

Current report: 47/2013

Report date: 10 December 2013

Issuer's abbreviated name:

WIKANA

Subject:

Execution of a significant agreement by a subsidiary of the Issuer. Criterion: total value of agreements between "ST INVEST" Z. Tarłowski, K. Szczech exceeds 10% of the Issuer's equity

Legal basis:

Art. 56 sec. 1 point 2 of the Act on Offerings - current and periodic information

Report content:

The management board of WIKANA S.A. (the "Issuer") announces that on 10 December 2013 a subsidiary of the Issuer, WIKANA Nieruchomości Sp. z o.o. 04 OSIEDLE S.K.A. (the "Ordering Party"), executed an agreement with "ST INVEST" Zbigniew Tarłowski, Karol Szczech s.c. (the "Contractor," "ST INVEST") concerning comprehensive construction work under phase 6 of the Świerkowa Aleja project in Zamość (the "Agreement").

As a result of the above agreement, the total aggregate value of agreements between WIKANA Group companies and ST INVEST executed in the past 12 months was PLN 12 857 720 net.

The subject of the agreement is comprehensive construction work consisting of: the construction of a residential multi-family building with media and a sewage connection, sewerage, rainwater system, gas infrastructure, internal roads, car park, lighting, garbage area and on ramps, on plot of land numbered 14/16 and a local road on plots of land numbered 28, 14/15 and 9/1 with an on ramp to plots of land numbered 14/9 and 14/10 at ul. Młyńska in Zamość, together with obtaining an unconditional use permit, and performed in accordance with a construction design approved through construction permit 306/2012 ref. AB-OZ.6740.1.260.2012.MS of 12 September 2012.

The following dates were established in the Agreement:

- commencement of works: 12 December 2013,
- completion of works: 29 November 2014.

In the events specified in the Agreement, such as force majeure, which the Contractor cannot predict or prevent and which result in the necessity to postpone or significantly limit work for a period longer than five days, the completion date may be moved, provided that the Ordering Party receives a written notification regarding the situation.

The value of the Agreement is PLN 6 650 000.00 net (the "Remuneration"). Partial settlements between the parties are permitted with consideration given to the means for using cash held at the residential custodial bank account in accordance with the provisions of the Act of 16 September 2011 concerning protecting the rights of buyers of residential or single-family units (Polish Journal of Laws of 2011 no. 232, item 1377), after assessment of the investment's progress in relation to the Agreement timetable, such as is in line with the investment timetable resulting from the agreement with the developer. Settlements will be performed based on invoices issued after establishing work progress and after meeting contractual conditions regarding work progress and liabilities towards sub-contractors.

The sum total of all partial invoices may not exceed 90% of the Remuneration. Final settlement will be performed based on a final invoice, issued pursuant to the handover protocol after obtaining the use permit.

The Agreement contains the following contractual penalty provisions:

- the Contractor will pay penalties to the Ordering Party for, among others, delays in performance of the subject of the Agreement and delays in removal of faults discovered during handover or in the course of the warranty period;
- the Ordering Party will pay penalties to the Contractor in the event that final handover is delayed;
- in the event that one of the parties terminates the Agreement, the party receiving the basis for termination will pay the terminating party a contractual penalty equal to 5% of the Remuneration;
- the Contractor has the right to charge statutory interest for each day of delay in the payment of invoices after the payment deadline specified in the Agreement and has the right to postpone work until such time as the Ordering Party settles all outstanding balances.

Different contractual penalties may be charged in aggregate, provided that they are in accordance with the terms. In accordance with the Agreement, all contractual penalties may not exceed 10% of the Remuneration.

The Contractor will offer a 36-month warranty period for all works, counting from signing the final, fault-free handover protocol. The Contractor will provide a warranty for all installed building installations and equipment, such as is equivalent to manufacturer warranty, however not shorter than 24 months.

The other conditions in the Agreement do not differ from the standard conditions applied to this type of agreement.

The aggregate value of the agreements with ST INVEST is significant due to the fact that it exceeds 10% of the Issuer's equity.

Detailed legal basis: § 5 sec. 1 point 3 of the Ordinance of the Minister of Finance of 19 February 2009 concerning current and periodic information disclosed by issuers of securities [...]

President of the Management Board
Sylwester Bogacki

Vice-President of the Management Board
Krzysztof Szaliłow