

Establishment of collaterals under the loan agreement of 29 June 2015

Current report No. 11/2015, published on 10 September 2015

The board of directors of Atlas Estates Limited with its seat in Guernsey (the “**Company**”) hereby announces that in execution of obligations resulting from:

- (i) a loan agreement of 29 June 2015 (the “**Agreement**”) between the subsidiary of the Company - Mantezja 3 Spółka z ograniczoną odpowiedzialnością with its registered seat in Warsaw (the “**Borrower**”) and Bank Polska Kasa Opieki S.A. (the “**Lender 1**”) and Pekao Bank Hipoteczny S.A (the “**Lender 2**”) (Lender 1 and Lender 2 are jointly referred as to the “**Lenders**”) and
- (ii) agreement for accession to debt of 29 June 2015 between the subsidiary of the Company – HGC Gretna Investments Spółka z ograniczoną odpowiedzialnością Spółka jawna with its registered seat in Warsaw (the “**HGC**”), the Borrower and the Lenders (the Agreement and accession to debt are both described in details in the current report no. 7/2015 of 29 June 2015)

the following collaterals were established on 10 September 2015:

- 1) The Borrower established a contractual mortgage up to the amount of EUR 18,000,000 over the right of perpetual usufruct of the real estate consisting of the plot of land no. 65 for which District Court for Warszawa – Mokotów in Warsaw, X Division of Land and Mortgage Registers maintains the land and mortgage register WA4M/00166084/8 as the security for the repayment of the tranche A of the loan granted to the Borrower under the Agreement up to the maximum amount of 12,000,000 EUR; the mortgage was established in favour of the Lender 2;
- 2) The Borrower established a contractual mortgage up to the amount of EUR 6,750,000 over the right of perpetual usufruct of the real estate consisting of the plot of land no. 65 for which District Court for Warszawa – Mokotów in Warsaw, X Division of Land and Mortgage Registers maintains the land and mortgage register WA4M/00166084/8 as the security for the repayment of the tranche A of the loan granted to the Borrower under the Agreement up to the maximum amount of EUR 4,500,000; the mortgage was established in favour of the Lender 1;
- 3) The Borrower established a contractual mortgage up to the amount of 235.875.000 PLN over the right of perpetual usufruct of the real estate consisting of the plot of land no. 65 for which District Court for Warszawa – Mokotów in Warsaw, X Division of Land and Mortgage Registers maintains the land and mortgage register WA4M/00166084/8 as the security for the repayment of the tranche B of the loan granted to the Borrower under the Agreement up to the maximum amount of EUR 37,000,000; the mortgage was established in favour of the Lender 1;
- 4) the security assignment of Borrower's rights and claims to the Lenders;
- 5) the security assignment of HGC's rights and claims to the Lenders;
- 6) the security assignment of the Borrower's insurance claims;

- 7) the security assignment of the HGC's insurance claims;
- 8) declarations of the Borrower and HGC on the voluntary submission to execution in form of a notarial deed pursuant to article 777 § 1 item 5 of the Polish Code of Civil Procedure;
- 9) suretyship (poręczenie) by the subsidiary of the Company - Atlas Estates Investment B.V. in the amount of EUR 4,500,000 for payment of amounts under the Facility, together with the declaration of the guarantor on the voluntary submission to execution in form of a notarial deed pursuant to article 777 § 1 item 5 of the Polish Code of Civil Procedure;
- 10) the subordination of claims of the subordinated creditors against HGC and the Borrower to the claims of the Lenders under the Agreement and related security documents.

The value of the Property in the financial accounts of the Borrower amounts to 365,064,018 PLN.

The value of assets encumbered by the mortgage exceeds 10% of the Company's equity and therefore fulfils the criterion set out in § 2, section 1, sub-section 44, letter a) 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 the issuers of securities and on the conditions under which information required by legal regulations of a non-Member State may be recognized as equivalent.

Legal grounds: §5 point 1 section 1 and §7 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 the issuers of securities and on the conditions under which information required by legal regulations of a non-Member State may be recognized as equivalent.