

Current report 45/2016

Report date: 18 August 2016

Issuer's abbreviated name: WIKANA

Subject: Significant agreement 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 18 August 2016 a subsidiary of the Issuer: WIKANA PRIM Sp. z o.o. BETA S.K.A. ("Subsidiary") executed a contract with LUBELSKIE PRZEDSIĘBIORSTWO BUDOWLANE Sp. z o.o. ("Contractor") concerning comprehensive construction services ("Contract"), consisting of the construction of a set of residential multi-family buildings together with services and a closed-off underground parking lot as well as essential infrastructure and land development, namely buildings A4 and A5, being developed in Lublin, near the streets Ks. L. Zalewskiego and A. Słomkowskiego under a subsequent phase of the Osiedle Marina investment.

A total of 108 units will be built in the above buildings.

Deadline for performance of the Contract is set as December 2017.

Remuneration for the performance of the Contract is a flat fee of PLN 15 800 000 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, among others, 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.

Other terms of the Contract, including those pertaining to termination, do not differ from the terms typically applied to this type of agreement.

On the date on which the Contract was executed, the Subsidiary provided the Contractor with complete implementation documentation, which constituted a condition for the Contract to enter into force.

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

President of the Management Board
Robert Pydzik

Member of the Management Board
Agnieszka Maliszewska