

Disposal of the assets of material value

Current report no. 8/2018 dated 22 November 2018

The Board of Directors of Atlas Estates Limited with its registered seat in Guernsey (the “Company”) hereby announces about conclusion on 22 November 2018 of preliminary conditional agreement on the sale of right of perpetual usufruct (the “Agreement”) of the undeveloped real property located in Warsaw, at 59 Grzybowska Street, designated as the plot of land No 59/10, precinct No 60104, with an area of 2,740.00 m², for which the District Court for Warszawa-Mokotów in Warsaw, X Land and Mortgage Register Division, keeps land and mortgage register No. WA4M/00382291/2 (the “Real Property“) together with related rights, including the building permit. The Agreement was concluded between the subsidiary of the Company - HPO AEP Spółka z ograniczoną odpowiedzialnością Spółka jawna with its registered seat in Warsaw (the “Seller”) and „GGH Atlas Tower Spółka z ograniczoną odpowiedzialnością” with its registered seat in Warsaw (the “Purchaser”). The Seller and the Purchaser are non-related parties.

The price for the sale of the of right of the perpetual usufruct to the Real Property together with related rights amounts to PLN 147,000,000 increased by applicable VAT.

The transfer of the right the perpetual usufruct to the Real Property together with related rights is subject to statutory condition of non-execution by the Mayor of the Capital City of Warsaw of the pre-emption right to the Real Property. Subject to specific provisions of the Agreement, conclusion of the conditional sale agreement of the perpetual usufruct to the Real Property shall occur on 5 September 2019.

The Company decided to sell perpetual usufruct to the Real Property because the scale of the development exceeds the investment abilities of Atlas Estates group.

The Agreement is considered material as its value exceeds 15% of the Companies’ equity.

At the same time the Board of Directors of the Company announces about conclusion on 22 November 2018 of the letter of intent between the subsidiaries of the Company – Properpol Sp. z o.o. and CAA Finance Sp. z o.o. and the Purchaser for the sale of (i) share in the co-ownership of the underground garage unit for which the District Court for Warszawa – Mokotów in Warsaw, X Land and Mortgage Book Division keeps the land and mortgage register book KW no. WA4M/00424141/3 and (ii) perpetual usufruct right to the plot of land no. 66 located in Warsaw, at ul. Grzybowska 63, precinct 6-01-04, with area of 1,892 sq. m, for which the District Court for Warszawa – Mokotów in Warsaw, X Land and Mortgage Book Division keeps the land and mortgage register book KW no. WA4M/00422440/5, together with underground garage.

The total price for the sale of the above right is 21,125,000 PLN increased by applicable VAT.

Legal grounds: 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