

Material loan agreement with Bank Polska Kasa Opieki S.A.

Current report No. 2/2016, published on 3 February 2016

The board of directors of Atlas Estates Limited (the “**Company**”) hereby announces that on 3 February 2016 a loan agreement (the “**Agreement**”) was signed between a subsidiary of the Company Atlas Estates (Przasnyska 9) Sp. z o.o. with its registered seat in Warsaw (the “**Borrower**”) and Bank Polska Kasa Opieki Spółka Akcyjna with its registered seat in Warsaw (the “**Bank**”).

Under the Agreement the Bank provides to the Borrower a loan in the total amount of PLN 42,900,000 (the “**Loan**”). The Loan will be granted in the following tranches:

- 1) a construction loan in an amount of PLN 41,400,000; and
- 2) a VAT loan in an amount of PLN 1,500,000.

The Loan bears interest at the rate of the 1 M WIBOR, increased by a margin specified in the Agreement, paid on a monthly basis.

The proceeds of the Loan will be used to, inter alia, finance construction of multi-apartment residential building (123 residential apartments of app. 7,400 sq m of useable area and 8 retail units of app. 800 sq. m. and underground garage) (the “**Project**”). The Project will be situated on a real property located in Warsaw on Przasnyska Street consisting of plots no. 12/3, 12/4, 12/5, and 12/6 from district no. 7-03-03 for which District Court for Warszawa Mokotów in Warszawa, VI Division of Mortgage Register maintains a land and mortgage register no. KW WA1M/00203184/0 (the “**Real Property**”).

The final repayment date of the construction part of the Loan will fall on the day falling 12 months after the last day of the availability period for the construction part of the Loan or on 31 March 2019, whichever occurs earlier.

The final repayment date of VAT part of the Loan will fall on the day falling 6 months after the last day of the availability period for the VAT part of Loan or on 30 September 2018, whichever occurs earlier.

The Loan will be secured by, inter alia:

- 1) the subordination agreement;
- 2) the security assignment agreement;
- 3) the registered share pledge agreement;
- 4) the registered pledge agreement over collection of assets;
- 5) the registered pledge agreement over bank accounts;
- 6) the support agreement;
- 7) the mortgage established on the Real Property;

The value of the Real Property in the financial accounts of the Borrower amounts to PLN 14,634,917.

The Agreement is considered material within the meaning 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 issuers of securities and on the conditions under which

information required by legal regulations of a non-Member State may be recognized as equivalent (the “**Regulation**”), as it fulfills the criterion set out in § 2, section 1, sub-section 44, letter a) of the Regulation, i.e. its value exceeds 10% of the Company’s equity.

Legal grounds: § 5, section 1, sub-sections 1 and 3 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 issuers of securities and on the conditions under which information required by legal regulations of a non-Member State may be recognized as equivalent.