



**FON SE**

**SHORTENED FINANCIAL STATEMENTS OF FON SE**

**FOR THE 6-MONTH PERIOD**

**ENDED ON 31 DECEMBER 2020**

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

Tallinn, 08/02/2021

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Half-yearly financial report and report of Management Board of FON SE  
for the period 01.07.2020 - 31.12.2020 (*in thous. EUR*)

## I. GENERAL INFORMATION

Name of the Company: **FON SE**

Beginning of the financial year: 1.07.2020

End of financial year: 30.06.2021

Registry code: 14617916

LEI code: 259400WB3K1M8CZO6N24

Address: Harju maakond, Tallinn, Kesklinna linnaosa, Tornimäe tn 5, 10145

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E-mail address: [biuro@fon-sa.pl](mailto:biuro@fon-sa.pl)

Website: [www.fon-sa.pl](http://www.fon-sa.pl)

Principal business activity: As of 31/12/2020, the business registered in Estonia is "Activities of financial holding companies".

Members of the Supervisory Board:

- Wojciech Hetkowski
- Jacek Koralewski
- Małgorzata Patrowicz
- Martyna Patrowicz

Member of the Management Board:

- Damian Patrowicz

The duration of the Company is indefinite.

The financial statements of FON SE for the period from 01/07/2020 to 31/12/2020 are prepared in accordance with the International Financial Reporting Standards, which have been approved by the European Union and related interpretations announced in the form of regulations of the European Commission.

Half-yearly financial report and report of Management Board of FON SE  
for the period 01.07.2020 - 31.12.2020 (in thous. EUR)

**II. STATEMENT OF FINANCIAL POSITION (in thous. EUR)**

STATEMENT OF FINANCIAL POSITION	As of 31/12/2020 unaudited thous. EUR	As of 30/06/2020 audited thous.EUR
<b>Assets</b>		
<b>Fixed assets</b>	<b>8 230</b>	<b>8 776</b>
Long-term financial assets	8 230	8 776
<b>Current assets</b>	<b>3 055</b>	<b>2 686</b>
Short-term receivables	13	15
Short-term financial assets	3 017	2 670
Cash and cash equivalents	25	1
<b>Total assets</b>	<b>11 285</b>	<b>11 462</b>
<b>Liabilities</b>		
<b>Equity</b>	<b>6 232</b>	<b>5 966</b>
Share capital	7 700	7 700
Exchange differences due to conversion into EUR	-341	-550
Supplementary capital	22 422	22 422
Other reserve capitals	3 805	3 805
Retained earnings / Unsettled financial result	-27 354	-27 411
<b>II. Long-term liabilities</b>	<b>5 043</b>	<b>5 241</b>
Other long-term liabilities	5 043	5 241
<b>III. Short-term liabilities</b>	<b>10</b>	<b>255</b>
Financial liabilities due to issue of securities	0	0
Credits and loans	0	245
Trade liabilities	8	3
Other liabilities	2	3
Other reserves	0	4
<b>Total liabilities</b>	<b>11 285</b>	<b>11 462</b>

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**III. PROFIT AND LOSS ACCOUNT AND STATEMENT OF COMPREHENSIVE INCOME (in thous. EUR)**

<b>PROFIT AND LOSS ACCOUNT</b>	<b>01/07/2020 - 31/12/2020 (unaudited) thous. EUR</b>	<b>01/01/2019 - 30/06/2019 (audited) thous. EUR</b>
Revenue from interest, from the sale of products, goods and materials	86	165
Costs of products, goods and materials sold	0	8
<b>Gross profit on sales</b>	<b>86</b>	<b>157</b>
General and administrative expenses	11	26
Other operating revenue	0	192
Other operating costs	0	190
<b>Profit (loss) from operating activity</b>	<b>75</b>	<b>133</b>
Financial revenue	0	47
Financial cost	18	0
<b>Profit before tax</b>	<b>57</b>	<b>180</b>
<b>Net income</b>	<b>57</b>	<b>180</b>

<b>STATEMENT OF COMPREHENSIVE INCOME</b>	<b>01/07/2020 - 31/12/2020 (unaudited) thous. EUR</b>	<b>01/01/2019 - 30/06/2019 (audited) thous. EUR</b>
Net profit for the period	57	180
<b>Other comprehensive income, including:</b>	<b>209</b>	<b>0</b>
<b>Components that can be transferred at a later time</b>	<b>209</b>	<b>0</b>
- differences from conversion to EURO	209	0
<b>Total income for the period</b>	<b>266</b>	<b>180</b>

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**IV. STATEMENT OF CHANGES IN EQUITY (in thous. EUR)**

<b>STATEMENT OF CHANGES IN EQUITY</b>	<b>01/07/2020 - 31/12/2020 (unaudited) thous. EUR</b>	<b>01/01/2019 - 30/06/2019 (audited) thous. EUR</b>
<b>Equity at the beginning of the period</b>	<b>5 966</b>	<b>9 324</b>
change currency	0	333
<b>Equity at the beginning of the period, after reconciliation with comparable data</b>	<b>5 966</b>	<b>9 657</b>
<b>Share capital at the beginning of the period</b>	<b>7 700</b>	<b>7 700</b>
<b>Share capital at the end of the period</b>	<b>7 700</b>	<b>7 700</b>
<b>Supplementary capital at the beginning of the period</b>	<b>22 422</b>	<b>22 422</b>
<b>Supplementary capital at the end of the period</b>	<b>22 422</b>	<b>22 422</b>
<b>Revaluation capital at the beginning of the period</b>	<b>0</b>	<b>-11 664</b>
<b>Revaluation capital at the end of the period</b>	<b>0</b>	<b>-11 664</b>
<b>Capital from merger of entities at the beginning of the period</b>	<b>0</b>	<b>3 865</b>
<b>Capital from merger of entities at the end of the period</b>	<b>0</b>	<b>3 865</b>
<b>Other reserve capital at the beginning of the period</b>	<b>3 805</b>	<b>3 805</b>
<b>Other reserve capital at the end of the period</b>	<b>3 805</b>	<b>3 805</b>
<b>Retained earnings / Unrealized losses from previous years at the beginning of the period</b>	<b>-27 411</b>	<b>-16 471</b>
increase(due to)	57	180
profit/loss for the period	57	180
<b>Retained earnings / Unrealized losses from previous years at the end of the period</b>	<b>-27 354</b>	<b>-16 291</b>
<b>Exchange differences at the beginning of the period</b>	<b>-550</b>	<b>-333</b>
Changes of exchange differences	209	161
increases	209	161
<b>Exchange differences at the end of the period</b>	<b>-341</b>	<b>-172</b>
<b>Equity at the end of the period</b>	<b>6 232</b>	<b>9 665</b>

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**V. STATEMENT OF CASH FLOW (in thous. EUR)**

<b>STATEMENT OF CASH FLOW</b>	<b>01/07/2020 - 31/12/2020 (unaudited) thous. EUR</b>	<b>01/01/2019 - 30/06/2019 (audited) thous. EUR</b>
<b>OPERATING ACTIVITIES</b>		
<b>I. Gross profit</b>	355	180
<b>II. Total adjustments</b>	-234	-577
Loans granted	-56	-145
Received loans repayments	178	394
Interest and share in profits (dividends)	-358	-161
(Profit) loss on investing activities	-1	-47
Change in receivables and active accruals	2	-829
Change in liabilities	4	0
Change in the status of passive accruals	-3	0
Other adjustments		211
<b>I. Net cash flows from operating activities</b>	<b>121</b>	<b>-397</b>
<b>INVESTING ACTIVITIES</b>		
<b>I. Inflows from investing activities</b>	<b>243</b>	<b>576</b>
Sale of intangible assets and tangible fixed assets	0	576
Sale of financial assets	243	
<b>II. Net cash flows from investing activities</b>	<b>243</b>	<b>576</b>
<b>FINANCING ACTIVITIES</b>		
<b>I. Inflows</b>	<b>0</b>	<b>0</b>
<b>II. Outflows due to financing activities</b>	<b>340</b>	<b>0</b>
Repayments of credits and loans	318	0
Interest	22	0
<b>III. Net cash flow from financing activities</b>	<b>-340</b>	<b>0</b>
<b>Total net cash flows (I+/-II+/-III)</b>	<b>24</b>	<b>179</b>
<b>Balance sheet change in cash</b>	<b>24</b>	<b>179</b>
<b>Cash at the beginning of the period</b>	<b>1</b>	<b>40</b>
<b>Cash at the end of the period</b>	<b>25</b>	<b>219</b>

Half-yearly financial report and report of Management Board of FON SE  
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**VI. TRANSACTIONS WITH RELATED ENTITIES (in thous. EUR)**

**01/07/2020 – 31/12/2020:**

RELATED PARTIES TRANSACTIONS FOR THE PERIOD 01/07/2020 - 31/12/2020 (thous. EUR)	Sale of products, goods and materials to related entities	Interest costs for related entities and other financial costs	Other receivables at the end of the period from related parties (including loans)	Liabilities for supplies and services at the end of the period to related entities	Liabilities due to loans and other to related entities
ATLANTIS SE		18			5 110
ELKOP SE	352		7 942		
PATRO INVEST OÜ	0		56		
PATRO INVEST SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ W LIKWIDACJI			1		
PATRO INWESTYCJE SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	9		751	6	
DAMAR PATRO UÜ	28		2 230		
<b>Total (thous. EUR)</b>	<b>389</b>	<b>18</b>	<b>10 980</b>	<b>6</b>	<b>5 110</b>



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**Financial year 2019/2020:**

RELATED PARTIES TRANSACTIONS FOR THE PERIOD 01/01/2019 - 30/06/2020 (thous. EUR)	Sale of products, goods and materials to related entities	Sale of non-financial fixed assets	Sale of financial assets	Purchases from related entities	Interest costs for related entities and other financial costs	Other receivables at the end of the period from related parties (including loans)	Liabilities for supplies and services at the end of the period to related entities	Liabilities due to loans and other to related entities
ATLANTIS SE					48			5 486
ELKOP SE	370			1		8 151		
FON ZARZĄDZANIE NIERUCHOMOŚCIAMI SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ W LIKWIDACJI	153							
PATRO INVEST OÜ	4	50						
PATRO INVEST SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ W LIKWIDACJI	2							
PATRO INWESTYCJE SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	107	-16		1		745	1	
DAMAR PATRO UÜ	2					2 202		
Mr. Mariusz Patrowicz			1					
<b>Total (thous. EUR)</b>	<b>638</b>	<b>34</b>	<b>1</b>	<b>2</b>	<b>48</b>	<b>11 098</b>	<b>1</b>	<b>5 486</b>

## **FON SE's personal relationships between the Company's Management and Supervisory Bodies**

Dominant entity: Patro Invest OÜ in Tallinn (directly), Mr. Damian Patrowicz (indirectly by Patro Invest OÜ).

Entities related by personal ties in the composition of a Supervisory Board and due to the dominant direct and indirect shareholder: INVESTMENT FRIENDS CAPITAL SE, Atlantis SE, Elkop S.A., Investment Friends SE, Patro Invest Sp. z o.o. w likwidacji, Patro Invest OÜ, Damar Patro UÜ.

### ***The Management Board:***

- Damian Patrowicz – performs the function of the single Member of the Management Board of the Company and Patro Invest OÜ, is also Member of the Management Board in Patro Inwestycje Sp. z o.o., INVESTMENT FRIENDS CAPITAL SE, Atlantis SE and performs function of the Member of the Supervisory Board in: Elkop S.A., is a shareholder of Patro Invest OÜ. Mr. Damian is a general partner in Damar Patro UÜ and shareholder of Patro Invest Sp. z o.o. in liquidation.

### ***Supervisory Board***

- Wojciech Hetkowski Chairman of the Supervisory Board – performs a function of a Member of the Supervisory Board in: Atlantis SE, Elkop SE, Investment Friends SE, INVESTMENT FRIENDS CAPITAL SE.
- Jacek Koralewski Member of the Supervisory Board - performs a function of Chairman of the Management Board in: Elkop SE and Member of the Supervisory Board in: Atlantis SE, Investment Friends SE, FON SE.
- Małgorzata Patrowicz Secretary of the supervisory board - performs a function of liquidator of Patro Invest Sp. z o.o in liquidation and Chairman of the Management Board in Patro Inwestycje Sp. z o.o. In addition, performs a function of a Member of the Supervisory Board in: Atlantis SE, Elkop SE, INVESTMENT FRIENDS CAPITAL SE, Investment Friends SE.
- Martyna Patrowicz Member of the Supervisory Board – performs a function of the Member of a Supervisory Board in: Atlantis SE, Elkop SE, INVESTMENT FRIENDS CAPITAL SE, Investment Friends SE.

The largest shareholder of FON SE is also the dominant shareholder of ELKOP SE, ATLANTIS SE, INVESTMENT FRIENDS SE, INVESTMENT FRIENDS CAPITAL SE and Patro Inwestycje Sp. z o.o.  
Damar Patro UÜ – the general partner is a member of the Management Board of FON SE. Patro Invest Sp. z o.o. in liquidation – shareholder of Patro Invest Sp. z o.o. in liquidation is and indirect shareholder of FON SE. Patro Invest OÜ – the largest shareholder of FON SE.

Half-yearly financial report and report of Management Board of FON SE  
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## CREDITS AND LOANS

As at December 31, 2020, the Company has the following short-term loans granted:

<b>SHORT-TERM LOANS</b>								
<b>(thous. EUR) as of 31/12/2020</b>								
Name of the entity	Headquarter	The loan amount in EUR thousand		The loan amount outstanding to be repaid in EUR thousand		Interest	Term of repayment	Collateral
		Amount	Currency	Amount	Currency			
Auto Kluge	Płock	110	EUR	40	EUR	10%	31.08.2015	blank promissory note, transfer of ownership, submission to enforcement
Patro Invest Sp. z o.o. w likwidacji	Płock	154	EUR	1	EUR	WIBOR3M + 3%	30.06.2019	blank promissory note
Elkop SE	Płock	5 965	EUR	1	EUR	WIBOR1M	31.12.2024*	blank promissory note
Elkop SE	Płock	4 113	EUR	2 153	EUR	WIBOR1M+4,5%	24.04.2021	blank promissory note, mortgage
Damar Patro UŹ	Tallinn	2 200	EUR	30	EUR	2,5%	30.06.2023*	blank promissory note
Patro Inwestycje Sp. z o.o.	Płock	55	EUR	39	EUR	2,5%	31.12.2020	-
Patro Inwestycje Sp.z o.o.	Płock	675	EUR	686	EUR	2,5%	31.12.2021	-
Fly.pl Sp. z o.o.*	Warszawa	352	EUR	66	EUR	-	15.10.2022*	mortgage, blank promissory note
TOTAL:		13 624	EUR	3 016	EUR			

\*These loans are presented as short-term loans that are part of long-term loans.

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<b>SHORT-TERM LOANS</b>								
<b>(thous. PLN) as of 31/12/2020</b>								
Name of the entity	Headquarter	The loan amount in EUR thousand		The loan amount outstanding to be repaid in EUR thousand		Interest	Term of repayment	Collateral
		Amount	Currency	Amount	Currency			
Auto Kluge	Płock	500	PLN	182	PLN	10%	31.08.2015	blank promissory note, transfer of ownership, submission to enforcement
Patro Invest Sp. z o.o.	Płock	700	PLN	6	PLN	WIBOR3M + 3%	30.06.2019	blank promissory note
Elkop SE	Płock	18 752	PLN	9 819	PLN	WIBOR1M+4,5%	24.04.2021	blank promissory note, mortgage
Elkop SE*	Płock	27 200	PLN	4	PLN	WIBOR1M	31.12.2024	blank promissory note
Fly.pl Sp. z o.o.**	Warszawa	1 607	PLN	300	PLN	-	15.10.2022	mortgage, blank promissory note
Patro Inwestycje Sp.z o.o.	Płock	250	PLN	177	PLN	2,5%	31.12.2020	-
Patro Inwestycje Sp.z o.o.	Płock	3 080	PLN	3 130	PLN	2,5%	31.12.2021	-
<b>TOTAL:</b>		<b>52 089</b>	<b>PLN</b>	<b>13 618</b>	<b>PLN</b>			

\*Long-term loans - interest repayments from Elkop SE in the amount of PLN 4 thousand (EUR 1 thousand) received after the balance sheet date, recognized in short-term financial assets.

\*\*Loan amount of PLN 300 thousand = 66 thousand EUR with a maturity of PLN 150 thousand - October 15, 2020, PLN 150 thousand - October 15, 2021 shown in short-term financial assets.

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<b>SHORT-TERM LOANS</b>								
<b>(thous. EUR) as of 31/12/2020</b>								
Name of the entity	Headquarter	The loan amount in EUR thousand		The loan amount outstanding to be repaid in EUR thousand		Interest	Term of repayment	Collateral
		Amount	Currency	Amount	Currency			
Damar Patro UÜ *	Tallinn	2200	EUR	30	EUR	2,5%	30.06.2023	blank promissory note
<b>TOTAL:</b>		2200	EUR	30	EUR			

\*Long-term loan - interest shown in short-term financial assets

Half-yearly financial report and report of Management Board of FON SE  
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As at June 30, 2020, the Company has the following short-term loans granted:

<b>SHORT-TERM LOANS</b>								
<b>(thous. EUR) as of 30/06/2020</b>								
Name of the entity	Headquarter	The loan amount in EUR thousand		The loan amount outstanding to be repaid in EUR thousand		Interest	Term of repayment	Collateral
		Amount	Currency	Amount	Currency			
Auto Kluge	Płock	112	EUR	45	EUR	10%	31.08.2015	blank promissory note, transfer of ownership, submission to enforcement
Osoba fizyczna	Płock	8	EUR	4	EUR	10%	31.12.2017	blank promissory note, pledge
Patro Invest Sp. z o.o.	Płock	157	EUR	1	EUR	WIBOR3M + 3%	30.06.2019	blank promissory note
Elkop SE	Płock	6 104	EUR	34	EUR	WIBOR1M	31.12.2024*	blank promissory note
Elkop SE	Płock	4 208	EUR	2 266	EUR	WIBOR1M+4,5%	24.04.2021*	blank promissory note, mortgage
Damar Patro UŹ	Tallinn	2 200	EUR	2	EUR	2,5%	30.06.2023*	blank promissory note
Patro Inwestycje Sp. z o.o.	Płock	56	EUR	39	EUR	2,5%	31.12.2020	-
Fly.pl Sp. z o.o.*	Warszawa	361	EUR	34	EUR	-	15.10.2022*	mortgage, blank promissory note
<b>TOTAL:</b>		<b>13 206</b>	<b>EUR</b>	<b>2 425</b>	<b>EUR</b>			

\*These loans are presented as short-term loans that are part of long-term loans. In addition, the Company recognizes in its short-term financial assets participation units in the BPS fund, which as at June 30, 2020 had a value of 245 thousand. EUR.

Half-yearly financial report and report of Management Board of FON SE  
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<b>SHORT-TERM LOANS</b>								
<b>(thous. PLN) as of 30/06/2020</b>								
Name of the entity	Headquarter	The loan amount in EUR thousand		The loan amount outstanding to be repaid in EUR thousand		Interest	Term of repayment	Collateral
		Amount	Currency	Amount	Currency			
Auto Kluge	Płock	500	PLN	202	PLN	10%	31.08.2015	blank promissory note, transfer of ownership, submission to enforcement
Osoba fizyczna	Płock	37	PLN	16	PLN	10%	31.12.2017	blank promissory note, pledge
Patro Invest Sp. z o.o.	Płock	700	PLN	6	PLN	WIBOR3M + 3%	30.06.2019	blank promissory note
Elkop SE	Płock	18 752	PLN	10 097	PLN	WIBOR1M+4,5%	24.04.2021	blank promissory note, mortgage
Elkop SE*	Płock	27 200	PLN	150	PLN	WIBOR1M	31.12.2024	blank promissory note
Fly.pl Sp. z o.o.**	Warszawa	1 607	PLN	150	PLN	-	15.10.2022	mortgage, blank promissory note
Patro Inwestycje Sp.z o.o.	Płock	250	PLN	174	PLN	2,5%	31.12.2020	-
TOTAL:		49 046	PLN	10 795	PLN			

\*Long-term loans - interest and principal repayments of loans from Elkop SE in the amount of PLN 150 thousand (EUR 34 thousand) received after the balance sheet date, recognized in short-term financial assets.

\*\*Loan amount of PLN 150 000 = 34 000 EUR with maturity on October 15, 2020 shown in short-term financial assets.

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KRÓTKOTERMINOWE POŻYCZKI								
(w tys. EUR) na dzień 30/06/2020								
Name of the entity	Headquarter	The loan amount in EUR thousand		The loan amount outstanding to be repaid in EUR thousand		Interest	Term of repayment	Collateral
		Amount	Currency	Amount	Currency			
Damar Patro UÜ *	Tallinn	2200	EUR	2	EUR	2,5%	30.06.2023	blank promissory note
TOTAL:		2200	EUR	2	EUR			

\*Long-term loan - interest shown in short-term financial assets



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As at December 31, 2020, the Company has the following long-term loans granted:

<b>LONG-TERM LOANS</b>								
<b>(thous. EUR) as of 31/12/2020</b>								
Name of the entity	Headquarter	The loan amount in EUR thousand		The loan amount outstanding to be repaid in EUR thousand		Interest	Term of repayment	Collateral
		Amount	Currency	Amount	Currency			
Elkop SE*	Płock	5 965	EUR	5 683	EUR	WIBOR1 M	31.12.2024	blank promissory note
Damar Patro UÜ	Tallinn	2 200	EUR	2 200	EUR	2,5%	30.06.2023	blank promissory note
Fly.pl Sp. z o.o.**	Warszawa	352	EUR	33	EUR	-	15.10.2022	mortgage, blank promissory note
Patro Invest OÜ	Tallinn	55	EUR	55	EUR	2,5%	31.12.2022	-
<b>TOTAL:</b>		<b>8 517</b>	<b>EUR</b>	<b>7 971</b>	<b>EUR</b>			

\*Interest on long-term loans paid after the balance sheet date is shown as short-term loans.

\*\*On May 31, 2017, FON SE concluded an agreement with FLY Sp. z o.o. on debt repayment by FLY Sp. z o.o. in five installments.

\*\* Loan capital of PLN 300 thousand = 66 thousand EUR with a maturity of PLN 150 thousand - October 15, 2020, PLN 150 thousand - October 15, 2021 shown in short-term financial assets.

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<b>DLUGOTERMINOWE POŻYCZKI</b>								
<b>(w tys. PLN) na dzień 31/12/2020</b>								
Name of the entity	Headquarter	The loan amount in EUR thousand		The loan amount outstanding to be repaid in EUR thousand		Interest	Term of repayment	Collateral
		Amount	Currency	Amount	Currency			
Elkop SE*	Płock	27 200	PLN	25 913	PLN	WIBOR1M	31.12.2024	blank promissory note
Fly.pl Sp. z o.o.**	Wa-wa	1 607	PLN	150	PLN	-	15.10.2022	mortgage, blank promissory note
Patro Invest OÜ	Tallinn	250	PLN	251	PLN	2,5%	31.12.2022	-
<b>TOTAL:</b>		<b>28 807</b>	<b>PLN</b>	<b>26 314</b>	<b>PLN</b>			

\*Interest on long-term loans paid after the balance sheet date is presented as short-term

\*\* On May 31, 2017, FON SE concluded an agreement with FLY Sp. z o.o. on debt repayment by FLY Sp. z o.o. in five installments.

<b>LONG-TERM LOAN granted in EUR</b>								
<b>(thous. EUR) as of 31/12/2020</b>								
Name of the entity	Headquarter	The loan amount in EUR thousand		The loan amount outstanding to be repaid in EUR thousand		Interest	Term of repayment	Collateral
		Amount	Currency	Amount	Currency			
Damar Patro UÜ	Tallinn	2 200	EUR	2 200	EUR	2,5%	30.06.2023	blank promissory note
<b>TOTAL:</b>		<b>2 200</b>	<b>EUR</b>	<b>2 200</b>	<b>EUR</b>			

The loan granted to Damar Patro UÜ was granted in EURO at the contractual exchange rate of EUR 1 = PLN 4.4.

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As at June 30, 2020, the Company has the following long-term loans granted:

<b>LONG-TERM LOANS</b>								
<b>(thous. EUR) as of 30/06/2020</b>								
Name of the entity	Headquarter	The loan amount in EUR thousand		The loan amount outstanding to be repaid in EUR thousand		Interest	Term of repayment	Collateral
		Amount	Currency	Amount	Currency			
Patro Inwestycje Sp.z o.o.	Płock	691	EUR	694	EUR	2,5%	31.12.2021	-
Elkop SE*	Płock	6 104	EUR	5 815	EUR	WIBOR1M	31.12.2024	blank promissory note
Damar Patro UÜ	Tallinn	2 200	EUR	2 200	EUR	2,5%	30.06.2023	blank promissory note
Fly.pl Sp. z o.o.**	Warszawa	361	EUR	67	EUR	-	15.10.2022	mortgage, blank promissory note
<b>TOTAL:</b>		<b>9 356</b>	<b>EUR</b>	<b>8 776</b>	<b>EUR</b>			

\*The principal of the loan and interest on long-term loans, repaid after the balance sheet date, are shown as short-term loans.

\*\*On May 31, 2017, FON SE concluded an agreement with FLY Sp. z o.o. on debt repayment by FLY Sp. z o.o. in five installments.

\*\*Loan capital in the amount of PLN 150 thousand PLN = 34 thousand. eur with maturity repayment on October 15, 2020 shown in short-term financial assets

<b>LONG-TERM LOANS</b>								
<b>(thous. PLN) as of 30/06/2020</b>								
Name of the entity	Headquarter	The loan amount in EUR thousand		The loan amount outstanding to be repaid in EUR thousand		Interest	Term of repayment	Collateral
		Amount	Currency	Amount	Currency			
Patro Inwestycje Sp.z o.o.	Płock	3 080	PLN	3 092	PLN	2,5%	31.12.2021	-
Elkop SE*	Płock	27 200	PLN	25 913	PLN	WIBOR1M	31.12.2024	blank promissory note
Fly.pl Sp. z o.o.**	Wa-wa	1 607	PLN	300	PLN	-	15.10.2022	mortgage, blank promissory note
<b>TOTAL:</b>		<b>31 887</b>	<b>PLN</b>	<b>29 305</b>	<b>PLN</b>			

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\*Loan principal and interest on long-term loans paid after the balance sheet date are shown as short-term

\*\*On May 31, 2017, FON SE concluded an agreement with FLY Sp. z o.o. on debt repayment by FLY Sp. z o.o. in five installments.

<b>LONG-TERM LOANS granted in EUR</b>								
<b>(thous. EUR) as of 30/06/2020</b>								
Name of the entity	Headquarter	The loan amount in EUR thousand		The loan amount outstanding to be repaid in EUR thousand		Interest	Term of repayment	Collateral
		Amount	Currency	Amount	Currency			
Damar Patro UÜ	Tallinn	2 200	EUR	2 200	EUR	2,5%	30.06.2023	blank promissory note
TOTAL:		2 200	EUR	2 200	EUR			

Interest on loans granted to Elkop SE and Damar Patro UÜ is presented in short-term financial assets in the amount of 511 thousand. EUR for ELKOP SE, 2 thousand EUR for Damar Patro UÜ. The loan granted to Damar Patro UÜ was granted in EUR at the contractual exchange rate of EUR 1 = PLN 4,40.

The Issuer did not grant any guarantees to any entities.

## **VII. REPORT OF THE MANAGEMENT BOARD**

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

In the reporting period, the main activity of the Company was financial activity: providing the loans. The decisive role in the structure of the Company's revenues in the reporting period were revenues related to financial activities.

The Company, implementing its business profile in the field of granting loans concluded agreements with Estonian entities. Due to the nature of the business, there are no sources of goods and materials.

### ***GENERAL (MACROECONOMIC) DEVELOPMENT OF THE ENVIRONMENT IN WHICH THE COMPANY IS OPERATED AND THE IMPACT OF THIS DEVELOPMENT ON ITS FINANCIAL EFFICIENCY.***

The Company conducts financial activities in particular connected with granting cash loans to natural persons and economic entities, most often from the micro and small enterprises sector. In opinion of the company's Management Board, activity in this area is developing, especially on the Polish market. In Poland, among more than 2 million small and medium-sized enterprises, only 17% use loans and borrowings. It results from the restrictive policy of bank in the scope of high-risk assessment for granting loans for this type of entities. A small entrepreneur has to fulfil the bank's difficult requirements, primarily seldom achieved for young entities, credit worthiness. Majority of novice entrepreneurs also do not have any collateral and do not have a long bank history. Entrepreneurs, who do not receive financing from the bank, are looking for alternative forms of financing. They reach out to the companies providing loan services. Companies in this sector, including FON SE, show great flexibility in the scope of service procedure adjusted to the needs of individual clients and their abilities in the scope of granted collateral. The Company sees the development potential in the scope of providing of the financial services for this type of entities and consistently intends to continue its business in this segment.

### ***INFORMATION WHETHER THE COMPANY'S OPERATING ACTIVITY IS BASED ON SEASONALITY OR IS IT CYCLICAL.***

In the reporting period, the basic activity of the Company was financial service (loan), therefore there is no seasonality or cyclicity.

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

Due to the Company's basic activity in the field of financial services in the field of granting cash loans to business entities, the most important investments of the Company in the reporting period concerned granted loans. In the near future, the Company intends to continue its main lending activities, therefore the Management Board believes that future significant investments will also be implemented in this area.

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***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 Company does not conduct research and development projects.

***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 May 27, 1999 FON SE shares are listed on the Warsaw Stock Exchange. As of December 31, 2018 FON SE held 70 000 000 shares issued without par value with a book value of EUR 0,11 each. As of December 31, 2018 The price per share was PLN 0,02 (EUR 0,005) and there were 70 000 000 shares. Since December 31, 2018 until 05/05/2019 The Company held 70 000 000 issued shares. Since May 6, 2019 as a result of the resplit (reverse split) operation, the book value of one share increased from EUR 0,11 to EUR 0,88, and the number of shares decreased from 70 000 000 to 8 750 000. The share capital remained the same. In connection with this operation, until January 14, 2020, there were 8 750 000 shares. From January 15, 2020, as a result of the split operation, the book value of one share decreased from EUR 0,88 to EUR 0,1467, and the number of shares increased from 8 750 000 to 52 500 000 shares - the share capital did not change. From July 15, 2020, the share capital of the Company amounts to 7 700 thousand. EUR and consists of 42 749 250 series A shares without par value with a book value of EUR 0,1467 entitling to 100% of dividend per share and 9 750 750 series B shares without par value with a book value of EUR 0,1467 entitling to 50% dividends per share. From November 20, 2020, the share capital of the Company amounts to 7 700 thousand. EUR and consists of 44 174 250 series A shares without nominal value with a book value of EUR 0,1467 entitling to 100% of dividend per share and 8 325 750 series B shares without nominal value with a book value of EUR 0,1467 entitling to 50% dividends per share. The shares are freely transferable and have no statutory restrictions.

***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..

***SIGNIFICANT SHARE PACKAGES IN ACCORDANCE WITH THE PROVISIONS OF § 185 THE SECURITIES MARKET ACT***

To the best knowledge of the Management Board, as at February 8, 2021, the structure of direct and indirect shareholders holding at least 5% of the total number of votes at the General Meeting was as follows:

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**Direct shareholding structure as of 08/02/2021:**

No	Direct shareholder	No. of shares	% shares	Number of votes	% votes
1.	Patro Invest OÜ	18 620 149	35,47	18 620 149	35,47
X	Łącznie	<b>52 500 000</b>	<b>100,00</b>	<b>52 500 000</b>	<b>100,00</b>

**Indirect shareholding structure as of 08/02/2021**

No	Indirect shareholder	No. of shares	% shares	Number of votes	% votes
1.	Patro Invest OÜ	18 620 149	35,47	18 620 149	35,47
2.	Damian Patrowicz	18 620 149	35,47	18 620 149	35,47

\* **Damian Patrowicz owns 100% of the shares of Patro Invest OU**

To the best knowledge of the Management Board, as at the balance sheet date, i.e. December 31, 2020. The structure of shareholders directly and indirectly holding at least 5% of the total number of votes at the General Meeting was as follows:

**Direct shareholding structure as of 31/12/2020**

No	Direct shareholder	No. of shares	% shares	Number of votes	% votes
1.	Patro Invest OÜ	18 476 821	35,19	18 476 821	35,19
X	Łącznie	<b>52 500 000</b>	<b>100,00</b>	<b>52 500 000</b>	<b>100,00</b>

**Indirect shareholding structure as of 31/12/2020**

No	Indirect shareholder	No. of shares	% shares	Number of votes	% votes
1.	Patro Invest OÜ	18 476 821	35,19	18 476 821	35,19
2.	Damian Patrowicz	18 476 821	35,19	18 476 821	35,19

\* **Damian Patrowicz owns 100% of the shares of Patro Invest OU**

***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 the Company has two classes of shares:

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- A series - registered shares without a nominal value. Each A-share shall give 1 (one) vote at the general meeting. An A-share entitles the shareholder to receive 100% of the dividend per share paid in accordance with the resolution of the general meeting.

- B series - registered shares without a nominal value (B-shares). Each B-share shall give 1 (one) vote at the general meeting. A B-share entitles the shareholder to receive 50% of the dividend per share paid in accordance with the resolution of the general meeting.

***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.

***RESOLUTIONS AND RULES OF MAKING AN ALTERNATION IN THE ARTICLE OF ASSOCIATION SETTLED BY LAW.***

In accordance with point 4.9.1 of the Company's Articles of Association, amendment of the Company's Articles 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.

***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.

***DESCRIPTION OF THE BASIC ECONOMIC AND FINANCIAL DATA REVEALED IN THE ANNUAL FINANCIAL STATEMENT AND DESCRIPTION OF THE FACTORS AND THE MOST IMPORTANT UNTYPICAL EVENTS HAVING SIGNIFICANT INFLUENCE ON THE ACTIVITY OF THE COMPANY AND ACHIEVED PROFITS OR LOSSES IN THE FINANCIAL YEAR.***

The Company in the reporting period recorded:

- Revenue from interest, the sale of lands, product in the amount 86 thous. EUR.
- Gross profit in amount of 86 thous. EUR.
- Profit from operating activity in the amount 75 thous. EUR.
- Net profit in the amount 57 thous. EUR.
- Financial costs in the amount of 18 thous. EUR.
- General administrative costs in the reporting period in the amount of 11 thous. EUR.



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In the reporting period, the Company obtained income mainly from interest on loan activities.

***INDICATION OF PENDING PROCEEDINGS IN THE COURT, COMPETENT AUTHORITY FOR ARBITRATION PROCEEDINGS OR PUBLIC ADMINISTRATION AUTHORITY***

In the reporting period, the Company has not initiated and has not become a party of any new, important judicial or administrative proceedings.

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

- Administrative procedure conducted by Polish Financial Supervision Authority against FON SE regarding imposition the financial fine on FON SE based on article 97(1) point 2 of July 29, 2005 on Public Offering and terms of launching to organized trading venue and on public companies, towards breaching article no. 69 (1) point 1 with relation to the article no. 87 (5) point. 1 of an act of Offer in relation to purchase on January 1, 2012 shares of public Company Zakłady Mięsne Herman S.A. (current Investment Friends Capital SE with registered office in Płock). After getting above- mentioned decision on 14/06/2017, the Company applied for reconsideration and repealing the decision in its entirety. As at 29/05/2018 Polish Financial Supervision Authority decided of repealing in its entirety and again imposed a lower fine in the amount of PLN 90 thousand (=EUR 20 thous.) . Due to the re-imposition of the penalty, the Company on 03/07/2018 filed the complaint for the Polish Financial Supervision Authority's decision to the Provincial Administrative Court. On 08/01/2019 Provincial Administrative Court passed a judgement, which dismiss the Company's complaint and as a result on 29/03/2019 the Company appealed against sentence to Supreme Administrative Court. The case is proceeding.
- A case from the Company's application for confirmation of the acquisition of an inheritance from the Company's debtor. On 8/11/2018 the Company applied to the District Court in Bydgoszcz for a declaration of inheritance for PLN 918 thous (= EUR 206 thous.). The court is setting the dates of hearings in order to hear the participants in the proceedings. The case remains pending court proceedings.

***INFORMATION ON TRANSACTIONS CONCLUDED BY THE COMPANY OR A SUBSIDIARY OF THE COMPANY WITH RELATED ENTITIES OTHER THAN MARKET CONDITIONS, WITH THEIR AMOUNTS AND INFORMATION DEFINING THE NATURE OF THESE TRANSACTIONS.***

In the period covered by this report, the Company did not conclude any significant transactions with related entities on terms other than market terms. Transactions significant in the opinion of the Management Board, including with related entities, are described in point VI of this Financial Statement.

***INFORMATION ABOUT LOANS GRANTED IN A GIVEN FINANCIAL YEAR, WITH SPECIAL CONSIDERATIONS OF LOANS GRANTED TO THE COMPANY'S AFFILIATED ENTITIES, WITH THEIR AMOUNT, TYPE AND AMOUNT OF THE INTEREST RATE, CURRENCY AND DUE DATE.***

The loans granted by the Company are described in point VI Loans with related entities. The Company has a liability under a loan received from Atlantis SE with its registered office in Tallinn on December 31, 2020. As at the balance sheet date, the amount of the liability with interest is PLN 22 995 thousand.

***ASSESSMENT AND ITS JUSTIFICATION, REGARDING MANAGEMENT OF FUNDS, SPECIFYING ABILITY TO DISCHARGE FROM TAKEN OBLIGATIONS, AND INDICATION OF POSSIBLE THREATS AND ACTIONS WHICH THE COMPANY UNDERTOOK OR INTENDS TO UNDERTAKE IN ORDER TO PREVENT THOSE THREATS.***

In the reporting period for the year from 01/07/2020 until December 31, 2020 there were no events significant in the opinion of the Management Board that could significantly affect the assessment and change of the Company's financial assets and the ability to meet the Company's obligations.

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***ASSESSMENT OF POSSIBILITY OF REALIZATION OF INVESTMENT INTENTIONS, INCLUDING CAPITAL INVESTMENTS, IN COMPARISON WITH OWNED INSTRUMENTS TAKING INTO ACCOUNT POSSIBLE CHANGES IN THE STRUCTURE OF FINANCING OF THIS ACTIVITY.***

The Company mainly conducts service activities, granting non-consumer cash loans to business entities. The current lending activity is financed from the Company's own funds. The Company intends to carry out further activities in the area of granting loans and possible investments mainly from its own funds.

***ASSESSMENT OF FACTORS AND ATYPICAL EVENTS HAVING INFLUENCE ON RESULT FROM OPERATING FOR THE FINANCIAL YEAR, SPECIFYING LEVEL OF INFLUENCE OF THESE FACTORS OR ATYPICAL EVENTS ON OBTAINED RESULT.***

In accordance with the assessment and the best knowledge of the Management Board, in the reporting period from 01/07/2020 to 31/12/2020 there were no unusual factors and events that could have a significant impact on the assessment and financial position of the Company and the ability to meet its obligations .

***CHARACTERISTIC OF EXTERNAL AND INTERNAL FACTORS SIGNIFICANT FOR DEVELOPMENT OF THE ENTERPRISE OF THE COMPANY AND DESCRIPTION OF PERSPECTIVES FOR DEVELOPMENT OF THE COMPANY'S ACTIVITY, AT LEAST TO THE END OF THE FINANCIAL YEAR FOLLOWING THE YEAR COVERED BY THE FINANCIAL STATEMENTS INCLUDED IN THE ANNUAL REPORT, SPECIFYING ELEMENTS OF MARKET STRATEGY WORKED OUT BY THE COMPANY.***

Taking into account the Company's leading activity, including financial service activities in the field of granting non-consumer cash loans in the Company's opinion, significant influence on development and results, currently have and will have the following internal and external factors:

- general market prosperity on lending market and level of interest rates,
- proper realization by the Borrowers of their obligations resulting from concluded loan agreements, as well as course of execution process and vindication of loans terminated, if such agreements occurs,
- efficiency of procedures and administrative and legal proceedings in which a possible participant or a part can be the Company,
- opportunity to gain possible borrowers,
- market prosperity on capital markets,
- economic situation and investing circumstances in Poland, Estonia and the region,
- access to external financing sources,
- cooperation with other financial entities,

In the next financial year, the Management Board intends to continue and develop the Company activity in the field of financial service activity, focusing mainly on granting cash loans for the business entities.

***ANY AGREEMENTS BETWEEN THE COMPANY AND ITS MANAGEMENT BOARD WHICH PROVIDE COMPENSATIONS IN THE CASE OF RESIGNATION OR THEIR EXPELLING FROM HELD FUNCTION WITHOUT AN IMPORTANT REASON OR IF THEIR DISMISSAL OR EXPELLING HAPPEN DUE TO MERGER OF TAKEOVER OF THE COMPANY.***

The Company has not concluded any agreements with the managing staff.

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**INFORMATION ON AN AVERAGE EMPLOYMENT.**

W okresie sprawozdawczym Spółka nie zatrudniała osób

**INDICATION OF TOTAL NUMBER AND NOMINAL VALUE OF ALL SHARES (STOCKS) OF THE COMPANY AND SHARES IN RELATED ENTITIES OF THE COMPANY OWNED BY THE MANAGING AND SUPERVISING PERSONS OF THE COMPANY.**

- **Members of the Management Board**

As at the balance date 31/12/2020 and as at the date of publication of this periodical report, the Member of the Management Board Mr. Damian Patrowicz owns indirectly the Company's shares. According to the best knowledge of the Management Board, Mr. Damian Patrowicz owns indirectly, via his subsidiary Patro Invest OÜ 18 620 149 shares of FON SE, constituting 35,47% of the share capital of the Company and entitling to 18 620 149 votes what constitute 35,47% of the votes at the General Meeting of the Company as at the date of publication of this periodical report.

- **Members of the Supervisory Board**

According to the knowledge of the Management Board of FON SE, Members of the Supervisory Board as at the balance date and as at the date of publication of the periodical report do not own directly and indirectly shares of the Company.

**INFORMATION ON FINANCIAL INSTRUMENTS IN TERMS OF:**

**1) risks: prices' change, credit, significant interruptions of cash flows and loosing of financial liquidity, to which the entity is exposed**

**2) applied by the entity goals and methods of financial risk management, along with securing methods of significant kinds of planned transactions for which hedging accountancy is applied.**

The Company has no formalized system of financial risk managements. Decisions on application of securing instruments for planned transactions are made on the basis of current analyse of the Company's situation and its environment.

**INFORMACJE DOTYCZĄCE UMOWY I PODMIOTU UPRAWNIONEGO DO BADANIA SPRAWOZDANIA FINANSOWEGO SPÓŁKI.**

The governing body entitled to choose a certified auditor, according to the Company's Article of Association is the General Meeting of Shareholders. General Meeting of Shareholders of FON SE decided to select the company Number RT OÜ based in Tallinn, Kristiine linnaosa, Linnu tee 21a, 11317, company registration number 10213553, as the auditing company that will audit and assess the Company's financial statements for the financial year lasting from 01/07/2020 until 30/06/2021. The remuneration for the auditor will be payable in accordance with the contract concluded between FON SE and Number RT OÜ on market terms.

**OTHER INFORMATION WHICH IN THE VIEW OF THE COMPANY ARE SIGNIFICANT FOR ASSESSMENT OF THE FINANCIAL, PERSONNEL, MATERIAL SITUATION, FINANCIAL RESULT AND CHANGES OF THEM AND INFORMATION WHICH ARE IMPORTANT FOR ASSESSING THE POSSIBILITY TO REALIZATION THE LIABILITIES BY THE COMPANY.**

In the reporting period, except those indicated in the report, there have not occurred any other events, which could significantly influence on an assessment and change of the material and financial situation of the Company and its possibility to fulfil its liabilities to the best knowledge of the Management Board. The Company maintain business concept involving cost optimization, including minimization of personnel sourced through outsourcing majority of the Company's areas.

Loans granted have a significant impact on the Company's results.

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As the subject of the company's activity is financial activity, including lending activity, the correct and timely fulfilment of the Borrowers' obligations towards the Company, resulting from the concluded loan agreements, also has a significant impact on the Company's liquidity.

***INDICATION OF FACTORS WHICH ON THE VIEW OF THE COMPANY WILL HAVE INFLUENCE ON ACHIEVED RESULTS IN THE PERSPECTIVE OF AT LEAST THE NEXT QUARTER.***

To the knowledge of the Management Board, significant external and internal factors, which have indirect or direct influence on the development of FON SE are as follows:

- a) situation on the financial market, on loan market and interest rates, which will have influence on realization the basic business profile of the Company – granting loans.
- b) Proper fulfilling the conditions of the agreements within due time of liabilities repayment to the Company, and possible foreclosures and debt collection of (if any) undischarged loans
- c) Business cycle on capital markets having influence on financial instruments owned by the Company, its valuation and liquidity of owned securities

***List of the most important events in the reporting period.***

**Revaluation of the value of the Company's assets.**

The Management Board of FON SE headquartered in Tallinn, informed that in connection with works being carried out on the financial report for the financial year 2019/2020, the Management Board of the Issuer on July 9, 2020 decided to make a revaluation of the Company's financial assets as at 30/06/2020.

As at the balance date 30/06/2020 the Issuer held 12.899 stocks of IFEA Sp. z o. o., that consisted of 44,58% of the share capital and granted 12.899 votes consisting of 44,58% of the total number of votes at the general meeting of IFEA Sp. z o.o.

On July 9, 2020 the Issuer decided to revalue the Issuer's assets in the 6th quarter of the financial year 2019/2020 due to decrease in the value of stocks of IFEA Sp. z o. o. by the value PLN 15 276 867,41.

The value of 12.899 stocks of IFEA Sp. z o. o. presented in the annual financial report of the Issuer as at December 31, 2018 was PLN 15.276 867,41.

**Registration of changes in the Articles of Association of the Company**

The Management Board of FON SE with its registered office in Tallinn informed that on 15/07/2020 the register of commercial companies (Ariregister) relevant to the law of Estonia registered changes in the Articles of Association of the Company in accordance with Resolution No. 1 of the Extraordinary General Meeting of Shareholders of 23/06/2020.

As a result of this, the current wording of § 2.3 of the Company's Articles of Association is as follows:

2.3. The Company has two classes of shares:

2.3.1. Registered shares without a nominal value (A-shares). Each A-share shall give 1 (one) vote at the general meeting. An A-share entitles the shareholder to receive 100% of the dividend per share paid in accordance with the resolution of the general meeting.

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2.3.2. Registered shares without a nominal value (B-shares). Each B-share shall give 1 (one) vote at the general meeting. A B-share entitles the shareholder to receive 50% of the dividend per share paid in accordance with the resolution of the general meeting.

2.3.3. Both the A-share and the B-share shareholders have the right to participate in the general meeting of shareholders of the Company and to vote on all issues. Both the A-share and the B-share shareholders also participate *pari passu* in the distribution of the assets remaining upon the dissolution of the Company and have equal rights provided by law and the articles of association of the Company.

### **Information on convening the Extraordinary General Meeting of Shareholders of FON SE.**

The Management Board of FON SE (register code: 14617916) with its seat in Tallinn, Harju maakond, Kesklinna linnaosa, Tornimäe tn 5, 10145 in Estonia announced that an Extraordinary General Meeting was convened on 08/09/2020 (Tuesday) at 12:00 (beginning registration at 11:30), which will take place in Płock at ul. Padlewskiego 18C, 09-402.

### **Information on the Extraordinary General Meeting of Shareholders of FON SE, which took place on 08/09/2020.**

The Extraordinary General Meeting of Shareholders of FON SE registered in the Estonian Commercial Register under number: 14617916, headquartered at Tornimäe tn 5, Harju maakond, Tallinn, Kesklinna linnaosa, 10145, Estonia was held on 08/09/2020 at 12:00 in Płock on Padlewskiego Street 18C, 09-402, Płock.

There was only one Shareholder Patro Invest OÜ headquartered in Tallinn present at the Meeting, holding 16.875.000 shares, representing 32,14% of the share capital of FON SE. Therefore the resolutions included in the agenda could not be adopted because the minimum quorum amounts to 50% of the share capital.

### **Information on convening the Extraordinary General Meeting of Shareholders of FON SE.**

The Management Board of FON SE (register code: 14617916) with its seat in Tallinn, Harju maakond, Kesklinna linnaosa, Tornimäe tn 5, 10145 in Estonia announced that an Extraordinary General Meeting was convened on 08/10/2020 (Thursday) at 12:00 (beginning registration at 11:30), which will take place in Płock at ul. Padlewskiego 18C, 09-402.

### **Conclusion of the Annex to the Loan Agreement of December 30, 2019.**

The Management Board of ATLANTIS SE in Tallinn informed that on 8/10/2020 the Issuer as the Borrower concluded an Annex to the Cash Loan Agreement with ATLANTIS SE with its registered office in Tallinn, Estonia (Ariregister Estonia number: 14633855) as the Lender. The information about the loan was included in Current Report No. 45/2019 of 30/12/2019.

Under the concluded Annex of 8/10/2020 to the Loan Agreement of 30/12/2019 the parties changed the period for which the loan was granted indicating the new date of its return as 30/06/2023. The other terms of the Loan Agreement remained unchanged. The Issuer also informs that there are personal ties between ATLANTIS SE and FON SE in Tallinn, Estonia.

### **Minutes of the Extraordinary General Meeting of Shareholders of FON SE of October 8, 2020.**

On October 8, 2020, the Company published the minutes of the Extraordinary General Meeting of Shareholders at which all draft resolutions published during the convening of this EGM were voted on.

### **Change of the publication date of the separate periodic report for the year the financial year 2019-2020.**

The Management Board of FON SE with headquarters in Tallinn, with reference to the content of current report no. 6/2020 of 23/01/2020 informs that it changes the publication date of the separate periodic report for the year of the financial year 2019-2020, the publication of which was scheduled on 15/10/2020 (Thursday). The new publication date of the separate periodic report for the year the financial year 2019-2020 will be on 30/10/2020 (Friday).

## Half-yearly financial report and report of Management Board of FON SE for the period 01.07.2020 - 31.12.2020 (in thous. EUR)

### **Schedule for submitting periodic reports in the financial year 2020/2021.**

The Management Board of FON SE based in Tallinn hereby presents the dates of publication of periodic reports in 2020/2021.

Quarterly reports will be published by the Company in 2020 and in 2021 on the following dates:

The separate financial statements for the first 3 months of financial year 2020-2021 will be published on 25.11.2020.

The separate financial statements for the first half of the financial year 2020-2021 will be published on 22.02.2021.

The separate financial statements for the first 9 months of financial year 2020-2021 will be published on 29.04.2021.

The separate annual financial statements for the financial year 2020-2021 will be published on 31.08.2021.

### **Registration of conversion of 1 425 000 shares of FON SE.**

The Management Board of FON SE announces that today it has received information about the registration of the conversion of 1 425 000 series B shares to series A shares in the home deposit of NASDAQ CSD.

As at the date of publication of the current report, the Company holds 52 500 000 shares:

- 44 174 250 series A shares entitling to 100% dividend,
- 8 325 750 series B shares entitling to 50% of the dividend.

### **Information on convening the Ordinary General Meeting of Shareholders of FON SE.**

The Management Board of FON SE (register code: 14617916) with its seat in Tallinn, Harju maakond, Kesklinna linnaosa, Tornimäe tn 5, 10145 in Estonia announced that an Extraordinary General Meeting was convened on 14/12/2020 (Monday) at 12:00 (beginning registration at 11:30), which will take place in Płock at ul. Padlewskiego 18C, 09-402.

### **Registration of changes in the Articles of Association of the Company**

The Management Board of FON SE with its registered office in Tallinn informs that on 10/11/2020 the register of commercial companies (Ariregister) relevant to the law of Estonia registered changes in the Articles of Association of the Company in accordance with Resolution No. 2 of the Extraordinary General Meeting of Shareholders of 8/10/2020.

As a result of this, the current wording of point 4.8 of the Company's Articles of Association is as follows:

"4.8 The shareholders may not vote prior to the general meeting as per § 2982 of the Commercial Code."

### **Statement of the National Depository for Securities S.A. on the conditional registration of shares.**

The Management Board of FON SE with headquarters in Płock informs that on 7/12/2020 it became aware of the issue of a Statement by the National Depository of Securities S.A. No. 1303/2020 of 7/12/2020 regarding the conditional registration of up to 1.425.000 ordinary registered shares of the FON SE Company under the ISIN code EE3100005166.

Half-yearly financial report and report of Management Board of FON SE  
for the period 01.07.2020 - 31.12.2020 *(in thous. EUR)*

**Information on the Ordinary General Meeting of Shareholders of FON SE, which took place on December 14, 2020.**

On December 14, 2020 at 12:00 in Płock at ul. Padlewskiego 18C, 09-402 Płock, Poland, the Annual General Meeting of Shareholders of FON SE, Estonian registration code 14617916, with its registered office at Tornimäe tn 5, Harju maakond, Tallinn, Kesklinna linnaosa, 10145, Estonia, was held.

Only one shareholder of Patro Invest OÜ with its seat in Tallinn was present, holding 8 325 750 shares, constituting 15,86% of the share capital. Therefore, it was not possible to adopt resolutions included in the agenda, as the minimum quorum is 50% of the share capital.

**List of major events after the balance sheet date, December 31, 2020**

**Minutes of the Extraordinary General Meeting of Shareholders of FON SE of January 12, 2020.**

On 12/01/2021, the Company published the minutes of the Extraordinary General Meeting of Shareholders at which all draft resolutions published during the convening of this EGM were voted on.

## **VIII. STATEMENT OF THE MANAGEMENT BOARD**

The Management Board of FON SE declares that, to the best of its knowledge, these financial statements and comparable data have been prepared in accordance with the financial reporting principles applicable to the Issuer and that they reflect truthfully, fairly and clearly the property and financial situation of the Issuer and its financial result.

The Management Board's report on the activities of FON SE provides a true picture of the development, achievements and situation of the Company, including a description of the main threats and risks.

These financial statements have been prepared with the application of the accounting principles in accordance with the International Financial Reporting Standards. This report covers the period from July 1, 2020 to December 31, 2020, ie the first half of the 2020/2021 financial year and the comparative period from January 1, 2019 to June 30, 2019, ie the first half of the 2019/2020 financial year.

Half-yearly financial report and report of Management Board of FON SE  
for the period 01.07.2020 - 31.12.2020 *(in thous. EUR)*

**IX. SELECTED FINANCIAL DATA**

<b>thous. EUR</b>	<b>6 months ended 31/12/2020 (unaudited)</b>	<b>6 months ended 30/06/2019 (audited)</b>
Revenues from interest, from the sale of products, goods and materials	86	165
Profit (loss) from operating activity	75	133
Profit before tax	57	180
Net cash flow from operating activity	121	-397
Net cash flow from investing activity	243	576
New cash flow from financing activity	-340	0
Change in cash and cash equivalents	24	179
Total assets*	11 285	11 462
Short-term liabilities*	10	255
Share capital*	7 700	7 700
Number of share (in pcs.)	52 500 000	52 500 000
Book value per one share ( EURO)	0,12	0,11

\*Data as of June 30, 2020 in the comparable period

Tallinn, 2021-02-08

Signatures of Management Board

Damian Patrowicz      Member of the Management Board

First name and last name      function