

Material agreement with Erste Group Bank AG

Current report No. 17/2016, published on 14 September 2016

The board of directors of Atlas Estates Limited with its corporate seat in Guernsey (the “**Company**”) hereby announces that on 14 September 2016 an Agreement on the Amendment and Transfer of Loan (the “**Agreement**”) was signed between the Erste Group Bank AG with its registered seat in Vienna (the “**Bank**”) and the subsidiaries of the Company: Atlas Estates (Millennium) Sp. z o.o. with its corporate seat in Warsaw (the “**Millennium**”), Atlas Estates Investments B.V. with its corporate seat in Amsterdam (the “**Atlas BV**”) and Atlas Projects B.V. (the “**Purchaser**”).

Under the Agreement the Bank sells and transfers to the Purchaser its entire contractual position under the EUR 64,800,000 facility agreement entered into between the Bank as the lender and Millennium as the borrower dated 21 December 2006 as amended (the “**Facility Agreement**”) and the Purchaser purchases and assumes the Bank’s entire contractual position under the Facility Agreements by way of Austrian law transfer of contract, so that the Purchaser becomes the new lender under the Facility Agreements.

The sale and transfer of the Bank’s entire contractual position under the Facility Agreements shall be subject to satisfaction by 29 September 2017 of the following conditions precedents:

- 1) repayment by or on behalf of Millennium and receipt by the Bank of principal in the aggregate amount of EUR 39,500,000 with interests indicated in the Agreement in the following four instalments:
 - a) EUR 8,075,000.00 to be paid until 10 business days after the signing of the Agreement;
 - b) EUR 3,950,000.00 until 30 November 2016;
 - c) EUR 3,950,000.00 until 31 March 2017;
 - d) EUR 23,525,000.00 until 29 September 2017;
- 2) payment by the Purchaser of the transfer price in amount of EUR 1;
- 3) other formal conditions like obtaining of corporate approvals, capacity opinions and waivers from the subsidiaries of the Company.

Upon the transfer of the Facility Agreement to the Purchaser the Bank shall relinquish any mortgage, lien, charge pledge, promissory note, letter of comfort or other security interest or any other type of guarantee granted by Millennium and/or third party for the benefit of the Bank to secure the claims of the Bank against Millennium under or in connection with the Facility Agreement or any other agreements. Moreover, upon the transfer no Price Adjustment mentioned in the current report no. 4/2015 shall be due to the Bank and security granted to secure Price Adjustment shall be released.

Agreement has been executed on the basis of the term sheet described in the current report no. 16/2016 and supersedes such term sheet.

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