

Current report no. 14/2013 dated 2.10.2013

Execution of collaterals resulting from the loan agreement

The Board of Directors of Atlas Estates Limited (“Company”) announces that on 1 October 2013 finance documents were signed in execution of the obligations resulting from the loan agreement dated 2 September 2013 (“Loan Agreement”), about which the Company informed in the current report no. 10/2013, executed between a subsidiary of the Company - Properpol Spółka z ograniczoną odpowiedzialnością z siedzibą w Warszawie (“Borrower”) and BRE BANK S.A. with its registered seat in Warsaw (“Bank”).

On 1 October 2013 the following collaterals were established:

1. The Borrower established in favour of the Bank a mortgage up to the amount of 6,450,000 EUR pursuant to art. 95 point 4 of the Act on Banking Law of 29 August 1997 on:
 - a) the right of perpetual usufruct of the real estate located in Warsaw at ul. Grzybowska 63, registered in the land and mortgage register no. WA4M/00422440/5, held by the District Court for Warsaw – Mokotów in Warsaw, X Land and Mortgage Division (“Real Estate 1”);
 - b) the ownership right to the premises constituting the separate real estate, located in Warsaw at ul. Grzybowska 61, registered in the land and mortgage register no. WA4M/00432578/4, held by the District Court for Warsaw – Mokotów in Warsaw, X Land and Mortgage Division (“Real Estate 2”);
 - c) the ownership right to the premises constituting the separate real estate, located in Warsaw at ul. Grzybowska 61, registered in the land and mortgage register no. WA4M/00432575/3, held by the District Court for Warsaw – Mokotów in Warsaw, X Land and Mortgage Division (“Real Estate 3”, jointly with Real Estate 1 and Real Estate 2 referred as to the “Real Estates”);

securing the receivables of the Bank due from the Borrower resulting from the Loan Agreement. The book value of the Real Estate is 31,702,661 PLN.

2. The Borrower established on the Real Estates a mortgage in favour of the Bank up to the amount of 1,470,000 PLN pursuant to art. 95 point 4 of the Act on Banking Law of 29 August 1997 securing the receivables of the Bank due from the Borrower resulting from the framework agreement on the conditions of cooperation in financial market transactions executed on 2 September 2013 in connection with the Loan Agreement. The book value of the Real Estate is 31,702,661 PLN.

Mortgage described in point 2 is the first ranking mortgage equal to mortgage described in point 1.

Bank is not a related party to the Company.

The mortgage established over the Real Estates, as described in point 1 fulfil criterion of §5 section 1 point 1) of the Regulation of the Minister of Finance dated 19 February 2009 on the current and periodic disclosures to be made by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state (Polish Journal of Laws of 2009, No. 33, Item 259) (“Regulation”), because value of this mortgage is higher than the Polish Złoty equivalent of 1,000,000 Euro in accordance with exchange rate of NBP.

Legal basis: § 5 section 1 point 1) and 3) of the Regulation of the Minister of Finance dated 19 February 2009 on the current and periodic disclosures to be made by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state (Polish Journal of Laws of 2009, No. 33, Item 259).

Art. 56 item 1, point 1) of Polish Act on Public Offering, the Conditions Governing the Introduction of Financial Instruments to Organized Trading and Public Companies dated 29 July 2005 (Polish Journal of Laws of 2009, Nr 185, Item 1439)