



**INTERIM REPORT OF
INVESTMENT FRIENDS SE**

**INCLUDING CONDENSED FINANCIAL STATEMENTS
AS AT JUNE 30, 2019 AND FOR 6 MONTHS ENDED ON JUNE 30, 2019**

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

investment Friends SE
Harju maakond, Tallinn, Kesklinna
linnaosa, Tornimäe tn 5, 10145, Estonia
Registry code: 14617862
Email: info@ifsa.pl

CONDENSED INTERIM STATEMENT OF FINANCIAL SITUATION	30/06/2019 in EUR thous. (unaudited)	31 /12/2018 in EUR thous. (audited)	30 /06/2018 in EUR thous. (unaudited)
Assets			
I. Fixed assets	1585	1 632	1 558
Long-term financial assets	1585	1 632	1 555
Long-term accruals	0	0	3
II. Current assets	1015	864	890
Short-term receivables	1	31	3
Short-term financial assets	998	826	724
Cash and cash equivalents	16	7	162
Short-term accruals	1	0	1
Assets total	2600	2 496	2 448
Liabilities			
I. Equity	2 551	2 401	2 347
Share capital	3 240	3 240	3 240
Supplementary capital - resulting from sale of shares at the price exceeding their nominal value	5 161	5 161	5 161
Capital from merger of entities	-4	-4	-4
Other reserve capitals	206	206	206
Foreign exchange differences on capital conversions	-150	-68	-362
Profits (losses) from the previous and the current year	-5 902	-6 134	-5 894
II. Long-term liabilities	47	0	2
Other provisions	47	0	2
III. Short-term liabilities	2	95	99
Trade liabilities	1	2	3
Other liabilities	1	0	3
Short-term reserves	0	93	93
Liabilities total	2 600	2 496	2 448
Book value	2 551	2 401	2 347
Number of shares	9 000 000	9 000 000	10 010 959
Book value per share (PLN)	0,28	0,27	0,23
Diluted number of shares	9 000 000	9 000 000	10 010 959
Diluted book value per share (PLN)	0,28	0,27	0,23

CONDENSED INTERIM INCOME STATEMENT	Six months ended on 30/06/2019 in EUR thous. (unaudited)	Six months ended on 30/06/2018 in EUR thous. (unaudited)
I. Net revenues from the sale of products, goods and materials	50	93
II. Cost of products, goods and materials sold	0	0

Investment Friends SE
Harju maakond, Tallinn, Kesklinna
linnaosa, Tornimäe tn 5, 10145, Estonia
Registry code: 14617862
Email: info@ifsa.pl

III. Gross profit (loss) on sale (I-II)	50	93
IV. Selling cost	0	0
V. General administrative cost	6	46
VI. Other operating revenues	135	0
VII. Other operating cost	343	62
VIII. Profit (loss) on operating activity	-164	-15
IX. Financial revenues	292	2
X. Financial costs	0	1
XI. Pre-tax profit	128	-13
XII. Income tax	-5	0
XIII. Net profit (loss)	132	-13

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	Six months ended on 30/06/2019 in EUR thous. (unaudited)	Six months ended on 30/06/2018 in EUR thous. (unaudited)
Net profit/loss for the period	132	-13
Other comprehensive income, including:	0	-4
Elements which will not be moved to the income statement in the future periods:	0	-4
- settlement of merger of entities	0	-4
Elements which could be moved to the income statement in the future periods:	0	0
Total income for the period	132	-17

Weighted average number of ordinary shares	9 000 000	10 010 959
Profit (loss) per ordinary share (in EUR)	0,01	0
Weighted average diluted number of ordinary shares	9 000 000	10 010 959
Diluted profit (loss) per ordinary share (in EUR)	0	0

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY	Six months ended on 30/06/2019 in EUR thous. (unaudited)	2018 in EUR thous. (audited)	Six months ended on 30/06/2018 in EUR thous. (unaudited)
Opening balance of equity	2 401	2 467	2 363
Exchange differences	17		
Opening balance of equity after reconciliation to comparative data	2 418	2 396	2 363
Opening balance of share capital	3 240	3 447	3 447
Changes in share capital		-207	-207
a) increases (due to)			
b) decreases (due to)		-207	-207
- decrease of nominal value of shares		-206	-206
- exchange differences		-1	-1
Closing balance of the share capital	3 240	3 240	3 240
Opening balance of supplementary capital	5 161	5 161	5 161

Investment Friends SE
Harju maakond, Tallinn, Kesklinna
linnaosa, Tornimäe tn 5, 10145, Estonia
Registry code: 14617862
Email: info@ifsa.pl

Changes of supplementary capital		0	0
a) increases (due to)		0	0
b) decreases (due to)		0	0
Closing balance of supplementary capital	5 161	5 161	5 161
Opening balance of revaluation reserve	0	0	0
Changes of revaluation reserve		0	0
a) increases(due to)		0	0
b) decreases (due to)		0	0
Closing balance of revaluation reserve	0	0	0
Opening balance of capital from merger of entities	-4	0	0
Changes in capital from merger		-4	-4
a) decreases (due to)		-4	-4
- merger of entities		-4	-4
Closing balance of capital from merger of entities	-4	-4	-4
Opening balance of other reserve capitals	206	0	0
Changes in other reserve capitals		206	206
a) increases (due to)		206	206
- decrease of share capital		206	206
Closing balance of other reserve capitals	206	206	206
Opening balance of profits (losses) from the previous and the current years	-6 134	-6 142	-5 881
increase (due to)		8	-13
a) profit/loss for the period	132	8	-13
decrease		0	0
Closing balance of profits (losses) from the previous and the current years	-6 002	-6 134	-5 894
Exchange differences on recalculating obtained profit/loss into EUR	100	179	
Exchange differences from supplementary capital	-91	-149	-217
Exchange differences from share capital	-62	-98	-142
Exchange differences from reserve capital	3	0	-3
Closing balance of equity	2 551	2 401	2 347

CONDENSED INTERIM STATEMENT OF CASH FLOWS	Six months ended on 30/06/2019 in EUR thous. (unaudited)	Six months ended on 30/06/2018 in EUR thous. (unaudited)
Operating activity		0
I. Gross profit (loss)	132	-13
II. Corrections, total	-549	40
Interest and contribution in profits (dividends)	-342	-35
Investment income/loss	-264	
Change in balance of provisions	24	-1
Change in balance of receivables	31	0
Change in balance of liabilities	2	0
Change in balance of accruals	0	1

Investment Friends SE
Harju maakond, Tallinn, Kesklinna
linnaosa, Tornimäe tn 5, 10145, Estonia
Registry code: 14617862
Email: info@ifsa.pl

Other corrections	0	75
I. Net cash flow in operating activity	-417	27
Investment activity		
I. Inflows from investment activity	1 371	1 580
Interest received	252	1 580
Received repayments of short-term loans	1 031	0
Other inflows	88	
II. Expenses for investment activity	944	1 578
Expenses for acquisition of financial assets	0	0
Loans granted	944	1 578
II. Net cash flow on investment activity	427	2
Financial activity		
I. Inflows	0	0
Credits and loans	0	0
II. Expenses due to financial activity	0	0
Repayments of credits and loans	0	0
Interest	0	0
III. Net cash flow on financial activity	0	0
Net cash flows, total (I+/-II+/-III)	10	29
Balance change of cash	10	29
Opening balance of cash	7	136
Exchange differences	-1	-3
Closing balance of cash	16	162

ADDITIONAL INFORMATION AND EXPLANATIONS

1. GENERAL INFORMATION ABOUT THE COMPANY

Name of the Company: Investment Friends SE

- On 26/02/2018 the Registry Court registered the merger of the Issuer previously operating as a joint-stock company under Polish law under the name Investment Friends Spółka Akcyjna (Acquiring Company) with its registered office in Płock at Padlewskiego Street 18C, Poland, entered into the Register of Entrepreneurs of the National Court Register kept by the District Court for the Capital City of Warsaw in Warsaw, 14th Commercial Division under the number KRS 0000143579, NIP 8291635137, REGON 730353650 with the company Investment Friends 1 Polska Akciowáspolečnost with its registered office in Ostrava : Poděbradova 2738/16, MoravskáOstrava, 702 00 Ostrava, Czech Republic entered in the commercial register kept by the District Court in Ostrava, section B under number 10979, identification number 06502873 (Acquired company).

Investment Friends SE

Harju maakond, Tallinn, Kesklinna
linnaosa, Tornimäe tn 5, 10145, Estonia
Registry code: 14617862
Email: info@ifsa.pl

- As a result of registration of the above merger by the District Court for the Capital City of Warsaw in Warsaw the Issuer adopted the legal form of the European Company and until November 30, 2018 operated under the Investment Friends SE company with headquarters in Płock at Padlewskiego Street 18C, Poland, entered into the Register of Entrepreneurs of the National Court Register kept by the District Court for the Capital City of Warsaw in Warsaw, XIV Economic Department under the number KRS 0000720290, NIP 8291635137, REGON 730353650.
- On November 30, 2018 the register of commercial companies (Ariregister) applicable to the law of Estonia registered the transfer of the Issuer's registered office to Estonia. Since 30/11/2018 the Company is entered into the Registration Department of the District Court in Tartu, register code 14617862.

Address:

- until 30/11/2018 - Płock 09-402, Padlewskiego Street 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. The Company has a tax identification number: 14617862.

Business activity according to the Estonian Business Classification:

- Since 30/11/2018 „Activities of holding companies”, EMTAK No 64201.

Duration of the Company:

- Duration of the Company is indefinite.

Registry Court of the Company:

- Since 30/11/2018 the Company is entered in the Registration Department of the District Court in Tartu, registry code 14617862.

Investment Friends SE
Harju maakond, Tallinn, Kesklinna
linnaosa, Tornimäe tn 5, 10145, Estonia
Registry code: 14617862
Email: info@ifsa.pl

Share capital of the Company:

- The share capital of the Company is 3 240 000 EURO (in words: three million two hundred forty thousand EURO 00/100) and it is divided into 9 000 000 (in words: nine million) shares without nominal value with book value 0,36 EURO (in words: thirty-six euro cents) per share.

Financial year:

- On 31/05/2019 the Register of Commercial Companies (Ariregister) applicable to the law of Estonia registered the change in the financial year pursuant to Resolution No. 2 of the Extraordinary General Meeting of Shareholders of 17/05/2019. As a result of this, the Company's financial year begins on July 1 and ends on June 30.

2. GOVERNING BODIES OF THE COMPANY**2.1. COMPOSITION OF THE SUPERVISORY BOARD**

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

1. Damian Patrowicz	Chairman of the Supervisory Board	Appointed on 27/04/2017 for the next term. resignation 25/04/2018 appointment 30/05/2018 resignation 11/01/2019
2. Małgorzata Patrowicz	Secretary of the Supervisory Board	Appointed on 27/04/2017 for the next term resignation 25/04/2018 appointment 30/05/2018
3. Anna Kajkowska	Member of the Supervisory Board	Appointed on 27/04/2017 for the next term
4. Jacek Koralewski	Member of the Supervisory Board	Appointed on 27/04/2017 for the next term
5. Wojcieh Hetkowski	Member of the Supervisory Board	Appointed on 27/04/2017 for the next term

Investment Friends SE

Harju maakond, Tallinn, Kesklinna linnaosa, Tornimäe tn 5, 10145, Estonia
Registry code: 14617862
Email: info@ifsa.pl

2.2. COMPOSITION OF THE MANAGEMENT BOARD

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

Agnieszka Gujgo

- Chairman of the Management Board

2.3. STATEMENT OF COMPLIANCE

Pursuant to the resolution no 22 of the Ordinary General Meeting of May 30, 2018 regarding change of the applicable so far methods for preparing of financial statements, the Ordinary general Meeting of Shareholders decided that financial statements of the Company, starting from statements for the financial year 2018, will be prepared in accordance with International Financial Reporting Standards.

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').

2.4. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

Condensed interim financial statement of the Company was prepared in accordance with International Accounting Standard 34 - 'Interim Financial Reporting' that was approved by the European Union and with assumption that the Company will going concern in the foreseeable future.

2.5. ACCOUNTING PRINCIPLES APPLIED FOR PREPARATION OF CONDENSED INTERIM FINANCIAL STATEMENTS

Pursuant to Resolution No. 22 of the Ordinary General Meeting of the Company of May 30, 2018 regarding: changes in the Company's current method of preparing financial statements The Ordinary General Meeting of the Company has decided that the Company's financial statements starting from the report for 2018 will be prepared in accordance with International Financial Reporting Standards .

The condensed interim financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") adopted by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Investment Friends SE

Harju maakond, Tallinn, Kesklinna
linnaosa, Tornimäe tn 5, 10145, Estonia
Registry code: 14617862
Email: info@ifsa.pl

Application of new standards, changes to standards and interpretations.

In 2019 the Company did not apply any new standards, amendments to standards or interpretations to existing standards. The financial statements contained in this half-year report have been prepared using the same accounting principles used in the annual financial statements prepared as at 31/12/2018 except for the accounting principles and measurement resulting from the application of IFRS 9 and IFRS 15 presented below.

Impact of new and changed standards and interpretations.

The International Accounting Standards Board approved for use after 1 January 2018: new standards: - IFRS 9 Financial Instruments, which replaced IAS 39 Financial Instruments: Recognition and Measurement, IFRS 15 Revenue from Contracts with Customers and Amendments to IFRS 15 explaining some of the requirements of the standard that replaced IAS 11 and 18 and interpretations: IFRIC 13, 15 and 18 and SIC 31.

Impact of applying the above standards on the Company's accounting policy and on the financial statements.

IFRS 9 Financial instruments.

The Company has not previously implemented IFRS 9 and applied the requirements of IFRS 9 retrospectively for periods beginning after January 1, 2019. In accordance with the option allowed by the standard, the Company abandoned the transformation of comparative data. The implementation of IFRS 9 resulted in a change in accounting policy regarding the recognition, classification and measurement of financial assets, and measurement of liabilities.

Selected accounting policy

Valuation of financial assets and financial liabilities

Since 1/01/2018 the Company classifies financial assets to the following categories:

- measured at amortised cost,
- measured at fair value through other 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

Investment Friends SE

Harju maakond, Tallinn, Kesklinna
linnaosa, Tornimäe tn 5, 10145, Estonia
Registry code: 14617862
Email: info@ifsa.pl

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 1/01/2018 the Company classifies financial liabilities to the 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. liabilities due to deliveries and services, 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

Investment Friends SE

Harju maakond, Tallinn, Kesklinna
linnaosa, Tornimäe tn 5, 10145, Estonia
Registry code: 14617862
Email: info@ifsa.pl

- 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 monitors 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

Investment Friends SE

Harju maakond, Tallinn, Kesklinna
linnaosa, Tornimäe tn 5, 10145, Estonia
Registry code: 14617862
Email: info@ifsa.pl

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.

Functional currency and reporting currency.

The financial statements have been prepared in EURO. The functional currency of the Company is the Polish zloty (PLN) while the reporting (presentation) currency of the Company is EURO.

The financial statements are presented in thousands of EURO.

The financial statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future.

These condensed interim financial statements comply with the International Financial Reporting Standards as adopted by the European Union, issued and binding as at the date of these financial statements, including the International Accounting Standard 34 'Interim Financial Reporting'. The condensed interim financial statements were approved for publication by the Company's Management Board on 22/11/2019. These condensed interim financial statements have not been audited or reviewed by an independent certified auditor. The most recent financial statement that was audited by an independent auditor is the financial statement for 2018.

3. INFORMACJA DODATKOWA DO ŚRÓDROCZNEGO SPRAWOZDANIA FINANSOWEGO (DODATKOWE NOTY OBJAŚNIAJĄCE)

3.1. INFORMACJA O ISTOTNYCH ZMIANACH WIELKOŚCI SZACUNKOWYCH

During the six months of 2019, the following changes in provisions and write-downs were made:

	As at 01/01/2019	Created	Resolved	As at 30/06/2019
Deferred income tax	0	0	0	0
Assets due to deferred income tax	0	0	0	0

Investment Friends SE
Harju maakond, Tallinn, Kesklinna
linnaosa, Tornimäe tn 5, 10145, Estonia
Registry code: 14617862
Email: info@ifsa.pl

Impairment losses on financial assets, including:	930	0	930	0
- revaluation write-down of loans granted	930	0	930	0
Inventory write-down	0	0	0	0

3.2. LOSS OF CONTROL OVER SUBSIDIARIES AND LONG-TERM INVESTMENTS

Not applicable.

3.3. ASSETS HELD FOR SALE / TO BE RELEASED (SPLIT)

In 2019, no assets held for sale were identified.

3.4. CASH AND CASH EQUIVALENTS

Cash in the bank bears interest at variable interest rates, the amount of which depends on the interest rate on overnight bank deposits. Short-term deposits are made for various periods, from one day to one month, depending on the current demand of the Company for cash and bear interest according to the interest rates set for them.

The fair value of cash and cash equivalents is presented in the table below (in EUR thous.).

CASH	30/06/2019 (unaudited)	31/12/2018 (audited)
Bank deposits (current accounts) and short-term deposits	16	7
Cash in hand	0	0
Cash shown in the balance sheet	16	7

3.5. LONG-TERM FINANCIAL ASSETS

(in EUR thous.)

LONG-TERM FINANCIAL ASSETS	30/06/2019 (unaudited)	31/12/2018 (audited)
a) in related entities	1585	1 632
- shares	0	0
- loans granted	1585	1 632
b) in other entities	0	0
- shares	0	0
- loans granted	0	0
Total long-term financial assets	1585	1 632

Investment Friends SE

Harju maakond, Tallinn, Kesklinna
linnaosa, Tornimäe tn 5, 10145, Estonia
Registry code: 14617862
Email: info@ifsa.pl

Long-term loans granted (in EUR thous.)

Name of a company	Headquarter	Loan amount / loan according to the agreement in thous. EUR.		Loan principal / loan amount outstanding in thous. EUR.		Interest	Term of repayment	Collateral
		Currency	Currency	Currency	Currency			
ELKOP SE	Płock	1 615	EUR	1585	EUR	WIBOR 1 M-C +4,5%	24.04.2021	blank promissory note + real estate mortgage

3.6. SHORT-TERM INVESTMENTS

(in EUR thous.)

SHORT-TERM INVESTMENTS	30/06/2019 (unaudited)	31/12/2018 (audited)
1) in related parties	998	600
in subsidiaries	0	0
in the parent company	0	0
in associates	0	0
in other related entities	998	600
a) loans granted	998	600
- value adjustments (+/-)	0	0
- value at purchase price		600
in jointly controlled entities	0	0
2) in other entities		226
a) loans granted		226
- value adjustments (+/-)	-	-216
- value at purchase price		442
Total carrying amount	998	826

Loans granted

Name of Company	Headquarters	Loan amount / loan according to the agreement in thous. EUR.		Loan principal / loan amount outstanding in thous. EUR.		Interest	Term of repayment	Collateral
		Currency	Currency	Currency	Currency			
Patro Invest sp. z o.o.	Płock	569	EUR	44	EUR	5,2%	25.10.2019	blank promissory note
Patro Invest OU	Tallin	952	EUR	954	EUR	5 %	30.06.2020	blank promissory note

Due to the difference that does not affect the fair presentation of the financial position, short-term loans in these interim condensed financial statements have not been measured at the

Investment Friends SE

Harju maakond, Tallinn, Kesklinna linnaosa, Tornimäe tn 5, 10145, Estonia
Registry code: 14617862
Email: info@ifsa.pl

adjusted acquisition price, but in a simplified manner, i.e. by accruing interest due for the reporting period.

3.7. NET REVENUES FROM SALE OF PRODUCTS

NET REVENUES FROM SALE OF PRODUCTS (BY CATEGORY - TYPES OF ACTIVITY)	Six months ended on June 30, 2019 (unaudited)	Six months ended on June 30, 2018 (unaudited)
Revenues due to interest from investment activity (interest on loans granted)	50	93
Sale of goods	0	
Net revenues from sale of products, total	50	93

NET REVENUES FROM SALE OF PRODUCTS (BY TERRITORY)	Six months ended on June 30, 2019 (unaudited)	Six months ended on June 30, 2018 (unaudited)
a) homeland	50	93
b) export	0	0
Net revenues from sale of products, total	50	93

NET REVENUES FROM SALE OF GOODS AND MATERIALS	Six months ended on June 30, 2019 (unaudited)	Six months ended on June 30, 2018 (unaudited)
a) homeland	0	0
b) export	0	0
Net revenues from sale of goods and materials, total	0	0

3.8. COSTS BY TYPE

COSTS BY TYPE	Six months ended on June 30, 2019 (unaudited)	Six months ended on June 30, 2018 (unaudited)
a) amortisation	0	0
b) usage of materials and energy	0	0
c) external service	6	23
d) taxes and charges	0	6
e) remunerations	0	9
f) social insurance and other benefits	0	0
g) other cost by type	0	8
Costs by type, total	6	46
Change in the balance of supplies, products and accruals/prepayments	0	0
General management costs (negative value)	6	46
Cost of manufacturing of products sold	0	0

3.9. OTHER OPERATING REVENUES

OTHER OPERATING REVENUES	Six months ended on June 30, 2019 (unaudited)	Six months ended on June 30, 2018 (unaudited)
a) reserves released and revaluation write-offs	47	0
b) profit due to sale of non-financial fixed assets	0	0
c) other, including:	0	0
- revenues from re-invoices	0	0
- additional charges	0	0
- other	88	0
Other operating revenues, total	135	0

3.10. OTHER OPERATING COSTS

OTHER OPERATING COSTS	Six months ended on June 30, 2019 (unaudited)	Six months ended on June 30, 2018 (unaudited)
a) created reserves (due to)	0	0
b) revaluation of assets	0	59
c) loss due to sale of non-financial fixed assets	0	0
d) other, including:	0	3
- costs of receivables' enforcement	0	3
- other	343	0
Other operating costs, total	343	62

3.11. FINANCIAL REVENUES FROM INTEREST

FINANCIAL REVENUES FROM INTEREST	Six months ended on June 30, 2019 (unaudited)	Six months ended on June 30, 2018 (unaudited)
a) other interest	0	0
- from related entities	0	0
- from other entities	0	0
Financial revenues from interest, total	0	0

3.12. OTHER FINANCIAL REVENUES

OTHER FINANCIAL REVENUES	Six months ended on June 30, 2019 (unaudited)	Six months ended on June 30, 2018 (unaudited)
a) positive exchange differences	0	2
b) profit due to sale of financial assets	0	0
c) other, including:	292	0
Other financial revenues, total	292	2

Investment Friends SE
Harju maakond, Tallinn, Kesklinna
linnaosa, Tornimäe tn 5, 10145, Estonia
Registry code: 14617862
Email: info@ifsa.pl

REVENUES DUE TO REVALUATION OF INVESTMENTS	Six months ended on June 30, 2019 (unaudited)	Six months ended on June 30, 2018 (unaudited)
a) valuation of financial instruments	0	0
b) reversal of revaluation write-offs of financial assets	0	0
Revenues due to revaluation of investments, total	0	0

3.13. FINANCIAL COSTS

FINANCIAL COSTS DUE TO INTEREST	Six months ended on June 30, 2019 (unaudited)	Six months ended on June 30, 2018 (unaudited)
a) from credits and loans	0	0
b) other interest	0	0
Financial costs due to interest, total	0	0

OTHER FINANCIAL COSTS	Six months ended on June 30, 2019 (unaudited)	Six months ended on June 30, 2018 (unaudited)
a) loss due to sale of financial assets	0	0
b) revaluation of receivables due to loans	0	0
c) other, including:	0	1
- costs of merger	0	0
- other	0	1
Other financial cost, total	0	1

3.14 ACTIVITIES DURING DISCONTINUATION

In the period covered by the interim financial report, the above event did not occur. The Issuer concentrated its activities mainly in the field of financial service activities - granting loans.

3.15. INCOME TAX

The main components of the tax burden are as follows (in EUR thous.):

INCOME TAX RELATED TO FINANCIAL RESULTS	Since 01/01/2019 to 30/06/2019 six months of the current year (unaudited)	Since 01/01/2018 to 30/06/2018 six months previous year (unaudited)
Current tax	0	0
Deferred tax	-5	0

INCOME TAX RELATED TO OTHER TOTAL INCOME	Since 01/01/2019 to 30/06/2019 six months of the current year (unaudited)	Since 01/01/2018 to 30/06/2018 six months previous year (unaudited)
Current tax	0	0
Deferred tax	0	0
Total	0	0

3.16. SHORT-TERM RECEIVABLES

(in EUR thous.)

SHORT-TERM RECEIVABLES	30/06/2019 (unaudited)	31/12/2018 (audited)
Trade receivables	0	0
Civil-law receivables (excluding income tax)	0	31
Other receivables	1	0
Short-term receivables, net	1	31
Revaluation write-offs of receivables	0	0
Short-term receivables, gross	1	31

3.17. TRADE AND OTHER RECEIVABLES

(in EUR thous.)

Short-term liabilities:	30/06/2019 (unaudited)	31/12/2018 (audited)
Short-term liabilities, including:	2	2
Liabilities toward related entities:		0
- trade		0
Liabilities toward other entities:		2
- trade	1	2
- due to taxes, duties, insurance and other benefits		0
- due to remuneration		0
-other	1	0
Revenues of further periods	0	0
Short-term liabilities total	2	2

Rules and terms of payment of aforementioned financial liabilities:

Trade and other liabilities are not interest-bearing and usually settled within 7-60 days. Other liabilities are not interest-bearing with an average 1-month payment term.Z

3.18. SHARE CAPITAL

Along with registration of the merger on 26/02/2018, there were registered amendments in the share capital of the Company by the Registry Court. Currently, the Company's share capital is

Investment Friends SE

Harju maakond, Tallinn, Kesklinna linnaosa, Tornimäe tn 5, 10145, Estonia
 Registry code: 14617862
 Email: info@ifsa.pl

EUR 3.240.000,00 (three million two hundred and forty thousand EURO 00/100) and it is divided into 9.000.000 shares (in words: nine million).

Changes registered by the Estonian registry court on 30/11/2018:

Series designation	Type of shares	Number of shares	Value of shares
Series A	Registered shares without nominal value	9 000 000	3 240 000,00 EURO
TOTAL		9 000 000	3 240 000,00 EURO

3.19. PROFIT/LOSS PER SHARE

	6 months ended on 30/06/2019 (unaudited)	6 months ended on 30/06/2018 (unaudited)
Net profit/loss	132	-13
Average weighted number of ordinary shares used for calculation of the profit per share	9 000 000	10 010 959
Average weighted number of ordinary shares used for calculation of the diluted profit per share	9 000 000	10 010 959
Basic profit/loss per share from the basic profit for the period	0,01	0,00
Diluted profit/loss per share from the basic profit for the period	0,00	0,00

3.20. MERGER OF ENTITIES AND ACQUISITION OF MINORITY STOCKS

On 26/02/2018 the merger of the Issuer previously operating as a joint-stock company of the Polish law under the name INVESTMENT FRIENDS S.A. with registered office in Płock at Padlewskiego Street 18C, Poland, entered into the Register of Entrepreneurs of the National Court Register kept by the District Court for the Capital City of Warsaw in Warsaw, 14th Commercial Division under KRS number 0000143579, NIP 8291635137, REGON 730353650 with INVESTMENT FRIENDS 1 Polska Akciová Společnost with its registered office in Ostrava address: Poděbradova 2738/16, Moravská Ostrava, 702 00 Ostrava, Czech Republic entered in the commercial register kept by the District Court in Ostrava, section B under number 10979, identification number 06502873 (Acquired company). As a result of registration by the District Court for the Capital City of Warsaw in Warsaw of the above merger, the Issuer adopted the legal form of the European Company INVESTMENT FRIENDS SE with its registered office in Płock at Padlewskiego Street 18C, Poland, entered in the Register of Entrepreneurs of the National Court Register maintained by the District Court for the capital city of Warsaw in Warsaw, 14th Commercial Division, under KRS number 0000720290.

Investment Friends SE

Harju maakond, Tallinn, Kesklinna linnaosa, Tornimäe tn 5, 10145, Estonia
 Registry code: 14617862
 Email: info@ifsa.pl

The merger took place on the terms specified in the Merger Plan of 30/11/2017.

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

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

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

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

3.21. DESCRIPTION OF SIGNIFICANT ACHIEVEMENTS OR FAILURES OF THE ISSUER IN THE PERIOD COVERED BY THIS REPORT, ALONG WITH A LIST OF THE MOST IMPORTANT EVENTS

- on January 2, 2019 via current report no. 2/2019, the Issuer made public the decision on the selection of the Home State.

Investment Friends SE disclosed as obliged in accordance with (i) article 2 of Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 (as amended by Directive 2013/50/EU of the European Parliament and of the Council of 22 October 2013) and (ii) § 1844 (1) of Estonian Securities Market Act that made a choice of Contracting State as the home Contracting State - Republic of Estonia. Consequently, the Republic of Poland is the host Contracting State.

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

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

The Management Board of Investment Friends SE headquartered in Tallinn, referring to the current report no 67/2017 dated on October 26th, 2017 and the current report no 43/2018

Investment Friends SE
Harju maakond, Tallinn, Kesklinna
linnaosa, Tornimäe tn 5, 10145, Estonia
Registry code: 14617862
Email: info@ifsa.pl

dated on October 5th, 2018, hereby informed that on February 1st, 2019 the Borrower i.e. Patro Invest Limited Liability Company made an early partial repayment of the loan principal in the amount of 300.000,00 PLN (three hundred thousand zlotys).

The Issuer informed that in accordance with the loan agreement, the Borrower was allowed to make an early repayment of the whole or the part of the loan principal. The deadline for the repayment of the loan is established on October 25th, 2019.

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

The Management Board of Investment Friends SE announced the convening of an Extraordinary General Meeting on 5/04/2019 with the following agenda:

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

- on March 15, 2019 in the current report No. 7/2019, the Issuer published information on the signing of an annex to the loan agreement.

The Management Board of Investment Friends SE concluded an Annex to the loan agreement of 26/10/2017 with Patro Invest Sp. z o. o. The loan agreement was reported by the Issuer in the ESPI current report no. 67/2017 on October 26th, 2017. Under the Annex concluded on March 15th, 2019 the amount of the loan was increased by PLN 400.000,00 (four hundred thousand zlotys). Additional amount of the loan was paid to the bank account of Patro Invest Sp. z o. o. at the date of the annex signing, i.e. March 15th, 2019. Therefore, the total amount of the loan that have been paid to Patro Invest Sp. z o. o. is PLN 2.600.000,00 (two million six hundred thousand zlotys).

The interest rate on the loan was set at 5,2% per annum. The interest will be paid together with the refund of the loan amount. The repayment of the loan was secured by the borrower by issuing a blank promissory note with a declaration to the Issuer. The contract has not been concluded subject to a condition or time limit. The Issuer is entitled to demand the return of the entire loan amount immediately in the event of a poor financial status of the Borrower.

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

- on April 1, 2019 in the current report no. 7/2019, the Issuer published information on a significant contract.

Investment Friends SE

Harju maakond, Tallinn, Kesklinna
linnaosa, Tornimäe tn 5, 10145, Estonia
Registry code: 14617862
Email: info@ifsa.pl

The Management Board of Investment Friends SE informed that the security that the Issuer was entitled to and that was contracted in the Guarantee Agreement of the loan given to the Borrower TOP MARKA S.A., was completed.

Conclusion of the Guarantee Agreement was reported by the Issuer in the current report no. 17/2018 dated on 18/04/2018. On April 18, 2018 the Issuer concluded with FON SE (previously FON S.A.) the Guarantee Agreement of the remaining part of the claims the Issuer was allowed to due to the Agreement of the loan of 07.11.2014 concluded with TOP MARKA S.A. in the amount of up to PLN 590.000,00 (five hundred ninety thousand zlotys), in case of the Issuer do not satisfy its claims from TOP MARKA S.A. resulting from the Loan Agreement of 07.11.2014.

On 1/04/2019 the Issuer received to its bank account the transfer of PLN 590.000,00 (five hundred ninety thousand zlotys) from FON SE due to repayment of the Guarantee Agreement.

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

On 1/04/2019 the Issuer concluded with a natural person (hereinafter "Assignee") a preliminary assignment agreement whose object is a transfer of the debts package that consists of the loan granted on 7 November 2014 to TOP MARKA S.A. headquartered in Poznań, along with owned securities. Giving aforementioned loan to TOP MARKA S.A. was reported by the Issuer in the current report no 141/2014. Deadline for repayment of the loan of 7/11/2014 expired on 31/03/2016.

Total nominal value of the debts (principal + interest) is PLN 1.343.288,55 (one million three hundred forty-three thousand two hundred eighty-eight zlotys 55/100), while the sales price was PLN 379.000,00 (three hundred seventy-nine thousand zlotys).

This agreement was concluded under a condition precedent that the Assignee makes the full payment of the sales price for the Assignor until 31/07/2019 at latest.

- on April 5, 2019 via current report No. 11/2019, the Issuer published information regarding the Extraordinary General Meeting of Shareholders of Investment Friends SE, which took place on 5/04/2019.

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

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

Investment Friends SE

Harju maakond, Tallinn, Kesklinna
linnaosa, Tornimäe tn 5, 10145, Estonia
Registry code: 14617862
Email: info@ifsa.pl

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

- on April 17, 2019 via current report No. 13/2019, the Issuer published information regarding the convening of the Extraordinary General Meeting of Shareholders of Investment Friends SE.

The agenda of the Extraordinary General Meeting provided for the adoption of a resolution regarding: Approval of the selection of an audit company by the Extraordinary General Meeting of Shareholders of the Company.

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

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

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

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

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

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

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

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

Investment Friends SE

Harju maakond, Tallinn, Kesklinna
linnaosa, Tornimäe tn 5, 10145, Estonia
Registry code: 14617862
Email: info@ifsa.pl

current report number 40/2018 of 04/07/2018.

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

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

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

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

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

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

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

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

The Issuer also informed that between the Issuer and PATRO INVEST Sp. z o.o. Company there

Investment Friends SE

Harju maakond, Tallinn, Kesklinna
linnaosa, Tornimäe tn 5, 10145, Estonia
Registry code: 14617862
Email: info@ifsa.pl

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

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

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

At the same time, with the registration of change of the Company's financial year, relevant to the Estonian Law Register registered the amendment of the Article of Association.

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

The Management Board of Investment Friends SE with registered office in Tallinn informed, that on 05/06/2019 relevant to the law of Estonia registered the transfer of the registered office of the Issuer to Estonia. Therefore, the Issuer indicated that the current headquarter of the Company is: Harju maakond, Tallinn, Kesklinna linnaosa, Tornimäe tn 5, 10145.

The website address and e-mail address remain unchanged: info@ifsa.pl, <http://ifsa.pl/>

Moreover, the Issuer informed that the registered office address is an address for service i.e.: Harju maakond, Tallinn, Kesklinna linnaosa, Tornimäe tn 5, 10145.

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

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

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

Investment Friends SE

Harju maakond, Tallinn, Kesklinna
linnaosa, Tornimäe tn 5, 10145, Estonia
Registry code: 14617862
Email: info@ifsa.pl

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

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

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

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

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

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

The Issuer informed that in accordance with the provisions of the Loan Agreement, the Borrower was entitles to premature repayment of all or a part of the capital of the loan granted.

The loan repayment date was set for October 25, 2019.

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

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

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

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

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

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

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

Investment Friends SE

Harju maakond, Tallinn, Kesklinna
linnaosa, Tornimäe tn 5, 10145, Estonia
Registry code: 14617862
Email: info@ifsa.pl

000,00.

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

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

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

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

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

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

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

The total nominal value of the debt (capital + interest) is PLN 1 343 288,55 (one million three

Investment Friends SE

Harju maakond, Tallinn, Kesklinna
linnaosa, Tornimäe tn 5, 10145, Estonia
Registry code: 14617862
Email: info@ifsa.pl

hundred forty-three thousand two hundred eighty-eight zlotys 55/100), and the sale price was PLN 376 915,50 (three hundred seventy-six thousand nine hundred and fifteen zlotys 50/ 100).

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

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

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

3.21.1. EVENTS WHICH OCCURRED AFTER THE BALANCE SHEET DATE, I.E. AFTER 30/06/2019

Significant events which occurred after the balance-sheet date are described in the Report on Activities of the Company for the period since 01/01/2019 till 30/06/2019.

3.22. DESCRIPTION OF FACTORS AND EVENTS, IN PARTICULAR THOSE ATYPICAL ONES, HAVING SIGNIFICANT INFLUENCE ON ACHIEVED FINANCIAL RESULTS.

During the reporting period, there were not any atypical factors and events having significant influence on achieved financial results. All significant events, including process of merger and adopting the legal form of European Company by the Issuer, was indicated in point 3.22 of this financial statement.

3.23. EXPLANATIONS ON THE SEASONALITY OR CYCLICALITY OF ACTIVITIES

Currently main business activity of the Company is financial (loan) services and related to the above there are not seasonality and cyclicity.

3.24. INFORMATION ON THE WRITE-OFFS UPDATING STOCK VALUE TO THE NET VALUE POSSIBLE TO ACHIEVE, AND REVERSALS OF WRITE-OFFS.

In the period covered by this interim financial statement, this event did not occur in Investment Friends SE.

3.25. INFORMATION ON IMPAIRMENT WRITE-OFFS OF FINANCIAL ASSETS, TANGIBLE FIXED ASSETS, INTANGIBLE ASSETS OR OTHER ASSETS, AND REVERSAL OF THOSE WRITE-OFFS.

In the period covered by this interim financial statement, there have not been made any write-offs of receivables due to loans granted.

3.26. INFORMATION ON CREATING, INCREASING, EXPLOITING AND RELEASING OF RESERVES.

Detailed information on creating, increasing, exploiting and releasing of reserves are presented in point 3.1 of this interim financial statement.

3.27. INFORMATION ON RESERVES AND ASSETS FROM DEFERRED INCOME TAX.

As at the balance sheet date the Company did not create asset due to deferred income tax.

A provision due to deferred income tax does not apply the Company.

3.28. INFORMATION ON SIGNIFICANT TRANSACTIONS OF PURCHASE AND SALE OF TANGIBLE FIXED ASSETS

In the period covered by this interim financial statement, this event did not occur in Investment Friends SE.

3.29. INFORMATION ON SIGNIFICANT LIABILITY FROM PURCHASE OF TANGIBLE FIXED ASSETS.

In the period covered by this interim financial statement, this event did not occur in Investment Friends SE.

3.30. INDICATION SIGNIFICANT PROCEEDINGS PENDING IN COURT, COMPETENT FOR PROCEEDING ARBITRATION OR PUBLIC ADMINISTRATIVE ORGAN, CONCERNING LIABILITIES AND LIABILITIES OF THE ISSUER OR ITS SUBSIDIARY, WITH

Investment Friends SE

Harju maakond, Tallinn, Kesklinna linnaosa, Tornimäe tn 5, 10145, Estonia
Registry code: 14617862
Email: info@ifsa.pl

INDICATION OF SUBJECT MATTER OF LEGAL PROCEEDING, VALUE OF THE MATTER OF PROCEEDING, PARTIES TO PROCEEDINGS, DATE OF INITIATION OF A PROCEEDING AND STATEMENT OF THE ISSUER.

In 2019 in the Company there were not any new, significant judicial and administrative proceedings. Pending court cases and administrative proceedings are indicated in point 4.8 of the interim financial statement.

3.31. INDICATION OF CORRECTIONS OF ERRORS FROM THE PREVIOUS PERIODS

In the period covered by this interim financial statement, this event did not occur in Investment Friends SE.

3.32. INFORMATION ON CHANGES OF ECONOMIC SITUATION AND CONDITIONS OF PROVIDING BUSINESS ACTIVITY, WHICH HAVE SIGNIFICANT INFLUENCE ON FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES OF THE ENTITY

In the period covered by this interim financial statement, this event did not occur in Investment Friends SE.

3.33. INFORMATION ON NON-REPAYMENT OF A LOAN OR CREDIT OR BREACH OF MATERIAL PROVISIONS OF A LOAN OR CREDIT AGREEMENT FOR WHICH NO CORRECTIVE ACTION HAS BEEN TAKEN BY THE END OF THE REPORTING PERIOD.

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

3.34. 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) **the total amount of loans or borrowings, which in whole or in a certain part has been properly guaranteed or stood surety,**
- c) **The period for which the guarantees or sureties are granted for,**

- d) **financial conditions on which the sureties or guarantees were granted with an indication of 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 the loans or borrowings**

The Issuer did not grant any sureties or guarantees. Loans granted by Investment Friends SE are presented in point 3.5 and point 3.6 of this report.

3.35. 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

In the period covered by this report, the Issuer did not conclude transactions with related entities on terms other than market terms. The Issuer provides below 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	44	0
Patro Invest OU	0	0	954	0
ELKOP S.A.	0	0	1 596	0
FON SE	0	0	0	0
FON Zarządzanie Nieruchomościami Sp. z o.o.	0	0	0	0

There are organizational ties between Members of the Issuer's Management and Supervisory bodies:

Management Board:

Agnieszka Gujgo performs function of the Chairman of the Management Board of Investment Friends SE, function of the Chairman of Damf Inwestycje S.A., function of the Chairman of the Supervisory Board of Platynowe Inwestycje S.A.

Supercisory Board:

Małgorzata Patrowicz Secretary of the Supervisory Board - performs the function of Member of the Supervisory Boards in entities : Investment Friends SE, Investment Friends Capital SE,

Investment Friends SE

Harju maakond, Tallinn, Kesklinna linnaosa, Tornimäe tn 5, 10145, Estonia
 Registry code: 14617862
 Email: info@ifsa.pl

ELKOP SE, Damf Inwestycje S.A, FON SE. She performs the function of Chairman of the Management Board of: IFEA Sp. z.o.o, UÜ Patro Inwestycje, PATRO INVEST Sp. z.o.o, and Member of the Supervisory Board of IFERIA S.A.

Anna Kajkowska Członek Rady Nadzorczej- Member of the Supervisory Board - performs as the Vice-Chairman of Elkop SE.

Wojciech Hetkowski - performs the function of a Member of the Supervisory Boards in public entities: ELKOP SE, Atlantis SE, FON SE, Investment Friends Capital SE, Damf Inwestycje S.A.

Jacek Koralewski- performs as the Chairman of the Management Board in: ELKOP SE and a Member of the Supervisory Board in: Atlantis SE, Investment Friends SE, Investment Friends Capital SE, FON SE, Damf Inwestycje S.A.

Management Board and Supervisory Board remuneration

Remuneration of managing and supervising persons	six months ended on June 30, 2019 (unaudited)	Twelve months ended on December 31, 2018 (audited)
Supervising persons – Members of Supervisory Board	0	6
Managing persons	0	58

On 30/05/2018 the General Meeting of Shareholders of Investment Friends SE adopted resolution No. 25 regarding the change of remuneration for Members of the Supervisory Board. Pursuant to the resolution, Members of the Company's Supervisory Board do not receive remuneration for their function in the Supervisory Board since 1/07/2018.

3.36. INFORMATION ON CHANGE THE METHOD FOR DETERMINING THE FAIR VALUE OF MESURED FINANCIAL INSTRUMENTS.

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

3.37. FINANCIAL INSTRUMENTS

Information on financial instruments

June 30, 2019

Classes of financial instruments	Fair value through comprehensive income	Fair value through financial result	Amortized Cost	Total
Total financial assets				
Shares in carrying amount				
- <i>The valuation value included in the profit and loss account</i>				
- <i>The valuation value recognized in the revaluation capital</i>				
- <i>Value at the purchase price</i>				
Debt securities				
Loans granted				

The Company applies the following hierarchy for the purpose of disclosing information about financial instruments measured at fair value - broken down into valuation methods:

Level 1: prices quoted on the active market (unadjusted) for identical assets or liabilities;

Level 2: valuation methods in which all data having a significant effect on the estimated fair value are observable, directly or indirectly, market data;

Level 3: valuation methods in which the input data having a significant effect on the estimated fair value are not based on observable market data. Available-for-sale capital investments that are not quoted on an active market, whose fair value cannot be measured reliably and related derivatives settled in the form of the transfer of such unlisted capital investments are measured at cost less impairment at the end of each reporting period.

The table below presents financial instruments measured at fair value as at the balance sheet date:

	30/06/2019 (unaudited)	Level 1	Level 2	Level 3
Shares listed on the WSE and NC	-	-	-	-
Unlisted shares	-	-	-	-
Financial assets measured at fair value	-	-	-	-
Financial liabilities measured at fair value	-	-	-	-

In the reporting period, there were no shifts in the valuation of instruments between hierarchy levels.

Description of the measurement method of available-for-sale assets assigned to the measurement under level 3 of the fair value hierarchy.

As at 30/06/2019 the Company does not have any financial instruments measured at fair value.

Objectives and principles of financial risk management

The objectives and principles of financial risk management are described in annual report for 2018 published on 04/11/2019. There were no changes as compared to the objectives and principles of risk management described in the report for 2018.

Details of the fair values of financial instruments for which it is possible to estimate them:

- Long-term interest-bearing loans. The fair value of the above-mentioned instruments is similar to their carrying amounts due to the variable nature of their interest rate and market margin level,

- Trade receivables, other receivables, trade liabilities and other liabilities. The fair value of the above-mentioned instruments is similar to their carrying amounts due to their short-term nature,
- Cash and cash equivalents, short-term bank deposits and short-term loans granted. The fair value of the above-mentioned instruments is similar to their carrying amounts due to the rapid maturity of these instruments.

The Company does not apply hedge accounting. In the period covered by the report, there were no offsetting of financial assets with liabilities.

3.38. INFORMATION ON A CHANGE IN THE CLASSIFICATION OF FINANCIAL ASSETS AS A RESULT OF A CHANGE OF THE PURPOSE OR USE OF THOSE ASSETS

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

3.39. INFORMATION ON THE ISSUE, REDEMPTION AND REPAYMENT OF NON-EQUITY AND EQUITY SECURITIES

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

3.40. INFORMATION ON DIVIDEND PAID (OR DECLARED), IN TOTAL AND PER SHARE, DIVIDED INTO ORDINARY AND PREFERENCE SHARES

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

3.41. INDICATION OF EVENTS THAT OCCURRED AFTER THE DATE ON WHICH THE ANNUAL FINANCIAL STATEMENTS WERE DRAWN UP, NOT INCLUDED IN THESE STATEMENTS, AND WHICH COULD SIGNIFICANTLY AFFECT THE ISSUER'S FUTURE FINANCIAL RESULTS

Until the date of preparation of the financial statements for the reporting period, i.e. until 30/06/2019 no other significant events occurred that were not, but should be included in the accounting books of the reporting period. The list of events that occurred after the reporting period is presented in point 3.21.1 of this interim report.

3.42. INFORMATION ON THE ISSUE, REDEMPTION AND REPAYMENT OF DEBT AND EQUITY SECURITIES

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

3.43. INFORMATION ON CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS THAT HAVE OCCURRED SINCE THE END OF THE LAST FINANCIAL YEAR

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

3.44. OTHER INFORMATION THAT MAY SIGNIFICANTLY AFFECT THE ASSESSMENT OF THE FINANCIAL STANDING AND FINANCIAL RESULT OF THE ISSUER

In the Management Board's opinion, as at the date of preparing the annual financial statements, the financial position of the Company is stable. The Issuer does not have any significant liabilities and its cost rationalization policy limits the occurrence of events that may disturb the Company's financial liquidity. According to the Issuer, apart from the events specified in point 3.21 of this report, there were no other factors and events that could significantly affect the assessment and change of the Company's property and financial standing as well as the possibility of meeting obligations. As the main activity of the Company is financial (loan) service activities, an important factor affecting the financial results is also the correct handling of contractual obligations by Borrowers.

Selected profitability ratios of Investment Friends SE:

Profitability ratio	Calculation method	30/06/2019	31/12/2018
Net profitability	Net profit, net loss / sales revenues	2,64	0,04
Return on assets (ROA)	Net profit, net loss / assets	0,05	0,003
Return on equity (ROE)	Net profit, net loss / equity	0,052	0,003

Selected liquidity and debt ratios of Investment Friends SE:

Liquidity ratio	Calculation method	30/06/2019	31/12/2018
Current liquidity ratio	Current assets / short-term liabilities	507,5	9,09
Total debt ratio	Total liabilities / total assets	0,019	0,038
Debt to equity ratio	Total liabilities / equity	0,019	0,04

Selected financial data Investment Friends SE [EUR thous.]:

Financial data	30/06/2019	31/12/2018
Net revenues from sales	50	181

Investment Friends SE

Harju maakond, Tallinn, Kesklinna linnaosa, Tornimäe tn 5, 10145, Estonia
Registry code: 14617862
Email: info@ifsa.pl

Gross profit (loss) on sales	50	181
Profit (loss) from operating activity	-164	34
Depreciation	0	8
Net profit (loss)	132	8

3.45. INFORMATION ON OPERATING SEGMENTS

In accordance with the requirements of IFRS 8, operating segments should be identified based on internal 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 homogeneous activity consisting in rendering other financial services. The Management Board did not identify operating segments in the Company.

Geographical information

There are below revenues from external clients broken down into operational areas and information on non-current assets broken down by location of these assets:

for six months 2019

GEOGRAPHICAL AREA FOR FINANCIAL ACTIVITIES	REVENUE FROM EXTERNAL CUSTOMERS	FIXED ASSETS
PŁOCK	185	0
Total for financial activities	185	0

for 2018

GEOGRAPHICAL AREA FOR FINANCIAL ACTIVITIES	REVENUE FROM EXTERNAL CUSTOMERS	FIXED ASSETS
PŁOCK	181	0
Total for financial activities	181	0

Investment Friends SE

Harju maakond, Tallinn, Kesklinna
linnaosa, Tornimäe tn 5, 10145, Estonia
Registry code: 14617862
Email: info@ifsa.pl

4. OTHER INFORMATION (ADDITIONAL INFORMATION TO REPORT)

4.1. SELECTED FINANCIAL DATA CONTAINING BASIC ITEMS OF THE ANNUAL FINANCIAL STATEMENTS

	Six months ended on 30/06/2019 EURO	Six months ended on 30/06/2018 EURO
Revenues from the sale of products, goods and materials	50	93
Profit (loss) from operating activity	-164	-15
Profit (loss) before tax	128	-13
Net profit (loss)	132	-13
Net cash flow from operating activities	-417	27
Net cash flow from investing activities	427	2
Net cash flow from financial activities	16	0
Change in cash and cash equivalents	10	29
Total assets *	2600	2 448
Long-term liabilities *	47	2
Short-term liabilities *	2	99
Equity *	2551	2 347
Share capital *	3240	3 098
Weighted average diluted number of shares (in pcs.)	9 000 000	10 010 959
Profit (loss) per share (EUR)	0,01	0
Book value per one share (EUR) *	0,28	0,23

Selected financial data presented in the financial statement were converted into EURO in the following way:

- Balance sheet items are converted according to the average exchange rate announced by the National Bank of Poland:
 - on June 28, 2019 1 EUR = 4,2520
 - on December 21, 2018 1 EUR = 4,300
 - on June 29, 2018 1EUR = 4,3616

Investment Friends SE
Harju maakond, Tallinn, Kesklinna
linnaosa, Tornimäe tn 5, 10145, Estonia
Registry code: 14617862
Email: info@ifsa.pl

- Items of the income statement and cash flow statement as at 30/06/2018 and as at 30/06/2019 are converted according to the exchange rate being an arithmetic average of average exchange rates announced by the National Bank of Poland effective on the last day of each month in the reporting period:
 - in the period since January 1, 2019 till June 30, 2019 1 EUR = 4,2880
 - in the period since January 1, 2018 till June 30, 2018 1 EUR = 4,2395

4.2. BRIEF DESCRIPTION OF THE ISSUER'S SIGNIFICANT ACHIEVEMENTS OR FAILURES IN THE PERIOD COVERED BY THE REPORT, TOGETHER WITH A LIST OF THE MOST IMPORTANT EVENTS CONCERNING THE ISSUER

The above information has been indicated in point 3.21 of these interim financial statements.

4.3. INDICATION OF FACTORS AND EVENTS, INCLUDING ATYPICAL ONES, HAVING A SIGNIFICANT IMPACT ON THE ANNUAL FINANCIAL STATEMENTS

In the reporting period, there were no unusual events or factors of an unusual nature having a significant impact on the financial statements.

All significant events in the reporting period and after the balance sheet date have been indicated in point 3.21 and 3.21.1 of these interim financial statements.

4.4. DESCRIPTION OF CHANGES OF THE ORGANIZATION OF THE ISSUER'S CAPITAL GROUP, INCLUDING AS A RESULT OF THE MERGER OF THE ENTITIES , GAINING OR LOSING CONTROL OVER SUBSIDIARIES AND LONG-TERM INVESTMENTS, AS WELL AS THE DIVISION, RESTRUCTURING OR DISCONTINUATION OF OPERATIONS AND INDICATION OF ENTITIES SUBJECT TO CONSOLIDATION, AND IN THE CASE OF THE ISSUER BEING THE PARENT ENTITY, WHICH ON THE BASIS OF APPLICABLE IT IS NOT REQUIRED OR MAY NOT PREPARE CONSOLIDATED FINANCIAL STATEMENTS - AN ADDITIONAL INDICATION OF THE REASON AND LEGAL BASIS FOR THE LACK OF CONSOLIDATION

As at the date of publication of this interim report Investment Friends SE does not have subsidiaries and does not form a capital group within the meaning of accounting regulations.

4.5. MANAGEMENT'S POSITION REGARDING THE POSSIBILITY OF ACHIEVING PREVIOUSLY PUBLISHED FORECAST RESULT FOR A GIVEN YEAR IN THE LIGHT OF THE RESULTS PRESENTED IN THE ANNUAL FINANCIAL STATEMENTS AND IN RELATION TO THE FORECAST RESULTS

The Company has not published forecasts for 2019 and subsequent years.

4.6. QUALIFYING HOLDING ACCORDING TO PROVISIONS OF ZNAKAZNE PAKIETY AKCJI ZGODNIE Z POSTANOWIENIAMI § 9 OF THE SECURITIES MARKET ACT.

According to the best knowledge of the Management Board, as at the balance-sheet date, i.e. 30/06/2019 the direct and indirect shareholding structure, owning over 10% of the total number of votes at the General Meeting was as following:

Direct shareholding structure as at 30/09/2019

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

Indirect shareholding structure as at 30/06/2019.

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

To the best knowledge of the Management Board, as at the date of publication of this periodic report, i.e. 22.11.2019 the structure of direct and indirect shareholding at least 10% of the total number of votes at the General Meeting has not changed as compared to the balance sheet date 30/06/2019.

4.7. STATEMENT OF THE STATE OF OWNERSHIP OF THE ISSUER'S SHARES OR RIGHTS TO THEM BY PERSONS MANAGING AND SUPERVISING THE ISSUER AS AT THE BALANCE SHEET DATE FOR SIX MONTHS OF 2019, I.E. AS AT JUNE 30, 2019, TOGETHER WITH AN INDICATION OF CHANGES IN OWNERSHIP, FROM THE DATE

Investment Friends SE

Harju maakond, Tallinn, Kesklinna linnaosa, Tornimäe tn 5, 10145, Estonia
Registry code: 14617862
Email: info@ifsa.pl

OF SUBMISSION OF THE PREVIOUS PERIODIC REPORT, SEPARATELY FOR EACH OF THESE PEOPLE

Members of the Management Board

To the best of knowledge, the Management Board of Investment Friends SE, as at the balance sheet date on 30/06/2019 and the date of submitting the periodic report, do not own directly or indirectly the Issuer's shares.

Members of the Supervisory Board

To the knowledge of the Management Board of Investment Friends SE, members of the Supervisory Board as at the balance sheet date 30/06/2019 and the date of submitting the periodic report do not directly or indirectly own the Issuer's shares.

4.8. INDICATION OF PENDING PROCEEDINGS IN FRONT OF THE COURT, COMPETENT AUTHORITY FOR ARBITRATION PROCEEDINGS OR PUBLIC ADMINISTRATION AUTHORITY REGARDING LIABILITIES AND CLAIMS OF THE ISSUER OR ITS SUBSIDIARY, WITH AN INDICATION OF THE SUBJECT OF THE PROCEEDINGS, THE VALUE OF THE SUBJECT OF THE DISPUTE, THE DATE OF INITIATION OF THE PROCEEDINGS, THE PARTIES TO THE INITIATED PROCEEDINGS AND THE POSITION OF THE ISSUER

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

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

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

The Management Board of Investment Friends SE with registered office in Płock informed, that on 16/01/2018 on the basis of an announcement from 379 meeting of the Commission published by the Polish Financial Supervision Authority, became aware of the imposition of a financial penalty in the amount of PLN 400.000,00 on the Company, due to the ascertainment by

the PFSA the improper fulfilling of the information duties specified in art. 58 section 1 of resolution on public offer by the Company.

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

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

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

The Issuer based on its knowledge, although it should not be the addressee of the decision of 16/01/2018, indicated that it does not agree with the assessment of the Polish Financial Supervision Authority in the scope of the way of fulfilling information duties by the Issuer to the extent questioned by the Commission. The Issuer indicated that all information required based Investment Friends S.E. Harju maakond, Tallinn, Kesklinna linnaosa, Tornimäe tn 5, 10145 registry code 14617862 email: info@ifsa.pl 35 on applicable regulations has been provided by the Issuer correctly and timely in a way that ensures equal access to full information by all market participants.

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

- On October 3, 2019 the Polish Supervision Authority published an information regarding issuance of the final decision repealing entirely the decision of the Polish Financial Supervision

Investment Friends SE

Harju maakond, Tallinn, Kesklinna
linnaosa, Tornimäe tn 5, 10145, Estonia
Registry code: 14617862
Email: info@ifsa.pl

Authority of January 16, 2018 imposing on Investment Friends S.A. headquartered in Płock (currently Investment Friends SE headquartered in Estonia, hereinafter: „Investment”) the financial penalty in the amount of PLN 400 000 due to infringement of art. 56 para.1 subpara. 1 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading and Public Companies (Official Journal of 2013, item 1382, hereinafter: „Act on Offering”) and imposing on Investment the financial penalty in the amount of PLN 200 000 and partially terminating the proceeding

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

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

4.9. INFORMATION ON THE CONCLUSION BY THE ISSUER OR ITS SUBSIDIARY OF ONE OR MORE TRANSACTIONS WITH RELATED ENTITIES, IF THEY WERE CONCLUDED ON TERMS OTHER THAN MARKET TERMS, TOGETHER WITH AN INDICATION OF THEIR VALUE, WHILE INFORMATION ON INDIVIDUAL TRANSACTIONS MAY BE GROUPED BY TYPE, EXCEPT WHEN INFORMATION ON INDIVIDUAL TRANSACTIONS IS NECESSARY TO UNDERSTAND THEIR IMPACT ON THE PROPERTY, FINANCIAL STANDING AND FINANCIAL RESULT OF THE ISSUER

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

All transactions, including with related entities have been indicated in item 3.29 and point 3.21 of these interim financial statements.

4.10. INFORMATION ON GRANTING CREDIT OR LOAN GUARANTEES BY THE ISSUER OR ITS SUBSIDIARY OR GRANTING A GUARANTEE - JOINTLY TO ONE ENTITY OR A SUBSIDIARY OF THIS ENTITY, IF THE TOTAL VALUE OF EXISTING SURETIES OR GUARANTEES IS SIGNIFICANT

In the reporting period described, the Company did not grant any material credit or loan sureties or guarantees. Loans granted by the Issuer as part of its operations have been indicated in item 3.6 of these interim financial statements.

4.11. OTHER INFORMATION WHICH, IN THE ISSUER'S OPINION, IS SIGNIFICANT FOR THE ASSESSMENT OF ITS PERSONNEL, PROPERTY, FINANCIAL SITUATION, FINANCIAL RESULT AND THEIR CHANGES, AS WELL AS INFORMATION THAT IS RELEVANT FOR THE ASSESSMENT OF THE ISSUER'S ABILITY TO MEET ITS OBLIGATIONS

In the reporting period for six months of 2019, except for those indicated in point 3.21 of this report, in the opinion of the Management Board, there were no other significant events that could significantly affect the assessment and change of the Company's property and financial standing as well as the possibilities of fulfilling obligations.

4.12. INDICATION OF FACTORS WHICH, IN THE ISSUER'S OPINION, WILL HAVE AN IMPACT ON THE RESULTS ACHIEVED BY IT IN THE PERSPECTIVE OF AT LEAST THE NEXT QUARTER

Considering the specificity of the Issuer's operations, i.e. mainly financial services in the field of granting non-consumer loans, according to the Issuer, the following internal and external factors have a significant impact on the results:

- the situation on the loan market
- interest rates
- correct implementation by borrowers of obligations under loan agreements concluded
- the execution process and recovery of loans terminated if they occur
- the efficiency of administrative and legal procedures and proceedings in which the Issuer may be a possible participant or party,
- opportunities to attract potential borrowers,
- stock market situation on capital markets,
- economic situation in Poland and in the region,

- availability of external financing sources
- cooperation with other financial entities,
- implementation of the process of moving the Company's registered office to Estonia and the conditions of the Issuer's operations in a new location and based on Estonian law,

The Issuer's activities in the next reporting period will focus mainly on the area of financial services in the field of granting loans to business entities. The Company also does not exclude the possibility of potential capital involvement on the broadly understood capital market, both in listed entities and in enterprises not having the status of public companies.

Tallinn, 22/11/2019

Agnieszka Gujgo – Chairman of the Management
Board