ATRIUM FINANCE LIMITED (FORMERLY ATRIUM HOLDING 2 LIMITED)

FINANCIAL STATEMENTS
Period from 19 February 2019 to 31 December 2019

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BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Maria Damianou (appointed on 19 February 2019) Panagiota Nikou (appointed on 19 February 2019) Ryan Alexander Lee (appointed on 19 February 2019) Liad Barzilai (appointed on 19 February 2019) Lyubov Musova (appointed on 01 March 2020)
Company Secretary:	Meritservus Secretaries Ltd
Independent Auditors:	PricewaterhouseCoopers Limited Certified Public Accountants and Registered Auditors 6, Karaiskakis Street City House 3032, Limassol, Cyprus
Registered office:	Griva Digeni & Chrysanthou Mylona, 1 Panayides Court 3030, Limassol, Cyprus
Bankers:	Citibank N.A. London
Registration number:	HE394678

Independent auditor's report

To the Members of Atrium Finance Limited (formerly Atrium Holding 2 Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Atrium Finance Limited (formerly Atrium Holding 2 Limited) (the "Company"), which are presented on pages 5 to 22 and comprise the statement of financial position as at 31 December 2019, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the period from 19 February 2019 to 31 December 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and of its financial performance and its cash flows for the period from 19 February 2019 to 31 December 2019 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Tasos Nolas
Certified Public Accountant and Registered Auditor
for and on behalf of

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

Limassol, 26 March 2020

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Period from 19 February 2019 to 31 December 2019

	Note	19/02/2019-31/12/2019 €
Loan interest income	14	**8,482,949**
Loan interest expense	17	**(7,660,059)**
Net interest income		**822,890**
Other operating expense	8	**(5,135,306)**
Administrative expenses	9	**(8,664)**
Operating loss		**(4,321,080)**
Finance income - net	11	**91,627**
Loss before tax		**(4,229,453)**
Tax	12	**-**
Loss for the period		**(4,229,453)**
Other comprehensive income		**-**
Total comprehensive loss for the period		**(4,229,453)**

The notes on pages 9 to 23 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
31 December 2019

	Note	2019 €
ASSETS		
Non-current assets		
Loans receivable	14	1,562,682,687
Current assets		
Loans receivable	14	8,506,490
Cash at bank	15	465
		8,506,955
Total assets		1,571,189,642
EQUITY AND LIABILITIES		
Equity		
Share capital	16	200
Share premium		121,999,900
Other capital funding		6,400
Accumulated losses		(4,229,453)
Total equity		117,777,047
Non-current liabilities		
Borrowings	17	1,439,195,784
Derivative Swap	13	6,328,625
		1,445,524,409
Current liabilities		
Borrowings	17	7,681,350
Other payables	18	206,836
		7,888,186
Total liabilities		1,453,412,595
Total equity and liabilities		1,571,189,642

On 26 March 2020 the Board of Directors of Atrium Finance Limited (formerly Atrium Holding 2 Limited) authorised the issue of these financial statements.

....
Maria Damianou
Director

....
Panagiota Nikou
Director

The notes on pages 9 to 23 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
Period from 19 February 2019 to 31 December 2019

	Note	Share capital €	Share premium €	Other capital funding €	Accumulated losses €	Total €
Balance at 19 February 2019		-	-	-	-	-
Comprehensive income						
Loss for the period		-	-	-	(4,229,453)	(4,229,453)
Total comprehensive income for the period		-	-	-	(4,229,453)	(4,229,453)
Transactions with owners						
Issue of share capital	16	200	121,999,900	-	-	122,000,100
Proceeds for the period		-	-	6,400	-	6,400
Total transactions with owners		200	121,999,900	6,400	-	122,006,500
Balance at 31 December 2019		**200**	**121,999,900**	**6,400**	**(4,229,453)**	**117,777,047**

CASH FLOW STATEMENT
Period from 19 February 2019 to 31 December 2019

	Note	19/02/2019-31/12/2019 €
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash paid to employees		**(1,743)**
Cash paid for expenses		**(7,292)**
Net cash used in operations		**(9,035)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for loans granted		**(3,006,651)**
Net cash used in investing activities		**(3,006,651)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital and share premium		**3,500**
Proceeds from shareholder by way of other capital funding		**3,000**
Proceeds from borrowings and advances		**3,009,651**
Net cash generated from financing activities		**3,016,151**
Net increase in cash and cash equivalents		**465**
Cash and cash equivalents at beginning of the period		**-**
Cash and cash equivalents at end of the period	15	**465**

NOTES TO THE FINANCIAL STATEMENTS
Period from 19 February 2019 to 31 December 2019

1. Incorporation and principal activities

Country of incorporation

Atrium Finance Limited (the "Company") was incorporated in Cyprus on 19 February 2019 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Griva Digeni & Chrysanthou Mylona, 1, Panayides Court, 3030, Limassol, Cyprus.

Principal activity

The principal activity of the Company is the the provision of financing to related companies.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113. These financial statements have been prepared on a historical cost basis except for the financial liabilities at fair value through profit or loss that have been measured at fair value.

As of the date of the authorization of the financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 19 February 2019 and are relevant to the Company’s operations have been adopted by the European Union (EU) through the endorsement procedure established by the European Commission.

The preparation of financial statement in conformity with IFRS requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the Company's accounting policies. These are involving a higher degree of judgement or complexity, and where assumptions and estimates are significant to the financial statements are disclosed in Note 7.

3. Adoption of new or revised standards and interpretations

During the current period the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 19 February 2019.

4. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

Revenue

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured regardless of when the payment is being received. Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms of payment and excluding taxes or duties. Interest revenue on financial assets at amortised cost is calculated using the effective interest method. Interest revenue is calculated by applying the effective interest rate to the gross carrying amount of a financial asset. Interest expense is recognised on a time-proportion basis using the effective interest method.

4. Significant accounting policies (continued)

Employee benefits

The Company and its employees contribute to the Government Social Insurance Fund based on employees' salaries. The Company's contributions are expensed as incurred and are included in staff costs.

Finance income

Interest income is recognised on a time-proportion basis using the effective method.

Foreign currency translation

(1) Functional and presentation currency
Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

(2) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation, where items are remasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Foreign exchange gains and losses that relate to borrowings are presented in profit or loss within 'finance costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other gains/(losses) – net'.

Current tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge (or tax loss) is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country in which the Company operates and generates taxable income. There is a policy to transfer tax losses, where needed, among companies of the same tax group. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Financial assets - Classification

The classification depends on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the assets. Management determines the classification of financial assets at initial recognition.

4. Significant accounting policies (continued)

Financial assets - Classification (continued)

The Company classifies its financial assets at amortised cost. Financial assets at amortised cost are held for collection of contractual cash flows and their cash flows represent solely payments of principal and interest. They are included in current assets, except for maturities greater than twelve months after the balance sheet date. These are classified as non-current assets. The Company's financial assets at amortised cost comprise of loans and other receivables and cash and cash equivalents on the statement of financial position.

Financial assets - Recognition and derecognition

Purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique which includes input data only from observable markets.

Financial assets - impairment - credit loss allowance for Expected Credit Loss (ECL)

The Company assesses on a forward-looking basis the ECL for debt instruments measured at Amortised Cost (AC). The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income. Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments measured at AC are presented in the statement of financial position net of the allowance for ECL.

For financial asset at amortised cost that are subject to impairment under IFRS 9, the Company applies the general approach - three stage model for impairment. The Company's definition of this model and credit impaired assets is explained in note 6, Credit risk section.

NOTES TO THE FINANCIAL STATEMENTS
Period from 19 February 2019 to 31 December 2019

4. Significant accounting policies (continued)

Financial assets -Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets - modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a Significant Increase in Credit Risk (SICR) has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion (Solely Payments for Principal and Interest). Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank.

NOTES TO THE FINANCIAL STATEMENTS
Period from 19 February 2019 to 31 December 2019

4. Significant accounting policies (continued)

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for financial liabilities at FVPL: this classification is applied to derivatives. Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. Fair values are obtained from quoted market prices and discounted cash flow models. Derivatives are included within financial assets at fair value through profit or loss when fair value is positive and within financial liabilities at fair value through profit or loss when fair value is negative. Changes in the fair value of derivative instruments are recognised in profit or loss and are included in other losses.

Borrowings

Borrowings are recorded initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the date of the statement of financial position.

Other payables

Other payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Share capital and share premium

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

5. New accounting pronouncements

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS
Period from 19 February 2019 to 31 December 2019

6. Financial risk management

Financial risk factors
The Company is exposed to interest rate risk, credit risk, liquidity risk, currency risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

6.1 Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

At the reporting date the interest rate profile of interest - bearing financial instruments was:

	2019
	€
Fixed rate instruments	
Financial assets	**1,562,682,687**
Financial liabilities	**(1,439,195,784)**
	123,486,903

Sensitivity analysis

An increase/(decrease) in interest rates will have no effect on results and equity of the Company, because all financial instruments are at a fixed rate.

6.2 Credit risk
Credit risk arises from contractual cash flows of debt investments carried at amortised cost.

(i) Risk management

Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

6. Financial risk management (continued)

6.2 Credit risk (continued)

(ii) Impairment of financial assets

The Company has financial assets at amortised cost that are subject to the expected credit loss model. These are subject to impairment under IFRS 9 and the Company applies the three-stage model for impairment.

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

For the Company to determine when a significant increase in credit risk occurs, it considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk the Company compares the risk of a default ocurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations
- actual or expected significant changes in the operating results of the counterparty
- significant increases in credit risk on other financial instruments of the same counterparty
- significant changes in the expected performance and behaviour of the counterparty, including changes in the payment status of counterparty in the group and changes in the operating results of the counterparty.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The Company measures impairment based on the assumption that repayment of the amounts due from subsidiary undertakings is demanded at the reporting date. The loans receivable are classified as stage 1 for impairment.

6.3 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses.

The following table details the Company's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

NOTES TO THE FINANCIAL STATEMENTS
Period from 19 February 2019 to 31 December 2019

6. Financial risk management (continued)

6.3 Liquidity risk (continued)

31 December 2019	Carrying amounts	Contractual cash flows	Between 1-12 months	Between 2-5 years	More than 5 years
	€	€	€	€	€
Other payables	206,836	206,836	206,836	-	-
Loans from parent company	1,446,877,134	2,262,463,412	90,777,883	362,400,107	1,809,285,422
Derivative swap	6,328,625	6,328,625	-	-	6,328,625
	1,453,412,595	**2,268,998,873**	**90,984,719**	**362,400,107**	**1,815,614,047**

6.4 Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Czech Koruna, Polish Zloty and Russian Ruble. The Company's Management mitigate the risk by entering into a derivative swap agreement with the Company's shareholder (Note 13).

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities 2019	**Assets 2019**
	€	**€**
Czech Koruna	**(219,965,636)**	**238,356,546**
Polish Zloty	**(869,900,863)**	**942,448,996**
Russian Ruble	**(103,037,533)**	**112,170,668**
	(1,192,904,032)	**1,292,976,210**

Sensitivity analysis
A 10% strengthening of the Euro against the following currencies at 31 December 2019 would have decreased profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 10% weakening of the Euro against the relevant currency, there would be an approximately equal and opposite impact on the profit.

	Profit or loss 2019
	€
Czech Koruna	**(1,682,677)**
Polish Zloty	**(6,639,203)**
Russian Ruble	**(841,149)**
	(9,163,029)

NOTES TO THE FINANCIAL STATEMENTS
Period from 19 February 2019 to 31 December 2019

6. Financial risk management (continued)

6.5 Capital risk management
The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

The gearing ratios at 31 December 2019 was as follows:

	2019
	€
Total borrowings (Note 17)	**1,446,877,134**
Less: Cash and cash equivalents (Note 15)	**(465)**
Net debt	**1,446,876,669**
Total equity	**117,777,047**
Total capital as defined by management	**1,564,653,716**
Gearing ratio	**92.47%**

7. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgments are continually evaluated and are based on factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Income taxes**

  Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS
Period from 19 February 2019 to 31 December 2019

7. Critical accounting estimates and judgments (continued)

- **Impairment of loans receivable**

  The Company periodically evaluates the recoverability of loans receivable whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country in which the borrower operates, which may indicate that the carrying amount of the loan is not recoverable. If facts and circumstances indicate that loans receivable may be impaired, then the net asset value of the borrower or group companies that hold investment properties, generally represent the best estimate of fair value when lacking a quotation in an active market.

- **Fair value of certain financial liabilities**

  The fair value of financial instruments that are not traded in an active market is determined using valuation techniques (Note 13). The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on conditions existing at the end of each reporting period.

8. Other operating expense

	19/02/2019-31/12/2019 €
Loss on fair value of foreign currency swap (Note 13)	**6,328,625**
Currency translation difference	**(1,193,319)**
	5,135,306

Currency translation difference arise primarily from the mismatch of loans receivable and payable in foreign currency. In order to midicate this risk the Company has entered into a derivative swap agreement with its shareholder (Note 13).

9. Expenses by nature

	19/02/2019-31/12/2019 €
Staff costs (Note 10)	**2,204**
Directors' fees	**1,673**

NOTES TO THE FINANCIAL STATEMENTS
Period from 19 February 2019 to 31 December 2019

10. Staff costs

	19/02/2019-31/12/2019 €
Salaries	1,742
Social security costs	462
	2,204
Number of employees	3

11. Finance income - net

	19/02/2019-31/12/2019 €
Finance income	
Currency translation difference	295,834
Finance costs	
Foreign currency swap fees (Note 18)	(203,836)
Other bank costs	(371)
	(204,207)
	91,627

12. Tax

The tax on the Company's results before tax differs from theoretical amount that would arise using the applicable tax rates as follows:

	19/02/2019-31/12/2019 €
Loss before tax	(4,229,453)
Tax calculated at the applicable tax rates	(528,682)
Tax effect of expenses not deductible for tax purposes	816,558
Tax effect of allowances and income not subject to tax	(231,064)
Tax effect of tax loss surrendered by group company	(56,812)
Tax charge	-

The corporation tax rate is 12.5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases the interest will be exempt from corporation tax.

NOTES TO THE FINANCIAL STATEMENTS
Period from 19 February 2019 to 31 December 2019

13. Derivative swap

	2019
	€
Foreign currency swap (Note 18)	**6,328,625**

The Company has entered into a foreign currency swap agreement with its shareholder. The derivative is used for economic hedging purposes and not as speculative investment. However, it does not meet the hedge accounting criteria. It is accounted for at fair value through profit or loss. The derivative is presented as non-current liability as it is reviewed on a quarterly basis and follows the loan receivables and payables movement.

The fair value measurement of the derivative is derived from inputs other than quoted prices in active markets. The inputs used to determine the future cash flows are based on the relevant yield curves and an appropriate discount rate. The inputs used are derived either directly or indirectly. Therefore, the derivative is classified as a Level 2 fair value measurement under IFRS 13.

14. Loans receivable

	2019
	€
Balance at 19 February	**-**
New loans	**1,547,302,485**
Interest charged	**8,482,949**
Exchange difference	**15,403,743**
Balance at 31 December (Note 18)	**1,571,189,177**
Less: current portion	**(8,506,490)**
Non-current portion	**1,562,682,687**

The fair values of non-current receivables approximate to their carrying amounts as presented above. The average interest rate on loans receivable is 6.3277%. The loans are repayable on 31 December 2028.

15. Cash at bank

Cash balances are analysed as follows:

	2019
	€
Cash at bank and in hand	**465**

NOTES TO THE FINANCIAL STATEMENTS
Period from 19 February 2019 to 31 December 2019

15. Cash at bank (continued)

Reconciliation of liabilities arising from financing activities:

	Liabilities from financing activities Borrowings €
Net debt at 19 February	-
Cash flows - proceeds from borrowings	(3,006,651)
Non-cash movements	
Loan conversion	(1,422,000,000)
Interest expense	(7,660,059)
Exchange difference	(14,210,424)
Net debt at 31 December	**(1,446,877,134)**

Principal non-cash investing and financing transactions

In December 2019 the Company became the creditor of related party loans amounting to €1,544,000,000. The obligation to pay for the purchase consideration due to the assignor, which was a fellow subsidiary, was assigned to the shareholder. The consideration was settled with the issue of new share capital to the shareholder in the amount of €122,000,000 and the remaining was converted into loan in multiple currencies (RUB 7,181,015,569, EUR 246,291,752, PLN 3,691,821,830 and CZK 5,588,886,887; equivalent of €1,422,000,000).

16. Share capital

	2019 Number of shares	**2019 €**
Authorised		
Ordinary shares of €1 each	**3,500**	**3,500**
Issued and fully paid		
Issue of shares	**200**	**200**
Balance at 31 December	**200**	**200**

17. Borrowings

	2019 €
Balance at 19 February	**-**
Additions	**1,425,006,650**
Interest expense	**7,660,059**
Exchange difference	**14,210,425**
Balance at 31 December (Note 18)	**1,446,877,134**
Less: current portion	**(7,681,350)**
Non-current portion	**1,439,195,784**

NOTES TO THE FINANCIAL STATEMENTS
Period from 19 February 2019 to 31 December 2019

17. Borrowings (continued)

Maturity of non-current borrowings:

	2019
	€
More than 5 years	1,439,195,784

The average interest rate on loans payable is 6.2047%. The loans are repayable on 31 December 2028.

18. Related party transactions

The Company is wholly owned by Atrium European Real Estate Limited, incorporated in Jersey and to the best of our knowledge, Norstar Holding Inc. is the ultimate parent company. The ultimate controlling party is Mr. Chaim Katzman, who is the controlling shareholder of Norstar Holding Inc.

The following transactions were carried out with related parties:

18.1 Acquisition of loans receivable

In December 2019, the Company acquired loans amounting to €1,544,000,000 from Atrium Treasury Services Limited (a fellow subsidiary).

18.2 Directors' remuneration

The remuneration of Directors was as follows:

	19/02/2019-31/12/2019
	€
Directors' fees	1,673

18.3 Interest income

	19/02/2019-31/12/2019
	€
Interest income on loans to fellow subsidiary	8,482,949

18.4 Interest and other expenses

	19/02/2019-31/12/2019
	€
Interest expense on shareholder loans	7,660,059
Loss on fair value of foreign currency swap	6,328,625
Foreign currency swap fees	203,836
	14,192,520

NOTES TO THE FINANCIAL STATEMENTS
Period from 19 February 2019 to 31 December 2019

18. Related party transactions (continued)

18.5 Balances with related parties

	2019
	€
Loans receivable from fellow subsidiary	**1,571,189,177**
Loans payable to shareholder	**(1,446,877,134)**
Other financial liability	**(6,328,625)**
Amounts payable to shareholder	**(206,836)**

19. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2019.

20. Commitments

The Company had no capital or other commitments as at 31 December 2019.

21. Events after the reporting period

With effect from 27 February 2020, the name of the Company was changed from Atrium Holding 2 Limited to Atrium Finance Limited.

Since the onset of the COVID-19 virus crisis after the reporting period in the first quarter of 2020, the debtors of the Company forming its Loans receivables, owning shopping centres within Poland, the Czech Republic and Slovakia, have faced government imposed trading restrictions introduced in March 2020. In all three countries the restrictions exclude grocery stores/supermarkets, pharmacists/drugstores and other necessity services. Russia also announced its first internal restrictions in some cities which include banning all outdoor events and limiting indoor gatherings to 50 people. The Company and its inter-company debtors are also actively prioritising their expenses in response to these new measures.

At present, it is too early to ascertain the full impact these recent government orders, or the COVID-19 pandemic itself, might have on either the Company's business and financial position.

The management has obtained a financial support letter from the parent entity and believes the going concern basis is appropriate.

There were no other material events after the reporting period, which have a bearing on the understanding of the financial statements.