

Investment Friends Capital SE



**REPORT
OF INVESTMENT FRIENDS CAPITAL SE
INCLUDING CONDENSED INTERIM FINANCIAL STATEMENTS
AS AT 30 NOVEMBER 2018 AND FOR 11 MONTHS ENDED 30 NOVEMBER 2018**

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

Tallinn 29/04/2019



Table of contents

BRIEF DESCRIPTION.....	3
MANAGEMENT REPORT.....	4
INTERIM REPORT.....	12
Management Board’s declaration.....	12
Statement of financial position.....	13
Statement of comprehensive income.....	14
Cash flow statement.....	15
Statement of changes in equity.....	16
Notes to interim report.....	17
Note 1. Accounting Principles Followed upon Preparation of the Interim Accounts.....	17
Note 2. Investment Property.....	18
Note 3. Long-term financial assets.....	18
Note 4. Short-term receivables.....	18
Note 5. Short-term financial assets.....	19
Note 6. Share capital.....	20
Note 7. Revaluation reserve.....	21
Note 8. Short-term liabilities.....	21
Note 9. Revenues from external customers	21
Note 10. Segments.....	22
Note 11. Related party transactions.....	22
Note 12. Selected financial data of the financial statements in PLN and EUR.....	24



Brief description

Investment Friends Capital SE focuses mainly on financial activities, in particular on providing services in the field of large-value cash loans to businesses operating in Poland.

In the reporting period, the Issuer obtained revenues mainly from its financial activity, i.e. interest on loans granted, interest on funds deposited on bank accounts and deposits and also from rental of real estate.

The Company is listed on the Warsaw Stock Exchange.

As at 30.11.2018 Patro Invest OÜ owns 9.199.605 shares representing 61.27% votes on general meeting of shareholders of Investment Friends Capital SE indirectly. As at 30.11.2018 the biggest shareholder of Patro Invest OÜ is Damian Patrowicz by the time of compiling these financial statements.

The company moved its registered office from Poland to Estonia effective as at 30.11.2018, therefore the Management Board decided to publish the interim report for the period 01.01.2018 - 30.11.2018, and the next interim report which will contain 4 months, i.e. period from 1.12.2018 to 31.03.2019.

Business name:	Investment Friends Capital SE (until 09.02.2018 Investment Friends Capital S.A.)
Address:	Narva mnt 5, 10117 Tallinn, Estonia (until 30.11.2018 ul. Zygmunta Padlewskiego 18C, 09-402 Płock, Polska)
Commercial Registry no.	14618005 Äriregistri (until 30.11.2018 KRS:0000716972 NIP:8133186031 REGON:691529550)
Beginning of current financial year:	01.01.2018
End of current financial year:	30.06.2019
Beginning of interim period:	01.01.2018
End of interim period:	30.11.2018
Auditor:	Not appointed
Phone:	+48-796-118-929
E-mail:	biuro@ifcapital.pl
Internet homepage:	www.ifcapital.pl



Management report

Overview of business areas

The main business activity of Investment Friends Capital SE is financial service activity, i.e. gaining interest on loans granted, rental of real estate and interest on funds deposited on bank accounts and deposits.

Important events which occurred during the reporting period

On 09/02/2018 the merger of the Issuer INVESTMENT FRIENDS CAPITAL SPÓŁKA AKCYJNA with registered office in Płock with the company INVESTMENT FRIENDS CAPITAL 1 Polska Akciowospolečnost with registered office in Ostrava in the Czech Republic was registered. As a result of this merger there was created INVESTMENT FRIENDS CAPITAL SE with the share capital of EUR 2.102.366, which is divided into 15.015.972 shares with a nominal value of EUR 0,14.

On 21/03/2018 the Issuer made a decision, as a result of financial analysis based on received financial data of IFEA Sp. z o.o. about making on December 31, 2017 value revaluation of the Issuer's financial assets due to changes in the value of owned 1.515 shares of IFEA Sp. z o.o. constituting 5,24% in the share capital, reducing their value by PLN 1,376 thousand.

On 19/04/2018 Patro Invest Sp. z o. o. repaid a loan in the amount of PLN 8.800.000,00 due to concluded loan agreements.

On 24/04/2018 the Management Board of INVESTMENT FRIENDS CAPITAL SE in Płock as the Lender entered into a money loan agreement with FON Zarządzanie Nieruchomościami Sp. z o.o. based in Płock. Pursuant to the agreement of 24/04/2012 the Issuer granted the Borrower a short-term loan in the amount of PLN 10.000.000,00. for the period up to 31/05/2018. The loan is interest-bearing at 9% per annum.

On 24/04/2012 the Management Board of INVESTMENT FRIENDS CAPITAL SE in Płock informed that the Borrower - FON Zarządzanie Nieruchomościami Sp. z o.o. based in Płock, repaid PLN 10.000.000,00, i.e. the entire loan principal.

On 28/05/2018 the Issuer made a decision as a result of financial analysis based on received financial data of IFEA Sp. z o.o. about making on March 31, 2018 value revaluation in the Issuer's financial assets due to changes in the value of owned 1.515



shares of IFEA Sp. z o.o. constituting 5,24% in the share capital, reducing their value by PLN 313 thousand.

On 26/06/2018 the Issuer as the Lender entered into a Money Loan Agreement with Patro Invest Sp. z o.o. in Płock, under which he granted the Borrower a loan in the amount of PLN 1.100.000,00 for the period up to 30/09/2018. The loan is interest-bearing at a fixed interest rate of 4,5% per annum.

On 17/07/2018 the Issuer as the Lender entered into a Money Loan Agreement with Patro Invest Sp. z o.o. in Płock, under which he granted the Borrower a loan in the amount of PLN 5.000.000,00 for the period to 31/12/2018. The loan is interest-bearing in the amount of a variable interest rate equal to WIBOR, increased by 3,0% per annum.

On 06/08/2018 the Issuer as the Lender entered into a Money Loan Agreement with Patro Invest Sp. z o.o. in Płock, under which the Issuer granted the Borrower a loan in the amount of PLN 4.000.000,00 for the period to 31/03/2019. The loan is interest-bearing in the amount of a variable interest rate equal to WIBOR, increased by 3,0% per annum.

On 22/08/2018 the Issuer made a decision as a result of financial analysis based on the received financial data of IFEA Sp. z o.o. about the value of the Issuer's financial assets revaluated in the second quarter of 2018 due to the decrease in the value of 1,515 shares of IFEA Sp. z o.o. constituting 5,24% in the share capital by the amount of PLN 691 thousand.

On 19/09/2018 the Issuer as the Lender entered into a Money Loan Agreement with Patro Invest Sp. z o.o. in Płock, under which he granted the Borrower a loan in the amount of PLN 400.000,00 for the period to 31/12/2018. The loan is interest-bearing at a variable interest rate equal to WIBOR 3M, increased by 3,0% per annum.

On 11/10/2018 the Management Board of INVESTMENT FRIENDS CAPITAL SE based in Płock concluded with the company PATRO INWESTYCJE Sp. z o.o. with a seat in Płock, a trust deed. The subject of the trusteeship agreement is the day-to-day management and administration of the Issuer's real estate and the procedure of searching for buyers and selling the Company's real estate. As part of the agreement concluded on 11/10/2018 of the custody agreement, the Issuer transferred to PATRO INWESTYCJE Sp. z o.o. in Płock, the Company's rights to real estate that comprise a dwelling located in Poznań, together with the related share in the common property and a parking space with a total estimated market value of PLN 1.500.000,00.



On 7/11/2018 the Issuer made a decision, as a result of financial analysis based on the received financial data of IFEA Sp. z o.o. about making in the third quarter of 2018 value revaluation in the Issuer's financial assets due to the decrease in the value of 1,515 shares of IFEA Sp. z o.o. constituting 5,24% in the share capital by the amount of PLN 1.784 thousand.

On 9/11/2018, the Issuer concluded an annex to the loan agreement dated 25/10/2017, consisting in extending the term of repayment of the loan granted to the company Patro Invest Sp. z o.o. in the amount of PLN 4.000.000,00 until 31/12/2019. The loan bears interest at a fixed interest rate of 5.7%. The Issuer has also concluded an annex to the loan agreement of 26/06/2018 extending the repayment term of PLN 1.100.000,00 until 31/12/2019. Interest rate at a fixed interest rate of 4,5%

On 30/11/2018 the Management Board of INVESTMENT FRIENDS CAPITAL SE with registered office in Płock informed that a register of commercial companies (Ariregister) relevant to the law of Estonia registered the transfer of the registered office of the Issuer to Estonia in accordance with the provisions of the Transfer Plan of 19/03/2018 and Resolutions of the General Meeting of Shareholders of 30/05/2018 and 19/11/2018. The new address of the Issuer is Tallinn, Estonia, Narva mnt 5, 10117.

Important events which occurred after the balance date

On 18/03/2019 the Company has obtained licences for carrying on financial activities, including providing services related to trading of virtual currency which are considered to be legal tenders. The licences were issued by Estonian Financial Intelligence Unit and are registered under the following numbers: FRK000676 and FVR000775.

On 29/04/2019 the register of commercial companies (Ariregister) relevant to the law of Estonia registered the change in the financial year in accordance with Resolution No. 3 of the Extraordinary General Meeting of Shareholders of 19/04/2019. As a result of this, the financial year of the Company begins on July 1 and ends on June 30. At the same time, along with the registration of the change in the financial year of the Company, the relevant register of the law of Estonia registered changes to the Articles of Association of the Company.

Management

The law, the articles of association, decisions and goals stated by the shareholders and the Supervisory Board are followed in the managing the company.



REPORT
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 as at 30 November 2018 and for 11 months ended 30 November 2018

Financial ratios

Ratios	30.11.2018	31.12.2017
Total assets (PLN)	21.562.000	23.941.000
Return on assets	2,08%	0,70%
Equity (PLN)	21.499.000	23.855.000
Return on equity (ROE)	2,08%	0,70%
Net profitability	52,34%	17,2%
Debt ratio	0.30%	0,36%
Net profit for the period (PLN)	448.000	168.000

Shares (30.11.2018)	30.11.2018	31.12.2017
Closing price of the share (PLN)	0.54	0.68
Earnings per share (PLN)	0.03	0.01
Price-to-earnings (PE) ratio	18.10	60.78
Book value of the share (PLN)	1.43	1.59
Price-to-book ratio	0.38	0.43
Current liquidity ratio	341,46	232,95
Debt ratio of equity	0,3%	0,4%
Market capitalisation (PLN)	8.108.625	10.210.861

Return on assets = net profit / total assets

Return on equity = net profit/ equity

Debt ratio = liabilities / total assets

Earnings per share = net profit/ number of shares

Current liquidity ratio = current assets/current liabilities

Price-to-earnings (PE) ratio = closing price of the share / earnings per share

Book value of the share = equity / number of shares

Price-to-book ratio = closing price of the share / book value of the Market capitalisation
 = close price*number of shares

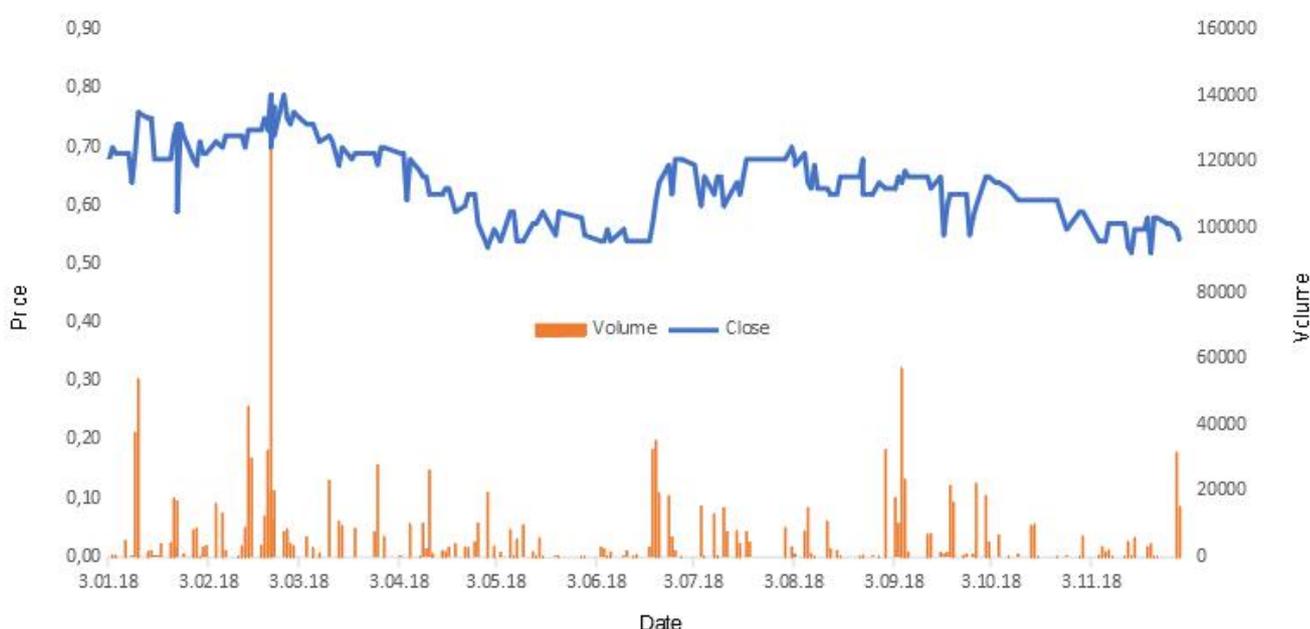


Shares

Since 28 May 2007, the shares of Investment Friends Capital SE have been listed on the Warsaw Stock Exchange. Investment Friends Capital SE has issued 15.015.972 registered shares, each with the book value of 0,14 euro. The shares are freely transferable, no statutory restrictions apply.

The share, with a price of 0,68 PLN at the end of 2017, closed at 0,54 PLN at the end of November 2018.

Share price and trading statistics on the Warsaw Stock Exchange from 01.01.2018 to 30.11.2018:



List of shareholders holding directly over 5% of shares in the share capital as at of 30/11/2018:

Shareholder	Number of shares	% ownership	Number of votes	% votes
Patro Invest OÜ	9.199.605	61,27	9.199.605	61,27
Other shareholders	5.816.367	38,73	5.816.367	38,73
Total	15.015.972	100,00	15.015.972	100,00

The structure of indirect shareholders as at of 30/11/2018:

Shareholder	Number of shares	% ownership	Number of votes	% votes
Mr Damian Patrowicz	9.199.605	61,27	9.199.605	61,27



Personal costs

The average employment for the financial period from 01/01/2017 to 31/12/2017 amounted to 0.9 of the employment contract. The average employment for the period from 01/01/2018 to 30/11/2018 amounted to 0.8 of the employment contract.

(in PLN thousand)	30.11.2018	31.12.2017
Management Board	46	12
Supervisory Board	5	110

Description of main risks

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 be connected with a necessity to accept significantly less favourable price than the reference price. The Issuer can not also exclude significant, temporary limitations of liquidity which may significantly hamper sales or purchase of the Issuer's shares,

➤ *Liquidity risk*

As any entity operating on the market, the Company is exposed to the risk of losing financial liquidity, understood as the ability to settle its obligations within the set time limit. Financing the operation using external sources (debt instruments, loans) increases the risk of losing liquidity in the future. The Company currently does not run the risk of losing liquidity. However, one can not exclude the risk of disturbance or even loss of liquidity due to missed investments and repricing capital or lack of repayment of loans granted and enforcement difficulties as well as non-compliance of obligations by contractors. The company does not exclude in the future (if necessary) financing of investments with debt instruments or target issuance of shares. The company manages its liquidity through ongoing monitoring of the level of due liabilities, cash flows and proper cash management.

➤ *Credit risk*

It is understood as the lack of possibility for the creditors of the Company to meet their obligations. Credit risk is related to three main areas: creditworthiness of trading partners, creditworthiness of financial institutions, i.e. banks, creditworthiness of entities in which the Company invests, grants loans. The Company monitors the amounts of receivables from contractors on an ongoing basis, thus exposing it to the risk of non-recoverability of receivables is limited. In terms of free cash, the Company uses short-term bank deposits in reliable financial institutions.

➤ *Risks related to the shareholder structure*

As at the date of the report, 61,27% of the share capital and 61,27% of votes at the Issuer's General Meeting owned directly Patro Invest OÜ, as a result of which the above-mentioned



Shareholder has a significant influence on the adopted resolutions at the General Meeting of the Issuer's Shareholders.

➤ ***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 operating in these countries, 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.

➤ ***Legislative risk and interpretation of legal provisions***

In Poland, changes to the tax law regulations are frequently made, and the risk of introducing less beneficial solutions for the Issuer, which will directly or indirectly affect the conditions and effects of the Company's operations, is increased. Moreover, due to the heterogeneous practices of state administration bodies and court decisions, there is a risk of incurring additional costs if the Issuer adopts a different interpretation than the position of state administration bodies. The Issuer is trying to limit this risk through constant cooperation with a law firm and a registered auditor's office, enabling ongoing consultations regarding the interpretation of legal provisions.

➤ ***The risk of low liquidity and valuation of investments on the private market***

The Issuer holds shares in a non-public company and therefore has significantly limited liquidity. Investments in instruments of shares/stocks of non-public companies involve a limited ability to supervise the entity due to the lack of obligation to publish and disclose financial statements and information. As a consequence, there may be potential difficulties in closing investment projects or obtaining a satisfactory price when selling shares or stocks. There may also be difficulties in disposing of the possessed assets. The Issuer has shares of IFEA Sp. z o. o. which as a non-public entity are particularly exposed to loss of liquidity and value or total loss of invested capital from this investment.

➤ ***Risk related to the liquidity and volatility of the Issuer's share prices***

The share price and liquidity of trading in shares of companies listed in an organized trading system depends on buy and sell orders made by investors. It can not be ensured that the person purchasing the Issuer's shares offered will be able to sell them at any time and at a satisfactory price. The share price may be lower than the purchase price due to many factors, including periodic changes in the Issuer's operating results, missing investment decisions of the Issuer resulting in rented or accrued capital, the number and liquidity of listed shares, inflation, regional changes or domestic economic and political factors, and situation on other world securities markets.

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

As a result of the resolutions adopted by the General Meeting of Shareholders, the company's registered office was changed to Tallinn in Estonia and the Company Statute changed. 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. The company will make every effort to limit the above-mentioned risks, however, due to the significance and complexity of organizational and legal changes, the occurrence of unfavourable phenomena can not be completely ruled out.



➤ ***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 in particular to the impact of these links on the Issuer's Supervisory Board with regard to 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.

Management and Supervisory Boards and Auditor

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

Robert Ogrodnik - Chairman until 30/05/2018

Damian Patrowicz - Chairman since 04/06/2018

On 30/05/2018 the General Meeting of Shareholders as a result of the expiration of the term of office of the current composition of the Supervisory Board has appointed a new composition of the Supervisory Board. As at 30/11/2018 the composition of the Supervisory Board was as follows:

Wojciech Hetkowski, Małgorzata Patrowicz, Martyna Patrowicz, Jacek Koralewski, Mariusz Patrowicz.

On 11/01/2019 Mariusz Patrowicz submitted a written resignation from the position on the Supervisory Board of the Company.

The Auditor was not appointed as at 30/11/2018.



Interim report

Management Board's declaration

The Management Board confirms the correctness and completeness of the unaudited interim report of Investment Friends Capital SE for the 11 months of 2018.

The Management Board confirms that to the best of their knowledge:

1. the accounting policies and presentation of information applied in the preparation of the interim report are in compliance with International Financial Reporting Standards (IFRS) as adopted in the European Union.
2. the interim report presents a true and fair view of the financial position, the results of operations and cash flows of the Company;
3. the management report presents true and fair view of significant events that took place during the accounting period and their impact to financial statements and includes the description of major risks and doubts;
4. company is going concern.

Damian Patrowicz - Member of the Management Board

29/04/2019



REPORT
OF INVESTMENT FRIENDS CAPITAL SE
INCLUDING CONDENSED FINANCIAL STATEMENT
as at 30 November 2018 and for 11 months ended 30 November 2018

Statement of financial position

INTERIM BALANCE SHEET STATEMENT (in PLN thousand)	30.11.2018 (unaudited)	31.12.2017 (audited)
A s s e t s		
I. Fixed assets	3 806	6 936
Investment property (note 2)	1 476	1 476
Long-term financial assets (note 3)	2 319	5 444
Long-term accruals	11	13
II. Current assets	17 756	17 005
Short-term receivables (note 4)	4	11
Short-term financial assets (note 5)	17 203	15 525
Cash and cash equivalents	548	1 467
Short-term accruals	1	2
T o t a l a s s e t s	21 562	23 941
L i a b i l i t i e s		
I. Equity	21 499	23 855
Share capital (note 6)	8 768	9 010
Supplementary capital	36 832	36 832
Capital from merger of entities	-15	0
Other provisions	241	0
Revaluation capital (note 7)	-5 302	-2 514
Losses from previous years and the current year	-19 025	-19 473
II. Long-term liabilities	11	13
Deferred income tax provision	11	13
III. Short-term liabilities (note 8)	52	73
Trade liabilities	22	18
Other liabilities	30	46
T o t a l l i a b i l i t i e s	21 562	23 941
Book value	21 499	23 855
Number of shares	15 015 972	15 015 972
Book value per share (PLN)	1.43	1.59
Diluted number of shares	15 015 972	15 015 972
Diluted book value per share (PLN)	1.43	1.59



REPORT
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as at 30 November 2018 and for 11 months ended 30 November 2018

Income statement

INCOME STATEMENT (in PLN thousand)	1.10.2018 - 30.11.2018 (unaudited)	1.01.2018 - 30.11.2018 (unaudited)	1.01.2017 - 31.12.2017 (audited)
I. Revenue from sales of products, goods and materials (note 9)	181	856	977
II. Cost of products, goods and materials sold	4	26	46
III. Gross profit on sales	177	830	931
IV. General management costs	56	407	452
V. Other operating revenues	0	0	3
VI. Other operating costs	0	14	381
VII. Profit on operating activities	121	409	101
VIII. Financial revenues	0	46	57
IX. Financial costs	4	8	8
X. Pre-tax profit	117	447	150
XI. Income tax	6	-1	-18
XII. Net profit	111	448	168
The weighted average number of ordinary shares		15 015 972	15 015 972
Profit (loss) per one ordinary share (in PLN)		0.03	0.01
The weighted diluted average number of ordinary shares		15 015 972	15 015 972
Diluted profit (loss) per one ordinary share (in PLN)		0.03	0.01



REPORT
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Cash flow statement

INTERIM CASH FLOW STATEMENT (in PLN thousand)	1.01.2018 - 30.11.2018 (unaudited)	1.01.2017 - 30.12.2017 (audited)
Operating activities		
I. Gross profit	447	150
II. Total adjustments	-444	-831
Depreciation	3	3
Exchange gains (losses)	-8	8
Interest and profit sharing (dividends)	-755	-994
Profit on investment activities	0	120
Change in reserves	-9	-10
Change in receivables	6	12
Change in liabilities	-13	19
Change in accruals	1	11
Other adjustments*	331	0
I. Net cash flow from operating activities	3	-681
Investment activities		
I. Inflows from investment activities	20 634	25 381
Received repayments of the loans	19 868	24 595
Received interest	766	786
II. Outflows from investment activities	21 556	25 154
Loans granted	21 556	24 800
Expenses for purchasing of financial assets	0	346
Investment in real properties and intangible assets	0	3
Investment in tangible assets	0	5
II. Net cash flow from investment activities	-922	227
Financial activities		
I. Inflows from financial activities	0	0
II. Outflows from financial activities	0	0
III. Net cash flow from financial activities	0	0
Total net cash flow (I+/-II+/-III)	-919	-454
Balance sheet change in cash	-919	-454
Cash opening balance	1 467	1 921



REPORT
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 as at 30 November 2018 and for 11 months ended 30 November 2018

Cash closing balance	548	1 467
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* other adjustments are related to the merger of the Company and Investment Friends Capital1 Polska AS by the pooling of shares method

Condensed interim statement of changes in equity

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (in PLN thousand)	01.01.2018 - 30.11.2018	01.01.2017 - 31.12.2017
Opening balance of equity	23 855	22 949
Opening balance of share capital	9 010	45 048
Reduction due to reduction of the share capital	242	36 038
Closing balance of share capital	8 768	9 010
Opening balance of supplementary capital	36 832	794
Increase due to reduction of the nominal value of shares	0	36 038
Closing balance of supplementary capital	36 832	36 832
Opening balance of revaluation capital	-2 514	-3 252
Reduction in the valuation of financial assets	2 788	0
Increase in the valuation of financial assets	0	738
Closing balance of capital from revaluation	-5 302	-2 514
Opening balance of capital from merger of entities	0	0
Reduction due to merger	15	0
Closing balance of capital from merger of entities	-15	0
Opening balance of other reserve capital	0	0
Increase due to reduction of share capital	241	0
Closing balance of other reserve capital	241	0
Opening balance of retained profit/not settled loss of previous years	-19 473	-19 641
Increase due to profit for the reporting period	448	168
Closing balance of retained profit/not settled loss of previous years	-19 025	-19 473
Closing balance of equity	21 499	23 855



Notes to the interim report for 11 months 2018

Note 1. Accounting Principles Followed upon Preparation of the Interim Accounts

General Information

In the reporting period, the Company's main area of operations was financial activity which generated income from interest on loans granted, interest on funds deposited on bank accounts and deposits as well as rental income from real estates.

Bases for Preparation

The accounting policies used for preparing the interim report of FON SE for 11 months of 2018 are in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union. The presentation of the financial statements complies with the requirements of IAS 34 "Interim Financial Reporting" with the exception that similar comparative data for the previous period have been omitted. The reason for the omission is the change of the Issuer's registered office on 30/11/2018. Data for the period since January to November 2018 should be compared with the data for the whole year 2017. Interim financial statements should be read together with the annual report of last year. The accounting policies that have been used in the preparation of the interim report are the same as those used in the annual report for the year ended 31 December 2017.

The financial statements have been prepared in PLN (PLN), and selected data in note 12 in (EUR).

Management estimates that INVESTMENT FRIENDS CAPITAL SE is a going concern and the Company's interim report for 11 months of 2018 presents a true and fair view of the financial position, the results of operations and the cash flows of INVESTMENT FRIENDS CAPITAL SE. This interim report has not been audited.

The rules for converting basic items of the financial statements into EURO.

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

- balance sheet items are translated at the average exchange rate announced by the National Bank of Poland in force as at the balance sheet date:
 - on 30/11/2018, EUR 1 = 4.2904
 - on 29/12/2017, EUR 1 = 4,1709
- the items in the profit and loss account and the cash flow statement are translated using the exchange rate being the arithmetic mean of the average rates announced by the National Bank of Poland in force on the last day of each month in the reporting period:
 - since 1/01/2018 to 30/11/2018, 1 EUR = 4.2639
 - since 1/01/2017 to 31/12/2017, 1 EUR = 4.2447



Note 2. Investment property

The company had in the reporting period a residential premises in Poznań acquired as a result of the settlement of the loan agreement dated 18/04/2017. Revenues from the rental of this investment property until November 30, 2018 amounted to PLN 97 thousand. Direct costs associated with maintaining the property: 16 thousand.

Note 3. Long-term financial assets

LONG-TERM FINANCIAL ASSETS (in PLN thousand)	30.11.2018 (unaudited)	31.12.2017 (audited)
a) Related entities	0	338
- shares/stocks	0	338
b) The other entities	2 319	5 106
- shares /stocks in domestic companies not listed on the WSE	2 319	5 106
Balance sheet value of long-term financial assets	2 319	5 444

As at December 31, 2017, the Company had 2 shares of Investment Friends Capital1 a.s. based in Ostrava, representing 100% of shares in the total number of votes and 100% of shares in the share capital of Investment Friends Capital1 a.s. On 09/02/2018 the connection of Investment Friends Capital S.A. with Investment Friends Capital1 a.s. was registered and as a result of the above, Investment Friends Capital obtained the legal form of a European company. Settlement of the merger was accounted for using the uniting of interests.

Note 4. Short-term receivables assets

(in PLN thousand)	30.11.2018 (unaudited)	31.12.2017 (audited)
Trade receivables	1	0
Public-law liabilities (apart from income tax)	0	7
Other receivables	3	3
Net receivables	4	11
Total receivables	4	11



Note 5. Short-term financial assets

SHORT-TERM FINANCIAL ASSETS (in PLN thousand)	30.11.2018 (unaudited)	31.12.2017 (audited)
1) Related entities	15 530	13 730
a) loans granted	15 530	13 730
- revaluation adjustments (+/-)	64	68
- the value at purchase price	15 466	13 662
2) The other entities	1 673	1 795
a) loans granted	1 679	1 795
- revaluation adjustments (+/-)	-19	-14
- the value at purchase price	1 692	1 809
Balance sheet value of short-term financial assets	17 203	15 525

On 30/11/2018 the Company has loans granted to three natural persons and three legal entities. The remaining amount to be repaid is PLN 17.203,00. These loans are secured, among others mortgages on real estates, notarial deed on voluntary submission to enforcement, blank promissory note. As at 30/11/2018 the Company maintains a revaluation write-off for the unpaid loan amounting of PLN 33.000,00.

Name of Company	Headquarters	The value of LOAN		The value of LOAN to repay		Terms	Term to repayment	Security
		currency		currency				
Natural person*	-	60	PLN	60	PLN	12%	31.03.2016	declaration of submission to enforcement, blank promissory note, mortgage on real estate
Natural person	-	150	PLN	33	PLN	WIBOR 3M + 9%	30.06.2018	declaration of submission to enforcement, blank promissory note, mortgages
Natural person	-	1 671	PLN	1 613	PLN	9,9%	23.04.2016	blank promissory note, declaration of submission to enforcement, mortgage



REPORT
OF INVESTMENT FRIENDS CAPITAL SE
INCLUDING CONDENSED FINANCIAL STATEMENT
 as at 30 November 2018 and for 11 months ended 30 November 2018

Office Center sp. z o.o.	Płock	380	PLN	384	PLN	WIBOR 3M +5%	30.12.2018	blank promissory note
Patro Invest sp. z o.o.	Płock	7 000	PLN	4 015	PLN	6,9%	28.09.2018	blank promissory note
Patro Invest sp. z o.o.	Płock	1 100	PLN	1 104	PLN	4,5%	30.09.2018	blank promissory note
Patro Invest sp. z o.o.	Płock	5 000	PLN	5 020	PLN	WIBOR 3M +3%	31.12.2018	blank promissory note
Patro Invest sp. z o.o.	Płock	4 000	PLN	3 778	PLN	WIBOR 3M +3%	31.03.2019	blank promissory note
Patro Invest sp. z o.o.	Płock	400	PLN	401	PLN	WIBOR 3M +3%	31.12.2018	blank promissory note
Patro Invest sp. z o.o.	Płock	270	PLN	271	PLN	WIBOR 3M +3%	30.09.2019	blank promissory note
Damf Księgowość sp. z o.o.	Płock	556	PLN	557	PLN	5,7%	31.08.2019	blank promissory note

* On 30/11/2018, the Company maintains a revaluation write-off for the unpaid loan amounting of PLN 33.000,00 zł.

Note 6. Share capital

	Number of shares	Share capital (PLN)
Balance 31.12.2017	15.015.972	9.010.000
Balance 30.11.2018	15.015.972	8.768.216,47

The share capital of Investment Friends Capital SE amounts to 2.102.236,08 EUR, which is divided into 15.015.972 ordinary shares with the book value of 0,14 EUR. Each ordinary share grants one vote to its owner at the General Meeting of Shareholders and the right to receive dividends. In 2018 the share capital of Investment Friends Capital SE was reduced by a total of 241.366,73 PLN to enable the company to express its share capital in EUR.



Note 7. Revaluation reserve

REVALUATION RESERVE (in PLN thousand)	30.11.2018 (unaudited)	31.12.2017 (audited)
Opening balance	-2 514	- 3 252
Profit / loss due to changes in the fair value of financial assets	-2 788	738
Total revaluation reserve	- 5 302	- 2 514

Revaluation reserve for financial assets available for sale includes the valuation of held shares IFEA sp. z o.o. This item records the revaluation of financial assets through total income to fair value. The presented capital is not subdivided.

Note 8. Short-term liabilities

(in PLN thousand)	30.11.2018 (unaudited)	31.12.2017 (audited)
Short-term liabilities		
Liabilities to related parties	10	4
Liabilities to other entities	42	60
- trade liabilities	12	14
- tax, customs, insurance and other liabilities	21	25
- payroll liabilities	0	12
- other	9	9
Short-term provisions	0	9
Revenue of future periods	0	0
Total short - term liabilities	52	73

Note 9. Revenues from external customers by operating areas and information about non-current assets broken down by the location of these assets

GEOGRAPHICAL AREA FOR FINANCIAL ACTIVITIES (in PLN thousand)	Revenues from external customers	Fixed assets
PŁOCK	755	2 330
Together for financial activities	755	2 330
GEOGRAPHICAL AREA FOR OTHER ACTIVITIES (in PLN thousand)	Revenues from external customers	Fixed assets
POZNAŃ	79	1 476
PŁOCK	4	0
Together for other activities	83	1 476



Note 10. 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 a homogeneous activity consisting on providing other financial services. The Management Board did not identify operating segments in the Company.

Note 11. Related party transactions

TRANSACTIONS WITH RELATED ENTITIES FOR 11 MONTHS 2018 (in PLN thousand)	Sales of products, goods and materials to related entities	Purchases from related entities	Receivables from loans and interest from related entities	Liabilities for deliveries and services and other liabilities at the end of the period towards related entities
PATRO INVEST SP. Z O.O.	543	0	14 588	0
ATLANTIS SE	1	30	0	0
ELKOP S.A.	1	9	0	0
FON SE	0	18	0	4
Damf Księgowość sp. z o.o.	23	0	560	0
Refus sp. z o.o.	6	0	0	1
Office Center sp. z o.o.	23	0	384	0
FON Zarządzanie Nieruchomościami sp. Z o.o	2	0	0	0



REPORT
OF INVESTMENT FRIENDS CAPITAL SE
INCLUDING CONDENSED FINANCIAL STATEMENT
 as at 30 November 2018 and for 11 months ended 30 November 2018

TRANSACTIONS WITH RELATED ENTITIES AT 31.12.2017 (in PLN thousand)	Sales of products, goods and materials to related entities	Purchases from related entities	Receivables from loans and interest from related entities	Liabilities for deliveries and services and other liabilities at the end of the period towards related entities
PATRO INVEST SP. Z O.O.	336	0	13 025	0
DAMF INVEST S.A.	179	0	0	0
ATLANTIS S.A.	1	35	0	0
ELKOP S.A.	1	33	0	0
FON S.A.	4	7	0	0
RESBUD S.E.	0	0	0	0
Investment Friends S.E.	5	0	0	0
Damf Inwestycje S.A.	1	2	0	0
Refus sp. z o.o. w likwidacji	35	0	555	0
Office Center sp. z o.o.	9	0	151	0



**REPORT
OF INVESTMENT FRIENDS CAPITAL SE
INCLUDING CONDENSED FINANCIAL STATEMENT
as at 30 November 2018 and for 11 months ended 30 November 2018**

Note 12. Selected financial data of the financial statements in PLN and EUR

SELECTED FINANCIAL DATA	(in PLN thousand)		(in EUR thousand)	
	01.01.2018 - 30.11.2018	01.01.2017 - 31.12.2017	01.01.2018 - 30.11.2018	01.01.2017 - 31.12.2017
Revenue from sales of products, goods and materials	181	977	42	230
Profit (loss) from operating activity	121	101	28	24
Gross profit (loss)	117	150	27	35
Net profit (loss)	111	168	26	40
Net cash flow from operating activity	3	-681	1	-160
Net cash flow from investment activity	-922	227	-216	53
Net cash flow from financial activity	0	0	0	0
Change in cash and cash equivalents	-919	-454	-216	-107
Total assets	21 562	23 941	5 026	5 740
Long-term liabilities	52	73	12	18
Short-term liabilities	21 499	23 855	5 011	5 719
Equity	8 768	9 010	2 044	2 160
Share capital	15 015 972	15 015 972	15 015 972	15 015 972
Weighted average diluted number of shares	0,03	0,01	0,01	0,01
Profit (loss) per share (in PLN / EURO)	1,43	1,59	0,33	0,38

Damian Patrowicz - Management Board Member

Tallinn, 29/04/2019