



ANNUAL REPORT

INVESTMENT FRIENDS SE

AS AT JUNE 30, 2021

FOR THE PERIOD SINCE 01/07/2020 TILL 30/06/2021

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

TALLINN 8/10/2021

Investment Friends SE

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

Registry code: 14617862

Email: info@ifsa.pl

INVESTMENT FRIENDS SE GENERAL INFORMATION

Company's name: **INVESTMENT FRIENDS SE**

Registry code: 14617862

Address: Harju maakond, Tallinn, Kesklinna linnaosa, Tornimäe tn 5, 10145

E-mail: info@ifsa.pl

Website: www.ifsa.pl

Reporting period: 01/07/2020 - 30/06/2021

Auditor: Number RT OÜ, Eve Leppik, license no: 230

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I. SELECTED FINANCIAL DATA

Selected financial data	YEAR 01.07.2020 30.06.2021 in thous. EUR	YEAR 01.01.2019 30.06.2020 in thous. EUR
Revenues from interest	89	207
Profit (loss) from operating activity	71	225
Profit before income tax	66	190
Net profit (loss) for the period	66	190
Net cash flow on operating activity	30	-58
Net cash flow on investment activity	0	58
Change in cash and cash equivalents	30	0
Assets total	2 629	2 573
Short-term liabilities	49	49
Equity	2 580	2 524
Share capital	900	3 240
Weighted average diluted number of shares (in pcs.)	9 000 000	9 000 000
Profit (loss) on continuing activity per share (EUR)	0,00	0,03
Profit (loss) per share (EUR)	0,00	0,03
Book value per share (EUR)	0,29	0,28

II. GENERAL INFORMATION

Share capital of the Company:

Share capital of the Company amounts to EUR 900 000 and is divided into 9,000,000 shares with no par value.

Composition of the Supervisory Board

Wojciech Hetkowski
Jacek Koralewski
Małgorzata Patrowicz
Anna Kajkowska

Composition of the Management Board

Agnieszka Gujgo – Chairman of the Management Board

III. LETTER OF THE MANAGEMENT BOARD

I am pleased to present you the Activity Report and the financial statements of Investment Friends SE for the financial year from 01/07/2020 till 30/06/2021.

This period was for the Company a period of continuation of activities in the area of financial service activities, i.e. lending activities, which constitute the main part of the revenues generated by the Company. In this reporting period, the Management Board maintained the cost optimization process, and, in the opinion of the Management Board, the Company's situation is stable and there is no risk of liquidity loss or threat to the business continuity.

The main strategic goals of the Company for the next years are to stabilize the position of the Company in the areas where Investment Friends SE already provides its financial services, striving to meet the ever-growing requirements of clients and achieving positive financial results that will meet the expectations of our Shareholders.

I invite you to familiarize with this Report. At the same time, I would like to thank all the Shareholders for the trust they have placed in the Company by investing in its shares and all the Contractors wishing for further, mutually fruitful cooperation.

*Agnieszka Gujgo
Chairman of the Management Board*

IV. REPORT OF THE MANAGEMENT BOARD

The main areas of activity, product and services

The Company's main activity is financial activity, including loan service activities. The Company conducts homogeneous activity consisting of providing other financial services. In the reporting period, a decisive role in the structure of revenues obtained by the Company is occupied by interest.

In the foreseeable future, the Company is going to continue its lending activities.

List of the most important events in the reporting period

Information on increasing the volume shares held.

The Management Board announced that on 09/10/2020, it received from the company's shareholder, i.e. PATRO INVEST OÜ, in compliance with the obligation specified in § 185 of the Estonian Securities Market Act, a notification about the direct increase in the volume of shares in Investment Friends SE.

The Patro Invest OÜ informed that as of October 9, 2020 he held 4.777.950 shares of the Company, which constitutes 53,09 % of the share capital of the Company and entitles to cast 4.777.950 votes constituting 53,09 % of the total number of votes at the General Meeting of the Company.

Registration of amendments to the Articles of Association

On December 28, 2020 the Commercial Companies Register (Ariregister) has registered the amendments to the Articles of Association

In this regard, the current wording of point 4.8 of the Company's Articles of Association is as follows:

„4.8 Shareholders can not vote before the general meeting in accordance with § 298² of the Commercial Companies Code.”

Furthermore, the Commercial Companies Register recorded the Increase of the Company's share capital through a bonus issue by increasing the nominal value of shares held by shareholders by EUR 4 860 000 from EUR 3 240 000 to EUR 8 100 000.

Information on increasing the shareholding

On June 7, 2021, the Management Board announced that it had received from Damar Patro UÜ -, in compliance with the obligation specified in § 185 of the Estonian Securities Market Act, a notification of a direct increase in shareholding in Investment Friends SE.

The notifier informed that as at 01/06/2021 he owns 1.499.600 of Company's shares, which constitutes 16,66 % of the Company's share capital and entitles to cast 1.499.600 votes, constituting 16,66 % of the total number of votes at the General Meeting of the Company.

Registration of amendments to the Articles of Association

On June 29, 2021, the Commercial Companies Register (Ariregister) registered an amendment to the articles of association. Therefore, the current wording of point 2.1 of the Company's Articles of Association is as follows:

„The minimum amount of the share capital of the Company is EUR 900 000 and the maximum amount of the share capital is EUR 3 600 000 .The share capital of Investment Friends SE is EUR 900 000.

The current number of shares issued by the Company is 9 000 000 .

Selected indicators of Investment Friends SE:

RATIO	YEAR ended on 30.06.2021	YER ended on 30.06.2020
EBITDA	66	190
ROA	0,025	0,074
ROE	0.026	0,075

EBITDA- earnings before interest, taxes, depreciation and amortization

ROA – return on assets, net profit of the Company to value of the assets (net profit/value of assets)

ROE – return on equity, net profit of the Company to equity (net profit/equity)

Qualifying holding pursuant to the provisions of § 9 of the Securities Market Act.

The table below presents shareholders holding 5% or more of voting rights at the General Meeting as at 30.06.2020, based on the statements received by the Company under applicable laws.

No.	Shareholder	Number of shares	% of shares	Number of votes	% of votes
1	PATRO INVEST OÜ (indirectly Damian Patrowicz)	3 077 250	34.19	3 077 250	34.19
2	Others	5 922 750	65.81	5 922 750	65.81
X	total	9 000 000	100	9 000 000	100

The table below presents shareholders holding 5% or more of voting rights at the General Meeting as at 30.06.2021, based on the statements received by the Company under applicable laws.

No.	Shareholder	Number of shares	% of shares	Number of votes	% of votes
1	PATRO INVEST OÜ (indirectly Damian Patrowicz)	4 777 950	53,09	4 777 950	53,09
2	Damar Patro UÜ	1 499 600	16,66	1 499 600	16,66
3	Others	2 722 450	30,25	2 722 450	30,25
X	total	9 000 000	100	9 000 000	100

Shareholding structure as at the date of publication the report

No.	Shareholder	Number of shares	% of shares	Number of votes	% of votes
1	PATRO INVEST OÜ (indirectly Damian Patrowicz)	6 077 015	67,52	6 077 015	67,52
2	Others	2 922 985	32,48	2 922 985	32,48
X	total	9 000 000	100	9 000 000	100

Members of the Management Board

As at the balance sheet date and the date of publication of the periodical report, members of the Management Board do not hold directly or indirectly shares of the Company.

Members of the Supervisory Board

As at the balance sheet date and the date of publication of the periodical report, members of the Supervisory Board do not hold directly or indirectly shares of the Company.

Authorization of the members of the management board of the company been entitled to issue or buy back shares.

In the period since 01/07/2020 till 30/06/2021 the Management Board of the Company have not been entitled to issue or buy back shares.

Provisions and rules for the election, appointment, resignation and removal of the members of the management board of the company established by legislation.

There are general rules for the selection, appointment, resignation and dismissal of board members of the management board of a company established by the Estonian Commercial Code, in particular § 308, § 309 and others. Section V of the Company's Articles of Association contains

principles similar to the general rules of the Commercial Code. The information on the description of management and supervisory bodies and their composition have been described in the report on the application of corporate governance principles in chapter V of this annual report.

All restrictions, as provided by the articles of association, on the transfer of securities.

The Article of Association of the Company does not impose any restrictions on transferability, ownership of securities or the need to obtain consent of the company or other shareholders. The Company is not aware of any restrictions on transfer of securities resulting from contracts between its shareholders, and also the Company has not concluded such agreements and contracts.

Information about transactions with related entities.

In the period covered by this report, the Company has not concluded significant transactions with related entities on other than market conditions. All-important transactions, including those one with related entities are indicated in the Annual financial report of the Company for the financial year since 01.07.2020 do 30.06.2021.

Assessment of factors and atypical events affecting the operating result for the financial year.

According to assessment and the best knowledge of the Management Board, apart from events indicated in of the Annual Report of the Company for the period since July 1, 2020 till June 30, 2021, there were not any other , especially atypical, factors and events which could significantly influence the assessment and change of the property and financial situation of the Company as well as possibility to realize its obligations. Revenues from lending service activities and potential revaluation at 30/06/2021 have a material influence on the Company's results.

Characteristic of external and internal factors.

Considering the specific of the activity, i.e., financial service activities in the field of granting non-consumer cash loans, results are currently and will be significantly influenced by:

- general market prosperity on lending market and level of interest rates,
- proper realization by the Borrowers of their obligations resulting from concluded loan agreements, as well as course of execution process and vindication of loans terminated, if such agreements occur,
- efficiency of administrative and legal procedures,
- opportunity to gain possible borrowers,
- economic situation and investing circumstances in Poland, Estonia and the region,
- access to external financing sources,
- cooperation with other financial entities.

Information on average employment.

The company has not employed any employees in the financial year lasting since July 1 2020 till June 30, 2021.

In the financial year covering the period from July 1, 2019 to June 30, 2020, the company also did not employ any employees under an employment contract.

Information regarding an agreement and an entity authorized to Audit financial statements of the company.

The governing body entitled to choose a certified auditor, according to the Company's Article of Association, is the General Meeting of Shareholders. On 20/03/2020 the General Meeting of Shareholders selected an entity authorized to carry out an audit of financial statement of Investment Friends SE prepared for 30/06/2021.

The entity selected by the General Meeting is Number RT OÜ. Remuneration for the Auditor will be paid according to the Agreement concluded between the Company and Number RT OÜ which was established on market conditions.

V. CORPORATE GOVERNANCE REPORT

The Company's statement regarding the compliance with the Best Practice for GPW Listed Companies 2016 and Corporate Governance Principles is available on the Company's website www.ifsa.pl, in the "Regulations" section, the "Good practices" tab on corporate governance.

In 2020/2021 Investment Friends SE was subject to the corporate governance standards contained in the document 'Best Practice for GPW Listed Companies 2016', which were adopted by resolution of the Stock Exchange Supervisory Board No. 26/1413/2015 of October 13th 2015 and which came into force on January 1st 2016.

The text of 'Best Practice for GPW Listed Companies 2016' is publicly available at:

https://www.gpw.pl/pub/GPW/files/PDF/GPW_1015_17_DOBRE_PRAKTYKI_v2.pdf and at the registered office of the Warsaw Stock Exchange.

In fulfilling disclosure requirements regarding the application of corporate governance standards, Investment Friends SE is guided by the principles of an effective and transparent information policy and communication with the market and investors. In Current Report No. 1/2016 (EBI) of January 4 th 2016, the Company reported on the scope of application of corporate governance standards resulting from 'Best Practice for GPW Listed Companies 2016' effective from January 1st 2016.

Extent to which the company departed from the adopted set of corporate governance principles

The Company undertook to apply all corporate governance principles contained in 'Best Practice for GPW Listed Companies 2016', except for the following:

Detailed principles

III.R.1. The Company separates in its structure units responsible for the implementation of tasks in individual systems or functions, unless the separation of organizational units is not justified due to the size or type of business conducted by the company.

Company's comment : *Separating organizational units is not justified due to the size and type of business conducted by the Company. The Company uses internal systems appropriate to the size of the Company and the type and scale of its operations.*

IV.R.2. If it is justified due to the shareholding structure or the expectations of shareholders notified to the Company provided that the Company is able to provide the technical infrastructure necessary for the efficient conduct of the general meeting using electronic means of communication, it should enable shareholders to participate in the general meeting using such means, in particular through:

- 1) real-time broadcast of the general meeting,
- 2) two-way real-time communication in which shareholders may speak during the general meeting from a place other than the place of the general meeting,
- 3) exercising, in person or by proxy, the right to vote during the general meeting.

Company's comment : Because of the Company's shareholding structure, high costs and no interest by the shareholders, this recommendation is not applied by the Company.

VI.R.1. The remuneration of members of the company's governing bodies and key

Company's comment : Due to the size of the company, organizational structure and scope of activity in the company, the "remuneration policy" document has not been prepared.

Remuneration for individual members of the company's bodies, including tasks assigned for execution and evaluation of their implementation, determines the Supervisory Board for the Management Board, and for the Supervisory Board Members - General Meeting of the Company's Shareholders.

Detailed rules

I.Z.1.6. calendar of corporate events resulting in the acquisition or restriction of rights on the part of a shareholder, calendar of publication of financial reports and other events significant from the investors' point of view - within a time limit enabling investors to make investment decisions,

Company's comment : *The Company makes public in the form of current reports, which are also available on the Company's website, information on all corporate events in good time. In the Company's opinion, information in the form of a calendar is unnecessary.*

I.Z.1.7. information materials published by the company on the company's strategy and its financial results,

Company's comment : *The company has not yet prepared and published information materials on the company's strategy and its financial results. The financial results of the company and plans for operations in the next reporting period are published by the Company in periodic reports, which it publishes with relevant reports and on the company's websites.*

I.Z.1.8. statements of selected financial data of the company for the last 5 years of activity, in a format enabling processing of these data by their recipients,

Company's comment : *The company discloses in the form of periodic reports information on the company's financial results and selected financial data. This information is also available on the Company's website.*

I.Z.1.9. information on the planned dividend and dividend paid by the company in the last 5 financial years, including data on the dividend day, payment dates and the amount of dividends - in total and per share,

Company's comment : *The company makes public in the form of current reports information on resolutions adopted by the General Meeting. These reports are also available on the Company's website. The payment of dividends is decided by the general meeting.*

I.Z.1.11. information about the content of the company's rule regarding changing the entity authorized to audit financial statements, or about the lack of such a rule,

Company's comment : *The company complied with the rules of changing the entity authorized to audit financial statements resulting from generally applicable regulations.*

I.Z.1.15. information containing a description of the company's diversity policy in relation to the company's authorities and its key managers; the description should take into account elements of diversity policy such as gender, education, age, professional experience, as well as indicate the objectives of the diversity policy applied and the manner of its implementation in a given reporting period; if the company has not developed and does not implement a diversity policy, it shall publish on its website an explanation of such a decision,

Company's comment : *Key personnel decisions with respect to the Company's authorities and its key managers are made by the General Meeting and the Supervisory Board. As a criterion for the selection of members of individual bodies, the company is guided by the qualifications of the candidate to perform specific functions. Information on the data of persons sitting on the*

Company's governing bodies is published in the relevant current reports informing about the selection of bodies and on the Company's website.

I.Z.1.17. justifications for draft resolutions of the general meeting regarding matters and decisions that are significant or that may raise doubts for shareholders - within a time limit enabling the participants of the general meeting to become acquainted with them and to adopt a resolution with due consideration,

Company's comment : *The company publishes draft resolutions of General Meetings in accordance with applicable law. In cases where justification of the content of a draft or resolution is required, it is forwarded together with draft resolutions presented to the General Meeting.*

I.Z.1.18. information on the reasons for cancelling the general meeting, changing the date or agenda, as well as information about a break in the general meeting and the reasons for ordering a break,

Company's comment : *The decision regarding the cancellation of General Meetings is, taken by the shareholders or the Management Board, in such a situation the Company publishes the relevant current report.*

I.Z.1.21. contact details for persons responsible in the company for communication with investors, indicating the name and surname, e-mail address or telephone number.

Company's comment : *The company provides on its website contact details that can be used by all interested parties. In the Company's opinion, it is not justified to extract contact details for the purpose of communication with investors.*

II.Z.7. As regards the tasks and functioning of the committees operating in the Supervisory Board, the provisions of Annex I to the Recommendation of the European Commission, referred to in principle II.Z.4. If the function of the audit committee is performed by the supervisory board, the above principles shall apply accordingly.

Company's comment : *Currently, there is no Audit Committee in the Company. On April 8, 2019 the Supervisory Board adopted the resolution on dissolution of the Audit Committee.*

IV.Z.5. Regulations of the general meeting as well as the manner of conducting the meeting and adopting resolutions may not obstruct the participation of shareholders in the general meeting and the exercise of their rights. Changes in the rules of the general meeting should apply at the earliest from the next general meeting.

Company's comment : *The Management Board indicates that there is not applied a regulation of a general meeting, therefore there is no limitations imposed on the shareholders' rights.*

VI.Z.3. Remuneration of members of the supervisory board should not depend on options and other derivative instruments, or any other variable components, and should not depend on the company's performance.

Company's comment : *Supervisory board members are not remunerated.*

Shareholders with major holdings

The table below presents shareholders holding 5% or more of voting rights at the General Meeting as at 30.06.2021, based on the statements received by the Company under applicable laws.

Structure of direct shareholding as at 30/06/2021

No.	Direct shareholders	Number of shares	% shares	Number of votes	% votes
1.	Patro Invest OÜ	4 777 950	53,09	4 777 950	53,09
2.	Damar Patro UÜ	1 499 600	16,66	1 499 600	16,66
X	Total	6 277 550	100,00	6 277 550	100,00

Structure of indirect shareholding as at 30/06/2021

No.	Indirect shareholders	Number of shares	% shares	Number of votes	% votes
1.	Damian Patrowicz	6 277 550	69,67	6 277 550	69,67

* Damian Patrowicz owns 100% of Patro Invest OU and Damar Patro UÜ

According to the information presented in the 2019/2020 year, the structure of direct and indirect shareholders holding at least 5% of the total number of votes at the General Meeting was as follows:

Structure of direct shareholding as at 30/06/2020

No.	Direct shareholders	Number of shares	% shares	Number of votes	% votes
1.	Patro Invest OÜ	3 077 250	34,19	3 077 250	34,19
X	Total	3 077 250	100,00	3 077 250	100,00

Structure of indirect shareholding as at 30/06/2020

No.	Indirect shareholders	Number of shares	% shares	Number of votes	% votes
1.	Damian Patrowicz	3 077 250	68,86%	3 077 250	34,19

* Damian Patrowicz owns 100% of Patro Invest OÜ

Holders of securities that give special control powers and description of those powers

Shares of Investment Friends SE do not give any special control powers.

Restrictions on voting rights

Such restrictions do not apply to the Company's shares.

Restrictions on transferability of title to the Company's securities

In accordance with the Articles of Association of Investment Friends SE there are no restrictions on transferability of title to the Company's shares.

Rules governing appointment and removal of members of the management staff and their rights

A listed company Investment Friends SE is managed by the Management Board, its Members act in the interest of the company and are responsible for its activities. The Management Board includes, in particular, leadership in the company, commitment to setting its strategic goals and their implementation, as well as ensuring the company efficiency and security.

The company is supervised by an effective and competent Supervisory Board. Members of the Supervisory Board act in the interest of the Company and are guided by the independence of their own opinions and judgements. The Supervisory Board in particular issues opinions on the Company's strategy and verifies the work of the management board in achieving strategic goals and monitors the results achieved by the Company.

Members of the Management Board are appointed by the Members of the Supervisory Board and Members of the Supervisory Board are elected by the company's general meeting of shareholders. (ARTICLE OF ASSOCIATION, point IV.V)

Rules governing amendments to the Company's Articles of Association

Amendments to the Articles of Association require a resolution of the General Meeting and entry in the register. The notice convening a General Meeting whose agenda includes amendments to the Articles of Association should contain existing provisions of the Articles of Association and the proposed amendments. Where justified by a significant scope of the intended amendments, the notice may include a draft of a new text of the Articles of Association together with a list of its new or amended provisions.

The text of the Articles of Association is available on the Company's website at: <http://www.ifsa.pl/statut.php>

Proceedings of the General Meeting and its powers

The General Meetings of the Company are held in accordance with the rules set out in the Commercial Companies Code, the Articles of Association Investment Friends SE and held the applicable capital market laws.

Composition of the Management Board and description of the operation of the Company's management and supervisory bodies and committees in 2020/2021

Composition of the Supervisory Board

Wojciech Hetkowski
Jacek Koralewski
Małgorzata Patrowicz
Anna Kajkowska

Composition of the Management Board

Agnieszka Gujgo – Chairman of the Management Board

Description of the main features used in the enterprise of the company control systems and risk management with regard to the process of preparing financial statements.

Due to the simplified structure and relatively limited number of financial risks, the Company's Management Board has not developed and introduced a written procedure of the internal control system and risk management in the scope of preparing financial statements, however the Company with the utmost diligence approaches the issue of financial reporting.

The Management Board of the Company is responsible for the internal control system in the Company and its effectiveness in terms of the correctness of preparing financial statements and periodical reports. Financial statements and periodic reports are prepared based on financial data from the financial and accounting system, where they are recorded in accordance with the principles of the adopted accounting policy in accordance with the Accounting Act. The audit of the correctness of the preparation of periodic financial statements is carried out thanks to the annual financial audits carried out by independent auditors.

In the reporting period the financial report was prepared by a professional entity – the auditing office of the „Galex” auditor providing accounting services based on the outsourcing agreement for the benefit of the Company.

By using the services of a specialized office, the Management Board was provided with ongoing external consultancy in the area of consulting any problems related to the correctness of drawing up mandatory financial statements, including quarterly, semi-annual and annual financial statements and tax issues.

VI. FINANCIAL STATEMENTS

1. STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION	Note	June 30, 2021 in thous. EUR	June 30, 2020 in thous. EUR
A s s e t s			
Fixed assets		1 735	1 720
Long-term financial assets	1	1 735	1 720
Current assets		894	853
Short-term financial assets	1	858	847
Cash and cash equivalents	2	36	6
Total A s s e t s		2 629	2 573

Equity			
Share capital	3	900	3 240
Share premium		7 501	5 161
Other reserves		206	206
Exchange differences		-146	-135
Retained earnings		-5 881	-5 948
Total equity		2 580	2 524
Liabilities			
Short-term liabilities	5	49	49
Trade liabilities		1	0
Other provisions		48	49
Total liabilities		49	49
Total liabilities and equity		2 629	2 573

Book value of equity		2 580	2 524
Number of shares	4	9 000 000	9 000 000
Book value per one share (in EUR)	4	0,29	0,28
Diluted number of shares	4	9 000 000	9 000 000
Diluted book value per share (in EUR)	4	0,29	0,28

Notes on pages 21-38 are an integral part of the financial statements.

2. STATEMENT OF PROFIT OR LOSS

STATEMENT OF PROFIT OR LOSS	Note	Period from 01/07/2020 to 30/06/2021 In thous. EUR	Period from 01/01/2019 to 30/06/2020 In thous. EUR
Revenue from interest	6	89	207
Gross profit (loss) on sales		89	207
General management costs		-18	-27
Other operating income	7	0	47
Other operating costs		0	-2
Profit (loss) on operating activities		71	225
Financial income	8	0	50
Financial costs	8	-5	-85
Profit (loss) before income tax		66	190
Net profit (loss) for the period		66	190

Notes on pages 21-38 are an integral part of the financial statements.

3. STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME		Period from 01/07/2020 to 30/06/2021 In thous. EUR	Period from 01/01/2019 to 30/06/2020 In thous. EUR
Net profit/loss for the period		66	190
Other comprehensive income (loss), including:		-11	-68
- exchange differences		-11	-68
Total comprehensive income (loss) for the period		55	122

The weighted average number of ordinary shares		9 000 000,00	9 000 000,00
Profit (loss) per one ordinary share (in EUR)	4	0,01	0,02
The weighted diluted average number of ordinary shares		9 000 000,00	9 000 000,00
Diluted profit (loss) per one ordinary share (in EUR)	4	0,01	0,02

Notes on pages 21-38 are an integral part of the financial statements.

4.STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY	Period from 01/07/2020 to 30/06/2021 In thous. EUR	Period from 01/01/2019 to 30/06/2020 In thous. EUR
Opening balance of equity	2 524	2 401
Opening balance of share capital	3 240	3 240
a) increases due to bonus issue	4 860	0
b) decreases due to of the book value of shares	-7 200	0
Closing balance of share capital	900	3 240
Opening balance of share premium	5 161	5 161
a) increases due to of the book value of shares	7 200	0
b) decreases due to share capital increase	-4 860	0
Closing balance of share premium	7 501	5 161
Opening balance of capital from merger of entities	0	-4
a) increases due to merger of entities	0	4
Closing balance of capital from merger of entities	0	0
Opening balance of other reserves	206	206
Closing balance of other reserves	206	206
Opening balance of retained earnings	-5 948	-6 134
a) profit/loss for the period	67	190
d) transfer of capital from merger of entities	0	-4
Closing balance of retained earnings	-5 881	-5 948
Opening balance of exchange differences	-135	-68
Changes of exchange differences	-11	-68
Closing balance of exchange differences	-146	-136
Closing balance of equity	2 580	2 524

Notes on pages 21-38 are an integral part of the financial statements.

5.CASH FLOW STATEMENT

CASH FLOW STATEMENT (indirect method)	NOTE	Period from 01/07/2020 to 30/06/2021 In thous. EUR	Period from 01/01/2019 to 30/06/2020 In thous. EUR
Operating activities			
Net profit (loss)		66	190
Adjustments:		-36	-248
Other adjustments		0	1
Interest and share in profit		-25	39
(Profit) loss on investing activities	9	0	-12
Granted loans		-26	-3 081
Repayments received		14	2 772
Change in reserves		0	-46
Change in receivables and in deferred expenses		0	31
Changes in liabilities		0	-2
Changes in deferred expenses		1	3
Net cash flows (outflows) from operating activities		30	-58
Investing activities			
Inflows from investing activities		0	58
Other inflows		0	58
Outflows from investing activities		0	0
Expenses for the acquisition of financial assets		0	0
Net cash flows (outflows) from investing activity		0	58
Net cash flows (outflows), total		30	0
Change in cash balances		30	-1
Opening balance of cash		6	7
Closing balance of cash		36	6

Notes on pages 21-38 are an integral part of the financial statements.

Notes do the financial statements

Accounting policies

The basis for the preparation of the financial statements

Investment Friends SE financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted in the European Union.

The statements have been prepared on the assumption that the Company will continue as going concern in the foreseeable future. As at the date of the financial statements, there are no circumstances that would indicate a threat to the continued business activity of the Company.

The Company applies superior principles of valuation based on the historical purchase, purchase or production price, except for some financial assets which, in accordance with IFRS, were measured at fair value.

The original financial statements of the Company has been prepared is English. In case of the conflict with Polish or Estonian, the English version shall prevail.

Functional and reporting currency

This financial statement is prepared in euro currency (EUR). The functional currency of the Company is Polish zloty (PLN), and reporting (presentational) currency of the Company is euro (EUR). The financial statements are presented in EUR thousand, unless in specific situations they are given with greater accuracy.

Balance sheet items are calculated according to the exchange rate announced by the European Central Bank as at the balance sheet day.

Items in the statement of profit or loss and in the cash flow statement are converted at the exchange rate being the arithmetic average exchange rates announced by the European Central Bank.

Changes of applied accounting principles

For preparation of the financial statements, in comparison to previous periods, the Company has not changed any of applied previously accounting principles.

New standards and interpretations

The Company will apply new standards, amendments to standards and interpretations of IFRS published by the International Accounting Standards Board, but not effective as at the reporting date, according to their effective date and in the scope regarding to the Company's operation.

The Company is constantly monitoring the changes to new standards and interpretations of existing standards. The Company intends to analyze the impact of the changes to new standards and apply the amended standards once they have been adopted by the European Union. Currently, no additional new standards or their amendments have been adopted that would become effective in the future.

Valuation of financial assets and liabilities

The Company classifies its financial assets to the following categories:

- measured at amortized cost,
- measured at fair value through other comprehensive income,
- measured at fair value through profit or loss,

The classification is made upon the initial recognition of the assets. The classification of debt financial assets depends on the financial asset management business model and the contractual cash flow characteristics (SPPI-Solely Payment of Principal and Interest test) for the financial asset.

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

Financial assets are measured at amortized cost using the effective interest rate method, considering impairment write-offs. Trade receivables with a maturity of less than 12 months from the date of their origination are not discounted and are measured at their nominal value.

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

Profits and losses on a financial asset classified as measured at fair value through profit or loss are recognized in profit or loss in the period in which they arise (including interest and dividend income).

The Company classifies its financial liabilities into the following categories:

- measured at amortized cost,
- measured at fair value through profit or loss,
- hedging financial instruments.

Liabilities at amortized cost include liabilities other than liabilities at fair value through profit or loss (e.g., for supplies and services, loans and credits), except for:

- financial liabilities that arise in the event of a transfer of financial assets that does not qualify for derecognition,
- financial guarantee contracts that are valued at the higher of:
 - the amount of the allowance for expected credit losses determined in accordance with IFRS 9
 - the amount initially recognized (i.e., the fair value plus transaction costs that can be directly attributed to the financial liability component) less about the cumulative amount of income recognized in accordance with the principles of IFRS 15 Revenue from Contracts with Customers.

Liabilities due to derivative instruments not designated for the purposes of hedge accounting are classified as liabilities at fair value through profit or loss.

Impairment of financial assets

In accordance with IFRS 9, financial assets are measured at amortized cost. This approach is based on the determination of expected losses, regardless of whether the indications occurred or not. The Company uses the following models for determining impairment losses:

- general (basic) model,
- simplified model.

In the general model, the Company monitors changes in the level of credit risk associated with a given financial asset.

In the simplified model, the Company does not monitor changes in the credit risk level over the life of the instrument, it estimates the expected credit loss in the horizon until the instrument maturity date. For the purpose of estimating the expected credit loss, the Company uses:

- in the general model - default probability levels,
- in the simplified model - historical levels of repayment of receivables from contractors.

The Company considers that the event of insolvency is the contractor's failure to meet its obligations after 90 days from the due date.

The Company takes into account future information in the parameters of the expected loss estimation model by adjusting the base default probability coefficients (for receivables) or by calculating the default probability parameters based on current market quotes (for other financial assets).

The Company uses a simplified model for calculating impairment losses on trade receivables.

The general model is applied to 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 amortized cost (at the initial recognition date and calculated for each subsequent day ending the reporting period) are recognized in other operating expenses. Profits (reversal of write-offs) from the reduction of the expected value of impairment are recognized in financial revenues.

For purchased and created financial assets that are impaired due to credit risk, at the moment of initial recognition, favourable changes in expected credit losses are recognized as an impairment gain in other operating income.

Impairment losses for debt financial instruments measured at fair value through other comprehensive income are recognized in other operating expenses in correspondence with other comprehensive income. Gains (reversal of write-offs) on the reduction of the expected credit loss value are recognized in other operating income.

Professional judgment

If a given transaction is not regulated by any standard or interpretation, the Management Board, guided by a subjective judgment, determines and applies accounting policies that will ensure that the financial statements will contain correct and reliable information and will:

- correctly, clearly and fairly present the property and financial situation of the Company, the results of its activities and cash flows,
- reflect the economic content of the transaction,
- objective,
- prepared in accordance with the principle of prudent valuation,
- complete in all material respects.

When valuating the loans, the debtor's solvency is taken into account. We take into account the risk of non-repayment. If there is no risk of repayment, we value the loans at their nominal value. There are conducted proper analysis.

The Management Board makes decisions taking into account all the potential consequences of its decisions. Hence, the decision-making process is based on multi-stage analyzes of, inter alia, borrowers' collaterals.

Uncertainty of estimates

When applying the accounting principles in force in the Company, the Management Board is obliged to make estimates, judgments and assumptions regarding the amounts of valuation of individual assets and liabilities. The estimates and related assumptions are based on historical experience and other factors considered relevant. The actual results may differ from the adopted estimated values. The preparation of the financial statements requires the Management Board of the Company to make estimates, as much of the information contained in the financial statements cannot be measured precisely. The Management Board verifies the adopted estimates based on changes in the factors taken into account when making them, new information or past experiences. Therefore, the estimates made as at June 30, 2021 may be changed in the future.

In the report for 2020/2021, the Management Board assesses that there are no other significant areas with regard to which there is a risk related to uncertainty of estimates.

Trade and other receivables

Trade receivables with maturities usually from 30 to 90 days are recognized at the amounts initially invoiced, less allowances for bad debts. The write-downs of bad debts are estimated when the recovery of the full amount is no longer probable.

The amounts of created write-downs updating the value of receivables are referred respectively to other operating costs or to financial costs - depending on the type of receivable to which the write-off relates.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand as well as short-term deposits with an original maturity not exceeding three months.

Cash flow statement: preparation principles:

The Company prepares the cash flow statement using the indirect method whereby profit or loss is adjusted for the effects of non-cash transactions, for active and passive accruals related to past or future cash inflows or payments from operating activities, and for income and expense items related to cash flows from investing activities or financial.

Interest bearing credits and loans

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

Share premium

The differences between the fair value of the payment received and the nominal value of shares are recognized in the share premium from the sale of shares above their nominal value. In the event of buyout of shares, the amount paid for the shares is charged to equity and is disclosed in the balance sheet under equity.

The costs of issuing shares, incurred when establishing a joint-stock company or increasing the share capital, reduce the entity's supplementary capital to the amount of the excess of the issue value over the par value of the shares, and the remaining part is classified as financial costs.

Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the parent company by the weighted average number of shares outstanding during the period. Diluted earnings per share are calculated by dividing the profit attributable to equity holders of the parent company by the weighted average number of shares during the period, while also taking into account the number of shares that can be issued with a potentially dilutive effect.

Revenues

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue amount can be reliably measured. The following criteria are used to determine revenue:

Sale of goods and products

Revenues are recognized when the significant risks and rewards of ownership of goods and products have been transferred to the buyer and when the amount of revenues can be reliably estimated.

Interest

Interest income is recognized successively as it increases

Income tax

Tax charges include current taxation with corporate income tax. The current tax liabilities are determined on the basis of the currently applicable tax regulations and the determined taxable income.

Income tax in Estonia

According to the Income Tax Act entered into force in Estonia at 1 January 2000, it is not the company's profits that are taxed but net dividends paid. Income tax is paid on dividends, fringe benefits, gifts, donations, costs of reception of guests, non-business payments and transfer price adjustments. The effective income tax rate is 20/80 (2020: 20/80) on net dividends paid out. Starting from 2019, it is possible to apply a more favorable tax rate on dividend payments (14/86). The more favorable tax rate can be applied to a dividend distribution that amounts to

up to three preceding years' average dividend distribution that has been taxed at 20/80 rate. In calculating the average dividend payment for the three preceding financial years, 2018 is first year to be considered.

Contingent assets and liabilities

The Company doesn't have any contingent assets.

A contingent liability is:

- a possible obligation that may arise as a result of past events, the fulfillment of which will be confirmed only at the time of occurrence or non-occurrence of one or more future events beyond the control of the Company,
- a present obligation, which arises as a result of past events, but is not recognized in the financial statements, because the amount of the obligation cannot be reliably determined or it is not probable that it will be necessary to spend funds in order to meet the obligation.

In the opinion of the Company's Management Board, potential contingent liabilities described in Note 12 do not require additional disclosure.

Related entities

For the purposes of the financial statements, related entities include: significant shareholders, subsidiaries, associates and jointly controlled companies, members of the Management Boards and Supervisory Boards of the Group companies, their immediate families and entities controlled by them.

Descriptions of significant factors of risks and threats with an indication to which extent the Company is exposed to them

Credit risk

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

The maturity dates of the assets as at 30/06/2021

30/06/2021 in thous. EUR	Total	Maturity dates			
		< 1 year	1-2 years	2-3 years	above 3 years
Cash and cash equivalent	36	36	0	0	0
Loans granted	2 593	858	1 735	0	0
Total	2 629	894	1 735	0	0

The maturity dates of the assets as at 30/06/2020

30/06/2020 in thous. EUR	Total	Maturity dates			
		< 1 year	1-2 years	2-3 years	above 3 years
Cash and cash equivalent	6	6	0	0	0
Loans granted	2 567	847	0	1 720	0
Total	2 573	853	0	1 720	0

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

Currency risk

There is a currency risk in connection with the loans granted in PLN. The risk related to the possibility of fluctuations in the exchange rate of one currency in relation to another may lead to both deterioration of the financial situation of the entity and its improvement as a result of a decrease in a given receivable or an increase in this receivable. Financial assets and liabilities nominated in euros and polish zloty did not carry considerable risk.

Interest rate risk

At the balance sheet date, the interest rate structure of the Company's interest-bearing financial instruments were as follows:

The Company has no significant interest-bearing liabilities;

The Company's income and operating cash flows are substantially independent of changes in market interest rates, because contracts are concluded at fixed interest rates.

At the balance sheet date, the interest rate structure of the Company's interest-bearing financial instruments were as follows:

	Interest rate	Fixed/Variable interest rate
Damar Patro UU	2,5%	Fixed

Patro Administracija Sp.z o.o.	5%	Fixed
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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 Company's shares will relate to a necessity to accept significantly less favourable price than the reference price. The Company cannot also exclude significant, temporary limitations of liquidity which may significantly hamper sales or purchase of the Company's shares.

Risk related to the dependence on recipients

There is a risk of impact on the results achieved by the Company from entities related to the Company 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 Company's corporate bodies

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

Risk connected to change of the headquarter and article of association of the Company

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

Risk related to the shareholding structure

As at the date of preparing the report 67,52% of the share capital and 67,52% of votes at the Company'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 Company's General Meeting.

Risk related to the economic situation in Poland and Estonia

The economic situation in Poland and Estonia have a significant impact on the financial results achieved by all entities including the Company, 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 Company to Estonia, risk in the above scope will apply to the new registered office in Republic of Estonia.

Risk related to the impact of the SARS-CoV-2 coronavirus epidemic on the Company's operations

Due to the type of its leading activities, the Company is not exposed to negative ones consequences of the COVID19 coronavirus epidemic.

The Company undertakes actions aiming at minimalization of the danger for the employees and collaborators related to the spread of the coronavirus COVID-19. At the current pandemic stadium, the Company observes if it could significantly influence financial markets. The Company monitors the situation related to maintaining effects of the spread of coronavirus COVID-19 and assesses influence of the pandemic on the Company's activity. As at the date of publication of the report, because of dynamic changes of conditions, the Company's Management Board is not able to clearly specify the influence of the virus' spread on the Company's activity, financial results and perspectives of development in the further periods. In case of occurrence of significant events having influence on the financial results and economic position of the Company, the Management Board will inform about it in separate current reports, immediately after such an event take place.

Information on financial instruments

June 30, 2021

Classes of financial instruments	Fair value through comprehensive income	Fair value through the financial result	Amortized cost	Financial liabilities measured at amortized cost	Total
Total financial assets	0	0	2 629	0	2 629
Loans granted	0	0	2 593	0	2 593
Cash and cash equivalents	0	0	36	0	36
Total financial liabilities	0	0	0	0	0

June 30, 2020

Classes of financial instruments	Fair value through comprehensive income	Fair value through the financial result	Amortized cost	Financial liabilities measured at amortized cost	Total
Total financial assets	0	0	2 573	0	2 573
Loans granted	0	0	2 567	0	2 567
Cash and cash equivalents	0	0	6	0	6
Total financial liabilities	0	0	0	0	0

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

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

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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

In the reporting period transfers of instrument valuation between the levels of the hierarchy did not occur.

Capital management

The Management Board's policy is to maintain a solid capital base in order to maintain investor confidence and to ensure the future development of business operations.

The company manages its capital in order to maintain the ability to continue operations, including the implementation of planned investments, so that it can generate returns for shareholders. In line with market practice, the Company monitors capital, among others, based on the equity ratio and the loans and other sources of financing / EBITDA ratio. The equity ratio is calculated as the ratio of the net asset value (equity decreased by intangible assets) to the balance sheet total. The debt / EBITDA ratio is calculated as the ratio of liabilities due to credits, loans and financial leasing minus free cash and short-term investments with maturity of up to 1 year to EBITDA (net profit after adding depreciation). In order to maintain financial liquidity and creditworthiness allowing obtaining external financing at a reasonable level of costs, the Company assumes maintaining the equity ratio at a level not lower than 0.5, while the ratio: credits, loans and other sources of financing / EBITDA at the level of up to 2.0.

	30/06/2021	30/06/2020
Equity (in thous EUR)	2 580	2 524
Net value of assets (in thous EUR)	2 580	2 524
Balance sheet total (in thous EUR)	2 629	2 573
Equity ratio	0,98	0,98
Net profit/loss (in thous EUR)	66	190
EBITDA	66	190
Free cash and short-term investments (in thous EUR)	894	853

*Equity ratio = equity / assets

**EBITDA = Net income + taxes + interest expenses + depreciation and amortization

***Free cash and short term investment = short term investments + cash

EXPLANATORY NOTES

Note 1

Financial assets

30.06.2021

Borrower	Allocation by remaining maturity		Interest rate	Currency	Deadline	Collaterals
	During 12 months In thous EUR	1-5 years In thous EUR				
Damar Patro UU	19	1 735	2,5%	EUR	30/06/2023	blank promissory note with note agreement
Patro Administracija Sp.z o.o.	839	0	5%	PLN	30/06/2022	blank promissory note with note agreement
Total	858	1 735				

Investment Friends SE signed a debt assignment agreement on 01/09/2021. Under this agreement, the entire debt of Patro Invest OÜ in relation to Investment Friends SE as at June 30, 2021 was taken over by Patro Administracija sp. z o.o.

As at June 30, 2021 all loans were granted for related entities and are disclosed in note 10.

30.06.2020

Borrower	Allocation by remaining maturity		Interest rate	Currency	Deadline	Collaterals
	During 12 months in thous EUR	1-5 years in thous EUR				
Damar Patro	1	1720	2,5%	EUR	30/06/2023	blank

UU						promissory note with note agreement
Patro Invest OU	845	0	5%	PLN	30/06/2021	blank promissory note with note agreement
Total	847	1 720				

As at June 30, 2020 all loans were granted for related entities and are disclosed in note 10

Note 2

Cash and cash equivalents

CASH AND CASH EQUIVALENTS	June 30, 2021 in thous. EUR	June 30, 2020 in thous EUR
Cash on the bank accounts	36	6
Cash and cash equivalents, total	36	6

BPS SA bank accounts are borrowed from IFSE UU.

Note 3

Share capital

As at June 30, 2021 share capital is EUR 900 000 and is divided into 9 000 000 shares with book value EUR 0,10.

As at June 30, 2020 share capital is EUR 3 240 000 and is divided into 9 000 000 shares with book value EUR 0,36.

As at December 31, 2020 share capital of the Company amounted to EUR 8 100 000 and was divided into 9 000 000 series A and B shares without par value.

Shareholding structure as at the date of publication the report

No.	Shareholder	Number of shares	% of shares	Number of votes	% of votes
1	PATRO INVEST OÜ (indirectly Damian Patrowicz)	6 077 015	67,52	6 077 015	67,52
2	Others	2 922 985	32,48	2 922 985	32,48
X	total	9 000 000	100	9 000 000	100

Note 4

Book value per share

Book value as at 30/06/2021	2 580 thous. EUR
Number of shares as at 30/06/2021	9 000 000
Book value per share (in EUR)	0,29 EUR
Diluted number of shares	9 000 000
Diluted book value per share (in EUR)	0,29 EUR

Book value as at 30/06/2020	2 524 thous. EUR
Number of shares as at 30/06/2020	9 000 000
Book value per share (in EUR)	0,28 EUR
Diluted number of shares	9 000 000
Diluted book value per share (in EUR)	0,28 EUR

Profit per share

Profit per share as at 30/06/2021

Weighted average number of shares	9 000 000
Profit/loss for 12 months	66 thous. EUR
Profit/loss per one ordinary share	0,01 EUR

Profit per share as at 30/06/2020

Weighted average number of shares	9 000 000
Profit/loss for 18 months	190 thous. EUR
Profit/loss per one ordinary share	0,02 EUR

Note 5

Other provisions

CHANGES IN THE BALANCE OF OTHER PROVISIONS	June 30 2021 in thous EUR	June 30 2020 in thous EUR
Opening balance of other provisions, including	49	93
1. Decreases	-1	-44
Closing balance of other provisions, total	48	49

Provision created for a possible penalty up to KNF.

Note 6

Revenues from interest

NET REVENUES (BY TYPES OF ACTIVITY)	01/07/2020 – 30/06/2021 in thous EUR	01/01/2019 – 30/06/2020 in thous EUR
Revenues due to interest	89	207
Net revenues, total	89	207
- including: from related parties	89	207

Information on revenues from related entities can be found in note 10.

Geographical information

Revenues from external clients are presented below, divided into operating areas:

For 2021

GEOGRAPHICAL AREA FOR FINANCIAL ACTIVITIES	REVENUE FROM EXTERNAL CUSTOMERS in thous EUR
Estonia	89
Total for financial activity	89

For 2020

GEOGRAPHICAL AREA FOR FINANCIAL ACTIVITIES	REVENUE FROM EXTERNAL CUSTOMERS in thous EUR
Estonia	51
Poland	156
Total for financial activity	207

Information on leading clients

In the period 01/07/2020-30/06/2021 the Company achieved revenues from transactions with an external single client which exceed 10% of the entity's total revenues:

- Client no. 1 -49% of total revenues
- Client no. 2 -46% of total revenues

In the period 01/01/2019-30/06/2020 the Company achieved revenues from transactions with an external single client which exceed 10% of the entity's total revenues:

- Client no. 1 - 41% of total revenues
- Client no. 2 - 23% of total revenues
- Client no. 3 - 23% of total revenues

Note 7

Other operating income

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OTHER OPERATING INCOME	01/07/2020 – 30/06/2021 in thous EUR	01/01/2019 – 30/06/2020 in thous EUR
Other	0	47
Other operating revenues, total	0	47

The amount of EUR 47 thousand is a decrease in the provision for the KNF penalty.

Note 8

Financial costs and income

OTHER FINANCIAL INCOME	01/07/2020 – 30/06/2021 in thous EUR	01/01/2019 – 30/06/2020 in thous EUR
- reversal of revaluation write-off of receivables	0	50
Other financial revenues, total	0	50

OTHER FINANCIAL COSTS	01/07/2020 – 30/06/2021 in thous EUR	01/01/2019 – 30/06/2020 in thous EUR
a) revaluation write-off of loans	-5	-47
- sale of an investment	0	-38
Other financial costs, total	-5	-85

Note 9

Explanations to Cash flow statement

Year 2019/2020

(Profit) loss from investment activity in thous EUR	30.06.2020 in thous EUR
Revaluation write-off FON Zarządzanie Nieruchomościami	-50
sale of receivables TOP MARKA	38
TOTAL	-12

Note 10

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Relationships in the Company

There are organizational links between members of the Company's management and supervisory bodies:

Parent company: Patro Invest OÜ in Tallinn (directly), Mr. Damian Patrowicz (indirectly by Patro Invest OÜ).

Entities related through personal ties in the composition of Supervisory Boards and due to the dominant direct and indirect shareholder: FON SE, Atlantis SE, Elkop SE, Investment Friends SE, Patro Invest Sp. z o.o., Patro Invest OÜ, Patro Administrarcja sp. z o.o.

Management Board:

- Agnieszka Gujgo – performs since 04/06/2018 function of only member of the Management Board of the Company

Supervisory Board:

- Wojciech Hetkowski Chairman of the Supervisory Board - performs a function of a Supervisory Board member in: Atlantis SE, Elkop SE, Investment Friends SE, FON SE,
- Jacek Koralewski Member of the Supervisory Board- performs the function of the President of the Management Board in: Elkop SE and function of member of the Supervisory Board in: Atlantis SE, Investment Friends Capital SE, FON SE.
- Małgorzata Patrowicz Member of the Supervisory Board - perform a function of the Liquidator Patro Invest Sp. z o.o in liquidation and the President of the management Board of Patro Inwestycje Sp. z o.o. in addition, she is member of the Supervisory Board in: Atlantis SE, Elkop SE, FON SE, Investment Friends SE. Mrs. Małgorzata Patrowicz is also member of the Management Board of Patro Administrarcja Sp. z o.o.
- Anna Kajkowska Member of the Supervisory Board - performs the function of the President of the Management Board in: Elkop SE.

Transactions with related entities:

Loans granted to entities other than natural persons are granted to related entity Patro Invest OÜ – parent's company of Investment Friends SE and related entity Damar Patro UU. Shareholder Patro Invest Sp. z o.o. in liquidation is indirectly the shareholder of Investment Friends SE. Parent Company of Investment Friends SE is also parent Company of ELKOP SE and Patro Inwestycje Sp. z o.o.

Balances and transactions with related entities for the period ended 30/06/2021 in thous EUR	Revenues from interest	Loans granted	Loans repayments	Receivables from loans and interest entities
Patro Invest sp. z o.o.	5	0	0	0
Damar Patro UU	43	15	0	1 754
Patro Invest OÜ*	41	11	14	839
Total (Note 1, 6)	89	26	14	2 593

* The loan granted to Patro Invest OÜ taken over by Patro Administracja Sp. z o.o. in day 30.06.2021

Balances and transactions with related entities for the period ended 30/06/2020 in thous EUR	Revenues from interest	Loans granted	Loans repayments	Receivables from loans and interest
ELKOP SE	85	0	1 550	0
Patro Invest sp. z o.o.	17	391	955	0
Damar Patro UU	2	1 720	0	1 720
Patro Invest OU	50	948	83	847
Fon Zarządzanie Nieruchomościami sp. z o.o.	47	0	49	0
Total (Note 1, 6)	207	3 059	2 637	2 567

Remuneration of the Supervisory Board and the Management Board

No remuneration paid to the members of the management board and supervisory board in financial year and previous year.

The company did not employ any employees in the financial year and previous year.

Note 11

Significant events after the balance sheet date

After June 30, 2021 any significant events did not occur.

Note 12

Contingent assets and liabilities

Pending court cases:

1. Legal case regarding imposition of an administrative punishment on the Company by the Polish Supervision Authority (KNF).

In the opinion of Management Board, it will not involve any costs.

A tax authorities have the right to review the Company tax records for up to 5 years after submitting the tax declaration and upon finding errors, impose additional taxes, interest and fines. The tax authorities have not performed any tax audits at the Company during 2018-2020.

Note 13

Income statement – comparison of the year 2021 with 12 months of 2020

INCOME STATEMENT	01/07/2020- 30/06/2021 in thous EUR	01/07/2019- 30/06/2020 in thous EUR
Revenue from interest	89	157
Gross profit (loss) on sales	89	157
General management costs	-18	-21
Other operating income	0	-88
Other operating costs	0	341
Profit (loss) on operating activities	71	389
Financial income	0	-242
Financial costs	-5	-85
Profit before income tax	66	62
Income tax	0	-5
Net profit/loss for the period	66	57
The weighted average number of ordinary shares	9 000 000	9 000 000
Profit (loss) per one ordinary share (in EUR)	0,01	0,01
The weighted diluted average number of ordinary shares	9 000 0000	9 000 000
Diluted profit (loss) per one ordinary share (in EUR)	0,01	0,01

Investment Friends SE

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VII. STATEMENT OF COMPLIANCE

Management Board of the Company declares that to the best of their knowledge, these financial statements and comparable data have been prepared in accordance with the accounting principles applicable to the Company and that they reflect truthfully, fairly and clearly the property and financial situation of the Company and its financial result. The Management Board also declares that the report on the Company's activities contains a true picture of the development, achievements and situation of the Company, including a description of the basic threats and risks. These financial statements have been prepared using the accounting principles, in accordance with the International Financial Reporting Standards. This report covers the period from July 1, 2020 to June 30, 2021 and comparative period from January 1, 2019 to June 30, 2020. The Management Board declares that the entity authorized to audit the financial statements, which audited the financial statements, was selected in accordance with the provisions of the law, and that the entity and the statutory auditors who carried out the audit met the conditions for expressing an impartial and independent opinion on the audited annual financial statements, in accordance with the applicable regulations and professional standards. The auditor was selected by the General Meeting of Shareholders on March 20, 2020. The EGMoS made the selection with a view to guaranteeing full independence and objectivity of the selection itself, as well as the performance of tasks by the statutory auditor. It was decided to select the company Number RT OÜ based in Tallinn, as the auditing company that will audit the Company's financial statements for 2019/2020 and 2020/2021, as well as assess the annual reports for 2019/2020 and 2020/2021. The remuneration for the auditor will be payable in accordance with the contract concluded between INVESTMENT FRIENDS SE and Number RT OÜ on market terms.

Signature
Chairman of the Management Board of the -Company

Agnieszka Gujgo