

Decision of the Arbitrator in Israel of 10 December 2015

Current report number 14/2015 published on 11 December 2015

The Company Atlas Estates Limited („AEL”) informs that on 10 December 2015 the Arbitrator in Israel reached a judgement on a case initiated by the companies Stronginfo Consultants Ltd. and Columbia Enterprises Ltd. (“Plaintiffs”). The Plaintiffs pursued a claim for the payment of amount due under agreement of 6 May 2008 (“Agreement”) on transfer of shares to Atlas Estates Investment B.V. (“AEI B.V.”) - a subsidiary of AEL. Information on commencement of this proceeding was published by AEL in the current report number 8 of 5 May 2011.

According to the judgement of the Arbitrator AEL and AEI B.V. are obliged jointly and severally to pay to the Plaintiffs the amount of 9,468,237 Israeli shekels increased by interests and indexation from 10 July 2012 until the payment date according to the Israeli law. Moreover, AEL and AEI B.V. are obliged to pay to the Plaintiffs the amount of 300,000 Israeli shekels as reimbursement of legal fees. Additionally AEL and AEI B.V. are obliged jointly and severally to pay to the Plaintiffs the additional amount, which will be specified until 15 January 2016 according to the instructions included in the judgement.

The Plaintiffs pursued also the claim on payment of remuneration for the third tower provided for in the Agreement, even though the third tower was not built until now. This claim was rejected by the Arbitrator in Israel.

According to the Board of AEL there might be some mistakes of material nature in the judgement of the Arbitrator. The Board of AEL will learn the justification of the judgement, seek legal advice and act accordingly.

Legal grounds: art. 56 item 1, point 1) of Polish Act on Public Offering, the Conditions Governing the Introduction of Financial Instruments to Organized Trading and Public Companies dated 29 July 2005 (Polish Journal of Laws of 2009, No. 185, Item 1439)