

Current report 12/2020**Report date: 26 March 2020****Issuer's abbreviated name: WIKANA****Subject: Issuer's statement on impact of coronavirus and COVID-19 pandemic on activities of Issuer and WIKANA Group**

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

Report content:

In connection with the spread of the SARS-CoV-2 virus, which causes the COVID-19 disease, and the state of pandemic announced in Poland from 20 March 2020, and guided by recommendations from the Polish Financial Supervision Authority and the European Securities and Markets Authority (ESMA) as well as other EU and national authorities supervising financial markets, the Management Board of WIKANA S.A. ("Issuer," "Company") notes the potential impact of SARS-CoV-2 and COVID-19 on the activities, financial results or perspectives of the Issuer and WIKANA Group.

According to the best knowledge of the Issuer's Management Board at the date on which this report is published, it is not possible to conclusively determine the eventual impact of SARS-CoV-2, which depends on factors that are independent of the Issuer. However, the expected effects of the pandemic might potentially have an adverse impact. This does not change the fact that at the date on which this report is published, according to the best knowledge of the Issuer's Management Board, the above does not have a material impact on the day-to-day activities of the Issuer or WIKANA Group.

Based on preliminary analyses, the Issuer has assessed the potential future effects of the pandemic, especially with regard to:

- sales dynamics for residential and service units, in the form of: delays in signing booking, contingent, property development contracts and deeds transferring unit ownership, especially due to the limited activity of notarial offices as well as potential delays in examining credit applications from the customers of the Issuer's companies and the pay-out of credit tranches, potentially stricter criteria for granting mortgage loans by banks or other distortions on the residential or banking market as well as potentially customers falling sick or being subjected to quarantine,
- delayed administrative proceedings (concerning decisions on construction permits and use permits), procedures concerning financing from banks (as regards financing for on-going and planned property development projects) and court proceedings (especially at the land and mortgage register court),
- the timeliness of project implementation (on-going and planned), including in connection with potential delays in construction works caused by possible staff shortages or disruptions in the continuity of supply of materials and components,

- the availability and terms of new financing, if banks and other lenders are materially affected by the economic slowdown.

According to the Issuer's Management Board, depending on how long the current situation will last and how severe the restrictions introduced by state authorities will be, there is a threat of an economic slowdown, which in the longer term may have an impact on the property market, including mainly on demand, but also on the availability and terms of financing for investments and property development project schedules.

The above assessment was prepared on the basis of the best knowledge of the Company's Management Board as of the date on which this current report was published. The ultimate impact of the pandemic and the severity of this impact are currently unknown, unpredictable and dependent on factors that are beyond the Company's control or influence.

The Issuer is continuously monitoring the situation related to the impact of SARS-CoV-2 and COVID-19 on the Group's activities. The Management Board is currently unable to estimate the scale of the pandemic's impact on results in future periods.

Piotr Kwaśniewski
President of the Management Board

Paweł Chołota
Member of the Management Board