



**INTERIM REPORT OF
INVESTMENT FRIENDS SE
INCLUDING CONDENSED FINANCIAL STATEMENT
AS AT SEPTEMBER 30, 2019 AND FOR 9 MONTHS ENDED ON SEPTEMBER 30, 2019**

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

Investment Friends SE
Harju maakond, Tallinn, Kesklinna
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Registry code: 14617862
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1. CONDENSED INTERIM FINANCIAL STATEMENT

1.1. CONDENSED INTERIM STATEMENT OF FINANCIAL SITUATION

CONDENSED INTERIM STATEMENT OF FINANCIAL SITUATION	balance as at 30/09/2019 unaudited	31/12/2018 audited
Assets		
Fixed assets	1 558	1 632
Tangible fixed assets	0	0
Investment properties	0	0
Long-term financial assets	1 558	1 632
Long-term accruals and prepayments	0	0
Long-term assets held for sale	0	0
Current assets	1 002	864
Short-term receivables	1	31
Short-term financial assets	999	826
Cash and cash equivalents	1	7
Short-term accruals and prepayments	1	0
Assets total	2 560	2 496
Liabilities		
I. Equity	2 513	2 401
Share capital	3 240	3 240
Supplementary capital	5 161	5 161
Revaluation capital	0	0
Capital from merger of entities	-4	-4
Other reserve capitals	206	206
Exchange differences	-385	-68
Retained earnings / Unallocated financial result	-5 705	-6 134
II. Long-term liabilities	46	0
Deferred income tax provision	46	0
Long-term liabilities	0	0
III. Short-term liabilities	1	95
Financial liabilities due to issuance of securities	0	0
Credits and loans	0	0
Trade liabilities	1	2
Other liabilities	0	0
Other provisions	0	93
Liabilities total	2 560	2 496
Book value	2 513	2 401
Number of shares	9 000 000	9 000 000
Book value per share	0,28	0,27
Diluted number of shares	9 000 000	9 000 000
Diluted book value per share	0,28	0,27

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**1.2. CONDENSED INTERIM INCOME STATEMENT AND CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME**

CONDENSED INTERIM INCOME STATEMENT	Nine months ended on 30/09/2019 unaudited	Nine months ended on 30/09/2018 unaudited
I. Net revenues from the sale of products, goods and materials	163	136
II. Cost of products, goods and materials sold	0	0
III. Gross profit (loss) on sale (I-II)	163	136
IV. Selling cost	0	0
V. General administrative cost	11	62
VI. Other operating revenues	135	0
VII. Other operating cost	342	69
VIII. Profit (loss) on operating activity	-55	5
IX. Financial revenues	215	3
X. Financial costs	0	1
XI. Pre-tax profit	160	7
XII. Income tax	-5	2
XIII. Net profit (loss)	165	5
Net profit (loss)	165	5
Weighted average number of ordinary shares	9 000 000	9 000 000
Profit (loss) per ordinary share	0,02	0
Weighted average diluted number of ordinary shares	9 000 000	9 000 000
Diluted profit (loss) per ordinary share	0,02	0

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOM	Nine months ended on 30/09/2019 unaudited	Nine months ended on 30/09/2018 unaudited
Net profit/loss for the period	165	5
Other comprehensive income, including:	0	-4
Elements which will not be moved to the income statement in the future periods:	0	-4
- settlement of merger of entities	0	-4
Elements which could be moved to the income statement in the future periods:	0	0
-settlement of revaluation capital, including:	0	0
- valuation of financial assets held for sale	0	0
Total income for the period	165	1

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1.3. CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY	Nine months ended on 30/09/2019 unaudited	Nine months ended on 30/09/2018 unaudited
Opening balance of equity	2 401	2 413
Opening balance of equity after reconciliation to comparative data	2 401	2 413
Opening balance of share capital	3 240	3 447
Changes of share capital	0	-207
b) decreases (due to)	0	-207
- reduction of value of shares	0	-207
Closing balance of the share capital	3 240	3 240
Opening balance of own shares	0	0
Closing balance of own shares	0	0
Opening balance of supplementary capital	5 161	5 161
Changes of supplementary capital	0	0
- decreases	0	0
- increases	0	0
Closing balance of supplementary capital	5 161	5 161
Opening balance of revaluation reserve	0	0
Changes of revaluation reserve	0	0
Decreases (due to)	0	0
- valuation of financial assests	0	0
Closing balance of revaluation reserve	0	0
Opening balance of capital from merger of entities	-4	0
Changes in capital from merger	0	-4
- decreases (due to)	0	-4
- merger of entities	0	-4
Closing balance of capital from merger of entities	-4	-4
Opening balance of other reserve capitals	206	0
Changes of other reserve capitals	0	206
increase (due to)	0	206
- reduction of the share capital	0	206
Closing balance of other reserve capitals	206	206
Opening balance of retained profit/not settled losses from previous years	-5 867	-6 005
increase (due to)	163	5
Profit/loss for the period	163	5
correction of the settlement of demerger		0
Closing balance of retained profit/not settled losses from previous years	-5 705	-6 000
Exchange differences	-385	-189
Closing balance of equity	2 513	2 414

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1.4. CONDENSED INTERIM STATEMENT OF CASH FLOW

CONDENSED INTERIM STATEMENT OF CASH FLOW	Nine months ended on 30/09/2019 unaudited	Nine months ended on 30/09/2018 unaudited
Operating activity		
I. Gross profit (loss)	165	7
II. Corrections, total	-589	-25
Amortisation	0	0
Profits (losses) due to exchange differences	0	0
Interest and contribution in profits (dividends)	-113	-71
Profit (loss) from investment activity	0	0
Change in balance of provisions	-53	-1
Change in balance of receivables	31	-29
Change in balance of liabilities	-2	1
Change in balance of accruals and prepayments	0	0
Other adjustments	-452	75
I. Net cash flow from operating activity	-424	-18
Investment activity		
I. Inflows from investment activity	1 378	1 575
Sale of elements of intangible and tangible fixed assets	0	0
Disposal of financial assets	0	0
Received repayments of loans	1031	1 575
Interest received	259	0
Other inflows	88	0
II. Expenses due to investment activity	960	1 573
Acquisition of elements of intangible and tangible fixed assets	0	0
Investments in properties and intangible fixed assets	0	0
Loans granted	960	1 573
Other expenses	0	0
II. Net cash flow from investment activity	417	2
Financial activity		
I. Inflows	0	0
Credits and loans	0	0
Issuance of debt securities	0	0
II. Expenses due to financial activity	0	0
Repayments of credits and loans	0	0
Redemption of debt securities	0	0
Interest	0	0
III. Net cash flow from financial activity	0	0
Net cash flows, total (I+/-II+/-III)	-6	-16
Balance change of cash	-6	-16
Opening balance of cash	7	137
Closing balance of cash	1	121

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2. ADDITIONAL INFORMATION AND EXPLANATIONS

2.1. GENERAL INFORMATION ABOUT THE COMPANY

Name of the Company: Investment Friends SE

- On 26/02/2018 the Registry Court registered the merger of the Issuer previously operating as a joint-stock company under Polish law under the name Investment Friends Spółka Akcyjna (Acquiring Company) with its registered office in Płock at Padlewskiego Street 18C, Poland, entered into the Register of Entrepreneurs of the National Court Register kept by the District Court for the Capital City of Warsaw in Warsaw, 14th Commercial Division under the number KRS 0000143579, NIP 8291635137, REGON 730353650 with the company Investment Friends 1 Polska Akciowáspolećnost with its registered office in Ostrava : Poděbradova 2738/16, MoravskáOstrava, 702 00 Ostrava, Czech Republic entered in the commercial register kept by the District Court in Ostrava, section B under number 10979, identification number 06502873 (Acquired company).
- As a result of registration of the above merger by the District Court for the Capital City of Warsaw in Warsaw the Issuer adopted the legal form of the European Company and until November 30, 2018 operated under the Investment Friends SE company with headquarters in Płock at Padlewskiego Street 18C, Poland, entered into the Register of Entrepreneurs of the National Court Register kept by the District Court for the Capital City of Warsaw in Warsaw, XIV Economic Department under the number KRS 0000720290, NIP 8291635137, REGON 730353650.
- On November 30, 2018 the register of commercial companies (Ariregister) applicable to the law of Estonia registered the transfer of the Issuer's registered office to Estonia. Since 30/11/2018 the Company is entered into the Registration Department of the District Court in Tartu, register code 14617862.

Address:

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

Tax identification number:

- The Company is not registered as a VAT taxpayer after transferring its seat to Estonia. The Company has a tax identification number: 14617862.

Business activity according to the Estonian Business Classification:

- Since 30/11/2018 the main business activity according to EMTAK classification is „Activities of holding companies”, EMTAK No 64201.

Duration of the Company:

- Duration of the Company is indefinite.

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Registry Court of the Company:

- Since 01/12/2018 the Company is entered in the Registration Department of the District Court in Tartu, registry code 14617862.

Share capital of the Company:

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

Financial year:

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

3. GOVERNING BODIES OF THE COMPANY**3.1. COMPOSITION OF THE SUPERVISORY BOARD**

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

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

3.2. COMPOSITION OF THE MANAGEMENT BOARD

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

- Agnieszka Gujgo - Chairman of the Management Board

3.3. STATEMENT OF COMPLIANCE

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

Condensed interim financial statement was prepared in accordance with International Financial Reporting Standards ('IFRS') adopted by the International Accounting Standards Board and interpretations published by the International Financial Reporting Interpretations Committee ('IFRIC').

3.4. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

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

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

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

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

Application of new standards, changes to standards and interpretations.

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

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Impact of new and changed standards and interpretations.

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

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

IFRS 9 Financial instruments

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

Selected accounting policy

Valuation of financial assets and financial liabilities

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

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

Classification is made upon initial recognition of assets. Classification of debt financial assets depends on the business model of financial assets management as well as on contractual cash flow characteristics (test SPPI-Solely Payment of Principal and Interest) for each element of financial assets. Into the category of assets measured at amortised cost the Company classifies trade receivables, loans granted which passed the SPPI test on, other receivables and cash and cash equivalents.

Financial assets measured at amortised cost are valued in the amount of amortised cost using effective interest rate, taking into account write-offs due to impairment loss. Trade receivables 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:

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

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

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

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

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

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

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

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

To the group of liabilities measured at amortised cost are classified liabilities other than those measured at fair value through financial result (i.a. liabilities due to deliveries and services, credits and loans), except for:

- financial liabilities arising in case of transfer of financial assets which are not classified to derecognition,

- agreements on financial guarantees which are measured at higher amount from the following:

▶ value of the write-off for excepted credit losses settled according to IFRS 9

▶ 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.

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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

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comprehensive income. Profits (reversal of a write-off) due to reduction of value of expected credit loss are recognized in other operating revenues.

Functional currency and reporting currency.

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

The financial statements are presented in thousands of EURO.

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

These condensed interim financial statements comply with the International Financial Reporting Standards as adopted by the European Union, issued and binding as at the date of these financial statements, including the International Accounting Standard 34 'Interim Financial Reporting'. The condensed interim financial statements were approved for publication by the Company's Management Board on 10/01/2020. These condensed interim financial statements have not been audited or reviewed by an independent certified auditor. The most recent financial statement that was audited by an independent auditor is the financial statement for 2018.

**4. ADDITIONAL INFORMATION TO CONDENSED INTERIM FINANCIAL STATEMENT
(ADDITIONAL EXPLANATORY NOTES)**

4.1. INFORMATION ON SIGNIFICANT CHANGES IN ESTIMATES

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

Title	As at 01/01/2019	Created	Resolved	As at 30/09/2019
Deferred income tax	0	0	0	0
Assets due to deferred income tax	0	0	0	0
Impairment losses on financial assets, including:	930	0	930	0
- revaluation write-down of loans granted	930	0	0	0
Inventory write-down	0	0	0	0

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

Not applicable.

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

In 2019, no assets held for sale were identified.

4.4. CASH AND CASH EQUIVALENTS

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

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

CASH	30/09/2019 (unaudited)	31/12/2018 (audited)
Bank deposits (current accounts) and short-term deposits	0	7
Cash in hand	1	0
Cash disclosed in the balance sheet	0	7

4.5. LONG-TERM FINANCIAL ASSETS

LONG-TERM FINANCIAL ASSETS	30/09/2019 (unaudited)	31/12/2018 (audited)
a) in related entities	1 558	1 632
- shares	0	0
- loans granted	1 558	1 632
b) in other entities	0	0
- shares	0	0
- loans granted	0	0
Long-term financial assets, total	1 558	1 632

Long-term loans granted

Name of a company	Headquarter	Loan amount / loan according to the agreement in thous. EUR.		Loan principal / loan amount outstanding in thous. EUR.		Interest	Term of repayment	Collateral
		Currency	Currency	Currency	Currency			
ELKOP SE	Płock	1 541	EUR	1 558	EUR	WIBOR 1 M-C +4,5%	24/04/2021	blank promissory note + real estate mortgage

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4.6. SHORT-TERM INVESTMENTS

SHORT-TERM INVESTMENTS	30/09/2019 (unaudited)	31/12/2018 (audited)
1) in related parties	999	600
in subsidiaries	0	0
in the parent company	0	0
in associates	0	0
in other related entities	999	600
a) loans granted	999	600
- value adjustments (+/-)	0	0
- value at purchase price	0	600
in jointly controlled entities	0	0
2) in other entities	0	226
a) loans granted	0	226
- value adjustments (+/-)	0	-216
- value at purchase price	0	442
Total carrying amount	999	826

Loans granted

Name of a company	Headquarter	Loan amount / loan according to the agreement in thous. EUR.		Loan principal / loan amount outstanding in thous. EUR.		Interest	Term of repayment	Collateral
		currency	currency	currency	currency			
Patro Invest OU	Tallin	942	EUR	958	EUR	5 %	31.03.2016	own blank promissory note

Due to the difference that does not affect the fair presentation of the financial position, short-term loans in these interim condensed financial statements have not been measured at the adjusted acquisition price, but in a simplified manner, i.e. by accruing interest due for the reporting period.

4.7. ACTIVITIES DURING DISCONTINUATION

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

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4.8 NET REVENUES FROM SALE OF PRODUCTS

NET REVENUES FROM SALE OF PRODUCTS (BY CATEGORY - TYPES OF ACTIVITY)	nine months ended on September 30, 2019 (unaudited)	nine months ended on September 30, 2018 (unaudited)
Revenues due to interest from investment activity (interest on loans granted)	163	136
Sale of goods	0	0
Net revenues from sale of products, total	163	136

NET REVENUES FROM SALE OF PRODUCTS (BY TERRITORY)	nine months ended on September 30, 2019 (unaudited)	nine months ended on September 30, 2018 (unaudited)
a) homeland	163	136
b) export	0	0
Net revenues from sale of products, total	163	136

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

4.9 OTHER OPERATING REVENUES

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

4.10. OTHER OPERATING COSTS

OTHER OPERATING COSTS	nine months ended on September 30, 2019 (unaudited)	nine months ended on September 30, 2018 (unaudited)
a) created reserves (due to)	0	0
b) revaluation of assets	0	0
c) loss due to sale of non-financial fixed assets	0	0
d) other, including:	342	69
- costs of receivables' enforcement	0	0
- other	342	69
Other operating costs, total	342	69

4.11. FINANCIAL REVENUES FROM INTEREST

FINANCIAL REVENUES FROM INTEREST	nine months ended on September 30, 2019 (unaudited)	nine months ended on September 30, 2018 (unaudited)
a) other interest	0	3
- from related entities	0	0
- from other entities	0	3
Financial revenues from interest, total	0	3

4.12. OTHER FINANCIAL REVENUES

OTHER FINANCIAL REVENUES	nine months ended on September 30, 2019 (unaudited)	nine months ended on September 30, 2018 (unaudited)
a) positive exchange differences	0	0
b) profit due to sale of financial assets	0	0
c) other, including:	215	0
Other financial revenues, total	215	0
REVENUES DUE TO REVALUATION OF INVESTMENTS	nine months ended on September 30, 2019 (unaudited)	nine months ended on September 30, 2018 (unaudited)
a) valuation of financial instruments	0	0
b) reversal of revaluation write-offs of financial assets	0	0
Revenues due to revaluation of investments, total	0	0

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4.13. FINANCIAL COSTS

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

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

4.14. INCOME TAX

The main components of the tax burden are as follows:

INCOME TAX REFERRED TO FINANCIAL RESULTS	since 01/01/2019 till 30/09/2019 nine months current year (unaudited)	since 01/01/2018 till 30/09/2018 nine months the previous year (unaudited)
Current tax	0	0
Deferred tax	-5	2
Income tax disclosed in the income statement	-5	2

INCOME TAX REFERRED TO OTHER COMPREHENSIVE INCOME	since 01/01/2019 till 30/09/2019 nine months current year (unaudited)	since 01/01/2018 till 30/09/2018 nine months the previous year (unaudited)
Current tax	0	0
Deferred tax	0	0
Total	0	0

4.15. SHORT-TERM RECEIVABLES

Short- term receivables	30th.09.2019r. (unadited)	31st.12.2018r. (adited)
Trade receivables	0	0
Public receivables (except income tax)	0	31
Other receivables	1	0
Short- term receivables nett	1	31
Write-downs updating the value of receivables	0	0
Gross short- term receivables	1	31

4.16. SUPPLY AND SERVICE LIABILITIES AND OTHER LIABILITIES

Short- term liabilities:	30th.09.2019r. (unadited)	31st.12.2018r. (adited)
Short- term liabilities, including:	1	6
Liabilities to related parties	0	0
- for supplies and services	0	0
Liabilities to other parties	1	2
- for supplies and services	1	2
- for taxes, duties, insurance and other benefits	0	0
- for remuneration	0	0
- other	0	0
Deferred income	0	0
Short- term liabilities in total	1	2

Terms and conditions of payment of the above financial obligations:

Liabilities due to deliveries and services are interest-free and usually settled within 7-60 days.

Other liabilities are interest-free, with an average payment period of 1 month.

4.17. BASIC CAPITAL

Series designation	Types of stock	Number of stocks	Series value according to stock nominal value
	Stocks registered without nominal value	9 000 000	3 240 000,00 EURO
TOTAL		9 000 000	3 240 000,00 EURO

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4.18. PROFIT/ LOSS PER ONE STOCK

	9 months ended on 30th.09.2019 (unadited)	9 months ended on 30th.09.2018 (adited)
Profit/ loss net	165	5
The weighted average number of ordinary shares used to calculate the profit per ordinary share	9 000 000	9 000 000
Weighted average number of ordinary shares used to calculate diluted earnings per ordinary share	9 000 000	9 000 000
Basic profit/loss per one stock from basic profit for the period	0,02	0
Diluted earnings / loss per share from basic earnings for the period	0,02	0

4.19. MERGERS OF ECONOMIC UNITS AND ACQUISITION OF MINORITY SHARES

On February 26, 2018 The Registry Court registered the merger of the Issuer previously operating as a joint-stock company under Polish law, under the name INVESTMENT FRIENDS SPÓŁKA AKCYJNA headquartered in Plock at Padlewskiego 18C street, Poland, entered into the Register of Entrepreneurs of the National Court Register kept by the District Court for the Capital City of Warsaw in Warsaw, 14th Commercial Department under the number KRS 0000143579, NIP 8291635137, REGON 730353650, with the company INVESTMENT FRIENDS1 Polska Akciová společnost headquartered in Ostrava : Poděbradova 2738/16, Moravská Ostrava, 702 00 Ostrava, Czech Republic entered in the commercial register kept by the District Court in Ostrava, section B under number 10979, identification number 06502873. Hereinafter: Acquired Company. As a result of registration by the District Court for the Capital City of Warsaw in Warsaw the merger, the Issuer took the legal form of a European Company and currently operates under the company INVESTMENT FRIENDS SE headquartered in Plock at Padlewskiego 18C street, Poland, entered into the Register of Entrepreneurs of the National Court Register kept by the District Court for the capital city of Warsaw in Warsaw, XIV Economic Department under the number KRS 0000720290.

The merger took place on the conditions set out in the Merger Plan of November 30th, 2017.

The merger took place through the acquisition by INVESTMENT FRIENDS S.A. of INVESTMENT FRIENDS 1 Polska Akciová společnost, in accordance with the provisions of Article 2 paragraph 1 in connection with Article 17 paragraph 2 letter and 18 of the Council Regulation No. 2157/2001 of October 8, 2001 on the statute of the European company SE of October 8, 2001. Journal of Laws EU No. 294, p. 1 henceforth: SE Regulation. The merger was accepted by The

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General Meeting of the Issuer on January 3rd 2018 under a resolution of the General Meeting number 9, made publicly known by current report ESPI number 2/2018 on January 3rd 2018r.

As of balance sheet date 31.12.2018 Investment Friends SE does not have subsidiaries and does not form its own capital group.

According to the Best Knowledge of the Management Board, the dominant direct shareholder is Patro Invest O- headquartered in Tallinn, which held 34.41% of capital's share's share, and a 34.41% share of votes at the General Meeting of the Issuer.

4.20. DESCRIPTION OF THE ISSUER'S MATERIAL ACHIEVEMENTS OR FAILURES DURING THE PERIOD COVERED BY THE INTERIM FINANCIAL REPORT, TOGETHER WITH A LIST OF KEY EVENTS

- on January 2, 2019, the Issuer provided the decision to make the choice of the Home State by the current report number 2/2019 given to a public information.

Investment Friends SE has announced that, in accordance with Article 10(1) of Regulation (EC) No 1250/2003, the company has informed the Commission, that it would not be able to comply 2 of Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 , as amended by Directive 2013/50/EU of the European Parliament and of the Council of 22 October 2013 and § 1844 paragraph 1. 1 Estonian Securities Market Act that selects a Contracting State as the Home State of the Republic of Estonia. Therefore, the Republic of Poland is a Contracting Host State. Investment Friends SE, was registered in the Estonian Commercial Register on the November 30th 2018 under the registration number: 14617862 headquartered in Harju county, Tallinn, City Centre district, Narva Road 5, 10117, Estonia.

- on February 2, 2019 with a current report number 4/2019 The Issuer has published information about the repayment of part of the loan capital by the Borrower.

The Management Board of Investment Friends SE, headquartered in Tallinn, in reference to the current report number 67/2017 of October 26th 2017 and the current report number 43/2018 of October 5th 2018, announced that on 01.02.2019 the Borrower Patro Invest Sp. z o.o. made early repayment of part of the loan capital in the amount of 300,000.00 PLN.

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

- on March 8, 2019, The Issuer has published a communication on the convening of the Extraordinary General Meeting of Shareholders.

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

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

- on March 15, 2019, the Issuer published information on the signing of the annex to the Loan Agreement by current report number 7/2019.

The Board of Investment Friends SE announced that on March 15th 2019 signed the Annex to the Loan Agreement concluded in 26.10.2017. PATRO INVEST Sp. z o. o., which the Company announced in the current report mode ESPI number 67/2017 of 26 October 2017. By the Annex of 15.03.2019, the amount of the loan was increased by PLN 400,000.00 (four hundred thousand zlotys). The additional amount of the loan was paid into the account of Patro Invest Sp. z o. o. on the date of signature of the annex dated on March 15th 2019. Following the signing of the annex on 15.03.2019, the total amount of the loan paid to Patro Invest Sp. z o. o. is 2,600,000.00 PLN (two million six hundred thousand PLN). The interest rate on the loan amount was set at 5.2 % per year. Interest will be paid with the repayment of the loan amount. The repayment of the loan was secured by the Borrower by issuing a promissory note in Blanco together with a declaration in favour of the Issuer. The contract was not concluded subject to a condition or time limit. The Issuer shall be entitled to request the repayment of the entire amount of the loan immediately in the event of the poor financial condition of the Borrower. The Issuer also reported that there are partnerships between the Issuer and PATRO INVEST Sp. z o. o. The Chairman of the Board of PATRO INVEST Sp. z o. o. simultaneously serves in the Supervisory Board of the Issuer.

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

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

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

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

- on April 1, 2019, the Issuer published information on the signature of the preliminary assignment agreement.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Management Board of Investment Friends SE informed that on 30/04/2019 the Agreement of auditing of the Company of 2018 was terminated. It was concluded by the Issuer with the Grupa Gumułka – Audyt limited liability company Sp. with registered Office in Katowice at Matejki Jana Street 4 Department in Warsaw, entered on the list of entities authorized to audit financial statements under number 3975, about of conclusion of which the Management Board informed in current report number 40/2018 of 04/07/2018.

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

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

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

The Management Board of Investment Friends SE informed that on 14/05/2019 it signed the Annex of Loan agreement concluded on 26/10/2017 with PATRO INVEST Sp. z o.o. in Płock, about signing which, the Company informed in the current report ESPI no. 67/2017 of October

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26, 2017. By virtue of the Annex of 14/05/2019 value of the Loan was increased by PLN 250 000,00. The additional Loan amount was paid to the Patro Invest Sp. z o.o. Company's account on the date of signing the annex i.e. 14/05/2019. Due to the signing of the annex on 14/05/2019 the total value of the Loan paid to the Patro Invest Sp. z o.o. Company is PLN 3 650 000,00.

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

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

The Management Board of Investment Friends SE informed that on 23/05/2019 it signed annex to Loan Agreement concluded on 26/10/2017 with z PATRO INVEST Sp. z o.o. in Płock, about signing which, the Company informed in the current report ESPI nr 67/2017 of October 26, 2017. By virtue of the Annex of 23/05/2019 value of the Loan was increased by PLN 250 000,00. The additional Loan amount was paid to Patro Invest Sp. z o.o. Company's account on the date of signing the annex i.e. 23/05/2019. Due to the signing of the annex on 23.05.2019 the total value of the Loan paid to the Patro Invest Sp. z o.o. is PLN 3 900 000,00.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The interest rate of the Loan was set at 5,00 % per year. The interest will be paid together with the refund of the Loan. Repayment of the Loan was secured by the Borrower by issuing the blank promissory note and declaration to the Issuer. The Agreement has been not concluded with reservation of the condition or time limit. The Issuer is entitled to demand full refund of the Loan, immediately in a case of a poor financial situation of the Borrower.

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

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

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

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

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

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

The Management Board of Investment Friends SE, in reference to the current report no. 33/2019 of 17/06/2019, informed that on 18/06/2019 it signed Annex of the Loan Agreement

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concluded on 17/06/2019 with Patro Invest OÜ register no. 14381342, Harju maakond, Tallinn, Kesklinna linnaosa, Tornimäe tn 5, 10145.

By virtue of the annex of 18/06/2019 the loan amount was increased by PLN 2 650 000,00 (two million six hundred fifty thousand). The additional loan amount was paid to the Patro Invest OÜ Company's account on the day of signing the annex i.e. 18/06/2019. Due to signing the annex on 18/06/2019, total amount of the Loan paid to Patro Invest OÜ amounting to PLN 4 050 000,00 (four million fifty thousand zlotys) The interest rate of the Loan was set at 5,00 % per year. The interest will be paid together with the refund of the Loan. Repayment of the Loan was secured by the Borrower by issuing the blank promissory note and declaration to the Issuer. The Agreement has been not concluded with reservation of the condition or time limit. The Issuer is entitled to demand full refund of the Loan, immediately in a case of a poor financial situation of the Borrower.

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

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

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

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

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

At the same time the Issuer informed that hitherto it has not agreed to the above-mentioned

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debt assumption and therefore responsibility towards the Issuer in virtue of Loan Agreement of 24/04/2018 burden with joint liability the FON Zarządzanie nieruchomościami with registered office in Płocku and Elkop SE with registered office in Płock. The Issuer indicates that all granted to the Company securities in virtue of Loan Agreement of 24/04/2018 remain valid.

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

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

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

Agenda of the Extraordinary General Meeting included resolutions on:

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

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

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

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

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

- on September 18, 2019 in the current report no. 40/2019 the Issuer published an information regarding conclusion of an Annex to the Loan Agreement.

The Management Board of Investment Friends SE headquartered in Tallinn, with regard to the current report no. 33/2019 of 17/06.2019 and the current report no. 35/2019 of 18/06/2019, informed that on 18/09/2019 the Issuer concluded an Annex to the loan agreement of 17/06/2019 with Patro Invest OÜ.

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Under provisions of the Annex of 18/09/2019 the amount of the loan was increased by PLN 70.000,00 (seventy thousand zlotys). Additional amount of the loan was paid to the bank account of Patro Invest OÜ at the date of the annex signing, i.e. 18/09/2019. Therefore, the total amount of the loan that have been paid to Patro Invest OÜ is PLN 4.120.000,00 (four million one hundred twenty thousand zlotys). Established interest rate for the loan is 5,0% per year. Interest shall be paid along with repayment of the loan amount. Repayment of the loan is secured by the Borrower by issuance of a blank promissory note and a promissory note declaration for the Issuer. The agreement has no reservations concerning any conditions or deadlines. The Issuer is entitled to demand repayment of the total amount of the loan in case of unstable financial situation of the Borrower.

Events after the reporting period i.e. after 30/09/2019.

- on November 4, 2019 the Issuer published the annual report - annual statements for 2018 along with the Auditor's opinion on performed audit of the statements.
- on November 15, 2019 in the current report no 41/2019 the Issuer published an information about convening of the Ordinary General Meeting for 9/12/2019.
- on December 9, 2019 in the current report no 42/2019 the Issuer published the announcement informing that on this day at 10:00 in Płock on Padlewskiego Street 18C, 09-402 the Ordinary General Meeting of Shareholders of INVESTMENT FRIENDS SE was held. There was present only one Shareholder Patro Invest OÜ headquartered in Tallinn, holding 3.077.250 shares, representing 34.19% of the share capital of INVESTMENT FRIENDS SE. Therefore the resolutions included in the agenda could not be adopted because the minimum quorum amounts to 50% of the share capital.

Therefore, in the near future, the Management Board will convene another General Meeting of Shareholders, which will be held regardless of the number of shares represented on it.

- on December 11, 2019 in the current report no 43/2019 the Issuer published an information that the Company agreed to take over the debt of FON Zarządzanie Nieruchomościami Sp. z o.o. as at 27/06/2019 towards Investment Friends SE due to the cash loan granted on 24/04/2018 in the total amount of PLN 6.957.600,00 zł (six million nine hundred fifty-seven thousand six hundred) and the balance of debt under the described loan as at 27/06/2019 was PLN 6.736.416,63 in total (six million seven hundred thirty six thousand four hundred sixteen 63/100) by ELKOP Spółka Europejska (KRS No. 0000782225).

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- on December 17, 2019 in the current report no 44/2019 the Issuer published an information about convening of the Ordinary General Meeting for 8/01/2020.

- on December 21, 2019 in the current report no. 45/2019 the Issuer published an information that on 20/12/2019 they received the information from Hansa Audit osaühing based in Tallinn about the termination of the contract for audit services concluded on 30/09/2019 due to personal reasons of the Auditor.

The Issuer will inform in a separate report about the conclusion of the contract with the new auditor.

- on January 8, 2020 in the current report no. 1/2020 the Issuer published the Protocol of the General Meeting of Shareholders.

The agenda of the Ordinary General Meeting of Shareholders included the following resolutions:

1.Election of the Chair and the Recorder of the Meeting.

2.Approval of the Company's Financial Statement for 2018, i.e. for the period since 01/01/2018 to 31/12/2018.

The Ordinary General Meeting of Shareholders decided to approve the Financial Statement of Investment Friends SE for the period since 01/01/2018 until 31/12/2018 which consists of:

- Separate financial statement prepared as at 31/12/2018, with total assets and liabilities amounted to EUR 2 496 thousand (two million four hundred ninety-six thousand euros);

- Separate profit and loss account for the financial year since 01/01/2018 to 31/12/2018 showing the net profit of EUR 8 thousand (eight thousand euros);

- Separate statement of changes in equity for the financial year since 01/01/2018 to 31/12/2018 showing a decrease in equity of EURO 66 thousand (sixty six thousand euros);

- Separate statement of cash flows for the financial year since 01/01/2018 to 31/12/2018 showing a decrease in cash by EURO 132 thousand (one hundred thirty-two thousand euros);

- Corporate governance report;

- Report of Management Board;

- Auditor's report.

3.Allocation of the net profit for the period since 01/01/2018 to 31/12/2018 to supplementary capital.

Establish that the company's net profit for the period since 01/01/2018 to 31/12/2018 in the amount of EURO 8 thousand eight thousand euros) will be allocated to supplementary capital.

4.Approval of the Company's Supervisory Board Report for 2018

The Ordinary General Meeting approves the Company's Supervisory Board Report on its operations in 2018 and the Company's Supervisory Board's written report approving the

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financial statements for 2018 prepared by the Company's Management Board.

The Management Board of Investment Friends SE publishes the full text of the protocol of the Ordinary General Meeting of Shareholders held on 8/01/2020 as an attachment to this report.

- on January 8, 2020 in the current report no 2/2020 the Issuer published the information about a Statement issued by the National Depository of Securities S.A. on conditional registration of shares.

On 8/01/2020 the Management Board of Investment Friends SE became aware of the issue of a Statement by the National Depository of Securities S.A. No. 9/2020 of 8/01/2020 regarding the conditional registration of up to 1.184.549 ordinary registered shares of Investment Friends SE Company under the ISIN code EE3100143033.

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

During the reporting period, there were not any atypical factors and events having significant influence on achieved financial results. All significant events, including process of merger and adopting the legal form of European Company by the Issuer, was indicated in point 4.22 of this interim financial statement.

4.22. EXPLANATIONS ON THE SEASONALITY OR CYCLICALITY OF ACTIVITIES

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

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

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

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

In the period covered by financial statement, there were not made any revaluation write-offs of receivables value from loans granted .

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

Detailed information on creating, increasing, exploiting and releasing of reserves are presented in point 4.1 of this interim financial statement.

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

As at the balance sheet date, the Company did not create deferred income tax assets and did not create a deferred income tax provision.

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

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

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

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

4.29. INDICATION SIGNIFICANT PROCEEDINGS PENDING ON COURT, COMPETENT FOR PROCEEDING ARBITRATION OR PUBLIC ADMINISTRATIVE ORGAN, CONCERNING LIABILITIES AND LIABILITIES OF THE ISSUER OR ITS SUBSIDIARY, WITH INDICATION OF SUBJECT MATTER OF LEGAL PROCEEDING, VALUE OF THE MATTER OF PROCEEDING, PARTIES TO PROCEEDINGS, DATE OF INITIATION OF A PROCEEDING AND STATEMENT OF THE ISSUER.

The Company did not have any new significant court and administrative cases in 2019.

4.30. INDICATION OF CORRECTIONS OF ERRORS FROM THE PREVIOUS PERIODS

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

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

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

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

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

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

- a) **name (company name) of the entity to which sureties or guarantees have been granted,**
- b) **the total amount of loans or borrowings, which in whole or in a certain part has been properly guaranteed or stood surety,**
- c) **the period for which the sureties or guarantees were granted,**
- d) **financial conditions on which the sureties or guarantees were granted with an indication of the remuneration of the Issuer or its subsidiary for granting sureties or guarantees,**
- e) **the nature of the relationship between the Issuer and the entity that has the loans or borrowings,**

The Issuer did not grant any sureties or guarantees. Loans granted by Investment Friends SE are presented in sections 4.5 and 4.6 of this report.

4.34. INFORMATION ON THE CONCLUSION BY THE ISSUER OR ITS SUBSIDIARY OF ONE OR MORE TRANSACTIONS WITH RELATED ENTITIES IF INDIVIDUALLY OR JOINTLY THEY ARE SIGNIFICANT AND WERE CONCLUDED ON OTHER THAN MARKET CONDITIONS

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

TRANSACTIONS WITH RELATED ENTITIES FOR THE PERIOD ENDED 30/09/2019	Sale of products, goods and materials to related entities	Purchases from related parties	Loans and interest receivable from related parties	Trade and other liabilities at the end of the period to related parties
PATRO INVEST OU	0	0	958	0
ATLANTIS SE	0	0	0	0
ELKOP S.A.	0	0	1 558	0
FON SE	0	0	0	0
FON Zarządzanie Nieruchomościami Sp. z o.o.	0	0	0	0

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

Management Board:

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

Supervisory Board:

Małgorzata Patrowicz -Secretary of the Supervisory Board - performs the function of Member of the Supervisory Boards in entities : Investment Friends SE, Investment Friends Capital SE, ELKOP SE, Atlantis SE, Damf Inwestycje S.A, FON SE. She performs the function of Chairman of the Management Board of: IFEA Sp. z.o.o, Patro Inwestycje UU, PATRO INVEST Sp. z.o.o. and Member of the Supervisory Board of IFERIA S.A.

Anna Kajkowska - the Member of the Supervisory Board - the Vice President of the Management Board in ELKOP SE

Wojciech Hetkowski - the Member of the Supervisory Board in public companies: ELKOP S.A., Atlantis SE, Resbud SE, FON SE, Investment Friends Capital SE, Investment Friends SE, Damf Inwestycje S.A.

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

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Management Board and Supervisory Board remuneration

Management Board and Supervisory Board remuneration	Nine months ended 30/09/2018 (unaudited)	Twelve months ended 31/12/2018 (audited)
Supervising persons – the Member of the Supervisory Board	0	6
Managing persons	0	58

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

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

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

4.36. FINANCIAL INSTRUMENTS

Information about financial instruments

30/09/2019

Classes of financial instruments	Fair value through comprehensive income	Fair value through financial result	Amortized Cost	Total
Total financial assets				
Shares in carrying amount				
- <i>The valuation value included in the profit and loss account</i>				
- <i>The valuation value recognized in the revaluation capital</i>				
- <i>Value at the purchase price</i>				
Debt securities				
Loans granted	-	2 557	-	2 557

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

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

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

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

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

	30/09/2019 (unaudited)	Level 1	Level 2	Level 3
Shares listed on the WSE and NC	-	-	-	-
Unlisted shares	-	-	-	-
Financial assets measured at fair value	-	-	-	-
Financial liabilities measured at fair value	-	-	-	-

	30/09/2018 (unaudited)	Level 1	Level 2	Level 3
Shares listed on the WSE and NC	-	-	-	-
Unlisted shares	-	-	-	-
Financial assets measured at fair value	-	-	-	-
Financial liabilities measured at fair value	-	-	-	-

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

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

As at 30/09/2019 the Company does not have any financial instruments measured at fair value.

Objectives and principles of financial risk management

The objectives and principles of financial risk management are described in annual report for 2018 published on 4/11/2019. There were no changes as compared to the objectives and principles of risk management described in the report for 2018.

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

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

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

4.37 INFORMATION ON A CHANGE OF THE CLASSIFICATION OF FINANCIAL ASSETS AS A RESULT OF A CHANGE OF THE PURPOSE OR USE OF THOSE ASSETS

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

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

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

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

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

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

Until the date of preparation of the financial statements for the reporting period, i.e. until 30/09/2019 no other significant events occurred that were not, but should be included in the accounting books of the reporting period. The list of events that occurred after the reporting period is presented in item 4.20 of this interim report.

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

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

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

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

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

In the opinion of the Management Board as at the day of preparing the interim financial statements, the financial position of the Company is stable. The Issuer does not have any significant liabilities and its cost rationalization policy limits the occurrence of events that may disturb the Company's financial liquidity. According to the Issuer, apart from the events specified in point 4.23 of this report, there were no other factors and events that could significantly affect the assessment and change of the Company's property and financial standing as well as the possibility of meeting obligations. As the main activity of the Company is financial (loan) service activities, an important factor affecting the financial results is also the correct handling of contractual obligations by Borrowers.

Selected profitability ratios of Investment Friends SE:

Profitability indicators	Calculation method	30/09/2019	31/12/2018
Net profitability	Net profit, net loss / sales revenues	1,012	0,04
Return on assets (ROA)	Net profit, net loss / assets	0,064	0,003
Return on equity (ROE)	Net profit, net loss / equity	0,065	0,003

Selected liquidity and debt ratios of Investment Friends SE:

Liquidity ratios	Calculation method	30/19/2019	31/12/2018
Current liquidity ratio	Current assets / short-term liabilities	1,002	9,09
Total debt ratio	Total liabilities / total assets	0,018	0,038
Debt to equity ratio	Total liabilities / equity	0,019	0,04

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

Financial data	30/09/2019	31/12/2018
Net revenues from sales	163	181
Gross profit (loss) on sales	163	181
Profit (loss) from operating activity	-55	0
Depreciation	0	8
Net profit (loss)	165	8

4.44. INFORMATION ON OPERATING SEGMENTS

In accordance with the requirements of IFRS 8, operating segments should be identified based on internal reports on those elements of the Company that are regularly verified by persons deciding on the allocation of resources to a given segment and assessing its financial results. The Company conducts homogeneous activity consisting in rendering other financial services. The Management Board did not identify operating segments in the Company.

Geographical information

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

for nine months of 2019

GEOGRAPHICAL AREA FOR FINANCIAL ACTIVITIES	REVENUE FROM EXTERNAL CUSTOMERS	FIXED ASSETS
PŁOCK	298	0
Total for financial activities	298	0

for 2018

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

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5. OTHER INFORMATION (ADDITIONAL INFORMATION TO THE INTERIM REPORT)

5.1. SELECTED FINANCIAL DATA CONTAINING BASIC ITEMS OF THE CONDENSED FINANCIAL STATEMENTS (ALSO CONVERTED INTO EURO)

	Eleven months ended 30/19/2019 EUR	Twelve months ended 31/12/2018 EUR
Revenues from the sale of products, goods and materials	163	181
Profit (loss) from operating activity	-55	34
Pre-tax profit (loss)	160	8
Net profit (loss)	165	8
Net cash flow from operating activities	-424	148
Net cash flow from investing activities	417	-23
Net cash flow from financial activities	0	0
Change in cash and cash equivalents	-6	-132
Total assets	2560	2 496
Long-term liabilities	46	0
Short-term liabilities	1	95
Equity	2 513	2 401
Share capital	3 240	3 240
Weighted average diluted number of shares (in pcs.)	9 000 000	9 000 000
Profit (loss) per share (in EURO)	0,02	-0,001
Book value per one share (in EURO)	0,28	0,29

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

The above information has been indicated in point 4.22 of these interim financial statements.

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

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

All significant events in the reporting period and after the balance sheet date have been indicated in item 4.22 of these interim financial statements.

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

As at the date of publication of this periodic report Investment Friends SE does not have subsidiaries and does not form a capital group within the meaning of accounting regulations. In order to achieve the status of a European Company on 26/02/2018. the Registry Court registered the merger of the Issuer previously operating as a joint-stock company under Polish law under the name INVESTMENT FRIENDS SPÓŁKA AKCYJNA with its registered office in Płock at Padlewskiego Street 18C, Poland, entered into the Register of Entrepreneurs of the National Court Register kept by the District Court for the Capital City of Warsaw in Warsaw, 14th Commercial Division under the number KRS 0000143579, NIP 8291635137, REGON 730353650, with the company INVESTMENT FRIENDS1 Polska Akciová společnost with its registered office in Ostrava : Poděbradova 2738/16, Moravská Ostrava, 702 00 Ostrava, Czech Republic entered in the commercial register kept by the District Court in Ostrava, section B under number 10979, identification number 06502873. Next: Acquired company. As a result of registration of the merger by the District Court for the Capital City of Warsaw in Warsaw the Issuer took the legal form of a European Company and currently operates under the company INVESTMENT FRIENDS SE with its registered office in Płock at Padlewskiego Street 18C, Poland, entered into

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the Register of Entrepreneurs of the National Court Register kept by the District Court for the Capital City of Warsaw in Warsaw, 14th Commercial Division, under KRS number 0000720290.

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

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

5.6. SIGNIFICANT SHARE PACKAGES IN ACCORDANCE WITH THE PROVISIONS OF § 9 THE SECURITIES MARKET ACT

To the best knowledge of the Management Board, as at the balance sheet date, i.e. 30/09/2019 the structure of direct and indirect shareholding holding at least 10% of the total number of votes at the General Meeting was as follows:

Direct shareholding structure as at 30/09/2019

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

Indirect shareholding structure as at 30/09/2019

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

To the best knowledge of the Management Board, as at the date of publication of this periodic report, i.e. 10/01/2019 the structure of direct and indirect shareholding holding at least 10% of the total number of votes at the General Meeting has not changed as compared to the balance sheet date on 30/09/2019.

5.7. STATEMENT OF THE STATE OF OWNERSHIP OF THE ISSUER'S SHARES OR RIGHTS TO THEM BY PERSONS MANAGING AND SUPERVISING THE ISSUER AS AT THE BALANCE SHEET DATE FOR THE NINE MONTHS OF 2019, I.E. AS AT 30/09/2019 TOGETHER WITH AN INDICATION OF CHANGES IN OWNERSHIP FROM THE DATE OF SUBMISSION OF THE PREVIOUS PERIODIC REPORT SEPARATELY FOR EACH OF THESE PEOPLE

The Management Board of the Issuer:

To the best of knowledge, the Management Board of Investment Friends SE, as at the balance sheet date 30/09/2019 and the date of submitting the periodic report the Management Board of Investment Friends SE does not own directly or indirectly the Issuer's shares.

The Supervisory Board of the Issuer:

To the best knowledge of the Management Board of Investment Friends SE the Members of the Supervisory Board as at the balance sheet date on 30/09/2019 and the date of submitting the periodic report does not directly or indirectly hold the Issuer's shares.

Note:

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

5.8. INDICATION OF SIGNIFICANT PROCEEDINGS PENDING IN COURT OR IN A COMPETENT ARBITRATION AUTHORITY OR BEFORE PUBLIC ADMINISTRATION BODY REGARDING OBLIGATIONS AND CLAIMS OF THE ISSUER OR ITS SUBSIDIARY, WITH AN INDICATION OF THE SUBJECT OF THE PROCEEDINGS, THE VALUE OF THE SUBJECT OF THE DISPUTE, THE DATE OF INITIATION OF PROCEEDINGS, PARTIES TO THE INITIATED PROCEEDINGS AND THE POSITION OF THE ISSUER

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

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

The Management Board of Investment Friends SE (formerly: Investment Friends S.A.) published via the current report 4/2018 on 16/01/2018 the Issuer's position in relation to the announcement of the Polish Financial Supervision Authority about the imposition of a fine on the Issuer.

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

In the content of the announcement from the meeting of the Polish Financial Supervision Authority of 16/01/2018 the Commission stated that the Company disclosing confidential information: about intended legal and organizational activities via current report 19/2014, acceptance of the intended organizational and legal changes by the Supervisory Board of the Company via current report 20/2014, conclusion of transactions as a result of negotiations undertaken on 4/04/2014 via current report 42/2014 and 43/2014 and on the planned purchase of own shares via current report 62/2014 the Company violated its information obligations set out in art. 56 section 1 of the Act on Public Offering. In addition, the Polish Financial Supervision Authority accused the Company of not fulfilling the obligation to provide information on the revaluation of the acquired shares of FLY.PL S.A. on 30/09/2014.

The Issuer's Management Board completely disagrees with the Polish Financial Supervision's decision. The Issuer's Management Board first of all indicates that the Company should not be the addressee of the decision as a result of the final division of the Company about which the Issuer informed via current report No. 5/2016 of 30/03/2016. The division of the Issuer was made pursuant to art. 529 § 1 point 4 of the Code of Commercial Companies by separating and transferring all the Issuer's assets to the Acquiring Company IFERIA S.A. excluding the Company's assets indicated in Annex 11 to the Division Plan of 15/05/2016. All rights and obligations as well as administrative and legal obligations pursuant to art. 531 § 1 of the Code of Commercial Companies were transferred to the Acquiring Company as a result of scope of division.

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

The Issuer announced that it intends to take steps provided for by law to revise the decision of the Polish Financial Supervision Authority.

- On 3/10/2019 the Polish Financial Supervision Authority announced the final decision repealing the Commission decision of 16/01/2018 imposing Investment Friends SA based in Płock (currently Investment Friends SE based in Estonia, hereinafter referred to as : "Investment") a financial penalty of PLN 400.000,00 in connection with violation of Art. 56 section 1 point 1 of the Act of 29 July 2005 on public offerings and conditions governing the introduction of financial instruments to organized trading and on public companies (Journal of Laws of 2013, item 1382, hereinafter: the "Act on Public Offering") and imposing a financial penalty on Investment of PLN 200.000,00 and discontinuing the proceedings in part.

The financial penalty set in the final decision was imposed for failure to comply with the information obligation specified in art. 56 section 1 point 1 of the Act on Public Offering, consisting of providing the Commission a company operating a regulated market and the public with confidential information regarding the revaluation of shares in FLY.PL S.A. in September 2014. However, the cancellation by the final decision of the proceedings related in part to a financial penalty imposed for improper performance of the disclosure obligations specified in art. 56 section 1 point 1 of the Act on Public Offering, consisting in the adoption and implementation of a development strategy from March 2014 and the purchase of own shares in July 2014.

During the re-examination of the legal case the Commission found that the allegations presented by Investment Friends SE in the re-examination request were unfounded and confirmed the circumstances of violations of the Act on Public Offering. However, the discontinuation of the proceedings was partly due to formal reasons.

5.9. INFORMATION ON THE CONCLUSION BY THE ISSUER OR ITS SUBSIDIARY OF ONE OR MORE TRANSACTIONS WITH RELATED ENTITIES, IF THEY WERE CONCLUDED

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ON TERMS OTHER THAN MARKET TERMS, TOGETHER WITH AN INDICATION OF THEIR VALUE, WHEREBY INFORMATION ON INDIVIDUAL TRANSACTIONS MAY BE GROUPED BY TYPE, EXCEPT WHEN INFORMATION ON INDIVIDUAL TRANSACTIONS IS NECESSARY TO UNDERSTAND THEIR IMPACT ON THE PROPERTY, FINANCIAL STANDING AND FINANCIAL RESULT OF THE ISSUER

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

All transactions, including with related entities, have been indicated in point 4.20 and point 4.34 of these interim financial statements.

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

In the reporting period described, the Company did not grant any material credit or loan sureties or guarantees. Loans granted by the Issuer as part of its operations have been indicated in point 4.20 and 4.5 of these interim financial statements.

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

In the reporting period for nine months of 2019, except for those indicated in point 4.22 of this report, in the opinion of the Management Board, there were no other significant events that could significantly affect the assessment and change of the Company's property and financial standing as well as the possibility of meeting obligations.

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

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

- the situation on the loan market
- the level of interest rates
- correct fulfillment of obligations by borrowers under loan agreements concluded
- the execution process and recovery of loans terminated if they occur
- the efficiency of procedures and administrative and legal proceedings in which the Issuer may be a possible participant or party,
 - opportunities to attract potential borrowers,
 - stock market situation on capital markets,
 - economic situation in Poland and the region,
 - availability of external financing sources,
 - cooperation with other financial entities,
 - implementation of the process of moving the Company's registered office to Estonia and the conditions of the Issuer's activity in a new location based on Estonian law

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

5.12.1. IMPORTANT RISK FACTORS AND THREATS

Credit risk

Credit risk is the risk of incurring the financial loss by the Company, in the situation, when the customer or other party to the contract do not fulfil a duty from the agreement. Credit risk relates to receivables. Exposure the Company to the credit risk is primarily a result of individual feature of each customer. The Company continuously monitors receivables. Due to the reduction in construction and assembly works, the level of credit risk has fallen significantly in recent months. The Company makes write-offs from impairment loss, which corresponding with estimated value of losses from receivables from deliveries and services, other receivables and investments. The aim of the credit policy is maintaining the financial liquidity ratios on the safe,

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high level, realization of liabilities from suppliers without delays and cost reduce connected with servicing bank liabilities. Reduction of using bank credits and connected with its financial costs are also the aim of Managing of liabilities and receivables from deliveries and costumers Policy. The aims of mentioned Policy are agreement on payment date, following the rules of realization the liabilities without the delay, using the trade credit.

Liquidity risk

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

Risk of shares price's fluctuations and limited liquidity

Immanent feature of market trading is the shares' price fluctuations and short-term fluctuations of turnover. It might result in possible sale or purchase of the qualifying holding of the Issuer's shares will relate to a necessity to accept significantly less favourable price than the reference price. The Issuer can not also exclude significant, temporary limitations of liquidity which may significantly hamper sales or purchase of the Issuer's shares,

Risk related to the Issuer's dependence on recipients

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

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

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

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exposed to responsibility from Ordinary General Meeting or criminal responsibility from the title of acting against the Company.

Risk connected to borrowed loan and granted warranty

There is a risk of lack of possibility to punctual repayment of loan, and therefore there is necessity of collaterals realization by the moneylender i.e. an entry in the mortgage register of the Company. The Company will make any efforts to limit indicated risk, but because of relevancy and organizational and legal complexity of changes, disadvantageous situations can not be excluded.

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

When moving the headquarters to Estonia, there is a risk related to the efficient adjustment of the Issuer's operations, both in organizational and legal terms, to the applicable laws in Estonia. The above changes may temporarily affect the Issuer's organizational efficiency and there may be a risk of potential mistakes and errors in the interpretation of local law, obligations incumbent on economic entities operating in Estonia, information obligations both local and related to further listing of shares on the WSE and their proper implementation by the Issuer.

Risk related to the shareholder structure

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

Risk related to the economic situation in Poland and Estonia.

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

Agnieszka Gujgo – Chairman of the
Management Board