



**Separate financial report
for the first half of 2017.**

Date on which this report was drawn up: 29th August, 2017

Table of Contents

I.	Basic information about the Issuer	3
A.	Company's data.....	3
B.	The personnel of the Management Board and the Supervisory Board.....	3
C.	Shareholding	4
II.	The entities included in Issuer's investment portfolio as at the date of 29 September 2017.	5
III.	Selected data for the first half of 2017	14
IV.	Separate financial statement including balance sheet, profit and loss account, statement of changes in equity and cash flow statement.....	14
A.	Balance sheet	15
C.	Cash flow statement	16
D.	Statement of changes in capital.....	18
V.	Information on the principles adopted in the preparation of the report, including information on changes in the applied accounting principles	18
VI.	Information on financial instruments and its risk.....	27
VII.	Concise characteristics of the Issuer's material achievements or failures during the period covered by the report, along with a description of the most important factors and events, particularly untypical, affecting the achieved results	30
VIII.	A description of the state of activities and investments along with a schedule of their implementation	31
IX.	Initiatives undertaken by the Issuer in the first half of 2017, aimed at implementation of innovative solutions.....	31
X.	Management Board's position on results forecast publication.....	32
XI.	Information on the number of persons employed by the Issuer, FTE.....	32
XII.	Other information.....	32

I. Basic information about the Issuer

A. Company's data

Business name of a company	Setanta ASI S.A.
Company's registered office	Al. Jana Pawła II 61 lok. 211, 01-031 Warszawa
Telephone number	+ 48 22 838 24 71
Fax	+ 48 22 838 24 56
E-mail address	office@setanta.pl
Website address	www.setanta.pl
KRS number	0000377322
Regon number	142795831
NIP number	108 001 02 99
LEI code	25940082U6IJ0K29FS45
Share capital	<p>The Company's share capital amounts to PLN 430 820,00 and is divided into:</p> <ul style="list-style-type: none"> a) 1 504 000 of ordinary bearer shares of A series b) 20 000 of ordinary bearer shares of B series c) 325 000 of ordinary bearer shares of C series d) 180 000 of ordinary bearer shares of D series e) 92 600 of ordinary bearer shares of E series f) 2 186 600 of ordinary bearer shares of F series <p>All shares' nominal value amounts to PLN 0,10.</p>

B. The personnel of Management Board and Supervisory Board

Pursuant to §31 of the Issuer's Charter, the Management Board consists of no less than one member and no more than four members, who are appointed and dismissed by the Supervisory Board for a period of five-year term of office.

The Management Board appointed for this term of office consists of:

The Management Board	
President of the Management Board	Conall McGuire
Member of the Management Board	Piotr Boliński
Member of the Management Board	Konrad Szwedziński

Pursuant to §35 of the Issuer's Charter, if the Management Board consists of several members, there is a demand for a cooperation of two members of the Management Board or one member of the Management Board along with the proxy in order to give a statement on behalf of the Company.

Supervisory Board:

Chairman of the Supervisory Board - Cezary Nowosad
 member - Monika Sieniawska
 member - Anna Gębala
 member - Damian Dec
 member - James Martin Wills

C. Shareholding

Shareholders having, at least 5% of entire number of votes in General Assembly. Data according to information the Management Board holds at the day of report's drawing up for the first half of 2017 i.e: 29 September 2017

Shareholders	Number of shares	Share in the share capital (%)	Number of votes	Share in the total number of votes at the AGM (%)
Piotr Boliński	1 147 912	26,65%	1 147 912	26,65%
Blakomo sp. z o.o.	636 480	14,77%	636 480	14,77%
Conall Seamus McGuire	522 700	12,13%	522 700	12,13%
Agnieszka Kunicka	494 200	11,47%	494 200	11,47%
Pronet 12 sp. z o.o.	424 320	9,85%	424 320	9,85%
James Martin Wills	306 400	7,11%	306 400	7,11%
Others	776 188	18,02%	776 188	18,02%
Total	4 308 200	100%	4 308 200	100%

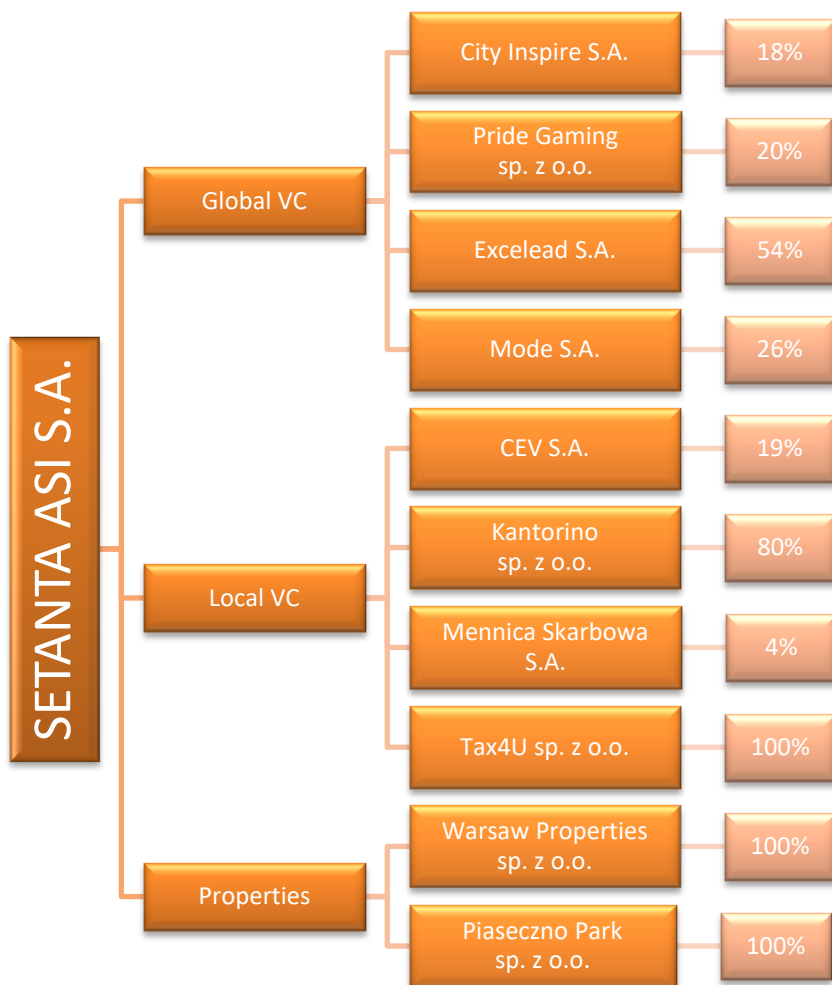
According to information held by the Company as at the date of publication of hereof report, there was a change of shares currently held. Change was performed by:

change of shares held:

- Mr Piotr Boliński by cutting the investments from 1 177 565 level of Issuer's shares, complying to 27,33% of share in Company's share capital, authorising to give 1 177 565 votes at the Annual General Meeting, complying to 27,33% of total number of votes at the AGM to 1 147 912 level of shares (the percentage share with other data were presented in the table hereinbefore).
- Mr Conall McGuire by increasing the investment from 499 000 level of Issuer's share, complying to 11,58% of share in Company's share capital, authorising to give 499 000 votes at the Annual General Meeting, complying to 11,58% of total number of votes at the AGM to 522 700 level of shares (the percentage share with other data were presented in the table hereinabove).
- Mr Konrad Szwedziński, as at the date of publication, has 6 050 of Issuer's share, complying to 0,14 % of share in Company's share capital, authorising to give 6, 050 votes at the Annual General Meeting, complying to 0,14% of total number of votes at the AGM (and directly by the related company BLAKOMO sp. z o.o. - the percentage share and other data were presented in the table hereinabove).

According to information held by the Company as at the date of the report's publication, the holding of shares of other revealed Issuer's shareholders remained unchanged.

II. The entities included in Issuer's investment portfolio as at the date of 29 September 2017.



*Percentage values show the amount of shares in the Company's capital.

Properties:

The Issuer's portfolio companies active in the area of "properties" are:

Warsaw Properties Sp. z o.o. with its registered office in Warsaw, at Al. Jana Pawła II 61 lok. 206 registered in the register of entrepreneurs KRS by District Court for the city of Warsaw, XII Commercial Division under KRS number 0000217422. Company's share capital amounts to PLN 50.000,00 and is divided into 100 shares with the nominal value PLN 500. Setanta ASI S.A. owns 100% of both shares and votes at the Assembly of Partners.

Warsaw Properties sp. z o.o. offers services for investors who want to pursue investments on local property market, as well as for those already present with investments holdings.



The Company offers:

Locating attractive investments, smooth and successful transaction supervision;

Handling property lease process;

Property management service - representing owners in all duties involved in property leasing as well as technical and administrative services;

Interior design, fit-out and renovations (apartments, service units, cafes, aparthotels, houses, offices).

Since 2004, the Company have completed over 200 of interior design and fitting out projects. The Company currently manages over 140 apartments.



Piaseczno Park Sp. z o.o. (change of trading name from Neovisis Sp. z o.o.) with its registered office in Warsaw, at Al. Jana Pawła II 61 lok. 211 registered in the register of entrepreneurs KRS by District Court for the city of Warsaw, XII Commercial Division under KRS number 0000207666. Company's share capital amounts to PLN 50.400,00 and is divided into 120 shares with the nominal value PLN 420.

Setanta ASI S.A. owns 100% of both shares and votes at the Assembly of Partners. Objects of the Piaseczno Park Sp. z o.o. Company's enterprise is developer operation. The Company realises investments on its own property, with its location in the centre of Piaseczno at ul. Zgoda.

The Management Board of the Company is working on preparing the construction investment of a multi-family building. At present, the validation of the building permit has been obtained and also the work on valuation and selection of the general contractor is being carried out.

Global projects:

The Issuer's portfolio companies active in the area of "global projects" are:



Pride Gaming Sp. z o.o. with its registered office in Warsaw, at Al. Jana Pawła II 61 lok. 211 registered in the register of entrepreneurs KRS by District Court for the city of Warsaw, XII Commercial Division under KRS number 0000631709. Company's share capital amounts to PLN 100.000,00 and is divided into 2000 shares with the nominal value PLN 50. Setanta ASI S.A. owns 20% of both shares and votes at the Assembly of Partners.

Pride Gaming Sp. z o.o. is a professional e-sports organisation. It runs, among others, Counter Strike: Global Offensive team - Champions of the Polish Esport League, and also Polish Cup Winners. It is also a founding member of ELIGA.

Website address:

<http://www.pride.gg/>

<https://www.facebook.com/ggpride/>



City Inspire S.A. with its registered office in Warsaw, at Al. Jana Pawła II 61 lok. 211 registered in the register of entrepreneurs KRS by District Court for the city of Warsaw, XIV Commercial Division under KRS number 0000394133. Company's share capital amounts to PLN 268.750,00 and is divided into 2.687.500 shares with the nominal value PLN 0,10.

Setanta ASI S.A. owns 17,68% of shares and 21,86% of votes at the Annual General Meeting.

Business model

City Inspire S.A - The Company realises four innovative projects in the area of e-tourism. First of them is a popular **StayForLonger.com** an application program- widget for hotels. It offers travel guide in hotel's vicinity. The widget is used by over 300 hotels in Poland and all across the world including hotels in Italy, England and USA (for instance: <http://www.trumpmiami.com>, <http://www.safestay.com/ss-london-holland-park.html>, <http://www.hotelmarmacoloroma.com>). The tool is offered in SaaS model.

As a part of the second project, **B2B guides** for large tour operator (like travel agencies, OTA portals, transporters, cities) are being implemented. City Inspire Company established cooperation with such well-known companies as **Neckermann** and **Travelist**.

The third project involves **B2C guides** available for every tourist interested in a personalized guide with a full range of attractions and events in the area of travel destination. The project is being developed on the basis of a tourist-social site **Placeknow.com**. It took the second place in an international StartupOpen competition in 2012.

The fourth project is a platform that offers tourists tickets to tourist attractions.

Market position

The Company has no significant competition. Synergies resulting from the simultaneous development of 4 complementary projects, give City Inspire a competitive edge. The Company is working on further funding rounds to help improve its service and accelerate foreign expansion.

Development perspectives

City Inspire intends to gain the largest possible share in the global market for electronic travel guides as well as ticket sale market for tourist attractions. The Company's past experience is the greatest asset in pursuit of this goal.

Purpose of involvement

Supporting the development and earning high rate of return on investment. The Company is to be introduced on the NewConnect market at the turn of 2017/2018. In the future, the Company cannot rule out selling the block of shares to a global Internet-software company or to interested financial investors.



Excelead S.A. with its registered office in Warsaw, at Al. Jana Pawła II 61 lok. 211 registered in the register of entrepreneurs KRS by District Court for the city of Warsaw, XII Commercial Division under KRS number 0000424058. Company's share capital amounts to PLN 321.200,00 and is divided into 3.212.000 shares with the nominal value PLN 0,10.

As at the date of report's publication, Setanta ASI S.A. owns 53,89% of shares and 53,89% of votes at the Assembly of Partners.

Business model

Excelead S.A. Company is an originator of two innovative pro-sales tools intended for companies. The first of them **-Calltracker-** analyses the sources of incoming telephone traffic. Data collection supports sales results and allows to make effective decisions and optimise marketing efforts based on their effectiveness. Calltracker is Google Analytics of telephone traffic. More and more companies are using tools, that shall improve their sale effectiveness and return on investment in marketing and advertising. Another tool- **Clientel** - is a "call to action" solution and contributes to increased sale of the telephone traffic sourced from the website. I generates high quality telephone leads. Research show, those solutions make it able to gain up to 75% of telephone calls with potential clients. Moreover, the Excelead Company realises SEO optimised websites for its clients. The tools are sold in SaaS model.

Market position

Calltracker has a strong market position. The competition is small. Several dozen companies use the solution. New customers appear regularly. The only barrier is the greater popularity of analysing customer behaviour on the

Internet, rather than interactions made on internet-telephone level. The trend of using increasingly new analytical tools induces more and more companies to use that type of solution.

Clientel is not present on the market. The solution is to be proposed to the customers. The increasing competition in this segment is big and poses a barrier to entry into the market.

Development perspectives

The companies that have their websites are target market for Excelead S.A. . According to <http://www.coig.com.pl> research, there are over 2,3 million companies operating in Poland. Various sources say, that between 60 and 85% of those companies have their own websites. On average, there are about 1.5 million entities that may be interested in the company's products. 10% of them spend over PLN 2,000 monthly for various online marketing activities.

On the basis of those information, the potential market for entities interested in services of Excelead S.A. is estimated at 160,000 up to 1,000,000 companies. In addition, there is an increase in the awareness among customers about the possibilities of optimising the advertising budget (Calltracker) and the existence of sales tools increasing the number of customers – sales lead (Clientel).

Foreign markets are multiples of the potential of the Polish market.

In the years 2017-2019, the Company forecasts a high growth rate of revenues exceeding 100% per annum. In the next few years, the growth dynamics of the business will be slightly lower.

Such rapid dynamics of development is possible due to its low startup base. The efforts leading up to increasing the selling team, entering the market with Clientel product as well as entering foreign markets with Calltracker product, will have a significant influence on the plan implementation.

The successful plan implementation should result in a better sales achievements.



Mode S.A. with its registered office in Gdańsk, at ul. Starowiejska 67, registered in the register of entrepreneurs KRS by District Court Gdańsk-Północ in Gdańsk, VII Commercial Division under KRS number 0000393095. The company's share capital amounts to PLN 1.182.643,60 and is divided into 5.913.218 shares with the nominal value PLN 0,20.

Setanta ASI S.A. owns 1.552.604 shares, and that represent 26,25% in capital and in votes at the Annual General Meeting.

The Company is a generator of innovative solutions for automatic generation of high quality products and their 360° presentation. Devices are used in sales and marketing (auctions and online galleries), research and development, external and internal communication, multimedia, e-commerce, online services, quality control departments as well as

in criminology. The product range includes: MODE360° Photo Composer, MODE360° Twister, MODE° Combo, MODE360° Jumbo, MODE Style and MODE360° Twister Mini.

The Company also offers **MODEVid** software, that cooperates with popular digital cameras. The software enables to photograph and be in control of Mode S.A. devices using a computer. It also gives the possibility to prepare professional high resolution photos ready for publication. The Company also sells the application in Premium Edition, which allows for advanced editing, easy background removal and video creation. MODE SA offers *cloud computing* service on **modeview.com**. This is the application that enables to create 360 degree animations and products presentations for easy publication purposes. Premium accounts are not free – the user can purchase one of the annual subscription plans.

The Company is also developing a subscription service for making 360° presentations in the cloud (**modernview.com**). Research and development works on new products are conducted, too.

Local projects:

The Issuer's portfolio companies active in the area of "local projects" are:



Clean Energy Venture S.A. with its registered office in Warsaw, at Al. Jana Pawła II 61 lok. 211 registered in the register of entrepreneurs KRS by District Court for the city of Warsaw, XII Commercial Division under KRS number 0000378282. The Company's share capital amounts to PLN 201.700,00 and is divided into 2.017.000 shares with nominal value amounts to PLN 0,10.

Setanta ASI S.A. owns 19,12% of shares and 26,42% of votes at the Annual General Meeting.

The Company was focused on the development of wind and photovoltaic farms starting with Greenfield stage and ending with the building permit. The projects of those farms, after obtaining all the permits, arrangements and final building permits, were to be sold to investors who were planning to carry out the construction process. In the years 2013/2014, the Company was applying for placing shares on the NewConnect market. The process has been stopped.

Currently, CEV S.A. uses Special Pursues Vehicles to pursue the following projects:

**Wind
Farm
26MW**

Location: Jeżewo, Kuyavian-Pomeranian Voivodeship.
It is planned to sell the project, after obtaining a building permit (with possible EU grant).
Implementation: Farma Wiatrowa Jeżewo sp. z o.o.
CEV S.A. share: 75%

**Power
Plant
40 MW**

Location: Wałcz, West Pomerania Voivodeship.
The project envisages building wind farm 30MW and solar farm 10 MWp.
Implementation: Zachodniopomorski Zespół Elektrowni sp. z o.o.
CEV S.A. share: 19% Setanta ASI S.A. share: 10%

**Solar
farm
4,8 MWp**

Location: Zamość, Lublin Voivodeship.
After receiving EU grant, the project is planned to be sold.
Implementation: Fotowoltaika Lubelska sp. z o.o.
CEV S.A. share: 100%

**Solar
farm
1,83 MWp**

Location: Sokołów Podlaski, Mazovia Voivodeship.
Construction and exploitation are planned in the case of EU grants.
Implementation: Fotowoltaika Mazowiecka sp. z o.o.
CEV S.A. share: 100%

**Photovoltaic
farm
5 MWp**

Location: Terespol, Lubuskie Voivodeship.
Implementation: CEV PV1 sp. z o.o.
CEV S.A. share: 100%

**Photovoltaic
farm
2 MWp**

Location: Działoszyn, Łódź Voivodeship.
Implementation: CEV PV2 sp. z o.o.
CEV S.A. share: 100%



Kantorino Sp. z o.o. with its registered office in Warsaw, at. Al. Jana Pawła II 61 lok. 228 registered in the register of entrepreneurs KRS by District Court for the city of Warsaw, XII Commercial Division under KRS number 0000401080. Company's share capital amounts to PLN 310.000,00 and is divided into 3.100 shares with the nominal value amounts to PLN 100. Setanta ASI S.A. owns 2480 shares, and that represents 80% in capital and votes at the Assembly of Partners.

Kantorino sp. z o.o. owns the Kantoris.pl band - an online exchange

service. Kantoris.pl is an internet platform for fast and inexpensive currency exchange. It is also a system for real-time presentation of exchange rates and rates monitoring system.

The Company intends to capture a significant position on this highly competitive market (cinkciarz.pl, internetowykantor.pl, pomaranczarnia.pl, kantoronline.pl).

The Company foresees the possible potential for value growth through dynamic growth in sales.



Mennica Skarbowa S.A. with its registered office in Warsaw, at ul. Jasna 1, registered in the register of entrepreneurs KRS by District Court for the city of Warsaw, XII Commercial Division under KRS number 0000391546. Company's share capital amounts to PLN 104.010,00 and is divided into 1.040.100 shares with the nominal value PLN 0,10. Setanta ASI S.A. owns 34.194 shares, and that represents 4% in capital and in votes at the Annual General Meeting..

Mennica Skarbowa S.A. is one of the major vendors of investment gold and other precious metals on the Polish market. The Company offers bars of gold and other precious metals as well as bullion coins from reputable mints across the world. Products from those mints are well-known and esteemed worldwide. Their high profile can guarantee cashing of any purchases easily in the future. Those products can be easily sold at good prices not only in Poland but anywhere across the world.

Mennica Skarbowa S.A. is listed on the New Connect market.

Mennica Skarbowa S.A. maintains business relationships with more than 2,000 advisors Poland-wide, who offer products available in Mennica Skarbowa. Business partners of Mennica Skarbowa S.A. include such companies as: Gold Finance, Personal Finance, AWD Finance, Money Expert, Doradcy24 or Noble Finance Service. The Company received the 2013 Business Shark award from "Miesięcznik Kapitałowy" magazine for leader-like domination on the market.

The Management Board of Mennica Skarbowa S.A. with assistance from Spartan Capital S.A., began efforts to boost sales, i.a., through new distribution channels and new products launches that will translate into growth of net profit and increased share price of the Company to ensure attractive rate of return on investment.



TAX4U sp. z o.o. with its registered office in Warsaw, at. Al. Jana Pawła II 61 lok. 211 registered in the register of entrepreneurs KRS by District Court for the city of Warsaw, XII Commercial Division under KRS number 0000643012. Company's share capital amounts to PLN 5.000,00 and is divided into 100 shares with the nominal value amounts to PLN 50,00.

Setanta ASI S.A. owns 100% of both shares and votes at the Assembly of

Partners.

Warsaw Accounting Office Tax4U Sp. z o.o. offers comprehensive accounting services. The services are provided for every company, regardless of the type of economic activity or size. It deals with all the accounting issues in the company: trade books keeping, revenue and expense ledgers, lump-sum records.

It cooperates with all companies, handling all forms of tax settlements.

Other companies:

Spartan sp. z o.o.	Subsidiary of Setanta ASI S.A. Setanta ASI S.A. owns 100% of both shares and votes at the Assembly of Partners.
WP Warsaw Properties sp. z o.o.	Subsidiary of Setanta S.A. Setanta ASI S.A. owns 100% of both shares and votes at the Assembly of Partners.
Calltrack sp. z o.o.	Subsidiary of Setanta ASI S.A. Setanta ASI S.A. owns 100% of both shares and votes at the Assembly of Partners.
Leach and Partners sp. z o.o.	Subsidiary of Warsaw Properties sp. z o.o. Warsaw Properties sp. z o.o. owns 50% of both shares and votes at the Assembly of Partners.
Blue Mango sp. z o.o.	Subsidiary of Warsaw Properties sp. z o.o. Warsaw Properties sp. z o.o. owns 50% of both shares and votes at the Assembly of Partners.
MyBusinessGuide sp. z o.o.	Subsidiary of City Inspire S.A. City Inspire S.A. owns 68% of both shares and votes at the Assembly of Partners.
Warsaw Property Fund sp. z o.o.	Subsidiary of Setanta ASI S.A. Setanta ASI S.A. owns 100% of both shares and votes at the Assembly of Partners.

III. Selected data for the first half of 2017

No.	Selected financial data	In PLN thousands		In EUR thousands	
		First half of 2017	First half of 2016	First half of 2017	First half of 2016
1	The result of operating activity	-845	-2 806	-198	-643
2	Profit/loss before tax	-2 648	-2 797	-620	-641
3	Nett profit/loss	-2 464	-1 711	-577	-392
4	Nett cash flows of operating activity	-612	-268	-143	-61
5	Nett cash flows of investment activity	1308	-53	306	-12
6	Nett cash flows of financial activity	-129	177	-30	41
7	Total assets	13 059	20 829	3 089	4 708
8	Long-term liabilities	707	678	167	153
9	Short-term liabilities	1 741	998	412	226
10	Equity capital	10 220	18 544	2418	4192
11	Share capital	431	431	102	97
12	Weighted average number of shares (thous. pcs)	4 308	4 308	-	-
13	Basic profit (loss) per share	-0,06	-0,4	-0,13	-0,09
14	Diluted profit (loss) per share	-0,06	-0,4	-0,13	-0,09

The exchange rates of the zloty, in the periods covered by the financial statements and comparative financial data presented in the report, selected financial data were converted into EUR currency, according to the following principles:

-for the conversion of particular assets and liabilities items of the financial position statement, the rate of EURO (announced by NBP) was adopted:

- a) of 30 June 2017, 1 EUR = PLN 4,2265
- b) of 30 June 2016, 1 EUR = PLN 4,4255

- for the conversion of the individual items of the statement of total earnings and the statements of financing flow - according to the average rate, which was calculated as the arithmetic mean of exchange rates announced by the National Bank of Poland, on the last day of the month in a given period:

- a) from 1. January 2017 to 30 June 2017. 1 EUR = PLN 4,2704
- b) from 1. January 2016 to 30 June 2016. 1 EUR = PLN 4,3663

IV. Separate financial statements including balance sheet, profit and loss account, statement of changes in equity and cash flow statement

This condensed separate financial statement of Setanta ASI S.A. has been made in accordance with International Accounting Standard ("IAS") 34 - Interim Financial Reporting ("IAS 34") and in accordance with relevant accounting standards applicable to Interim Financial Reporting adopted by European Union, published and effective at the time of preparation of this report.

Based on the latest IFRS 10 "Consolidated Financial Statements" as amended by Commission Regulation (EU) no. 1174/2013 of 20 November 2013, according to the Management Board, Setanta ASI S.A. has the status of an investment unit and thereby does not consolidate the results of the Issuer's capital group. Under the terms of IFRS 10, an investment unit does not consolidate its subsidiaries and measures its investments at fair value through profit or loss in accordance with provisions of IAS 39.

Data for the first half of 2017 and the first half of 2016 are presented with financial data included in the quarterly report.

Data in the tables below are presented in zlotys (PLN).

A. Statement of financial position

ASSETS	(Unaudited)30.06.2016	30.06.2017
Fixed assets	1 887 867,71	2 489 196,04
Goodwill		
Intangible assets		
Tangible fixed assets		
Long-term receivables	146 839,45	160 027,40
Long-term financial assets	716 299,26	737 448,64
Deferred tax assets	1 024 729,00	1 591 720,00

Current assets	18 941 556,06	10 569 359,57
Trade receivables	4 016,04	71 666,04
Other receivables	39 441,00	127 726,11
Income tax receivables		
Short-term financial assets including:	18 894 187,77	10 369 863,81
- Shares in related parties	18 819 396,32	9 704 671,30
- Short-term loans		
- Funds	74 791,45	665 192,51
Accrued expenses	3 911,25	103,61
Assets held for sale		
Total assets	20 829 423,77	13 058 555,61

LIABILITIES	(Unaudited)30.06.2016	30.06.2017
Equity capital	18 544 211,14	10 220 862,62
Share capital	430 820,00	430 820,00
Called-up share capital		
Own shares		
Supplementary capital	27 218 758,52	27 218 758,52
Revaluation reserve		
Other reserve capitals		
Previous years profit/(loss)	-7 393 895,42	-14 964 589,79
Nett profit/(loss)	-1 711 471,96	-2 464 126,11
Write-off on nett profit during the financial year		
Long-term liabilities including:	677 819,47	706 890,88
1. To related parties	314 839,37	327 831,71
- Credits and loans	314 839,37	327 831,71
- Debt securities		
2. To other entities	362 980,10	379 059,17
- Credits and loans	267 937,95	279 978,22
- Debt securities	95 042,15	99 080,95
Deferred income tax provision	609 263,00	390 169,00
Short-term liabilities including:	998 130,16	1 740 633,11
1. To related parties	984 464,40	1 328 287,57
- Debt securities	984 464,40	1 268 287,57
- Other		60 000
2. To other entities	13 665,76	412 345,54
- Income tax liabilities	2 378,36	5 040,20
- Trade liabilities	3 557,87	2 476,88
- Other liabilities	7 729,53	404 828,46
Liabilities related to assets held for disposal		
Total liabilities	20 829 423,77	13 058 555,61

B. Comprehensive income statement

Profit and loss account	30.06.2016 incrementally	30.06.2017 incrementally
Basic activity revenues	-2 604 269,84	-1 728 184,50
Profit/loss from investment portfolio revaluation:	-2 604 269,84	-1 545 711,04
- Profit from investment portfolio revaluation		
- Loss from investment portfolio revaluation	-2 604 269,84	-1 545 711,04
Nett revenues from sales of products		55 325,20
Dividends and profit sharing		
Profit/loss from investment portfolio disposal		-252 698,88
Interest		14 900,22
Net revenues from sales of goods and materials		
Basic activity expenses	-201 697,64	-916 749,56
Amortisation and depreciation		
Consumption of materials and energy		-2 708,60
External services	-114 315,34	-471 178,20
Taxes and charges	-1 620,00	-3 683,00
Remunerations	-83 544,25	-420 459,00
Social security and other benefits	-618,22	-1 291,68
Other costs by type	-1 599,83	-1 468,87
Interest		-15 960,21
Value of goods and materials		
Basic activity result	-2 805 967,48	-2 644 934,06
Other operating revenues	0,08	
Other operating expenditures	-0,08	-0,67
Profit/Loss from operating activities	-2 805 967,48	-2 644 934,73
Financial revenues	9 657,93	
Other	9 657,93	
Financial expenses	-857,41	-3 400,38
Other	-857,41	-3 400,38
Economic activity result	-2 797 166,96	-2 648 335,11
Income tax		
Deferred income tax	-1 085 695,00	-184 209,00
Nett profit/loss	-1 711 471,96	-2 464 126,11
Profit/Loss on continued activity	-1 711 471,96	-2 464 126,11
Profit/Loss from discontinued activities		
Nett profit (loss) per share from continued activities		
Nett profit (loss) per share from discontinued activities		

C. Cash flow statement

Cash flow statement	30.06.2016	30.06.2017
OPERATING ACTIVITY		
Gross profit / loss	-1 711 471,96	-2 464 126,11
Total adjustments:	1 443 774,42	1 852 073,44
Amortisation and depreciation		
Write-off of goodwill		
(Profit)/Loss due to exchange differences		
Interest and profit sharing (dividends)		
(Profit)/Loss from investment activities	-8 342,12	252 698,88
Change in provisions		-360 303,00
Change in inventory		
Change in receivables	-23 057,00	-155 064,00

Change in short-term liabilities excluding credits and loans	-42 932,93	388 504,77
Expenditure on acquisition of financial assets measured at fair value through profit or loss		
Change in prepayments and accruals	-1 085 695,00	340 003,00
Other adjustments/revaluation of investment value	2 603 801,47	1 386 233,79
Cash from operating activities	-267 697,54	-612 052,67
Income tax (paid) / returned		
Nett cash flow from operating activities	-267 697,54	-612 052,67
INVESTMENT ACTIVITY		
Inflows	210 989,56	1 314 657,94
Disposal of intangible and tangible fixed assets		
Disposal of investments in property		
Financial assets disposal		1 274 657,94
Other investments inflows	9 189,56	40 000,00
Repayment of granted long-term loans	201 800,00	
Expenditures	263 800,00	6 171,00
Purchase of intangible and tangible fixed assets		
Purchase of investments in property		
Expenditure on financial assets		5 000,00
Other investments expenditure	263 800,00	1 171,00
Nett cash flow from investment activities	-52 810,44	1 308 486,94
FINANCIAL ACTIVITY		
Inflows	177 231,99	145 000,00
Nett inflows from issuance of shares and other capital instruments and from capital contribution		
Credits and loans	38 200,00	105 000,00
Issuance of debt securities	138 000,00	40 000,00
Other financial inflows	1 031,99	
Expenditure	0,00	274 000,00
Purchase of own shares		
Dividends and other payments to owners		
Profit distribution liabilities other than profit distribution payments to owners		
Repayment of credits and loans		
Redemption of debt securities		
Payments of other financial liabilities		
Payments of liabilities arising from financial lease agreements		
Interest		
Other financial expenditures		274 000,00
Nett cash flows from financial activities	177 231,99	-129 000,00
Total net cash flows	-143 275,99	567 434,27
Balance sheet change in cash, including:	-143 275,99	567 434,27
- Change in cash due to exchange differences		
F. Cash opening balance	218 067,44	97 758,24
G. Closing balance of cash	74 791,45	665 192,51

D. Statement of changes in the capital

	Share capital	Supplementary capital from the shares' sale over the nominal price and from the set profit distribution	Own shares	Other capitals	Undistributed profit	Current year's financial result	Capital
Six months ended 30.06.2016							
Equity capital as at the day of 01.01.2016	430 820,00			27 218 758,52			27 649 578,52
Changes in accounting principles (policy): transition to IFRS							0,00
Adjustments for errors of previous periods							0,00
Equity capital after adjustments	430 820,00	0,00	0,00	27 218 758,52	0,00	0,00	27 649 578,52
Share issue							0,00
Cost of the share issue							0,00
Share-based payments							0,00
Distribution of the nett profit							0,00
Dividend payment							0,00
Total comprehensive income					-7 393 895,42	-1 711 471,96	-9 105 367,38
Equity capital as at the day of 30.06.2016	430 820,00	0,00	0,00	27 218 758,52	-7 393 895,42	-1 711 471,96	18 544 211,14
Six months ended 30.06.2017							
Equity capital as at the day of 01.01.2017	430 820,00			27 218 758,52	-14 964 589,79		12 684 988,73
Changes in accounting principles (policy)							0,00
Adjustments for fundamental errors							
Equity capital after adjustments	430 820,00			27 218 758,52			27 649 578,52
Share issue							
Cost of the share issue							
Share-based payments							
Distribution of the nett profit							
Dividend payment							
Total comprehensive income					-14 964 589,79	-2 464 126,11	-17 428 715,90
Equity capital as at the day of 30.06.2017	430 820,00	0,00	0,00	27 218 758,52	-14 964 589,79	-2 464 126,11	10 220 862,62

V. Information on the principles adopted in the preparation of the report, including information on changes in the applied accounting principles
ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENT
I. Compliance with International Financial Reporting Standards.

This financial statement has been prepared in compliance with:

- International Financial Reporting Standards (IFRS) in the form approved by European Union,
- in the areas not regulated by these standards, in accordance with the requirements of the Accounting Act of 29 September 1994 (Journal of Laws of 2013, item 330) and implementing regulations issued on its basis.

IFRS include standards and interpretations approved by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

The Company did not opt for earlier application of any standard, interpretation or amendment which have not yet become effective.

As at the date of preparation of this separate financial statement, the Company did not apply any of the following standards, amendments to standards and interpretations, which had been published and approved for use in the EU, but have not yet become effective:

Standard	Description of changes	Effective date
IFRS 9 Financial instruments (with actualisations)	Reclassification and valuation changes - replacing the currently applicable categories of financial instruments with two categories: valued at amortized cost and at fair value. Changes in hedge accounting	1. January, 2018.
IFRS 15 Revenue from contracts with customers	Standard involves all agreements concluded with customers except those which fall within other IFRSs (i.e. leasing and insurance agreements as well as financial instruments) IFRS 15 unifies revenue recognition requirements.	1. January 2018.
IFRS 16 Leases	Standard distinguishes between operating leasing and financial leasing. All the agreements that meet the definition of a lease shall be recognised in principle as the current financial lease	1. January 2019.
Amendments to IFRS 12	Clarification of the method of settling deferred tax assets for unrealised losses	1. January 2017.
Amendments to IFRS 7	Initiative on changes in disclosure	1. January 2017.
Amendments to MSSF 2	Classification and valuation of share based payments	1. January 2017.

The same accounting principles and calculation methods as in the most recent annual financial statement were applied in the interim financial statement. The comparative data as at 30.06.2016 were neither reviewed nor audited by auditor.

II. ASSUMPTION OF CONTINUATION OF ECONOMIC ACTIVITY

The condensed interim separate financial statement has been prepared on the assumption that the Company will continue the economic activity in the future. As at the day of this financial statement endorsement, there are no circumstances indicating that the Company's activity may be at risk.

III. INFORMATION ON SEASONALITY OR CYCLICALITY OF ECONOMIC ACTIVITY

There is no seasonality in the company's activity.

IV. FUNCTIONAL AND PRESENTATION CURRENCY

a) Functional and presentation currency

Items included in the financial statement are measured in the currency of the primary economic environment in which the Company conducts its activity ("Functional currency"). The financial statement is presented in Polish zlotys (PLN), which is the Company's functional and presentation currency.

b) Transaction and balances

Transactions in foreign currencies are converted into the functional currency at the exchange rate on the transaction date. Profits and exchange losses, from settlements of aforementioned transactions as well as assets and liabilities valuation denominated in foreign currency, are recognized in the profit and loss account. Unless they are not deferred in equity when they qualify for cash flow hedges and hedges of shares in net assets.

V. SIGNIFICANT VALUES BASED ON PROFESSIONAL JUDGEMENT AND ESTIMATES

The preparation of the interim condensed financial statement, in accordance with IAS 34, requires the Management Board to make certain estimates and assumptions that affect the amounts reported in the financial statement. The majority of the estimates is based on analyses and the Management Board's best knowledge. Although the adopted assumptions and estimates are based on Management Board's best knowledge (on current activities and events), actual results may differ from those anticipated. Estimates and associated assumptions are subjects to verification. Changes in accounting estimates are recognised in the period they were made (or in current or future periods), only if they refer to current period as well as future periods. The ratings made by the Management Board using IAS 34, which have a significant impact on the financial statement, as well as the estimates bearing a risk of changes in the future, have been presented in the interim financial statement.

a) Professional judgements

In the process of the application of accounting principles (policy) with regard to the issues specified below, the professional judgement of the management was the most significant aspect, besides accounting estimates.

b) Uncertainty of estimates

The basic assumptions concerning the future and the other key sources of estimation uncertainty at the balance sheet day that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

The fair value of financial instruments

As at the balance sheet day, shares were valued using the income method and the comparative transaction price for securities quoted on an active market. According to the Management Board's knowledge, such a valuation method correctly discloses the value of possessed financial assets.

Deferred tax assets

The Company recognises a deferred tax assets basing on the assumption that a taxable profit will be available to its use in the future. Deterioration of tax results in the future might make this assumption unjustifiable.

VI. DESCRIPTION OF ITEMS AFFECTING ASSETS, LIABILITIES, CAPITAL, NET FINANCIAL RESULT AND CASH FLOW, WHICH ARE DIFFERENT BY THEIR TYPE, SIZE OR EXERTED INFLUENCE

None.

VII. DESCRIPTION OF ERROR CORRECTION OF PREVIOUS PERIODS

None.

VIII. INFORMATION ON SIGNIFICANT CHANGES IN ESTIMATES

None.

1. Investments in subordinated entities as at 30.06.2017.

<i>Company name</i>	<i>Value at purchase price</i>	<i>Valuation at 30.06.2017r</i>	<i>% shares at 30.06.2017</i>	<i>Stock market price at 30.06.2017r</i>	<i>Number of shares</i>	<i>Fair value at 30.06.2017r</i>
<i>Piaseczno Park</i>	50 400,00	0	100			0
Purchase value	50 400,00	0				
Valuation		0				
<i>Warsaw Property Fund</i>	2 200 296,00	1 451 250,31	100			1 451 250,31
Purchase value	2 200 296,00					
Valuation		-749 045,69				
<i>Warsaw Property</i>	50 000,00	2 101 000,00	100			2 101 000,00
Purchase value	50 000,00					
Valuation		2 051 000,00				
<i>Excelead</i>	580 993,67	229 800,00	53,89			229 800,00
Purchase value	580 993,67	-7500				
Valuation		-343 693,67				
<i>Kantorino</i>	4 297 466,60	3 853 600,00	80			3 853 600,00
Purchase value	4 297 466,60					
Valuation		-443 866,60				
<i>City Inspire</i>	807 298,13	446 500,00	17,67			446 500,00
Purchase value	807 298,13					
Valuation		-360 798,13				
<i>Clean Energy Venture</i>	7 036 121,24	136 805,71	19			136 805,71
Purchase value	7 036 121,24					
Valuation		-6 899 315,53				
<i>Mennica Skarbowa</i>	181 255,51					638 151,40
Purchase value	181 255,51					
Valuation		456 895,89		7,30	87 418	
<i>Mode</i>	688 564,20					729 723,88
Purchase value	688 564,20					
Valuation		102 281,58		0,47	1 552 604	
<i>Spartan</i>	1 751 850,00		100			0,00
Purchase value	1 751 850,00					
Valuation		-1 751 850,00				
<i>WPWP</i>	0,00		100			0,00
Purchase value	5 000,00					
Valuation	-5 000,00	0,00				
<i>Zachodniopomorski Zespół Elektrowni</i>	107 840,00		10			107 840,00
Purchase value	54 920,00					
Valuation	52 920,00	0,00				
<i>TAX 4 U</i>	5 000,00		100			5 000,00
Purchase value	5 000,00					
Valuation		0,00				
<i>CALLTRACK</i>	5 000,00		100			5 000,00
Purchase value	5 000,00					
Valuation		0,00				
TOTAL	17 799 161,10					9 704 671,30

2. Change in estimated receivables

None.

3. Deferred income tax

Deferred tax assets/liability

	30.06.2016	30.06.2017
Deferred tax assets	1.024.729,00	1.591.720,00
Deferred tax liability – continued activity	609.263,00	390.169,00
Deferred tax liability – discontinued activity		
Deferred tax assets/liability		

IX. OPERATING SEGMENTS

The Company operates in one operating segment i.e. activity of an investment unit.

X. ISSUE, REDEMPTION AND REPAYMENT OF DEBT AND CAPITAL SECURITIES

1. Issue of debt securities

Type of issue/ batch	30.06.2016	30.06.2017
Bill of exchange (with date of redemption until 31. December, 2017)	786.464,40	1.268.287,57 1.228.287,57 1.262.232,75
Investment bonds (with date of redemption until 31. January 2019)	95.042,15	99.080,95
Total debt securities liabilities	881.506,55	1.367.368,52
- long-term	95.042,15	99.080,95
- short-term	786.464,40	1.268.287,57

Type of debt securities as at 30.06.2017r

Type of transaction	Nominal amount	Acquisition date	Redemption date	Repayment amount
Bill of exchange	1.262.232,75		Until 31.12.2017	1.268.287,57
Investment bonds	97.744,53		Until 31.01.2019	99.080,95

Change in share capital

Specification	30.06.2016	30.06.2017
Capital opening balance	27 649 578,52	12 684 988,73
Increases, due to:		
- issue of series F shares, share capital increase		
- issue of series F shares, supplementary capital increase		
divided nett profit		
- current profit		
Accounting principle change- transition to MSSF		
Decreases, due to:		
- current loss	-1 711 471,96	-2 464 126,11
- series F shares issue registration		
undistributed result of previous years	-7 393 895,42	
- shares issue costs		
Capital closing balance	18 544 211,14	10 220 862,62

All issued shares have a nominal value of PLN 430.820,00 and have been fully paid up.

XI. TRANSACTION WITH RELATED ENTITIES

The table below presents the total amounts of transactions concluded with related entities for the current and prior financial year.

Related entity	Sales to related entities		Purchases from related entities		Receivables from related entities		including overdue		Liabilities towards related entities		including outstanding, after the payment deadline	
	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017
Dominating unit												
SETANTA SA												
Subsidiaries:												
Spartan Sp. z o.o.			39.277,59									
Warsaw Properties Sp. z o.o.			20.000,00									
Tax 4 U Sp. z o.o.				54.932,40								
City Inspire S.A		67.650,00										
TOTAL		67.650,00	59.277,59	54.932,40								

Terms of transactions with related entities

Loan granted to member of the Management Board

No loans were granted to members of the Management Board in the first half of 2017.

Other transaction including members of the Management Board

None.

XII. DIVIDEND PAYMENT (OR DECLARATION)

None.

XIII. UNPAID LOANS OR BREACH OF THE LOAN AGREEMENT, IN CASES WHERE NO CORRECTIVE ACTIONS WERE TAKEN EITHER BEFORE OR ON THE BALANCE SHEET DAY
1. Granted loans
Granted loans as at the date of 30.06.2017, including the Management Board

Borrower	Gross book value	Write-down	Nett book value	Loan repayment deadline	Collateral
James Wills	160.027,40		110.000,00	31.12.2020	
WP Warsaw Properties Sp. z o.o.	16.215,58		15.050,00	31.12.2020	
Warsaw Properties Sp. z o.o.	96.028,00		85.000,00	31.12.2020	
Excelead SA	189.646,95		172.000,00	31.12.2020	
Warsaw Property Fund Sp. z o.o.	6.719,54		6.700,00	31.12.2020	
Clean Energy Venture SA	60.868,08		40.200,00	31.12.2020	bill of exchange
Spartan Sp. z o.o.	128.593,46		116.500,00	31.12.2020	
City Inspire SA	133.729,31		122.807,50	31.12.2020	bill of exchange
Piaseczno Park Sp. z o.o.	92.463,82		90.100,00	31.12.2020	bill of exchange
Tax 4 U Sp. z o.o.	13.183,00		13.000,00	31.12.2020	
Total	897.476,04		771.357,50		

XIV. FINANCIAL INSTRUMENTS – INFORMATION ON FAIR VALUE

FINANCIAL INSTRUMENTS	30.06.2016		30.06.2017	
	book value	fair value	book value	fair value
Financial assets measured at fair value through profit or loss	18.819.396,32	18.819.396,32	9.704.671,30	9.704.671,30
Financial assets held to maturity date				
Available-for-sale financial assets (measured at fair value)				
Granted loans and receivables				
Financial liabilities measured at fair value through profit or loss				
Other financial liabilities				

Fair value hierarchy

Available-for-sale assets	Level of fair value hierarchy	30.06.2017
Assets/Shares in unlisted companies	level 3	8 336 796,02
Shares of companies listed on the stock	level 1	1.367.875,28
Debt securities		
Other financial assets		
Total		9.704.671,30

As at the day of 30.06.2017 the Company held financial instruments exhibited in fair value in the statement of financial position. The Company is using the following hierarchy to determine and exhibit fair value of financial instruments according to valuation method:

1 Level - quoted price (unadjusted) on active market for identical assets and liabilities

2 Level - inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly

3 Level - inputs for the asset or liability that are not based on observable market data

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular

input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

Within a period ended 30.06.2017 there were no reallocations noticed between Levels 1 and 2 of the fair value nor any other of the financial instruments were reallocated from/to Level 3 of the fair value hierarchy.

XV. VARIATIONS IN THE STRUCTURE OF ECONOMIC UNIT EFFECTUATED WITHIN A QUARTER

There were no variations in the structure of the economic unit during the quarter.

XVI. SETTLEMENT RELATED TO LEGAL CASES

As at the date of publication of this report there are no court proceedings involving the Company, no competent arbitration authority or administration authority proceedings, relating to liabilities or active debts, which total value amounts to at least 10% of Company's capitals.

VI. Information on financial instruments and its risk

A. Risk related to strategic and issue targets

The Issuer's development strategy is to build strong, recognisable brand, associated with prospective investments, especially in the area of new technologies (global and local projects), properties. According to the assumptions of the strategy published by the Issuer (EIB report No. 14/2014 dated 16 June 2014), the Management Board of Setanta ASI S.A shall focus on supporting the development of new portfolio companies in years 2014-2016. The Management Board shall not change aforementioned strategies in the next years. There is a risk, that the Issuer will not realise part or all of strategic objectives, which depend on the Issuer's financial results. Implementation of the assumed objectives mostly depends on the flexibility of companies from the Issuer's investment portfolio in terms of their adaptability to the economic volatility. The main factors with the greatest impact on these markets are: legal regulations, supply-to-demand ratio, property prices, terms to obtain financing for investments, fluency of values of portfolio companies, origin certificates price changes. Improper situation assessment in the environment or the inability of the Issuer's capital companies of investment portfolio to adapt to the volatility of the environment, may negatively affect the achievement of strategic objectives and, consequently, the financial condition and Issuer's financial results as well as companies from his investment portfolio. In order to minimize that risk, the Issuer's Management Board monitors and analyses all factors which could potentially adversely affect the activity and results of companies from the Issuer's investment portfolio. The Issuer's Management Board takes decisions and actions adjusting the strategy to the situation, whenever they consider it appropriate.

B. Risk related to staff changes on key positions

The activity of the Issuer's portfolio companies is largely based on knowledge and experience of members of the Issuer's Management Board and members of the Management Board's portfolio companies and managerial staff. The relinquishment of any Management Board member of their position, may have a negative impact on the Issuer's financial situation or operating activities or even his portfolio companies in the area of creating a friendly working environment by pursuing satisfactory pay policies including bonuses, incentive schemes, trainings and qualification rising courses and also creating opportunities for promotion in the company's structure.

C. Exit risk

The Issuer intends to realise revenues mainly by selling the assets on the capital market (on regulated market and Alternative Trading System) and in favour of strategic or financial investors. As the result, there is no guarantee that the investment will be able to be completed within the time specified by Issuer, at a pre-established price. In particular, the impact on the achieved exit conditions, has many unpredictable factors such as the general economic and capital market situations. In the Issuer's activity, there may also be situations where - due to the need to maintain financial fluency - he will be forced to sell the portfolio company at unfavourable market situation, which may result in valuation lower than expected. Such a situation may have a negative impact on the Issuer's financial results. In the Issuer's opinion, the risk is limited due to the current situation as well as situation in the near future on the capital market, where the uncertainty of investors results in low valuations of interesting assets, which is the opportunity for the Issuer to make investments on exceptionally attractive terms.

D. Risk related to the fluency of the Issuer's investment portfolio

Shares of portfolio companies purchased by the Issuer most often, and especially at the moment of their acquisition by the Issuer, shall not be the objects in exchange or over-the-counter trades. As the result, investment exit will require finding a professional or financial investor each time, or placing a company on the organised market. The lack of quick possibility to sell the Issuer's assets, may have a negative impact on their sale price.

E. The risk related to development of portfolio companies

Profits from investment in portfolio companies depend on number of factors which are beyond the relevant portfolio companies and Issuer's control. These factors are the general economic situation, environmental conditions of individual business, etc. There is a possibility of unforeseen circumstances that have a negative impact on the portfolio company's value, which may translate into the inability to obtain expected return on an investment. Reducing or total impairment of an investment, may have a negative effects on the Issuer's economic, financial and income position.

F. Risk related to technology changes and development of new products

The new technology sector is characterised by rapid growth, resulting in relatively short product life cycles. The ability to use the latest technology solutions, offered by Issuer-dependent products and services, is crucial for the Issuer's financial results. Companies from the Issuer's investment portfolio carry out the work aimed at investing in new products, in order to maintain a competitive position on the market. There is a risk on the market of emerging of new solutions, that will make the product and services offered by Company become unattractive, and will not provide the Issuer with expected receipts. Additionally, it cannot be taken for granted that the new solutions (which are, or will be, developed or created by the Companies), will satisfy the technological requirements, and whether they will be accepted positively by their potential users. The occurrence of any of these circumstances could have a negative impact on the Issuer's financial results as well as its development prospects.

G. Risk related to the process of obtaining permits in the renewable energy sector (RES)

Clean Energy Venture S.A., i.e. the Issuer's portfolio company related to projects implementation in the field of renewable energy, requires many permits, including: obtaining the conditions for connection to the power grid, decision on environmental condition of consent for project's implementation, and also the building permit. There is a high risk, that permissions required by law, will be obtained later than planned schedule of work on

the project. This may cause the project's implementation to be delayed or even prevented. This risk comes from such factors as:

- decision on environmental conditions of consent for project's implementation, which is issued on the basis of an environmental impact report based on the use of information related to required procedures, as well as on legal and technological regulations,
- conditions for connection to the power grid, which are issued on the basis of the submitted application to the power plant,
- construction project, developed in accordance with construction law, in particular health and safety regulations, hygiene, geodetic and fire protection regulations,
- an application for a building permit, which may be submitted after collection of all relevant documents,
- a concession issued by the Energy Regulatory Office (ERO) for the production and sale of electricity, after submission of the relevant request by interested party.

To minimize the risks, it is crucial to have people with relevant management experience working in portfolio company, which carry out the projects in the area of RES.

H. The risk related to the timeliness of development investments in the RES area

According to the plans of the Issuer's portfolio company, i.e. Clean Energy Venture S.A., some of the power engineering development projects, which are carried out within the Special Purpose Vehicles, are expected to be completed between 2017-2018. There is a risk of delay of pre-arranged exit date of Clean Energy Venture S.A from development investment by Special Purpose Vehicles. The date of investment's implementation depends on many external factors, including: waiting periods for the necessary permits to start the project, unforeseen accidents or technical difficulties, subcontractors' timeliness, defects of the project resulting from its development and construction. Those factors will be simultaneously inconsistent with assumptions of project's implementation. In addition, numerous and unpredictable legislative changes lengthen the investment process, and in some cases even override it. These factors may delay the sale of properties by special purpose vehicles Clean Energy Venture S.A., or negatively impact the planned return. Clean Energy Venture S.A. in agreement with the Issuer, minimize such risk by conducting a careful process of selecting the entities with which they cooperate. These include companies that have a good reputation and have proved their reliability and timeliness in terms of their investments.

I. Risk related to the companies in which the Issuer invests

The Issuer's strategy assumes capital investments in companies in the early stages of their development, which do not often have sufficiently long financial story. Therefore, the Issuer bears the high risk that such companies may not achieve profits in short term and, in extreme cases, even declare bankruptcy. There is no certainty that the invested capital will bring the profit expected by the Issuer. In particular, it cannot be ensured that companies from Issuer's investment portfolio will regain the invested funds at all, which may directly translate into the Company's financial results. The Issuer makes every effort - both at the stage of investment selection and after capital absorption by the Issuer's portfolio companies - to minimize aforementioned risk, in particular by influencing the strategy of portfolio companies to increase their value and market potential.

J. Risk related to investment location

The location of a property is a factor that largely determines its value. Therefore, the location of the investment is an important criterion in determining the assumed income. Incorrect assessment of the property's

attractiveness in terms of its destination, may seriously hinder or even prevent the future sale of the property at its assumed price. For the Issuer that would mean achieving worse financial results than planned. The Issuer minimizes this type of risk by in-depth analysis and reliable assessment of the location made by expert team.

K. Risk related to the lack of tenants

There is a risk, that the Issuer will not acquire or require less than the assumed number of tenants of properties entrusted to the Issuer. Such a situation may have a negative impact on the activity and financial results. The Issuer minimizes this risk by active marketing actions (advertisements on web portals, street banners, etc.) aimed at presenting properties entrusted to the Issuer and ensuring continuity of rental income.

L. Risk related to the tenants defaulting on tenancy agreement

There is a risk of tenants defaulting on tenancy agreements concluded with the Issuer or Issuer's clients. Uncertain financial situation of tenants, may lead to their failure to meet the obligations contained in the tenancy agreement, which may consequently negatively affect the Issuer's financial results. There is a risk, that the Issuer will not be able to extend the existing contracts on conditions favourable to the Issuer. The Issuer minimizes this type of risk by making every effort to enter into tenancy agreements with entities of stable financial health.

M. Risk related to investment in shares

The risk associated with share investments is usually much higher than in case of investing in bonds, treasury securities and even investment fund participation units. Depending on the development of supply and demand share prices, traded in the Alternative Trading System on the NewConnect market, it may be subject to significant fluctuations in both the short and long term. As a result of many factors, such as: financial situation of the companies, the number and fluency of quoted shares, and current trends on domestic and foreign capital markets - the market price of shares may fall below the purchase price. As a result, there is a risk of loss resulting from the sale of shares at lower price than the purchase price.

VII. Concise characteristics of the Issuer's material achievements or failures during the period covered by the report, along with a description of the most important factors and events, particularly untypical, affecting the achieved results

In the first half of 2017, the Issuer achieved the result from the basic activity, amounts to - PLN 2.464.126,11 which is a consequence of its activity as an investment unit. The aforementioned profit results from revaluation of assets. The balance sheet as at 30.06.2017 indicates the assets and liabilities amounts of PLN 13.058.555,61.

The Issuer's Management Board regularly monitors the situation related to the legal regulations that affect the activity of Clean Energy Venture S.A. Company and thereby updating the forecasts that are crucial basis for the valuation of the Company. At the same time, it monitors the work carried out on adapting the Company's strategy to the current regulations, that is focusing on photovoltaic projects.

In the opinion of the Issuer's Management Board, such a drastic change of legal environment in which CEV Company operates, as well as its rapid implementation, exceeds standard risk of legal changes. This is an extraordinary and completely independent of the Issuer situation.

On 23 March, 2017 a permit authorising the construction project was issued. Also, a building permit for the construction of a residential and service building in Piaseczno (Piaseczno Park sp. z.o.o) was granted. According to Issuer's information received on July 19th, administrative decision has been validated. Currently, the works on the valuation and selection of the general contractor are being carried out.

On March 2017, the Issuer sold 642.000 series E shares of Excelead S.A. Company, thus reducing his involvement in the Company to 55,45% of shares in the share capital and votes at the General Meeting of Excelead S.A.

On 24 March 2017 the Issuer, as part of the organizational restructuring of Excelead S.A. Company, acquired 100% of shares in an inactive CALLTRACK sp. z o.o. Company, at the nominal price.

On April 2017, the Issuer sold 50.000 series E shares of Excelead S.A. Company, thus reducing his involvement in the Company to 53,89% of shares in the share capital and votes at the General Meeting of Excelead S.A.

After the day of the quarterly financial statement's preparation, due to transactions concluded mainly beyond the NewConnect market, as a result of civil law agreements and on the NewConnect market, the Issuer reduced the holdings of the shares of Mennica Skarbowa S.A. Company from 8% down to 4% of share in the Company's share capital.

On 23 June 2017, the Issuer entered the Liquidity Support Programme, as confirmed by the Warsaw Stock Exchange announcement dated 23 June 2017.

On 27 June 2017, the Issuer sold from its investment portfolio all the shares of EVERSPORT S.A. Company with its registered office in Warsaw.

In accordance with the implementation of the EU directive on "AIFM", the Issuer has made a self-identification, as an internal manager of the Alternative Investment Company, and on 2 June 2017, submitted the relevant application along with appendixes to the Financial Supervision Authority in order to register. The application is still being considered.

In accordance with the implementation of the EU directive on "AIFM", the Issuer has made a self-identification, as an internal manager of the Alternative Investment Company and was obliged to change the status of the Company along with the name change, which was made at the Issuer's Extraordinary General Meeting on 27 June 2017, changing the name to SETANTA ALTERNATYWNA SPÓŁKA INWESTYCYJNA SPÓŁKA AKCYJNA (Setanta ASI S.A.) This change was registered by the Court on 28 July 2017.

VIII. A description of the state of activities and investments along with a schedule of their implementation

Not applicable.

IX. Initiatives undertaken by the Issuer in the first half of 2017, aimed at implementation of innovative solutions

Not applicable. In the period covered by the report, the Issuer did not undertake any initiatives aimed at implementation of innovative solutions in the field of conducted activity.

X. Management Board's position on results forecast publication

Not applicable. The Company did not publish any forecasts of unitary results.

XI. Information on the number of persons employed by the Issuer, FTE

In the Setanta ASI S.A. Company there are no full-time or part-time employees.

XII. Other information

I. Information on write-offs revaluing stock valuation to nett value, obtainable after reversal of such write-offs.

None.

II. Information on significant acquisitions and disposal of tangible fixed assets

There were no acquisitions and disposal of tangible fixed assets.

III. Information on significant obligation of tangible fixed assets purchase.

There was no obligation of tangible fixed assets purchase.

IV. Information about defaulting on a loan or breaching of agreement's provisions, for which no corrective action was taken by the end of the reporting period.

No such information.

V. Information on changes in contingent liabilities or contingent assets that have occurred since the end of the last financial year.

There were no contingent liabilities during this period

VI. Events that occurred after the date on which the quarterly financial statement was prepared, not included in the statement but with possible significant effect on the Issuer's financial results

After the day of the quarterly financial statement's preparation for the first half of 2017, due to transactions concluded between 04.07.2017 and 04.09.2017, mainly beyond the NewConnect market, as a result of civil law agreements, the Issuer reduced the holdings of the shares of Mennica Skarbowa S.A. Company from 87.418 shares constituting 8,4% of share in Company's share capital, to 42.952 shares representing 4,13% of the Company's share capital.

On 14 July 2017, the Issuer on the basis of a civil law agreement purchased 400 shares of PRIDE GAMING sp. z o.o. Company, constituting 20% in the Company's share capital.

On 01.07.2017, a subsidiary of the Issuer's subsidiary – Leach and Partners sp. z o.o. signed an agreement with the Dutch property fund Bouwfonds IM, for the management of a residential building in Warsaw.

VII. Factors or events, including unusual ones, which have a material impact on the financial statement.

There were no factors or events, especially unusual ones, affecting the achieved financial results. All relevant information is included in the rest of the report.

VIII. Other information which, in Issuer's opinion, is significant for the assessment of its personnel and financial situation, financial result and their changes, as well as information which is important for the assessment of the Issuer's to meet its liabilities.

The Issuer does not have any other information which is significant for the assessment of its personnel and financial situation, financial result as well as information for the assessment of the Issuer's to meet its liabilities.

IX. Other information that may significantly affect the assessment of the Issuer's financial situation as well as the financial result.

On 19.09.2017, the Extraordinary General Meeting of Kantorino sp. z o.o. Company, has dismissed the current Company's president Mr Marcin Mazur, due to deteriorating financial results, and thereby appointing Mr Marcin Borowik to this post. Currently, the new Management Board is getting acquainted with Company's situation and is working on its development strategy.

The Company does not have any other information that may significantly affect the assessment of the Issuer's financial situation as well as the financial result.

X. Indication of proceedings pending before court or competent arbitration authority

As at the date of publication of this report there are no court proceedings involving the Company, no competent arbitration authority or administration authority proceedings, relating to liabilities or active debts, which total value amounts to at least 10% of Company's capitals.

XI. Management Board's statement

Messrs Conall McGuire, Piotr Boliński, Konrad Szwedziński acting as the Management Board, hereby declare that, according to their best knowledge, the Company's Separate Financial Statement for the first half of 2017 and comparable data, have been prepared in accordance with the prevailing accounting principles and that they truly, reliably and clearly reflect the Company's financial situation as well as its financial result. Activity report of SETANTA ASI S.A. contains a true picture of the Company's development, achievement and its situation, including a description of the main threats and risks.

Furthermore, the Management Board declares, that the entity authorised to audit the financial statements, reviewing the financial statement for the first half of 2017, was appointed in accordance with the legal regulations and that this entity along with statutory auditors, satisfied conditions for expressing an impartial and independent opinion about the audited annual report in accordance with rules in force and professional standards.

Konrad Szwedziński
Member of the Management Board

Piotr Boliński
Member of the Management Board

Conall McGuire
President of the Management Board