

Material agreement with Erste Group Bank AG

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The board of directors of Atlas Estates Limited with its corporate seat in Guernsey (the “**Company**”) hereby announces that on 19 May 2015 an Agreement on the Transfer of Loan (the “**Agreement**”) was signed between the Erste Group Bank AG (the “**Bank**”) and the Company and 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**”), World Real Estate S.R.L. with its corporate seat in Bucharest (the “**Voluntari**”) and Atlas Solaris S.R.L. with its corporate seat in Bucharest (the “**Solaris**”).

Under the Agreement the Bank sells and transfers to the Company its entire contractual position under the following facility agreements:

- 1) the EUR 12,500,000 facility agreement between the Bank as the lender and Solaris as the borrower dated 20 September 2007, and
- 2) the EUR 12,000,000 facility agreement between the Bank as the lender and Voluntari as the borrower dated 6 November 2007 (jointly referred as to the “**Facility Agreements**”)

and the Company purchases and assumes the Bank’s entire contractual position under the Facility Agreements by way of Austrian law transfer of contract, so that the Company 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 of the following conditions precedents:

- 1) obtaining of corporate approvals of the Company and Millennium for the Agreement and the transactions contemplated in the Agreement;
- 2) establishment of share pledge over shares in Millennium for the benefit of the Bank and a mortgage over real estate owned by Millennium for the purposes of securing payment of Price Adjustment (defined below);
- 3) obtaining legal opinion confirming that the Company and Millennium obtained all corporate approvals for the Agreement and the transactions contemplated in the Agreement;
- 4) receipt by the Bank of the Preliminary Price (defined below).

If one or several of the conditions precedent have not been fulfilled or waived on or before 30 June 2015 the Bank shall have right to rescind from the Agreement.

In consideration for the transfer of the Facility Agreements the Bank shall be entitled to the following price:

- 1) the “**Preliminary Price**” being the equivalent of EUR 2,250,000 exclusive of VAT (if any) due not later than on 30 June 2015;
- 2) the “**Price Adjustment**” being the sum of:

- a) 100% of Excess Disposal Proceeds (defined below) not exceeding EUR 10,000,000; and
- b) 50% Excess Disposal Proceeds by which they exceed EUR 10,000,000,

where **Excess Disposal Proceeds** means net proceeds from a Millennium disposal (this is sale of real estate owned by Millennium or sale of Millennium shares), exceeding the amount outstanding at the time of disposal under the EUR 64,800,000 facility agreement between the Bank as lender and Millennium as the borrower dated 21 December 2006.

Price Adjustment is due upon closing of the Millennium disposal.

The Agreement is considered material within the meaning of the regulation of the Minister of Finance (Polish Journal of Laws No. 33, item 259) of 19 February 2009 on current and periodical information published by issuers of securities and on the conditions under which information required by legal regulations of a non-Member State may be recognized as equivalent (the “**Regulation**”), as it fulfills the criterion set out in § 2, section 1, sub-section 44, letter a) of the Regulation, i.e. its value may exceed 10% of the Company’s equity.

Legal grounds: § 5, section 1, sub-sections 1 and 3 of the Regulation of the Minister of Finance (Polish Journal of Laws No. 33, item 259) of 19 February 2009 on current and periodical information published by issuers of securities and on the conditions under which information required by legal regulations of a non-Member State may be recognized as equivalent.