

Current report no. 2/2019 dated 20 February 2019

Change of a threshold of shareholding in the Company's share capital

The Board of Directors of Atlas Estates Limited (the "Company") informs that today it received notification from Fragiolig Holdings Limited having its registered office in Cyprus, under address Esperidon 5 (4th floor), Strovolos, 2001, Nicosia ("FHL") on exceeding the threshold of 90% of shares capital in the Company and total votes in the Company, having the following content:

"Pursuant to Article 69(1)(1) in connection with Article 87(1)(5) of the Polish Act dated 29 July 2005 on Public Offering, the Conditions Governing the Introduction of Financial Instruments to Organised Trading, and on Public Companies (the "Act"), acting for and on behalf of FHL (FHL acting also for and on behalf of Atlas International Holdings Limited ("AIHL")), as parties acting in concert and being parties to an understanding within the meaning of Article 87(1)(5) of the Act), we hereby inform that, as a result of the execution on 19 February 2019 on the main market operated by the Warsaw Stock Exchange of the below-described transaction involving the acquisition of shares in the Company, FHL and AIHL jointly hold a total of 42,252,568 shares in the Company representing 90.18% of the Company's share capital and authorising the holders thereof to exercise 42,252,568 votes at the general meeting of the Company, which corresponds to 90.18% of the overall number of votes at the general meeting of the shareholders of the Company, where:

- (i) FHL is the beneficial owner of (through Euroclear Nominees Limited <EOCO1>) and holds directly, jointly 35,791,145 shares in the Company representing 76.39% of the Company's share capital and authorising the holder thereof to exercise 35,791,145 votes at the general meeting of the Company, which corresponds to 76.39% of the overall number of votes at the general meeting of the shareholders of the Company; and
- (ii) AIHL holds directly 6,461,423 shares in the Company representing 13.79% of the Company's share capital and authorising the holder thereof to exercise 6,461,423 votes at the general meeting of the Company, which corresponds to 13.79% of the overall number of votes at the general meeting of the shareholders of the Company.

The number of shares in the Company held by FHL has changed as a result of a share acquisition transaction on the regulated market operated by the Warsaw Stock Exchange executed by FHL on 19 February 2019, which, together with all share acquisition transactions executed by FHL on the regulated market operated by the Warsaw Stock Exchange from 10 January 2019 to 19 February 2019, has resulted in FHL exceeding the 90% threshold of the share capital of the Company and the total number of votes at the general meeting of the shareholders of the Company (jointly with the shares held by AIHL) (the "**Transaction**").

Prior to the execution of the Transaction, FHL and AIHL jointly held a total of 41,852,568 shares in the Company representing 89.33% of the Company's share capital and authorising the holder thereof to exercise 41,852,568 votes at the general meeting of the Company, which corresponds to 89.33% of the overall number of votes at the general meeting of the shareholders of the Company, where:

- (i) FHL was the beneficial owner of (through Euroclear Nominees Limited <EOCO1>) and held directly, jointly 35,391,145 shares in the Company representing 75.54% of the Company's share capital and authorising the holder thereof to exercise 35,391,145 votes at the general meeting of the Company, which corresponds to 75.54% of the overall number of votes at the general meeting of the shareholders of the Company; and
- (ii) AIHL held directly 6,461,423 shares in the Company representing 13.79% of the Company's share capital and authorising the holder thereof to exercise 6,461,423 votes at the general meeting of the Company, which corresponds to 13.79% of the overall number of votes at the general meeting of the shareholders of the Company.

None of the subsidiaries of FHL and AIHL hold any shares in the Company.

Neither FHL nor AIHL nor any of the subsidiaries thereof have concluded an agreement referred to in Article 87(1)(3)(c) of the Act, i.e. an agreement regarding the transfer of the right to exercise voting rights.

Neither FHL nor AIHL nor any of the subsidiaries thereof hold any financial instruments referred to in Article 69b of the Act.

Ron Izaki, a resident of Israel, is the ultimate dominant entity of both FHL and AIHL and, consequently, of the Company.

AIHL is controlled by IGMG Ltd, which is controlled by Coralcliff Ltd (which also controls FHL). Coralcliff Ltd is controlled by RIZ Europe (Luxembourg) S.a.r.l., which is controlled by RIGRE GmbH.

RIGRE GmbH is controlled by RIG Investments GmbH & Co KG. RIG Investments GmbH & Co KG is controlled by Rig Investments S.a.r.l., which is controlled by Ron Izaki. The general partner in RIG Investments GmbH & Co KG is RIG Investments GmbH, which is controlled by RIG International Ltd. RIG International Ltd is directly controlled by Ron Izaki."

Legal basis: 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 (unified text Journal of Laws 2018item 512 with further amendments).