

Current report 43/2016

Report date: 27 July 2016

Issuer's abbreviated name: WIKANA

Subject: Financing-related agreements for property development project signed by subsidiary

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

Report content:

The Management Board of WIKANA S.A. ("Issuer") announces that on 27 July 2016 a subsidiary of the Issuer - WIKANA FORTEM Sp. z o.o. ACER S.K., based in Lublin ("Subsidiary"), executed a construction loan agreement with RAIFFEISEN BANK POLSKA S.A., based in Warsaw ("Bank"), concerning liabilities of up to PLN 8.6 million, and a VAT loan for liabilities of up to PLN 0.4 million ("Agreement"; the construction loan and VAT loan together referred to as "Loans"), in order to raise capital for the Miasteczko Wikana B13 investment project being executed in Lublin ("Investment"). The Loans will be repaid in monthly instalments, with a final repayment deadline on 29 September 2017. The Agreement provides for the option of early repayment of the Loans, as well as mandatory early repayment of the Loans in the event that the Company's properties where the Investment is to be located ("Properties") are significantly damaged or sold. Interest on the Loans is variable and established based on WIBOR 1M plus bank margin. Collateral for the Loans includes: a joint contractual mortgage of up to PLN 13.5 million established on the Properties, as well as pledge agreements for the same amount concerning the Subsidiary's assets, the ownership rights of the Issuer and the Subsidiary's general partner, i.e. WIKANA FORTEM Sp. z o.o., based in Lublin ("WIKANA FORTEM"), and shares of WIKANA FORTEM, with the stipulation that the assets which will be used as collateral do not constitute significant assets according to the Issuer's criteria. Regardless of the above, upon signature of the Agreement these items are also subject to enforcement pursuant to art. 777 of the Polish Civil Procedure Code for up to PLN 12.9 million or PLN 13.5 million by 29 September 2020.

Immediately after the Agreement was signed, an irrevocable and unconditional guarantee for the repayment of the Subsidiary's liabilities resulting from the Agreement of up to PLN 8.6 million by 29 March 2018 was issued by the Issuer for the Bank as collateral for the Loans. The guarantee was issued on market terms. Furthermore, in connection with the above Agreement, a project support agreement was signed between the Subsidiary, WIKANA FORTEM, the Issuer and the Bank ("Support Agreement"), pursuant to which the Issuer and WIKANA FORTEM have undertaken to support the Subsidiary, at the Bank's request, in executing the Investment by providing up to PLN 9 million. The above-mentioned support may be provided in the form of a subordinated loan, increase in the Subsidiary's capital or payment for certain expenses incurred by the Subsidiary. The support is granted until the day on which the Bank's receivables from the Subsidiary are paid or until the Support Agreement expires pursuant to commonly applicable rules of law.

Neither the Agreement nor the Support Agreement ("Agreements") contain any contractual penalty provisions, and their other provisions do not differ from the terms typically applied to this type of agreement. The Agreements are not subject to any condition or deadline

precedent. The value of the Agreements meets the Issuer's criterion for this type of agreement to be considered as significant.

Robert Pydzik
President of the Management Board

Agnieszka Maliszewska
Member of the Management Board