

Current report no. 5/2013 dated 19.04.2013

Execution of collaterals resulting from the loan agreement

The Board of Directors of Atlas Estates Limited (“Company”) announces that on 18 April 2013 finance documents were signed in execution of the obligations resulting from the loan agreement dated 21 December 2012 (“Loan Agreement”) executed between a subsidiary of the Company - Capital Art Apartment AEP Spółka z ograniczoną odpowiedzialnością Spółka komandytowo – akcyjna z siedzibą w Warszawie (“Borrower”) and Bank Zachodni WBK S.A. with its registered seat in Wrocław (“Bank”).

On 18 April 2013 the following collaterals were established:

1. The Borrower established in favour of the Bank a mortgage up to the amount of 110,641,680.00 PLN on the right of perpetual usufruct of the real estate located in Warsaw at ul. Giełdowa 4, plot no. 27/3, quarter 6-04-05, of the total area of 4,679 square meters, registered in the land and mortgage register no. WA4M/000411142/6, held by the District Court for Warsaw – Mokotów in Warsaw, X Land and Mortgage Division (“Real Estate”). The book value of the Real Estate is 8,087,164.00 PLN.
2. Registered and financial pledge agreement executed between the Bank and Atlas Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych with its registered seat in Warsaw (being the shareholder of the Borrower) over 49,995 shares in the share capital of the Borrower, of the nominal value 1 PLN each share, of the joint nominal value of 49,995 PLN constituting 99.99% shares in the share capital of the Borrower, being the ownership of Atlas Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych. The pledge secures repayment of the Loan Agreement up to the maximum amount of 110,641,680.00 PLN. The book value of the pledged shares equals to 46,399,181.00 PLN. Shares are long – term capital investments.
3. Registered and financial pledge agreement executed between the Bank and AEP Sp. z o.o. with its registered seat in Warsaw (being the general partner and the shareholder of the Borrower) over 5 registered shares in the share capital of the Borrower, of the nominal value of 1 PLN each share, of joint nominal value of 5 PLN, constituting 0,01% shares in the share capital of the Borrower, being the ownership of AEP Sp. z o.o. The pledge secures repayment of the Loan Agreement up to the maximum amount of 110,641,680.00 PLN. The book value of the pledged shares equals to 2,731.30 PLN. Shares are long – term capital investments.
4. Registered and financial pledge agreement executed between the Bank and AEP Sp. z o.o. with its registered seat in Warsaw (being the general partner and the shareholder of the Borrower) over the share of the general partner in the Borrower. The pledge secures repayment of the Loan Agreement up to the maximum amount of 110,641,680.00 PLN. The book value of the pledged rights constitutes 0,19% of the Borrower’s profits.

5. Registered and financial pledge agreement executed between the Bank and the Borrower over the rights from the bank accounts of the Borrower held by the Bank. Pledge secures repayment of the Loan Agreement up to the maximum amount of 110,641,680.00 PLN.
6. Voluntary submission to execution of Atlas Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych with its registered seat in Warsaw (being the shareholder of the Borrower) in accordance with art. 777 § 1 point 6 of the Polish Civil Procedure Code in relation to 49,995 shares, which were encumbered by the pledge under the pledge agreement defined in point 2 above, as the security of the Bank's receivables resulting from the Loan Agreement, up to the maximum amount of 110,641,680.00 PLN.
7. Subordination agreement executed between the Borrower, the Bank and AEP Sp. z o.o., Atlas Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych, HGC Gretna Investments Spółka z ograniczoną odpowiedzialnością S.K.A., Platinum Towers AEP Spółka z ograniczoną odpowiedzialnością S.K.A., Atlas Estates Cooperatief U.A. with its registered seat in Amsterdam and Atlas Estates Investments B.V. with its registered seat in Amsterdam (jointly the "Creditors") on subordination of the receivables of the Creditors towards the Borrower to the receivables of the Bank resulting from the Loan Agreement.
8. Guarantee Agreement executed between the Borrower, the Bank and Atlas Estates Investment B.V. with registered seat in Amsterdam under which Atlas Estates Investment B.V. guarantees the payment of the amounts due to the Bank from the Borrower under the Loan Agreement up to the maximum amount of 6,877.400 PLN.

Bank is not a related party to the Company.

Joint value of the collaterals described above exceeds 10 % of the own capital of the Company.

The mortgage established over the Real Estate, as described in point 1 above and pledge over shares of the Borrower belonging to Atlas Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych, described in point 2 above 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 them separately 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)