

**REPORT OF THE MANAGEMENT REPORT ON ACTIVITY
OF INVESTMENT FRIENDS SE
FOR THE PERIOD SINCE 1 JANUARY 2018 TO 31 DECEMBER 2018**

Tallinn, 02.11.2019

**Investment Friends S.E.
Harju maakond, Tallinn, Kesklinna linnaosa,
Tornimäe tn 5, 10145
registry code 14617862
email: info@ifsa.pl**



Letter of the Chairman of the Management Board

Dear Sirs;

On behalf of the Management Board of FON SE, I am pleased to present you the Annual Report for 2018.

The Issuer consistently implemented its strategy in 2017. The Company runs its activity in financial service activities by providing non-consumer cash loans. The main strategic goals of the Company for 2019 are to stabilize the position of the Company in areas where Investment Friends SE already offers its financial services, striving to meet the ever-growing requirements of clients and achieving positive financial results that will meet the expectations of our Shareholders.

I invite you to read the contents of this Report. At the same time, I would like to thank all the Shareholders for the trust they have placed in the Company by investing in its shares and all the Contractors wishing for further, mutually fruitful cooperation.

Yours faithfully;

Agnieszka Gujgo

Chairman of the Management Board

2. BASIC INFORMATION ABOUT THE COMPANY

Name of the Company: Investment Friends SE

- On 26/02/2018 there was registered merger of the Issuer, previously operating as a public limited company under Polish law under the name of Investment Friends Spółka Akcyjna with its registered office in Płock at Padlewskiego Street 18C, Poland, entered in the Register of Entrepreneurs of the National Court Register kept by the District Court for the Capital City of Warsaw in Warsaw, 14th Commercial Division, under the number 0000143579, NIP 8291635137, REGON 730353650 with Investment Friends 1 Polska Akciovéspolečnost headquartered in Ostrava, address: Poděbradova 2738/16, Moravská Ostrava, 702 00 Ostrava, the Czech Republic entered to the commercial register kept by the District Court in Ostrava, section B under the number 10979, identification number 06502873 (the Acquired Company).
- As a result of registration of merger by the District Court for the Capital City of Warsaw in Warsaw, the Issuer has changed its legal form to the European Company and has started operating as INVESTMENT FRIENDS SE headquartered in Płock at Padlewskiego Street 18C, Poland, entered in the Register of Entrepreneurs of the National Court Register kept by the District Court for the Capital City of Warsaw in Warsaw, 14th Commercial Division, under the number 0000720290, NIP 8291635137 and REGON 730353650.
- On 30/11/2018 the commercial register appropriate for the Estonian law (Ariregister) registered the transfer of the Issuer's registered office to Estonia. Since 30/11/2018 the Company is being entered in Tartu County Court Registration Department, registry code: 14617862.

Address:

- till 30/11/2018 - Płock 09-402, ul. Padlewskiego 18C
- since 01/12/2018 - Narva mnt 5, 10117 Tallinn, Estonia
- since 05/06/2019 - Harju maakond, Tallinn, Kesklinna linnaosa, Tornimäe tn 5, 10145 Estonia.

VAT identification number:

- 8291635137 (applicable in the reporting period)
- After transferring its headquarter to Estonia, the Company is not registered VAT taxpayer. The Company's tax identification number: 14617862.

Business activity:

Applicable in the reporting period main business activity - 64.19 Z. Other monetary intermediation

Since 30/11/2018 the main business activity of the Company according to EMTAK classification is „Activities of holding companies” - EMTAK no. 64201.

Duration of the Company:

- Duration of the Company is indefinite.

Registry court of the Company:

- Till 30/11/2018 the Company had been entered to the Register of Entrepreneurs of the National Court Register kept by the District Court for the Capital City of Warsaw in Warsaw, 14th Commercial Division, under the number 0000720290.
- Since 01/12/2018 the Company has been entered in Tartu County Court Registration Department, registry code: 14617862..

Share capital of the Company:

- Till 26/02/2018 the share capital of the Company was: PLN 14.400.000,00 (in words: fourteen million four hundred thousand 00/100) and it was divided into 18.000.000 shares of the nominal value PLN 1,60 per share.
- **Since 26/02/2018 the Company's share capital amounts to EUR 3.240.000,00 (three million two hundred and forty thousand EURO 00/100) and is divided into 9.000.000 shares (in words: nine million) with a nominal value of EUR 0,36 (in words: thirty-six cents) each.**

Financial year:

- The financial year for the reporting period has started on 1 January 2018 and ended on 31 December 2018.

2.1 CORPORATE BODIES OF THE COMPANY

Composition of the Supervisory Board:

In the reporting period, the composition of the Issuer's Supervisory Board was as follows:

1.	Damian Patrowicz	Chairman of the Supervisory Board	<p>Appointment of 27/04/2017 for the next term</p> <p>Resignation 25/04/2018</p> <p>Appointment 30/05/2018</p> <p>Resignation 11/01/2019</p>
2.	Małgorzata Patrowicz	Secretary of the Supervisory Board	<p>Appointment of 27/04/2017 for the next term</p> <p>Resignation 25.04.2018</p> <p>Appointment of 30/05/2018</p>
3.	Anna Kajkowska	Member of the Supervisory Board	Appointment of 27/04/2017 for the next term
4.	Jacek Koralewski	Member of the Supervisory Board	Appointment of 27/04/2017 for the next term
5.	Wojciech Hetkowski	Member of the Supervisory Board	Appointment of 27/04/2017 for the next term

Management Board:

In the reporting period, the composition of the Issuer's Management Board was as follows:

Agnieszka Gujgo - Chairman of the Management Board

The Audit Committee:

On 20/10/2017 the Company's Supervisory Board decided to appoint an Audit Committee in the following composition:

Wojciech Hetkowski – Chairman of the Audit Committee
 Małgorzata Patrowicz – Member of the Audit Committee
 Anna Kajkowska – Member of the Audit Committee

The Audit Committee in the above composition met the criteria of independence and other requirements specified in art. 128 section 1 and art. 129 section 1, 3, 5, and 6 of the Act on Statutory Auditors, i.e. at least one member of the Audit Committee had knowledge and skills in accounting or auditing financial statements; at least one member of the Audit Committee had knowledge and skills in the field of the Company's industry, and the majority of members of the Audit Committee, including its Chairman, were independent of the Company.

On 08/04/2019 the Issuer informed via current report No. 12/2019 that the Supervisory Board adopted a resolution on the dissolution of the Audit Committee and the dismissal of its members on 08/04/2019.

3. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

3.1. STATEMENT OF COMPLIANCE

The financial statement covers the period since January 1, 2018 to December 31, 2018 and the comparable period since January 1, 2017 to December 31, 2017 and it was prepared using accounting principles, in accordance with International Financial Reporting Standards approved by the European Union. The financial statement was prepared with assumption that the Company will going concern in the foreseeable future. The financial statement was subjected into audit by an independent, certified auditor. The report and opinion on the audit is published along with this financial statement.

3.2 FUNCTIONAL CURRENCY AND REPORTING CURRENCY

The financial statement was prepared in EURO. The functional currency of the Company is Polish zloty (PLN), while the reporting (presenting) currency of the Company is EURO. The financial statement is presented in thousand of EURO. The financial statement was prepared with assumption that the Company will going concern in the foreseeable future.

3.3. ACCOUNTING PRINCIPLES APPLIED FOR PREPARATION OF THE CONDENSED FINANCIAL STATEMENT

Pursuant to the Resolution No. 22 of the Ordinary General Meeting of the Company of May 30, 2018 regarding: changes of the way the Company currently prepares financial statements the Ordinary General Meeting of the Company has decided that the Company's financial statements starting from the report for 2018 will be prepared according to the International Financial Reporting Standards .

The annual report has been prepared in accordance with the International Financial Reporting Standards ("IFRS") adopted by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

4.DECLARATION OF THE MANAGEMENT BOARD ON RELIABILITY OF PREPARED STATEMENT

The Management Board of INVESTMENT FRIENDS SE declares that according to their best knowledge, the annual financial statements for 2018 and comparable data were prepared in accordance with applicable accounting principles and that they reflect correctly, fairly and clearly the property and financial situation of FON SE and its financial result, as well as the fact that the annual report on the Issuer's activity includes real view of development and achievements as well as situation of INVESTMENT FRIENDS SE, including description of basic threats and risks.

Tallinn 02.11.2019

Agnieszka Gujgo

Chairman of the Management Board

5.DECLARATION OF THE MANAGEMENT BOARD REGARDING SELECTION OF AN ENTITY AUTHORIZED TO REVIEW AND AUDIT OF THE ISSUER' S FINANCIAL STATEMENT

The General Meeting of INVESTMENT FRIENDS SE on 08/07/2019 made a choice of an entity which have audited the financial statements of INVESTMENT FRIENDS SE for 2018.

The entity selected by the General Meeting is Hansa Audit osäühing headquartered in Pärnu mnt. 377, 10919 Tallinn, registry code of the company 10616667.

The Management Board of INVESTMENT FRIENDS SE confirms that the entity authorized to audit financial statements carrying out the audit of the annual financial statements of the Issuer was selected in accordance with provisions of law and that this entity and certified auditors carrying out the audit of this financial statement, meet requirements necessary to issue impartial and independent report on audit, pursuant to applicable provisions of law and professional standards.

Tallinn 02.11.2019

Agnieszka Gujgo

Chairman of the Management Board



6. SELECTED FINANCIAL DATA INCLUDING BASIC ITEMS OF THE ANNUAL FINANCIAL STATEMENTS (EUR THOUS.)

	Twelve months ended 31/12/2018	Twelve months ended 31/12/2017
Revenues from the sale of products, goods and materials	181	375
Profit (loss) from operating activity	34	-176
Profit (loss) before tax	8	69
Net profit (loss)	8	70
Net cash flow from operating activities	148	-85
Net cash flow from investing activities	-23	16
Net cash flow from financial activities	0	199
Change in cash and cash equivalents	-132	134
Total assets	2 496	2 571
Long-term liabilities	0	2
Short-term liabilities	95	103
Equity	2 401	2 466
Share capital	3 240	3 447

Weighted average diluted number of shares (in pcs.)	9 000 000	9 000 000
Profit (loss) per share	0,001	0,008
Book value per one share	0.27	0,29

Rules for converting items of the financial statements into EURO.

Financial data presented in the financial statements was converted into EUR as follows:

- Statement of financial situation items were calculated according to the exchange rate announced by the European Central Bank as at balance sheet day.
 - As at 31/12/2018 1 EUR = 4,3014
 - As at 31/12/2017 1 EUR = 4,1770
- Items of Profit and Loss Statement and Cash flow statement were calculated according to the exchange rate being arithmetic mean of the average exchange rates announced by the European Central Bank as at the beginning and the end of the period.
 - Since 1/01/2018 to 31/12/2018 1 EUR = 4,2335
 - Since 1/01/2017 to 31/12/2017 1 EUR = 4,2937

7. MAIN AREAS OF THE ACTIVITY, PRODUCTS AND SERVICES' GROUPS

The company's main activity is financial activity, including loan service activities. The Company conducts homogeneous activity consisting in rendering other financial services. In the reporting period, a decisive role in the structure of revenues obtained by the Issuer is occupied by interest and commission income on loans granted. Due to the nature of the activity, there are no sources of supply for goods and materials.

8. GENERAL (MACROECONOMIC) DEVELOPMENT OF THE ENVIROMENT IN WHICH THE ACCOUNTING ENTITY CONDUCTS ACTIVITY AND THE IMPACT OF THIS DEVELOPMENT ON ITS FINANCIAL EFFICIENCY

The Company conducts financial activities, in particular related to granting cash loans to business entities, most often from the micro and small enterprises sector. In the opinion of the Company's Management Board, activity in this area is development especially on the Polish market.

Banks are cautious in granting loans to SMEs, because they highly estimate the real risk of financing small and medium-sized entities. As a result, banks lack the determination to create an offer tailored to small and medium-sized enterprises. There are almost 2 million in Poland, but just over 17.5% use loans. of them.

6 out of 10 companies from the SME sector finance their development with own funds (profits and savings, sometimes family). This is the result of the report from the Association of Entrepreneurs and Employers "Financing business in Poland". Others are dependent on banks' offer, or rather the lack of it. This makes investments difficult and is a threat to the long-term stability of the economy.

Small and medium enterprises account for over 99 percent. all enterprises in Poland.

The company sees the development potential in the provision of financial services for this type of entities and consistently intends to continue its business in this segment.

9. INFORMATION ON IF THE OPERATIONAL ACTIVITY OF ACCOUNTING ENTITY IS BASED ON THE SEASONALITY, OR IS THE ENTITY' ACTIVITY CYCLICAL

In the reporting period, the main activity of the Company was financial (loan) service activities and therefore there is no seasonality or cyclical phenomenon.

10. SIGNIFICANT ENVIROMENTAL AND SOCIAL INFLUENCES BEING RESULT OF THE ACTIVITIES OF THE ACCOUNTING ENTITY

Due to the specific nature of the Company's operations, i.e. financial services, there are no significant environmental and social influences resulting from the Company's operations.

11. FINANCIAL INSTRUMENTS, POLICY AND RISK MANAGEMENT AND RISKS CONNECTED WITH THE CURRENCY EXCHANGE, INTEREST RATE AND COURSES OF SHARES, WHICH APPEARED IN THE FINANCIAL YEAR OR DURING THE PREPARATION OF THE REPORT.

The main types of risk resulted from Company's financial instruments include: interest rate risk, liquidity risk, credit risk and risk related to the financial collateral. The Management Board is responsible for establishing risk management principles in the Company and for supervising its following. The Company's risk management rules aimed at identifying and analysing the risks to which the Company is exposed, determining appropriate limits and controls, and also monitoring risk and adjusting the level of limits matched to it.

The main risks to which the Company can be exposed are indicated in point 4.12.1 of the Annual Financial Statement for 2018.

12. THE MOST IMPORTANT INVESTMENTS MADE DURING THE FINANCIAL YEAR AND PLANNED FOR THE NEAREST FUTURE

Due to the Company's main activity in the field of financial services in the scope of granting cash loans to business entities, more important investments made by the Company during the reporting period, were related to loans granted, which were described in Note 15 and Note 38 of the Annual Financial Statement for 2018. In the near future, the Company intends to continue its main loan activity, so the Management Board assesses that any future significant investments will also be implemented in this area.

13. SIGNIFICANT RESEARCH AND DEVELOPMENT PROJECTS AND RELATED TO THEM FINANCIAL EXPENDITURES IN THE FINANCIAL YEAR AND NEXT YEARS

Due to the specifics of the Company's main activity i.e. financial services, the Issuer does not conduct research and development projects.

14. MAIN FINANCIAL RATIOS CONSIDERING FINANCIAL YEAR AND PREVIOUS FINANCIAL YEAR WITH THE METHODS OF CALCULATING THESE RATIOS

Selected profitability ratios of Investment Friends SE:

Profitability ratios	Calculation methods	31/12/2018	31/12/2017
Net profitability	Net profit, loss profit/sales revenues	0,04	0,12
Return on assets (ROA)	Net profit, loss profit/assets	0,003	0,03
Return on equity (ROE)	Net profit, loss profit/equity	0,003	0,03

Selected liquidity and debt ratios of Investment Friends SE:

Profitability ratios	Calculation methods	31/12/2018	31/12/2017
Current liquidity ratio	Current assets / short-term liabilities	9,09	24,13
Total debt ratio	Total liabilities / total assets	0,04	0,04
Debt to equity ratio	Total liabilities / equity	0,04	0,04

15. IF ON THE BALANCE SHEET DAY, THE EQUITY OF ACCOUNTING ENTITY DOES NOT COMPLY WITH THE REQUIREMENTS ESTABLISHED IN THE COMMERCIAL CODE, THE EQUITY RESTRUCTURING PLAN SHOULD BE DESCRIBED IN THE MANAGEMENT BOARD REPORT

The entity's equity presented in the balance is complied with the requirements established in the Code of Commercial Companies.

16. IF DURING THE FINANCIAL YEAR, ACCOUNTING ENTITY ACQUIRED OR ACCEPTED OWN SHARES AS THE COLLATERAL THAN THE FOLLOWING INFORMATION REGARDING ACQUIRED OR ACCEPTED AS THE COLLATERAL OF SHARES SHOULD BE INDICATED IN THE MANAGEMENT BOARD'S REPORT AS TRANSFERRED OR NOT TRANSFERRED.

1) The number of shares and their nominal value or in the case of the lack of nominal value, the book value and share of these stocks in share capital.

2) Amount of benefit paid for shares and reason for their purchase or acceptance as collateral.

In the reporting period the Company did not purchase or take over own shares as collateral.

17. CAPITAL SHARE STRUCTURE INCLUDING THE SECURITIES THAT ARE NOT APPROVED TO TRADING ON THE REGULAR MARKET OF THE CONTRACTING COUNTRIES AND IF POSSIBLE, DATA OF VARIOUS CLASSES OF INSTRUMENTS, RIGHTS AND OBLIGATIONS CONNECTED WITH EVERY CLASS OF SECURITIES AND ITS PERCENTAGE SHARE IN SHARE CAPITAL OF THE COMPANY

Since July 11, 2007, INVESTMENT FRIENDS SE shares have been listed on the Warsaw Stock Exchange. As at the balance sheet date, 31/12/2018 INVESTMENT FRIENDS SE held 9,000,000 shares issued, without nominal value. The shares are freely transferable and have no statutory restrictions.

At the end of 2017, the price per share was PLN 0.41. At the end of December 2018, the price was PLN 0.26.

As at the balance sheet date, 31/12/2018 Issuer's shares in the amount of 5.922.750 were dematerialized bearer shares, allowed to trading on the regulated market of the Warsaw Stock Exchange.

Issuer's share capital.

- On 26/02/2018 there was registered merger of the Issuer, previously operating as a public limited company under Polish law under the name of Investment Friends Spółka Akcyjna with its registered office in Płock at Padlewskiego Street 18C, Poland, entered in the Register of Entrepreneurs of the National Court Register kept by the District Court for the Capital City of Warsaw in Warsaw, 14th Commercial Division, under the number 0000143579, NIP 8291635137, REGON 730353650 with Investment Friends 1 Polska Akciovéspolečnost headquartered in Ostrava, address: Poděbradova 2738/16, Moravská Ostrava, 702 00 Ostrava,

the Czech Republic entered to the commercial register kept by the District Court in Ostrava, section B under the number 10979, identification number 06502873 (the Acquired Company).

- As a result of registration of merger by the District Court for the Capital City of Warsaw in Warsaw, the Issuer has changed its legal form to the European Company and has started operating as INVESTMENT FRIENDS SE headquartered in Płock at Padlewskiego Street 18C, Poland, entered in the Register of Entrepreneurs of the National Court Register kept by the District Court for the Capital City of Warsaw in Warsaw, 14th Commercial Division, under the number 0000720290, NIP 8291635137 and REGON 730353650.
- On 30/11/2018 the commercial register appropriate for the Estonian law (Ariregister) registered the transfer of the Issuer's registered office to Estonia. Since 30/11/2018 the Company is being entered in Tartu County Court Registration Department, registry code: 14617862.
- Until 26/02/2018 the share capital of the Company amounted to PLN 14.400.000,00 (say: fourteen million four hundred thousand PLN 00/100) and was divided into 18.000.000 shares with a nominal value of PLN 1.60 each.
- **From 26/02/2018 the Company's share capital is EUR 3.240.000,00 (three million two hundred and forty thousand EURO 00/100) and is divided into 9.000.000 shares (in words: nine million) with a nominal value of EUR 0.36 (in words: thirty-six cents) each.**

18. ANY RESTRICTIONS APPLIED BY THE COMPANY'S STATUTE ON THE TRANSFERABILITY OF SECURITIES, ALSO INCLUDING LIMITATIONS ON THE OWNERSHIP OF SECURITIES OR THE NECESSITY OF OBTAINING THE COMPANY OR OTHER OWNERS OF THE SECURITIES CONSENT

The Company's Articles of Association do not impose any restrictions on the transferability of securities limitation on the ownership of securities or the necessity to obtain the consent of the Company or other owners of securities.

19. ANY RESTRICTIONS ON THE TRANSFERABILITY OF SECURITIES KNOWN TO THE COMPANY, INCLUDING THOSE ARISING FROM CONTRACTS BETWEEN SHAREHOLDERS.

The Company has no knowledge of any restrictions on the transferability of securities resulting from contacts between shareholders, and the Issuer did not conclude any such agreements or contracts.

20. SIGNIFICANT SHARE PACKAGES IN ACCORDANCE WITH THE PROVISIONS OF § 9 THE SECURITIES MARKET ACT

To the best knowledge of the Management Board, as at the balance sheet date, i.e. 31/12/2018. the structure of direct and indirect shareholding holding at least 10% of the total number of votes at the General Meeting was as follows:

Direct shareholding structure as at 31/12/2018.

No.	Shareholder	Number of shares	% shares	Number of votes	% votes
1	PATRO INVEST OÜ	3 097 232	34,41	3 097 232	34,41
2	Others	5 902 768	65,59	5 902 768	65,59
	Total	9 000 000	100	9 000 000	100

Indirect shareholding structure as at 31/12/2018.

No.	Shareholder	Number of shares	% shares	Number of votes	% votes
1.	Mr. Damian Patrowicz	3 097 232	34,41	3 097 232	34,41

To the best knowledge of the Management Board, as at the date of publication of this periodic report, i.e. 02.11.2019. the structure of direct and indirect shareholding holding at least 10% of the total number of votes at the General Meeting has not changed as compared to the balance sheet date of 31/12/2018.

21. OWNERS OF SHARES GIVING SPECIAL SUPERVISING/CONTROL POWERS AND DESCRIPTION OF THESE RIGHTS

There are not any shares in the Company that give special supervision and control rights.

22. SUPERVISORY SYSTEM IN THE CASE OF INDIRECT EMPLOYEE INVOLVMENT IN STOK EXCHANGE OPERATIONS

In the reporting period, the above circumstances did not occur in the Company.



23. ALL LIMITATIONS AND AGREEMENTS RELATED TO THE RIGHT TO VOTE AND IF THE PREFERENCE SHARES GIVE THE RIGHT TO VOTE, INCLUDING RESTRICTIONS OF VOTING RIGHTS IN A CERTAIN SCOPE OF OWNERSHIP OR SPECIFIC NUMBER OF VOTES, CONDITIONS INDICATED TO EXERCISE OF VOTING RIGHTS OR A SYSTEM IN WHICH FINANCIAL RIGHTS CONNECTED WITH SECURITIES AND THEIR OWNERSHIP ARE SEPARATED WITH ANY AGREEMENT WITH THE COMPANY

In accordance with the provisions of point 2.3 of the Company's Articles of Association, all Company's shares are of one type and give the shareholders equal rights, and each share gives one vote at the General Meeting of the Company.

There are no restrictions in the Company related to voting rights, preference shares in a scope of voting rights or system, in which monetary rights connected with securities and their ownership are separated from each other in agreement with the Company.

24. PROVISIONS AND RULES OF ELECTION, APPOINTMENT, RESIGNATION AND DISMISSAL OF THE COMPANY'S MANAGEMENT BOARD MEMBERS ESTABLISHED BY LAW

In accordance with the provisions of point 5.3. The Company's Articles of Association, members of the Company's Management Board are appointed and dismissed by the Supervisory Board, which also decides on the remuneration of members of the Management Board.

25. RESOLUTIONS AND RULES OF MAKING AN ALTERATION IN THE ARTICLE OF ASSOCIATION SETTLED BY LAW

In accordance with point 4.8.1 of the Issuer's Articles of Association, amendment of the Company's Articles of Association is included in the General Meeting of Shareholders' competencies.

In accordance with point 4.5. of the Articles of Association, the General Meeting is able to adopt valid resolutions, if at the General Meeting there is more than half of all votes represented in company shares, if the applicable legal acts do not provide for a higher majority of votes.

If an enough number of shareholders does not participate in General Meeting, in order to ensure a majority of votes, in accordance with point 4.5, the Management Board of the Company within three weeks, but not earlier than after seven days, convenes a new general meeting with the same agenda. In this way, the General Meeting is competent to adopt resolutions regardless of the number of votes represented. Resolutions of the general meeting are adopted, when more than a half of all represented at the General Meeting votes are for the resolution, and if there is no other requirement arising from applicable legal acts.

26. AUTHORIZING MEMBERS OF THE MANAGEMENT BOARD OF THE COMPANY, INCLUDING AUTHORIZING TO ISSUING AND BUYING BACK SHARES

During the reporting period the Management Board was not authorized to issue or repurchase shares.

27. AGREEMENTS CONCLUDED BETWEEN THE COMPANY AND THE MANAGEMENT BOARD MEMBERS OR EMPLOYEES, WHICH PROVIDE COMPENSATION IN CASE OF ACQUISITION DESCRIBED IN CHAPTER 19 OF THE SECURITIES MARKET ACT

The Company did not conclude such agreements with Management Board members or employees.

28. ALL SIGNIFICANT AGREEMENTS, IN WHICH THE COMPANY IS A PARTY AND WHICH COME INTO FORCE, ARE CHANGED OR TERMINATED, IN CASE OF AS A RESULT OF THE TAKEOVER BID, IN ACCORDANCE WITH SECTION 19 OF THE SECURITIES MARKET ACT, ANOTHER PERSON GET A SIGNIFICANT PACKAGE OF THE COMPANY'S SHARES AND THE EFFECTS OF SUCH AGREEMENTS, UNDER THE CONDITION THAT IN CONNECTION WITH ITS TYPE, ITS DISCLOSURE WILL NOT INCLUDE ANY DAMAGE TO THE COMPANY.

The Company has not concluded, amended or terminate these kind of agreements or contracts.

29. EXPLANATION OF THE BASIC ECONOMIC AND FINANCIAL DATA DISCLOSED IN THE ANNUAL FINANCIAL STATEMENTS AND DESCRIPTION OF FACTORS AND THE MOST IMPORTANT EVENTS, INCLUDING ATYPICAL ONES, HAVING SIGNIFICANT INFLUENCE ON THE ISSUER'S ACTIVITY AND OBTAINED PROFITS OR SUSTAINED LOSSES IN THE FINANCIAL YEAR.

In the reporting period the Issuer recorded:

- gross profit/loss from the sale in the amount of EUR 8 thous.,
- profit/loss from operating activity in the amount of EUR 34 thous.,
- net profit/loss from economic activity in the amount of EUR 8 thous.,
- net revenues from sale of products in the amount of EUR 181 thous,
- financial revenues in the amount of EUR 3 thous.,
- general administrative costs in the reporting period in the amount of EUR 144 thous.

In the reporting period, the Issuer has obtained revenues mainly from conducted financial service activity, i.e. interest on loans granted, bank interest. The Management Board indicates that allocation of funds in securities gives an opportunity of benefiting in various scope, but it is not free from risk that the expected profits would not be gained, but also there could occur partial or even total loss of the capital invested in these instruments. This risk occurs in different form and with varying intensity. For a particular instrument there could be recognized the following kind of risks: market, i.e. systematic, financial, bankruptcy of the issuer, partial or full reduction of revenues, inflation, currency, liquidity.

30. A LIST OF THE MOST IMPORTANT EVENTS IN THE REPORTING PERIOD:

- on February 26, 2018 in the current report no 8/2018 the Issuer informed about merger of the Issuer as the Acquiring Company with INVESTMENT FRIENDS1 Polska Akciová společnost (the Acquired Company) and getting by the Issuer the legal form of European Company (SE) and amendments of the Company's Article of Association

The Issuer informed about registration of merger of the Issuer previously operating as a joint-stock company of the Polish law under the name INVESTMENT FRIENDS S.A. with registered office in Płock at Padlewskiego Street 18C, Poland, entered into the Register of Entrepreneurs of the National Court Register kept by the District Court for the Capital City of Warsaw in Warsaw, 14th Commercial Division under KRS number 0000143579, NIP 8291635137, REGON 730353650 with INVESTMENT FRIENDS 1 Polska Akciová Společnost with its registered office in Ostrava address: Poděbradova 2738/16, Moravská Ostrava, 702 00 Ostrava, Czech Republic entered in the commercial register kept by the District Court in Ostrava, section B under number 10979, identification number 06502873 (Acquired company).

The acquiring company INVESTMENT FRIENDS S.A. currently Investment Friends SE operates in the sector of other financial intermediation, while INVESTMENT FRIENDS 1 Polska Akciová společnost operates in the field of production, trade and other services in accordance with the business activity disclosed in the proper register, and INVESTMENT FRIENDS 1 Polska Akciová společnost is a special purpose entity that was registered on October 9, 2017. As a result of registration by the District Court for the Capital City of Warsaw in Warsaw of the above merger, the Issuer adopted the legal form of the European Company INVESTMENT FRIENDS SE with its registered office in Płock at Padlewskiego Street 18C, Poland, entered in the Register of Entrepreneurs of the National Court Register maintained by the District Court for the capital city of Warsaw in Warsaw, 14th Commercial Division, under KRS number 0000720290.

As at the date of publication of this report, the Court has not disclosed in the KRS extract the NIP and REGON numbers, information about this data the Issuer publicize in a separate report, immediately after their filling by the Court. The merger took place on the terms specified in the Merger Plan of 30/11/2017 publicized free from charges on the merged Companies websites, at the following addresses: Investment Friends S.A. – <http://www.ifsa.pl/> oraz INVESTMENT FRIENDS1 Polska Akciová společnost – <http://www.ifsase.eu/>, and in the current report of INVESTMENT FRIENDS S.A. ESPI no. 69/ 2017 of 30/11/2017.

The merger took place on the way of acquisition of INVESTMENT FRIENDS 1 Polska Akciová společnost by INVESTMENT FRIENDS S.A. pursuant to provisions of article 2 par. 1 with regards to art. 17 par. 2 letter a) and 18 of the Council Regulation (EC) No 2157/2001 of 8/10/2001 on the Statute for a European Company (SE) of 8/10/2001, Official Journal No. 294, p. 1, hereinafter: SE Regulation.

The merger was approved by the General Meeting of the Issuer on January 3, 2018 in the resolution no. 9 published in the current report ESPI no. 2/2018 of January 3, 2018. The Management Board of the Issuer informed that currently the share capital of the Company has been expressed in EURO and it is: 3 240 000,00 EURO (in words: three million two hundred forty thousand EURO 00/100) and it is divided into 9.000.000 (nine million) of shares of the nominal value EUR 0,36 (in words: thirty-six euro cents), i.e. 5 384 750 bearer shares of series A of the nominal value EUR 0,36 (in words: thirty-six euro cents) and 3 615 250 bearer shares of series B of the nominal value EUR 0,36 (in words: thirty-six euro cents).



The Issuer informed that along with registration of the merger, there were also amendments to the Article of Association registered, which result from the resolutions of the Extraordinary General Meeting of Shareholders of January 3, 2018. Therefore, the Issuer published as an attachment to this report, the full text of the current Article of Association of the Company. The Issuer explained also that because of getting the legal form of European Company there were no changes in the governing bodies of the Issuer, rights of shareholders resulting from owned shares, excluding the nominal value of shares converted into EURO, and the Company is going concern and operates in the form of European Company.

- on February 28, 2018 in the current report no 9/2018 the Issuer informed about update of its registration data, NIP and REGON numbers.

The Issuer informed that with regard to the current report no. 8/2018 of 26/02/2018, in connection with made by the District Court for the Capital City of Warsaw in Warsaw on its own initiative, resumption of the Decision on registration of the merger and adoption by the Company the legal form of European Company, on 28/02/2018 the District Court for the Capital City of Warsaw in Warsaw made an entry of REGON and NIP numbers of the Issuer. The Management Board of the Issuer pointed out that REGON number: 730353650 and NIP number: 829-16-35-137 are the same as numbers which have been identifying so far the Company operating previously as Investment Friends S.A. As an attachment the Issuer presented the extract from the Register of Entrepreneurs collected on the basis of art 4 par. 4aa of the Act of 20 August 1997 on the National Court Register. Dz. U. of 2007 No. 168, item.1186, revised.

- on March 19, 2019 in the current report no 12/2018 the Issuer published information regarding Plan of Transfer of the registered office of the Company to the Republic of Estonia, the Report of the Management Board.

The Management Board of INVESTMENT FRIENDS SE headquartered in Płock with regards to the current report no. 10/2018 of 16/03/2018 published the Plan of Transfer of the registered seat of the Company to the Republic of Estonia.

Detailed information regarding the transfer procedure were included in the Transfer Plan which contains information on consequences of the Company's seat change for shareholders and creditors of the Company, approximate schedule and proposed wording of the Company's Article of Association adjusted to the law of the Republic of Estonia.

Moreover, as an attachment to the report, the Management Board presented the Report of Management Board explaining and justifying legal and economic aspects of the transfer as well as explaining consequences of the transfer which are mentioned in art. 8 par. 3 of the Council Regulation (EC) No 2157/2001 of 8/10/2001 on the Statute for a European Company (SE) of 8/10/2001, (Official Journal No. 294, p. 1).

The Management Board of the Issuer informed that the procedure of change of the Company's headquarter will not affect listing of the Issuer's shares on the Warsaw Stock Exchange.

- on April 4, 2018 in the current report no 14/2018 the Issuer informed about the Resolution of the Polish National Depository of Securities regarding change of the nominal value of the Issuer's shares.

The Management Board of Investment Friends SE headquartered in Płock informed that on 04/04/2018 regarding change of the nominal value of the Issuer's shares.

Pursuant to § 2 par. 1 i 4 of the Regulation of the Polish National Depository of Securities after change of Investment Friends S.A. to the European Company and related to them conversion of the share capital and nominal value of this Company's shares into euro without amending number of shares, the Management Board of the Polish National Depository of Securities, after recognition of the Company's submission, on April 6, 2018, decided to change, in the depository system, the nominal value of Investment Friends SE shares assigned with code PLBDVR000018 from the amount PLN 1,60 (one zloty sixty grosz) to the amount of EUR 0,36 (thirty-six euro cents) per share.

- on April 9, 2018 in the current report no 15/2018 the Issuer informed about statement of KDPW regarding change in the agreement of securities registration.

The Management Board of Investment Friends SE headquartered in Płock, with regard to the current report no 7/2018 of 19/02/2018 informed that on 09/04/2018 the Issuer received the announcement of the Operational Department of National Depository for Securities S.A. in Warsaw regarding change of the unit value of shares in Statement No 114/2018 from PLN 1,60 to EURO 0,36.

The announcement of KDPW of 19/02/2018 regards registration of 592 270 shares of Investment Friends SE under the code ISIN PLBDVR000018.

- on April 18, 2018 in the current report no 17/2018 the Issuer published information on a significant loan.

The Management Board of Investment Friends SE headquartered in Płock with regard to the current reports no 141/2014, 150/2014, 17/2015, 7/2016 and 34/2017 on 18/04/2018 informed that on 18/04/2018 the Issuer concluded an agreement with FON S.A. regarding satisfying the part of claims of the Issuer due to the Secured Loan Agreement concluded with TOP MARKA S.A. (KRS no. 0000292265) secured inter alia with mortgage amounted up to PLN 15.000.000,00 on the real estate located in Poznań at Kopanina Street no. 54/56, described in the current report no. 141/2014.

The Issuer explained that because of gaining by FON S.A. headquartered in Płock satisfaction of all claims due to FON S.A. from TOP MARKA S.A. due to concluded between FON S.A. and TOP MARKA S.A. a loan agreement on the way of realization by FON S.A. of a collateral, FON S.A. is obliged to forward the surplus of the value of realized collateral over value of claims due to FON S.A. for the Issuer as a mortgage creditor.

As repayment of the part of claims of the Issuer resulting from the Loan agreement of November 7, 2014 concluded with TOP MARKS S.A., FON S.A. undertaken to transfer for the Issuer the amount of PLN 6.699.234,28 (six million six hundred ninety-nine thousand two hundred thirty-four zlotys 28/100) until 30/04/2018.

The Issuer informed that the value of current debt of TOP MARKA S.A. toward the Issuer due to the loan agreement of 07/11/2014 is PLN 7.786.479,97 on which the Issuer settles interest.

Moreover, in the Agreement of 18/04/2018 the Parties decided that after gaining the payment in the amount of PLN 6.699.234,28 (six million six hundred ninety-nine thousand two hundred thirty-four zlotys 28/100) and on condition that FON S.A. grants and additional collateral of the other part of claims of the Issuer resulting from the Loan Agreement of 07/11/2014 concluded with TOP MARKA S.A. in the form of guarantee of FON S.A. up to PLN 590.000,00 (five hundred ninety thousand zlotys) the Issuer submit a consent to cross out the mortgage on the real estate in Poznań at Kopaniana Street 54/56.

The Issuer informed that on April 18, 2018 it concluded, as a result of aforementioned Agreement with FON S.A., the Guarantee agreement by FON S.A. the other part of claims due to the Issuer resulting from the Loan agreement of 07/11/2014 concluded with TOP MARKA S.A. to the amount up to PLN 590.000,00 (five hundred ninety thousand zlotys) in case of lack of satisfying all claims of the Issuer from TOP MARKA S.A. resulting from the Loan agreement of 07/11/2014 until 30/06/2018.

Therefore, the Issuer informed that within 7 days since receiving the funds for satisfying the Issuer claims resulting from the Loan agreement of 07/11/2014 in the amount of PLN 6.699.234,28 (six million six hundred ninety-nine thousand two hundred thirty-four zlotys 28/100) the Issuer will submit a consent to cross out the mortgage entry on the real estate located in Poznań at Kopanina 54/56 Street.

The Issuer informed that taking into account the owned and not realized collaterals of the claim due to the Issuer from TOP MARKA S.A. and establishment of the additional collateral in the form of guarantee of FON S.A. headquartered in Płock up to PLN 590.000,00 (five hundred ninety thousand zlotys), the Issuer assess that release of security established in the form of mortgage on the real estate located in Poznań at Kopanina Street 54/56 will not affect the level of securing of the Issuer and possibility of execution of all other claims of the Issuer from TOP MARKA S.A.

The Issuer informed that return of the loan amount resulting from the Agreement of 7/11/2017 remains secured with:

- issuance by the Borrower the blank promissory note for the Issuer,
- undertaking by the Borrower to execution from the notarial deed under art. 777 § 1 point. 5 of the Civil Procedure Code to the amount up to PLN 15.000.000,00,
- established by 3 guarantors (natural people), including the Chairman of the Management Board of TOP MARKA S.A. personally, collaterals in the form of: issuance of blank promissory notes by the guarantors for the Issuer, guarantee of the loan fulfilling by the Borrower by each of the guarantors, undertaking by each of the guarantors to the execution under the notarial deed pursuant to art. 777 § 1point. 5 of the Civil Procedure Coder to the amount up to PLN 15.000.000,00,

Moreover the Issuer informed that it possess a separate collateral in the form of mortgage amounted up to PLN 1.000.000,00.

The Issuer informed that it gained the consent of the Supervisory Board to conclude the agreement described in this report.

Moreover, the Issuer informed that there are capital and personal links between the Issuer and FON S.A.

The Issuer informed that the main shareholder of the Issuer is Patro Invest Sp. z o. o. headquartered in Płock. Moreover, the Issuer informed that three members of the Supervisory Board held also function in the Supervisory Board of FON S.A., including Mr. Damian Patrowicz who held function of member of the Supervisory Board delegated to perform duties of the Chairman of the Management Board of FON S.A.

- on April 24, 2018 in the current report no. 18/2018 the Issuer informed about a significant loan agreement.

The Management Board of Investment Friends SE headquartered in Płock with regard to the current report no 17/2018 informed that on 24/04/2018 to the bank account of the Company was transferred the amount PLN 6.699.234,28 (six million six hundred ninety-nine thousand two hundred thirty-four zlotys 28/100) from FON SE (previously FON S.A.) due to partial repayment of the Issuer's claim resulting from the Loan agreement of November 7, 2014 concluded with TOP MARKA S.A.

The Issuer informed that currently the debt of TOP MARKA S.A. toward the Issuer due to the loan agreement of 07/11/2014 amounts to PLN 1.831.761,17, on which the Issuer settles the interest.

Moreover, with regard to fulfilling by FON SE its obligations described in the agreement of 18/04/2018, conclusion of which was reported in the current report no 17/2018, the Issuer on 24/04/2018 submitted a consent to cross out the mortgage entry from the Land and Mortgage Register of the real estate located in Poznań at Kopanina Street 54/56, which was one of the collaterals of the loan granted to TOP MARKA S.A., established for the Issuer.

- on April 24, 2018 in the current report no 19/2018 the Issuer informed about conclusion of a loan agreement.

The Management Board of Investment Friends SE in Płock announced that on 24/04/2018 granted the company FON Zarządzanie Nieruchomościami Sp. z o.o. in Płock (KRS 0000594728) a cash loan in the amount of PLN 6.957.600,00.

Loan agreement of 24/04/2018 was concluded for the period up to 24/04/2021. The loan granted by the Company is subject to variable interest rate equal to the variable WIBOR rate for 1-month deposits from the quotation of 24/04/2018 and before each subsequent interest period from quotation from two business days before the date of interest payment, increased by 4.5% (four percent five tenths). Interest on the loan amount will be calculated and payable in 1-month periods. The Company granted the Borrower a 4-month grace period in repayment of interest on the loan.

The Company is entitled to a commission of PLN 267.600,00 for granting the loan, which the Company deducted on the loan payment date from the loan amount.

FON Zarządzanie Nieruchomościami Sp. z o.o. secured the return of the loan amount together with interest and other claims of the Lender that may arise under the contract by issuing to the

Company a blank promissory note along with a promissory note declaration. In addition, the loan was secured by establishing a mortgage up to PLN 10.090.000,00 on a property in Poznań at Kopanina Street 54/56. The Company concluding the Loan Agreement has obtained the consent of the Supervisory Board and will apply to the General Meeting for consent in accordance with art. 17 § 2 Commercial Code at the next General Meeting.

The Issuer also informed that between the Company and FON Zarządzanie Nieruchomościami Sp. z o.o. there are personal connections.

The parent company of FON Zarządzanie Nieruchomościami sp. z o.o. is DAMF Invest S.A. in Płock (KRS 0000392143), in which Mrs Małgorzata Patrowicz, is the Chairman and also the Member of the Supervisory Board of Investment Friends SE. Mr Damian Patrowicz is also Supervisory Board Member's of Investment Friends SE and Damf Invest S.A.

- on 11/05/2018, in the current report No. 26/2018, the Company informed about the exchange of the Company's share type

The Management Board of Investment Friends SE informed that on 11/05/2018 the Company received the request of the Company's shareholder PATRO INVEST OÜ with the seat of Tallinn (Estonia) filed pursuant to art. 9 par. 1 letter c) point II Council Regulation EC No. 2157/2001 of 8/10/2001 on the Statute for a SE European company of 8/10/2001 Journal of Laws No. 294, page 1 in connection with art. 334 § 2 Commercial Code for the conversion of 1.892.701 (one million, eight hundred and ninety-two thousand, seven hundred and one) ordinary bearer shares of the series of the Company into ordinary registered shares of series B.

These shares are not preferred and constitute 21.03% of the total number of shares of the Company and 21.03% of the total number of votes at the General Meeting.

The Management Board of the Company informed that on 11/05/2018 it adopted an appropriate resolution and made a change of 1.892.701 (one million eight hundred ninety two thousand seven hundred one) ordinary bearer series B shares to 1.892.701 (one million eight hundred and ninety-two thousand seven hundred one) ordinary registered series B shares, therefore the Company's Management Board will make an appropriate entry in the Company's share register.

The Company informed that the remaining part of series B shares belonging to PATRO INVEST OÜ, i.e. 1.184.549 (one million one hundred eighty four thousand five hundred and forty nine) ordinary bearer shares series B, not participating in organized trading, in connection with the application of the shareholder PATRO INVEST OÜ with the seat of Tallinn (Estonia) will not be issued to this shareholder in the form of a document and the Company will take actions to register these shares in KDPW and to admit them for trading on the WSE.

- on 28 May 2018 in the current report no. 29/2018 the Company provided information on publication of the Statement by KDPW

The Management Board of Investment Friends SE based in Płock, with reference to current report no. 7/2018 of 19/02/2018 announced that on 28/05/2018 the Company received the Statement of the National Depository for Securities S.A. in Warsaw regarding the change of Statement no. 114/18 of the National Depository for Securities S.A. of 19/02/2018, and

Declaration no. 217/2017 of the National Depository of Securities dated 9/04/2018 as follows: the number of registered securities in KDPW is changing from 592.270 to 1.184.54.

- on 8 June 2018, in the current report no. 36/2018 the Company provided information about publishing of the announcement in the MSiG, related to the resolution adopted by the General Meeting of Shareholders regarding the transfer of the registered office of the Company.

The Management Board of Investment Friends SE based in Płock announced that on 08/06/2018 the Company found out that the Company's announcement was published on 08/06/2018 in Monitor Sądowy i Gospodarczy no. 110 (5498) at Pos. 24654, as a part of the procedure of the plan to transfer the registered office of the Company, pursuant to art. 8 paragraph 2 et seq. Of the Council Regulation (EC) No. 2157/2001 regarding the European Company Statute (the SE Regulation) related to the resolution adopted by the Ordinary General Meeting of Shareholders regarding the subject transfer of the Company's registered office.

- on 29 August 2018, in the current report no. 41/2018 the Company published information on the procedure of transferring the registered office of the Company to Estonia.

The Management Board of Investment Friends SE in reference to current report No. 12/2018 of 19/03/2018 regarding the Plan of transferring the registered office of the Company to Estonia and in reference to the resolutions of the Ordinary General Meeting of the Company of 30/05/2018 published in the current report No. 31/2018 of 30/05/2018 informed that on 29/08/2018 the Management Board of the Company received the decision of the District Court for the Capital City of Warsaw of 24/08/2018 issued on the Company's request, constituting a certificate pursuant to art. 8 sec. 8 Council Regulation (EC) 2157/2001 of 8/10/2001 on the Statute of the European Company (SE) (Official Journal No. 294, page 1) confirming the completion of acts and legal acts to be completed before the transfer the registered office to another country of the European Union.

The Company informed that issuing a certificate by the Polish Court allows the Company to take registration procedures in Estonia in order to enter the Company into the Estonian register of commercial companies (Ariregister). Along with the registration of the Company by the Estonian equivalent of the National Court Register (Ariregister) the Company's registered office will be transferred to Estonia.

As a result of the above, the Company informed that it will immediately submit an application for registration of the Company in Estonia. The Company also informed that according to the Schedule of transfer of the registered office of the Company constituting an attachment to the Transfer Plan, submitting the application for registration of the Company in the Estonian register of commercial companies is the last step necessary to transfer the registered office of the Company to Estonia.

- on 2 October 2018 in the current report no. 42/2018 the Company published information on the procedure of transferring the registered office of the Company to Estonia.

The Management Board of Investment Friends SE in reference to the current report No. 12/2018 of 19/03/2018 regarding the Plan of transferring the registered office of the Company to Estonia, in relation to the Resolutions of the Ordinary General Meeting of the Company of 30/05/2018 published in the current report no. 31/2018 of 30/05/2018 and in reference to the current report no. 41/2018 of 29/08/2018 regarding the receipt by the Company of a certificate confirming the accomplishment of acts and legal acts which must be completed before the transfer of the registered office to another EU country, Investment Friends SE announced that on 02/09/2018 NASDAQ CSD the institution keeping the securities deposit in Estonia, registered the Company's shares in the depository system and marked them with the ISIN number EE310014303. The Company informed that the effectiveness of registration of the Company's shares in the securities depository maintained by NASDAQ CSD depends on the registration of the transfer of the registered office of the Company in the relevant register of Estonian entrepreneurs (Ariregister). The Company undertook to inform via relevant current report about the registration of the Company in the relevant register of Estonian entrepreneurs (Ariregister) and at the same time on the transfer of the registered office of the Company to Estonia.

- on 5/10/2018 in the current report no. 43/2018 the Company provided information on the signing of the Annex to the Loan Agreement.

The Management Board of Investment Friends SE in Płock announced that on 05/10/2018 signed the Annex to the loan agreement concluded on 26/10/2017 with PATRO INVEST Sp.z o.o. in Płock (KRS 0000657016), about which the Company notified via current report ESPI No. 67/2017 dated 26/10/2017. Pursuant to the above agreement, the loan in the amount of PLN 2.000.000,00 was granted to Patro Invest Sp. z o.o.

Under the annex of 05/10/2018 the loan amount was increased by PLN 500.000,00 (five hundred thousand zlotys). The additional loan amount was paid into the account of Patro Invest Sp. z o.o. on the day of signing the annex, i.e. on 05/10/2018. As a result of signing of the annex on 5/10/2018, the total amount of the loan paid to Patro Invest Sp. z o.o. is PLN 2.500.000,00 (two million five hundred thousand zlotys). The signed annex on 5/10/2018 extends the repayment date of the loan until 25/10/2019. The annex is effective since 5/10/2018.

The interest on the loan amount has been set at 5.2% per annum. The interest will be payable together with the return of the loan amount. The loan repayment was secured by the borrower by issuing a blank promissory note together with a declaration for the Company. The contract has not been concluded subject to a condition or deadline. The Company is entitled to demand the return of the entire loan amount immediately in the event of the Borrower's bad financial status.

The Company also informed that between the Company and PATRO INVEST Sp. z o.o. there are personal and capital links. The Chairman of PATRO INVEST Sp. z o.o. at the same time, he is a member of the Company's Supervisory Board.

- on 18/10/2018 in the current report no. 44/2018 the Company published information on the resolution of the KDPW S.A. regarding conditional dissolution of the Company's shares registration agreement.

The Management Board of Investment Friends SE informed that it found out about adoption of the Resolution No. 630/18 by KDPW S.A. in accordance to which the Management Board of KDPW S.A., after considering the application of Investment Friends SE, decided that the conditional contract for the registration of the shares of Investment Friends SE, referred to in the STATEMENT of the National Depository for Securities S.A. No. 114/2018 of 19/02/2018, as amended by STATEMENT No. 217/2018 of 9/04/2018 and REPRESENTATION No. 331/2018 of 28/05/2018 shall terminate.

- on November 23, 2018 by the current report No 49/2018 the Issuer published information on the procedure of transferring the Company's seat to Estonia.

The Management Board of Investment Friends SE informed that with relation to ongoing procedure of transferring the Company's statutory seat and in relation to resolutions adopted by the Extraordinary General Meeting of 19/11/2018 hereby informs that on 23/11/2018 an Authorized representative of the Issuer filed applicable documentation in Notary's office in Tallinn, in order to register the Company in the Register applicable for the Estonian law (Ariregister), and thereby to register the amendment of the Articles of Association and transferring the Company's statutory registered office.

The Issuer, considering the complexity of the registration procedure, at the time of verification of the correctness of registration application, will apply to Stock Exchange in Warsaw with the application on suspension of quotation of the Issuer for the period from 3 to 5 session's days, necessary to realize the change of ISIN code of the Issuer shares.

- on 30 November 2018 in the current report No. 52/2018 The issuer published an information on registration of transferring the Company's statutory registered office to Estonia, Registration of amendment of the Company's Article of Association.

The INVESTMENT FRIENDS SE Company's Management Board with registered Office in Tallinn, informed that on 30/11/2018 applicable to the Estonian law Commercial Register registered the transfer of the Issuer's statutory registered office to Estonia, pursuant to the provisions of the Plan of 19/03/2018 published by the current report No 12/2018 of 19/03/2017 and Resolution of the Ordinary General Meeting of 30/05/2018 published by the current report No 31/2018 of 30/05/2018 and Resolution of Extraordinary General Meeting of 19/11/2018.

Consequently, the Issuer informed that the current registered office of the Company is Tallinn, Estonia. Address of the registered office is: Harju maakond, Tallinn, Kesklinna linnaosa, Narva mnt 5, 10117. There were no changes in addresses of the website and e-mail: info@ifsa.pl, <http://ifsa.pl/>

Therefore the Issuer also informed that the Company's address for services is the address of the registered office: Harju maakond, Tallinn, Kesklinna linnaosa, Narva mnt 5, 10117.

At the same time, along with the registration of the transfer of the Company's registered office, the relevant Estonian law register registered amendment Company's Article of Association.

Attached to this report, the Issuer submitted the current wording of the Article of Association.

Furthermore, the Issuer informed about applying to the Management Board of GPW S.A. on immediately suspension of dealing of the Company's shares at least to 07/12/2018, in order to perform unnecessary registration procedures in a scope of changing the ISIN code of shares registered in KDPW.

31. SIGNIFICANT EVENTS WHICH OCCURRED IN THE PERIOD OF PREPARATION OF THE ANNUAL REPORT AND WHICH ARE NOT INCLUDED IN THIS REPORT, BUT HAVE OR MAY HAVE SIGNIFICANT INFLUENCE ON FINANCIAL EFFECTIVENESS IN THE NEXT YEARS.

Below, the Issuer presents significant events which occurred after the reporting period.

- on January 2, 2019 in the current report no. 2/2019 the Issuer made the information on decision about the choice of Parent State public.

Investment Friends SE informed that, being obliged pursuant to art. 2 of directive 2004/109/EC of the European Parliament and Council of 15 December 2004 – in accordance with the amendments of directive 2013/50/EU European Parliament and Council of 22 October 2013 and § 1844 para. 1 of the Estonian Securities Market Act, that selects a Contracting State as the Parent State of the Republic of Estonia. In relation to that, the Republic of Poland is a Contracting Host Country.

Investment Friends SE was registered in the Estonian Commercial Register on November 30, 2018 under registration number: 14617862 with the official address Harju county, Tallinn, City Centre district, Narva Road 5, 10117, Estonia.

- on February 1, 2019 with the current report no. 4/2019 the Issuer published an information on repayment of the part of the loan capital by the Borrower.

The Management Board of Investment Friends SE with registered office in Tallinn, with reference to current report no. 67/2017 of October 26, 2017 and current report no. 43/2018 of October 5, 2018 informed that on 01/02/2019 the Borrower Company Patro Invest Sp. z o.o. made an earlier repayment of the part of the loan capital in the amount of PLN 300 000,00.

The Issuer informed that in accordance with provisions of the Loan Agreement, the Borrower was entitled to earlier entire or partly repayment of the capital of the granted loan. The Loan repayment date was set for October 25, 2019.

- on March 8, 2019 with the current no. 6/2019 the Issuer published a statement convening the Extraordinary General Meeting of Shareholders.

The Management Board of Investment Friends SE announced the convening Extraordinary General Meeting on 05/04/2019 with following agenda:

- Approval of the audit company to audit the Company's financial statements for 2018, 2019 and to evaluate the Company's annual reports for 2018, 2019.

- on March 15, 2019 with current report no. 7/2019 the Issuer published the information on signing the annex to the Loan Agreement.

The Management Board of Investment Friends SE informed that on 15/03/2019 they signed the annex to the Loan Agreement concluded on 26/10/2017 with PATRO INVEST Sp. z o.o. about signing which, the Company informed in the current report ESPI no. 67/2017 of October 26, 2017. In virtue of annex of 15/03/2019 amount of Loan was decreased by PLN 400 000,00 (4 hundred thousand PLN). Additional amount of Loan was paid for the Patro Invest Sp. z o.o. account on the day of signing the annex i.e. 15/03/2019. In relation to signing the annex on 15/03/2019 total amount of the loan paid to Patro Invest Sp. z o.o. is PLN 2 600 000,00 (two million six hundred thousand PLN)

The interest rate on loan was determined as 5,2 % per year. Interest will be paid with the refund of the loan. The repayment of the Loan was secured by the Borrower with blank bill with declaration to the Issuer. The agreement was not concluded with reservation of condition or date. clause or date. The Issuer is entitled to demand of full amount refund immediately in a case of a poor financial status of the Borrower.

The Issuer also informed that between the Issuer and the Company PATRO INVEST Sp. z o.o. are personal and capital connections. The Chairman of the Management Board of PATRO INVEST Sp. z o.o. at the same time is in the Supervisory Board of the Issuer.

- on April 1, 2019 with the current report no. 7/2019 the Issuer published an information on a significant Agreement.

On 01/04/2019 there was realized a security, to which the Issuer was entitled and which was prescribed in the Agreement of Guarantee of the Loan granted to the Borrower TOP MARKA S.A., about signing of which, the Issuer informed by the current report no. 17/2018 on April 18, 2018.

On April 18, 2018 the Issuer concluded with Fon SE previously named Fon S.A. Guarantee Agreement of the other part of claims being result of the Loan Agreement of 07/11/2014 concluded with TOP MARKA S.A. to amount of PLN 590.000,00 (five hundred and ninety thousand zlotys) if the Issuer fails to satisfy all of the Issuer's claims from TOP MARKA S.A which result from the Loan Agreement of 07/11/2014.

On 01/04/2019 there was a transfer of PLN 590 000,00 (five hundred and ninety thousand zlotys) from Fon SE to the Issuer's bank account in the virtue of the payment for the Guarantee Agreement.

- on April 1, 2019 with the current report no. 9/2019 the Issuer published information on signing the preliminary Agreement of a debt assignment.

On 01/04/2019 the Management Board concluded with the natural person (hereafter Cessionary) preliminary the Debt Assignment Agreement, the subject of which is transfer for the Cessionary liability package consisting of the Loan granted to the Company Top Marka S.A. with registered office in Poznań on November 7, 2014 along with owned securities, about granting of which the Issuer informed in the current report no. 141/2014. Term of the loan refund of November 7, 2014 passed on March 31, 2016.

Total value of the active debt (capital + interests) is PLN 1 343 288,55, while purchase price was PLN 379 000,00.

The Agreement has been concluded on the condition suspending the entire payment of the price by the Cessionary to the Assigner not later than by July 31, 2019.

- on April 5, 2019 with the current report no. 11/2019 the Issuer published information on the Extraordinary General Meeting of Company's Shareholders, that took place on 05/04/2019.

On 05/04/2019 at 12:00 in Płock at Padlewskiego Street 18C, 09-402 Płock, Poland, the Extraordinary General Meeting of Shareholders of Investment Friends SE took place. There was present only one Shareholder Patro Invest OÜ with registered Office in Tallinn, holding 3 077 250 shares, representing 34,19 % in the capital share, therefore no resolutions on the agenda could be adopted because the minimum quorum is 50% of the share capital.

- on April 8, 2019 with the current report no. 12/2019 the Issuer published information for shareholders.

On 08/04/2019 the Company's Supervisory Board adopted the resolution on dissolution of the Company's Audit Committee and on dismissing its members on 08/04/2019.

- on April 17, 2019 with the current report no. 13/2019 the Issuer published information on convening the Extraordinary General Meeting of Investment Friends of Shareholders.

The Agenda of Extraordinary General Meeting envisaged adopting a resolution in a scope of: Assent of the choice of Auditing Company by the Extraordinary General Meeting of Company's Shareholders.

- on April 18, 2019 with the current report no. 13/2019 the Issuer published information on the Extraordinary General Meeting of Investment Friends SE Shareholders.

The Agenda of Extraordinary General Meeting envisaged adopting a resolution in a scope of: Approval of the new Company's Article of Association by the Extraordinary General Meeting of the Company's Shareholders.

- on April 19, 2019 with the report no. 14/2019 the Issuer published information on completing on the demand of shareholder the draft of resolutions for the Extraordinary general Meeting of Shareholders convened for May 9, 2019.

On April 19, 2019 The Issuer published submitted by the Shareholder demand of completing draft of resolutions made for the Company's Extraordinary General Meeting convened for May 09, 2019, about draft of resolutions on adding a point regarding changing financial year and amendment of the Company's Article of Association.

- on April 23, 2019 with the current report no. 16/2019 the Issuer published information on the resolution adopted by the Supervisory Board.

The Management Board of Investment Friends SE informed that on 23/04/18 the Supervisory Board adopted resolution on changing the Company's financial year from calendar year to financial year lasting from July 1 to June 30. In accordance to the Supervisory Board's resolution, the financial year of 2018 was extended by six months. Company's financial year covers the period since January 1, 2018 to June 30, 2019.

- on April 30, 2019 with report no. 18/2019 the Issuer published information on termination of the Agreement with the entity authorized to audit of the Company 's financial statements.

The Management Board of Investment Friends SE informed that on 30/04/2019 the Agreement of auditing of the Company of 2018 was terminated. It was concluded by the Issuer with the Grupa Gumułka – Audyt Sp. z o. o. with registered Office in Katowice at Matejki Jana Street 4 Department in Warsaw, entered on the list of entities authorized to audit financial statements under number 3975, about of conclusion of which the Management Board informed in current report number 40/2018 of 04/07/2018.

The reason for termination of the Agreement is inability of the auditor to provide services due to the change of the Issuer's registered office during the term of the Agreement.

Pursuant to applicable principles, the Issuer's financial statements audit and review have to be realized by the entities entitled to provide this type of services in accordance with Estonian law.

- on May 14, 2019 in the current report no. 21/2019 the Issuer informed about signing the annex to the Loan Agreement.

The Management Board of Investment Friends SE informed that on 14/05/2019 they signed the Annex to the Loan agreement concluded on 26/10/2017 with PATRO INVEST Sp. z o.o. in Płock, about signing which, the Company informed in the current report ESPI no. 67/2017 of October 26, 2017. By virtue of the Annex of 14/05/2019 value of the Loan was increased by PLN 250 000,00. The additional Loan amount was paid to the Patro Invest Sp. z o.o. Company's account on the date of signing the annex i.e. 14/05/2019. Due to the signing of the annex on 14/05/2019 the total value of the Loan paid to the Patro Invest Sp. z o.o. Company is PLN 3 650 000,00.

The interest rate of the Loan was set at 5,2% per year. Interests will be paid with the refund of the Loan amount. The Loan repayment was secured by the Borrower by issuing the blank promissory note and declaration to the Issuer. The Agreement has been not concluded with reservation of the condition or time limit. The Issuer is entitled to demand full refund of the Loan, immediately in a case of a poor financial situation of the Borrower.

- on May 23, 2019 in the current report no. 25/2019 the Issuer informed about signing the annex of Loan Agreement.

The Management Board of Investment Friends SE informed that on 23/05/2019 they signed an annex to Loan Agreement concluded on 26/10/2017 with z PATRO INVEST Sp. z o.o. in Płock, about signing of which, the Company informed in the current report ESPI no. 67/2017 of October 26, 2017. By virtue of the Annex of 23/05/2019 value of the Loan was increased by PLN 250 000,00. The additional Loan amount was paid to Patro Invest Sp. z o.o. Company's account on the date of signing of the annex i.e. 23/05/2019. Due to the signing of the annex on 23.05.2019 the total value of the Loan paid to the Patro Invest Sp. z o.o. is PLN 3 900 000,00.

The interest rate of the Loan was set as 5,2 % per year. Interests will be paid with the refund of the Loan amount. The Loan repayment was secured by the Borrower by issuing the blank promissory note and declaration to the Issuer. The Agreement has not been concluded with reservation of any condition or time limit. The Issuer is entitled to demand full refund of the Loan, immediately in a case of a poor financial situation of the Borrower.

The Issuer also informed that between the Issuer and PATRO INVEST Sp. z o.o. Company there are personal and capital connections. The Chairman of the Management Board of PATRO INVEST Sp. z o.o. at the same time fulfils the function in the Supervisory Board of the Issuer.

- on May 31, 2019 in the current report no. 28/2019 the Issuer informed about registration of the change of the financial year.

The Management Board of Investment Friends SE with registered Office in Tallinn, informed that on 31/05/2019 relevant for Estonian law Commercial Register (Ariregister) registered the change of the financial year in accordance to the Resolution no. 2 of Extraordinary General Meeting of Shareholders of 17/05/2019 (continued after the break announced on 09/05/2019) In relation to this, the Company's financial year begins on July 1 and ends on June 30. At the same time, with the registration of change of the Company's financial year, relevant to the Estonian Law Register registered the amendment of the Article of Association.

- On June 5 2019 in the current report no. 29/2019 the Issuer published information on the change of the company's address.

The Management Board of a Company Investment Friends SE with registered office in Tallinn informed, that on 05/06/2019 relevant to the law of Estonia registered the transfer of the registered office of the Issuer to Estonia. In view of the above, the Issuer indicated that the current headquarter of the Company is: Harju maakond, Tallinn, Kesklinna linnaosa, Tornimäe tn 5, 10145. The website address and e-mail address remain unchanged: info@ifsa.pl, <http://ifsa.pl/> In view of the above, the Issuer informed that the registered office address is an address for service i.e.: Harju maakond, Tallinn, Kesklinna linnaosa, Tornimäe tn 5, 10145.

- On June 7, 2019 in the current report no. 30/2019 the Issuer published information regarding Extraordinary General Meeting, which took place on June 7, 2019.

On June 7, 2019 at 10:00 in Płock at Padlewskiego 18C Street, 09-402 Płock, Poland, the Extraordinary General Meeting of Shareholders of Investment Friends SE was held. Only one Shareholder Patro Invest OÜ with registered office in Tallinn was present, holding 3.077.250 shares, constituting 34,19% share in the share capital, therefore any resolutions on the agenda could be adopted because the minimum quorum is 50% of the share capital. In connection with this, the Management Board announced that in the nearest future, the General Meeting of Shareholders would be convened. It could be held regardless of the number of shares represented at it.

- On June 15,2019 in the current report no. 31/2019 the Issuer published an announcement on convening the Extraordinary General Meeting of Shareholders

The Management Board of Investment Friends SE announced the convening of an Extraordinary General Meeting on 08/07/2019 with the following agenda:

-Endorsement of the audit Company to audit the Company's financial statements for the year and to assess Company's annual reports for the year ...

- Setting the last day of the period started on January 1, 2018 for which the company will prepare its financial statements.

- Determining the standard of financial reporting in which the company will prepare financial statements.

- On June 17, 2019 in the current report no. 32/2019 the Issuer informed about payoff the part of the capital by the borrower

The Management Board of Investment Friends SE with registered office in Tallinn with reference to the current report no. 67/2017 of October 26 2017 informed, that on 17/06/2019 the Borrower Patro Invest Sp. z o.o. made a premature repayment of part of the loan capital in the amount of PLN 1 200 000,00 (one million two hundred thousand zlotys).

The Issuer informed that in accordance with the provisions of the Loan Agreement, the Borrower was entitled to premature repayment of all or a part of the capital of the loan granted. The loan repayment date was set for October 25, 2019.

- On June 17, 2019 in the current report no. 33/2019 the Issuer informed about concluding a loan Agreement.

The Management Board of Investment SE informed, that on 17/06/2019, it granted Patro Invest OÜ the register no. 14381342, Harju maakond, Tallinn, Kesklinna linnaosa, Tornimäe tn 5, 10145 loan in amount of PLN 1 400 000,00.

The Loan Agreement of 17/06/2019 was concluded until 30/06/2020.

The interest rate on the loan was set at 5.00% per year the interest will be paid together with the refund of the loan amount. The repayment of the loan was secured by the borrower by issuing a blank promissory note with a declaration to the Issuer. The Agreement has not been concluded with restriction of a condition or a time limit. The Issuer is entitled to demand the full return of the loan amount immediately when the financial standing of the Borrower is weakened.

- on June 18 2019 in the current report no. nr 34/2019 the Issuer informed about the earlier repayment of the loan by the borrower

The Management Board of Investment Friends SE with registered office in Tallinn in connection with the current report no. 67/2017 of October 26, 2017 informed, that on 18/06/2019 the Borrower Patro Invest Sp. z o.o. repaid the loan granted by the Issuer.

The Company Patro Invest Sp. z o.o. repaid the capital of the loan in the amount of PLN 2 650 000,00.

The Issuer informed that in accordance with the provisions of the Loan Agreement, the Borrower was entitled to early repayment of all or a part of the capital of the loan granted. The loan repayment date was set for October 25, 2019.

The Issuer informed that between the Issuer and the company PATRO INVEST Sp. z o.o. there are personal and capital connections. President of the Board PATRO INVEST Sp. z o.o. at the same time is a member of the Issuer's Supervisory Board.

- On June 18, 2019 in the current report no. 35/2019 the Issuer informed about signed the annex to the Loan Agreement.

The Management Board of Investment Friends SE in connection with the current report no. 33/2019 of 17/06/2019 informed, that on 18/06/2019 it signed an annex to the Loan Agreement concluded on 17/06/2019 with Patro Invest OÜ register no. 14381342, Harju maakond, Tallinn, Kesklinna linnaosa, Tornimäe tn 5, 10145.

By virtue of the annex of 18/06/2019 the loan amount was increased by PLN 2 650 000.00 (two million, six hundred and fifty thousand zlotys). The additional loan amount was paid into the account of Patro Invest OÜ on the day of signing the annex, i.e. on 18/06/2019. Due to the signing of the annex on 18/06/2019, the total amount of the loan paid to Patro Invest OÜ is PLN 4,050,000.00 (four million and fifty thousand zlotys). The interest rate on the loan was set at 5.00% per year. Interest will be paid together with repayment of the Loan amount. Repayment of the Loan was secured by the Borrower by issuing a blank promissory note with a declaration to the Issuer. The Agreement has not been concluded with restriction of a condition or a time limit. The Issuer is entitled to demand the full return of the loan amount immediately when the financial standing of the Borrower is weakened.

- On June 25, 2019 in the current report no. 36/2019 the Issuer informed about signing an Agreement of cession of receivables.

The Management Board of Investment Friends SE hereinafter „Cessor” informed that in reference to the current report no. 9/2019 of 01/04/2019 of 25/06/2019 concluded with the natural person hereinafter „Cessionary” a definitive assignment agreement, subject of which is transferring for the Cessionary the debt package consisting of a loan granted to the Company Top Marka S.A. with registered office in Poznań on November 7, 2014 with the collateral, the granting of which the Issuer informed in current report no. 141/2014. The Loan repayment of November 7, 2014 date was March 31, 2016.

The total nominal value of the debt (capital + interest) is PLN 1 343 288,55 (one million three hundred forty-three thousand two hundred eighty-eight zlotys 55/100), and the sale price was PLN 376 915,50 (three hundred seventy-six thousand nine hundred and fifteen zlotys 50/ 100)

- On June 27, 2019 in the current report no. 37/2019 the Issuer informed about the receipt of a notification of the concluding of a Debt assumption Agreement.

The Management Board of Investment Friends SE informed, that on 27/06/2019 the Company received a notification from Elkop SE with registered office in Płock, informing that on 27/06/2019 Elkop SE concluded with FON Zarządzanie Nieruchomościami Sp. z o.o. with registered office in Płock an agreement on the assumption of the Company’s FON Zarządzanie Nieruchomościami debt for Investment Friends SE with registered office in Tallinn, Estonia, resulting from a cash loan granted on 24/04/2018 in the amount of PLN 6.957.600,00, whose debt as at 27/06/2019 is total of: PLN 6.736.416,63.

At the same time, the Issuer has informed that it has not yet consented to the above-mentioned assumption of debt and therefore responsibility to the Issuer in virtue of the Loan Agreement of 24/04/2018 burden jointly and severally FON Zarządzanie Nieruchomościami with registered office in Płock and Elkop SE with registered office in Płock. The Issuer indicates that all collateral granted to the Company in virtue of the loan agreement of 24.04.2018 remain valid

- On July 8, 2019 in the current report no. 39/2019 the Issuer published protocol of the Extraordinary General Meeting.

The Management Board Investment Friends SE informed, that on 08/07/2019 there was an Extraordinary General Meeting of Company's Shareholders.

One shareholder was present at the General Meeting - Patro Invest OÜ with registered office in Tallinn, holding 3.077.250 shares constituting 34,19% of votes at the General Meeting.

The agenda of the Extraordinary General Meeting included resolutions on:

1. Election of the chairman of the meeting and the minutes secretary.
2. Endorsement of the audit company selected to audit the company's financial statements for 2018, 2019 and the assessment of the Company's annual reports for 2018, 2019.

It was decided to choose a Company Hansa Audit osaühing with registered office in Pärnu mnt. 377, 10919, Tallinn, company registration number 10616667, as an auditing company, that will audit the Company's financial statements for 2018 and 2019 and will assess the annual statements for 2018 and 2019. The auditor's remuneration will be paid in accordance with the agreement concluded between INVESTMENT FRIENDS SE and Hansa Audit osaühing on market conditions.

3. Determining the last day of the reporting period started on January 1, 2018, for which the company will prepare its financial statements.

4. Determining the financial reporting standard in which the company will prepare financial statements.

The financial statements will be prepared in accordance with IFRS International Financial Reporting Standards.

- On September 18, 2019 in the current report no. 40/2019 the Issuer published an information regarding signing the Annex to the Loan Agreement.

The Management Board of Investment Friends SE headquartered in Tallinn, with regard to the current report no. 33/2019 of 17/06.2019 and the current report no. 35/2019 of 18/06/2019, informed that on 18/09/2019 the Issuer concluded an Annex to the loan agreement of 17/06/2019 with Patro Invest OÜ.

Under provisions of the Annex of 18/09/2019 the amount of the loan was increased by PLN 70.000,00 _seventy thousand zlotys_. Additional amount of the loan was paid to the bank account of Patro Invest OÜ at the date of the annex signing, i.e. 18/09/2019. Therefore, the total amount of the loan that have been paid to Patro Invest OÜ is PLN 4.120.000,00 _four million one hundred twenty thousand zlotys_. Established interest rate for the loan is 5,0% per year. Interest shall be paid along with repayment of the loan amount. Repayment of the loan is secured by the Borrower by issuance of a blank promissory note and a promissory note declaration for the Issuer. The agreement has no reservations concerning any conditions or deadlines. The Issuer is entitled to demand repayment of the total amount of the loan in case of unstable financial situation of the Borrower.

32. INDICATION OF PENDING PROCEEDINGS IN FRONT OF THE COURT, COMPETENT AUTHORITY FOR ARBITRATION PROCEEDINGS OR PUBLIC ADMINISTRATION AUTHORITY.

In the period covered by the following report, the Company did not initiate or was not a party to any new significant court or a public administration authority proceeding.

The Issuer indicates below the most important pending court and administrative proceedings:

1. the case regarding the penalty imposed on the Issuer by the PFSA.

On January 16, 2018 in the current report no. 4/2018 The Management Board of Investment Friends SE formerly Investment Friends S.A. published the Issuer's position in relation to the announcement of the Polish Financial Supervision Authority about the imposition of a fine on the Issuer.

The Management Board of Investment Friends SE with registered office in Płock informed, that on 16/01/2018 on the basis of an announcement from 379 meeting of the Commission published by the Polish Financial Supervision Authority, became aware of the imposition of a financial penalty in the amount of PLN 400.000,00 on the Company, due to the ascertainment by the PFSA the improper fulfilling of the information duties specified in art. 58 section 1 of resolution on public offer by the Company.

In the content of the announcement from the meeting of the Polish Financial Supervision Authority of 16/01/2018 the Commission stated, that the Company publicizing confidential information: about the intended legal and organizational CR 19/2014, approval of the intended organizational and legal changes by the Supervisory Board CR 20/2014, conclusion of the transaction as a result of negotiations undertaken on April 4, 2014 CR 42/2014, 43/2014 and about planned purchase of own shares CR 62/2014 the Company entered into a breach of its information obligations specified in art. 56 section 1 of the Act on public offering. In addition, the Polish Financial Supervision Authority accused the Company of not fulfilling the obligation to provide information on the revaluation of the acquired shares of FLY.PL S.A. on 30/09/2014

The Issuer's Management Board disagrees with the Commission's decision.

The Issuer's Management Board first of all indicates that the Company should not be the addressee of the Decision in relation to the legally-valid division of the Company, about which the Issuer informed in the current report no. 5/2016 of 30/03/2016. The division of the Issuer was made pursuant to art. 529 § 1 point 4 of the Code of Commercial Companies by separating and transferring all the Issuer's assets to the Acquiring Company IFERIA S.A. excluding the Company's assets indicated in Annex 11 to the Division Plan of 15/05/2016. In connection with the scope of division, all rights and obligations of an administrative nature pursuant to art. 531 § 1 of the Code of Commercial Companies and Partnerships have also been transferred to the Acquiring Company.

The Issuer based on its knowledge, although it should not be the addressee of the decision of 16/01/2018, indicated that it does not agree with the assessment of the Polish Financial Supervision Authority in the scope of the way of fulfilling information duties by the Issuer to the extent questioned by the Commission. The Issuer indicated that all information required based

on applicable regulations has been provided by the Issuer correctly and timely in a way that ensures equal access to full information by all market participants. .

The Issuer informed that it intends to take steps provided by law to challenge the decision of the Polish Financial Supervision Authority.

- On October 3, 2019 the Polish Supervision Authority published an information regarding issuance of the final decision repealing entirely the decision of the Polish Financial Supervision Authority of January 16, 2018 imposing on Investment Friends S.A. headquartered in Płock (currently Investment Friends SE headquartered in Estonia, hereinafter: „Investment”) the financial penalty in the amount of PLN 400 000 due to infringement of art. 56 para.1 subpara. 1 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading and Public Companies (Official Journal of 2013, item 1382, hereinafter: „Act on Offering”) and imposing on Investment the financial penalty in the amount of PLN 200 000 and partially terminating the proceeding.

Determined in the final decision financial penalty was imposed for failure in fulfilling of the informative obligation prescribed in art. 56 para.1 subpara. 1 of the Act on Offering, consisting of communication to the Authority, the company operating the regulated market as well as to the public, a confidential information regarding revaluation of shares of FLY.PL S.A. in September 2014. While partial termination of the proceeding regards to the financial penalty imposed for improper performance of informative obligations resulting from art. 56 para. 1 subpara. 1 of the Act on Offering, consisting of implementation and execution of the development strategy in March 2014 and a redemption of own shares in July 2014.

While reconsidering the matter, the Authority recognized that objections presented by Investment in its request for reconsideration of the matter are unjustifiable and confirmed circumstances of infringement of the Act on Offering. While partial termination of the proceeding was caused by formal reasons.

33. INFORMATION ON THE ISSUER’S CAPITAL CONNECTIONS WITH OTHER ENTITIES AND SPECIFICATION OF ITS MAIN DOMESTIC AND FOREIGN INVESTMENTS, INCLUDING CAPITAL INVESTMENTS MADE OUTSIDE ITS GROUP OF RELATED ENTITIES AND DESCRIPTION OF THEIR FINANCING METHODS.

On 26/02/2018 the merger of the Issuer, previously operating as a joint-stock company under Polish law under the name Investment Friends S.A. with registered office in Płock at Padlewskiego 18C Street, Poland, entered into the Register of Entrepreneurs of the National Court Register kept by the District Court for the Capital City of Warsaw in Warsaw, 14th Commercial Division under the number KRS 0000143579, NIP 8291635137, REGON 730353650, with the Company INVESTMENT FRIENDS1 Polska Akciová společnost with registered office in Ostravie address: Poděbradova 2738/16, Moravská Ostrava, 702 00 Ostrava, Republic Czech entered in the commercial register kept by the District Court in Ostrava, section B under number 10979, , identification number 06502873. Hereinafter: acquired company was registered. Acquiring Company INVESTMENT FRIENDS S.A. current Investment Friends SE operates in the sector of other monetary intermediation, while INVESTMENT FRIENDS 1 Polska Akciová

společnost operates in the production, trade and other services branch in accordance with the subject of activity disclosed in the relevant register, and INVESTMENT FRIENDS 1 Polska Akciová společnost is a special purpose entity which was registered on October 09, 2017.

As a result of registration of the merger by the District Court for the Capital City of Warsaw in Warsaw the Issuer took the legal form of a European Company and currently operates under the company Investment Friends SE with its registered office in Płock at Padlewskiego Street 18C, Poland, entered into the Register of Entrepreneurs of the National Court Register kept by the District Court for the Capital City of Warsaw in Warsaw, 14th Commercial Division, under KRS number KRS 0000720290.

The merger was affected by acquisition by INVESTMENT FRIENDS S.A. the Company INVESTMENT FRIENDS 1 Polska Akciová společnost, in accordance with the provisions of Article 2 para. 1 in connection with Article 17 para. 2 letter a) and 18 of Council Regulation (EC) No. 2157/2001 of 8/10/2001 on the articles of association of the European company (SE) of 8/10/2001 (Official Journal of the EU. L No. 294, p. 1) (Next: Regulation SE).

The merger was approved by the Issuer's General Meeting on January 3, 2018 resolution no. 9, disclosed to the public in ESPI current report No. 2/2018 on January 3, 2018.

As at the balance sheet day i.e. 31/12/2018 the Company Investment Friends SE does not have subsidiaries and does not create its own capital group.

In accordance to the best Management Board's knowledge, the dominant direct shareholder is Patro Invest OÜ with registered office in Tallinn, that had 34,41% share in the share capital and 34,41% share in the votes at the Issuer's General Meeting.

There are organizational relations between members of the Issuer's management and supervisory bodies members.

- **Małgorzata Patrowicz** Secretary of the Supervisory Board Investment Friends SE – performs a function of member of the Supervisory Boards of the entities: Investment Friends Capital SE, ELKOP SE, Damf Inwestycje S.A, FON SE. Performs a function of the President of the Management Board of IFEA Sp. z.o.o, Patro Inwestycje UU, PATRO INVEST Sp. z.o.o, and the member of the Supervisory Board IFERIA S.A.
- **Wojciech Hetkowski** Member of the Supervisory Board of Investment Friends SE- performs a function of a member of the Supervisory Board of the public entities: ELKOP SE, Atlantis SE, FON SE, Investment Friends Capital SE, Damf Inwestycje S.A
- **Jacek Koralewski** Member of the Supervisory Board of Investment Friends SE- performs a function of a President of the Management Board in: Elkop SE., and the function of a member of the Supervisory Board in: Investment Friends Capital SE, FON SE, Damf Inwestycje S.A.
- **Anna Kajkowska** Member of the Supervisory Board of Investment Friends SE- performs a function of vice-chairman of the Management Board of Elkop SE.

- **Agnieszka Gujgo** President of the Management Board of Investment Friends SE performs a function of the President of the Management Board of Damf Inwestycje S.A. and Supervisory Board's Chairman in the Company Platynowe Inwestycje SE.

34. INFORMATION ON TRANSACTIONS CONCLUDED BY THE ISSUER OR ITS SUBSIDIARY WITH RELATED ENTITIES ON THE TERMS OTHER THAN MARKET TERMS, WITH THEIR AMOUNT AND INFORMATION SPECIFYING THE NATURE OF THE TRANSACTIONS.

In the period covered by the report, the Issuer did not conclude significant transactions with related entities on terms other than market terms.

All significant transactions including these with related entities, are indicated in point 36 of the report of the Management Board and in Note 15 and Note 29 of the financial statement constituting and integral part of the annual report.

35. INFORMATION ON CREDIT AND LOAN AGREEMENTS CONCLUDED AND TERMINATED IN A FINANCIAL YEAR, WITH GIVING AT LEAST THEIR AMOUNT AND INTEREST RATE, CURRENCY AND MATURITY DATE.

In the financial year 2018, the Issuer did not have any loans or credits concluded or terminated.

36. INFORMATION ON LOANS GRANTED IN A FINANCIAL YEAR, IN PARTICULAR THOSE GRANTED TO RELATED ENTITIES OF THE ISSUER, INCLUDING THEIR AMOUNT, TYPE AND AMOUNT OF INTEREST RATE, CURRENCY AND MATURITY DATE.

Long-term loans granted

Name (Company) Of the entity	Headquarters	Amount of the loan/ credit according to the Agreement in thous. PLN		Amount of the outstanding loan/ credit in thous. PLN		Interest conditions	Term of repayment	Collateral
		currency	currency	currency	currency			
FON ZARZĄDZANIE NIERUCHOMOŚCIAMI SP. Z O.O.	Płock	6 958	PLN	7 232	PLN	WIBOR 1 Months +4,5%	24.04.2021	Blank promissory note + real estate mortgage

Short-term loans granted

Name (Company) Of the entity	Headquarters	Amount of the loan/ credit according to the Agreement in thous. PLN		Amount of the outstanding loan/ credit in thous. PLN		Interest conditions	Term of repayment	Collateral
		currency	currency	currency	currency			
Patro Invest sp. z o.o.	Płock	2 500	PLN	2 567	PLN	5,2%	25/10/2019	Blank promissory note
TOP MARKA S.A.*	Warszawa	8 350	PLN	1 906	PLN	WIBOR 3 months plus %	31/03/2016	Promissory note +real estate mortgage+ warranty from natural persons

37. INFORMATION ABOUT WARRANTIES AND GUARANTEES GRANTED AND RECEIVED IN A FINANCIAL YEAR, IN PARTICULAR WARRANTIES AND GUARANTEES GRANTED TO RELATED ENTITIES OF THE ISSUER.

In the reporting period, the Issuer did not grant and did not receive and did not grant any warranties and guarantees.

38. IN THE CASE OF ISSUING OF SECURITIES DURING THE PERIOD COVERED BY THE REPORT - A DESCRIPTION OF USING BY THE ISSUER THE INCOMES FROM ISSUING UNTIL THE REPORT ON OPERATIONS HAS BEEN PREPARED.

In the reporting period, the Company did not issue any new securities.

39. EXPLANATION OF DIFFERENCES BETWEEN FINANCIAL RESULTS INDICATED IN THE ANNUAL REPORT AND PREVIOUSLY PUBLISHED FORECAST OF RESULTS FOR A YEAR.

The Company has not published forecasts for 2018 and subsequent years.

40. ASSESSMENT, WITH ITS ARGUMENTATION, REGARDING THE MANAGEMENT OF FINANCIAL RESOURCES, IN PARTICULAR THE ABILITY TO FULFIL LIABILITIES, AND IDENTIFICATION OF ANY RISKS AND ACTIONS THAT THE ISSUER HAS TAKEN OR INTENDS TO TAKE TO PREVENT THESE RISKS.

As at the date of preparing the periodic report, the Management Board in accordance to its best knowledge, does not identify any risk in the scope of fulfilling the liabilities and in the scope of financial liquidity. The Company regularly settles its current liabilities and has not any granted loans, borrowings or other significant burdens. The Issuer allocates its financial resources to the



loan activity, and the Issuer intends to develop it successively. The Company's main activity is loan activity. Proper and timely fulfilment of the Borrower's liabilities towards the Issuer according to the concluded Loans Agreements has significant impact on the results and liquidity of the Company.

41. ASSESSMENT OF THE POSSIBILITY OF THE REALIZATION OF INVESTMENT PLANS, INCLUDING CAPITAL INVESTMENTS, COMPARED TO THE AMOUNT OF FUNDS HELD, CONSIDERING POSSIBLE CHANGES IN THE STRUCTURE OF FINANCING THIS ACTIVITY.

The Issuer mainly conduct financial service activity by providing non-costumer cash loans to economic entity. The current Issuer's loan activity is financed from the Company's own funds. The Company intends to pursue further activities in the scope of granting loans and possible investments, mainly from own funds. If it is necessary to get additional financing, the Issuer does not exclude the possibility of issuing debt instruments and targeted shares.

42. ASSESSMENT OF FACTORS AND ATYPICAL EVENTS HAVING INFLUENCE ON THE ACTIVITY'S RESULT FOR THE FINANCIAL YEAR WITH DETERMINING THE DEGREE OF INFLUENCE OF THESE FACTORS OR UNUSUAL EVENT ON THE ACHIEVED RESULTS.

According to the assessment and best knowledge of the Management Board, except for the events indicated in note 15 of the annual report, there were no other, in particular atypical factors or events, that could significantly affect the assessment and change of the Company's property and financial situation and the possibility of fulfilling liabilities. The Issuer's results are significantly influenced by revenues from loan service activities.

As the process of transferring the Issuer's registered office to Tallinn in the Republic of Estonia has been completed, the Management Board notes that an adaptation period and continuation of the activity in the new economic environment and local regulations will be important for the Company's further activity in the next reporting period.

In accordance to the Management Board's best knowledge, as at the date of publication of the periodic report, the Issuer's activity after the transfer of the registered office will be continued and the Company's continuing activity will be financial activities i.e. loan services.

43. CHARACTERISTICS OF EXTERNAL AND INTERNAL FACTORS IMPORTANT FOR THE DEVELOPMENT OF THE ISSUER'S ENTERPRISE AND THE DESCRIPTION OF THE DEVELOPMENT PROSPECTS OF THE ISSUER'S ACTIVITY, AT LEAST UNTIL THE END OF THE FINANCIAL YEAR AFTER THE FINANCIAL YEAR FOR WHICH THE FINANCIAL STATEMENT WAS PREPARED AND PLACED IN THE ANNUAL REPORT, INCLUDING ELEMENTS OF THE DEVELOPED MARKET STRATEGY

Considering the character of the Issuer's activity i.e. mainly service financial activity in the scope of non-costumer cash loans and renting an apartment and consulting owned by the Company shares and stocks of public and private market entities, in the Issuer's view the following internal and external factors have a significant impact on the results:

- general market conditions on the loan market and interest rates

- proper realization by borrowers of liabilities arising from concluded loan agreements, and the execution process and eviction of loans terminated if they occur.
- Efficiency of administrative and legal procedures and proceedings in which the Issuer may be a potential participant or party.
- - opportunities to attract potential borrowers,
- economic situation of the stock market on capital markets,
- economic situation and investment climate in Poland, Estonia and the region,
- availability of external financing sources,
- cooperation with other financial entities.

44 .CHANGES IN THE BASIC MANAGEMENT RULES OF THE ISSUER'S ENTERPRISE AND ITS CAPITAL GROUP.

There were no significant changes in the basic management rules of the Issuer's enterprise in the reporting period.

The issuer completed the merger procedure, acquired the status of a European company and moved the company's headquarters to Tallinn, Estonia.

45. ALL AGREEMENTS CONCLUDED BETWEEN THE ISSUER AND MANAGING PERSONS, ENVISAGING COMPENSATION IN THE CASE OF THEIR RESIGNATION OR DISMISSAL FROM THE POSITION HELD WITHOUT A VALID REASON OR WHEN THEIR DISMISSAL OR TERMINATION OCCURS DUE TO THE MERGER OF THE ISSUER BY ACQUISITION.

The Issuer did not conclude such agreements with managing persons.

46 THE VALUE OF REMUNERATION, REWARDS OR BENEFITS, INCLUDING THOSE FROM INCENTIVE OR BONUS PROGRAMS BASED ON THE ISSUER'S CAPITAL, INCLUDING PROGRAMS BASED ON PRIORITY BONDS, CONVERTIBLE BONDS, SUBSCRIPTION WARRANTS (IN MONEY, NATURE OR ANY OTHER FORM) PAID, COLLECTIBLE OR POTENTIALLY COLLECTIBLE, SEPARATELY FOR EACH OF THE MANAGING, SUPERVISING PERSONS OR MEMBERS OF THE ADMINISTRATIVE AUTHORITIES OF THE ISSUER IN THE ISSUER'S ENTERPRISE, REGARDLESS OF WHETHER THEY WERE INCLUDED IN COSTS, OR RESULTED FROM THE DISTRIBUTION OF PROFIT; IN THE CASE WHEN ISSUER IS A PARENT ENTITY, SIGNIFICANT INVESTOR, PARTNER OF A CO-SUBSIDIARY OR APPLICABLE AN ENTITY THAT IS A PARTY OF THE JOINT ARRANGEMENT.

The Issuer did not conclude this type of agreements with above-mentioned persons and did not pay such remuneration, bonuses or benefits.

47. VALUE OF REMUNERATION, REWARDS AND BENEFITS PAID OR COLLECTIBLE FOR SUPERVISING AND MANAGING THE ISSUER PERSONS IN 2018.

Remuneration of managing and supervising persons	Twelve months ended at December 31, 2018 (audited)	Twelve months ended at December 31, 2017 (audited)
Supervising persons – members of the Supervisory Board	6	14
Managing persons	58	63

48. INFORMATION ON AVERAGE EMPLOYMENT DIVIDED INTO OCCUPATIONAL GROUPS

The Company in the financial period from 01/01/2017 to 31/12/2017 and in the period from 01/01/2018 to 30/11/2018 did not hire employees for an employment contract.

49. DETERMINATION OF THE TOTAL NUMBER AND NOMINAL VALUE OF ALL SHARES OF THE ISSUER AND STOCKS AND SHARES IN THE RELATED ENTITIES OF THE ISSUER OWNED BY THE MANAGING AND SUPERVISING PERSONS OF THE ISSUER

The issuer's Management Board:

- Ms Agnieszka Gujgo appointed by the Issuer's Supervisory Board on 01/11/2014 to perform the function of the President of the Management Board - has no Issuer's shares as at the balance sheet date for twelve months i.e. as at 31/12/2018.

The Issuer's supervisory Board:

-Mr Damian Patrowicz – as at the balance sheet date for twelve months, i.e. as at 31/12/2018- did not hold indirectly the Issuer's shares

- Ms. Małgorzata Patrowicz- as at the balance sheet date for twelve months, i.e. as at 31/12/2018 - did not hold directly the Issuer's shares

-Ms. Anna Kajkowska – as at the balance sheet date for twelve months, i.e. as at 31/12/2018- did not hold directly the Issuer's shares

-Mr Wojciech Hetkowski - as at the balance sheet date for twelve months, i.e. as at 31/12/2018- did not hold directly the Issuer's shares

- Mr. Jacek Koralewski - as at the balance sheet date for twelve months, i.e. as at 31/12/2018 - did not hold directly the Issuer's shares

Indirect holding of Investment Friends SE shares as at the balance sheet date for twelve months, i.e. as at 31/12/2018.

The Issuer also informs that shares of Investment Friends SE held directly by the Company PATRO INVEST OÜ with registered office in Tallinn are at the same time held indirectly by Mr. Damian Patrowicz. The indirect ownership of the shares referred to above results from the fact that Mr. Damian Patrowicz remains a shareholder in PATRO INVEST OÜ with registered office in Tallinn.

No.	SHAREHOLDER	NUMBER OF SHARES	% OF SHARES	NUMBER OF VOTES	% OF VOTES
1	Damian Patrowicz	3 097 232	34,41	3 097 232	34,41

Note:

The above data, regarding the number of shares held by members of the Company's bodies have been presented with due diligence, on the basis of the knowledge of the Company's Management Board as at the date of publication of the report, however they may not include possible purchase – sale transaction by the above-mentioned persons about whom the Company has not been informed.

50. INFORMATION ON CONTRACTS KNOWN BY THE ISSUER WHICH CAN RESULT IN CHANGES IN THE PROPORTIONS OF SHARES HELD BY FOREGOING SHAREHOLDERS.

The Issuer does not have information about these types of contracts.

51. INFORMATION ON THE CONTROL SYSTEM FOR EMPLOYEE SHARE PROGRAMS.

The Issuer does not run an employee share program.

52. INFORMATION ON ANY LIABILITIES RESULTING FROM THE RETIREMENTS AND PAYMENTS OF A SIMILAR NATURE FOR FORMER SUPERVISING, MANAGING PERSONS OR MEMBERS OF THE ADMINISTRATIVE BODIES AND ABOUT THE LIABILITIES INCURRED IN CONNECTION WITH THESE RETIREMENTS, WITH AN INDICATION OF THE TOTAL AMOUNT FOR EACH CATEGORY OF A BODY; IF THE RELEVANT INFORMATION HAS BEEN PRESENTED IN THE FINANCIAL STATEMENT – THE OBLIGATION IS CONSIDERED AS FULFILLED BY INDICATING THE PLACE OF THEIR INCLUSION IN THE FINANCIAL STATEMENT.

There are not any liabilities of these type in the Company.

53. INFORMATION ON OWN SHARES

The Company did not own its own shares in the period covered by the report.

54. INFORMATION ABOUT THE COMPANY'S BRANCHES

The Company has not branches

55. INFORMATION ON FINANCIAL INSTRUMENTS IN A SCOPE OF:

- a) risk of: changes in prices, credit, significant cash flow disruptions and loss of financial liquidity to which the entity is exposed
- b) aims and methods of financial risk management adopted by the entity, including methods of hedging significant types of planned transactions for which hedge accounting is used.

The company does not have a formal financial risk management system. Decisions on using hedging instrument for planned transactions are made based on current analysis of the Company's situation and its environment.

56. INFORMATION ON THE AGREEMENT AND THE ENTITY ENTITLED TO AUDIT THE ISSUER'S FINANCIAL STATEMENT

The body entitled to elect a statutory auditor in accordance with the Company's Article of Association is the General meeting of Shareholders.

On 08/07/2019 the General Meeting of Shareholders of Investment Friends SE selected entity that will audit the Company's annual financial statements prepared as at December 31, 2018 and 31/12/2019.

The entity chosen by the General Meeting is Hansa Audit osaühing with registered office in Pärnu mnt. 377, 10919 Tallinn, registration number of the company: 10616667, Statutory Auditor Alar-Ants Smirnov, licence number 97.

The remuneration for the Auditor will be paid in accordance with the concluded agreement between the Company and Hansa Audit osaühing, which was determined on the market terms.

Tallinn 02.11.2019 yr.

Agnieszka Gujgo

Chairman of the Management Board