

**Current report 38/2017**

**Report date: 5 October 2017**

**Issuer's abbreviated name: WIKANA**

**Subject: Financing secured for subsidiary's property development projects**

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

Report content:

The Management Board of WIKANA S.A. ("Issuer") announces that on 5 October 2017 a subsidiary of the Issuer - WIKANA PRIM Sp. z o.o. ZIELONE TARASY Sp.k., based in Lublin ("Borrower"), executed a PLN 18.7 million construction and mortgage credit agreement with mBank Hipoteczny S.A., based in Warsaw ("Bank"), ("Credit Facility") intended for the development of six multi-unit buildings marked as: B1, B2, B3, B6, B7 and B8 being developed as part of two stages of the Osiedle Marina B investment in Lublin. Agreements concerning performance of construction work consisting of the development of these buildings were communicated by the Issuer via current reports 26/2017 and 27/2017.

The final repayment date for the Credit Facility is 28 September 2021. Interest on the Credit Facility is variable and established based on WIBOR 3M plus bank margin. Collateral for the Credit Facility includes, among other things, a joint contractual mortgage for up to approx. PLN 37.4 million on the properties on which buildings B1, B2, B3, B6, B7 and B8 will be built, register and financial pledge on all shares in the share capital of the Borrower's General Partner, assignment to the Bank of rights under agreement with the general contractor and other construction contracts, together with a contract performance security and a declaration by the Borrower on voluntary submission for enforcement pursuant to art. 777 § 1, sec. 5 of the Polish Civil Procedure Code for up to approx. PLN 37.4 million valid until 31 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 approx. PLN 2.0 million if the Investment's expected costs are exceeded. 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, sec. 5 of the Polish Civil Procedure Code for up to approx. PLN 2.0 million. Significant events related to performance of the Agreement will be communicated by the Issuer via subsequent current reports.

The 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.

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

*Paweł Chołota*  
*Member of the Management Board*