

Disposal of the assets of material value – conditional agreement

Current report no. 10/2019 dated 7 August 2019

The Board of Directors of Atlas Estates Limited with its registered seat in Guernsey (the “**Company**”) hereby announces about conclusion on 7 August 2019 of conditional agreement for sale of perpetual usufruct right (the “**Agreement**”) of 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 2,740.0 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 Agreement was concluded in performance of the preliminary conditional agreement of 22 November 2018, which was reported in current report no. 8/2018 dated 22 November 2018. 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 148,000,000 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 final sale agreement of the perpetual usufruct to the Real Property shall occur not later than within 60 days from today.

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

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