



INVESTMENT FRIENDS CAPITAL SE

SHORTENED FINANCIAL STATEMENTS

OF INVESTMENT FRIENDS CAPITAL SE

FOR THE 6-MONTH PERIOD

ENDED ON 31 DECEMBER 2020

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

Tallinn, 15/02/2021

Half-yearly financial report and report of Management Board
of INVESTMENT FRIENDS CAPITAL SE
for the period 01.07.2020 - 31.12.2020 (*in thous. EUR*)

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Half-yearly financial report and report of Management Board
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for the period 01.07.2020 - 31.12.2020 (*in thous. EUR*)

I. PROFIL KORPORACYJNY

Name of the Company: **INVESTMENT FRIENDS CAPITAL SE**

Beginning of the financial year: 1 lipiec 2020 rok

End of financial year: 30 czerwiec 2021 rok

Registry code: 14618005

LEI code: 259400IJV1V3TF45QC25

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

Telephone: +48-796-118-929

E-mail address: biuro@ifcapital.pl

Website: www.ifcapital.pl

Principal business activity: As of 31/12/2020, the business registered in Estonia is "Activities of financial holding companies".

Members of the Supervisory Boards:

- Wojciech Hetkowski
- Jacek Koralewski
- Małgorzata Patrowicz
- Martyna Patrowicz

Members of the Management Board:

- Damian Patrowicz

The duration of the Company is indefinite.

The financial statements of INVESTMENT FRIENDS CAPITAL SE for the period from 01/07/2020 to 31/12/2020 are prepared in accordance with the International Financial Reporting Standards, which have been approved by the European Union and related interpretations announced in the form of regulations of the European Commission.

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II. STATEMENT OF FINANCIAL POSITION (in thous. EUR)

STATEMENT OF FINANCIAL POSITION	As of 31/12/2020 unaudited thous. EUR	As of 30/06/2020 audited thous.EUR
A s s e t s		
Fixed assets	4 237	1 300
Long-term financial assets	4 237	1 300
Current assets	384	3 320
Short-term financial assets	372	3 299
Cash and cash equivalents	12	20
Short accruals	0	1
T o t a l a s s e t s	4 621	4 620

L i a b i l i t i e s		
Equity	4 618	4 614
Share capital	10 511	2 102
Exchange differences due to conversion into EUR	-387	-318
Supplementary capital	409	8 818
Other reserve capitals	56	56
Retained earnings / Unsettled financial result	-5 971	-6 044
II. Long-term liabilities	0	0
III. Short-term liabilities	3	6
Trade liabilities	3	2
Other reserves	0	4
T o t a l l i a b i l i t i e s	4 621	4 620

Book value	4 618	4 614
Number of shares	105 111 804	105 111 804
Book value per one share (in EUR)	0,04	0,31

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III. PROFIT AND LOSS ACCOUNT *(in thous. EUR)*

PROFIT AND LOSS ACCOUNT	01/07/2020 - 31/12/2020 (unaudited) thous. EUR	01/01/2019 - 30/06/2019 (audited) thous. EUR
Revenue from interest, from the sale of products, goods and materials	80	191
Costs of products, goods and materials sold	0	-1
Gross profit on sales	80	192
General and administrative expenses	7	12
Other operating revenue	0	42
Other operating costs	0	1
Profit (loss) from operating activity	73	221
Financial revenue	0	16
Financial cost	0	83
Profit before tax	73	154
Net profit	73	154
Net profit (within 12 months)	73	154
Number of shares	105 111 804	105 111 804
Net profit per one ordinary share (in EUR)	0,001	0,001

STATEMENT OF COMPREHENSIVE INCOME	01/07/2020 - 31/12/2020 (unaudited) thous. EUR	01/01/2019 - 30/06/2019 (audited) thous. EUR
Net profit for period	73	154
Other comprehensive income, including:	-69	-15
Components that will not be carried over at a later time to the profit and loss account	0	0
Components that will be carried over at a later time to the profit and loss account	-69	-15
- differences from conversion to EURO	-69	-15
Total income for the period	4	139

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IV. STATEMENT OF CHANGES IN EQUITY *(in thous. EUR)*

STATEMENT OF CHANGES IN EQUITY	01/07/2020 - 31/12/2020 (unaudited) thous. EUR	01/01/2019 - 30/06/2019 (audited) thous. EUR
Equity at the beginning of the period	4 614	4 894
Equity at the beginning of the period, after reconciliation with comparable data	4 614	4 894
Share capital at the beginning of the period	2 102	2 102
Changes of share capital	8 409	0
a) increases (due to)	8 409	0
- bonus issue	8 409	0
Share capital at the end of the period	10 511	2 102
Supplementary capital at the beginning of the period	8 818	8 818
Changes of supplementary capital	-8 409	0
a) increases (due to)	0	0
b) decreases (due to)	8 409	0
- increase of share capital	8 409	0
Supplementary capital at the end of the period	409	8 818
Revaluation capital at the beginning of the period	0	-1 371
Revaluation capital at the end of the period	0	-1 371
Capital from merger of entities at the beginning of the period	0	-3
Capital from merger of entities at the end of the period	0	-3
Other reserve capital at the beginning of the period	56	56
Other reserve capital at the end of the period	56	56
Retained earnings / Unrealized losses from previous years at the beginning of the period	-6 044	-4 537
Zmiany pozostałych kapitałów rezerwowych	73	154
increase (due to)	73	154
a) profit/loss for the period	73	154
Retained earnings / Unrealized losses from previous years at the end of the period	-5 971	-4 383
Exchange differences at the beginning of the period	-318	-56
Changes of exchange differences	-69	-15

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decreases	-69	-15
Exchange differences at the end of the period	-387	-71
Equity at the end of the period	4 618	5 148

V. STATEMENT OF CASH FLOW (in thous. EUR)

STATEMENT OF CASH FLOW	01/07/2020 - 31/12/2020 (unaudited) thous. EUR	01/01/2019 - 30/06/2019 (audited) thous. EUR
Operating activities		
I. Gross profit	73	154
II. Total adjustments	-81	-26
Depreciation	0	8
Profits (losses) due to exchange differences	0	45
Interest and shares in profits	121	23
Loans granted	-2 952	-1 128
Received repayments	2 752	192
Profits due to investing activities	0	186
Change in reserves	-3	0
Change in inventories	0	342
Change in receivables and active accruals	1	308
Change in liabilities	0	464
Other adjustments	0	-395
Exchange differences	0	-71
I. Net cash flow from operating activities	-8	128
Investing activities		
I. Inflows from investing activities	0	0
II. Outflows from investing activities	0	152
Expenses for the acquisition of financial assets	0	-152
II. Net cash flow from investing activities	0	-152
Financing activities		
I. Inflows	0	0
II. Outflows from financing activities	0	0
III. Net cash flow from financing activities	0	0
Exchange differences	0	0
Total net cash flows (I+/-II+/-III)	-8	-24
Balance sheet change in cash	-8	-24
Cash and cash equivalents at the beginning of the period	20	27
Cash and cash equivalents at the end of the period	12	3

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VI. TRANSACTIONS WITH RELATED ENTITIES (in thous. EUR)

**The first half of the financial year 2020/2021:
01/07/2020 – 31/12/2020**

TRANSACTIONS WITH RELATED PARTIES FOR THE PERIOD 01/07/2020-31/12/2020 (thous. EURO)	Sale of products, goods and materials to related entities	Receivables due to loans and interest from related entities	Liabilities from deliveries and services and others see at the end of the period towards related entities.
Patro Invest OÜ	18	2 737	0
Damar Patro UÜ	18	1 520	0
Patro Invest sp z o.o in liquidation	26	0	0
Patro Inwestycje sp z o.o.	0	0	1
Total	62	4 257	1

Financial year 2019/2020

TRANSACTIONS WITH RELATED PARTIES FOR THE PERIOD ENDED ON 30/06/2020 (thous. EURO)	Sale of products, goods and materials to related entities	Sale of investment property	Sale of financial assets	Purchases from related entities	Receivables due to loans and interest from related entities	Liabilities from deliveries and services and others see at the end of the period towards related entities.
Patro Invest OÜ	33	0	0	0	110	0
Damar Patro UÜ	1	0	0	0	1 302	0
Damf Księgowość	1	0	0	0	0	0
Office Center	1	0	0	0	0	0
Patro Invest sp z o.o in liquidation	212	0	0	0	2 817	0
Patro Inwestycje sp z o.o.	3	338	0	3	0	1

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Elkop SE	0	0	0	1	0	0
Mr. Mariusz Patrowicz	0	0	1	0	0	0
Total	251	338	1	4	4 229	1

INVESTMENT FRIENDS CAPITAL SE's personal relationships between 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 S.A., Investment Friends SE, Damf Inwestycje S.A., Patro Invest Sp. z o.o., Patro Invest OÜ.

Management Board:

- Damian Patrowicz – performs since 04.06.2018 function of the only member of the Management Board of the Company and Patro Invest OÜ, also a member of the Management Board of Patro Inwestycje Sp. z o.o., FON SE, Atlantis SE and perform a function of the member of the Supervisory Board in: Elkop S.A., is a shareholder of Patro Invest OÜ. Mr. Damian is a general partner in Damar Patro UÜ and shareholder of Patro Invest Sp. z o.o. in liquidation.

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 Supervisory Board Member in: Atlantis SE, Investment Friends SE, FON SE.
- Małgorzata Patrowicz Member of the Supervisory Board- perform a function of the Liquidator of Patro Invest Sp. z o.o w in liquidation and the President of the management Board at 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.
- Martyna Patrowicz Member of the Supervisory Board- performs a function of a Supervisory Board Member in: Atlantis SE, Elkop SE, FON SE, Investment Friends SE.

Patro Invest OÜ is the largest shareholder of INVESTMENT FRIENDS CAPITAL SE, is also the dominant shareholder of ELKOP SE, ATLANTIS SE, Investment Friends SE, FON SE and Patro Inwestycje Sp. z o.o. The general partner at Damar Patro UÜ is a Member of Management Board of INVESTMENT FRIENDS CAPITAL SE. Member of the Management Board of Patro Invest Sp z o.o. in liquidation is an indirect shareholder of INVESTMENT FRIENDS CAPITAL SE.

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CREDITS AND LOANS

Long-term financial assets

LONG-TERM FINANCIAL ASSETS	As of 31/12/2020	As of 30/06/2020
Long-term financial assets	4 237	1 300
In related entities	4 237	1 300
- loans granted	4 237	1 300

As at December 31, 2020, the Issuer had two long-term loans granted to related entities: Damar Patro UÜ, Patro Invest OÜ.

Long-term loans granted in thous. PLN as at 31/12/2020

Name of the entity	Headquarter	The loan amount in EUR thousand		The loan amount outstanding to be repaid in EUR thousand		Interest	Term of repayment	Collateral
		Currency	Currency	Currency	Currency			
Patro Invest OÜ	Tallinn	12 400	PLN	12 482	PLN	2,7%	31.12.2023	blank promissory note with a promissory note declaration

Long-term loans granted in thous. EUR as at 12/31/2020

Name of the entity	Headquarter	The loan amount in EUR thousand		The loan amount outstanding to be repaid in EUR thousand		Interest	Term of repayment	Collateral
		Currency	Currency	Currency	Currency			
Damar Patro UÜ	Tallinn	1 500	EUR	1 520*	EUR	2,5%	30.06.2023	blank promissory note
Patro Invest OÜ	Tallinn	2 719	EUR	2 737	EUR	2,7%	31.12.2023	blank promissory note with a promissory note

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								declaration
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The loan granted to Damar Patro UÜ is granted in euro. The loan conversion rate set in the loan agreement is EUR 4.4

*The company shows capital due to the loan in its long-term financial assets. The interest accrued as at the balance sheet date is PLN 20 thousand. euro and are presented as short-term financial assets.

Long-term loans granted in thous. EUR as at 30/06/2020

Name of the entity	Headquarter	The loan amount in EUR thousand		The loan amount outstanding to be repaid in EUR thousand		Interest	Term of repayment	Collateral
		Currency	Currency					
Damar Patro UÜ	Tallinn	1 300	EUR	1 302*	EUR	2,5%	30.06.2023	blank promissory note

The loan granted to Damar Patro UÜ is granted in euro. The loan conversion rate set in the loan agreement is EUR 4.4

*The Company shows capital due to the loan in its long-term financial assets. The interest accrued as at the balance sheet date is EUR 2 thous. and is presented as short-term financial assets.

Short-term financial assets

SHORT-TERM FINANCIAL ASSETS	As at 31/12/2020	As at 30/06/2020
Short-term financial assets	372	3 229
A) In related entities	20	2 929
- granted loans	20	2 929
- value according to the purchase price	20	2 929
B) In other entities	352	370
- granted loans	352	370
- korekty aktualizujące wartość (+/-)	-7	-7
- wartość według cen nabycia	359	377

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Short-term loans granted in thous. PLN as at 31/12/2020

Name of the entity	Headquarter	The loan amount in PLN thousand		The loan amount outstanding to be repaid in PLN thousand		Interest	Term of repayment	Collateral
		Currency		Currency				
Natural person*	-	60	PLN	23	PLN	10%	31.03.2016	notarial deed of submission to enforcement, blank promissory note, mortgage
Natural person	-	150	PLN	5	PLN	10%	30.06.2018	notarial deed of submission to enforcement, blank promissory note, mortgages
Natural person	-	1 671	PLN	1 573	PLN	10%	23.04.2016	blank promissory note, notarial deed of submission to enforcement, mortgage
Total		1 881	PLN	1 601	PLN			

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Short-term loans granted in thous. EUR (exchange rate 4.5597) as of 31/12/2020

Name of the entity	Headquarter	The loan amount in EUR thousand		The loan amount outstanding to be repaid in EUR thousand		Interest	Term of repayment	Collateral
		Currency		Currency				
osoba fizyczna*	-	13	EUR	5	EUR	10%	31.03.2016	notarial deed of submission to enforcement, blank promissory note, mortgage
Osoba fizyczna	-	150	EUR	1	EUR	10%	30.06.2018	notarial deed of submission to enforcement, blank promissory note, mortgages
osoba fizyczna	-	375	EUR	346	EUR	10%	23.04.2016	blank promissory note, notarial deed of submission to enforcement, mortgage
Total		538	EUR	352	EUR			

*The company made a write-off for a loan granted to a natural person in the amount of EUR 7 thous. (= PLN 33 thous.)

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Short-term loans granted in thous. PLN as at 30/06/2020

Name of the entity	Headquarter	The loan amount in PLN thousand		The loan amount outstanding to be repaid in PLN thousand		Interest	Term of repayment	Collateral
		Currency		Currency				
Natural person*	-	60	PLN	57	PLN	10%	31.03.2016	notarial deed of submission to enforcement, blank promissory note, mortgage
Natural person	-	150	PLN	13	PLN	10%	30.06.2018	notarial deed of submission to enforcement, blank promissory note, mortgages
Natural person	-	1 671	PLN	1 575	PLN	10%	23.04.2016	blank promissory note, notarial deed of submission to enforcement, mortgage
Patro Invest sp. z o.o. in liquidation	Płock	4 000	PLN	2 922	PLN	5,7%	31.12.2021	blank promissory note
Patro Invest sp. z o.o. in liquidation	Płock	5 000	PLN	5 332	PLN	5,7%	31.12.2021	blank promissory note
Patro Invest sp. z o.o. in liquidation	Płock	4 000	PLN	4 266	PLN	WIBOR 3M +3%	31.12.2021	blank promissory note
Patro Invest OU	Tallinn	3 000	PLN	493	PLN	2,5%	31.12.2021	blank promissory note
Patro Invest sp. z o.o. in	Płock	1 100	PLN	20	PLN	4,5%	31.12.2019	blank promissory note

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liquidation								
Patro Invest sp. z o.o. in liquidation	Płock	400	PLN	7	PLN	WIBOR 3M +3%	31.12.2019	blank promissory note
Patro Invest sp. z o.o. in liquidation	Płock	270	PLN	5	PLN	WIBOR 3M +3%	30.09.2019	blank promissory note
Total		19 651	PLN	14 690	PLN			

*The company made a write-off for a loan granted to a natural person in the amount of EUR 7 thous. (= PLN 33 thous.)

Short-term loans granted in thous. EUR (exchange rate 4.456) as of 30/06/2020

Name of the entity	Headqua rter	The loan amount in EUR thousand		The loan amount outstanding to be repaid in EUR thousand		Interest	Term of repayment	Collateral
		Currency		Currency				
Natural person*	-	13	EUR	13	EUR	10%	31.03.2016	notarial deed of submission to enforcement, blank promissory note, mortgage
Natural person	-	150	EUR	3	EUR	10%	30.06.2018	notarial deed of submission to enforcement, blank promissory note, mortgages
Natural person	-	375	EUR	354	EUR	10%	23.04.2016	blank promissory note, notarial deed of submission to enforcement, mortgage

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Patro Invest sp. z o.o. in liquidation	Płock	898	EUR	656	EUR	5,7%	31.12.2021	blank promissory note
Patro Invest sp. z o.o. in liquidation	Płock	1 122	EUR	1 197	EUR	5,7%	31.12.2021	blank promissory note
Patro Invest sp. z o.o. in liquidation	Płock	898	EUR	957	EUR	WIBOR 3M +3%	31.12.2021	blank promissory note
PATRO INVEST OU	Tallinn	673	EUR	110	EUR	2,5%	31.12.2021	blank promissory note
Patro Invest sp. z o.o. in liquidation	Płock	247	EUR	4	EUR	4,5%	31.12.2019	blank promissory note
Patro Invest sp. z o.o. in liquidation	Płock	90	EUR	2	EUR	WIBOR 3M +3%	31.12.2019	blank promissory note
Patro Invest sp. z o.o. in liquidation	Płock	60	EUR	1	EUR	WIBOR 3M +3%	30.09.2019	blank promissory note
Total		4 526	EUR	3 297	EUR			

*The company made a write-off for a loan granted to a natural person for the amount of PLN 7 thous. EUR (= 33 thous. PLN)

The Issuer did not grant any guarantees to any entities.

VII. REPORT OF THE MANAGEMENT BOARD

THE MAIN FIELDS OF ACTIVITY, GROUPS OF PRODUCT AND SERVICES

The main activity of the Company is financial activity, including lending services. The Company conducts a homogeneous activity consisting in providing other financial services. In the reporting period, the decisive role in the structure of the revenues obtained by the Company is played by revenues related to interest and commissions on granted loans. The Company, implementing its business profile in the field of granting loans, concluded agreements with Polish and Estonian entities. Due to the nature of the activity, there are no sources of supplies for goods and materials.

The general (macroeconomic) development of the environment in which the accounting unit operates.

The Company undertakes financial activities especially related to granting cash loans for persons and business entities, mostly from a sector of micro and small business entities. In the Management Board's opinion, activity in this field is developmental, especially on Polish market. Small and medium-size companies constitutes over 99% of all enterprises in Poland. In Poland, among 2 million of small and medium-size entities, only over 17,5% uses credits and loans. It results from policy of banks in terms of granting loans for such entities. Truly, most of banks offer loan products for entrepreneurs from small and medium-size entities sector. However, these entrepreneurs meet huge problem with obtaining them in practice. Banks estimates a high risk for granting credits for small and medium-size companies. An entrepreneur must fulfill difficult requirements of a bank, primarily, almost unavailable for young entities, borrowing capacity. Most of beginning entrepreneurs have no collaterals and have not got a long history in a bank. Bank procedures are often very complicated and amending during the term of an agreement, i.e. interest level. Entrepreneurs who have not obtained financing from a bank, usually reach companies which provide lending services and declare high flexibility in terms of procedures tailored to needs of a particular customer and their capacity as far as collaterals are concerned. The Company notices development potential in the field of providing financial services for this kind of entities and intends consequently continue its business activity in this segment.

INFORMATION WHETHER THE OPERATING ACTIVITY OF AN ACCOUNTING UNIT IS BASED ON SEASONALITY.

In the reporting period, the main activity of the Company was financial (lending) service activities and therefore there is no seasonality or cyclicity.

SIGNIFICANT ENVIRONMENTAL AND SOCIAL IMPACTS RESULTING FROM THE ACTIVITIES OF THE ACCOUNTING UNIT.

Due to the specific nature of the Company's operations, ie financial service activities, there are no significant environmental and social impacts resulting from the Company's operations.

FINANCIAL INSTRUMENTS, FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES AND RISKS RELATED TO CHANGES IN FOREIGN EXCHANGE RATES, INTEREST RATES AND STOCK EXCHANGE RATES WHICH HAVE OCCURRED DURING THE FINANCIAL YEAR OR DURING THE PERIOD OF PREPARATION OF THE REPORT.

The main types of risk arising from the Company's financial instruments include: interest rate risk, liquidity risk, credit risk and risk related to financial collateral. The Management Board is responsible for establishing the principles of risk management in the Company and for supervising their compliance. The principles of risk management by the Company

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are aimed at identifying and analyzing the risks to which the Company is exposed, defining appropriate limits and controls, as well as monitoring the risk and the degree of adjusting the limits to it.

THE MOST IMPORTANT INVESTMENTS MADE DURING THE FINANCIAL YEAR AND PLANNED FOR THE NEAR FUTURE.

Due to the Company's leading activity in the field of financial services in the area of granting cash loans to business entities, the most important investments made by the Company in the reporting period concerned granted loans. In the near future, the Company intends to continue its lending activities, so any possible future investments will also be implemented in this area.

SIGNIFICANT RESEARCH AND DEVELOPMENT PROJECTS AND THE RELATED FINANCIAL OUTPUTS IN THE FINANCIAL YEAR AND SUBSEQUENT YEARS.

Due to the specific nature of the Company's leading activities, ie financial service activities, the Company does not conduct research and development projects.

IF AN ACCOUNTING ENTITY HAS ACQUIRED OR TAKEN AS SECURITY ITS OWN SHARES DURING THE FINANCIAL YEAR, THE FOLLOWING ITEMS THAT HAVE BEEN ACQUIRED OR TAKEN AS SECURITY SHALL BE PROVIDED IN THE MANAGEMENT REPORT AS TRANSFERRED AND NOT TRANSFERRED:

- 1) THE NUMBER OF THE SHARES AND THEIR NOMINAL VALUE OR, IN THE ABSENCE OF A NOMINAL VALUE, THE ACCOUNTING PAR VALUE AND THE RATIO IN THE SHARE CAPITAL;*
- 2) THE AMOUNT OF CONSIDERATION PAID FOR THE SHARES AND THE REASON FOR THEIR ACQUISITION OR TAKING AS SECURITY.*

In the reporting period, the Company did not acquire and did not take over its own shares as security.

THE STRUCTURE OF THE SHARE CAPITAL, INCLUDING THE SECURITIES, TRADING IN WHICH ON THE REGULATED SECURITIES MARKET OF CONTRACTING STATES IS NOT PERMITTED AND, WHERE POSSIBLE, ALSO DATA ON THE DIFFERENT CLASSES OF SHARES, THE RIGHTS AND OBLIGATIONS RELATED TO EACH CLASS OF SECURITY AND THEIR PERCENTAGE IN THE SHARE CAPITAL OF THE COMPANY.

Since May 28, 2007, the shares of Investment Friends Capital SE have been listed on the Warsaw Stock Exchange. As at the balance sheet date, December 31, 2020 Investment Friends Capital SE issued 105 111 804 outstanding shares with no par value. The shares are freely transferable and have no statutory restrictions. Currently, all the Company's series A shares in the amount of 105 111 804 are dematerialized bearer shares admitted to trading on the regulated market of the Warsaw Stock Exchange.

Share capital of the Company.

➤ Since November 30, 2018 until December 10, 2020, the share capital of the Company was expressed in EURO and amounted to: EUR 2 102 236,08 (in words: two million one hundred two thousand two hundred and thirty six EURO 08/100) and was divided into 15 015 972 (fifteen million fifteen one thousand nine hundred and seventy two) bearer shares without par value with a book value of EUR 0,14.

➤ Since 11/12/2020 as a result of registration of amendments to the Articles of Association and registration of the bonus issue, the share capital amounts to EUR 10 511 180,40 (in words: ten million five hundred and eleven thousand one hundred and eighty EURO 40/100) and is divided into 105 111 804 bearer shares without a nominal value with a book value of EUR 0,10.

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ALL RESTRICTIONS, AS PROVIDED BY THE ARTICLES OF ASSOCIATION, ON THE TRANSFER OF SECURITIES, INCLUDING RESTRICTIONS ON OWNERSHIP IN SECURITIES OR THE NEED TO OBTAIN AGREEMENT FROM THE COMPANY OR OTHER OWNERS OF SECURITIES.

The Articles of Association do not impose any restrictions on marketability, restrictions on ownership of securities or the need to obtain the consent of the company or other owners of securities.

ALL RESTRICTIONS ON TRANSFER OF SECURITIES KNOWN TO THE COMPANY AS PROVIDED BY CONTRACTS BETWEEN THE COMPANY AND ITS SHAREHOLDERS, OR CONTRACTS BETWEEN THE SHAREHOLDERS.

Company has not any knowledge of any restrictions in terms of disposal of securities resulting from contacts between shareholders, as well as Company has not concluded this kind of agreements and contacts.

QUALIFYING HOLDING PURSUANT TO THE PROVISIONS OF § 9 OF THE SECURITIES MARKET ACT.

To the best knowledge of the Management Board, as at the date of publication of the financial statements, ie on February 15, 2021. the structure of direct and indirect shareholders holding at least 5% of the total number of votes at the General Meeting was as follows:

Direct shareholding structure as at 15/02/2021

No	Direct shareholder	No. of shares	% shares	Number of votes	% votes
1.	Patro Invest OÜ	73 215 660	69,66	73 215 660	69,66
X	Total	105 111 804	100,00	105 111 804	100,00

Indirect shareholding structure as at 15/02/2021

Nr	Indirect shareholder	No. of shares	% shares	Number of votes	% votes
1.	Patro Invest OÜ	73 215 660	69,66	73 215 660	69,66
2.	Damian Patrowicz	73 215 660	69,66	73 215 660	69,66

*** Damian Patrowicz owns 100% of Patro Invest OÜ shares**

As at the balance sheet date 31/12/2020, to the best knowledge of the Management Board, the shareholding structure directly and indirectly holding at least 5% of the total number of votes at the General Meeting was as follows:

Direct shareholding structure as at 31/12/2020

No.	Direct shareholder	No. of shares	% shares	Number of votes	% votes
1.	Patro Invest OÜ	73 215 660	69,66	73 215 660	69,66
X	Total	105 111 804	100,00	105 111 804	100,00

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Indirect shareholding structure as at 31/12/2020

No.	Indirect shareholder	No. of shares	% shares	Number of votes	% votes
1.	Patro Invest OÜ	73 215 660	68,86	73 215 660	68,86
2.	Damian Patrowicz	73 215 660	68,86	73 215 660	68,86

* **Damian Patrowicz owns 100% of Patro Invest OÜ shares**

OWNERS OF SHARES GRANTING SPECIFIC POWERS OF AUDIT AND A DESCRIPTION OF THEIR POWERS.

There are no shares granting specific powers of supervision and control in the Company.

SUPERVISION SYSTEM IN THE CASE OF INDIRECT INVOLVEMENT OF EMPLOYEES IN THE STOCK OPERATIONS.

In the reporting period, the above circumstances did not arise in the Company.

ALL RESTRICTIONS AND AGREEMENTS RELATING TO VOTING RIGHTS, AND WHETHER PREFERRED SHARES HAVE VOTING RIGHTS, INCLUDING THE RESTRICTION OF VOTING RIGHTS BY A CERTAIN PERCENTAGE OF THE HOLDING OR A CERTAIN NUMBER OF VOTES, THE TERMS SET FOR THE USE OF THE VOTING RIGHTS OR SYSTEMS IN WHICH THE MONETARY RIGHTS RELATED TO THE SECURITIES AND OWNERSHIP OF THE SECURITIES HAVE BEEN SEPARATED FROM EACH OTHER IN COOPERATION WITH THE COMPANY.

Pursuant to provisions of point 2.3. of the Company's Article of Association, all shares of the Company are of one type and give Shareholders the same rights, each share gives one vote at the General Meeting of the Company.

There is no restrictions as far as voting rights are concerned, the preference shares in terms of voting rights or systems in which the monetary rights related to the securities and ownership of the securities have been separated from each other in cooperation with the Company.

PROVISIONS AND RULES FOR THE SELECTION, APPOINTMENT, RESIGNATION AND DISMISSAL OF MEMBERS OF THE COMPANY'S MANAGEMENT BOARD ESTABLISHED BY LAW.

Pursuant to provisions of point 5.3. of the Company's Article of Association, members of the Management Board are appointed and dismissed by the Supervisory Board which decides also on remuneration of members of the MB.

PROVISIONS AND RULES FOR AMENDMENT OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

Pursuant to point 4.8.1 of the Company's Article of Association, amending of the Article of Association is a competence of the General Meeting of Shareholders.

Pursuant to point 4.5 of the Statute, the meeting has a quorum if more than one half of the votes represented by the shares are represented at the general meeting, unless a requirement for a higher quorum is prescribed by applicable legal acts.

In case if sufficient number of shareholders to provide for a quorum under section 4.5 do not participate in the general meeting, the Management Board of the Company shall, within three weeks but not earlier than after seven days, call another meeting with the same agenda. The new general meeting is competent to adopt resolutions regardless of the votes represented at the meeting

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Resolutions of the general meeting are adopted if more than one-half of the votes represented at the general meeting are in favour thereof, unless the applicable legal acts prescribe other terms.

AUTHORISATION OF THE MEMBERS OF THE MANAGEMENT BOARD OF THE COMPANY INCLUDING THE AUTHORISATION TO ISSUE AND REPURCHASE SHARES

In the reporting period there were not granted authorization for the Management Board to issue or repurchase shares.

AGREEMENTS BETWEEN THE COMPANY AND ITS MANAGEMENT BOARD OR EMPLOYEES WHICH PROVIDE COMPENSATIONS ON THE CASE OF A TAKEOVER PROVIDED IN CHAPTER 19 OF THE SECURITIES MARKET ACT

The Company has not concluded this kind of agreements with members of the management board or employees.

ALL IMPORTANT AGREEMENTS TO WHICH THE COMPANY IS A PARTY AND WHICH ENTER INTO FORCE, ARE AMENDED OR TERMINATED IN THE CASE WHERE, AS A RESULT OF A TAKEOVER BID PURSUANT TO THE PROVISIONS OF CHAPTER 19 OF THE SECURITIES MARKET ACT, ANOTHER PERSON GAINS THE QUALIFYING HOLDING IN THE COMPANY, AND THE EFFECT OF SUCH AGREEMENTS UNLESS, DUE TO THE NATURE THEREOF, THEIR DISCLOSURE WOULD RESULT IN SIGNIFICANT DAMAGE TO THE COMPANY.

The Company has not concluded, amended or terminated any agreements or contracts of this kind.

DESCRIPTION OF BASIC ECONOMIC AND FINANCIAL VALUES DISCLOSED IN THE ANNUAL FINANCIAL STATEMENTS AS WELL AS DESCRIPTION OF FACTORS AND THE MOST IMPORTANT EVENTS, INCLUDING EVENTS OF UNUSUAL CHARACTERISTICS, HAVING SIGNIFICANT INFLUENCE ON THE COMPANY'S OPERATING AND GAINED PROFITS OR SUSTAINED LOSSES IN THE FINANCIAL YEAR.

In the reporting period the Company noted:

- gross profit/loss on sale in the amount of EUR 80 thous.
- profit/loss on operating activity in the amount of EUR 73 thous.
- net profit/loss on business activity in the amount of EUR 73 thous.
- revenue on sale of products in the amount of EUR 80 thous.
- general management cost in the reporting period in the amount of EUR 7 thous.

SIGNIFICANT EVENTS THAT OCCURRED IN THE PERIOD OF PREPARATION OF THE FINANCIAL STATEMENTS OF THE ANNUAL REPORT AND WHICH ARE NOT INCLUDED THEREIN, BUT HAVE OR MAY HAVE A SIGNIFICANT IMPACT ON THE FINANCIAL EFFICIENCY IN THE FOLLOWING YEARS.

These events were not recorded.

INDICATION OF PROCEEDINGS PENDING IN COURT, AN ARBITRARY BODY OR PUBLIC ADMINISTRATION BODY.

In the reporting period, the Company has not initiated and has not become a party of any new, important judicial or administrative proceedings.

The Company indicates below the most important pending court and administrative proceedings:

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

On 17/05/2016 the Management Board of the Company became aware of imposition a punishment on the Company in the amount of PLN 250 thous. due to conclusion of the KNF that the Company improperly executed its informative obligation resulting from art. 56 point 1 of the Act on Public Offering, regarding Investment Agreement concluded between the Company and FON Ecology S.A. in Płock and TransRMF Sp. Z o. o. headquartered in Siedliska.

The KNF in justification of the decision, indicates that in the opinion of Authority, the Company was not entitled to delay publication of the confidential information on conclusion of the Investment Agreement of Decmeber 29, 2011 because there was no premises resulting from art. 57 of the Act on Public Offering, and moreover, that publication of this information could not violate interest of the Company.

The Company's Management Board does not agree with the decision of KNF and they submit a relevant appeal on this decision along with request for reconsideration of this matter. Statement of the Company was indicated in the current report no 27/2016 of 17/05/2016.

On 16/05/2017 the KNF maintained their decision on imposing of the punishment on the Company, and because of this the Company paid the imposed punishment in the amount of PLN 250 thous.

The Company maintaining their opinion that the imposed punishment is illegitimate, on 14/06/2017 submitted to the Province Administrative Court in Warsaw (WSA) a complaint against the decision of KNF, requesting for total cancellation of the decision on imposition of punishment. On 14/02/2018 negative judgement was issued, the complaint was rejected.

On 20/04/2018 the Company submitted a cassation appeal to the Supreme Administrative Court in Warsaw because the Company intends to continue the court proceeding aiming at obtaining a positive for the Company judgement.

2. Legal case against the Borrowers - natural person (spouses).

The Company has granted to the Borrowers - natural persons (spouses) a cash loan in the amount of PLN 60 thous.. In order to secure the loan's repayment, the debtors undertaken jointly in the form of notarial deed to the execution as far as obligation to return of the loan along with related receivables are concerned, to the maximum amount of PLN 100 thous. and established a mortgage on a real estate. Due to lack of the loan's repayment, the Company submitted a request for a declaration of enforceability to aforementioned notarial deed. The request was positively considered. After receiving of the declaration of enforceability, the Company has initiated bailiff enforcement procedure from salary of the Borrowers and the real estate on which the mortgage was established. Under the execution procedure there was made an estimation of the real estate's value and the first auction of this property was carried out. Because of ineffectiveness of the auction, the Company submitted a request for determination of the next date of an auction of the real estate being a collateral of the loan, which also was not effective.

The Company intends to continue the bailiff execution procedure till the time of satisfying of all claims.

3. Legal case upon request of the Company against the Borrower - natural person.

The Company granted to a natural person a loan in the amount on PLN 1.671 thous. In order to secure the loan's repayment, the debtor undertaken in the form of notarial deed to the execution to the maximum amount of PLN 3.300 thous. pursuant to art. 777 par. 1 point 5 of the Civil Procedures Code, as far as repayment to the Company the sum of the amount due to repayment of the loan along with interest in the contracted amount and interest for delay.

Due to lack of the loan's repayment in the established term, the Company submitted to the District Court in Płock, a request for a declaration of enforceability. In December 2017, the Court issued a ruling on giving a declaration of

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enforceability to aforementioned notarial deed. The case was finished at the level of court proceeding, while the Company is able to submit an execution request to a bailiff in order to enforce receivables. Because of the fact that the Borrower systematically, every month pays interest instalments for delay in repayment, and they has started to pay every month the capital instalments, the Management Board of the Company currently suspends submission of a request to executive proceeding, allowing the Borrower to repay the loan, and at the same time gaining repayment of interest due to delay every month. If the Borrower stops to repay the debt, the Company will submit a request to initiate executive proceeding by a bailiff.

INFORMATION ON CAPITAL LINKS OF THE COMPANY WITH OTHER ENTITIES AND DESCRIPTION OF THE MAIN DOMESTIC AND FOREIGN INVESTMENTS, INCLUDING CAPITAL INVESTMENTS MADE OUT OF THE GROUP OF RELATED ENTITIES AS WELL AS DESCRIPTION OF THEIR FINANCING.

As at the balance sheet date, December 31, 2020. Investment Friends Capital SE does not have any subsidiaries and does not create its own capital group.

According to the best knowledge of the Management Board, the dominant direct shareholder is Patro Invest OÜ seated in Tallinn, which held 69,66% of the share capital and 69,66% of votes at the General Meeting of the Company as at 15/02/2021.

The Company as of February 15, 2021 it did not have capital investments in the form of shares of other entities.

INFORMATION ABOUT TRANSACTIONS CONCLUDED BY THE COMPANY OR ITS SUBSIDIARY WITH RELATED ENTITIES ON OTHER THAN MARKET TERMS, SPECIFYING THEIR VALUES AND INFORMATION DESCRIBING CHARACTER OF THESE TRANSACTIONS.

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

All significant transactions, including transactions with related entities, are indicated in this Financial Statement in Chapter VI. Transactions with related entities.

INFORMATION ON TAKEN AND TERMINATED AGREEMENTS REGARDING CREDITS AND LOANS IN THE FINANCIAL YEAR, SPECIFYING AT LEAST THEIR VALUE, INTEREST RATE LEVEL, CURRENCY AND MATURITY TERM.

In the reporting period, the Company did not have any loans or advances taken or terminated.

INFORMATION ON LOANS GRANTED IN THE FINANCIAL YEAR, SPECIFYING ESPECIALLY LOANS GRANTED TO THE ENTITIES RELATED WITH THE COMPANY, THEIR VALUE, TYPE AND INTEREST RATE LEVEL, CURRENCY AND MATURITY TERM.

Loans granted by the Company are described in these Financial Statements in the Loans and Loans tab in Chapter VI.

INFORMATION ON GRANTED AND RECEIVED IN THE FINANCIAL YEAR WARRANTIES AND GUARANTIES, SPECIFYING ESPECIALLY GUARANTIES AND WARRANTIES GRANTED TO THE RELATED ENTITIES OF THE COMPANY.

In the reporting period, the company did not grant and did not receive any sureties or guarantees.

In the reporting period, the Company did not issue any new securities.

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IN THE CASE OF ISSUING SECURITIES IN THE PERIOD COVERED BY THE REPORT - DESCRIPTION OF THE USE OF THE PROCEEDS FROM THE ISSUE BY THE COMPANY UNTIL THE PREPARATION OF THE REPORT ON OPERATIONS.

In the reporting period, the Company did not issue any new securities.

EXPLANATION OF DIFFERENCES BETWEEN THE FINANCIAL RESULTS INDICATED IN THE ANNUAL REPORT AND PREVIOUSLY PUBLISHED FORECASTS OF RESULTS FOR A GIVEN YEAR.

The Company did not publish forecasts for the financial year from 01/07/2020 to 30/06/2021 and for the following years.

ASSESSMENT AND ITS JUSTIFICATION, REGARDIN MANAGEMENT OF FUNDS, SPECIFYING ABILITY TO DISCHARGE FROM TAKEN OBLIGATION AND INDICATION OF POSSIBLE THREATS AND ACTION WHICH THE ISSUE UNDERTOOK OR INTENDS TO UNDERTAKE IN ORDER TO PREVENT THOSE THREAT.

As at the day of preparation of the periodical report, the Management Board according to their best knowledge, does not recognize any threat in terms of fulfilling his obligations and financial liquidity. The Company systematically settles its liabilities and have not any credits or loans taken and other significant burdens. The Company dedicates owned funds for conducted lending activity and intends to develop this activity gradually. Possible surpluses are located on temporal deposits in safe banks. Because of the fact that the main activity of the Company is lending activity, the significant influence on results and maintaining liquidity of the Company, have the proper and prompt realization of obligations by the Borrowers toward the Company which result from concluded loan agreements.

ASSESSMENT OF POSSIBILITY OF REALIZATION OF INVESTMENT INTENTIONS, INCLUDING CAPITAL INVESTMENTS, IN COMPARISON WITH OWNED INSTRUMENTS TAKING INTO ACCOUNT POSSIBLE CHANGES IN THE STRUCTURE OF FINANCING OF THIS ACTIVITY.

The Company conducts mostly financial service activity, granting non-consumer cash loans for business entities. The current lending operating is financed from own funds of the Company. Further activities in the field of granting loans and possible investments, the Company intends to realize mainly from own funds.

ASSESSMENT OF FACTORS AND ATYPICAL EVENTS HAVING INFLUENCE ON RESULT FROM OPERATING FOR THE FINANCIAL YEAR, SPECIFYING LEVEL OF INFLUENCE OF THESE FACTORS OR ATYPICAL EVENTS ON OBTAINED RESULT.

According to the assessment and best knowledge of the Management Board, there were, in particular, no unusual factors and events that could significantly affect the assessment and change of the Company's property and financial situation and the possibility of meeting its obligations. The Company's results were significantly influenced by revenues from loan service activities.

CHARACTERISTIC OF EXTERNAL AND INTERNAL FACTORS SIGNIFICANT FOR DEVELOPMENT OF THE ENTERPRISE OF THE COMPANY AND DESCRIPTION OF PERSPECTIVES FOR DEVELOPMENT OF THE COMPANY'S ACTIVITY, AT LEAST TO THE END OF THE FINANCIAL YEAR FOLLOWING THE YEAR COVERED BY THE FINANCIAL STATEMENTS INCLUDED IN THE ANNUAL REPORT, SPECIFYING ELEMENTS OF MARKET STRATEGY WORKED OUT BY THE COMPANY.

Taking into account the specific of the activity, i.e. financial service activities in the field of granting non-consumer cash loans significant influence on results currently have and will have the following internal and external factors:

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- 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 occurs,
- efficiency of procedures and administrative and legal in which a possible participant or a part can be the Company,
- 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.

CHANGES IN THE BASIC RULES OF THE COMPANY'S ENTERPRISE MANAGEMENT.

In the reporting period there were no significant changes in the basic rules of the Company's enterprise management.

ANY AGREEMENTS CONCLUDED BETWEEN THE COMPANY AND MANAGING PERSONS, PROVIDING COMPENSATION IN CASE OF THEIR RESIGNATION OR DISMISSING FROM HELD FUNCTION WITHOUT ANY IMPORTANT REASON OR WHEN THEIR DISMISSING HAPPENS DUE TO MERGER OF THE COMPANY VIA TAKEOVER.

The Company has not concluded this kind of agreements with managing persons.

THE VALUE OF REMUNERATION, REWARDS OR BENEFITS, INCLUDING THOSE RESULTING FROM MOTIVATIONAL OR BONUS PROGRAMS, BASED ON THE COMPANY CAPITAL, INCLUDING PROGRAMS BASED ON PRIVILEGED BONDS, CONVERTIBLE BONDS, WARRANTS (IN CASH, IN KIND OR IN ANY OTHER FORM) THAT ARE PAID OUT, DUE OR POTENTIALLY DUE, FOR EACH SUPERVISING AND MANAGING PERSON, IRRESPECTIVE OF THE FACT THAT THEY WERE QUALIFIED AS COSTS OR RESULTED FROM THE PROFIT DISTRIBUTION. IN CASE OF AN COMPANY WHICH IS A CONTROLLING ENTITY OR A MAJOR INVESTOR, A PARTNER OF A CO-SUBSIDIARY OR CONSEQUENTLY AN ENTITY BEING A PART OF A JOINT CONTRACTUAL ARRANGEMENT.

The Company has not concluded this kind of agreements with aforementioned persons and has not paid out this kind of remunerations, awards or benefits.

INFORMATION ON AVERAGE EMPLOYMENT WITH DIVISION INTO PROFESSIONALS.

The Company did not employ any employees in the reporting period.

INDICATION OF TOTAL NUMBER AND NOMINAL VALUE OF ALL SHARES (STOCKS) OF THE COMPANY AND SHARES IN RELATED ENTITIES OF THE COMPANY OWNED BY THE MANAGING AND SUPERVISING PERSONS OF THE COMPANY.

- ***Members of the Management Board***

As at the balance sheet date, December 31, 2020 and the date of submitting this periodic report, the only Member of the Management Board, Mr. Damian Patrowicz, indirectly holds the Company's shares. To the best knowledge of the Management Board, Mr. Damian Patrowicz holds, indirectly through a subsidiary Patro Invest OÜ, 73 215 660 shares in

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Investment Friends Capital SE, constituting 69,66% of the share capital of the Company and entitling to 73 215 660 votes, representing 69,66% of the total the number of votes at the General Meeting of the Company.

- ***Members of the Supervisory Board***

To the best of the knowledge of the Management Board of Investment Friends Capital SE, the Members of the Supervisory Board as at the balance sheet date and the date of submitting the periodic report do not hold any shares of the Company directly or indirectly.

INFORMATION ON KNOWN FOR THE COMPANY AGREEMENTS AS A RESULT OF WHICH THERE COULD OCCUR CHANGES IN PROPORTIONS OF OWNED SHARES BY THE CURRENT SHAREHOLDERS.

The Company has not any knowledge about this kind of agreements.

INFORMATION ON SYSTEM OF CONTROL OF EMPLOYEE SHARES SCHEME.

The Company does not introduce employee shares scheme.

INFORMATION ON ANY LIABILITIES RESULTING FROM PENSIONS AND BENEFITS OF SIMILAR CHARACTER FOR PEOPLE WHO WERE MANAGERS, PERFORMED SUPERVISING FUNCTIONS, OR WERE MEMBERS OF ADMINISTRATIVE ORGANS, AND ON COMMITMENTS MADE IN CONNECTION WITH THESE PENSIONS SPECIFYING THE VALUE FOR EACH ORGAN; IF RELEVANT INFORMATION WERE PRESENTED IN THE FINANCIAL STATEMENT - THIS OBLIGATION IS DEEMED TO BE FULFILLED BY INDICATION OF ITS POSITION IN THE FINANCIAL STATEMENTS.

This kind of obligation does not exist in the Company.

INFORMATION ON OWN SHARES

In the period covered by this report the Company has not owned own shares

INFORMATION ON BRANCHES OF THE COMPANY

The Company has not any branches.

INFORMATION ON FINANCIAL INSTRUMENTS IN TERMS OF:

A) PRICES' CHANGE, CREDIT, SIGNIFICANT INTERRUPTIONS OF CASH FLOWS AND LOOSING OF FINANCIAL LIQUIDITY, TO WHICH THE ENTITY IS EXPOSED

B) APPLIED BY THE ENTITY GOALS AND METHODS OF FINANCIAL RISK MANAGEMENT, ALONG WITH SECURING METHODS OF SIGNIFICANT KINDS OF PLANNED TRANSACTIONS FOR WHICH HEDGING ACCOUNTANCY IS APPLIED.

The Company has no formalized system of financial risk managements. Decisions on application of securing instruments for planned transactions are made on the basis of current analyse of the Company's situation and its environment.

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 20/02/2020 the General Meeting of Shareholders made a selection of an entity

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authorized to carry out an audit of financial statement of Investment Friends Capital SE prepared for the period 01/07/2020 - 30/06/2021.

An entity selected by the General Meeting is Number RT OÜ headquartered in Harju maakond, Tallinn, Kristiine linnaosa, Linnu tee 21a, 11317, registry code of the company: 10213553.

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.

STATEMENT OF THE OWNERSHIP OF THE COMPANY'S SHARES OR RIGHTS TO THEM BY PERSONS MANAGING AND SUPERVISING THE COMPANY AS AT THE DATE OF SUBMISSION OF THE PERIODIC REPORT TOGETHER WITH AN INDICATION OF CHANGES IN OWNERSHIP DURING THE PERIOD SINCE THE SUBMISSION OF THE PREVIOUS PERIODIC REPORT, SEPARATELY FOR EACH PERSON.

- ***Members of the Management Board***

Compared to the previous reporting period, there were changes in the indirect ownership of the Company's shares by Members of the Management Board. As at the date of this periodic report, the President of the Management Board, Mr. Damian Patrowicz, indirectly holds the Company's shares. To the best knowledge of the Management Board, as at 15/02/2021, indirectly through a subsidiary Patro Invest OÜ, Mr. Damian Patrowicz holds 73 215 660 shares of Investment Friends Capital SE, representing 69,66% of the share capital of the Company and entitling to 73 215 660 votes representing 69,66% of the total number of votes at the General Meeting of the Company.

- ***Members of the Supervisory Board***

To the best of the knowledge of the Management Board of Investment Friends Capital SE, the members of the Supervisory Board as at the balance sheet date and the date of submitting the periodic report do not hold any shares of the Company directly or indirectly.

OTHER SIGNIFICANT INFORMATION

- ***DESCRIPTION OF FACTORS AND EVENTS, IN PARTICULAR ATYPICAL ONES, HAVING SIGNIFICANT INFLUENCE ON THE ACHIEVED FINANCIAL RESULTS.***

In the reporting period there were no significant events influencing the achieved financial results.

- ***DESCRIPTION OF THE COMPANY'S SIGNIFICANT ACHIEVEMENTS OR FAILURES IN THE PERIOD OF THE REPORT WITH THE LIST OF THE MOST IMPORTANT EVENTS***

Revaluation of the value of the Company's assets.

The Management Board of INVESTMENT FRIENDS CAPITAL SE headquartered in Tallinn, hereby informs that in connection with works being carried out on the financial report for the financial year 2019/2020, the Management Board of the Issuer on July 9, 2020 decided to make a revaluation of the Company's financial assets as at 30/06/2020.

As at the balance date 30/06/2020 the Issuer held 1.515 stocks of IFEA Sp. z o.o., that consisted of 5,24% of the share capital and granted 1.515 votes consisting of 5,24% of the total number of votes at the general meeting of IFEA Sp. z o. o.

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On July 9, 2020 the Issuer decided to reevaluate the Issuer's assets in the 6th quarter of the financial year 2019/2020 due to decrease in the value of stocks of IFEA Sp. z o. o. by the value PLN 1 795 572,78.

Repayment of the principal of cash loans by the Borrower

The Management Board of INVESTMENT FRIENDS CAPITAL SE with its seat in Tallinn at Harju maakond, Tallinn, Kesklinna linnaosa, Tornimäe tn 5, 10145, Estonia, entered in the Estonian Commercial Register under number 14618005 announced that on 1/10/2020 the Borrower Patro Invest Sp. z o.o. in liquidation with its seat in Płock (KRS No. 0000657016) returned the remaining loan capital of cash loans taken on 25/10/2017, 17/07/2018 and 6/08/2018 in the total amount of PLN 11 845 783,41 (say: eleven million eight hundred and forty five thousand seven hundred eighty-three zlotys forty-one groszy). The remaining debt due to unpaid interest amounts to PLN 805 953,75 (say: eight hundred five thousand nine hundred fifty three zlotys seventy five groszy).

Conclusion of a cash loan agreement.

The Management Board of INVESTMENT FRIENDS CAPITAL SE with its seat in Tallinn hereby informs that on 01/10/2020 the Issuer as the Lender concluded a Cash Loan Agreement with PATRO INVEST OÜ with its seat in Tallinn (Register code: 14381342) as the Borrower. Under the Agreement of October 1, 2020, the Issuer granted the Borrower a cash loan in the amount of PLN 11,800,000.00 (say: eleven million eight hundred thousand zlotys 00/100) for the period until December 31, 2024. The loan bears interest at a fixed interest rate of 2.7%. The parties agreed that the Borrower will make monthly interest payments, which will be payable in arrears for each calendar month by the 20th day of the following month. The capital will be paid on a one-off basis until December 31, 2024.

Schedule for submitting periodic reports in the financial year 2020/2021.

The Management Board of INVESTMENT FRIENDS CAPITAL SE based in Tallinn hereby presents the dates of publication of periodic reports in 2020/2021.

Quarterly reports will be published by the Company in 2020 and in 2021 on the following dates:

The separate financial statements for the first 3 months of financial year 2020-2021 will be published on 25.11.2020.

The separate financial statements for the first half of the financial year 2020-2021 will be published on 20.02.2021.

The separate financial statements for the first 9 months of financial year 2020-2021 will be published on 29.04.2021.

The separate annual financial statements for the financial year 2020-2021 will be published on 31.08.2021.

Notice on Calling an Ordinary General Meeting of Shareholders of INVESTMENT FRIENDS CAPITAL SE

The Ordinary General Meeting of Shareholders of INVESTMENT FRIENDS CAPITAL SE SE (corporate ID code:14618005), registered address: Harju maakond, Tallinn, Kesklinna linnaosa, Tornimäe tn 5, 10145, the Republic of Estonia, was convened by the Management Board of the Company. The date of the Meeting is 30 November 2020, Monday; time - 12:00 (registration starts at 11:30). The Ordinary General Meeting of Shareholders took place in Płock, on Padlewskiego Street 18C, 09-402..

Supplementing at the request of a Shareholder draft resolutions for the AGM convened for 30/11/2020

Following receipt of the request of a shareholder PATRO INVEST OÜ on November 10, 2020 filed under the provision of § 293 item (2) of the Estonian Commercial Code, together with the draft of a relevant resolution, the Management Board of INVESTMENT FRIENDS CAPITAL SE (the "Company") informs that it took into account the Shareholder's demand in that the way that it supplemented draft resolutions prepared for the Ordinary General Meeting of the

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Company, convened for November 30, 2020, for draft resolutions regarding the addition of a point regarding the change in the financial year of the Company and the amendment to the Articles of Association. The remaining draft resolutions published on November 6, 2020 via the current report No. 13/2020 remain unchanged.

Conclusion of the Annex to the Loan Agreement of 1/10/2020.

The Management Board of INVESTMENT FRIENDS CAPITAL SE in Tallinn hereby informed that on November 18, 2020, the Issuer, as the Lender, concluded an Annex to the Cash Loan Agreement with Patro Invest OU based in Tallinn, Estonia (Ariregister Estonia number: 14381342) as the Borrower, about which loan the Company informed in the current report No. 9/2020 of 1 October 2020. Under the concluded Annex of November 18, 2020 to the Loan Agreement of October 1, 2020 the parties changed the period for which the loan was granted, indicating the new date of its return as at December 31, 2023 and increased the amount of the loan from PLN 11 800 000,00 to PLN 12 000 000,00. The other terms of the Loan Agreement remained unchanged. Moreover, the Issuer informs that there are personal ties between INVESTMENT FRIENDS CAPITAL SE and PATRO INVEST OU in Tallinn, Estonia.

Protocol of the Ordinary General Meeting of Shareholders of INVESTMENT FRIENDS CAPITAL SE of 30/11/2020

On November 30, 2020, the Company published the minutes of the Ordinary General Meeting of Shareholders, at which all draft resolutions published during the convening of this AGM were voted on.

Registration of amendments to the Articles of Association.

The Management Board of INVESTMENT FRIENDS CAPITAL SE with its registered office in Tallinn informed that on 11/12/2020 the Commercial Companies Register (Ariregister) appropriate for Estonian law registered the amendments to the Articles of Association of the Company resulting from the resolutions adopted at the Ordinary General Meeting of Shareholders on 30/11/2020.

Therefore, the current wording of points 2.1, 2.4, 4.7 of the Company's Articles of Association is as follows:

"2.1. The minimum amount of share capital of the Company is 3 000 000 euros and the maximum amount of share capital is 12 000 000 euros. " "2.4. The minimum number of the shares of the Company without nominal value is 30 000 000 (thirty million) shares and the maximum number of the shares of the Company without nominal value is 120 000 000 (one hundred and twenty million) shares. "4.7. The shareholders may not vote prior to the general meeting as per § 2982 of the Commercial Code. "

➤ **Explanation the seasonality or periodicity of the company's operations**

The current main activity of the Company is financial (lending) service activities and therefore there is no seasonality or cyclicity.

➤ **Information on write-downs for impairment of financial assets, tangible fixed assets, intangible assets or other assets and the reversal of such write-offs.**

In the reporting period, no revaluation write-offs were recorded due to impairment of financial assets, tangible fixed assets, intangible assets or other assets and no reversal of such write-offs.

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➤ **Information on provisions and assets for deferred income tax**

The Company did not estimate (as at the balance sheet date) the deferred income tax assets as it is regulated by the Income Tax Act in Estonia.

➤ **Indication of significant court proceedings relating to the obligations or liability of the Company or its subsidiary, indicating the subject of the proceedings, the amount in dispute, the date of initiation of the proceedings, parties to the proceedings and the Company's position.**

In 2019/2020, no new, significant court and administrative cases were pending in the Company. In relation to the information presented, the Company has neither initiated nor was a party to new, significant proceedings before a court or public administration body.

VIII. STATEMENT OF THE MANAGEMENT BOARD

The Management Board of INVESTMENT FRIENDS CAPITAL SE declares that, to the best of its knowledge, these financial statements and comparable data have been prepared in accordance with the financial reporting principles applicable to the Issuer and that they reflect truthfully, fairly and clearly the property and financial situation of the Issuer and its financial result. The Management Board's report on the operations of INVESTMENT FRIENDS CAPITAL SE contains a true picture of the development, achievements and situation of the Company, including a description of the main threats and risks.

These financial statements have been prepared with the application of accounting principles in accordance with the International Financial Reporting Standards. This report covers the period from July 1, 2020 to December 31, 2020, ie the first half of the 2020/2021 financial year and the comparative period from January 1, 2019 to June 30, 2019, ie the first half of the 2019/2020 financial year.

IX. SELECTED FINANCIAL DATA

	in thous. EUR	
	Six months ended	Six months ended
	on 31/12/2020	on 30/06/2019
Revenue from interest, from the sale of products, goods and materials	80	191
Profit from operating activities	73	221
Profit before tax	73	154
Net cash flow from operating activities	-8	128
Net cash flow from investing activities	0	-152
Net cash flows from financing activities	0	0
Change in cash and cash equivalents	-8	-24

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Total assets*	4 621	4 620
Short-term liabilities*	3	6
Share capital*	10 511	2 102
Number of shares (in pcs.)	105 111 804	105 111 804
Book value per one ordinary share (in EURO)	0,04	0,04

*Data as of June 30, 2020 in the comparable period

Tallinn, 2021-02-15

Signature of Management Board

Damian Patrowicz

Member of the Management Board

First name and last name

function