Nieruchomościami sp. z o.o.		851	16			19 031		
Nowy Wiatr sp. z o.o.		288				4 379		
Patro Invest sp. z o.o.		4				500		
Patro Inwestycje sp. z o.o.			5				5	
<b>Total</b>	<b>103</b>	<b>1 143</b>	<b>23</b>	<b>0</b>	<b>115</b>	<b>23 910</b>	<b>5</b>	<b>0</b>



TRANSACTIONS WITH RELATED ENTITIES AT  31.12.2017  (in PLN thousand)	Sale of products, goods and materials	Revenues from interest	Purchases from related entities	Interest expenses for related entities	Receivables from deliveries and services	Other receivables	Liabilities due to deliveries and services	Loans and other liabilities to related par.
DAMF INVEST S.A.		20						
ATLANTIS S.A.	19		28		10		43	
Refus sp. z o.o. in liquidation								
RESBUD SE							38	
Investment Friends SE	10				1			
Investment Friends Capital SE	11		4		1			
Elkop S.A.			35					
Fon Zarządzanie Nieruchomościami sp. z o.o.								
Nova Giełda Inwestycje sp. z o.o.		843		830				
Nowy Wiatr sp. z o.o.		3				4 092		
<b>Total</b>	<b>40</b>	<b>866</b>	<b>67</b>	<b>830</b>	<b>12</b>	<b>4 095</b>	<b>81</b>	

### Note 8 Revenues and costs by segment

The Company had revenues in 2017 from three business segments - financial activity, sales energy and sale of plots.

REVENUES AND COSTS BY SEGMENT for the reporting period 01.01.2017 - 31.12.2017 (in PLN thousand)		SALE OF PLOTS	ENERGY SALES	FINANCIAL ACTIVITY	OTHER REVENUES AND COSTS	TOTAL
I.	Segment revenues	317	171	1 912	44	2 444
II.	Segment costs	355	239	0	0	594

The Company had revenues in the reporting period from two business segments - financial activity and sales energy.

REVENUES AND COSTS BY SEGMENT for the reporting period 01.01.2018 - 30.11.2018 (in PLN thousand)		SALE OF PLOTS	ENERGY SALES	FINANCIAL ACTIVITY	OTHER REVENUES AND COSTS	TOTAL
I.	Segment revenues	0	150	1 733	38	1 921
II.	Segment costs	0	217	0	9	226

The above revenues and costs constitute revenues from external customers. No sales transactions between segments took place in 2018.



## Note 9 Selected financial data of the financial statements in PLN and EUR

SELECTED FINANCIAL DATA	(in PLN thousand)		(in EUR thousand)	
	01.01.2018 -	01.01.2017 -	01.01.2018 -	01.01.2017 -
	30.11.2018	31.12.2017	30.11.2018	31.12.2017
Revenue from sales of products, goods and materials	1 921	2 444	451	576
Profit (loss) from operating activity	-1 546	- 5 818	-363	-1 371
Gross profit (loss)	-7 994	- 6 673	-1 874	-1 572
Net profit (loss)	-8 010	- 6 070	-1 878	-1 430
Net cash flow from operating activity	17 882	-285	4 194	-67
Net cash flow from investment activity	-18 081	-10736	-4 240	-2 529
Net cash flow from financial activity	0	11 250	0	2 650
Change in cash and cash equivalents	-199	229	-47	54
Total assets	45 116	65 192	10 516	15 630
Long-term liabilities	66	45	15	11
Short-term liabilities	71	148	17	35
Equity	44 979	64 999	10 484	15 584
Share capital	32 116	35 000	7 486	8 391
Weighted average diluted number of shares	70 000 000	49 226 027	70 000 000	49 226 027
Profit (loss) per share (in PLN / EURO)	-0,11	-0,12	-0,03	-0,03
Book value per one share (in PLN / EURO)	0,64	0,93	0,15	0,22

*Tallinn, 29 April 2019*

*Damian Patrowicz - Member of the Management Board*