

MirLand Development Corporation PLC

(the "Company")

Amendment to Loan Terms with VTB Bank in Russia

The Company hereby announces, that on 26 September 2016, a subsidiary of the Company which owns the rights and manages the Vernissage Mall project in Yaroslavl, Russia (the "**Project**"), signed an agreement with VTB Bank (the "**Bank**") to amend the terms of the US\$40 million loan that was provided by the Bank (the "**Loan**") (the "**Agreement**"). The main provisions of the Agreement are as follows:

- The Loan established in Dollar currency (US), shall be converted fully to a loan in local currency (Ruble)¹.
- The repayment of 97% of the Loan principal shall be postponed to the third quarter of 2021. 2% of the principal Loan shall be repaid in two (equal) installments in the first and second quarters of 2021 and the remaining 1% shall be paid in quarterly instalments (in tranches of 0.02%- 0.11%) during the period until the end of 2020.
- The interest rate of the Loan shall be Russia's Central Bank interest rate plus 4%² per annum and in any event will not exceed 18.75% per annum ("**Determining Interest**"). The interest will be paid on a monthly basis. Notwithstanding, the subsidiary shall not be required to repay interest rates over 8% per annum ("**Paid Interest**"). Amounts arising from the difference between the Determining Interest and the Paid Interest (the "**Interest Gap**") shall join the Loan principal (at a rate of 97%), payable on the third quarter of 2021. The deferral of payment of the Interest Gap shall not constitute a breach of the Agreement and/or cause immediate repayment.
- A "Cash Sweep" mechanism has been determined for the payment of the Loan principal.
- In addition, the subsidiary had undertaken to comply with financial covenants that shall be in effect throughout the Loan, inter alia, with regard to revenues threshold, preservation of positive Net Asset Value (NAV), EBITDA, debt service ratio, LTV and occupancy rate of the Project.

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¹ According to the representative exchange rate of the Dollar \ Ruble on the execution of The Agreement.

² In Accordance, as of the date of this report the total interest rate of the Loans stands at 14.0%.