

ATLAS ESTATES LIMITED
CONDENSED CONSOLIDATED QUARTERLY REPORT
THIRD QUARTER 2022

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ATLAS ESTATES LIMITED

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Financial Highlights

Selected Consolidated Financial Items	Nine months ended	Three months ended	Nine months ended	Three months ended
	30 September 2022 (unaudited) €'000	30 September 2022 (unaudited) €'000	30 September 2021 (unaudited) €'000	30 September 2021 (unaudited) €'000
Revenues	18,547	6,855	10,407	4,460
Gross profit	8,144	3,038	4,217	2,100
Increase/ (Decrease) in value of investment properties	2,296	-	(2,913)	-
Profit from operations	12,251	1,403	7,519	810
Profit before taxation	13,393	2,554	8,360	1,949
Profit for the period	11,996	2,071	8,477	1,981
Net cash from operating activities	4,685	1,803	3,398	1,410
Net cash used in investing activities	2,047	154	(6,286)	806
Net cash used in financing activities	(3,614)	(1,372)	(3,043)	(1,276)
Net increase/ (decrease) in cash and cash equivalents in the period	3,736	716	(6,657)	927
Non-current assets	184,264	184,264	175,585	175,585
Current assets	59,627	59,627	58,683	58,683
Total assets	243,891	243,891	234,268	234,268
Current liabilities	(13,788)	(13,788)	(32,828)	(32,828)
Non-current liabilities	(87,728)	(87,728)	(74,542)	(74,542)
Total liabilities	(101,516)	(101,516)	(107,370)	(107,370)
Basic net assets (1)	142,375	142,375	126,898	126,898
Number of shares outstanding	46,852,014	46,852,014	46,852,014	46,852,014
Basic and diluted earnings/(loss) per share (eurocents)	25.6	4.4	18.1	4.2
Basic net asset value per share (€)	3.0	3.0	2.7	2.7

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

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Chairman's Statement

Dear Shareholders,

I am pleased to announce the unaudited financial results for Atlas Estates Limited ("Atlas" or "the Company") and its subsidiary undertakings (together "the Group") for the nine months ended 30 September 2022.

The Board of Directors, in reference to the resolution of the Extraordinary General Meeting held on 20 June 2022 concerning approval to delist the shares in the Company from trading on the regulated market operated by Warsaw Stock Exchange, informed that on 25 July 2022 the Company submitted an application to Polish Financial Supervision Authority for a permit to delist 46,471,897 shares in the Company from trading on the regulated market operated by the Warsaw Stock Exchange. On 22 November 2022 the Company received from the Polish Financial Supervision Authority its permit to delist the shares. The deadline after which delisting shall occur is 9 December 2022.

In the nine months to 30 September 2022, the Group has not conducted or intended to conduct any activities in the territory of Ukraine, Belarus and Russia. Thus, Russian invasion of Ukraine that began on February 24, 2022 does not have a material direct impact on the assumption that the Group will continue as going concern, nor does it constitute an indication of impairment of the Group's assets. The Russian invasion of Ukraine has its imminent consequences for the European economy.

Below are our main developments:

- On 11 April 2022 the Group completed the sale agreement of its investment in D.N.B Victoria Tower (owner of Golden Tulip hotel), at the sale price of €7.3 million (net of cash disposed). As a result the Group recorded a profit of €4.7 million in other operating income in the nine months ended 30 September 2022;
- On 28 December 2021 the Company's subsidiary HGC Gretna Investments Sp. z o.o. Sp. J. ("HGC"), which operate *Hilton* hotel in Warsaw, concluded a second loan agreement with Polski Fundusz Rozwoju S.A. ("PFR"). Similar to the loan signed in June 2021, this loan was part of the Polish government's assistance to countering the effects of COVID-19. The new loan amounts to PLN 5.7 million (€1.2 million), can be used for financing Hilton expenses and must be repaid by 31 December 2024. This facility was drawn on 25 February 2022. In accordance with the loan agreement the loan could be partially waived up to 75% of its amount at the sole discretion of PFR. The decision of the lender concerning the amount that was waived was announced on 24 August 2022. The repayable loan amount was decreased by PLN 4.3 million, which resulted in €0.9 million income recorded as finance income in the third quarter of 2022.

Reported Results

Half Year Reported Results

As of 30 September 2022 the Group has reported basic net assets of €142.4 million.

The increase of basic net asset value by €7.7 million (i.e. 6%) from €134.7 million as at 31 December 2021 is primarily a result of:

- profit after tax amounting to €12.0 million for the nine months period ended 30 September 2022,
- €3.7 million upward revaluation of Hilton as of 30 September 2022 (net of tax), offset by:
- 6% depreciation of PLN against EUR in the nine months ended 30 September 2022;

Majority of the Group assets are located in Poland and reporting in PLN functional currency. While preparing consolidated accounts of the Group, their balances were translated into EUR reporting currency, which resulted in €8.0 million loss reported in translation reserve;

Profit after tax amounts to €12.0 million for the nine months period ended 30 September 2022 as compared to profit after tax of €8.5 million for the nine months period ended 30 September 2021. The change was mainly attributable to:

- €3.9 million increase in gross profit realised for the nine months period ended 30 September 2022 due to release of the restrictions of trade due to nationally imposed social distancing measures on hotel operations in period ended 30 September 2022 as compared to the same period of 2021 resulting from the outbreak of COVID-19 (further explained on page 12),
- the above mentioned profit on the sale of subsidiary amounting to €4.7 million recognized in the third quarter of 2022, and
- the movement in the market valuation of key investment properties from €2.9 million loss in the first nine months of 2021 to €2.3 million gain in the same period of 2022, offset by:
- decrease in gain on settlement agreements reached between Atlas and Atlas Management Group from €10.0 million in the first nine months of 2021 to €2.0 million in the first nine months of 2022.

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Financing, Liquidity and Forecasts

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

While there will always remain some inherent uncertainty within the aforementioned cash flow forecasts, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence and to manage its loan facilities for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the condensed consolidated financial information for the nine months ended 30 September 2022, as set out in accounting policies to the condensed consolidated financial information.

Investing Policy

Atlas invests mainly in Poland in a portfolio of real estate assets across a range of property types, where more than 90% of its assets are located. We actively target Poland, where we believe we have the best capabilities and footprint. Atlas also operates in the Romanian and Bulgarian real estate markets. Additionally in 2021 the Group also invested part of its cash reserves in funds and equities.

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

Net Asset Value ("NAV") and Adjusted Net Asset Value ("Adjusted NAV")

In the nine months to 30 September 2022, NAV per share increased from the level of €2.9 per share as of 31 December 2021 to €3.0 per share as of 30 September 2022. The interim condensed consolidated financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. As of 30 September 2022 and 31 December 2021 the adjusted NAV per share is equal to basic NAV per share since there was no need to adjust basic net assets value for unrecognized valuations gains and losses (net of deferred tax) on property portfolio assets not held on a fair value or revaluation model measurement basis.

A valuation of the entire property portfolio is carried out on an annual basis by external and internal experts. Additionally, on semi-annual basis (i.e. as of 30 June) external valuation of key assets (as described below) is performed. The internal valuations calculated by the Property Manager concerned completed development projects in Warsaw and land asset near Gdansk (Kokoszki), which was based upon recent transactions. The results of internal valuations were not reflected in net assets (except of land asset, which was reflected since it is classified as investment property) as presented in the consolidated statement of financial position since these projects are classified as inventory and there is no need to impair these balances.

As of 30 June 2022:

- Jones Lang LaSalle, independent qualified experts were our independent qualified experts who have carried out the valuation of two properties located in Poland (*Atlas Tower* and *Galeria Platinum Towers*).
- Emmerson Evaluation, independent qualified experts were our independent qualified experts who have carried out the valuation of *Hilton* hotel in Poland. It should be underlined that the valuation of this property was reported with degree of uncertainty :
 - "The COVID-19 virus pandemic announced by the World Health Organization (WHO) on 3rd March 2020 has affected global financial markets. Restrictions have been placed on travel and operations of certain industries. This is a situation that the real estate market has never encountered before. The valuation is partially based on historical data and takes into account the impact of the pandemic on the real estate market, which was identifiable.
 - On February 24, 2022 the Russian Federation invaded the neighbouring Ukraine, leading to an armed conflict, the first in that part of Europe in decades. This situation has resulted in numerous economic sanctions imposed by the European Union, the United States, the United Kingdom, Australia, Japan and other countries the aim of which was to weaken the aggressor. An armed conflict will certainly affect the economic environment and the situation in the region, however, at the moment it is not possible to reliably predict its effects on inflation, the migration situation, real estate prices, the interest of tenants, investors, etc."

Corporate Governance

Atlas ensures that the Group applies a robust corporate governance structure, which is vital in the current economic conditions. This is important, as there is a clear link between high quality corporate governance and Shareholder value

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creation. A statement on the Group's compliance with the corporate governance recommendations and principles contained in Best Practice for WSE listed companies is presented on Atlas' corporate website.

Risks and uncertainties

The Board and the Property Manager continually assess and monitor the key risks of the business. The principal risks and uncertainties that could have a material impact on the Group's performance are summarised in the Property Manager's Review.

Changes in Board of Directors

There were no changes in Board of Directors in the nine months period ended 30 September 2022.

Prospects

The Board's experience in the Polish market causes us to believe that the Group should still focus on strengthening as well as expanding our real estate portfolio in Poland.



Mark Chasey
CHAIRMAN
24 November 2022

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Property Manager's Review

In this review we present the financial and operating results for the nine months ended 30 September 2022. Atlas Management Company Limited ("AMC") is the Property Manager appointed by the Company to oversee the operation and management of Atlas' portfolio and advise on new investment opportunities. At 30 September 2022, the Company held a portfolio of thirteen properties comprising eight investment properties of which four are income yielding properties, four are held for capital appreciation, one hotel and four development properties.

Markets and Key Properties

Poland

This is the major market of operation for the Group, with more than 90% (by value) of the Group's portfolio located there. The Polish economy has been one of most resilient economies in Europe. The outbreak of coronavirus in the world and its occurrence in Poland affected the economic growth of this country. The Russian invasion of Ukraine also impacted the European economy. Economists say that in Poland inflation will accelerate and interest rates may rise more than has been expected. Inflation in October 2022 has been 18% year-on-year. Goldman Sachs expects that Poland's interest rates will peak at 8%, from the current level of 6.75%.

Hilton Hotel, Warsaw

The *Hilton* hotel in the Wola district of Warsaw is the Group's flagship asset. The hotel was continuously performing at a satisfactory level until the outbreak of COVID-19, as disclosed on page 12, and its operations improved in the first nine months of 2022 (see page 9).

Atlas Tower (former name: Millennium Plaza), Warsaw

The Atlas Tower is a 39,138 sqm office and retail building centrally located in Warsaw with occupancy rate of 89% as of 30 September 2022 (84% as of 31 December 2021).

Galeria Platinum Towers

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

Romania

As of 30 September 2022 the Group's portfolio contains two significant land banks – Voluntari and Solaris. The Golden Tulip hotel was sold in April 2022 (see note 22).

Bulgaria

The Group holds one income yielding property in Bulgaria, the Atlas House, which is a ca. 3,500 sqm office building in Sofia with occupancy rate of 64%.

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Financial Review

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

Portfolio valuation and valuation methods

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

Loans and valuations

As at 30 September 2022, the Company's share of bank debt associated with the portfolio of the Group was €61 million (31 December 2021: €67 million; 30 September 2021: €68 million). Loans and valuations may be analysed as follows for those periods in which valuations were undertaken (please note that the most recent valuation was performed as of 31 December 2021):

	Loans	Valuation	LTV	Loans	Valuation	LTV	Loans	Valuation	LTV
	30 September 2022	30 September 2022	Ratio*	31 December 2021	31 December 2021	Ratio*	30 September 2021	30 September 2021	Ratio*
	€ millions	€ millions	%	€ millions	€ millions	%	€ millions	€ millions	%
Investment property	21	74	28%	22	73	30%	22	71	31%
Hotels	40	82	49%	45	84	54%	46	84	55%
Total	61	156	39%	67	157	43%	68	155	44%

*LTV Ratio- Loan to Value Ratio

LTV ratio of investment property slightly decreased to 28% as of 30 September 2022 as compared to 30% as of 31 December 2021 and 31% as off 30 September 2021 due to the increase in valuation of *Atlas Tower* and partial loan repayments.

LTV ratio of hotels decreased from 55% as of 30 September 2021 and 54% as of 31 December 2021 to 49% as of 30 September 2022 as a result of the sale of Romanian subsidiary, owner of *Golden Tulip* hotel and increase of the valuation of *Hilton* hotel in nine months ended 30 September 2022, as well as partial loan waiver as described on page 4.

Debt financing

Key developments were described in note 14.

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

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

	Hotel Operations € millions	Property Rental € millions	Other € millions	Nine months ended 30 September 2022 € millions	Nine months ended 30 September 2021 € millions
Revenue	11.5	7.0	-	18.5	10.4
Cost of operations	(7.4)	(3.0)	-	(10.4)	(6.2)
Gross profit	4.1	4.0	-	8.1	4.2
Administrative expenses	(1.7)	(0.5)	(2.8)	(5.0)	(4.9)
Gross profit less administrative expenses	2.4	3.5	(2.8)	3.1	(0.7)
Gross profit %	36%	57%	-	44%	40%
Gross profit less administrative expenses %	21%	50%	-	17%	(7%)

Revenues and cost of operations

Total Group revenues increased significantly to €18.5m for the nine months ended 30 September 2022 compared to €10.4m for the same period in 2021 due to the improvement of hotel operations, which were significantly impacted by the COVID-19 pandemic in 2021 (see page 12). The Group's principal revenue streams are from its hotel operations and property rental.

Cost of operations as at 30 September 2022 were €10.4 million compared to €6.2 million as at 30 September 2021.

Hotel operations

	Nine months ended 30 September 2022 € millions	Nine months ended 30 September 2021 € millions	Total change 2022 v 2021 € millions	Translation foreign exchange gain/ (loss) € millions	Operational change 2022 v 2021 € millions
Revenue	11.5	4.6	6.9	(0.1)	7.0
Cost of operations	(7.4)	(4.2)	(3.2)	0.1	(3.3)
Gross (loss)/ profit	4.1	0.4	3.7	-	3.7
Administrative expenses	(1.7)	(1.8)	0.1	-	0.1
Gross (loss)/ profit less administrative expenses	2.4	(1.4)	3.8	-	3.8

In the first nine months of 2022 the hotel operation improved as compared to the first nine months of 2021, which was heavily impacted by outbreak of COVID-19. However due to sale of *Golden Tulip* hotel in Bucharest in April 2022 the results of hotel operations in the second and third quarter 2022 included only *Hilton* hotel in Warsaw.

Property Rental

	Nine months ended 30 September 2022 € millions	Nine months ended 30 September 2021 € millions	Total change 2022 v 2021 € millions	Translation foreign exchange gain/ (loss) € millions	Operational change 2022 v 2021 € millions
Revenue	7.0	5.8	1.2	(0.1)	1.3
Cost of operations	(3.0)	(2.0)	(1.0)	-	(1.0)
Gross profit	4.0	3.8	0.2	(0.1)	0.3
Administrative expenses	(0.5)	(0.3)	(0.2)	-	-
Gross profit less administrative expenses	3.5	3.5	-	(0.1)	0.1

In the first nine months of 2022 the gross profit realized by the Property Rental remained at the same level as in the first nine months of 2021.

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Foreign exchange

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

The movements in value of the functional currencies resulted in foreign exchange gain of €1.7 million in the consolidated income statement for the nine months ended 30 September 2022 (nine months period ended 30 September 2021: €0.3 million gain). These gains were mainly due to the unrealised foreign exchange gains on USD cash deposit. In the first nine months of 2022 and 2021 the foreign exchange gains were due to appreciation of USD against EUR, and offset by losses resulting from depreciation of PLN against EUR.

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

	Polish Zloty	Hungarian Forint	Romanian Lei	Bulgarian Lev
Closing rates				
30 September 2022	4.8698	421.41	4.9490	1.9558
31 December 2021	4.5994	369	4.9481	1.9558
% Change	5.9%	14%	0%	0%
30 September 2021	4.6329	360.52	4.9471	1.9558
31 December 2020	4.6148	365.13	4.8694	1.9558
% Change	0.4%	-1%	2%	0%
Average rates				
Third quarter 2022	4.6727	384.95	4.908	1.9558
Third quarter 2021	4.5495	356.54	4.9465	1.9558
% Change	3%	8%	-1%	0%

Net Asset Value

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

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

The Property Manager's management and performance fees are based on the adjusted NAV. In consideration for the services provided in the nine months to 30 September 2022 AMC charged a management fee of €2.1 million (€1.8 million in the first nine months of 2021 (as presented in note 4.2).

On 4 March 2022 AEL and AMC reached an agreement based on which basic management fee charged in respect of year 2021 and amounting to €2.3 million was reduced to €345 thousand. As a result a gain of €2.0 million was recognized in the first quarter 2022 as disclosed in note 4.3.

Performance fee

On signing the Property Management Agreement, the Company and AMC agreed upon performance related fee that motivates the Property Manager and align their interests with the performance and growth of the Atlas business and the long term enhancement of shareholder value. The Property Management agreement provides for a formal process of performance evaluation that is based on the collective performance of the Property Manager rather than on standalone companies' performance. These performance criteria are based on financial measures assessed over the life of the Property Management Agreement. Procedures are in place to review the approach and resources applied by the Property Manager and its performance throughout the year.

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In addition to the management fee, AMC is entitled to a performance fee payable if the Total Shareholder Return (means the sum of the growth in adjusted NAV per ordinary share plus an amount equal to the aggregate dividends or other distributions per ordinary share declared or paid in respect of such accounting period expressed as a percentage of the adjusted NAV per ordinary share at the end of the previous accounting period) in any year exceeds 12 per cent (adjusted to make up for any prior years where the Total Shareholder Return was negative – the “Hurdle Rate”). Once this threshold is exceeded, AMC is entitled to receive a fee equal to 25% of the amount by which the Total Shareholder Return for the relevant financial period exceeds the Hurdle Rate for such period multiplied by the previous year’s closing adjusted NAV after the deduction of any dividends declared or to be declared but not yet paid in respect of that period. One third of any performance fee payable to AMC under the agreement may, at the option of the Company, be paid in the form of new Ordinary Shares issued to AMC at a price equal to the average closing price of the Company’s shares for the 45 days prior to the date of issue of such shares.

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

- the drafting of the clauses and definitions in the PMA with regards to the calculation of performance fee are not concise and ambiguity can lead to multiple interpretations and thus differing calculations;
- the lack of a properly constructed high-water mark mechanism has led to performance fees being paid multiple times on NAV gains in the same bracket, i.e. performance fees have been paid or accrued on certain gains in NAV, but due to subsequent reductions in NAV in a following period, upon the NAV increasing again in the next period, performance fees have been paid or accrued again on the same NAV increase for which performance fees have been paid previously;
- performance fee calculations appear to be disproportionate to the intention of the PMA which is to set a 12% hurdle rate.

Having concluded its review, and taken external legal advice on the interpretation of the PMA, the Board was of the view that it does not agree with the interpretation which has been taken previously in respect of performance fee calculations and it disputed the amounts which have been paid or accrued.

Performance fees prior to 2019

Past Performance Fees which have accrued, and remained unpaid as of 31 December 2020 amounted to €10.8 million. On 21 April 2021 AEL and AMC have agreed to decrease this balance by €10.0 million.

Performance fee in respect of 2019 and 2020

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

Performance fee in respect of 2021

On 4 March 2022 AEL and AMC have confirmed that no performance fee will be due for 2021, as a result no performance fee was accrued as of 31 December 2021.

Performance fee in respect of 2022

The Board has not yet agreed a mechanism for 2022 onwards.

Ongoing activities

During the first nine months of 2022, the Company continued to identify ways by which it can generate added value through the active management of its yielding asset portfolio.

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

A key management objective is to monitor operations of hotel activity as well as enhance occupancy of income yielding assets.

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Financial management, operational management and material risks

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

Global economic conditions

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

The Group derives its revenue from activities carried out mainly in the Polish market with Romania and Bulgaria also contributing, however at a much lower level. The Group's financial results are therefore contingent on factors such as the stability of the political systems at the given moment and the macroeconomic data related mainly to the condition of the Polish but also Romanian and Bulgarian economies, in particular the level of GDP growth, investment spending, levels of household income, interest rates, foreign exchange rates and inflation rate. Any deterioration to the macroeconomic conditions in these countries (e.g. arising as a result of the Russian invasion of Ukraine) may expose the Group's business to risk, thus affecting its future financial results and prospects for development. As described on page 4, the Board of Directors concludes that the Russian invasion of Ukraine does not have a material direct impact on the Group's operation.

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

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

Hilton hotel:

- Following Polish government decision, the hotel was closed in the period from April 2 until May 3, 2020;
- On May 4, 2020 the hotel's management concluded that closure of the hotel should be extended until the end of May 2020 (insufficient expected occupancy of the hotel would not cover additional costs associated with hotel reopening);
- the Board together with Hilton's management have taken significant actions to decrease the operating expenses of the hotel, nevertheless some costs were unavoidable and continued to be incurred while the hotel was closed;
- Following Polish government decision hotels were available to guests on business trips and remained closed for tourists starting from November 7, 2020 until December 28, 2020. Since December 28, 2020 hotels were available mainly for medical staff, plane crew members or diplomats;
- In the period from May 8, 2021 until June 24, 2021 hotel could operate with limit of up to 50% capacity;
- Since June 25, 2021 hotel could operate with limit of up to 75% capacity. This limit was reduced further to 30% capacity, but excluded guests who are fully vaccinated.
- Since 1 March 2022, there are no limits imposed, which relate to hotel's capacity.
- In 2021 the hotel occupancy was 64% higher as compared to 2020.
- In the first nine months of 2022 the hotel occupancy significantly exceeded the rate recorded in the same period of 2021.

Golden Tulip hotel:

- was also temporarily closed in April and May 2020;
- In 2021 the hotel occupancy was 95% higher as compared to 2020;
- In the first quarter 2022 the hotel occupancy significantly exceeded the rate recorded in the same period of 2021;
- In April 2022 the hotel was sold (see note 22).

The revenues from the hotel activity amounted to €7.4 million in 2021 as compared to €6.6 million in 2020.

The revenues from the hotel activity amounted to €11.5 million in in the first nine months of 2022 as compared to €4.6 million in the same period of 2021.

In 2021 the Group's subsidiaries HGC Gretna Investments Sp. z o.o. Sp. j. and D.N.B. - Victoria Towers SRL running hotel activity benefited from government cash grants amounting to €626 thousand in connection with payroll related expenditures.

The Group's subsidiary D.N.B. - Victoria Towers SRL running hotel activity benefited from government cash grant amounting to €139 thousand until it was sold in April 2022. There were no unfulfilled conditions attached to government assistance that has been recognized.

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

On 28 December 2021 the Company's subsidiary HGC Gretna Investments Sp. z o.o. Sp. J. ("HGC"), which operate Hilton hotel in Warsaw concluded a second loan agreement with Polski Fundusz Rozwoju S.A. ("PFR"). Similar to the loan signed in June 2021, this loan was part of the Polish government's assistance to countering the effects of COVID-19. The new loan amounts to PLN 5.7 million (€1.2 million), can be used for financing Hilton expenses and must be repaid by 31 December 2024. This facility was received on 25 February 2022. In accordance with loan agreement the loan could be partially waived up to 75% of its amount at the sole discretion of PFR. The decision of the lender concerning the amount that was waived was announced on 24 August 2022. The repayable loan amount was decreased by PLN 4.3 million.

The Group was also in contact with the banks financing its projects. As of 31 December 2021 and 30 September 2022 there were no breaches of the bank covenants in respect of all the Group's facilities.

Financing and liquidity

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

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

Currency and foreign exchange

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

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

Conclusions

AMC's key strategic objective is the maximisation of value for the Company's Shareholders, which it continues to work towards. Its teams are very experienced in the active management of investment and development properties and provide the Company with local market knowledge and expertise. AMC currently focuses its efforts on developing new investment opportunities in Warsaw and Łódź.



Ziv Zviel
Chief Executive Officer
Atlas Management Company Limited
24 November 2022

ATLAS ESTATES LIMITED

Key Property Portfolio Information

Location/Property	Description	Company's ownership
Poland		
Hilton Hotel	First <i>Hilton</i> Hotel in Poland – a 4-star hotel with 314 luxury rooms, large convention centre, fitness club and spa Holmes Place Premium, casino and retail outlets. Location close to the central business district in Wola area of Warsaw.	100%
Galeria Platinum Towers	Commercial area on the ground and first floors Platinum Towers with 1,904 square meters of gallery and 208 parking places almost fully let to tenants.	100%
Atlas Tower	39,138 square meters of office and retail space in the central business district of Warsaw.	100%
Romania		
Voluntari	86,861 square meters of land in three adjacent plots at the pre-zoning stage, in the north eastern suburbs of the city, known as Pipera.	100%
Solaris Project	32,000 square meters plot for re-zoning to mixed-use development in a central district of Bucharest.	100%
Golden Tulip Hotel	4-star 78 room hotel in central Bucharest (sold in April 2022, see note 22).	100%
Bulgaria		
The Atlas House	Office building in Sofia's city centre with 3,472 square meters of lettable area.	100%

ATLAS ESTATES LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION CONSOLIDATED INCOME STATEMENT

For the nine months ended 30 September 2022

	Nine months ended 30 September 2022 (unaudited) €'000	Three months ended 30 September 2022 (unaudited) €'000	Nine months ended 30 September 2021 (unaudited) €'000	Three months ended 30 September 2021 (unaudited) €'000	Note
Revenues	18,547	6,855	10,407	4,460	3
Cost of operations	(10,403)	(3,817)	(6,190)	(2,360)	4.1
Gross profit	8,144	3,038	4,217	2,100	
Administrative expenses	(4,996)	(1,603)	(4,940)	(1,758)	4.2
Other operating income	6,889	(14)	11,204	452	4.3
Other operating expense	(82)	(18)	(49)	16	
Increase/ (Decrease) in value of investment properties	2,296	-	(2,913)	-	5
Profit from operations	12,251	1,403	7,519	810	
Finance income	3,315	1,163	3,101	1,893	4.4
Finance costs	(3,808)	(644)	(2,618)	(979)	4.4
Other gains – foreign exchange	1,678	655	369	248	4.4
Share of (losses)/ profit from equity accounted joint ventures	(43)	(23)	(11)	(23)	
Profit before taxation	13,393	2,554	8,360	1,949	
Tax (charge)/ benefit	(1,397)	(483)	117	32	6
Profit for the period	11,996	2,071	8,477	1,981	
Attributable to:					
Owners of the parent	11,996	2,071	8,477	1,981	
	11,996	2,071	8,477	1,981	
Profit per €0.01 ordinary share – basic (eurocents)	25.6	4.4	18.1	4.2	8
Profit per €0.01 ordinary share – diluted (eurocents)	25.6	4.4	18.1	4.2	8

All amounts relate to continuing operations.

The notes on pages 22 to 46 form part of these consolidated financial information.

ATLAS ESTATES LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 September 2022

	Nine months ended 30 September 2022 (unaudited) €'000	Three months ended 30 September 2022 (unaudited) €'000	Nine months ended 30 September 2021 (unaudited) €'000	Three months ended 30 September 2021 (unaudited) €'000
PROFIT FOR THE PERIOD	11,996	2,071	8,477	1,981
Other comprehensive income/ (loss) :				
<i>Items that will not be recycled through profit or loss</i>				
Revaluation of buildings	4,563	(184)	(674)	16
Deferred tax on revaluation	(867)	35	128	(3)
Total	3,696	(149)	(546)	13
<i>Items that may be recycled through profit or loss</i>		-		
Exchange adjustments	(8,309)	(5,741)	(600)	(3,417)
Deferred tax on exchange adjustments	336	231	24	149
Total	(7,973)	(5,510)	(576)	(3,268)
Other comprehensive income/ (loss) for the period (net of tax)	(4,277)	(5,659)	(1,122)	(3,255)
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD	7,719	(3,588)	7,355	(1,274)
Total comprehensive income/ (loss) attributable to:				
Owners of the parent	7,719	(3,588)	7,355	(1,274)
	7,719	(3,588)	7,355	(1,274)

The notes on pages 22 to 46 form part of these consolidated financial information.

ATLAS ESTATES LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

	30 September 2022 (unaudited) €'000	30 June 2022 (unaudited) €'000	31 December 2021 (audited) €'000	30 September 2021 (unaudited) €'000	Note
ASSETS					
Non-current assets					
Intangible assets	7	7	7	8	
Total investment in equity accounted joint ventures	251	255	250	246	9
Property, plant and equipment	85,328	89,250	86,966	84,105	10
Investment property	88,470	91,427	87,838	82,465	11
Other long term receivables	1,671	1,739	-	-	12
Deferred tax asset	8,537	8,524	8,044	8,761	
	184,264	191,202	183,105	175,585	
Current assets					
Inventories	1,975	2,047	2,077	2,047	
Trade and other receivables	2,720	2,872	1,959	1,927	
Financial assets at fair value through profit or loss	4,905	4,936	6,714	6,690	13
Derivative financial instruments	2,217	2,074	-	-	
Cash and cash equivalents	47,810	47,094	43,832	42,720	14
	59,627	59,023	54,582	53,384	
Assets held within disposal groups classified as held for sale	-	-	5,342	5,299	15
	59,627	59,023	59,924	58,683	
TOTAL ASSETS	243,891	250,225	243,029	234,268	
Non-current liabilities					
Other payables	(17,639)	(17,504)	(17,916)	(17,614)	16
Bank loans	(55,102)	(40,836)	(41,536)	(44,566)	17
Deferred tax liabilities	(14,987)	(15,228)	(13,348)	(12,362)	
	(87,728)	(73,568)	(72,800)	(74,542)	
Current liabilities					
Trade and other payables	(7,338)	(7,393)	(9,335)	(7,753)	16
Bank loans	(6,425)	(23,276)	(23,530)	(20,974)	17
Derivative financial instruments	(25)	(25)	(65)	(1,325)	
	(13,788)	(30,694)	(32,930)	(30,052)	
Liabilities held within disposal groups classified as held for sale	-	-	(2,643)	(2,776)	15
	(13,788)	(30,694)	(35,573)	(32,828)	
TOTAL LIABILITIES	(101,516)	(104,262)	(108,373)	(107,370)	
NET ASSETS	142,375	145,963	134,656	126,898	

The notes on pages 22 to 46 form part of these consolidated financial information.

ATLAS ESTATES LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION CONSOLIDATED STATEMENT OF FINANCIAL POSITION

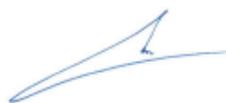
As at 30 September 2022

	30 September 2022 (unaudited) €'000	30 June 2022 (unaudited) €'000	31 December 2021 (audited) €'000	30 September 2021 (unaudited) €'000
EQUITY				
Share capital account	6,268	6,268	6,268	6,268
Revaluation reserve	38,931	39,080	35,235	33,029
Other distributable reserve	194,817	194,817	194,817	194,817
Translation reserve	(27,183)	(21,673)	(19,210)	(20,124)
Accumulated loss	(70,458)	(72,529)	(82,454)	(87,092)
Issued capital and reserves attributable to owners of the parent - total equity	142,375	145,963	134,656	126,898
Basic net asset value per share	€ 3.0	€ 3.1	€ 2.9	€ 2.7

The notes on pages 22 to 46 form part of the consolidated financial information. The condensed consolidated financial information on pages 15 to 46 were approved by the Board of Directors on 22 November 2022 and signed on its behalf by:



Mark Chasey
Chairman



Guy Indig
Director

24 November 2022

ATLAS ESTATES LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2022

	Share capital account €'000	Revaluation reserve €'000	Other distributable reserve €'000	Translation reserve €'000	Accumulated loss €'000	Total equity €'000
<i>Nine months ended 30 September 2022 (unaudited)</i>						
As at 1 January 2022	6,268	35,235	194,817	(19,210)	(82,454)	134,656
Profit for the period	-	-	-	-	11,996	11,996
Other comprehensive income/ (loss) for the period	-	3,696	-	(7,973)	-	(4,277)
As at 30 September 2022	6,268	38,931	194,817	(27,183)	(70,458)	142,375
<i>Three months ended 30 September 2022 (unaudited)</i>						
As at 30 June 2022	6,268	39,080	194,817	(21,673)	(72,529)	145,963
Profit for the period	-	-	-	-	2,071	2,071
Other comprehensive loss for the period	-	(149)	-	(5,510)	-	(5,659)
As at 30 September 2022	6,268	38,931	194,817	(27,183)	(70,458)	142,375
<i>Year ended 31 December 2021 (audited)</i>						
As at 1 January 2021	6,268	33,575	194,817	(19,548)	(95,569)	119,543
Profit for the period	-	-	-	-	13,115	13,115
Other comprehensive income for the period	-	1,660	-	338	-	1,998
As at 31 December 2021	6,268	35,235	194,817	(19,210)	(82,454)	134,656
<i>Nine months ended 30 September 2021 (unaudited)</i>						
As at 1 January 2021	6,268	33,575	194,817	(19,548)	(95,569)	119,543
Profit for the period	-	-	-	-	8,477	8,477
Other comprehensive loss for the period	-	(546)	-	(576)	-	(1,122)
As at 30 September 2021	6,268	33,029	194,817	(20,124)	(87,092)	126,898

The notes on pages 22 to 46 form part of the consolidated financial information.

ATLAS ESTATES LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION CONSOLIDATED CASH FLOW STATEMENT

For the nine months ended 30 September 2022

Notes	Nine months ended 30 September 2022 (unaudited) €'000	Three months ended 30 September 2022 (unaudited) €'000	Nine months ended 30 September 2021 (unaudited) €'000	Three months ended 30 September 2021 (unaudited) €'000
Profit/ (Loss) for the period	11,996	2,071	8,477	1,981
Adjustments for:				
Effects of foreign currency	(275)	97	790	1,561
Finance costs	3,549	508	2,419	916
Finance income	(3,282)	(1,144)	(3,090)	(1,889)
Tax charge	6 1,397	483	(117)	(32)
Share of losses from equity accounted joint ventures	43	23	11	23
Profit on sale of subsidiary	22.2 (4,672)	-	-	-
Depreciation of property, plant and equipment	10 1,462	443	1,713	539
Amortisation charges	1	-	4	2
(Decrease)/ Increase in value of investment properties	5 (2,296)	-	2,913	-
Reversal of impairment on property, plant and equipment	4.3 -	-	(134)	-
Write off of trade and other payables	4.3 (2,045)	-	(10,000)	-
Profit on partial disposal of investment property	4.3 -	-	(133)	(133)
	5,878	2,481	2,853	2,968
Changes in working capital				
(Increase)/ Decrease in inventory	97	72	14	52
Increase in trade and other receivables	(892)	109	79	158
Increase in trade and other payables	1,382	338	553	382
Effects of foreign currency on working capital translation	(1,437)	(1,002)	(139)	(2,113)
	(850)	(483)	507	(1,521)
Cash inflow from operations	5,028	1,998	3,360	1,447
Tax refund/ (paid)	(343)	(195)	38	(37)
Net cash from operating activities	4,685	1,803	3,398	1,410
Investing activities				
Deposits paid to secure future property acquisitions	(1,671)	68	-	221
Deposit received in relation with sale of assets held for sale	-	-	600	600
Development of investment property	11 (2,318)	(101)	(651)	(421)
Payment for acquisition of subsidiary, net of cash acquired	22.1 (438)	-	-	-
Purchase of property, plant and equipment	10 (50)	(7)	(21)	(2)
Funds invested in equity accounted joint ventures	9 -	-	(246)	5
Purchases of financial assets at fair value through profit or loss	(303)	(182)	(7,220)	(665)
Sales of financial assets at fair value through profit or loss	731	376	999	815
Sales of investment property	-	-	253	253
Cash consideration received in respect of sold subsidiary- net of cash disposed	22.2 6,096	-	-	-
Net cash from/ (used in) investing activities	2,047	154	(6,286)	806

ATLAS ESTATES LIMITED

Financing activities					
Interest paid	18a	(2,047)	(730)	(1,839)	(612)
Repayments of lease liabilities	18a	(370)	14	(703)	18
Repayments of loans and borrowings	18a	(2,381)	(608)	(1,997)	(645)
Proceeds from loans and borrowings	18a	1,184	(48)	1,496	(37)
Net cash used in financing activities		(3,614)	(1,372)	(3,043)	(1,276)
Net increase/ (decrease) in cash and cash equivalents in the period					
		3,118	585	(5,931)	940
Effect of foreign exchange rates		618	131	(726)	(13)
Net decrease in cash and cash equivalents in the period					
		3,736	716	(6,657)	927
Cash and cash equivalents at the beginning of the period					
		44,074	47,094	49,525	41,941
Cash and cash equivalent at the end of the period					
	14	47,810	47,810	42,868	42,868

The notes on pages 22 to 46 form part of the consolidated financial information.

ATLAS ESTATES LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Nine months ended 30 September 2022

1. Basis of preparation

This condensed interim financial information for the nine months ended 30 September 2022 has been prepared in accordance with International Accounting Standard No. 34, "Interim Financial Reporting" ("IAS 34"). The financial information has been prepared on a going concern basis and on a historical cost basis as amended by the revaluation of land and buildings and investment property, and financial assets and financial liabilities at amortised cost. The consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity are unaudited. This unaudited interim condensed consolidated financial information should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended 31 December 2021. The nine months financial results are not necessarily indicative of the full year results.

The Directors consider that the outlook presents ongoing challenges in terms of the markets in which the Group operates, the effect of fluctuating exchange rates in the functional currencies of the Group and the availability of bank financing for the Group. As described on page 4, the Board of Directors concludes that any precise determination of the effects of Russian invasion of Ukraine on the Group is not possible at this moment.

As at 30 September 2022 the Group held land and building assets with a market value of €156 million, compared to external debt of €62 million. Subject to the time lag in realising the value in these assets in order to generate cash, this "loan to value ratio" gives a strong indication of the Group's ability to generate sufficient cash in order to meet its financial obligations as they fall due. Any land and building assets and associated debts which are ring-fenced in unique, specific, corporate vehicles, may be subject to repossession by the bank in case of a default of loan terms but will not result in additional financial liabilities for the Company or for the Group. There are also unencumbered assets, which could potentially be leveraged to raise additional finance.

In assessing the going concern basis of preparation of the condensed consolidated interim financial information for the nine months ended 30 September 2022, the directors have noted that:

- the Group is in a net current assets position of €45.8 million;
- ongoing negotiations with the bank financing Galeria Platinum Towers and the fact that there is sufficient time to agree and sign the extension to €2.8 million loan expiring in December 2022.

Although the Directors are aware that the management of the liquidity position of the Group is a high priority considering the impact of COVID-19 coronavirus, the Company underlines that the Group holds significant cash reserves and over the past years proved their abilities in managing its cash position carefully and will continue to do so.

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

While there will always remain some inherent uncertainty within the aforementioned cash flow forecasts, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the date of these interim financial statements. Accordingly, the Directors continue to adopt the going concern basis in preparing the interim condensed consolidated financial statements for the nine months ended 30 September 2022.

2. Accounting policies

The accounting policies adopted and methods of computation are consistent with those of the annual financial statements for the year ended 31 December 2021, as described in the annual financial statements for the year ended 31 December 2021, and with those expected to be applied to the financial statements for the year ended 31 December 2022.

ATLAS ESTATES LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Nine months ended 30 September 2022

3. Segmental information

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

Nine months ended 30 September 2022 (unaudited)	Property rental €'000	Development properties €'000	Hotel operations €'000	Other €'000	Total €'000
Revenues	7,004	29	11,499	15	18,547
Cost of operations	(2,989)	(44)	(7,370)	-	(10,403)
Gross profit	4,015	(15)	4,129	15	8,144
Administrative expenses	(458)	(20)	(1,656)	(2,862)	(4,996)
Gross profit/ (loss) less administrative expenses	3,557	(35)	2,473	(2,847)	3,148
Other operating income	19	4	(2,294)	9,160	6,889
Other operating expenses	(1)	(38)	(9)	(34)	(82)
Increase in value of investment properties	2,296	-	-	-	2,296
Profit/ (Loss) from operations	5,871	(69)	170	6,279	12,251
Finance income	102	13	3,172	28	3,315
Finance cost	(748)	(7)	(1,735)	(1,318)	(3,808)
Finance costs - other gains – foreign exchange	(1,127)	221	(61)	2,645	1,678
Share of losses from equity accounted joint ventures	-	(43)	-	-	(43)
Segment result before tax	4,098	115	1,546	7,634	13,393
Tax (expense)/ credit	(725)	55	(720)	(7)	(1,397)
Profit for the period as reported in the income statement as attributable to non-controlling interests					11,996

Nine months ended 30 September 2022 (unaudited)	Property rental €'000	Development properties €'000	Hotel operations €'000	Other €'000	Total €'000
Reportable segment assets	101,438	3,789	101,290	-	206,517
Unallocated assets	-	-	-	37,374	37,374
Total assets	101,438	3,789	101,290	37,374	243,891
Reportable segment liabilities	(32,377)	(584)	(58,922)	-	(91,883)
Unallocated liabilities	-	-	-	(9,633)	(9,633)
Total liabilities	(32,377)	(584)	(58,922)	(9,633)	(101,516)

Nine months ended 30 September 2022 (unaudited)	Property rental €'000	Development properties €'000	Hotel operations €'000	Other €'000	Total €'000
Other segment items					
Capital expenditure	2,318	-	47	3	2,368
Depreciation	-	-	1,447	15	1,462
Amortisation	-	-	2	-	2

ATLAS ESTATES LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Nine months ended 30 September 2022

Three months ended 30 September 2022 (unaudited)	Property rental €'000	Development properties €'000	Hotel operations €'000	Other €'000	Total €'000
Revenues	2,524	10	4,316	5	6,855
Cost of operations	(1,026)	(16)	(2,775)	-	(3,817)
Gross profit	1,498	(6)	1,541	5	3,038
Administrative expenses	(168)	(6)	(519)	(910)	(1,603)
Gross profit/ (loss) less administrative expenses	1,330	(12)	1,022	(905)	1,435
Other operating income	-	-	(7,125)	7,111	(14)
Other operating expenses	(1)	-	(2)	(15)	(18)
Increase in value of investment properties	-	-	-	-	-
Profit/ (Loss) from operations	1,329	(12)	(6,105)	6,191	1,403
Finance income	1	2	1,143	17	1,163
Finance cost	(240)	(1)	(622)	219	(644)
Finance costs - other gains – foreign exchange	(789)	121	(32)	1,355	655
Share of losses from equity accounted joint ventures	-	(23)	-	-	(23)
Segment result before tax	301	87	(5,616)	7,782	2,554
Tax credit/ (expense)	(60)	(129)	(293)	(1)	(483)
Profit for the period as reported in the income statement as attributable to non-controlling interests					2,071

Three months ended 30 September 2022 (unaudited)	Property rental €'000	Development properties €'000	Hotel operations €'000	Other €'000	Total €'000
Reportable segment assets	101,438	3,789	101,290	-	206,517
Unallocated assets	-	-	-	37,374	37,374
Total assets	101,438	3,789	101,290	37,374	243,891
Reportable segment liabilities	(32,377)	(584)	(58,922)	-	(91,883)
Unallocated liabilities	-	-	-	(9,633)	(9,633)
Total liabilities	(32,377)	(584)	(58,922)	(9,633)	(101,516)

Three months ended 30 September 2022 (unaudited)	Property rental €'000	Development properties €'000	Hotel operations €'000	Other €'000	Total €'000
Other segment items					
Capital expenditure	(2,086)	-	7	-	(2,079)
Depreciation	-	-	440	3	443
Amortisation	-	-	1	-	1

ATLAS ESTATES LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Nine months ended 30 September 2022

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

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

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

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

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

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

There are immaterial sales between the business segments.

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

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

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

Unallocated costs represent corporate expenses.

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Regional Analysis

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

1. Poland,
2. Romania, and
3. Bulgaria.

Revenue	Nine months ended 30 September 2022 (unaudited) €'000	Year ended 31 December 2021 (audited) €'000	Nine months ended 30 September 2021 (unaudited) €'000
Poland	18,026	14,527	9,719
Bulgaria	310	373	276
Romania	211	570	412
Total	18,547	15,470	10,407

4. Analysis of expenditure

4.1. Cost of operations

	Nine months ended 30 September 2022 (unaudited) €'000	Three months ended 30 September 2022 (unaudited) €'000	Nine months ended 30 September 2021 (unaudited) €'000	Three months ended 30 September 2021 (unaudited) €'000
Utilities, services rendered and other costs	(6,137)	(2,280)	(3,555)	(1,363)
Legal and professional expenses	(799)	(311)	(237)	(115)
Staff costs	(2,724)	(969)	(1,863)	(670)
Sales and direct advertising costs	(539)	(193)	(219)	(135)
Depreciation and amortisation	(204)	(64)	(316)	(77)
Cost of operations	(10,403)	(3,817)	(6,190)	(2,360)

4.2. Administrative expenses

	Nine months ended 30 September 2022 (unaudited) €'000	Three months ended 30 September 2022 (unaudited) €'000	Nine months ended 30 September 2021 (unaudited) €'000	Three months ended 30 September 2021 (unaudited) €'000
Audit and tax service	(101)	(23)	(172)	(27)
Incentive and management fee	(2,087)	(672)	(1,792)	(597)
Legal and other professional fees	(409)	(132)	(503)	(265)
Utilities, services rendered and other costs	(365)	(143)	(329)	(112)
Staff costs	(587)	(161)	(670)	(220)
Depreciation and amortisation	(1,258)	(378)	(1,401)	(464)
Other administrative expenses	(189)	(94)	(73)	(73)
Administrative expenses	(4,996)	(1,603)	(4,940)	(1,758)

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4.3. Other operating income

	Nine months ended 30 September 2022 (unaudited) €'000	Three months ended 30 September 2022 (unaudited) €'000	Nine months ended 30 September 2021 (unaudited) €'000	Three months ended 30 September 2021 (unaudited) €'000
Gain on settlement agreement between AEL and AMC	2,045	-	10,000	-
Reversal of impairment on property, plant and equipment	-	-	134	-
Government grants	139	-	491	110
Profit on partial disposal of investment property	-	-	133	133
Profit on sale of subsidiary (see note 22.2)	4,672	-	-	-
Other	33	(14)	446	209
Other operating income	6,889	(14)	11,204	452

On 4 March 2022 AEL and AMC have agreed to decrease by €2.0 million the outstanding balance resulting from unpaid management fee for year 2021 (as disclosed on page 11).

In 2022 the Group's subsidiary D.N.B. - Victoria Towers SRL running hotel activity benefited from government cash grant amounting to €139 thousand. This subsidiary was sold in April 2022 (see note 22).

4.4. Finance income and finance costs- net

	Nine months ended 30 September 2022 (unaudited) €'000	Three months ended 30 September 2022 (unaudited) €'000	Nine months ended 30 September 2021 (unaudited) €'000	Three months ended 30 September 2021 (unaudited) €'000
Gain on interest rate derivative	2,349	216	1,322	388
Government loan waiver (Hilton)	926	926	1,116	1,116
Fair value gains on financial assets	-	-	652	393
Other	40	21	11	(4)
Finance income	3,315	1,163	3,101	1,893
Interest payable on bank borrowings	(2,047)	(730)	(1,839)	(612)
Fair value losses on financial assets	(1,132)	227	-	-
Loss on sale of financial assets	(48)	38	(183)	(183)
Loss on interest rate derivative	-	-	-	-
Interests on obligations under leases	(271)	(89)	(279)	(93)
Other similar charges	(310)	(90)	(317)	(91)
Finance costs	(3,808)	(644)	(2,618)	(979)
Finance (costs)/ income, excluding foreign exchange – net	(493)	519	483	914
Other gains – foreign exchange	1,678	655	369	248
Finance income, including foreign exchange – net	1,185	1,174	852	1,162

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5. Investment property valuation gains and losses

	Nine months ended 30 September 2022 (unaudited) €'000	Three months ended 30 September 2022 (unaudited) €'000	Nine months ended 30 September 2021 (unaudited) €'000	Three months ended 30 September 2021 (unaudited) €'000
Fair value (losses)/ gains	2,296	-	(2,913)	-
At the end of the year	2,296	-	(2,913)	-

6. Tax

	Nine months ended 30 September 2022 (unaudited) €'000	Three months ended 30 September 2022 (unaudited) €'000	Nine months ended 30 September 2021 (unaudited) €'000	Three months ended 30 September 2021 (unaudited) €'000
Continuing operations				
Current tax	(453)	(239)	-	5
Deferred tax	(944)	(244)	117	27
Tax charge for the period	(1,397)	(483)	117	32

7. Dividends

There were no dividends declared or paid in the nine months ended 30 September 2022 (2021: €nil).

8. Earnings per share ("EPS")

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

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

Nine months ended 30 September 2022 (unaudited)	Profit €'000	Weighted average number of shares	Per share amount Eurocents
Basic (EPS)			
Profit attributable to equity shareholders of the Company	11,996	46,852,014	25.6
Diluted (EPS)			
Adjusted profit	11,996	46,852,014	25.6
<hr/>			
Three months ended 30 September 2022 (unaudited)	Profit €'000	Weighted average number of shares	Per share amount Eurocents
Basic (EPS)			
Profit attributable to equity shareholders of the Company	2,071	46,852,014	4.4
Diluted (EPS)			
Adjusted profit	2,071	46,852,014	4.4

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Nine months ended 30 September 2021 (unaudited)	Profit €'000	Weighted average number of shares	Per share amount Eurocents
Basic (EPS)			
Profit attributable to equity shareholders of the Company	8,477	46,852,014	18.1
Diluted (EPS)			
Adjusted profit	8,477	46,852,014	18.1
Three months ended 30 September 2021 (unaudited)	Profit €'000	Weighted average number of shares	Per share amount Eurocents
Basic (EPS)			
Profit attributable to equity shareholders of the Company	1,981	46,852,014	4.2
Diluted (EPS)			
Adjusted profit	1,981	46,852,014	4.2

9. Joint ventures

As detailed in note 22, the Group has a 50% interest in jointly controlled entities Atlas Estates (Cybernetyki) Sp. z o.o. and Atlas MG Sp. z o.o. (based on the percentage of shares held and attributable voting right), which have been accounted for by equity method in the interim consolidated financial statements.

On 10 February 2021 the Group established a joint venture company (Atlas MG Sp. z o.o.) together with PL Properties Sp. z o.o. (Magnus Group). As of 30 September 2022, the Group lent €251 thousand to Atlas MG Sp. z o.o. This new joint venture concluded a preliminary agreement to acquire a plot in Warsaw on which a construction of residential project is expected. The execution of the final agreement is dependent on several factors, one of which is obtaining building permit till August 2024. Currently the activity of this subsidiary is focused on arranging architectural plan, which is a key element of building permit application.

10. Property, plant and equipment

	Buildings €'000	Plant and equipment €'000	Total €'000
Cost or valuation			
At 1 January 2021	97,612	10,027	107,639
Additions at cost	33	10	43
Exchange adjustments	255	28	283
Revaluation	366	-	366
Transfer to assets classified as held for sale (note 15)	(6,765)	-	(6,765)
At 31 December 2021	91,501	10,065	101,566
Additions at cost	47	3	50
Revaluation	4,563	-	4,563
Exchange adjustments	(6,147)	(536)	(6,683)
At 30 September 2022	89,964	9,532	99,496
Accumulated depreciation			
At 1 January 2021	(6,667)	(9,199)	(15,866)
Charge for the year	(1,817)	(394)	(2,211)
Adjustment due to revaluation	1,817	-	1,817
Exchange adjustments	(36)	(22)	(58)
Transfer to assets classified as held for sale (note 15)	1,718	-	1,718
At 31 December 2021	(4,985)	(9,615)	(14,600)
Charge for the year	(1,254)	(208)	(1,462)
Exchange adjustments	1,393	501	1,894
At 30 September 2022	(4,846)	(9,322)	(14,168)
Net book value at 30 September 2022	85,118	210	85,328
Net book value at 31 December 2021	86,516	450	86,966

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	Buildings €'000	Plant and equipment €'000	Total €'000
Cost or valuation			
At 1 January 2021	97,612	10,027	107,639
Additions at cost	12	9	21
Revaluation	(540)	-	(540)
Exchange adjustments	(529)	(40)	(569)
Transfer from assets classified as held for sale	(6,938)	-	(6,938)
At 30 September 2021	89,617	9,996	99,613
Accumulated depreciation			
At 1 January 2021	(6,667)	(9,199)	(15,866)
Charge for the year	(1,395)	(318)	(1,713)
Exchange adjustments	137	43	180
Transfer to assets classified as held for sale	1,891	-	1,891
At 30 September 2021	(6,034)	(9,474)	(15,508)
Net book value at 30 September 2021	83,583	522	84,105

As of 31 December 2020 hotels Hilton in Warsaw and Golden Tulip in Bucharest constituted the majority of the total property, plant and equipment balance. As of 30 September 2021 Golden Tulip hotel in Bucharest was classified to assets classified as held for sale (see note 15). As a result of 31 December 2021 and 30 September 2022 The Hilton Hotel in Warsaw constituted the majority of the total property, plant and equipment balance.

Hilton hotel was valued as at 30 June 2022 by Emmerson Evaluation Sp. z o.o., Chartered Surveyors, acting in the capacity of External Valuers. The property was valued on the basis of Market Value and the valuation was carried out in accordance with the RICS Valuation Global Standards. As described in Chairman's Statement, the valuation of Hilton was reported by Emmerson Evaluation Sp. z o.o. with degree of uncertainty :

- "The COVID-19 virus pandemic announced by the World Health Organization (WHO) on 3rd March 2020 has affected global financial markets. Restrictions have been placed on travel and operations of certain industries. This is a situation that the real estate market has never encountered before. The valuation is partially based on historical data and takes into account the impact of the pandemic on the real estate market, which was identifiable.
- On February 24, 2022 the Russian Federation invaded the neighbouring Ukraine, leading to an armed conflict, the first in that part of Europe in decades. This situation has resulted in numerous economic sanctions imposed by the European Union, the United States, the United Kingdom, Australia, Japan and other countries the aim of which was to weaken the aggressor. An armed conflict will certainly affect the economic environment and the situation in the region, however, at the moment it is not possible to reliably predict its effects on inflation, the migration situation, real estate prices, the interest of tenants, investors, etc."

As of 30 September 2022 the Group has pledged property, plant and equipment of €82.1 million (30 June 2022: €89.2 million, 31 December 2021: €91.9 million, 30 September 2021: €91.8 million) to secure certain banking facilities granted to subsidiaries. Borrowings for the value of €40.4 million (30 June 2022: €42.7 million, 31 December 2021: €45.0 million, 30 September 2021: €45.4 million) are secured on these properties.

11. Investment property

	30 September 2022 (unaudited) €'000	30 June 2022 (unaudited) €'000	31 December 2021 (audited) €'000	30 September 2021 (unaudited) €'000
At beginning of the year	87,838	87,838	85,239	85,239
Acquisition (purchase of subsidiary) (note 22.1)	448	448	-	-
Right of use of land in perpetual usufruct	-	-	(39)	(39)
Capitalised subsequent expenditure	2,318	2,217	1,048	651
Partial disposal	-	-	(275)	(120)
Exchange movements	(4,430)	(1,372)	132	(353)
Fair value gains	2,296	2,296	1,733	(2,913)
At the end of the period	88,470	91,427	87,838	82,465

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The fair value of the Group's investment properties located in Poland, Romania and Bulgaria has been arrived at on the basis of the latest valuation carried out at 31 December 2021 (except for key properties in Poland: *Atlas Tower* and *Galeria Platinum Towers*, which are based on the valuation carried out as at 30 June 2022) by Jones Lang LaSalle Sp. z o.o. external independent qualified valuer with recent experience valuing the properties in these locations, and except for one investment property valued by the property manager at €2,561 thousand.

All properties were valued on the basis of Market Value and the external valuations were carried out in accordance with the RICS Appraisal and Valuation Standards.

The Group has pledged investment property of €74.6 million (2021: €73.0 million; 30 September 2021: €70.7 million) to secure certain banking facilities granted to subsidiaries.

12. Other long term receivables

	30 September 2022 (unaudited) €'000	30 June 2022 (unaudited) €'000	31 December 2021 (audited) €'000	30 September 2021 (unaudited) €'000
Advances paid to secure future property acquisitions	1,671	1,739	-	-
As at period end	1,671	1,739	-	-

In 2022 the Company's subsidiary Atlas Estates (Sadowa) Sp. z o.o. paid PLN 8,139 thousand (equivalent of €1.7 million) as an advance in order to secure future property acquisitions. The Group is planning acquisition of 49 apartments (together with parking and storage) in a newly constructed project in Warsaw. The completion of this acquisition is expected by June 2024. After acquisition the Group currently plans to finish and decorate the apartments in order to lease them in the future.

13. Financial assets at fair value through profit or loss

	30 September 2022 (unaudited) €'000	30 June 2022 (unaudited) €'000	31 December 2021 (audited) €'000	30 September 2021 (unaudited) €'000
Financial assets at fair value through profit or loss	4,905	4,936	6,714	6,690
As at period end	4,905	4,936	6,714	6,690

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

In nine months period ended 30 September 2022 fair value loss on equity instruments at FVPL recognized in financial cost amounted to €1.1 million.

14. Cash and cash equivalents

	30 September 2022 (unaudited) €'000	30 June 2022 (unaudited) €'000	31 December 2021 (audited) €'000	30 September 2021 (unaudited) €'000
Cash and cash equivalents	47,810	47,094	43,832	42,868
Short term bank deposits	-	-	-	-
As at period end	47,810	47,094	43,832	42,868
Cash presented as cash held for sale (note 15)	-	-	242	(148)
As at period end	47,810	47,094	44,074	42,720

Included in cash and cash equivalents is €7.4 million (31 December 2021: €7.9 million; 30 September 2021: €8.2 million) restricted cash relating to security and customer deposits.

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

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

	30 September 2022 (unaudited) €'000	30 June 2022 (unaudited) €'000	31 December 2021 (audited) €'000	30 September 2021 (unaudited) €'000
Assets:				
Property, plant and equipment	-	-	5,013	5,047
Inventory	-	-	25	25
Cash	-	-	242	148
Trade and other receivables	-	-	62	79
Non-current assets classified as held for sale	-	-	5,342	5,299
Liabilities:				
Deferred tax liability	-	-	(557)	(557)
Bank loan	-	-	(1,901)	(2,064)
Trade and other payables	-	-	(185)	(155)
Liabilities directly associated with non-current assets classified as held for sale	-	-	(2,643)	(2,776)

On 31 August 2021 the Group concluded the sale agreement of its investment in D.N.B Victoria Tower, as well as intra group loan at the estimated net sale price of €7.3 million. Till 31 March 2022 the Group received €1.2 million advance in respect of this transaction, which was completed on 11 April 2022 (see note 22).

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

	30 September 2022 (unaudited) €'000	30 June 2022 (unaudited) €'000	31 December 2021 (audited) €'000	30 September 2021 (unaudited) €'000
At beginning of the year	5,342	5,342	-	-
Transfer to property, plant and equipment	-	-	5,047	-
Transfer to inventory	-	-	25	-
Transfer to cash	-	-	148	-
Transfer to trade and other receivables	-	-	79	-
Assets related to assets classified as held for sale during the period	28	28	43	-
Partial disposals	(109)	(109)	-	-
Disposal- other	(5,261)	(5,261)	-	-
Transfer from property, plant and equipment	-	-	-	5,047
Transfer from inventory	-	-	-	25
Transfer from cash	-	-	-	148
Transfer from trade and other receivables	-	-	-	79
As at period end	-	-	5,342	5,299

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

	30 September 2022 (unaudited) €'000	30 June 2022 (unaudited) €'000	31 December 2021 (audited) €'000	30 September 2021 (unaudited) €'000
At beginning of the year	(2,643)	(2,643)	-	-
Finance expense	(24)	(24)	(27)	-
Payment	86	86	190	-
Current tax	-	-	(7)	-
Deferred tax	-	-	-	-
Exchange movements	(1)	(1)	-	-
Disposal	2,582	2,582	-	-
Liabilities related to assets classified as held for sale during the year	-	-	(23)	-
Transfer to deferred tax liability	-	-	(557)	-
Transfer to bank loans	-	-	(2,064)	-
Transfer to trade and other payable	-	-	(155)	-
Transfer from deferred tax liability	-	-	-	(557)
Transfer from bank loans	-	-	-	(2,064)
Transfer from trade and other payable	-	-	-	(155)
As at period end	-	-	(2,643)	(2,776)

16. Trade and other payables

	30 September 2022 (unaudited) €'000	30 June 2022 (unaudited) €'000	31 December 2021 (audited) €'000	30 September 2021 (unaudited) €'000
Current				
Trade payables	(854)	(1,151)	(758)	(1,012)
Other tax and social security	(692)	(1,006)	(761)	(534)
Amounts due to Atlas Management Company Group in respect of management and performance fee	(2,591)	(2,159)	(3,637)	(3,397)
Other creditors	(288)	(198)	(657)	(634)
Amounts payable to related party (note 19b)	(240)	(240)	(240)	(240)
Accruals and deferred income	(2,599)	(2,594)	(2,081)	(1,936)
Income tax payable	(74)	(45)	(1)	-
Deposit received in relation with assets held for sale	-	-	(1,200)	-
Total current trade and other payables	(7,338)	(7,393)	(9,335)	(7,753)
Non-current – other payables				
Amounts payable to Felikon Kft (note 19c)	(6,383)	(6,357)	(6,317)	(6,297)
Leases payables	(9,256)	(9,540)	(9,916)	(9,753)
Other third party non-current trade and other payables	(2,000)	(1,607)	(1,683)	(1,564)
Total non-current trade and other payables	(17,639)	(17,504)	(17,916)	(17,614)
Total trade and other payables	(24,977)	(24,897)	(27,251)	(25,367)

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17. Bank loans

	30 September 2022 (unaudited) €'000	30 June 2022 (unaudited) €'000	31 December 2021 (audited) €'000	30 September 2021 (unaudited) €'000
Current				
<i>Bank loans and overdrafts due within one year or on demand</i>				
Secured	(6,425)	(23,276)	(23,530)	(20,974)
Non-current				
<i>Repayable within two years</i>				
Secured	(2,319)	(1,865)	(1,554)	(4,379)
<i>Repayable within three to five years</i>				
Secured	(52,783)	(38,971)	(39,982)	(40,187)
	(55,102)	(40,836)	(41,536)	(44,566)
Total	(61,527)	(64,112)	(65,066)	(65,540)

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

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

Bank loans are denominated in a number of currencies and bear interest based on a variety of interest rates. An analysis of the Group's borrowings by currency (* including loan balance presented as liabilities held for sale in note 15):

	Euro €'000	Zloty €'000	Total €'000
Bank loans and overdrafts – 30 September 2022*	36,773	24,754	61,527
Bank loans and overdrafts – 30 June 2022	37,225	26,887	64,112
Bank loans and overdrafts – 31 December 2021	40,023	26,944	66,967
Bank loans and overdrafts – 30 September 2021*	40,633	26,971	67,604

Debt financing

Changes in the nine months ended 30 September 2022

During nine months ended 30 September 2022 the Group paid €2.4 million in respect of scheduled partial repayments of several loans extended to the Group's projects (*Hilton, Atlas Tower, Galeria Platinum Towers*).

New Hilton loan facility- drawn in February 2022

On 28 December 2021 the Company's subsidiary HGC Gretna Investments Sp. z o.o. Sp. J. ("HGC"), which operate *Hilton* hotel in Warsaw concluded a second loan agreement with Polski Fundusz Rozwoju S.A. ("PFR"). Similar to the loan signed in June 2021, this loan was part of the Polish government's assistance to countering the effects of COVID-19. The new loan amounts to PLN 5.7 million (€1.2 million), can be used for financing *Hilton* expenses and must be repaid by 31 December 2024. This facility was received on 25 February 2022. This facility was received on 25 February 2022. In accordance with loan agreement the loan could be partially waived up to 75% of its amount at the sole discretion of PFR. The decision of the lender concerning the amount that was waived was announced on 24 August 2022. The repayable loan amount was decreased by PLN 4.3 million.

Atlas Towers project - loan facility extension

On 24 August 2022 Atlas Tower Sp. z o.o. (the Company's subsidiary) signed an annex with Santander Bank Polska S.A. to the facility agreement dated 13 September 2017 based on which the final repayment date of this facility was extended from September 2022 to 19 September 2024. Furthermore the final repayment date can be further extended till 19 September 2026 if Atlas Tower meets several conditions as stipulated in the annex.

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Nine months ended 30 September 2022

Changes in the year ended 31 December 2021

During year ended 31 December 2021 the Group paid €2.9 million in respect of scheduled partial repayments of several loans extended to the Group's projects (*Hilton, Atlas Tower, Galeria Platinum Towers, Golden Tulip*).

Galeria Platinum Towers project - loan facility extension

On 23 June 2021 Properpol Sp. z o.o. (the Company's subsidiary) signed an amendment agreement with mBank S.A. to the facility agreement dated 2 September 2013 based on which the final repayment date of the facility was extended from 30 June 2021 to 30 December 2022.

New Hilton loan facility

On 25 June 2021 the Company's subsidiary HGC Gretna Investments Sp. z o.o. Sp. J. ("HGC"), which operate *Hilton* hotel in Warsaw concluded a new loan agreement with Polski Fundusz Rozwoju S.A. ("PFR"), a Polish joint-stock company owned by Polish State of Treasury, which offers financial instruments for entities on preferential terms. The loan provided by PFR was part of the Poland Government's aid programme called "Covid Shield" which is an assistance from the State countering the effects of COVID-19. The amount of the loan extended to HGC was PLN 6.9 million (€1.5 million). The facility can be used for financing *Hilton* expenses and must be repaid by 30 September 2024. In accordance with PFR's decision concluded in September 2021 the loan was partially waived. The repayable loan amount was decreased by PLN 5.1 million (€1.1 million).

18. Reconciliations:

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

	1 January 2022	Cash flows			Non-cash changes			Interests and other charges accrued	30 September 2022
		Interests/ arrangement fees	Drawdowns	Repay- ments	Foreign Exchange	Waiver/ Adjustment	Valuation		
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	
Bank loans (short-term and long-term)	66,967	(2,047)	1,184	(2,381)	(1,496)	(1,902)	(926)	2,128	61,527
Lease Liabilities	9,916	-	-	(370)	(561)	-	-	271	9,256
Derivative Financial Liabilities	65	-	-	-	92	-	(2,349)	-	(2,192)
Amounts payable to Felikon Kft (note 19c)	6,317	-	-	-	-	-	-	66	6,383

	1 January 2021	Cash flows			Non-cash changes			Interests and other charges accrued	30 September 2021
		Interests/ arrangement fees	Drawdowns	Repay- ments	Foreign Exchange	Waiver/ Adjustment	Valuation		
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	
Bank loans (short-term and long-term)	69,315	(1,839)	1,496	(1,997)	(154)	(1,116)	-	1,899	67,604
Lease Liabilities	10,261	-	-	(703)	(45)	(39)	-	279	9,753
Derivative Financial Liabilities	2,634	-	-	-	13	-	(1,322)	-	1,325
Amounts payable to Felikon Kft (note 19c)	6,239	-	-	-	-	-	-	58	6,297

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

	1 January 2022	Non-cash changes				30 September 2022
		Foreign Exchange	Additions	Valuation	Depreciation	
	€'000	€'000	€'000	€'000	€'000	€'000
Property, plant and equipment	7,217	(398)	-		(70)	6,749
Investment property	2,469	(137)	-	(3)		2,329

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

19. Related party transactions

a) Key management compensation

	Nine months ended 30 September 2022 (unaudited) €'000	Three months ended 30 September 2022 (unaudited) €'000	Nine months ended 30 September 2021 (unaudited) €'000	Three months ended 30 September 2021 (unaudited) €'000
Fees for non-executive directors	32	12	48	16

The Company has appointed AMC, a company under common control, to manage its property portfolio. In consideration of the services provided, AMC charged a management fee of €2.1 million for the nine months ended 30 September 2022 (year ended 31 December 2021: €2.3 million; nine months ended 30 September 2021: €1.8 million). Under the agreement, AMC is also entitled to a performance fee based on the increase in value of the properties over the year. No performance fee has been accrued for the nine months ended 30 September 2022 (year ended 31 December 2021: €nil million; nine months ended 30 September 2021: €nil million).

As of 30 September 2022 €2.6 million included in current trade and other payables was due to AMC in respect of the performance and management fee (31 December 2021: €3.6 million; 30 September 2021: €3.4 million).

- b) On 22 November 2012, the Group acquired 24% interest in the voting shares of Zielono Sp. z o.o., increasing its interests to 100%. As of 30 September 2022 the purchase price of €0.2 million (31 December 2021: €0.2 million, 30 September 2021: €0.2 million) is due to former non-controlling shareholder (Coralcliff Limited).
- c) Following deconsolidation of the Company's subsidiary Felikon Kft in 2019, the Group has a loan payable due to Felikon Kft. The loan repayment date was extended to 31 December 2025. As of 30 September 2022 the Group owes €6.4 million (31 December 2021: €6.3 million; 30 September 2021: €6.2 million).
- d) In 2021 Mr Ziv Zviel, the Chief Finance Officer and Chief Operations Officer of AMC, signed a preliminary contract for an apartment in the Capital Art Apartments project at a total value of PLN 670 thousand. As of 31 December 2021 the advance amounting to PLN 25 thousand was received in respect of this transaction, which is scheduled to be completed by 31 December 2022.

20. Post balance sheet events

There are no significant post balance sheet events that require disclosure except for the fact that, as disclosed on page 4, on 22 November 2022 the Company received from the Polish Financial Supervision Authority its permit to delist the shares. The deadline after which delisting shall occur is 9 December 2022.

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21. Other items

21.1. Information about court proceeding

The Company is not aware of any proceedings instigated before a court, a competent arbitration body or a public administration authority concerning liabilities or receivables of the Company, or its subsidiaries, whose joint value constitutes at least 15% the Company's net equity.

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

21.2. Financial forecasts

No financial forecasts have been published by the Company in relation to the year ending 31 December 2022.

21.3. Substantial shareholdings

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

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

Significant Shareholders	Number of Shares held	Voting Rights
Euroclear Nominees Limited <EOCO1>	40,329,959	86.08
Atlas International Holdings Limited	6,461,425	13.79
TOTAL	46,791,384	99.87

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

Significant Shareholders	Number of Shares held	Voting Rights
Fragiolig Holdings Limited	39,860,285	85.08
Atlas International Holdings Limited	6,461,425	13.79
TOTAL	46,321,710	98.87

3. The Company's immediate parent company is Fragiolig Holdings Limited, a company incorporated in Cyprus. The ultimate parent company is Revaia Ltd, a company incorporated in Israel and the ultimate controlling party by a virtue of ownership is Mr Ron Izaki.

21.4. Directors' share interests

There have been no changes to the Directors' share interests during the six months ended 30 June 2022. No Director had any direct interest in the share capital of the Company or any of its subsidiaries during the six months ended 30 June 2022.

22. Principal subsidiary companies and joint ventures

22.1. Summary of acquisition

On 16 March 2022, the Group acquired 100% shares in Baroja Sp. z o.o., an entity owing leased rights to the underground parking located next to Atlas Tower in Warsaw. The assets and liabilities recognized as a result of the acquisition are as follows:

	€'000
Investment property	448
Cash	2
Trade and other receivables	2
Trade and other payables	(12)
Fair value of the net assets acquired	440
Total purchase consideration	440

ATLAS ESTATES LIMITED

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Nine months ended 30 September 2022

Outflow of cash to acquire subsidiary, net of cash acquired.

	2022
	€'000
Cash consideration	440
Less, cash acquired	(2)
Net outflow of cash – investing activities	438

22.2. Summary of sale

On 11 April 2022 the Group completed sale of its Romanian subsidiary D.N.B Victoria Tower. Details of the sale of the subsidiary are presented in the table below:

	30 September 2022
	(unaudited)
	€'000
Received in 2021	1,200
Received in 2022	6,260
Consideration received (cash)	7,460
Property, plant and equipment	(4,981)
Inventory	(30)
Cash	(164)
Trade and other receivables	(86)
Bank loan	1,902
Trade and other payables	14
Deferred tax liability	557
Carrying amount of net assets sold	(2,788)
Gain on sale of subsidiary	4,672

22.3. The table below lists the current operating companies of the Group. In addition, the Group owns other entities which have no operating activities.

Country of incorporation	Name of subsidiary/ joint venture entity	Status	Percentage of nominal value of issued shares and voting rights held by the Company
Holland	Atlas Estates Cooperatief U.A.	Holding	100%
Holland	Atlas Estates Investment B.V.	Holding	100%
Holland	Atlas Projects B.V.	Holding	100%
Guernsey	Atlas Finance (Guernsey) Limited	Holding	100%
Curacao	Atlas Estates Antilles B.V.	Holding	100%
Cyprus	Fernwood Limited	Holding	100%
Poland	AEP Sp. z o.o.	Management	100%
Poland	AEP Sp. z o.o. 2 SKA	Holding	100%
Poland	AEP Sp. z o.o. 3 SKA	Holding	100%
Poland	Platinum Towers AEP Sp. z o.o. SKA	Development	100%
Poland	Zielono AEP Sp. z o.o. SKA	Development	100%
Poland	Properpol Sp. z o.o.	Investment	100%
Poland	Atlas Tower Sp. z o.o. (former name: Atlas Estates (Millennium) Sp. z o.o.)	Investment	100%
Poland	Atlas Estates (Sadowa) Sp. z o.o.	Investment	100%
Poland	Atlas Estates (Kokoszki) Sp. z o.o.	Investment	100%

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INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Nine months ended 30 September 2022

Country of incorporation	Name of subsidiary/ joint venture entity	Status	Percentage of nominal value of issued shares and voting rights held by the Company
Poland	Capital Art Apartments AEP Sp. z o.o. Sp. j.	Development	100%
Poland	HGC Gretna Investments Sp. z o.o. Sp. j.	Hotel operation	100%
Poland	Mantezja 3 Sp. z o.o.	Hotel operation	100%
Poland	HPO AEP Sp. z o.o. Sp. j.	Other	100%
Poland	Atlas Estates (Cybernetyki) Sp. z o.o.	Development	50%
Poland	Atlas MG Sp. z o.o.	Development	50%
Poland	Le Marin Sp. z o.o.	Other	100%
Poland	Atlas Estates (Przasnyska 9) Sp. z o.o.	Development	100%
Poland	La Brea Management Sp. z o.o.	Other	100%
Poland	CAA Finance Sp. z o.o.	Development	100%
Poland	Gretna Investments Sp. z o.o.	Holding	100%
Poland	Gretna Investments Sp. z o.o. 4 SKA	Holding	100%
Poland	Atlas Estates (Wilanów) Sp. z o.o. (former name: Negros 3Sp. z o.o.)	Other	100%
Poland	Baroja Sp. z o.o.	Investment	100%
Hungary	CI-2005 Investment Kft.	Other	100%
Hungary	Atlas Estates (Moszkva) Kft.	Other	100%
Romania	World Real Estate SRL	Investment	100%
Romania	Atlas Solaris SRL	Investment	100%
Bulgaria	Immobul EOOD	Investment	100%
Luxembourg	Gretna SCSP	Holding	100%
Luxembourg	Residential SCSP	Holding	100%
Luxembourg	Gretna Projects Sarl	Holding	100%
Luxembourg	HPO SCSP	Holding	100%
Luxembourg	Residential Projects Sarl	Holding	100%

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INTERIM CONDENSED NON-CONSOLIDATED FINANCIAL INFORMATION

Nine months ended 30 September 2022

NON-CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 September 2022

	Nine months ended 30 September 2022 (unaudited) €'000	Three months ended 30 September 2022 (unaudited) €'000	Nine months ended 30 September 2021 (unaudited) €'000	Three months ended 30 September 2021 (unaudited) €'000	Note
Revenues	-	-	-	-	
Cost of operations	-	-	-	-	
Gross profit	-	-	-	-	
Administrative expenses	(2,040)	(658)	(1,774)	(579)	1
Other operating income	9,816	(2,908)	10,000	-	2
Other operating expenses	-	-	(815)	(677)	3
Profit from operations	7,776	(3,566)	7,411	(1,256)	
Finance costs	(60)	(24)	(52)	(18)	
Other (losses) and gains – foreign exchange	3	2	(4)	-	
Profit before taxation	7,719	(3,588)	7,355	(1,274)	
Tax expense	-	-	-	-	
Profit for the period	7,719	(3,588)	7,355	(1,274)	
Total comprehensive profit for the period	7,719	(3,588)	7,355	(1,274)	

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INTERIM CONDENSED NON-CONSOLIDATED FINANCIAL INFORMATION

Nine months ended 30 September 2022

NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

	30 September 2022 (unaudited) €'000	30 June 2022 (unaudited) €'000	31 December 2021 (audited) €'000	30 September 2021 (unaudited) €'000	Note
ASSETS					
Non-current assets					
Investment in subsidiaries	150,723	153,631	144,002	135,777	4
Loans receivable from subsidiaries	105	105	98	97	
	150,828	153,736	144,100	135,874	
Current assets					
Trade and other receivables	7	10	3	6	
Cash and cash equivalents	246	433	277	341	
	253	443	280	347	
TOTAL ASSETS	151,081	154,179	144,380	136,221	
Non-current liabilities					
Other payables	(5,996)	(5,972)	(5,937)	(5,920)	5
	(5,996)	(5,972)	(5,937)	(5,920)	
Current liabilities					
Trade and other payables	(2,710)	(2,244)	(3,787)	(3,403)	5
	(2,710)	(2,244)	(3,787)	(3,403)	
TOTAL LIABILITIES	(8,706)	(8,216)	(9,724)	(9,323)	
NET ASSETS	142,375	145,963	134,656	126,898	
EQUITY					
Share capital account	6,268	6,268	6,268	6,268	
Other distributable reserve	194,817	194,817	194,817	194,817	
Accumulated loss	(58,710)	(55,122)	(66,429)	(74,187)	
TOTAL EQUITY	142,375	145,963	134,656	126,898	

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INTERIM CONDENSED NON-CONSOLIDATED FINANCIAL INFORMATION

Nine months ended 30 September 2022

NON-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2022

Nine months ended 30 September 2022 (unaudited)	Share capital account €'000	Other reserves €'000	Accumulated loss €'000	Total €'000
As at 1 January 2022	6,268	194,817	(66,429)	134,656
Total comprehensive income for the period	-	-	7,719	7,719
As at 30 September 2022	6,268	194,817	(58,710)	142,375

Three months ended 30 September 2022 (unaudited)	Share capital account €'000	Other reserves €'000	Accumulated loss €'000	Total €'000
As at 1 July 2022	6,268	194,817	(55,122)	145,963
Total comprehensive loss for the period	-	-	(3,588)	(3,588)
As at 30 September 2022	6,268	194,817	(58,710)	142,375

Year ended 31 December 2021 (audited)	Share capital account €'000	Other reserves €'000	Accumulated loss €'000	Total €'000
As at 1 January 2021	6,268	194,817	(81,542)	119,543
Total comprehensive income for the year	-	-	15,113	15,113
As at 31 December 2021	6,268	194,817	(66,429)	134,656

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

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

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INTERIM CONDENSED NON-CONSOLIDATED FINANCIAL INFORMATION

Nine months ended 30 September 2022

NON-CONSOLIDATED CASH FLOW STATEMENT

Nine months ended 30 September 2022

	Nine months ended 30 September 2022 (unaudited) €'000	Three months ended 30 September 2022 (unaudited) €'000	Nine months ended 30 September 2021 (unaudited) €'000	Three months ended 30 September 2021 (unaudited) €'000
Profit for the period	7,719	(3,588)	7,355	(1,274)
Adjustments for:				
Finance costs	59	24	50	17
Write off of trade and other payables	(2,045)	-	(10,000)	-
(Reversal of impairment)/ Impairment on investments	(7,771)	2,908	815	677
	(2,038)	(656)	(1,780)	(580)
Changes in working capital				
Increase in trade and other receivables	(4)	3	1	3
Increase in trade and other payables	968	466	910	406
Net cash used in operating activities	(1,074)	(187)	(869)	(171)
Investing activities				
New loans advanced to subsidiaries	(7)	-	(7)	(2)
Income from subsidiary	1,050	-	800	400
Net cash from investing activities	1,043	-	793	398
Net decrease in cash and cash equivalents in the period	(31)	(187)	(76)	227
Cash and cash equivalents at the beginning of the period	277	433	417	1,022
Cash and cash equivalents at the end of the period	246	246	341	1,249

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INTERIM CONDENSED NON-CONSOLIDATED FINANCIAL INFORMATION

Nine months ended 30 September 2022

1. Administrative expenses

	Nine months ended 30 September 2022 (unaudited) €'000	Three months ended 30 September 2022 (unaudited) €'000	Nine months ended 30 September 2021 (unaudited) €'000	Three months ended 30 September 2021 (unaudited) €'000
Audit and tax services	(41)	(7)	(75)	-
Incentive and management fee	(1,780)	(594)	(1,571)	(534)
Legal and other professional fees	(161)	(25)	(71)	(26)
Insurance costs	(11)	(5)	(9)	(3)
Staff costs	(47)	(27)	(48)	(16)
Administrative expenses	(2,040)	(658)	(1,774)	(579)

2. Other operating income

	Nine months ended 30 September 2022 (unaudited) €'000	Three months ended 30 September 2022 (unaudited) €'000	Nine months ended 30 September 2021 (unaudited) €'000	Three months ended 30 September 2021 (unaudited) €'000
Gain on settlement agreement between AEL and AMC	2,045	-	10,000	-
Reversal of impairment of investments in subsidiaries (note 4)	7,771	(2,908)	-	-
Other operating income	9,816	(2,908)	10,000	-

3. Other operating expenses

	Nine months ended 30 September 2022 (unaudited) €'000	Three months ended 30 September 2022 (unaudited) €'000	Nine months ended 30 September 2021 (unaudited) €'000	Three months ended 30 September 2021 (unaudited) €'000
Impairment of investments in subsidiaries (note 4)	-	-	(815)	(677)
Other operating expenses	-	-	(815)	(677)

4. Investment in subsidiaries

	30 September 2022 (unaudited) €'000	30 June 2022 (unaudited) €'000	31 December 2021 (audited) €'000	30 September 2021 (unaudited) €'000
Shares in subsidiary undertakings				
<i>Cost</i>				
At beginning of period	215,231	215,231	216,281	216,281
Decrease	(1,050)	(1,050)	(1,050)	(800)
At the end of the period	214,181	214,181	215,231	215,481
<i>Impairment</i>				
At beginning of period	(71,229)	(71,229)	(78,889)	(78,889)
Impairment (note 3)	-	-	-	(815)
Reversal (note 2)	7,771	10,679	7,660	-
At the end of the period	(63,458)	(60,550)	(71,229)	(79,704)
At the end of the period	150,723	153,631	144,002	135,777

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Nine months ended 30 September 2022

Investments in subsidiary undertakings are stated at cost. Cost is recognised as the nominal value of the company's shares and the fair value of any other consideration given to acquire the share capital of the subsidiary undertakings. A list of principal subsidiary undertakings and joint ventures is given at note 22 of the quarterly condensed consolidated financial information.

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

It should be underlined that the valuation of one of the Group's key assets i.e. Hilton hotel, owned by the Company's subsidiary as of 30 June 2022 was reported by Emmerson Evaluation Sp. z o.o. with degree of uncertainty as disclosed on page 5.

In the nine months period ended 30 September 2022 €7.8 million was recognised in other operating income in respect of reversal of impairment of investment in subsidiaries (in 2021 €7.7 million was recognised in other operating income in respect of reversal of impairment of investment in subsidiaries; in the nine months period ended 30 September 2022: €0.8 million was recognised in other operating expenses in respect of impairment on investment in subsidiaries).

The method applied to assign value to the company's investments is fair value less costs to sell and has been based on the property valuations assessed by independent experts and, where appropriate, management. In assessing the value of each investment the Company has considered not only the asset value recognized in the books of the individual entities but also the valuation amount of elements held at cost. Substantially, this has resulted in the carrying values of investments and loans receivable from subsidiaries being compared to the adjusted net asset value of the Group. The Net Asset Value of the Group has increased from €134.6m to €142.4m which facilitates an impairment reversal of €7.8m such that the Company's net assets match and do not exceed the Group's Net Assets, following €2.0 million write off of trade payables due to AMC.

5. Trade and other payables

	30 September 2022 (unaudited) €'000	30 June 2022 (unaudited) €'000	31 December 2021 (audited) €'000	30 September 2021 (unaudited) €'000
Current				
Amounts due to Atlas Management Company Group in respect of management and performance fee	(2,524)	(2,080)	(3,520)	(3,275)
Trade payables	(186)	(164)	(267)	(128)
	(2,710)	(2,244)	(3,787)	(3,403)
Non-current				
Loan from subsidiary	(5,996)	(5,972)	(5,937)	(5,920)
	(5,996)	(5,972)	(5,937)	(5,920)
Total trade and other payables	(8,706)	(8,216)	(9,724)	(9,323)

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

The loan payable to the subsidiary (HGC Gretna Investments Sp. z o.o Sp. J.) is interest bearing. The Company accrued interest of €59 thousand in the 9 months ended 30 September 2022 (6 months ended 30 June 2022: €35 thousand, year ending 31 December 2021: €67 thousand; 9 months ended 30 September 2021: €50 thousand). As at 30 September 2022 the loan balance including accrued interest due to the subsidiary amounted to €6.0 million (as of 30 June 2022: €6.0 million, as of 31 December 2021: €5.9 million; as of 30 September 2021 €5.9 million).