

## **Current Report No. 18/2014**

Date prepared: 2014-03-14

**Subject: Conclusion of investment loan and working capital loan agreements by subsidiaries**

Legal basis: Article 56 Section 1 Item 2 of the Public Offering Act - current and periodic information

### Contents of the report:

The Board of MAKRUM S.A. having its seat in Bydgoszcz informs that it has received information from its subsidiaries ARONN Sp. z o.o. having its seat in Bydgoszcz (ARONN), BINKIE Sp. z o.o. having its seat in Bydgoszcz (BINKIE) and CARNAVAL Sp. z o.o. having its seat in Bydgoszcz (CARNAVAL), that on this day (14.03.2014), in order to finance the acquisition of real estates specified in the current report no. 16/2014 dated today, the following were concluded with Bank Zachodni WBK S.A. having its seat in Wrocław (Bank):

1) Agreement for an investment loan with ARONN (Agreement1), based on which the Bank has granted ARONN a loan in the amount of PLN. 9.900.000, and ARONN has undertaken to repay the loan in 123 monthly installments with the last installment's repayment date falling on 31.05.2024 and the Agreement for a working capital loan with ARONN (Agreement2), in the amount of PLN 7.099.410 for the purpose of financing of VAT tax connected to the acquisition of the real estates, and ARONN has undertaken to repay the loan by 31.07.2014.

2) Agreement for an investment loan with BINKIE (Agreement3), based on which the Bank has granted BINKIE a loan in the amount of PLN. 2.337.000, and BINKIE has undertaken to repay the loan in 123 monthly installments with the last installment's repayment date falling on 31.05.2024 and the Agreement for a working capital loan with BINKIE (Agreement4), in the amount of PLN 1.214.860 for the purpose of financing of VAT tax connected to the acquisition of the real estates, and BINKIE has undertaken to repay the loan by 31.07.2014.

3) Agreement for an investment loan with CARNAVAL (Agreement5), based on which the Bank has granted CARNAVAL a loan in the amount of PLN. 13.000.000, and CARNAVAL has undertaken to repay the loan in 123 monthly installments with the last installment's repayment date falling on 31.05.2024 and the Agreement for a working capital loan with CARNAVAL (Agreement6), in the amount of PLN 8.395.000 for the purpose of financing of VAT tax connected to the acquisition of the real estates, and CARNAVAL has undertaken to repay the loan by 31.07.2014.

Loan initiation will take place once the following listed conditions are met:

- a) securities will be effectively established on the conditions referred to in the Agreements listed above and below;
- b) Companies will file a declaration of voluntary submission to debt recovery on the basis of Art. 97 of the Banking Law Act dated 29 August 1997, with wording agreed with the Bank.

The following shall constitute the security of Bank's receivables arising from the Agreement1:

- 1) contractual joint mortgage up to the amount of PLN 17.400.000,00 (say: seventeen million and four hundred thousand zloty 00/100) established for the benefit of the Bank on:
  - a) perpetual usufruct right granted to the company: HOTEL1 Sp. z o.o. 1 S.K.A. (HOTEL1), subject to which is the real estate located in Bydgoszcz, entered into the land and mortgage register no.

BY1B/00004707/1 kept by the District Court in Bydgoszcz, 10th Land and Mortgage Register, together with the buildings and equipment located on the used land owned by the perpetual user - Real Estate 1

b) perpetual usufruct right granted to the company: (HOTEL1), subject to which is the real estate located in Łódź, entered into the land and mortgage register no. LD1M/00175075/7 kept by the District Court for Łódź - Śródmieście in Łódź, 16th Land and Mortgage Register, together with the buildings and equipment located on the used land owned by the perpetual user - Real Estate 2,

c) perpetual usufruct right granted to the company: (HOTEL1), subject to which is the real estate located in Szczecin, entered into the land and mortgage register no. SZ1S/00081399/6 kept by the District Court for Szczecin - Prawobrzeże and Zachód in Szczecin, 10th Land and Mortgage Register, together with the buildings and equipment located on the used land owned by the perpetual user - Real Estate 3;

d) perpetual usufruct right granted to CRISMO Sp. z o.o., subject to which is the real estate located in Chorzów, entered into the land and mortgage register no. KA1C/00011883/7 kept by the District Court in Chorzów, 6th Land and Mortgage Register, together with the buildings and equipment located on the used land owned by the perpetual user - Real Estate 4 (hereinafter jointly referred to as the Real Estates);

2) assignment of receivables arising from the contracts of insurance of buildings and structures erected on the Real Estate 2,

3) suretyship granted by "Focus Hotels" Sp. z o.o.,

4) suretyship granted by BINKIE,

5) suretyship granted by CARNAVAL,

6) suretyship granted by Crismo Sp. z o.o.,

7) power of attorney for the Bank regarding the bank accounts of "Focus Hotels" Sp. z o.o. held with the Bank,

8) assignment of receivables arising from the agreement of tenancy of the Real Estate 2,

9) cash deposit in the amount of PLN 400.000,00 (say: four hundred thousand zloty 00/100),

10) subordination of the loans granted to the Borrower in relation to the debts under the present agreement.

The security of the Bank's claims arising from the Agreement<sup>2</sup> shall be the contractual joint mortgage up to the amount of PLN 17.400.000,00 (say: seventeen million and four hundred thousand zloty 00/100) established for the benefit of the Bank on the Real Estates, assignment of receivables arising from the contracts of insurance of buildings and structures erected on the Real Estate 2, ordinary pledge on receivables resulting from the VAT Refund Account along with the blockage of funds accumulated in this account.

The following shall constitute the security of Bank's receivables arising from the present Agreement<sup>3</sup>:

1) contractual joint mortgage up to the amount of PLN 4.300.000,00 (say: four million and three hundred thousand zloty 00/100) established for the benefit of the Bank on the Real Estates,

2) assignment of receivables arising from the contracts of insurance of buildings and structures erected on the Real Estate 1,

3) suretyship granted by "Focus Hotels" Sp. z o.o.,

4) suretyship granted by ARONN,

5) suretyship granted by CARNAVAL,

- 6) suretyship granted by Crismo Sp. z o.o.,
- 7) power of attorney for the Bank regarding the bank accounts of "Focus Hotels" Sp. z o.o. held with the Bank,
- 8) assignment of receivables arising from the agreement of tenancy of the Real Estate 1,
- 9) cash deposit in the amount of PLN 100.000,00 (say: one hundred thousand zloty 00/100),
- 10) subordination of the loans granted to the Borrower in relation to the debts under the present agreement.

The security of the Bank's claims arising from the Agreement<sup>4</sup> shall be the contractual joint mortgage up to the amount of PLN 4.300.000,00 (say: four million and three hundred thousand zloty 00/100) established for the benefit of the Bank on the Real Estates, assignment of receivables arising from the contracts of insurance of buildings and structures erected on the Real Estate 1, ordinary pledge on receivables resulting from the VAT Refund Account along with the blockage of funds accumulated in this account.

The following shall constitute the security of Bank's receivables arising from the Agreement<sup>5</sup>:

- 1) contractual joint mortgage up to the amount of PLN 22.650.000,00 (say: twenty-two million and six hundred and fifty thousand zloty 00/100) established for the benefit of the Bank on the Real Estates,
- 2) assignment of receivables arising from the contracts of insurance of buildings and structures erected on the Real Estate 3,
- 3) suretyship granted by "Focus Hotels" Sp. z o.o.,
- 4) suretyship granted by BINKIE,
- 5) suretyship granted by ARONN,
- 6) suretyship granted by Crismo Sp. z o.o.,
- 7) power of attorney for the Bank regarding the bank accounts of "Focus Hotels" Sp. z o.o. held with the Bank,
- 8) assignment of receivables arising from the agreement of tenancy of the Real Estate 3,
- 9) cash deposit in the amount of PLN 500.000,00 (say: five hundred thousand zloty 00/100),
- 10) subordination of the loans granted to the Borrower in relation to the debts under the present agreement.

The security of the Bank's claims arising from the Agreement<sup>6</sup> shall be the contractual joint mortgage up to the amount of PLN 22.650.000,00 (say: twenty-two million and six hundred and fifty thousand zloty 00/100) established for the benefit of the Bank on the Real Estates, assignment of receivables arising from the contracts of insurance of buildings and structures erected on the Real Estate 3, ordinary pledge on receivables resulting from the VAT Refund Account along with the blockage of funds accumulated in this account.

Other terms and conditions do not differ from the standard terms and conditions generally applicable in the agreements of this type.

Total book value of mortgaged Real Estates is included in the accounts of CRISMO Sp. z o.o. for a total amount of net PLN 95.6 million.

The agreement is significant due to the fact of exceeding 10% of revenue of MAKRUM S.A. Capital Group for the last four quarters and of establishment of limited property rights on the assets of

substantial value of MAKRUM S.A. (§ 5 sec. 1 item 1 and 3 of the Ordinance of the Ministry of Finance dated 19.02.2009). MAKRUM S.A. adopts this criterion due to the fact that it currently allows one to better assess the significance of the concluded Agreements.

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Note: Polish version of this report is legally binding. English version is for reference only.