

Current report 17/2017

Report date: 9 May 2017

Issuer's abbreviated name: WIKANA

Subject: Significant contract executed by subsidiary

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

Report content:

The Management Board of WIKANA S.A. ("Issuer") announces that on 9 May 2017 a subsidiary of the Issuer - WIKANA MERITUM Sp. z o.o. SIGMA Sp.k., based in Lublin, ("Subsidiary") executed a construction services contract with DESERTO Sp. z o.o., based in Przeworsk, ("Contractor") ("Contract") consisting of the development of a set of four residential multi-family buildings (O, P, R, S), connected by two common underground parking lots, together with internal installations and associated infrastructure, as part of a subsequent phase of the Osiedle Zielone Tarasy investment in Rzeszów. The Issuer notes that it has so far developed nine buildings within this investment.

92 residential units will be developed under the stage covered by the Contract.

As per the Contract, the task will be completed by 15 November 2018.

Remuneration for the performance of the Contract is a flat fee of PLN 18 426 000 net.

The Contract provides for contractual penalties for the Contractor, including for failure to complete the Agreement within the specified deadline, failure to remove faults under warranty within the given deadline and termination of the Contract by the Subsidiary due to Contractor fault. The Subsidiary has the right to seek supplementary compensation up to the amount of damages actually suffered, provided that the amount of damage exceeds the amount of contractual penalties received. The Contractor is entitled to receive a contractual penalty from the Subsidiary for withdrawal from the Contract at the Subsidiary's fault or delay in final handover. Contractual penalties may be calculated in aggregate, provided that the total does not exceed 10% of the value of the Contract.

The Contract does not include a condition or deadline precedent, however both of the Parties are entitled to withdraw from the unfinished part of the Contract by 10 June 2017: The Contractor - in the event that the Subsidiary fails to submit a declaration on financing from the institution financing the object of the Contract by the above-mentioned date, and the Subsidiary - only if it submits the above-mentioned declaration.

The other terms of the Contract do not differ from the terms typically applied to this type of agreement.

Agnieszka Maliszewska

Vice-President of the Management Board

Marta Kruk

Member of the Management Board