

Current report 57/2016

Report date: 10 November 2016

Issuer's abbreviated name: WIKANA

Subject: Resolution by WIKANA S.A.'s Management Board on bond issue

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

Report content:

The Management Board of WIKANA S.A. ("Issuer," "Company") announces that on 10 November 2016 it adopted a resolution to establish a bond issue programme under which the Company may issue, in one or more series, ordinary secured bearer bonds in dematerialised form, with issue price equal to par value, and total par value of no more than PLN 13.5 million, which will be offered pursuant to the procedure referred to in art. 33 point 2 of the Act on Bonds of 15 January 2015, i.e. through an invitation to purchase bonds sent to specific addressees, up to a maximum of 149 addressees.

On the same day, the Company's Management Board adopted a resolution on the issue of no more than 13 500 24-month secured bearer bonds series C-01, with par value of PLN 1 000 each and total issue value of no more than PLN 13 500 000.00 ("Bonds"), and on the content of the terms of issue for the Bonds ("Issue Terms"). The objective of the Bond issue is to finance investments being implemented by the Issuer or its subsidiaries. Subscriptions for the Bonds will be accepted from 10 November to 2 December 2016, with the stipulation that the Issuer may extend this period in accordance with the relevant provisions of the Issuer Terms. The Bond Issue will take place if at least 25 Bonds are correctly purchased and paid for. The Bonds will be allocated on 5 December 2016 ("Allocation Date").

Interest on the Bonds is fixed, amounting to 7% annually. Interest will be paid in arrears at the end of each interest period, which is three months. The final maturity for the Bonds is 5 December 2018, with possible early buyback of the Bonds by the Company at a premium, as specified in the Issue Terms.

The Bonds will be bought back through the payment of an amount constituting the product of multiplying the par value per Bond by the number of the Bonds, plus interest due. The Bonds will be de-materialised and will be entered into the register referred to in art. 8 sec. 2 point 3 of the Act on Bonds, and will be subsequently registered in a securities deposit maintained by depository Krajowy Depozyt Papierów Wartościowych S.A.

Collateral for the Bonds will constitute: a joint contractual mortgage of 140% of the issue value, established on certain properties belonging to the Issuer and properties owned by a subsidiary of the Issuer, a statement by the Issuer and its subsidiaries involved in the development projects being financed by the Bonds on voluntary submission for enforcement pursuant to art. 777 § 1 point 5 of the Polish Code of Civil Procedure up to an amount constituting 140% of the issue value. In addition, the Bonds will be secured by sureties issued by the SPVs executing the development projects being financed by the Bonds. The SPVs will establish escrow accounts where funds from the sale of apartments will go to - source of payment for the Bonds.

After the issue, the Issuer intends to apply for the Bonds to be introduced to the alternative trading system on the Catalyst market.

The Company further announces that as of 30 September 2016 the Issuer's liabilities amounted to PLN 41.2 million, including PLN 477 000 in overdue liabilities.

Robert Pydzik
President of the Management Board

Agnieszka Maliszewska
Member of the Management Board