

ATLAS ESTATES LIMITED  
CONDENSED CONSOLIDATED QUARTERLY REPORT  
THIRD QUARTER 2021

Atlas Estates Limited  
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# ATLAS ESTATES LIMITED

## Contents

### Page

3	Financial Highlights
4	Chairman's Statement
6	Review of the Property Manager
14	Key Property Portfolio Information
15	Interim Condensed Consolidated Financial Information
22	Selected Notes to the Interim Condensed Consolidated Financial Information
40	Interim Condensed Non-consolidated Financial Information

# ATLAS ESTATES LIMITED

## Financial Highlights

Selected Consolidated Financial Items	Nine months ended	Three months ended	Nine months ended	Three months ended
	30 September 2021	30 September 2021	30 September 2020	30 September 2020
	(unaudited) €'000	(unaudited) €'000	(unaudited) €'000	(unaudited) €'000
Revenues	10,407	4,460	12,361	3,471
Gross profit	4,217	2,100	5,203	1,510
(Decrease)/ Increase in value of investment properties	(2,913)	-	1,371	-
Profit from operations	7,519	810	1,813	271
Profit/ (Loss) before taxation	8,360	1,949	(2,992)	(894)
Profit/ (Loss) for the period	8,477	1,981	(3,097)	(543)
Net cash from operating activities	3,398	1,410	3,077	1,143
Net cash used in investing activities	(6,286)	806	(223)	2,293
Net cash used in financing activities	(3,043)	(1,276)	(4,091)	(1,325)
Net decrease in cash and cash equivalents in the period	(6,657)	927	(3,867)	1,494
Non-current assets	175,585	175,585	185,671	185,671
Current assets	58,683	58,683	62,230	62,230
Total assets	234,268	234,268	247,901	247,901
Current liabilities	(32,828)	(32,828)	(34,825)	(34,825)
Non-current liabilities	(74,542)	(74,542)	(87,668)	(87,668)
Total liabilities	(107,370)	(107,370)	(122,493)	(122,493)
Basic net assets (1)	126,898	126,898	125,408	125,408
Number of shares outstanding	46,852,014	46,852,014	46,852,014	46,852,014
Basic and diluted earnings/(loss) per share (eurocents)	18.1	4.2	(6.6)	(1.2)
Basic net asset value per share (€)	2.7	2.7	2.7	2.7

(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 financial results for Atlas Estates Limited ("Atlas" or "the Company") and its subsidiary undertakings (together "the Group") for the nine and three months ended 30 September 2021.

The International Monetary Fund estimated that the global economy shrunk by 4.4% in 2020. COVID-19 pandemic has spread with alarming speed and bringing economic activity to a near-standstill as countries imposed tight restrictions on movement to halt the spread of the virus. As the effects of COVID-19 are felt around the world, real estate companies were also impacted in different ways, largely dependent on region and asset class. This involved also *Hilton* and *Golden Tulip* hotels owned by the Group. The financial consequences were summarized on page 12.

Below are our main developments:

- On 31 August 2021 the Group concluded the sale agreement of its investment in D.N.B Victoria Tower, as well as intra group loan at the net sale price of €7.3 million. On 1 September 2021 the Group received €0.6 million advance in respect of this transaction, which is to be completed in April 2022;
- On 25 June 2021 the Company's subsidiary HGC Gretna Investments Sp. z o.o. Sp. J. ("HGC"), which operate *Hilton* hotel in Warsaw concluded a loan agreement with Polski Fundusz Rozwoju S.A. ("PFR"), a Polish joint-stock company owned by Polish State of Treasury, which offers financial instruments for entities on preferential terms. The loan amounted to PLN 6.9 million (€1.5 million). In accordance with PFR's decision concluded in September 2021 the loan was partially waived. The repayable loan amount was decreased by PLN 5.1 million (€1.1 million). As a result of this decision the Group recognized a finance income of €1.1 million in the third quarter 2021.

## Reported Results

As of 30 September 2021 the Group has reported basic net assets of €126.9 million.

The increase of basic net asset value by €7.3 million (i.e. 6%) from €119.5 million as at 31 December 2020 is primarily a result of:

- profit after tax amounting to €8.5 million for the nine months period ended 30 September 2021; offset by:
  - 0.4% depreciation of PLN against EUR in the first half of 2021;
- Majority of the Group assets are located in Poland and reporting in PLN functional currency. While preparing consolidated accounts of the Group, their balances were translated into EUR reporting currency, which resulted in €0.5 million loss reported in translation reserve;
- €0.6 million downward revaluation of *Hilton* as of 30 September 2021 (net of tax).

Profit after tax amounts to €8.5 million for the nine months period ended 30 September 2021 as compared to loss after tax of €3.1 million for the nine months period ended 30 September 2020. This change was mainly attributable to:

- the settlement agreement reached between Atlas and Atlas Management Group in April 2021 based on which previously recorded performance fee amounting to €10.0 million, which remained unpaid, was waived and credited to the income statement in the second quarter 2021 (further explained on page 11);
- the above described finance income resulting from the partial loan decrease (€1.1 million).

These gains were partially offset with €1.0 million gross profit reduction resulting from the restriction of trade due to nationally imposed social distancing measures on hotels operations in the first nine months of 2021 as compared to the same period of 2020 due to outbreak of COVID-19 (further explained on page 12).

## Financing, Liquidity and Forecasts

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.

In determining the going concern basis of the Group the Board have considered worst case scenarios that can be anticipated and in all scenarios forecasts show that the Group shall have sufficient cash and cash equivalents to meet expected liabilities as they fall due for a period of not less than 12 months from the date of approval of these interim financial statements. Accordingly, the Directors continue to adopt the going concern basis in preparing the condensed consolidated financial information for the nine months ended 30 September 2021, as set out in accounting policies to the condensed consolidated financial information.

# ATLAS ESTATES LIMITED

## Investing Policy

Atlas invests mainly in Poland in a portfolio of real estate assets across a range of property types, where approximately 93% of its assets are located. We actively target Poland, where we believe we have the best capabilities and footprint. Atlas also operates in the Romanian and Bulgarian real estate markets.

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 nine months to 30 September 2021, NAV per share increased from £2.6 per share to £2.7 per share. The interim condensed consolidated financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The increase is mainly attributable to the above-described increase in net assets.

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 assets held for sale, 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.

The latest valuations were performed as of 30 June 2021 and comprised key assets located in Poland (Hilton Hotel, Atlas Tower- office building and Galeria Platinum Towers- retail property) and Romania (Golden Tulip hotel). The latest valuation of entire portfolio was performed as of 31 December 2020. Jones Lang LaSalle - external independent qualified expert was responsible for the valuation.

It should be underlined that the valuation of Atlas property portfolio as of 31 December 2020 and 30 June 2021 was reported by Jones Lang LaSalle on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global and subject to the following clause:

"The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a 'Global Pandemic' on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. Our valuations are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuations under frequent review".

The subject Atlas Estates portfolio represents various property sectors (office, retail, hotel) but as of 30 June 2021 the above clause applied to hotel assets only, whereas on 31 December 2020 to the entire portfolio.

## Corporate Governance

Atlas ensures that the Group applies a robust corporate governance structure, which is vital in the current economic conditions. This is important as there is a clear link between high quality corporate governance and shareholder value creation. A statement on Atlas compliance with the corporate governance recommendations and principles contained in Best Practice for WSE listed companies is presented on Atlas corporate website.

## Risks and uncertainties

The Board and the Property Manager continually assess and monitor the key risks of the business. The principal risks and uncertainties that could have a material impact on the Group's performance for the rest of the financial year 2021 are summarised in the Property Manager's Report on pages from 11 to 13 below.

  
Mark Chasey  
CHAIRMAN

24 November 2021

# ATLAS ESTATES LIMITED

## Review of the Property Manager

In this review we present the financial and operating results for the nine months ended 30 September 2021. 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 30 September 2021, the Company held a portfolio of twelve properties comprising six investment properties of which three are income yielding properties, three are held for capital appreciation, two hotels and four development properties. One hotel is subject to sale agreement (see note 16).

## Markets and Key Properties

### Poland

This is the major market of operation for the Group, with 93% (by value) of the Group's portfolio located there. The Polish economy has been one of most resilient economies in Europe. The outbreak of coronavirus in the world and its occurrence in Poland affected the economic growth of this country. International Monetary Fund assessed that GDP decreased in Poland in 2020 by 2.7%, whereas in 2021 it anticipates GDP growth of 4.6%.

### Hilton Hotel, Warsaw

The *Hilton* hotel in the Wola district of Warsaw is the Group's flagship asset. The hotel was continuously performing at a satisfactory level until the outbreak of COVID-19, as disclosed on page 12.

### Atlas Tower (former name: Millennium Plaza), Warsaw

The Atlas Tower is a 39,138 sqm office and retail building centrally located in Warsaw with occupancy rate of 85% as of 30 September 2021 (88% as of 31 December 2020). The decrease of occupancy is a result of a termination of an agreement with a tenant, whose main activity was focused on organizing a conferences. The Group completed a renovation project in 2019 of some of the public spaces, which attracts new tenants and currently focuses on reletting the available space.

### 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. 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 30 June 2021 all apartments and retail units were sold or presold.

### Capital Art Apartments

The *Capital Art Apartments* project in Warsaw is another development in Warsaw close to the city centre. It is a four stage development with 784 apartments as well as parking and amenities, including retail facilities. As of 30 September 2021 all apartments from all stages were either sold or presold, whereas 1 retail unit remains available for sale.

### Romania

The Group's portfolio contains three properties in Romania, including the *Golden Tulip* hotel and two significant land banks – Voluntari and Solaris. The occupancy rates at the Golden Tulip increased from 19% for the nine months ended 30 September 2020 to 35% for the nine months ended 30 September 2021. The Golden Tulip hotel was subject to a sales agreement and the sale is expected to be completed in April 2022, see note 16.

### Bulgaria

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

# ATLAS ESTATES LIMITED

## 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**

An independent valuation of the entire property portfolio is carried out on an annual basis. For the interim semi-annual accounts the valuation of selected assets was performed as described on page 5.

### **Loans and valuations**

As at 30 September 2021, the Company's share of bank debt associated with the portfolio of the Group was €68 million (31 December 2020: €69 million; 30 September 2020: €70 million). Loans, valuations and Loan to Value ratios ("LTV") for those periods in which valuations were undertaken may be analysed as follows:

	LTV			LTV			LTV		
	Loans	Valuation	Ratio*	Loans	Valuation	Ratio*	Loans	Valuation	Ratio*
	30 September 2021			31 December 2020			30 September 2020		
	€	€ millions	%	€	€ millions	%	€	€ millions	%
	millions			millions			millions		
Investment property	22	71	31%	23	72	32%	23	74	31%
Hotels	46	84	55%	46	84	55%	47	91	52%
<b>Total</b>	<b>68</b>	<b>155</b>	<b>44%</b>	<b>69</b>	<b>156</b>	<b>44%</b>	<b>70</b>	<b>165</b>	<b>42%</b>

\*LTV Ratio- Loan to Value Ratio

LTV ratio of investment property slightly decreased to 31% as of 30 September 2021 as compared to 31 December 2020 due to the slight decrease in valuation of *Atlas Tower* offset by partial loan repayments.

LTV ratio of hotels as of 30 September 2021 remained stable as compared to 31 December 2020.

### **Debt financing**

Key developments were described in note 18.

# ATLAS ESTATES LIMITED

## 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	Nine months ended 30 September 2021 € millions	Nine months ended 30 September 2020 € millions
Revenue	5.8	-	4.6	-	10.4	12.4
Cost of operations	(2.0)	-	(4.2)	-	(6.2)	(7.2)
<b>Gross profit</b>	<b>3.8</b>	<b>-</b>	<b>0.4</b>	<b>-</b>	<b>4.2</b>	<b>5.2</b>
Administrative expenses	(0.3)	-	(1.8)	(2.8)	(4.9)	(5.2)
<b>Gross profit less administrative expenses</b>	<b>3.5</b>	<b>-</b>	<b>(1.4)</b>	<b>(2.8)</b>	<b>(0.7)</b>	<b>-</b>
Gross profit %	66%	-	9%	-	40%	42%
Gross profit less administrative expenses %	60%	-	(30%)	-	(7%)	0%

### Revenues and cost of operations

Total Group revenues decreased significantly to €10.4 million for the nine months ended 30 September 2021 compared to €12.4 million for the same period in 2020 due to the hotel operations being significantly impacted by the COVID-19 pandemic (see page 12). 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.

Cost of operations were €7.2 million in the nine months ended 30 September 2020 compared to €6.2 million for the nine months ended 30 September 2021.

### Development Properties

	Nine months ended 30 September 2021 € millions	Nine months ended 30 September 2020 € millions	Total change 2021 v 2020 € millions	Translation foreign exchange gain/ (loss) € millions	Operational change 2021 v 2020 € millions
Revenue	-	0.6	(0.6)	-	(0.6)
Cost of operations	-	(0.5)	0.5	-	0.5
Gross profit	-	0.1	(0.1)	-	(0.1)
Administrative expenses	-	-	-	-	-
Gross profit/ (loss) less administrative expenses	-	0.1	(0.1)	-	(0.1)

Sale of residential units (i.e. apartments, retail units, parking places, storages) developed by the Group are recognised when the performance obligations have been fulfilled in line with the Group's accounting policies. The performance obligations are considered fulfilled when the customer takes control of the property units documented by the signing of the relevant notarial deed. 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.

As a result, as presented in the table below, in the nine months ended 30 September 2020 the Group managed to complete the sale of 2 apartment (in *Apartamenty przy Krasińskiego stage II*) and 2 small size retail units (in *Capital Art Apartments*), whereas in 2021 no sales were completed.



## ATLAS ESTATES LIMITED

### Apartment sales in developments in Warsaw

	CAA stage I	CAA stage II	CAA stage III&IV	Apartamenty przy Krasieńskiego I	Apartamenty przy Krasieńskiego II
Total apartments for sale	219	300	265	303	123
Sales completions in 2008-2019	218	300	265	303	121
Sales completions in 2020	-	-	-	-	2
Total sales completions	218	300	265	303	123
Sales not completed as of 30 September 2021 (only preliminary agreements concluded)	1	-	-	-	-
Apartments available for sale as of 30 September 2021	-	-	-	-	-

### Property Rental

	Nine months ended 30 September 2021 € millions	Nine months ended 30 September 2020 € millions	Total change 2021 v 2020 € millions	Translation foreign exchange gain/ (loss) € millions	Operational change 2021 v 2020 € millions
Revenue	5.8	6.1	(0.3)	(0.2)	(0.1)
Cost of operations	(2.0)	(2.0)	-	-	-
Gross profit	3.8	4.1	(0.3)	(0.2)	(0.1)
Administrative expenses	(0.3)	(0.4)	0.1	-	-
Gross profit less administrative expenses	3.5	3.7	(0.2)	(0.2)	0.0

In the first nine months of 2021 the gross margin realized by the Property Rental decreased as compared to the first nine months of 2020 due to outbreak of COVID-19 (as disclosed on page 12), which resulted in rent reliefs for some tenants in 2021.

### Hotel operations

	Nine months ended 30 September 2021 € millions	Nine months ended 30 September 2020 € millions	Total change 2021 v 2020 € millions	Translation foreign exchange gain/ (loss) € millions	Operational change 2021 v 2020 € millions
Revenue	4.6	5.7	(1.1)	(0.1)	(1.0)
Cost of operations	(4.2)	(4.7)	0.5	0.1	0.4
Gross (loss)/ profit	0.4	1.0	(0.6)	-	(0.6)
Administrative expenses	(1.8)	(1.8)	-	-	-
Gross (loss)/ profit less administrative expenses	(1.4)	(0.8)	(0.6)	-	(0.6)

In the nine months ended 30 September 2020 the hotel operation declined due to outbreak of COVID-19 (as disclosed on page 12), which resulted in sharp decrease of *Hilton* and *Golden Tulip* occupancy since mid-March 2020.

Although in the first nine months of 2021 the hotels occupancy exceeded the rates recorded in the same period of 2020, total hotel revenues were still lower mainly due to lack of revenues from organizing conferences and other events.

### Valuation movement

As of 30 September 2021 the decrease of the market value of the investment properties portfolio was of €2.9 million as compared to an increase of €1.4 million as of 30 September 2020. The movements relate to change in value of *Atlas Tower* and *Galeria Platinum Towers*.

## ATLAS ESTATES LIMITED

### Foreign exchange

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

The movements in value of the functional currencies resulted in foreign exchange gain of €0.3 million in the consolidated income statement for the nine months ended 30 September 2021 (nine months period ended 30 September 2020: €1.3 million loss) and €0.6 million loss in other comprehensive income for the nine months ended 30 September 2021 (nine months ended 30 September 2020: €9.2 million loss). The net gain in the consolidated income statement was mainly due to the unrealised foreign exchange gain on USD cash deposits and offset with unrealised foreign exchange losses on EUR denominated liabilities (bank loans, intra group financing) in Polish and Romanian subsidiaries. The incurred foreign exchange losses decreased as a result of the decrease in depreciation of PLN against EUR from 6% in the nine months ended 30 September 2020 to only 0.4% in the nine months ended 30 September 2021.

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
<b>Closing rates</b>				
30 September 2021	4.6329	360.52	4.9471	1.9558
31 December 2020	4.6148	365.13	4.8694	1.9558
% Change	0.4%	-1%	2%	0%
30 September 2020	4.5268	364.65	4.8698	1.9558
31 December 2019	4.2585	330.52	4.7793	1.9558
% Change	6%	10%	2%	0%
<b>Average rates</b>				
Third quarter 2021	4.5495	356.54	4.9465	1.9558
Third quarter 2020	4.4240	348.03	4.8586	1.9558
% Change	3%	2%	2%	0%

### Net Asset Value

The Group's property assets are categorised into four 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 – revaluation movements are taken directly to reserves, net of deferred tax; and
- Property developments, including the land to be used to build property for sale – 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.
- Land held for possible future development of as yet undetermined use – classed as investment properties with valuation movements being recognised in the Income Statement.

The Property Manager's management and performance fees are based on the adjusted NAV. For the nine months to 30 September 2021 the combined fee payable to AMC by the Group was €1.8 million (€2.1 million in the first nine months to 30 September 2020 (more details are presented in note 21a).

In 2020 the Board of Directors of the Company (the Board) conducted a review of the Property Management Agreement (“PMA”) and in particular the means by which performance fee is calculated. Of primary concern to the Board were the following issues:

- the drafting of the clauses and definitions in the PMA with regards to the calculation of performance fee are not concise and ambiguity can lead to multiple interpretations and thus differing calculations;
- the lack of a properly constructed high-water mark mechanism has led to performance fees being paid multiple times on NAV gains in the same bracket, i.e. performance fees have been paid or accrued on certain gains in NAV, but due to

## ATLAS ESTATES LIMITED

subsequent reductions in NAV in a following period, upon the NAV increasing again in the next period, performance fees have been paid or accrued again on the same NAV increase for which performance fees have been paid previously;  
- performance fee calculations appear to be disproportionate to the intention of the PMA which is to set a 12% hurdle rate. Having concluded its review, and taken external legal advice on the interpretation of the PMA, the Board was of the view that it does not agree with the interpretation which has been taken previously in respect of performance fee calculations and it disputed the amounts which have been paid or accrued.

### *Performance fees prior to 2019*

Past Performance Fees which have accrued, but which are yet to be paid amount to €10.8 million. The amount due to AMC was subject to change that was contingent on the resolution of the dispute. As of 31 December 2020 no asset has been recognised in respect of any reduction of the said balance. On 21 April 2021 AEL and AMC have agreed to decrease this balance by €10.0 million. This amount was credited to the income statement in Q2 2021.

### *Performance fee in respect of 2019 and 2020*

On 8 April 2020 AEL and AMC have agreed that no performance fee will be due for 2019. On the basis of the above, the Board was in a position to approve the financial statements of the Company and the consolidated financial statements of the Group for the year ending December 2019, without accruing for a performance fee for 2019 and at the same time the Board agreed with AMC that for the purpose of the calculation of the performance fee for the year 2020 the opening NAV per share at the beginning of the period is NAV per share as of 31 December 2018. Since NAV per share as of 31 December 2020 decreased as compared to 31 December 2018 AMC was not entitled to any performance fee in respect of 2020 and 2019.

### *Performance fee in respect of 2021*

The Board has not yet agreed a mechanism for 2021 onwards.

### **Ongoing activities**

During the first nine months of 2021, the Company continued to identify ways by which it can generate added value through the active management of its yielding asset portfolio.

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 as well as enhance occupancy of income yielding assets.

### **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.

### *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 Bulgaria 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 Bulgarian 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.

# ATLAS ESTATES LIMITED

## *Impact of COVID-19 coronavirus on the Group's operations*

As of today, there has been an impact on the business of:

a. Hotel sector

*Hilton hotel:*

- Following Polish government decision, the hotel was closed in the period from April 2 until May 3, 2020;
- On May 4, 2020 the hotel's management concluded that closure of the hotel should be extended until the end of May 2020 (insufficient expected occupancy of the hotel would not cover additional costs associated with hotel reopening);
- the Board together with Hilton's management have taken significant actions to decrease the operating expenses of the hotel, nevertheless some costs were unavoidable and continued to be incurred while the hotel was closed;
- Following Polish government decision hotels were available to guests on business trips and remain closed for tourists starting from November 7, 2020 until December 28, 2020. Since December 28, 2020 hotels were available mainly for medical staff, plane crew members or diplomats;
- In the period from May 8, 2021 until June 24, 2021 hotel could operate with limit of up to 50% capacity;
- Since June 25, 2021 hotel could operate with limit of up to 75% capacity;
- In 2020 the hotel occupancy was 73% lower as compared to 2019;
- In the first nine months of 2021 the hotel occupancy slightly exceeded the rate recorded in the same period of 2020.

*Golden Tulip hotel:*

- was also temporarily closed in April and May 2020;
- In 2020 the hotel occupancy was 76% lower as compared to 2019;
- In the first nine months of 2021 the hotel occupancy significantly exceeded the rate recorded in the same period of 2020.

The revenues from the hotel activity amounted to €6.6 million in 2020 as compared to €20.0 million in 2019.

The revenues from the hotel activity amounted to €4.6 million in in the first nine months of 2021 as compared to €5.7 million in the same period of 2020.

As of 31 December 2020, the valuation of Hilton and Golden Tulip hotels, as assessed by external experts Jones Lang LaSalle, has dropped by 18% and 15% respectively as compared to the previous year-end valuation as of 31 December 2019. As of 30 June 2021, the valuation of Hilton and Golden Tulip hotels remained at the similar level as compared to the previous year-end valuation as of 31 December 2020.

The timing when the hospitality sector will achieve historical results is unknown as it depends on several factors e.g., on timing of relaxing the international flights restrictions or restrictions on public gatherings.

In 2020 the Group's subsidiaries HGC Gretna Investments Sp. z o.o. Sp. j. and D.N.B. - Victoria Towers SRL running hotel activity benefited from government cash grants amounting to €193 thousand in connection with payroll related expenditures. In the first nine months of 2021 the Group's subsidiaries HGC Gretna Investments Sp. z o.o. Sp. j. and D.N.B. - Victoria Towers SRL running hotel activity benefited from government cash grants amounting to €491 thousand in connection with payroll related expenditures. There are no unfulfilled conditions or other contingencies attached to government assistance that has been recognised.

On 25 June 2021 the Company's subsidiary HGC Gretna Investments Sp. z o.o. Sp. J. ("HGC"), which operate Hilton hotel in Warsaw concluded a new loan agreement with Polski Fundusz Rozwoju S.A. ("PFR"), a Polish joint-stock company owned by Polish State of Treasury, which offers financial instruments for entities on preferential terms. The amount of the loan extended to HGC was PLN 6.9 million (€1.5 million). The facility can be used for financing Hilton expenses and must be repaid by 30 September 2024. In accordance with PFR's decision concluded in September 2021 the loan was partially waived. The repayable loan amount was decreased by PLN 5.1 million (€1.1 million).

b. Rental income from tenants:

- Following Polish government decision to close the restaurants, fitness clubs, etc. several of the Group's tenants suffered financially from these restrictions. As a result, in 2020 the Group offered extended payment terms or certain rent reliefs to these tenants in return for lease term extensions. In the period from 24 October 2020 till 15 May 2021 customers eating on-site at restaurants was forbidden. It was only possible to provide services for take-away and delivery. No restrictions were imposed to the office rental activity. At the end of 2020, the Group terminated the lease contract (of 3,026sqm) with tenant involved in organization of conferences.

## ATLAS ESTATES LIMITED

The Group was also in contact with the banks financing its projects:

- *Hilton*

The Group obtained a covenant waiver from the bank and as of 31 December 2020 and 30 June 2021 and 30 September 2021, there were no breaches of the bank covenants in respect of this facility;

- *Golden Tulip*

In 2020, The Group signed several annexes with the bank based on which loan repayments scheduled in 2020 were suspended till 31 December 2021. Additionally, the loan maturity date was extended from June 2026 until September 2026;

- *Galeria Platinum Towers*

The Group obtained a covenant waiver from the bank and as of 31 December 2020 and 30 June 2021, there were no breaches of the bank covenants in respect of this facility.

On 23 June 2021 the Group signed an amendment to the existing loan agreement based on which the final repayment date of the facility was extended from 30 June 2021 to 30 December 2022 and binding covenants were amended. As a result as of 30 September 2021 there are no breaches of the bank covenants in respect of this facility.

### *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 are 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 are 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. AMC currently focuses its efforts on monitoring the risks posed by the COVID-19 coronavirus and developing new investment opportunity connected with new residential project in Warsaw that that will consist of several stages which will release around 560 apartments as well as parking and retail facilities.

**Ziv Zviel**  
**Chief Executive Officer**  
Atlas Management Company Limited  
24 November 2021



## ATLAS ESTATES LIMITED

### Key Property Portfolio Information

Location/Property	Description	Company's ownership
<b>Poland</b>		
Hilton Hotel	First <i>Hilton</i> 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 the Wola area of Warsaw.	100%
Galeria Platinum Towers	Commercial area on the ground and first floors of Platinum Towers with 1,904 square meters of gallery and 208 parking places almost fully let to tenants.	100%
Atlas Tower	39,138 square meters of office and retail space in the central business district of Warsaw.	100%
<b>Romania</b>		
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. As of 30 September 2021 this property is classified as non-current assets held for sale as disclosed in note 16.	100%
<b>Bulgaria</b>		
The Atlas House	Office building in Sofia's city centre with 3,472 square meters of lettable area.	100%

# ATLAS ESTATES LIMITED

## INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION CONSOLIDATED INCOME STATEMENT

For the nine and three months ended 30 September 2021

	Nine months ended 30 September 2021 (unaudited) €'000	Three months ended 30 September 2021 (unaudited) €'000	Nine months ended 30 September 2020 (unaudited) €'000	Three months ended 30 September 2020 (unaudited) €'000	Note
Revenues	10,407	4,460	12,361	3,471	3
Cost of operations	(6,190)	(2,360)	(7,158)	(1,961)	4.1
<b>Gross profit</b>	<b>4,217</b>	<b>2,100</b>	<b>5,203</b>	<b>1,510</b>	
Administrative expenses	(4,940)	(1,758)	(5,203)	(1,655)	4.2
Other operating income	11,204	452	480	420	5
Other operating expense	(49)	16	(38)	(4)	
(Decrease)/ Increase in value of investment properties	(2,913)	-	1,371	-	6
<b>Profit from operations</b>	<b>7,519</b>	<b>810</b>	<b>1,813</b>	<b>271</b>	
Finance income	3,101	1,893	122	35	7
Finance costs	(2,618)	(979)	(3,602)	(789)	7
Other gains/ (losses) – foreign exchange	369	248	(1,267)	(396)	7
Share of losses from equity accounted joint ventures	(11)	(23)	(58)	(15)	
<b>Profit/ (Loss) before taxation</b>	<b>8,360</b>	<b>1,949</b>	<b>(2,992)</b>	<b>(894)</b>	
Tax charge	117	32	(105)	351	8
<b>Profit/ (Loss) for the period</b>	<b>8,477</b>	<b>1,981</b>	<b>(3,097)</b>	<b>(543)</b>	
<b>Attributable to:</b>					
Owners of the parent	8,477	1,981	(3,097)	(543)	
Non-controlling interests	-	-	-	-	
	<b>8,477</b>	<b>1,981</b>	<b>(3,097)</b>	<b>(543)</b>	
Profit/ (Loss) per €0.01 ordinary share – basic (eurocents)	18.1	4.2	(6.6)	(1.2)	10
Profit/ (Loss) per €0.01 ordinary share – diluted (eurocents)	18.1	4.2	(6.6)	(1.2)	10

All amounts relate to continuing operations.

The notes on pages 22 to 45 form part of this condensed consolidated financial information.

# ATLAS ESTATES LIMITED

## INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the nine and three months ended 30 September 2021

	Nine months ended 30 September 2021 (unaudited) €'000	Three months ended 30 September 2021 (unaudited) €'000	Nine months ended 30 September 2020 (unaudited) €'000	Three months ended 30 September 2020 (unaudited) €'000
<b>PROFIT/ (LOSS) FOR THE PERIOD</b>	<b>8,477</b>	<b>1,981</b>	<b>(3,097)</b>	<b>(543)</b>
<b>Other comprehensive (loss)/ income :</b>				
<i>Items that will not be recycled through profit or loss</i>				
Revaluation of buildings	(674)	16	(6,243)	84
Deferred tax on revaluation	128	(3)	1,187	(15)
<b>Total</b>	<b>(546)</b>	<b>13</b>	<b>(5,056)</b>	<b>69</b>
<i>Items that may be recycled through profit or loss</i>				
Exchange adjustments	(600)	(3,417)	(9,179)	(2,051)
Deferred tax on exchange adjustments	24	149	197	80
<b>Total</b>	<b>(576)</b>	<b>(3,268)</b>	<b>(8,982)</b>	<b>(1,971)</b>
<b>Other comprehensive (loss)/ income for the period (net of tax)</b>	<b>(1,122)</b>	<b>(3,255)</b>	<b>(14,038)</b>	<b>(1,902)</b>
<b>TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD</b>	<b>7,355</b>	<b>(1,274)</b>	<b>(17,135)</b>	<b>(2,445)</b>
<b>Total comprehensive income/ (loss) attributable to:</b>				
Owners of the parent	7,355	(1,274)	(17,135)	(2,445)
	<b>7,355</b>	<b>(1,274)</b>	<b>(17,135)</b>	<b>(2,445)</b>

The notes on pages 22 to 45 form part of this condensed consolidated financial information.



# ATLAS ESTATES LIMITED

## INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 30 September 2021

	30 September 2021 (unaudited) €'000	30 June 2021 (unaudited) €'000	31 December 2020 (audited) €'000	30 September 2020 (unaudited) €'000	Note
<b>ASSETS</b>					
<b>Non-current assets</b>					
Intangible assets	8	11	14	12	
Total investment in equity accounted joint ventures	246	251	-	-	
Property, plant and equipment	84,105	91,799	91,773	90,713	11
Investment property	82,465	83,998	85,239	86,656	12
Deferred tax asset	8,761	8,367	8,232	8,290	
	<b>175,585</b>	<b>184,426</b>	<b>185,258</b>	<b>185,671</b>	
<b>Current assets</b>					
Inventories	2,047	2,124	2,086	2,124	13
Trade and other receivables	1,927	2,343	2,123	3,110	
Financial assets at fair value through profit or loss	6,690	6,638	-	-	14
Cash and cash equivalents	42,720	41,941	49,525	50,859	15
	53,384	53,046	53,734	56,093	
Assets held within disposal groups classified as held for sale	5,299	-	-	6,137	16
	<b>58,683</b>	<b>53,046</b>	<b>53,734</b>	<b>62,230</b>	
<b>TOTAL ASSETS</b>	<b>234,268</b>	<b>237,472</b>	<b>238,992</b>	<b>247,901</b>	
<b>Non-current liabilities</b>					
Other payables	(17,614)	(17,707)	(17,750)	(11,844)	17
Bank loans	(44,566)	(66,603)	(63,498)	(62,720)	18
Deferred tax liabilities	(12,362)	(12,791)	(12,681)	(13,104)	
	<b>(74,542)</b>	<b>(97,101)</b>	<b>(93,929)</b>	<b>(87,668)</b>	
<b>Current liabilities</b>					
Trade and other payables	(7,753)	(6,961)	(17,069)	(23,329)	17
Bank loans	(20,974)	(3,487)	(5,817)	(5,718)	18
Derivative financial instruments	(1,325)	(1,751)	(2,634)	(2,906)	19
	(30,052)	(12,199)	(25,520)	(31,953)	
Liabilities held within disposal groups classified as held for sale	(2,776)	-	-	(2,872)	16
	<b>(32,828)</b>	<b>(12,199)</b>	<b>(25,520)</b>	<b>(34,825)</b>	
<b>TOTAL LIABILITIES</b>	<b>(107,370)</b>	<b>(109,300)</b>	<b>(119,449)</b>	<b>(122,493)</b>	
<b>NET ASSETS</b>	<b>126,898</b>	<b>128,172</b>	<b>119,543</b>	<b>125,408</b>	

The notes on pages 22 to 45 form part of this consolidated financial information.

# ATLAS ESTATES LIMITED

## INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 30 September 2021

	30 September 2021 (unaudited) €'000	30 June 2021 (unaudited) €'000	31 December 2020 (audited) €'000	30 September 2020 (unaudited) €'000
<b>EQUITY</b>				
Share capital account	6,268	6,268	6,268	6,268
Revaluation reserve	33,029	33,016	33,575	34,964
Other distributable reserve	194,817	194,817	194,817	194,817
Translation reserve	(20,124)	(16,856)	(19,548)	(16,950)
Accumulated loss	(87,092)	(89,073)	(95,569)	(93,691)
<b>Issued capital and reserves attributable to owners of the parent - total equity</b>	<b>126,898</b>	<b>128,172</b>	<b>119,543</b>	<b>125,408</b>
Basic net asset value per share	€ 2.7	€ 2.7	€ 2.6	€ 2.7

The notes on pages 22 to 45 form part of this consolidated financial information. The condensed consolidated financial information on pages 15 to 45 was approved by the Board of Directors on 24 November 2021 and signed on its behalf by:



Mark Chasey  
Chairman

24 November 2021



Andrew Fox  
Director



Guy Indig  
Director

# ATLAS ESTATES LIMITED

## INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the nine months ended 30 September 2021

	Share capital account €'000	Revaluation reserve €'000	Other distributable reserve €'000	Translation reserve €'000	Accumulated loss €'000	Total equity €'000
<b>Nine months ended 30 September 2021</b>						
As at 1 January 2021	6,268	33,575	194,817	(19,548)	(95,569)	119,543
Profit for the period	-	-	-	-	8,477	8,477
Other comprehensive loss for the period	-	(546)	-	(576)	-	(1,122)
<b>As at 30 September 2021</b>	<b>6,268</b>	<b>33,029</b>	<b>194,817</b>	<b>(20,124)</b>	<b>(87,092)</b>	<b>126,898</b>
<b>Three months ended 30 September 2021</b>						
As at 30 June 2021	6,268	33,016	194,817	(16,856)	(89,073)	128,172
Profit for the period	-	-	-	-	1,981	1,981
Other comprehensive loss for the period	-	13	-	(3,268)	-	(3,255)
<b>As at 30 September 2021</b>	<b>6,268</b>	<b>33,029</b>	<b>194,817</b>	<b>(20,124)</b>	<b>(87,092)</b>	<b>126,898</b>
<b>Year ended 31 December 2020 (audited)</b>						
As at 1 January 2020	6,268	40,020	194,817	(7,968)	(90,594)	142,543
Loss for the period	-	-	-	-	(4,975)	(4,975)
Other comprehensive loss for the period	-	(6,445)	-	(11,580)	-	(18,025)
<b>As at 31 December 2020</b>	<b>6,268</b>	<b>33,575</b>	<b>194,817</b>	<b>(19,548)</b>	<b>(95,569)</b>	<b>119,543</b>
<b>Nine months ended 30 September 2020</b>						
As at 1 January 2020	6,268	40,020	194,817	(7,968)	(90,594)	142,543
Loss for the period	-	-	-	-	(3,097)	(3,097)
Other comprehensive loss for the period	-	(5,056)	-	(8,982)	-	(14,038)
<b>As at 30 September 2020</b>	<b>6,268</b>	<b>34,964</b>	<b>194,817</b>	<b>(16,950)</b>	<b>(93,691)</b>	<b>125,408</b>

The notes on pages 22 to 45 form part of this condensed consolidated financial information.

# ATLAS ESTATES LIMITED

## INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION CONSOLIDATED STATEMENT OF CASH FLOWS For the nine and three months ended 30 September 2021

	Notes	Nine months ended 30 September 2021 (unaudited) €'000	Three months ended 30 September 2021 (unaudited) €'000	Nine months ended 30 September 2020 (unaudited) €'000	Three months ended 30 September 2020 (unaudited) €'000
<b>Profit/ (Loss) for the period</b>		<b>8,477</b>	<b>1,981</b>	<b>(3,097)</b>	<b>(543)</b>
<b>Adjustments for:</b>					
Effects of foreign currency		790	1,561	2,463	695
Finance costs		2,419	916	3,496	742
Finance income		(3,090)	(1,889)	(83)	(32)
Tax charge	8	(117)	(32)	105	(351)
Share of losses from equity accounted joint ventures		11	23	58	15
Depreciation of property, plant and equipment	11	1,713	539	1,704	565
Amortisation charges		4	2	4	2
(Decrease)/ Increase in value of investment properties	6	2,913	-	(1,593)	-
Reversal of impairment on property, plant and equipment	5	(134)	-	-	-
Write off of trade and other payables	5	(10,000)	-	-	-
Profit on partial disposal of investment property	5	(133)	(133)	-	-
		<b>2,853</b>	<b>2,968</b>	<b>3,057</b>	<b>1,093</b>
<b>Changes in working capital</b>					
Decrease in inventory		14	52	577	134
Increase in trade and other receivables		79	158	(422)	68
Increase in trade and other payables		553	382	485	(127)
Effects of foreign currency on working capital translation		(139)	(2,113)	(855)	(368)
		<b>507</b>	<b>(1,521)</b>	<b>(215)</b>	<b>(293)</b>
<b>Cash inflow from operations</b>		<b>3,360</b>	<b>1,447</b>	<b>2,842</b>	<b>800</b>
Tax refund/ (paid)		38	(37)	235	343
<b>Cash inflow from operations</b>		<b>3,398</b>	<b>1,410</b>	<b>3,077</b>	<b>1,143</b>
<b>Investing activities</b>					
Interest received		-	-	48	5
Deposits paid to secure future property acquisitions		-	221	-	2,357
Deposit received in relation with sale of assets held for sale		600	600	300	-
Development of investment property	12	(651)	(421)	(470)	(67)
Purchase of property, plant and equipment	11	(21)	(2)	(101)	(2)
Funds invested in equity accounted joint ventures		(246)	5	-	-
Purchases of financial assets at fair value through profit or loss		(7,220)	(665)	-	-
Sales of financial assets at fair value through profit or loss		999	815	-	-
Sales of investment property		253	253	-	-
<b>Net cash used in investing activities</b>		<b>(6,286)</b>	<b>806</b>	<b>(223)</b>	<b>2,293</b>

# ATLAS ESTATES LIMITED

## INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine and three months ended 30 September 2021

	Notes	Nine months ended 30 September 2021 (unaudited) €'000	Three months ended 30 September 2021 (unaudited) €'000	Nine months ended 30 September 2020 (unaudited) €'000	Three months ended 30 September 2020 (unaudited) €'000
<b>Financing activities</b>					
Interest paid	20a	(1,839)	(612)	(2,023)	(652)
Repayments of lease liabilities	20a	(703)	18	(76)	-
Repayments of loans and borrowings	20a	(1,997)	(645)	(1,992)	(673)
Proceeds from loans and borrowings	20a	1,496	(37)	-	-
<b>Net cash used in financing activities</b>		<b>(3,043)</b>	<b>(1,276)</b>	<b>(4,091)</b>	<b>(1,325)</b>
<b>Net decrease in cash and cash equivalents in the period</b>		<b>(5,931)</b>	<b>940</b>	<b>(1,237)</b>	<b>2,111</b>
<b>Effect of foreign exchange rates</b>		<b>(726)</b>	<b>(13)</b>	<b>(2,630)</b>	<b>(617)</b>
<b>Net decrease in cash and cash equivalents in the period</b>		<b>(6,657)</b>	<b>927</b>	<b>(3,867)</b>	<b>1,494</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>49,525</b>	<b>41,941</b>	<b>54,865</b>	<b>49,504</b>
<b>Cash and cash equivalent at the end of the period</b>	15	<b>42,868</b>	<b>42,868</b>	<b>50,998</b>	<b>50,998</b>

The notes on pages 22 to 45 form part of this condensed consolidated financial information.

# ATLAS ESTATES LIMITED

## INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 1. Basis of preparation

This interim condensed consolidated and non-consolidated financial statements for the three and nine months ended 30 September 2021 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 at fair value through profit or loss. The consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated cash flow statement, non-consolidated statement of comprehensive income, non-consolidated statement of financial position, non-consolidated statement of changes in equity, non-consolidated cash flow statement 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 2020. The nine months financial results are not necessarily indicative of the full year results.

The Directors consider that the outlook presents ongoing challenges in terms of the markets in which the Group operates, the impact of COVID-19 coronavirus (page 12), the effect of fluctuating exchange rates in the functional currencies of the Group and the availability of bank financing for the Group.

As at 30 September 2021 the Group held land and building assets with a market value of €155 million, compared to external debt of €68 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 nine months ended 30 September 2021, the directors have taken into account the fact of the ongoing working capital management and noted that the Group is in a net current assets position of €25.8m.

Although the Directors are aware that the management of the liquidity position of the Group is a high priority considering the impact of COVID-19 coronavirus, the Company underlines that the Group holds significant cash reserves and over the past years proved their abilities 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, and not less than 12 months from the date of approval of these interim financial statements. Accordingly the Directors continue to adopt the going concern basis in preparing the consolidated financial statements for the nine months ended 30 September 2021.

### 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 2020, as described in the annual financial statements for the year ended 31 December 2020, and with those expected to be applied to the financial statements for the year ended 31 December 2021.

# ATLAS ESTATES LIMITED

## INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 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:

Nine months ended 30 September 2021	Property rental	Development properties	Hotel operations	Other	Total
	€'000	€'000	€'000	€'000	€'000
Revenues	5,802	28	4,557	20	10,407
Cost of operations	(2,001)	(54)	(4,131)	(4)	(6,190)
<b>Gross profit/ (loss)</b>	<b>3,801</b>	<b>(26)</b>	<b>426</b>	<b>16</b>	<b>4,217</b>
Administrative expenses	(342)	(17)	(1,853)	(2,728)	(4,940)
<b>Gross profit/ (loss) less administrative expenses</b>	<b>3,459</b>	<b>(43)</b>	<b>(1,427)</b>	<b>(2,712)</b>	<b>(723)</b>
Other operating income	359	194	640	10,011	11,204
Other operating expenses	(1)	(29)	(13)	(6)	(49)
Decrease in value of investment properties	(2,913)	-	-	-	(2,913)
<b>Profit/ (Loss) from operations</b>	<b>904</b>	<b>122</b>	<b>(800)</b>	<b>7,293</b>	<b>7,519</b>
Finance income	157	-	2,288	656	3,101
Finance cost	(790)	(13)	(1,492)	(323)	(2,618)
Finance costs - other gains – foreign exchange	(162)	(4)	(45)	580	369
Share of losses from equity accounted joint ventures	-	(11)	-	-	(11)
<b>Segment result before tax</b>	<b>109</b>	<b>94</b>	<b>(49)</b>	<b>8,206</b>	<b>8,360</b>
Tax credit/ (expense)	90	(93)	132	(12)	117
<b>Profit for the period as reported in the income statement as attributable to non-controlling interests</b>					<b>8,477</b>

Nine months ended 30 September 2021	Property rental	Development properties	Hotel operations	Other	Total
	€'000	€'000	€'000	€'000	€'000
<b>Reportable segment assets</b>	94,606	3,803	100,820	-	199,229
Unallocated assets	-	-	-	35,039	35,039
<b>Total assets</b>	<b>94,606</b>	<b>3,803</b>	<b>100,820</b>	<b>35,039</b>	<b>234,268</b>
<b>Reportable segment liabilities</b>	(33,874)	(549)	(62,181)	-	(96,604)
Unallocated liabilities	-	-	-	(10,766)	(10,766)
<b>Total liabilities</b>	<b>(33,874)</b>	<b>(549)</b>	<b>(62,181)</b>	<b>(10,766)</b>	<b>(107,370)</b>

Nine months ended 30 September 2021	Property rental	Development properties	Hotel operations	Other	Total
	€'000	€'000	€'000	€'000	€'000
<b>Other segment items</b>					
Capital expenditure	651	-	13	8	672
Depreciation	-	-	1,697	16	1,713
Amortisation	-	-	4	-	4
Impairment charges/ (reversals)	-	-	(134)	-	(134)

# ATLAS ESTATES LIMITED

## INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Three months ended 30 September 2021	Property rental €'000	Development properties €'000	Hotel operations €'000	Other €'000	Total €'000
Revenues	1,973	9	2,462	16	4,460
Cost of operations	(677)	(21)	(1,662)	-	(2,360)
<b>Gross profit/ (loss)</b>	<b>1,296</b>	<b>(12)</b>	<b>800</b>	<b>16</b>	<b>2,100</b>
Administrative expenses	(230)	(2)	(624)	(902)	(1,758)
<b>Gross profit/ (loss) less administrative expenses</b>	<b>1,066</b>	<b>(14)</b>	<b>176</b>	<b>(886)</b>	<b>342</b>
Other operating income	181	143	117	11	452
Other operating expenses	-	21	(4)	(1)	16
Increase in value of investment properties	-	-	-	-	-
<b>Profit/ (Loss) from operations</b>	<b>1,247</b>	<b>150</b>	<b>289</b>	<b>(876)</b>	<b>810</b>
Finance income	47	-	1,460	386	1,893
Finance cost	(265)	(2)	(502)	(210)	(979)
Finance costs - other gains – foreign exchange	(508)	97	(38)	697	248
Share of losses from equity accounted joint ventures	-	(23)	-	-	(23)
<b>Segment result before tax</b>	<b>521</b>	<b>222</b>	<b>1,209</b>	<b>(3)</b>	<b>1,949</b>
Tax (expense)/ credit	(10)	(189)	244	(13)	32
<b>Profit for the period as reported in the income statement as attributable to non-controlling interests</b>					<b>1,981</b>

Three months ended 30 September 2021	Property rental €'000	Development properties €'000	Hotel operations €'000	Other €'000	Total €'000
<b>Reportable segment assets</b>	<b>94,606</b>	<b>3,803</b>	<b>100,820</b>	<b>-</b>	<b>199,229</b>
Unallocated assets	-	-	-	35,039	35,039
<b>Total assets</b>	<b>94,606</b>	<b>3,803</b>	<b>100,820</b>	<b>35,039</b>	<b>234,268</b>
<b>Reportable segment liabilities</b>	<b>(33,874)</b>	<b>(549)</b>	<b>(62,181)</b>	<b>-</b>	<b>(96,604)</b>
Unallocated liabilities	-	-	-	(10,766)	(10,766)
<b>Total liabilities</b>	<b>(33,874)</b>	<b>(549)</b>	<b>(62,181)</b>	<b>(10,766)</b>	<b>(107,370)</b>

Three months ended 30 September 2021	Property rental €'000	Development properties €'000	Hotel operations €'000	Other €'000	Total €'000
<b>Other segment items</b>					
Capital expenditure	421	-	1	1	423
Depreciation	-	-	532	7	539
Amortisation	-	-	2	-	2
Impairment charges/ (reversals)	-	-	-	-	-



# ATLAS ESTATES LIMITED

## INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Segment information about these businesses for the nine and three months ended 30 September 2020 is presented below:

Nine months ended 30 September 2020	Property rental	Development properties	Hotel operations	Other	Total
	€'000	€'000	€'000	€'000	€'000
Revenues	6,122	578	5,661	-	12,361
Cost of operations	(2,044)	(456)	(4,658)	-	(7,158)
<b>Gross profit</b>	<b>4,078</b>	<b>122</b>	<b>1,003</b>	<b>-</b>	<b>5,203</b>
Administrative expenses	(360)	(58)	(1,806)	(2,979)	(5,203)
<b>Gross profit/ (loss) less administrative expenses</b>	<b>3,718</b>	<b>64</b>	<b>(803)</b>	<b>(2,979)</b>	<b>-</b>
Other operating income	2	5	468	5	480
Other operating expenses	(8)	(10)	(10)	(10)	(38)
Increase in value of investment properties	1,371	-	-	-	1,371
<b>Profit/ (Loss) from operations</b>	<b>5,083</b>	<b>59</b>	<b>(345)</b>	<b>(2,984)</b>	<b>1,813</b>
Finance income	47	32	27	16	122
Finance cost	(836)	(28)	(2,662)	(76)	(3,602)
Finance costs - other gains – foreign exchange	(1,290)	579	(72)	(484)	(1,267)
Share of losses from equity accounted joint ventures	-	(58)	-	-	(58)
<b>Segment result before tax</b>	<b>3,004</b>	<b>584</b>	<b>(3,052)</b>	<b>(3,528)</b>	<b>(2,992)</b>
Tax (expense)/ credit	(442)	(23)	379	(19)	(105)
<b>Net profit attributable to owners of the parent</b>					<b>(3,097)</b>

Nine months ended 30 September 2020	Property rental	Development properties	Hotel operations	Other	Total
	€'000	€'000	€'000	€'000	€'000
<b>Reportable segment assets</b>	<b>98,818</b>	<b>5,275</b>	<b>108,085</b>	<b>-</b>	<b>212,178</b>
Unallocated assets	-	-	-	35,723	35,723
<b>Total assets</b>	<b>98,818</b>	<b>5,275</b>	<b>108,085</b>	<b>35,723</b>	<b>247,901</b>
<b>Reportable segment liabilities</b>	<b>(35,221)</b>	<b>(681)</b>	<b>(67,510)</b>	<b>-</b>	<b>(103,412)</b>
Unallocated liabilities	-	-	-	(19,081)	(19,081)
<b>Total liabilities</b>	<b>(35,221)</b>	<b>(681)</b>	<b>(67,510)</b>	<b>(19,081)</b>	<b>(122,493)</b>

Nine months ended 30 September 2020	Property rental	Development properties	Hotel operations	Other	Total
	€'000	€'000	€'000	€'000	€'000
<b>Other segment items</b>					
Capital expenditure	470	-	63	38	571
Depreciation	-	-	1,689	15	1,704
Amortisation	-	-	4	-	4

# ATLAS ESTATES LIMITED

## INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Three months ended 30 September 2020	Property rental €'000	Development properties €'000	Hotel operations €'000	Other €'000	Total €'000
Revenues	1,871	132	1,468	-	3,471
Cost of operations	(624)	(104)	(1,233)	-	(1,961)
<b>Gross profit</b>	<b>1,247</b>	<b>28</b>	<b>235</b>	<b>-</b>	<b>1,510</b>
Administrative expenses	(104)	(7)	(575)	(969)	(1,655)
<b>Gross profit/ (loss) less administrative expenses</b>	<b>1,143</b>	<b>21</b>	<b>(340)</b>	<b>(969)</b>	<b>(145)</b>
Other operating income	-	-	419	1	420
Other operating expenses	(1)	(2)	(1)	-	(4)
<b>Profit/ (Loss) from operations</b>	<b>1,142</b>	<b>19</b>	<b>78</b>	<b>(968)</b>	<b>271</b>
Finance income	25	-	2	8	35
Finance cost	(279)	(18)	(465)	(27)	(789)
Finance costs - other gains – foreign exchange	(284)	342	(11)	(443)	(396)
Share of losses from equity accounted joint ventures	-	(15)	-	-	(15)
<b>Segment result before tax</b>	<b>604</b>	<b>328</b>	<b>(396)</b>	<b>(1,430)</b>	<b>(894)</b>
Tax (expense)/ credit	325	(9)	61	(26)	351
<b>Net profit attributable to owners of the parent</b>					<b>(543)</b>

Three months ended 30 September 2020	Property rental €'000	Development properties €'000	Hotel operations €'000	Other €'000	Total €'000
<b>Reportable segment assets</b>	98,818	5,275	108,085	-	212,178
Unallocated assets	-	-	-	35,723	35,723
<b>Total assets</b>	<b>98,818</b>	<b>5,275</b>	<b>108,085</b>	<b>35,723</b>	<b>247,901</b>
<b>Reportable segment liabilities</b>	(35,221)	(681)	(67,510)	-	(103,412)
Unallocated liabilities	-	-	-	(19,081)	(19,081)
<b>Total liabilities</b>	<b>(35,221)</b>	<b>(681)</b>	<b>(67,510)</b>	<b>(19,081)</b>	<b>(122,493)</b>

Three months ended 30 September 2020	Property rental €'000	Development properties €'000	Hotel operations €'000	Other €'000	Total €'000
<b>Other segment items</b>					
Capital expenditure	67	-	-	2	69
Depreciation	-	-	562	3	565
Amortisation	-	-	2	-	2

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.

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

# ATLAS ESTATES LIMITED

## INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### Regional Analysis

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 three principal territories were: Poland, Romania, and Bulgaria.

	Nine months ended 30 September 2021	Year ended 31 December 2020	Nine months ended 30 September 2020
	(unaudited) €'000	(audited) €'000	(unaudited) €'000
Revenue			
Poland	9,719	14,392	11,801
Bulgaria	276	344	251
Romania	412	369	309
<b>Total</b>	<b>10,407</b>	<b>15,105</b>	<b>12,361</b>

### 4. Analysis of expenditure

#### 4.1 Cost of operations

	Nine months ended 30 September 2021	Three months ended 30 September 2021	Nine months ended 30 September 2020	Three months ended 30 September 2020
	(unaudited) €'000	(unaudited) €'000	(unaudited) €'000	(unaudited) €'000
Costs of sale of residential property	-	-	(399)	(90)
Utilities, services rendered and other costs	(3,555)	(1,363)	(3,706)	(1,107)
Legal and professional expenses	(237)	(115)	(250)	(59)
Staff costs	(1,863)	(670)	(2,163)	(522)
Sales and direct advertising costs	(219)	(135)	(257)	(56)
Depreciation and amortisation	(316)	(77)	(383)	(127)
<b>Cost of operations</b>	<b>(6,190)</b>	<b>(2,360)</b>	<b>(7,158)</b>	<b>(1,961)</b>

#### 4.2 Administrative expenses

	Nine months ended 30 September 2021	Three months ended 30 September 2021	Nine months ended 30 September 2020	Three months ended 30 September 2020
	(unaudited) €'000	(unaudited) €'000	(unaudited) €'000	(unaudited) €'000
Audit and tax service	(172)	(27)	(164)	(53)
Incentive and management fee	(1,792)	(597)	(2,133)	(707)
Legal and other professional fees	(503)	(265)	(363)	(124)
Utilities, services rendered and other costs	(329)	(112)	(353)	(109)
Staff costs	(670)	(220)	(689)	(201)
Depreciation and amortisation	(1,401)	(464)	(1,325)	(440)
Other administrative expenses	(73)	(73)	(176)	(21)
<b>Administrative expenses</b>	<b>(4,940)</b>	<b>(1,758)</b>	<b>(5,203)</b>	<b>(1,655)</b>

# ATLAS ESTATES LIMITED

## INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 5. Other operating income

	Nine months ended 30 September 2021 (unaudited) €'000	Three months ended 30 September 2021 (unaudited) €'000	Nine months ended 30 September 2020 (unaudited) €'000	Three months ended 30 September 2020 (unaudited) €'000
Gain on settlement agreement between AEL and AMC	10,000	-	-	-
Reversal of impairment on property, plant and equipment	134	-	-	-
Government grants	491	110	-	-
Profit on disposal of investment	-	-	350	350
Profit on partial disposal of investment property	133	133	-	-
Other	446	209	130	70
<b>Other operating income</b>	<b>11,204</b>	<b>452</b>	<b>480</b>	<b>420</b>

On 21 April 2021 AEL and AMC have agreed to decrease by €10.0 million the outstanding balance resulting from unpaid performance fees for years of 2018 and 2017 (as disclosed at page 11).

In 2021 the Group's subsidiaries HGC Gretna Investments Sp. z o.o. Sp. j. and D.N.B. - Victoria Towers SRL running hotel activity benefited from government cash grants amounting to € 491 thousand in connection with payroll related expenditure. There are none unfulfilled conditions or other contingencies attached to government assistance that has been recognised.

### 6. Investment property valuation gains and losses

	Nine months ended 30 September 2021 (unaudited) €'000	Three months ended 30 September 2021 (unaudited) €'000	Nine months ended 30 September 2020 (unaudited) €'000	Three months ended 30 September 2020 (unaudited) €'000
Fair value (losses)/ gains	(2,913)	-	1,591	-
Rent levelling	-	-	(220)	-
<b>At the end of the year</b>	<b>(2,913)</b>	<b>-</b>	<b>1,371</b>	<b>-</b>

### 7. Finance income and finance costs – net

	Nine months ended 30 September 2021 (unaudited) €'000	Three months ended 30 September 2021 (unaudited) €'000	Nine months ended 30 September 2020 (unaudited) €'000	Three months ended 30 September 2020 (unaudited) €'000
Gain on interest rate derivative	1,322	388	35	27
Government loan waiver (Hilton)	1,116	1,116	-	-
Fair value gains on financial assets	652	393	-	-
Other	11	(4)	87	8
<b>Finance income</b>	<b>3,101</b>	<b>1,893</b>	<b>122</b>	<b>35</b>
Interest payable on bank borrowings	(1,839)	(612)	(2,023)	(652)
Loss on sale of financial assets	(183)	(183)	-	-
Loss on interest rate derivative	-	-	(1,042)	55
Interests on obligations under leases	(279)	(93)	(287)	(97)
Other similar charges	(317)	(91)	(250)	(95)
<b>Finance costs</b>	<b>(2,618)</b>	<b>(979)</b>	<b>(3,602)</b>	<b>(789)</b>
<b>Finance income/ (costs), excluding foreign exchange – net</b>	<b>483</b>	<b>914</b>	<b>(3,480)</b>	<b>(754)</b>
<b>Other gains and (losses) – foreign exchange</b>	<b>369</b>	<b>248</b>	<b>(1,267)</b>	<b>(396)</b>
<b>Finance income/ (costs), including foreign exchange – net</b>	<b>852</b>	<b>1,162</b>	<b>(4,747)</b>	<b>(1,150)</b>

# ATLAS ESTATES LIMITED

## INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 8. Tax

	Nine months ended 30 September 2021 (unaudited) €'000	Three months ended 30 September 2021 (unaudited) €'000	Nine months ended 30 September 2020 (unaudited) €'000	Three months ended 30 September 2020 (unaudited) €'000
Current tax	-	5	100	77
Deferred tax	117	27	(205)	274
<b>Tax charge for the period</b>	<b>117</b>	<b>32</b>	<b>(105)</b>	<b>351</b>

### 9. Dividends

There were no dividends declared or paid in the three and nine months ended 30 September 2021 (2020: €nil).

### 10. Earning/ Loss per share ("EPS"/ "LPS")

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

Reconciliations of the profit/ (loss) and weighted average number of shares used in the calculations are set out below:

Nine months ended 30 September 2021 (unaudited)	Profit €'000	Weighted average number of shares	Per share amount Eurocents
<b>Basic (EPS)</b> Profit attributable to equity shareholders of the Company	8,477	46,852,014	18.1
<b>Diluted (EPS)</b> Adjusted profit	<b>8,477</b>	<b>46,852,014</b>	<b>18.1</b>
<hr/>			
Three months ended 30 September 2021 (unaudited)	Profit €'000	Weighted average number of shares	Per share amount Eurocents
<b>Basic (EPS)</b> Profit attributable to equity shareholders of the Company	1,981	46,852,014	4.2
<b>Diluted (EPS)</b> Adjusted profit	<b>1,981</b>	<b>46,852,014</b>	<b>4.2</b>
<hr/>			
Nine months ended 30 September 2020 (unaudited)	Loss €'000	Weighted average number of shares	Per share amount Eurocents
<b>Basic (LPS)</b> Loss attributable to equity shareholders of the Company	(3,097)	46,852,014	(6.6)
<b>Diluted (LPS)</b> Adjusted loss	<b>(3,097)</b>	<b>46,852,014</b>	<b>(6.6)</b>
<hr/>			
Three months ended 30 September 2020 (unaudited)	Loss €'000	Weighted average number of shares	Per share amount Eurocents
<b>Basic (LPS)</b> Loss attributable to equity shareholders of the Company	(543)	46,852,014	(1.2)
<b>Diluted (LPS)</b> Adjusted loss	<b>(543)</b>	<b>46,852,014</b>	<b>(1.2)</b>

# ATLAS ESTATES LIMITED

## INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 11. Property, plant and equipment

	Buildings €'000	Plant and equipment €'000	Motor vehicles €'000	Total €'000
<b>Cost or valuation</b>				
At 1 January 2020	108,196	10,801	62	119,059
Additions at cost	169	-	-	169
Exchange adjustments	(9,709)	(774)	(4)	(10,487)
Revaluation	(7,957)	-	-	(7,957)
Disposal	-	-	(58)	(58)
Transfer from assets classified as held for sale (note 16)	6,913	-	-	6,913
<b>At 31 December 2020</b>	<b>97,612</b>	<b>10,027</b>	<b>-</b>	<b>107,639</b>
Additions at cost	12	9	-	21
Revaluation	(540)	-	-	(540)
Exchange adjustments	(529)	(38)	(2)	(569)
Transfer to assets classified as held for sale (note 16)	(6,938)	-	-	(6,938)
<b>At 30 September 2021</b>	<b>89,617</b>	<b>9,998</b>	<b>(2)</b>	<b>99,613</b>
<b>Accumulated depreciation</b>				
At 1 January 2020	(4,894)	(9,379)	(62)	(14,335)
Charge for the year	(1,757)	(507)	-	(2,264)
Exchange adjustments	1,797	687	4	2,488
Disposal	-	-	58	58
Transfer from assets classified as held for sale (note 16)	(1,813)	-	-	(1,813)
<b>At 31 December 2020</b>	<b>(6,667)</b>	<b>(9,199)</b>	<b>-</b>	<b>(15,866)</b>
Charge for the year	(1,395)	(318)	-	(1,713)
Exchange adjustments	137	41	2	180
Transfer to assets classified as held for sale (note 16)	1,891	-	-	1,891
<b>At 30 September 2021</b>	<b>(6,034)</b>	<b>(9,476)</b>	<b>2</b>	<b>(15,508)</b>
<b>Net book value at 30 September 2021</b>	<b>83,583</b>	<b>522</b>	<b>-</b>	<b>84,105</b>
Net book value at 31 December 2020	90,945	828	-	91,773

	Buildings €'000	Plant and equipment €'000	Motor vehicles €'000	Total €'000
<b>Cost or valuation</b>				
At 1 January 2020	108,196	10,801	62	119,059
Additions at cost	169	-	-	169
Exchange adjustments	(9,709)	(774)	(4)	(10,487)
Revaluation	(7,957)	-	-	(7,957)
Disposal	-	-	(58)	(58)
Transfer from assets classified as held for sale (note 16)	6,913	-	-	6,913
<b>At 31 December 2020</b>	<b>97,612</b>	<b>10,027</b>	<b>-</b>	<b>107,639</b>
Additions at cost	12	7	-	19
Revaluation	(556)	-	-	(556)
Exchange adjustments	2,171	190	(2)	2,359
<b>At 30 June 2021</b>	<b>99,239</b>	<b>10,224</b>	<b>(2)</b>	<b>109,461</b>
<b>Accumulated depreciation</b>				
At 1 January 2020	(4,894)	(9,379)	(62)	(14,335)
Charge for the year	(1,757)	(507)	-	(2,264)
Exchange adjustments	1,797	687	4	2,488
Disposal	-	-	58	58
Transfer from assets classified as held for sale (note 16)	(1,813)	-	-	(1,813)
<b>At 31 December 2020</b>	<b>(6,667)</b>	<b>(9,199)</b>	<b>-</b>	<b>(15,866)</b>
Charge for the year	(935)	(239)	-	(1,174)
Exchange adjustments	(449)	(175)	2	(622)
<b>At 30 June 2021</b>	<b>(8,051)</b>	<b>(9,613)</b>	<b>2</b>	<b>(17,662)</b>
<b>Net book value at 30 June 2021</b>	<b>91,188</b>	<b>611</b>	<b>-</b>	<b>91,799</b>

# ATLAS ESTATES LIMITED

## INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

	Buildings €'000	Plant and equipment €'000	Motor vehicles €'000	Total €'000
<b>Cost or valuation</b>				
At 1 January 2020	108,196	10,801	62	119,059
Additions at cost	65	36	-	101
Revaluation	(6,243)	-	-	(6,243)
Exchange adjustments	(7,452)	(593)	(3)	(8,048)
<b>At 30 September 2020</b>	<b>94,566</b>	<b>10,244</b>	<b>59</b>	<b>104,869</b>
<b>Accumulated depreciation</b>				
At 1 January 2020	(4,894)	(9,379)	(62)	(14,335)
Charge for the year	(1,323)	(381)	-	(1,704)
Exchange adjustments	1,359	521	3	1,883
<b>At 30 September 2020</b>	<b>(4,858)</b>	<b>(9,239)</b>	<b>(59)</b>	<b>(14,156)</b>
<b>Net book value at 30 September 2020</b>	<b>89,708</b>	<b>1,005</b>	<b>-</b>	<b>90,713</b>

A reconciliation of the right of use asset included in property, plant and equipment is provided in note 20b.

Depreciation of right of use assets of €72 thousand (2020: €98 thousand) has been included in the above depreciation charge. Additions to right of use assets of €nil thousand (2020: €47 thousand) have been included in the above additions at cost amounts.

As of 1 January 2019 hotels Hilton in Warsaw and Golden Tulip in Bucharest constituted the majority of the total property, plant and equipment balance. As of 31 December 2019 Golden Tulip hotel in Bucharest was classified to assets classified as held for sale and was reported as held for sale also as of 30 September 2020 (note 16). Since the sale transaction was not completed, Golden Tulip hotel was transferred from assets held for sale to property, plant and equipment as of 31 December 2020. As a result of 31 December 2020 and 30 June 2021 hotels Hilton in Warsaw and Golden Tulip in Bucharest constituted the majority of the total property, plant and equipment balance. As of 30 September 2021 Golden Tulip hotel in Bucharest was classified to assets classified as held for sale (note 16).

Hotels were valued as at 30 June 2021 by Jones Lang LaSalle Sp. z o.o., Chartered Surveyors, acting in the capacity of External Valuers. The properties were valued on the basis of Market Value and the valuations were carried out in accordance with the RICS Valuation Global Standards. As described at page 5, the valuation of Atlas portfolio as of 30 June 2021 and 31 December 2020 was reported by Jones Lang LaSalle on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to this valuation than would normally be the case. This is the result of the outbreak of the novel coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020 and its negative impact on hotel sector. The inputs to the valuation of the hotels include the forecast of performance of the hotel that has been prepared based on a number of assumptions including occupancy levels and average room rates which are affected by the uncertainty of the continued impact of Covid-19. The result of valuation, i.e. in case of Hilton hotel: revaluation adjustments, net of applicable deferred taxes, have been taken to the revaluation reserve in shareholders' equity (consolidated statement of comprehensive income), and in case of Golden Tulip hotel impairment adjustment have been taken to other operating income (note 5).

The Group has pledged property, plant and equipment (including property, plant and equipment classified as held for sale) of €91.8 million (30 June 2021: €91.7 million; 31 December 2020: €91.7 million, 30 September 2020: €96.5 million) to secure certain banking facilities granted to subsidiaries. Borrowings for the value of €45.4 million (30 June 2021: €47.6 million; 31 December 2020: €46.2 million, 30 September 2020: €47.1 million) are secured on these properties.

### 12. Investment property

	30 September 2021 (unaudited) €'000	30 June 2021 (unaudited) €'000	31 December 2020 (audited) €'000	30 September 2020 (unaudited) €'000
At beginning of the year	85,239	85,239	89,396	89,396
Right of use of land in perpetual usufruct	(39)	(39)	87	89
Capitalised subsequent expenditure	651	230	583	470
Disposal	(120)	-	-	-
Exchange movements	(353)	1,481	(6,344)	(4,890)
Fair value gains	(2,913)	(2,913)	1,517	1,591
<b>At the end of the period</b>	<b>82,465</b>	<b>83,998</b>	<b>85,239</b>	<b>86,656</b>

# ATLAS ESTATES LIMITED

## INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The fair value of the Group's investment properties located in Poland, Romania and Bulgaria has been arrived at on the basis of the latest valuation carried out at 31 December 2020 (except for key properties in Poland: *Atlas Tower* and *Galeria Platinum Towers*, which are based on the valuation carried out as at 30 June 2021) by Jones Lang LaSalle Sp. z o.o. external independent qualified valuer with recent experience valuing the properties in these locations, and except for one investment property valued by the property manager at €1,340 thousand (2020: €1,313 thousand).

All properties were valued on the basis of Market Value and the external 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. In the directors' view, the properties are stated at fair value.

The Group has pledged investment property of €70.7 million (30 June 2021: €70.7 million; 31 December 2020: €72.0 million; 30 September 2020: €73.9 million) to secure certain banking facilities granted to subsidiaries.

### 13. Inventories

	30 September 2021 (unaudited) €'000	30 June 2021 (unaudited) €'000	31 December 2020 (audited) €'000	30 September 2020 (unaudited) €'000
Completed properties	1,045	1,072	1,051	1,057
Hotel inventory	1,027	1,052	1,035	1,096
<b>As at period end</b>	<b>2,072</b>	<b>2,124</b>	<b>2,086</b>	<b>2,153</b>
Inventory presented as asset held for sale (note 16)	(25)	-	-	(29)
<b>As at period end</b>	<b>2,047</b>	<b>2,124</b>	<b>2,086</b>	<b>2,124</b>

€nil million (six months ended 30 June 2021: €nil million; year ended 31 December 2020: €0.4 million; nine months ended 30 September 2020: €0.4 million) of inventories was released to cost of operations in the income statement during nine months ended 30 September 2021.

### 14. Financial assets at fair value through profit or loss

	30 September 2021 (unaudited) €'000	30 June 2021 (unaudited) €'000	31 December 2020 (audited) €'000	30 September 2020 (unaudited) €'000
Financial assets at fair value through profit or loss	6,690	6,638	-	-
<b>As at period end</b>	<b>6,690</b>	<b>6,638</b>	<b>-</b>	<b>-</b>

Financial assets measured at fair value through profit and loss include the Group's non-strategic equity investments which are held for trading. The fair value of these securities is based on published sales prices.

### 15. Cash and cash equivalents

	30 September 2021 (unaudited) €'000	30 June 2021 (unaudited) €'000	31 December 2020 (audited) €'000	30 September 2020 (unaudited) €'000
Cash and cash equivalents	42,868	41,360	42,693	29,894
Short term bank deposits	-	581	6,832	21,104
<b>As at period end</b>	<b>42,868</b>	<b>41,941</b>	<b>49,525</b>	<b>50,998</b>
Cash presented as cash held for sale (note 16)	(148)	-	-	(139)
<b>As at period end</b>	<b>42,720</b>	<b>41,941</b>	<b>49,525</b>	<b>50,859</b>

Included in cash and cash equivalents is €8.2 million (30 June 2021: €7.9 million; 31 December 2020: €6.5 million; 30 September 2020: €6.5 million) restricted cash relating to security and customer deposits



# ATLAS ESTATES LIMITED

## INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 16. Non-current assets classified as held for sale and liabilities directly associated with non-current assets classified as held for sale

The major classes of assets and liabilities held for sale were as follows:

	30 September 2021 (unaudited) €'000	30 June 2021 (unaudited) €'000	31 December 2020 (audited) €'000	30 September 2020 (unaudited) €'000
<b>Assets:</b>				
Property, plant and equipment	5,047	-	-	5,889
Inventory	25	-	-	29
Cash	148	-	-	139
Trade and other receivables	79	-	-	80
<b>Non-current assets classified as held for sale</b>	<b>5,299</b>	<b>-</b>	<b>-</b>	<b>6,137</b>
<b>Liabilities:</b>				
Deferred tax liability	(557)	-	-	(647)
Bank loan	(2,064)	-	-	(2,064)
Trade and other payables	(155)	-	-	(161)
<b>Liabilities directly associated with non-current assets classified as held for sale</b>	<b>(2,776)</b>	<b>-</b>	<b>-</b>	<b>(2,872)</b>

As of 31 December 2019 the Group classified assets and liabilities associated with the Group's investment in D.N.B. - Victoria Towers SRL (i.e. Romanian subsidiary holding Golden Tulip hotel in Bucharest) as non-current assets classified as held for sale and liabilities directly associated with non-current assets classified as held for sale. On 27 January 2020 the Group concluded the sale agreement of its investment in D.N.B. - Victoria Towers SRL at the net sale price of €7.7 million. This transaction was planned to be completed by 31 December 2020. Due to changes in the real estate market the purchaser did not complete the transaction, and as a result the Group ceased to classify these assets and liabilities as held for sale.

On 31 August 2021 the Group concluded the sale agreement of its investment in D.N.B Victoria Tower, as well as intra group loan at the net sale price of €7.3 million. On 1 September 2021 the Group received €0.6 million advance in respect of this transaction, which is to be completed in April 2022.

As a result as of 30 September 2021 the Group classified assets and liabilities associated with the Group's investment in D.N.B. - Victoria Towers SRL as non-current assets classified as held for sale and liabilities directly associated with non-current assets classified as held for sale.

The movement on non-current assets classified as held for sale account is as shown below:

	30 September 2021 (unaudited) €'000	30 June 2021 (unaudited) €'000	31 December 2020 (audited) €'000	30 September 2020 (unaudited) €'000
At beginning of the year	-	-	6,493	6,493
Impairment write off	-	-	(788)	-
Exchange movements	-	-	(119)	(117)
Disposal- other	-	-	(331)	(239)
Transfer to property, plant and equipment	-	-	(5,100)	-
Transfer to inventory	-	-	(28)	-
Transfer to cash	-	-	(63)	-
Transfer to trade and other receivables	-	-	(64)	-
Transfer from property, plant and equipment	5,047	-	-	-
Transfer from inventory	25	-	-	-
Transfer from cash	148	-	-	-
Transfer from trade and other receivables	79	-	-	-
<b>As at period end</b>	<b>5,299</b>	<b>-</b>	<b>-</b>	<b>6,137</b>

# ATLAS ESTATES LIMITED

## INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

	30 September 2021	30 June 2021	31 December 2020	30 September 2020
	(unaudited)	(unaudited)	(audited)	(unaudited)
	€'000	€'000	€'000	€'000
At beginning of the year	-	-	(2,854)	(2,854)
Finance expense	-	-	(97)	(72)
Payment	-	-	97	72
Current tax	-	-	(7)	-
Deferred tax	-	-	103	-
Exchange movements	-	-	11	14
Disposal during the period	-	-	(12)	-
Liabilities classified as held for sale during the period	-	-	-	(32)
Transfer to deferred tax liability	-	-	2,064	-
Transfer to bank loans	-	-	545	-
Transfer to trade and other payable	-	-	150	-
Transfer from deferred tax liability	(557)	-	-	-
Transfer from bank loans	(2,064)	-	-	-
Transfer from trade and other payable	(155)	-	-	-
<b>As at period end</b>	<b>(2,776)</b>	<b>-</b>	<b>-</b>	<b>(2,872)</b>

### 17. Trade and other payables

	30 September 2021	30 June 2021	31 December 2020	30 September 2020
	(unaudited)	(unaudited)	(audited)	(unaudited)
	€'000	€'000	€'000	€'000
<b>Current</b>				
Trade payables	(1,012)	(902)	(668)	(685)
Other tax and social security	(534)	(461)	(637)	(907)
Amounts due to Atlas Management Company Group in respect of management and performance fee	(3,397)	(2,965)	(12,382)	(12,161)
Other creditors	(634)	(224)	(564)	(308)
Amounts payable to related party (note 21b)	(240)	(240)	(240)	(240)
Accruals and deferred income	(1,936)	(2,169)	(2,262)	(2,475)
Income tax payable	-	-	-	(13)
Amounts payable to Felikon Kft (note 21c)	-	-	-	(6,218)
Leases payables	-	-	(316)	(322)
<b>Total current trade and other payables</b>	<b>(7,753)</b>	<b>(6,961)</b>	<b>(17,069)</b>	<b>(23,329)</b>
<b>Non-current – other payables</b>				
Amounts payable to Felikon Kft (note 21c)	(6,297)	(6,277)	(6,239)	-
Leases payables	(9,753)	(9,901)	(9,945)	(9,995)
Other third party non-current trade and other payables	(1,564)	(1,529)	(1,566)	(1,849)
<b>Total non-current trade and other payables</b>	<b>(17,614)</b>	<b>(17,707)</b>	<b>(17,750)</b>	<b>(11,844)</b>
<b>Total trade and other payables</b>	<b>(25,367)</b>	<b>(24,668)</b>	<b>(34,819)</b>	<b>(35,173)</b>

# ATLAS ESTATES LIMITED

## INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 18. Bank loans

	30 September 2021 (unaudited) €'000	30 June 2021 (unaudited) €'000	31 December 2020 (audited) €'000	30 September 2020 (unaudited) €'000
<b>Current</b>				
<i>Bank loans and overdrafts due within one year or on demand</i>				
Secured	(20,974)	(3,487)	(5,817)	(5,718)
<b>Non-current</b>				
<i>Repayable within two years</i>				
Secured	(4,379)	(23,555)	(20,688)	(20,626)
<i>Repayable within three to five years</i>				
Secured	(40,187)	(43,048)	(42,211)	(42,094)
<i>Repayable after five years</i>				
Secured	-	-	(599)	-
	<b>(44,566)</b>	<b>(66,603)</b>	<b>(63,498)</b>	<b>(62,720)</b>
<b>Total</b>	<b>(65,540)</b>	<b>(70,090)</b>	<b>(69,315)</b>	<b>(68,438)</b>

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
<b>Bank loans and overdrafts – 30 September 2021*</b>	<b>40,633</b>	<b>26,971</b>	<b>67,604</b>
Bank loans and overdrafts – 30 June 2021	41,101	28,989	70,090
Bank loans and overdrafts – 31 December 2020	42,032	27,283	69,315
Bank loans and overdrafts – 30 September 2020*	42,495	28,007	70,502

(\* including loan balances presented as liabilities held for sale in note 16)

### Debt financing

#### Changes in the nine months ended 30 September 2021

During nine months ended 30 September 2021 the Group paid €2.0 million in respect of scheduled partial repayments of several loans extended to the Group's projects (*Hilton, Atlas Tower, Galeria Platinum Towers*).

#### Galeria Platinum Towers project - loan facility extension

On 23 June 2021 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 2021 to 30 December 2022.

#### New Hilton loan facility

On 25 June 2021 the Company's subsidiary HGC Gretna Investments Sp. z o.o. Sp. J. ("HGC"), which operate *Hilton* hotel in Warsaw concluded a new loan agreement with Polski Fundusz Rozwoju S.A. ("PFR"), a Polish joint-stock company owned by Polish State of Treasury, which offers financial instruments for entities on preferential terms. The amount of the loan extended to HGC was PLN 6.9 million (€1.5 million). The facility can be used for financing *Hilton* expenses and must be repaid by 30 September 2024. In accordance with PFR's decision concluded in September 2021 the loan was partially waived. The repayable loan amount was decreased by PLN 5.1 million (€1.1 million).

# ATLAS ESTATES LIMITED

## INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Changes in the year ended 31 December 2020

During 2020 the Group paid €2.6 million in respect of scheduled partial repayments of several loans extended to the Group's projects (*Hilton, Atlas Tower, Galeria Platinum Towers*). In 2020, the Group signed several annexes with the bank financing *Golden Tulip* based on which loan repayments scheduled in 2020 were suspended until 31 December 2021. Additionally, the loan maturity date was extended from June 2026 till September 2026.

### 19. Derivative financial instruments

	30 September 2021 (unaudited) €'000	30 June 2021 (unaudited) €'000	31 December 2020 (audited) €'000	30 September 2020 (unaudited) €'000
<i>Derivatives not designated as hedging instruments:</i>				
- Interest rate swap	(1,325)	(1,751)	(2,634)	(2,906)
Total financial instruments classified as held for trading	(1,325)	(1,751)	(2,634)	(2,906)
<i>Less non-current portion:</i>				
- Interest rate swap	-	-	-	-
<b>Current portion</b>	<b>(1,325)</b>	<b>(1,751)</b>	<b>(2,634)</b>	<b>(2,906)</b>

The fair value of the Group's interest rate derivatives is based on broker quotes (level 2 recurring fair values).

### 20. Reconciliations:

#### 20 a. Between opening and closing balances in the statement of financial position for liabilities arising from financing activities (including leases)

	1 January 2021 €'000	Cash flows			Non-cash changes			Interests and other charges accrued €'000	30 September 2021 €'000
		Interests/ arrangement fees €'000	Drawdowns €'000	Repay- ments €'000	Foreign Exchange €'000	Waiver/ Adjustment €'000	Valuation €'000		
Bank loans (short-term and long-term)	69,315	(1,839)	1,496	(1,997)	(154)	(1,116)	-	1,899	67,604
Lease Liabilities	10,261	-	-	(703)	(45)	(39)	-	279	9,753
Derivative Financial Liabilities	2,634	-	-	-	13	-	(1,322)	-	1,325
Amounts payable to Felikon Kft (note 21c)	6,239	-	-	-	-	-	-	58	6,297

	1 January 2020 €'000	Cash flows			Non-cash changes			Interests and other charges accrued €'000	30 September 2020 €'000
		Interests/ arrangement fees €'000	Repay- ments €'000	Foreign Exchange €'000	Additions €'000	Valuation €'000			
Bank loans (short- term and long-term)	74,205	(2,023)	(1,992)	(1,790)	-	-	2,102	70,502	
Lease Liabilities	10,655	-	(76)	(638)	89	-	287	10,317	
Derivative Financial Liabilities	2,042	-	-	(178)	-	1,042	-	2,906	
Amounts payable to Felikon Kft (note 21c)	6,153	-	-	-	-	-	86	6,239	

# ATLAS ESTATES LIMITED

## INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 20 b. Between opening and closing balances in the statement of financial position for right of use of assets arising from leases

	1	Non-cash changes				30
	January	Foreign Exchange	Additions	Valuation	Depreciation	September
	2021	€'000	€'000	€'000	€'000	2021
Property, plant and equipment	7,288	(27)	-		(72)	7,189
Investment property	2,503	(10)	(39)	(3)		2,451

	1	Non-cash changes				31
	January	Foreign Exchange	Additions	Valuation	Depreciation	December
	2020	€'000	€'000	€'000	€'000	2020
Property, plant and equipment	7,949	(610)	47	-	(98)	7,288
Investment property	2,623	(203)	86	(3)	-	2,503

### 21. Related party transactions

#### (a) Key management compensation

	Nine months	Three months	Nine months	Three months
	ended	ended	ended	ended
	30 September	30 September	30 September	30 September
	2021	2021	2020	2020
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	€'000	€'000	€'000	€'000
Fees for non-executive directors	48	16	46	15

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 €1.8 million and €0.6 million for the nine and three months ended 30 September 2021 respectively (€2.1 million and €0.7 million for the nine and three months ended 30 September 2020 respectively). 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 nine and three months ended 30 September 2021 (year ended 31 December 2020: €nil million; nine and three months ended 30 September 2020: €nil million) as discussed on page 10.

As of 30 September 2021, €3.4 million included in current trade and other payables was due to AMC (30 June 2021: €3.0 million; 31 December 2020: €12.3 million; 30 September 2020: €12.2 million). In 2021 cash of €0.7 million was paid to AMC in respect of the management fee (year ended 31 December 2020 €1.3 million) and in accordance with the settlement agreement concluded on 21 April 2021 between AEL and AMC €10.0 million was waived and written off to other operating income (see page 11).

- (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 30 September 2021 the purchase price of €0.2 million (31 December 2020: €0.2 million, 30 September 2020: €0.2 million) is due to former non-controlling shareholder (Coralcliff Limited).
- (c) Following deconsolidation of the Company's subsidiary Felikon Kft in 2019, the Group has loan payable due to Felikon Kft. The loan repayment date was extended to 31 December 2025. As of 30 September 2021 the Group owes €6.2 million (31 December 2020: €6.2 million; 30 September 2020: €6.2 million).

### 22. Post balance sheet events

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

# ATLAS ESTATES LIMITED

## INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 23. Other items

#### 23.1 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 15% the Company's net equity.

There are no other material legal cases or disputes that are considered material to the consolidated financial information that would either require disclosure or provision within the financial information.

#### 23.2 Financial forecasts

No financial forecasts have been published by the Company in relation to the year ended 31 December 2020.

#### 23.3 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>	40,315,174	86.05
Atlas International Holdings Limited	6,461,425	13.79
<b>TOTAL</b>	<b>46,776,599</b>	<b>99.84</b>

##### 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	37,197,437	79.39
Atlas International Holdings Limited	6,461,425	13.79
<b>TOTAL</b>	<b>43,658,862</b>	<b>93.18</b>

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

#### 23.4 Directors' share interests

There have been no changes to the Directors' share interests during the nine and three months ended 30 September 2021. No Director had any direct interest in the share capital of the Company or any of its subsidiaries during the nine or three months ended 30 September 2020.

### 24. 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. On 10 February 2021 the Group established a joint venture company (Atlas MG Sp. z o.o.) together with PL Properties Sp. z o.o. (Magnus Group).

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%

# ATLAS ESTATES LIMITED

## INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Country of incorporation	Name of subsidiary/ joint venture entity	Status	Percentage of nominal value of issued shares and voting rights held by the Company
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 Tower Sp. z o.o. (former name: Atlas Estates (Millennium) Sp. z o.o.)	Investment	100%
Poland	Atlas Estates (Sadowa) Sp. z o.o.	Investment	100%
Poland	Atlas Estates (Kokoszki) 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.	Other	100%
Poland	Atlas Estates (Cybernetyki) Sp. z o.o.	Development	50%
Poland	Atlas MG Sp. z o.o.	Development	50%
Poland	Le Marin Sp. z o.o.	Other	100%
Poland	Atlas Estates (Przasnyska 9) Sp. z o.o.	Development	100%
Poland	La Brea Management Sp. z o.o.	Other	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%
Poland	Gretna Investments Sp. z o.o. 4 SKA	Holding	100%
Poland	Atlas Estates (Wilanów) Sp. z o.o. (former name: Negros 3Sp. z o.o.)	Other	100%
Hungary	CI-2005 Investment Kft.	Other	100%
Hungary	Atlas Estates (Moszkva) Kft.	Other	100%
Romania	World Real Estate SRL	Investment	100%
Romania	Atlas Solaris SRL	Investment	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%

# ATLAS ESTATES LIMITED

## INTERIM CONDENSED NON-CONSOLIDATED FINANCIAL INFORMATION

### NON-CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME For the nine and three months ended 30 September 2021

	Nine months ended 30 September 2021 (unaudited) €'000	Three months ended 30 September 2021 (unaudited) €'000	Nine months ended 30 September 2020 (unaudited) €'000	Three months ended 30 September 2020 (unaudited) €'000	Note
Revenues	-	-	-	-	
Cost of operations	-	-	-	-	
<b>Gross profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Administrative expenses	(1,774)	(579)	(2,129)	(699)	1
Other operating income	10,000	-	-	-	2
Other operating expenses	(815)	(677)	(14,951)	(1,727)	3
<b>Profit/ (Loss) from operations</b>	<b>7,411</b>	<b>(1,256)</b>	<b>(17,080)</b>	<b>(2,426)</b>	
Finance costs	(52)	(18)	(58)	(19)	
Other (losses) and gains – foreign exchange	(4)	-	3	-	
<b>Profit/ (Loss) before taxation</b>	<b>7,355</b>	<b>(1,274)</b>	<b>(17,135)</b>	<b>(2,445)</b>	
Tax expense	-	-	-	-	
<b>Profit/ (Loss) for the period</b>	<b>7,355</b>	<b>(1,274)</b>	<b>(17,135)</b>	<b>(2,445)</b>	
<b>Total comprehensive profit/ (loss) for the period</b>	<b>7,355</b>	<b>(1,274)</b>	<b>(17,135)</b>	<b>(2,445)</b>	



# ATLAS ESTATES LIMITED

## INTERIM CONDENSED NON-CONSOLIDATED FINANCIAL INFORMATION

### NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 30 September 2021

	30 September 2021 (unaudited) €'000	30 June 2021 (unaudited) €'000	31 December 2020 (audited) €'000	30 September 2020 (unaudited) €'000	Note
<b>ASSETS</b>					
<b>Non-current assets</b>					
Investment in subsidiaries	135,777	136,854	137,392	143,328	4
Loans receivable from subsidiaries	97	95	90	88	
	<b>135,874</b>	<b>136,949</b>	<b>137,482</b>	<b>143,416</b>	
<b>Current assets</b>					
Trade and other receivables	6	9	7	5	
Cash and cash equivalents	341	114	417	47	
	<b>347</b>	<b>123</b>	<b>424</b>	<b>52</b>	
<b>TOTAL ASSETS</b>	<b>136,221</b>	<b>137,072</b>	<b>137,906</b>	<b>143,468</b>	
<b>Non-current liabilities</b>					
Other payables	(5,920)	(5,903)	(5,870)	(5,852)	5
	<b>(5,920)</b>	<b>(5,903)</b>	<b>(5,870)</b>	<b>(5,852)</b>	
<b>Current liabilities</b>					
Trade and other payables	(3,403)	(2,997)	(12,493)	(12,208)	5
	<b>(3,403)</b>	<b>(2,997)</b>	<b>(12,493)</b>	<b>(12,208)</b>	
<b>TOTAL LIABILITIES</b>	<b>(9,323)</b>	<b>(8,900)</b>	<b>(18,363)</b>	<b>(18,060)</b>	
<b>NET ASSETS</b>	<b>126,898</b>	<b>128,172</b>	<b>119,543</b>	<b>125,408</b>	
<b>EQUITY</b>					
Share capital account	6,268	6,268	6,268	6,268	
Other distributable reserve	194,817	194,817	194,817	194,817	
Accumulated loss	(74,187)	(72,913)	(81,542)	(75,677)	
<b>TOTAL EQUITY</b>	<b>126,898</b>	<b>128,172</b>	<b>119,543</b>	<b>125,408</b>	

# ATLAS ESTATES LIMITED

## INTERIM CONDENSED NON-CONSOLIDATED FINANCIAL INFORMATION

### NON-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<b>Nine months ended 30 September 2021 (unaudited)</b>	<b>Share capital account €'000</b>	<b>Other reserves €'000</b>	<b>Accumulated loss €'000</b>	<b>Total €'000</b>
As at 1 January 2021	6,268	194,817	(81,542)	119,543
Total comprehensive income for the period	-	-	7,355	7,355
<b>As at 30 September 2021</b>	<b>6,268</b>	<b>194,817</b>	<b>(74,187)</b>	<b>126,898</b>

<b>Three months ended 30 September 2021 (unaudited)</b>	<b>Share capital account €'000</b>	<b>Other reserves €'000</b>	<b>Accumulated loss €'000</b>	<b>Total €'000</b>
As at 1 July 2021	6,268	194,817	(72,913)	128,172
Total comprehensive loss for the period	-	-	(1,274)	(1,274)
<b>As at 30 September 2021</b>	<b>6,268</b>	<b>194,817</b>	<b>(74,187)</b>	<b>126,898</b>

<b>Nine months ended 30 September 2020 (unaudited)</b>	<b>Share capital account €'000</b>	<b>Other reserves €'000</b>	<b>Accumulated loss €'000</b>	<b>Total €'000</b>
As at 1 January 2020	6,268	194,817	(58,542)	142,543
Total comprehensive loss for the period	-	-	(17,135)	(17,135)
<b>As at 30 September 2020</b>	<b>6,268</b>	<b>194,817</b>	<b>(75,677)</b>	<b>125,408</b>

<b>Three months ended 30 September 2020 (unaudited)</b>	<b>Share capital account €'000</b>	<b>Other reserves €'000</b>	<b>Accumulated loss €'000</b>	<b>Total €'000</b>
As at 1 July 2020	6,268	194,817	(73,232)	127,853
Total comprehensive loss for the period	-	-	(2,445)	(2,445)
<b>As at 30 September 2020</b>	<b>6,268</b>	<b>194,817</b>	<b>(75,677)</b>	<b>125,408</b>

<b>Year ended 31 December 2020</b>	<b>Share capital account €'000</b>	<b>Other reserves €'000</b>	<b>Accumulated loss €'000</b>	<b>Total €'000</b>
As at 1 January 2020	6,268	194,817	(58,542)	142,543
Total comprehensive loss for the year	-	-	(23,000)	(23,000)
<b>As at 31 December 2020</b>	<b>6,268</b>	<b>194,817</b>	<b>(81,542)</b>	<b>119,543</b>

# ATLAS ESTATES LIMITED

## INTERIM CONDENSED NON-CONSOLIDATED FINANCIAL INFORMATION

### NON-CONSOLIDATED STATEMENT OF CASH FLOWS For the nine and three months ended 30 September 2021

	Nine months ended 30 September 2021 (unaudited) €'000	Three months ended 30 September 2021 (unaudited) €'000	Nine months ended 30 September 2020 (unaudited) €'000	Three months ended 30 September 2020 (unaudited) €'000
<b>Profit/ (Loss) for the period</b>	<b>7,355</b>	<b>(1,274)</b>	<b>(17,135)</b>	<b>(2,445)</b>
<b>Adjustments for:</b>				
Finance costs	50	17	56	18
Write off of trade and other payables	(10,000)	-	-	-
Impairment on investments	815	677	14,951	1,727
	<b>(1,780)</b>	<b>(580)</b>	<b>(2,128)</b>	<b>(700)</b>
<b>Changes in working capital</b>				
(Increase)/ Decrease in trade and other receivables	1	3	(1)	3
(Decrease)/ Increase in trade and other payables	910	406	1,313	514
<b>Net cash used in operating activities</b>	<b>(869)</b>	<b>(171)</b>	<b>(816)</b>	<b>(183)</b>
<b>Investing activities</b>				
New loans advanced to subsidiaries	(7)	(2)	(7)	(1)
Income from subsidiary	800	400	500	200
<b>Net cash from investing activities</b>	<b>793</b>	<b>398</b>	<b>493</b>	<b>199</b>
<b>Net decrease/ (increase) in cash and cash equivalents in the year as a result of cashflows</b>	<b>(76)</b>	<b>227</b>	<b>(323)</b>	<b>16</b>
Effect of foreign exchange rates	-	-	-	-
<b>Net decrease/ (increase) in cash and cash equivalents in the period</b>	<b>(76)</b>	<b>227</b>	<b>(323)</b>	<b>16</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>417</b>	<b>1,022</b>	<b>370</b>	<b>1,022</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>341</b>	<b>1,249</b>	<b>47</b>	<b>1,038</b>
<b>Cash and cash equivalents</b>				
Cash at bank and in hand	341	1,249	47	1,038
	<b>341</b>	<b>1,249</b>	<b>47</b>	<b>1,038</b>

# ATLAS ESTATES LIMITED

## INTERIM CONDENSED NON-CONSOLIDATED FINANCIAL INFORMATION

### 1. Administrative expenses

	Nine months ended 30 September 2021 (unaudited) €'000	Three months ended 30 September 2021 (unaudited) €'000	Nine months ended 30 September 2020 (unaudited) €'000	Three months ended 30 September 2020 (unaudited) €'000
Audit and tax services	(75)	-	(61)	(19)
Incentive and management fee	(1,571)	(534)	(1,921)	(634)
Legal and other professional fees	(71)	(26)	(92)	(29)
Insurance costs	(9)	(3)	(9)	(2)
Staff costs	(48)	(16)	(46)	(15)
<b>Administrative expenses</b>	<b>(1,774)</b>	<b>(579)</b>	<b>(2,129)</b>	<b>(699)</b>

### 2. Other operating income

	Nine months ended 30 September 2021 (unaudited) €'000	Three months ended 30 September 2021 (unaudited) €'000	Nine months ended 30 September 2020 (unaudited) €'000	Three months ended 30 September 2020 (unaudited) €'000
Gain on settlement agreement between AEL and AMC	10,000	-	-	-
<b>Other operating income</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 3. Other operating expenses

	Nine months ended 30 September 2021 (unaudited) €'000	Three months ended 30 September 2021 (unaudited) €'000	Nine months ended 30 September 2020 (unaudited) €'000	Three months ended 30 September 2020 (unaudited) €'000
Impairment of investments in subsidiaries (note 4)	(815)	(677)	(14,951)	(1,727)
<b>Other operating expenses</b>	<b>(815)</b>	<b>(677)</b>	<b>(14,951)</b>	<b>(1,727)</b>

### 4. Investment in subsidiaries

	30 September 2021 (unaudited) €'000	30 June 2021 (unaudited) €'000	31 December 2020 (audited) €'000	30 September 2020 (unaudited) €'000
<b>Shares in subsidiary undertakings</b>				
<i>Cost</i>				
At beginning of period	216,281	216,281	217,681	217,681
Decrease	(800)	(400)	(1,400)	(500)
<b>At the end of the period</b>	<b>215,481</b>	<b>215,881</b>	<b>216,281</b>	<b>217,181</b>
<i>Impairment</i>				
At beginning of period	(78,889)	(78,889)	(58,902)	(58,902)
Additions (note 3)	(815)	(138)	(19,987)	(14,951)
<b>At the end of the period</b>	<b>(79,704)</b>	<b>(79,027)</b>	<b>(78,889)</b>	<b>(73,853)</b>
<b>At the end of the period</b>	<b>135,777</b>	<b>136,854</b>	<b>137,392</b>	<b>143,328</b>

# ATLAS ESTATES LIMITED

## INTERIM CONDENSED NON-CONSOLIDATED FINANCIAL INFORMATION

Investments in subsidiary undertakings are stated at cost. Cost is recognised as the nominal value of the company's shares and the fair value of any other consideration given to acquire the share capital of the subsidiary undertakings. A list of principal subsidiary undertakings and joint ventures is given at note 24 of the interim condensed consolidated financial information.

The Company has carried out an impairment review of the carrying values of investments and loans receivable from subsidiaries. The Company considers the best indication of value of investments and loans to subsidiaries to be the valuation reports produced by the independent qualified experts.

It should be underlined that the valuation of property portfolio (excludes property classified as inventory) contained in the subsidiaries as of 30 June 2021 and 31 December 2020 was reported by Jones Lang LaSalle on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global as described on page 5. Consequently, less certainty – and a higher degree of caution – should be attached to this valuation than would normally be the case. This is the result of the outbreak of the novel coronavirus (COVID-19), declared by the World Health Organization as a "Global Pandemic" on the 11th March 2020 and its negative impact on hotel sector. The inputs to the valuation of the property portfolio include: the forecast of performance of the hotel that has been prepared based on a number of assumptions including occupancy levels and average room rates; and for the investment properties include comparable market transactions and forecasted performance of the income yielding assets that has been prepared based on a number of assumptions including occupancy levels and rental rates. These inputs are affected by the uncertainty of the continued impact of Covid-19.

In the nine months period ended 30 September 2021 €0.8 million was recognised in other operating expenses in respect of impairment on investment in subsidiaries (in 2020 €20.0 million and in the nine months period ended 30 September 2020: €14.9 million was recognised in other operating expenses in respect of impairment on investment in subsidiaries).

The method applied to assign value to the company's investments is fair value less costs to sell and has been based on the property valuations assessed by independent experts and, where appropriate, management. In assessing the value of each investment the Company has considered not only the asset value recognized in the books of the individual entities but also the valuation amount of elements held at cost. Substantially, this has resulted in the carrying values of investments and loans receivable from subsidiaries being compared to the adjusted net asset value of the Group. The Net Asset Value of the Group has increased from €119.5m to €126.9m which facilitates an impairment of €0.8m such that the Company's net assets match and do not exceed the Group's Net Assets, following €10.0 million write off of trade payables due to AMC.

### 5. Trade and other payables

	30 September 2021 (unaudited) €'000	30 June 2021 (unaudited) €'000	31 December 2020 (audited) €'000	30 September 2020 (unaudited) €'000
<b>Current</b>				
Amounts due to Atlas Management Company Group in respect of management and performance fee	(3,275)	(2,841)	(12,254)	(12,081)
Trade payables	(128)	(156)	(239)	(127)
	<b>(3,403)</b>	<b>(2,997)</b>	<b>(12,493)</b>	<b>(12,208)</b>
<b>Non-current</b>				
Loan from subsidiary- HGC Gretna Investments Sp. z o.o. Sp. J.	(5,920)	(5,903)	(5,870)	(5,852)
	<b>(5,920)</b>	<b>(5,903)</b>	<b>(5,870)</b>	<b>(5,852)</b>
<b>Total trade and other payables</b>	<b>(9,323)</b>	<b>(8,900)</b>	<b>(18,363)</b>	<b>(18,060)</b>

*Loan from subsidiary- HGC Gretna Investments Sp. z o.o. Sp. J.*

The loan payable to the subsidiary (HGC Gretna Investments Sp. z o.o Sp. J.) is interest bearing. The Company was charged interest in the 9 months ended 30 September 2021 of €50 thousand (six months ended 30 June 2021: €33 thousand; year ending 31 December 2020: €74 thousand; 9 months ended 30 September 2020: €56 thousand). As at 30 September 2021 the loan balance including capitalised interest due to subsidiary amounted to €5.9 million (as of 30 June 2021: €5.9 million, as of 31 December 2020: €5.9 million; as of 30 September 2020: €5.9million).