

**Current report 33/2018**

**Report date: 19 November 2018**

**Issuer's abbreviated name: WIKANA**

**Subject: Significant agreements executed by subsidiary**

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

Report content:

The Management Board of WIKANA S.A. ("Issuer") announces that on 19 November 2018 a subsidiary of the Issuer - WIKANA MERITUM Sp. z o.o. PANORAMA Sp.k., based in Lublin ("Subsidiary") - executed the following with Zakład Budowlano-Montażowy "GRIMBUD" Sp. z o.o., based in Nowy Sącz ("Contractor"): agreement to perform construction works consisting of an investment task encompassing residential multi-family building "A" with an underground parking lot, together with connections, as the first stage of the WIKANA SQUARE investment being developed in Rzeszów, ul. Lenartowicza, and a construction works agreement for an investment tasks consisting of residential multi-family building "B" with an underground parking lot, together with connections, as the Investment's second stage ("Agreements" and separately each as "Agreement").

Building A will feature 138 residential units and building B will feature 142 units.

As per the Agreements, the tasks will be completed in the fourth quarter of 2020.

Remuneration for performance of the Agreements is a flat fee of PLN 29.6 million net for building A and PLN 30.9 million net for building B.

Each of the Agreements provides for contractual penalties for the Contractor, including for failure to complete the Agreement within the specified deadline, failure to remove defects under warranty within the given deadline and termination of the Agreement by the Subsidiary due to Contractor fault. The Contractor is entitled to receive a contractual penalty from the Subsidiary for withdrawal from the Agreement at the Subsidiary's fault or delay in final handover. The parties have 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. Contractual penalties may not exceed 10% of the value of the Agreement in aggregate.

The Agreements do not include conditions or deadlines precedent, however prior to 31 January 2019 each of the parties to the Agreement is entitled to withdraw from the Agreement, in its unfinished portion, with the stipulation that the Contractor has the right to submit a statement on withdrawal only if the Subsidiary fails to provide by 31 December 2018 a statement on having secured financing for the subject of the Agreement from a financing institution, while the Subsidiary has the right to submit a withdrawal statement only along with a statement on having failed to secure financing from a financing institution. Furthermore, given that a model guarantee for Agreement performance and model guarantee for defects, which is an alternative to collateral securing the Company's claims, had not been agreed upon as of the date on which the Agreements were executed, and if the parties fail to agree on these model documents by 26 November 2018, the Contractor shall have the right to withdraw from the Agreement, with this right expiring when the construction site is handed over to the Contractor. Withdrawing from the Agreement due to

the aforementioned reasons does not give either of the parties the right to impose contractual penalties.

The other terms of the Agreements, including those pertaining to termination by each of the parties, do not differ from the terms typically applied to this type of agreement.

*Agnieszka Maliszewska*  
*Vice-President of the Management Board*

*Paweł Chołota*  
*Member of the Management Board*