

Establishment of collaterals under the loan agreement of 29 June 2015

Current report No. 15/2015, published on 22 December 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**”) (the Agreement is described in details in the current report no. 7/2015 of 29 June 2015)

and

- (ii) bank accounts agreement for the corporate clients and on services related with these bank account no. 105813181 on 3 June 2014 (“**Framework Agreement**”)

on 22 December 2015 the Borrower established a contractual second ranking mortgage up to the amount of 72,000,000 PLN over the right of perpetual usufruct of the real estate and over the ownership of the buildings and installations (“the Real Estate”) 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 in favour of the Lender 1. The above mortgage is a collateral for the transaction IRS no. 16043290 and transaction IRS no. 16047670. The above mortgage has lower priority only towards:

- 1) a contractual mortgage up to the amount of EUR 18,000,000 over the right of perpetual usufruct of the real estate 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) a contractual mortgage up to the of EUR 6,750,000 over the right of perpetual usufruct of the real estate 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) a contractual mortgage up to the amount of 235,875,000 PLN over the right of perpetual usufruct of the real estate 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;

The value of the Real Estate in the financial accounts of the Borrower amounts to 365,332,318.53PLN.

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.