



**ANNUAL REPORT
OF INVESTMENT FRIENDS SE
INCLUDING FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2018 AND FOR 12 MONTHS ENDED ON DECEMBER 31, 2018**

**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



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1. ANNUAL FINANCIAL STATEMENTS

These financial statements of Investment Friends SE as at 31/12/2018 and for 12 months of 2018 along with comparative data were prepared in accordance with International Accounting Standards and International Financial Reporting Standards (IAS/IFRS) as adopted by the European Union, published and effective as at the date of publication of this financial statements.

The report was prepared in EUR thousand.

1.1. STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION	Note	31 December 2018	31 December 2017
Assets			
Fixed assets		1 632	81
Long-term financial assets	5	1 632	81
Current assets		864	2 490
Short-term receivables	9	31	3
Short-term financial assets	6	826	2 347
Cash and cash equivalents	4	7	139
Short-term accruals and prepayments		0	1
Total assets		2 496	2 571

Liabilities			
Equity		2 401	2 466
Share capital	11	3 240	3 447
Supplementary capital from the sale of shares above the nominal value and from the reduction of the share capital	15	5 161	5 161
Revaluation reserve		0	0
Capital from merger of entities	12	-4	0
Other reserve capital	15	206	0
Exchange differences		-68	0
Retained earnings / Unallocated financial result	15	-6 134	-6 142
Long-term liabilities		0	2
Deferred income tax provision		0	2
Short-term liabilities		95	103
Trade liabilities	10	2	3
Other liabilities	10	0	3
Other provisions	10	93	97
Total liabilities		2 496	2 571

Book value		2 401	2 466
Number of shares		9 000 000	9 000 000
Book value per share (EUR)		0,27	0,27
Diluted number of shares		9 000 000	9 000 000
Diluted book value per share (EUR)		0,27	0,27

1.2. INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

INCOME STATEMENT	Note	The period ended 31.12.2018	The period ended 31.12.2017
I. Revenue from sales of products, goods and materials		181	375
II. Cost of products, goods and materials sold		0	-375
III. Gross profit on sales		181	0
IV. Selling costs	13	0	-84
V. General and administrative expenses	13	-144	0
VI. Other operating revenues	14	6	11
VII. Other operating costs	13	-9	-103
VIII. Profit on operating activities		34	-176
IX. Financial revenues	14	3	446
X. Financial costs	13	-29	-201
XI. Pre-tax profit		8	69
XII. Income tax		0	1
XIII. Net profit		8	70

Net profit (loss) (in 12 months)	8	70
The weighted average number of ordinary shares	9 000 000	9 000 000
Profit (loss) per one ordinary share (in EUR)	0,001	-0,01
The weighted diluted average number of ordinary shares	9 000 000	9 000 000
Diluted profit (loss) per one ordinary share (in EUR)	0,001	-0,01

1.3. STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY	The period ended 31.12.2018	The period ended 31.12.2017
Opening balance of equity	2 467	2 396
Opening balance of equity after reconciliation to comparable data	2 396	2 396
Opening balance of share capital	3 447	3 447
Changes in the share capital	-207	0
decrease (due to)	-207	0
- reduction of the capital	-206	0
- exchange differences	-1	0
Closing balance of share capital	3 240	3 447
Opening balance of supplementary capital	5 161	5 161
Closing balance of supplementary capital	5 161	5 161
Opening balance of revaluation capital	0	0
Closing balance of capital from revaluation	0	0
Opening balance of capital from merger of entities	0	0
Changes in other reserve capitals	-4	0
b) decrease (due to)	-4	0
- reduction due to merger	-4	0
Closing balance of capital from merger of entities	-4	0
Opening balance of other reserve capital	0	0
Changes in reserve capitals	206	0
a) increase (due to)	206	0
- increase due to reduction of share capital	206	0
Closing balance of other reserve capital	206	0
Opening balance of retained profit/not settled loss of previous years	-6 142	-6 213
a) increase (due to)	8	70
profit / loss for the period	8	70
Roundings	0	1
Closing balance of retained profit/not settled loss of previous years	-6 134	-6 142
Exchange differences from converting gained income/loss into EUR	179	0
Exchange differences from supplementary capital	-149	0
Exchange differences from converting share capital into EUR	-98	0
Closing balance of equity	2 401	2 466
Equity after considering the proposed distribution of profit (loss coverage)	2 401	2 466

1.4 STATEMENT OF CASH FLOWS

CASH FLOWS STATEMENT	The period ended 31.12.2018	The period ended 31.12.2017
OPERATING ACTIVITIES		
Gross profit (loss)	8	69
Adjustments total	140	-154
Interests and dividends	-15	-13
Change in the balance of other provisions	0	92
Change in the balance of receivables	-28	11
Change in the balance of liabilities	-9	-2
Change in the balance of accruals	1	0
Other adjustments	191	-242
Gross cash flows from operating activity	148	-85
Investment activity		
Inflows from investment activities	372	567
Received repayments of the loans	371	542
Received interest	1	25
Expenses due to investment activity	395	551
Acquisition of elements of intangible fixed assets and tangible fixed assets	0	80
Loans granted	395	471
Net cash flows from investment activity	-23	16
Financial activity	0	0
Inflows	0	424
Expenses due to financial activity	0	-225
Net cash flows from financial activity	0	199
Exchange differences	7	4
Net cash flows, total	132	134
Balance sheet change in cash	-132	134
Opening balance of cash	139	5
Closing balance of cash	7	139

Business activity: till 30/11/2018 PKD – 6419Z.
Other monetary intermediation
since 30/11/2018 EMTAK - 64201
Activities of holding companies

Registry Court of the Company: till 30/11/2018 the Company had been entered to the Register of Entrepreneurs of the National Court Register kept by the District Court for the Capital City of Warsaw in Warsaw, 14th Commercial Division, under the number 0000720290
Since 30/11/2018 the Company has been entered in the commercial register (Ariregister) in Estonia, registry code: 14617862.

Share capital of the Company Till 26/02/2018 the share capital of the Company was PLN 14 400 000, 00 (in words: fourteen million four hundred thousand zlotys 00/100) and it is divided into 18 000 000 shares of the nominal value PLN 1,60 per share.
Since 26/02/2018 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 of the nominal value 0,36 EURO (in words: thirty-six euro cents) per share.

Financial year: Pursuant to the Article of Association the financial year starts on January 1, and ends on December 31.

Duration of the Company: Duration of the Company is indefinite.

2.2. GOVERNING BODIES OF THE COMPANY

2.2.1. 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

2.2.2. 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.

The annual 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

Annual report of the Company was prepared in accordance with International Accounting Standards, that is approved by the European Union and with assumption that the Company will going concern in the foreseeable future.

Statement of financial situation as at December 31, 2018, income statement, statement of comprehensive income, cash flow statement, statement of changes in equity for twelve months ended on December 31, 2018 are audited by a certified auditor. Financial statements as at December 31, 2017 and for twelve months ended on December 31, 2017 were subjected into audit by a certified auditor who has issued a unqualified opinion.

Financial statement is presented in EUR thousand.

The financial statement was prepared with assumption of of the continued business activity of the Company in the foreseeable future. As at the date of preparation of the financial statement, any circumstances indicating any threats for the Company's continuation do not exist. The Management Board made an assessment of the Issuer's ability to continue its business activity. As a result of this assessment, as at the date of preparation of this annual financial statement the Management Board does not notice any threat in this field.

The Company applies the overarching valuation principles based on historical acquisition, purchase or production price, excluding the part of financial assets which pursuant to IFRS are measured at fair value.

2.5. ACCOUNTING PRINCIPLES APPLIED FOR PREPARATION OF THE ANNUAL FINANCIAL STATEMENTS

In 2018 the Company has not applied any new standards, amendments to standards and interpretations for existing standards.

Financial statements included in this report were prepared with the new accounting principles, different than those used for annual statement prepared as at December 31, 2017.

According to the provisions of the law, the annual financial statements were audited by a certified auditor.

As comparable data for the annual financial statements there are used data as at 31/12/2017.

2.6. DESCRIPTION OF MORE IMPORTANT ACCOUNTING PRINCIPLES USED FOR PREPARATION OF THIS FINANCIAL STATEMENT

Tangible fixed assets

Tangible fixed assets consisting of: lands, buildings, machines and devices used for production, delivery of products and providing services or for managing purposes are measured as at the balance sheet date at a purchase price or production cost, reduced by amortisation and impairment write-offs.

Value of the property elements generated internally includes costs of materials and labour costs as well as margin for indirect production costs. Costs of production of the property elements are increased by reasonable part of external financing costs.

Tangible fixed assets are depreciated according to line method, according to expected lifespan for a particular group type.

Tangible fixed assets are depreciated since the month following the month in which they were adopted for operation.

Lands are not subjected into depreciation, acquired perpetual usufruct right of lands is amortised.

Expenses for repair which do not cause increase of value in use of a particular element of fixed property, are charged in the period in which they were incurred.

Intangible fixed assets

Intangible fixed assets acquired within separate transaction are activated according to acquisition price.

A goodwill is disclosed according to the acquiring price reduced by total impairment write-offs done.

Other intangible fixed assets are amortised by line method within their expected lifespan.

The expected lifespan of intangible fixed assets is from 2 to 5 years.

Impairment of tangible fixed assets and intangible fixed assets excluding goodwill.

In case of occurrence of rationales indicating possibility of impairment of owned elements of tangible and intangible fixed assets, there is an impairment test carried out, and established amounts of revaluation write-offs reduce the balance value of an assets' element to which they regards and these write-offs are accounted in the income statement.

Investment properties

As investment properties are recognized properties (land, building, part of a building or both of those elements) which are treated as a source of revenues from rents or which are held because of increase in value, and such a properties are not:

- used for production, deliveries of goods, providing services or administrative activities, and also it is not
- intended to be sold within ordinary operating of the entity.

As an investment property is recognized also a property potentially held for sale if despite of active searching for a purchaser by the managers, it is not highly possible to dispose this asset within one year. An irrespective condition for classification of such a estate to investment properties group is obtaining revenue from rents.

In case of partial lease of a real estate, the decisive criteria for its recognition as an investment property is a ratio of a space intended for lease to the total space.

Investment properties are recognized at fair value. Profits or losses resulting from changes of the fair value of investment properties are accounted in the income statement in the period in which the incurred.

Investment properties are deleted from the balance sheet in case of their disposal or in case of permanent withdrawal of a particular real estate from usage, if there are not expected any further profits from its sale. Any profits or losses resulting from deletion of an investment property from the balance sheet are accounted in the income statement in the period in such a deletion was done. Transfer of assets to investment properties is done only when there is a change of their usage manner confirmed by finished usage of an element by the owner, conclusion of an operating leasing agreement or completion of building process / generation of an investment property.

Valuation of financial assets and financial liabilities

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 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)**.

Because of the fact that financial activity related to granting loans is the main business activity of the company, the revenues from interest on loans are recognized in the income statement in revenues from sale. Possible impairment write-offs increase the other operating costs.

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
 - 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 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.

Trade and other receivables

Trade receivables with maturity term from 30 to 90 days are recognized at values primarily invoiced taking into account write-offs of bad debts.

Revaluation write-offs of bad debts are estimated if it becomes unlikely to collect the full amount of a receivable.

Values of created revaluation write-offs of receivables are properly assigned to other operating costs or financial costs - dependently on a type of receivables to which the write-off relates to.

Cash and cash equivalents

Cash and cash equivalents consists of cash in bank and on hand as well as short-term deposits with maturity term not exceeding 3 months.

Credits and interest-bear loans

At the moment of initial recognition, bank credits and loans are recognized at purchase price relating to fair value of received cash, reduced by costs related to obtaining a credit or a loan.

Supplementary capital from sale of shares at the price exceeding their nominal value

Differences between fair value of received repayment and nominal value of shares are accounted in supplementary capital from sale of shares at the price exceeding their nominal value. In case of reimbursement of shares, the amount paid for shares charges the equity and it is disclosed in the balance-sheet as own shares.

Costs of issuance of shares born at the moment of establishment of a joint-stock company or increasing of the share capital, reduced the supplementary capital of an entity to the amount of surplus of the issuance value over the nominal value of shares, and the other part is accounted to other capitals.

Provisions

Provisions are created whenever the Company has a present obligation (legal or customarily expected) resulting from past events and when it is probable that fulfilling of such an obligation will cause a necessity of outflow of funds and there could be done a reliable estimation of this liability value. If there exists a reliable expectation that costs covered by the provision will be returned, then such a return is accounted as a separate element of assets, but only on condition that it is almost sure that this return will be done (e.g. under concluded insurance agreement.)

Revenues

Pursuant to requirements of IFRS 15 standard, Revenues from contracts with customers, the Company recognized revenues from contracts with customers when it transfer to a customer control over promised goods or services and in the amount of a transaction price, up to which it expect to be entitled, taking into account adjustments resulting from variable elements of remuneration such as granted discounts and rights to return of goods. Dependently on fulfilling of particular criteria, revenues are accounted over the course of time, in the way reflecting level

of an agreement's fulfilling, or accounted at once, at the moment of transfer of control over goods or services to a customer.

The Company receives revenues from sale of financial services - granting loans.

Interest

Revenues from interest are recognized taking into account the effective interest rate.

Income tax

Tax burden includes current taxation of corporate tax and change in provisions or assets due to deferred income tax. Current tax liabilities are settled on the basis of currently applicable taxation laws and calculated taxable income.

Components of assets due to deferred income tax is recognized in relation to all negative temporary differences, as well as unrealized tax losses for settlement in the future periods, in the amount in which it is possible the taxable income will be gained, which will allow to use aforementioned.

Balance-sheet value of a component of assets due to deferred income tax is verified as at each balance-sheet date and it is subjected to a write-off if there is a doubt that the Company will use economic benefits related to use tax assets.

Deferred income tax is calculated in the basis of tax rates which, in the opinion of the Managers, will be applicable in the period in which an element of assets will be realized or a provision will be dissolved, taking as a basis the tax rates legally or actually applicable as at the balance sheet date.

Change in provisions and assets due deferred income tax is disclosed in the income statement, except for situations when financial results of events causing occurrence or dissolution of deferred tax are recognized directly in the equity of an entity.

Financial leasing

Leasing agreements under which, the Company bears almost the whole risk and almost fully benefits as a result of ownership of elements of assets, are classified as financial leasing agreements. Assets held by the Company under financial leasing agreements are disclosed initially in the fair value or the current value of the minimum lease charges, dependently on which of this amounts is lower. The initial value of assets used under financial leasing agreements is reduced by amortisation write-offs and impairment write-offs. In case of lack of proper surety that the company will obtain the ownership title when the leasing ends, a

particular element used under financial leasing agreement is amortised within the shorter period, i.e. leasing term or period of its useful lifetime. In other cases the Company applies amortisation periods analogical to tangible fixed assets.

Leasing charges are divided into capital and interest part using fixed, internal rate of return, the interest part charges income statement within the agreement's duration.

Related entities

For the purposes of the financial statement, as related parties are recognized: significant shareholders, subsidiaries, associated companies and co-subsidiaries, members of the Management Boards and Supervisory Boards of Companies belonging to the capital group, their closest relatives and entities controlled by them.

Significant values based on professional judgement and estimations

Professional judgement

In case when a particular transaction is not regulated by any standard or interpretation, the Management Board guided by its subjective judgement, specifies and applies accounting principles which ensure the financial statement includes proper and reliable information, and it:

- correctly, clearly and fairly presents property and financial situation of the Company, results of its activities and cash flows,
- reflects economic substance of transactions,
- is objective,
- is prepared pursuant to prudent valuation rule,
- is complete in all material aspects.

Uncertainty of estimates

Applying accounting principles prevailing in the Company, the Management Board is obliged to make estimates, judgements and assumptions regarding valuation amounts of particular elements of assets and liabilities. Estimates and assumptions related to them are based on historical experiences and other factors recognized as significant. The actual results may vary from estimated values. Preparation of financial statements requires from the Management Board of the Company making estimations as a lot of information included in the financial statement cannot be valued precisely. The Management Board verifies applied estimations on the basis of changes of factors taken into account while estimating, new information or past experiences. The main estimations were described in the following notes regarding fair value of

financial instruments which significantly influences the financial statement of the Company.

In the annual statement for twelve months of 2018 the Management Board does not assesses any other significant areas for which a risk related to uncertainty of estimates exists.

Information on operating segments

An operating segment is a component of an entity:

- a) which takes part in business activities which could bring revenues and bears the cost (including revenues and costs related to transactions with other components of the same entity),
- b) which has its business activities results regularly reviewed by the main body responsible for making operating decisions in the entity and taking this results into account during allocation of assets to a segment and for assessment of a segment's results, as well as
- c) in case when there are separate financial data available

According to requirements of IFRS 8, operating segments shall be identified on the basis of internal reports regarding these elements of the Company which are regularly verified by people deciding on allocation to a particular segment and assessing its financial results.

There are not operating segments in the Company. The entire activity regards only to financial services.

Seasonality and cyclicity of activity

Activity of the Company is not characterized by seasonality and cyclicity.

Functional and reporting currency

These annual financial statements are prepared in EURO.

EURO is the presenting currency of the Company, while the functional currency is Polish zloty.

The financial statements are presented in EUR thousand. It is prepared with assumption that the Company will be going concern in the foreseeable future.

2. ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (ADDITIONAL EXPLANATORY NOTES)

NOTE 1. INFORMATION ON SIGNIFICANT CHANGES IN ESTIMATES

During twelve month of 2018 there have been made the following changes in provisions and revaluation write-offs (in EUR thousands):

Title	Balance as at 01/01/2018	Established	Released	balance as at 31/12/2018
Deferred income tax provision	3	54	-57	0
Assets due to deferred income tax provision	2	44	-46	0
Revaluation write-offs of financial assets, including:	514	416	0	930
- revaluation write-off of loans granted	514	416	0	930
Revaluation write-off of inventories	0	0	0	0

NOTE 2. LOOSING CONTROL OVER SUBSIDIARIES AND LONG-TERM INVESTMENTS

Do not applicable.

NOTE 3. ASSETS HELD FOR SALE/DISPOSAL (DEMERGER)

There was not distinguished any assets held for sale in 2018.

NOTE 4. CASH AND CASH EQUIVALENTS

Cash on the bank accounts are bear-interest according to variable interest rates which are dependent on interest rate for one-day bank deposits. Short-term deposits are made for various periods, from one day to one month, dependently on current need of the Company for funds, and are interest bearing according to fixed interest rates.

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

CASH	31/12/2018	31/12/2017
Bank deposits (current accounts) and short-term deposits	7	139
Cash on hand	0	0
Cash disclosed in the balance-sheet	7	139

NOTE 5. LONG-TERM FINANCIAL ASSETS

(in EUR thousands)

LONG-TERM FINANCIAL ASSETS	31/12/2018	31/12/2017
a) in related parties	1 632	81
- stocks/shares		81
- loans granted	1 632	
b) in other entities		0
- stocks/shares		0
- loans granted		0
Long-term financial assets, total	1 632	81

As at 31/12/2017 the Company owned 2 shares of Investment Friends a.s. headquartered in Ostrava, constituting 100% of contribution in the share capital of Investment Friends a.s. On 26/02/2018 there was the merger of Investment Friends Capital S.A. and Investment Friends Capital1 a.s. registered. As a result of aforementioned, Investment Friends Capital has obtained legal form of European Company. Settlement of the merger was recognized by the uniting of interest method.

Long-term loans granted

(in EUR thousands)

Name of an entity	Headquarter	Amount of a credit / loan acc. to an agreement in EUR thousand		Amount of a credit / loan remaining to be repaid in EUR thousand		Interest rate conditions	Repayment term	Collaterals
		currency	currency	currency	currency			
FON ZARZĄDZANIE NIERUCHOMOŚCIAMI SP. Z O.O.	Płock	1 615	EUR	1 632	EUR	WIBOR 1 M +4,5%	24/04/2021	Own blank promissory note + mortgage on a real estate

The amount remaining to be repaid is higher than the value disclosed in the financial statement because of measuring of the loan at amortised cost.

NOTE 6. SHORT-TERM INVESTMENTS

(in EUR thousands)

SHORT-TERM INVESTMENTS	31/12/2018	31/12/2017
1) in related parties	600	0
in subsidiaries	0	0
in an a parent company	0	0
in associates	0	0
In other related entities:	600	483
a) loans granted	600	483
- revaluation adjustments (+/-)	0	0
- value at purchase price	600	483
in co-subsidiaries	0	0
2) in other entities	226	1 864
a) loans granted	226	1 864
- revaluation adjustments (+/-)	-216	-123
- value at purchase price	442	1 987
Balance value, total	826	2 347

Loans granted (in EUR thousands)

Name of an entity	Head-quarter	Amount of a credit/ loan acc. to an agreement in EUR thousand		Amount of a credit / loan remaining to be repaid in EUR thousand		Interest rate conditions	Repayment term	Collaterals
		currency		currency				
Patro Invest sp. z o.o.	Płock	569	EUR	600	EUR	5,2%	25/10/2019	blank promissory note
TOP MARKA S.A.*	Warszawa	1 941	EUR	442	EUR	WIBOR 3 M + %	31/03/2016	Promissory note + mortgage on a real estate + warranties of natural persons

*As at 31/12/2018 the Company made a revaluation write-off of not repaid loan in the amount of PLN 930 thousand (216 EUR thousands).

Because of the difference that has not any influence on reliability of presentation of the Company's financial situation, the short-term loans in this annual financial statement are not measured at adjusted purchase price but in simplified way, i.e. via charging interest due for the reporting period.

NOTE 7. DISCONTINUING OPERATION

In the period covered by the annual financial report, aforementioned event have not occurred. The Issuer have been concentrated mainly on financial service activity - granting loans.

NOTE 8. SHAREHOLDING STRUCTURE

According to the balance-sheet date 31/12/2018 the shareholding structure was as following:

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

NOTE 9. SHORT-TERM RECEIVABLES

(in EUR thousands)

SHORT-TERM RECEIVABLES	31/12/2018	31/12/2017
Trade receivables	0	0
Civil-law receivables (excluding income tax)	31	3
Other receivables	0	0
Short-term receivables, net	31	3
Revaluation write-offs of receivables	0	0
Short-term receivables, gross	31	3

NOTE 10. TRADE AND OTHER LIABILITIES

(in EUR thousands)

Short-term liabilities	31/12/2018	31/12/2017
Short-term liabilities, including:	6	6
Liabilities toward related parties	0	0
- due to deliveries and services	0	0
Liabilities toward other entities	2	6
- due to deliveries and services	2	3
- due to taxes, duties, insurance and other benefits	0	2
- due to remunerations	0	1
- other	0	0
Revenues of future periods	0	0
Short-term liabilities, total	2	6

Other provisions	31.12.2018	31.12.2017
Provision for expected costs	93	97
Total other provisions	93	97

Rules and conditions of repayment of aforementioned financial liabilities:

Liabilities due to deliveries and services are not interest-bearing and usually settled in 7-60 days periods. Other liabilities are not interest-bearing with an average 1-month payment term.

NOTE 11. SHARE CAPITAL

(in EUR thousands)

Series designation	Type of shares	Number of shares	Value of a series acc. to the nominal value of shares
Series A	Ordinary bearer shares	5 384 750	1 938 510,00 EURO
Series B	Ordinary bearer shares	3 615 250	1 301 490,00 EURO
TOTAL		9 000 000	3 240 000,00 EURO

Along with registration of merger on 26/02/2018, there were also registered amendments in the Company's Article of Association by the Registry Court. Currently, the share capital of the Company is expressed in EURO and it amounts to: 3 240 000,00 EURO (in words: three million two hundred forty thousand EURO 00/100) and it is divided into 9.000.000 (nine million) of shares of the nominal value EUR 0,36 (in words: thirty-six euro cents), i.e. 5 384 750 bearer shares of series A of the nominal value EUR 0,36 (in words: thirty-six euro cents) and 3 615 250 bearer shares of series B of the nominal value EUR 0,36 (in words: thirty-six euro cents).

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

Series designation	Type of shares	Number of shares	Value of a series acc. to the nominal value of shares
Series A	Registered shares without nominal value	9 000 000	3 240 000,00 EURO
RAZEM		9 000 000	3 240 000,00 EURO

NOTE 12. 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.

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

Realizing aforementioned merger, the shareholders of the parent company Investment Friends SE held control over the company which was undertaken the the merger and did not loss this control as a result of the carried out operating. Therefore, in the accounting books of Investment Friends SE there was possible settlement of merger by uniting of interest. The general principle of the uniting interest method is based on summing of particular items of assets and liabilities as well as revenues and costs of the merged entities, as at the date of merger, after previous reconciliation of their value to the same valuation methods and making mutual exclusions.

The Company has carried out the settlement of merger using uniting interest method in the following way:

- There were recognized assets and liabilities in the accounting books of Investment Friends SE according to the value resulting from the accounting books of the acquired company Investment Friends1 Polska AS after previous reconciliation them to the comparable data.
- There were made some mutual exclusions of receivables and liabilities, revenues and costs of business operations made in a particular financial year, including owned shares of the acquired company.
- There were made an exclusion of the share capital of the acquired company. The difference between acquired assets and liabilities was disclosed as a separate capital of the company.
- Costs incurred in connection with merger were recognized in financial costs.

Conversion of the comparable period.

With regard to the fact that Investment Friends 1 Polska AS was established as at October 2, 2017 there are not presented conversions of the balance and the income statement for the previous reporting period resulting from merger of Investment Friends SE and Investment Friends 1 Polska AS.

NOTE 13. EXPENSES AND COSTS

(in EUR thousands)

COSTS BY TYPE	2018	2017
a) amortization and depreciation	0	0
b) consumption of materials and energy	0	-1
c) external services	0	-45
d) taxes and salaries	0	-8
e) remuneration	0	-21
f) social security and other benefits	0	-2
g) other costs by type	0	-7
I. Total costs by type	0	-84
II. Change in inventories, products and accruals	0	0
III. Cost of manufacturing products for the entity's own needs	0	0
VI. General and administrative expenses	-144	0
VII. Other costs	-9	-103
Total costs	-153	-187

OTHER OPERATING EXPENSES	2018	2017
a) creation of reserve	0	0
b) revaluation of write-offs	0	0
c) loss on disposal of non-financial fixed assets	0	0
d) other including:	0	-103
- re-invoicing costs	0	0
- imposed penalties	0	-96
- other	-9	-7
Total other operating expenses	-9	-103

OTHER FINANCIAL EXPENSES	2018	2017
a) foreign exchange losses	0	-2
b) loss on disposal of financial assets	0	0
c) cost of updating financial investments	0	0
d) other including:	-29	-199
- capital increase	0	9
- revaluation write-down of interest	-29	-187
- other		-3
Total other financial expenses	-29	-201

NOTE 14. REVENUES

(in EUR thousands)

OTHER OPERATING REVENUES	2018	2017
a) release of reserves	0	0
b) gain on disposal of non-financial fixed assets	0	0
c) other including:	6	11
- revenues from re-invoices	0	0
- other	6	11
Total other operating revenues	6	11

FINANCIAL INCOME	2018	2017
a) other interests on loans granted	0	446
b) other revenue	3	0
Total financial income from interest	3	446

NOTE 15. 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 February 26, 2018 in the current report no 8/2018 the Issuer informed about merger of the Issuer as the Acquiring Company with INVESTMENT FRIENDS1 Polska Akciová

společnost (the Acquired Company) and getting by the Issuer the legal form of European Company (SE) and amendments of the Company's Article of Association

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Management Board of Investment Friends SE headquartered in Płock, with regard to the current report no 7/2018 of 19/02/2018 informed that on 09/04/2018 the Issuer received the announcement of the Operational Department of National Depository for Securities S.A. in

Warsaw regarding change of the unit value of shares in Statement No 114/2018 from PLN 1,60 to EURO 0,36.

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

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

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

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

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

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

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

The Issuer informed that on April 18, 2018 it concluded, as a result of aforementioned Agreement with FON S.A., the Guarantee agreement by FON S.A. the other part of claims due to

the Issuer resulting from the Loan agreement of 07/11/2014 concluded with TOP MARKA S.A. to the amount up to PLN 590.000,00 (five hundred ninety thousand zlotys) in case of lack of satisfying all claims of the Issuer from TOP MARKA S.A. resulting from the Loan agreement of 07/11/2014 until 30/06/2018.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

periods. The Company granted the Borrower a 4-month grace period in repayment of interest on the loan.

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

FON Zarządzanie Nieruchomościami Sp. z o.o. secured the return of the loan amount together with interest and other claims of the Lender that may arise under the contract by issuing to the Company a blank promissory note along with a promissory note declaration. In addition, the loan was secured by establishing a mortgage up to PLN 10.090.000,00 on a property in Poznań at Kopanina Street 54/56. The Company concluding the Loan Agreement has obtained the consent of the Supervisory Board and will apply to the General Meeting for consent in accordance with art. 17 § 2 Commercial Code at the next General Meeting.

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

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

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

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

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

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

therefore the Company's Management Board will make an appropriate entry in the Company's share register.

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

- on 28/05/2018 in the current report No. 29/2018 the Company provided information on the publication of the Statement by KDPW

The Management Board of Investment Friends SE based in Płock, in reference to current report No. 7/2018 of 19/02/2018 announced that on 28/05/2018 the Company received the Statement of the National Depository for Securities S.A. in Warsaw regarding the change of Statement No. 114/18 of the National Depository for Securities S.A. of 19/02/2018, and Declaration No. 217/2017 of the National Depository of Securities dated 9/04/2018 as follows: the number of registered securities in KDPW is changing from 592.270 items to 1.184.549 units.

- On 8/06/2018, in Current Report No. 36/2018 the Company provided information about publishing the content of the ad in the MSiG related to the resolution adopted by the General Meeting of Shareholders regarding the transfer of the registered office of the Company.

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

- on 29/08/2018, in Current Report No. 41/2018 the Company published information on the procedure of transferring the registered office of the Company to Estonia.

The Management Board of Investment Friends SE in reference to current report No. 12/2018 of 19/03/2018 regarding the Plan of transferring the registered office of the Company to Estonia

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

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

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

- on 2/10/2018 in Current Report No. 42/2018 the Company published information on the procedure of transferring the registered office of the Company to Estonia.

The Management Board of Investment Friends SE in reference to current report No. 12/2018 of 19/03/2018 regarding the Plan of transferring the registered office of the Company to Estonia, in relation to the Resolutions of the Ordinary General Meeting of the Company of 30/05/2018 published in the current report No. 31/2018 of 30/05/2018 and in reference to Current Report No. 41/2018 of 29/08/2018 regarding the receipt by the Company of a certificate confirming the accomplishment of acts and legal acts which must be completed before the transfer of the registered office to another EU country, Investment Friends SE announced that on 02/09/2018 NASDAQ CSD the institution keeping the securities deposit in Estonia, registered the Company's shares in the depository system and allocated the ISIN number EE3100143033 for the Company's shares. The Company informed that the effectiveness of registration of the Company's shares in the securities depository maintained by NASDAQ CSD depends on the registration of the transfer of the registered office of the Company in the relevant register of

Estonian entrepreneurs (Ariregister). The Company undertook to inform via relevant current report about the registration of the Company in the relevant register of Estonian entrepreneurs (Ariregister) and at the same time on the transfer of the registered office of the Company to Estonia.

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

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

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

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

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

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

The Management Board of Investment Friends SE informed that it found out about the Resolution No. 630/18 of KDPW S.A. from which the Management Board of KDPW S.A. after considering the application of the Company Investment Friends SE decides that the conditional contract for the

registration of the shares of Investment Friends SE, referred to in the STATEMENT of the National Depository for Securities S.A. No. 114/2018 of 19/02/2018, as amended by REPORT No. 217/2018 of 9/04/2018 and REPRESENTATION No. 331/2018 of 28/05/2018 shall terminate.

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

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

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

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

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

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

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

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

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

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

EVENTS AFTER THE REPORTING PERIOD I.E. AFTER 31/12/2018

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

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

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

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

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

The Issuer informed that in accordance with provisions of the Loan Agreement, the Borrower

was entitled to earlier entire or partly repayment of the capital of the granted loan. The Loan repayment date was set for October 25,2019.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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 limited liability company Sp. with registered Office in Katowice at Matejki Jana Street 4 Department in Warsaw, entered on the list of entities authorized to audit financial statements under number 3975, about of conclusion of which the Management Board informed in current report number 40/2018 of 04/07/2018.

The reason for termination the Agreement is inability of the auditor to provide serviced 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 of Loan Agreement.

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

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

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

The Management Board of Investment Friends SE informed that on 23/05/2019 it signed annex to Loan Agreement concluded on 26/10/2017 with z PATRO INVEST Sp. z o.o. in Płock, about signing which, the Company informed in the current report ESPI nr 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 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 at 5,2 % per year. Interests will be paid with the refund of the Loan amount. The Loan repayment was secured by the Borrower by issuing the blank promissory note and declaration to the Issuer. The Agreement has been not concluded with reservation of the condition or time limit. The Issuer is entitled to demand full refund of the Loan, immediately in a case of a poor financial situation of the Borrower.

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

- on May 31, 2019 in 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 change the address of the Company's registered office.

The Management Board of Investment Friends SE with registered office in Tallinn, informed that on 05/06/2019 relevant to Estonian Law Commercial Register (Ariregister) registered the change of the Issuer's address.

That being so, the Issuer informs that the address of the Company's registered office is: Harju maakond, Tallinn, Kesklinna linnaosa, Tornimäe tn 5, 10145.

Website address and e-mail address are without any changes: info@ifsa.pl, <http://ifsa.pl/>

According to above, the Issuer also informed that the Company's address to services is an address of the registered office i.e. tj. Harju maakond, Tallinn, Kesklinna linnaosa, Tornimäe tn 5, 10145. The Management Board of Investment Friends SE

- on 7 June, 2019 in current report no. 30/2019 the Issuer published information on Extraordinary General Meeting, which convened on June 1, 2019.

On June 7, 2019 at 10:00 in Płock at Padlewskiego Street 18C, 09-402 Płock, Poland, there was the Extraordinary General Meeting of Investment Friends SE Company's Shareholders. Only one Shareholder Patro Invest OÜ with registered Office in Tallinn was present, holding 3.077.250 shares, constituting 34,19% of capital share, due to the above the resolutions of the agenda could not be adopted, because minimum quorum is 50% of the share capital. In relation to that in the near future the Management Board will convene another General Meeting of Shareholders, which will 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 on convening the Extraordinary General Meeting of Shareholders.

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

1. Endorsement of the audit Company to audit the Company's financial statements for the year... and to assess of the annual Company's report for the year...
2. Determining the last day of the period started on January 1 of 2018, for which the company will prepare its financial statements.
3. 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 the repayment of part of the capital by the borrower.

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

The Issuer informed that in accordance with the provisions of the Loan Agreement, the Borrower was entitled to early 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 of the Loan Agreement.

The Management Board of Investment SE informed that on 17/06/2019 granted Patro Invest OÜ Company register no. nr 14381342, Harju maakond, Tallinn, Kesklinna linnaosa, Tornimäe tn 5, 10145 Loan amounting to PLN 1 400 000,00.

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

The interest rate of the Loan was set at 5,00 % per year. The interest will be paid together with the refund of the Loan. Repayment of the Loan 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 June 18, 2019 in the current report no. 34/2019 the Issuer informed about earlier loan repayment by the Borrower.

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

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

The Issuer informed, that in accordance with provisions of Loan Agreement, the Borrower was entitled to early repayment of entire or a part of the capital of the granted loan. . 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. Chairman of the Management Board of 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 signing annex of Loan Agreement.

The Management Board of Investment Friends SE, in reference to the current report no. 33/2019 of 17/06/2019, informed that on 18/06/2019 it signed Annex of 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 fifty thousand). The additional loan amount was paid to the Patro Invest OÜ Company's account on the day of signing the annex i.e. 18/06/2019. Due to signing the annex on 18/06/2019, total amount of the Loan paid to Patro Invest OÜ amounting to PLN 4 050 000,00 (four million fifty thousand zlotys) The interest rate of the Loan was set at 5,00 % per year. The

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interest will be paid together with the refund of the Loan. Repayment of the Loan 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 June 24, 2019 in the current report no. 36/2019 the Issuer informed about signing Assignment of Receivables Agreement.

The Management Board of Investment Friends SE (hereinafter „Assigner”) informed that in relation to the current report no. 9/2019 of 01/04/2019 on 25/06/2019 concluded with natural person (hereinafter Assignee) final Receivables Agreement relating to transferring for Assignee package of Receivables consisting of the Loan granted to Top Marka S.A. with registered office in Poznań on November 7, 2014 with held collateral, the granting of which the Issuer informed in current report no. 141/2014. The repayment Loan Agreement of November 7, 2014 term was March 31, 2016.

Total nominal value of receivables _capital+interests_ amounting to PLN 1 343 288,55 _one million three hundred forty-three thousand two hundred eighty-eight zlotys 55/100_ and the purchase price was PLN 376 915,50 (three hundred seventy-six thousand zlotys 50/100)

- on June 27, 2019 in current report no. 37/2019 the Issuer informed about receiving of a notification of the conclusion of a debt assumption agreement.

The management Board of Investment Friends SE informed that on 27/06/2019 the Company received the announcement of Elkop SE with registered office in Płock, information that on 27/06/2019 Elkop SE Company conclude with FON Zarządzanie Nieruchomościami Sp. z o.o. with registered office in Płock, an Agreement on debt assumption of the FON Zarządzanie nieruchomościami to Investment Friends SE with registered office in Tallinn, Estonia, resolution from in virtue of granted on 24/04/2018 Loan amounting to PLN 6.957.600,00, which indebtedness total on 27/06/2019 is amounting to 6.736.416,63.

At the same time the Issuer informed that hitherto it has not agreed to the above-mentioned debt assumption and therefore responsibility towards the Issuer in virtue of Loan Agreement of 24/04/2018 burden with joint liability the FON Zarządzanie nieruchomościami with registered office in Płocku and Elkop SE with registered office in Płock. The Issuer indicates that all granted to the Company securities in virtue of Loan Agreement of 24/04/2018 remain valid.

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

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

At the General Meeting, one shareholder was present – Company Patro Invest OÜ with registered office in Tallinn, holding 3.077.250 shares, constituting 34,19% votes at the General Meeting.

Agenda of the Extraordinary General Meeting included resolutions on:

1. Election of the Chairman of the meeting and the Minutes Secretary.
2. Confirming of the audit Company chosen to audit the Company's financial statements for 2018, 2019 and assessment of annual Company's reports for 2018, 2019.

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

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

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

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

- on September 18, 2019 the Issuer informed about conclusion of an Annex to the Loan Agreement.

The Management Board of Investment Friends SE headquartered in Tallinn, with regard to the current report no. 33/2019 of 17/06.2019 and the current report no. 35/2019 of 18/06/2019, informed that on 18/09/2019 the Issuer concluded an Annex to the loan agreement of 17/06/2019 with Patro Invest OÜ, registry code: 14381342, Harju maakond, Tallinn, Kesklinna linnaosa, Tornimäe tn 5, 10145.

Under provisions of the Annex of 18/09/2019 the amount of the loan was increased by PLN 70.000,00 (seventy thousand zlotys). Additional amount of the loan was paid to the bank account of Patro Invest OÜ at the date of the annex signing, i.e. 18/09/2019. Therefore, the total

amount of the loan that have been paid to Patro Invest OÜ is PLN 4.120.000,00 (four million one hundred twenty thousand zlotys). Established interest rate for the loan is 5,0% per year. Interest shall be paid along with repayment of the loan amount. Repayment of the loan is secured by the Borrower by issuance of a blank promissory note and a promissory note declaration for the Issuer. The agreement has no reservations concerning any conditions or deadlines. The Issuer is entitled to demand repayment of the total amount of the loan in case of unstable financial situation of the Borrower.

NOTE 16. DESCRIPTION OF FACTORS AND EVENTS, IN PARTICULAR THOSE ATYPICAL, 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 Note 15 of this financial statement.

NOTE 17. EXPLANATIONS ON THE SEASONALITY OR CYCLICALITY OF ACTIVITIES

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

NOTE 18. INFORMATION ON THE WRITE-OFFS UPDATING STOCK VALUE TO THE NET VALUE POSSIBLE TO ACHIEVE, AND REVERSALS OF IMPAIRMENT.

In the period covered by financial statement, this event did not occur.

NOTE 19. INFORMATION ON WRITE-OFFS IN VIRTUE OF LOSS THE VALUE OF FINANCIAL ASSETS, TANGIBLE NON-CURRENT ASSETS, INTANGIBLE ASSETS OR OTHER ASSETS, AND REVERSAL OF THOSE WRITE OFFS.

In the period covered by financial statement, write-off was made of receivables value from loans granted in the amount of PLN 278 thousand.

NOTE 20. INFORMATION ON CREATING, INCREASING, EXPLOITING AND RELEASING OF RESERVES.

Detailed information on creating, increasing, exploiting and releasing of reserves are presented in point 3 Note 1 of the financial statement.

NOTE 21. INFORMATION ON RESERVES AND ASSETS FROM DEFERRED INCOME TAX.

The Company as at balance sheet date did not create asset neither reserve from/for deferred income tax.

NOTE 22. INFORMATION ON SIGNIFICANT TRANSACTIONS OF PURCHASE AND SALE OF TANGIBLE NON-CURRENT ASSETS

In the period covered by financial statement, this event did not occur.

NOTE 23. INFORMATION ON SIGNIFICANT LIABILITY FROM PURCHASE OF TANGIBLE NON-CURRENT ASSETS.

In the period covered by financial statement, this event did not occur.

NOTE 24. INDICATION SIGNIFICANT PROCEEDINGS PENDING ON COURT, COMPETENT FOR PROCEEDING ARBITRATION OR PUBLIC ADMINISTRATIVE ORGAN, CONCERNING LIABILITIES AND LIABILITIES OF THE ISSUER OR ITS SUBSIDIARY, WITH 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 2018 in the Company there were not any new, significant judicial and administrative proceedings. Pending court cases and administrative proceedings are indicated in point 32 of the Report of the Management Board on activity of the Company..

Data transformation due to the transition to IFRS

The transformations of the financial statements are the result of the decision on preparing financial statements from January 1, 2018 in accordance with IFRS and presenting the Company's revenues achieved from the financial services as a basic revenue from the Company's activity. Data below is presented in EUR thousands.

NOTE 25. INDICATION OF CORRECTIONS OF ERRORS FROM THE PREVIOUS PERIODS

In the period covered by the financial statement, this event did not occur.

NOTE 26. 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 financial statement, this event did not occur.

NOTE 27. 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 report this event did not occur in Investment Friends SE.

NOTE 28. 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 point3 Note 5 and point 3 Note 6 of this report.

NOTE 29. 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 31/12/2018 IN PLN	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.	98	0	2 567	0
ATLANTIS SE	0	53	0	0
ELKOP S.A.	0	9	0	0
FON SE	0	19	0	1
FON Zarządzanie Nieruchomościami Sp. z o.o.	336	0	7 232	0

TRANSACTIONS WITH RELATED ENTITIES FOR THE PERIOD ENDED 31/12/2017	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.	19	0	2 019	0
DAMF INVEST S.A.	107	0	0	0
ATLANTIS S.A.	42	6	0	5
ELKOP S.A.	0	36	0	0
FON S.A.	0	9	0	0
Investment Friends Capital S.E.	1 595	0	0	0

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

- **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, 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.
- **Wojciech Hetkowski** Member of the Supervisory Board - Currently, He is 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** Member of the Supervisory Board - performs as the Chairman of the Management Board in: Elkop SE, and as a Member of the Supervisory Board in: Investment Friends SE, Investment Friends Capital SE, FON SE, Damf Inwestycje S.A.

- **Anna Kajkowska** Member of the Supervisory Board - performs as the Vice-Chairman of Elkop SE, She performs as the Chairman in Office Center Sp. z o.o. and the Member of the Supervisory Board of Investment Friends SE,
- **Agnieszka Gujgo** the Chairman of Investment Friends SE and Damf Inwestycje S.A., She also performs as the Chairman of Supervisory Board of Platynowe Inwestycje SE.

Management Board and Supervisory Board remuneration

Remuneration of managing and supervising persons	Twelve months ended 31/12/2018	Twelve months ended 31/12/2017
Supervising persons – Members of Supervisory Board	6	14
Managing persons	58	63

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.

NOTE 30. INFORMATION ON CHANGE THE METHOD FOR DETERMINING THE FAIR VALUE OF FINANCIAL INSTRUMENTS MEASURED.

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

NOTE 31. FINANCIAL INSTRUMENTS

Information about financial instruments

31/12/2018 in EUR thousand

Classes of financial instruments	Fair value through comprehensive income	Fair value through financial result	Amortized Cost	Total
Total financial assets		226	2 231	2 457
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		226	2 231	2 457

Investment Friends SE

Harju maakond, Tallinn, Kesklinna linnaosa, Tornimäe tn 5, 10145, Estonia

Registry code: 14617862

Email: info@ifsa.pl

31/12/2017 (transformed data) in EUR thousand

Classes of financial instruments	Fair value through comprehensive income	Fair value through financial result	Amortized Cost	Total
Total financial assets		1 864	483	2 347
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		1 864	483	2 347

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:

	31/12/2018	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	-	-	-	-

	31/12/2017	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 31/12/2018 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 2017 published on 20/03/2018. There were no changes as compared to the objectives and principles of risk management described in the report for 2017.

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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.

NOTE 32. INFORMATION ON A CHANGE OF 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 annual report in Investment Friends SE this event did not occur.

NOTE 33. INFORMATION ON THE ISSUE, REDEMPTION AND REPAYMENT OF NON-EQUITY AND EQUITY SECURITIES

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

NOTE 34. INFORMATION ON DIVIDEND PAID (OR DECLARED), IN TOTAL AND PER SHARE, DIVIDED INTO ORDINARY AND PREFERENCE SHARES

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

NOTE 35. 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 31/12/2018 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 Note 15 of this report.

NOTE 36. INFORMATION ON THE ISSUE, REDEMPTION AND REPAYMENT OF DEBT AND EQUITY SECURITIES

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

NOTE 37. 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 report in Investment Friends SE this event did not occur.

NOTE 38. OTHER INFORMATION THAT MAY SIGNIFICANTLY AFFECT THE ASSESSMENT OF THE FINANCIAL STANDING AND FINANCIAL RESULT OF THE ISSUER

In the opinion of the Management Board as at the day 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 Note 15 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 indicators	Calculation method	31/12/2018	31/12/2017
Net profitability	Net profit, net loss / sales revenues	0,04	0.19
Return on assets (ROA)	Net profit, net loss / assets	0,003	0,027
Return on equity (ROE)	Net profit, net loss / equity	0,003	0,028

Selected liquidity and debt ratios of Investment Friends SE:

Liquidity ratios	Calculation method	31/12/2018	31/12/2017
Current liquidity ratio	Current assets / short-term liabilities	9,09	24,17
Total debt ratio	Total liabilities / total assets	0,038	0,04
Debt to equity ratio	Total liabilities / equity	0.04	0.04

Shares (31/12/2018)	31/12/2018	31/12/2017
Closing price of the share (EUR)	0,26	0,41
Earnings per share (EUR)	0,001	0,01
Price-to-earnings (PE) ratio	260	41
Book value of the share (EUR)	0,27	0,27
Price-to-book ratio (P/BV)	0,96	1,52
Market capitalization (thousand EUR)	2 340	3 690

Earning per share = net profit / number of shares

Price-to-earning (PE) = price per share / earning per share

Book value of shares = Equity total / number of shares

Price-to-book ratio = price per share / Book value per share

Market capitalization = price per share X number of shares

Current liquidity ratio = current assets / short-term liabilities

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

Financial data	31/12/2018	31/12/2017
Net revenues from sales	181	375
Gross profit (loss) on sales	181	0
Profit (loss) from operating activity	34	-176
Depreciation	0	0
EBITDA	8	69
Net profit (loss)	8	70

NOTE 39. 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 2018 in EUR thousand

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

for 2017 EUR thousand

GEOGRAPHICAL AREA FOR FINANCIAL ACTIVITIES	REVENUE FROM EXTERNAL CUSTOMERS	FIXED ASSETS
PŁOCK	375	0
Total for financial activities	375	0

for 12 months of 2018

In the period since 01/01/2018 to 31/12/2018 the Company generated revenues from the sale of services that exceeded 10% of the total revenues of the Company from the sale of services with the following Customers: FON Zarządzanie Nieruchomościami Sp. z o.o. 44%, PATRO INVEST Sp. z o.o. 14%, TOP MARKA S.A. 42%.

For 2017

In the period since 01/01/2017 to 31/12/2017 the Company generated revenues from the sale of services and goods which exceeded 10% of the total revenues of the Company from the sale of services and goods with the following Customers: TOP MARKA S.A. 33%, Investment Friends Capital SE 65%.

4. OTHER INFORMATION (ADDITIONAL INFORMATION TO REPORT)

4.1. SELECTED FINANCIAL DATA CONTAINING BASIC ITEMS OF THE ANNUAL FINANCIAL STATEMENTS (IN EURO THOUSAND)

	Twelve months ended 31/12/2018	Twelve months ended 31/12/2017
Revenues from the sale of products, goods and materials	181	375
Profit (loss) from operating activity	34	-176
Profit (loss) before tax	8	69
Net profit (loss)	8	70
Net cash flow from operating activities	148	-85
Net cash flow from investing activities	-23	16
Net cash flow from financial activities	0	199
Change in cash and cash equivalents	-132	134
Total assets	2 496	2 571
Long-term liabilities	0	2
Short-term liabilities	95	103
Equity	2 401	2 466
Share capital	3 240	3 447
Weighted average diluted number of shares (in pcs.)	9 000 000	9 000 000
Profit (loss) per share	-0,001	0,008
Book value per one share	0.27	0,29

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

Financial data presented in the financial statements were converted into EURO in the following way:

- Balance-sheet items are converted at the exchange rate quoted by the European Central Bank as at the balance sheet date:
 - on December 31, 2018 1 EUR = 4,3014
 - on December 31, 2017 1 EUR = 4,1770

- Income statement items and statement of cash flow are converted at the rate based on the arithmetic mean of average rates determined by the European Central Bank on the last day of each month in the reporting period:
 - in the period since January 1, 2018 to December 31, 2018 1 EUR = 4,2335
 - in the period since January 1, 2017 to December 31, 2017 1 EUR = 4,2937

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 Note 15 of these annual 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 Note 15 of these annual 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 annual report Investment Friends SE does not have subsidiaries and does not form a capital group within the meaning of accounting regulations. In order to achieve the status of a European Company 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 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 FRIENDS1 Polska Akciová společnost with its registered office in Ostrava : 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. Next: Acquired company. As a result of registration of the merger by the District Court for the Capital City of Warsaw in Warsaw the Issuer took the legal form of a European Company and currently operates under the company INVESTMENT FRIENDS SE with its registered office in Płock at Padlewskiego Street 18C, Poland, entered into the Register of Entrepreneurs of the National Court Register kept by the District Court for the Capital City of Warsaw in Warsaw, 14th Commercial Division, under KRS number 0000720290.

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

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

4.6. INDICATION OF SHAREHOLDERS HOLDING DIRECTLY OR INDIRECTLY THROUGH SUBSIDIARIES AT LEAST 5% OF THE TOTAL NUMBER OF VOTES AT THE GENERAL MEETING OF THE ISSUER TOGETHER WITH AN INDICATION OF THE NUMBER OF SHARES HELD BY THESE ENTITIES, THE PERCENTAGE SHARE OF THESE SHARES IN THE SHARE CAPITAL, THE NUMBER OF VOTES RESULTING FROM THEM AND THE PERCENTAGE SHARE OF THESE SHARES IN THE GENERAL NUMBER OF VOTES AT THE GENERAL MEETING, AS WELL AS AN INDICATION OF CHANGES IN THE OWNERSHIP STRUCTURE OF SIGNIFICANT BLOCKS OF SHARES OF THE ISSUER IN THE PERIOD FROM THE DATE OF SUBMISSION OF THE PREVIOUS PERIODIC REPORT

As at the date of publication of the report for the first half of 2018, i.e. on 28/08/2018, the shareholding structure and the list of shareholders holding at least 5% of the total number of votes at the general meeting was as following:

NO.	SHAREHOLDER	NUMER OF SHARES	% OF SHARES	NUMBER OF VOTES	% OF VOTES
1	PATRO INVEST OÜ	3 097 232	34,41	3 097 232	34,41
2	Other	5 902 768	65,59	5 902 768	65,59
	total	9 000 000	100	9 000 000	100

According to the knowledge of the Management Board, as at the balance sheet date, i.e. 31/12/2018 the shareholding structure and the list of shareholders holding at least 5% of the total number of votes at the general meeting was as follows:

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	Other	5 902 768	65,59	5 902 768	65,59
	total	9 000 000	100	9 000 000	100

4.7.THE SUMMARY 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 TWELVE MONTHS OF 2018, I.E. AS AT 31/12/2018, TOGETHER WITH AN INDICATION OF CHANGES IN OWNERSHIP, FROM THE DATE OF SUBMISSION OF THE PREVIOUS PERIODIC REPORT, SEPARATELY FOR EACH OF THESE PEOPLE

The Management Board of the Issuer:

- Mrs. Agnieszka Gujgo appointed by the Issuer's Supervisory Board on 1/11/2014 to perform the function of the Chairman of the Management Board - does not hold the Issuer's shares as at the balance sheet date for twelve months, i.e. as at 31/12/2018.

The Supervisory Board of the Issuer:

-Mr. Damian Patrowicz – has been a member of the Company's Supervisory Board until 25/04/2018 as at that date and as at the balance sheet date for twelve months, i.e. as at 31/12/2018 he did not directly own the Issuer's shares.

- Mrs. Małgorzata Patrowicz - has been a member of the Company's Supervisory Board until 25/04/2018 as at this date and as at the balance sheet date for twelve months, i.e. as at 31/12/2018 she did not directly hold the Issuer's shares.

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

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

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

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

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

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

Comment:

The above data, regarding the number of shares held by the members of the Company's governing bodies, have been presented with due diligence based on the knowledge of the Company's Management Board as at the date of publication of the report. However, above data may not include any purchase transactions of the shares by the abovementioned persons about which the Company has been not informed.

4.8. INDICATION OF SIGNIFICANT PROCEEDINGS PENDING IN COURT OR IN A COMPETENT ARBITRATION AUTHORITY OR BEFORE PUBLIC ADMINISTRATION BODY REGARDING OBLIGATIONS AND CLAIMS OF THE ISSUER OR ITS SUBSIDIARY,

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

WITH AN INDICATION OF THE SUBJECT OF THE PROCEEDINGS, THE VALUE OF THE SUBJECT OF THE DISPUTE, THE DATE OF INITIATION OF PROCEEDINGS, PARTIES TO THE INITIATED PROCEEDINGS AND THE POSITION OF THE ISSUER

The Management Board of Investment Friends SE (formerly: Investment Friends S.A.) published via the current report 4/2018 on 16/01/2018 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 headquarters in Płock announced that on 16/01/2018 on the basis of a announcement published by the Polish Financial Supervision Authority of a 379th meeting the Company became aware of the imposition of a financial penalty in the amount of PLN 400.000,00 on the Company due to the Company's statement of improper performance by the Company of the information obligations specified in art. 56 section 1 of the Act on Public Offering.

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 disclosing confidential information: about intended legal and organizational activities via current report 19/2014, acceptance of the intended organizational and legal changes by the Supervisory Board of the Company via current report 20/2014, conclusion of transactions as a result of negotiations undertaken on 4/04/2014 via current report 42/2014 and 43/2014 and on the planned purchase of own shares via current report 62/2014 the Company violated its information obligations set out 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 completely disagrees with the Polish Financial Supervision's decision.

The Issuer's Management Board first of all indicates that the Company should not be the addressee of the decision as a result of the final division of the Company about which the Issuer informed via 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. All rights and obligations as well as administrative and legal obligations pursuant to art. 531 § 1 of the Code of Commercial Companies were transferred to the Acquiring Company as a result of scope of division.

The Issuer based on possessed knowledge, although he should not be the addressee of the decision of 16/01/2018 indicates that it does not share the assessment of the Polish Financial Supervision Authority regarding the manner in which the Issuer fulfills its disclosure obligations in the scope contested by the Polish Financial Supervision. The Issuer indicates that all information required under applicable regulations has been provided by the Issuer correctly and in a timely manner that ensures equal access to full information by all market participants.

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, WHEREBY 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 point 3 Note 15 and point 3 Note 29 of these financial statements.

4.10. INFORMATION ON GRANTING CREDIT OR LOAN SURETIES 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 point 3 Note 15 of these financial statements.

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

In the reporting period for twelve months of 2018, except for those indicated in point 3 Note 15 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 possibility of meeting 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
- the level of interest rates
- correct fulfillment of obligations by borrowers under loan agreements concluded
- the execution process and recovery of loans terminated if they occur
- the efficiency of procedures and administrative and legal 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 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 activity in a new location based on Estonian law

The Issuer's activity in the next reporting period will focus mainly on the area of financial services in the area 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.

4.12.1. IMPORTANT RISK FACTORS AND THREATS

Objectives and principles of financial risk management

The main financial instruments used by the Company are trade receivables and liabilities, which arise directly in the course of its operations. The Company does not enter into transactions

involving derivatives. The main types of risk arising from the Company's financial instruments include: interest rate risk, liquidity risk, credit risk and risk related to financial collateral. The Management Board is responsible for establishing risk management principles in the Company and supervising compliance with them. The Company's risk management policies are aimed at identifying and analysing the risks to which the Company is exposed, determining appropriate limits and controls, as well as monitoring risk and the extent to which the limits are matched to it.

Credit risk

Credit risk is the risk of incurring the financial loss by the Company, in the situation, when the customer or other party to the contract do not fulfil a duty from the agreement. Credit risk relates to receivables. Exposure the Company to the credit risk is primarily a result of individual feature of each customer. The Company continuously monitors receivables. Due to the reduction in construction and assembly works, the level of credit risk has fallen significantly in recent months. The Company makes write-offs from impairment loss, which corresponding with estimated value of losses from receivables from deliveries and services, other receivables and investments. The aim of the credit policy is maintaining the financial liquidity ratios on the safe, high level, realization of liabilities from suppliers without delays and cost reduce connected with servicing bank liabilities. Reduction of using bank credits and connected with its financial costs are also the aim of Managing of liabilities and receivables from deliveries and customers Policy. The aims of mentioned Policy are agreement on payment date, following the rules of realization the liabilities without the delay, using the trade credit.

Liquidity risk

Liquidity risk management process bases on monitoring estimated cash-flows, and adjusting final maturity of assets and liabilities, analysing working capital and maintaining an access to different sources of funding. The aim of the Company is to maintain the balance between funding continuity and flexibility, through using sources of funding such as loan, overdraft facility, financial leasing agreement.

Risk of shares price's fluctuations and limited liquidity

Immanent feature of market trading is the shares' price fluctuations and short-term fluctuations of turnover. It might result in possible sale or purchase of the qualifying holding of the Issuer's shares will relate to a necessity to accept significantly less favourable price than the reference

price. The Issuer cannot also exclude significant, temporary limitations of liquidity which may significantly hamper sales or purchase of the Issuer's shares,

Risk related to the Issuer's dependence on recipients

There is a risk of impact on the results achieved by the Issuer from entities related to the Issuer by contracts for the lease of office space. Late payment of receivables under concluded contracts has an impact on current financial liquidity. In this case, property lease agreements should be treated as a permanent contractual dependence on recipients.

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

There are interpretations indicating the possibility of emerging risks consisting in the negative impact of links between members of the Issuer's bodies on their decisions. This applies to the impact of these links on the Issuer's Supervisory Board regarding the day-to-day supervision of the Company's operations. While assessing the probability of such a risk, one should take into account the fact that the supervisory bodies are subject to the control of another body - the General Meeting, and in the interest of the members of the Supervisory Board it is to perform their duties in a reliable and lawful manner. Otherwise members of the Supervisory Board are exposed to responsibility from Ordinary General Meeting or criminal responsibility from the title of acting against the Company.

Risk connected to borrowed loan and granted warranty

There is a risk of lack of possibility to punctual repayment of loan, and therefore there is necessity of collaterals realization by the moneylender i.e. an entry in the mortgage register of the Company.

The Company will make any efforts to limit indicated risk, but because of relevancy and organizational and legal complexity of changes, disadvantageous situations can not be excluded.

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

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

Risk related to the shareholder structure

As at the date of the report 34,84% of the share capital and 34,84% of votes at the Issuer's General Meeting belong directly to Patro Invest OU, as a result of which the above Shareholder has a significant impact on the resolutions adopted at the Issuer's General Meeting.

Risk related to the economic situation in Poland and Estonia.

The situation and the economic situation in Poland and Estonia have a significant impact on the financial results achieved by all entities including the Issuer, because the success of development of companies investing in financial instruments and conducting financial services largely depends on the conditions of running a business. In case of realization the transfer of the seat of the Issuer to Estonia, risk in the above scope will apply to the new registered office in Republic of Estonia.

Tallinn, 02/11/2019

Agnieszka Gujgo – Chairman of the Management Board