



**ATLANTIS SE**

**ANNUAL REPORT**

**FOR THE PERIOD SINCE 01 JULY 2020 TILL 30 JUNE 2021**

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

Tallinn, 11/10/2021

## I. CORPORATE PROFILE

Company name: **ATLANTIS SE**

Beginning of the financial year: 1 July 2020

End of the financial year: 30 June 2021

Registry code: 14633855

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Website: [www.atlantis-sa.pl](http://www.atlantis-sa.pl)

The main economic activity: As at 30/06/2021 the economic activity registered in Estonia is „financial holding activities”.

Supervisory Board:

1. Małgorzata Patrowicz,
2. Jacek Koralewski,
3. Martyna Patrowicz,
4. Wojciech Hetkowski

Management Board:

1. Damian Patrowicz since 16/01/2019 - still

Duration of the Company is indefinite.

The Annual Financial Statements of ATLANTIS S.E. for the period since 01/07/2020 until 30/06/2021 and year ended on June 30, 2021 and comparable Financial Statement for the year 2019/2020 ended on June 30, 2020 are 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	
	01/07/2020 30/06/2021	01/01/2019 30/06/2020
	THOUS.EUR	THOUS.EUR
Revenues from interest	76	617
Profit (loss) on operating activity	47	345
Profit (loss) before taxes	51	- 2 800
Net profit (loss)	51	-2 800
Net cash flow from operating activity	-114	164
Net cash flow from financial activity	0	-52
Change in cash and cash equivalents	-114	112
Assets total	8 438	8 483
Short-term liabilities	1 783	8
Equity	6 655	8 475
Share capital	1 125	2 750
The weighted diluted average number of ordinary shares (in pcs.)	75 578 767	25 000 000
Profit (loss) per one ordinary share (EUR)	0,00	-0,11
Book value per share (EUR)	0,59	0,34

## III. LETTER OF THE MANAGEMENT BOARD

Hereby, I present the report on activity of ATLANTIS SE in the period since 01 July 2020 until 30 June 2021, as an introduction to submitted Financial Statements. The current financial year is the second year of the Company's operations in Estonia. It is also another year filled with activities aimed 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 can assure you that the aim of the Management Board was to identify most of the risks that could affect the business. 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 characterized by satisfactory rate of return a measurable gratification for the Shareholders.

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

##### THE MAIN FIELDS OF ACTIVITY

The main business activity of the Company is financial activity, including lending activities. The Company realizing its basic profile activities related to lending services concluded agreements with Polish and Estonian business entities.

In the reporting period, the Company obtained revenues mainly from its financial service activity, i.e. interest on loans granted and interest on funds deposited on bank accounts and deposits.

##### GENERAL (MACROECONOMIC) DEVELOPMENT

The Company undertakes financial activities especially related to granting cash loans for persons and business entities, mostly related parties. In the Management Board's opinion, activity in this field is developmental, especially on Polish market. Truly, most of banks offer loan products for entrepreneurs from small and medium-size entities sector. However, these entrepreneurs meet huge problem with obtaining them in practice. Banks estimates a high risk for granting credits for small and medium-size companies. An entrepreneur must fulfill difficult requirements of a bank, primarily, almost unavailable for young entities, borrowing capacity. Most of beginning entrepreneurs have no collaterals and have not got a long history in a bank. Bank procedures are often very complicated and amending during the term of an agreement, i.e. interest level. Entrepreneurs who have not obtained financing from a bank, usually reach companies which provide lending services and declare high flexibility in terms of procedures tailored to the needs of a particular customer and their capacity as far as collaterals are concerned. The Company notices development potential in the field of providing financial services for this kind of entities and intends consequently continue its business activity in this segment.

##### FINANCIAL INSTRUMENTS, FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising 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 establishing of risk management policies in the Company as well as for supervision of their compliance. The purpose of the company's risk management policies is to identify and analyse the risks to which the company is exposed, by setting appropriate restrictions and controls, as well as by monitoring the risks and limits adjusted accordingly.

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

RATIO	Current financial year	Previous financial year
EBITDA	51	-2 800
ROA	0,60%	-33,01%
ROE	0,77%	-33,03%

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)

**The structure of the share capital 30/06/2021**

<b>SHARE CAPITAL (STRUCTURE)</b>						
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	Registration date
A	Bearer	-	-	11.250.000	0,1 EUR nominal value of one share	30.06.2021
<b>Total number of shares</b>				<b>11.250.000</b>		
<b>Share capital, total</b>					<b>1.125 thous. EUR</b>	

On December 7, 2020 the Extraordinary General Meeting of Shareholders of Atlantis SE voted bonus issue through in a 1:10 ratio, i.e., 10 shares for each 1 share issued so far.

Until 20 January 2021, the share capital amounted to EUR 2 750 000 and was divided into 25 000 000 shares without par value with book value of EUR 0,11. On January 21, 2021 the Court in Estonia registered the resolutions of the Extraordinary General Meeting of Shareholders of December 7, 2021. Since 21 January 2021, share capital amounts to EUR 30 250 000 and is divided into 275 000 000 shares without par value with a book value of EUR 0,11.

On March 20, 2021 there was an Extraordinary General Meeting of Shareholders of Atlantis SE, which voted resplit, decrease of share capital and redemption of shares. Firstly, the resplit on the shares of Atlantis SE was registered.

Until April 8, 2021 the share capital amounted to EUR 30 250 000 and was divided into 275 000 000 shares without par value with a book value of EUR 0,11.

On April 9, 2021 there was the registration of resplit on shares of Atlantis SE. As a result of registration since April 9, 2021 the share capital amounted to EUR 30 250 000 and was divided into 12 500 000 shares without par value with a book value of EUR 2,42. Until June 29, 2021 the share capital amounted to EUR 30 250 000 EUR and was divided into 12 500 000 shares without par value with a book value of EUR 2,42 EUR.

On June 30, 2021 rest of the resolutions of 20 March 2021, i.e. redemption of shares and decrease of the share capital were registered in the Commercial Register of Estonia.

- 1) As a result of the redemption of 1 250 000 shares, the share capital was decreased by 3 025 000 euro, from EUR 30 250 000 to EUR 27 225 000.
- 2) Share capital of the Company was decreased by EUR 26 100 000 from EUR 27 225 000 to EUR 1 125 000. The sum of EUR 26 100 000 from the decrease of the share capital increased the share premium. Finally, since June 30, 2021 Atlantis SE holds 11 250 000 shares with the share capital of EUR 1 125 000 shares without par value with a book value of EUR 0,1 EUR

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

As at the date 30/06/2021 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:

**30/06/2021**

No.	SHAREHOLDER	NUMBER OF SHARES	% OF SHARES	NUMBER OF VOTES	% OF VOTES	DATE
1	Patro Invest OU	5 626 400	50,003%	5 626 400	50,003%	30.06.2021
x	<b>Total</b>	<b>11 250 000</b>	<b>100</b>	<b>11 250 000</b>	<b>100</b>	-

\* Damian Patrowicz holds 100% of Patro Invest OU shares

**30/06/2020**

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%	30.06.2020
x	<b>Total</b>	<b>25 000 000</b>	<b>100</b>	<b>25 000 000</b>	<b>100</b>	-

As at the date of publication of this report, the Shareholder of Patro Invest OU holds 5,804,887 shares representing 51.60% of the share capital and votes at the Shareholders' Meeting.

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

### 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 to 4 members elected for 3 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. If the Management Board has more than 2 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. Members of the Supervisory Board are elected by the company's general meeting of shareholders.

**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.

**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.

**Indication of significant proceedings pending in a court**

There have been carried out some control actions in the reporting period, which are a result of the Company's request for return of the tax due to the Company. 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 Company's equity.

**Information about transactions concluded by the company or its Subsidiary with related entities**

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 with related entities, are indicated in the Financial Statements of the Company for the financial year and previous year.

**Assessment and its justification**

As at the day of preparation of the Annual 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 does not have any credits or loans taken or any other significant obligations. 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, proper and prompt realization of obligations by the Borrowers toward the Company which result from concluded loan agreements has significant impact on results and maintaining liquidity of the Company,

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.



### **Characteristic of external and internal factors**

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

- 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 occur,
- efficiency of procedures
- economic situation and investing circumstances in Poland, Estonia, or in this region
- access to external financing sources,
- cooperation with other financial entities.

### **Information on average employment**

The company has not employed any employees in the financial year lasting since 1 July 2020 until 30 June 2021 and previous financial year.

### **Total number and nominal value of shares stocks of the company owned by the managing and supervising persons**

- 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 51,6% of the Company's share capital and entitling to cast 51,6% of votes at the General Meeting of Shareholders.

- 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.

### **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 audit of financial statement of Atlantis SE prepared as 30/06/2021. An entity selected by the General Meeting is Number RT OÜ 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.

## V. CORPORATE GOVERNANCE REPORT .

The Company's statement regarding the compliance with the Best Practice for WSE Listed Companies 2016 and Corporate Governance Principles is available on the Company's website [www.atlantis.pl](http://www.atlantis.pl), in the "Regulations" section, the "Good practices" tab on corporate governance.

During the reporting period, in the scope of Good Practices, the Company did not apply 3 recommendations: : III.R.1.,IV.R.2., VI.R.1

At the same time, the Company explains that in the reporting period it did not apply any good corporate governance practices other than those listed below, including those that go beyond the legal requirements.

### 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.1 In a situation where the company becomes aware of the dissemination of false information in the media, which is affect its assessment, and immediately after becoming aware of it, it publishes a message on its website containing a position on this information - unless, in the company's opinion, the nature of the information and its circumstances publications give grounds to consider adopting another solution as more appropriate.**

**Company's comment :** *In the reporting period, the Company did not conduct any activities 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.**

**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.**

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

**The Company followed next rules**

**I.Z.1. The Company operates a corporate website and publishes on it, in a legible form and in a separate place, in addition to information required by law:**

**I.Z.1.1. Basic corporate documents, in particular the Company's articles of association,**

**I.Z.1.2. The composition of the management board and supervisory board of the Company and the professional CVs of the members of these bodies**

**I.Z.1.3. Division of tasks and responsibilities among Members of the Management Board, prepared in accordance with principle II.Z.1,**

**I.Z.1.4. The current shareholding structure, indicating shareholders holding at least 5% of the total number of votes in the company - based on information provided to the company by shareholders in accordance with applicable regulations,**

**I.Z.1.5. Current and periodic reports as well as issue prospectuses and information memoranda with annexes, published by the Company within at least the last 5 years,**

**Company's comment :** The Company's Management Board is one-man and in accordance with the Articles of Association is responsible for all areas of the Company's operations.

**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**

**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.1.11. 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,**

**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,**

**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.1.19. Shareholder's questions addressed to management board pursuant to art. 428 § 1 or § 6 of the Commercial Companies Code with management board's answers to asked questions, or a detailed indication of the reasons for not providing the answer, in accordance with the rule IV.Z.13,**

**Company's comment:** Despite the fact that the Company is subject to the Estonian Commercial Code, it also applies art. 428 § 1 or § 6 of the Commercial Companies Code to which Polish commercial companies are subject.

## 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

Members of the Management Board are appointed by the Members of the Supervisory Board and Members of the Supervisory Board are elected by the company's general meeting of shareholders. The Management Board Member may be dismissed by the Supervisory Board, and Supervisory Board Members may be dismissed by the general meeting of shareholders. The Member of the Management Board of the Company is not authorized to issue and repurchase shares.

### Management Board:

- Damian Patrowicz – the only member of the Management Board of the Company

### Supervisory Board:

- Wojciech Hetkowski Chairman of the Supervisory Board
- Jacek Koralewski Member of the Supervisory Board
- Małgorzata Patrowicz Member of the Supervisory Board
- Martyna Patrowicz Member of the Supervisory Board

## TOTAL NUMBER 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 balance sheet date 30/06/2021 (50,003%) and as at the date of submitting the periodical report (51,6%), the Chairman of the Management Board Mr. Damian Patrowicz owns indirectly shares of the Company. Mr. Damian Patrowicz owns at the date of submitting the report indirectly via his subsidiary Patro Invest OÜ, 5 804 887 shares of ATLANTIS SE, constituting 51,6% of the share capital of the Company and granting 5 804 887 votes constituting 51,6% 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 Supervisory Board do not own directly and indirectly shares of the Company as at the balance-sheet date and as at the date of submitting of the periodical report.

**II.R.1** In order to achieve the highest standards in the scope of the company's management and supervisory board performance duties and fulfilling them in an effective manner, persons representing high qualifications and experience are appointed to the management board and the supervisory board.

**II.Z.2** The presence of members of the company's management board on the management or supervisory boards of companies outside the company's group requires the consent of the supervisory board.

**II.Z.5.** A supervisory board member provides other members of the board and the company's management board with declaration of compliance with the independence criteria specified in principle II.Z.4.

**II.Z.6.** The supervisory board assesses whether there are any relationships or circumstances that may affect the fulfillment of the independence criteria by a given board member. The assessment of compliance with the independence criteria by members of the supervisory board is presented by the board in accordance with principle II.Z.10.2.

**II.Z.9.** In order to allow the supervisory board to realize its tasks, the management board of the company access to information about the Company's matters

**II.Z.10.** Apart from activities resulting from provisions of the law, once a year the supervisory boards prepared and present to the general meeting:

**II.Z.10.1** assessment of the Company's situation with reference to assessment of the internal control systems, risk management; this assessment involves also all important mechanisms of control, especially those regarding financial reporting and operating activity.

**II.Z.10.2.** report on the supervisory board's activity includes at least information about: - composition of the supervisory board and its committees, - meeting by members of the supervisory board the criteria of independence, - amount of the supervisory board's meetings and its committees in the reporting period, - self-assessment of the supervisory board's activity.

**II.Z.10.3.** assessment of the manner in which the Company complies with information obligations regarding the application of corporate governance principles set out in the Stock Exchange Regulations and provisions regarding current and periodic information provided by issuers of securities.

**Company's comment :** The Supervisory Board of the Company, since the entry into force of the Best Practices of WSE Listed Companies 2016, will prepare additional information on this matter.

**II.Z.11.** Supervisory Board considers and assesses issues which are going to be subject of the general meeting resolutions.

### **III. Internal systems and functions**

**A listed Company maintains effective systems: internal control, risk management and supervision of compliance with the law appropriate to the size of the company and the type and scale of operations.**

**III.Z.1. The Company's Management Board is responsible for the implementation and maintenance of effective internal control, risk management.**

**Company's comment :** The Company uses internal systems appropriate to the size of the Company and the type and scale of its operations.

**III.Z.5. The Supervisory Board monitors the effectiveness of the systems and functions referred to in principle III.Z.1, based, inter alia, on reports periodically provided to it directly by persons responsible for these functions and the Company's Management Board, as well as an annual assessment of the effectiveness of these systems and functions, in accordance with principle II.Z.10.1.**

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

**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.

A resolution on amendment of the articles of association shall be adopted if at least two-thirds of the votes represented at a general meeting are in favour according to § 300 Commercial Code.

During the financial year 2020/2021 there were three General Meetings of Shareholders of ATLANTIS SE

**Direct shareholding as at 30/06/2021**

No.	Name and surname/name /	Number of shares	Number of votes	% of votes in total number of votes
1.	Patro Invest OU	5 626 400	5 626 400	50,003%

**Indirect shareholding as at 30/06/2021**

No.	Name and surname/name /	Number of shares	Number of votes	% of votes in total number of votes
1.	Damian Patrowicz*	5 626 400	5 626 400	50,003%

As at the date of publication of this report, the Shareholder of Patro Invest OU holds 5,804,887 representing 51.60% of the share capital and votes at the Shareholders' Meeting.

\*Damian Patrowicz holds 100% of shares of Patro Invest OU .

**IV.Z.4. If the management board receives information about the convening of the general meeting by a shareholder, the management board shall immediately perform the activities which it is obliged to perform in connection with the organization and conduct of the general meeting.**

**V.Z.5.Regulations of the general meeting as well as the manner of conducting the meeting and adopting resolutions may not obstruct the participation of shareholders in the general meeting and the exercise of their rights. Changes in the rules of the general meeting should apply at the earliest from the next 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.**

**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.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.**

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

**IV.Z.10 The exercise of shareholders' rights and the manner in which they exercise their rights may not lead to hindering the proper functioning of the company's bodies.**

**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.**

**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.12. The Management Board should present to the participants of an ordinary general meeting the financial results of the company and other significant information included in the financial statements being subjected into approval by the general meeting.**

**IV.Z.13. In case of notification by a shareholder a request for information about the company, not later than within 30 days, the Management Board is obliged to answer the request of a shareholder or inform them about refusal of providing such an information.**

**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 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 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.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**

#### **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.

#### **Recommendations**

**V.R.1. A member of the management board or supervisory board should avoid taking the professional or beyond professional activity which could lead to incurring of a conflict of interest or negatively influence his/her reputation as a member of the company's governing body, and in case of incurring of the interest's conflict, he/she shall disclose it.**

#### **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.**

**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.

**V.Z.2. Member of the Management Board or of the Supervisory Board informs accordingly the Management Board or the Supervisory Board about occurred conflict of interests or about the possibility of its arising and does not participate in voting on a resolution on a matter, in which a conflict of interest may arise in relation to it.**

**Company's comment:** During the voting of some resolutions, a member of the Management Board or Supervisory Board is informed that he may withdraw from voting in the event of a conflict of interest.

**V.Z.3. Member of the Management Board or of the Supervisory Board can not take advantages, which could affect his impartiality and objectivity in making decisions or cast a negative impact on the assessment of the independence of his opinions and judgements.**

**Company's comment:** A member of the Supervisory Board or a Member of the Management Board at the time of their election undertakes to be impartial and objective in their actions



**V.Z.4. If a member of the Management Board or the Supervisory Board recognize that a decision of the Management Board or of the Supervisory Board, respectively, is contrary to the interests of the Company, the member can request that its position on this matter be included in the protocol.**

**V.Z.5. Before concluding significant agreement by the Company with a shareholder holding at least 5% of the total number of votes in the company or with related entity, the Management Board asks the Supervisory Board for consent for the transaction. Before giving the consent, the Supervisory Board assesses the impact of the transaction on the company's interest. The above obligation does not apply to typical transactions and those concluded on market terms as part of the company's operating activities with entities that are part of the company's capital group. In the case when the decisions on concluding significant agreement with related entities is made by the General Meeting, before making the decision, the company shall provide all shareholders with access to information necessary to assess the impact of this transaction on the company's interest.**

**V.Z.6. The Company specifies in its internal regulations the criteria and circumstances, in which a conflict of interests in the company can occur, as well the principles of procedure in the face of conflict of interests or the possibility of this occurrence. The Company's internal regulations include, inter alia, ways of preventing, identifying and resolving conflict of interest, as well as the rules for excluding a member of the Management Board or the Supervisory Board from participating in the consideration of an issue covered or threatened by a conflict of interest.**

## **VI. Remuneration**

**The company has a remuneration policy at least for members of the company's governing bodies and key managers.**

**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.

## **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 control of the correctness of preparation of periodic financial statements takes place thanks to annual financial audits carried out by independent auditors.

In the reporting period, the financial report was prepared by a professional entity – the auditing office of the „Galex” auditor providing accounting services for the Company on the basis of an outsourcing agreement.

By using the services of a specialized office, the Management Board was 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.

**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**

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

**INDICATION OF ALL RESTRICTIONS REGARDING THE TRANSFER OF OWNERSHIP OF THE COMPANY'S SECURITIES**

There are no such restrictions.

STATEMENT OF FINANCIAL POSITION	Note	30/06/2021 (THOUS. EUR)	30/06/2020 (THOUS. EUR)
<b>A s s e t s</b>			
<b>Fixed assets</b>		<b>4 912</b>	<b>8 037</b>
Long-term financial assets	1	4 912	8 037
<b>Current assets</b>		<b>3 526</b>	<b>446</b>
Short-term financial assets	1	3 440	245
Short-term receivables		85	86
Short-term accruals and prepayments		1	1
Cash and cash equivalents	2	0	114
<b>A s s e t s t o t a l</b>		<b>8 438</b>	<b>8 483</b>
<b>Equity</b>			
Share capital	3	1 125	2 750
Share premium		32 444	32 594
Other reserves		473	473
Exchange differences		-906	-810
Retained earnings		-26 481	-26 532
<b>Equity total</b>		<b>6 655</b>	<b>8 475</b>
<b>Short-term liabilities</b>			
Trade liabilities	4	4	4
Other liabilities	4	1 776	0
Other provisions	4	3	4
<b>L i a b i l i t i e s t o t a l</b>		<b>1 783</b>	<b>8</b>
<b>L i a b i l i t i e s a n d e q u i t y t o t a l</b>		<b>8 438</b>	<b>8 483</b>
<b>Book value of equity</b>		<b>6 655</b>	<b>8 475</b>
<b>Number of shares</b>		<b>11 250 000</b>	<b>25 000 000</b>
<b>Book value per share (in EURO)</b>	3	<b>0,59</b>	<b>0,34</b>
<b>Diluted number of shares</b>		<b>11 250 000</b>	<b>25 000 000</b>
<b>Diluted book value per share (in EURO)</b>	3	<b>0,59</b>	<b>0,34</b>

Notes to the annual statement on pages 23-42 are an integral part of the annual financial statement.

INCOME STATEMENT	Note	Period from 01/07/2020 ended on 30/06/2021	Period from 01/01/2019 ended on 30/06/2020
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		(THOUS. EUR)	(THOUS. EUR)
<b>Revenue from interest</b>	5	<b>76</b>	<b>617</b>
<b>Gross profit (loss) on sale</b>		<b>76</b>	<b>617</b>
General and administrative costs	6	-29	-37
Other operating income		0	6
Other operating costs	7	0	-241
<b>Profit (loss) on operating activity</b>		<b>47</b>	<b>345</b>
Financial income		4	5
Financial costs	8	0	-3 150
<b>Profit (loss) before income tax</b>		<b>51</b>	<b>-2 800</b>
<b>Profit (loss) for the period</b>		<b>51</b>	<b>-2 800</b>
<b>Weighted average number of ordinary shares</b>		<b>75 578 767</b>	<b>25 000 000</b>
<b>Profit (loss) per one ordinary share</b>	9	0,00	-0,11
<b>Weighted diluted average number of ordinary shares</b>		<b>75 578 767</b>	<b>25 000 000</b>
<b>Diluted profit (loss) per one ordinary share</b>	9	0,00	-0,11

Notes to the annual statement on pages 23-42 are an integral part of the annual financial statement.

<b>STATEMENT OF COMPREHENSIVE INCOME</b>	<b>Period from 01/07/2020 ended on 30/06/2021 (THOUS. EUR)</b>	<b>Period from 01/01/2019 ended on 30/06/2020 (THOUS. EUR)</b>
<b>Profit/loss for the period</b>	<b>51</b>	<b>-2 800</b>
<b>Other comprehensive income, including:</b>	-96	-329
Exchange differences	-96	-329
<b>Total comprehensive income (loss) for the period</b>	<b>-45</b>	<b>-3 129</b>
<b>Basic earnings per share (in euros)</b>	<b>0</b>	<b>-0,11</b>
<b>Diluted earnings per share (in euros)</b>	<b>0</b>	<b>-0,11</b>

Notes to the annual statement on pages 23-42 are an integral part of the annual financial statement.

STATEMENT OF CHANGES IN EQUITY	Period from 01/07/2020 ended on 30/06/2021 (THOUS. EUR)	Period from 01/01/2019 ended on 30/06/2020 (THOUS. EUR)
<b>Opening balance of equity</b>	8 475	11 604
<b>Opening balance of share capital</b>	2 750	2 750
Changes in share capital	- 1 625	0
a) increases (due to) bonus issue	27 500	0
b) decreases (due to)	-29 125	0
- redemption of own shares	-3 025	0
- increase of share premium	-26 100	0
<b>Closing balance of share capital</b>	<b>1 125</b>	<b>2 750</b>
<b>Opening balance of share premium</b>	<b>32 594</b>	<b>32 594</b>
Changes of	-150	0
a) increases (due to)	27 350	0
- redemption of own shares	1 250	0
- decrease of share capital	26 100	0
b) decreases due to bonus issue	-27 500	0
<b>Closing balance of share premium</b>	<b>32 444</b>	<b>32 594</b>
<b>Opening balance of revaluation capital</b>	<b>0</b>	<b>-11 812</b>
Changes of revaluation capital	0	11 812
a) increases due to transfer to retained profit	0	11 812
<b>Closing balance of revaluation capital</b>	<b>0</b>	<b>0</b>
<b>Opening balance of capital from merger of entities</b>	<b>0</b>	<b>0</b>
Changes of capital from merger of entities	0	-4
a) decreases due to merger of entities	0	-4
<b>Closing balance of capital from merger of entities</b>	<b>0</b>	<b>-4</b>
<b>Opening balance of other reserve</b>	<b>473</b>	<b>473</b>
<b>Closing balance of other reserve capitals</b>	<b>473</b>	<b>473</b>
<b>Opening balance of exchange differences</b>	<b>-810</b>	<b>-481</b>
Changes in exchange differences	-96	-329
<b>Closing balance of exchange differences</b>	<b>-906</b>	<b>-810</b>
<b>Opening balance of retained earnings</b>	<b>-26 532</b>	<b>-11 916</b>
Changes of other reserve capitals	51	-14 616
- profit/loss for the period	51	-2 800
- transfer of revaluation capital	0	-11 812
- transfer of capital from merger of entities	0	-4
<b>Closing balance of retained earnings</b>	<b>-26 481</b>	<b>-26 532</b>
<b>Closing balance of equity</b>	<b>6 655</b>	<b>8 475</b>

Notes to the annual statement on pages 23-42 are an integral part of the annual financial statement.

<b>CASH FLOW STATEMENT (indirect method)</b>	<b>NOTE</b>	<b>Period from 01/07/2020 ended on 30/06/2021 (THOUS. EUR)</b>	<b>Period from 01/01/2019 ended on 30/06/2020 (THOUS. EUR)</b>
<b>Operating activity</b>			
<b>Gross profit (loss)</b>		<b>51</b>	<b>-2 800</b>
<b>Adjustments:</b>			
(Profit) losses due to exchange differences		-2	-329
Other adjustments	10	-1 775	3 519
Interest and profit sharing (dividends)		-31	375
Loans granted		-1 961	-9 640
Received repayments of the loans		1 829	9 511
Change in provisions		0	-8
Change in receivables and prepayments		0	138
Change in liabilities		1 775	-610
Change in accruals		0	8
<b>Net cash flow from operating activities</b>		<b>-114</b>	<b>164</b>
<b>Financial activity</b>			
<b>Outflows from due to financial activity</b>		<b>0</b>	<b>-52</b>
Other financial expenses		0	-52
<b>Net cash flow from financial activities</b>		<b>0</b>	<b>-52</b>
<b>Net cash flow (outflows) total</b>		<b>-114</b>	<b>112</b>
<b>Change in cash balances</b>		<b>-114</b>	<b>112</b>
<b>Cash balance at the beginning of the period</b>		<b>114</b>	<b>2</b>
<b>Cash balance at the end of the period</b>		<b>0</b>	<b>114</b>

Notes to the annual statement on pages 23-42 are an integral part of the annual financial statement.

## 1. NOTES TO FINANCIAL STATEMENTS

### The principles applied for preparation of the financial statements

#### The basis for the preparation of the financial statements

Atlantis SE financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted in the European Union.

The statements have been prepared on the assumption that the Company will continue as going concern in the foreseeable future. As at the date of the financial statements, there are no circumstances that would indicate a threat to the continued business activity of the Company.

The Company applies superior principles of valuation based on the historical purchase, purchase or production price, except for some financial assets which, in accordance with IFRS, were measured at fair value.

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

#### 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 continue as going concern in the foreseeable future.

Balance sheet items are calculated according to the exchange rate announced by the European Central Bank as at the balance sheet day

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

#### New standards and interpretations

The Company will apply new standards, amendments to standards and interpretations of IFRS published by the International Accounting Standards Board, but not effective as at the reporting date, according to their effective date and in the scope regarding to the Company's operation.

The Company is constantly monitoring the changes to new standards and interpretations of existing standards. The Company intends to analyze the impact of the changes to new standards and apply the amended standards once they have been adopted by the European Union. Currently, no additional new standards or their amendments have been adopted that would become effective in the future.

#### Valuation of financial assets and liabilities

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 are measured at amortized cost using the effective interest rate method, taking into account impairment. 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).

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.

### **Impairment of financial assets**

In accordance with IFRS 9, financial assets are measured at amortized cost. This approach is based on the determination of expected losses, regardless of whether the indications 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 until the maturity date of the instrument. 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 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.

### **Professional judgment**

If a given transaction is not regulated by any standard or interpretation, the Management Board, guided by a subjective judgment, determines and applies accounting policies that will ensure that the financial statements will contain correct and reliable information and will:

- correctly, clearly and fairly present the property and financial situation of the Company, the results of its activities and cash flows,
- reflect the economic content of the transaction,
- objective,
- prepared in accordance with the principle of prudent valuation,
- complete in all material respects.

When valuating the loans, the debtor's solvency is taken into account. We take into account the risk of non-repayment. If there is no risk of repayment, we value the loans at their nominal value. There are conducted proper analysis.

The Management Board makes decisions taking into account all the potential consequences of its decisions. Hence, the decision-making process is based on multi-stage analyzes of, inter alia, borrowers' collaterals.

### **Uncertainty of estimates**

When applying the accounting principles in force in the Company, the Management Board is obliged to make estimates, judgments and assumptions regarding the amounts of valuation of individual assets and liabilities. The estimates and related assumptions are based on historical experience and other factors considered relevant. The actual results may differ from the adopted estimated values. The preparation of the financial statements requires the Management Board of the Company to make estimates, as much of the information contained in the financial statements cannot be measured precisely. The Management Board verifies the adopted estimates based on changes in the factors taken into account when making them, new information or past experiences. Therefore, the estimates made as at June 30, 2021 may be changed in the future.

In the report for 2020/2021, the Management Board assesses that there are no other significant areas with regard to which there is a risk related to uncertainty of estimates.

### **Trade receivables**

Trade receivables are amounts due from customers for 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, minus discounts.

### **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.

## **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.

## **Cash flow statement: preparation principles:**

The Company prepares the cash flow statement using the indirect method whereby profit or loss is adjusted for the effects of non-cash transactions, for active and passive accruals related to past or future cash inflows or payments from operating activities, and for income and expense items related to cash flows from investing activities or financial activities.

## **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.

## Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue amount can be reliably measured. The following criteria are used to determine revenue:

### Sale of goods and products

Revenues are recognized when the significant risks and rewards of ownership of goods and products have been transferred to the buyer and when the amount of revenues can be reliably estimated.

## Interest

Interest income is recognized successively as it increases.

## Income tax

Tax charges include current taxation with corporate income tax . The current tax liabilities are determined on the basis of the currently applicable tax regulations and the determined taxable income.

## Income tax in Estonia

According to the Income Tax Act entered into force in Estonia at 1 January 2000, it is not the company's profits that are taxed but net dividends paid. Income tax is paid on dividends, fringe benefits, gifts, donations, costs of reception of guests, non-business payments and transfer price adjustments. The effective income tax rate is 20/80 (2020: 20/80) on net dividends paid out. Starting from 2019, it is possible to apply a more favorable tax rate on dividend payments (14/86). The more favorable tax rate can be applied to a dividend distribution that amounts to up to three preceding years' average dividend distribution that has been taxed at 20/80 rate. In calculating the average dividend payment for the three preceding financial years, 2018 is first year to be considered.

## Contingent assets and liabilities

The Company doesn't have any contingent assets.

A contingent liability is:

- a possible obligation that may arise as a result of past events, the fulfillment of which will be confirmed only at the time of occurrence or non-occurrence of one or more future events beyond the control of the Company,
- a present obligation, which arises as a result of past events, but is not recognized in the financial statements, because the amount of the obligation cannot be reliably determined or it is not probable that it will be necessary to spend funds in order to meet the obligation.

### Related entities

For the purposes of the financial statements, related entities include: significant shareholders, subsidiaries, associates and jointly controlled companies, members of the Management Boards and Supervisory Boards of the Group companies, their immediate families and entities controlled by them.

The main types of risk arising from the Company's financial instruments include interest rate risk, liquidity risk, credit risk and risk related to financial securities. The Management Board is responsible for establishing of the risk management rules and supervising of its respecting. The principles of risk management aim at identification and analysis of risks the Company is exposed to, setting out proper limits and control, as well as monitoring of the risks and compliance with the limits.

### NOTE 1 FINANCIAL ASSETS

30.06.2021

Borrower	Allocation by remaining maturity		Interest rate	Currency	Deadline	Collaterals
	During 12 months	1-5 years				

	(thous EUR)	(thous EUR)				
DAMAR PATRO UU	111	0	2,5%	EUR	05.02.2022	Blank promissory note with note agreement
DAMAR PATRO UU	728	0	2,5%	EUR	10.02.2022	Blank promissory note with note agreement
DAMAR PATRO UU	151	0	2,5%	EUR	11.03.2022	Blank promissory note with note agreement
PATRO ADMINISTRACJ A SP. Z O.O.*	327	0	2,5%	PLN	31.05.2022	Blank promissory note with note agreement
PATRO ADMINISTRACJ A SP. Z O.O.*	82	0	2,5%	PLN	31.05.2022	Blank promissory note with note agreement
PATRO ADMINISTRACJ A SP. Z O.O.*	66	0	2,5%	PLN	31.05.2022	Blank promissory note with note agreement
DAMAR PATRO UU	8	307	2,5%	EUR	30.06.2023	Blank promissory note with note agreement
PATRO ADMINISTRACJ A SP. Z O.O.*	0	89	2,5%	PLN	07.05.2023	Blank promissory note with note agreement
DAMAR PATRO UU	6	248	2,5%	EUR	31.07.2023	Blank promissory note with note agreement
DAMAR PATRO UU	1	35	2,5%	EUR	16.10.2023	Blank promissory note with note agreement
FON SE	322	3 928	WIBOR 1M + 0,5%	PLN	31.12.2024	Blank promissory note with note agreement
PATRO INVEST OU*	1638	0	WIBOR 1M + 0,5%	PLN	30.09.2021	Blank promissory note with note agreement
PATRO ADMINISTRACJ A SP. Z O.O.*	0	305	WIBOR 1M + 0,5%	PLN	31.12.2024	Blank promissory note with note agreement
<b>TOTAL</b>	<b>3 440</b>	<b>4 912</b>				

\*The loan is translated by Patro Invest OU taken by Patro Administracja Sp. Zoo. in connection with the assignment of the relationship.

On September 1, 2021, as a result of the debt acquisition agreement concluded by Patro Administracja sp.z o.o. from Patro Invest OU for the amount of EUR 869 thous, the new debtor of Atlantis SE as at June 30, 2021 was Patro Administracja sp.z o.o.

As at **June 30, 2021** all loans were granted for related entities and are disclosed in note 11.

### 30.06.2020

Borrower	Allocation by remaining maturity		Interest rate	Currency	Deadline	Collaterals
	During 12 months	1-5 years				

	(thous EUR)	(thous EUR)				
DAMAR PATRO UU	0	307	2,5%	EUR	30.06.2022	Blank promissory note with note agreement
FON SE	245	5 241	WIBOR 1M + 0,5%	PLN	31.12.2024	Blank promissory note with note agreement
PATRO INVEST OU	0	2 489	WIBOR 1M + 0,5%	PLN	31.12.2024	Blank promissory note with note agreement
<b>TOTAL</b>	<b>245</b>	<b>8 037</b>				

As at **June 30, 2020** all loans were granted for related entities and are disclosed in note 11

### Note 2 Cash and cash equivalents

CASH AND CASH EQUIVALENTS	30 June 2021 (THOUS. EUR)	30 June 2020 (THOUS. EUR)
Cash on the bank accounts*	0	114
<b>Cash and cash equivalents, total</b>	<b>0</b>	<b>114</b>

\*Bank accounts in Poland were closed – the Issuer borrows a bank account.

### NOTE 3 SHARE CAPITAL (STRUCTURE)

SHARE CAPITAL (STRUCTURE) as at 30.06.2021						
Series/issue	Types of shares	Share preference type	Types of limitation of rights to shares	Number of shares	Value of series/issue by nominal value	Registration date
A	Bearer	-	-	11.250.000	0,10 EUR nominal value of one share	30.06.2021
<b>Total number of shares</b>				<b>11.250.000</b>		
<b>Share capital, total</b>					<b>1.125.000 EUR</b>	

The share capital was fully paid.

#### 2020/2021

Book value as at 30.06.2021	6 655 thous. EUR
Number of shares as at 30.06.2021	11 250 000
Book value per share	0,59 EUR
Diluted number of shares	11 250 000
Diluted book value per share	0,59 EUR

**Balance as at 30.06.2021**

As at 30.06.2021 according to the best knowledge of Management Board, the structure of direct and indirect shareholders holding at least 5% of the total number of votes at the General Meeting of was as follows:

No.	SHAREHOLDER	NUMBER OF SHARES	% OF SHARES	NUMBER OF VOTES	% OF VOTES	DATA
1	Patro Invest OU	5 626 400	50,003%	5 626 400	50,003%	
x	<b>Total</b>	<b>11 250 000</b>	<b>100</b>	<b>11 250 000</b>	<b>100</b>	-

As at the date of publication of this report, the Shareholder of Patro Invest OU holds 5,804,887 representing 51.60% of the share capital and votes at the Shareholders' Meeting.

SHARE CAPITAL (STRUCTURE) as at 30.06.2020						
Series/issue	Types of shares	Share preference type	Types of limitation of rights to shares	Number of shares	Value of series/issue by nominal value	Registration date
A	Bearer	-	-	25.000.000	0,11 EUR nominal value of one share	19.04.2018
<b>Total number of shares</b>				<b>25.000.000</b>		
<b>Share capital, total</b>					<b>2.750.000 EUR</b>	

The share capital is fully paid.

Number of shares has not changed in the reporting period of the financial year 2019/2020.

**2019/2020**

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

As at 15.10.2020 according to the best knowledge of Management Board, the structure of direct and indirect shareholders holding at least 5% of the total number of votes at the General Meeting of was as follows:

No.	SHAREHOLDER	NUMBER OF SHARES	% OF SHARES	NUMBER OF VOTES	% OF VOTES	DATA
1	Patro Invest OU	16 372 683	65,50%	16 372 683	65,50%	15.10.2020
x	<b>Total</b>	<b>25 000 000</b>	<b>100</b>	<b>25 000 000</b>	<b>100</b>	-

#### NOTE 4 SHORT-TERM LIABILITIES

SHORT-TERM LIABILITIES	June 30 2021 (THOUS. EUR)	June 30 2020 (THOUS. EUR)
a) liabilities, including:	<b>1 776</b>	<b>0</b>
- related entities (note 11)	<b>1 775</b>	<b>0</b>
- others	<b>1</b>	<b>0</b>
b) trade liabilities toward other entities	<b>4</b>	<b>4</b>
c) other reserves	<b>3</b>	<b>4</b>
<b>Short-term liabilities, total</b>	<b>1 783</b>	<b>8</b>

Trade liabilities and liabilities to the related entities are not interest-bearing. Liabilities due to taxes, duties, insurances and other benefits are not interest-bearing and settled on monthly basis.

#### EXPLANATORY NOTES TO THE INCOME STATEMENT

##### NOTE 5 NET REVENUES

NET REVENUES FROM SALE (STRUCTURE - TYPES OF ACTIVITY)	Period since July 1 2020 until June 30 2021 (THOUS. EUR)	Period since January 1 2019 until June 30 2020 (THOUS. EUR)
Revenues from interest	76	473
other sale	0	144
<b>Net revenues, total</b>	<b>76</b>	<b>617</b>
<b>- including: from related entities (Note 11)</b>	<b>76</b>	<b>617</b>



## GEOGRAPHICAL INFORMATION

For 2020/2021

GEOGRAPHICAL AREA FOR FINANCIAL ACTIVITIES	REVENUES FROM EXTERNAL CLIENTS (THOUS. EUR)
Estonia	75
Poland	1
<b>Total for financial activity</b>	<b>76</b>

for 2019 /2020

GEOGRAPHICAL AREA FOR FINANCIAL ACTIVITIES	REVENUES FROM EXTERNAL CLIENTS (THOUS. EUR)
Estonia	473
<b>Total for financial activity</b>	<b>473</b>
GEOGRAPHICAL AREA FOR OTHER ACTIVITIES	REVENUES FROM EXTERNAL CLIENTS (THOUS. EUR)
Poland	144
<b>Total for other activities</b>	<b>144</b>

### Information on leading customers.

In the period 01/07/2020-30/06/2021 the Company achieved revenue from transactions with an external single client exceeding 10% of the entity's total revenues:

- Client no. 1 – 45,49 % of total revenues
- Client no. 2 – 30,92 % of total revenues
- Client no. 3 – 23,59 % of total revenues

In the period 01/01/2019-30/06/2020 the Company achieved revenue 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

## NOTE 6 COST BY TYPE

COSTS BY TYPE	Period since July 1 2020 until June 30 2021 (THOUS. EUR)	Period since January 1 2019 until June 30 2020 (THOUS. EUR)
a) usage of materials and energy	0	-1
b) external services	-29	-31
c) taxes and fees	0	-1
d) other costs	0	-4
<b>General administrative expenses</b>	<b>-29</b>	<b>-37</b>

## NOTE 7 OTHER OPERATING COSTS

OTHER OPERATING COSTS	Period since July 1 2020 until June 30 2021 (THOUS. EUR)	Period since January 1 2019 until June 30 2020 (THOUS. EUR)
a) other, including:	0	-241
- write-off of receivables	0	-218
- other	0	-23
<b>Other operating costs, total</b>	<b>0</b>	<b>-241</b>

## NOTE 8 FINANCIAL COSTS

OTHER FINANCIAL COSTS	Period since July 1 2020 until June 30 2021 (THOUS. EURO)	Period since January 1 2019 until June 30 2020 (THOUS. EURO)
- sale of investment	0	-28
- write-off of shares	0	-2 973
- other	0	-149
<b>Other financial costs, total</b>	<b>0</b>	<b>-3 150</b>

The amount of EUR 2 973 thous. results from the write-off made on IFEA shares. As at the balance sheet date 30.06.2020 the Company held 12.529 shares of IFEA Sp. z o.o., that consisted of 43,33% of the share capital and entitled to cast 12.529 votes constituting 43,33% of the total number of votes of IFEA Sp. z o.o. Issuer on 9.07.2020 decided to reevaluate the Company'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 of – EUR 2.973 thous. The presented value of 12.529 shares of IFEA Sp. z o.o. in the annual financial report of the Issuer as at 31.12.2018 amounted to 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 income statement

## NOTE 9

### PROFIT PER SHARE AS AT 30.06.2021

#### From continuing activity

Weighted average number of shares	75 578 767
Profit/loss for 12 months	51 thous. EUR
Profit/Loss per one ordinary share	0,00 EUR

Diluting factors did not occur, and the weighted average number of shares equals the diluted number of shares.

### Profit per share as at 30.06.2020

#### From 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

Diluting factors did not occur, and the weighted average number of shares equals the diluted number of shares.

### NOTE 10 EXPLANATORY NOTE TO THE CASH FLOW STATEMENT

The item „other adjustments” in operating activity from 2020/2021 in the amount of **EUR 1 775 thous.** refers to the redemption of own shares decreasing the share capital. As at the balance sheet date, the remuneration was not paid.

The item „other adjustments” in operating activity from 2019/2020 in the amount of **EUR 3 519 thous.** refers to the write-off IFEA shares in the amount of **EUR 3 003 thous.**, takeover of the real estate in the amount of **EUR 279 thous.**, written-off loan granted for OFFICE CENTER in the amount of EUR 146 thous. and offsetting of mutual settlements amounting to **EUR 91 thous.**

### NOTE 11 TRANSACTIONS WITH RELATED ENTITIES OF ATLANTIS SE

#### Relationships in the Company

Parent company: Patro Invest OÜ in Tallinn (directly), Mr. Damian Patrowicz (indirectly by Patro Invest OÜ).

#### Management Board:

- Damian Patrowicz – Member of the Supervisory Board: ELKOP SE, DAMF INWESTYCJE S.A., PREZES ZARZĄDU: FON SE, INVESTMENT FRIENDS CAPITAL SE, ATLANTIS SE, Member of the Management Board: PATRO INWESTYCJE SP. Z O.O., PATRO INVEST OÜ

#### Supervisory Board

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

#### Transactions with related entities

As at **June 30, 2021** all loans were granted for related entities and are described in note 1.

As at **June 30, 2021** there are not any loans received from related entities.

As at **June 30, 2020** all loans were granted for related entities and are described in note 1.

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

The Company did not grant warranties for any entities.

TRANSACTIONS AND BALANCES WITH RELATED ENTITIES FOR THE PERIOD ENDED ON 30.06.2021 (in thous. eur)	Interest income	Loans granted	Repayments of loans granted	Receivables from loans and interest	Liabilities from deliveries and services and other liabilities
FON SE	35	0	1 149	4 250	0
Damar Patro UU	23	1 264	0	1 595	0
Patro Invest OU	17	697	680	1 638	1 775
Patro Administracja Sp. z o.o.	1	0	0	869	0
<b>Total</b>	<b>76</b>	<b>1 961</b>	<b>1 829</b>	<b>8 352</b>	<b>1 775</b>

On September 1, 2021, as a result of the debt acquisition agreement concluded by Patro Administracja sp.z o.o. from Patro Invest OU for the amount of EUR 869 thous, the new debtor of ATLANTIS SE as at June 30, 2021 was Patro Administracja sp.z o.o.

TRANSACTIONS AND BALANCES WITH RELATED ENTITIES FOR THE PERIOD ENDED ON 30.06.2020 (in thous. eur)	Sale of products, goods and materials, interest income	Purchases	Loans granted	Repayments of loans granted	Receivables from loans and interest
FON SE	47	0	6 059	628	5 486
ELKOP SE	0	4	0	0	0
IFEA AP.Z O.O.	384	0	0	7 845	0
Office Center Sp. z o.o.	1	0	236	16	0
Patro Invest sp. z o.o.	18	0	0	494	0
Damar Patro UU	1	0	307	0	307
Patro Invest OU	21	0	2 727	528	2 489
Fon Zarządzanie Nieruchomościami	175	0	0	0	0
<b>Total</b>	<b>647</b>	<b>4</b>	<b>9 329</b>	<b>9 511</b>	<b>8 282</b>

### Remuneration of the Supervisory Board and Management Board

In the financial years 2020/ 2021 and 2019/ 2020 , the Management Board and Supervisory Board did not receive any remuneration.

### NOTE 12 RISKS

#### Granted loans

The Company makes investments in the form of loans granted. These loans involve the risk of possible insolvency of entities to whom loans were granted. The Company 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.

### Objectives and principles of financial risk management

The company is exposed to the following types of risk resulting from the use of financial instruments: credit risk, market risk, liquidity risk, interest rate risk. 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 fulfilment of own obligations, also use a trade credit.

#### The maturity dates of assets as at 30.06.2021

		Maturity dates			
30/06/2021 in thous. EUR	Total	< 1 year	1-2 years	2-3 years	Above 3 years
Loans granted	8 352	3 440	396	283	4 233
Other receivables	86	86	0	0	0
Cash and cash equivalent	0	0	0	0	0
<b>Total</b>	<b>8 438</b>	<b>3 526</b>	<b>396</b>	<b>283</b>	<b>4 233</b>

#### The maturity dates of assets as at 30.06.2020

		Maturity dates			
30/06/2020 in thous. EUR	Total	< 1 year	1-2 years	2-3 years	Above 3 years
Loans granted	8 282	245	307	0	7 730
Other receivables	87	87	0	0	0
Cash and cash equivalent	114	114	0	0	0
<b>Total</b>	<b>8 483</b>	<b>446</b>	<b>307</b>	<b>0</b>	<b>7 730</b>

### Interest rate risk

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. The company did not apply interest rate hedges, considering that the interest rate risk is not significant. At the balance sheet date, the interest rate structure of the Company's interest-bearing financial instruments were as follows:

Borrower	Interest rate	Fixed/Variable interest rate
DAMAR PATRO UU	2,5%	Fixed
PATRO ADMINISTRACJA SP. Z O.O.	2,5%	Fixed
FON SE	WIBOR 1M + 0,5%	Variable
PATRO INVEST OU	WIBOR 1M + 0,5%	Variable
PATRO ADMINISTRACJA SP. Z O.O.	WIBOR 1M + 0,5%	Variable

The Company has no significant interest-bearing liabilities.

The Company's income and operating cash flows are dependent of changes in market interest rates, because some of the contracts are concluded at variable interest rates. If the variable interest rate as at 30.06.2021 had been higher/lower 1 % point, the Company's profit for the financial year would have increased/decreased by EUR 74 thous./EUR 50 thous. thousand (30.06.2020: EUR 44 thous./EUR 42 thous.), assuming all other variables remained constant.

### 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 company has enough resources to cover the expected operating expenses and to service financial liabilities

#### The maturity dates of liabilities as at 30.06.2021

30/06/2021 in thous. EUR	Total	Maturity dates			
		< 1 year	1-2 years	2-3 years	Above 3 years
Trade liabilities	4	4	0	0	0
Other liabilities	1 779	1 779	0	0	0
<b>Total</b>	<b>1 783</b>	<b>1 783</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### The maturity dates of liabilities as at 30.06.2020

30/06/2020 in thous. EUR	Total	Maturity dates			
		< 1 year	1-2 years	2-3 years	Above 3 years
Trade liabilities	4	4	0	0	0
Other liabilities	4	4	0	0	0
<b>Total</b>	<b>8</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Risk related to related parties

There are interpretations indicating the possibility of risk arising from the negative impact of links between members of the Company's bodies on their decisions. This applies in particular to the impact of these ties on the Company's Supervisory Board in the scope of ongoing supervision over the Company's operations. When

assessing the likelihood of such risk, it should be considered that the supervisory bodies are subject to the control of another body - the General Meeting, and it is in the interest of the members of the Supervisory Board to perform their duties in a reliable and lawful manner.

### **Currency risk**

The Company do not own significant financial instruments whose fair value and future cash flow related to them may fluctuate due to changes in currency exchange rates. Therefore, the impact of changes in exchange rates on the Company's results was not estimated. 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. Financial assets and liabilities nominated in euros and polish zloty did not carry considerable risk.

### **Risk resulting from influence of the coronavirus sars-cov-2 epidemic on the Company 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 expects that the current situation may have negative impact on the Company's results. The 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 activity the Issuer points out that as at the date of publication of the report, they do not notice any influence of aforementioned situation on the activity.

### **Capital management**

The main objective of Company 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 fulfil 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 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

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.

	30.06.2021 (EUR. THOUS)	30.06.2020 (EUR. THOUS)
Equity	6 655	8 475
Net value of assets	6 655	8 475
Balance sheet total	8 438	8 483
Equity ratio	0,79	0,99
Net profit/loss	51	-2 800
EBITDA	51	-2 800
Loans and other sources of financing	1 783	8
Free cash and short-term investments	3 440	359
Ratio: Loans and other sources of financing/EBITDA	34,96	0

Equity ratio = equity / assets

EBITDA = Net income + taxes + interest expenses + depreciation

Free cash and short term investment = short term investments + cash

## NOTE 13 INFORMATION OF FINANCIAL INSTRUMENTS

June 30, 2021

Classes of financial instruments (EUR. THOUS)	Fair value through comprehensive income	Fair value through the financial result	Amortized cost	Financial liabilities measured at amortized cost	Total
<b>Total financial assets</b>	<b>0</b>	<b>0</b>	<b>8 437</b>	<b>0</b>	<b>8 437</b>
Loans granted	0	0	8 352	0	8 352



Receivables due to deliveries and services and other receivables	0	0	85	0	85
Cash and cash equivalents	0	0	0	0	0

### June 30, 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
<b>Total financial assets</b>	<b>0</b>	<b>0</b>	<b>8 482</b>	<b>0</b>	<b>8 482</b>
Loans granted	0	0	8 282	0	8 282
Receivables due to deliveries and services and other receivables	0	0	86	0	86
Cash and cash equivalents	0	0	114	0	114

The company uses the following hierarchy for the purpose of disclosing information about financial instruments measured at fair value – divided into 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.

Available-for-sale capital investments not listed on the active market, the fair value of which can not be reliably measured, and derivatives related to them and settled in the form of transfer of such unlisted capital investments, are measured at cost decreased by the impairment at the end of each reporting period.

In the reporting period, there were no movements in the valuation of instruments between the levels of the value hierarchy.

#### NOTE 14 Remuneration of the auditor

On 20.02.2020 the General Meeting of Shareholders approved the audit firm Number RT OU 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	Amount in thous. Eur
Audit of the financial statement for the period since 01.07.2020 to 30.06.2021	3,5 EUR
Audit of the financial statement for the period since 01.01.2019 to 30.06.2020	3,5 EUR

#### NOTE 15 Average employment

##### Employment structure

Average employment in the Company was as follow:

	30.06.2021	30.06.2020
Management	1	1
Total	1	1

**NOTE 16 Income statement – comparison of the year 2020/2021 with 12 months of 2019/2020**

<b>INCOME STATEMENT</b>	<b>Period 01.07.2020 ended on 30.06.2021 (THOUS. EUR)</b>	<b>Period 01.07.2019 ended on 30.06.2020 (THOUS. EUR)</b>
<b>Net revenue from interest</b>	<b>76</b>	<b>470</b>
<b>Gross profit (loss) on sales</b>	<b>76</b>	<b>470</b>
General and administrative costs	-29	-13
Other operating income	0	-13
Other operating costs	0	239
<b>Profit (loss) on operating activities</b>	<b>47</b>	<b>231</b>
Financial income	4	-203
Financial costs	0	2 890
<b>Profit (loss) before income tax</b>	<b>51</b>	<b>-2 862</b>
<b>Profit (loss) for the period</b>	<b>51</b>	<b>-2 862</b>
<b>The weighted average number of ordinary shares</b>	<b>75 578 767</b>	<b>25 000 000</b>
<b>Profit (loss) per one ordinary share</b>	<b>0,00</b>	<b>-0,11</b>
<b>The weighted diluted average number of ordinary shares</b>	<b>75 578 767</b>	<b>25 000 000</b>
<b>Diluted profit (loss) per one ordinary share</b>	<b>0,00</b>	<b>-0,11</b>

**NOTE 17 Events after the balance sheet date**

Events affecting the results presented in this report did not occur after the balance sheet date.

**VII. STATEMENT OF THE MANAGEMENT BOARD**

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 July 1, 2020 to June 30, 2021 and the comparable period from January 1, 2019 to June 30, 2020.

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 2019/2020 and 2020/2021, as well as assess the annual reports for 2019/2020 and 2020/2021. 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, 11/10/2021

Signatures of all Members of the Management Board

Damian Patrowicz

Full name

Management Board  
position/function

.....  
Signature

Chairman of the