

Current report 38/2018

Report date: 30 November 2018

Issuer's abbreviated name: WIKANA

Subject: Financing secured for subsidiary's property development project

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

Report content:

The Management Board of WIKANA S.A. ("Issuer") announces that on 30 November 2018 a subsidiary of the Issuer - WIKANA PRIM Sp. z o.o. PANORAMA Sp. k., based in Lublin (formerly: WIKANA MERITUM Sp. z o.o. PANORAMA Sp.k., hereinafter the "Borrower") - executed an agreement with mBank Hipoteczny S.A., based in Warsaw, ("Bank") concerning a construction and mortgage credit facility agreement ("Credit Facility") of PLN 34.9 million ("Agreement"), intended for a property development project consisting of the construction of a residential multi-family building A, together with an underground carpark, as the first stage of the WIKANA SQUARE investment being realised in Rzeszów, ul. Lenartowicza ("Investment"). The Issuer announced the execution of a comprehensive construction services contract under the Investment in current report 33/2018 of 19 November 2018.

The final repayment date for the Credit Facility is 28 October 2022. Interest on the Loan is variable and established based on WIBOR 3M plus bank margin. Collateral for the Credit Facility is as follows: joint contractual mortgage for up to nearly PLN 69.8 million on two properties owned by WIKANA Group entities, including the property that is to be used for the Investment, registered 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 nearly PLN 69.8 million until 31 October 2025.

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 3.6 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 PLN 3.6 million. Significant events related to performance of the Agreement will be communicated by the Issuer via separate current reports.

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 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