

**Current report 7/2017**

**Report date: 10 February 2017**

**Issuer's abbreviated name: WIKANA**

**Subject: Significant contract 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 10 February 2017 a subsidiary of the Issuer - WIKANA PROPERTY Sp. z o.o. GAMMA Sp.k. ("Subsidiary") - executed a construction services agreement with INVEST PARTNER ARKADIUSZ MATUŁA - SPÓŁKA KOMANDYTOWA ("Contractor") ("Contract"), consisting of the development (in two phases) of three residential multifamily buildings (A, B, C), together with underground parking lots, installations and land management, under the fourth stage (B4) of the "Sky House" investment in Lublin.

The Issuer wishes to recall that it has so far developed two buildings (B1 and B2) as part of the "Sky House" investment in Lublin, and a third building (B3) is currently under construction.

The fourth stage (B4) will comprise 70 premises (including 68 residential units).

According to the Contract, the task will be completed within 14 months from when the construction site is handed over.

Remuneration for the performance of the Contract is a flat fee of PLN 9 350 000 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.

The Contract contains a condition precedent according to which a written statement declaring a lack of obstacles to developing an energy connection must be delivered by the Subsidiary to the Contractor by 31 March 2017.

*President of the Management Board*  
*Robert Pydzik*

*Member of the Management Board*  
*Agnieszka Maliszewska*