

Current report 12/2017

Report date: 20 April 2017

Issuer's abbreviated name: WIKANA

Subject: Financing secured for subsidiary's property development project

Legal basis: Art. 17 sec. 1 MAR - confidential information

Report content:

The Management Board of WIKANA S.A. ("Issuer") announces that on 20 April 2017 a subsidiary of the Issuer - WIKANA PRIM Sp. z o.o. GAMMA Sp.k. (formerly: WIKANA PROPERTY Sp. z o.o. GAMMA Sp.k.), based in Lublin, ("Borrower") executed a construction and mortgage credit agreement with mBank Hipoteczny S.A., based in Warsaw, ("Bank") ("Credit Facility") amounting to PLN 11 329 000 ("Agreement") for the purpose of developing residential multi-family buildings A, B-C, together with underground carpark, installations and land development, as a subsequent stage (B4) of the Sky House investment in Lublin ("Investment").

The Issuer announced the execution of a comprehensive construction services contract under the Investment in current report 7/2017.

The final repayment date for the Credit Facility is 28 April 2021. Interest on the Credit Facility is variable and established based on WIBOR 3M plus bank margin. Collateral for the Credit Facility includes: a contractual mortgage of up to PLN 22 658 000 on properties that are to be used for the Investment and the Borrower's declaration on voluntary submission for enforcement pursuant to art. 777 § 1, art. 5 of the Polish Civil Procedure Code for up to PLN 22 658 000 until 30 September 2024.

In connection with the Agreement, the Issuer, the Borrower and the Borrower's General Partner will execute a project support agreement with the Bank ("Support Agreement"), pursuant to which the Issuer and the Borrower's General Partner will undertake towards the Bank to financially support the Borrower up to the amount of PLN 1 143 000 if expected costs of the Investment are exceeded and to support the Borrower's activities. In order to secure financial support for the Borrower, the Issuer and the Borrower's General Partner will jointly and severally submit for enforcement pursuant to art. 777 § 1, art. 5 of the Polish Civil Procedure Code for up to PLN 1 143 000. The Issuer will disclose the Support Agreement's signing and establishment of the collateral referred to in the preceding sentence in a separate current report.

Other provisions of the Agreement, including those pertaining to termination, do not differ from the terms typically applied to this type of agreement.

At the same time, the Issuer clarifies that the Agreement constitutes an element of the growth strategy for the Issuer's Group's property development companies, aimed at securing an optimal financing structure for their on-going property projects.

Robert Pydzik

President of the Management Board

Agnieszka Maliszewska

Member of the Management Board