



A T L A N T I S S E

ANNUAL FINANCIAL STATEMENTS

AND THE MANAGEMENT BOARD'S REPORT

FOR THE PERIOD SINCE 01 JANUARY 2019 TILL 30 JUNE 2020

AND FOR THE YEAR ENDED ON 30 JUNE 2020

**PREPARED IN COMPLIANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS**

Tallinn, 02/11/2020

I. CORPORATE PROFILE

Company name: **ATLANTIS SE**

Beginning of the financial year: 1 January 2019

End of the financial year: 30 June 2020

Registry code: 14633855

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

E-mail: biuro@atlantis-sa.pl

Website: www.atlantis-sa.pl

The main economic activity: as at 30/06/2020 the economic activity registered in Estonia is 'holding company activities'.

Supervisory Board:

1. Małgorzata Patrowicz- Secretary of the Supervisory Board
2. Jacek Koralewski- Vice Chairman of the Supervisory Board
3. Martyna Patrowicz- Member of the Supervisory Board
4. Wojciech Hetkowski.- Chairman of the Supervisory Board

Management Board:

1. Damian Patrowicz since 16.01.2019 - still
2. Anna Kajkowska till 11.01.2019

Duration of the Company is indefinite.

The Annual Financial Statements of ATLANTIS SE for the period since 1 January 2019 till 30 June 2020 and the financial year ended on 30 June 2020 and the comparable Financial Statements for the year 2018 ended on 31 December 2018 is prepared in accordance with International Financial Reporting Standards approved by the European Union and related interpretations announced in the form of regulations of the European Commission.

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II. SELECTED FINANCIAL DATA

Selected financial data	YEAR	YEAR
	01.01.2019 30.06.2020	01.01.2018 31.12.2018
	EUR	EUR
Revenues from interest, sale of products, goods and materials on continuing activity	617	139
Revenues from sale of products, goods and materials on discontinued activity	0	466
Profit (loss) on operating activity – continuing activity	345	-330
Pre-tax profit (loss) on continuing activity	-2 800	18
Profit (loss) on discontinued activity	0	-2 938
Net profit (loss)	-2 800	-2 921
Net cash flow from operating activity	164	18 313
Net cash flow from investment activity	0	-84
Net cash flow from financial activity	-52	8 648
Change in cash and cash equivalents	112	-97
Assets total	8 483	12 285
Short-term liabilities	8	640
Equity	8 475	11 604
Share capital	2 750	2 750
The weighted diluted average number of ordinary shares (in pcs.)	25 000 000	25 000 000
Diluted profit (loss) from continuing activity per one ordinary share (in EUR)	-0,11	0,00
Profit (loss) per one ordinary share (in EUR)	-0,11	-0,12
Book value per share (in EUR)	0,34	0,46

III. LETTER OF THE MANAGEMENT BOARD

Hereby, I present the report on activity of ATLANTIS SE in the period since 01 January 2019 till 30 June 2020, as an introduction to submitted Financial statements and report on activity of ATLANTIS SE for 2019. The current financial year is the first year of the Company's operating in Estonia. It is also the next year filled with activities aiming at achieving goals which were set for the Management Board and which were at the same time expectations of the Shareholders participating in the General Meetings. Financial activity in the field of granting cash loans provided stability to the Company.

The actions taken in the previous years and their effects allow us to be convinced that the decision on changing the development strategy of the Company that was made a few years ago, has brought tangible effects which will lead to a positive financial result.

I would like to ensure you that the Management Board's aim was to identify most of risks and costs related to them which could finally be a threat for undertaken activity. Independently however, on obvious challenges facing the Company such as economic development and achieving profit on activity that is satisfactory for the Shareholders, the intention of the Management Board is to conduct stable, compliant with applicable provisions of law and corporate standards activity, as well as to create a cash loans portfolio characterised by satisfactory rate of return.

The Management Board encloses also the opinion of the Certified Auditor on the financial statements for the presented period, as well as the Corporate Governance Report.

Damian Patrowicz

IV. REPORT OF THE MANAGEMENT BOARD ON THE COMPANY'S ACTIVITY.

1. *The main areas of activity, product and service groups. Information concerning the existence of branches of the accounting entity registered in a foreign state.*

Atlantis SE gain revenues mainly from interest on granted cash loans. The Company has no branches registered in a foreign state. The country where ATLANTIS SE operates is Estonia.

2. *The most significant investments and actions made during the financial year and planned in the immediate future.*

Due to the Company's core activities in the field of financial services, in particular providing cash loans for business entities, the Company's most significant investments in reporting were related to granted loans. The company intends to continue lending in the near future, so any further investments will also be made in this area. The Management Board informed the Shareholders about all activities and investments significant for the Company's operations in current reports published on the Company's website.

3. *Significant projects in the field of research and development and the related expenditure in the accounting year and the following years.*

Atlantis SE has not realized any projects in the field of research and development, and therefore has no expenses made in this area. The Company does not exclude this kind of investments.

4. *If at the balance-sheet date the owners' equity of the accounting Entity does not comply with the requirements established by the Commercial code, the activities planned for restoration of owners' Equity shall be described in the management report.*

The equity of the Company disclosed in the balance-sheet meets the requirements set out in the Commercial Code.

5. *If an accounting entity has acquired or taken as security its own Shares during the financial year, the following items that have Been acquired or taken as security shall be provided in the Management report as transferred and not transferred:*

- 1) the number of the shares and their nominal value or, in the absence Of a nominal value, the accounting par value and the ratio in the share Capital;
- 2) the amount of consideration paid for the shares and the reason for Their acquisition or taking as security.

In the reporting period, the Company has not acquired and has not taken over own shares as a security.

6. *Significant events which have occurred during the period of preparation of the annual accounts and which are not presented in the annual accounts but which have or may have a material effect on economic performance for the following financial years.*

All events having influence on the financial statements and financial result presented in the report, as well as events which may have influence on results of further periods were presented in this

report. A significant factor that influenced obtained financial result is valuation of portfolio of investments in securities by Atlantis SE. These investments was made in order to gain economic advantage, however, because of situation of the entity, the valuation was lower than expected value, and the shares of non-public company IFEA Sp. z o. o. have influence on the financial result. Value of these shares is subjected into revaluation write-off. The next important factor that influenced the obtained financial result is recoverability of receivables due to granted cash loans and settlements resulting from agreements concluded by the Company with counterparts.

7. General (macroeconomic) development of the activities environment of the accounting entity and the impact of such development on its financial performance.

Financial effectiveness and the development of the activities environment in which the entity operates are influenced by the following significant factors, including risks and threats.

- 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.
- The immanent 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 different 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.
- Frequent revisions, incoherence and lack of uniform interpretation of law, in particular tax law, carry significant risks related to the legal environment in which the Issuer operates. Future amendments to the law may have a direct or indirect impact on the Issuer's operations and the financial results it achieves.
- Considering a number of factors influencing financial situation of a borrower that could have negative impact on their ability to repay obligations, including obligations resulting from a loan agreement concluded with ATLANTIS SE, there is a risk of variability of ability to repay debts by a borrower.
- Because of the economic risks into which are subjected entities using financing in the form of cash loans granted by ATLANTIS SE, there is a risk related to variability of income obtained by the Company due to interest on granted loans.
- Exposure on the interest rate risk concerns primarily long-term financial liabilities, mainly credits and loans interest-bearing in accordance with changeable interest rates. The Company obtains funds on the operation financing mainly in the form of loans with fixed interest rates. Moreover, the Company locates additional funds in short-term deposits with changeable interest rate. All investments of these kinds have maturity term up to 1 year. The Company have not used applied securities of interest rates, deciding that interest rate risk is not relevant.
- Granting cash loans, the Company is provided with securities of their repayment. These are securities in the form of entries in the real estate's mortgage, transfer of ownership, promissory notes and promissory notes' declarations, statements pursuant to art. 777 of the Civil Procedure Code. The Company is still increasing level of financial securities, recognized as off-balance sheet liabilities.
- 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.

- 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.
- There is a risk of impact of entities connected with the Issuer by loan agreements on the Issuer's results. Failure in timely payment of receivables due to concluded agreements - repayments of interest instalments and interest-capital instalments have influence on ongoing liquidity. Loan agreements in this case, should be recognized as constant dependence on recipients.
- It is related to future events that can be partially controlled or predicted. As sources of specific risk there can be mentioned: management of the Company, competition, resources availability, liquidity, bankruptcy of the companies, level of leverage or operating leverage.
- The risk of manager's decision based mainly on making investment decisions, resulting with long-term financial effects and research works which are often expensive. There are links between current and strategic decisions. Only their synchronization make it possible to obtain optimal economic effects. Making financial decision by the Managers consists of constant choosing among existing possibilities using criteria which simplified the most convenient choice in particular conditions. It requires inter alia using proper economic tools, especially: analysis of financial situation of the Company, allowing estimation of compliance of economic operations' course with regard to previous assumptions as well as consisting of starting point to making future decisions; financial planning that should be a tool of conscious, programmed in advance, managing of cash processes; external conditions of financial decisions. Acknowledgement of external conditions which are going to accompany of the Company's future operation is extremely important while making strategic decisions. It allows full use of chances for increase effectiveness in case of occurrence more favourable external conditions and taking necessary actions in order to avoid or reduce losses which may occur in case of these conditions worsen.

Particular attention should be given to:

- economic prosperity,
- inflation,
- national fiscal and monetary policy,
- exchange rate policy.

Economic prosperity - in the period of economic recovery and development of prosperity, most of the companies can expect a significant increase on sale and profit. It justify, and even make it necessary to conduct more expansive financial policy of the Company based inter alia on bolder usage of credits for turnover purposes and investments. However, at the moment of occurrence of signs of peak economy growth, if there are expected or if occur any symptoms of fall in demand, then a need occurs to apply more careful financial policy which takes into account a possibility of decreasing of income and profit. Then arises the need to postpone for more favourable periods, the new developing investments

and taking actions preventing from freezing funds in surplus stocks of products and goods. Also, financial capacity of recipients who purchase with deferred payment term should be deeply analysed. It is also necessary to carefully enter into short-term credits, if there is lack of reasonable certainty of its refinancing. Prosperity fluctuations have unequal influence on various economic branch. They are not so tangible in the Companies dealing with sale of products and goods of daily usage. While, on companies which are specialized in production and sale of durable consumer goods and investments, these fluctuations have more significant influence. In order to reduce risks which can be caused by the next breakdown of business cycle, the long-term financial strategy shall include possibility of maintenance of financial liquidity.

- In the Issuer's portfolio are included financial instruments of non-public market characterized which are not allowed to trading on regulated markets, i.e. exchange. These instruments include inter alia: shares of non-public companies, bonds issued by such companies, convertible bonds. Investment in non-public market is based on conclusion of transactions on financial instruments between the issuer and investors or between investors only. Location of funds in non-public issuance is connected with possibility to gain higher rate of return in comparison with portfolios of companies listed on WSE, with simultaneous taking of higher risk. Instruments of non-public market in comparison with exchange instruments are characterized with low liquidity and low availability especially for individual investors. Such instruments have usually limited, countable number of investors who can really influence on operating activities of the company by inter alia recapitalization of the company, possibility of financial restructuring, branch consolidation.
- There is a possibility of investment in shares of the companies which can announce bankruptcy as a result of changes of circumstances and improper decisions of the management board. With regard to small businesses of non-public market which are usually focused on realization of one investment, the risk is higher than in case of big companies listed on exchange. In this situation there is a risk of loss of the whole amount or a part of invested funds.
- Risk resulting from influence of the coronavirus SARS-CoV-2 epidemic on the Issuer's activity. Considering the type of conducted activity, the Company is moderately exposed for negative consequences of the coronavirus SARS-CoV-2 epidemic that causes COVID 19. The Management Board of the Company is not able to foresee the full consequences and the scope of decrease of revenues on the basis activity. However, the Issuer expects that the current situation may have negative impact on the Company's results. The Issuer informs also that the safeguard procedures are implemented which aim at reduction of possibility of infection by the contractors of the Company, especially the Company strives to elimination of personal contacts and reduces meetings, what should allow the Company to operate constantly. After carried out analysis of the current situation connected with epidemic of the coronavirus SARS-CoV-2 epidemic causing COVID-19 and its possible influence on the Issuer's activity the Issuer points out that as at the date of publication of the report, they does not notice any influence of aforementioned situation on the Issuer's activity.

8. Information whether the operating activities of the accounting entity take place on a seasonal basis, or whether their business activities are cyclical.

Activity being conducted by Atlantis SE is neither cyclical nor based on seasonality.

9. Significant environmental and social impacts resulting from the activities of the accounting entity

Activity that is conducted by Atlantis SE does not cause any significant environmental and social impacts. There are not any liabilities resulting from pensions and benefits of a similar nature for prior managers, supervisors or prior members of administrative organs and liabilities incurred in connection with these pensions.

10. Financial instruments financial risk management objectives and policies and risks related to Changes in foreign exchange rates, interest rates and stock exchange rates which have occurred during the financial year or during the period of preparation of the report.

Described in point 7.

11. The main financial ratios concerning the financial year and the preceding financial year, and the methods for calculating the ratios.

RATIO	Current financial year	The previous financial year
EBITDA	-2 800	-2 914
ROA	-33,01 %	-23,78%
ROE	-33,03 %	-25,17%

ROA – return on assets, net profit of the Company to value of the assets
(net profit/value of assets*100)

ROE – return on equity, net profit of the Company to equity
(net profit/equity*100)

EBITDA-earnings before interest, taxes, depreciation and amortization
(EBIT+ amortization)

12. If at the balance-sheet date the owners' equity of the accounting entity does not comply with the requirements established by the Commercial Code, the activities planned for restoration of owners' equity shall be described in the management report.

Such a situation has not occurred in the presented period in Atlantis SE.

13. If an accounting entity has acquired or taken as security its own shares during the financial year, the following items that have been acquired or taken as security shall be provided in the management report as transferred and not transferred.

In the presented period Atlantis SE did not acquire or takeover of own shares.

14. The structure of the share capital, including the securities, trading in which on the regulated securities market of Contracting States is not permitted and, where possible, also data on the different classes of shares, the rights and obligations related to each class of security and their percentage in the share capital of the company

SHARE CAPITAL (STRUCTURE)							
Series / issue	Type of shares	Share preference type	Type of limitation of rights to shares	Number of shares	Value of series / issue by nominal value	Method of the capital coverage	Registration date
A	Bearer	-	-	25.000.000	0,11 EUR nominal value of one share	Shares of the limited liability company and by cash	19-04-2018
Total number of shares				25.000.000			
Share capital – total				2.750thous.EUR			
Nominal value of one share = 0,11 EUR							

15. All restrictions, as provided by the articles of association, on the transfer of securities, including restrictions on ownership in securities or the need to obtain agreement from the company or other owners of securities.

There is no restrictions in Atlantis SE on transfer of securities and the need to obtain consent of the company or other shareholders.

16. All restrictions on transfer of securities known to the company as provided by contracts between the company and its shareholders, or contracts between the shareholders.

The Company has not got knowledge about restrictions on transfer of securities resulting from contracts between the company and its shareholders, or contracts between shareholders.

17. Qualifying holding pursuant to the provisions of § 9 of the Securities Market Act

As at the date 15/10/2020 according to the Management Board's best knowledge, the structure of direct and indirect shareholders holding at least 5% of the total number of votes at the General Meeting was as follows:

30/10/2020

No.	SHAREHOLDER	NUMBER OF SHARES	% OF SHARES	NUMBER OF VOTES	% OF VOTES	DATE
1	Patro Invest OU	16 372 683	65,50%	16 372 683	65,50%	30.10.2020
x	Total	25 000 000	100	25 000 000	100	-

* Damian Patrowicz owns 100% of Patro Invest OU

31/12/2018

Lp.	AKCJONARIUSZ	L. AKCJI	% AKCJI	L. GŁOSÓW	% GŁOSÓW	DATA
1	Patro Invest OU	15 035 832	60,14%	15 035 832	60,14%	31.12.2018
x	Total	25 000 000	100	25 000 000	100	-

18. Owners of shares granting specific powers of audit, and a description of their powers.

The Company did not issue shares granting specific powers to its Shareholders.

19. An auditing system, in case a holding scheme for employees exists where the employees do not directly perform their powers of audit.

Employees of the Company do not own any shares granting audit powers.

20. All restrictions and agreements relating to voting rights, and whether preferred shares have voting rights, including the restriction of voting rights by a certain percentage of the holding or a certain number of votes, the terms set for the use of the voting rights or systems in which the monetary rights related to the securities and ownership of the securities have been separated from each other in cooperation with the company.

Do not occur in Atlantis SE.

21. Provisions and rules for the election, appointment, resignation and removal of the members of the management board of the company established by legislation.

The Management Board of the Company consists of 1 (one) to 4 (four) members elected for 3 (three) years. The term of office of the member of the Management Board may be extended. The members of the Management Board shall be elected and removed by the Supervisory Board that shall also decide on the remuneration of the members of the Management Board. Each member of the Management Board may represent the Company independently in all legal acts, unless a resolution of the Supervisory Board prescribes otherwise. In the event that the Management Board has more than 2 (two) members, the chairman of the Management Board shall be appointed by the Supervisory Board by its resolution. A meeting of the Management Board has a quorum if more than one-half of the members of the Management Board are present. The resolutions of the Management Board are adopted by a simple majority of votes. Each member of the Management Board has one vote. The chairman of the Management Board shall have a casting vote upon an equal division of votes.

22. Provisions and rules for amendment of the articles of association of the company established by legislation.

Amendment of the Company's Article of Association is voted by Shareholders. If amendments are included in the agenda of the general meeting shareholders may vote via electronic voting before or during the meeting. The notice on convening the general meeting shall specify whether electronic voting is possible and the manner for casting votes determined by the Management Board. A shareholder who has voted electronically is considered to be present at the general meeting and the number of votes from the shares represented is taken into account in the quorum, if the applicable legal acts do not state otherwise.

23. Authorization of the members of the management board of the company, including the authorization to issue and repurchase shares.

Members of the Management Board are obliged to act within applicable provisions of law and authorisations granted by the General Meeting and Supervisory Board.

24. Agreements between the Company and its management board or employees which provide compensations on the case of a takeover provided in chapter 19 of the Securities Market Act.

Atlantis SE has not concluded Agreements which provide compensations on the case of a takeover provided in chapter 19 of the Securities Market Act.

25. All-important agreements to which the company is a party and which enter into force, are amended or terminated in the case where, as a result of a takeover bid pursuant to the provisions of chapter 19 of the securities market act, another person gains the qualifying holding in the company, and the effect of such agreements unless, due to the nature thereof, their disclosure would result in significant damage to the company.

This kind of agreements do not occur in the Company.

26. Indication of significant proceedings pending in a court, arbitration body or public administration authority regarding liabilities or receivables of an Issuer or its subsidiary, indicating: the subject of the proceedings, the value of the dispute, the date of initiation of proceedings, parties to proceedings and issuer's position, the value of which exceeds 10% of the Issuer's equity.

There have been carried out some control actions in the reporting period, which are a result of the Issuer's request for return of the tax due to the Company. Currently, procedures in this matter are still performed. In the Management Board's opinion after finishing of all official procedures, the fund will be paid out to the Company.

In the reporting period ATLANTIS SE has not been a party of any proceeding or proceedings pending in a court, arbitration body or public administration authority the value of which exceeds 10% of the Issuer's equity.

27. Information on capital links of the company with other entities and Description of the main domestic and foreign investments, including capital investments made out of the group of related Entities as well as description of their financing.

As at the balance sheet date 30/06/2020 the Company ATLANTIS SE has not subsidiaries and it does not create its own capital group. Also as at 31/12/2018 the Company had no subsidiaries and it does not create its own capital group.

As at 31/12/2018 the Company owned capital investments in the form of shares and stock of the mentioned below entities, which were financed from the own funds of the Company:

IFEA SP. Z O.O.

(Amount of owned shares/stocks) -**12.529**

(Contribution in share capital) -**43,33%**

(Contribution in votes at the GM)- **43,33 %**.

IFERIA S.A.

(Amount of owned shares/stocks) -**2.681.993**

(Contribution in share capital) -**14,71%**

(Contribution in votes at the GM)- **14,71%**.

According to the best knowledge of the Management Board the direct shareholder is Patro Invest OÜ headquartered in Tallinn that owns 65,50% contribution in the share capital and 65,50% of votes at the general Meeting of Shareholders of the Company as at 30/10/2020.

As at 30/10/2020 the Company does not own any capital investments in the form of shares and stock of other entities.

28. Information about transactions concluded by the company or its Subsidiary with related entities on other than market terms, Specifying their values and information describing character of These transactions.

In the period covered by this report, the Company has not concluded significant transactions with related entities on other than market conditions. All important transactions, including those one with related entities are indicated of the Annual Financial Report of the Company for the financial year since 01/01/2019 until 30/06/2020.

29. Information on taken and terminated agreements regarding credits And loans in the financial year, specifying at least their value, Interest rate level, currency and maturity term.

In the financial year lasting since 1 January 2019 till 30 June 2020 the Company has not had any taken and terminated credits.

30. Information on loans granted in the financial year, specifying Especially loans granted to the entities related with the company, Their value, type and interest rate level, currency and maturity Term.

The loans granted by the Company are described in notes of the Annual Financial Report of the Company for the financial year lasting since 1 January 2019 till 30 June 2020.

31. Information on granted and received in the financial year Warranties and guaranties, specifying especially guaranties and Warranties granted to the related entities of the company.

The Company, in the reporting period, have not granted or received any warranties and guaranties. In case of issuance of securities in the period covered by this report - description of usage of revenues from issuance of securities by the Company till the moment of preparation of the report on activity. In the reporting period, the Company has not issued any new securities.

32. Explanation of differences between financial results disclosed in The annual report and previously published forecasts for the Particular year.

The company did not publish forecasts for the financial year since 01/01/2019 until 30/06/2020 and the next years.

33. Assessment and its justification, regardin management of funds, Specyfing ability to discharge from taken obligation and Indication of possible threats and action which the issue undertook Or intends to undertake in order to prevent those threat.

As at the day of preparation of the periodical report, the Management Board according to their best knowledge, does not recognize any threat in terms of fulfilling his obligations and financial liquidity. The Company systematically settles its liabilities and have not any credits or loans taken and other significant burdens. The Company dedicates owned funds for conducted lending activity and intends to develop this activity gradually. Possible surpluses are located on temporal deposits in safe banks. Because of the fact that the main activity of the Company is lending activity, the

significant influence on results and maintaining liquidity of the Company, have the proper and prompt realization of obligations by the Borrowers toward the Company which result from concluded loan agreements.

34. Assessment of possibility of realization of investment intentions, Including capital investments, in comparison with owned Instruments taking into account possible changes in the structure Of financing of this activity.

The Company conducts mostly financial service activity, granting non-consumer cash loans for business entities. The current lending operating is financed from own funds of the Company. Further activities in the field of granting loans and possible investments, the Company intends to realize mainly from own funds.

35. Result from operating for the financial year, specifying level of Influence of these factors or atypical events on obtained result.

According to assessment and the best knowledge of the Management Board, apart from events indicated in of the Annual Report of the Company for the period since 1 January 2019 till 30 June 2020, there were not any other, especially atypical, factors and events which could significantly influence the assessment and change of the property and financial situation of the Company as well as possibility to realize its obligations. A material influence on the Company's results have revenues due to lending service activities and revaluation write-offs of owned financial instruments being in the Company's portfolio as at 30/06/2020.

36. Characteristic of external and internal factors significant for Development of the enterprise of the company and description of Perspectives for development of the company's activity, at least to The end of the financial year following the year covered by the Financial statements included in the annual report, specifying Elements of market strategy worked out by the company.

Taking into account the specific of the activity, i.e. financial service activities in the field of granting non-consumer cash loans partment, as well as considering owned by the Company stocks and shares of public and non-public market entities, according to the Company, significant influence on results currently have and will have the following internal and external factors:

- general market prosperity on lending market and level of interest rates,
- proper realization by the Borrowers of their obligations resulting from concluded loan agreements, as well as course of execution process and vindication of loans terminated, if such agreements occurs,
- efficiency of procedures and administrative and legal in which a possible participant or a part can be the Company,
- opportunity to gain possible borrowers,
- economic situation and investing circumstances in Poland, Estonia and the region,
- access to external financing sources,
- cooperation with other financial entities.

37. Changes in the basic rules of the company's enterprise management And its capital group.

In the reporting period there were no significant changes in the basic rules of the Company's enterprise management.

38. Any agreements concluded between the company and managing Persons, providing compensation in case of their resignation or Dismissing from held function without any

important reason or When their dismissing happens due to merger of the company via Takeover.

The Company has not concluded this kind of agreements with managing persons.

39. The 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 company which is a controlling entity or a major Investor, a partner of a co-subsiary or consequently an entity being a part of a joint contractual arrangement.

The Company has not concluded this kind of agreements with aforementioned persons and has not paid out this kind of remunerations, awards or benefits.

40. Information on average employment with division into Professionals.

The company has not employed any employees in the financial year lasting since 1 January 2019 till 30 June 2020. The annual average employment during the period to 31/12/2018 amounted to 11 person of the employment contract.

41. Indication of total number and nominal value of all shares (stocks) Of the company and shares in related entities of the company owned By the managing and supervising persons of the company.

- Members of the Management Board

As at the date of publication of the periodical report, the Chairman of the Management Board Mr. Damian Patrowicz owns indirectly shares of the Company. According to the best knowledge of the Management Board Mr. Damian Patrowicz owns indirectly via his subsidiary Patro Invest OÜ 16.372.683 shares of Atlantis SE constituting 65,50% of the share capital of the Company and granting 16.372.683 votes constituting 65,50% of votes at the General Meeting of the Company.

- Members of the Supervisory Board

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

42. Information on known for the company agreements as a result of Which there could occur changes in proportions of owned shares by The current shareholders.

The Company has not any knowledge about this kind of agreements.

43. Information on system of control of employee shares scheme.

The Company does not introduce employee shares scheme.

44. 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.

This kind of obligation does not exist in the Company.

45. Information on own shares

In the period covered by this report the Company has not owned own shares

46. Information on branches of the company

The Company has not any branches.

47. Information on financial instruments in terms of:

- a) prices' change, credit, significant interruptions of cash flows and loosing of financial liquidity, to which the entity is exposed
- b) applied by the entity goals and methods of financial risk management, along with securing methods of significant kinds of planned transactions for which hedging accountancy is applied.

The Company has no formalized system of financial risk managements. Decisions on application of securing instruments for planned transactions are made on the basis of current analyse of the Company's situation and its environment.

48. Information regarding an agreement and an entity authorized to Audit financial statements of the company.

The governing body entitled to choose a certified auditor, according to the Company's Article of Association is the General Meeting of Shareholders. On 20/02/2020 the General Meeting of Shareholders made a selection of an entity authorized to carry out an audit of financial statement of Atlantis SE prepared as at 30/06/2020. An entity selected by the General Meeting is Number RT OÜ headquartered in Harju maakond, Tallinn, Kristiine linnaosa, Linnu tee 21a, 11317, registry code of the company: 10213553. Remuneration for the Auditor will be paid according to the Agreement concluded between the Company and Number RT OÜ which was established on market conditions.

49. Functional and reporting currency

The functional currency of the Company is Polish zloty (PLN) and reporting (presentational) currency of the Company is EUR. The financial statements are presented in EUR thousand. The financial statements are prepared with assumption that the Company will going concern in the foreseeable future.

Rules of converting basic items of the financial statements into EURO Selected financial data presented in the financial statement was converted into EUR as follows: balance sheet items are calculated according to the average exchange rate announced by the European Central Bank as at the balance sheet day:

As at June 30, 2020 r. 1 EUR = 4,4560

As at December 31, 2018 r. 1 EUR = 4,3014

items in the profit and loss account and cash flow statement are converted at the exchange rate being the arithmetic average exchange rates announced by the European Central Bank as at the last day of each month in the period from January 1, 2019 to June 30, 2020 in the reporting period:

In the period since January 1, 2019 to June 30, 2020 1 EUR = 4,3447

In the period since January 1, 2018 to December 31, 2018 1 EUR = 4,2335

V. CORPORATE GOVERNANCE REPORT.

DECLARATION OF THE MANAGEMENT BOARD ON APPLICATION OF CORPORATE GOVERNANCE RULES, DRAWN UP UNDER § 242 OF THE ESTONIAN ACCOUNTING ACT (RT I 2002, 102, 600).

An indication of the corporate policy set, which is subject to ATLANTIS SE and the place where the text of the policy collection is publicly available.

Since 1.01.2016, the company has been subjected to the recommendations and principles set out in the good practice of the company listed on the WSE 2016, which was adopted by the resolution No 26/1413/2015 of the Supervisory Board of WSE dated 13 October 2015, and was publicly available on the WSE website at https://static.gpw.pl/pub/files/PDF/inne/GPW_1015_17_DOBRE_PRAKTYKI_v2.pdf. The issuer does not apply other than the following principles of good corporate governance practices, including the above-mentioned, in addition to the requirements laid down by Estonian law. The Management Board of ATLANTIS SE hereby presents its declaration on application of corporate governance rules.

An indication of the extent to which the Issuer has disapplied the application of the corporate rules together with an indication of these principles and an explanation of the reasons for the withdrawal.

Information on the current state of use of recommendations and rules included in the good practice of the company listed on the WSE 2016. According to the current state the Company does not apply 3 recommendations: III.R.1., IV.R.2., VI.R.1.

According to the current state of use of the good practices, the company does not apply the 11 rules: I.Z.1.6., I.Z.1.8., I.Z.1.16., I.Z.1.20., II.Z.3., II.Z.4., II.Z.8., III.Z.3., III.Z.4., IV.Z.2., VI.Z.1.

I. Information policy and communication with investors

The listed company cares about a proper communication with investors and analysts, leading a transparent and effective information policy. For this purpose, it provides easy and non-discriminatory access to the disclosed information, using a variety of communication tools.

Recommendations

I.R.2. If the company conducts sponsorship, charity or other activities of a similar nature, it publishes information about the policy in this area in its annual activity report.

The principle does not apply to the company.

Company's comment: As of the date of entry into force of the Good Practice of Companies Listed on the Warsaw Stock Exchange 2016, the Company is not active in this area.

I.R.3. The company should allow investors and analysts to ask questions and obtain - taking into account the prohibitions resulting from the applicable provisions of law - explanations on topics of interest to these people. The implementation of this recommendation may take place in the formula of open meetings with investors and analysts or in another form provided by the company.

The principle is applied.

Company's comment: The company provides explanations within the limits permitted by law to any inquiries of shareholders and investors. The company conducts electronic communication with investors. Open meetings with investors and analysts are not organized due to the fact that there is no interest in this form of obtaining information about the company by investors.

I.R.4. The company should make efforts, including taking all necessary steps to prepare the

periodic report in advance, in order to enable investors to become acquainted with the financial results achieved by it as soon as possible after the end of the reporting period.

The principle is applied.

Company's comment : The company makes efforts to make periodic reports available in the shortest possible time after the end of the reporting period.

Detailed rules

I.Z.1. The company runs a corporate website and publishes it, in a readable form and a separate place, in addition to the information required by law:

I.Z.1.3. The diagram of the division of tasks and responsibilities among members of the board, prepared in accordance with the principle II.Z.1,

The principle is applied.

Company's comment: The Management Board of the Company is a single-person and is responsible for all areas of the Company's operations.

I.Z.1.6. A schedule of corporate events resulting in the acquisition or limitation of rights on the part of the shareholder, a calendar for the publication of financial reports and other events significant from the investors' point of view, enabling investors to make investment decisions.

The principle is not applied.

Company's comment: The company publishes in the form of current reports, which are also available on the Company's website, information about any corporate events in good time. Information in the form of a calendar in the Company's opinion is unnecessary.

I.Z.1.7. Information materials published by the company on the company's strategy and its financial results.

The principle is not applied.

Company's comment : Until now, the company has not prepared and published information materials on the company's strategy and its financial results. The company's financial results and business plans in the next reporting period are published by the Issuer in periodic reports, which are published by relevant reports and on the company's websites.

I.Z.1.8. Lists of selected company's financial data for the last 5 years of operation, in a format enabling the data to be processed by their recipients.

The principle is not applied.

Company's comment: The company publishes in the form of periodic reports information on the company's financial results and selected financial data. This information is also available on the Company's website.

I.Z.1.9. Information about the planned dividend and dividend paid by the company in the last 5 financial years, including data on the dividend day, payout dates and the amount of dividends - in total and per share.

The principle is not applied.

Company's comment: The company publishes in the form of current reports, information on resolutions adopted by the General Meeting. These reports are also available on the Issuer's website. The decision

regarding payment of dividends belongs to the General Meeting.

I.Z.1.10. Financial forecasts - if the company has decided to publish them - published in the period of at least the last 5 years, together with information on the degree of their implementation.

The principle does not apply to the company.

Company's comment: To date, the company has not prepared financial forecasts and in the near future does not plan to prepare these forecasts.

I.Z.1.11. Information about the content of the company's internal rule of changing the entity authorized to audit financial statements, or the lack of such a rule.

The principle is applied.

Company's comment: The company complies with the rules for changing the entity authorized to audit financial statements resulting from generally applicable regulations.

I.Z.1.13. Information on the status of the company's application of the recommendations and principles contained in this document, consistent with the information that the company should provide in this respect on the basis of relevant regulations.

The principle is applied.

Company's comment : The company publishes information on the application of the principles and recommendations contained in the Code of Best Practice for WSE Listed Companies via the EBI system.

I.Z.1.15. Information including a description of the diversity policy used by the company with respect to the company's governing bodies and its key managers; the description should include such elements of diversity policy as gender, educational direction, age, professional experience, as well as indicate the objectives of the diversity policy being applied and the manner of its implementation in a given reporting period; if the company has not developed and does not implement diversity policy, it publishes an explanation of such decision on its website.

The principle is not applied.

Company's comment: Key personnel decisions with respect to the Company's governing bodies and its key managers are made by the General Meeting and the Supervisory Board. The Company as a criterion for the selection of the members of individual bodies is guided by the qualifications of the candidate to perform specific functions. Information on the data of persons sitting in the Company's bodies is published in relevant current reports informing about the selection of bodies and on the Company's website.

I.Z.1.16. information on the planned broadcast of the general meeting - no later than 7 days before the date of the general meeting.

The principle is not applied.

Company's comment: The company acknowledges that the transmission costs of the General Meeting are too high. At the same time, the Management Board indicates that the shareholding structure of the Company causes a lack of interest in the proceedings of the General Meeting. At the same time, the Company's Articles of Association and the Regulations of the General Meeting do not provide for the transmission of the meeting.

I.Z.1.17. Justifications to draft resolutions of the general meeting regarding matters and decisions relevant or likely to cause shareholders' doubts - at a date enabling participants of the general meeting to become acquainted with them and adopt a resolution with due consideration.

The principle is not applied.

Company's comment: The company publishes draft resolutions of General Meetings in accordance with applicable law. In cases where a justification of the content of a project or a resolution is required, it is forwarded along with draft resolutions submitted to the General Meeting.

I.Z.1.18. Information on the reasons for cancellation of the general meeting, change of the date or agenda of the meeting, as well as information about the break in the general meeting and the reasons for ordering the break.

The principle is not applied.

Company comment: The decision regarding the dismissal of General Meetings is, in principle, adopted by shareholders, in the event when this situation occurs, the Company publishes the relevant current report.

I.Z.1.20. Record of the proceedings of the general meeting, in the form of audio or video.

The principle is not applied.

Company's comment: In the Company's opinion, the costs of such a solution are too high. The company does not have the necessary technical infrastructure, and there is no interest in the record of the General Meeting due to the shareholding structure of the Company. At the same time, the Company's Articles of Association and the Regulations of the General Meeting do not provide for the transmission of the General Meeting.

I.Z.1.21. Contact details for the persons responsible in the company for communication with investors, indicating the name and e-mail address or telephone number.

The principle is not applied.

Company's comment: The company on its website provides contact details that all interested entities can use. In the Company's opinion, it is not justified to extract contact details for purposes of communication with investors.

I.Z.2. A company whose shares are classified to WIG20 or mWIG40 stock indices ensures availability of its website also in English, at least to the extent indicated in principle I.Z.1. This principle should also be applied by companies not listed above, if it is supported by the structure of their shareholders or the nature and scope of their business.

The principle is not applied.

Company's comment: The company does not participate in WIG20 mWIG40 stock market indices.

II. Management and Supervisory Board

The company is managed by the management board, its members act in the interest of the company and are responsible for its activities. In particular, management includes leadership in the company, commitment to setting strategic goals and their implementation, and ensuring the company's efficiency and security. The company is supervised by an effective and competent supervisory board. Members of the supervisory board act in the interest of the company and are guided in their actions by the independence of their own opinions and judgements. In particular, the supervisory board gives its opinion on the company's strategy and verifies the work of the management board in achieving the set strategic goals and monitors the results achieved by the company.

Recommendations

II.R.2. Decision-makers on the selection of company management or supervisory board members

should strive to ensure the versatility and diversity of these bodies, including in terms of gender, education, age and professional experience.

The principle is applied.

Company's comment: The Company, as a criterion for the selection of the Members of the Management Board and Members of the Supervisory Board, is guided by the qualifications of the person referred to perform the function. Information on the data of persons who sit on the Company's bodies are published on the Issuer's website.

Detailed rules

II.Z.1. The internal division of responsibility for individual areas of the company's activity among board members should be formulated in an unambiguous and transparent manner, and the division scheme available on the company's website.

The principle is applied.

Company's comment: The Company has a one-person Management Board responsible for all areas of the Company's operations.

II.Z.3. At least two members of the supervisory board meet the independence criteria referred to in principle II.Z.4.

The principle is not applied.

Company's comment: The decision on the appointment of Members of the Supervisory Board falls within the competence of the General Meeting of Shareholders. Shareholders, guided by the competences and trust of individual candidates, designate the composition of the Supervisory Board. Depending on the decision of the General Meeting, the Company may periodically meet or not this criterion depending on the selected composition of the Supervisory Board. At present, the Supervisory Board does not meet the independence criteria, as only one of the Supervisory Board Members is independent, and the assessment of the resulting risks is the responsibility of the General Meeting of Shareholders.

II.Z.4. As regards the independence criteria of members of the supervisory board, Annex II to European Commission Recommendation 2005/162/EC of February 15, 2005 on the role of non-executive directors or supervisory board members of listed companies and on the (supervisory) board committees applies. Notwithstanding the provisions of point 1 lit. b) the document referred to in the previous sentence, a person who is an employee of the company, a subsidiary or an affiliate, as well as a person related to these entities with a similar contract, can not be deemed to meet the independence criteria. The relationship with a shareholder precluding the independence of a member of the supervisory board within the meaning of this rule shall be understood as the actual and significant relationship with a shareholder holding at least 5% of the total number of votes in the company.

The principle is not applied.

Company's comment: The decision on the appointment of Members of the Supervisory Board falls within the competence of the General Meeting of Shareholders. Shareholders, guided by the competences and trust of individual candidates, designate the composition of the Supervisory Board. Depending on the decision of the General Meeting, the Company may or may not meet this criterion periodically, depending on the selected composition of the Board, and the assessment of the resulting risks is the responsibility of the GMS.

II.Z.7. Within the scope of tasks and functioning of committees operating in the supervisory board, the provisions of Annex I to the Recommendation of the European Commission, referred to in

principle II.Z.4, apply.

In the event that the function of the audit committee is performed by the supervisory board, the above rules apply accordingly.

The principle is not applied.

Company's comment: The company has not an audit committee held by the Supervisory Board. On 08/04/2019 Supervisory Board adopted resolutions on dissolution of the Company's Audit Committee and removal of its members as at 08/04/2019.

II.Z.8. The chairman of the audit committee meets the independence criteria indicated in principle II.Z.4.

The principle is not applied.

Company's comment: In 2019 the Audit Committee held by the Supervisory Board was dissolved.

II.Z.10. In addition to activities resulting from the law, once a year, the supervisory board prepares and presents to the ordinary general meeting:

II.Z.10.3. Assessment of how the company fulfills its disclosure obligations regarding the application of corporate governance principles set out in the Rules of Stock Exchange and regulations regarding current and periodic information provided by issuers of securities;

The principle is not applied.

Company's comment: The Supervisory Board supervises the activities of the Company in all its areas, including the fulfillment of information obligations by the Company.

II.Z.10.4. Assessment of the rationality of the company's policy referred to in recommendation I.R.2, or information about the absence of such a policy.

The principle is not applied.

Company's comment: As of the date of entry into force of the Good Practice of Companies Listed on the Warsaw Stock Exchange, 2016, the Company is not active in this area.

II.Z.11. The supervisory board considers and gives opinions on matters that are to be the subject of resolutions of the general meeting.

The principle is applied.

Company's comment: The Supervisory Board of the Company expresses an opinion on its own initiative, at the request of shareholders or the Management Board of the Company in significant matters to be discussed or in matters provided for in the Company's Articles of Association. The company does not have an absolute rule of considering and giving opinions on all matters that are to be the subject of resolutions of the General Meeting.

III. Internal systems and functions

The listed company maintains effective systems: internal control, risk management and compliance with the law (compliance) as well as an effective internal audit function, appropriate to the size of the company and the type and scale of its operations.

Recommendations

III.R.1. The company distinguishes in its structure the units responsible for the implementation of tasks in particular systems or functions, unless the separation of organizational units is not justified due to the size or type of activity conducted by the company.

The principle is not applied.

Company's comment: Separation of organizational units is not justified due to the size and type of activity conducted by the company. The company has implemented internal systems adequate to the size of the company and the type and scale of its operations.

Detailed rules

III.Z.1. The management of the company is responsible for the implementation and maintenance of effective internal control systems, risk management, compliance and internal audit functions.

The principle is applied.

Company's comment: The company has implemented internal systems adequate to the size of the company and the type and scale of its operations.

III.Z.2. Subject to the principle III.Z.3, persons responsible for risk management, internal audit and compliance are directly subordinate to the chairman or another member of the management board, and are also given the opportunity to report directly to the supervisory board or audit committee.

The principle is applied.

Company's comment: Due to the size of the company, the adopted business model and organizational structure of the Company in the Company is a one-person Management Board subjected to direct control of the Supervisory Board.

III.Z.3. In relation to the person heading the internal audit function and other persons responsible for the implementation of its tasks, the independence principles set out in universally recognized international standards for the professional practice of internal audit apply.

The principle is not applied.

Company's comment: In 2019 the Audit Committee held by the Supervisory Board was dissolved.

III.Z.4. At least once a year, the person responsible for internal audit (in the case of separation of such a function in the company) and the management board shall submit to the supervisory board their own assessment of the effectiveness of the systems and functions referred to in principle III.Z.1, together with the relevant report.

The principle is not applied.

Company's comment: The Supervisory Board performed the function of the Audit Committee in the Company, its members are elected by the General Meeting.

III.Z.5. The supervisory board monitors the effectiveness of systems and functions referred to in principle III.Z.1, based, inter alia, on reports periodically delivered to it directly by persons responsible for these functions and company management, as well as performs an annual assessment of the effectiveness of these systems and functions in accordance with the principle II.Z.10.1. If the company has an audit committee, it monitors the effectiveness of the systems and functions referred to in principle III.Z.1, however it does not release the supervisory board from the annual assessment of the effectiveness of these systems and functions.

The principle is applied.

Company's comment: The Supervisory Board exercises ongoing control over all areas of the Company's operations.

III.Z.6. If the company has not organisationally separated the internal audit function, the audit committee (or the supervisory board, if it performs the function of the audit committee) annually assesses whether there is a need for such a separation.

The principle is applied.

Company's comment: The Supervisory Board exercises ongoing control over all areas of the Company's operation.

IV. General meeting and relations with shareholders

The management board of the listed company and its supervisory board should encourage shareholders to get involved in the company's affairs, expressing primarily the active participation in the general meeting. The general meeting should meet with respect for the rights of shareholders and strive to ensure that the adopted resolutions do not violate the legitimate interests of particular groups of shareholders. Shareholders participating in the general meeting exercise their rights in a way that does not violate good manners.

Recommendations

IV.R.2. If it is justified due to the shareholder structure or the expectations of shareholders proposed to the company, if the company is able to provide the technical infrastructure necessary for the smooth conduct of the general meeting by means of electronic communication, it should enable shareholders to participate in the general meeting using such means, in particular through:

- 1) broadcasting of the General Meeting in real time,**
- 2) two-way real-time communication, whereby shareholders can speak during the general meeting, staying in a place other than the venue of the general meeting,**
- 3) exercising, in person or through a proxy, the right to vote during the general meeting.**

The principle is not applied.

Company's comment: The company acknowledges that the infrastructure and broadcasting costs of the General Meeting are too high. At the same time, the Management Board indicates that the shareholding structure of the Company causes a lack of interest in the proceedings of the General Meeting. At the same time, the Company's Articles of Association and the Regulations of the General Meeting do not provide for the transmission of the meeting.

IV.R.3. The company aims to ensure that, when securities issued by the company are traded in different countries (or on different markets) and under different legal systems, the execution of corporate events related to the acquisition of rights on the shareholder's side occurred on the same dates in all countries in which they are listed.

The principle is not applicable for the Company.

Company's comment : Securities issued by the Company are listed only on the regulated market of the Warsaw Stock Exchange in Warsaw.

Detailed rules

IV.Z.2. If it is justified due to the company's shareholder structure, the company provides a universally available broadcast of the general meeting in real time.

The principle is not applied.

Company's comment: The company acknowledges that the broadcasting costs of the General Meeting are too high. At the same time, the Management Board indicates that the shareholding structure of the Company causes a lack of interest in the proceedings of the General Meeting. At the same time, the Company's Articles of Association and the Regulations of the General Meeting do not prescribe the transmission of the meeting.

IV.Z.3. Representatives of the media are allowed to attend general meetings.

The principle is not applied.

Company's comment: The company indicates that there is no interest in the participation of the media in the General Meeting of the Company. In addition, in the Company's opinion, the participation of unauthorized persons may disrupt the work of the General Meeting.

IV.Z.6. The Company makes every effort to ensure that the cancellation of the general meeting, changing the date or ordering a break in the meeting do not prevent or restrict shareholders from exercising their right to participate in the general meeting.

The principle is applied.

Company's comment: The company indicates, however, that decisions regarding the announcement of a break in the General Meeting are made only by shareholders and the Chairman of the General Meeting.

IV.Z.7. A break in the general meeting may take place only in specific situations, each time indicated in the justification of the resolution on the break order, prepared on the basis of reasons presented by the shareholder requesting the break.

The principle is applied.

Company's comment: The company indicates, however, that decisions regarding the announcement of a break in the General Meeting are made only by shareholders and the Chairman of the General Meeting who decide to indicate in the resolution justification in the scope of ordering a break in the meeting.

IV.Z.8. The resolution of the general meeting regarding the ordering of breaks clearly indicates the date of resuming the meeting, while the date may not constitute a barrier for participation in resumed discussions by the majority of shareholders, including minority shareholders.

The principle is applied.

Company's comment: The company indicates, however, that decisions regarding the announcement of a break in the General Meeting are made only by shareholders and the Chairman of the General Meeting who decide on the date of resuming the meeting.

IV.Z.9. The Company strives to make the draft resolutions of the general meeting justify if it makes it easier for the shareholders to pass the resolution with due consideration. If the matter is put on the agenda of the general meeting at the request of a shareholder or shareholders, the management board or chairman of the general meeting asks for justification of the proposed resolution. In important matters or likely to raise doubts of shareholders, the company will provide a justification, unless it otherwise provides shareholders with information that will ensure that the resolution is taken with due consideration.

The principle is applied.

Company's comment: The Management Board will seek publication of key business reasons for the draft resolutions of the General Meetings.

IV.Z.11. The members of the management board and the supervisory board participate in the general meeting in the composition allowing for substantive answers to questions asked during the general meeting.

The principle is applied.

Company's comment: The members of the company's governing bodies make efforts to participate in the General Meeting, however, due to the fact that the General Meetings of the Company are held repeatedly upon request or within the deadlines set by the shareholders, it is difficult to ensure the participation of the members of the bodies in the General Meeting.

IV.Z.14. Resolutions of the general meeting should ensure that the necessary time intervals are determined between decisions causing specific corporate events and the dates on which the rights of shareholders resulting from such corporate events.

The principle is applied.

Company's comment: However, the company indicates, that decisions regarding the content of resolutions of the General Meeting are taken only by shareholders.

IV.Z.15. The resolution of the general meeting regarding the issue of shares with pre-emptive rights should specify the issue price or the mechanism for determining it, or oblige the body authorized to set it before the pre-emptive right day, within the time enabling the investment decision to be taken.

The principle is applied.

Company's comment: However, the company indicates, that decisions regarding the content of resolutions of the General Meeting are made only by shareholders.

IV.Z.16. The dividend day and dividend payment dates should be set so that the period between them is not longer than 15 business days. Setting a longer period between these dates requires justification.

The principle is applied.

Company's comment: However, the company indicate, that decisions regarding the content of resolutions of the General Meeting are made only by shareholders.

IV.Z.17. A resolution of the general meeting regarding the payment of a conditional dividend may contain only such conditions, which eventual fulfillment will take place before the dividend date.

The principle is applied.

Company's comment: However, the company indicates, that decisions regarding the content of resolutions of the General Meeting are made only by shareholders.

IV.Z.18. The resolution of the general meeting on the split of the nominal value of shares should not set a new nominal value of shares at a level lower than 0.50 PLN, which could result in a very low unit market value of shares, which could threaten the correctness and credibility of the quotation of a company listed on the stock exchange.

The principle is applied.

Company's comment: However, the company indicates, that decisions regarding the content of resolutions of the General Meeting are made only by shareholders.

V. Conflict of interests and transactions with related entities

For the purposes of this chapter, the definition of a related party set out in international accounting standards adopted in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards is adopted. The company should have transparent procedures for preventing conflicts of interest and entering into transactions with related entities in the conditions of a possible conflict of interest. Procedures should provide ways to identify, disclose and manage such situations.

Detailed rules

V.Z.1. Any shareholder should be privileged in relation to other shareholders in the scope of transactions concluded by the company with shareholders or their related entities.

The principle is applied.

Company's comment: The Management Board indicates that due to the shareholding structure and the company's profile, transactions with the company's leading shareholder are and may be concluded, which does not mean that its position in this area is privileged.

VI. Remuneration

The company has a remuneration policy at least for members of the company's governing bodies and key managers. The remuneration policy defines in particular the form, structure and method of determining the remuneration of members of the company's governing bodies and its key managers.

Recommendations

VI.R.1. The remuneration of members of the company's governing bodies and key managers should result from the adopted remuneration policy.

The principle is not applied.

Company's comment: Due to the size of the company, organizational structure and scope of activity in the company, the "remuneration policy" document has not been prepared. Remuneration for individual members of the company's bodies, including tasks assigned for execution and evaluation of their implementation, determines the Supervisory Board for the Management Board, and for the Supervisory Board Members - General Meeting of the Company's Shareholders.

VI.R.2. The remuneration policy should be closely related to the company's strategy, its short and long-term goals, long-term interests and results, and should include solutions to avoid discrimination on any grounds.

The principle is applied.

Company's comment : Due to the size of the company, organizational structure and scope of activity in the company, the "remuneration policy" document has not been prepared. Remuneration for individual members of the company's bodies, including tasks assigned for execution and evaluation of their implementation, determines the Supervisory Board for the Management Board, and for the Supervisory Board Members - Meeting of the Company's Shareholders.

VI.R.3. If there is a remuneration committee in the supervisory board, the principle II.Z.7 applies to its functioning.

The principle is applied.

Company's comment: The Supervisory Board is responsible for the remuneration committee in the

company.

Detailed rules VI.Z.1. Incentive programs should be designed to, inter alia, make the level of remuneration of the management board members and its key managers dependent on the actual, long-term financial standing of the company and the long-term increase in shareholder value and stability of the company's operation.

The principle is not applied.

Company's comment: The company has not adopted incentive programs.

VI.Z.2. In order to link the remuneration of management board members and key managers to the company's long-term business and financial goals, the period between granting options or other instruments related to the company's shares under the incentive scheme and the possibility of their implementation should be at least 2 years.

The principle is not applied.

Company's comment: The company has not adopted incentive programs.

VI.Z.4. The company in its activity report presents a report on the remuneration policy, containing at least:

- 1) general information on the remuneration system adopted in the company,**
- 2) information on the terms and amount of remuneration of each member of the management board, broken down into fixed and variable components of remuneration, indicating key parameters for determining variable remuneration components and payment rules for severance pay and other payments for termination of employment, order or other legal relationship of a similar nature - separately for the company and each unit included in the capital group,**
- 3) information on the individual management board members and key managers entitled to outside of the financial remuneration components,**
- 4) indication of significant changes that have occurred in the remuneration policy during the last financial year, or information about their absence,**
- 5) assessment of the functioning of the remuneration policy from the point of view of achieving its objectives, in particular long-term growth of shareholder value and stability of the company's operation.**

The principle is not applied.

Company's comment: The Company publishes information on the remuneration of the Members of the Company's Bodies in accordance with the applicable International Accounting Standards.

III DESCRIPTION OF THE MAIN FEATURES USED IN THE ENTERPRISE OF THE ISSUER CONTROL SYSTEMS AND RISK MANAGEMENT WITH REGARD TO THE PROCESS OF PREPARING FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Due to the simplified structure and relatively limited number of financial risks, the Issuer's Management Board has not developed and introduced a written procedure of the internal control system and risk management in the scope of preparing financial statements, however the Issuer with the utmost diligence approaches the issue of financial reporting.

The Management Board of the Company is responsible for the internal control system in the Company and its effectiveness in terms of the correctness of preparing financial statements and periodical reports.

Financial statements and periodic reports are prepared on the basis of financial data from the financial and accounting system, where they are recorded in accordance with the principles of the adopted accounting policy in accordance with the Accounting Act.

The audit of the correctness of the preparation of periodic financial statements is carried out thanks to the annual financial audits carried out by independent auditors and the interim review of financial statements for each half-year.

Supervisory Board monitors audits of financial statements by the Auditor and take into audit the way of preparation of the Management Board Report and preparation of relevant resolutions presented to an Ordinary General Meeting of Shareholders.

The financial report was prepared by a professional entity - the auditing office of the "Galex" auditor providing accounting services based on the outsourcing agreement for the Issuer. By using the services of a specialized office, the Management Board is provided with ongoing external consultancy in the area of consulting any problems related to the correctness of drawing up mandatory financial statements, including quarterly, semi-annual and annual financial statements and tax issues.

IV INDICATION OF SHAREHOLDERS CONSIDERING DIRECTLY OR INDIRECTLY PACKAGES OF SHARES WITH THE INDICATION OF THE NUMBER OF SHARES HOLDED BY THOSE ENTITIES, THEIR PERCENTAGE IN THE EQUITY CAPITAL, THE NUMBER OF THOSE AND THEIR PERCENTAGE IN THE GENERAL NUMBER OF VOTES AT THE GENERAL MEETING

According to the knowledge of the Management Board, as at 30/06/2020 and 15/10/2020 i.e. the date of publication of the periodical report for 2019 the direct and indirect shareholding structure and the list of shareholders holding at least 5% of the total number of votes at the Issuer's General Meeting were as follows:

Direct shareholding as at 30/06/2020 and 30/10/2020

No.	Name and surname / name/	Number of shares	Number of votes	% contribution in total number of votes
1.	Patro Invest OU	16 372 683	16 372 683	65,50%

Indirect shareholding as at 30/06/2020 and 30/10/2020

No.	Name and surname / name/	Number of shares	Number of votes	% contribution in total number of votes
1.	Damian Patrowicz*	16 372 683	16 372 683	65,50%

Damian Patrowicz owns 100% of shares of Patro Invest OU.

V INDICATION OF SHAREHOLDERS OF ANY SECURITIES WHICH GIVE SPECIAL CONTROL RIGHTS WITH THE DESCRIPTION OF THESE POWERS.

As at the balance sheet date, there are no shares in the Issuer's share structure giving special control rights.

The structure of the Issuer's shares.

As at 30/06/2020 - the structure of the Issuer's shares was as follows: As at 30/06/2020, the Issuer's share capital amounts to EUR 2.750 thous. and is divided into 25.000.000 shares.

VI ANY RESTRICTIONS ON THE EXERCISE OF VOTING RIGHTS, SUCH AS LIMITATION OF VOTING RIGHTS BY THE SHAREHOLDERS OF SPECIFIC PARTS OR NUMBER OF VOTES, TIME LIMITS ON THE EXERCISE OF VOTING RIGHTS OR RECORDINGS UNDER WHICH THE EQUITY RIGHTS RELATED TO SECURITIES ARE SEPARATED FROM HOLDING SECURITIES.

Such restrictions do not apply to the Company's shares.

VII INDICATION OF ALL RESTRICTIONS REGARDING THE TRANSFER OF THE PROPERTY RIGHTS OF THE ISSUER'S SECURITIES

Any restrictions on transferring of ownership of securities issued by the Company do not occur.

VIII DESCRIPTION OF RULES CONCERNING THE APPOINTMENT AND DISMISSAL OF MANAGING PERSONS AND THEIR POWERS, PARTICULARLY THE RIGHT TO TAKE THE DECISION ON ISSUES OR THE BUY OF SHARES

The Management Board is the management body of the Company that represents the Company and directs its activity. The Company's Management Board organises the Company's accounting. The Company's Management Board shall adhere to the lawful orders of the Supervisory Board. The Management Board shall present a summary of the economic situation and operations of the Company to the Supervisory Board at least once every four months. The Management Board of the Company consists of 1 (one) to 4 (four) members elected for 3 (three) years. The term of office of the member of the Management Board may be extended. The members of the Management Board shall be elected and removed by the Supervisory Board that shall also decide on the remuneration of the members of the Management Board. Each member of the Management Board may represent the Company independently in all legal acts, unless a resolution of the Supervisory Board prescribes otherwise. In the event that the Management Board has more than 2 (two) members, the chairman of the Management Board shall be appointed by the Supervisory Board by its resolution. A meeting of the Management Board has a quorum if more than one-half of the members of the Management Board are present. The resolutions of the Management Board are adopted by a simple majority of votes. Each member of the Management Board has one vote. The chairman of the Management Board shall have a casting vote upon an equal division of votes.

The Supervisory Board shall plan the activities of the Company, organise the management of the Company and supervise the activities of the Company's Management Board. The Supervisory Board of the Company consists of 3 (three) to 7 (seven) members who are elected and removed by the general meeting. The members of the Supervisory Board shall elect a chairman from among themselves. The term of office of the Supervisory Board is 5 (five) years. The term of office of the Supervisory Board may be extended. Meetings of the Supervisory Board shall be held when necessary but not less frequently than once every three months. Advance notice on convening a Supervisory Board meeting shall be sent at least seven (7) days before the planned date of the meeting and it must contain the agenda proposed by the chairman of the Supervisory Board. A meeting of the Supervisory Board has a quorum if more than one-half of the members of the Supervisory Board participate. A resolution of the Supervisory Board shall be adopted by simple majority of votes. The chairman of the Supervisory Board shall have a casting vote upon an equal division of votes. The Supervisory Board has the right to adopt resolutions without calling a meeting if all of the members of the Supervisory Board consent to it. The procedure for adopting resolutions is as follows: the chairman of the Supervisory Board shall send a draft resolution to all members of the Supervisory Board, specifying the term by which the member of the Supervisory Board must present his or her written position on it. If a member of the Supervisory Board does not give notice of whether the member is in favour of or opposed to the resolution during this term, it shall be deemed that he or she votes against the resolution. A resolution shall be adopted if more than one-half of the members of the Supervisory Board vote in favour of the resolution. The chairman of the Supervisory Board must

immediately notify in writing the members of the Supervisory Board of the voting results. The consent of the Supervisory Board is required for the Management Board for conclusion of the following transactions: approval of the Company's budget and the risk management principles; acquisition or disposal of any assets of the Company the value of which exceeds EUR 100,000 as part of one or more related transactions; granting consent to the conditions of transactions concluded with members of the Management Board and making decisions on entering into legal disputes with a member of the Management Board and appointing a person authorised to represent the Company in such dispute; granting consent to any type of transactions the value of which exceeds EUR 100,000 as part of one or more related transactions; granting consent to borrow or provide loans or other types of debt obligations by the Company or incurring liabilities by the Company which value exceeds EUR 100,000 as part of one or more related transactions; establishing and closing a foreign branch, representative offices or other type of company's units; the acquisition or disposal of any type of enterprise or termination of the business operations or entering into such transactions that may result in an obligation to acquire, dispose or terminate the activity of such enterprise in the future; the establishment or acquisition of subsidiary undertakings or the merger with another undertaking or the sale, disposal, transfer in any other manner, assignment or encumbering of the shareholding and the merger of a subsidiary undertaking or dissolution of its activities.

IX DESCRIPTION OF THE RULES FOR CHANGING THE ARTICLES OF ASSOCIATION OR CONTRACTS OF THE ISSUER'S COMPANY

According to the Articles of Association of the Company an amendment to the Company's articles of association may be made only by way of a resolution of the General Meeting of Shareholders. The General Meeting of Shareholders adopts resolutions on matters specified in the Commercial Companies Code and the Articles of Association.

X THE MODE OF ACTING OF THE GENERAL MEETING AND ITS PRINCIPAL POWERS AND DESCRIPTION OF SHAREHOLDERS 'RIGHTS AND METHOD OF EXERCISE, IN PARTICULAR THE RULES ARISING FROM THE RULES OF THE GENERAL MEETING, IF THESE TERMS HAVE BEEN ADOPTED, HOWEVER INFORMATION IN THIS FIELD DOES NOT APPLY FROM THE LAW

The ordinary general meeting shall be convened at least once a year within six months from the end of the financial year of the Company. Convening an ordinary general meeting must take place at least three weeks before the ordinary general meeting. The extraordinary general meeting shall be convened by the Management Board in the cases prescribed by applicable legal acts. Convening an extraordinary general meeting must take place at least three weeks before the extraordinary general meeting. The notification of convening a general meeting must include the agenda and other information required by applicable legal acts. The general meetings may be held at the registered office of the Company or at anywhere on the territory of the European Union indicated in the Management Board's notice for calling the general meeting, incl. especially in Plock (Poland) and Warsaw (Poland). The general meeting has a quorum if more than one half of the votes represented by the shares are represented at the general meeting, unless a requirement for a higher quorum is prescribed by applicable legal acts. In case if sufficient number of shareholders to provide for a quorum under section 4.5 do not participate in the general meeting, the Management Board of the Company shall, within three weeks but not earlier than after seven days, call another meeting with the same agenda. The new general meeting is competent to adopt resolutions regardless of the votes represented at the meeting. Resolutions of the general meeting are adopted if more than one-half of the votes represented at the general meeting are in favour thereof, unless the applicable legal acts prescribe other terms. The shareholders may vote on the draft resolutions prepared in respect to the agenda items of a general meeting using electronic means prior to the meeting or during the meeting. The procedure for electronic voting shall be determined by the Management Board of the Company. The notice on convening the general meeting shall specify whether electronic voting is possible and the manner for casting votes determined by the Management Board. A shareholder who has voted electronically is considered to be present at the general meeting and the number of votes from the shares represented is taken into account in the quorum, if the applicable legal acts do not state otherwise. A general meeting is

competent to: amend the Statutes; increase and decrease the share capital; issue convertible bonds; elect and remove members of the Supervisory Board; elect an auditor (auditors); approve the annual report and distribute profit; decide on dissolution, merger, division and/or transformation of the Company; grant consent to enter into transactions with a member of the Supervisory Board and determining the terms of such a transaction, deciding on entering a legal dispute with a member of the Supervisory Board and appointing a person entitled to represent the Company in such a dispute; decide on other matters placed in the competence of the general meeting by applicable legal acts.

XI THE PERSONAL COMPOSITION OF THE COMPANY AUTHORITIES AND THE CHANGES WHICH HAPPENED WITHIN THE LAST FINANCIAL YEAR AND THE DESCRIPTION OF THE BODIES MANAGING, SUPERVISING OR ADMINISTRATING THE ISSUER AND THEIR COMMITTEES

The description of the Issuer's management and supervisory bodies is provided directly in the Company's Articles of Association, legal provisions - the Commercial Companies Code.

Composition of the Supervisory Board in 2019 was as follows:

Damian Patrowicz	Chairman till 11/01/2019
Wojciech Hetkowski	Vice-Chairman
Małgorzata Patrowicz	Secretary
Jacek Koralewski	Member
Martyna Patrowicz	Member

• Composition of the Management Board

In the reporting period, the composition of the Management Board was as follows:

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

The Audit Committee till 08/04/2019

- Wojciech Hetkowski – Chairman of the Audit Committee
- Małgorzata Patrowicz - Member of the Audit Committee
- Jacek Koralewski - Member of the Audit Committee

In the opinion of the Supervisory Board, the Audit Committee in aforementioned composition met the requirements prescribed in art. 128 par. 1 and art. 129 par. 1, 3, 5, and 6 of the Act on Certified Auditors.

XII OTHER SIGNIFICANT INFORMATION ABOUT THE ISSUER

All significant information regarding the Issuer are included in this report.

Damian Patrowicz Chairman of the Management Board

VI. FINANCIAL STATEMENTS

1. Statement of financial position.

STATEMENT OF FINANCIAL POSITION	Note	30 June 2020 EUR thous.	31 December 2018 EUR thous.
Assets			
Fixed assets		8 037	3 802
Long-term financial assets	1	8 037	3 515
Long-term accruals and prepayments	2	0	8
Long-term assets held for sale	6	0	279
Current assets		446	0
Short-term receivables	3	86	224
Short-term financial assets	4	245	8 253
Cash and cash equivalents	5	114	2
Short-term accruals and prepayments		1	4
Assets total		8 483	12 285

Liabilities			
Equity		8 475	11 604
Share capital	7	2 750	2 750
Differences from conversion into EURO		-810	-481
Supplementary capital		32 594	32 594
Revaluation capital		0	-11 812
Capital from merger of entities		0	-4
Other reserve capitals		473	473
Retained profit / Undistributed financial result		-26 532	-11 916
II. Long-term liabilities		0	41
Deferred income tax provision	8	0	8
Other long-term liabilities	9	0	33
III. Short-term liabilities		8	640
Credits and loans	10	0	52
Trade liabilities	10	4	45
Other liabilities	10	0	540
Other provisions		4	3
Liabilities total		8 483	12 285

Book value		8 475	12 113
Number of shares		25 000 000	25 000 000
Book value per share (in EURO)	7	0,34	0,5
Diluted number of shares		25 000 000	25 000 000
Diluted book value per share (in EURO)	7	0,34	0,5

OFF-BALANCE SHEET ITEMS		30 June 2020 EUR thous.	31 December 2018 EUR thous.
1. Contingent receivables	11	0	15 111
2. Contingent liabilities	11	0	809
Off-balance sheet items, total		0	15 920

Notes to the annual accounts on pages 38-71 are an integral part of the annual accounts.

2. Profit and Loss Statement

PROFIT AND LOSS STATEMENT	Note	Period 01/01/2019- 30/06/2020 EUR thous.	Period 01/01/2018- 31/12/2018 EUR thous.
Continuing activity			
Net revenues on interest, sale of products, goods and materials	12	617	139
Gross profit (loss) on sale (I-II)		617	139
General and administrative costs	13	37	255
Other operating revenues		6	4
Other operating costs	14	241	218
Profit (loss) on operating activity		345	-330
Financial revenues	15	5	438
Financial costs	16	3 150	91
Pre-tax profit		-2 800	18
Net profit (loss) on continuing activity		-2 800	18
Discontinued activity	18		
Revenues on sale of products, goods and materials	18	0	466
Other operating revenues	18	0	6
Total operating costs	18	0	358
Other operating costs	18	0	325
Pre-tax profit / (loss)	18	0	-211
Profit/loss on disposal of business	18	0	-2 727
Profit/loss on discontinued activity	18	0	-2 938
Net profit/loss		-2 800	-2 921
Net profit (loss) on continuing and discontinued activity		-2 800	-2 921
Weighted average number of shares		25 000 000	25 000 000
Profit (loss) on continuing and discontinued activity per one ordinary share (in EURO)	17	-0,11	-0,12
Weighted diluted average number of ordinary shares		25 000 000	25 000 000
Diluted profit (loss) on continuing and discontinued operations per one ordinary share (in EURO)	17	-0,11	-0,12
Net profit (loss) on continuing activity		-2 800	18
Weighted average number of ordinary shares		25 000 000	25 000 000
Profit (loss) on continuing activity per one ordinary share (in EURO)	17	-0,11	0,00
Weighted diluted average number of ordinary shares		25 000 000	25 000 000
Diluted profit (loss) on continuing operations per one ordinary share (in EURO)	17	-0,11	0,00

Notes to the annual accounts on pages 38-71 are an integral part of the annual accounts.

3. Statement of Comprehensive Income

STATEMENT OF COMPREHENSIVE INCOME	Period 01/01/2019- 30/06/2020 EUR thous.	Period 01/01/2018 31/12/2018 EUR thous.
Net profit/loss for the period	-2 800	-6 571
Other comprehensive income, including:	-329	-3 650
Elements which could not be transferred to the income statement in the next periods:	0	-4
- settlement of merger of entities	0	-4
Elements which could be transferred to the income statement in the next periods:	-329	-3 646
- settlement of revaluation capital, including:	0	-3 165
- valuation of financial assets held for sale	0	-3 165
- differences from conversion into EURO	-329	-481
Total income for the period	-3 129	-6 571

Notes to the annual accounts on pages 38-71 are an integral part of the annual accounts.

4. Statement of Changes in Equity

STATEMENT OF CHANGES IN EQUITY	Period 01/01/2019 30/06/2020 EUR thous.	Period 01/01/2018 31/12/2018 EUR thous.
Opening balance of equity	11 604	18 170
Opening balance of equity after reconciliation to comparable data	11 604	18 170
Opening balance of share capital	2 750	2 993
Changes in share capital		-243
b) decrease (due to)		243
- reduction of nominal value of shares		239
- exchange differences		4
Closing balance of share capital	2 750	2 750
Opening balance of called up share capital not paid	0	0
Closing balance of called up share capital not paid	0	0
Opening balance of own shares (stocks)	0	0
Closing balance of own shares (stocks)	0	0
Opening balance of supplementary capital	32 594	32 594
Closing balance of supplementary capital	32 594	32 594
Opening balance of revaluation capital	-11 812	-8 673
Changes in the revaluation capital	11 812	-3 139
a) decrease (due to)	-11 812	3 139
- valuation of financial assets	0	3 139
- transfer to retained profit	-11 812	0
Closing balance of revaluation capital	0	-11 812
Opening balance of capital from merger of entities	-4	0
Changes in the capital from merger	4	-4
a) increase (due to)	0	-4
- merger of entities	0	-4
b) decrease (due to)	-4	0
- transfer to retained profit	-4	0
Closing balance of capital from merger of entities	0	-4
Opening balance of other reserve capitals	473	233
Changes in other reserve capitals	0	240
increase (due to)	0	240

- reduction of share capital	0	240
Closing balance of other reserve capitals	473	473
Opening balance of retained profit/not settled loss of previous years	-11 916	-8 995
Increase (due to)	-14 616	-2 921
a) profit/loss for the period	-2 800	-2 921
b) transfer of revaluation capital	-11 812	0
c) transfer of capital from merger	-4	0
Closing balance of retained profit/not settled loss of previous years	-26 532	-11 916
Opening balance of exchange differences	-481	18
Changes in exchange differences	-329	-499
Decrease	329	499
Closing balance of exchange differences	-810	-481
Closing balance of equity	8 475	11 604

Notes to the annual accounts on pages 38-71 are an integral part of the annual accounts.

5. Cash Flow Statement

CASH FLOW STATEMENT (indirect method)	NOTE	Period 01/01/2019 30/06/2020 EUR thous.	period 01/01/2018 31/12/2018 EUR thous.
Operating activity			
I. Gross profit (loss)		-2 800	-2 921
II. Total adjustments		2 964	21 234
Amortisation		0	7
Exchange gain (loss)		-329	-2
Interest and profit sharing (dividends)		-85	7
Profit (loss) on investment activities		0	2 785
Loans granted		-9 640	13 486
Received repayments of the loans		9 511	4 871
Received interest		460	22
Change in provisions		-8	0
Change in receivables and prepayments		138	1 503
Change in liabilities		-610	-1 477
Change in accruals		8	2
Other adjustments	19	3 519	77
Exchange differences		0	-47
I. Net cash flow from operating activities		164	18 313
Investment activity			
I. Inflows from investment activities		0	404
Sales of intangible and tangible fixed assets		0	11
Sale of financial assets		0	393
II. Expenses due to investment activity		0	488
Investment in real properties		0	488
II. Net cash flow from investment activities		0	-84
Financial activities			
I. Inflows		0	13 335
Credits and loans		0	8 648
Issuance of debt securities		0	4 687
II. Outflows from financial activities		52	4 687

Repayment of credits and loans		52	4 687
III. Net cash flow from financial activities		-52	8 648
Net cash flow, total (I+/-II+/-III)		112	-95
Exchange differences		0	-2
Balance sheet change in cash		112	-97
Cash opening balance		2	99
Cash closing balance		114	2

Notes to the annual accounts on pages 38-71 are an integral part of the annual accounts.

6. Notes to the financial statements

Statement of compliance and basis for preparation

Statement of compliance

These financial statements were prepared using accounting principles in accordance with the International Financial Reporting Standards adopted by the European Community and related interpretations published in the form of the European Commission Regulations and in the scope required under the Minister of Finance Regulation of March 2018 on current and periodic information provided by issuers of securities and conditions of recognition as equivalent information required by the law of a non-member state (Official Journal 2018, item 757). These financial statements present the period from 1 January 2019 to 30 June 2020 and comparative period from 1 January 2018 to 31 December 2018.

The Management Board is responsible for information included in the Report and confirms, according to the best knowledge, that accounting principles applied for preparation of these financial statements are compliant with International Financial Reporting Standards which was approved by the European Union, the financial statements, financial result, cash flow statement and continuation of activity are presented in reliable way.

The financial statement was approved by the Management Board for publication on 30 October 2020. The Management Board is authorised to amend and reissue of the financial statements.

The financial statement is the part of the annual report and requires approval of shareholders and it is the basis for adoption of a resolution on profit allocation. Shareholders may derogate approval of the annual report that was prepared by the management board and demand preparation of a new annual report.

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS as adopted by the European Union. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note "Critical accounting estimates, judgments and uncertainties"

The original financial statements of the Company has been prepared is English. In case of the conflict with Polish or Estonian, the English version shall prevail.

New standards and interpretations not yet adopted

The following standards, amendments to the applicable standards and interpretations have not

been adopted by the European Union or are not effective as of January 1, 2019:

1. Standard: IFRS 14 "Regulatory Deferral" Description of changes: Accounting and disclosure rules for regulatory deferral items.
2. Standard: IFRS 10 "Consolidated Financial Statements" and IAS 28 "Affiliates" Amendments: Guidelines on the sale or contribution of assets by an investor to an associate or joint venture.
3. Standard: IFRS 3 "Business combinations" Amendments: Specification of the definition of "undertakings".
4. Standard: Conceptual Assumptions - changes. Description: unifying the Conceptual Framework.
Effective Date: January 1, 2020
5. Standard: IFRS 17 "Insurance Contracts" Amendments: New approach defining the recognition of income and profit or loss over the period of providing insurance services.
Effective Date: January 1, 2021
6. Standard: IAS 1 "Presentation of financial statements" and IAS 8 "Accounting principles (policy), changes in accounting estimates and error correction" Amendments: Application of the concept of materiality in the process of preparing financial statements.
EffectiveDate: January 1, 2020
7. Standard: IFRS 9 "Financial Instruments", IFRS 7 "Financial Instruments: Disclosures" and IAS 39 "Financial Instruments" Amendments: introduction of temporary exemptions from the application of specific hedge accounting requirements, the requirement to disclose additional information about hedging relationships.
Effective Date: January 1,2020
8. Standard IFRS 16 regards Leasing and had no use in the Company.

The Company will adopt the above-mentioned new standards and amendments to the IFRS standards and interpretations published by the International Accounting Standards Board, but not binding as of the reporting date as of the date of their entry into force to the extent that they relate to the company's operations. Certain new accounting standards and interpretations have been published that are not mandatory for 30 Juni 2020 reporting periods and have not been early adopted by the company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The management board of Atlantis SE assesses the financial performance and position of the company, and makes strategic decisions. The board has been identified as being the chief operating decision maker.

Foreign currency translation

Functional and presentation currency Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of the financial statements is the Polish zloty (PLN). The financial statements are presented in Euro (EUR), which is the Company's presentation currency. Transactions and balances Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are recognized in profit or loss. Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognized in other comprehensive income.

The company has decided to use conversion exchange rates for all conversion to PLN from National Bank of Poland (<http://www.nbp.pl>), because Poland is a central point in foreign exchange on the PLN currency and especially on currency pair EUR/PLN, what gives best accuracy for the exchange rates and, consequently, the best financial statements accuracy.

For the purpose of preparing the financial statements, all items in the functional currency PLN (or whose original currency is a currency other than EUR) are converted to the currency of the presentation EUR. Economic events whose original currency was EUR are presented in the financial statements in that currency without conversion from the functional currency as they are in EUR already.

Revenue recognition

The accounting policies for the revenue from contracts with customers are under IFRS 15 adopted as of 01.01.2018 using five step model.

IFRS 15 revenues from agreements with customers

Since 1 January 2018 the Company has been applied IFRS 15, published and approved by the European Parliament to be used in the European Union.

Under IFRS 15 revenues are recognized at the moment of fulfilling of a claim (or when it is being fulfilled), obligation to fulfil a claim by handing-over of promised good or service (i.e. element of assets) to a customer. Handing-over of an element of assets is done at the moment when a customer gains control on this element of assets.

Control of an element of assets regards to ability to direct disposal of this element of assets and obtainment of all other benefits basically.

Under introduced changes regarding method of recognition and presentation of revenues from agreements with customers, the Issuer made an overview and analysis of existing agreements concerning guidelines of IFRS15 according to five-part model of revenues' recognition.

Recognized so far, and also under the influence of the new provisions of IFRS 15 an element of assets is the right to repayment in the form of trade receivables, recognized at the same time as revenue from sales. Presentations of advanced prepayments received from customers that represent obligation to deliver goods or services up to the date of its settlement and recognition in revenues after realization of each delivery, also has not been changed. With regard to agreements concluded with customers, presentation of data for 2017 has not been changed for this reason. In the Company's opinion there is no significant issues related to agreements that should be presented in other than current manner.

The first application of IFRS 15 when applying retrospectively with cumulative effect of the first application of the standard remains without influence on correction of opening balance of retained profit as at 1 January 2018 as well as on other items of financial statements of the current period as well as at 1 January 2018, in comparison with standards and interpretations related to them, applicable before this change.

While preparing this financial statements, in relation to the previous periods, the Company has not been changed optionally any accounting standards used so far.

Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

In accordance with effective legislation, in Estonia corporate income tax is shifted from the moment of earning the profits to the moment of their distribution to shareholders (dividends). Therefore, deferred tax assets and liabilities do not arise. The income tax payable by the distribution on profits is recognized in the income statement of the period in which the dividends are paid. The regular CIT tax rate on distributed profits is 20% and no withholding tax is paid. From 2019, lower income tax rate of 14% may be applied if dividends are paid regularly, but in that case 7% withholding tax is applicable if dividend paid to natural person.

Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered the impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognized at fair value. They are subsequently measured at amortized cost using the effective interest method, less loss allowance.

Prepaid charges

Prepaid charges are reconciled in proportion to the passage of time. Prepaid charges are made when expenses or use of assets relate to periods following the year in which they are incurred.

Loans valuation

Loans measured at amortized cost - loans that meet two conditions: they are held in a business model aimed at obtaining contractual cash flows from the financial assets held and have passed the contractual cash flow test (SPPI i.e. held to collect principal and interest) .

They are initially recognized at fair value adjusted for costs directly related to their origin and measured as at the end of the reporting period at amortized cost using the effective interest rate method, taking into account the impairment calculated using the expected loss model. Loans - financial assets that are impaired due to high credit risk on initial recognition of a financial asset or when they are acquired at a large discount. are measured at amortized cost using the effective interest rate adjusted for credit risk, taking into account the impairment calculated using the expected loss model.

Loans at fair value through profit or loss - loans that failed the contractual cash flow test (SPPI), i.e. held to collect principal and interest.

The fair value of loans is determined as the present value of future cash flows, taking into account changes in market risk factors, unless otherwise indicated. Pursuant to IFRS 9, financial assets subject to the requirement of calculating expected credit losses are classified into one of the three levels of the impairment model. The classification to the levels of the impairment model is made at the level of a single financial instrument.

The company grants loans mainly to related entities.

Impairment of financial assets

IFRS 9 introduces a new approach to estimating losses in relation to financial assets measured at amortized cost. This approach is based on the determination of expected losses, regardless of whether the premises occurred or not. The Company uses the following models for determining impairment losses: general (basic) model, simplified model. In the general model, the Company monitors changes in the level of credit risk associated with a given financial asset.

In the simplified model, the Company does not monitor changes in the credit risk level over the life of the instrument, it estimates the expected credit loss in the horizon until the instrument maturity date. For the purpose of estimating the expected credit loss, the Company uses:

in the general model - default probability levels, in the simplified model - historical levels of repayment of receivables from contractors. The Company considers that the event of insolvency is the contractor's failure to meet its obligations after 90 days from the due date. The Company takes into account future information in the parameters of the expected loss estimation model by adjusting the base default probability coefficients (for receivables) or by calculating the default probability parameters based on current market quotes (for other financial assets). The Company uses a simplified model for calculating impairment losses on trade receivables. The general model is applied to other types of financial assets, including debt financial assets measured at fair value through other comprehensive income. Impairment losses for debt financial instruments measured at amortized cost (at the initial recognition date and calculated for each subsequent day ending the reporting period) are recognized in other operating expenses. Profits (reversal of write-offs) from the reduction of the expected value of impairment are recognized in financial revenues. For purchased and created financial assets that are impaired due to credit risk, at the moment of initial recognition, favorable changes in expected credit losses are recognized as an impairment gain in other operating income. Impairment losses for debt financial instruments measured at fair value through other comprehensive income are recognized in other operating expenses in correspondence with other

comprehensive income. Gains (reversal of write-offs) on the reduction of the expected credit loss value are recognized in other operating income.

Valuation of financial assets and liabilities

From January 1, 2018, the Company classifies its financial assets to the following categories:

- measured at amortized cost,
- measured at fair value through other comprehensive income,
- measured at fair value through profit or loss,

The classification is made upon the initial recognition of the assets. The classification of debt financial assets depends on the financial asset management business model and the contractual cash flow characteristics (SPPI-Solely Payment of Principal and Interest test) for the financial asset. In the category of assets measured at amortized cost, the Company classifies trade receivables, loans granted which passed the SPPI test, other receivables and cash and cash equivalents. Financial assets measured at amortized cost are measured at amortized cost using the effective interest rate method, taking into account impairment write-offs. Trade receivables with a maturity of less than 12 months from the date of their origination are not discounted and are measured at their nominal value. In the case of purchased or created financial assets, which are impaired at the moment of initial recognition, these assets are measured at amortized cost using the effective interest rate adjusted for credit risk. Profits and losses on a financial asset classified as measured at fair value through profit or loss are recognized in profit or loss in the period in which they arise (including interest and dividend income). As of January 1, 2018, the Company classifies its financial liabilities into the following categories:

- measured at amortized cost,
- measured at fair value through profit or loss,
- hedging financial instruments.

Liabilities at amortized cost include liabilities other than liabilities at fair value through profit or loss (e.g. for supplies and services, loans and credits), except for:

- financial liabilities that arise in the event of a transfer of financial assets that does not qualify for derecognition,
- financial guarantee contracts that are valued at the higher of:
 - the amount of the allowance for expected credit losses determined in accordance with IFRS 9
 - the amount initially recognized (i.e. the fair value plus transaction costs that can be directly attributed to the financial liability component) less about the cumulative amount of income recognized in accordance with the principles of IFRS 15 Revenue from Contracts with Customers. Liabilities due to derivative instruments not designated for the purposes of hedge accounting are classified as liabilities at fair value through profit or loss.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

Provisions

Provisions for legal claims, and make good obligations are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense. Provisions created are charged to other operating costs, while release of provisions increases other operating income

Equity

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. The equity is equivalent to net assets, i.e. assets less liabilities. They are recognized in the accounting books at their nominal value according to their types and principles specified in the provisions of law and the Company's Articles of Association: The share capital shall be shown in the amount specified in the company Articles of Association and entered in the court register. Supplementary capital is created from the profit distribution. Revaluation capital is created from asset value revaluation. Exchange differences with the conversion of units with different functional currency.

Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing: the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account: the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand currency units unless otherwise stated.

Critical accounting estimates, judgments and uncertainties

The preparation of financial statements in accordance with IFRS as adopted in the EU requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of the assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable profit will be available in the period when deductible temporary differences realize against which those differences can be utilized.

Uncertainties in operating environment

The financial results of the company have been impacted by both the changes in the currency exchange rates and the overall changes in the economy.

Global covid-19 pandemic

A result of the spread of coronavirus in the territory of Estonia and Poland , the activities carried out by the company have not been significantly reduced. All activities carried out by an company related to the administration are performed on an ongoing basis. Some of the tasks are performed by co-workers on a home office basis, while contacts between them and business partners are performed through means of distance communication.

Fair value estimation

Management estimates that the carrying amount of the company's financial assets and liabilities does not significantly differ from their fair value. Trade receivables and payables are short-term and therefore the management estimates that their carrying amount is close to their fair value. The fair values of trade receivables and payables are determined at third level.

Capital management

The main objective of issuer when managing the capital is protection of company ability to run its operative activities. The issuer complies with regulations regarding share capital included in Estonia Commercial Code, especially with regulations concerning decreasing of assets. Atlantis SE is monitoring share capital levels as a part of capital management in reporting period. All requirements of Estonian law regarding company's capital are met.

To maintain or adjust the capital structure, Atlantis SE may issue new shares, decide to transfer the profit to appropriate reserve (legal or prescribed by the articles of association), use debt financing or sell assets for debt reduction. The company seeks to maintain strong capital base and build value of shares for long-term shareholders. To fulfill that goal, Atlantis SE is using debt instruments only to cover its general management expenses. Acquisitions of assets is mainly carried out by issuing new shares, which does not significantly increase company's debt.

The company monitors capital using share of equity in financing assets ratio. There is no target share of equity in financing assets ratio set out by the issuers, however the company is using that ratio as performance indicator. Besides ratio mentioned above, Atlantis SE is using general debt ratio and other debt ratios to evaluate its capital condition.

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Long-term financial assets

LONG-TERM FINANCIAL ASSETS	30 June 2020 (EUR thous.)	31 December 2018 (EUR thous.)
a) shares of associates	0	14 564
- revaluation write-off of IFEA Sp. z o.o.	0	-11 561
- balance value	0	3 003
b) loans granted	8 037	512
Long-term financial assets, total	8 037	3 515

As at **30 June 2020** there are the following loans granted for related entities in the Company:

Long-term loans granted in thous. EUR								
Name (firm) of an entity	Seat	Value of a credit / loan acc to the agreement		Value of a credit / loan remaining for repayment		Interest rate	Repayment term	Collaterals
		EUR	curren cy	EUR	curren cy			
FON SE	Tallinn	6 059	EUR	5 241	EUR	WIBOR 1M + 0,5%	31.12.2024	blank promissory note with declaration
PATRO INVEST OU	Tallinn	2 727	EUR	2 489	EUR	WIBOR 1M + 0,5%	31.12.2024	blank promissory note with declaration
DAMAR PATRO UU	Tallinn	307	EUR	307	EUR	2,5%	30.06.2022	blank promissory note with declaration
TOTAL		9 093	EUR	8 037	EUR			

As at 30.06.2020 ATLANTIS SE discloses the following loan agreements as long-term financial assets:

- Loan agreement concluded on 30.12.2019 with FON SE headquartered in Tallinn. Value of the loan granted is **PLN 27 200 thous.** that is equivalent of **EUR 6 059 thous.** This repayment term was amended via Annex to the Loan Agreement concluded on 8.10.2020 determining the new repayment term as 30.06.2023. As at the balance sheet date the value of the loan along with interest is **EUR 5 486 thous/PLN 24 444 thous.** Taking into account, the early repayment of **EUR 245 thous/PLN 1 092 thous.** that was made after the balance sheet date, and decreasing value of the loan in long-term financial assets to the amount **EUR 5 241 thous/PLN 23 352 thous.**

- **As at the balance sheet date 30.06.2020** the Issuer owned 12.529 shares of IFEA Sp. z o. o. that consisted of 43,33% of the share capital and grants 12.529 votes consisting of 43,33% of the total number of votes at the general meeting of IFEA Sp. z o. o. On July 9, 2020 the Issuer decided to revalue the Issuer's assets in the 6th quarter of the financial year 2019/2020 due to decrease in the value of stocks of IFEA Sp. z o. o. by the value **PLN 12 915 thousand – EUR 2 973 thous.** The value of 12.529 stocks of IFEA Sp. z o. o. presented in the annual financial report of the Issuer as at December 31, 2018 was **PLN 12 915 thousand** that is equivalent of **EUR 2 973 thous.** The Management Board decided to make a revaluation write-off of this asset due to liquidation of IFEA Sp. z o. o. The amount of the write-down was recognized in the profit and loss account (**note 16**).

As at 31.12.2018 ATLANTIS SE discloses the following shares as long-term financial assets:

- 12. 529 shares of IFEA Sp. z o.o. in Płock of the nominal value PLN 5 thous. per share, total nominal

value of owned by the Issuer shares is **PLN 62 645 thous. (EUR 14 716 thous.)** Value of owned by the Issuer shares of IFEA Sp. z o.o in the accounting books of the Issuer as at the balance date was **PLN 12 915 thous. (EUR 3 033 thous.)**.

As at 31.12.2018 ATLANTIS SE discloses the following loan agreements as long-term financial assets:

- Loan agreement concluded on 21.12.2018 with Patro Invest sp. z o.o. headquartered in Płock. Value of the loan granted is **PLN 2 204 thous. (EUR 517 thous)** Interest rate is 6%. Repayment term was established as at 31.12.2020.

Note 2 Long-term accruals and prepayments

As at 30.06.2020 the Company does not disclose any long-term deferrals.

As at 31.12.2018 the Company discloses the asset due to deferred income tax amounting to **EUR 8 thous.**

The Issuer, in 2018 in connection with the uncertainty as to the possibility of realizing the deferred tax asset (prudential approach), recognizes assets up to provisions for deferred tax.

Note 3. Short-term receivables

SHORT-TERM RECEIVABLES	30 June 2020 (EUR. thous.)	31 December 2018 (EUR. thous.)
Receivables from related entities:	0	28
- for deliveries and services, with a repayment period:	0	23
- up to 12 months	0	23
- other	0	6
Receivables from other entities:	86	196
- for deliveries and services, with a repayment period	0	58
- up to 12 months	0	58
- due to taxes, subsidies, customs, social and health insurance and other benefits	86	111
- other		27
Total net short-term receivables	86	224
- impairment losses updating the value of receivables	0	2
Total short-term gross receivables	86	226

CHANGE IN THE BALANCE OF REVALUATION WRITE-OFFS OF SHORT-TERM RECEIVABLES	30 June 2020 (EUR. thous.)	31 December 2018 (EUR. thous.)
Opening balance	2	380
Exchange differences	0	-11
a) Decrease (due to)	2	367
- liquidation of a company	0	367
- releasing of a write-off of receivables	2	0
Closing balance of impairment losses on short-term receivables	0	2

As at 30.06.2020 the value of revaluation write-offs of receivables is 0 euro. By the Management Board's resolution of 30.06.2020, due to deletion of the debtor from the Commercial Register, the decision on write-down of any balances of the debtor (Turystyka i Biura Podróży Sp. z o. o.) was

made.

SHORT-TERM RECEIVABLES, NET (STRUCTURE BY CURRENCY)	30 June 2020 (EUR. thous.)	31 December 2018 (EUR. thous.)
a) in Polish currency	86	224
Short-term receivables, total	86	224

Note 4. Securities, shares and other short-term financial assets

SECURITIES, SHARES AND OTHER SHORT-TERM FINANCIAL ASSETS	30 June 2020 (EUR. thous.)	31 December 2018 (EUR. thous.)
1) in related entities (note 20)	245	8 222
a) shares (book value):	0	7
- revaluation adjustments (+/-)	0	-6
- value acc. to the purchase price	0	13
b) loans granted, including:	245	8 215
- revaluation adjustments (+/-)	0	20
- value acc. to the value of granted loans	245	8 195
2) in other entities	0	31
a) loans granted including:	0	31
- revaluation adjustments (+/-)	-133	-115
- value acc. to the value of granted loans	133	146
Balance value, total	245	8 253

As at 30.06.2020 the Company discloses the following loans as short-term financial assets:

- In related entities, the amount of EUR 245 thous. regards to the loan agreement concluded on 30.12.2019 with FON SE headquartered in Tallinn. Value of the loan granted is PLN 27 200 thous. that is equivalent of EUR 6 059 thous. The interest rate is WIBOR 1M + 0,5%. Repayment term was established as at 31.12.2024. The loan was recognized as a long-term loan. Taking into account, the early repayment of EUR 245 thous. that was made after the balance sheet date, it was disclosed in short-term financial assets and decreasing value of the loan in long-term financial assets to the amount **EUR 5 241 thous.**
- In other entities: Loan agreement concluded on 22.07.2013 with a natural person. The subject of the agreement is a cash loan amounting to **PLN 500 thous. that is equivalent of EUR 117 thous.** Interest rate is equal to variable rate WIBOR for 3-months deposits increased by 12%. Interest are settled in 1-month periods. The Borrower undertook to repay aforementioned amount till 30.12.2014. The loan is secured with the promissory note, mortgage entry and Declaration submitted under art. 777 of the Civil Code Procedure. The Company subjected the loan along with interest 100% into revaluation write-off. According to the precautionary principle, the Management Board decided to made a revaluation write-off of receivable in 100%, taking into account the period in which the enforcement proceeding will be carried out and possible difficulties which may occur during realization of the collateral.
- IFERIA S.A. headquartered in Płock – 2.681.993 ordinary bearer shares of the total value **PLN 53 thous (EUR 12 444)** the owned shares consists of 14,71% of the share capital of IFERIA S.A. and the same amount of votes at the General Meeting of Shareholders. Book value as at

31.12.2018 is **PLN 27 thous.(EUR 6 339)**. On 19.02.2019 the Issuer sold all owned shares for the price **PLN 2 thous. (EUR 469)** to the related party – a natural person.

As at 31.12.2018 the Company discloses the following loans as short-term financial assets:

1. Loan agreement concluded on 21.05.2018 with Office Center Sp. z o.o. based in Płock. The value of the loan granted is **PLN 292 thous (EUR 68 thous)** The interest rate is 6%. The deadline for the returning of the loan was set on 30.06.2019. On 04.01.2019 the loan was repaid. As at 31/12/2018, the loan balance is **PLN 253 thous.(EUR 59 thous)**.
2. Loan agreement concluded on 14.12.2018 with IFEA Sp. z o.o. based in Płock. The value of the loan granted amounted to **PLN 35 083 thous (EUR 8 159 thous)**. The interest rate is WIBOR6M + 3%. The deadline for returning the loan was set on 29.12.2018. On 31.12.2018 the Issuer concluded an Annex to the Loan Agreement indicating the new loan repayment date by the Borrower. The parties extended the loan repayment date by 30.06.2019, leaving the remaining terms of the loan agreement of 14.12.2018 unchanged. As at 31/12/2018, the loan balance is **PLN 35 000 thous.(EUR 8 136)**.

Note 5. Cash and cash equivalents

CASH AND CASH EQUIVALENTS	30 June 2020 (EUR. thous.)	31 December 2018 (EUR. thous.)
Cash on the bank accounts*	114	2
Cash and cash equivalents, total	114	2

*Bank accounts in Poland were closed-the Issuer lends a bank account

Note 6 Long-term assets held for sale

ASSETS HELD FOR SALE/DISPOSAL	30 June 2020 (EUR. thous.)	31 December 2018 (EUR. thous.)
Assets held for sale – apartment, lands, transformer station, car park	0	279
TOTAL	0	279

On 08.01.2019 the Company concluded as a borrower a secured loan agreement with the company ELKOP SE, a collateral of which are: a non-residential premise located in Płock, lands built-up with a car park and electric power generator and a transformer station located in Płock and 2/4 part in sharing of perpetual usufruct of the lands indicated in the report for 2018 as held for sale. Due to the non-repayment of the loan, Elkop SE took over the property, which resulted in the satisfaction of claims under the Loan Agreement of December 14, 2018. and definitive transfer of real estate ownership to the company ELKOP SE. Details of the transaction are described in note 18.

Note 7. Share capital (structure)

Balance as at 30.06.2020

SHARE CAPITAL (STRUCTURE) as at 30.06.2020							
Series / issue	Type of shares	Share preference type	Type of limitation of rights to shares	Number of shares	Value of series / issue by nominal value	Method of the capital coverage	Registration date
A	Bearer	-	-	25 000 000	0,11 EUR nominal value of one share	Shares of the limited liability company and by cash	19-04-2018
Total number of shares				25 000 000			
Share capital, total					2 750 000 EUR		
Nominal value of one share = 0,11 EUR							

The share capital is fully paid.

Number of shares has not changed in the reporting period of the financial year 2019.

Year 2019

Book value as at 30.06.2020	8 475 thous. EUR
Number of shares as at 30.06.2020	25 000 000
Book value per share (in EURO)	0,34 EUR
Diluted number of shares	25 000 000
Diluted book value per share (in EURO)	0,34 EUR

Balance as at 30.06.2020 and 30.10.2020

As at the date 30/10/2020 according to the Management Board's best knowledge, the structure of direct and indirect shareholders holding **at least 5% of the total** number of votes at the General Meeting was as follows:

No.	SHAREHOLDER	NUMBER OF SHARES	% OF SHARES	NUMBER OF VOTES	% OF VOTES	DATE
1	Patro Invest OU	16 372 683	65,50%	16 372 683	65,50%	15.10.2020
X	Total	25 000 000	100	25 000 000	100	-

Balance as at 31.12.2018

SHARE CAPITAL (STRUCTURE) as at 31.12.2018							
Series / issue	Type of shares	Share preference type	Type of limitation of rights to shares	Number of shares	Value of series / issue by nominal value	Method of the capital coverage	Registration date
A	Bearer	-	-	25 000 000	0,11 EUR nominal value of one share	Shares of the limited liability company and by cash	19-04-2018
Total number of shares				25 000 000			
Share capital, total					2.750.000 EUR		
Nominal value of one share = 0,11 EUR							

As at 31 December 2018 the number of shares is 25 000 000 pieces.
The share capital is fully paid.

Year 2018

Book value as at 31.12.2018	11 603 thous. EUR
Number of shares as at 30.06.2020	25 000 000
Book value per share (in EURO)	0,46 EUR
Diluted number of shares	25 000 000
Diluted book value per share (in EURO)	0,46 EUR

Balance as at 31.12.2018

No.	SHAREHOLDER	NUMBER OF SHARES	% OF SHARES	NUMBER OF VOTES	% OF VOTES	DATE
1	Patro Invest OU	15 035 832	60,14%	15 035 832	60,14%	11.12.2018
X	Total	25 000 000	100	25 000 000	100	-

Note 8. Change in the balance of provision due to deferred income tax

CHANGE IN THE BALANCE OF PROVISION DUE TO DEFERRED INCOME TAX	30 June 2020 (EUR thous.)	31 December 2018 (EUR thous.)
1. Opening balance of provision due to deferred income tax, including:	8	329
Exchange differences	0	-10
a) recognized in the financial result, including:	0	319
- tax on unpaid interest	0	14
- valuation of properties	0	305
2. Increase	0	18
a) recognized in the financial result of the period due to temporary differences	0	18

- unpaid interest on receivables and from valuation of short-term investments	0	15
- valuation of properties	0	3
3. Decrease	8	-329
a) recognized in the financial result of the period due to temporary differences	8	-329
- paid interest on loans	8	-21
- valuation of properties	0	-308
4. Closing balance of provision due to deferred income tax, including:	0	8
- tax on unpaid interest	0	8

Note 9. Long-term liabilities

LONG-TERM LIABILITIES	30 June 2020 (EUR thous.)	31 December 2018 (EUR thous.)
1. Liabilities toward related parties: (note 20)	0	33
- deposits	0	1
- other liabilities (transformation of the perpetual usufruct right into ownership right – final repayment term is March 2023)	0	32
Closing balance, total	0	33

Note 10. SHORT-TERM LIABILITIES

SHORT-TERM LIABILITIES	30 June 2020 (EUR thous.)	31 December 2018 (EUR thous.)
a) liabilities toward related parties (note 20)	0	595
- due to loans	0	52
- trade	0	15
- other	0	528
b) liabilities toward other entities	4	45
- trade	4	32
- due to taxes, duties, insurances and other benefits	0	4
- other	4	9
Short-term deferrals	0	0
Short-term liabilities, total	8	640
SHORT-TERM LIABILITIES (STRUCTURE BY CURRENCY)	30 June 2020 (EUR thous.)	31 December 2018 (EUR thous.)
a) in Polish currency	8	640
Short-term liabilities, total	8	640

Trade liabilities are not interest-bearing and settled in 14-30 days terms. Liabilities due to taxes, duties, insurances and other benefits are not interest-bearing and settled on monthly basis.

Note 11. Contingent liabilities and contingent assets

There have not occurred any contingent liabilities or assets in the Company in the presented period.

There have been carried out some control actions in the reporting period, which are a result of the Issuer's request for return of the tax due to the Company. Currently, procedures in this matter are still performed. In the Management Board's opinion after finishing of all official procedures, the fund will be paid out to the Company.

In the reporting period ATLANTIS SE has not been a party of any proceeding or proceedings pending in a court, arbitration body or public administration authority the value of which exceeds 10% of the Issuer's equity

A Tax authorities have the right to review the Company tax records for up to 5 years after submitting the tax declaration and upon finding errors, impose additional taxes, interest and fines. The tax authorities have not performed any tax audits at the Company during 01.01.2019-30.06.2020.

From 30/06/2020, it is possible to pay a dividend provided the company generates profit. on 30/06/2020 the company recorded a net loss of (EUR -2.800 thous) Therefore, there are no grounds for dividend payment.

7. EXPLANATORY NOTES TO THE INCOME STATEMENT**Note 12. Net revenues from sale of products (structure - types of activity)**

NET REVENUES FROM SALE OF PRODUCTS (STRUCTURE - TYPES OF ACTIVITY)	Period 01.01.2019- 30.06.2020 (EUR thous.)	Period 01.01.2018- 31.12.2018 (EUR thous.)
Revenues from interest on investment activity (interest from loans granted)	473	83
other sale	144	56
Net revenues from sale of products, total	617	139
- including: related parties (note 20)	617	128

NET REVENUES FROM SALE OF PRODUCTS (TERRITORIAL STRUCTURE)	Period 01.01.2019- 30.06.2020 (EUR thous.)	Period 01.01.2018- 31.12.2018 (EUR thous.)
a) country*	473	139
b) export	144	0
Net revenues from sale of products, total	617	139
- including: related parties (note 20)	617	128

* year 2019 headquarter in Estonia since 02.01.2019

* year 2018 headquarter in Poland till 02.01.2019

Result on discontinued activity	Period 01.01.2019 - 30.06.2020 (EUR thous.)	Period 01.01.2018 - 31.12.2018 (EUR thous.)
Revenues from sale of products, goods, materials	0	466
Other operating revenues	0	6
Operating costs, total	0	-358
Other operating costs	0	-325

Pre-tax profit (loss)	0	-211
Profit/loss on divestiture	0	-2 727
Income tax	0	0
Net result on discontinued activity	0	-2 938

The Management Board provides well-secured cash loans to many reliable entities. In Issuer's Management Board's opinion, the current economic situation will allow the Company to successfully compete with other entities from the financial sector. The Management Board indicates that in its opinion the proposed course of business will allow the Company to multiply its assets in a safe and effective manner.

In 2019 the Issuer has not discontinued activity in any area.

Discontinued operation of 2018 was described in note 18.

Note 13. Costs by type

COSTS BY TYPE	Period 01.01.2019 - 30.06.2020 (EUR thous.)	Period 01.01.2018 - 31.12.2018 (EUR thous.)
a) amortisation	0	7
b) usage of materials and energy	1	5
c) external services	31	90
d) taxes and fees	1	4
e) remuneration	0	126
f) social security and other benefits	0	17
g) other costs	4	6
Total costs by type	37	255
General administrative expenses (negative value)	37	255

Note 14. Other operating costs

OTHER OPERATING COSTS	Period 01.01.2019 - 30.06.2020 (EUR thous.)	Period 01.01.2018 -31.12.2018 (EUR thous.)
a) revaluation of financial assets	0	217
b) other, including:	241	1
- write-off of receivables	218	0
- other	23	1
Other operating costs, total	241	218

As at 31/12/2018 the Company made a revaluation write-off of the property's elements in the item of assets held for sale. The transaction of takeover of assets took place in 2019 in the amount of **PLN 1 200 thous.** and up to this value, the Company updated the value of assets held for sale. The write-off value was **PLN 926 thous. / EUR 217 thous.** (Note 6) .

Note 15. Financial revenues from interest

FINANCIAL REVENUES FROM INTEREST	Period 01.01.2019 - 30.06.2020 (EUR thous.)	Period 01.01.2018 -31.12.2018 (EUR thous.)
a) other interest	1	1

- from other entities	1	1
Financial revenues from interest, total	1	1
OTHER FINANCIAL REVENUES	Period 01.01.2019 - 30.06.2020 (EUR thous.)	Period 01.01.2018 -31.12.2018 (EUR thous.)
a) positive exchange differences	0	3
b) Profit on sale of financial assets	0	155
- stocks and shares	0	155
- from other entities	0	155
c) other, including:	5	280
- revenues from cession	0	280
- depreciation of interest	5	0
Other financial revenues, total	5	438

Note 16. Financial cost due to interest

FINANCIAL COST DUE TO INTEREST	Period 01.01.2019 - 30.06.2020 (EUR thous.)	Period 01.01.2018 -31.12.2018 (EUR thous.)
a) on credits and loans, bonds	0	86
b) other interest	0	1
Financial costs due to interest, total	0	87
OTHER FINANCIAL COSTS	Period 01.01.2019 - 30.06.2020 (EUR thous.)	Period 01.01.2018 -31.12.2018 (EUR thous.)
c) other, including:	3 150	0
- services related to merger	0	3
- sale of investment	28	0
- write-off of shares	2 973	0
- other (note 20)	149	0
Other financial costs, total	3 150	4

The amount of EUR 2 973 thous. Results from the write-off made on IFEA's shares. This event is described in Note 1.

Note 17**Profit per share as at 30.06.2020****On continuing activity**

Weighted average number of shares	25 000 000
Profit/loss for 12 months	-2 800 thous. EUR
Profit/loss per one ordinary share	-0,11 EUR

There were no diluting factors and the weighted average number of shares equals the diluted number of shares.

Profit per share as at 31.12.2018**On continuing and discontinued activity**

Weighted average number of shares	25 000 000
Profit for 12 months	- 2 921 thous. EUR
Profit/loss per one ordinary share	- 0,11 EUR

On continuing activity

Weighted average number of shares	25 000 000
Profit for 12 months	17 thous. EUR
Profit/loss per one ordinary share	0,00 EUR

There were no diluting factors and the weighted average number of shares equals the diluted number of shares.

Note 18 Discontinued activity**Financial results of discontinued activity are as follow:**

On 19/12/2018 between the Issuer and ELKOP S.A. in Płock, an agreement on the transfer of the Company's real estate was concluded to secure claims of ELKOP S.A. under the Loan Agreement of 14/12/2018. The Issuer has transferred to ELKOP S.A. ownership title to land and an office building located on these properties with a total area of 10.319,55 square meter located in Płock. The transfer of real estate is a security for claims of the lender ELKOP S.A. up to **PLN 37 000 thous (EUR 8 605 thous)**. The transfer of ownership agreement provides that if the Issuer fails to meet the loan repayment dates and interest under the Loan Agreement dated 14/12/2018 then the lender will be entitled to satisfy by selling or taking over the property in accordance with the value of **PLN 37 000 thous (EUR 8 605 thous)**, determined by the parties.

Despite the expiry of the term determined on 29/12/2018 the Issuer did not make timely repayment of the debt resulting from the Loan Agreement of 14/12/2018. The Issuer announces that it has decided to allocate the assets of the Company, such as real estate securing the repayment of obligations under the loan agreement of 14/12/2019 to satisfy all claims from the lender, exhausting them in full. On 31/12/2018 the Issuer received a statement by ELKOP S.A. regarding the takeover of ownership of real property transferred to ELKOP S.A. to secure the claims of this Company under the Loan Agreement of 14/12/2018. Pursuant to the transfer agreement of 19/12/2018 ELKOP S.A. was entitled to take over the ownership of the Company's real estate in case the Issuer fail to meet its obligations under the contracted loans at the agreed dates. As a result of the statement on the acquisition of ownership of the property submitted by ELKOP in Płock on 31/12/2018 has been met to claim ELKOP S.A. under the Loan Agreement of 14/12/2018 and the definitive transfer of ownership of the property to ELKOP S.A.

In the financial year 2019, the discontinued activity has not occurred.

	01.01.2019 -30.06.2020 (EUR thous.)	01.01 -31.12.2018 (EUR thous.)
Revenues from the sale of products, goods, materials	0	466
Other operating revenues	0	6
Total operating expenses	0	358
Other operating cost	0	325
Pre-tax profit/loss	0	-211
Profit / loss on divestment	0	-2 727
Profit/loss on discontinued activity	0	- 2 938

The net cash flow

s of discontinued activity are as follows:

	01.01.2019 -30.06.2020 (EUR thous.)	01.01 -31.12.2018 (EUR thous.)
Cash flows from operating activities	0	-66
Net inflows / (outflows) of cash	0	-66

8. EXPLANATORY NOTE TO THE CASH FLOW STATEMENT

Note 19 EXPLANATORY NOTE TO THE CASH FLOW STATEMENT

The item "other adjustments" in operating activity for 2019 in the amount of **EUR 3 519 thous.** refers to the write-off of IFEA shares amounting to **EUR 3 003 thous.**, takeover of the real estate amounting to **EUR 279 thous.**, the written-down loan granted for OFFICE CENTER amounting to **EUR 146 thous.** and offsetting of mutual settlements amounting to **EUR 91 thous.**

The item "other adjustments" in operating activity for 2018 in the amount of EUR 77 thous refers to the settlement of a business combination.

9. TRANSACTIONS WITH RELATED PARTIES

Note 20 TRANSACTIONS WITH RELATED PARTIES:

Ties of ATLANTIS SE

Ties – Management Board:

- Damian Patrowicz – Member of the Supervisory Board: ELKOP SE, DAMF INWESTYCJE S.A., CHAIRMAN OF THE MANAGEMENT BOARD: FON SE, INVESTMENT FRIENDS CAPITAL SE, ATLANTIS SE, MEMBER OF THE MANAGEMENT BOARD: PATRO INWESTYCJE SP. Z O.O., PATRO INVEST OU

Personal ties – Supervisory Board ATLANTIS SE

- Wojciech Hetkowski - Member of the Supervisory Board: ELKOP SE, ATLANTIS SE, FON SE, INVESTMENT FRIENDS CAPITAL SE, INVESTMENT FRIENDS SE, DAMF INWESTYCJE S.A.
- Małgorzata Patrowicz - Member of the Supervisory Board: ELKOP SE, ATLANTIS SE, FON SE, INVESTMENT FRIENDS CAPITAL SE, INVESTMENT FRIENDS SE, DAMF INWESTYCJE S.A., Chairman of the Management Board: PATRO INWESTYCJE SP. Z O.O.,
- Martyna Patrowicz – Member of the Supervisory Board: ELKOP SE, ATLANTIS SE, FON SE, INVESTMENT FRIENDS CAPITAL SE, DAMF INWESTYCJE S.A.,
- Jacek Koralewski – Chairman of the Management Board: ELKOP SE, Member of the Supervisory Board: Atlantis SE, Fon SE, Investment Friends SE, Investment Friends Capital SE, Damf Inwestycje S.A.

Transactions:

Transactions with related parties.

As at **30 June 2020** there are the following loans granted for related entities in the Company:

FINANCIAL ASSETS DUE TO CREDITS AND LOANS in EUR thous.								
Name (firm) of an entity	Seat	Value of a credit / loan acc to the agreement		Value of a credit / loan remaining for repayment		Interest rate	Repayment term	Collaterals
		EUR	curren cy	EUR	curren cy			
FON SE	Tallinn	6 059	EUR	5 486	EUR	WIBOR 1M + 0,5%	31.12.2024	blank promissory note with declaration
PATRO INVEST OU	Tallinn	2 727	EUR	2 489	EUR	WIBOR 1M + 0,5%	31.12.2024	blank promissory note with declaration
DAMAR PATRO UU*	Tallinn	307	EUR	307	EUR	2,5%	30.06.2022	blank promissory note with declaration
TOTAL		9 093	EUR	8 282	EUR			

*Loan granted in EURO

FINANCIAL ASSETS DUE TO CREDITS AND LOANS in PLN thous.								
Name (firm) of an entity	Seat	Value of a credit / loan acc to the agreement		Value of a credit / loan remaining for repayment		Interest rate	Repayment term	Collaterals
		PLN	curren cy	PLN	curren cy			
FON SE	Tallinn	27 000	PLN	24 444	PLN	WIBOR 1M + 0,5%	30.06.2023	blank promissory note with declaration
PATRO INVEST OU	Tallinn	12 153	PLN	11 091	PLN	WIBOR 1M + 0,5%	31.12.2024	blank promissory note with declaration
TOTAL		39 153	PLN	35 535	PLN			

 As at **30 June 2020** there are not any loans received from related entities in the Company.

 As at **31 December 2018** there are the following loans granted for related entities in the Company:

FINANCIAL ASSETS DUE TO CREDITS AND LOANS in EUR thous.								
Name (firm) of an entity	Seat	Value of a credit / loan acc to the agreement		Value of a credit / loan remaining for repayment		Interest rate	Repayment term	Collaterals
		EUR	curren cy	EUR	curren cy			
PATRO INVEST SP. Z O.O.	Płock	512	EUR	513	EUR	6%	04.01.2020	promissory note
OFFICE CENTER SP Z O.O..	Płock	59	EUR	59	EUR	6%	31.12.2018	promissory note
IFEA SP. Z O.O.	Płock	8 140	EUR	8 159	EUR	WIBOR 6M +3%	31.12.2018	promissory note, warranty
TOTAL		8 711	EUR	8 731	EUR			

FINANCIAL ASSETS DUE TO CREDITS AND LOANS in PLN thous.								
Name (firm) of an entity	Seat	Value of a credit / loan acc to the agreement		Value of a credit / loan remaining for repayment		Interest rate	Repayment term	Collaterals
		PLN	curren cy	PLN	curren cy			
PATRO INVEST SP. Z O.O.	Płock	2 200	PLN	2 204	PLN	6%	04.01.2020	promissory note
OFFICE CENTER SP Z O.O..	Płock	253	PLN	255	PLN	6%	31.12.2018	promissory note
IFEA SP. Z O.O.	Płock	35 000	PLN	35 083	PLN	WIBOR 6M +3%	31.12.2018	promissory note, warranty
TOTAL		37 453	PLN	37 542	PLN			

By the decision of the Management Board of 28 November 2019 there was made a write-off of receivables due to the loan granted for Office Center, as a result of which the Company incurred financial costs amounting to PLN 652 thous/EUR 149 thous.

As at 31 December 2018 Financial liabilities due to loans are presented in the table below:

FINANCIAL LIABILITIES DUE TO CREDITS AND LOANS in EUR thous.								
Name (firm) of an entity	Seat	Value of a credit / loan acc to the agreement		Value of a credit / loan remaining for repayment		Interest rate	Repayment term	Collaterals
		EUR	curren cy	EUR	Curre ncy			
PATRO INVEST OU		47	EUR	52	EUR	6%	31.12.2018	promissory note

FINANCIAL LIABILITIES DUE TO CREDITS AND LOANS in PLN thous.								
Name (firm) of an entity	Seat	Value of a credit / loan acc to the agreement		Value of a credit / loan remaining for repayment		Interest rate	Repayment term	Collaterals
		PLN	curren cy	PLN	Curre ncy			
PATRO INVEST OU		200	PLN	223	PLN	6%	31.12.2018	promissory note

The Company has not granted warranties for any entities.

TRANSACTIONS WITH RELATED ENTITIES FOR THE PERIOD ENDED 30/06/2020 (thous EUR)	Sale of products, goods and materials to related entities	Purchases from related entities	Receivables from loans and interest from related entities
FON SE	47	0	5 486
ELKOP SE	0	4	0
IFEA SP. Z O.O.	384	0	0
Office Center Sp. z o.o.	1	0	0
Patro Invest sp. z o.o.	18	0	0
Damar Patro UU	1	0	307
Patro Invest OU	21	0	2 489
Fon Zarządzanie Nieruchomościami	175	0	0
Total	647	4	8 282

TRANSACTIONS WITH RELATED ENTITIES FOR THE PERIOD ENDED 31/12/2018 (thous EUR)	Sale of products, goods and materials to related entities	Revenues from interest on related entities	Purchases from related entities	Interest expenses to related entities	Penalty costs	Receivables from deliveries and services at the end of the period from related entities	Other receivables at the end of the period from related entities	Receivables from loans and interest from related entities	Liabilities due to deliveries and services and other liabilities at the end of the period towards related entities
DAMF KSIĘGOWOŚĆ SP. Z O.O.	10	0	0	23	0	1	0	0	0
ELKOP S.A.	20	0	1	18	0	13	6	0	80
FON SE	0	0	2	0	0	0	0	0	0
IFEA SP. Z O.O.	0	19	0	0	0	0	0	8 222	0
RESBUD SE	0	0	20	3	0	2	0	0	1
Investment Friends SE	11	0	0	0	0	0	0	0	0
Investment Friends Capital SE	7	0	0	0	0	1	0	0	0
Office Center Sp. z o.o.	47	3	63	0	321	5	0	60	268
Patro Invest sp. z o.o.	1	1	0	0	0	0	0	517	0
Platynowe Inwestycje SE	1	0	0	0	0	0	0	0	0
Kopanina Administracja sp. z o.o. spółka komandytowa	0	24	0	0	0	0	0	0	0
Kopanina Administracja sp. z o.o.	0	24	0	0	0	0	0	0	0
Total	97	71	86	44	321	22	6	8 799	349

Remuneration of the Supervisory Board and the Management Board.

Chairman of the Management Board	2019	2018
Remuneration of the Chairman of the Management Board Mrs. Anna Kajkowska due to employee contract and performed function in gross value		163 thous. PLN = 38 thous. EUR

Supervisory Board	2019	2018
Remuneration of the Supervisory Board due to performer function in gross value		27 thous. PLN = 6 thous. EUR

The issuer's management and supervisory board members did not receive any advance payments, loans, guarantees or sureties.

In the financial year 2019 the Management Board and the Supervisory Board did not receive remuneration.

Supervisory Board 01-01-2018– 31-12-2018

1	Hetkowski Wojciech	10 000 PLN	2 344 EUR
2	Koralewski Jacek	1 600 PLN	375 EUR
3	Patrowicz Damian	7 087 PLN	1 661 EUR
4	Patrowicz Małgorzata	7 087 PLN	1 661 EUR
5	Patrowicz Martyna	1 134 PLN	266 EUR
	Total:	26 909 PLN	6 307 EUR

Note 21 INFORMATION ON FINANCIAL INSTRUMENTS

30 JUNE 2020

Classes of financial instruments	Fair value through comprehensive income	Fair value through the financial result	Amortized cost	Financial liabilities measured at amortized cost	Total
Total financial assets	0	0	8 482		8 482
Loans granted (note 20)	0	0	8 282		8 282
Receivables due to deliveries and services and other receivables	0	0	86		86
Cash and cash equivalents	0	0	114		114

31 December 2018

Classes of financial instruments	Fair value through comprehensive income	Fair value through the financial result	Amortized cost	Financial liabilities measured at amortized cost	Total
Total financial assets	3 003	6	8 984		11 993
Shares in carrying amount	3 003	6			3 009
-The valuation included in the profit and loss account		-6			-6
- The valuation included in the revaluation reserve	-11 561				-11 561
-Value in the purchase price	14 564	13			14 576
Loans granted			8 253		8 253
Receivables due to deliveries and services and other receivables			224		224
Cash and cash equivalents			2		2
Total financial liabilities				52	52
Liabilities due to loans received				52	52

VALUATION METHODS AT FAIR VALUE OF FINANCIAL INSTRUMENTS PRESENTED AT FAIR VALUE (VALUE HIERARCHY)

The company uses the following hierarchy for the purpose of disclosing information about financial instruments measured at fair value - broken down by valuation methods:

Level 1: prices listed on an active market (uncorrected) for identical assets or liabilities;

Level 2: valuation methods in which all data having a significant impact on the estimated fair value are observable, directly or indirectly, market data;

Level 3: valuation methods in which inputs having a significant impact on the estimated fair value are not based on observable market data.

As of 30/06/2020. The company does not have any financial instruments presented at fair value.

The table below presents financial instruments at fair value as at 31/12/2018:

	31 December 2018	Level 1	Level 2	Level 3
Short-term shares unlisted	6	0	0	6
Long-term shares not listed	3 003	0	0	3 003
Total financial assets at fair value	3 009	3 009	0	3 009
Financial liabilities at fair value	-	-	-	-

In the reporting period, there were no movements in the valuation of instruments between the levels of the fair value hierarchy. As part of market risk management, the Management Board controls the degree of exposure of the company to market risk within the limits of the parameters adopted, while at the same time striving to optimize the rate of return.

Reconciliation of the fair value of level 3 with the valuation of financial assets as at 31/12/2018.

	Unlisted stocks/shares in EUR thous.	Others in EUR thous.	Total in EUR thous.
As at the beginning of the period 01/01/2018	6 334	0	6 334
Long-term not listed shares	- 3 238	0	-3 238
As at the end of the period 31/12/2018	3 003	0	3 003

On 09/07/2020 the Management Board of the Issuer decided to revalue the financial assets of the Company as at the balance sheet date – 30/06/2020. As at the balance date 30/06/2020 the Issuer holds 12.529 stocks of IFEA Sp. z o. o., that consists of 43,33% of the share capital and grants 12.529 votes consisting of 43,33% of the total number of votes at the general meeting of IFEA Sp. z o. o. On July 9, 2020 the Issuer decided to revalue the Issuer's assets in the 6th quarter of the financial year 2019/2020 due to decrease in the value of stocks of IFEA Sp. z o. o. by the value **PLN 12 915 thous.** The value of 12 529 stocks of IFEA Sp. z o. o. presented in the annual financial report of the Issuer as at December 31, 2018 was **PLN 12 915 thous./ EUR 3 003 thous.** The Management Board decided to make a revaluation write-off of this asset due to liquidation of IFEA Sp. z o. o.

Reconciliation of the opening and closing balance of items measured at fair value, classified at level 3 in the fair value hierarchy.

At the end of **2018**, the Company holds shares in IFEA Sp. z o.o. (net value after revaluation write-down **PLN 12 915 thous./EUR 3 033 thous.**

Description of the method of valuation of available-for-sale assets assigned to the valuation under level 3 of the fair value hierarchy as at 31/12/2018.

Fair value of shares held by IFEA Sp. o.o. in Atlantis SE was determined on the basis of a comparison of the investment value to the percentage share held by Atlantis SE in the value of IFEA Sp. z o.o. As at 31/12/2018, in the opinion of the Management Board, there are no impairment triggers specified in IAS 39 with respect to the shares held by IFEA Sp. z o.o. The value of investments classified as available for sale reflects the fair value of these investments as at 31/12/2018

Sensitivity analysis of the valuation of assets available for sale assigned to the valuation under level 3 of the fair value hierarchy

Item in the financial statements as at 31/12/2018	Item value in thous. (value before the write-down)	Market risk of changes in fair value (in thous.)			
		Impact on the net result		Impact on equity/comprehensive income (without taking into account the effect of deferred tax)	
		9,50%	-9,50%	9,50%	-9,50%
Financial assets not listed on the WSE - long-term investments - available for sale	EUR 3 032	0	0	EUR 288,04	EUR -288,04

10. Combination of business entities and acquisition of non-controlling interests

On 19/04/2018 the merger of the Issuer previously operating as a public limited company under Polish law under the name ATLANTIS SPÓŁKA AKCYJNA with the company ATLANTIS1 Polska Akciová společnost was registered. The acquiring company ATLANTIS S.A. operates in the high-value loans industry, while

ATLANTIS 1 Polska Akciová společnost operates in the industry of production, trade and other services in accordance with the subject of activities disclosed in the relevant register, with ATLANTIS1 Polska Akciová společnost being a special-purpose entity, registered on 10/10/2017.

As a result of registration by the District Court for the Capital City of Warsaw in Warsaw the merger, the Issuer took the legal form of the European Company and currently operates under the name ATLANTIS SE with its registered office in Płock at Padlewskiego Street 18C, Poland, entered in the Register of Entrepreneurs of the National Court Register kept by the District Court for the Capital City of Warsaw in Warsaw, 14th Commercial Division, under the number 0000728463.

The merger took place on the terms specified in the Merger Plan of 30/11/2017 made available free of charge to the public on the websites of the merging companies under the addresses ATLANTIS S.A. - <http://www.atlantis-sa.pl> and ATLANTIS1 Polska Akciová společnost - <http://atlantise.eu> and also the current report ATLANTIS S.A. ESPI No. 42/2017 on 30/11/ 2017.

The merger took place by way of takeover by ATLANTIS S.A. ATLANTIS1 Polska Akciová společnost, in accordance with the provisions of Article 2 para. 1 in connection with article 17 par. 2 letters a and 18 of the EC Council Regulation No. 2157/2001 of 8/10/2001 on the Statute for a SE European company of October 8, 2001. Journal No. U.L. Nr. 294, p. 1.

The merger was approved by the General Meeting of the Issuer on 3/01/2018 with Resolution No. 9, published to the public in the current report ESPI No. 1/2018 on 3/01/2018.

Settlement of the merger in the Company's financial statements.

Pursuant to the aforementioned merger, the shareholders of the parent entity Atlantis SA had control over the company which was subject to merger and did not lose this control as a result of the operations carried out. In connection with the above, in the books of Atlantis SA it was possible to settle the merger using the pooling of shares method.

The general principle of applying the pooling of shares method is to sum up particular items of respective assets and liabilities as well as revenues and costs of the merged companies, as at the merger date, after adjusting their values to uniform valuation methods and making mutual exclusions.

The company settled the merger using the pooling of interests method in the following manner:

- The assets and liabilities were recognized in the books of Atlantis SA according to the value resulting from the books of the acquired company Atlantis1 Polska AS, after having been brought to comparability
- Intercompany receivables and liabilities, revenues and costs of business transactions effected in a given financial year were excluded, including shares held in the acquired company.
- The share capital of the acquired company was excluded. The difference between the total of acquired assets and liabilities was shown as a separate capital of the company.
- The costs incurred in connection with the merger have been included in the financial costs.

Transformation of the comparative period.

Due to the fact that Atlantis1 Poland AS was established on 10/10/2017, the balance sheet and the profit and loss account for the previous reporting period as a result of the merger of Atlantis SA and Atlantis1 Polska AS are not presented.

Note 22 RISKS

RISK RELATED TO INVESTMENTS

The Issuer makes investments in companies that are listed companies on the WSE and NewConnect market characterized by high volatility of share prices and low liquidity. There is a risk related to high exchange rate fluctuations, suspension of company quotations and risk related to a decrease in the exchange rate and the possibility of excluding financial instruments - which may result in significant losses for the Issuer. The Issuer undertakes investments in securities encumbered with this risk with its consideration and striving for its possible minimization through appropriate selection of investments.

RISK OF INVESTMENTS IN FINANCIAL INSTRUMENTS OF THE NON-PUBLIC MARKET

The Issuer makes investments in financial instruments of the non-public market, which are characterized by the fact that they are not admitted to trading on regulated markets, i.e. stock exchanges. These include, among others shares and stocks of non-public companies, bonds issued by these companies. Investing on the private market consists in concluding transactions in the scope of financial instruments between the Issuer and Investors or only between Investors. Placing funds in private issues is connected with the possibility of obtaining a higher rate of return compared to the portfolio of companies listed on the WSE, while taking a higher risk. Non-public market instruments in comparison with exchange-listed instruments are generally characterized by lower liquidity and are less available to individual investors. As a rule, they have a limited, quantitative number of Investors who can realistically influence the company's operations through, inter alia, recapitalization of the company, the possibility of financial restructuring, industry consolidation. Issuers deciding to put funds in non-public market instruments, however, are exposed to greater risk than Issuers buying shares of public companies listed on the Warsaw Stock Exchange. This risk results from a number of circumstances related to non-public nature, in particular resulting from the lack of information obligations on entities with a public character, and actually limited control over the activities of such entities. The Issuer points out that non-public companies are not obliged to disclose financial data and other material data about the company's operations, which increases the risk of making unprofitable investments. Holders of smaller blocks of shares and shares of companies must take into account the lack of influence on the company's business policy, management and development strategy and other activities taking place in the company. The risk of investing in non-public securities also entails the possibility of investing in shares or stocks of companies which, as a result of changes in the environment and erroneous decisions of the Management Board, may declare bankruptcy. In the case of small private equity companies, which usually focus on the implementation of one investment, the risk is much higher than that of large listed companies. In such a situation there is a risk of losing all or part of the invested funds, which may translate directly into the Issuer's financial result. The Issuer points out that it undertakes a number of activities to prevent this risk, in particular through due verification of entities and their operations.

LOANS GRANTED

The Issuer makes investments in the form of loans granted. These loans involve the risk of possible insolvency of entities to whom loans were granted. The Issuer points out that it undertakes a number of activities to prevent this risk, in particular through proper verification of entities and their operations, as well as by obtaining collateral for the most important portfolio positions, i.e. mortgage collateral.

FINANCIAL RISK MANAGEMENT

The main risks resulting from financial instruments of the Company are: interest rate risk, liquidity risk, credit risk, risk related to financial collaterals. The Management Board is responsible for establishment of risk management in the Company as well as for supervision of their respect. Risk management principles in the Company aim at identification and analysis of risks to which the Company is exposed, setting out the proper limits and control as well as monitoring of risk and level of limits adjusted to it.

BASIC PRINCIPLES OF RISK MANAGEMENT

The Management Board is responsible for establishing the risk management principles in the Company and supervising their observance. The Company's risk management principles are aimed at identifying and

analysing risks to which the Company is exposed, determining appropriate limits and controls, as well as monitoring risk and the degree of matching limits.

CREDIT RISK

Credit risk is the risk of incurring a financial loss by the Company when the customer or the other party to the contract for a financial instrument fails to comply with the obligations arising from the contract. Credit risk is mainly associated with receivables. The Company's exposure to credit risk is mainly due to the individual characteristics of each client. The company monitors its receivables on an ongoing basis. The Company creates impairment losses that correspond to the estimated value of losses incurred on trade and other receivables and on investments.

The purpose of the Company's credit policy is to maintain financial liquidity ratios at a safe high level, timely payment of liabilities to suppliers and minimization of costs related to servicing bank liabilities. The policy of managing liabilities and receivables from suppliers and customers is also used to minimize the use of bank loans and related financial costs. Its purpose is to agree the terms of mutual payments in such a way that, while complying with the principle of timely fulfillment of own obligations, also use a trade credit.

Global covid-19 pandemic

A result of the spread of coronavirus in the territory of Estonia and Poland, the activities carried out by the company have not been significantly reduced. All activities carried out by a company related to the administration are performed on an ongoing basis. Some of the tasks are performed by co-workers on a home office basis, while contacts between them and business partners are performed through means of distance communication.

The maturity dates of loans as at 30.06.2020

30/06/2020 In EUR thous.	< 1 year	1-2 years	2-3 years	Above 3 years
Cash and cash equivalent	114			
Loans granted	0	307	0	7 975
Total	114	307	0	7 975

The maturity dates of loans as at 31.12.2018

31/12/2018 In EUR thous.	< 1 year	1-2 years	2-3 years	Above 3 years
Cash and cash equivalent	2			
Loans granted	8 218	513	0	0
Total	8 220	513	0	0

LIQUIDITY RISK

Liquidity risk is the risk of difficulties in meeting the obligations of the Company related to financial liabilities, which are settled through the release of cash or other financial assets. The liquidity management by the Company consists in ensuring, to the highest degree possible, that the Company always has sufficient liquidity to settle the required liabilities.

The cash held by the Company is sufficient to cover the expected operating expenses and to service financial liabilities.

CURRENCY RISK

The company has no assets in foreign currencies. Therefore, there is no risk of currency fluctuations. Currency risk The Company is exposed to currency risk on purchases and cash that are denominated in a currency other than respective functional currency. Purchase prices are fixed in the following currencies: EUR (Euro), PLN (Polish Zloty). These policies have been consistently applied to all the years presented.

In case of fluctuation in exchange rate of PLN against EURO, Management Board of Atlantis SE may perform stress test of that assets. In Management Board opinion, stress test should be performed if fluctuation of exchange rates will cause the difference in value over 20% of the initial value. This note provides a list of the significant accounting policies adopted in the preparation of these financial statements to the extent they have not been disclosed in the other notes. These policies have been consistently applied to all the years presented, unless otherwise stated.

Global covid-19 pandemic

A result of the spread of coronavirus in the territory of Estonia and Poland, the activities carried out by the company have not been significantly reduced. All activities carried out by a company related to the administration are performed on an ongoing basis. Some of the tasks are performed by co-workers on a home office basis, while contacts between them and business partners are performed through means of distance communication.

INTEREST RISK RATE

The company invests free cash in short-term deposits with a variable interest rate. All such investments have a maturity of up to one year.

In addition, the Company is a party to loan agreements described in detail in **(note 1 and 4.)**
The company did not apply interest rate hedges, considering that the interest rate risk is not significant.

CURRENCY RISK

There is a currency risk in connection with the loans granted in PLN. The risk related to the possibility of fluctuations in the exchange rate of one currency in relation to another may lead to both deterioration of the financial situation of the entity and its improvement as a result of a decrease in a given receivable or an increase in this receivable. As a result of the appreciation of PLN against EUR, the value of granted loans may increase, while as a result of the depreciation of PLN against EUR, the value of granted loans may decrease. Therefore, there is a risk of a decrease in the value of loans granted due to the depreciation of PLN against EUR.

RISK RESULTING FROM INFLUENCE OF THE CORONAVIRUS SARS-COV-2 EPIDEMIC ON THE ISSUER'S ACTIVITY.

Considering the type of conducted activity, the Company is moderately exposed for negative consequences of the coronavirus SARS-CoV-2 epidemic that causes COVID 19. The Management Board of the Company is not able to foresee the full consequences and the scope of decrease of revenues on the basis activity. However, the Issuer expects that the current situation may have negative impact on the Company's results. The Issuer informs also that the safeguard procedures are implemented which aim at reduction of possibility of infection by the contractors of the Company, especially the Company strives to elimination of personal contacts and reduces meetings, what should allow the Company to operate constantly. After carried out analysis of the current situation connected with epidemic of the coronavirus SARS-CoV-2 epidemic causing COVID-19 and its possible influence on the Issuer's activity the Issuer points out that as at the date of publication of the report, they does not notice any influence of aforementioned situation on the Issuer's activity.

CAPITAL MANAGEMENT

The Management Board's policy is to maintain a solid capital base in order to maintain investor confidence and to ensure the future development of business operations.

The company manages its capital in order to maintain the ability to continue operations, including the implementation of planned investments, so that it can generate returns for shareholders.
In line with market practice, the Company monitors capital, among others, based on the equity ratio and the loans and other sources of financing / EBITDA ratio.

The equity ratio is calculated as the ratio of the net asset value (equity decreased by intangible assets) to the balance sheet total.

The debt / EBITDA ratio is calculated as the ratio of liabilities due to credits, loans and financial leasing minus free cash and short-term investments with maturity of up to 1 year to EBITDA (net profit after adding depreciation).

In order to maintain financial liquidity and creditworthiness allowing obtaining external financing at a reasonable level of costs, the Company assumes maintaining the equity ratio at a level not lower than 0.5, while the ratio: credits, loans and other sources of financing / EBITDA at the level of up to 2.0.

	30.06.2020 (EUR. thous)	31.12.2018 (EUR. thous)
Equity	8 475	11 604
Net value of assets	8 475	11 604
Balance sheet total	8 483	12 285
Equity ratio	0,99	0,94
Net profit	-2 800	-2 921
Plus: amortisation	0	7
EBITDA	-2 800	-2 914
Loans and other sources of financing	8	686
Free cash and short-term investments	359	8 255
Ratio: Loans and other sources of financing/EBITDA	0	-1

11. REMUNERATION OF THE AUDITOR OR THE ENTITY AUTHORIZED TO AUDIT FINANCIAL STATEMENTS, PAID OUT OR DUE FOR THE AUDITED PERIOD

Specification	2019	Thous
Audit of the financial statement for the period since 01.01.2019 till 30.06.2020		3 EUR

On 20.02.2020 the General Meeting of Shareholders approved the audit firm Number RT OU headquartered in Tallinn, Kristiine linnaosa, Linnu tee 21a, 11317, registry code: 10213553, as an auditing company that will audit the Company's financial statements for 2019 and 2020 and will evaluate the Company's annual financial statements for 2019 and 2020. The remuneration for the auditor will be paid in accordance with the contract concluded between ATLANTIS SE and Number RT OÜ on market terms.

Specification	2018	Thous
Audit of the financial statement for the period since 01.01.2018 till 31.12.2018		1 EUR
Review of the financial statement for the period since 01.01.2018 till 30.06.2018		1 EUR

12. AVERAGE EMPLOYMENT

Employment structure		
Average employment was as follow:		
	30.06.2020	31.12.2018
Management	1	1
Administration	0	11
Total	1	12

13. INFORMATION ON OPERATING SEGMENTS

In accordance with the requirements of IFRS 8, operating segments should be identified based on internal reports on those elements of the Company that are regularly verified by persons deciding on the allocation of resources to a given segment and assessing its financial results. From 2019 roku the company conducts a homogeneous activity consisting in providing other financial services.

In the current period, rental activities were discontinued. This omission is described in detail in Note 18 The Management Board did not identify operating segments in the Company. Until 31/12/2018, the Company has distinguished operating segments: other financial activities and real estate rental.

Geographical information.

There are presented below revenues from external customers, broken down into operational areas and information about non-current assets broken down by the location of these assets:

FOR 2019

GEOGRAPHICAL AREA FOR FINANCIAL ACTIVITIES	REVENUES FROM EXTERNAL CLIENTS (EUR. thous)	TANGIBLE FIXED ASSETS (EUR. thous)
TALLINN	473	0
Total for financial activity	473	0
GEOGRAPHICAL AREA FOR OTHER ACTIVITIES	REVENUES FROM EXTERNAL CLIENTS (EUR. thous)	TANGIBLE FIXED ASSETS (EUR. thous)
PŁOCK	144	0
Total for other activities	144	0

FOR 2018

GEOGRAPHICAL AREA FOR FINANCIAL ACTIVITIES	REVENUES FROM EXTERNAL CLIENTS (EUR. thous)	TANGIBLE FIXED ASSETS (EUR. thous)
PŁOCK	83	0
Total for financial activity	83	0
GEOGRAPHICAL AREA FOR OTHER ACTIVITIES	REVENUES FROM EXTERNAL CLIENTS (EUR. thous)	TANGIBLE FIXED ASSETS (EUR. thous)
PŁOCK	57	0
Total for other activities	57	0

Information on leading customers.

In the period since 01/01/2019 to 30/06/2020, the Company gained revenues from transactions with an external single client exceeding 10% of the entity's total revenues:

Client No. 1 – 62,29% of total revenues

Client No. 2 – 28,34% of total revenues

In the period since 01/01/2018 to 31/12/2018, the Company gained revenues from transactions with an external single client exceeding 10% of the entity's total revenues:

Client No. 1 – 18,12% of total revenues

Client No. 2 – 16,99% of total revenues

Client No. 3 – 16,99% of total revenues

Client No. 3 – 13,92% of total revenues

14. Income Statement – comparison of the 2018 year with 12 months of 2019

INCOME STATEMENT	Period 01.01.2019- 31.12.2019* /thous.EUR/	Period 01.01.2018- 31.12.2018 /thous.EUR/
Continuing activity		
Net revenue from sales of products, goods and materials	554	139
Cost of products, goods and materials sold	0	0
Gross profit (loss) on sales (I-II)	554	139
Selling costs	0	0
General management costs	28	255
Other operating revenues	4	4
Other operating costs	241	218
Profit (loss) on operating activities	289	-330
Financial revenues	0	438
Financial costs	179	91
Pre-tax profit	110	18
Income tax	0	0
Net profit (loss) on continuing operations	110	18
Discontinued operations		
Revenues from sales of products, goods, materials		466
Other operating revenues		6
Total operating costs		358
Other operating costs		325
Pre-tax profit (loss)		-211
Profit/loss from divestment		-2 727
Profit/loss from discontinued operations		-2 938
Net profit/loss	110	-2 921
Net profit (loss) from continued and discontinued operations	110	-2 921
The weighted average number of ordinary shares	25 000 000,00	25 000 000
Profit (loss) from continued and discontinued operations per one ordinary share (in EUR)	0,00	-0,12
The weighted diluted average number of ordinary shares	25 000 000,00	25 000 000
Diluted profit (loss) from continued and discontinued operations per one ordinary share (in EUR)	0,00	-0,12
Net profit (loss) from continued operations	110	18
The weighted average number of ordinary shares	25 000 000	25 000 000
Profit (loss) from continued operations per one ordinary share (in EUR)	0,00	0,00
The weighted diluted average number of ordinary shares	25 000 000	25 000 000
Diluted profit (loss) from continued operations per one ordinary share (in EUR)	0,00	0,00

* exchange rate used for conversion of data for 12 months of 2019 – according to the exchange rate being an arithmetic average of exchange rates announced by the European Central Bank for 12 months of 2019, i.e. 1 EUR = 4,2990

15. EVENTS AFTER THE BALANCE SHEET DATE

On 8/10/2020 the Issuer as the Lender concluded an Annex to the Cash Loan Agreement with FON SE with its registered office in Tallinn, Estonia (Ariregister Estonia number: 14617916) as the Borrower. The information about the loan was included in Current Report No. 39/2019 of 30/12/2019. Under the concluded Annex of 8/10/2020 to the Loan Agreement of 30/12/2019 the parties changed the period for which the loan was granted indicating the new date of its return as 30/06/2023. The other terms of the Loan Agreement remained unchanged. The Issuer also informs that there are personal ties between ATLANTIS SE and FON SE in Tallinn, Estonia. The Member of the Issuer's Management Board is the Member of the Borrower's Management Board. In addition, three members of the Issuer's Supervisory Board perform a function in the Borrower's Supervisory Board. Moreover, the Issuer informs that a significant shareholder of the Issuer (65,49%) is also a significant shareholder of the Borrower (34,53%).

VII. STATEMENT OF COMPLIANCE

Management Board of the Company declares that to the best of their knowledge, these financial statements and comparable data have been prepared in accordance with the accounting principles applicable to the Company and that they reflect truthfully, fairly and clearly the property and financial situation of the Company and its financial result.

The Management Board also declares that the report on the Company's activities contains a true picture of the development, achievements and situation of the Company, including a description of the basic threats and risks.

These financial statements have been prepared using the accounting principles, in accordance with the International Financial Reporting Standards. This report covers the period from January 1, 2019 to June 30, 2020 and the comparable period from January 1, 2018 to December 31, 2018.

The Management Board declares that the entity authorized to audit the financial statements, which audited the financial statements, was selected in accordance with the provisions of law, and that the entity and the statutory auditors who carried out the audit met the conditions for expressing an impartial and independent opinion on the audited annual financial statements, in accordance with the applicable regulations and professional standards.

The auditor was selected by the General Meeting of Shareholders on February 20, 2020. The EGMoS made the selection with a view to guaranteeing full independence and objectivity of the selection itself, as well as the performance of tasks by the statutory auditor.

It was decided to select the company Number RT OÜ based in Tallinn, Kristiine linnaosa, Linu tee 21a, 11317,

company registration number 10213553, as the auditing company that will audit the Company's financial statements for 2019 and 2020, as well as assess the annual reports for 2019 and 2020. The remuneration for the auditor will be payable in accordance with the contract concluded between ATLANTIS SE and Number RT OÜ on market terms.

Tallinn, 2 November 2020

Signatures of all Members of the Management Board

Damian Patrowicz
First name and last name

Member of the Management Board
position/function

.....
Signature

Signature of the person entrusted with the bookkeeping

Jolanta Galuszka
First name and last name

.....
Signature