

Investment Friends Capital SE



**CONDENSED INTERIM FINANCIAL STATEMENT
AS AT JUNE 30, 2019 AND FOR 6 MONTHS ENDED ON JUNE 30, 2019**

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

Tallinn, 03/10/2019



**CONDENSED INTERIM FINANCIAL STATEMENT
OF INVESTMENT FRIENDS CAPITAL SE**
as at June 30, 2019 and for 6 months ended on June 30, 2019 / in EUR thous.

CONDENSED INTERIM STATEMENT OF FINANCIAL SITUATION	30/06/2019 unaudited in EUR thous.	31/12/2018. audited in EUR thous.	30/06/2018 unaudited in EUR thous.
Assets			
I. Fixed assets	263	760	1 409
Intangible fixed assets			
Property, plant and equipment			
Long-term receivables			
Investment properties		342	338
Long-term financial assets	258	418	1 069
Long-term accruals and prepayments	5		1
II. Current assets	4 548	4 142	3 886
Inventory			0
Short-term receivables	710	1	1
Short-term financial assets	3 811	4 115	1 686
Cash and cash equivalents	27	26	2 199
Short-term accruals and prepayment	0	0	1
Assets total	4 811	4 902	5 295
Liabilities			
I. Equity	4 803	4 894	5 276
Share capital	2 102	2 102	2 102
Supplementary capital - from sale of shares for the price exceeding their nominal value and reduction of the share capital	8 818	8 818	8 818
Capital from merger	-3	-3	-4
Other reserve capital	56	56	56
Revaluation capital	-1 371	-1 371	-845
Exchange differences	-56	-168	-226
Retained profit / Undistributed financial result	-4 743	-4 540	-4 625
II. Long-term liabilities	4	0	1
Deferred tax provision	4	0	1
Provision for pensions			
Long-term credits and loans			
Other provisions			
III. Short-term liabilities	4	8	18
Financial liabilities due to issuance of securities			
Credits and loans			
Trade liabilities	2	5	5
Other liabilities	2	3	11
Short-term provisions			2
Revenues of further periods			
Liabilities total	4 811	4 902	5 295
Book value	4 803	4 894	5 276
Number of shares	15 015 972	15 015 972	15 015 972
Book value per share (in EUR)	0,32	0,33	0,35
Diluted number of shares	15 015 972	15 015 972	15 015 972
Diluted book value per share (in EUR)	0,32	0,33	0,35



**CONDENSED INTERIM FINANCIAL STATEMENT
OF INVESTMENT FRIENDS CAPITAL SE**
as at June 30, 2019 and for 6 months ended on June 30, 2019 / in EUR thous.

CONDENSED INTERIM INCOME STATEMENT	Six months ended on 30/06/2019 unaudited in EUR thous.	Six months ended on 30/06/2018 unaudited in EUR thous.
I. Net revenues from sale of products, goods and materials	23	105
II. Costs of products, goods and materials sold	3	4
III. Gross profit (loss) on sale (I-II)	20	101
IV. Costs of sale		
V. General management costs	5	63
VI. Other operating revenues	0	0
VII. Other operating costs	1	3
VIII. Profit (loss) on operating activity	14	35
IX. Financial revenues	2	6
X. Financial costs	13	0
XI. Pre-ta profit	3	41
XII. Income tax	0	-2
XIII. Net profit (loss)	3	43
The weighted average number of ordinary shares	15 015 972	15 015 972
Profit (loss) per one ordinary share (in PLN)	0,00	0,00
The weighted diluted average number of ordinary shares	15 015 972	15 015 972
Diluted profit (loss) per one ordinary share (in PLN)	0,00	0,00

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	Six months ended on 30/06/2019 unaudited in EUR thous.	Six months ended on 30/06/2018 unaudited in EUR thous.
Net profit/loss for the period	3	43
Other comprehensive income, including:	0	-242
Elements which will not be moved to the income statement in the next periods:		
	0	-4
- settlement of merger	0	-4
Elements which may be moved to the income statement in the next periods:		
	0	-238
- settlement of revaluation capital, including:		
- revaluation of financial assets	0	-238
Total income for the period	3	-199



**CONDENSED INTERIM FINANCIAL STATEMENT
OF INVESTMENT FRIENDS CAPITAL SE**
as at June 30, 2019 and for 6 months ended on June 30, 2019 / in EUR thous.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY	Six months ended on 30/06/2019 unaudited in EUR thous.	2018 audited in EUR thous.	Six months ended on 30/06/2018 unaudited in EUR thous.
Opening balance of equity	4 894	5 711	5 719
Opening balance of equity after reconciliation to comparable data	4 894	5 711	5 719
Opening balance of share capital	2 102	2 157	2 160
Changes in the share capital		-55	-58
increase (due to)		1	
- exchange differences		1	
decrease (due to)		-56	58
- decrease of the nominal value of shares		-56	
Closing balance of share capital	2 102	2 102	2 102
Opening balance of own shares		0	
Closing balance of own shares		0	
Opening balance of supplementary capital	8 818	8 818	8 818
Changes in supplementary capital	0	0	0
a) increase (due to)		0	
reduction of the nominal value of shares		0	
Closing balance of supplementary capital	8 818	8 818	8 818
Opening balance of revaluation capital	-1 371	-602	-603
Changes in revaluation capital		-769	-242
a) increase (due to)		0	0
- valuation of financial assets			
b) decrease (due to)		-769	242
- valuation of financial assets		-769	
Closing balance of revaluation capital	-1 371	-1 371	-845
Opening balance of capital from merger	-3	0	0
Changes in the capital from merger		-3	
b) decrease (due to)		-3	-4
- merger of entities		-3	-4
Closing balance of capital from merger	-3	-3	-4
Opening balance of other reserve capitals	56	0	0
Changes in reserve capitals		56	56
a) increase (due to)		56	56
- reduction of share capital		56	56
Closing balance of other reserve capitals	56	56	56
Opening balance of not settled loss of previous years	-4 746	-4 662	-4 669
increase (due to)	3	122	44
a) profit/loss for the period	3	122	44
b) revaluation capital			
decrease	0	0	0
a) covering of loss from supplementary capital			
Closing balance of not settled loss of previous years	-4 743	-4 540	-4 625
Exchange differences from conversion of obtained revenue / loss into EUR	-56	134	
Exchange differences from reserve capital		17	
Exchange differences from supplementary capital		-258	
Exchange differences from conversion of the share capital into EUR		-61	-226
Closing balance of equity	4 803	4 894	5 276



**CONDENSED INTERIM FINANCIAL STATEMENT
OF INVESTMENT FRIENDS CAPITAL SE**
as at June 30, 2019 and for 6 months ended on June 30, 2019 / in EUR thous.

CONDENSED INTERIM CASH FLOW STATEMENT	Six months ended on 30/06/2019 unaudited in EUR thous.	Six months ended on 30/06/2018 unaudited in EUR thous.
Operating activity		
I. Gross profit (loss)	3	43
II. Adjustments total	-1 035	-15
Amortization	0	0
(Profits) losses from exchange differences	0	-2
Interest and contribution in profits(dividends)	-23	-94
(Profit) loss due to investment activities	29	0
Change in the balance of provisions	0	-1
Change in the balance of inventories	0	0
Change in the balance of receivables and accruals	-702	1
Change in the balance of liabilities	-460	2
Change in the balance of accruals and prepayments	0	0
Other adjustments	121	78
I. Net cash flow from operating activity	-1 032	28
Investment activity		
Inflows from investment activities	1 406	4 691
Sale of elements of intangible fixed assets and property, plant and equipment	343	0
Interest received	16	103
Received repayments of loans	1 047	4 588
II. Expenses due to investment activity	373	2 804
Expenses for acquisition of financial assets		0
Loans granted	373	2 804
II. Net cash flow from investment activity	1 032	1 888
Financial activity		
I. Inflows	0	0
II. Expenses due to financial activity	0	0
III. Net cash flow from financial activity	0	0
Net cash flow, total (I+/-II+/-III)	1	1 916
Balance sheet change in cash	1	1 916
Opening balance of cash	26	346
Closing balance of cash	27	2 262

Tallinn, 03/10/2019

/-/ Damian Patrowicz – Chairman of the Management Board

Additional information and explanation

I. General information

I.1 Basic information about the Company

Name of the Company: Investment Friends Capital SE

- On 09/02/2018 the Registry Court made a registration of the merger of the Issuer, previously operating as a public limited company under Polish law under the name of Investment Friends Capital Spółka Akcyjna (the Acquiring Company) 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 0000267789, NIP 8133186031, REGON 691529550 with Investment Friends Capital 1 Polska Akciowáspolečnost 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 10980, identification number 06503179 (the Acquired Company).
- As a result of registration of aforementioned 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 operated as Investment Friends Capital 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 0000716972, REGON 369464707, NIP 8133186031 till 30/11/2018.
- 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: 14618005.

Address:

- until 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.

Tax identification number:

- the Company is not registered as a VAT taxpayer after transferring its seat to Estonia

Business activity:

- 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:

- Since 01/12/2018 the Company has been entered in Tartu County Court Registration Department, registry code: 14618005.

Share capital of the Company:

- Since 30/11/2018 share capital of the Company is 2.102.236,08 EURO (in words: two million one hundred two thousand two hundred thirty-six EURO 08/100) and it is divided into 15.015.972 (fifteen million fifteen thousand nine hundred seventy-two) shares without nominal value.

Financial year:

- On 29/04/2019 the proper for the Estonian law register of commercial companies (Ariregister) registered the amendment of the financial year of the Company, pursuant to Resolution no 3 of the Extraordinary General Meeting of Shareholders of 19/04/2019. Therefore, financial year of the Company starts on 1 July and ends on 30 June. Therefore, the current financial year is extended from 12 to 18 months and it lasts from January 1, 2019 to June 30 2020.

CORPORATE BODIES OF THE COMPANY.

Composition of the Supervisory Board:

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

- Wojciech Hetkowski - Chairman of the Supervisory Board
- Jacek Koralewski - Vice-Chairman of the Supervisory Board
- Małgorzata Patrowicz - Secretary of the Supervisory Board
- Mariusz Patrowicz - Member of the Supervisory Board
- Martyna Patrowicz - Member of the Supervisory Board

As at 11 January 2019, the written resignation letter from held function in the Supervisory Board was submitted by Mr Mariusz Patrowicz.

Management Board:

In the reporting period, the composition of the Management Board was as following:

- Damian Patrowicz - Chairman of the Management Board since 04/06/2018

Audit Committee:

Till 11/04/2019 the Audit Committee has been functioning in the following composition:

- Wojciech Hetkowski - Chairman of the Audit Committee
- Małgorzata Patrowicz - Member of the Audit Committee
- Jacek Koralewski - Member of the Audit Committee

On 11/04/2019 in the current report no 13/2019 the Issuer informed that the Supervisory Board adopted resolution on dissolution of the Audit Committee and dismissal of its Members as at 11/04/2019.

II. Basis for preparation of the financial statements and accounting principles

Pursuant to § 184 (11) of the Securities Market Act, the Management Board publicize the semi-annual report of Investment Friends Capital SE for the first half of 2019:

Semi-annual report includes in particular the following items:

- Condensed interim financial statement, including:
 - condensed interim statement of financial situation as at 30/06/2019, 31/12/2018
 - condensed interim income statement, condensed interim statement of comprehensive income for the period since 01/01/2019 to 30/06/2019 and since 01/01/2018 to 30/06/2018
 - condensed interim statement of changes in equity for the period since 01/01/2019 to 30/06/2019, since 01/01/2018 to 31/12/2018 and since 01/01/2018 to 30/06/2018
 - condensed interim statement of cash flow for the period since 01/01/2019 to 30/06/2019 and since 01/01/2018 to 30/06/2018.

2.1. Statement of compliance

The condensed interim financial statement was prepared in accordance with International Financial Reporting Standards ('IFRS') adopted by the International Accounting Standards Board and interpretations published by the International Financial Reporting Interpretations Committee ('IFRIC')

2.2. Basis for preparation

The condensed financial statement for the first half of 2019 was prepared in accordance with the International Accounting Standard 34 - „Interim Reporting” that was approved by the European Union and with assumption that the entity is going concern in the foreseeable future.

The financial statement was approved for publication by the Management Board of the Company on October 4, 2019.

Application of the new standards, amendments to standards and interpretations

The Company has not applied any new standards, amendments to standards and interpretations to existing standards in 2019.

The financial statements included in this semi-annual report were prepared according to the same accounting principles as the financial statements of 31 December 2018 excluding accounting and valuation principles resulting from application of IFRS 9 and IFRS 15 presented below.

Influence of the new and amended standards and interpretations

The International Accounting Standards Board approved the new standards to be used since 1 January 2018.

- IFRS 9 „Financial instruments” which has replaced IAS 39 ‘Financial Instruments: Recognition and Measurement’,
- IFRS 15 ‘Revenues from Contracts with Customers’ and amendments to IFRS 15 explaining some requirements of the standard which has replaced standards of IAS 11 and 18 and interpretations: IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31.

Influence of application of aforementioned standards on accounting policy of the Company and on the financial statements

IFRS 9 Financial Instruments

The Company has not implemented earlier introduction of IFRS 9 and has applied the requirements of IFRS 9 retrospectively for the periods starting after January 1, 2018. Pursuant to allowed by this standard possibility, the Company has not adjusted the comparative data. Implementation of IFRS 9 influenced the accounting policy in the field of recognition, classification and valuation of financial assets, assessment of liabilities.

Published and approved by EU standards, which have not entered into force yet

In this report, the Company has not implemented standards, amendments of standards and interpretations which were published and approved by the EU but have not entered into force yet. The Company does not envisage any significant influence of such standards on the Company’s financial statements.

Selected elements of the accounting policy

Valuation of assets and financial liabilities

Since January 1, 2018 the Company has qualified financial assets into the following categories:

- measured at amortised cost,
- measured at fair value through comprehensive income,
- measured at fair value through financial result.

Classification is made upon initial recognition of assets. Classification of debt financial assets depends on the business model of financial assets management as well as on contractual cash flow characteristics (test SPPI-Solely Payment of Principal and Interest) for each element of financial assets.

Into the category of assets measured at amortised cost the Company classifies trade receivables, loans granted which passed the SPPI test on, other receivables and cash and cash equivalents.

Financial assets measured at amortised cost are valued in the amount of amortised cost using effective interest rate, taking into account write-offs due to impairment loss. Trade receivables with maturity period up to 12 months from its origination date are not discounted and are measured at nominal value.

In case of financial assets purchased or emerged, impaired at the moment of initial recognition, these assets are measured at amortised cost using effective interest rate adjusted for credit risk.

Into the category of assets measured at **fair value through other comprehensive income** are classified:

1. element of debt financial assets if there are fulfilled the following conditions:

- it is kept in business model which aim is to receive contractual cash flows due to owned financial assets as well as due to sales of financial assets, and
- contractual conditions give the right to receive, in specified dates, cash flows constituting only on capital and interest on capital (it means it passed the SPPI test on).

2. Equity instrument for which there was made an irreversible classification to this category at the moment of initial recognition. The option of the fair value through comprehensive income is not possible for instruments dedicated to trading.

Profits and losses, either from valuation or realization, emerged from these assets are recognized in other comprehensive income, excluding income from received dividends.

To the category of **assets measured at fair value through financial result** the Company classifies loans granted which did not pass the contractual cash flows test.

Profits and losses on **financial assets measured at fair value through financial result are recognized in the financial result from the period in which they emerged (including income due to interest and dividends)**.

Since January 1, 2018 the Company classifies financial liabilities to the following categories:

- measured at amortised cost,
- measured at fair value through financial result,
- securing financial instruments.

To the group of liabilities measured at amortised cost are classified liabilities other than those measured at fair value through financial result (i.a. trade liabilities, credits and loans), except for:

- financial liabilities arising in case of transfer of financial assets which are not classified to derecognition,
- agreements on financial guarantees which are measured at higher amount from the following:
 - value of the write-off for excepted credit losses settled according to IFRS 9
 - value initially recognized (i.e. at fair value increased by costs of transaction that may be directly assigned to the financial liabilities component), reduced by accumulated amount of income recognized according to provisions of IFRS 15 Revenue from contracts with customers.

To liabilities measured at fair value through financial result are classified liabilities due to derivatives which are not assigned for hedge accounting purposes.

Impairment of financial assets

IFRS 9 introduces a new approach to estimation of losses with regard to financial assets measured at amortised cost. This approach is based on designation of expected losses, independently on the fact whether there were any premises to do it or not.

The Company applies the following models of determining impairment write-offs:

- general model (basic),
- simplified model.

In the general model, the Company monitors changes of credit risk's level related to the particular component of the financial assets.

In the simplified model the Company does not monitor changes of credit risk's level during the instrument's lifetime, estimates expected credit loss within the maturity date of the instrument.

To estimate expected credit loss the Company uses:

- in the general model - levels of probability of insolvency,
- in the simplified model – historical levels of repayment of receivables from contractors.

As insolvency event, the Company recognizes lack of obligation's fulfilment by a contractor after 90 days since maturity date of a receivable.

The Company takes into account informations regarding future in applied parameters of model for estimating expected loss, by adjustment of basic indexes of insolvency probability (for receivables) or by calculation of parameters of insolvency probability on the basis of current market quotes (for other financial assets).

The Company applies the simplified model of calculation of impairment write-offs for trade receivables. The general model is applied for other types of financial assets, including debt financial assets measured at fair value through other comprehensive income.

Impairment losses for debt financial instruments measured at amortised cost (at the moment of initial recognition and calculated for every next day ending financial period) are recognized in other operating costs.

Profits (reversal of the write-off) due to reduction of value of expected impairment loss are recognized in other operating revenues.

For purchased and emerged financial assets impaired due to credit risk at the moment of initial recognition, favourable changes of expected credit losses are recognized as impairment profit in other operating revenues.

Losses due to impairment of debt financial instruments measured at fair value through other comprehensive income are recognized in other operating costs in correspondence with other comprehensive income.

Profits (reversal of a write-off) due to reduction of value of expected credit loss are recognized in other operating revenues.



2.3. Functional and reporting currency.

This financial report was prepared in EUR. The functional currency of the Company is Polish zloty (PLN) and reporting (presentational) currency of the Company is EUR. The financial statements are presented in EUR thousand. The financial statements are prepared with assumption that the Company will going concern in the foreseeable future.

This condensed interim financial statement complies to International Financial Reporting Standards which are approved by the European Union, published and applicable as at the date of this financial report, including International Accounting Standard 34 - „Interim Reporting”.

The financial statement was approved for publication by the Management Board of the Company on October 4, 2019.

This condensed interim financial report was not subjected into audit or review by a certified auditor. The latest financial statement that was subjected into audit by a certified auditor is financial statement for 2018.

2.4 Accounting principles applied for preparation of this financial statement.

In the presented condensed interim financial statement were observed the same accounting principles as described in the last annual financial report as at December 31, 2018.

Pursuant to the Resolution of the Extraordinary General Meeting of Shareholders of February 4, 2014, starting from January 1, 2014 the Company has changed accounting principles applied so far and made a transition to International Financial Reporting Standards as approved by the European Union (IFRS EU). In the previous years the Company applied accounting principles resulting from the Accounting Act of 29 September 1994.

The first, full annual financial statements compliant with IFRS EU were prepared for the year ended on 31 December 2014 taking into account the requirements of IFRS 1 ‘First-time Adoption of IFRS’. In accordance with IFRS 1, the date of transition is 1 January 2013, which is the date of preparation of the opening balance.

2.5. Seasonality and cyclicity of operating.

Activity of the Company does not characterizes with seasonality or cyclicity.

III. Additional explanatory notes

3.1 Operating segments

3.1.1 Information regarding operating segments

In accordance with the requirements of IFRS 8 operating segments should be identified on the basis of reports on those elements of the Company that are regularly verified by persons deciding on the allocation of resources to a given segment and assessing its financial results. The Company conducts a homogeneous activity consisting on providing other financial services. The Management Board did not identify operating segments in the Company.

3.1.2. Geographical information as at 30/06/2019

Revenues from external costumers by operating areas and information about non-current assets broken down by the location of these assets are presented below:

GEOGRAPHICAL AREA FOR FINANCIAL ACTIVITY	REVENUES FROM EXTERNAL CUSTOMERS	FIXED ASSETS
PŁOCK	99	263
Total for financial activity	99	263
Total for other activity	0	0

3.1.3. Information on leading customers

In the period 01/01/2019- 30/06/2019 services, which exceeded 10% total revenues from selling services to the following customers: PATRO INVEST Sp. z o.o. and Patro Invest OÜ. Revenues with any other customer have not exceeded 10% of the Company's total revenues in the period since 01/01/2019 to 30/06/2019.

3.1.4. Geographical information as at 30/06/2018

Revenues from external costumers by operating areas and information about non-current assets broken down by the location of these assets are presented below:

GEOGRAPHICAL AREA FOR ACTIVITY	REVENUES FROM EXTERNAL CUSTOMERS	FIXED ASSETS
PŁOCK	92	1 070
Total for financial activity	92	1 070
Total for other activity	13	338

3.1.5. Information on leading customers in the period: 01/01/2018 - 30/06/2018

In the period 01/01/2018 - 30/06/2018 services, which exceeded 10% total revenues from selling services to the following customers: PATRO INVEST Sp. z o.o. and two natural persons. Revenues with any other customer have not exceeded 10% of the Company's total revenues in the period since 01/01/2018 to 30/06/2018.

3.2 Tangible fixed assets

TANGIBLE FIXED ASSETS	30/06/2019 (unaudited)	31/12/2018 (audited)
a) property, plant and equipment, including:	0	0
- lands (including perpetual usufruct right)	0	0
- buildings, premises and civil engineering structures	0	0

- technical devices and machines	0	0
- vehicles	0	0
- other fixed assets	0	0
b) fixed assets under construction	0	0
c) advances for fixed assets under construction	0	0
Tangible fixed assets, total	0	0

Revaluation write-offs resulting from impairment loss have not occurred in the financial year. Amortisation of tangible fixed assets is included in the general management costs.

3.3 Short-term receivables

In the first half of 2019 any long-term liabilities did not occurred.

3.4 Investment properties

INVESTMENT PROPERTIES	30/06/2019 (unaudited)	31/12/2018 (audited)
Gross value at the beginning of the period	353	353
- acquisition by purchase		
- transfer from tangible fixed assets		
- valuation of properties		
- sale	353	
Gross value at the end of the period	0	353
Accumulated amortisation and write-offs due to impairment loss at the beginning of the period	28	0
- amortisation for the period	0	-1
- transfer from tangible fixed assets	-28	
Accumulated amortisation and write-offs due to impairment loss at the end of the period	0	-1
Net value at the beginning of the period	342	353
Exchange differences		-10
Net value at the end of the period	0	342

3.5 Long-term financial assets (in EUR thous.)

LONG-TERM FINANCIAL ASSETS	30/06/2019 (unaudited)	31/12/2018 (audited)
a) in related parties	0	0
- stocks/shares	0	0
- loans granted	0	0
b) in other entities	258	418
- stocks/shares	258	418
Long-term financial assets, total	258	418

Stocks and shares of related entities (in EUR thous.)

	Name of an entity specifying its legal form	Value of stocks/shares acc. to purchase price	Balance value of shares	% of owned share capital
1	IFEA SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	1 782	258	5,24

As at 30/06/2019 the Company owns 1515 shares of IFEA Sp. z o.o., of the nominal value PLN 5 000,00 per share, i.e. of total purchase value in the amount of PLN 7 575 thous. As at 30/06/2019 shares of IFEA sp. z o.o. are subjected into revaluation in the amount of PLN (-) 5 779 thous. The last revaluation was done as at 30/11/2018. Overstatement of aforementioned asset was done by revaluation capital.

Long-term loans granted

Do not occur.

3.6 Inventories

Do not apply.

3.7 Short-term receivables (in EUR thous.)

	30/06/2019 (unaudited)	31/12/2018 (audited)
Trade receivables	1	1
Civil-law receivables (excluding income tax)	0	0
Other receivables	709	0
Short-term receivables, net	710	1
Revaluation write-offs of receivables	0	0
Gross short-term receivables	710	1

3.8 Short-term investment (in EUR thous.)

SHORT-TERM INVESTMENTS	30/06/2019 (unaudited)	31/12/2018 (audited)
1) in related parties	3 417	3 726
a) loans granted	3403	3 726
- revaluation adjustments (+/-)	14	28
- value according to purchase price	0	3698
2) In other entities	394	389

a) loans granted	396	389
- revaluation adjustments (+/-)	-2	-5
- value according to purchase price	0	394
Balance value, total	3 811	4 115

Loans granted

Name of an entity	Headquarter	Amount of a credit / loan acc.to an agreement in PLN thous.		Amount of a credit / loan remaining for repayment in PLN thous.		Interest rate	Repayment term	Collaterals
		currency		currency				
Patro Invest sp. z o.o.	Łódź	4 000	PLN	3 616	PLN	5,7%	31.12.2019	own blank promissory note
Patro Invest sp. z o.o.	Łódź	5 000	PLN	5 116	PLN	WIB3M+3%	31.12.2019	own blank promissory note
Patro Invest sp. z o.o.	Łódź	4 000	PLN	4 077	PLN	WIB3M+3%	31.12.2019	own blank promissory note
Patro Invest OÜ	Tallin	1 630	PLN	1 538	PLN	5%	31.12.2019	own blank promissory note
Patro Invest OÜ	Tallin	2 000	PLN	2 004	PLN	4%	Indefinite.	own blank promissory note
natural person*	-	60	PLN	60	PLN	10,00%	31.03.2016	a notarial deed of submission to execution, blank promissory note, mortgage on real estate
natural person	-	150	PLN	23	PLN	10,00%	30.07.2018	A notarial deed of voluntary submission to enforcement, a promissory note, mortgages
natural person	-	1 671	PLN	1 613	PLN	10,00%	21.04.2016	blank promissory note, a notarial deed of submission to execution, mortgage

3.9 Cash and cash equivalents (in EUR thous.)

Cash in bank are interest bearing according to variable interest rates which are dependent on interest rate of one-day bank deposits. Short-term deposits are made for various periods, from 1 day to 1 month, dependently on current need for funds and they are interest bearing according to established interest rates.

Fair value of cash and cash equivalents is presented in the table below.

CASH	30/06/2019 (unaudited)	31/12/2018 (audited)
Bank deposits (current accounts) and short-term deposits	27	26
Cash on hand	0	0
Cash disclosed in the balance sheet	27	26

3.10 Assets held for sale / disposal

Do not occur as at 30/06/2019.

3.11 Short-term accruals and prepayments.

SHORT-TERM ACCRUALS AND PREPAYMENTS	30/06/2019 (unaudited)	31/12/2018 (audited)
a) prepaid expenses, including:	0	0
- costs regarding further periods	0	0
Short-term accruals and prepayments, total	0	0

3.12 Share capital

Series	Type of shares	Number of shares	Value of a series acc. to nominal value
Series A	Ordinary bearer shares	15 015 972	2.102.236,08 EURO
TOTAL		15 015 972	2.102.236,08 EURO

Along with registration of the merger on 09/02/2018, there were also registered by the Registry Court amendments to the share capital of the Company. The share capital of the Company was converted into EURO and it is: EU 2.102.236,08 and it is divided into 15.015.972 shares of book value EUR 0,14 per share.

3.13 Supplementary capital (in EUR thous.)

SUPPLEMENTARY CAPITAL FROM SALE OF SHARES FOR THE PRICE EXCEEDING THEIR NOMINAL VALUE AND REDUCTION OF THE SHARE CAPITAL	30/06/2019 (unaudited)	31/12/2018 (audited)
a) from sale of shares for the price exceeding their nominal value	187	187
b) from reduction of the nominal value of shares	8 631	8 631
c) supplementary capital of the overtaken companies	0	0
Supplementary capital, total	8 818	8 818

3.14 Capital from merger

CAPITAL FROM MERGER	30/06/2019 (unaudited)	31/12/2018 (audited)
Balance at the beginning of the year	-3	0
decreases	0	-3
Merger of entities	0	-3
Balance at the end of the year	-3	-3

On 09/02/2018 there was made registration of merger of the Issuer previously operating as a joint-stock company of Polish law as INVESTMENT FRIENDS CAPITAL SPÓŁKA AKCYJNA with INVESTMENT FRIENDS CAPITAL 1 Polska Akciová společnost. Merger was settled via joining of unites method. Differences between acquired assets and liabilities is disclosed as a separate capital of the Company.

3.15 Other reserve capitals

OTHER RESERVE CAPITALS	30/06/2019 (unaudited)	31/12/2018 (audited)
Balance at the beginning of the year	56	0
Increase due to:	0	56
reduction of the share capital	0	56
Balance at the end of the year	56	56

Along with registration of the merger on 09/02/2018 there was registered reduction of the share capital by PLN 241.366,733928, i.e. from PLN 9.009.583,20 to PLN 8.768.216,46607, what constitutes equivalent of EUR 2.102.236,08. Share capital of the Company was reduced via reduction of the nominal value of each share of the Company from nominal value PLN 0,60 to nominal value PLN 0,583926 that constitutes equivalent of EUR 0,14. The value of reduction of the share capital amounting to PLN 241.366,733928 pursuant to the Resolution of the Extraordinary General Meeting of Shareholders was transferred to a separate reserve capital of the Company.

The aim of the share capital was making it possible for the Company to convert the share capital into EUR according to provisions of the Council Regulation (WE) no 2157/2001 of 08/10/2001 on the statute of an European company (SE) of 08/10/2001 and adjustment of the share capital and its structure to terms of the European Company.

3.16 Revaluation capital

REVALUATION CAPITAL	30/06/2019 (unaudited)	31/12/2018 (audited)
Balance at the beginning of the year	-1 371	-602
Profit/loss due to change of the fair value of financial assets held for sale	0	-769
Sale of financial assets held for sale - making an in-kind contribution		0
Revaluation capital, total	-1 371	-1 371

Revaluation capital of assets held for sale includes valuation of owned shares of IFEA Sp. z o.o. In this items are booked overstatements of financial assets at fair value through comprehensive income to fair value. Presented capital is not subjected into division.

3.17 Retained profit / undistributed

Profits from previous years may be paid out to shareholders according to provisions of the Estonian Commercial Code.

3.18 Deferred tax provision

CHANGE IN DEFERRED INCOME TAX PROVISION	30/06/2019 (unaudited)	31/12/2018 (audited)
1. Balance of the deferred income tax provision at the beginning of the period, including:	0	-3
a) referred to financial result, including:		-3
- tax on valuation of short-term shares		0
- tax on unpaid interest		-3
2. Increases	4	0
a) referred to financial result due to temporarily differences	4	0
- tax on valuation of short-term shares	4	0
- tax on unpaid interest		0
3. Decreases	0	3
a) referred to financial result due to positive temporarily differences	0	
- from revaluation of short-term investments	0	0
- tax on unpaid interest	0	3
4. Balance of the deferred income tax provision at the beginning of the period, including:	4	0
- tax on valuation of short-term shares	4	0
- tax on unpaid interest	0	0

3.19 Trade liabilities and other liabilities

Short-term liabilities:	30/06/2019 (unaudited)	31/12/2018. (audited)
Short-term liabilities, including:	4	
Liabilities to related entities	0	3
Liabilities to other entities	2	5
- for supplies and services	2	2
- for taxes, duties, insurance and other benefits	2	3
- due to remuneration	0	0
- other	0	0
Deferred income	0	0
Total short-term liabilities	4	8

Terms and conditions of payment of the above financial obligations:

Liabilities due to deliveries and services are interest-free and usually settled within 7-60 days.

Other liabilities are interest-free, with an average payment period of 1 month.

3.20 Investment liabilities

As at 30/06/2019 the Company has no investment liabilities.

3.21 Short-term reserves

There were no short-term provisions

3.22 Contingent liabilities and contingent assets

They did not occur in the period covered by the report.

3.23 Net revenue from the sale of products

NET REVENUE FROM THE SALE OF PRODUCTS (ITEM STRUCTURE - TYPES OF ACTIVITY)	Six months ended on 30/06/2019 (unaudited)	Six months ended on 30 /06/2018 (unaudited)
Interest income on investment activities (interest on loans granted)	23	92
Other revenue		13
Total net revenue from the sale of products	23	105

NET REVENUE FROM THE SALE OF PRODUCTS (TERRITORIAL STRUCTURE)	Six months ended on 30 /06/2019 (unaudited)	Six months ended on 30 /06/2018 (unaudited)
a) country	23	105
b) export	0	0
Total net revenue from the sale of products	23	105

NET REVENUE FROM THE SALE OF GOODS AND MATERIALS	Six months ended on 30 /06/2019 (unaudited)	Six months ended on 30 /06/2018 (unaudited)
a) country	0	0
b) export	0	0
Total net revenue from the sale of goods and materials	0	0

3.24 Costs by type

COSTS BY TYPE	Six months ended on 30/06/2019 (unaudited)	Six months ended on 30 /06/2018 (unaudited)
a) amortisation and depreciation	0	0
b) consumption of materials and energy	0	3
c) external services	8	29
d) taxes and charges	0	8
e) payroll	0	23
f) social security and other benefits	0	1

g) other costs by type	0	3
Total costs by type	8	67
Change in inventories, products and accruals	0	0
General and administrative expenses (negative value)	-5	-63
Manufacturing cost of products sold	3	4

3.25 Other operating revenue

OTHER OPERATING REVENUE	Six months ended on 30 /06/2019 (unaudited)	Six months ended on 30/06/2018 (unaudited)
a) released provisions (due to)	0	0
b) profit on disposal of non-financial fixed assets	0	0
c) others, including:	0	0
- revenue from re-invoices	0	0
Total other operating revenue	0	0

3.26 Other operating costs

OTHER OPERATING COSTS	Six months ended on 30 /06/2019 (unaudited)	Six months ended on 30/06/2018 (unaudited)
a) provisions created (due to)	0	0
b) revaluation of assets	0	0
c) loss on disposal of non-financial fixed assets	1	0
d) others, including:	0	0
- re-invoicing costs	0	0
- recovery costs	0	0
- penalties imposed	0	0
- other	0	3
Total other operating costs	1	3

3.27 Financial revenue from interest

FINANCIAL REVENUE FROM INTEREST	Six months ended on 30/06/2019 (unaudited)	Six months ended on 30/06/2018 (unaudited)
a) other interest	2	6
- from related parties	0	0
- from other entities	2	6
Total financial revenue from interest	2	6

3.28 Other financial revenue

OTHER FINANCIAL REVENUE	Six months ended on 30/06/2019 (unaudited)	Six months ended on 30/06/2018 (unaudited)
a) exchange rates gains	0	0
b) profit on disposal of financial assets	0	0
c) others, including:	0	0
- other	0	0
Total other financial revenue	0	0
REVENUE FROM INVESTMENT REVALUATION	Six months ended on 30/06/2019 (unaudited)	Six months ended on 30/06/2018 (unaudited)
a) valuation of financial instruments	0	0
b) reversal of impairment losses on long-term financial assets	0	0
Total revenue from investment revaluation	0	0

3.29 Financial costs

FINANCIAL COSTS DUE TO INTEREST	Six months ended on 30/06/2019 (unaudited)	Six months ended on 30/06/2018 (unaudited)
a) on loans and borrowings	0	0
b) other interest	0	0
Total financial costs due to interest	0	0

OTHER FINANCIAL COSTS	Six months ended on 30/06/2019 (unaudited)	Six months ended on 30/06/2018 (unaudited)
a) loss on disposal of financial assets	13	0
b) revaluation of shares	0	0
c) others, including:	0	0
- costs of merger of entities	0	0
Total other financial costs	13	0

3.30 Activities during discontinuation

During the reporting period, no activity was discontinued.

3.31 Additional clarifications to the income statement

In the reporting period, the Company generated a net profit of EUR 3.000,00. Such financial result is primarily due to income from loans granted.

Shareholding structure

According to the knowledge of the Management Board, as at 30/06/2019 the structure of direct shareholding and the list of shareholders holding at least 5% of the total number of votes at the Issuer's General Meeting changed as compared to the structure presented as at the date of publication of the last periodic report, i.e. the annual report for 2018 and as at the balance sheet day 30/06/2019 was as follows:

Direct shareholding structure as at 30/06/2019

No.	Shareholder	Number of shares	% of shares	Number of votes	% of votes
1.	Patro Invest OÜ	9 426 784	62,78	9 426 784	62,78
2.	Pozostali	5 589 188	37,22	5 589 188	37,22
X	Total	15 015 972	100,00	15 015 972	100,00

Indirect shareholding structure as at 30/06/2019

No.	Shareholder	Number of shares	% of shares	Number of votes	% of votes
1.	Damian Patrowicz	9 426 784	62,78	9 426 784	62,78

3.32 Description of factors and events, in particular of an unusual nature, having a significant impact on the financial results achieved.

In the reporting period, there were no unusual factors or events having a significant impact on the financial results achieved.

3.33 The type and amount of items affecting assets, liabilities, capital, net financial result or cash flows that are unusual due to their type, size or frequency.

In the period covered by this report in Investment Friends Capital SE this event did not occur.

3.34 Information on write-downs revaluating inventories to the net realizable value and reversing these write-offs.

In the period covered by this report in Investment Friends Capital SE this event did not occur.

3.35 Information about impairment losses on financial assets, property, plant and equipment, intangible assets or other assets, and reversals of such write-downs.

In the period covered by this report in Investment Friends Capital SE this event did not occur.

3.36 Information on significant purchase and sale transactions of property, plant and equipment

In the period covered by this report in Investment Friends Capital SE this event did not occur.

3.37 Information on a significant liability for the purchase of property, plant and equipment.

In the period covered by this report in Investment Friends Capital SE this event did not occur.

3.38 Information on changes in the economic situation and operating conditions that have a significant effect on the fair value of the entity's financial assets and liabilities.

In the period covered by this report in Investment Friends Capital SE this event did not occur.

3.39 Information on non-payment of a loan or a breach of material provisions of the loan or loan agreement in respect of which no corrective action has been taken by the end of the reporting period.

In the period covered by this report in Investment Friends Capital SE this event did not occur.

3.40 Information on granting credit sureties or loan guarantees by the issuer or its subsidiary or a guarantee - jointly to one entity or its subsidiary, if the total value of existing sureties or guarantees is significant, specifying:

- A) name (company name) of the entity to which sureties or guarantees have been granted,
- B) total amount of loans or credits, which in full or in a certain part has been properly guaranteed or guaranteed
- C) the period for which the sureties or guarantees were granted,
- D) financial conditions on which the sureties or guarantees were granted, indicating the remuneration of the issuer or its subsidiary for granting sureties or guarantees,
- E) the nature of the relationship between the issuer and the entity that has borrowed.

There are no outstanding loans or advances received in the company. The issuer did not grant any sureties and warranty.

Loans granted by Investment Friends Capital S.E. were presented in item 3.8.

3.41 Indication of corrections of errors from previous periods.

In the period covered by this report in Investment Friends Capital SE this event did not occur..

3.42 Mergers of business entities and acquisition of minority interests.

In the period covered by this report in Investment Friends Capital SE this event did not occur.

3.43 Financial instruments

Information on a change in the method (method) for determining the fair value of financial instruments measured.

In the period covered by this report, there was no change in the method of determining the fair value of valued financial instruments.

3.44 Loss of control over subsidiaries and long-term investments

Not applicable.

3.45 Information on the conclusion by the issuer or its subsidiary of one or more transactions with related entities, if individually or jointly they are significant and were concluded on terms other than market terms.

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

3.46 Information on the issue, redemption and repayment of non-equity and equity securities.

In the period covered by this report in the Company this event did not occur.

3.47 Information on transactions with related entities

TRANSACTIONS WITH RELATED ENTITIES FOR THE PERIOD ENDED 30/06/2019.	Sale of products, goods and materials to related entities	Purchases from related parties	Loans and interest receivable from related parties	Trade and other liabilities at the end of the period to related parties
PATRO INVEST SP. Z O.O.	0	0	2 947	0
ATLANTIS S.A.	0	0	0	0
ELKOP S.A.	0	0	0	0
FON S.A.	0	0	0	0
Damf Księgowość sp. z o.o.	0	0	0	0
Patro Inwestycje Sp. z o.o.	346	3	0	0
Patro Invest OU	0	0	470	0

TRANSACTIONS WITH RELATED ENTITIES FOR THE PERIOD ENDED 31/12/2018.	Sale of products, goods and materials to related entities	Purchases from related parties	Loans and interest receivable from related parties	Trade and other liabilities at the end of the period to related parties
PATRO INVEST SP. Z O.O.	127	0	3509	0
ATLANTIS S.A.	0	7	0	0
ELKOP S.A.	0	2	0	0
FON S.A.	0	4	0	1
Damf Księgowość Sp. z o.o.	6	0	130	0
Fon Zarządzanie Nieruchomościami Sp. z o.o.	0	0	0	0
Refus sp. z o.o. w likwidacji	1	0	0	0
Office Center sp. z o.o.	5	0	88	0

Personal ties

Management Board:

- Damian Patrowicz – acting as the Chairman of the Management Board in Atlantis SE, Patro Invest OÜ, Dampain Sp. z o.o. and since 4/06/2018 in FON SE. Damian Patrowicz is the Member of Supervisory Boards in: DAMF Inwestycje S.A. and Elkop SE. Damian Patrowicz is also the shareholder of FON Zarządzanie Nieruchomościami Sp. z o.o., Patro Invest Sp. z o.o. and Patro Invest OÜ. Damian Patrowicz is also a General Partner in Damar Patro UÜ and in Nova Gielda UÜ.

Supervisory Board:

- Wojciech Hetkowski - the Chairman of the Supervisory Board - acts as a Member of the Supervisory Board in: Atlantis SE, Elkop SE, Investment Friends SE, FON SE, Damf Inwestycje S.A.
- Jacek Koralewski - Member of the Supervisory Board - acts a Chairman of Management Board in :, Elkop SE and acts as a Member of the Supervisory Board in: Atlantis SE, Investment Friends SE, Damf Inwestycje S.A., FON SE.
- Małgorzata Patrowicz - Member of the Supervisory Board - acts a Chairman of Management Board in IFEA Sp. z o.o., Patro Invest Sp. z o.o and acts as a Member of the Supervisory Board in: Atlantis SE, Elkop S.A, FON SE, Damf Inwestycje S.A., Investment Friends SE.
- Martyna Patrowicz - Member of the Supervisory Board - acts as a Member of the Supervisory Board in: Atlantis SE, Elkop SE, FON SE, Damf Inwestycje S.A., Investment Friends SE.

Management Board and Supervisory Board remuneration

Remuneration of managing and supervising persons	Six months ended on 30/06/2019 (unaudited)	Six months ended on 30/06/2018 (unaudited)
Supervising persons - members of the Supervisory Board	0	1
Managing persons	0	11

Supervisory Board 01/01/2018 – 30/06/2018

1	Hetkowski Wojciech	0,47
2	Koralewski Jacek	0,23
3	Patrowicz Damian	0,23
4	Patrowicz Małgorzata	0,23
5	Patrowicz Martyna	0,23
6	Patrowicz Mariusz	0

Management Board 01/01/2018 – 30/06/2018 : Robert Ogrodnik EUR 10,85 thous.

The managing and supervising persons of the issuer have not received advance payments, loans, guarantees and sureties.

3.48 Dividend paid (or declared)

In 2019 and 2018, the Company did not pay dividend.

3.49 Indication of significant proceedings pending before court, competent arbitration authority or public administration body regarding obligations and claims of the issuer or its subsidiary, with an indication of the subject of the proceedings, parties to the initiated proceedings and the position of the issuer.

In 2019 and 2018, the Company did not have any court cases exceeding 10% of the Company's equity. More important pending court cases were indicated in the Management Board Report constituting an integral part of the Issuer's semi-annual report.

3.50 Selected financial data converted into EURO

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

- balance sheet items are converted at the average exchange rate announced by the National Bank of Poland:
 - on 28/06/2019 1 EUR = 4,2520
 - on 31/12/2018 1 EUR = 4,3000
 - on 29/06/2018 1 EUR = 4,3616

- items in the income statement and the cash flow statement are translated at the exchange rate being the arithmetic average of the average exchange rates announced by the National Bank of Poland as at the last day of each month in the reporting period:
 - in the period from 1/01/2019 to 30 /06/2019 1 EUR = 4,2880
 - in the period from 1/01/2018 to 30 /06/2018 1 EUR = 4,2395

	Six months ended on 30/06/2019 EUR thous.	Six months ended on 30/06/2018 EUR thous.
Revenues from the sale of products, goods and materials	23	105
Profit (loss) from operating activity	14	35
Profit (loss) before tax	3	41
Net profit (loss)	3	43
Net cash flow from operating activities	-1 032	28
Net cash flow from investing activities	1 032	1 888
Net cash flow from financing activities	0	0
Change in cash and cash equivalents	1	1 916
Total assets*	4 811	5 295
Long-term liabilities*	4	1
Short-term liabilities*	4	18
Equity*	4 803	5 276
Share capital*	2 102	2 102
Weighted average diluted number of shares (in pcs)	15 015 972	15 015 972
Profit (loss) per share (in EURO)	0,00	0,00
Book value per one share (in EURO) *	0,32	0,35



3.51 Significant events after the end of the interim period that were not reflected in the financial statements for the interim period.

Significant events after the balance sheet date are described in the Report of the Company's Management Board.

Tallinn, 3/10/2019

/-/ Damian Patrowicz – Chairman of the Management Board