

Half-yearly financial report and report of Management Board  
of INVESTMENT FRIENDS CAPITAL SE  
for the period 01.07.2021 - 31.12.2021 (*in thous. EUR*)



# **INVESTMENT FRIENDS CAPITAL SE**

**SHORTENED FINANCIAL STATEMENTS OF  
INVESTMENT FRIENDS CAPITAL SE  
FOR THE 6-MONTH PERIOD  
ENDED ON 31 DECEMBER 2021**

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

Tallinn, 14/02/2022

Half-yearly financial report and report of Management Board  
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## I. GENERAL INFORMATION

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

Beginning of the financial year: 1 lipiec 2021 rok

End of financial year: 30 czerwiec 2022 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](mailto:biuro@ifcapital.pl)

Website: [www.ifcapital.pl](http://www.ifcapital.pl)

Principal business activity: As of 31/12/2021, 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 01/07/2021 to 31/12/2021 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 31/12/2021 (in thous. EUR) unaudited	As of 30/06/2021 (in thous. EUR) audited
<b>A s s e t s</b>		
<b>Fixed assets</b>	<b>4 355</b>	<b>4 337</b>
Long-term financial assets	4 355	4 337
<b>Current assets</b>	<b>433</b>	<b>407</b>
Short-term financial assets	432	402
Cash and cash equivalents	1	5
Short accruals	0	0
<b>Total assets</b>	<b>4 788</b>	<b>4 744</b>
<b>L i a b i l i t i e s</b>		
<b>Equity</b>	<b>4 787</b>	<b>4 740</b>
Share capital	10 511	500
Exchange differences due to conversion into EUR	-352	-330
Supplementary capital	409	10 420
Other reserve capitals	56	56
Retained earnings / Unsettled financial result	-5 837	-5 906
<b>II. Long-term liabilities</b>	<b>0</b>	<b>0</b>
<b>III. Short-term liabilities</b>	<b>1</b>	<b>4</b>
Trade liabilities	1	1
Other reserves	0	3
<b>Total liabilities</b>	<b>4 788</b>	<b>4 744</b>
<b>Book value</b>	<b>4 787</b>	<b>4 740</b>
<b>Number of shares</b>	<b>105 111 804</b>	<b>5 005 324</b>
<b>Book value per one share (in EUR)</b>	<b>0,05</b>	<b>0,95</b>

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**III. PROFIT AND LOSS ACCOUNT AND STATEMENT OF COMPREHENSIVE INCOME *(in thous. EUR)***

PROFIT AND LOSS ACCOUNT	01.07.2021- 31.12.2021 <i>(in thous. EUR)</i> unaudited	01.07.2020- 31.12.2020 <i>(in thous. EUR)</i> unaudited
Revenue from interest, from the sale of products, goods and materials	72	80
Costs of products, goods and materials sold	0	0
<b>Gross profit on sales</b>	<b>72</b>	<b>80</b>
General and administrative expenses	3	7
Other operating revenue	0	0
Other operating costs	0	0
<b>Profit (loss) from operating activity</b>	<b>69</b>	<b>73</b>
Financial revenue	0	0
Financial cost	0	0
<b>Profit before tax</b>	<b>69</b>	<b>73</b>
<b>Net profit</b>	<b>69</b>	<b>73</b>
<b>Net profit (within 6 months)</b>	<b>69</b>	<b>73</b>
<b>Number of shares at the end of the period</b>	<b>105 111 804</b>	<b>105 111 804</b>
<b>Net profit per one ordinary share (in EUR)</b>	<b>0,00</b>	<b>0,00</b>

STATEMENT OF COMPREHENSIVE INCOME	01.07.2021- 31.12.2021 <i>(in thous. EUR)</i> unaudited	01.07.2020- 31.12.2020 <i>(in thous. EUR)</i> unaudited
Net profit for period	69	73
Other comprehensive income, including:	-22	-69
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	-22	-69
- differences from conversion to EURO	-22	-69
<b>Total income for the period</b>	<b>47</b>	<b>4</b>

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

<b>STATEMENT OF CHANGES IN EQUITY</b>	<b>01.07.2021 - 31.12.2021 (<i>in thous. EUR</i>) unaudited</b>	<b>01.07.2020 - 31.12.2020 (<i>in thous. EUR</i>) unaudited</b>
<b>Equity at the beginning of the period</b>	<b>4 740</b>	<b>4 614</b>
<b>Share capital at the beginning of the period</b>	<b>500</b>	<b>2 102</b>
Changes of share capital	10 011	8 409
a) increases (due to)	10 011	8 409
- bonus issue	10 011	8 409
<b>Share capital at the end of the period</b>	<b>10 511</b>	<b>10 511</b>
<b>Supplementary capital at the beginning of the period</b>	<b>10 420</b>	<b>8 818</b>
Changes of supplementary capital	-10 011	-8 409
a) decreases (due to)	10 011	8 409
- increase of share capital	10 011	8 409
<b>Supplementary capital at the end of the period</b>	<b>409</b>	<b>409</b>
<b>Other reserve capital at the beginning of the period</b>	<b>56</b>	<b>56</b>
<b>Other reserve capital at the end of the period</b>	<b>56</b>	<b>56</b>
<b>Retained earnings / Unrealized losses from previous years at the beginning of the period</b>	<b>-5 906</b>	<b>-6 044</b>
Changes of retained earnings	69	73
a) increases (due to)	69	73
- profit/loss for the period	69	73
<b>Retained earnings / Unrealized losses from previous years at the end of the period</b>	<b>-5 837</b>	<b>-5 971</b>
<b>Exchange differences at the beginning of the period</b>	<b>-330</b>	<b>-318</b>
Changes of exchange differences	-22	-69
a) decreases	22	69
<b>Exchange differences at the end of the period</b>	<b>-352</b>	<b>-387</b>
<b>Equity at the end of the period</b>	<b>4 787</b>	<b>4 618</b>

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

STATEMENT OF CASH FLOW	01.07.2021 - 31.12.2021 ( <i>in thous. EUR</i> ) unaudited	01.07.2020 - 31.12.2020 ( <i>in thous. EUR</i> ) unaudited
<b>Operating activities</b>		
Gross profit	69	73
Total adjustments	-73	-81
Depreciation	0	0
Profits (losses) due to exchange differences	0	0
Interest and shares in profits	-55	121
Loans granted	-22	-2 952
Received repayments	7	2 752
Profits due to investing activities	0	0
Change in reserves	-3	-3
Change in inventories	0	0
Change in receivables and active accruals	0	1
Change in liabilities	0	0
Other adjustments	0	0
Exchange differences	0	0
<b>I. Net cash flow from operating activities</b>	<b>-4</b>	<b>-8</b>
<b>Investing activities</b>		
Inflows from investing activities	0	0
Outflows from investing activities	0	0
<b>II. Net cash flow from investing activities</b>	<b>0</b>	<b>0</b>
<b>Financial activities</b>		
Inflows	0	0
Outflows from financial activities	0	0
<b>III. Net cash flow from financial activities</b>	<b>0</b>	<b>0</b>
Exchange differences	0	0
<b>Total net cash flows (I+/-II+/-III)</b>	<b>-4</b>	<b>-8</b>
Balance sheet change in cash	-4	-8
Cash and cash equivalents at the beginning of the period	5	20
Cash and cash equivalents at the end of the period	1	12

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## VI. EXPLANATIONS TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

### Long-term financial assets

LONG-TERM FINANCIAL ASSETS	As of 31/12/2021 ( <i>in thous. EUR</i> ) unaudited	As of 30/06/2021 ( <i>in thous. EUR</i> ) audited
Long-term financial assets	4 355	4 337
A) In related entities:	4 355	4 337
- loans granted	4 355	4 337
B) In other entities	0	0

As at December 31, 2021, the Issuer had three long-term loans granted to related entities: Damar Patro OÜ, Patro Invest OÜ and Patro Administracija Sp. z o.o.

### Long-term loans granted in thous. PLN as at 31/12/2021

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	currency	currency			
Patro Invest OÜ	Tallinn	100	PLN	100	PLN	2,7%	31.12.2023	blank promissory note with a promissory note declaration
Patro Administracija Sp. z o.o.	Płock	4 070	PLN	4 289	PLN	2,7%	31.12.2023	blank promissory note



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**Long-term loans granted in thous. EUR as at 31/12/2021**

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	3 400	EUR	3 499*	EUR	2,5%	30.06.2023	blank promissory note
Patro Invest OÜ	Tallinn	22	EUR	22	EUR	2,7%	31.12.2023	blank promissory note with a promissory note declaration
Patro Administracja Sp. z o.o.	Płock	881	EUR	933	EUR	2,7%	31.12.2023	blank promissory note

The loan granted to Damar Patro UÜ is granted in EUR. The loan conversion rate is set in the loan agreement and amounts to 4.4 EUR / PLN.

\*In long-term financial assets, the Company shows capital due to a loan granted to Damar Patro UÜ. The interest accrued as at the balance sheet date is EUR 99 thous. and are presented as short-term financial assets

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As at June 30, 2021, the Issuer had two long-term loans granted to related entities: Damar Patro UÜ and Patro Administracja Sp. z o.o.

**Long-term loans granted in thous. PLN as at 30/06/2021**

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	currency	currency			
Patro Administracja Sp. z o.o.	Płock	4 070	PLN	4 233	PLN	2,7%	31.12.2023	blank promissory note

**Long-term loans granted in thous. EUR as at 30/06/2021**

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	3 400	EUR	3 456*	EUR	2,5%	30.06.2023	blank promissory note
Patro Administracja Sp. z o.o.	Płock	900	EUR	937	EUR	2,7%	31.12.2023	blank promissory note

The loan granted to Damar Patro UÜ is granted in EUR. The loan conversion rate set in the loan agreement is EUR 4,40.

\*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 56 thous. and are presented as short-term financial assets.

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**Short-term financial assets**

SHORT-TERM FINANCIAL ASSETS	As of 31/12/2021 (in thous. EUR) unaudited	As of 30/06/2021 (in thous. EUR) audited
<b>Short-term financial assets</b>	<b>432</b>	<b>402</b>
A) In related entities	99	56
- loans granted	99	56
- value at acquisition prices	99	56
B) In other entities	333	346
- loans granted	333	346
- adjustments updating the value (+/-)	-7	-7
- value at acquisition prices	340	353

**Short-term loans granted in thous. PLN as at 31/12/2021**

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	currency	currency			
Natural person*	-	60	PLN	18	PLN	10%	31.03.2016	notarial deed of submission to enforcement, blank promissory note, mortgage
Natural person	-	1 671	PLN	1 513	PLN	10%	23.04.2016	blank promissory note, notarial deed of submission to enforcement,

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								mortgage
Total		1 731	PLN	1 531	PLN			

\*The company made a write-off for a loan granted to a natural person in the amount of EUR 7 000 (= PLN 33 000)

**Short-term loans granted in thous. EUR (exchange rate 4.6197) as of 31/12/2021**

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				
Natural person*	-	13	EUR	4	EUR	10%	31.03.2016	notarial deed of submission to enforcement, blank promissory note, mortgage
Natural person	-	362	EUR	329	EUR	10%	23.04.2016	blank promissory note, notarial deed of submission to enforcement, mortgage
Total**		538	EUR	333	EUR			

\*The company made a write-off for a loan granted to a natural person in the amount of EUR 7 000 (= PLN 33 000)

\*\*EUR 99 thousand must be added to the TOTAL result above as interest on Damar Patro UÜ to

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arrive at the amount shown in the balance sheet. Interest from Damar Patro UÜ is described in long-term financial assets.

**Short-term loans granted in thous. PLN as at 30/06/2021**

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	currency	currency			
Natural person*	-	60	PLN	21	PLN	10%	31.03.2016	notarial deed of submission to enforcement, blank promissory note, mortgage
Natural person	-	1 671	PLN	1 543	PLN	10%	23.04.2016	blank promissory note, notarial deed of submission to enforcement, mortgage
Total		1 731	PLN	1 564	PLN			

\*The company made a write-off for a loan granted to a natural person in the amount of EUR 7 000 (= PLN 33 000)

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**Short-term loans granted in thous. EUR (exchange rate 4.5201) as of 30/06/2021**

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				
Natural person*	-	13	EUR	5	EUR	10%	31.03.2016	notarial deed of submission to enforcement, blank promissory note, mortgage
Natural person	-	150	EUR	341	EUR	10%	30.06.2018	blank promissory note, notarial deed of submission to enforcement, mortgage
Total**		163	EUR	346	EUR			

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

\*\*The EUR 56 thousand has to be added to the TOTAL result above as interest on Damar Patro UÜ to get the amount shown in the balance sheet. Interest from Damar PatroUÜ is described in long-term financial assets

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## **TRANSACTION WITH RELATED ENTITIES**

### **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, Patro Administracija Sp. z o.o., Patro Invest Sp. z o.o., Patro Invest OÜ, Damar Patro UÜ.

#### ***Management Board:***

- Damian Patrowicz – performs the 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 Administracija 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 Administracija 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. Shareholder of Patro Invest Sp z o.o. in liquidation is an indirect shareholder of INVESTMENT FRIENDS CAPITAL SE.

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**TRANSACTIONS WITH RELATED ENTITIES**

**The first half of the year 2021/2022**

**01.07.2021 – 31.12.2021:**

RELATED PARTY TRANSACTIONS FOR THE PERIOD 01.07.2021-31.12.2021  (in thousand EURO)	Interest income	Receivables due to loans and interest from related entities
Patro Invest OÜ	0	22
Damar Patro UÜ	43	3 499
Patro Administracija sp z o.o.	12	933
<b>Total</b>	<b>55</b>	<b>4 454</b>

**2020/2021**

RELATED PARTY TRANSACTIONS FOR THE PERIOD 01.07.2020 – 30.06.2021  (in thousand EURO)	Interest income	Receivables due to loans and interest from related entities
Patro Invest OÜ	61	0
Patro Administracija sp.z o.o.	0	937
Damar Patro UÜ	55	3 456
<b>Total</b>	<b>116</b>	<b>4 393</b>



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**Selected indicators of Investment Friends Capital SE:**

RATIO	As of 31/12/2021 unaudited <i>(in thous. EUR)</i>	As of 30/06/2021 audited <i>(in thous. EUR)</i>
EBITDA	69	138
ROA	1,44 %	2,91 %
ROE	1,44 %	2,91 %

EBITDA - profit before interest, taxes, depreciation, intangible assets (EBITDA + depreciation),

ROA – return on assets is the ratio of the company's net profit to the value of its assets (net profit / asset value \* 100),

ROE – return on equity is the ratio of the company's net profit to its equity (net profit / equity \* 100).

## 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 the provision of other financial services. In the reporting period, the decisive role in the structure of the Company's revenues is played by revenues related to interest and commissions on loans granted. 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 supply of goods and materials.

### *THE GENERAL (MACROECONOMIC) DEVELOPMENT OF THE ENVIRONMENT IN WHICH THE ACCOUNTING UNIT OPERATES.*

The Company conducts financial activities, in particular related to granting cash loans to business entities, most often from the micro and small enterprises sector. In the opinion of the Management Board of the Company, activity in this area is developmental, especially on the Polish market. This is due to the banks' policy in terms of granting loans to this type of entities. Although most banks offer loan products to entrepreneurs from the SME sector, in practice entrepreneurs

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have a big problem with obtaining them. Banks highly estimate the real risk of granting loans to small and medium-sized enterprises. An entrepreneur has to meet difficult bank requirements, especially creditworthiness that is rarely available for young entities. Most novice entrepreneurs also don't have any security features and don't have a long history in the bank. Banking procedures are often complicated and change over the course of the contract, e.g. interest rates. Entrepreneurs who do not receive bank financing often go to companies providing loan services, which show great flexibility in terms of the service procedure adapted to the needs of individual clients and their possibilities in terms of the security provided. The company sees development potential in the provision of financial services for this type of entities and intends to consistently continue its business activities 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 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.

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***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, 2021 Investment Friends Capital SE issued 105 111 804 shares with no par value. The shares are freely transferable and

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have no statutory restrictions. The number of shares admitted to trading on the Warsaw Stock Exchange as at the date of publication of these financial statements is 5 005 324.

**Share capital of the Company.**

➤ Since 16/11/2021 as a result of registration of amendments to the Articles of Association, including: registration of a 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 shares bearer shares without par value with a book value of EUR 0,10 each share.

***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 14/02/2022 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 14/02/2022**

No	Direct shareholder	No. of shares	% shares	Number of votes	% votes
1.	Patro Invest OÜ	76 112 673	72,41	76 112 673	72,41
X	<b>Total</b>	<b>105 111 804</b>	<b>100,00</b>	<b>105 111 804</b>	<b>100,00</b>

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**Indirect shareholding structure as at 14/02/2022**

No	Indirect shareholder	No. of shares	% shares	Number of votes	% votes
1.	Patro Invest OÜ	76 112 673	72,41	76 112 673	72,41
2.	Damian Patrowicz	76 112 673	72,41	76 112 673	72,41

\* Damian Patrowicz posiada 100% akcji Patro Invest OU

As at the balance sheet date, 31/12/2021, 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 31/12/2021**

No	Direct shareholder	No. of shares	% shares	Number of votes	% votes
1.	Patro Invest OÜ	76 112 673	72,41	76 112 673	72,41
X	<b>Total</b>	<b>105 111 804</b>	<b>100,00</b>	<b>105 111 804</b>	<b>100,00</b>

**Indirect shareholding structure as at 31/12/2021**

No	Indirect shareholder	No. of shares	% shares	Number of votes	% votes
1.	Patro Invest OÜ	76 112 673	72,41	76 112 673	72,41
2.	Damian Patrowicz	76 112 673	72,41	76 112 673	72,41

\* 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.

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***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

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.

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***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 72 thous.
- profit/loss on operating activity in the amount of EUR 69 thous.
- net profit/loss on business activity in the amount of EUR 69 thous.
- revenue on sale of products in the amount of EUR 72 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.***

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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:

1. 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.

2. 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



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ruling on giving a declaration of 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, 2021. 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 72,41% of the share capital and 72,41% of votes at the General Meeting of the Company as at 14/02/2022.

The Company as of February 14, 2022 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.

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***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.

***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 01/07/2021 to 30/06/2022 and for the following years.

***ASSESSMENT AND ITS JUSTIFICATION, REGARDING 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***

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***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.***

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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:

- 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***

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**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, 2021 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, 76 112 673 shares in Investment Friends Capital SE, constituting 72,41% of the share capital of the Company and entitling to 76 112 673 votes, representing 72,41% 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.**

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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 LOSING 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.**

Pursuant to the Articles of Association, the body authorized to select a statutory auditor is the General Meeting of Shareholders. The financial statements for the period 01/01/2019 - 30/06/2020 and 01/07/2020 - 30/06/2021 were audited by Number RT OÜ based in Harju maakond, Tallinn, Kristiine linnaosa, Linnu tee 21a, 11317, company registration number 10213553.

**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**

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**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 14/02/2021, indirectly through a subsidiary Patro Invest OÜ, Mr. Damian Patrowicz holds 76 112 673 shares of Investment Friends Capital SE, representing 72,41% of the share capital of the Company and entitling to 76 112 673 votes representing 72,41% 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.

**THE 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**

**Registration of amendments to the Articles of Association.**

The Management Board of INVESTMENT FRIENDS CAPITAL SE with its registered office in Tallinn informs that on November 16, 2021, the Commercial Companies Register (Ariregister), appropriate for Estonian law, registered the amendments to the Company's Articles of Association resulting

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from the resolutions adopted at the Ordinary General Meeting of Shareholders on November 2, 2021.

In connection with this, the current wording of points 2.1, 2.4 of the Company's Articles of Association is as follows:

"2.1. The minimum amount of the share capital of the Company is EUR 3 000 000 (three million) and the maximum amount of the share capital is EUR 12 000 000 (twelve million)."

"2.4. The minimum number of the Company's shares without a par value is 30 000 000 (thirty million) shares, and the maximum number of the Company's shares without a par value is 120 000 000 (one hundred and twenty million) shares."

**Suspension of trading in shares of Investment Friends Capital SE.**

From November 12, 2021 until the publication of these financial statements, the shares of Investment Friends Capital SE remain suspended on the Warsaw Stock Exchange at the request of the Polish Financial Supervision Authority. The reasons for the suspension until the date of publication of the financial statements remain unknown to the Management Board.

➤ **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 cyclicalities.

➤ **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.

➤ **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.



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- **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.**

There were no new, significant court and administrative cases 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 in a true, fair and clear manner 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 basic 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 1/07/2021 to 31/12/2021, ie the first half of the financial year 2021/2022 and the comparative period from 1/07/2020 to 31/12/2020, ie the first half of the financial year 2020/2021.

Half-yearly financial report and report of Management Board  
of INVESTMENT FRIENDS CAPITAL SE  
for the period 01.07.2021 - 31.12.2021 (*in thous. EUR*)

## IX. SELECTED FINANCIAL DATA

	In thous. EUR	
	Six months	Six months
	ended	ended
	31 /12/2021	31/12/2020
Revenue from interest, from the sale of products, goods and materials	72	80
Profit from operating activity	69	73
Profit before tax	69	73
Net cash flow from operating activities	-4	-8
Net cash flow from investing activities	0	0
Net cash flows from financing activities	0	0
Change in cash and cash equivalents	-4	-8
Total assets*	4 788	4 744
Short-term liabilities*	1	4
Share capital*	10 511	500
Number of shares (in pcs.)	105 111 804	105 111 804
Book value per one ordinary share (in EURO)	0,05	0,05

\*For balance sheet items marked with an asterisk, the data presented in the second column covers the status as at June 30, 2021.

**Tallinn, 2022-02-14**

**Signature of Management Board**

***Damian Patrowicz*      *Member of the Management Board***

***First name and last name      Function***