

Half-yearly financial report and report of Management Board
of **FON SE**
for the period 01.07.2024 - 31.12.2024 (*in thous. EUR*)



FON SE

SHORTENED FINANCIAL STATEMENTS OF FON SE

FOR THE 6-MONTH PERIOD

ENDED ON 31 DECEMBER 2024

PREPARED IN COMPLIANCE WITH

INTERNATIONAL FINANCIAL REPORTING STANDARDS

Tallinn, 21/02/2025

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I. GENERAL INFORMATION

Name of the Company: **FON SE**

Beginning of the financial year: 1.07.2024

End of financial year: 30.06.2025

Registry code: 14617916

LEI code: 259400WB3K1M8CZO6N24

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

Telephone: +48-796-118-929

E-mail address: biuro@fon-sa.pl

Website: www.fon-sa.pl

Principal business activity: As of 31/12/2024, the business registered in Estonia is "Activities of financial holding companies".

Members of the Supervisory Board:

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

Member of the Management Board:

- Damian Patrowicz

The duration of the Company is indefinite.

The financial statements of FON SE for the period from 01/07/2024 to 31/12/2024 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 31/12/2024 (in thous. EUR) unaudited	As of 30/06/2024 (in thous. EUR) audited
Assets		
Fixed assets	8 560	10 380
Long-term financial assets	8 560	10 380
Current assets	72	17
Short-term receivables	21	0
Short-term financial assets	35	0
Cash and cash equivalents	16	11
Short-term accruals	0	6
Total assets	8 632	10 397
Liabilities		
Equity	5 944	5 619
Share capital	259	259
Exchange differences due to conversion into EUR	-820	-937
Supplementary capital	32 368	32 368
Other reserve capitals	0	0
Retained earnings / Unsettled financial result	-25 863	-26 071
Long-term liabilities	0	0
Short-term liabilities	1 489	3 528
Credits and loans	1 487	1 570
Trade liabilities	2	1
Other liabilities	0	1 950
Other reserves	0	7
Accruals	1 199	1 250
Short-term accruals	120	119
Long-term accruals	1 079	1 131
Total liabilities	8 632	10 397
Book value	5 944	5 619
Number of shares at the end of the period	2 590 000	2 590 000
Book value per share (in EURO)	2,29	2,17

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

PROFIT AND LOSS ACCOUNT	01.07.2024- 31.12.2024 <i>(in thous. EUR)</i> unaudited	01.07.2023- 31.12.2023 <i>(in thous. EUR)</i> unaudited
Net interest income	305	228
Costs of products, goods and materials sold	0	0
Gross profit on sales	305	228
General and administrative expenses	16	7
Other operating revenue	0	0
Other operating costs	0	0
Profit (loss) from operating activity	289	221
Financial revenue	0	0
Financial cost	81	0
Profit before tax	208	221
Net income	208	221
Number of shares at the end of the period	2 590 000	142 500 000
Profit (loss) per ordinary share (in EURO)	0,08	0,002

STATEMENT OF COMPREHENSIVE INCOME	01.07.2024- 31.12.2024 <i>(in thous. EUR)</i> unaudited	01.07.2023- 31.12.2023 <i>(in thous. EUR)</i> unaudited
Net profit for the period	208	221
Other comprehensive income, including:	117	161
Components that can be transferred at a later time	117	161
- differences from conversion to EURO – will not be reclassified to the profit and loss account	117	161
Total income for the period	325	382

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

STATEMENT OF CHANGES IN EQUITY	01.07.2024- 31.12.2024 (in thous. EUR) unaudited	01.07.2023- 31.12.2023 (in thous. EUR) unaudited
Equity at the beginning of the period	5 619	6 911
Share capital at the beginning of the period	259	188
Changes of share capital	0	14 062
a) Increases (due to)	0	14 062
- emisja bonusowa	0	14 062
Share capital at the end of the period	259	14 250
Supplementary capital at the beginning of the period	32 368	29 934
Changes of supplementary capital	0	-10 258
a) decreases (due to)	0	10 258
- bonus issue	0	10 258
Supplementary capital at the end of the period	32 368	19 676
Other reserve capital at the beginning of the period	0	3 805
Changes of reserve capital	0	-3 805
a) decreases (due to)	0	3 805
- bonus issue	0	3 805
Other reserve capital at the end of the period	0	0
Retained earnings / Unrealized losses from previous years at the beginning of the period	-26 071	-26 502
Changes of retained earnings/unrealized losses	208	221
a) Increase (due to)	208	221
- profit/loss for the period	208	221
Retained earnings / Unrealized losses from previous years at the end of the period	-25 863	-26 281
Exchange differences at the beginning of the period	-937	-514
Changes of exchange differences	117	162
a) increases	117	162
Exchange differences at the end of the period	-820	-352
Equity at the end of the period	5 944	7 293

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

STATEMENT OF CASH FLOW	01.07.2024- 31.12.2024 <i>(in thous. EUR)</i> unaudited	01.07.2023- 31.12.2023 <i>(in thous. EUR)</i> unaudited
OPERATING ACTIVITIES		
Gross profit	208	221
Total adjustments	-87	-422
Loans granted	0	-660
Received loans repayments	10	29
Interest and share in profits (dividends)	-40	211
(Profit) loss on investing activities	0	0
Change in reserves	-7	-5
Change in receivables and active accruals	-21	1
Change in liabilities	-23	1
Change in the status of passive accruals	-56	1
Other adjustments	50	0
I. Net cash flows from operating activities	121	-201
FINANCING ACTIVITIES		
I. Inflows	186	0
Credits and loans	186	0
II. Outflows due to financing activities	305	0
Repayments of credits and loans	280	0
Interest	25	0
III. Net cash flow from financing activities	-119	0
C. Exchange differences	3	0
Total net cash flows (I+/-II+/-III)	5	-201
Balance sheet change in cash	5	-201
Cash at the beginning of the period	11	201
Cash at the end of the period	16	0

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

SHORT-TERM FINANCIAL ASSETS

As at December 31, 2024, the Company has the following short-term loans granted:

SHORT-TERM LOANS								
(thous. EUR) as of 31/12/2024								
Name of the entity	Headquarter	The loan amount in thousand		The loan amount outstanding to be repaid in thousand		Interest	Term of repayment	Collateral
		Amount	Currency	Amount	Currency			
Elkop Nieruchomości S.A.**	Płock	6 104	EUR	35*	EUR	WIB1M+1%	31.12.2034	blank promissory note
Total:		6 104	EUR	35*	EUR			

*The amount of interest accrued, the capital part is shown in long-term financial assets

** On 21/06/2024 an organized part of the enterprise was transferred from ELKOP SE to ELKOP NIERUCHOMOŚCI S.A. As a result, all obligations of ELKOP SE towards FON SE were transferred to ELKOP NIERUCHOMOŚCI S.A.

SHORT-TERM LOANS								
(thous. PLN) as of 31/12/2024								
Name of the entity	Headquarter	The loan amount in thousand		The loan amount outstanding to be repaid in thousand		Interest	Term of repayment	Collateral
		Amount	Currency	Amount	Currency			
ELKOP NIERUCHOMOŚCI S.A.**	Płock	27 200	PLN	149*	PLN	WIBOR1M+1%	31.12.2034	blank promissory note
Total:		27 200	PLN	149*	PLN			

*The amount of interest accrued, the capital part is shown in long-term financial assets

** On 21/06/2024 an organized part of the enterprise was transferred from ELKOP SE to ELKOP NIERUCHOMOŚCI S.A. As a result, all obligations of ELKOP SE towards FON SE were transferred to ELKOP NIERUCHOMOŚCI S.A.

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As of June 30, 2024, the Company had no short-term loans granted.

LONG-TERM FINANCIAL ASSETS

As at December 31, 2024 the Company has the following long-term loans granted:

LONG-TERM LOANS								
(thous. EUR) as of 31/12/2024								
Name of the entity	Headquarter	The loan amount in thousand		The loan amount outstanding to be repaid in thousand		Interest	Term of repayment	Collateral
		Amount	Currency	Amount	Currency			
Elkop Nieruchomości S.A.*	Płock	6 104	EUR	6 057	EUR	WIBOR1M+1%	31.12.2034	blank promissory note
Elkop Nieruchomości S.A.	Płock	2 503	EUR	2 503	EUR	The amount of interest for the entire period in accordance with the agreement amounted to PLN 5 410 thous. (EUR 1 258 thous.) and was paid on the day the loan was granted	31.12.2034	blank promissory note
Total:		8 607	EUR	8 560	EUR			

* On 21.06.2024, an organized part of the enterprise was transferred from ELKOP SE to ELKOP NIERUCHOMOŚCI S.A. As a result, all obligations of ELKOP SE towards FON SE were transferred to ELKOP NIERUCHOMOŚCI S.A.

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LONG-TERM LOANS								
(thous. PLN) as of 31/12/2024								
Name of the entity	Headquarter	The loan amount in thousand		The loan amount outstanding to be repaid in thousand		Interest	Term of repayment	Collateral
		Amount	Currency	Amount	Currency			
Elkop Nieruchomości S.A.*	Płock	27 200	PLN	25 893	PLN	WIBOR1M+1%	31.12.2034	blank promissory note
Elkop Nieruchomości S.A.	Płock	10 700	PLN	10 700	PLN	The amount of interest for the entire period in accordance with the agreement amounted to PLN 5 410 thous. (EUR 1 258 thous.) and was paid on the day the loan was granted	31.12.2034	blank promissory note
Total:		37 900	PLN	36 593	PLN			

* On 21.06.2024, an organized part of the enterprise was transferred from ELKOP SE to ELKOP NIERUCHOMOŚCI S.A. As a result, all obligations of ELKOP SE towards FON SE were transferred to ELKOP NIERUCHOMOŚCI S.A.

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As at **June 30, 2024**, the Company has the following long-term loans granted:

LONG-TERM INVESTMENTS IN CREDITS AND LOANS								
FOR RELATED ENTITIES <i>(in thous. EUR)</i> as of 30/06/2024								
Name of the entity	Headquarter	The loan amount in thousand		The loan amount outstanding to be repaid in thousand		Interest	Term of repayment	Collateral
		Amount	Currency	Amount	Currency			
Elkop Nieruchomość i S.A.*	Płock	6 104	EUR	6 009	EUR	WIBOR1M+1%	31.12.2034	blank promissory note
Elkop Nieruchomość i S.A.*	Płock	2 483	EUR	2 483	EUR	The amount of interest for the entire period in accordance with the agreement amounted to PLN 5 410 thous. (EUR 1 258 thous.) and was paid on the day the loan was granted	31.12.2034	blank promissory note
Patro Invest OÜ	Tallin	548	EUR	1 888	EUR	8%	31.12.2026	blank promissory note
Total:		9 135	EUR	10 380	EUR			

*On 21.06.2024, an organized part of the enterprise was transferred from ELKOP SE to ELKOP NIERUCHOMOŚCI S.A. As a result, all obligations of ELKOP SE towards FON SE were transferred to ELKOP NIERUCHOMOŚCI S.A.

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LONG-TERM INVESTMENTS IN CREDITS AND LOANS								
FOR RELATED ENTITIES (<i>in thous. PLN</i>)								
Name of the entity	Headquarter	The loan amount in thousand		The loan amount outstanding to be repaid in thousand		Interest	Term of repayment	Collateral
		Amount	Currency	Amount	Currency			
Elkop Nieruchomości S.A.*	Płock	27 200	PLN	25 893	PLN	WIBOR1M+1%	31.12.2024	blank promissory note
Elkop Nieruchomości S.A.*	Płock	10 700	PLN	10 700	PLN	The amount of interest for the entire period in accordance with the agreement amounted to PLN 5 410 thous. (EUR 1 258 thous.) and was paid on the day the loan was granted	31.12.2024	blank promissory note
Patro Invest OÜ	Tallin	2 380	PLN	8 133	PLN	8%	31.12.2026	blank promissory note
Total:		40 280	PLN	44 726	PLN			blank promissory note

* On 21.06.2024, an organized part of the enterprise was transferred from ELKOP SE to ELKOP NIERUCHOMOŚCI S.A. As a result, all obligations of ELKOP SE towards FON SE were transferred to ELKOP NIERUCHOMOŚCI S.A.

The Issuer did not grant any guarantees to any entities.

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TRANSACTIONS WITH RELATED ENTITIES

First half of 2024

01.07.2024 – 31.12.2024:

RELATED PARTIES TRANSACTIONS FOR THE PERIOD 01/07/2024 - 31/12/2024 (thous. EUR)	Interest revenue	Interest costs for related entities and other financial costs	Loans granted	Loans repayments	Other receivables at the end of the period (including loans)	Loan and other liabilities
PATRO INVEST OÜ	82	0	0	1 847	0	0
ELKOP NIERUCHOMOŚCI S.A.*	223	1	0	0	8 560	149
ATLANTIS SE	0	9	0	0	0	1 338
Total (in thous. EUR)	305	10	0	1 847	8 560	1 487

Year 2023/2024:

RELATED PARTIES TRANSACTIONS FOR THE PERIOD 01/07/2023 - 31/12/2023 (thous. EUR)	Interest revenue	Interest costs for related entities and other financial costs	Loans granted	Loans repayments	Other receivables at the end of the period (including loans)	Loan and other liabilities
PATRO INVEST OÜ	44	0	1 976	160	1 888	1 950
ATLANTIS SE	0	3	0	0	0	1 567
ELKOP SE	425	0	2 446	0	8 492	0
PATRO AKTYWA UÜ	0	0	1	1	0	0
DAMAR PATRO UÜ	6	0	126	126	0	0
Total (in thous. EUR)	475	3	4 549	287	10 380	3 517

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Personal relationships between the Company's Management and Supervisory Bodies

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

Entities related by personal ties in the composition of a Supervisory Board and due to the dominant direct and indirect shareholder: INVESTMENT FRIENDS CAPITAL SE, Atlantis SE, Elkop Estonia SE, Investment Friends SE, Patro Invest Sp. z o.o. w likwidacji, Patro Invest OÜ, Damar Patro UÜ.

Management Board:

- Damian Patrowicz – performs the function of the single Member of the Management Board of the Company and Patro Invest OÜ, is also Member of the Management Board in Patro Administracja Sp. z o.o., INVESTMENT FRIENDS CAPITAL SE, Atlantis SE, Elkop Estonia SE and performs function of the Member of the Supervisory Board in: Elkop Nieruchomości S.A., is a shareholder of Patro Invest OÜ. Damian Patrowicz 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 Member of the Supervisory Board in: Atlantis SE, Elkop Estonia SE, Investment Friends SE, INVESTMENT FRIENDS CAPITAL SE.
- Jacek Koralewski Member of the Supervisory Board - performs a function of Chairman of the Management Board in: Elkop Nieruchomości S.A. and Member of the Supervisory Board in: Atlantis SE, Investment Friends SE, Investment Friends Capital SE and FON SE.
- Małgorzata Patrowicz Secretary of the Supervisory Board - acts as the Liquidator of Patro Invest Sp. z o.o in liquidation and a Member of the Management Board at Patro Administracja Sp. z o.o. in addition, she is a Member of the Supervisory Board of Atlantis SE, Elkop Estonia SE, Elkop Nieruchomości S.A., Investment Friends Capital SE, Investment Friends SE.
- Martyna Patrowicz Supervisory Board Member - performs as a Supervisory Board Member in: Atlantis SE, Elkop Estonia SE, Investment Friends Capital SE, Investment Friends SE, Elkop Nieruchomości S.A.

Patro Invest OÜ, i.e. the largest shareholder of FON SE, is also the dominant shareholder of Elkop Estonia SE, ATLANTIS SE, Investment Friends SE, Investment Friends Capital SE and Patro Administracja Sp. z o.o. The general partner at Damar Patro UÜ is a member of the FON SE Management Board. Shareholder of Patro Invest Sp z o.o. in liquidation is an indirect shareholder of FON SE.

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VII. REPORT OF THE MANAGEMENT BOARD

MAIN AREAS OF THE ACTIVITY, PRODUCTS AND SERVICES' GROUPS.

In the reporting period, the main activity of the Company was financial activity: providing the loans. The decisive role in the structure of the Company's revenues in the reporting period were revenues related to financial activities.

The Company, implementing its business profile in the field of granting loans concluded agreements with Estonian entities. Due to the nature of the business, there are no sources of goods and materials.

GENERAL (MACROECONOMIC) DEVELOPMENT OF THE ENVIRONMENT IN WHICH THE COMPANY IS OPERATED AND THE IMPACT OF THIS DEVELOPMENT ON ITS FINANCIAL EFFICIENCY.

The Company conducts financial activities, in particular, related to granting cash loans to natural persons and business entities, most often from the micro and small enterprises sector. The company sees the development potential in the provision of financial services to this type of entities and intends to consistently continue its activities in this segment.

INFORMATION WHETHER THE COMPANY'S OPERATING ACTIVITY IS BASED ON SEASONALITY OR IS IT CYCLICAL.

In the reporting period, the basic activity of the Company was financial service (loan), therefore there is no seasonality or cyclicity.

FINANCIAL INSTRUMENTS, POLICY AND RISK MANAGEMENT AND RISKS CONNECTED WITH THE CURRENCY EXCHANGE, INTEREST RATE AND COURSES OF SHARES, WHICH APPEARED IN THE FINANCIAL YEAR OR DURING THE PREPARATION OF THE REPORT.

The main types of risk resulted from Company's financial instruments include: interest rate risk, liquidity risk, credit risk and risk related to the financial collateral. The Management Board is responsible for establishing risk management principles in the Company and for supervising its following. The Company's risk management rules aimed at identifying and analysing the risks to which the Company is exposed, determining appropriate limits and controls, and also monitoring risk and adjusting the level of limits matched to it.

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

Due to the Company's basic activity in the field of financial services in the field of granting cash loans to business entities, the most important investments of the Company in the reporting period concerned granted loans. In the near future, the Company intends to continue its main lending activities, therefore the Management Board believes that future significant investments will also be implemented in this area.

SIGNIFICANT RESEARCH AND DEVELOPMENT PROJECTS AND RELATED TO THEM FINANCIAL EXPENDITURES IN THE FINANCIAL YEAR AND NEXT YEARS.

Due to the specifics of the Company's main activity i.e. financial services, the Company does not conduct research and development projects.

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CAPITAL SHARE STRUCTURE INCLUDING THE SECURITIES THAT ARE NOT APPROVED TO TRADING ON THE REGULAR MARKET OF THE CONTRACTING COUNTRIES AND IF POSSIBLE, DATA OF VARIOUS CLASSES OF INSTRUMENTS, RIGHTS AND OBLIGATIONS CONNECTED WITH EVERY CLASS OF SECURITIES AND ITS PERCENTAGE SHARE IN SHARE CAPITAL OF THE COMPANY

From May 27, 1999 FON SE shares are listed on the Warsaw Stock Exchange. As of the balance sheet date, i.e. December 31, 2024, the Company's share capital amounted to EUR 259 thous. and consisted of 2 590 000 shares without par value with a book value of EUR 0,10. In turn, as of the date of publication of this report, i.e. February 21, 2025, the share capital amounts to EUR 6 475 thous. and consists of 64 750 000 shares without par value with a book value of EUR 0,10. As of the date of publication of the report, 2 590 000 shares are admitted to trading.

ANY RESTRICTIONS APPLIED BY THE COMPANY'S STATUE ON THE TRANSFERABILITY OF SECURITIES, ALSO INCLUDING LIMITATIONS ON THE OWNERSHIP OF SECURITIES OR THE NECESSITY OF OBTAINING THE COMPANY OR OTHER OWNERS OF THE SECURITIES CONSENT.

The Company's Articles of Association do not impose any restrictions on the transferability of securities limitation on the ownership of securities or the necessity to obtain the consent of the Company or other owners of securities.

SIGNIFICANT SHARE PACKAGES IN ACCORDANCE WITH THE PROVISIONS OF § 185 THE SECURITIES MARKET ACT

To the best knowledge of the Management Board, as at 21/02/2025 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 of 21/02/2025:

No	Direct shareholder	No. of shares	% shares	Number of votes	% votes
1.	Patro Invest OÜ	22 879 925	35,34%	22 879 925	35,34%
X	Totally	64 750 000	100,00%	64 750 000	100,00%

Indirect shareholding structure as of 21/02/2025:

No	Indirect shareholder	No. of shares	% shares	Number of votes	% votes
1.	Patro Invest OÜ	22 879 925	35,34%	22 879 925	35,34%
2.	Damian Patrowicz	22 879 925	35,34%	22 879 925	35,34%

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

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To the best knowledge of the Management Board, as at 31/12/2024, the structure of shareholders directly and indirectly holding at least 5% of the total number of votes at the General Meeting was as follows:

Direct shareholding structure as of 31/12/2024:

No	Direct shareholder	No. of shares	% shares	Number of votes	% votes
1.	Patro Invest OÜ	932 908	36,02	932 908	36,02
X	Totally	2 590 000	100%	2 590 000	100%

Indirect shareholding structure as of 31/12/2024:

No	Indirect shareholder	No. of shares	% shares	Number of votes	% votes
1.	Patro Invest OÜ	932 908	36,02	932 908	36,02
2.	Damian Patrowicz	932 908	36,02	932 908	36,02

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

ALL LIMITATIONS AND AGREEMENTS RELATED TO THE RIGHT TO VOTE AND IF THE PREFERENCE SHARES GIVE THE RIGHT TO VOTE, INCLUDING RESTRICTIONS OF VOTING RIGHTS IN A CERTAIN SCOPE OF OWNERSHIP OR SPECIFIC NUMBER OF VOTES, CONDITIONS INDICATED TO EXERCISE OF VOTING RIGHTS OR A SYSTEM IN WHICH FINANCIAL RIGHTS CONNECTED WITH SECURITIES AND THEIR OWNERSHIP ARE SEPARATED WITH ANY AGREEMENT WITH THE COMPANY.

In accordance with the provisions of point 2.3 of the Company's Articles of Association, the Company holds one type of share.

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

In accordance with the provisions of point 5.3. The Company's Articles of Association, members of the Company's Management Board are appointed and dismissed by the Supervisory Board, which also decides on the remuneration of members of the Management Board.

RESOLUTIONS AND RULES OF MAKING AN ALTERNATION IN THE ARTICLE OF ASSOCIATION SETTLED BY LAW.

In accordance with point 4.9.1 of the Company's Articles of Association, amendment of the Company's Articles is included in the General Meeting of Shareholders' competencies.

In accordance with point 4.5 Of the Articles of Association, the General Meeting is able to adopt valid resolutions, if at the General Meeting there is more than half of all votes represented in company shares, if the applicable legal acts do not provide for a higher majority of votes.

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If an enough number of shareholders does not participate in General Meeting, in order to ensure a majority of votes, in accordance with point 4.5, the Management Board of the Company within three weeks, but not earlier than after seven days, convenes a new general meeting with the same agenda. In this way, the General Meeting is competent to adopt resolutions regardless of the number of votes represented. Resolutions of the general meeting are adopted, when more than a half of all represented at the General Meeting votes are for the resolution, and if there is no other requirement arising from applicable legal acts.

AUTHORIZING MEMBERS OF THE MANAGEMENT BOARD OF THE COMPANY, INCLUDING AUTHORIZING TO ISSUING AND BUYING BACK SHARES.

During the reporting period the Management Board was not authorized to issue or repurchase shares.

DESCRIPTION OF THE BASIC ECONOMIC AND FINANCIAL DATA REVEALED IN THE ANNUAL FINANCIAL STATEMENT AND DESCRIPTION OF THE FACTORS AND THE MOST IMPORTANT UNTYPICAL EVENTS HAVING SIGNIFICANT INFLUENCE ON THE ACTIVITY OF THE COMPANY AND ACHIEVED PROFITS OR LOSSES IN THE FINANCIAL YEAR.

The Company in the reporting period recorded:

- Interest income in the amount 305 thous. EUR.
- Gross profit in amount of 305 thous. EUR.
- Profit from operating activity in the amount 289 thous. EUR.
- Net profit in the amount 208 thous. EUR.
- Financial costs in the amount of 81 thous. EUR.
- General administrative costs in the reporting period in the amount of 16 thous. EUR.

In the reporting period, the Company obtained income mainly from interest on loan activities.

INDICATION OF PENDING PROCEEDINGS IN THE COURT, COMPETENT AUTHORITY FOR ARBITRATION PROCEEDINGS OR PUBLIC ADMINISTRATION AUTHORITY

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

INFORMATION ON TRANSACTIONS CONCLUDED BY THE COMPANY OR A SUBSIDIARY OF THE COMPANY WITH RELATED ENTITIES OTHER THAN MARKET CONDITIONS, WITH THEIR AMOUNTS AND INFORMATION DEFINING THE NATURE 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. Transactions significant in the opinion of the Management Board, including with related entities, are described in point VI of this Financial Statement.

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INFORMATION ON CREDIT AND LOAN AGREEMENTS CONCLUDED AND TERMINATED IN A GIVEN FINANCIAL YEAR, INDICATING AT LEAST THEIR AMOUNT AND INTEREST RATE, CURRENCY AND MATURITY DATE.

The Company has two liabilities as of the balance sheet date:

A) From ATLANTIS SE - loan agreement dated 13/06/2024 for the amount of EUR 1 567 thous. with an interest rate of 4.00% until 29/09/2025. As of the balance sheet date, the amount of the liability together with interest is EUR 1 338 thous.

B) From Elkop Nieruchomości S.A. - loan agreement dated 28/10/2024 for the amount of PLN 800 thous. with an interest rate of WIB1M + 1.00% until 30/03/2025. As of the balance sheet date, the amount of the liability together with interest is EUR 149 thous.

ASSESSMENT AND ITS JUSTIFICATION, REGARDING MANAGEMENT OF FUNDS, SPECIFYING ABILITY TO DISCHARGE FROM TAKEN OBLIGATIONS, AND INDICATION OF POSSIBLE THREATS AND ACTIONS WHICH THE COMPANY UNDERTOOK OR INTENDS TO UNDERTAKE IN ORDER TO PREVENT THOSE THREATS.

In the reporting period for the year from 01/07/2024 until 31/12/2024 there were no events significant in the opinion of the Management Board that could significantly affect the assessment and change of the Company's financial assets and the ability to meet the Company's obligations.

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 mainly conducts service activities, granting non-consumer cash loans to business entities. The current lending activity is financed from the Company's own funds. The Company intends to carry out further activities in the area of granting loans and possible investments mainly from its 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.

In accordance with the assessment and the best knowledge of the Management Board, in the reporting period from 01/07/2024 to 31/12/2024 there were no unusual factors and events that could have a significant impact on the assessment and financial position of the Company and the ability to meet its obligations .

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 Company's leading activity, including financial service activities in the field of granting non-consumer cash loans in the Company's opinion, significant influence on development and 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 proceedings in which a possible participant or a part can be the Company,
- opportunity to gain possible borrowers,
- market prosperity on capital markets,
- economic situation and investing circumstances in Poland, Estonia and the region,
- access to external financing sources,
- cooperation with other financial entities,

In the next financial year, the Management Board intends to continue and develop the Company activity in the field of financial service activity, focusing mainly on granting cash loans for the business entities.

ANY AGREEMENTS BETWEEN THE COMPANY AND ITS MANAGEMENT BOARD WHICH PROVIDE COMPENSATIONS IN THE CASE OF RESIGNATION OR THEIR EXPELLING FROM HELD FUNCTION WITHOUT AN IMPORTANT REASON OR IF THEIR DISMISSAL OR EXPELLING HAPPEN DUE TO MERGER OF TAKEOVER OF THE COMPANY.

The Company has not concluded any agreements with the managing staff.

INFORMATION ON AN AVERAGE EMPLOYMENT.

In the reporting period, the Company did not employ any people.

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 of the balance sheet date, i.e. 31/12/2024, Member of the Management Board Mr. Damian Patrowicz indirectly held shares in the Company. To the best knowledge of the Management Board, Mr. Damian Patrowicz indirectly held, through his subsidiary Patro Invest OÜ, 932 908 shares in FON SE, constituting 36,02% of the share capital of the Company and entitling to 932 908 votes constituting 36,02% of votes at the General Meeting of the Company. As of the date of publication of this report, Member of the Management Board Mr. Damian Patrowicz also indirectly held shares in the Company. To the best knowledge of the Management Board, Mr. Damian Patrowicz held indirectly, through his subsidiary Patro Invest OÜ, 22 879 925 shares in FON SE, representing 35,34% of the

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Company's share capital and entitling to 22 879 925 votes, representing 35,34% of votes at the General Meeting of the Company as at the date of publication of this report, i.e. 21/02/2025.

- ***Member of the Supervisory Boards***

According to the knowledge of the Management Board of FON SE, Members of the Supervisory Board as at the balance date and as at the date of publication of the periodical report do not own directly and indirectly shares of the Company.

INFORMATION ON FINANCIAL INSTRUMENTS IN TERMS OF:

1) risks: prices' change, credit, significant interruptions of cash flows and loosing of financial liquidity, to which the entity is exposed

2) 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 ON THE CONTRACT AND THE ENTITY AUTHORIZED TO AUDIT THE COMPANY'S FINANCIAL STATEMENTS..

The financial statements for the period from 01/07/2023 to 30/06/2024 were audited by KPMG BALTICS OÜ with its registered office at Harju maakond, Tallinn, Kesklinna linnaosa, Ahtri tn 4, 10151, company registration number: 10096082.

OTHER INFORMATION WHICH IN THE VIEW OF THE COMPANY ARE SIGNIFICANT FOR ASSESSMENT OF THE FINANCIAL, PERSONNEL, MATERIAL SITUATION, FINANCIAL RESULT AND CHANGES OF THEM AND INFORMATION WHICH ARE IMPORTANT FOR ASSESSING THE POSSIBILITY TO REALIZATION THE LIABILITIES BY THE COMPANY.

In the reporting period, except those indicated in the report, there have not occurred any other events, which could significantly influence on an assessment and change of the material and financial situation of the Company and its possibility to fulfil its liabilities to the best knowledge of the Management Board. The Company maintain business concept involving cost optimization, including minimization of personnel sourced through outsourcing majority of the Company's areas.

Loans granted have a significant impact on the Company's results.

As the subject of the company's activity is financial activity, including lending activity, the correct and timely fulfilment of the Borrowers' obligations towards the Company, resulting from the concluded loan agreements, also has a significant impact on the Company's liquidity.

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INDICATION OF FACTORS WHICH ON THE VIEW OF THE COMPANY WILL HAVE INFLUENCE ON ACHIEVED RESULTS IN THE PERSPECTIVE OF AT LEAST THE NEXT QUARTER.

To the knowledge of the Management Board, significant external and internal factors, which have indirect or direct influence on the development of FON SE are as follows:

- a) situation on the financial market, on loan market and interest rates, which will have influence on realization the basic business profile of the Company – granting loans.
- b) Proper fulfilling the conditions of the agreements within due time of liabilities repayment to the Company, and possible foreclosures and debt collection of (if any) undischarged loans
- c) Business cycle on capital markets having influence on financial instruments owned by the Company, its valuation and liquidity of owned securities

List of the most important events in the reporting period.

Information on convening the Annual General Meeting of Shareholders of FON SE.

On 9/11/2024, the Management Board of FON SE convened the Annual General Meeting of Shareholders on 2/12/2024 regarding the approval of the financial statements for the period 2023/2024 and the issue of 62 160 000 shares as bonus issue.

On 2/12/2024, due to the lack of quorum, this Annual General Meeting of Shareholders did not take place and the Management Board convened another one on 10/12/2024 on the term: 2/01/2025.

List of the most important events in the reporting period.

Publication of the minutes of the Annual General Meeting of Shareholders of 2 January 2025 and registration of amendments to the Company's Articles of Association.

On 2/01/2025 the Company published the minutes of the Annual General Meeting of Shareholders of 2/01/2025 during which the financial statements for the period 2023/2024 were approved and a decision was made to issue 62 160 000 shares as a bonus issue. This bonus issue was registered by the Estonian court register on 20/01/2025.

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Selected indicators of FON SE:

RATIO	31/12/2024 (unaudited) in thous. EUR	30/06/2024 (audited) in thous. EUR
EBITDA	289	437
ROA	2,41 %	4,15 %
ROE	3,50 %	7,67 %

EBITDA - profit before interest, taxes, amortization of intangible assets (EBIT + 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),

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VIII. STATEMENT OF THE MANAGEMENT BOARD

The Management Board of FON 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 activities of FON SE provides 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 the accounting principles in accordance with the International Financial Reporting Standards. This report covers the period from July 1, 2024 to December 31, 2024, ie the first half of the 2024/2025 financial year and the comparative period from July 1, 2023 to December 31, 2023, ie the first half of the 2023/2024 financial year.

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IX. SELECTED FINANCIAL DATA

In thous. EURO	6 months ended 31/12/2024 (unaudited)	6 months ended 31/12/2023 (unaudited)
Net interest income	305	228
Profit from operating activity	289	221
Profit before tax	208	221
Net cash flow from operating activities	121	-201
Net cash flow from investing activities	0	0
Net cash flows from financing activities	-119	0
Change in cash and cash equivalents	5	-201
Total assets*	8 632	10 397
Short-term liabilities*	1 489	3 528
Share capital*	259	259
Number of shares at the end of the period (in pcs.)	2 590 000	1 875 000
Book value per one ordinary share (in EURO)	2,29	3,89

*For balance sheet items marked with an asterisk, the data presented in the second column covers the status as at June 30, 2024.

Tallinn, 21/02/2025

Signature of Management Board

Damian Patrowicz Member of the Management Board

First name and last name Function