

FON SE



FON SE

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

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

TALLINN, 25/10/2019

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CONDENSED INTERIM STATEMENT OF FINANCIAL SITUATION	30/06/2019	31/12/2018	30/06/2018
Assets			
I. Fixed assets	8 385	8 735	13 584
Intangible fixed assets	0	523	877
Property, plant and equipment	218	234	291
Long-term financial assets	8 167	7 978	12 400
Long-term accruals and prepayments	0	0	16
II. Current assets	1 292	603	813
Inventory	9	105	295
Short-term receivables	861	13	18
Short-term investments	201	442	372
Cash and cash equivalents	220	40	123
Short-term accruals and prepayment	1	3	5
Assets total	9 677	9 338	14 397
Liabilities			
I. Equity	9 665	9 324	14 365
Share capital	7 700	7 700	7 700
Supplementary capital	22 422	22 422	22 422
Capital from merger of entities	3 865	3 865	3 811
Other reserve capital	3 805	3 805	3 664
Revaluation capital	-11 664	-11 664	-7 611
Exchange differences	-172	-333	-1 285
Retained profit / Undistributed financial result	-16 291	-16 471	-14 336
II. Long-term liabilities	0	0	18
Deferred tax provision	0	0	16
Other provisions	0	0	2
III. Short-term liabilities	12	14	14
Trade liabilities	10	6	6
Other liabilities	2	8	6
Other provisions	0	0	2
Revenues of further periods	0	0	0
Liabilities total	9 677	9 338	14 397
Book value	9 665	9 324	14 365
Number of shares	8 750 000	70 000 000	70 000 000
Book value per share (in EUR)	1,10	0,13	0,21
Diluted number of shares	8 750 000	70 000 000	70 000 000
Diluted book value per share (in EUR)	1,10	0,13	0,21

CONDENSED INTERIM INCOME STATEMENT	Six months ended on 30/06/2019 unaudited	Six months ended on 30/06/2018 unaudited
I. Net revenues from sale of products, goods and materials	165	255
II. Costs of products, goods and materials sold	8	28
III. Gross profit (loss) on sale (I-II)	157	227
IV. Costs of sale	0	0
V. General management costs	26	74
VI. Other operating revenues	192	6
VII. Other operating costs	190	434
VIII. Profit (loss) on operating activity	133	-275
IX. Financial revenues	47	2
X. Financial costs	0	276
XI. Pre-ta profit	180	-549
XII. Income tax	0	4
XIII. Net profit (loss)	180	-553

The weighted average number of ordinary shares	8 750 000	70 000 000
Profit (loss) per one ordinary share (in EUR)	0,02	-0,01
The weighted diluted average number of ordinary shares	8 750 000	70 000 000
Diluted profit (loss) per one ordinary share (in EUR)	0,02	-0,01

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	Six months ended on 30/06/2019 unaudited	Six months ended on 30/06/2018 unaudited
Net profit/loss for the period	180	-553
Other comprehensive income, including:	0	0
Items to be reclassified to the income statement in the further periods	0	4
- settlement of revaluation capital, including:	0	4
- valuation of financial instruments	0	4
Items which will not be reclassified to the income statement in the further periods	0	-4
- settlement of merger of entities	0	-4
Total income for the period	180	-553

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY	Six months ended on June 30, 2019	2018	Six months ended on June 30, 2018
I. Opening balance of equity	9 324	14 365	14 903
a) amendments of applied accounting principles (policy)			
b) change of currency	333	746	
c) exchange differences			
I.I. Opening balance of equity after reconciliation to comparable data	9 657	15 111	14 903
Opening balance of share capital	7 700	8 379	8 361
Changes in the share capital		-679	-661
a) increase (due to)		0	0
- issuance of shares		0	
b) decrease (due to)		-679	661
- reduction of the capital		-670	661
- exchange differences		-9	
Closing balance of share capital	7 700	7 700	7 700
Opening balance of own shares	0	0	0
Changes in own shares	0	0	0
Closing balance of own shares	0	0	0
Opening balance of supplementary capital	22 422	22 422	22 422
Changes in supplementary capital		0	0
a) increase (due to)		0	0
- reduction of the share capital's nominal value		0	0
b) decrease (due to)		0	0
- settlement of merger of entities		0	0
Closing balance of supplementary capital	22 422	22 422	22 422
Opening balance of revaluation capital	-11 664	-7 951	-7 614
Changes in revaluation capital		-3 713	3
a) increase (due to)		0	3
- valuation of financial assets		0	3
b) decrease (due to)		-3 713	0
- valuation of financial assets		-3 713	0
Closing balance of revaluation capital	-11 664	-11 664	-7 611
Opening balance of capital from merger	3 865	3 869	3 815
Changes in the capital from merger		-4	-4
b) decrease (due to)		-4	-4
- merger of entities		-4	-4
Closing balance of capital from merger	3 865	3 865	3 811
Opening balance of other reserve capitals	3 805	3 135	3 003
Changes in other reserve capitals		670	661
a) increase (due to)		670	661
- reduction of the share capital		670	661
b) decrease (due to)		0	0
Closing balance of other reserve capitals	3 805	3 805	3 664
Opening balance of not settled loss of previous years	-16 471	-14 385	-13 799
a) increase (due to)		0	0
- profit/loss for the period	180	0	0
b) decrease (due to)		-2 086	-537
- profit/loss for the period		-2 086	-537

FON SE

Condensed interim financial statement as at June 30, 2019 and for 6 months ended on June 30, 2019

/in EUR thous./

Closing balance of not settled loss of previous years	-16 291	-16 471	-14 336
Exchange differences from conversion of obtained revenue / loss into EUR	814	410	0
Exchange differences from share capital	-380	-234	-336
Exchange differences from supplementary capital	-807	-648	-949
Exchange differences from reserve capital	-188	230	0
Exchange differences from other provisions	389	-91	0
II. Closing balance of equity	9 665	9 324	14 365

CONDENSED INTERIM CASH FLOW STATEMENT	Six months ended on June 30, 2019 unaudited	Six months ended on June 30, 2018 unaudited
Operating activity		0
I. Gross profit (loss)	180	-549
II. Adjustments total	-826	577
Amortization	0	26
(Profits) losses from exchange differences	0	-2
Interest and contribution in profits(dividends)	-161	-233
(Profit) loss due to investment activities	-47	705
Change in the balance of provisions	0	0
Change in the balance of inventories	0	1
Change in the balance of receivables	-829	3
Change in the balance of liabilities	0	-18
Change in the balance of accruals and prepayments	0	-3
Other adjustments	210	98
I. Net cash flow from operating activity	-646	28
Investment activity		
I. Inflows from investment activities	970	4 329
Received repayments of loans	387	4 215
Sale of elements of intangible fixed assets and property, plant and equipment	576	0
Interest received	7	114
Other inflows - repayments of short-term agreements		0
II. Expenses due to investment activity	145	4 319
Acquisition of intangible fixed assets and tangible fixed assets	0	0
Expenses for acquisition of financial assets	0	0
Loans granted	145	4 319
Other expenses	0	0
II. Net cash flow from investment activity	826	10
Financial activity		0
I. Inflows	0	0
II. Expenses due to financial activity	0	0
III. Net cash flow from financial activity	0	0
Net cash flow, total (I+/-II+/-III)	179	38
Balance sheet change in cash	179	38
Opening balance of cash	40	85
Closing balance of cash	219	123

Selected explanatory data

1. General information

1.1. Information about the Company

Name of the Company: FON SE

- On 19/04/2018 there was registered merger of the Issuer, previously operating as a public limited company under Polish law under the name of FON Spółka Akcyjna with its registered office in Płock at Padlewskiego Street 18C, Poland, entered in the Register of Entrepreneurs of the National Court Register kept by the District Court for the Capital City of Warsaw in Warsaw, 14th Commercial Division, under the number 0000028913, NIP 5480075844, REGON 070009914 with FON1 Polska Akciová společnost headquartered in Ostrava, address: Poděbradova 2738/16, Moravská Ostrava, 702 00 Ostrava, the Czech Republic entered to the commercial register kept by the District Court in Ostrava, section B under the number 10981, identification number 06503390 (the Acquired Company).
- As a result of registration of merger by the District Court for the Capital City of Warsaw in Warsaw, the Issuer has changed its legal form to the European Company and has already started operating as FON SE headquartered in Płock at Padlewskiego Street 18C, Poland, entered in the Register of Entrepreneurs of the National Court Register kept by the District Court for the Capital City of Warsaw in Warsaw, 14th Commercial Division, under the number 0000728655, REGON 070009914 and NIP 5480075844.
- On 30/11/2018 the commercial register appropriate for the Estonian law (Ariregister) registered the transfer of the Issuer's registered office to Estonia. Since 30/11/2018 the Company is being entered in Tartu County Court Registration Department, registry code: 14617916.

Address:

- to 30/11/2018 - Płock 09-402, ul. Padlewskiego 18C
- since 01/12/2018 - Narva mnt 5, 10117 Tallinn, Estonia
- since 05/06/2019 - Harju maakond, Tallinn, Kesklinna linnaosa, Tornimäe tn 5, 10145 Estonia.

Tax identification number:

The Company is not registered as a VAT taxpayer after transferring its seat to Estonia. The Company has a tax identification number: 14617916.

Business activity according to the Estonian Business Classification:

„Activities of holding companies”, EMTAK No 64201.

Duration of the Company:

Duration of the Company is indefinite.

Registry court of the Company:

Since 30/11/2018 the Company is entered in the Registration Department of the District Court in Tartu, registry code 14617916.

1.2. MANAGEMENT BOARD OF THE COMPANY:

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

- Damian Patrowicz – Chairman of the Company

On 04/07/2018, Mr Damian Patrowicz was dismissed from the function of the Supervisory Board Member of the Issuer and appointed by the Supervisory Board to the function of the Chairman of the Management Board.

1.3. SUPERVISORY BOARD OF THE COMPANY:

The composition of the Supervisory Board in the reporting period was as follows:

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

On 11/01/2019 Mr. Mariusz Patrowicz resigned from his position on the Company's Supervisory Board.

1.4. FINANCIAL YEAR:

On 06/05/2019 the Register of Commercial Companies (Ariregister) applicable to the law of Estonia registered the change in the financial year pursuant to Resolution No. 3 of the Extraordinary General Meeting of Shareholders of 29/04/2019. As a result of this, the Company's financial year begins on July 1 and ends on June 30.

2. Basis for preparation and accounting principles

Acting on the basis of § 184 (11) of the Securities Market Act, the management board of the company publicizes the half-year report of FON SE for the first half-year of 2019.

The semi-annual report consists of:

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

2.1. Statement of compliance

Condensed interim financial statement was prepared in accordance with International Financial Reporting Standards („IFRS”) approved by the Board of the International Accounting Standards and interpretations issued by the International Financial Reporting Interpretations („IFRIC”) Committee.

2.2. Basis for preparation

The condensed interim financial statements were prepared in accordance with International Accounting Standard 34 - 'Interim Financial Reporting' that was approved by the European Union and with assumption that the Company will be going concern in the foreseeable by the Company future.

The financial statement was approved by the Management Board for publication on October 25, 2019.

Application of the new standards, amendments to standards and interpretations

In 2019 the Company has not applied any new standards, amendments to standards as well as interpretations for existing standards.

In presented financial statements the same accounting principles were followed as the one described in the latest annual financial statements as at December 31, 2018, excluding accounting principles resulting from application of IFRS 9 and IFRS 15 presented below.

Influence of the new and changed standards and interpretations.

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

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

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

IFRS 9 Financial Instruments.

The Company has not implemented earlier introduction of IFRS 9 and has applied the requirements of IFRS 9 retrospectively for the periods starting after January 1, 2019. Pursuant to allowed by this standard possibility, the Company has not adjusted the comparative data. Implementation of IFRS 9 influenced the accounting policy in the field of recognition, classification and valuation of financial assets, assessment of liabilities.

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

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

Selected elements of the accounting policy

Valuation of assets and financial liabilities.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

To the group of liabilities measured at amortised cost are classified liabilities other than those measured at fair value through financial result (i.a. 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.

2.3. Functional and reporting currency.

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

This condensed interim financial statements were prepared in accordance with International Accounting Standard 34 - 'Interim Financial Reporting' that was approved by the European Union and with assumption that the Company will be going concern in the foreseeable by the Company future.

The financial statement was approved by the Management Board for publication on October 25, 2019.

This condensed interim financial statement was not subjected into audit or review by the certified auditor. The annual financial statements for 2018 is the latest financial statement which was audited by a certified auditor.

2.4 Accounting principles applied for preparation of the condensed financial statements.

In presented financial statements the same accounting principles were followed as the one described in the latest annual financial statements as at December 31, 2018.

Pursuant to the Resolution of the General Meeting of FON SE of June 30, 2005, starting from financial statements for reporting periods which have began since January 1, 2005, the financial statements of the Company have been prepared in accordance with International Financial Reporting Standards and related interpretations published in the form of regulations of the European Commission.

2.5. Seasonality and periodicity of activity

Activity of the Company is not characterized with seasonality or periodicity.

3. Notes

3.1 Information on operating segments

The operating segment is a component of the entity:

- which engages in economic activity in connection with which it may generate revenues and incur costs (including revenues and costs related to transactions with other components of the same entity),
- whose operating results are regularly reviewed by the main body responsible for making operational decisions in the entity and using those results in making decisions on the allocation of resources to the segment and when assessing the results of segment operations, as well as
- for which separate financial information is available.

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.

Below is an analysis of the Company's revenues and results in individual segments covered by reporting.

In the first half of 2019, the Company distinguished the following operating segments:

- Sales of plots
- Financial activity (loans granted)
- Sales of energy
- Other, including unallocated income and expenses

SEGMENTS DATA for the period since 01/01/2019 to 30/06/2019		Sales of plots	Sales of energy	Financial activity	Other income and expenses unallocated	Total
I.	Segment revenue	0	25	140	0	165
II.	Segment costs	0	6	0	2	8
III	Segment gross result from divisions business	0	19	140	-2	157
I	Sales costs	0				0
II	Management costs				26	26
III	Other operating revenue				192	192
IV	Other operating cost				190	190
V	Financial revenue				47	47
VI	Financial costs				0	0
	PROFIT BEFORE TAXATION					180

The above revenues are revenues from external customers. There were no sales transactions between segments this year.

Segment profit is the profit generated by individual segments without the allocation of administrative costs and management fees as well as financial revenues and costs

Segment assets and liabilities

Segment assets as at 30/06/2019	
Sales of plots	
Sales of energy	
Financial activity	
Other income and expenses unallocated	
Unallocated assets	9 677
Total assets	9 677

Segment liabilities as at 30/06/2019	
Sales of plots	
Sales of energy	
Financial activity	
Other income and expenses unallocated	
Unallocated assets	12
Total liabilities	12

1. All assets, except current and deferred tax assets, other financial assets, and short-term financial assets are allocated to reporting segments. Assets used jointly by reporting segments have been assigned to a given segment based on rational premises.
2. All liabilities, except for other financial liabilities, current tax liabilities are allocated to reporting segments and deferred. Liabilities assigned to various reporting segments were allocated in proportion to the value of segment assets.

Other information about segments as at 30/06/2019

OTHER INFORMATION	DEPRECIATION	INCREASE OF FIXED ASSETS
Sales of plots	0	0
Sales of energy		0
Financial activity		0
Other income and expenses unallocated		0
Total		0

Geographical information as at 30/06/2019

The following is the revenue from external customers broken down by operational areas and information on non-current assets broken down by location of these assets:

GEOGRAPHICAL AREA FOR ENERGY SALES	REVENUE FROM EXTERNAL CUSTOMERS	FIXED ASSETS
KUCZBORK	25	
Total for energy sales	25	
GEOGRAPHICAL AREA FOR FINANCIAL ACTIVITY	REVENUE FROM EXTERNAL CUSTOMERS	FIXED ASSETS
PŁOCK	140	
Total for financial activity	140	
GEOGRAPHICAL AREA FOR OTHER SALES	REVENUE FROM EXTERNAL CUSTOMERS	FIXED ASSETS
PŁOCK	0	
Total for other sales	0	

In the first half of 2018, the Company distinguished the following operating segments:

1. sales of plots
2. financial activity (loans granted)
3. sales of energy
4. other, including unallocated income and expenses

SEGMENTS DATA for the period since 01/01/2018 to 30/06/2018		Sales of plots	Sales of energy	Financial activity	Other income and expenses unallocated	Total
I.	Segment revenue	0	19	231	5	255
II.	Segment costs	0	27	0	1	28
III	Segment gross result from divisions business	0	-8	231	4	227
I	Sales costs	0	0	0	0	0
II	Management costs				74	74
III	Other operating revenue				6	6
IV	Other operating cost				434	434
V	Financial revenue				2	2
VI	Financial costs				276	276
	PROFIT BEFORE TAXATION				-549	-549

The above revenues are revenues from external customers. There were no sales transactions between segments this year.

Segment profit is the profit generated by individual segments without the allocation of administrative costs and management fees as well as financial revenues and costs

Segment assets and liabilities

Segment assets as at 30/06/2018	
Sales of plots	289
Sales of energy	276
Financial activity	158
Other income and expenses unallocated	3
Unallocated assets	13 671
Total assets	14 397

Segment liabilities as at 30/06/2018	
Sales of plots	0
Sales of energy	0
Financial activity	6
Other income and expenses unallocated	0
Unallocated liabilities	26
Total liabilities	32

1. All assets, except current and deferred tax assets, other financial assets, and short-term financial assets are allocated to reporting segments. Assets used jointly by reporting segments have been assigned to a given segment based on rational premises.
2. All liabilities, except for other financial liabilities, current tax liabilities are allocated to reporting segments and deferred. Liabilities assigned to various reporting segments were allocated in proportion to the value of segment assets.

Other information about segments as at 30/06/2018

OTHER INFORMATION	DEPRECIATION	INCREASE OF FIXED ASSETS
Sales of plots	0	0
Sales of energy	2	0
Financial activity	23	0
Other income and expenses unallocated	0	0
Total	25	0

Geographical information as at 30/06/2018

The following is the revenue from external customers broken down by operational areas and information on non-current assets broken down by location of these assets:

GEOGRAPHICAL AREA FOR SALE OF PLOTS	REVENUE FROM EXTERNAL CUSTOMERS	FIXED ASSETS
PŁOCK	0	0
Total for sale of plots	0	0
GEOGRAPHICAL AREA FOR ENERGY SALES	REVENUE FROM EXTERNAL CUSTOMERS	FIXED ASSETS
KUCZBORK	20	260
Total for energy sales	20	260
GEOGRAPHICAL AREA FOR FINANCIAL ACTIVITY	REVENUE FROM EXTERNAL CUSTOMERS	FIXED ASSETS
PŁOCK	230	31
Total for financial activity	230	31
GEOGRAPHICAL AREA FOR OTHER SALES	REVENUE FROM EXTERNAL CUSTOMERS	FIXED ASSETS
PŁOCK	5	0
Total for other sales	5	0

4. Seasonality of activities

There is no seasonality in the revenues generated by the Company.

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

In the reporting period, there were no items affecting assets, liabilities, equity, net profit or cash flows that are unusual due to their type, size or frequency.

6. Intangible assets

INTANGIBLE ASSETS	30/06/2019 (unaudited)	31/12/2018 (audited)
Intangible assets:	0	523
- Research and development costs	0	0
- Goodwill	0	0
- Concessions, patents, licenses	0	0
- Other intangible assets	0	523
- Advances for intangible assets	0	0

7. Property, plant and equipment

PROPERTY, PLANT AND EQUIPMENT	30/06/2019 (unaudited)	31/12/2018 (audited)
a) fixed assets, including:		234
- land (including right of perpetual usufruct of land)	2	11
- buildings, premises and civil engineering works		9
- technical devices and machines	216	214
- means of transport		0
- other fixed assets		0
b) fixed assets under construction		0
c) advances for fixed assets under construction		0
Total property, plant and equipment	218	234
BALANCE SHEET FIXED ASSETS (OWNERSHIP STRUCTURE)	30/06/2019 (unaudited)	31/12/2018 (audited)
a) own	218	234
b) used under a leasing contract		0
Total balance sheet fixed assets	218	234

In the period from January 1 to June 30, 2019, the Company did not purchase any property, plant and equipment.

Impairment losses did not occur in the financial year.

8. Investment liabilities

As at June 30, 2019, the Company has no investment liabilities.

9. Long-term receivables

In the first half of 2019 there were no long-term receivables.

10. Investment property

In the first half of 2019 no investment properties have been identified.

11. Long-term investments

LONG-TERM FINANCIAL ASSETS	30/06/2019 (unaudited)	31/12/2018 (audited)
a) in subsidiaries	0	0
- shares and stocks	0	0
b) in other related entities	8 167	7 978
- long-term loans	4 572	4 424
- shares in companies	3 595	3 554

c) in other entities	0	0
- shares in domestic companies not listed on the stock exchange	0	0
- shares in companies	0	0
- shares and borrowed shares	0	0
- loans granted	0	0
Total long-term financial assets	8 167	7 978

Shares and stocks

	Name (Company) of the entity with indication of the legal form	Value of shares at the purchase price (in thousand EUR)	Carrying amount of the shares (in thousand EUR)
1	IFEA Sp. z o.o.	15 168	3 593
2	Fon Zarządzanie nieruchomościami Sp. z o.o.	2	2

The Company currently holds 12.899 shares of IFEA Sp. z o.o., which currently represents 44,58% of the share capital and the total number of votes of IFEA Sp. z o.o., the Issuer also informs that the Chairman of the Management Board of IFEA Sp. z o.o. Mrs. Małgorzata Patrowicz is a Member of the Issuer's Supervisory Board. As at the balance sheet date, the value of shares held in IFEA sp. z o.o. is PLN 15.277 thousand as at the date of publication of this report, the value update in the amount of PLN 49.218 thousand. Premises for revaluation result from determining the share of shares held in relation to the equity of IFEA sp. z o.o.

LONG-TERM INVESTMENTS IN LOANS AND LOANS FOR OTHER RELATED ENTITIES								
Name	Headquarter	The value of loan/credit according to agreement		The value of credit/loan to repay		Interest	Repayment day	Collateral
		PLN	Currency	PLN	Currency			
Nowy Wiatr sp. z o.o.	Płock	4 700 000,00	PLN	4 379 413,04	PLN	6,50%	31.12.2019	Bill of exchange
Elkop SE	Płock	19 042 400,00	PLN	20 003 694,64	PLN	WIBOR 1M+4,5%	24.04.2021	Bill of exchange, mortgage

* The company has created a write-off for the loan of Nowy Wiatr sp.z o.o. in the amount of PLN 4 379 413,04 =1 029 965,44 EUR

LONG-TERM INVESTMENTS IN LOANS AND LOANS FOR OTHER RELATED UNITS								
Name	Headquarter	The value of loan/credit according to agreement		The value of credit/loan to repay		Interest	Repayment day	Collateral
		EUR	Currency	EUR	Currency			
Nowy Wiatr sp. z o.o.	Płock	1 105 362,18	EUR	1 029 965,44	EUR	6,50%	31.12.2019	Bill of exchange
Elkop SE	Płock	4 478 457,20	EUR	4 704 537,78	EUR	WIBOR 1M+4,5 %	24.04.2021	Bill of exchange, mortgage

* The company has created a write-off for the loan of Nowy Wiatr sp.z o.o. in the amount of 1 029 965,44 EUR

12. Inventory

INVENTORY	30/06/2019 (unaudited)	31/12/2018 (audited)
- Materials	0	0
- Semi-finished products and work-in-progress	0	0
- Finished products	0	0
- Goods	6	105
- Advance payment	3	0
Total inventory	9	105

INVENTORY WRITE-OFFS	30/06/2019 (unaudited)	31/12/2018 (audited)
Revaluation write-offs at the beginning of the period	0	0
- increases	0	-189
- decreases	0	0
Sales	0	0
Revaluation write-offs at the end of the period	0	-189
Total write-offs	0	-189

13. Receivables

LONG-TERM RECEIVABLES	30/06/2019 (unaudited)	31/12/2018 (audited)
Trade receivables	7	1
- up to 12 months	7	1
- above 12 months		0
Taxes, customs, social and health insurance and other benefits	1	0
- other	853	12
Total net short-term receivables	861	13
- write-offs on receivables	216	214
Total short-term receivables	1 077	227

CHANGE OF THE STATE OF WRITE-OFFS ON SHORT-TERM RECEIVABLES	30/06/2019 (unaudited)	31/12/2018 (audited)
As at the beginning of the period	214	222
- exchange differences	2	-6
a) increases (due to)	0	2
b) decreases (due to)	0	-4
- reversal of write-offs in connection with payment	0	-4
- other	0	0
Write-offs on current receivables at the end of the period	216	214

14. Short-term investments

SHORT-TERM INVESTMENTS	30/06/2018 (unaudited)	31/12/2018 (audited)
1) in associates	0	0
Shares/stocks	0	0
2) in other entities	201	442
a) loans granted	201	442
b) shares of listed companies	0	0
c) loan of company shares (balance sheet value)	0	0
d) investment option		0
Total carrying amount	201	442

SHORT-TERM INVESTMENTS FOR LOANS AND LOANS FOR OTHER ENTITIES (in PLN)								
Name	Headquarter	The value of loan/credit according to agreement		The value of credit/loan to repay		Interest	Repayment day	Collateral
		PLN	currency	PLN	currency			
Fly.pl sp. z o.o.*	Warszawa	1 506 111,86	PLN	450 000,00	PLN	Wibor 3M+1%	04.01.2017	Bill of exchange, declaration of submission to enforcement
Auto Kluge	Płock	500 000,00	PLN	221 546,05	PLN	10%	31.08.2016	Bill of exchange, declaration of submission to enforcement, transfer of ownership as collateral
Natural person	Płock	329 565,00	PLN	163 565,00	PLN	14%	24.08.2017	Bill of exchange transfer to ownership for collateral, submission to enforcement
Natural person	Płock	37 000,00	PLN	15 229,53	PLN	8%	31.12.2017	Blank promissory note, pledge

* The Company has created a write-off for loans FLY.pl sp.z o.o. in the amount of 906 111,86 PLN

SHORT-TERM INVESTMENTS FOR LOANS AND LOANS FOR OTHER ENTITIES (in EUR)								
Name	Headquarter	The value of loan/credit according to agreement		The value of credit/loan to repay		Interest	Repayment day	Collateral
		EUR	Currency	EUR	Currency			
Fly.pl sp. z o.o.*	Warszawa	354 212,57	EUR	105 832,55	EUR	Wibor 3M+1%	04.01.2017	Bill of exchange, declaration of submission to enforcement
Auto Kluge	Płock	117 591,72	EUR	52 103,96	EUR	10%	31.08.2016	Bill of exchange, declaration of submission to enforcement, transfer of ownership as collateral
Osoba fizyczna	Płock	77 508,23	EUR	38 915,29	EUR	14%	24.08.2017	Bill of exchange transfer to ownership for collateral, submission to enforcement
Osoba fizyczna	Płock	8 701,79	EUR	3 581,73	EUR	8%	31.12.2017	Blank promissory note, pledge

* The Company has created a write-off for loans FLY.pl sp.z o.o. in the amount of 213 102,50 EUR

15. Cash and cash equivalents

CASH AND CASH EQUIVALENTS	30/06/2019 (unaudited)	31/12/2018 (audited)
Cash in hand and on accounts	220	40
Other cash		0
Total cash and cash equivalents	220	40

16. Prepayments and accruals

SHORT TERM PREPAYMENTS AND ACCRUALS	30/06/2019 (unaudited)	31/12/2018 (audited)
a) active prepayments and accruals, including:	1	3
- costs for subsequent periods	1	3
Total short-term prepayments and accruals	1	3

17. Assets held for sale

There are no assets held for sale on 30/06/2019.

18. Reserves and revaluation write-offs

In the first half of 2019, the following changes in provisions and write-offs were made:

Other short-term reserve / in EUR thous./			
As at of 01/01/2019	Increase of reserve	Dissolution/reclassification of reserve	As at of 30/06/2019
0	0	0	0

Other long-term reserve / in EUR thous./			
As at of 01/01/2019	Increase/reclassification of reserve	Dissolution of reserve	As at of 30/06/2019
0	0	0	0

There are no reserves for restructuring costs in the company.

Receivables revaluation write-off /in thous. EUR/			
As at 01/01/2019	Increase	Decrease	As at 30/06/2019
216	0	0	216

Intangible assets revaluation write-off / in thous. EUR /			
As at 01/01/2019	Increase	Decrease	As at 30/06/2019
2 128	0	2 128	0

Long-term financial assets revaluation write-off / in thous. EUR /		
As at 01/01/2019	Changes	As at 30/06/2019
1 030	0	1 030

Loans granted revaluation write-off / in thous. EUR /			
As at 01/01/2019	Increase	Decrease	As at 30/06/2019
1 247	0	0	1 247

19. Capital

As at 30/06/2019 the Issuer's share capital is EUR 7.700.000,00 and is divided into 8.750.000 shares without nominal value, with a book value of EUR 0,11 EUR each, including:

	Number of shares	Book value of each share	Type of shares
	8 750 000	0,11 EUR	Ordinary bearer shares dematerialized
Total:	8 750 000		

The structure of shareholding as at 30/06/2019:

As at the balance sheet date i.e. **30/06/2019** to the best of the Management Board's knowledge, the shareholding structure was as follows:

Structure of direct shareholding

Shareholder	Number of held shares	Share in the share capital (%)	Number of votes from shares held	Share in the total number of votes at the GMS (%)
Patro Invest OÜ	2.931.250	33,5	2.931.250	33,5
Other	5.818.750	66,5	5.818.750	66,5
Total:	8.750.000	100,00	8.750.000	100,00

Structure of indirect shareholding

Shareholder	Number of held shares	Share in the share capital (%)	Number of votes from shares held	Share in the total number of votes at the GMS (%)
Damian Patrowicz	2.931.250	33,5	2.931.250	33,5
Other	5.818.750	66,5	5.818.750	66,5
Total:	8.750.000	100,00	8.750.000	100,00

Mr. Damian Patrowicz - - The President of the Issuer's Management Board indirectly holds the Issuer's shares through the subsidiary Patro Invest OÜ with registered office in Tallinn, Estonia.

To the best knowledge of the Management Board as at the date of publication of the periodic report for the first half of 2019 i.e. 25/10/2019 in the structure of direct and indirect shareholding and the number of shares held by the abovementioned shareholders did not change as compared to the balance sheet date on 30/06/2019.

20. Information on the issue, redemption and repayment of debt and equity securities.

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

21. Own stocks

OWN STOCKS (SHARES) (NEGATIVE VALUE)	30/06/2019 (Not audited)	31/12/2018 (audited)
As at the beginning of the year	0	0
Increases	0	0
- purchase of own shares for remission	0	0
Decreases	0	0
- remission	0	0
Total own stock (shares) (negative value)	0	0

22. Supplementary capital

SUPPLEMENTARY CAPITAL FROM THE SALE OF SHARES OVER NOMINAL VALUE AND THE REDUCTION OF THE SHARE CAPITAL AND THE CAPITAL FROM MERGER	30/06/2019 (Not audited)	31/12/2018 (audited)
Total supplementary capital	26 287	26 287

23. Reserve capital

RESERVE REVALUATION	30/06/2019 (Not audited)	31/12/2018 (audited)
- other reserve capitals	3 758	3 805
- exchange differences	47	
Total reserve capital	3 805	3 805

Revaluation reserve	30/06/2019 (Not audited)	31/12/2018 (Audited)
As at the beginning of the year	-11 580	-7 951
- exchange differences	-84	
Profit/loss on the change in fair value of available-for-sale financial assets	0	-3 713
Sale of available-for-sale financial assets	0	
Total revaluation reserve	-11 664	-11 664

Capital from revaluation of available-for-sale financial assets includes the valuation of shares held in IFEA sp. z o.o.

Revaluations of available-for-sale financial assets to fair value are accounted in this item.

The presented capital is not divided.

24. Retained profits

Profits from previous years may be paid to shareholders in accordance with the provisions of the Estonian Commercial Code.

25. Deferred tax provision

CHANGE IN RESERVES FOR DEFERRED INCOME TAX	June 30, 2019	December 31, 2018
1. Deferred income tax reserve at the beginning of the period, including:	0	0
a) relative to profit or loss, including:	0	0
- share valuation tax	0	0
- tax on unpaid interest	0	0
b) relative to capital, including:	0	0
- share valuation tax	0	0
2. Increase:	0	0
a) relative to a period financial result due to temporary differences	0	0
- share valuation tax	0	0
- tax on unpaid interest	0	0
b) relative to capital of temporary differences	0	
3. Decrease:	0	0
a) relative to in the period's financial result due to positive temporary differences	0	0
- investment valuation	0	0
- tax on unpaid interest	0	0
- Bonds valuation tax	0	0
b) relative to the capital due to the temporary differences	0	0
- share valuation tax	0	0
4. Deferred income tax reserve at the end of the period, including:	0	0
a) relative to financial result, including:	0	0
- share valuation tax	0	0

- tax on unpaid interest	0	0
b) relative to the capital due to the temporary differences	0	0
- share valuation tax	0	0

26. Liabilities

In the first half of 2019, there were no long-term liabilities, and short-term liabilities were as follows:

SHORT-TERM LIABILITIES	30/06/2019 (Not audited)	31/12/2018 (Audited)
Liabilities to related entities:	0	0
- trade liabilities	0	0
- credits and loans	0	0
- Other liabilities	0	0
Liabilities to other entities	0	14
- trade liabilities	10	6
- credits and loans	0	0
- liabilities arising from debt securities	0	0
- tax, customs, insurance and other liabilities	2	0
- other	0	8
Total short-term liabilities	12	14

Trade liabilities are interest-free and settled within 14-30 days. Tax, customs, insurance and other liabilities are interest-free.

27. Other reserves

CHANGES IN OHER SHORT-TERM RESERVES	30/06/2019 (Not audited)	31/12/2018 (Audited)
Other reserves at the beginning of the period, including:	0	0
- relative to financial result	0	0
- relative to equity	0	0
Increase	0	0
- reserve for balance sheet auditing	0	0
Decrease	0	0
- release of the reserve for balance sheet auditing	0	0
- reclassification	0	0
Total other reserves at the end of the period:	0	0

CHANGES IN OTHER LONG-TERM RESERVES	30/06/2019 (Not audited)	31/12/2018 (Audited)
Other reserves at the beginning of the period, including:	0	0
- relative to financial result	0	0
- relative to equity	0	0
Increase	0	0
- reclassification	0	0
Decrease	0	0
- release of the reserve for balance sheet auditing	0	0
Total other reserves at the end of the period:	0	0

28. Revenue for future periods

REVENUES FOR FUTURE PERIODS	30/06/2019 (not audited)	31/12/2018 (Audited)
Short-term	0	0
- Remuneration for services paid in advance	0	0
Long-term	0	0
Total	0	0

29. Contingent liabilities and contingent assets

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

30. Net revenues from the sale of products and goods

NET REVENUES FROM SALE OF PRODUCTS AND GOODS (ITEMIZED STRUCTURE – TYPES OF ACTIVITIES)	Six months ended at June 30, 2019 (not audited)	Six months ended at June 30, 2018 (not audited)
Interest revenues on investment activity (interest on loans granted)	140	230
Sale of building-assembly production	0	0
Sale of Energy	25	20
Rental services	0	5
Net revenues from sale of products and goods, total	165	255

NET REVENUES FROM SALE OF PRODUCTS AND GOODS (TERTIARY STRUCTURE)	Six months ended at June 30, 2019 (not audited)	Six months ended at June 30, 2018 (not audited)
a) country	165	255
b) export	0	0
Net revenues from sale of products and goods, total	165	255

31. Costs by type

COSTS BY TYPE	Six months ended at June 30, 2019 (not audited)	Six months ended at June 30, 2018 (not audited)
a) depreciation	0	26
b) material and energy consumption	3	3
c) external services	25	41
d) taxes and fees	6	7
e) remuneration	0	23
f) social security and other benefits	0	3
g) other costs by type		2
Costs by type, total	34	105
Change in inventories, products and accruals		-3
General and administrative expenses (negative value)	26	74
Selling costs (negative value)	0	0
Manufacturing cost of products sold	8	28

32. Other operating income

OTHER OPERATING INCOME	Six months ended at June 30, 2019 (not audited)	Six months ended at June 30, 2018 (not audited)
a) due to released reserves	0	0
b) profit on the sale of non-financial assets	0	0
c) other, including:	192	6
- compensation		0
- revenues from re-invoices		2
- reversal of write-offs for receivables		2
- other	192	2
Other operating income, total	192	6

33. Other operating costs

OTHER OPERATING COSTS	Six months ended at June 30, 2019 (not audited)	Six months ended at June 30, 2018 (not audited)
a) due to reserves created		0
b) revaluation of non-financial assets	190	212
c) revaluation of loan granted		218
d) other, including		4
- re-invoicing costs		0
- other		4
Other operating costs, total	190	434

34. Other financial revenues

OTHER FINANCIAL REVENUES	Six months ended at June 30, 2019 (not audited)	Six months ended at June 30, 2018 (not audited)
a) foreign exchange profits		2
b) Profit on the sale of financial assets	47	0
c) other, including		0
- remuneration for shares loaned		0
Other financial revenues, total	47	2

EXPENDITURE DUE TO INVESTMENT REVALUATION	Six months ended at June 30, 2019 (not audited)	Six months ended at June 30, 2018 (not audited)
a) financial instruments valuation	0	0
b) write-off reversal of long-term financial assets	0	0
Revenues from revaluation of investments, total	0	0

35. Financial costs due to interest

FINANCIAL COSTS DUE TO INTEREST	Six months ended at June 30, 2019 (not audited)	Six months ended at June 30, 2018 (not audited)
a) on loans and credits	0	0
b) other interest	0	0
Financial costs due to interest, total	0	0

OTHER FINANCIAL COSTS	Six months ended at June 30, 2019 (not audited)	Six months ended at June 30, 2018 (not audited)
a) loss on the sale of financial assets	0	0
b) share revaluation	0	275
c) other		1
Other financial costs, total	0	276

36. Activity during discontinuation

Does not apply.

37. Merging of economic entities and acquisition of minority shares.

Merging of the entities did not occur in the period covered by the report.

38. Loss of control over subsidiaries and long-term investments

During the six months period of 2019, they did not occur.

39. Investment liabilities

As at June 30, 2019, the Company has no investment liabilities.

40. Information on dividend paid (or declared), in total and per share, divided into ordinary and preference shares.

During the six months of 2019, this event did not occur.

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

During the six months of 2019, these events did not occur.

42. Information about changes at the way (method) of defining fair value of measured financial instruments.

In the period covered by the report, change a way of defining fair value of measured financial instrument did not occur.

43. Indication an important judicial proceeding applying to liabilities or Issuer's its subsidiary liability, with indication subject of the proceeding, amount in controversy, date of initiation of the proceedings, parties to the proceedings and positions of Issuer

As at 30/06/2019 the Company was not the party of any new, important proceedings, apart from those indicated in the report for 2018. As at the balance sheet date and as at the date of publication of this report the Company is a party of the following judicial proceedings:

- Administrative procedure conducted by Polish Financial Supervision Authority against FON SE regarding imposition the financial fine on FON SE based on article 97(1) point 2 of 29/07/2005 on Public

Offering and terms of introduction to organized trading venue and on public companies, towards breaching article no. 69 (1) point 1, with relation to the article no. 87 (5) point 1 of an act of Offer in relation to purchase of 01/01/2012, shares of public Company Zakłady mięsne Herman S.A. (current Investment Friends Capital SE with registered office in Płock). After getting above-mentioned decision on 14/06/2017, the Issuer applied for reconsideration and repealing the decision in its entirety. As at 29/05/2018 Polish Financial Supervision Authority took a decision of repealing in its entirety and again imposed a lower fine in amount PLN 90 thousand. In relation to again imposition a fine, the Issuer on 03/07/2018 filed the complaint for the Polish Financial Supervision Authority's decision to the Provincial Administrative Court. On 08/01/2019 Provincial Administrative Court passed a judgement, which dismiss the Company's complaint and as a result on 29/03/2019 the Company appealed against sentence to Supreme Administrative Court. The case is during the judicial proceeding.

- The case of FON SE complaint on 25/05/2016 directed to Provincial Administrative Court in Warsaw on 25/05/2016 for the Tax Chamber Director' statement of 21/04/2016 signature 1401-SW-5.5010.33.2016.3.HD, upholding the statement of Head of tax office in Płock of 25/01/2016 signature 1419-RP.5010.607.2016, determining the method of credit the payment of PLN 44.962,00 towards Corporate tax arrears from 2012. On 14/07/2017 Provincial Administrative Court delivered unprofitable for the Issuer judgement. Therefore, the Company appealed against sentence to the Supreme Administrative Court in Warsaw and is waiting for setting the date and place of the trial. To the knowledge of the Management Board, the result of the proceeding is difficult to assess.
- The case of appealing against decision of the Poznań President of 22/08/2016 regarding determining property tax liability for the period since September of 2015 to December 2015 amounting to PLN 198.091,00 directed on 26/09/2016 to Local Government Board of Appeals in Poznań with mediation of City of Poznań President. Decision of Local Government Board of Appeals was not advantageous, so the Issuer decided about directing the case to the judicial proceeding, submitting an application to Provincial Administrative Court in Poznań. On 27/10/2017 Provincial Administrative Court dismissed the complaint. After getting the explanation, Issuer appealed against above-mentioned sentence to the Supreme Administrative Court in Warsaw. The case is during course of proceeding, and its conclusion and result are difficult to assess.

44. Information about changes in economic situation and in conditions of conducting a business, which have significant influence on fair value of financial assets and financial liabilities of the Company.

In the period covered by the report, the event did not occur.

45. Information on non-payment credits or loan, or breaching important decisions of credit or loan agreement, in reference to which any remedial actions were not taken until the end of the reporting period

In the period covered by the report, the Company did not breach any important decisions of credit or loan agreement, in reference to which any remedial actions were not taken.

46. Transactions with related entities in PLN thous.

TRANSACTIONS WITH RELATED ENTITIES FOR THE PERIOD ENDED AT 30/06/2019	Sale products, goods and materials to related entities	Incomes from interests from related entities and other financial incomes	Purchases from related parties	Costs of the interests from related entities and other financial costs.	Receivables for deliveries and services for the end of the period to related entities	Other receivables for the end of the period from related entities (loans also)	Liabilities for deliveries and services for the end of the period to related entities.	Liabilities for loans and other liabilities to related parties
Patro Inwestycje Sp. z o.o.			36			528	6	
ATLANTIS SE					1			
Refus sp. z o.o. w likwidacji								
Patro Invest Sp. Z o.o.							6	
Investment Friends SE								
Investment Friends Capital SE								
Elkop S.A.		574	2			20 003		
Fon Zarządzanie Nieruchomościami sp. z o.o.								
Nowy Wiatr Sp. z o.o.								
Patro Invest OU		2 469				2 468		

TRANSACTIONS WITH RELATED ENTITIES FOR THE PERIOD ENDED AT 31/12/2018	Sale products, goods and materials to related entities	Incomes from interests from related entities and other financial incomes	Purchases from related parties	Costs of the interests from related entities and other financial costs.	Receivables for deliveries and services for the end of the period to related entities	Other receivables for the end of the period from related entities (loans also)	Liabilities for deliveries and services for the end of the period to related entities.	Liabilities for loans and other liabilities to related parties
Patro Inwestycje Sp. z o.o.			6				6	
ATLANTIS S.A.			2		1			
Refus sp. z o.o. w likwidacji					1			
Patro Invest Sp. Z o.o.		4				500		
Investment Friends SE	11				9			
Investment Friends Capital SE								
Elkop S.A.	81		9					
Fon Zarządzanie Nieruchomościami sp. z o.o.		130	16			19 720		
Patro Invest OU						300		
Nowy Wiatr sp. z o.o.						4 667		

Relations between members of Issuer's authorities**Entities related by shares (shareholders of the Issuer):**

Patro Invest OÜ – direct significant shareholder

Mr. Damian Patrowicz – indirect significant shareholder

Relations between Members of Issuer's authorities

Between Members of executive organs and supervising organs of Issuer, following relations took place during the reporting period:

Management Board:

Damian Patrowicz – has performed the function of the Chairman of the Management Board of the Issuer since 05.07.2018 is also the Chairman of the Management Board of INVESTMENT FRIENDS CAPITAL SE, ATLANTIS SE, Patro Invest OÜ and Dampain Sp. z o.o. Mr. Damian Patrowicz is the Member of the Supervisory Boards of: DAMF Inwestycje S.A. and Elkop SE. Mr. Damian Patrowicz is also the shareholder of FON Zarządzanie Nieruchomościami Sp. z o.o., Patro Invest Sp. z o.o. and Patro Invest OÜ. Mr. Damian Patrowicz is also a Limited Partner of Damar Patro UÜ and Nova Gielda UÜ.

Supervisory Board:

1. Chairman of the Supervisory Board **Wojciech Hetkowski** - is the Member of the Supervisory Boards of: Atlantis SE, Elkop SE, Investment Friends SE, INVESTMENT FRIENDS CAPITAL SE, Damf Inwestycje S.A.

2. Member of the Supervisory Board **Jacek Koralewski** - is the Chairman of the Management Board: Elkop SE and a Member of the Supervisory Board of: Atlantis SE, Investment Friends SE, Damf Inwestycje S.A., INVESTMENT FRIENDS CAPITAL SE.

3. Member of the Supervisory Board **Małgorzata Patrowicz** - is the Chairman of the Management Board of: IFEA Sp. z o.o., Patro Invest Sp. z o.o. a Member of the Supervisory Board of: Atlantis SE, Elkop S.A., INVESTMENT FRIENDS CAPITAL SE, Damf Inwestycje S.A., Investment Friends SE.

4. Member of the Supervisory Board **Martyna Patrowicz** - is a Member of the Supervisory Board of: Atlantis SE, Elkop SE, INVESTMENT FRIENDS CAPITAL SE, Damf Inwestycje S.A., Investment Friends SE.

Remuneration of Management Board and Supervisory Board

(in EUR thous.)

	30.06.2019	30.06.2018
Management Board	0	0
Supervisory Board	0	1,65

Supervisory Board 01.01.2019 – 30.06.2019

1	Hetkowski Wojciech	0
2	Patrowicz Małgorzata	0
3	Patrowicz Damian	0
4	Koralewski Jacek	0
5	Patrowicz Martyna	0

Supervisory Board 01.01.2018 – 30.06.2018

1	Hetkowski Wojciech	0,47 tys. EUR
2	Patrowicz Małgorzata	0,47 tys. EUR
3	Patrowicz Damian	0 tys. EUR
4	Koralewski Jacek	0,23 tys. EUR
5	Patrowicz Marianna	0,23 tys. EUR

Members of Management and Supervisory Board of Issuer did not get the remuneration advance, guarantees and warranties.

47. Information on concluding by the Issuer or its subsidiary of one or more transactions with related entities, if separately or jointly are significant and if they were concluded on other than market terms.

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

48. Additional explanations to the income statement

In the period covered by this condensed interim financial statement the Company obtained the profit in the amount of EUR 180 thous.

49. Exchange rates used for conversion of selected financial data.

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

- Balance sheet items as at 30/06/2018 and as at 30/06/2019 are converted according to the average exchange rate announced by the National Bank of Poland effective as at the balance sheet date:
 - on June 28, 2019 1 EUR = 4,2520
 - on June 29, 2018 1EUR = 4,3616
- Balance sheet items as at 31/12/2018 are converted according to the exchange rate announced by the European Central Bank effective as at the balance sheet date:
 - on December 31, 2018 1 EUR = 4,3014
- Items of the income statement and cash flow statement as at 30/06/2018 and as at 30/06/2019 are converted according to the exchange rate being an arithmetic average of average exchange rates announced by the National Bank of Poland effective on the last day of each month in the reporting period:
 - in the period since January 1, 2019 till June 30, 2019 1 EUR = 4,2880
 - in the period since January 1, 2018 till June 30, 2018 1 EUR = 4,2395
- Items of cash flow statement as at 31/12/2018 are converted according to the exchange rate being an arithmetic average of average exchange rates announced by the European Central Bank effective on the last day of each month in the reporting period:
 - In the period since January 1, 2018 till December 31, 2018 1 EUR = 4,2335

50. Events after the balance sheet date

Any significant events after the balance sheet date are described in the Comment of the Management Board.

51. There are not any significant events or disclosures which would significantly change the view of the entity presented in the financial statement.

Tallinn, October 25, 2019

Signatures of all Members of the Management Board

/-/ Damian Patrowicz Chairman of the Management Board
Name and Surname position/function