

Material facility agreement with Bank Polska Kasa Opieki S.A. and Pekao Bank Hipoteczny S.A.

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The board of directors of Atlas Estates Limited with seat in Guernsey (the “**Company**”) hereby announces that on 29 June 2015 the following documents were signed:

- (i) a loan agreement (the “**Agreement**”) between the subsidiary of the Company - Mantezja 3 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**”;
- (ii) agreement for accession to debt 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 under which HGC assumed all the obligations of the Borrower set forth in the Agreement (*kumulatywne przystąpienie do długu*) and therefore is bound by the terms of the Agreement as an additional borrower.

Under the Agreement the Lenders make available to the Borrower a facility in an aggregate amount of EUR 53,500,000 (in words: fifty three million five hundred thousand Euro) (the “**Facility**”), comprising of :

- (i) Tranche A of EUR 16,500,000 (in words: sixteen million five hundred thousand Euro), and
- (ii) Tranche B being the Polish Złoty equivalent of EUR 37,000,000 (in words: thirty seven million Euro).

The Loan bears the following interest:

In respect of Tranche A: at the rate of the 3 M EURIBOR, increased by a margin specified in the Agreement, paid on a quarterly basis.

In respect of Tranche B:

- (i) not later than until 30 September 2015 3 M EURIBOR, increased by a margin specified in the Agreement, paid on a quarterly basis;
- (ii) from 30 September 2015 at the latest at the rate of 3M WIBOR, increased by a margin specified in the Agreement paid on a quarterly basis.

The primary purpose of the Facility is to repay the loan under the loan agreement concluded with Österreichische Volksbanken – Akitengesellschaft with its registered office in Vienna on 8 April 2004, which was then granted to, inter alia, finance construction works of the hotel known as “Hilton Warsaw and Convention Centre” located on 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 in relation to which the Borrower is perpetual usufructuary (the “**Property**”).

Final repayment date of the Facility falls not later than on 30 June 2025.

Moreover, the Borrower shall enter into interest rate hedge transaction under the hedging arrangement for a period until the final repayment date to mitigate the interest rate risk relating to at least 70% of the total commitments.

The Facility shall be secured by, inter alia:

- 1) contractual mortgage (*hipoteka umowna*) over the Property in favour of each Lender up to 150% of the commitment of that Lender;
- 2) registered pledges over all shares in the Borrower (including the first-ranking financial pledge as additional security) up to 150% of the commitments together with the declaration of the pledgor on the voluntary submission to execution from the pledged shares pursuant to article 777 § 1 section 6 of the Polish Code of Civil Proceedings;
- 3) registered pledges over all shares in the Gretna Investments Spółka z ograniczoną odpowiedzialnością with its registered office in Warsaw (including the first-ranking financial pledge as additional security) up to 150% of the commitments together with the declaration of the pledgor on the voluntary submission to execution from the pledged shares pursuant to article 777 § 1 section 6 of the Polish Code of Civil Proceedings
- 4) registered pledges over the set of movables and rights of the Borrower up to 150% of sum of the commitments;
- 5) registered pledges over the set of movables and rights of HGC up to 150% of the commitments;
- 6) registered pledges over all bank accounts of the Borrower including the first-ranking financial pledge up to 150% of sum of the commitments;
- 7) registered pledge over certain bank accounts of HGC including the first-ranking financial pledge up to 150% of the commitments;
- 8) the power of attorney to use all bank accounts of the Borrower and certain account of HGC;
- 9) the security assignment of Borrower's rights and claims to the Lenders;
- 10) the security assignment of HGC's rights and claims to the Lenders;
- 11) 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 Proceedings;
- 12) 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;
- 13) the subordination of payments by the Borrower and HGC under the subordinated agreements and other payments by the Borrower and HGC towards the subordinated creditors to the liabilities of the Borrower and HGC under the finance documents;
- 14) in the period from the utilization date till 30 September 2015 at the latest, a cash deposit (*kaucja*) in the amount of EUR 53,500,000;
- 15) second-ranking contractual mortgage (*hipoteka umowna*) over the Property up to 150% of the agreed hedging limit.

The value of the Property in the financial accounts of the Borrower amounts to PLN 365,062,628.00 PLN (in words: three hundred sixty five million sixty two thousand six hundred twenty eight Polish Złoty).

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 condition 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: art. 56 item 1, point 3) 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)