

Term – sheet with Erste Group Bank AG

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The Board of Directors of Atlas Estates Limited (“AEL”) informs that on 3 August 2016 AEL signed with Erste Group Bank AG with registered seat in Vienna (“Bank”) term – sheet defining economic terms of acquisition of the loan with remaining outstanding balance of Euro 58,950,427.56 extended to the AEL’s subsidiary – Atlas Estates (Millennium) Sp. z o.o. under the loan agreement dated 21 December 2006 with further amendments. The loan will be acquired together with all rights and receivables of the Bank related to it.

The agreed price is Euro 39,500,000. Additional benefit of the transaction is deletion of mortgage on the real estate of Atlas Estates (Moszkva) Ingatlanforgalmazó Kft known as the "Moszkva Property" in Budapest.

The agreement on acquisition of the loan will be concluded by 16 September 2016, while transfer of ownership of Millennium Plaza building at Al. Jerozolimskie 123a in Warsaw and deletion of attached collateral of the Bank will occur by the final repayment date, it is by 29 September 2017. The price will be payable in instalments until 29 September 2017.

The Board of Directors of AEL informs that majority of shareholders of AEL constituting the group of companies to which belongs Fragiolig Holding Limited confirmed their financial engagement and support to AEL and possibly lending funds to AEL to finalize the transaction.

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