



**ATLANTIS SE**

**THE COMMENTARY OF THE MANAGEMENT BOARD  
TO CONDENSED SEPARATE FINANCIAL STATEMENTS  
PREPARED AS AT 30/06/2019**

**Tallinn, 30/09/2019**



## 1.1. Basic information about the Issuer

The Issuer's name:	<b>ATLANTIS SE</b>
Headquarter:	Tallinn, Estonia
Address:	Harju maakond Tallinn 10145. Kesklinna linnaosa, Tornimäe tn 5
Ariregister:	14633855
Share capital paid	EUR 2.750.000,00

The company Atlantis S.A. on 2018 entered the Register of National Court Register kept by the District Court for the Capital City of Warsaw, 14<sup>th</sup> Commercial Division under KRS number 0000033281, NIP 522 -000-07-43, National Business Registry Number (Regon) 012246565. On 19/04/2018 as a result of merging the Company Atlantis S.A with the Company Atlantis 1 Polska Akciová společnost with registered office in Ostrava, the Company adopted the legal form of the European Company, entered into the Register of National Court Register kept by the District Court for the Capital City of Warsaw, XIV Commercial Division under KRS number 0000728463. NIP 522 -000-07-43 Regon 012246565 the Company's registered office: Padlewskiego 18C Street 09-400 Płock.

On 02/01/2019 the register of commercial companies applicable to the law of Estonia (Ariregister) registered the transfer of the Issuer's registered office to Estonia, pursuant to the provisions of the Transfer Plan of 24/04/2018 number 14633855.

According to the classification adopted by the Warsaw Stock Exchange, the subject of the Company's activity is the sector of other financial activities.

### The Company's corporate bodies:

#### Supervisory Board:

- Wojciech Hetkowski
- Martyna Patrowicz
- Małgorzata Patrowicz
- Jacek Koralewski
- Damian Patrowicz till 15/01/2019

#### Management Board:

Chairman of the Management Board:	Damian Patrowicz	since 16/01/2019
	Anna Kajkowska	till 11/01/2019

## **1.2. Management Board's statement regarding the entity authorized to audit financial statements.**

The Issuer's Management Board informs that the Interim Financial Statement for 6 months of 2019 is not audited.

## **1.3. Statement of the Management Board on the reliability of preparation of the financial statements.**

The Management Board of ATLANTIS SE declares, that in accordance to their best knowledge, the semi-annual financial statement and comparable data have been prepared in accordance with the applicable accounting rules and that they reflect truly, reliably and clearly financial and property situation of ATLANTIS SE and its financial result and the fact, that the semi-annual report of the Management Board contains a true information on the development and achievements and situation of Atlantis SE, including a description of the basic risks and threats.

## **1.4. Important events, including investments, which have a significant impact on the activity of Atlantis SE that occurred in the first half of 2019 and after June 30, 2019.**

- On 02/01/2019 the register of commercial companies (Ariregister) applicable to the law of Estonia registered the transfer of the Issuer's registered office to Estonia pursuant to the provisions of the Transfer Plan of 24/04/2018 published in current report no. 19/2018 of 24/04/2018, 35/2018 of 04/07/2018, 36/2018 of 17/07/2018 and 41/2018 of 28/09/2018 published in current report no. 35/2018 of 04/07/2018 and the Extraordinary General Meeting's resolutions of 19/11/2018 published in current report no. 48/2018 of 19/11/2018.

In the view of the above, the Issuer informed that the current seat of the Company is Tallinn, Estonia. The Company's registered office address is: Narva mnt 5, 10117, Tallinn, Estonia. The website address remains unchanged, e-mail: [biuro@atlantis-sa.pl](mailto:biuro@atlantis-sa.pl), <http://www.atlantis-sa.pl/> In the view of the above, the Issuer also informs that the Company's delivery address is the address of the registered office, i.e. Narva mnt 5, 10117, Tallinn, Estonia.

At the same time, along with the registration of the change of the Company's registered office, the relevant Estonian law Register registered changes in the Company's Article of Association.

- On 11/01/2019 at the end of the 11/01/2019 the President of the Management Board Ms Anna Kajowska resigned from the position, because of the personal reasons.
- On January 15, 2019 the Company received a written resignation of Mr. Damian Patrowicz from performing the function on the Company's Supervisory Board on January 15, 2019. The reason for resignation was not indicated.
- On 16/01/2019 the Company's Supervisory Board adopted a resolution on the election of Mr. Damian Patrowicz to perform the function of the President of the Management Board for a 3-years term.
- ATLANTIS SE informed, that being obligated pursuant to (i) art. 2 of Directive 2004/109/EC of the European Parliament and the Council of December 15, 2004 (in accordance with the amendments to Directive 2013/50/EU European Parliament and Council of October 22, 2013)

and (ii) § 1844 para. 1 of the Estonian Securities Market Act that it has chosen a Contracting as the Home State of the Republic of Estonia. Accordingly, the Republic of Poland is a host Contracting State.

ATLANTIS SE was registered in the Estonian Commercial Register on January 2nd 2019 under the registration number: 14633855 with official address of Harju county, Tallinn, City Centre district, Narva Road 5, 10117, Estonia.

- On 05.03.2019 the Management Board decided to make as at 31/12/2018 the revaluation of the Company's financial assets. Following assets were revaluated in the amount of PLN 5.770 thousand: - shares of IFEA Sp. z o.o. in Płock. The Issuer informs that as at 31/12/2018. and as at the day of publishing the report, it holds 12,529 shares of IFEA Sp. z o.o., which number constitutes 43.33% of the share capital and entitles to cast 12,529 votes constituting 43.33% of the total number of votes of IFEA Sp. z o.o. The Issuer informs, that it has decided to revalue the financial assets of the Issuer due to the change in the value of shares of IFEA Sp. z o.o. for PLN 5.770 thousand. Because of the asset valuation described above, the Issuer's capital from the revaluation will be burden with PLN 5.770 thousand. The presented value of 12.529 shares of IFEA Sp. z o.o. in the Issuer's financial statement as at 30/09/2018 amounted to PLN 18.685 thousand, and the value of shares of IFEA Sp. z o.o. after adjusting the write-offs as at 31/12/2018 it amounted to PLN 12.915 thousand. The base for making write-offs was conducting by the Issuer's Management Board financial analyses and tests, including based on the obtained financial data.
- On 29/03/2019 the Agreement of auditing the Company's statements for 2018 and 2019 and of review of the report for the first half of 2018 and the first half of 2019 concluded by the Issuer with Auditing Company INTERFIN Sp. z o.o. with registered office in Kraków at. Radzikowskiego 27/03 Street entered into the list of entities authorized to audit financial statements under no. 529, which was founded in 1990 and entered into the National Court Register of the District Court for Kraków – Downtown in Kraków XI Commercial Department under number 0000145852 was terminated.

The terminated Agreement with the auditor was concluded for a period of two years and was the first agreement of auditing the financial statement concluded by the Issuer with Auditing Company INTERFIN Sp. z o.o. with registered office in Kraków. During the term of the Agreement, the auditor reviewed the statement for the first half of 2018, issuing the relevant report published by the Company with the half-year report for the first half of 2018. The Issuer informed the selection of the audit company in current report no. 34/2018 of 02/07/2018.

The reason for terminating the Agreement is the inability of the auditor to provide services due to the change of the Issuer's country of residence during the term of the Agreement.

- On 08/04/2019, the Company's Supervisory Board adopted resolutions regarding the dissolution of the Company's Audit Committee and dismissal of its members on 08/04/2019.
- Resolution of the Extraordinary General Meeting of Shareholders of 19/04/2019 regarding the change of the financial year and related amendment of the Articles. The purpose of changing the financial year of 2018 by extending it by six months and related amendment of the Company's Statute. In the view of the above, it was proposed to change the Articles in point 7.1 by approving its new form " 7.1 The Company's financial year starts on July 1 and ends on June 30."

- On 26.04.2019. the register of commercial companies (Ariregister) applicable to the law of Estonia registered the change of the financial year pursuant to Resolution No. 3 of the Extraordinary General Meeting of Shareholder of 19/04/2019. Therefore, the Company's financial year starts on July 1 and ends on June 30.

At the same time, along with the registration of the change of the financial year of the Company, the relevant register of Estonian law registered amendments in the Company's Articles.

- Adoption of Resolution No. 386/2019 by the Management Board of the Warsaw Stock Exchange of May 7, 2019, regarding the termless suspension of trading on the Main Market of the Warsaw Stock Exchange with shares of the Company ATLANTIS SE. The content of the resolution is attached to the report.

The reason for suspension of trading is the assessment of the Warsaw Stock Exchange Management Board as the lack of legality of the Issuer's change in the financial year. The WSE's decision contradicts the position of the Ministry of Finance of Estonia, Ariregister - Estonian Registry Department of Tartu County Court, which registered the above changes as well as the content of the independent legal opinion of the International Chancellery made at the request of the WSE, the content of which is attached to the report by the Issuer.

The Issuer's Management Board also informs that the term referred to in the resolution of the Warsaw Stock Exchange is impossible to comply with, due to the current financial year in the Company is financial year beginning on January 1, 2018 and ending on June 30, 2019. Remembering about the safety and interest of participants in trading on the Issuer's shares, the Management Board will take all measures to resume trading in the Issuer's shares as soon as possible.

- On 05/06/2019 the register of commercial companies (Ariregister) applicable for the law of Estonia registered the change of the Issuer's address. In view of the above, the Issuer informs that the address of the Company's registered office is: Harju maakond, Tallinn, Kesklinna linnaosa, Tornimäe tn 5, 10145.

The website address and e-mail address remain unchanged: <http://atlantis-sa.pl/> , [biuro@atlantis-sa.pl](mailto:biuro@atlantis-sa.pl) In the view of the above, the Issuer informs that the Company's delivery address is the address of the registered office i.e: Harju maakond, Tallinn, Kesklinna linnaosa, Tornimäe tn 5, 10145.

- Endorsement by the Extraordinary General Meeting of Shareholders of 17/06/2019 of the audit company selected to audit the company's financial statements for 2018, 2019 and assessment of the company's annual reports for 2018, 2019. It was decided to choose the Company Hansa Audit osaühing with registered office in Pärnu mnt. 377, 10919, Tallinn, company registration number 10616667, as an auditing company that will audit the Company's financial statements for 2018 and 2019 and will assess the annual reports for 2018 and 2019. The auditor's remuneration will be paid accordingly with the Agreement concluded between ATLANTIS SE and Hansa Audit osaühing, on the market terms.
- On 21/06/2019 the Issuer as a loaner concluded with IFEA Sp. z o.o. in Płock (KRS 0000512607) as the borrower, the Annex No. 2 to Money Loan Agreement of 14/12/2018, about conclusion of which the Issuer informed in the current report no. 56/2018 of 14/12/2018 and no. 61/2018 of 31/12/2018. In virtue of Annex of 21/06/2019 the Parties changed the content of the loan agreement of 14/12/2018 and Annex of 31/12/2018 in such way, that the

current repayment date of the loan determined for 30/06/2019 was extended to 31/12/2019.

- The Management Board of the Warsaw Stock Exchange announced on 23/07/2019, that in accordance with the provisions of the Exchange Management Board Resolution no. 386/2019 of May 7, 2019, in connection with publication by ATLANTIS SE of the annual report for 2018, starting from July 24, 2019 it will be resumption of trading company's shares marked with the code "EE3100143090".
- Held on 02/09/2019 the Extraordinary General Meeting of Shareholders regarding: Endorsement of the Company's Financial Statements for 2018, i.e. for the period from 01/01/2018 to 31/12/2018 the Extraordinary General Meeting endorse the Financial Statement of ATLANTIS SE for the period since 01/01/2018 to 31/12/2018 which consist of:
  - Separate statement of financial situation prepared as at 31/12/2018, with assets and liabilities ended in amount of EUR 12.285 thousand (twelve million, two hundred and eighty-five thousand euros);
  - Separate profit and loss account for the financial year from 01/01/2018 to 31/12/2018 showing net loss in amount of EUR 2.921 thousand (two million nine hundred and twenty-one thousand euros);
  - Separate statement of changes in equity for the financial year from 01/01/2018 to 31/12/2018 showing a decrease in equity of PLN 6.566 thousand (six million, five hundred and sixty-six thousand)
  - Separate statement of cash flows for the financial year from 01/01/2018 to 31/12/2018, showing a decrease in cash by EUR 97 thousand (ninety-seven thousand)
  - corporate governance report
  - management Board report
  - auditor's report
- The Extraordinary General Meeting determines that the company's net loss for the period from 01/01/2018 to 31/12/2018 in the amount of EUR 2.921 thousand (two million nine hundred and twenty-one thousand euros) will be covered from future years' profit.
- Endorsement of the Company's Supervisory Board Report for 2018. The Extraordinary General Meeting endorses the Company's Supervisory Board Report on its activity in 2018 and the Company's Supervisory Board's written report endorsing financial statement for 2018 prepared by the Management Board of the Company.

**1.5. Other important events that had a significant impact on the activity of ATLANTIS SE, which occurred in the first half of 2019, its profits or losses, as well as discussing the Company's development prospects in the next financial year as well as a description of significant risk factors and threats, with determining the extent to which Atlantis SE is exposed to it.**

**Description of significant risk factors and threats specifying the extent to which the Issuer is exposed to.**

### Risk of shares price's fluctuations and limited liquidity

Immanent feature of market trading is the shares' price fluctuations and short-term fluctuations of turnover. It might result in possible sale or purchase of the qualifying holding of the Issuer's shares will be connected with a necessity to accept significantly less favourable price than the reference price. The Issuer can not also exclude significant, temporary limitations of liquidity which may significantly hamper sales or purchase of the Issuer's shares

### Risk of instability of the legal system

Frequent amendments, inconsistency and lack of uniform interpretation of the law, in particular tax law may cause a significant risk related to the legal environment in which the Issuer operates. Future changes in the law may have a direct or indirect impact on the Issuer's operations and financial results.

### Risk related to the Issuer's dependence on recipients

There is a risk of impact on the results achieved by the Issuer from entities related to the Issuer by rental contracts. Unpunctual repayment of receivables in virtue of concluded contracts has an impact on the current financial liquidity. In this case, loan agreements should be treated as permanent contractual dependence on recipients.

### Risk management objectives and principles

The main financial instruments which are used by the Company are trade receivables and payables, which occurs directly in the course of its business activities. The Company does not conclude transactions on derivatives.

The main types of risks resulting from financial instruments of the Company include: interest rate risk, liquidity risk, credit risk and risk related to financial securities. The Management Board is responsible for establishment of risk management in the Company and supervision of its observance. The principles of risk management aim at identification and analysis of risks the Company is exposed to, setting out proper limits and control, as well as monitoring of the risks and compliance with the limits.

### Credit risk.

Credit risk refers to the risk of financial loss in case of a borrower or the other part of the contract defaults on its contractual obligations. Credit risk is connected mainly with receivables. Exposure of the Company on credit risk derives mainly from individual features of every customer. The Company continuously monitors its receivables. Because of the fact that over the last few months the Company have been reduced construction and assembly activities, the level of credit risk was significantly decreased. The Company prepares write-offs due to impairment which corresponds to estimated value of incurred losses on trade receivables, other receivables and investments. The aim of applied by the Company credit policy is maintenance of high and safe level of financial liquidity, timely

regulation of payables toward suppliers and minimisation of costs related to bank payables handling. Minimisation of use of bank credits and financial costs connected to them is also obtained via proper policy of payables and receivables management toward suppliers and recipients. The aim of this policy is to agree such timeframes of payments which allow the Company to use trade credit and meet prescribed payment deadlines, at the same time.

#### Liquidity risk.

The process of liquidity risk management is based on monitoring of anticipated cash flows, and then matching maturities of assets and liabilities, analysis of working capital and maintenance of access to various kinds of financial sources. The Company's aim is to maintain a balance between continuity and flexibility of financing by use of financing sources such as: loan, bank credit, financial lease agreements.

#### Risk related to instability of Polish legal system

Often revisions, inconsistency and lack of unitary interpretation of law, especially tax law, and legal regulations into which the Issuer is subjected as a public company, brings a significant risk related to legal environment in which the Issuer operates. For example a risk related to recognition of the Company as the Alternative investment company (ASI) as referred to in the Act on investment funds and management of alternative investment funds of 27 May 2004 (i.e. of 19 October 2016, The Official Journal of 2016, item 1896). From conducted by the Company analysis of binding provisions of law and carried business activity comes up that the Company does not meet the basic criteria necessary to classify it as ASI in the meaning of the Act on investment funds. However, taking into account the statement of KNF (Polish Financial Supervision Authority), it is not possible to exclude that the Company will be recognized as ASI by the KNF. It should be pointed out that in case of recognition that the Company has the ASI status under the Act on the investment funds, refraining from obtaining of a proper permission or registration causes a risk of criminal or financial responsibility. Amendments of law may have direct or indirect influence on the Issuer's activity and obtained by it financial results.

#### Risk related to links between the Issuer's corporate bodies

There are interpretations indicating possibility of risks occurrence based on negative influence of links between members of the Issuer's governing bodies on their decisions. This regards in particular influence of these links on Supervisory Board of the Issuer in the field of conducting of current supervisory on activity of the Company. While estimating of probability of occurrence of such a risk there should be considered the fact that supervisory bodies are subjected into control of another organ - General Meeting, and it is in the interest of Supervisory Board's Members to fulfil their duties in fair and legal way. Otherwise, members of the Supervisory Board are subjected into criminal liability due to acting against the Company's interest.



### Risk related to change of the Issuer's seat and Article of Association.

With regards to change of the Company's headquarter to Tallinn in the Republic of Estonia and amendments of the Article of Association, after transferring of the Company's seat to Estonia, there is a risk related to effective adjustment of operating of the Issuer in organisational and legal terms, to applicable in Estonia provisions of law. Aforementioned changes may temporarily affect organisational effectiveness of the Issuer and there may occur a risk of possible misunderstandings and mistakes as far as interpretations of the local law, obligations of business entities carrying out its activity in Estonia, informative obligations resulting from local regulations as well as related to further listing of the Company's shares on WSE and their proper realization by the Issuer are concerned.

### Risk related to shareholding structure.

As at the date of preparation of this report, 60,14% of the share capital and 60,14% of votes at the General Meeting of the Issuer is owned directly to Patro Invest OU, and as an effect of this, significant influence on adopted resolutions at the General Meeting of Shareholders has this Shareholder

### Risk related to economic situation in Poland and Estonia.

Economic and prosperity situation in Poland and Estonia have significant influence on financial results obtained by all entities, including the Issuer, because good prosperity of the companies investing in financial instruments and conducting financial services activity in the large scale depends inter alia on shaping of conditions for conducting business activity.

#### **1.6. Important achievements in the field of research and technological development.**

The Company does not conduct such researches.

#### **1.7. Current and predicted financial situation.**

As at 30/06/2019 the Company gained profit in the amount of euro 374 thous. These revenues were obtained from interest on the loans granted. In the next periods the Company will obtain results of the same type.

#### **1.8. Information regarding basic products, goods or services with indication of value and amount as well as contribution of particular products, goods and services (if significant), or their groups in total sale, and changes in this area in a particular financial year.**

Atlantis SE in the I half-year of 2019 gained revenues from interest on the loans granted.

#### **1.9. Information on outlets, with division into domestic and foreign and changes in sources of supply of materials for production, specifying dependency on one or several clients or suppliers and if the share of one client or supplier reaches at least 10% of income from sales total - name of a supplier or a client, his share in sale or purchases and his formal relationship with the Company.**

In the reporting period the Company has gained profits over 10% of total income, due to transactions with single external customer (IFEA interest):

- Client no, 1 – 47,47% of total income
- Client no, 2 – 51,91% of total income

**1.10. Summary and explanation of differences between data disclosed in the annual report and previously published financial forecast for a particular year.**

The Company did not publish forecast of financial results.

**1.11. Description of factors and events, especially atypical ones having significant influence on obtained financial results.**

A significant factor having influence on obtained financial result is valuation of portfolio of investments in securities by Atlantis SE. These investments was made in order to gain economic benefit, however, because of dynamic changes of share prices the valuation can be lower than expected value. The Management Board analyses on ongoing basis with regard to publicly available market data, the necessity of revaluation of investments or necessity to recognize possible revaluation write-offs, acting in accordance with prudence principle in valuation of assets.

**1.12. Explanation regarding seasonality and cyclicity of the Issuer's operating in presented period.**

Aforementioned factors have not occurred in the Company.

**1.13. Information regarding income and results falling on particular branch segments.**

As at the balance sheet date, the Company does not distinguish operating segments. Revenues are obtained from conducted financial activity and others.

Aforementioned revenues constitutes of revenues from interest on loans and realization of the Consultancy Agreement.

**1.14. Events which occurred after the date of this financial report preparation, do not included in this report but which may have significant influence on further financial results of the Issuer.**

All significant events are included in this report and financial report.

**1.15. In case of issuance of securities in the period covered by this report - description of use inflows from issuance by the Issuer.**

Within presented period the Management Board of the Issuer has not issued securities.

**1.16. Information on issuance, redemption and repayment of debt and capital securities.**

In the reporting period the Company have not issued, redemption and repayment of debt and capital securities.

**1.17. Information regarding paid out (or declared) dividend total and per share with division into ordinary and preference shares.**

The Company did not pay out and did not declare paying out of a dividend.

**1.18. Information on changes of contingent liabilities or contingent assets which have occurred since the end of the last financial year.**

As at 30/06/2019 contingent liabilities amount is PLN 3 481 thous. They result from the proceeding in which ATLANTIS SE is an „auxiliary” debtor. Atlantis SE, in case of failure in satisfying the creditor from property of the main debtor and after exhausting the legal dispute of the I and II instance as well as a cassation appeal, will be obliged to satisfy the creditor. The condition of satisfying the Creditor from the property of ATLANTIS SE is obtaining an enforcement order and an instrument permitting enforcement toward the main debtor, what has not happened as at the date of publication of this report, and obtaining it in the future is also unlikely because of liquidation of the company Carpri Sp. z o. o. and its removal from the Register (KRS).

**1.19. Statement of the Management Board regarding possibility of realization of previously published financial forecast for a particular year, in comparison with results presented in the quarterly report against anticipated result.**

ATLANTIS SE did not publish financial forecasts.

**2. Indication of shareholders owning directly or indirectly by the subsidiaries at least 5% of the total number of votes at the general meeting of the Issuer as at the date of publication of the quarterly report along with indication of number of owned by these entities shares, their percentage contribution in the share capital, number of votes resulting from them and their percentage contribution in the total number of votes at the general meeting and indication of changes in the ownership structure of the qualifying holding of the Issuer in the period since publication of the previous quarterly report.**

Shareholders owning over 5% of votes at the General Meeting as at 30 June 2019.

No.	SHAREHOLDER	NO. OF SHARES	% OF SHARES	NO.OF VOTES	% OF VOTES	DATE OF TRANSACTION
1	Patro Invest OU	15.035.832	60,14 %	15.035.832	60,14%	11.12.2018
2	Others	9.964.168	39,86%	9.964.168	39,86%	11.12.2018
	<b>Total</b>	<b>25 000 000</b>	<b>100</b>	<b>25 000 000</b>	<b>100</b>	-

As at 30/09/2019 the shareholding structure is as following:

No.	SHAREHOLDER	NO. OF SHARES	% OF SHARES	NO.OF VOTES	% OF VOTES	DATE OF TRANSACTION
1	Patro Invest OU	15.035.832	60,14 %	15.035.832	60,14%	11.12.2018
2	Others	9.964.168	39,86%	9.964.168	39,86%	11.12.2018
	<b>Total</b>	<b>25 000 000</b>	<b>100</b>	<b>25 000 000</b>	<b>100</b>	-

**Direct shareholding as at 30/09/2019**

No.	Name and surname / name /	Number of shares	Number of votes	% contribution in total number of votes
1.	Patro Invest OU	15.035.832	15.035.832	60,14%

**Indirect shareholding as at 30/09/2019**

No.	Name and surname / name /	Number of shares	Number of votes	% contribution in total number of votes
1.	Damian Patrowicz	15.035.832	15.035.832	60,14%

**2.1. Information on the Issuer's shares ownership or rights to these shares (options) by the managing and supervising persons as at the date of publication of this report, along with indication of changes in the ownership in the period since publication of the previous quarterly report, separately for each person.**

According to knowledge of ATLANTIS SE, the following managing and supervising persons own the Company's shares:

Damian Patrowicz– Chairman of the Management Board

No.	Name and surname / name /	Number of shares	Number of votes	% contribution in total number of votes
1	Damian Patrowicz	15.035.832	15.035.832	60,14%

- 2. Indication of proceedings pending before a court, arbitration body or public administration authority indicating information concerning proceeding regarding liabilities or receivables of an Issuer the value of which constitutes at least 10% of the Issuer's equity, indicating: the subject of the proceedings, the value of the dispute, the date of initiation of proceedings, parties to proceedings and issuer's position, two or more proceedings regarding liabilities and receivables which total value is respectively, at least 10% of the Issuer's equity with indication of the total value of these proceedings along with the Issuer's statement in this matter and, for the most valuable proceedings - with indication of their subjects, value of the dispute, the date of initiation of proceeding and the parties of the proceeding.**

As at 30/06/2019 the Company was not a party of any proceedings, the value of which constitutes at least 10% of equity.

- 1. Information on entering by the issuer into one or more transactions with related parties, if they are significant separately or altogether and if they were concluded on other than market conditions, along with disclosure of their value and information about the other party of the transaction, information about connections between the Issuer and the other party of the transaction, information about the transaction's subject, relevant terms of the transaction, especially financial conditions as well as indication of specific conditions established by the parties of the transaction which are characteristic for an agreement and are different than widely applicable for this kind of agreements, other information regarding these transactions if they are essential for understanding the property and financial condition and financial result of the issuer, any changes of transaction with related parties which could have significant influence on property and financial situation and financial result of the issuer.**

In the I half-year of 2019 ATLANTIS SE has not concluded any transactions with related entities on other than market conditions.

- On 14/12/2018 the Issuer concluded (granted) the loan agreements with IFEA Sp. z o. o. headquartered in Płock. Value of the loan granted is PLN 35 083 thous. Interest rate is WIBOR6M+3%. Repayment term was established as 29/12/2018. On 29/12/2018 the Issuer concluded an Annex to the Loan Agreement establishing the new repayment term. The Parties extended the repayment date to 20/06/2019, remaining at the same time other conditions of the agreement of 14/12/2018 unchanged. On 21/06/2019 the Issuer concluded with IFEA Sp. z o. o. Annex no. 2 amending repayment term of the loan along with interest and establishing it as at 31/12/2019.
- On 08/01/2019 the Issuer concluded (took) a cash loan with ELKOP S.A. headquartered in Płock. The principal of the loan was PLN 1.200 thousand, repayment term was established as at 31/03/2019. There was also concluded an assignment agreement of a real estate, as a security. On 31/03/2019 the repayment term passed. On 17/04/2019 ELKOP S.A. submitted a statement on takeover of the real estate.
- On 19/02/2019 the Issuer sold 2.681.993 ordinary bearer shares of IFERIA S.A. headquartered in Płock for the total price PLN 2.682,00.
- On 08/01/2019 the Issuer concluded a cash loan agreement with Patro Invest OU headquartered in Tallinn in the amount of PLN 1.200.000,00. Repayment term of the loan is 31/03/2020, interest rate is 4% per year, paid along with the loan's repayment. The Borrower repaid the entire loan.
- On 02/01/2019 the Issuer concluded with Office Center Sp.z o.o. a cash loan agreement in the amount of PLN 356.000,00. Repayment term of the loan is 30/06/2020, interest rate is 6% per year, paid along with repayment of the loan.
- On 03/01/2019 the Issuer concluded with Office Center Sp.z o.o. an Agreement on sale of the due receivable toward Vinit Sp.z o.o. resulting from the Loan Agreement concluded on 16/02/2017 in the amount of PLN 444.000,00 for the price PLN 400.000,00. Payment term was established as 7 days since the date of the agreement conclusion.
- On 19/01/2019 the Company received a Debt note in the amount of PLN 1.371.000 due to failure in fulfilling provisions of the Commercialisation Agreement of 30/04/2019 concluded with Office Center Sp.z o.o. The reason of this failure was takeover of the ownership of the real estate located in Płock, by ELKOP S.A. as a security of the cash loan of 14/12/2018.
- On 10/01/2019 ATLANTIS SE concluded a cash loan agreement with Office Center Sp.z o.o. in the amount of PLN 316.000,00. Repayment term of the loan is 30/06/2020, interest rate is 4% per year, paid along with the loan.
- On 08/01/2019 ATLANTIS SE concluded a cash loan agreement with Office Center Sp.z o.o. in the amount of PLN 380.000,00. Repayment term of the loan is 30/06/2020, interest rate is 4% per year, paid along with the loan's repayment.

- On 01/03/2019 the Issuer concluded with Fon Zarządzanie Nieruchomościami Sp.z o.o. headquartered in Płock an Agreement on consultancy on a real estate sale. The Issuer, as the Contractor, received remuneration in the amount of PLN 934.760,00 (gross) for fulfilling the agreement's provisions.
- 2. Information on the issuer or their subsidiary warranting a credit or loan or giving guarantee – jointly to one entity or a unit dependent on it, if total value of the warranties or guarantees consists of at least 10% of the Issuer's equity, with indication of: name of the company for which these warranties or guarantees were granted, total amount of credits or loans which were wholly or partially warranted or guaranteed, period the warranties or guarantees were granted for, financial terms and conditions under which the warranties or guarantees were granted, including specification of the issuer's or subsidiary's remuneration for granting such warranties or guarantees, the nature of links existing between the Issuer and the entity that incurred the credit or loan.**

In the first half of 2019 ATLANTIS SE has not granted neither warranties of credits, nor guarantees.

- 3. Other informations which are significant in the Issuer's opinion, to assess its HR, property, financial situation and financial result and their changes, as well as information which are significant to assess ability to fulfill the Issuer's obligations.**

Apart from those indicated in this report, in the Issuer's opinion, there is no more information having influence on the Issuer's financial situation.

- 4. Indication of factors which, in the Issuer's opinion, will influence obtained by the Issuer results in the perspective of the next half-year at least.**

Described in the points above. Also, in the Management Board's opinion, the factor that will influence obtained in the future financial results, is timely handling of loans granted by the company. Especially significant factor that may have influence on the Issuer's results are legal and economic aspects related to transfer of the Issuer's seat to Estonia and consequences of this transfer. The Issuer's Management Board informs that procedure of the Company's seat change will not affect listing of the Issuer's shares on Warsaw Stock Exchange.

- 5. Amendments on basic principles of managing of the Issuer's business.**

In the first half-year of 2019 there was no amendments on basic principles of managing of ATLANTIS SE.

**6. Any agreements concluded between the issuer and managing people, prescribing compensation in case of their resignation or dismissal from held function without important reason or if their removal or dismissal is made because of merging of the Issuer by acquisition.**

This kind of agreements were not concluded by ATLANTIS SE in the presented period.

**7. Value of remuneration, rewards or benefits, including those resulting from motivational or bonus programs, based on the Company capital, including programs based on privileged bonds, convertible bonds, warrants (in cash, in kind or in any other form) that are paid out, due or potentially due, for each supervising and managing person, irrespective of the fact that they were qualified as costs or resulted from the profit distribution. In case of an issuer who is a controlling entity or a major investor - separate information about value of the remuneration and rewards received due to held function in the government bodies of subsidiaries, if relevant information were presented in the financial statements - this obligation is deemed to be fulfilled by indication of its position in the financial statements.**

Managing and Supervising people have not received any benefits.

**11. Remuneration paid out to the Management Board and Supervisory Board**

Remuneration in PLN thous.

Remuneration of managing and supervising people	01/01/2019- 30/06/2019	01/01/2018- 30/06/2018
Supervising people – members of the Supervisory Board	0,00	26,7
Managing people	0,00	81,6

**Supervisory Board 01/01/2019 – 30/06/2019**

in PLN thous.

1	Hetkowski Wojciech	0,00
2	Koralewski Jacek	0,00
3.	Patrowicz Martyna	0,00
4	Patrowicz Małgorzata	0,00
5.	Patrowicz Damian till 15/01/2019)	0,00



**Management Board 01/01/2019 – 11/01/2019** : Anna Kajkowska – PLN 0,00

15/01/2019-30/06/2019: Damian Patrowicz- PLN 0,00

**Supervisory Board 01/01/2018 – 30/06/2018**

in PLN thous.

1	Hetkowski Wojciech	10,00
2	Koralewski Jacek	1,60
3	Patrowicz Damian	7,09
4	Patrowicz Małgorzata	7,09
5	Patrowicz Martyna	1,13

**Management Board 01/01/2018 – 30/06/2018** : Anna Kajkowska - PLN 81,6 thous.

People managing and supervising the Issuer did not receive advances, loans, guarantees and warranties.

**12. In case of limited companies - indication of the total number and nominal value of all shares of the issuer and shares in related entities of the issuer, owned by the managing and supervising people (separately for each person).**

According to knowledge of ATLANTIS SE, as at the date of publication of this report, shares of ATLANTIS SE are owned by the following managing and supervising of the Company:

Damian Patrowicz– Chairman of the Management Board

Mr. Damian Patrowicz as a Member of the Management Board and the only Shareholder of Patro Invest OU headquartered in Tallinn, owns indirectly 15.035.832 constituting 60,14% of the share capital of the Issuer and votes at the General Meeting of Shareholders.

Małgorzata Patrowicz – Member of the Supervisory Board - does not own shares of ATLANTIS SE

Martyna Patrowicz – Member of the Supervisory Board - does not own shares of ATLANTIS SE

Jacek Koralewski – Member of the Supervisory Board - does not own shares of ATLANTIS SE

Wojciech Hetkowski – Chairman of the Supervisory Board - does not own shares of ATLANTIS SE

Anna Kajkowska –Chairman of the Management Board (till 11/01/2019) –does not own shares of ATLANTIS SE

**13. Information on agreements known to the Issuer (including those concluded after the balance sheet date), pursuant to which there may be a change in the proportions of shares held by current shareholders and bondholders.**

The Issuer has not knowledge about aforementioned agreements.

**14. Information about controlling system of employees shares programs.**

In the first half year of 2019 the Company has not introduced a program of employees shares and at the same time has not introduced their control system.

**15. Information regarding agreements concluded with an auditor.**

An agreement with a certified auditor was not concluded because of lack of such obligation.

**16. Characteristics of external and internal factors which are significant for development of the Issuer's business and description of development perspectives of the Issuer at least up to the end of the financial year that follow the year for which the financial statements included in the half-year report were prepared, specifying elements of the market strategies set by the Issuer.**

These factors are described in point 1.5 of this report.

**17. Information on any liabilities resulting from pensions and benefits of similar character for people who were managers, performed supervising functions, or were members of administrative organs, and on commitments made in connection with these pensions specifying the value for each organ; if relevant information were presented in the financial statement - this obligation is deemed to be fulfilled by indication of its position in the financial statements.**

Obligations of this kind do not occur in the Company.

**18. Information on own shares**

**19.** The Company has not possessed own shares in the reporting period.

## 20. Information on branches of the Company

The Company has not any branches.

## 21. Information on financial instruments in terms of:

- a) **risks: price's change, credit, significant interruptions of cash flows and liquidity to which the entity is exposed,**
- b) **applied by the entity aims and methods of financial risk management, along with security methods of significant types of planned transactions, for which the hedge accounting is applied**

The Company has not formalized system of financial risk management. Decisions on application of hedging instruments for planned transactions are made on the basis of ongoing analyse of the Company' situation and its surrounding.

### **Risk management objectives and principles**

The main financial instruments which are used by the Company are trade receivables and payables, which occurs directly in the course of its business activities.

The Company does not conclude transactions on derivatives.

The main types of risks resulting from financial instruments of the Company include: interest rate risk, liquidity risk, credit risk and risk related to financial securities.

The Management Board is responsible for establishment of risk management in the Company and supervision of its observance.

The principles of risk management aim at identification and analysis of risks the Company is exposed to, setting out proper limits and control, as well as monitoring of the risks and compliance with the limits.

### **Credit risk**

Credit risk refers to the risk of financial loss in case of a customer or the other part of the contract defaults on its contractual obligations. Credit risk is connected mainly with receivables. Exposure of the Company on credit risk derives mainly from individual features of every customer. The Company continuously monitors its receivables.

The aim of applied by the Company credit policy is maintenance of high and safe level of financial liquidity, timely regulation of payables toward suppliers and minimisation of costs related to bank payables handling. Minimisation of use of bank credits and financial costs connected to them is also obtained via proper policy of payables and receivables management toward suppliers and recipients. The aim of this policy is to agree such timeframes of payments which allow the Company to use trade credit and meet prescribed payment deadlines, at the same time.

### **Liquidity risk**

The process of liquidity risk management is based on monitoring of anticipated cash flows, and then matching maturities of assets and liabilities, analysis of working capital and maintenance of access to various kinds of financial sources. The Company's aim is to maintain a balance between continuity and flexibility of financing by use of financing sources such as: loan, bank credit, financial lease agreements.

#### **The risk of exchange rate fluctuations and limited liquidity.**

The imminent feature of stock exchange trading are fluctuations in stock prices and short-term fluctuations in turnover. This may result in the possible sale or purchase of a larger block of Issuer's shares being associated with the need to accept a much lower price than the reference price. It is also not possible to exclude temporary significant liquidity restrictions, which may prevent or significantly hinder the sale or purchase of Issuer's shares.

#### **Risk related to instability of Polish legal system**

Often revisions, inconsistency and lack of unitary interpretation of law, especially tax law, and legal regulations into which the Issuer is subjected as a public company, brings a significant risk related to legal environment in which the Issuer operates. For example a risk related to recognition of the Company as the Alternative investment company (ASI) as referred to in the Act on investment funds and management of alternative investment funds of 27 May 2004 (i.e. of 19 October 2016, The Official Journal of 2016, item 1896). From conducted by the Company analysis of binding provisions of law and carried business activity comes up that the Company does not meet the basic criteria necessary to classify it as ASI in the meaning of the Act on investment funds. However, taking into account the statement of KNF (Polish Financial Supervision Authority), it is not possible to exclude that the Company will be recognized as ASI by the KNF. It should be pointed out that in case of recognition that the Company has the ASI status under the Act on the investment funds, refraining from obtaining of a proper permission or registration causes a risk of criminal or financial responsibility. Amendments of law may have direct or indirect influence on the Issuer's activity and obtained by it financial results.

#### **Risk connected to dependence of the Issuer on receivers**

There is the risk of impact of the entities connected with the issuer by loan agreements on obtained by the Issuer results.

**22. Statement of a governing body along with an opinion of a supervising body of the issuer regarding reservations expressed by an entity authorized to audit financial statements in a report on review or refusal to issue a report on review of the half-year financial statements, and in case when the condensed half-year financial statements were subjected into audit by an entity authorized to audit financial statements - to issued by an entity authorized to audit financial statements qualified opinion, negative opinion or refusal to issue an opinion on the condensed half-year financial statements, including in particular:**

**a) indication of the impact, in quantitative and qualitative, a subject of the reservation or refusal to issue a report on review, and in case when the condensed half-year financial statements were subjected into audit by an entity authorized to audit financial statements - a subject of the reservation, a negative opinion or refusal to issue an opinion, on the half-year statements, also on results and other financial data, with presentation of the materiality assessment in each case,**

**b) presentation of undertaken or planned by the issuer actions regarding this situation.**

Such a situation did not occur in the Company.

**23. An assessment of possibility of realization of investment intentions, including capital investments in comparison with the size of owned resources, taking into account possible changes in the structure of financing this activity.**

The Company does not plan such investments in the nearest future.

**24. DECLARATIONS OF THE MANAGEMENT BOARD**

The Management Board of Atlantis SE (European Company) declares that according to their best knowledge:

- Condensed Interim Separate Financial Statement of Atlantis SE for the period of six months ended on June 30, 2019 and comparable data were prepared in accordance with applicable accounting principles and that they reflect in the true, fair and clear way the property and financial situation of Atlantis SE and its financial result,

- Report of the Management Board on activity of Atlantis SE for the first half-year of 2019 includes the fair view of development and achievements as well as situation of the Company, including description of the basic risks and threats.

Therefore, the Management Board of Atlantis SE presents with due diligence and accuracy, the Report of the Management Board on activity of Atlantis SE for the period since 01/01/2019 till 30/06/2019.

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Chairman of the Management Board Damian Patrowicz

**STATEMENT ON ELECTION OF THE ENTITY AUTHORIZED TO REVIEW FINANCIAL STATEMENTS PERFORMING REVIEW OF THE FINANCIAL STATEMENTS OF ATLANTIS SE**

The Management Board of Atlantis SE declares that in the light of regulations binding the Company, the financial statements for the first half of 2019 were not audited.

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Chairman of the Management Board Damian Patrowicz

**Chairman of the Management Board Atlantis SE**

**Damian Patrowicz**