

Execution of the Option Agreement with the majority shareholder

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The Board of Directors of Atlas Estates Limited (“AEL”) informs that on 31 January 2017 AEL signed with its majority shareholder - Fragiolig Holdings Limited with its registered seat in Cyprus (“Fragiolig”) an option agreement (“Option Agreement”). Under the Option Agreement AEL granted to Fragiolig an option to acquire (through AEL’s subsidiaries) whole or part of the partnership interest in the partnership HPO AEP Spółka z ograniczoną odpowiedzialnością spółka jawna with its seat in Warsaw (“HPO”). HPO is a holder of perpetual usufruct right to the plot of land no. 59/10, registered in the land and mortgage register number WA4M/00382291/2 held by the Regional Court for Warsaw – Mokotow in Warsaw, X Land and Mortgage Division located at ul. Grzybowska 59 in Warsaw, of the total area of 2740 square meters.

The option may be executed by Fragiolig by 30 November 2017. Upon execution of the option by Fragiolig, AEL will sell the whole or part of partnership interest in HPO for the price determined in the valuation conducted by the evaluation firm appointed by AEL in consultation with Fragiolig.

Execution of the Option Agreement satisfies the condition to extend until 30 November 2017 the final repayment date of the loan in amount of 3,500,000 EUR. The loan was granted to AEL from Fragiolig under loan agreement of 17 November 2016 and was described in the current report no. 18/2016.

Legal basis: Article 17 of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC