

Current Report No: 11/2013

Report Date: 28-02-2013

Subject: Change of the entity authorised to audit financial statements.

Legal basis: Art. 56, paragraph 1 point 2 of the Act on Public Offering – Current and Periodic Information

Contents of the report:

The Management Board of WIKANA S.A. (Company, Issuer) informs that on the 27th of February 2013 the Supervisory Board of the Company adopted the resolution on the change of the entity authorised to audit the separate financial statement and consolidated financial statement of the Company for the year 2012.

Pursuant to the abovementioned resolution the Issuer's Supervisory Board consented to the termination of contract with the company DORADCA Zespół Doradców Finansowo-Księgowych Sp. z o.o. (the "Contract" and "DORADCA ZDFK", respectively) and selected a new entity authorised to audit financial statements that shall perform the audit of the annual separate financial statement and annual consolidated financial statement of the Issuer for the year 2012.

the Issuer informed about the selection of DORADCA ZDFK as the entity performing the review of the separate and consolidated financial statement of WIKANA S.A. for H1 2011 and H1 2012 respectively as well as the audit of the separate financial statement and consolidated financial statement for the years 2011 and 2012 respectively in its Current Report No 30/2011 of the 1st of July, 2011.

The Issuer and its legal predecessor availed themselves of the services of the aforementioned entity since 2007 within the scope indicated in the Current Report No 30/2011 referred to above.

Within the period of cooperation of the Issuer with DORADCA ZDFK no case of the resignation from the expression of the opinion or issuance of negative opinion on the correctness and reliability of the financial statements or consolidated financial statements occurred.

Within the period of cooperation of the Issuer with DORADCA ZDFK the entity issued the following:

- the auditor's opinions on the separate financial statement and consolidated financial statement of the Issuer for 2011, containing reservations, and
- the auditor's reports on the review of the Issuer's separate and consolidated statement for H1 2012, containing reservations.

Within the term of the Contract with DORADCA ZDFK the following variances relating to the interpretation and application of law provisions occurred between the Issuer's Management Board and the certified auditors:

In its opinions from the audit of the annual financial statements for the year 2011 DORADCA ZDFK included the identical reservations that the Company had not created a stock revaluation write-off for the amount of PLN 5,736 thousand, which in the certified auditor's opinion was not in line with the adopted accounting policy principles.

With regard to the aforementioned reservations in its extended consolidated report for Q1 2012, in the document „Information supplementing the extended consolidated periodic report of WIKANA S.A. for Q1 2012” in point 6.9 „Other information that the Issuer considers important for the assessment of the condition of WIKANA Capital Group” (p. 42) the Management Board of the Issuer presented the following position:

“The Management Board assumes the position that the reservation included by the certified auditor in the opinion on the consolidated annual financial statement of the WIKANA Capital Group and on

the separate financial statement of WIKANA S.A. is unjustified, as the stock characterized by the lowest turnover ratio, due to the change of its purpose, does not lose its value. Thus, there is no reason to create revaluation write-offs.”

In its reports from the review of the midyear financial statements, i.e. the separate and the consolidated financial statement for H1 2012 DORADCA ZDFK included the identical reservations that the Company in 2011:

„ (...) demonstrated 106 parking spaces in stock in Tęczowe Osiedle in Rzeszów, amounting for the book value of PLN 7,207.3 thousand. In 2012 the Management Board adopted the decision on their reclassification to fixed assets. At the same time it presented the analysis of the rental business of parking spaces which proves that the assets did not lose its value. By the date of the report from the review the Company had concluded two parking space rental agreements. Due to this fact we are not able to confirm the income being the basis for the data included in the analysis in relation to the remaining 104 parking spaces. The report of another independent certified auditor from the review of the financial statement of Wikana Fundusz Inwestycyjny Zamknięty covering the period from the 1st of January 2012 until the 30th of June 2012 contained the following reservations: „The assessment of the fair value of portfolio companies as of 30th of June, 2012 was performed by using the Adjusted Net Asset Method, while the real estate owned by the portfolio companies and amounting for 32.72% of the total value of all assets owned by these companies were valued at their purchase price, that is at the value of PLN 39.465 thousand. By the date of issuance of our report from the review of the Fund’s financial statement we have not received the current expert valuation enabling the confirmation of the current market value of the portfolio real estate as of 30th of June 2012. The valuation of the portfolio companies as of 30th of June 2012 does not include the economic events which took place in June 2012. In the course of audit we did not receive the information whether the economic events in June 2012 would be of importance for the valuation of the Fund’s deposits.”

With regard to the aforementioned reservations in its Report on the Operations of the WIKANA Capital Group during the first half of 2012 in point 5.2 „Other information that the Issuer considers important for the assessment of the Issuer’s condition” (pp. 36-37) the Management Board of the Issuer presented the following position:

„The Management Board assumes the position that the reservation (concerning primarily the Osiedle Tęczowe housing estate) included by the certified auditor in the opinion on the consolidated annual financial statement of the WIKANA Capital Group and on the separate financial statement of Wikana S.A. is unjustified, as the stock characterized by the lowest turnover ratio, due to the change of its purpose, does not lose its value. Thus, there is no reason to create revaluation write-offs. As of 30th of June 2012, the parking spaces in this housing estate were reported as a component of fixed assets, as they were allocated for rent. As of the date of report submission, the first contracts to that effect had already been signed. In the report on the midyear review, the certified auditor underlines this fact. One should assume, however, that the process of commercialization of such space must proceed in stages. Moreover, in the midyear report, the certified auditor quotes a fragment of the report on the midyear review of Wikana FIZ that pointed out the absence of evaluation of the real estate unit as of 30th of June 2012. According to IAS 36, entities comprised in a Capital Group perform evaluation of components of fixed assets not less frequently than at the end of the accounting year and in the situation, where there are premises to assume an impairment of a component value. As there were no such premises as of 30th of June 2012 and the financial year coincides with the calendar year, the companies did not evaluate components of fixed assets.”

The aforementioned discrepancies still persist.

The letter of DORADCA ZDFK referred to in par. 2 art. 26 of the Ordinance shall be published as a current report as soon as it is received by the Company.

The entity authorised to audit financial statements which shall be entrusted with the audit of the annual separate financial statement and the annual consolidated financial statement of the Issuer for

the year 2012 is ECA Seredyński i Wspólnicy Sp. k. with its registered seat in Cracow, 50 Moniuszki St. (the "ECA").

The contract with the selected entity shall be concluded for the period covering the completion of the aforementioned tasks.

The selected entity is a company entered into the register of entities authorised to audit financial statements maintained by the National Council of Registered Auditors, under the entry no. 3115.

The Supervisory Board of WIKANA S.A. appointed the ECA on the basis of par. 3 art 40 of the Company's Articles of Association, in accordance with applicable laws and professional requirements.

The selected entity has not cooperated yet with the Issuer within the scope of auditing annual separate and consolidated financial statements, reviewing midyear separate and consolidated financial statements, examining financial forecasts, and it has not provided other advisory services for the Issuer.

Detailed legal basis: points 19 and 20, par. 1 art. 5 of the Ordinance of the Minister of Finance of 19 February 2009 on Current and Periodic Information Published by Issuers of Securities [...]

President of the Management Board

Sylwester Bogacki

Vice President of the Management Board

Tomasz Grodzki