ATLAS ESTATES LIMITED
CONDENSED CONSOLIDATED QUARTERLY REPORT
FIRST QUARTER 2018

Atlas Estates Limited
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Company number: 44284

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Financial Highlights

Selected Consolidated Financial Items	Three months ended 31 March 2018 (unaudited) €'000	Year ended 31 December 2017 (audited) €'000	Three months ended 31 March 2017 (unaudited) €'000
Revenues	15,039	35,435	6,849
Gross profit	4,998	12,721	2,520
Decrease in value of investment properties	-	(4,748)	-
Profit / (Loss) from operations	3,268	(7,659)	890
Profit before tax	1,841	11,887	3,259
Profit for the period	1,319	11,587	3,448
Cash flow from operating activities	1,809	21,248	1,873
Cash flow from investing activities	(405)	(907)	197
Cash flow from financing activities	(1,703)	(13,930)	(1,642)
Net (decrease) / increase in cash	(455)	6,906	751
Non-current assets	189,347	190,894	192,238
Current assets	33,085	37,999	35,419
Total assets	222,432	228,893	227,657
Current liabilities	(45,108)	(54,904)	(80,961)
Non-current liabilities	(91,643)	(88,925)	(71,706)
Total liabilities	(136,751)	(143,829)	(152,667)
Basic net assets (1)	85,681	85,064	74,990
Number of shares outstanding	46,852,014	46,852,014	46,852,014
Profit per share (eurocents)	2.8	24.7	7.4
Basic net asset value per share (€)	1.8	1.8	1.6

(1) "Basic net assets" represent net assets value as per the consolidated balance sheet.

ATLAS ESTATES LIMITED

Chairman's Statement

Dear Shareholders,

I am pleased to announce the unaudited condensed consolidated quarterly report of Atlas Estates Limited ("Atlas" or "the Company") and its subsidiary undertakings (together "the Group") for the quarter ended 31 March 2018.

In the current financial market conditions key priorities are enhancing liquidity, gaining access to capital as well as acquisition of new land banks. All of these objectives are vital for operations as they will underpin our drive to progress the projects we currently have under development through to completion, whilst at the same time supporting growth of the operations.

Despite the challenging environment the Group was able to achieve several key objectives:

- In the first quarter of 2018 the Group completed final sales of 67 apartments in the second stage of *Apartamenty przy Krasińskiego* development project in Warsaw which resulted in €2.3 million gross profit. Apartments' sales and pre sales reached 96% as of 31 March 2018;
- On 19 September 2017 the Group fulfilled all the conditions from the agreement reached with Erste Group Bank AG on 14 September 2016. At the completion of this transaction Erste Group Bank AG transferred the outstanding facility extended to *Millennium Plaza* project (amounting to €19.5 million) to Atlas Group at the discounted transfer price of €1. As a result the Group recorded a finance income of €19.5 million in the consolidated financial statements in the third quarter of 2017 (for further details please refer to page 9);
- Moreover, prior to the completion of the above described transaction, on 13 September 2017 the Group arranged new financing for *Millennium Plaza* project which was extended by Bank Zachodni WBK S.A. until 2022 (for further details please refer to page 9 - New loan). This was a significant achievement for the Group as it enabled the completion of the restructuring of the Erste Group Bank AG debts portfolio that had started already in 2010;

Reported Results

As of 31 March 2018 the Group has reported basic net assets of €85.7 million.

The slight increase of basic net asset value by €0.6 million (i.e. 1% only) from €85.1 million as at 31 December 2017 is primarily a result of €0.6 million annual depreciation charge on property, plant and equipment recorded in the first quarter 2018.

Profit after tax amounts to €1.3 million for the three months period ended 31 March 2018 as compared to profit after tax of €3.4 million for the three months period ended 31 March 2017. The change of the noted results was mainly a joint effect of:
- movements in the foreign currency exchange differences from gain of €2.9 million for the first quarter 2017 to loss of €0.4 million for the first quarter 2018 mainly as a result of the apreciation of PLN against EUR by 5% in the first quarter 2017 as compared to fairly stable level of the local currencies in the first quarter 2018,
- increase of income tax charge from tax credit of €0.2 million in the first quarter 2017 to tax charge of €0.5 million in the first quarter 2018 mainly due to realisation of tax profits on the sale of apartments, offset by:
- above mentioned €2.3 million gross profit realised on completion of sales in the second stage of *Apartamenty przy Krasińskiego* development project in Warsaw.

Financing, Liquidity and Forecasts

The Directors consider that the current outlook presents operating as well as financing challenges in which the Group operates.

The Group's forecasts and projections have been prepared taking into account the economic environment and its challenges and mitigating factors. These forecasts incorporate management's best estimate of future trading performance, potential sales of properties and the future financing requirements of the Group.

While there will always remain some inherent uncertainty within the aforementioned cash flow forecasts, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence and to manage its loan facilities for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the condensed consolidated financial information for the three months ended 31 March 2018, as set out in accounting policies to the condensed consolidated financial information.

Investing Policy

Atlas invests mainly in Poland in a portfolio of real estate assets across a range of property types, where approximately 87% of its assets are located. We actively target Poland, where the economy is believed to be the most attractive amongst CEE economies. The Group also operates in the Hungarian, Romanian and Bulgarian real estate markets.

We invest both on our own and, where appropriate, with joint venture partners in residential, industrial, retail, office and leisure properties in order to create an appropriately balanced portfolio of income-generating properties and development projects.

We may employ leverage to enhance returns on equity. Wherever possible, the Directors intend to seek financing on a non-recourse, asset by asset basis. The Company has no set limit on its overall level of gearing. However, it is anticipated that the Company shall employ a gearing ratio of up to 80% of the total value of its interest in income-generating properties within its property portfolio.

Net Asset Value (“NAV”) and Adjusted Net Asset Value (“Adjusted NAV”)

In the three months to 31 March 2018, NAV per share, as reported in the interim condensed consolidated financial information, which has been prepared in accordance with International Financial Reporting Standards (“IFRS”), remained stable at the level of €1.8 per share as at 31 December 2017 and as at 31 March 2018.

As in the previously reported quarterly results, the Adjusted NAV per share, which includes valuation gains net of deferred tax on development properties held in inventory and land held under operating lease, has not been included. The Adjusted NAV per share is calculated on an annual basis when the market valuation of the Group’s assets portfolio takes place.

Prospects

With the ongoing economic recovery in Poland we also focus on strengthening as well as expanding our real estate portfolio including development of additional residential units.

Mark Chasey
CHAIRMAN
23 May 2018

ATLAS ESTATES LIMITED

Review of the Property Manager

In this review we present the financial and operating results for the three months ended 31 March 2018. Atlas Management Company Limited ("AMC") is the Property Manager appointed by the Company to oversee the operation and management of Atlas' portfolio and advise on new investment opportunities. At 31 March 2018, the Company held a portfolio of sixteen properties comprising seven investment properties of which five are income yielding properties, two are held for capital appreciation, two hotels and seven development properties.

It could be a long road to recovery for the real estate market in Central & Eastern Europe (CEE). As a result of these uncertainties and changing conditions, management has taken measures to mitigate risks across the portfolio. This has included reducing costs and staffing levels and putting on hold higher risk investment activity. Nevertheless, key development projects have been completed on time and new developments have commenced.

Markets and Key Properties

Poland

This is the major market of operation for the Group, with 87% (by value) of the Group's portfolio located there. The Polish economy has been one of most resilient economies in Europe with annual real GDP growth of 3.8% in 2017 (4.1% expected in 2018).

Hilton Hotel, Warsaw

The *Hilton* hotel in the Wola district of Warsaw is the Group's flagship asset. The hotel is continuously performing at a satisfactory level.

Millennium Plaza, Warsaw

The *Millennium Plaza* is a 39,138 sqm office and retail building centrally located in Warsaw with occupancy rate of 80% as of 31 March 2018 (77% as of 31 December 2017). The Group has recently completed its refinancing and has embarked on a renovation project of some of the public spaces.

Sadowa, Gdańsk

The *Sadowa* office building is a 6,872 sqm office building in Gdańsk. During the last 12 months its occupancy ratio increased from 80% as of 31 December 2017 to 82% as of 31 March 2018.

Atlas Estates Tower

The Group plans to build a mixed use (residential and office) Atlas Estates Tower, on the neighbouring plot alongside the *Hilton* hotel, which will further enhance the attractiveness of this site.

Galeria Platinum Towers

Commercial area on the ground and first floors of Platinum Towers with 1,904 sqm of gallery and 208 parking places almost fully let to tenants.

Apartamenty przy Krasińskiego

Apartamenty przy Krasińskiego project is a development in the Żoliborz district of Warsaw.

The first stage of this development included 303 apartments as well as parking and amenities and retail facilities. The construction of the first stage was completed in 2013. As of 31 March 2018 all apartments were sold with only 2 retail units available for sale.

The second stage of this successful development project released 123 apartments as well as parking and retail facilities. The construction commenced in November 2015 and was completed in August 2017. As of 31 March 2018 only 3 retail units and 5 apartments were available for sale. Remaining apartments and retails were either sold (75 apartments and 4 retails) or presold (43 apartments and 1 retail).

Capital Art Apartments

The *Capital Art Apartments* project in Warsaw is another development in Warsaw close to the city center. It is a four stage development with 784 apartments as well as parking and amenities, including retail facilities. As of 31 March

2018 all apartments from all stages were either sold or presold, whereas 4 retail units remain available for sale and one is presold.

Nakielska Apartments Project

This is a residential development that will consist of two stages which will release around 250 apartments as well as parking and retail facilities.

Hungary

In Hungary, as of 31 March 2018, the Group owned one income yielding property, Ikarus Business Park, located in Budapest. In September 2017 the Group completed the sale of *Atrium homes*- development land located in Budapest.

Romania

The Group's portfolio contains three properties in Romania, including the *Golden Tulip* hotel and two significant land banks – Voluntari and Solaris. The Romanian real annual GDP increased by 5.5% in 2017 (in 2018 an increase of 5.1% is expected). Despite the difficult trading conditions, occupancy rates at the Golden Tulip decreased slightly from 55% for the three months ended 31 March 2017 to 52% for the three months ended 31 March 2018.

Bulgaria

The Group holds one income yielding property in Bulgaria, the Atlas House, which is a ca. 3,500 sqm office building in Sofia.

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Financial Review

The on-going analysis of the economics of the region and the key measures of the sectors in which the Group operates are vital to ensure it does not become overexposed to, or reliant on, any one particular area. AMC evaluates the risks and rewards associated with a particular country, sector or asset class, in order to optimise the Company's return on investment and therefore the return that the Company is able to deliver to Shareholders over the longer term.

Portfolio valuation and valuation methods

The latest independent valuation was performed on 31 December 2017 and has been used in the interim condensed consolidated financial information at 31 March 2018.

A valuation of the entire property portfolio is carried out on an annual basis by external and internal experts. The internal valuations calculated by the Property Manager concerned only completed development projects in Warsaw. The results of these internal valuations were not reflected in net assets as presented in the consolidated statement of financial position since these projects are classified as inventory and there is no need to impair these balances.

As of 31 December 2017 the following external independent qualified experts were engaged:
- Jones Lang LaSalle responsible for the valuation of properties located in Poland and Romania,
- FHB Ingatlan Zrt responsible for the valuation of properties located in Hungary.

Loans and valuations

As at 31 March 2018, the Company's share of bank debt associated with the portfolio of the Group was €92 million (31 December 2017: €94 million; 31 March 2017: €117 million). Loans and valuations may be analysed as follows for those periods in which valuations were undertaken (please note that the most recent valuation was performed as of 31 December 2017):

	Loans	Valuation	LTV Ratio*	Loans	Valuation	LTV Ratio*	Loans	Valuation	LTV Ratio*
	31 March 2018			31 December 2017			31 March 2017		
	€ millions	€ millions	%	€ millions	€ millions	%	€ millions	€ millions	%
Investment property	43	81	53%	44	81	54%	64	82	78%
Hotels	49	93	53%	50	93	54%	51	87	59%
Development property in construction	-	-	-	-	-	-	2	10	20%
Total	**92**	**174**	**53%**	**94**	**174**	**54%**	**117**	**179**	**65%**

**LTV Ratio- Loan to Value Ratio*

The valuations in the table above differ from the values included in the consolidated balance sheet as at 31 March 2018, 31 December 2017 and 31 March 2017 due to the treatment under IFRS of land held under operating leases and development property.

LTV ratio of investment property decreased from 78% as of 31 March 2017 to 53% as of March 2018 mainly due to the completion of the settlement reached with Erste Group Bank AG concerning *Millennium Plaza* financing (as disclosed on page 9).

LTV ratio of hotels decreased from 59% as of 31 March 2017 to 53% as of 31 March 2018 mainly due to partial repayments of the loans.

The gearing ratio is 48% based upon net debt as a percentage of total capital (net debt plus equity attributable to equity holders). The ratio remained stable as compared to 31 December 2017 (48%) and decreased as compared to 31 March 2017 (59%) mainly due to the significant finance income of €19.5 million realised on the settlement reached with Erste Bank financing *Millennium Plaza* in the third quarter of 2017.

Debt financing

Portfolio of cross collateralised banking facilities extended by Erste Group Bank AG

In 2016 the Group had a facility extended to Atlas Estates Millennium Sp. z o.o. ("Millennium") by Erste Group Bank AG that had been cross collateralized. On 14 September 2016 (at which point this debt amounted to €58.9 million) the Group signed with Erste bank the agreement based on which by 29 September 2017 the bank was obliged to sell/ transfer to Atlas Projects B.V. (subsidiary of Atlas Estates Limited) its outstanding facility due from Millennium at the price of €1 subject mainly to the following conditions:

1) repayment by or on behalf of Millennium and receipt by the bank of principal in the aggregate amount of € 39,500,000 with interests indicated in this agreement in the following four instalments:
   a) € 8,075,000 to be paid by 10 business days after the signing of this agreement - this amount was paid by Millennium in September 2016;
   b) € 3,950,000 by 30 November 2016 - this amount was paid by Millennium in November 2016;
   c) € 3,950,000 by 31 March 2017 - this amount was paid by Millennium in March 2017;
   d) € 23,525,000 by 29 September 2017- this amount was paid by Millennium in September 2017.
2) payment by Atlas Projects B.V. of the amount of €1 for the outstanding facility of €19.5 million- this price was paid by Atlas Project B.V. in September 2017. This debt was converted into equity of Millennium in December 2017.

In September 2017- i.e. upon completion of the transfer of this facility to Atlas Project BV:
- Erste bank relinquished all mortgage, lien, charge pledge, promissory note, letter of comfort or other security interest or any other type of guarantee granted by Millennium and/or third party for the benefit of Erste bank to secure the claims of the bank against Millennium. Moreover, upon the completion of this transfer Erste Bank is no longer entitled to the Price Adjustment (defined above).
- Atlas Estates Limited in its consolidated financial statements recorded finance income of €19.5 million representing bank debt discount resulting from this transaction.

New Millennium Plaza loan facility

On 13 September 2017 Millennium signed a new loan agreement with Bank Zachodni WBK S.A. based on which it was able to borrow €23.5 million to pay the final instalment to Erste Bank AG (as described above). As of 31 March 2018 this bank facility amounts to €22.7 million (net of unamortized part of arrangement fee paid) and the final repayment date of this facility is September 2022. In 2018 €0.3 million was repaid in respect of this loan.

Repaid Loan - Apartamenty przy Krasińskiego II

In February 2016 Atlas Estates (Przasnyska 9) Sp. z o.o. was granted a loan (up to the amount of PLN 42.9 million) for the construction of the second stage of *Apartamenty przy Krasińskiego* project in Warsaw. The first draw down of the loan took place in the third quarter of 2016. €2.2 million loan was fully repaid in August 2017.

Hungarian loan

In the preparation of the consolidated financial statements as of 31 March 2018, the Directors have classified the loan facility extended to a Hungarian subsidiary totalling €12.6 million as current since it is overdue. In 2018 €0.3 million was repaid in respect of this loan. The Group is in discussion with the bank regarding restructuring of this loan.

Other loans- partial repayments

In the first quarter 2018 the Group paid €0.4 million in respect of scheduled partial repayments of other loans extended to the Group's projects (*Hilton* and *Golden Tulip* hotels, *Sadowa* and *Properpol* office buildings).

Galeria Platinum Towers project - *loan facility extension*

On 25 January 2018 Properpol Sp. z o.o. (the Company's subsidiary) signed an amendment agreement with mBank S.A. to the facility agreement dated 2 September 2013 based on which the final repayment date of the facility was extended from 30 June 2018 to 30 June 2021. As of 31 March 2018 this facility amounted to €3.6 million and is used for financing of *Galeria Platinum Towers* project.

Amount increase of the existing Hilton loan facility

On 7 February 2018 the Company's subsidiaries: Mantezja 3 Sp. z o.o. and HGC Gretna Investments Sp. z o.o. Sp. J., which operate *Hilton* hotel in Warsaw concluded an annex with Bank Pekao S.A. and PEKAO Bank Hipoteczny S.A. to the existing loan facility agreement dated 29 June 2015 increasing to a total facility of €51.1m. The subsidiaries are allowed to borrow additional funds from tranche C up to the amount of €3.5 million for financing

Hilton expenses or other Atlas projects. As of 31 March 2018 total outstanding loan facility from tranche A and B amounted to €47.1 million.

Review of the operational performance and key items on the Income Statement

The financial analysis of the income statement set out below reflects the monitoring of operational performance by segment as used by management.

	Property Rental € millions	**Development Properties € millions**	**Hotel Operations € millions**	**Other € millions**	**Three months ended 31 March 2018 € millions**	**Three months ended 31 March 2017 € millions**
Revenue	2.5	7.8	4.7	-	15.0	6.8
Cost of operations	(1.4)	(5.5)	(3.1)	-	(10.0)	(4.3)
Gross profit	1.1	2.3	1.6	-	5.0	2.5
Administrative expenses	(0.2)	(0.1)	(0.8)	(0.7)	(1.8)	(1.6)
Gross profit less administrative expenses	0.9	2.2	0.8	(0.7)	3.2	0.9
Gross profit %	44%	29%	34%	0%	33%	37%
Gross profit less administrative expenses %	36%	28%	17%	0%	21%	13%

Revenues and cost of operations

Total revenues for the first three months ended 31 March 2018 were €15.0 million compared to €6.8 million for the three months ended 31 March 2017. The Group's principal revenue streams are from its hotel operations, property rental and from the sale of the residential apartments that the Group develops. As the Group maintains a diversified portfolio of real estate investments, seasonality or cyclicality of yielded income or results is also highly diversified.

Cost of operations as at 31 March 2018 were €10.0 million compared to €4.3 million as at 31 March 2017.

<u>Development Properties</u>

	Three months ended 31 March 2018 € millions	Three months ended 31 March 2017 € millions	**Total change 2018 v 2017 € millions**	Translation foreign exchange gain/ (loss) € millions	Operational change 2018 v 2017 € millions
Revenue	7.8	0.3	**7.5**	-	7.5
Cost of operations	(5.5)	(0.3)	**(5.2)**	-	(5.2)
Gross profit	2.3	-	**2.3**	-	2.3
Administrative expenses	(0.1)	(0.1)	**-**	-	-
Gross profit less administrative expenses	2.2	(0.1)	**2.3**	-	2.3

Proceeds from the sale of residential units (i.e. apartments, retail units, parking places, storages) developed by the Group are only recognised when the units have been handed over to new owners with notarial deed signed. At this moment the economic risks and rewards are transferred to the new owner and in accordance with the Group's accounting policy, the revenue and associated costs of these residential units are recognised in the income statement. In 2017 the Group, following a completion of *Apartamenty przy Krasińskiego stage II* project in August 2017, has started signing notarial deeds and consequently recognised first sales and associated costs of this project.

Additionally, as presented in the table below, in 2018 the Group managed to complete the sale of 67 apartments (in *Apartamenty przy Krasińskiego stage II*), whereas as of 31 March 2017 the revenues from the sale of 2 apartments (in *Capital Art Apartments I&II*) projects were recognized.

Apartment sales in developments in Warsaw

	CAA stage I	CAA stage II	CAA stage III&IV	Apartamenty przy Krasińskiego	Apartamenty przy Krasińskiego II	Concept House*
Total apartments for sale	219	300	265	303	123	160
Sales completions in 2008-2016	218	297	265	303	-	159
Sales completions in 2017	1	1	-	-	8	1
Sales completions in 2018	-	-	-	-	67	-
Total sales completions	219	298	265	303	75	160
Sales not completed as of 31 March 2018 (only preliminary agreements concluded)	-	2	-	-	43	-
Apartments available for sale as of 31 March 2018	-	-	-	-	5	-

**Joint venture project*

Property Rental

	Three months ended 31 March 2018 € millions	Three months ended 31 March 2017 € millions	**Total change 2018 v 2017 € millions**	Translation foreign exchange gain/ (loss) € millions	Operational change 2018 v 2017 € millions
Revenue	2.5	2.5	**-**	-	-
Cost of operations	(1.4)	(1.2)	**(0.2)**	-	(0.2)
Gross profit	1.1	1.3	**(0.2)**	-	(0.2)
Administrative expenses	(0.2)	(0.2)	**-**	-	-
Gross profit less administrative expenses	0.9	1.1	**(0.2)**	-	(0.2)

In the first quarter 2018 the gross margin realized by the Property Rental segment decreased as compared to the first quarter 2017 mainly due to higher energy costs generated by properties in Warsaw. The Group commenced the significant remodel of the *Millennium Plaza* lobby, which should improve the attractiveness and image of this valuable property.

Hotel operations

	Three months ended 31 March 2018 € millions	Three months ended 31 March 2017 € millions	**Total change 2018 v 2017 € millions**	Translation foreign exchange gain/ (loss) € millions	Operational change 2018 v 2017 € millions
Revenue	4.7	4.0	**0.7**	0.1	0.6
Cost of operations	(3.1)	(2.8)	**(0.3)**	(0.1)	(0.2)
Gross profit	1.6	1.2	**0.4**	-	0.4
Administrative expenses	(0.8)	(0.7)	**(0.1)**	-	(0.1)
Gross profit less administrative expenses	0.8	0.5	**0.3**	-	0.3

In the first quarter of 2018 the hotel operations improved as compared to the first quarter of 2017 mainly due to increase of occupancy ratio of *Hilton* hotel in Warsaw and related increase of room sales.

Foreign exchange

The fluctuations in exchange rates in the underlying currencies in the countries in which the Group operates and owns assets have resulted in significant foreign exchange differences.

The movements in value of the functional currencies resulted in foreign exchange loss of €0.4 million in the consolidated income statement for the first quarter 2018 (Q1 2017: €2.9 million gain) and €0.8 million loss in other comprehensive income for the first quarter 2018 (Q1 2017: €3.6 million gain). These gains and losses were due to the unrealised foreign exchange gains and losses on EUR denominated bank loans in Polish, Hungarian and Romanian subsidiaries. The foreign exchange losses occurred mainly as a result of depreciation of PLN and HUF against EUR in the first quarter 2018. The foreign exchange gains occurred mainly as a result of appreciation of PLN against EUR in the first quarter 2017.

A summary of exchange rates by country for average and closing rates against the reporting currency as applied in the interim condensed consolidated financial information are set out below.

	Polish Zloty	Hungarian Forint	Romanian Lei	Bulgarian Lev
Closing rates				
31 March 2018	4.2085	312.55	4.6576	1.95583
31 December 2017	4.1709	310.14	4.6597	1.95583
% Change	1%	1%	0%	0%
31 March 2017	4.2198	308.70	4.5511	1.95583
31 December 2016	4.4240	311.02	4.5411	1.95583
% Change	-5%	-1%	0%	0%
Average rates				
1st quarter 2018	4.1811	311.03	4.6605	1.95583
Year 2017	4.2576	309.21	4.6359	1.95583
% Change	-2%	1%	1%	0%
1st quarter 2017	4.3246	309.11	4.5482	1.95583

Net Asset Value

The Group's property assets are categorised into three classes, when accounted for in accordance with International Financial Reporting Standards as adopted by the EU. The recognition of changes in value in each category is subject to different treatment as follows:

- Yielding assets let to paying tenants – classed as investment properties with valuation movements being recognised in the Income Statement;
- Property, plant and equipment ("PPE") operated by the Group to produce income, such as the Hilton hotel or land held for development of yielding assets are disclosed as PPE – revaluation movements are taken directly to reserves, net of deferred tax; and
- Property developments, including the land on which they will be built – held as inventory, with no increase in value recognised in the financial statements unless where an increase represents the reversal of previously recognized deficit below cost.

The Property Manager's management and performance fees are based on the adjusted NAV. For the three months to 31 March 2018 the combined fee payable to AMC by the Group was €0.5 million (€0.4 million in the first quarter of 2017 (more details are presented in note 13).

Ongoing activities

During the first three months of 2018, the Company continued to identify ways by which it can generate added value through the active management of its yielding asset portfolio. It has also continued to crystallise the value of development projects by the pre-selling of apartments under construction and by the completion of development property in the course of construction.

The property portfolio is constantly reviewed to ensure it remains in line with the Company's stated strategy of creating a balanced portfolio that will provide future capital growth, the potential to enhance investment value through active and innovative asset management programmes and the ability to deliver strong development margins.

A key management objective is to monitor operations of hotel activity, enhance occupancy of income yielding assets, as well as remodel valuable assets in order to attract new tenants.

Financial management, operational management and material risks

In continuing to fulfil its obligations to its Shareholders and the markets, together with maintaining its policy of maximum disclosure and timely reporting, the Group is continually improving and developing its financial management and operational infrastructure and capability. Experienced operational teams are in place in each country, where there is significant activity, otherwise a central operational team and investment committee monitor and control investments and major operational matters. As such, the management team continually reviews its operating structures to optimise the efficiency and effectiveness of its network, which is particularly important given the current environment.

We continue to enhance our internal control, reporting procedures and IT systems in order to generate appropriate and timely management information for the ongoing assessment of the Group's performance. We operate a financial reporting system which provides the Group with the required reporting framework, financial management and internal control.

Global economic conditions

The Board and the Property Manager closely monitor the effects that the current global economic conditions have on the business and will continue to take steps to mitigate, as far as possible, any adverse impact that may affect the business.

The Group derives its revenue from activities carried out mainly in the Polish market with Romania and Hungary also contributing, however at a much lower level. The Group's financial results are therefore contingent on factors such as the stability of the political systems at the given moment and the macroeconomic data related mainly to the condition of the Polish but also Romanian and Hungarian economies, in particular the level of GDP growth, investment spending, levels of household income, interest rates, foreign exchange rates and inflation rate. Any deterioration to the macroeconomic conditions in these countries may expose the Group's business to risk, thus affecting its future financial results and prospects for development.

Financing and liquidity

Management has experienced strict requirements of the lenders for financing in the CEE region which has been reflected in the covenants that are applied to facilities, such as a reduction of loan to value ratio, increasing margins and an increase in levels of required pre-sales on development projects. The management team see this as a potential risk to the ongoing development of the Company and as a result are devoting significant resource to the management of banking relationships and the monitoring of risk in this area.

Cash is managed both at local and head office levels, ensuring that rent collection is prompt, surplus cash is suitably invested or distributed to other parts of the Group, as necessary, and balances are held in the appropriate currency. Where possible, the Company will use debt facilities to finance its projects, which the Company will look to secure at appropriate times and when available, depending on the nature of the asset – yielding or development.

Currency and foreign exchange

Currency and foreign exchange rates exposures are continually monitored. Foreign exchange risk is largely managed at a local level by matching the currency in which income and expenses are transacted and also the currencies of the underlying assets and liabilities.

Most of the income from the Group's investment properties is denominated in Euro and our policy is to arrange debt to fund these assets in the same currency. Where possible, the Group looks to match the currency of the flow of income and outgoings. Some expenses are still incurred in local currency and these are planned for in advance. Development of residential projects has created receipts largely denominated in local currencies and funding facilities are arranged accordingly. "Free cash" available for distribution within the Group is identified and appropriate translation mechanisms put in place.

Conclusions

AMC's key strategic objective is the maximisation of value for the Company's Shareholders, which it continues to work towards. Its teams are very experienced in the active management of investment and development properties and provide the Company with local market knowledge and expertise. In August 2017 a loan facility extended to a development project in Warsaw- *Apartamenty przy Krasińskiego II* - was fully repaid as a result of high presales recorded at this very successful project. Additionally, in September 2017 the Group managed to complete the agreement with Erste Group Bank AG which resulted in significant reduction of Group's external bank debt (as disclosed on page 9). This success was partially driven by the fact that the last instalment due to Erste Bank was financed with the new loan facility obtained by *Millennium Plaza* project (as disclosed on page 9 - New Millennium Plaza Loan). AMC currently focuses its efforts on the finalisation of the planning phase of *Nakielska Apartments Project* – the Group's next residential project in Warsaw.

Ziv Zviel
Chief Executive Officer
Atlas Management Company Limited
23 May 2018

ATLAS ESTATES LIMITED

Key Property Portfolio Information

Location/Property	Description	Company's ownership
Poland		
Hilton Hotel	First Hilton Hotel in Poland – a 4 star hotel with 314 luxury rooms, large convention centre, fitness club and spa Holmes Place Premium, casino and retail outlets. Location close to the central business district in Wola area of Warsaw.	100%
Atlas Estates Tower *(former name: Platinum Towers – offices)*	Land located next to *Hilton* hotel in Warsaw. Land with zoning for an office/residential tower planned up to 42 floors.	100%
Galeria Platinum Towers	Commercial area on the ground and first floors Platinum Towers with 1,904 square meters of gallery and 208 parking places almost fully let to tenants.	100%
Nakielska Apartments Project	Residential development in the Wola district of Warsaw. It will be a two stage development which will release 250 apartments with parking and amenities, including retail facilities. This project is an early planning phase.	100%
Apartamenty przy Krasińskiego,	Development in the Żoliborz district of Warsaw. The first stage of this development included 303 apartments as well as parking and amenities and retail facilities. The construction of the first stage was completed in 2013. As of 31 March 2018 all apartments were sold and only 2 retail units were available for sale. The second stage of this successful development project released 123 apartments as well as parking and retail facilities. The construction commenced in November 2015 and was completed in August 2017. As of 31 March 2018 only 3 retail units and 5 apartments were available for sale. Remaining apartments and retails were either sold (75 apartments and 4 retails) or presold (43 apartments and 1 retail).	100%
Millennium Plaza	39,138 square meters of office and retail space in the central business district of Warsaw.	100%
Sadowa office building	6,872 square meters office building close to the city centre of Gdańsk.	100%
Capital Art Apartments	The *Capital Art Apartments* project in Warsaw is another development in Warsaw close to the city center. It is a four stage development with 784 apartments as well as parking and amenities, including retail facilities. As of 31 March 2018 all apartments were sold or presold, whereas 4 retail units remain available for sale and one is presold.	100%
Hungary		
Ikarus Business Park	283,000 square meters plot with 110,000 square meters of built business space and 70,000 of currently lettable, located in the 16th district, a suburban area of Budapest.	100%
Romania		
Voluntari	86,861 square meters of land in three adjacent plots at the pre-zoning stage, in the north eastern suburbs of the city, known as Pipera.	100%
Solaris Project	32,000 square meters plot for re-zoning to mixed-use development in a central district of Bucharest.	100%
Golden Tulip Hotel	4 star 78 room hotel in central Bucharest.	100%
Bulgaria		
The Atlas House	Office building in Sofia's city center with 3,472 square meters of lettable area.	100%

ATLAS ESTATES LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
CONSOLIDATED INCOME STATEMENT
For the three months ended 31 March 2018

		Three months ended 31 March 2018 (unaudited) €'000		Three months ended 31 March 2017 (unaudited) €'000	Note
Revenues		15,039		6,849	3
Cost of operations		(10,041)		(4,329)	4.1
Gross profit		**4,998**		**2,520**	
Property manager fee	*(553)*		*(411)*		
Central administrative expenses	*(85)*		*(183)*		
Property related expenses	*(1,091)*		*(997)*		
Administrative expenses		(1,729)		(1,591)	4.2
Other operating income		20		13	
Other operating expense		(21)		(52)	
Profit from operations		**3,268**		**890**	
Finance income		45		110	4.3
Finance costs		(1,057)		(689)	4.3
Other (losses)/gains – foreign exchange		(383)		2,953	4.3
Share of losses from equity accounted joint ventures		(32)		(5)	
Profit before taxation		**1,841**		**3,259**	
Tax charge		(522)		189	5
Profit for the period		**1,319**		**3,448**	
Attributable to:					
Owners of the parent		1,319		3,448	
Non-controlling interests		-		-	
		1,319		**3,448**	
Profit/ (Loss) per €0.01 ordinary share – basic (eurocents)		2.8		7.4	7
Profit/ (Loss) per €0.01 ordinary share – diluted (eurocents)		2.8		7.4	7

All amounts relate to continuing operations.

The notes on pages 22 to 38 form part of these consolidated financial information.

ATLAS ESTATES LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the three months ended 31 March 2018

	Three months ended 31 March 2018 (unaudited) €'000	Three months ended 31 March 2017 (unaudited) €'000
PROFIT FOR THE PERIOD	**1,319**	**3,448**
Other comprehensive income:		
Items that will not be recycled through profit or loss		
Revaluation of buildings	-	-
Deferred tax on revaluation	-	-
Total	-	-
Items that may be recycled through profit or loss		
Exchange adjustments	(784)	3,607
Deferred tax on exchange adjustments	82	(304)
Total	(702)	3,303
Other comprehensive income for the period (net of tax)	**(702)**	**3,303**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**617**	**6,751**
Total comprehensive income attributable to:		
Owners of the parent	617	6,751
Non-controlling interests	-	-
	617	**6,751**

The notes on pages 22 to 38 form part of these consolidated financial information.

ATLAS ESTATES LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2018

	31 March 2018 (unaudited) €'000	31 December 2017 (audited) €'000	31 March 2017 (unaudited) €'000	Note
ASSETS				
Non-current assets				
Intangible assets	46	54	73	
Land under operating lease - prepayments	10,978	11,112	11,087	
Total investment in equity accounted joint ventures	131	153	163	
Property, plant and equipment	75,763	76,993	75,975	8
Investment property	91,869	92,187	95,588	9
Deferred tax asset	10,560	10,395	9,352	
	189,347	**190,894**	**192,238**	
Current assets				
Inventories	14,401	19,625	22,467	10
Trade and other receivables	4,133	3,368	4,101	
Cash and cash equivalents	14,551	15,006	8,851	11
	33,085	**37,999**	**35,419**	
TOTAL ASSETS	**222,432**	**228,893**	**227,657**	
Current liabilities				
Trade and other payables	(28,828)	(34,958)	(22,058)	
Bank loans	(15,559)	(19,321)	(58,294)	12
Derivative financial instruments	(721)	(625)	(609)	
	(45,108)	**(54,904)**	**(80,961)**	
Non-current liabilities				
Other payables	(3,316)	(3,239)	(2,893)	
Bank loans	(76,773)	(74,181)	(59,000)	12
Deferred tax liabilities	(11,554)	(11,505)	(9,813)	
	(91,643)	**(88,925)**	**(71,706)**	
TOTAL LIABILITIES	**(136,751)**	**(143,829)**	**(152,667)**	
NET ASSETS	**85,681**	**85,064**	**74,990**	

The notes on pages 22 to 38 form part of these consolidated financial information.

ATLAS ESTATES LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2018

	31 March 2018 (unaudited) €'000	31 December 2017 (audited) €'000	31 March 2017 (unaudited) €'000
EQUITY			
Share capital account	6,268	6,268	6,268
Revaluation reserve	19,445	19,445	18,277
Other distributable reserve	194,817	194,817	194,817
Translation reserve	(8,286)	(7,584)	(8,351)
Accumulated loss	(126,563)	(127,882)	(136,021)
Issued capital and reserves attributable to owners of the parent - total equity	**85,681**	**85,064**	**74,990**
Basic net asset value per share	€ 1.8	€ 1.8	€ 1.6

The notes on pages 22 to 38 form part of the consolidated financial information. The condensed consolidated financial information on pages 16 to 38 were approved by the Board of Directors on 23 May 2018 and signed on its behalf by:

Mark Chasey
Chairman

Andrew Fox
Director

Guy Indig
Director

23 May 2018

ATLAS ESTATES LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the three months ended 31 March 2018

	Share capital account	Revaluation reserve	Other distributable reserve	Translation reserve	Accumulated loss	Total equity
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Three months ended 31 March 2018						
As at 1 January 2018	6,268	19,445	194,817	(7,584)	(127,882)	85,064
Profit for the period	-	-	-	-	1,319	1,319
Other comprehensive income for the year	-	-	-	(702)	-	(702)
As at 31 March 2018	**6,268**	**19,445**	**194,817**	**(8,286)**	**(126,563)**	**85,681**
Year ended 31 December 2017						
As at 1 January 2017	6,268	18,277	194,817	(11,654)	(139,469)	68,239
Profit for the period	-	-	-	-	11,587	11,587
Other comprehensive loss for the year	-	1,168	-	4,070	-	5,238
As at 31 December 2017	**6,268**	**19,445**	**194,817**	**(7,584)**	**(127,882)**	**85,064**
Three months ended 31 March 2017						
As at 1 January 2017	6,268	18,277	194,817	(11,654)	(139,469)	68,239
Profit for the period	-	-	-	-	3,448	3,448
Other comprehensive income for the year	-	-	-	3,303	-	3,303
As at 31 March 2017	**6,268**	**18,277**	**194,817**	**(8,351)**	**(136,021)**	**74,990**

The notes on pages 22 to 38 form part of the consolidated financial information.

ATLAS ESTATES LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
CONSOLIDATED CASH FLOW STATEMENT
Three months ended 31 March 2018

		Three months ended 31 March 2018 (unaudited) €'000	Three months ended 31 March 2017 (unaudited) €'000
Profit for the period		**1,319**	**3,448**
Adjustments for:			
Effects of foreign currency		562	(3,395)
Finance costs		878	595
Finance income		(8)	(8)
Tax expense		522	(189)
Share of losses from equity accounted joint ventures		32	5
Depreciation of property, plant and equipment		599	600
Amortisation charges		41	41
		3,945	**1,097**
Changes in working capital			
Decrease/ (Increase) in inventory		5,224	(2,946)
Increase in trade and other receivables		(765)	(194)
(Increase)/ Decrease in trade and other payables		(6,042)	2,775
Effects of foreign currency on working capital translation		9	1,148
		(1,574)	**783**
Cash inflow from operations	**12**	**2,371**	**1,880**
Tax paid		(562)	(7)
Net cash from operating activities		**1,809**	**1,873**
Investing activities			
Interest received		8	8
Purchase of investment property		(410)	(97)
Purchase of property, plant and equipment		(3)	(9)
Loans repaid by equity accounted joint ventures		-	295
Net cash (used in)/ from investing activities		**(405)**	**197**
Financing activities			
Loan from majority shareholder		-	3,750
Interest paid		(753)	(694)
New bank loans raised		-	29
Repayments of bank loans		(950)	(4,727)
Net cash used in financing activities		**(1,703)**	**(1,642)**
Net (decrease)/ increase in cash and cash equivalents in the period		**(299)**	**428**
Effect of foreign exchange rates		(156)	323
Net (decrease)/ increase in cash and cash equivalents in the period		**(455)**	**751**
Cash and cash equivalents at the beginning of the period		**15,006**	**8,100**
Cash and cash equivalent at the end of the period		**14,551**	**8,851**

The notes on pages 22 to 38 form part of the consolidated financial information.

SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Three months ended 31 March 2018

1. Basis of preparation

This condensed interim financial information for the three months ended 31 March 2018 has been prepared in accordance with International Accounting Standard No. 34, “Interim Financial Reporting” (“IAS 34”). The financial information has been prepared on a going concern basis and on a historical cost basis as amended by the revaluation of land and buildings and investment property, and financial assets and financial liabilities at amortised cost. The consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity are unaudited. This unaudited interim condensed consolidated financial information should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended 31 December 2017. The quarterly financial results are not necessarily indicative of the full year results.

As described in the Chairman’s Statement and in the Review of the Property Manager, the economic environment still continues to present a lot of challenges for the Group and its management. Nevertheless, the Group has reported a profit for the three months period ended 31 March 2018 of €1.3 million (compared to profit of €3.4 million in the three months ended 31 March 2017).

The Directors consider that the outlook presents ongoing challenges in terms of the markets in which the Group operates, the effect of fluctuating exchange rates in the functional currencies of the Group and the availability of bank financing for the Group.

As at 31 March 2018 the Group held land and building assets with a market value of €174 million, compared to external debt of €92 million. Subject to the time lag in realising the value in these assets in order to generate cash, this “loan to value ratio” gives a strong indication of the Group’s ability to generate sufficient cash in order to meet its financial obligations as they fall due. Any land and building assets and associated debts which are ring-fenced in unique, specific, corporate vehicles**,** may be subject to repossession by the bank in case of a default of loan terms but will not result in additional financial liabilities for the Company or for the Group. There are also unencumbered assets which could potentially be leveraged to raise additional finance.

In assessing the going concern basis of preparation of the condensed consolidated interim financial information for the three months ended 31 March 2018, the directors have taken into account the fact that the Group is in a net current liability position and the Board is aware that the Group will have to continue negotiations with the banks (see page 9).

However, in considering the group’s net current liability position in the context of ongoing working capital management we note the following:

- Deferred income included in current liabilities of €6.2 million in relation to sales deposits will be released to the income statement in the subsequent period as sales are completed rather than representing a future cash outflow,
- Property development inventories included in current assets are held at cost and are forecasted to realise cash revenues in excess of this carrying value in future period,
- The Felikon loan of €12.6 million is fully ring fenced, so it will not generate cash outflows to the Group above the value of the Felikon property.

Within trade payables of the Group is a performance fee payable to the Property Manager. Details are provided on page 32. The actual payment of this fee, as agreed between the parties, will be subject to available cash flows of the Group.

Although the Directors are aware that the management of the liquidity position of the company has been and still continues to be a high priority, the Company so far has been successful in managing its cash position carefully and will continue to do so.

The Group’s forecasts and projections have been prepared taking into account the economic environment and its challenges and the mitigating factors referred to above. These forecasts take into account reasonably possible changes in trading performance, potential sales of properties, favourable arrangements for the payment timetable for the AMC performance fee and the future financing of the Group. They show that the Group will have sufficient facilities for its ongoing operations.

While there will always remain some inherent uncertainty within the aforementioned cash flow forecasts, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly the Directors continue to adopt the going concern basis in preparing the consolidated financial statements for the three months ended 31 March 2018.

2. Accounting policies

The accounting policies adopted and methods of computation are consistent with those of the annual financial statements for the year ended 31 December 2017, as described in the annual financial statements for the year ended 31 December 2017, and with those expected to be applied to the financial statements for the year ended 31 December 2018.

3. Segmental information

For management purposes, the Group is currently organised into three operating divisions – the ownership and management of investment property, the development and sale of residential property and the ownership and operation of hotels. These divisions are the basis on which the Group reports its segment information. Segment information about these businesses is presented below:

Three months ended 31 March 2018	Property rental	Residential sales	Hotel operations	Other	Total
	€'000	€'000	€'000	€'000	€'000
Revenues	2,542	7,832	4,665	-	15,039
Cost of operations	(1,427)	(5,484)	(3,130)	-	(10,041)
Gross profit	**1,115**	**2,348**	**1,535**	**-**	**4,998**
Administrative expenses	(178)	(85)	(758)	(708)	(1,729)
Gross profit/ (loss) less administrative expenses	**937**	**2,263**	**777**	**(708)**	**3,269**
Other operating income	3	3	5	9	20
Other operating expenses	(1)	(6)	(14)	-	(21)
Profit/ (Loss) from operations	**939**	**2,260**	**768**	**(699)**	**3,268**
Finance income	29	7	8	1	45
Finance cost	(365)	(1)	(689)	(2)	(1,057)
Finance costs - other gains – foreign exchange	(314)	6	(37)	(38)	(383)
Share of losses from equity accounted joint ventures	-	(32)	-	-	(32)
Segment result before tax	**289**	**2,240**	**50**	**(738)**	**1,841**
Tax (expense)/ credit	(54)	(367)	(106)	5	(522)
Profit for the period as reported in the income statement					**1,319**
Attributable to non-controlling interests					-
Net profit attributable to owners of the parent					**1,319**

Three months ended 31 March 2018	Property rental	Residential sales	Hotel operations	Other	Total
	€'000	€'000	€'000	€'000	€'000
Reportable segment assets	104,895	23,898	93,149	-	221,942
Unallocated assets	-	-	-	490	490
Total assets	**104,895**	**23,898**	**93,149**	**490**	**222,432**
Reportable segment liabilities	(61,022)	(7,348)	(56,566)	-	(124,936)
Unallocated liabilities	-	-	-	(11,815)	(11,815)
Total liabilities	**(61,022)**	**(7,348)**	**(56,566)**	**(11,815)**	**(136,751)**

Three months ended 31 March 2018	Property rental	Residential sales	Hotel operations	Other	Total
	€'000	€'000	€'000	€'000	€'000
Other segment items					
Capital expenditure	410	-	-	3	413
Depreciation	7	-	592	-	599
Amortisation	-	-	34	7	41

Three months ended 31 March 2017	Property rental	Residential sales	Hotel operations	Other	Total
	€'000	€'000	€'000	€'000	€'000
Revenues	2,527	261	4,059	2	6,849
Cost of operations	(1,157)	(318)	(2,854)	-	(4,329)
Gross profit	**1,370**	**(57)**	**1,205**	**2**	**2,520**
Administrative expenses	(176)	(90)	(670)	(655)	(1,591)
Gross profit/ (loss) less administrative expenses	**1,194**	**(147)**	**535**	**(653)**	**929**
Other operating income	2	2	9	-	13
Other operating expenses	(46)	-	(6)	-	(52)
Profit/ (Loss) from operations	**1,150**	**(145)**	**538**	**(653)**	**890**
Finance income	6	18	86	-	110
Finance cost	(179)	(2)	(507)	(1)	(689)
Finance costs - other gains – foreign exchange	2,558	(125)	210	310	2,953
Share of losses from equity accounted joint ventures	-	(5)	-	-	(5)
Segment result before tax	**3,535**	**(259)**	**327**	**(344)**	**3,259**
Tax (expense)/ credit	(93)	317	(42)	7	189
Net profit attributable to owners of the parent					**3,448**

Three months ended 31 March 2017	Property rental	Residential sales	Hotel operations	Other	Total
	€'000	€'000	€'000	€'000	€'000
Reportable segment assets	106,637	29,002	91,273	-	226,912
Unallocated assets				745	745
Total assets	**106,637**	**29,002**	**91,273**	**745**	**227,657**
Reportable segment liabilities	(80,785)	(6,862)	(56,858)	-	(144,505)
Unallocated liabilities	-	-	-	(8,162)	(8,162)
Total liabilities	**(80,785)**	**(6,862)**	**(56,858)**	**(8,162)**	**(152,667)**

Three months ended 31 March 2017	Property rental	Residential sales	Hotel operations	Other	Total
	€'000	€'000	€'000	€'000	€'000
Other segment items					
Capital expenditure	97	-	9	-	106
Depreciation	5	-	595	-	600
Amortisation	-	12	22	7	41

There are immaterial sales between the business segments.

Segment assets include investment property, property, plant and equipment, intangible assets, inventories, debtors and operating cash. Segment liabilities comprise operating liabilities and financing liabilities.

Unallocated assets represent cash balances, receivables and other assets held by the Company and those of selected sub-holding companies, and deferred tax assets.

Unallocated liabilities include accrued costs and deferred taxation liabilities within the Company and selected sub-holding companies as at the balance sheet date.

Unallocated costs represent corporate expenses.

The Group manages its business segments on a region wide basis. The operations in the reporting periods were based in four main countries within the Group's region of focus with mainly cash balances being held by the parent company. The four principal territories were:

- Poland,
- Hungary,
- Bulgaria, and
- Romania.

4. Analysis of expenditure

4.1 Cost of operations

	Three months ended 31 March 2018 (unaudited)	Three months ended 31 March 2017 (unaudited)
	€'000	€'000
Costs of sale of residential property	(5,399)	(273)
Utilities, services rendered and other costs	(2,422)	(2,068)
Legal and professional expenses	(482)	(280)
Staff costs	(1,341)	(1,306)
Sales and direct advertising costs	(244)	(226)
Depreciation and amortisation	(153)	(176)
Cost of operations	**(10,041)**	**(4,329)**

4.2 Administrative expenses

	Three months ended 31 March 2018 (unaudited) €'000	Three months ended 31 March 2017 (unaudited) €'000
Audit and tax service	(58)	(24)
Incentive and management fee	(553)	(411)
Legal and other professional fees	(105)	(185)
Utilities, services rendered and other costs	(240)	(208)
Staff costs	(240)	(247)
Depreciation and amortisation	(487)	(465)
Other administrative expenses	(46)	(51)
Administrative expenses	**(1,729)**	**(1,591)**

4.3 Finance income and finance costs- net

	31 March 2018 (unaudited) €'000	31 March 2017 (unaudited) €'000
Other	45	110
Finance income – interest income	**45**	**110**
Interest payable on bank borrowings	(753)	(660)
Loss on interest rate derivative	(103)	-
Other similar charges	(201)	(29)
Finance costs	**(1,057)**	**(689)**
Finance costs, excluding foreign exchange – net	**(1,012)**	**(579)**
Other gains and (losses) – foreign exchange	**(383)**	**2,953**
Finance (costs)/ income, including foreign exchange – net	**(1,395)**	**2,374**

5. Tax

Continuing operations	Three months ended 31 March 2018 (unaudited) €'000	Three months ended 31 March 2017 (unaudited) €'000
Current tax	(556)	(30)
Deferred tax	34	219
Tax (charge) /credit for the year	**(522)**	**189**

On an individual company basis, an estimate has been made of the effective tax rate for the full year and has been applied to the quarter results.

Three months ended 31 March 2018

6. Dividends

There were no dividends declared or paid in the three months ended 31 March 2018 (2017: €nil).

7. Profit per share ("EPS")

Basic earnings per share is calculated by dividing the profit after tax attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Reconciliations of the profits and weighted average number of shares used in the calculations are set out below:

Three months ended 31 March 2018	**Profit**	**Weighted average number of shares**	**Per share amount**
Continuing operations	**€'000**		**Eurocents**
Basic (EPS)			
Profit attributable to equity shareholders of the Company	1,319	46,852,014	2.8
Diluted (EPS) Adjusted profit	**1,319**	**46,852,014**	**2.8**

Three months ended 31 March 2017	**Profit**	**Weighted average number of shares**	**Per share amount**
Continuing operations	**€'000**		**Eurocents**
Basic (EPS)			
Profit attributable to equity shareholders of the Company	3,448	46,852,014	7.4
Diluted (EPS) Adjusted profit	**3,448**	**46,852,014**	**7.4**

8. Property, plant and equipment

	Buildings	Plant and equipment	Motor vehicles	Total
	€'000	**€'000**	**€'000**	**€'000**
Cost or valuation				
At 1 January 2017	73,957	11,575	61	85,593
Additions at cost	343	33	-	376
Exchange adjustments	4,630	662	2	5,294
Disposals	(5)	-	-	(5)
Revaluation	-	-	-	-
At 31 December 2017	**78,925**	**12,270**	**63**	**91,258**
Additions at cost	-	3	-	3
Exchange adjustments	(762)	(105)	-	(867)
At 31 March 2018	**78,163**	**12,168**	**63**	**90,394**
Accumulated depreciation				
At 1 January 2017	(4,962)	(7,272)	(58)	(12,292)
Charge for the year	(1,757)	(612)	(1)	(2,370)
Adjustment due to revaluation	1,738	-	-	1,738
Exchange adjustments	(934)	(410)	(2)	(1,346)
Disposals	5	-	-	5
At 31 December 2017	**(5,910)**	**(8,294)**	**(61)**	**(14,265)**
Charge for the period	(448)	(151)	-	(599)
Exchange adjustments	163	70	-	233
At 31 March 2018	**(6,195)**	**(8,375)**	**(61)**	**(14,631)**
				-
Net book value at 31 March 2018	**71,968**	**3,793**	**2**	**75,763**
Net book value at 31 December 2017	73,015	3,976	2	76,993

	Buildings	Plant and equipment	Motor vehicles	Total
	€'000	**€'000**	**€'000**	**€'000**
Cost or valuation				
At 1 January 2017	73,957	11,575	61	85,593
Additions at cost	9	-	-	9
Exchange adjustments	3,814	532	-	4,346
At 31 March 2017	**77,780**	**12,107**	**61**	**89,948**
Accumulated depreciation				
At 1 January 2017	(4,962)	(7,272)	(58)	(12,292)
Charge for the period	(430)	(170)	-	(600)
Exchange adjustments	(753)	(326)	(2)	(1,081)
At 31 March 2017	**(6,145)**	**(7,768)**	**(60)**	**(13,973)**
Net book value at 31 March 2017	**71,635**	**4,339**	**1**	**75,975**

Hotels Hilton in Warsaw and Golden Tulip in Bucharest constitute the majority of the total property, plant and equipment balance as of 31 March 2018, 31 December 2017 and 31 March 2017. The latest valuation of the hotels was performed as of 31 December 2017. Hotels were valued by qualified professional valuers, Jones Lang LaSalle Sp. z o.o., Chartered Surveyors, acting in the capacity of External Valuers. All properties were valued on the basis of Market Value and the valuations were carried out in accordance with the RICS Appraisal and Valuation Standards. The results of valuation:
- revaluation adjustments, net of applicable deferred taxes, have been taken to the revaluation reserve in shareholders' equity,
- impairment adjustments have been taken to other operating expenses/ reversal of impairment adjustments have been taken to other operating income.

The Group has pledged property, plant and equipment of €74.4 million (31 December 2017: €75.6 million, 31 March 2017: €74.6 million) to secure certain banking facilities granted to subsidiaries. Borrowings for the value of €49.5 million (31 December 2017: €50.0 million, 31 March 2017: €50.6 million) are secured on these properties.

9. Investment property

	31 March 2018	31 December 2017	31 March 2017
	(unaudited)	(audited)	(unaudited)
	€'000	€'000	€'000
At beginning of the year	92,187	91,918	91,918
Capitalised subsequent expenditure	410	856	97
Exchange movements	(728)	4,163	3,573
PV of annual perpetual usufruct fees	-	(2)	-
Fair value (losses)/ gains	-	(4,748)	-
As at period end	**91,869**	**92,187**	**95,588**

The fair value of the Group's investment properties has been arrived at on the basis of the latest valuation carried out at 31 December 2017:
- for the properties located in Poland and Romania by Jones Lang LaSalle Sp. z o.o. external independent qualified valuer with recent experience valuing the properties in the location held by the Group;
- for the properties located in Hungary by FHB Ingatlan Zrt external independent qualified valuer with recent experience valuing the properties in the location held by the Group.

All properties were valued on the basis of Market Value and the valuations were carried out in accordance with the RICS Appraisal and Valuation Standards. The fair value of the investment property has not been adjusted for the purposes of financial reporting.

The Group has pledged investment property of €81.3 million (31 December 2017: €81.3 million; 31 March 2017: €82.0 million) to secure certain banking facilities granted to subsidiaries.

10. Inventories

	31 March 2018	31 December 2017	31 March 2017
	(unaudited)	(audited)	(unaudited)
	€'000	€'000	€'000
Land held for development	5,261	5,285	12,114
Construction expenditures	351	352	7,190
Completed properties	7,596	12,803	1,948
Hotel inventory	1,193	1,185	1,215
As at period end	**14,401**	**19,625**	**22,467**

€5.4 million (31 December 2017: €6.4 million; 31 March 2017: €0.3 million) of inventories was released to cost of operations in the income statement during the period. €nil million was recognised in the income statement in relation to reversal of impairment on inventories (31 December 2017: €1.0 million; 31 March 2017: €nil) and €nil million was recognised in the income statement in relation to impairment on inventories (31 December 2017:€nil million; 31 March 2017: €nil million). The stock which is held at fair value less cost to sell amounts to €0.5 million (31 December 2017: €0.5 million; 31 March 2017: €4.6 million).

As at 31 March 2018 bank borrowings are secured on the inventory for the value of €nil million (31 December 2017: €nil million; 31 March 2017: €9.6 million).

11. Cash and cash equivalents

	31 March 2018 (unaudited) €'000	31 December 2017 (audited) €'000	31 March 2017 (unaudited) €'000
Cash and cash equivalents	10,442	14,164	8,099
Short term bank deposits	4,109	842	752
As at period end	**14,551**	**15,006**	**8,851**

Included in cash and cash equivalents is €7.5 million (31 December 2017: €7.1 million; 31 March 2017: €6.2 million) restricted cash relating to security and customer deposits.

12. Bank loans

	31 March 2018 (unaudited) €'000	31 December 2017 (audited) €'000	31 March 2017 (unaudited) €'000
Current			
Bank loans and overdrafts due within one year or on demand			
Secured	**(15,559)**	**(19,321)**	**(58,294)**
Non-current			
Repayable within two years			
Secured	(2,945)	(2,764)	(5,313)
Repayable within three to five years			
Secured	(29,823)	(30,031)	(11,704)
Repayable after five years			
Secured	(44,005)	(41,386)	(41,983)
	(76,773)	**(74,181)**	**(59,000)**
Total	**(92,332)**	**(93,502)**	**(117,294)**

The bank loans are secured on various properties of the Group by way of fixed or floating charges.

The fair value of the fixed and floating rate borrowings approximated their carrying values at the balance sheet date, as the impact of marking to market and discounting is not significant. The fair values are based on cash flows discounted using rates based on equivalent fixed and floating rates as at the end of the year.

Bank loans are denominated in a number of currencies and bear interest based on a variety of interest rates. An analysis of the Group's borrowings by currency:

	Euro €'000	Zloty €'000	Total €'000
Bank loans and overdrafts – 31 March 2018	**60,269**	**32,063**	**92,332**
Bank loans and overdrafts – 31 December 2017	61,000	32,502	93,502
Bank loans and overdrafts – 31 March 2017	82,396	34,898	117,294

Debt financing

Portfolio of cross collateralised banking facilities extended by Erste Group Bank AG

In 2016 the Group had a facility extended to Atlas Estates Millennium Sp. z o.o. ("Millennium") by Erste Group Bank AG that had been cross collateralized. On 14 September 2016 (at which point this debt amounted to €58.9 million) the Group signed with Erste bank the agreement based on which by 29 September 2017 the bank was obliged to sell/ transfer to Atlas Projects B.V. (subsidiary of Atlas Estates Limited) its outstanding facility due from Millennium at the price of €1 subject mainly to the following conditions:

1) repayment by or on behalf of Millennium and receipt by the bank of principal in the aggregate amount of € 39,500,000 with interests indicated in this agreement in the following four instalments:

a) € 8,075,000 to be paid by 10 business days after the signing of this agreement - this amount was paid by Millennium in September 2016;

b) € 3,950,000 by 30 November 2016 - this amount was paid by Millennium in November 2016;

c) € 3,950,000 by 31 March 2017 - this amount was paid by Millennium in March 2017;

d) € 23,525,000 by 29 September 2017- this amount was paid by Millennium in September 2017.

2) payment by Atlas Projects B.V. of the amount of €1 for the outstanding facility of €19.5 million- this price was paid by Atlas Project B.V. in September 2017. This debt was converted into equity of Millennium in December 2017.

In September 2017- i.e. upon completion of the transfer of this facility to Atlas Project BV:

- Erste bank relinquished all mortgage, lien, charge pledge, promissory note, letter of comfort or other security interest or any other type of guarantee granted by Millennium and/or third party for the benefit of Erste bank to secure the claims of the bank against Millennium. Moreover, upon the completion of this transfer Erste Bank is no longer entitled to the Price Adjustment (defined above).
- Atlas Estates Limited in its consolidated financial statements recorded finance income of €19.5 million representing bank debt discount resulting from this transaction.

New Millennium Plaza loan facility

On 13 September 2017 Millennium signed a new loan agreement with Bank Zachodni WBK S.A. based on which it was able to borrow €23.5 million to pay the final instalment to Erste Bank AG (as described above). As of 31 March 2018 this bank facility amounts to €22.7 million (net of unamortized part of arrangement fee paid) and the final repayment date of this facility is September 2022. In 2018 €0.3 million was repaid in respect of this loan.

Repaid Loan - Apartamenty przy Krasińskiego II

In February 2016 Atlas Estates (Przasnyska 9) Sp. z o.o. was granted a loan (up to the amount of PLN 42.9 million) for the construction of the second stage of *Apartamenty przy Krasińskiego* project in Warsaw. The first draw down of the loan took place in the third quarter of 2016. €2.2 million loan was fully repaid in August 2017.

Hungarian loan

In the preparation of the consolidated financial statements as of 31 March 2018, the Directors have classified the loan facility extended to a Hungarian subsidiary totalling €12.6 million as current since it is overdue. In 2018 €0.3 million was repaid in respect of this loan. The Group is in discussion with the bank regarding restructuring of this loan.

Other loans- partial repayments

In 2018 the Group paid €0.4 million in respect of scheduled partial repayments of other loans extended to the Group's projects (*Hilton* and *Golden Tulip* hotels, *Sadowa* and *Properpol* office buildings).

Galeria Platinum Towers project - *loan facility extension*

On 25 January 2018 Properpol Sp. z o.o. (the Company's subsidiary) signed an amendment agreement with mBank S.A. to the facility agreement dated 2 September 2013 based on which the final repayment date of the facility was extended from 30 June 2018 to 30 June 2021. As of 31 March 2018 this facility amounted to €3.6 million and is used for financing of *Galeria Platinum Towers* project.

Amount increase of the existing Hilton loan facility

On 7 February 2018 the Company's subsidiaries: Mantezja 3 Sp. z o.o. and HGC Gretna Investments Sp. z o.o. Sp. J., which operate *Hilton* hotel in Warsaw concluded an annex with Bank Pekao S.A. and PEKAO Bank Hipoteczny S.A. to the existing loan facility agreement dated 29 June 2015 increasing to a total facility of €51.1m. The subsidiaries are allowed to borrow additional funds from tranche C up to the amount of €3.5 million for financing *Hilton* expenses or other Atlas projects. As of 31 March 2018 total outstanding loan facility from tranche A and B amounted to €47.1 million.

13. Related party transactions

(a) Key management compensation

	31 March 2018 (unaudited) €'000	**31 March 2017 (unaudited) €'000**
Fees for non-executive directors	16	16

The Company has appointed AMC, a company under common control, to manage its property portfolio. In consideration of the services provided, AMC charged a management fee of €0.5 million for the three months ended 31 March 2018 (year ended 31 December 2017: €1.6 million; 3 months ended 31 March 2017: €0.4 million). Under the agreement, AMC is also entitled to a performance fee based on the increase in value of the properties over the year. No performance fee has been accrued for the three months ended 31 March 2018 (year ended 31 December 2017: €8.6 million; 3 months ended 31 March 2017: €nil million).

As of 31 March 2018, €9.5 million included in current trade and other payables was due to AMC in respect of the 2017 performance fee of €8.6 million and €0.9 million in respect of management fee (31 December 2017: €9.3 million; 31 March 2017: €0.6 million). In 2018 cash of €0.2 million was paid to AMC in respect of the management fee (31 December 2017 €1.4 million).

(b) On 22 November 2012, the Group acquired 24% interest in the voting shares of Zielono Sp. z o.o., increasing its interests to 100%. As of 31 March 2018 the purchase price of €0.2 million (31 December 2017: €0.2 million, 31 March 2017: €0.2 million) is due to former non-controlling shareholder (Coralcliff Limited).

(c) In 2017 Mr Ziv Zviel, the Chief Executive Officer of AMC, signed preliminary contract for an apartment in Apartamenty przy Krasińskiego II for a total value of €44thousand. As of 31 March 2018 the outstanding balance is €27 thousand.

In 2016 he acquired one apartment in *Capital Art Apartments III & IV* project in Warsaw for the price of €65.2 thousand. As of 31 March 2018 these amounts were fully settled.

(d) In November 2016 Atlas Estates Limited ("AEL") received a loan from its majority shareholder Fragiolig Holdings Limited ("Fragiolig") amounting to €3.5 million. The loan repayment date was 30 January 2017 however it was subsequently extended to 30 May 2018. In March 2017 AEL received an additional €3.75 million and as a result the loan amount was increased to €7.25 million. In September and November 2017 AEL executed several repayments totalling €5.3 million therefore as of 31 March 2018 the loan balance amounted to €1.95 million. The loan bears no interest until the repayment date.

Moreover on 31 January 2017 AEL concluded an option agreement with Fragiolig based on which AEL granted to Fragiolig an option to acquire (through AEL's subsidiaries) whole or part of the partnership interest in the partnership in its indirect subsidiary- HPO AEP Sp. z o.o. Sp. j. with its seat in Warsaw ("HPO"). As of 31 March 2018, the option has an expiry date of 30 May 2018. Upon execution of the option by Fragiolig, AEL would sell the whole or part of partnership interest in HPO for the price determined in a valuation conducted by an evaluation firm appointed by AEL in consultation with Fragiolig.

14. Post balance sheet events

No specific significant events have occurred which would require an adjustment to this report.

15. Other items

15.1 Information about court proceedings

The Company is not aware of any proceedings instigated before a court, a competent arbitration body or a public administration authority concerning liabilities or receivables of the Company, or its subsidiaries, whose joint value constitutes at least 10% the Company's net equity.

15.2 Financial forecasts

No financial forecasts have been published by the Company in relation to the year ended 31 December 2018.

15.3 Substantial shareholdings

Substantial shareholdings

The Board is aware of the following direct or indirect interest in 5% or more of the Company's ordinary share capital *(excluding 3,470,000 treasury shares, which have no voting rights*). All shares have equal voting rights.

1. Direct shareholders *(i.e. shareholders holding the shares for the benefit of other parties)*

Significant Shareholders	Number of Shares held	Voting Rights
Euroclear Nominees Limited <EOCO1>	40,298,191	86.01
Atlas International Holdings Limited	6,461,425	13.79
TOTAL	**46,759,616**	**99.80**

2. Beneficial shareholders *(i.e. shareholders for the benefit of which the above direct shareholders held the shares)* based on the information provided to the Company by these shareholders under the applicable legislation (*the notifications received from shareholders in accordance with Art. 70 with connection to art. 69 of the Act of 29 July 2005 on the Public Offering, Condition Governing the introduction of Financial Instruments to Organized Trading and Public Companies*)

Significant Shareholders	Number of Shares held	Voting Rights
Fragiolig Holdings Limited	35,391,145	75.54
Atlas International Holdings Limited	6,461,425	13.79
TOTAL	**41,852,570**	**89.33**

3. The ultimate parent company is RIG Investments Sarl and the ultimate controlling party by a virtue of ownership is Mr Ron Izaki.

15.4 Directors' share interests

There have been no changes to the Directors' share interests during the three months ended 31 March 2018. No Director had any direct interest in the share capital of the Company or any of its subsidiaries during the three months ended 31 March 2018.

16. Principal subsidiary companies and joint ventures

The table below lists the current operating companies of the Group. In addition, the Group owns other entities which have no operating activities. All Group companies are consolidated except for a Polish subsidiary, Atlas Estates (Kokoszki) Sp. z o.o. which is under bank enforcement proceedings. Deconsolidation of this subsidiary started on 24 December 2014, i.e. from the moment when Group control was lost.

No new subsidiary undertakings were acquired and no significant investments were made in any additional joint ventures during the three months period ended 31 March 2018 and year ended 31 December 2017.

Country of incorporation	Name of subsidiary/ joint venture entity	Status	Percentage of nominal value of issued shares and voting rights held by the Company
Holland	Atlas Estates Cooperatief U.A.	Holding	100%
Holland	Atlas Estates Investment B.V.	Holding	100%
Holland	Atlas Projects B.V.	Holding	100%
Holland	Atlas Residential BV	Holding	100%
Holland	Atlas HPO BV	Holding	100%
Guernsey	Atlas Finance (Guernsey) Limited	Holding	100%
Curacao	Atlas Estates Antilles B.V.	Holding	100%
Cyprus	Fernwood Limited	Holding	100%
Poland	AEP Sp. z o.o.	Management	100%
Poland	AEP Sp. z o.o. 2 SKA	Holding	100%
Poland	AEP Sp. z o.o. 3 SKA	Holding	100%
Poland	Platinum Towers AEP Sp. z o.o. SKA	Development	100%
Poland	Zielono AEP Sp. z o.o. SKA	Development	100%
Poland	Properpol Sp. z o.o.	Investment	100%
Poland	Atlas Estates (Millennium) Sp. z o.o.	Investment	100%
Poland	Atlas Estates (Sadowa) Sp. z o.o.	Investment	100%
Poland	Capital Art Apartments AEP Sp. z o.o. Sp. j.	Development	100%
Poland	HGC Gretna Investments Sp. z o.o. Sp. j.	Hotel operation	100%
Poland	Mantezja 3 Sp. z o.o.	Hotel operation	100%
Poland	HPO AEP Sp. z o.o. Sp. j.	Development	100%
Poland	Atlas Estates (Cybernetyki) Sp. z o.o.	Development	50%
Poland	Le Marin Sp. z o.o.	Development	100%
Poland	Atlas Estates (Przasnyska 9) Sp. z o.o.	Development	100%
Poland	La Brea Management Sp. z o.o.	Development	100%
Poland	CAA Finance Sp. z o.o.	Development	100%
Poland	Gretna Investments Sp. z o.o.	Holding	100%
Poland	Gretna Investments Sp. z o.o. 4 SKA	Holding	100%
Hungary	CI-2005 Investment Kft.	Development	100%
Hungary	Felikon Kft.	Investment	100%
Hungary	Atlas Estates (Moszkva) Kft.	Investment	100%
Romania	World Real Estate SRL	Investment	100%
Romania	Atlas Solaris SRL	Development	100%
Romania	D.N.B. - Victoria Towers SRL	Hotel operation	100%
Bulgaria	Immobul EOOD	Investment	100%
Luxembourg	Gretna SCSP	Holding	100%
Luxembourg	Residential SCSP	Holding	100%
Luxembourg	Gretna Projects Sarl	Holding	100%
Luxembourg	HPO SCSP	Holding	100%
Luxembourg	Residential Projects Sarl	Holding	100%

17. INTERIM CONDENSED NON-CONSOLIDATED FINANCIAL INFORMATION

NON-CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the three months ended 31 March 2018

	31 March 2018 (unaudited) €'000	31 March 2017 (unaudited) €'000
Revenues	-	-
Cost of operations	-	-
Gross profit	**-**	**-**
Administrative expenses	(399)	(391)
Other operating income	-	2
Other operating expenses	-	-
Loss from operations	**(399)**	**(389)**
Finance income	-	200
Finance costs	(15)	(13)
Other (losses) and gains – foreign exchange	(1)	2
Loss before taxation	**(415)**	**(200)**
Tax expense	-	-
Loss for the year	**(415)**	**(200)**
Total comprehensive loss for the year	**(415)**	**(200)**

SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Three months ended 31 March 2018

17. INTERIM CONDENSED NON-CONSOLIDATED FINANCIAL INFORMATION

NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2018

	31 March 2018 (unaudited) €'000	31 December 2017 €'000	31 March 2017 (unaudited) €'000
ASSETS			
Non-current assets			
Investment in subsidiaries	125,433	125,433	93,680
Loans receivable from subsidiaries	62	58	86
	125,495	**125,491**	**93,766**
Current assets			
Trade and other receivables	82	82	-
Cash and cash equivalents	15	278	139
	97	**360**	**139**
TOTAL ASSETS	**125,592**	**125,851**	**93,905**
Non-current liabilities			
Other paybles	(4,176)	(4,162)	(3,722)
	(4,176)	**(4,162)**	**(3,722)**
Current liabilities			
Trade and other payables	(11,423)	(11,281)	(7,825)
	(11,423)	**(11,281)**	**(7,825)**
TOTAL LIABILITIES	**(15,599)**	**(15,443)**	**(11,547)**
NET ASSETS	**109,993**	**110,408**	**82,358**
EQUITY			
Share capital account	6,268	6,268	6,268
Other distributable reserve	194,817	194,817	194,817
Accumulated loss	(91,092)	(90,677)	(118,727)
TOTAL EQUITY	**109,993**	**110,408**	**82,358**

17. INTERIM CONDENSED NON-CONSOLIDATED FINANCIAL INFORMATION

NON-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
As at 31 March 2018

Three months ended 31 March 2018 (unaudited)	Share capital account €'000	Other reserves €'000	Accumulated loss €'000	Total €'000
As at 1 January 2018	6,268	194,817	(90,677)	110,408
Total comprehensive loss for the period	-	-	(415)	(415)
As at 31 March 2018	**6,268**	**194,817**	**(91,092)**	**109,993**

Year ended 31 December 2017	Share capital account €'000	Other reserves €'000	Accumulated loss €'000	Total €'000
As at 1 January 2017	6,268	194,817	(118,527)	82,558
Total comprehensive income for the year	-	-	27,850	27,850
As at 31 December 2017	**6,268**	**194,817**	**(90,677)**	**110,408**

Three months ended 31 March 2017 (unaudited)	Share capital account €'000	Other reserves €'000	Accumulated loss €'000	Total €'000
As at 1 January 2017	6,268	194,817	(118,527)	82,558
Total comprehensive loss for the period	-	-	(200)	(200)
As at 31 March 2017	**6,268**	**194,817**	**(118,727)**	**82,358**

17. INTERIM CONDENSED NON-CONSOLIDATED FINANCIAL INFORMATION

NON-CONSOLIDATED CASH FLOW STATEMENT
Three months ended 31 March 2018

	Three months ended 31 March 2018 (unaudited) €'000	Three months ended 31 March 2017 (unaudited) €'000
Loss for the year	**(415)**	**(200)**
Adjustments for:		
Finance costs	14	13
Finance income	-	(1)
	(401)	**(188)**
Changes in working capital		
Decrease/ (Increase) in trade and other receivables	-	7
Increase/ (Decrease) in trade and other payables	142	112
Net cash used in operating activities	**(259)**	**(69)**
Investing activities		
New loans advanced to subsidiaries	(4)	(5)
Repayment of loans receivable from subsidiaries	-	100
Cash contribution to subsidiary undertaking	-	(3,750)
Net cash from investing activities	**(4)**	**(3,655)**
Financing activities		
Loan received from majority shareholder	-	3,750
Net cash (used in)/ from financing activities	**-**	**3,750**
Net increase/(decrease) in cash and cash equivalents in the year as a result of cashflows	**(263)**	**26**
Effect of foreign exchange rates	-	-
Net increase/ (decrease) in cash and cash equivalents in the year	**(263)**	**26**
Cash and cash equivalents at the beginning of the year	**278**	**113**
Cash and cash equivalents at the end of the year	**15**	**139**
Cash and cash equivalents		
Cash at bank and in hand	15	139
Bank overdrafts	-	-
	15	**139**