

## **Current report no. 5/2019 dated 4 June 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 increase of the number of votes at the general meeting of the Company, having the following content:

"Pursuant to Article 69(2)(2) 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 28 May 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 43,658,862 shares in the Company representing 93.18% of the Company's share capital and authorising the holders thereof to exercise 43,658,862 votes at the general meeting of the Company, which corresponds to 93,18% 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 37,197,437 shares in the Company representing 79.39% of the Company's share capital and authorising the holder thereof to exercise 37,197,437 votes at the general meeting of the Company, which corresponds to 79.39% of the overall number of votes at the general meeting of the shareholders of the Company; and
- (ii) AIHL holds directly 6,461,425 shares in the Company representing 13.79% of the Company's share capital and authorising the holder thereof to exercise 6,461,425 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 28 May 2019, which (together with transactions executed on 21 and 22 February 2019) has resulted in FHL exceeding the 93.04% threshold (change by 1% from the threshold as of 20 February 2019 reported in the notification dated 22 February 2019) 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 43,122,570 shares in the Company representing 92.04% of the Company's share capital and authorising the holder thereof to exercise 43,122,570 votes at the general meeting of the Company, which corresponds to 92.04% 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 36,661,145 shares in the Company representing 78.25% of the Company's share capital and authorising the holder thereof to exercise 36,661,145 votes at the general meeting of the Company, which corresponds to 78.25% of the overall number of votes at the general meeting of the shareholders of the Company; and
- (ii) AIHL held directly 6,461,425 shares in the Company representing 13.79% of the Company's share capital and authorising the holder thereof to exercise 6,461,425 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.

In order to correct the obvious error contained in the notification dated 22 February 2019, we present below the correct number of shares held by FHL and AIHL as of 20 February 2019:

on 20 February 2019, FHL and AIHL jointly held a total of 43,122,570 (instead of: 43.122.568) shares in the Company, authorising the holders thereof to exercise 43,122,570 (instead of: 43.122.568) votes at the general meeting of the Company, where:

(i) FHL was the beneficial owner of (through Euroclear Nominees Limited <EOCO1>) and held directly and jointly 36,661,145 shares in the Company representing 78.25% of the Company's share capital, authorising the holder thereof to exercise 36,661,145 votes at the general meeting of the Company, which corresponds to 78.25% of the overall number of votes at the general meeting of the shareholders of the Company; and

(ii) AIHL held directly 6,461,425 (instead of: 6,461,423) shares in the Company representing 13.79% of the Company's share capital, authorising the holder thereof to exercise 6,461,425 (instead of: 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 above error does not impact other information provided in the notification..”

*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).*